



PANGAEA
LOGISTICS SOLUTIONS



PANGAEA LOGISTICS SOLUTIONS LTD

ESG REPORT 2024

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ABOUT PANGAEA

Pangaea Logistics Solutions Ltd (Pangaea or the Company) is a dry bulk shipping company with expertise in the operation of bulk carriers and bulk logistics services. Pangaea is publicly listed on the New York NASDAQ exchange (NASDAQ: PANL).

Pangaea typically operates approximately 50 bulk carriers daily of which 26 are owned by the Company. We are headquartered in Newport, Rhode Island, with offices in Athens, Copenhagen, Singapore and New Orleans.

Pangaea transports a wide variety of commodities, including bauxite, cement, cement clinker, construction aggregates, fertilizers, grains, iron ore, limestone, metalics, direct reduced iron (A), (B) and (C), and steel scrap. The Company also operates port terminals and provides stevedoring and other logistics services.

Our network of Terminal Port operations spans throughout the US Gulf, US East Coast and Canada, handling dry bulk, break bulk, and containers. With our goal of offering fully integrated logistics services for our customers, we continue to focus on expanding our presence in these regions, and others, to further support our customers’ supply chains.

TRANSPARENT REPORTING

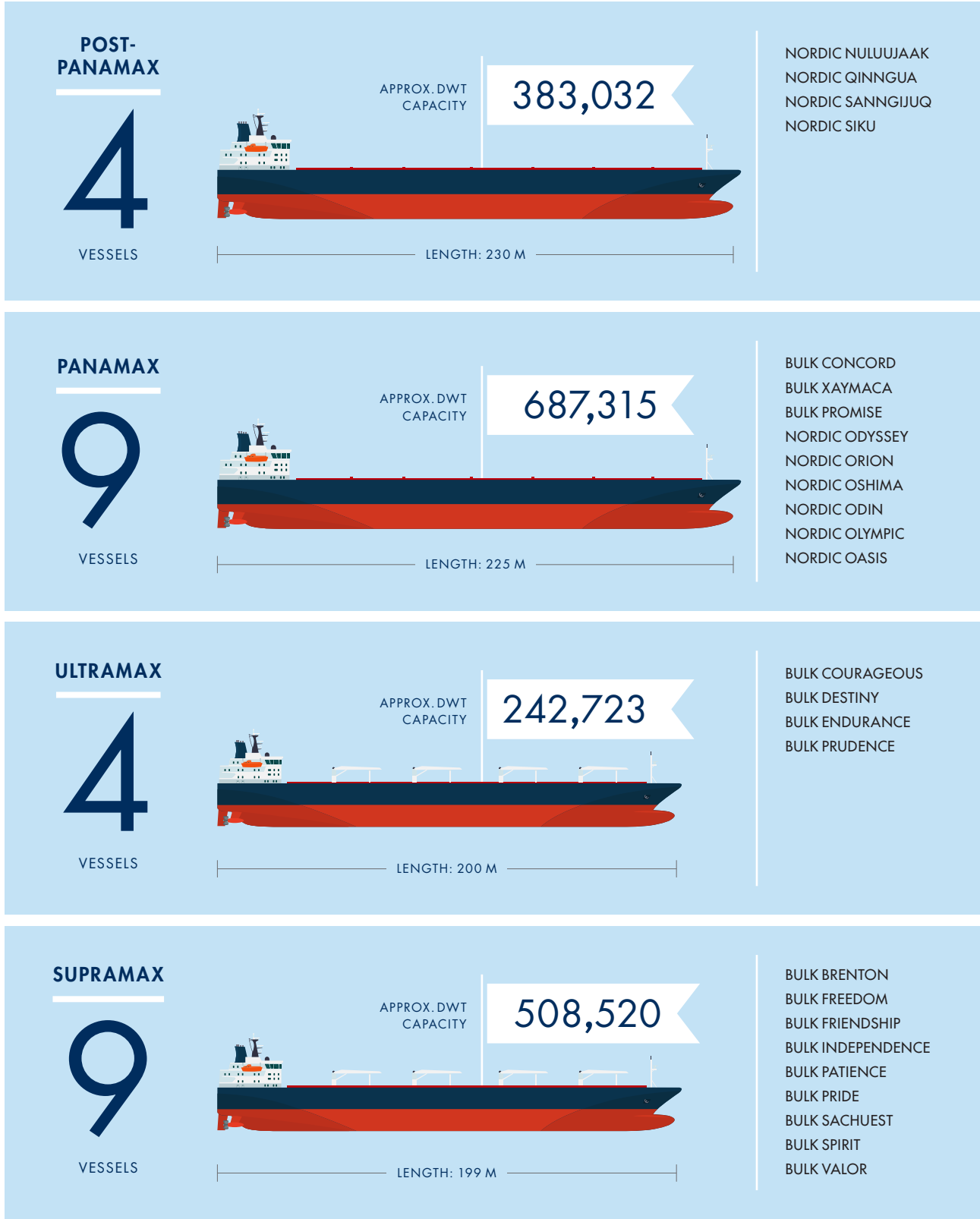
This is Pangaea Logistics Solutions Ltd.’s 2024 ESG standalone report. It meets the requirements of the Sustainability Accounting Standards Board (SASB), Marine Transportation Standard (2018). The report presents our performance in environmental, social and governance spectrums for the financial year from 1 January 2024 until 31 December 2024. The 15 vessels that were part of the Strategic transaction, were delivered on 30 December 2024 and have therefore not been included in this report. Throughout this report, Pangaea, the Company, we, us and our refers to Pangaea Logistics Solutions Ltd and its subsidiaries.

