2026 PAN OCEAN ESG REPORT

BEYOND LIMITS,
CONNECTING ALL VALUE

About this Report

Inquiries on the Report

Publication date	June 30, 2026
Department in charge	Business Management Team, Planning Department
E-mail	esg@panocean.com

Interactive PDF

This report has been published in the interactive PDF format to allow readers to navigate easily to the relevant pages and websites.

Go to Home Page
Back to Start
Go to Table of Contents

Report overview

Pan Ocean Co., Ltd. (hereinafter "Pan Ocean") has published the 2026 PAN OCEAN ESG REPORT, which presents the company's sustainability vision, strategies, and performance. This report has been prepared to transparently disclose the environmental and social impacts of Pan Ocean's business activities, as well as the company's efforts and performance in addressing them, to its stakeholders. Pan Ocean will continue to engage with stakeholders through this report and pursue sustainable growth together.

Principles

This report has been prepared based on the Korean Sustainability Disclosure Standards issued by the Korea Sustainability Standards Board (KSSB) and includes sustainability-related financial information. Information on governance, strategy, risk management, metrics and targets has been prepared in accordance with the principles of fair presentation, taking into consideration comparability, verifiability, timeliness, and understandability. In addition, this report refers to the 2021 GRI Standards, a global framework for sustainability reporting, as well as the industry-specific standards of the Sustainability Accounting Standards Board (SASB). Financial information has been prepared on a consolidated basis in accordance with Korean International Financial Reporting Standards (K-IFRS).

Scope

This report covers the activities and performance of Pan Ocean's headquarters, domestic offices (Pohang, Busan, Gwangyang, and Dangjin), overseas offices (Melbourne, Portland, Houston, Dubai, and Ho Chi Minh City), and 10 subsidiaries, including POS SM and overseas subsidiaries in the United States, Singapore, China, Japan, and Brazil, on a consolidated basis, for the reporting period from January 1, 2025 to December 31, 2025. Financial information has been prepared on a consolidated basis in accordance with Korean International Financial Reporting Standards (K-IFRS). Selected qualitative performance data include achievements from the first half of 2026, while quantitative performance data are disclosed for the past three years to present year-by-year trends. Information on changes to the reporting scope and boundaries can be found in the Data Fact Book (p. 102), and additional explanations of data are provided in separate footnotes where necessary. The ESG report is published annually.

Report Assurance

To ensure the transparency and reliability of the contents and data of this report, this report underwent third-party assurance by BSI Group Korea, an independent external assurance provider, in accordance with the AA1000AS (Moderate Level, Type 1) assurance standard. Detailed assurance results are provided in the Independent Assurance Statement (p.153).

Significant Judgments Affecting Disclosures

In preparing climate-related financial disclosures, the company identified climate-related risks and opportunities that could affect the business as a whole, based on management judgment. To identify such risks and opportunities, the company referred to the KSSB Disclosure Standards, SASB Standards, and disclosure topics reported by industry peers. In addition, the company analyzed the potential impacts of the identified risks and opportunities on future cash flows over the short, medium, and long term, and assessed how they could affect the business and financial performance, while reflecting the views of key stakeholders. Related response activities were also taken into account as part of the disclosure. Furthermore, major sustainability reporting frameworks and standards, including KSSB, SASB, and GRI, were comprehensively reviewed to identify applicable disclosure requirements.

Measurement Uncertainty

In preparing climate-related financial disclosures, certain items have been calculated based on estimates and assumptions, which may give rise to a degree of uncertainty in measurements. The assumptions reflect information available at the reporting date, but they may change in response to evolving market conditions. The potential impacts of climate-related risks and opportunities on financial information over the short, medium, and long term have been analyzed and disclosed as key information. While this analysis is grounded in reasonable data, it necessarily involves future assumptions and therefore contains inherent uncertainty.

Scope 3 greenhouse gas (GHG) emissions have been calculated in accordance with relevant standards. For some categories where direct measurement is difficult, assumptions and estimates have been applied.

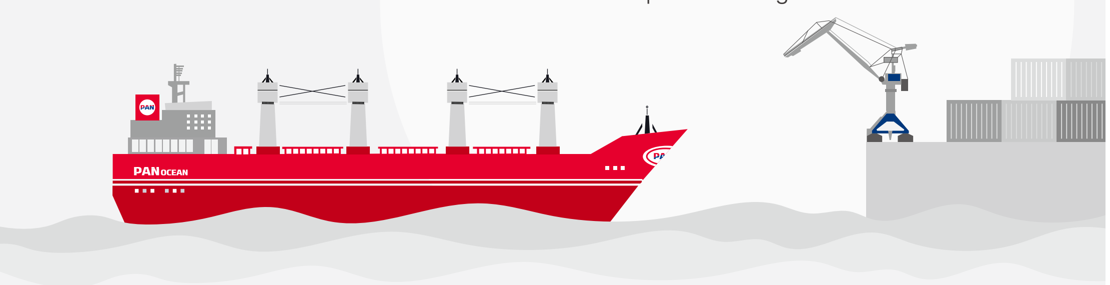
TABLE OF CONTENTS

Overview

www.panocean.com

PAN OCEAN

Pan Ocean will solidify its position as a global leading shipping and logistics company by enhancing corporate and shareholder value based on transparent management.



Sustainability at Pan Ocean

Material Topics

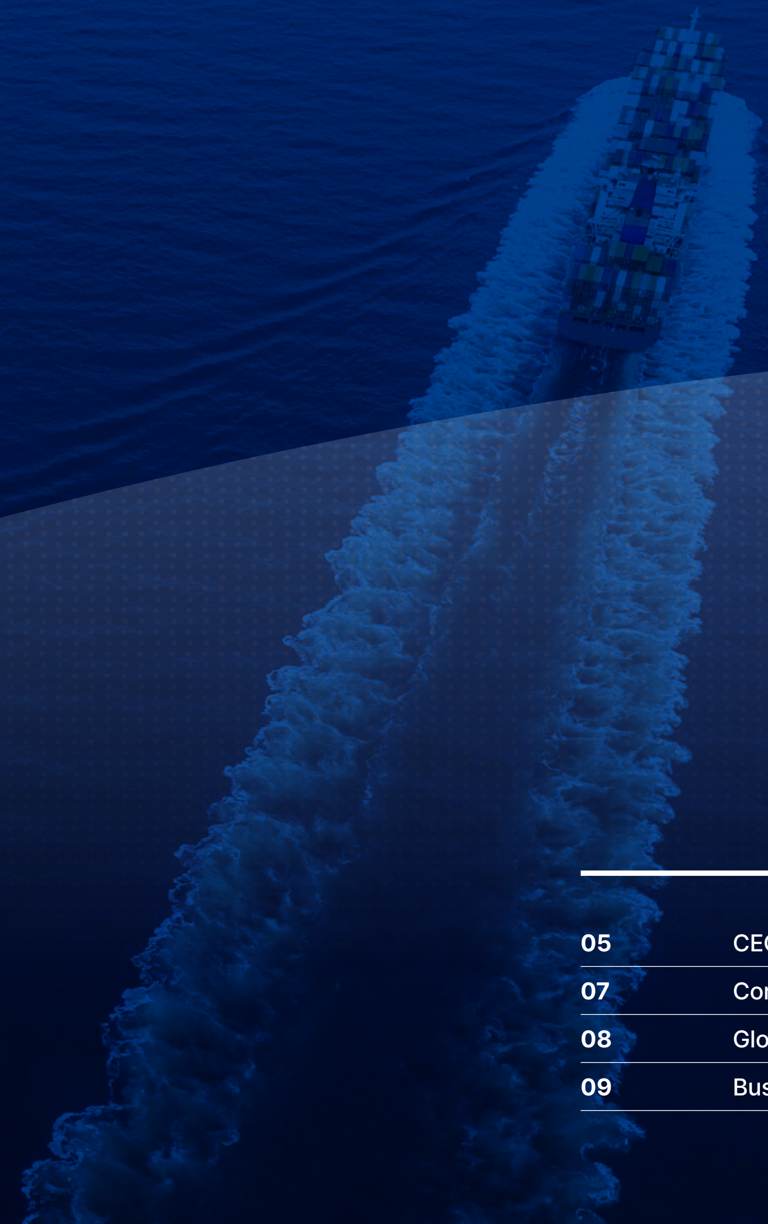
Environmental

Social

Governance

Appendix

Overview



CEO's Statement

Dear Stakeholders,

I am Joong Ho Ahn,
CEO of Pan Ocean Co., Ltd.

It is my pleasure to greet you once again through our fifth ESG Report. I would like to express my sincere gratitude for your continued trust and support for Pan Ocean.

In 2025, the direction of international regulations surrounding the decarbonization of the shipping industry became clearer. At the same time, regulatory uncertainty also grew as countries differed in their views on economic measures such as the IMO Net Zero Framework and carbon levies. Despite these external conditions, Pan Ocean has continued to regard sustainability not as a temporary response, but as the foundation of its mid- to long-term competitiveness, and has steadily pursued its key priorities.

CEO's Statement

From an environmental management perspective, 2025 was a year of reviewing our performance while further refining our mid- to long-term target framework. In 2025, our absolute greenhouse gas emissions amounted to 3,316,192 tCO_2e, exceeding the target. This was attributable to fleet expansion, as growth in business scale was reflected in total emissions. Meanwhile, emissions intensity, an indicator of vessel operating efficiency, reached 5.79 gCO_2/ton-mile, meeting the target of 5.91 gCO_2/ton-mile. This means that Pan Ocean is generating fewer emissions than before to transport the same amount of cargo, demonstrating that our efforts to improve vessel operating efficiency are delivering tangible results. Pan Ocean clearly recognizes the challenge of reducing absolute emissions and is moving beyond analyzing the causes to further refine its medium- to long-term reduction pathway, including changes to its fleet portfolio and the adoption of eco-friendly fuels.

Pan Ocean is also continuing its efforts to prevent air pollution and protect the marine environment. We have steadily implemented practical environmental improvement measures, including enhanced hull maintenance, expanded air pollution reduction equipment, and stronger fuel oil quality management. These efforts are practical measures to strengthen fleet competitiveness while protecting the environment. Above all, in line with changes in the International Maritime Organization's 2050 Net Zero Framework, Pan Ocean is reviewing the alignment between its 2050 carbon neutrality target and its medium- to long-term reduction pathway. Accordingly, we plan to realign our climate change response and air pollution prevention targets to reflect changes in international regulations and the business environment. In addition, as the existing marine environmental protection targets expired in 2025, we intend to closely analyze our performance to date and the causes of any shortfalls, and establish a new medium- to long-term target framework through 2030. Based on more realistic and achievable targets, Pan Ocean will strengthen the implementation of its marine environmental protection initiatives.

Pan Ocean also regards people's safety and health as values that can never be compromised. While maintaining certification for its occupational health and safety management system (ISO 45001), Pan Ocean has continued to proactively manage risks across onshore and offshore operations and implement preventive safety measures. In addition, we are enhancing support programs for offshore employees, including health checkups, psychological counseling, and family insurance coverage, while advancing our human rights risk assessment system and expanding our human rights management framework to subsidiaries. We are also continuing our efforts to foster a people-centered organizational culture through education and mentoring programs tailored to employees' career stages and job responsibilities. Guided by the belief that sustainability ultimately begins with protecting people, we will continue to create safer and healthier workplaces.

Pan Ocean is also strengthening the foundations of responsible management in both its supply chain and corporate governance. We conduct ESG self-assessments for suppliers and continue to require compliance with the Supplier Code of Conduct, while enhancing our due diligence and assessment systems to manage ESG risks across the supply chain in a more systematic manner. We are also advancing our anti-corruption programs, Self-compliance Survey, and ethics and compliance training, and expanding them to domestic and overseas subsidiaries, thereby building a more consistent ethics and compliance management framework.