OWNED FLEET

Bulk carriers | VESSELS OPERATED IN 2024

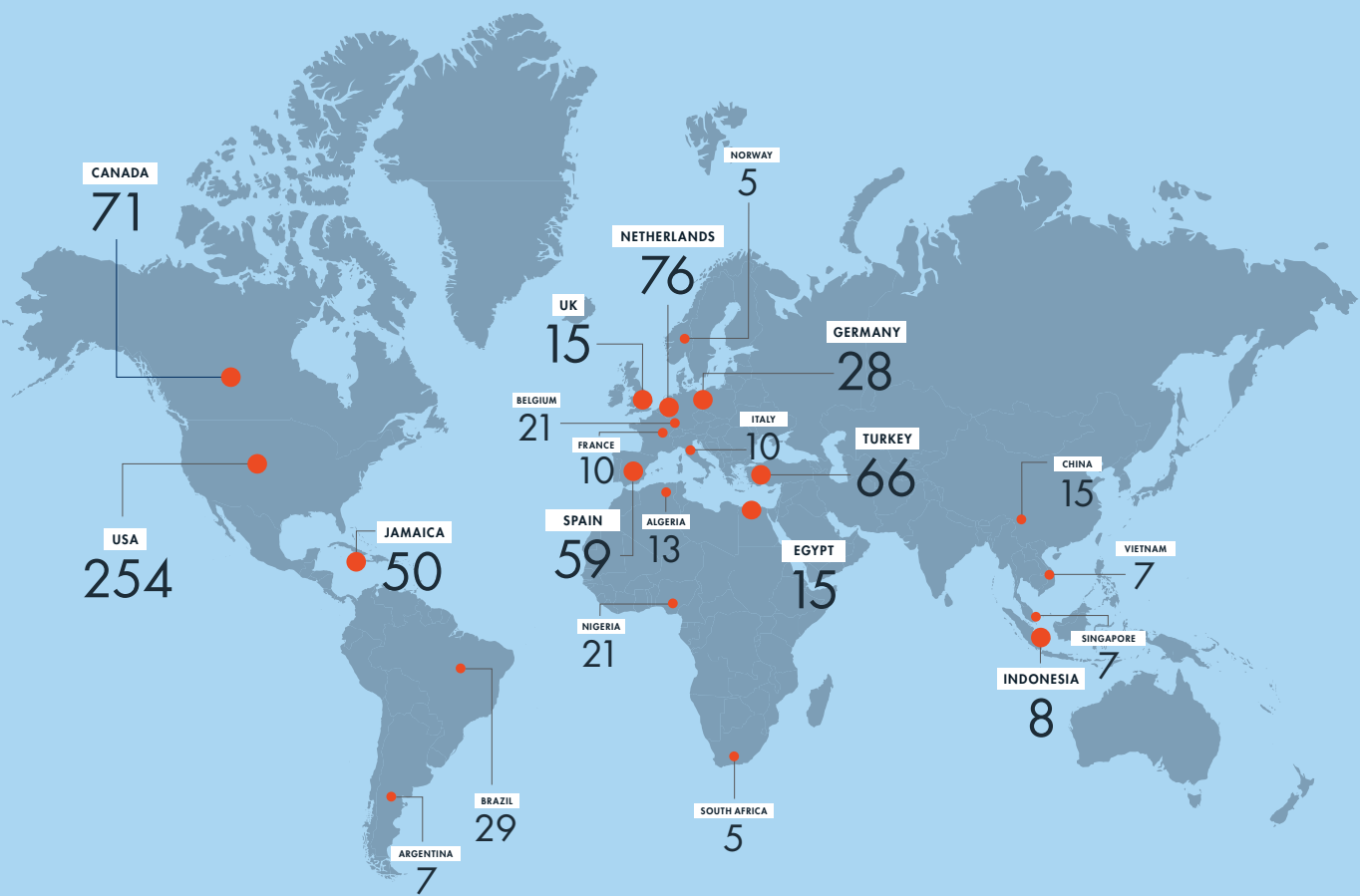
TOTAL FLEET DWT CAPACITY

1,825,590



PANGAEA'S GLOBAL PRESENCE

Number of port calls in our most visited countries in 2024



CEO STATEMENT

We all share a collective responsibility to operate sustainably and protect the environment for future generations. I am pleased to introduce Pangaea's 2024 ESG report, which outlines the progress we have made over the past year, reflecting our ongoing efforts to create long-term value while contributing to a cleaner, safer, and more resilient maritime industry.

In 2024, Pangaea reaffirmed its commitment to responsible business practices through a strong emphasis on environmental, social, and governance (ESG) initiatives. Our people remain the foundation of our success, and we continue to prioritize their safety, training, and well-being as a core element of our sustainability strategy. During the year, we furthered this commitment by initiating the establishment of a cross-functional safety team, overseeing both terminals and vessels. Consistent safety meetings, common procedures, and strong policies underscore our culture of accountability. We have also been diligently focusing on the reduction of greenhouse gas emissions from our fleet – the most significant environmental impact of our operations. We have made measurable progress this year by enhancing our vessel performance monitoring capabilities and taking proactive steps to mitigate inefficiencies.

In April 2025, the International Maritime Organization (IMO) announced a historic step toward global net-zero shipping emissions by 2050, introducing a binding framework combining emissions limits and carbon pricing across the industry. We fully endorse this initiative and align our efficiency programs to support this global objective.

A key pillar of our 2024 efforts has been the strengthening of our management systems and data infrastructure. We have emphasis on systematizing the collection, integration, and analysis of performance and safety data – supporting not only our environmental goals but also the wellbeing and safety of our workforce. These systems serve as the backbone for driving performance improvements, reinforcing compliance, and ensuring a proactive approach to both environmental stewardship and employee safety.

This year, we renewed two of the vessels in our fleet, in line with our strategic focus on investing in newer, more fuel-efficient ships. Alongside this, we seek to implement meaningful upgrades across our existing fleet to enhance fuel economy and reduce emissions. These efforts align with our operational objectives, supported by a unified vessel monitoring platform that leverages real-time data to enable optimization of fleet performance.