We believe that corporate trust is built through consistent principles and repeated action. Pan Ocean intends to view its accumulated achievements not as a source of complacency, but as a basis for self-assessment. We will continue to set clearer targets, disclose both our achievements and limitations transparently, and responsibly improve areas where we fall short.

Even amid rough seas and an uncertain business environment, we will remain steadfast in our pursuit of change, no matter how gradual progress may seem. As a company committed to growing together with people, the environment, and society, Pan Ocean will continue its voyage toward sustainable growth.

Thank you.

June 2026

Joong Ho Ahn
Chief Executive Officer
Pan Ocean Co., Ltd.

Pan Ocean

Company Overview

General Status

Company	Establishment	CEO
Pan Ocean Co., Ltd.	May 1966	Hong Kuk Kim, Joong Ho Ahn

Head Office	Fleet
Tower 8, 7, Jong-ro 5-gil, Jongno-gu, Seoul, Republic of Korea	263 vessels in total (117 owned and 146 chartered)

Main Business	Employees
Maritime logistics (Dry bulk, Container, Tanker, LNG), Agri-trading	1,677 employees (on a consolidated basis)

2025 Key Achievements

Revenue

Approx. KRW **5.43** trillion

Operating Profit

Approx. KRW **491.9** billion

Cargo Volume

102,717 thousand tons

Credit Rating

Korea Investors Service	Korea Ratings
A	A

Vision and Mission

Vision

PAN OCEAN

BEYOND LIMITS, CONNECTING ALL VALUE

Mission

Value Creation of the Life & Sharing Happiness

Core Values

A Future Leader

We take the initiative in leading the industry toward a better future.

A Partner for Customers

We grow with customers and stakeholders and share achievements with them.

A Global Corporate Citizen that Fulfills Social Responsibility

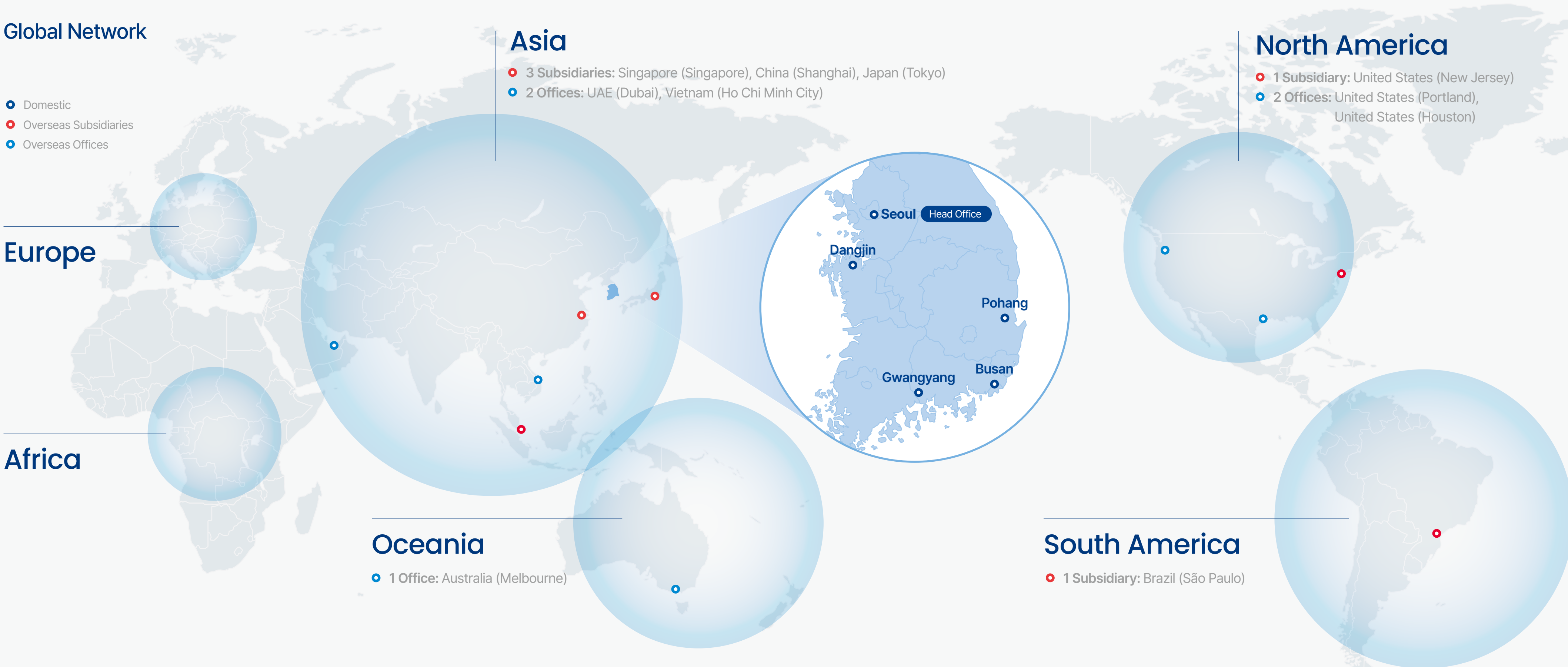
We value safety more than anything. By complying with environmental laws and regulations, we pursue sustainable management guided by corporate social responsibility.

Organizational Culture that Respects Talents

We foster talents with professional skills and diversity and treat them fairly and reasonably to bring out their best potential.

Pan Ocean

Global Network



Global Revenue Breakdown

(Unit: KRW million)

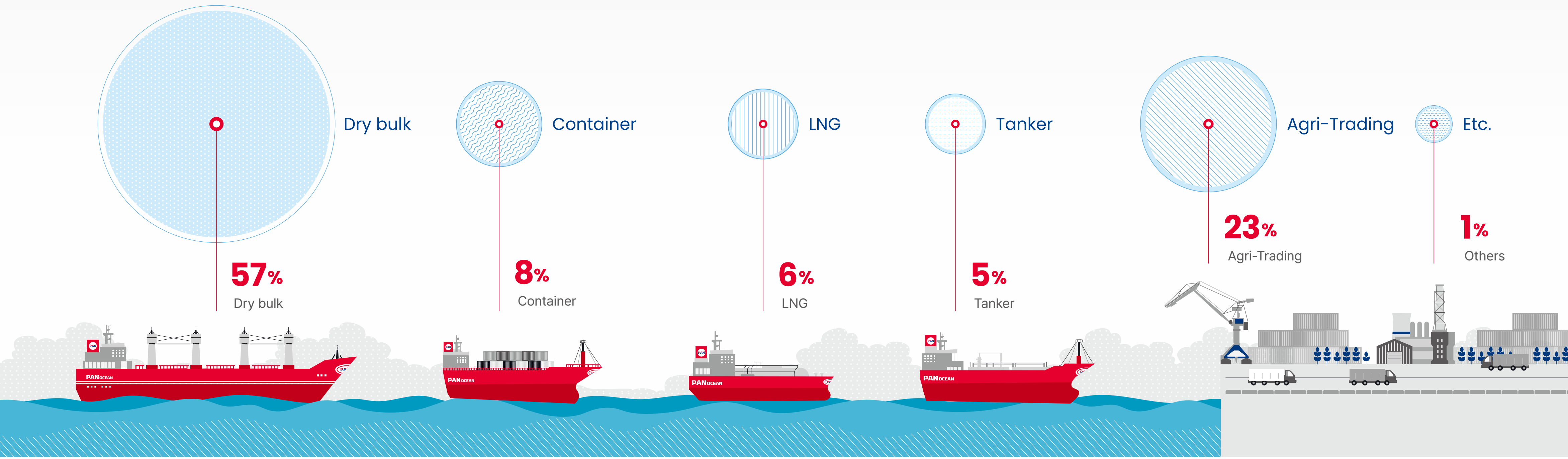
Region	Revenue	Share of revenue
Asia	3,523,072	64%
South America	682,455	13%
Oceania	578,037	11%
North America	494,166	9%
Africa	100,114	2%
Europe	55,044	1%

Subsidiaries and Offices

Domestic	Head Office	1	Seoul
	Offices	4	Pohang, Busan, Gwangyang, Dangjin
Overseas	Subsidiaries	5	United States (New Jersey), Singapore (Singapore), China (Shanghai), Japan (Tokyo), Brazil (São Paulo)
	Offices	5	Australia (Melbourne), United States (Portland), United States (Houston), UAE (Dubai), Vietnam (Ho Chi Minh City)

Pan Ocean

Business Portfolio



Total revenue in 2025

Approx. KRW 5,432.9 billion

Pan Ocean: BEYOND LIMITS, CONNECTING ALL VALUE

Pan Ocean provides global maritime transportation services across diverse business areas, including dry bulk, container, and tanker shipping, LNG carrier operations, agri-trading, and transportation of heavy-lift cargo. Based on long-standing relationships of trust with major domestic and overseas shippers, Pan Ocean has expanded long-term contracts of affreightment built around its owned vessels while continuing to diversify its business portfolio. Through these efforts, the company has built a well-balanced portfolio capable of responding to market volatility, and is pursuing sustainable growth. In its core dry bulk business, Pan Ocean transports major raw materials such as iron ore, coal, and grain, and provides customized transportation services based on its diverse fleet. The company also ensures the stable transportation of a wide range of cargo while strengthening its integrated logistics capabilities through the expansion of grain trading and related logistics businesses. In addition, Pan Ocean is working to ensure compliance with global environmental regulations and enhance safe navigation by introducing eco-friendly vessels and improving operational efficiency through digital technologies. Through these efforts, the company is contributing to the development of a sustainable shipping industry ecosystem alongside its customers, employees, and other stakeholders.

Pan Ocean

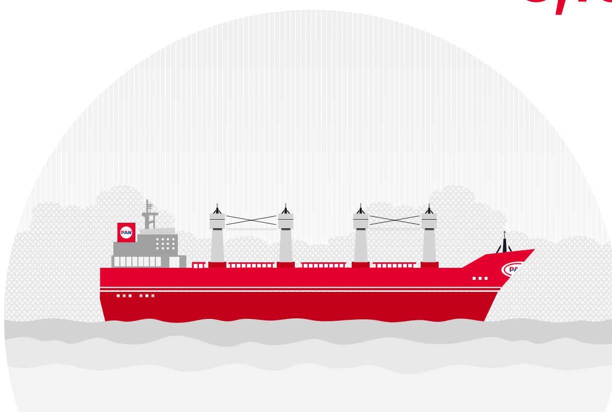
Business Portfolio

01

Dry bulk

Revenue

Approx. KRW 3,199.6 billion



Based on its global network and more than 50 years of accumulated expertise in dry bulk shipping, Pan Ocean provides customized maritime transportation services to customers. The company transports a wide range of cargo, including grain, coal, raw sugar, and fertilizer, reliably and efficiently across major global routes. In particular, Pan Ocean has established a leading position as a "Pacific Leading Carrier" on grain routes in North America and Australia, as well as in the Pacific and Oceania regions. The company is also continuously expanding its market presence in the Atlantic region. Based on these operational strengths, Pan Ocean has established a stable revenue structure by entering into long-term contracts of affreightment with major shippers such as POSCO, Hyundai Steel, and power generation companies. Going forward, the company plans to further strengthen its revenue base by securing long-term shipping capacity and expanding contracts, while identifying new growth drivers in the mineral markets of Australia and Southeast Asia and the grain markets of Latin America.

02

Container

Revenue

Approx. KRW 441.8 billion

Pan Ocean provides a wide range of maritime transportation services in the intra-Asia market through its container business. Since launching its Korea–Japan route in 1984, the company has expanded its service network to include Korea–China routes and Southeast Asian countries such as Vietnam, Thailand, and the Philippines, establishing itself as a leading container carrier in Asian short-sea shipping. To strengthen its market competitiveness, Pan Ocean is optimizing its fleet and service routes through participation in the K-Alliance, while enhancing customer satisfaction and transportation efficiency by establishing and upgrading its in-house customer relationship management (CRM) system and IT platform, EasyCon. Going forward, the company plans to advance as an Intra-Asia Leading Carrier by expanding new routes and strengthening its global network.