As a result, we improved our wAER by 2% this year – an important development as this is one of the key metrics that guide our sustainability journey.

Looking ahead, our strategic direction will emphasize continued CO₂ reduction, AER reduction, consistent monitoring, compliance with the Carbon Intensity Indicator (CII), and alignment with the FUEL EU Maritime framework. In addition, we will maintain our focus on health and safety by maintaining strict procedural standards to prevent accidents and ensure safe, responsible operations.

At Pangaea, sustainability is more than compliance – it is a core pillar of our long-term value creation strategy. We remain dedicated to shaping a more efficient, safer, and environmentally responsible future for the maritime industry.



Mark Filanowski
Chief Executive Officer
Pangaea Logistics Solutions Ltd.

HIGHLIGHTS OF 2024

VESSELS OPERATED IN 2024



DEADWEIGHT TONNAGE



Environment

GRAMS OF CO₂ PER TON-NAUTICAL MILE



Social

LTIR (LOST TIME INCIDENTS RATE)

0.63

DIVERSITY AMONG ONSHORE EMPLOYEES

21%
WOMEN



Governance

PORT STATE CONTROL DETENTIONS (PSC)

zero









TOTAL AMOUNT OF MONETARY LOSSES AS A RESULT OF LEGAL PROCEEDINGS ASSOCIATED WITH BRIBERY OR CORRUPTION

zero



EXTERNAL COMMITMENTS

Global sustainability challenges cannot be solved without joint efforts and collaboration. Pangaea is committed to partake in this collective project and work to embed sustainability throughout its operations.

 <p>GREEN MARINE ALLIANCE VERTE</p> <p>The Marine Mammal Observation Network organized by Green Marine, and applicable when operating in the Canadian Arctic (the company is a reporting member)</p>	 <p>Clean OCEAN ACCESS</p> <p>Clean Ocean Access supports sustainable activities in and around Narragansett Bay.</p>	 <p>DanishShipping</p> <p>Charter for More Women in Shipping in Shipping initiated by Danish Shipping. By signing this charter, Pangaea commits to actively focus on gender equality within its organization.</p>
 <p>AMVER</p> <p>The vessels under the management of Seamar Management SA are active participants in the Assistance Vessel Rescue System.</p>	 <p>The Neptune Declaration on Seafarer Wellbeing and Crew Change</p> <p>The Neptune Declaration supports and promotes the welfare of the seafarers.</p>	 <p>The Gulf of Guinea Declaration on Suppression of Piracy</p> <p>The Gulf of Guinea Declaration counters the rising instances of piracy and assures the safety, well-being and human rights of seafarers.</p>
 <p>WOODS HOLE OCEANOGRAPHIC INSTITUTION</p> <p>Woods Hole Oceanographic Institute Collaboration with WHOI focused on monitoring the vast and open ocean to enable a long-standing need for more scientific observations.</p>	 <p>SAVE THE BAY® NARRAGANSETT BAY</p> <p>Save the Bay has a mission to protect, restore, and improve Narragansett Bay.</p>	<p>Pangaea is also a member of The Baltic and International Maritime Council (BIMCO) and the Danish Shipowners' Association through our Danish subsidiary, which is part of the Innovation Committee. Senior leaders at Pangaea are also members of the American Bureau of Shipping (ABS).</p>

PANGAEA'S SUSTAINABILITY COMMITMENTS

Pangaea's ESG strategy is built on a set of commitments across the environmental, social, and governance spectrum. In 2024, we maintained our focus on capturing opportunities within the maritime industry while actively addressing sustainability challenges. The following page illustrates how we integrate the UN Sustainable Development Goals (SDGs) into our operations.



Environment

- 1 Investment into renewal & modernization of the fleet
- 2 Transition to a low carbon economy through digitization of our operations and research of innovative energy-efficiency technologies to reduce our carbon footprint
- 3 Minimizing environmental impacts
- 4 Supporting IMO's GHG Strategy of carbon intensity reductions
- 5 Trial of biofuels as a transition fuel towards decarbonization



Social

- 6 Fostering safety culture onboard and ashore
- 7 Creating an equal, diverse, and inclusive work environment
- 8 Training, education, and retention of our technical, operations and crew personnel



Governance

- 9 Compliance with laws and regulations, ensuring ethical conduct in the company
- 10 Ensuring responsible recycling
- 11 Close management of human rights risks in our value chain
- 12 Good and transparent governance



Ensure healthy lives and promote well-being for all at all ages

- Pangaea strictly observes and implements maritime regulatory frameworks, striving to ensure health and well-being of its employees and crew.
- The Company provides their employees with health benefits.
- The Company always promotes a motivating and re-warding workplace for all the people working here. The company strives to create an inspiring atmosphere where people can collaborate and be creative and where initiatives and high performance are being compensated with various other benefits and advancement opportunities.



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

- Pangaea strives to create resilient business by focusing on building a modern shipping fleet. Innovation is key to combating climate change and decarbonization of the marine shipping industry. Hence, the company adopts innovative, environmentally oriented technologies, enabling increased operational efficiency and enhancing its positive impact on the planet and people.
- In 2024, Pangaea continued testing the fuel optimization equipment installed on one of its vessels, with initial results showing promising improvements in performance and reductions in emissions. Additionally, by the end of 2025, the Company aims to have all vessels integrated into a unified performance platform, enabling real-time tracking of daily speed, fuel consumption, weather conditions, ocean currents, and routing efficiency, to support lower fuel use, further reducing emissions.
- Pangaea expanded its investment in the application of eco-friendly graphene-based propeller coatings, increasing their use across the fleet as vessels enter dry dock – improving propulsion efficiency.
- The company has engaged in a collaborative paint study with industry partners to evaluate advanced antifouling coatings, and are based on the findings, adopting high performance paints that enhance hull efficiency and supports the aim of reducing emissions.
- Pangaea continued its close collaboration with the Woods Hole Oceanographic Institution (WHOI) to assist in projects to advance marine research. (WHOI) to advance marine research.