Pan Ocean

Business Portfolio

03

Tanker

Revenue
Approx.
KRW 297.9 billion

Pan Ocean provides transportation services for a wide range of liquid cargoes, including crude oil, refined petroleum products, and petrochemical products, based on Korea's largest controlled fleet of Medium Range (MR) tankers. Its small chemical tankers safely transport benzene, xylene, base oil, and other cargoes on routes between the Middle East and Asia, as well as between the Far East and Southeast Asia. Pan Ocean is also strengthening its competitiveness in crude oil transportation by expanding its investment in VLCCs.
In addition, Pan Ocean continues to secure stable transportation demand through partnerships with global energy companies such as Shell, BP, ExxonMobil, Chevron, and TotalEnergies; major oil traders such as Vitol, Trafigura, and Mercuria; and key domestic customers such as S-OIL, SK Energy, Dong Suh, Lotte, and Nongshim. Through these efforts, the company is further strengthening its position as a leading tanker carrier in Korea.

04

LNG

Revenue
Approx.
KRW 318.2 billion

Pan Ocean provides integrated LNG transportation services, including long-term charter contracts with global oil majors and LNG bunkering services, based on the transportation of domestic LNG imports for Korea Gas Corporation (KOGAS). Through these services, Pan Ocean has secured a stable revenue base and is expanding its business scope in the global LNG transportation market. Since 2008, Pan Ocean has contributed to the stability of Korea's domestic LNG supply by deploying the 153,000 CBM-class LNG carrier, LNG KOLT. The company further strengthened the foundations for its global business through long-term contracts with Shell and GALP in 2020 and participation in the Qatar project in 2022. As of 2026, Pan Ocean operates 11 LNG carriers, including one chartered vessel, and two LNG bunkering vessels, further strengthening its position as a global LNG transportation provider. In addition, through its LNG bunkering business, Pan Ocean supplies eco-friendly fuel in Europe and the United States, supporting the shipping industry's transition toward decarbonization.

Pan Ocean

Business Portfolio

05

Agri-Trading

Revenue

Approx. KRW 1,231.0 billion

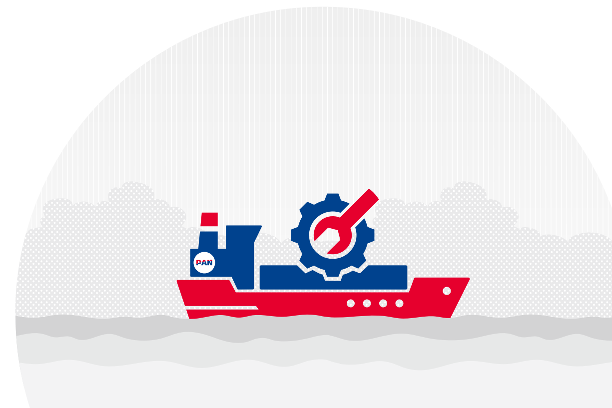
Based on its maritime transportation capabilities, trading experience, and demand base within the Harim Group, Pan Ocean is expanding its global agri-trading business and broadening its scope from transportation into an integrated supply chain business that combines trading and logistics. After establishing a stable presence in the Korean market, the company expanded into markets such as China, Taiwan, Japan, Vietnam, and Malaysia. It now distributes more than 3 million tons of corn, soybeans, wheat, and feed by-products annually. In addition, Pan Ocean secured a key supply base in 2020 through an equity investment in EGT, a grain export elevator on the United States West Coast. Based on its stable supply capabilities and price competitiveness, Pan Ocean is strengthening its position in the global grain market as it grows into a leading grain distribution company in Asia.

06

Vessel Management and Others

Revenue

Approx. KRW 576.6 billion



POS SM, a subsidiary of Pan Ocean, provides comprehensive vessel operation services, including vessel maintenance, technical management, offshore employees management, and safety and health management, thereby supporting the stable and efficient operation of vessels owned by Pan Ocean. Based on its professional vessel management capabilities, POS SM continues to enhance the efficiency and competitiveness of overall fleet operations. The company also operates a management system that complies with international standards and applicable laws and regulations, while continuously advancing its safety management standards. In addition, POS SM is strengthening the safety and health management of offshore employees while continuing its efforts to prevent serious accidents, workplace incidents, and illness.

Sustainability at Pan Ocean

Governance

As the highest governance body, the Board of Directors reviews and approves Pan Ocean's sustainability-related vision, strategies, policies, and targets. The ESG Committee and CEO jointly review and approve detailed implementation plans and oversee their progress. In addition, the Board of Directors is involved in the materiality assessment process to identify and manage the organization's economic, environmental, and social impacts. The Board incorporates the views gathered through surveys, interviews, and other communication channels with key stakeholders into the selection of material topics and major decision-making processes. Based on this, the Board reviews ESG risk assessment results and key impact analysis results to determine response priorities and assess the appropriateness of related targets and action plans.

Board of Directors

- Composition: Three inside directors and four independent directors
- Frequency: Quarterly, with ad hoc meetings convened when necessary
- Roles: ① Review and approve sustainability-related vision, strategies, policies, and targets
  ② Oversee the materiality assessment process and approve material topics

View BOD Operating Regulations

↑ Review and Reporting ↓ Management and Oversight

ESG Committee·CEO

- Composition: Four independent directors
- Frequency: Semiannually, with ad hoc meetings convened when necessary
- Roles: ① Review and approve work plans related to sustainability management, and manage and oversee overall related activities
  ② Discuss and approve the establishment and revision of sustainability-related policies, Approve mid- to long-term strategies and oversee their implementation.

View ESG Committee Operating Regulations

↑ Reporting ↓ Management and Oversight

ESG TF

- Composition: Responsible persons and working-level staff from departments that perform ESG-related tasks
- Roles: ① Oversee the setting of targets across sustainability management, as well as the development and implementation of related strategies
  ② Assess the level of sustainability management implementation by key stakeholders, respond to ESG evaluations, and promote external cooperation

↑ Reporting ↓ Management and Oversight

Working-level Staff

- Roles: Promote ESG action plans, manage performance, respond to evaluations, and implement improvements

Sustainability-related Agenda Deliberated on and Approved by the Board of Directors

Feb. 11, 2025 (ESG Committee, the Board of Directors)
- To approve the 2025 Safety and Health Management Plan Approved

May 12, 2025 (ESG Committee, the Board of Directors (Reported))
- To approve the 2025 ESG material topics Approved

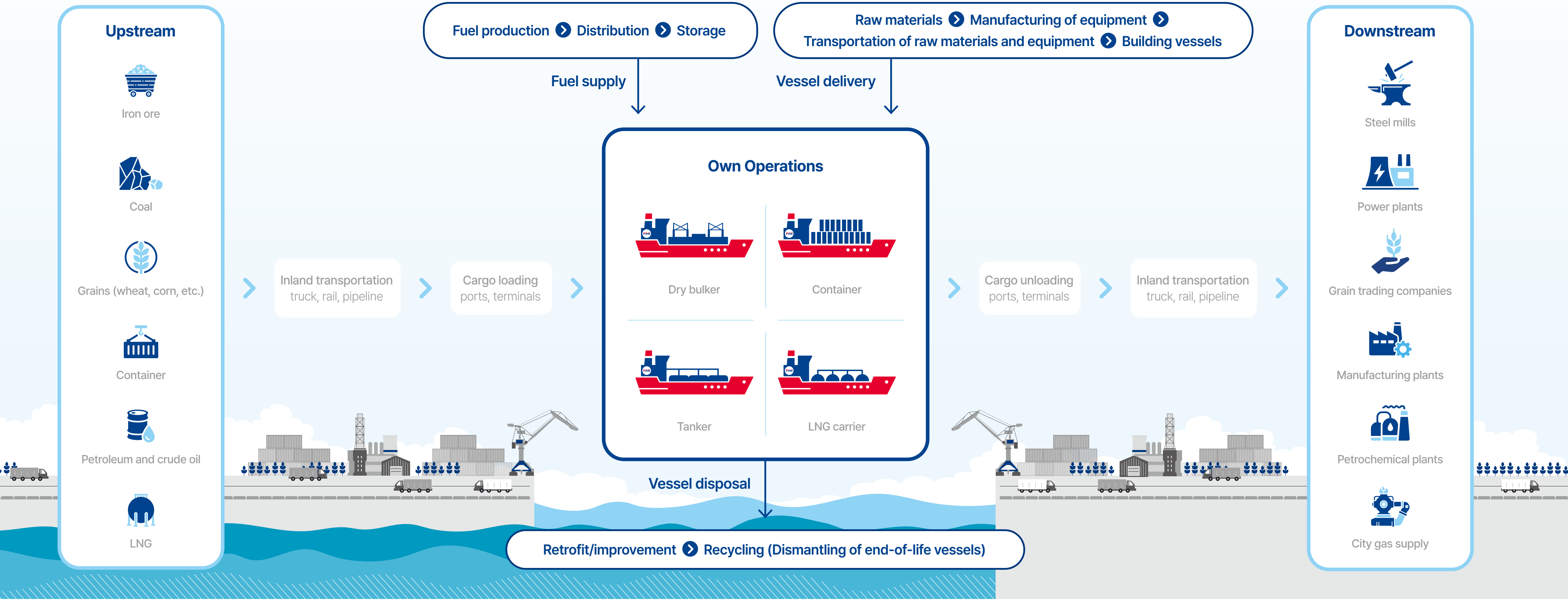
Jun. 16, 2025 (ESG Committee, the Board of Directors (Reported))
- To report on 2024 environmental management performance and to approve the 2025 environmental management targets Approved
- To approve the publication of the ESG Report Approved

May 14, 2026 (ESG Committee, the Board of Directors (Reported))
- To approve the 2030 marine environmental protection targets Approved
- To report on 2025 environmental management performance and to approve the 2026 environmental targets Approved
- To approve the 2026 ESG material topics Approved

Relevant Teams by ESG Area

Environment E	Maritime Strategy Team
Social S	Human Resources Management Team, General Affairs Team, Safety Management Team, Maritime Coordination Team, Operations Coordination Team
Governance G	Planning Team, Business Management Team, Ethical Management Team, Sales Strategy Team, IT Infrastructure Team

Management of Impacts, Risks and Opportunities



As a maritime transportation company, Pan Ocean handles not only dry bulk cargoes such as coal, iron ore, and grain, but also a wide range of other cargoes, including wet bulk cargoes such as crude oil and refined petroleum products, LNG, and containerized cargo. Across its entire value chain, Pan Ocean both affects and is affected by the environment, society, and people. Accordingly, Pan Ocean has identified the key environmental and social impacts arising from its business operations, including impacts on people, as material topics. Based on this, the Company works to advance sustainability across its value chain by minimizing negative impacts and maximizing positive impacts. To this end, Pan Ocean identifies and manages key impact areas through a systematic approach, while taking into account the characteristics of its business and the significance of each impact. This materiality assessment reflects the nature of Pan Ocean's maritime transportation-centered business. In particular, Pan Ocean's directly operated maritime transportation business generates environmental impacts, including greenhouse gas and air pollutant emissions from the use of fossil fuels, as well as waste generation. At the same time, significant social and people-related impacts arise in areas such as the safety of offshore employees and port workers, and mutually beneficial relationships with suppliers. Reflecting these impact characteristics, Pan Ocean has designated environmental, social, and people-related issues as key management areas. The Company continues to advance its sustainability management by systematically managing risks while expanding opportunities.

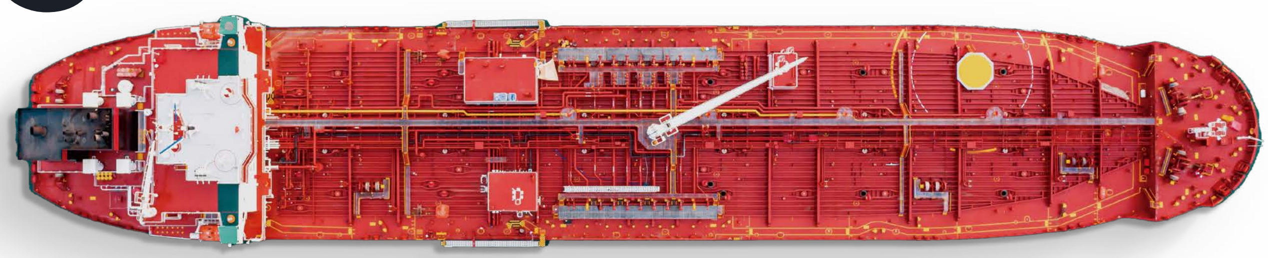
ESG Highlight

A
Environment A / Social A / Governance B+
KCGS Overall

B
MSCI Overall

Climate B
Carbon Disclosure Project (CDP)

BB
Sustinvest Overall



Sail for Sustainable Ocean

Navigating Toward a Sustainable Ocean

Pan Ocean undergoes annual assessments by ESG rating agencies to strengthen its sustainability management system and respond to stakeholder expectations. Based on the assessment results, the company identifies areas for improvement across environmental, social, and governance dimensions and incorporates them into its mid- to long-term ESG strategies and business activities. Going forward, Pan Ocean will continue to strengthen its sustainability management by further advancing its management system.

ESG Highlight

Response to Climate Change

5.79 gCO_2/ton-mile
GHG emissions intensity

KRW 5,791 million
Investment in eco-friendly facilities (BWTS and NOx treatment systems)

KRW 101,426 million
Sustainable product purchases

Advancing emissions management based on Total Environment System (TES)
Expanding the use of alternative fuels

Strengthening Safety and Health Management

ZERO
No. of serious industrial accidents

16 times
Expanded onshore and offshore consultative meetings

Field practice- and simulation-based training
Stop Work Policy campaign

3,518 participants 41,032 hours
Occupational safety and health training participation and total training hours

Strengthening Ethics and Compliance Management

100%
Resolution rate for anonymous reports

100%
Completion rate for self-compliance surveys

Established anti-corruption and compliance policies
Expanded the scope of the Anti-Corruption Program (AP) to include POS SM and overseas subsidiaries

100%
Signing rate for the Ethical Management-Practicing / Law-Abiding Covenant pledge

Sustainable Supply Chain Management

8 companies
No. of key suppliers provided with ESG self-assessment checklists

40 companies
No. of companies subject to in-person briefings on the Supplier Code of Conduct

Double Materiality Assessment

Double Materiality Assessment Process

Pan Ocean annually conducts a materiality assessment to enhance transparent communication with stakeholders in order to identify and manage ESG issues in a systematic manner. Based on its understanding of the company's organizational activities and business relationships, Pan Ocean comprehensively analyzed global disclosure standards, ESG evaluation criteria, and material issues in peer industries to derive a list of material topics. The company then conducted quantitative and qualitative assessments to identify the impacts of its business activities on people and the environment, as well as risks and opportunities that may affect its financial performance and corporate value. In addition, Pan Ocean conducted an IRO Roundtable with internal stakeholders to prioritize material topics, and selected the final material topics based on the analysis results. The 2025 material topics remained unchanged from the previous year: Response to Climate Change; Strengthening Safety and Health Management; Strengthening Ethics and Compliance Management; and Sustainable Supply Chain Management. The results were reviewed and approved by the ESG Committee and reported to the Board of Directors.

1 Development of Topic List

Deriving a list of material topics by comprehensively analyzing global disclosure and evaluation criteria, material issues in peer industries, and other relevant factors, and by applying quantitative methods based on an understanding of organizational activities and business relationships

Analysis of Disclosure and Evaluation Criteria
- Disclosure standards and initiatives: GRI, ESRS[1], SASB, UN SDGs, etc.
- Evaluation criteria: MSCI, ISS, KCGS, etc.

Analysis of Material Issues in Peer Industries
- Peer companies: MSC, Maersk, CMA CGM, COSCO Shipping, Star Bulk Carriers Corp., Kuehne + Nagel, etc.

Media Analysis
- Scope of analysis: Major media outlets, industry-specialized media, and publicly available online materials
- Period covered: Jan. 1, 2025–Jan. 13, 2026

Analysis of IMO Regulatory Trends
- Scope of analysis: IMO international maritime trend materials
- Period covered: Jan. 1, 2025–Jan. 15, 2026

Long-list: 22 Topics
Short-list: 10 Topics

2 Impacts, Risks and Opportunities Identification

Identifying impacts on people and the environment, as well as risks and opportunities that may affect financial performance and corporate value, by analyzing internal and external data for each material topic.

Environmental and Social Impacts	
Positive	Negative
Actual	Potential

Financial Impacts	
Risks	Opportunities

Environmental and Social Impacts →
← Financial Impacts

Impacts, Risks, and Opportunities Identified Based on the Short-list

3 Impacts, Risks and Opportunities Assessment

Designing assessment criteria for risks and opportunities identified for each material topic, and reflecting opinions gathered through IRO roundtables with relevant Pan Ocean departments, as well as issues of interest to stakeholders

Environmental and Social Impact Materiality	
Scale	Scope
Remediability	Likelihood

Financial Impact Materiality	
Magnitude	Likelihood

IRO Round Table		
	Maritime Strategy Team	Safety Management Team
	Operations Coordination Team	Human Resources Management Team
	Ethical Management Team/Legal Affairs Team 1	...

Double Materiality Assessment Results

4 Material Topic Selection

Finalizing four material topics by consolidating the analysis results and reporting the identified material topics to the Board of Directors following resolution by the ESG Committee

2025 Material Topic Selection Results	
1	E Response to Climate Change
2	S Strengthening Safety and Health Management
3	G Strengthening Ethics and Compliance Management
4	S Sustainable Supply Chain Management

↓
ESG Committee Resolution
↓
Reporting to the Board of Directors

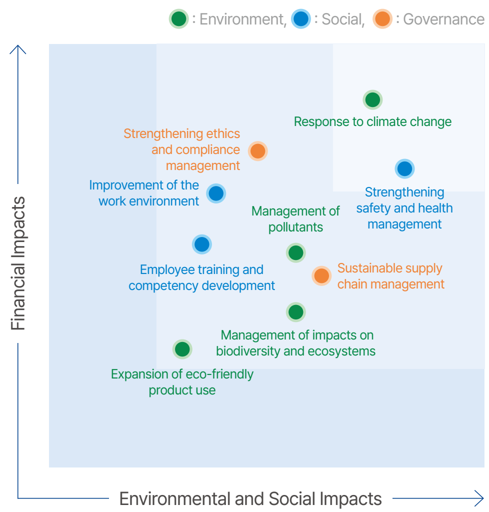
Final Material Topics

1) Based on the Draft Simplified ESRS announced in Nov. 2025.

Double Materiality Assessment

Double Materiality Assessment Results

Through the Double Materiality Assessment, Pan Ocean comprehensively analyzed environmental and social impacts and financial impacts, and selected Response to Climate Change, Strengthening Safety and Health Management, Strengthening Ethics and Compliance Management, and Sustainable Supply Chain Management as material topics. Based on the selected material topics, Pan Ocean plans to respond proactively to stakeholder needs and changes in global regulations.



Material Topic Selection Results

Rank	2024	2025	Change in Rank
1	Greenhouse gas and energy management	Response to climate change	No Change
2	Enhancement of maritime safety and health management	Strengthening Safety and Health Management	No Change
3	Strengthening ethics and compliance management	Strengthening ethics and compliance management	No Change
4	Collaborative growth activities and supply chain sustainability management	Sustainable supply chain management	No Change

Rank	Area	Topic	Environmental and Social Impact Level	Financial Impact Level	Key Stakeholders
1	Environment	Response to climate change	●●●●●	●●●●●	Shareholders and investors, customers, international organizations, government, local communities, NGOs
2	Social	Strengthening Safety and Health Management	●●●●●	●●●●○	Employees, suppliers, government, local communities
3	Governance	Strengthening ethics and compliance management	●●●○○	●●●●○	Shareholders and investors, customers, suppliers, government
4	Governance	Sustainable supply chain management	●●●○○	●●●●○	Shareholders and investors, customers, suppliers, international organizations
5	Environment	Management of pollutants	●●●○○	●●●●○	International organizations, government, local communities, NGOs
6	Environment	Management of impacts on biodiversity and ecosystems	●●●○○	●●●○○	International organizations, government, local communities, NGOs
7	Social	Improvement of the work environment	●●●○○	●●●●○	Employees, suppliers, government, NGOs
8	Social	Employee training and competency development	●●●○○	●●●○○	Employees, Supplier
9	Environment	Expansion of eco-friendly product use	●●●○○	●●●○○	Shareholders and Investors, Customers, Supplier, International Organizations
10	Social	Respect for human rights and ensuring diversity	●●●○○	-[1]	Employees, Supplier, NGOs

1) Not separately identified because the financial impact factors were relatively low in terms of magnitude or likelihood compared with other risk and opportunity topics.

Double Materiality Assessment

Material Topics Analysis

Pan Ocean considers the impacts, risks and opportunities of the material issues selected through the Double Materiality Assessment in the development of its response strategies. By annually disclosing its response strategies for material topics through the ESG Report, Pan Ocean aims to transparently share its efforts and achievements for sustainable business operations with stakeholders.

Rank	Area	Topic	Environmental and Social Impacts			Financial Impacts		Response Strategies	Location
			Actual/ Potential	Positive/ Negative	Description	Risks/ Opportunities	Description		
1	Environment	Response to climate change	Actual	Negative	Climate change worsening due to GHG emissions generated from business operations	Risks	Operational disruptions, asset losses, increased costs for responding to regulations and the fuel transition, and a greater burden of securing financing and human resources due to more stringent climate change and environmental regulations	1) Enhancement of energy efficiency ‣ Advancing GHG emissions management and expanding the scope ‣ Establishment of an Energy Management System (EnMS) ‣ Managing the Carbon Intensity Indicator (CII) for vessels ‣ Management of the Energy Efficiency Design Index (EEDI/EEXI) ‣ Improving vessel coating and repair management ‣ Enhancing fuel efficiency and applying AI solutions, etc. 2) Expansion of eco-friendly investments ‣ Introduction of energy-saving and high-efficiency operating equipment ‣ Installation of Engine Power Limitation (EPL) ‣ Replacement of corporate vehicles with high-efficiency models 3) Utilization of sustainable fuels ‣ Pilot introduction of biofuels, with plans for expansion following efficiency verification	p23~40
						Opportunities	Expansion of demand for eco-friendly transportation, new markets and revenue sources due to climate change-related policies and the low-carbon transition, as well as increased profitability through improved operational efficiency		
2	Social	Strengthening Safety and Health Management	Actual	Negative	Reduced ability of workers to carry out their daily lives due to physical and property damage caused by onshore and offshore safety accidents	Risks	Increased regulatory response costs due to stricter regulations on safety accidents and growing requirements for investment across the overall management system	‣ Conducting site visits to key suppliers' facilities and holding safety and health meetings ‣ Establishing the digital safety and health platform for suppliers ‣ Holding Occupational Safety and Health Committee meetings and promoting health promotion programs ‣ Conducting quarterly training on the Occupational Safety and Health Act and the Serious Accidents Punishment Act ‣ Establishing a consultative body to guide offshore safety and health activities ‣ Gradually expanding the safety and health budget	p41~52
3	Governance	Strengthening of ethics and compliance management	Actual	Negative	Deterioration of fair competition practices in the industry due to unfair trade and unethical conduct	Risks	Financial sanctions and compensation costs resulting from violations of laws and regulations in the event of unethical or corrupt conduct	‣ Establishing the Ethical Management Guidelines and having employees sign Ethical Management-Practicing/Law-Abiding Covenant ‣ Systematizing company-wide measures for risk identification and management based on the corruption risk map, and conducting regular checks ‣ Continuously operating and monitoring the Helpline, anonymous whistleblowing system linked to an external professional organization ‣ Continuing company-wide anti-corruption and fair trade training, as well as campaigns to prevent unethical conduct and unfair trade practices	p53~58
4	Social	Sustainable supply chain management	Actual	Negative	Deterioration of the business environment due to delayed payments to suppliers and unfair payment practices	Risks	Delayed delivery and revenue recognition due to schedule disruptions caused by issues such as safety accidents in the supply chain, as well as additional costs including penalties and management costs	‣ Establishing and distributing the Supplier Code of Conduct ‣ Selecting and evaluating suppliers in accordance with internal guidelines for supply chain management ‣ Reviewing supplier risk assessment forms, requesting improvements, and conducting semiannual safety and health assessments ‣ Identifying and managing corruption risks arising from the procurement process	p59~62
						Opportunities	Contributing to supply chain stability by establishing a sustainable supply chain and pursuing collaborative growth with suppliers		

Double Materiality Assessment

Stakeholder Engagement

Pan Ocean identifies stakeholders who may be affected by, or may have an impact on, its business activities, including shareholders and investors, customers, employees, and suppliers. The company operates a communication system that takes into account the interests of each stakeholder group. Through stakeholder engagement, Pan Ocean aims to identify key issues related to the company's economic, environmental, and social impacts, identify potential risks and opportunities, and reflect stakeholders' needs and expectations in its management activities. The company also shares key stakeholder opinions and concerns across the organization and strives to respond systematically by reporting and managing material topics through its internal ESG governance structure, including the ESG Committee.