Take urgent action to combat climate change and its impacts

- Pangaea focuses on energy efficiency to reduce greenhouse gas (GHG) emissions by endorsing IMO's GHG strategy, modernizing and renewing its fleet – in 2024 we renewed two of our vessels, with Bulk Brenton and Bulk Patience now being part of our fleet.
- The Company invested in modern hull coatings, enhancing fuel efficiency and reducing the environmental footprint.
- The Company continued its rigorous hull cleaning and propeller polishing policy and also investigated carefully available autonomous robotic solutions for preventive hull cleaning and completed a trial with one of these solutions.
- To optimize the speed of its vessels and hence reduce fuel consumption, the Company utilizes advance monitoring software and weather routing services that are based on forecasting algorithms and machine learning.
- Pangaea established Ship Energy Efficiency Management Plans (SEEMP) to improve the efficiency of our vessels.
- The Company strictly observes relevant laws and regulations for maritime transport sustainable operations.



Conserve and sustainably use the oceans, seas and marine resources for sustainable development

- Pangaea actively addresses sea and marine resources by ensuring compliance with relevant international laws and regulations.
- Pangaea is committed to conservation and protection of marine resources by closely monitoring its vessels with regards to protection of marine resources, especially when operating in marine protected areas. We report on shipping duration in marine protected areas.
- By having appropriate environmental safety processes in place, the Company prevents potential spills.
- To reduce the risks for potential pollution, the Company is working with ports authorities to maximize the management efforts.
- To combat the problem of pollution with invasive species from one area to another, Pangaea invested in modern ballast water treatment in 100% of its owned fleet.
- The Company is collaborating with various organizations (WHOI, Green Marine, Save the Bay, Clean Ocean) to support and promote clean oceans and protect marine resources.

ENVIRONMENT

Maritime shipping plays a vital role in global trade but also contributes to environmental challenges, affecting air and water quality, ecosystems, and biodiversity, as well as surrounding communities. As part of this global industry, Pangaea recognizes its responsibility to manage and reduce these environmental effects. This chapter outlines our ongoing efforts to support more sustainable maritime operations and our commitment to complying with all relevant environmental laws and regulations.

EMISSIONS

GHG EMISSIONS

Human activity is a well-established driver of climate change, and maritime shipping plays a notable role in this global challenge. Due to the scale of goods transported and the vast distances covered, the sector accounts for a significant portion of greenhouse gas (GHG) emissions, underscoring the urgent need for sustainable solutions. In April 2025, the International Maritime Organization (IMO) announced a historic step toward global net-zero shipping emissions by 2050, introducing a binding framework combining emissions limits and carbon pricing across the industry. We fully endorse this initiative and align our efficiency programs to support this global objective. To realize this ambition, Pangaea is actively investing in fleet modernization and efficiency improvements, as well as embracing innovative technologies.

A major component of our environmental management is centralized vessel monitoring. All Pangaea vessels are integrated under a unified performance platform that tracks daily speed, fuel consumption, weather patterns, currents, and routing efficiency. This system allows us to perform voyage optimization, leading to lower fuel use and operational costs. Our goal is to track fuel and power consumption of our owned fleet in real-time, which provides access to immediate and actionable data allowing us to operate and maintain our fleet in the most efficient manner.

2% wAER reduction in 2024

Further optimization of environmental performance of our fleet is also supported by investment in younger, more fuel-efficient vessels and making targeted upgrades to existing tonnage.

With growing regulatory requirements aimed at reducing CO₂ emissions, alongside rising expectations from capital markets and stakeholders, the marine shipping industry is under significant pressure to accelerate its decarbonization efforts. While a commercially viable solution for carbon-free marine transportation has yet to emerge, Pangaea remains committed to advancing greenhouse gas reduction through enhanced energy efficiency and continuous operational optimization. Despite an increase in CO₂ emissions in absolute terms, Pangaea improved its wAER by 2%, from 4.15% in 2023 to 4.05% in 2024. This shows that emissions per DWT*nm is improving, and our tonnage is becoming more efficient.

AIR QUALITY

Air emissions – including sulfur oxides (SO_x), nitrogen oxides (NO_x), and particulate matter (PM) – remain a significant environmental and public health concern within the maritime industry, as they are directly linked to fuel consumption. These pollutants disproportionately affect air quality in port cities and coastal communities, contributing to growing regulatory pressure at both regional and global levels. In response, the shipping sector is undergoing a critical shift toward adopting cleaner fuels, advanced engine technologies, and more efficient vessel operations.

Recognizing both the environmental and financial implications of this transition, Pangaea has adopted a proactive approach to emissions management. We are committed to reducing our environmental impact through improved fuel efficiency and performance optimization across our fleet. This strategy not only mitigates regulatory risk

and supports compliance with evolving emissions standards but also enhances operational cost-effectiveness, delivering value to our customers and stakeholders alike.

Our investment in fleet renewal is a key component of Pangaea's long-term sustainability strategy. By integrating more modern, fuel-efficient vessels and upgrading existing assets with emissions-reducing technologies, we aim to reduce our operational footprint while maintaining a commercially competitive fleet. Though these upgrades represent a meaningful short-term capital investment, they are expected to generate substantial fuel cost savings and emissions reductions over time.

Ultimately, Pangaea's approach reflects our efforts to align environmental responsibility with financial performance, positioning the Company to meet the rising expectations of regulators, customers, and capital markets.



NEW INNOVATIVE SOLUTIONS

In 2024, reinforcing our commitment to enhancing fleet efficiency, we allocated additional resources toward upgrading vessel performance through targeted technical improvements.