Stakeholders	Shareholders and Investors	Customers	Employees	Suppliers	International Organizations	Government	Local Communities	Civic Groups
Key Interests	• Transparent financial performance and corporate value • Management of ESG risks • Response to climate change • Dividends and long-term growth potential	• Stable transportation services • Transportation safety • Supply chain stability • Carbon emissions • Service quality	• Industrial safety • Safety of the work environment • Human rights protection and respect for diversity • Employee benefits • Talent development and organizational culture	• Fair trade • Collaborative growth • Contract stability • Safety and ESG management standards	• GHG emissions reduction • Protection of the marine environment • Compliance with international regulations • Safe navigation	• Compliance with laws and regulations • Implementation of carbon neutrality • Industrial competitiveness • Maritime and environmental safety • Protection of marine ecosystems	• Minimization of environmental impacts • Contribution to the local economy • Safety management • Social contribution activities	• Environmental protection • Human rights and labor issues • ESG information disclosure • Corporate social responsibility
Key Communication Channels	• Shareholders' meeting **(Annually; Extraordinary General Meetings (EGMs) convened as necessary)** • IR **(Ongoing)** • Domestic and international Non-Deal Roadshows (NDRs) **(Quarterly)** and conferences **(Ongoing)** • ESG report **(Annually)**	• Website **(Ongoing)** • Helpline (Anonymous whistleblowing system) **(Ongoing)** • Customer satisfaction survey for users of container shipping service **(Annually)** • ESG report **(Annually)**	• Labor-Management Council **(Quarterly)** • Grievance handling system **(Ongoing)** • Onboard grievance handling system(Open Reporting) **(Ongoing)** • Helpline (Anonymous whistleblowing system) **(Ongoing)** • Suggestion system **(Ongoing)** • Internal company portal **(Ongoing)** • Employee satisfaction survey **(Annually)** • ESG report **(Annually)**	• Purchase portal site **(Ongoing)** • Helpline (Anonymous whistleblowing system) **(Ongoing)** • ESG report **(Annually)**	• ESG report **(Annually)**	• ESG report **(Annually)**	• Seoul Senior Welfare Center, Seoul National Cemetery, and local environmental cleanup activities **(Monthly)**	• ESG report **(Annually)**

Material Topics

Response to Climate Change

Governance

Climate Change Response Organization

Board of Directors/ESG Committee

Pan Ocean operates a company-wide governance framework for climate change response, including the establishment of climate change response targets, implementation, and oversight. The ESG Committee annually reviews the previous year's performance in GHG emissions reduction, energy management, and climate change response. The Committee also deliberates on and approves climate-related targets and key agenda items for the current year. Matters resolved by the ESG Committee are reported to the Board of Directors and reflected in strategic decision-making on material topics and goals. In 2025, Pan Ocean reported its 2024 GHG emissions and energy use performance, as well as its 2025 targets and related plans, to the Board of Directors.

Climate Change Agenda Deliberated on and Approved by the Board of Directors

Date	Agenda	Status
Jun. 16, 2025	To report on 2024 environmental management performance and to approve the 2025 environmental management targets[1]	Approved

1) Reporting on the achievement of 2024 GHG emissions and energy use targets and detailed action plans, and approval of the establishment of 2025 GHG emissions and energy use targets and detailed action plans

Risk Management Committee/ESG TF

The Risk Management Committee holds quarterly meetings to identify company-wide risks and discuss response measures. Working-level managers from key departments participate in the committee to comprehensively review risk factors related to GHG emissions and climate change.

The ESG Task Force is led by the Business Management Team and shares key action plans and implementation performance related to climate change on a monthly basis. It also facilitates execution through interdepartmental collaboration and supports the strengthening of Pan Ocean's company-wide climate response system.

Dedicated Organization

The Business Management Team identifies and monitors climate change risks and opportunities, establishes response strategies and targets, and implements and manages them across the organization. The Maritime Strategy Team serves as the dedicated unit for responding to environmental issues. It develops environmental policies related to GHG emissions reduction, energy management, and climate change response, and responds to relevant regulations. In cooperation with POS SM, the team also promotes plans for GHG emissions reduction, energy efficiency improvement, and climate change response related to vessel operations.

Decision-making Body for Managing and Overseeing Risks and Opportunities

Pan Ocean operates a Board-centered governance framework for climate change response. The Board of Directors is responsible for the highest level of decision-making, while the CEO and management are responsible for executing and managing the decisions made by the Board. The management and oversight responsibilities of the decision-making body are specified in Pan Ocean's ESG Committee Operating Regulations. Pan Ocean also operates the ESG TF and Risk Management Committee as working-level consultative bodies. The dedicated teams support the operation of these consultative bodies, establish climate change response strategies and targets, implement action plans, and carry out related response activities.

Organizational Chart of Climate Change Response Governance

Response to Climate Change

Governance

Management and Oversight of Target Setting and Progress

Pan Ocean has set the 2050 Net Zero target as a key priority for its response to climate change, which was confirmed by a resolution of the Board of Directors in 2022. As the highest decision-making body, the Board of Directors receives annual reports from the ESG Committee on progress against climate change response targets to oversee the effective implementation of the carbon neutrality roadmap. Key reporting and monitoring matters include the implementation status of major annual tasks and quantitative and qualitative performance in achieving the targets.

Roles Delegated to Management and Oversight Methods

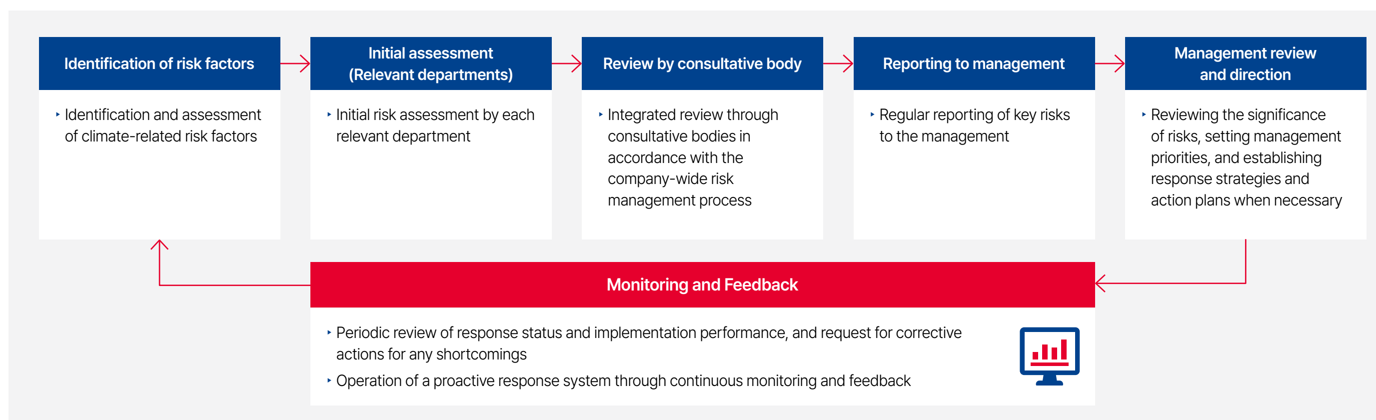
Pan Ocean has assigned responsibility for monitoring, managing, and overseeing climate-related risks and opportunities to the CEO. As the highest executive responsible for overall climate change response, the CEO reviews and oversees the implementation status and progress of response targets at least once a year.
Based on this, the CEO establishes and updates action plans linked to mid- to long-term GHG emissions reduction targets and determines the priorities and direction of key tasks. The CEO also conducts prior reviews and follow-up assessments of budgets and investment plans required for climate change response to ensure the efficient allocation of resources, and reflects investment feasibility and expected effects in decision-making. In addition, the CEO conducts periodic reviews of implementation performance by division and identifies improvement tasks when necessary, thereby further strengthening the company-wide climate response system.

Performance-Based Compensation System

Pan Ocean reflects results of environmental management assessment, including GHG emissions reduction, energy efficiency management, and climate change response, in incentives by linking them to the KPIs (Key Performance Indicators) of the CEO, executives, and working-level staff. Through this approach, Pan Ocean strengthens the implementation of its climate change response strategy.

Subject	KPIs	Compensation
CEO	Results of environmental management assessment	Reflected in incentives
Head of Maritime Management Department	GHG emissions reduction	
Maritime Strategy Team	Rate of GHG emissions reduction, response to climate change regulations, internal training	

Management Control Procedures



Management Controls and Procedures

Pan Ocean has established a collaboration system among relevant departments to support the management in overseeing climate-related risks and opportunities. To manage potential climate change risk factors based on a systematic approach, Pan Ocean identifies them by classifying their likelihood and financial and operational impacts into high, medium, and low levels.
Identified risks are first assessed by relevant departments and then reviewed in an integrated manner through consultative bodies in accordance with the company-wide risk management process. Key risks are reported to the management on a regular basis. The management reviews the significance of reported risks and the need for response, sets management priorities, and, when necessary, establishes and directs response strategies and action plans. Pan Ocean also periodically reviews the response status and implementation performance for each risk and requests corrective actions for any shortcomings, thereby operating a proactive response system through continuous monitoring and feedback.

Response to Climate Change

Strategy

Climate-related Risks and Opportunities

Pan Ocean monitors climate change trends, changes in domestic and international regulations and policies, and developments in the shipping industry continuously to identify climate-related risks and opportunities. Through this process, Pan Ocean selected four issues associated with risks and two issues that presented opportunities. The selected issues are considered to have high impact and high likelihood.

Type	Classification	Risks and Opportunities	Current and Expected Impacts on Business Model and Value Chain	Time Period[1]	Likelihood	Impact	Response Status
Physical risk	Acute	Increased occurrence of natural disasters such as typhoons and heavy rainfall	‣ Increased extreme weather events, such as typhoons and heavy rainfall, may delay vessel operations and disrupt port operations, weakening logistics flows and supply chain stability. ‣ Damage to vessels and business sites may increase costs associated with asset damage and maintenance, reducing operational efficiency.	Short-term	Medium	Medium	‣ Operating a real-time monitoring and weather response system for vessel operations based on the Fleet Operation e-Center ‣ Minimizing financial losses through hull insurance and liability insurance ‣ Establishing alternative port and rerouting strategies in preparation for disruptions at major ports
	Chronic	Rise in average temperatures and sea levels due to global warming	‣ Rising air temperatures, seawater temperatures, and sea levels caused by global warming may undermine the safety of offshore employees and cargo. ‣ Changes in sea conditions, such as currents, wave heights, and sea winds, may affect vessel operating patterns, including routes, sailing speeds, and fuel consumption.	Medium-/Long-term	Medium	Medium	‣ Developing and operating a vessel operation and weather monitoring system based on the Fleet Operation e-Center ‣ Adjusting fleet operation strategies through analysis of long-term operating patterns, such as exploring alternative ports in preparation for potential restrictions on the use of frequently used ports
Transition risk	Policy and legal	Tightening of GHG emissions and vessel-related conventions and regulations	‣ Capital investment may have to be increased due to strengthened IMO EEDI and EEXI regulations and compliance with management agreements. ‣ Costs may increase due to the introduction of carbon taxes and emissions trading under EU ETS and FuelEU Maritime regulations. This includes approx. USD 15 million in emission allowance costs incurred under the EU ETS in 2025. ‣ Vessel value and chartering competitiveness may change depending on the level of regulatory response.	Short-term	High	High	‣ Responding to regulations through EPL application and energy-efficiency improvements ‣ Establishing an emissions allowance management system for EU ETS response and managing price fluctuation risks ‣ Introducing high-efficiency vessels and pursuing retrofits for existing vessels
	Technology	Introduction of low-carbon vessels and application of technologies	‣ Investment may have to be expanded and short-term costs may increase due to the transition to low-carbon vessels and fuels. ‣ Delays in the transition may lead to risks of non-compliance with environmental regulations and weakened market competitiveness.	Medium-term	High	High	‣ Expanding the use of alternative fuels, including LNG, and reviewing the introduction of eco-friendly vessels ‣ Advancing emissions management based on the total environment system (TES) ‣ Establishing mid- to long-term response strategies through scenario-based investment reviews
Opportunities	Products and services	Growing demand for low-carbon transportation services	‣ Growing demand for low-carbon transportation services may increase the importance of eco-friendly vessels and high-efficiency operating technologies. ‣ IMO CII ratings and emissions reduction performance may affect competitiveness in winning contracts and securing charters.	Short-term	High	High	‣ Improving efficiency through reduced hull resistance, fuel-saving equipment, and EPL application ‣ Strengthening capabilities in design and operation of eco-friendly vessels ‣ Establishing and advancing emissions measurement and management systems
	Market	Growing need to introduce eco-friendly and high-efficiency vessels	‣ Expansion of the LNG and next-generation fuel markets may create new business opportunities. ‣ Growing demand for eco-friendly vessels may strengthen fleet competitiveness and increase the potential to secure freight revenue. This includes expected revenue of approx. USD 281 million from the long-term chartering-out of two LNG bunkering vessels (LNGBVs).	Short-term	Medium	High	‣ Expanding LNG transportation and bunkering businesses ‣ Investing in eco-friendly vessels and optimizing fleet operations ‣ Reviewing entry into new markets related to low-carbon fuels

1) Short-term: 0–2 years; medium-term: 3–5 years; long-term: 6 years or more.

Response to Climate Change

Strategy

Climate-related Risks and Opportunities

Criteria for Selecting Risks and Opportunities

	Likelihood	Impact
High	Risks expected to have a near-term impact, such as those associated with regulations set to take effect within 1–2 years, Commercially available related technologies, Precedent legal cases, Issues that are continuously raised in the market	Risks with an estimated financial impact exceeding USD 3 million, or those for which progress and impacts are reported regularly to the CEO.
Medium	Regulations finalized and scheduled to take effect within three to five years, Related technologies in the initiation or development phase but not yet commercialized, Potential litigation risks lacking precedent, Emerging market issues, Other risks certain to have an impact within two to three years	Risks with an estimated financial impact spanning from USD 100,000 to USD 3 million, or those considered significant enough to be reported to the CEO.
Low	Risks considered low in probability or not yet clearly defined, such as regulations under preliminary discussion with no set timeline, Technologies in the early stages of development, Absence of foreseeable legal action, Minimal recognition of the issue in the market	Risks with an estimated financial impact of less than USD 100,000, or those considered sufficient to be addressed through internal reporting within the relevant department.

Response to Climate Change

Strategy

Response and Transition Plan for Climate-related Risks and Opportunities

2050 Net Zero Declaration and Implementation Roadmap

Pan Ocean has aligned its decarbonization pathway with the International Maritime Organization's (IMO) 2050 Net Zero goal. Following a Board resolution in 2022, Pan Ocean formalized its commitment to achieving the 2050 carbon neutrality goal, actively joining global efforts to reduce GHG emissions. The company has also set a mid-term target to reduce total emissions by 10.4% by 2030 compared to the baseline year 2021. Pan Ocean conducts annual reviews on progress toward this target, continuously monitors reduction performance, and identifies areas requiring improvement. Furthermore, Pan Ocean plans to further enhance the external credibility of its GHG emissions reduction targets and implementation performance by pursuing approval from the Science Based Targets initiative (SBTi) by 2030.

Commitments

Leading the decarbonization of the bulk shipping industry

By taking the lead in decarbonization, we are setting the course for a sustainable future in the industry. We have implemented comprehensive decarbonization policies and are vigorously applying them.

Our aim is to progress together with our customers and stakeholders, ensuring they benefit from these initiatives as well.

Strategic targets

By 2030 Implement the 2030 Carbon Reduction Strategy	By 2050 Accomplish Carbon Neutrality
• Reduce total emissions by 10.4% and emissions intensity by 15.2%, using 2021 as the base year. • Pursue external validation from the SBTi (Science Based Targets initiative).	• Achieve net zero emissions across all business areas. • Provide all customers and stakeholders with comprehensive net zero solutions.

Implementation measures

1	Enhancement of energy efficiency	• Establishment of an Energy Management System (EnMS) • Management of the Carbon Intensity Indicator (CII) and the Energy Efficiency Design Index (EEDI/EEXI) for Vessels • Enhancement of fuel efficiency, application of AI solutions
2	Expansion of eco-friendly investments	• Introduction of energy-saving and high efficiency operating equipment • Installation of Engine Power Limitation (EPL) devices to control maximum vessel speed • Replacement of corporate vehicles with high-efficiency models
3	Utilization of sustainable fuels	• Pilot introduction of biofuels, with plans for expansion following verification of efficiency

Environmental Targets

Decarbonizing Pan Ocean by 2050

Pan Ocean aims to achieve carbon neutrality by 2050 as a key environmental target under its ESG management framework.

Greenhouse Gas Emissions Reduction Roadmap

	2022	2023	2025	2027	2030	2040	2050
IMO Regulatory Targets	EEXI in force	CII in force	EEDI Phase 3 in force (Carbon intensity of new vessels reduced by 30%)	20% Reduction of CO_2 emissions compared to 2008		70% Reduction of CO_2 emissions compared to 2008	Achievement of Net Zero
Pan Ocean Strategic Targets	2030 Carbon Reduction Strategy 10.4% Reduction in total emissions, 15.2% reduction in emissions intensity compared to 2021				Introduction of zero emission vessels		Achievement of Carbon Neutrality by 2050
Pan Ocean Milestones		Utilization of low carbon fuels such as biofuels Introduction of 18K CBM LNGBV		Introduction of first zero emission vessel*	Complete disposal of carbon-emitting vessels		

* Zero Emission Vessel: Vessels that eliminate carbon emissions entirely on a well-to-wake (WtW) basis, such as those fueled by methanol or ammonia, or equipped with carbon capture, utilization and storage (CCUS) systems

Response to Climate Change

Strategy

Financial Impacts of Risks and Opportunities

Pan Ocean continuously reviews the impacts of identified climate-related risks and opportunities on its business operations, financial position, financial performance, and cash flows. The results of these reviews are used to develop climate change response strategies and detailed action plans. Given the nature of maritime logistics, climate-related factors have a high likelihood of affecting vessel operations, fuel procurement, charter contracts, and the overall supply chain. Therefore, Pan Ocean systematically identifies and manages the pathways through which these factors may lead to financial impacts.

Type	Classification	Risks and Opportunities	Financial Impact Pathway	Pathways Affecting Financial Position, Financial Performance and Cash Flows		Affected Accounts
				Balance Sheet	P&L	
Physical risk	Acute	Increased occurrence of natural disasters such as typhoons and heavy rainfall	• Costs may arise from delays in vessel operations caused by natural disasters such as typhoons and heavy rainfall. • Additional maintenance costs may be incurred on account of damage to facilities and assets.	1. Impairment of property, plant and equipment (vessels) • Increased operating costs due to operational delays, resulting in reduced future operating cash flows. → impairment due to a decline in value in use • Or recognition of impairment due to physical damage to vessels, etc. 2. Inventories (bunker fuel / ship stores, etc.) • Loss of bunker fuel due to natural disasters, etc.	1. Increase in operating expenses / non-operating expenses, such as vessel expenses (repair expenses) and losses from impairment of property, plant and equipment 2. Increase in operating expenses due to inventory losses	[Balance Sheet] Property, plant and equipment (vessels) Inventories [P&L] Losses from impairment of property, plant and equipment (non-operating expenses) Vessel maintenance expenses (operating expenses) Bunker fuel costs, etc. (operating expenses)
	Chronic	Rise in average temperatures and sea levels due to global warming	• Operating expenses, including electricity costs, may increase due to greater energy use. • Greater variability in operating plans may reduce operating efficiency and increase operating expenses.	1. Inventories (bunker fuel) • Increase in bunker fuel prices due to rising oil prices, etc.	1. Increase in operating expenses, including bunker fuel costs, due to rising oil prices	[Balance Sheet] Inventories (bunker fuel) [P&L] Bunker fuel costs (operating expenses)
Transition Risk	Policy and legal	Tightening of regulations regarding GHG emissions and vessel-related conventions and regulations	• Carbon costs may increase due to obligations to purchase and submit emission allowances.-Penalties and additional operating expenses may arise in the event of non-compliance with regulations such as FuelEU Maritime. • Capital expenditures (CapEx) may rise due to facility improvements and vessel retrofits required to respond to IMO regulations. • The asset value of vessels with lower CII ratings may decline, and the cost of securing new vessels may increase, leading to weakened competitiveness.	1. Inventories (bunker fuel) • Increased use of relatively high-cost low-carbon fuels, such as low-sulfur fuel, in order to comply with regulations 2.Emission liabilities • Recognition of emission liabilities arising from obligations to surrender emission allowances 3. Property, plant and equipment (vessels) • Increase in CapEx due to the installation of SOx scrubbers or new vessel construction, etc.	1. Increase in bunker fuel costs (operating expenses) due to increased use of low-sulfur and other low-carbon fuels 2. Increase in port expenses (operating expenses) related to regulations such as the EU ETS and FuelEU Maritime	[Balance Sheet] Property, plant and equipment (vessels) Inventories [P&L] Bunker fuel costs (operating expenses) Port expenses (operating expenses)
	Technology	Introduction of low-carbon vessels and application of new technologies	• Capital expenditures may increase and the depreciation burden may grow due to expanded upfront investment in low-carbon vessels and equipment. • Fuel procurement costs may increase, and short-term profitability may decline, in the course of transitioning to low-carbon fuels.	1. Property, plant and equipment (vessels) • Acquisition of high-specification vessels that comply with environmental regulations, etc. 2. Inventories (bunker fuel) • Increased use of relatively high-cost low-carbon fuels, such as low-sulfur fuel, in order to comply with regulations	1. Increase in depreciation expenses (operating expenses) due to the acquisition of high-priced vessels 2. Increase in bunker fuel costs (operating expenses) due to increased use of low-sulfur and other low-carbon fuels	[Balance Sheet] Property, plant and equipment (vessels) Inventories [P&L] Depreciation expenses (operating expenses) Bunker fuel costs (operating expenses)
Opportunities	Products and services	Growing demand for low-carbon transportation services	• Revenue may increase due to growing demand for eco-friendly transportation services based on low-carbon vessels. • Operating efficiency may improve and costs may decrease through the introduction of high-efficiency vessels.	1. Property, plant and equipment (vessels) • Increase in property, plant and equipment due to the acquisition of eco-friendly vessels	1. Revenues (freight revenue and charter hire revenue) • Increase in freight rates due to growing demand for eco-friendly transportation 2. Decrease in operating costs (port expenses, bunker fuel costs, etc.) • Decrease in operating expenses due to improved operating efficiency	[Balance Sheet] Property, plant and equipment (vessels) [P&L] Revenues (freight revenue and charter hire revenue) Operating expenses (port expenses, bunker fuel costs, etc.)
	Market	Growing need to introduce eco-friendly and high-efficiency vessels	• Service revenues may increase in line with the expansion of market for LNG and next-generation fuels. • Entry into the low-carbon fuel transportation market may create new revenue sources and expand the business portfolio. • Fleet competitiveness may be strengthened through the optimization of operating efficiency.	1. Property, plant and equipment (vessels) • Increase in property, plant and equipment due to the acquisition of vessels for transporting next-generation fuels	1. Revenues (freight revenue and charter hire revenue) • Increase in revenue from the deployment of vessels for LNG and next-generation fuel transportation • Increase in new revenue through entry into the low-carbon fuel transportation market 2. Operating expenses (port expenses, bunker fuel costs, etc.) • Decrease in operating expenses due to improved operating efficiency	[Balance Sheet] Property, plant and equipment (vessels) [P&L] Revenues (freight revenue and charter hire revenue) Operating expenses (port expenses, bunker fuel costs, etc.)