An overview of these achievements is included below:

By the end of 2025 we aim to have all Pangaea vessels integrated under a unified performance platform that tracks daily speed, fuel consumption, weather patterns, currents, and routing efficiency. This system allows us to perform voyage optimization, leading to lower fuel use and operational costs. We also leverage the DNV platform to ensure full compliance with EU ETS and FUEL EU requirements, with statements available upon verification.

While Pangaea already employs advanced tools for performance monitoring, the company is continuing the process of installing onboard telemetry systems that integrate electronic sensors with digital equipment to further enhance data collection and operational insight.

In 2024 Pangaea continued evaluating the fuel optimization equipment installed on one of our vessels last year. Preliminary results indicate fuel savings of approximately 2–3%, supporting the potential for broader investment and implementation. Designed with an intuitive, user-friendly interface on the bridge, the system enhances operational efficiency by enabling real-time monitoring of fuel consumption and emissions, contributing to our broader sustainability objectives.

Pangaea has continued investing in and implementing an innovative graphene-based coating for propellers throughout the year as vessels enter dry dock. This eco-friendly solution reduces marine growth and enhances propulsion efficiency, all while avoiding the release of harmful toxins or biocides into the marine environment.

The Company has engaged in a collaborative paint study with industry partners to evaluate advanced antifouling coatings. Based on the findings, we are adopting high-performance paints that enhance hull efficiency and further reduce emissions.

We have partnered with Manta Marine Technologies to install Variable Frequency Drives (VFDs) across our fleet. These advanced systems intelligently regulate the speed of pumps and fans based on real-time demand, resulting in significant reductions in onboard power consumption. By optimizing energy use, VFDs contribute to improved fuel efficiency and lower CO₂ emissions, supporting our broader commitment to sustainable and efficient vessel operations.

COLLABORATIVE SCIENCE PROJECT ABOARD THE MV BULK XAYMACA

In 2024 Pangaea continued its collaboration with the Woods Hole Oceanographic Institution's (WHOI) on the Science Research on Commercial Ships (Science RoCS). The initiative connects scientists with commercial vessels to regularly monitor the vast and open ocean, particularly along repeat routes in hard-to-reach areas. Pangaea's vessel Bulk Xaymaca began participating in the project in the first quarter of 2022.

MV Bulk Xaymaca regularly crosses the western Caribbean and Gulf of Mexico where measurements of the ocean and atmosphere from traditional oceanographic research vessels are scarce.

Ongoing cooperation between Pangaea Logistics Solutions and scientists from institutions comprised of WHOI, University of Hawaii, University of Rhode Island, Stony Brook University, and Florida State University has culminated in another year of valuable data acquisition.

The vessel collected data, such as the speed of ocean currents, seawater temperature, and salinity, which helps scientists forecast weather, understand climate change, and predict flows that spread flora, fauna, and contaminants. The initiative is focused on making ships' science data streams broadly available onshore and helping inform changes that can make human activity, including shipping, more sustainable as it relates to the health of the ocean.



ECOLOGICAL IMPACTS

POLLUTION

Ballast water is used to provide stability, optimize trim, and reduce stress on the vessel's hull. However, ballast water contains various organisms, and when taken from one region and released in another, the species can potentially become invasive to ecosystems and pose a serious ecological or economic risk, endangering local communities. Per year-end 2024, 100% of Pangaea's owned fleet was equipped with modern ballast water treatment systems.

In addition, we have chosen not to install scrubbers on our fleet, eliminating any need for additional fluid discharge into the marine environment caused by open loop scrubbing. In the case of closed-loop scrubbing, it reduces the need for the necessary periodic removal of toxic waste to shore, which again introduces the need for disposal. Our technical management policies and strict system processes reflect our commitment to avoidance of any potential spills.

We foster a company culture that ensures environmental protection, and our target of zero spills reflects our ambitions in this area. In 2024, Pangaea reached the target with no spill incidents.

RECYCLING

We are committed to responsible recycling, performed with respect for the environment, human health, and safety. The Company retires its oldest vessels through industry recycling methods, including scrapping in ship-breaking yards on the Indian subcontinent. These recycling methods are being closely reviewed by various official and unofficial entities who are attempting to designate new international standards for work safety and environmental concerns in the recycling processes.

Pangaea is closely monitoring the developments in the regulatory landscape so that when appropriate standards come into force, the Company will implement them. In the meantime, Pangaea focuses on strict compliance with the standards developed under the International Maritime Organization's Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships.

In the coming year, Pangaea will establish a concrete target for the recycling of waste, ensuring that it meets our ambitions.

SOCIAL

At Pangaea, we understand that our success is driven by the commitment and expertise of our dedicated team who are the foundation of our organization. We are devoted to creating a workplace where every individual is respected, valued, and empowered to develop professionally. Our people are our greatest asset, and their health and safety remain top priorities across all areas of our operations.

SAFETY, LABOR CONDITIONS, AND HUMAN RIGHTS



EMPLOYEE HEALTH AND SAFETY, AND SECURITY

The safety and well-being of our employees is our highest priority at Pangaea. This commitment is reflected in the consistent application of comprehensive safety standards and procedures across all our global operations. We continually strive to mitigate safety risks inherent in our industry, particularly those associated with exposure to hazardous weather conditions and cargo handling at ports, which pose significant risks to our crew.

Recognizing that the health and safety of our crew are vital to the Company's safe and efficient operations, Pangaea is unwavering in its efforts to uphold stringent safety management processes. This commitment extends to safeguarding our workers, fleet, and the environment through the implementation of appropriate and effective safety measures.

Pangaea's Health, Safety, and Environment (HSE) performance undergo regular presentation and review by the Board, underscoring our commitment to maintaining high safety standards.