Response to Climate Change

Strategy

Implementation Status of Response Strategies for Risks and Opportunities

GHG Emissions Management and Disclosure

Since introducing its GHG Inventory System in 2009, Pan Ocean has continuously advanced the system and operated a management framework that enables ongoing monitoring of GHG emissions based on fuel consumption data by vessel, vessel type, and year. In 2025, based on the previously established GHG Emissions Management Advancement Plan, Pan Ocean has reinforced the execution of its management framework and expanded environmental information disclosure to a consolidated basis. In view of the growing importance of Scope 3 emissions management, Pan Ocean reorganized its key management items and improved its measurement system by comprehensively considering the characteristics of its business and its emissions contribution. In particular, Pan Ocean enhanced data integrity and management standards for major sources of indirect emissions, including fuel consumption on chartered vessels, procurement of ship supplies, employee business travel and commuting. Going forward, Pan Ocean will continue to manage emissions more reliably and disclose information transparently by gradually expanding the scope of management and improving data quality.

Eco-Friendly Technologies

Pan Ocean applies eco-friendly technologies that contribute to reducing GHG emissions and energy consumption from the design and construction stages of its owned vessels. The company also actively applies new eco-friendly technologies to vessels delivered after construction each year, continuously improving its environmental performance.

Hull Coating

Pan Ocean applies high-performance anti-fouling paint based on silyl methacrylate, or Silyl methacrylate type A/F, to the outer hull to reduce frictional resistance with seawater. This low-friction paint prevents marine organisms from attaching to the hull surface and improves speed-maintenance performance, contributing to reduced fuel consumption.

Hull Design Optimization

Pan Ocean applies hull form optimization during the vessel design phase to minimize hydrodynamic resistance. By designing the hull shape in consideration of flow characteristics, Pan Ocean reduces turbulence and resistance, improves propulsion efficiency, and contributes to reduced fuel consumption.

Air Lubricating System

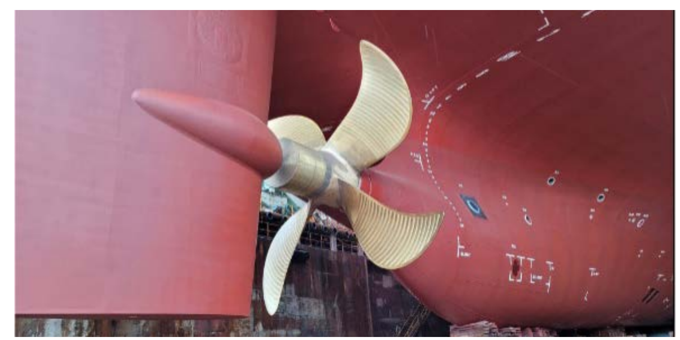
Pan Ocean has implemented an air lubrication system that forms a layer of micro-bubbles beneath the vessel to reduce the contact area between the vessel and seawater. This technology effectively reduces frictional resistance, thereby lowering the energy required for propulsion, and contributing to improved fuel efficiency and reduced GHG emissions.

Lighting & Electric System Optimization

To improve onboard energy efficiency, Pan Ocean has fully adopted high efficiency LED lighting and applied frequency-controlled high-efficiency electric motors to major auxiliary equipment. LED lighting significantly reduces power consumption compared to conventional lighting and provides energy-saving benefits during long voyages.
In addition, Pan Ocean installed motors equipped with inverter-control technology in major auxiliary equipment, such as air compressors, pumps, and ventilation fans, ensuring that only the required amount of power is efficiently supplied based on operating conditions. Through this optimization of power systems, Pan Ocean contributes to reducing overall energy consumption and GHG emissions.

Propulsion Improving Device

Pan Ocean has introduced a device to the hull that improves propulsion efficiency by reducing vortices generated by the propeller. This device stabilizes underwater flow around the vessel, enhances operating efficiency, and contributes to reducing energy consumption.



Propulsion Improving Device Installed on Newbuild Vessels (Rudder Bulb)

Response to Climate Change

Strategy

Implementation Status of Response Strategies for Risks and Opportunities

Energy Efficiency Management

Management of the Vessel Energy Efficiency Index (CII)

Pan Ocean has established and operates a management system capable of calculating and analyzing the Carbon Intensity Indicator (CII) to manage energy efficiency systematically during vessel operations. By simulating projected CII values and rating changes for all vessels through 2030, Pan Ocean is responding proactively to changes in the regulatory environment and maintaining a continuous monitoring system to meet the IMO CII regulatory requirements that took effect in 2023.

Management of the Energy Efficiency Design Index (EEDI/EEXI)

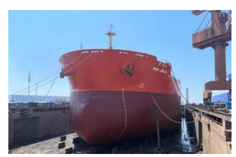
In accordance with the IMO regulations on the Energy Efficiency Design Index (EEDI), Pan Ocean calculates the energy efficiency index for vessels constructed after 2013 and establishes and operates a separate Ship Energy Efficiency Management Plan (SEEMP). In response to the EEXI regulations that took effect in 2023, Pan Ocean has completed Engine Power Limitation (EPL) measures for existing vessels. In addition, in cooperation with major international customers, Pan Ocean has installed and operates the Rotor Sail System, an energy-saving device, on dedicated vessels.

Establishment and Operation of an Energy Management System (EnMS)

Pan Ocean has established and operates an Energy Management System (EnMS) based on the Plan-Do-Check-Act (PDCA) cycle to systematize practical energy-saving activities onboard vessels. Pan Ocean has posted the Energy Efficiency Management Policy on all vessels and thereby created an environment in which offshore employees can recognize the importance of energy conservation and put it into practice in their daily operations.

Energy-Efficient Hull Coating and Maintenance

Pan Ocean has established a hull coating management policy and carries out high performance coating and maintenance activities to protect vessel hulls and improve operational efficiency. During operation, vessels are continuously exposed to friction with seawater and floating debris, which causes reduced energy efficiency and damage to the hull. Deteriorating coatings and hull surface fouling also negatively impact operational efficiency.
Accordingly, Pan Ocean conducts inspections and cleaning of the hull and propeller every six months for its owned fleet. In addition, full blasting is applied to large vessels that are over 10 years old, and high-performance anti-fouling coatings have been pilot-tested on selected vessels, which is expected to improve operational efficiency by approximately 5% to 20%.



PAN JINJU with Full Blasting and High-Performance Anti-Fouling Coating Applied

Use of Fuel Additives

Pan Ocean applies fuel additives to vessel fuel to improve combustion efficiency and reduce fuel consumption. Fuel additives prevent the aggregation of asphaltenes, reduce clogging of fuel filters, and suppress sludge formation, thereby reducing fuel consumption. At the same time, they improve the combustion efficiency of fine fuel particles. Actual application has confirmed that the use of fuel additives can reduce fuel consumption by approximately 3%.

Participation in ECO Steaming

When transporting cargo, Pan Ocean minimizes fuel consumption and enhances operational efficiency by maintaining optimal shipping routes and operating at economical speeds, or Eco Steaming, through a real-time voyage monitoring system.

Review of a Customized Decarbonization Strategy

To develop a specific climate change response strategy for its owned fleet, Pan Ocean conducted a joint review with the Korean Register (KR) to establish a customized fleet decarbonization strategy. This review was conducted to comprehensively analyze the impacts of key international environmental regulations, including CII, IMO mid-term measures, the EU/UK ETS, and FuelEU Maritime, based on the actual GHG emissions data of Pan Ocean's vessels and vessel-specific operating characteristics, and to examine the direction of mid- to long-term responses.
As part of the review, Pan Ocean compared and analyzed the economic feasibility and regulatory compliance effectiveness of various scenarios — including continued use of conventional fuels, biofuel blending, application of energy-saving devices, and transition to alternative fuels — up to the scrapping of each vessel. Based on this analysis, Pan Ocean reviewed the optimal response pathway for each vessel.
Pan Ocean plans to continue advancing its internal data and analysis systems to reflect changes in regulations, fuel prices, and market conditions. Through these efforts, Pan Ocean will continue to establish climate-responsive fleet operation strategies and respond flexibly to the changing global shipping environment.

Response to Climate Change

Strategy

Implementation Status of Response Strategies for Risks and Opportunities

Expansion of Eco-Friendly Investments

Investments in Newbuild Vessels

Pan Ocean is strengthening its sustainability management by expanding its LNG transportation business and transitioning simultaneously to eco-friendly vessels. Since 2021, Pan Ocean has secured a total of 12 LNG vessels, consisting of ten 174K-class LNG carriers and two 18K-class LNG bunkering vessels, to fulfill long-term charter contracts with Galp, Shell, and Qatar Energy, thereby establishing a foundation for entering the LNG transportation market. In particular, the ten LNG carriers are equipped with dual-fuel engines capable of using both LNG and fuel oil, enhancing their effect in reducing GHG emissions. In line with its mid- to long-term GHG emissions reduction plan, Pan Ocean plans to expand investments in eco-friendly vessels to respond to major environmental regulations, including those set by the IMO and the EU.

Eco-Friendly Equipment Investment Status and Plan

Category	Unit	2023	2024	2025	2026 Plan
Ballast water management systems	KRW million	4,377	5,709	3,050	3,115
SOx reduction equipment	KRW million	2,468	997	2,741	3,076

Replacement of corporate Vehicles with Hybrid Models

Pan Ocean aims to transition its corporate rental vehicles to eco-friendly ones. As of the end of 2025, three out of seven company vehicles are hybrid models.

Sustainable Product Procurement

In accordance with its Green Purchasing Policy, Pan Ocean purchases eco-friendly products for its owned vessels. In particular, Pan Ocean has introduced environmentally acceptable lubricants (EALs) that meet the standards of the United States Environmental Protection Agency (United States EPA), as well as biodegradable chemicals. Going forward, Pan Ocean plans to continue expanding its procurement of eco-friendly products.