We are committed to cultivating a Company culture that ensures safety both at sea and onshore. We remain focused on maintaining full preparedness for external inspections and are actively implementing measures to support long-term staff retention and continuity. Pangaea's targets reflect its ambitions and guide the performance within HSE.



¹ Employees to identify and eliminate their unsafe behaviors and those of their co-workers proactively and routinely. Behaviors, unsafe conditions, and other precursors that can lead to incidents to be recorded, analyzed, and addressed.

² Complaints related to MLC 2006: Promote health awareness of seagoing personnel. Improvement of applicable health, safety, and quality standards. Continuous reduction of occupational health hazards.

³ An intervention action by the port state, taken when the condition of a ship or its crew does not correspond substantially with the applicable conventions.

In 2024, we strengthened our safety management structure by adding a full-time senior safety role and initiating the formation of a dedicated safety team responsible for both terminals and vessels. This team is supported by regular safety meetings and company-wide standardized procedures. To further enhance security in high-risk port areas, we will implement a comprehensive set of measures, including armed or unarmed watchmen, escort vessels, canine-assisted stowaway inspections, and remote surveillance through the Vanguard Digital Guard system.

Our lost time incident rate (LTIR) was 0.63 in 2024, a decrease from the previous year (1.04 in 2023). We are constantly working on improving safety awareness and preventing any job-related injuries. In 2024, we recorded no serious injuries on board our ships.

This year, we strengthened our focus on building a cohesive company culture by promoting teamwork and cross-office collaboration. Increased opportunities for employees to travel and work from different locations have helped enhance team bonding and reinforce a unified workplace environment.

Going forward, we will continue to strengthen and prioritize our HSE strategy by focusing on managing risks across our operations, fostering strong HSE leadership and creating a proactive HSE company culture. This approach will be supported by comprehensive training programs, clear policies, and robust procedures to ensure consistent and effective implementation.

DIVERSITY, EQUALITY AND INCLUSION

Pangaea recognizes the importance of inclusion, diversity, non-discrimination, and equality regardless of ethnicity, national origin, gender, age, disability, sexual orientation, or religion. We strive to provide an inclusive work environment for our employees.

By the end of 2024, there were 21% women in our total onshore workforce, representing a 1% decrease from last year. This variation can be explained by natural changes in the workforce over the year. There were three women in leadership positions. There was one female Board member in 2024, and the process to enhance the gender balance will continue. This includes exploring ways to attract female crew members.

CREW AND EMPLOYEES

In 2024, each of our vessels was crewed with 19–22 officers, crew members, and, on certain vessels, directly contracted officers.

Our technical managers were responsible for locating, contracting, and retaining qualified officers for its vessels. To ensure that all the crew members on Pangaea's vessels have the qualifications and licenses required to comply with international regulations and shipping conventions, Pangaea has established detailed training policies.

In 2024, we continued the implementation of our learning management system (LMS) at our terminals. The LMS is designed for all terminal employees to further enhance our safety training and documentation. We also implemented our new official "Life Saving Rules". The rules contain a series of safety measures ranging from how to work at heights to instructions on crane operated load lifting. All terminal employees have been trained on these rules in an effort to reduce incidents and accidents. In terms of diversity, Pangaea recognizes that the gender balance of seafarers needs to be addressed. However, we already have a small number of female seafarers onboard, and we plan to increase that number.

By December 31, 2024, the Company had 178 shore-based personnel and approximately 542 seagoing personnel on its owned vessels. The shore-based personnel are employed in the United States, Athens, Copenhagen, and Singapore.

HUMAN RIGHTS

Pangaea is committed to respecting and protecting human rights as stipulated in the International Bill of Human Rights, the International Labor Organization's Fundamental Conventions, and the Maritime Labor Convention.

Being an international company, with global operations and supply chain, we recognize and assume our responsibilities to protect and promote human rights across our value chain. Pangaea has implemented a Human Rights Responsibility Policy that outlines the Company's support and respect for internationally recognized human rights, addressing also human trafficking and child labor. Pangaea strictly prohibits the use of human trafficking, bonded/forced work, and child labor and expects these same standards from the vendors, agents, and suppliers of products we purchase and services we employ.

Moving forward, Pangaea will strive to continuously work towards strengthening human rights management in its operations as well as in the value chain and focus on building awareness in the Company.

GOVERNANCE

Good corporate governance serves as the foundation for responsible business conduct. It provides a framework for effective risk management, regulatory compliance, and the promotion of a company culture rooted in integrity, transparency, and ethical business performance.

Pangaea’s governing documents and procedures guide its performance, inform the Company’s risk management, and ensure compliance with relevant international and national laws and regulations. Pangaea is committed to responsible and ethical business conduct throughout its operations.

Good corporate governance is also a main priority for Pangaea’s Board. The Board, consisting currently of seven members, approves the Company’s policies, oversees its operations, and reviews updates on compliance and the Company’s ESG performance. In addition, the Board has established three committees to ensure that Pangaea fulfills its responsibilities to various stakeholders.

- 1 Audit Committee**
The Audit Committee assists the Board in fulfilling its responsibilities to shareholders and oversees the Company’s financial reporting processes. It also assesses risk monitoring and management processes. The Audit Committee also shares responsibility with the Board to oversee sustainability initiatives and climate-related risks.
- 2 Compensation Committee**
The Compensation Committee assists the Board in ensuring retention and succession plans for key executives, as well as the periodic review of the Company’s compensation strategy and its alignment with the long-term goals of the Company.
- 3 Nominating and ESG Committee**
The Nominating Committee assists the Board in ensuring the appropriate size, functioning, and needs of the Board including, but not limited to, recruitment of high-quality Board members and committee composition and structure. In addition, this committee oversees the company’s ESG performance ensuring that the company operates in line with international regulation as well as company-specific targets.

Pangaea’s governing documents

- Code of Ethics
- Human Rights Responsibility
- Anti-Corruption Compliance Policy
- Insider Trading Policy and IT Acceptable Use Policy
- Related Person Transactions Policy
- Whistleblowing Policy
- IT Acceptable Use Policy

WHISTLEBLOWING

Pangaea encourages reporting of any wrongdoing and relies on the good faith of its employees and external parties to report justified complaints of wrongdoing and/or inappropriate behavior at any level. The Whistleblower Policy outlines the complaint and investigation procedures for concerns regarding any alleged misconduct, including in particular questionable accounting or auditing matters, violations of law, rules, regulations and/or direct threats to public interest, such as fraud, health or safety violations, and corruption. Complaints and concerns are treated in strict confidence and as anonymously as possible in the required investigations. In 2024, no whistle-blowing cases were reported.

BUSINESS ETHICS AND ANTI-CORRUPTION

As a company with global operations, we are often exposed to a vast array of challenges. Some are due to legislative frameworks or different cultures, while others place us in ethically challenging situations. Facilitation payment demands in ports, or other forms of corruption, are not an uncommon phenomenon for companies in the shipping industry. Therefore, shipping companies are under increasing international scrutiny to ensure strict compliance with anti-corruption and anti-bribery laws. Corruption impedes access to global markets, increases operational costs and poses legal and reputational risks to a company’s social license to operate.

Therefore, good and transparent governance is a crucial part of how we conduct business, both on shore and on our vessels. Pangaea’s Code of Ethics stipulates high standards and guides our behavior with regard to business integrity, transparency, compliance, and ethical business conduct. Pangaea’s Anti-Corruption Compliance Policy ensures the Company’s compliance with applicable anti-corruption laws and strictly prohibits all improper payments, transfers, bribes, all types of corrupt activity, and payments to public officials. The policies apply to all employees.

Suspected activities breaching our Anti-Corruption Compliance Policy should be communicated to our managers, the Board, Company’s Legal Department or the whistleblowing channel.

In 2024, no monetary loss as a result of legal proceedings associated with bribery or corruption was recorded.

INSIDER TRADING

Pangaea enforces strict policies on insider trading and related person transactions, which are supplemented by securities laws applicable to Pangaea and its employees. Individuals who fail to comply with the requirements of Pangaea’s Insider Trading Policy are subject to disciplinary action at the sole discretion of the Company, including dismissal for cause.



SASB DISCLOSURES

Accounting metric | Unit of measure | Data 2024 | Data 2023 | Data 2022 | Code

GREENHOUSE GAS EMISSIONS

CO ₂ emissions ^A					
Gross global Scope 1 emissions: Financial control approach	Metric tons CO ₂ -e	364,951	346,491	359,109	TR-MT-110a.1
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	Qualitative description	See pages 11-13			TR-MT-110a.2
Scope 2 emissions	Metric tons (t) CO ₂ -e	37	75	55	Additional

Energy consumed ^B					
Total energy consumed	Gigajoules (GJ)	4,878,195	4,697,414	5,098,965	TR-MT-110a.3
	Percentage (%)	100	100	100	
Percentage of energy from heavy fuel (%)	Gigajoules (GJ)	3,862,967	3,742,555	4,037,792	
	Percentage (%)	85	80	79	

wEEDI					
Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO ₂ per ton-nautical mile	3.62	3.86	3.55	TR-MT-110a.4

wAER ^C					
Average Efficiency Ratio (wAER): weighted average	Grams of CO ₂ per ton-nautical mile	4.05	4.15	4.29	Additional
Energy Efficiency Operating Indicator (wEEOI): weighted fleet average	Grams of CO ₂ per ton-nautical mile	8.41	7.7	8.39	Additional

Accounting metric | Unit of measure | Data 2024 | Data 2023 | Data 2022 | Code

AIR QUALITY

Other emissions to air ^D					
NO _x (excluding N ₂ O)	Metric tons	8,577	8,227	6,196	TR-MT-120a.1
SO _x	Metric tons	698	654	575	
Particulate matter	Metric tons	442	210	116	

ECOLOGICAL IMPACTS

Marine protected areas ^E					
Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	90	Not reported	Not reported	TR-MT-160a.1
Shipping duration in Emission Control Area Zones	Number of travel days	3,071	3,333	Not reported	Additional

Implemented ballast water					
Exchange	Percentage (%)	0	0	4	TR-MT-160a.2
Treatment	Percentage (%)	100	100	96	

Spills and releases to the environment					
Number	Number	0	0	0	TR-MT-160a.3
Aggregate volume	Cubic metres (m ³)	0	0	0	

BUSINESS ETHICS

Corruption index					
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	59	145	69	TR-MT-510a.1

Corruption					
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	0	0	TR-MT-510a.2

EMPLOYEE HEALTH & SAFETY

Lost time incident rate ^F					
Lost time incident rate (LTIR)	Rate	0.63	1.04	1.9	TR-MT-320a.1

ACCIDENT & SAFETY MANAGEMENT

Marine casualties ^G					
Incidents	Number	0	2	0	TR-MT-540a.1
Very serious marine casualties	Percentage (%)	0	0	0	

Conditions of class ^H					
Number of Conditions of Class or Recommendations	Number	35	49	15	TR-MT-540a.2

Port state control ^I					
(1) Deficiencies	Rate	0.69	0.73	0.51	TR-MT-540a.3
(2) Detentions	Number	0	0	0	

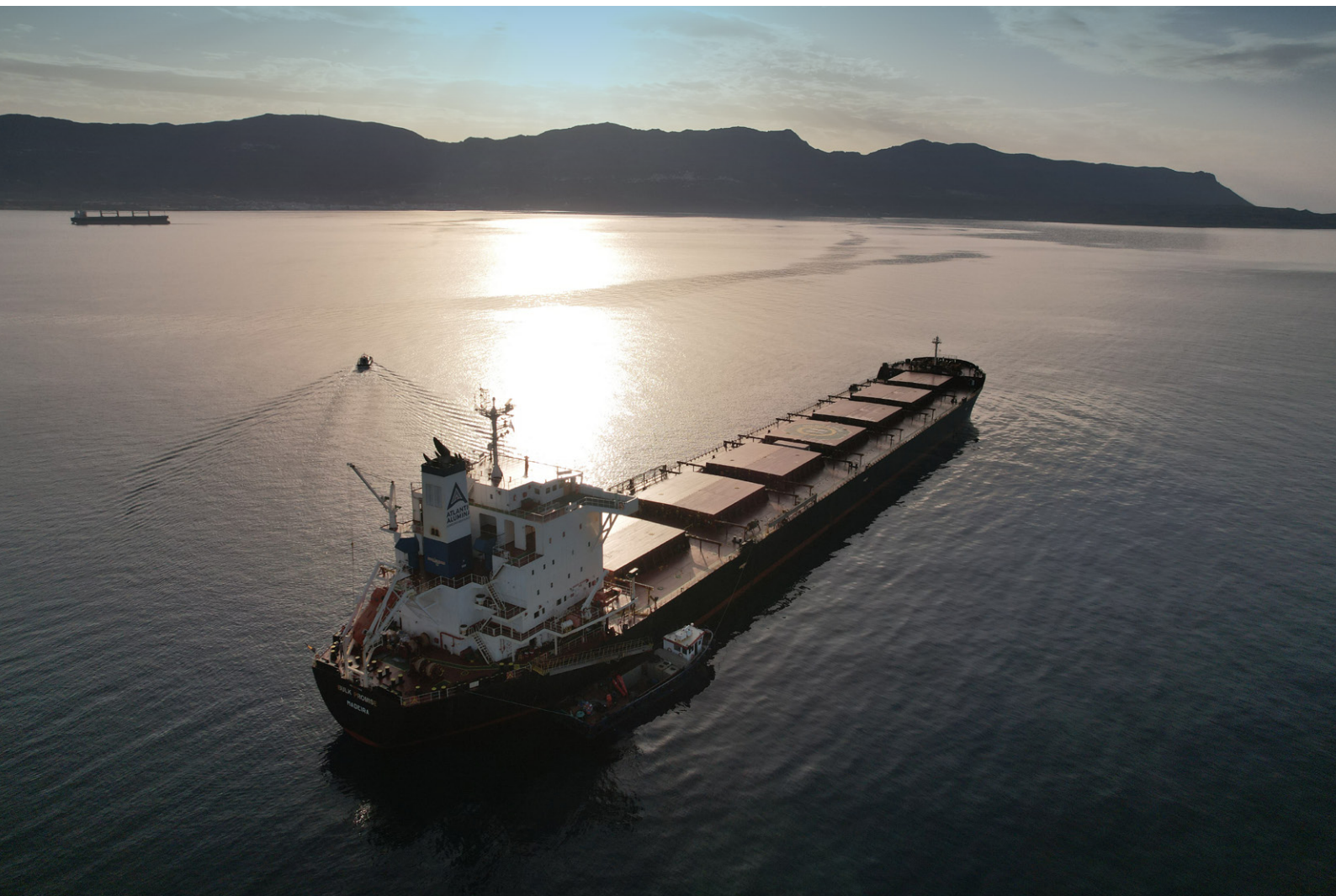
DISCLAIMER AND ASSUMPTIONS

Figures provided as per the end of the financial year (December 31). Figures provided in this report are based on the estimates outlined below:

- A CO₂ emissions:** Calculations are based on IMO emission factors and fuel consumed. The financial control approach has been applied for Scope 1. Scope 2 emissions for operations in Newport, Athens, and Copenhagen (market based, AIB and EIA conversion factors (2020)).
- B Energy consumption:** Calculations are based on tonnes of oil equivalents (toe) using DEFRA conversion factors to calculate energy consumed in gigajoules (GJ).
- C Average efficiency ratio (AER):** Carbon intensity metric estimated based on fuel consumed, distance traveled (nm), and deadweight tonnage (DWT).
- D Other emissions to air (NO_x, excluding N₂O, SO_x and particulate matter):** The method of calculation was updated in 2023. In previous years, estimated based on distance traveled (nm) and a tool developed by Danish Shipping for calculating emissions from bulk carrier vessels.
- E Marine protected areas:** Marine Protected Area (MPA) based on the definition established by the International Union for Conservation of Nature (IUCN). The reported figures may not include all MPAs internationally established and regulated under International Maritime Organization (IMO) conventions or those established at the national level by individual member states. The number referencing shipping duration is measured as the cumulative number of travel days, with each day representing a 24-hour period.

- F Lost time incident rate (LTIR):** The rate is calculated based on (lost time incidents) / (1,000,000 hours worked), and includes incidents resulting in absence from work beyond the date or shift when they occurred. From 2023, crew exposure hours will be based on 24 hours as per OCIMF, a methodology also widely used in the Shipping industry. Prior to 2023, this rate was calculated using 8 hours as a basis.
- G Marine casualties:** The definition of a marine casualty is based on the United Nations International Maritime Organization’s (IMO) Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident Resolution MSC 255(84), paragraph 2.9, chapter 2 of the general provisions.
- H Conditions of class:** The data provided represents the number of Conditions of Class or Recommendations Nordic Bulk Carriers has received from a Flag Administration or a Recognized Organization (RO) that has been delegated to the authority to issue such findings. The scope of disclosure includes all Conditions of Class regardless of whether they resulted in withdrawal, suspension, or invalidation of a vessel’s Class certificate.
- I Port state control:** Deficiency rate is calculated using the number of deficiencies vessels received from regional port state control (PSC) divided by the total number of port state control inspections.

Pangaea prepared this report with assistance from Position Green.



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