Sustainable Product Procurement Status

Category	Unit	2023	2024	2025
Environmentally Acceptable Lubricants	KRW million	416	416	302
Biodegradable Chemicals	KRW million	93	99	102
Total procurement of eco-friendly products	KRW million	509	515	404
Total Sustainable Product Procurement	KRW million	88,940	99,523	101,426
Percentage of Sustainable Product Procurement	%	0.6	0.5	0.4

Utilization of Biofuel

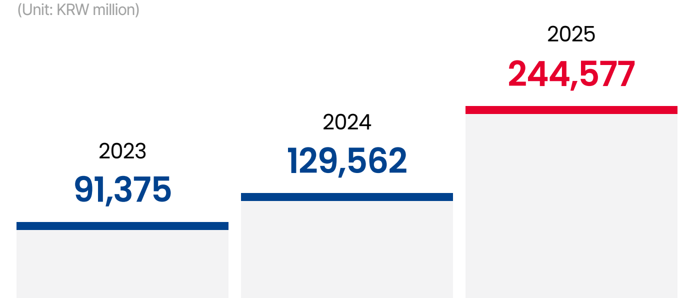
Pan Ocean is reducing the use of fossil fuels and gradually expanding the use of biofuels to reduce GHG emissions. In 2025, in cooperation with a major global shipper, Pan Ocean used fossil-free B100 biofuel on one of its vessels. To respond to global environmental regulations, including FuelEU Maritime, and to reduce GHG emissions, Pan Ocean plans to accelerate its transition to low-carbon fuels by gradually increasing both the number of vessels running on biofuels and its overall biofuel consumption.

Revenue from Eco-Friendly Vessels

Pan Ocean contributes to reducing GHG emissions by introducing newbuild vessels equipped with eco-friendly technologies and separately manages revenue generated from eco-friendly vessels. Eco-friendly vessels refer to vessels that use eco-friendly energy or fuels as a power source, or are equipped with technologies to reduce marine pollution or improve vessel energy efficiency, and meet the standards under the Act on Promotion of Development and Distribution of Environment-Friendly Ships (Name of the relevant Korean law). Pan Ocean has obtained verification from the Korean Register (KR), a third-party verification body, for the application of eco-friendly technologies in accordance with the Guidelines for the Implementation of the Eco-Friendly Vessel Transition Support Project.

Eco-Friendly Service Revenue

(Unit: KRW million)



Response to Climate Change

Strategy

Climate Resilience Assessment

Physical Risk Scenario Analysis Overview

Pan Ocean quantitatively analyzed the impacts of physical risks from climate change on its business operations and financial performance by using Jupiter Intelligence, a climate risk analytics platform. The scope of analysis included the Pan Ocean headquarters, major business sites of subsidiaries, and major domestic and overseas ports. Potential impacts were reviewed by considering the geographical characteristics of each business site and its level of exposure to climate hazards.

For analysis of physical risks, Pan Ocean applied the SSP (Shared Socioeconomic Pathways) scenarios presented in the IPCC Sixth Assessment Report to reflect various climate pathways depending on the level of climate change policies and social and economic changes. Based on this, Pan Ocean analyzed the impacts of climate hazards, including sea level rise, heat waves, and changes in precipitation, on port operations and maritime transportation activities.

The detailed analysis was conducted by considering hazard-specific exposure and financial impacts. For hazard-specific exposure, Pan Ocean used ClimateScore Global by Jupiter Intelligence to assess current risks and risk variability from 2020 to 2050. For analysis of the financial impact, the company estimated the potential scale of losses by reflecting reduced business operational efficiency and costs of environmental adaptation caused by chronic hazards.

Through this analysis, Pan Ocean identified the level of physical risks and potential financial impacts for major business sites and ports under high-emissions and low-emissions scenarios. Based on the results, Pan Ocean continues to advance its climate risk response strategies and measures to secure operational stability.

Analysis Scenario

Scenario Category	Description
SSP1-2.6 (Low-emissions scenario)	A scenario in which sustainable growth is achieved based on the advancement of eco-friendly technologies and the expansion of policies
SSP2-4.5 (Intermediate-emissions scenario)	A scenario in which climate change response and social and economic development proceed in a balanced manner at an intermediate level
SSP5-8.5 (High-emissions scenario)	A scenario in which dependence on fossil fuels continues and GHG emissions increase due to a development-oriented business environment

Physical Risk Scenario Analysis Targets

Pan Ocean selected analysis targets that reflect the characteristics of marine transportation to analyze the business impacts of physical risks from climate change. Considering that vessel operations and port use are core business activities in the marine transportation, Pan Ocean included major loading and unloading ports in addition to its permanent establishments, such as the headquarters, in the scope of analysis.

The ports subject to analysis were selected based on actual operating data, and their importance was assessed using the number of port calls and port expenses by port. Ports with a high number of port calls were considered key ports where Pan Ocean's major transportation activities are concentrated. Port expenses were used as an indicator reflecting the level of financial impact, as they are costs incurred in the course of vessel operations.

Based on this approach, Pan Ocean first selected key ports by the number of port calls, and then considered the scale of port expenses to identify ports with a significant impact on its business as the final analysis targets. As a result, five major ports with high frequency of port calls and substantial port expense burdens were included in the Physical Risk Scenario Analysis, and the analysis was conducted for a total of seven business sites and ports.

Through this analysis, which reflected actual operating patterns and cost structures, Pan Ocean assessed physical risks from climate change in a more realistic manner. Going forward, Pan Ocean plans to continue advancing its data-driven analysis system.

Business Sites and Key Ports Subject to Physical Risk Analysis

Category		Address
Business Site	Pan Ocean	TOWER 8, 7 Jong-ro 5-gil, Jongno-gu, Seoul, Republic of Korea
	POS SM	Pan Ocean Busan Building, 102 Jungang-daero, Jung-gu, Busan, Republic of Korea
Port	Gwangyang Port	460 Conbudu-ro, Gwangyang-si, Jeollanam-do, Republic of Korea
	Pyeongtaek Port	55 Pyeongtaekhang-ro, Poseung-eup, Pyeongtaek-si, Gyeonggi-do, Republic of Korea
	PORT HEDLAND	The Esplanade, Port Hedland, WA 6721, Australia
	KALAMA	110 W Marine Dr, Kalama, WA 98625, United States
	PONTA DA MADEIRA	Av. dos Portugueses, 11225-11213, São Luís - MA, Brazil

Response to Climate Change

Strategy

Climate Resilience Assessment

Physical Risk Analysis Results

Pan Ocean conducted a climate hazard-specific analysis using Jupiter Intelligence to identify and respond to physical risks that climate change may pose to its major business operations. The analysis covered global operating locations, including the Pan Ocean headquarters, subsidiary business sites, and key ports of call, and comprehensively considered the level of exposure to climate risks and changes in such exposure at the present time and in the future from 2020 to 2050. Each indicator was used as a relative measure to find the degree to which each business site is exposed to a specific climate risk compared with the global average. The analysis revealed that Pan Ocean's major business sites have relatively high exposure to acute climate hazards, such as typhoons, heavy rainfall, and heat waves, which may affect operational stability going forward.

However, given the nature of vessel operations, these physical risks can be managed through operational measures such as route adjustments and sailing schedule changes. Accordingly, the financial impact on Pan Ocean has been assessed as limited to date. The company plans to continue refining its climate risk analysis in consideration of the potential worsening of physical risks caused by climate change. To this end, the company will strengthen its data-based monitoring system, expand the scope of risk assessment for key ports and operating routes, and reflect the results of scenario analysis in its operating strategies and risk management system, thereby continuously enhancing its climate resilience.

Comprehensive Physical Risk Analysis Results

(: Very Low, : Low, : Medium, : High, : Very High)

Disaster / Business sites and major ports	Flood			Typhoon			Heat Wave			Hail[2]			Drought			Wildfire			Heavy Rainfall			Cold Wave			Land Subsidence		
	Current risks	Risk variability	Risk composite[1]	Current risks	Risk variability	Risk composite[1]	Current risks	Risk variability	Risk composite[1]	Current risks	Risk variability	Risk composite[1]	Current risks	Risk variability	Risk composite[1]	Current risks	Risk variability	Risk composite[1]	Current risks	Risk variability	Risk composite[1]	Current risks	Risk variability	Risk composite[1]	Current risks	Risk variability	Risk composite[1]
Pan Ocean	18	0	16	14	6	29	39	55	33	7	32	-	44	-2	40	0	0	0	91	18	50	77	-46	75	38	-3	9
POS SM	0	0	0	27	14	68	33	57	27	6	-32	-	43	-4	38	0	2	2	92	13	46	49	-45	49	41	56	77
Gwangyang Port	0	0	0	24	39	88	37	56	31	5	0	-	60	-14	42	11	5	28	93	19	54	59	-42	59	31	42	41
Pyeongtaek Port	100	37	94	25	9	59	38	58	35	6	46	-	41	-6	36	0	5	10	87	37	72	69	-52	67	27	38	33
PORT HEDLAND	100	31	96	44	16	86	86	46	79	63	44	-	90	0	67	0	0	0	90	10	42	0	-1	0	0	0	0
KALAMA	0	0	0	18	9	46	18	61	18	0	0	-	1	2	6	1	2	3	33	44	32	57	-50	56	44	28	40
PONTA DA MADEIRA	100	31	95	46	-29	21	75	81	99	0	0	-	2	2	8	0	0	0	83	54	90	0	0	0	0	0	0

1) The composite score combines the current risk score and the risk variability score, and indicates the level of hazard-specific risk exposure at the location based on global data points.
2) For hail, no composite score was calculated because long-term estimation is limited due to its localized occurrence characteristics and the high variability of the figures provided by Jupiter Intelligence.

Response to Climate Change

Strategy

Climate Resilience Assessment

Physical Risk Detailed Analysis Results

Pan Ocean selected key operating locations with high business impact based on the number of port calls and port expenses, taking into account the impact of climate hazards on operational stability and cost structure. As a result, Pyeongtaek Port was identified as a key operating location in Korea, while Port Hedland in Australia was identified as a key operating location overseas.
A detailed analysis of these locations showed that both are relatively highly exposed to acute climate hazards, including typhoons, floods, and heavy rainfall. Port Hedland was also found to have a high level of exposure to heat wave risk. These climate hazards may have a negative impact on the stability of vessel operations and the efficiency of port operations, indicating the need for continuous monitoring and systematic risk management for these locations.

Physical Risk Analysis Results for Key Operating Locations

* Based on the SSP5-8.5 scenario

Category		Typhoon	Flood	Heavy rainfall	Heat waves
Risk Indicator (Unit)		Maximum wind speed of a 100-year return period[1] typhoon (km/h)	Expected inundation depth in the event of a 100-year return period[1] flood (m)	One-day cumulative precipitation of a 100-year return period[1] heavy rainfall event (mm)	Number of days per year with temperatures of 35°C or higher (days)
Pyeongtaek Port	2025	125.2	4.09	342	4.42
	2035	125.6	4.15	359	5.82
	2050	126.4	4.3	387	9.32
PORT HEDLAND (Australia)	2025	147.5	5.43	364	130.6
	2035	147.5	5.49	374	140.63
	2050	149.7	5.62	390	159.55

1) A 100-year return period hazard refers to a hazard of certain magnitude with a 1% annual probability of occurrence. It represents a hazard magnitude that is both realistically possible and sufficiently extreme.

Response to Climate Change

Strategy

Climate Resilience Assessment

Physical Risk Detailed Analysis Results

Operation of the E-Center

As climate change increases the frequency and severity of natural disasters, securing the safety of vessel operations in response to extreme weather events has become an important priority. In particular, as unpredictable weather events such as typhoons and heavy rainfall increase in both frequency and magnitude, the maritime transportation environment may deteriorate, and the possibility of damage and flooding of port facilities may increase. These changes have emerged as major physical risks that may affect vessel operations, loading and unloading schedules, logistics delays, and the safety of crew members.
In response, Pan Ocean has operated its proprietary vessel operation control system, the Fleet Operation e-Center, since 2022. This system monitors vessel location, fuel consumption, and cargo loading status in real time to manage risk factors in advance, and supports the improvement of vessel operation efficiency and operational safety through remote inspection functions.

Purpose of the E-Center

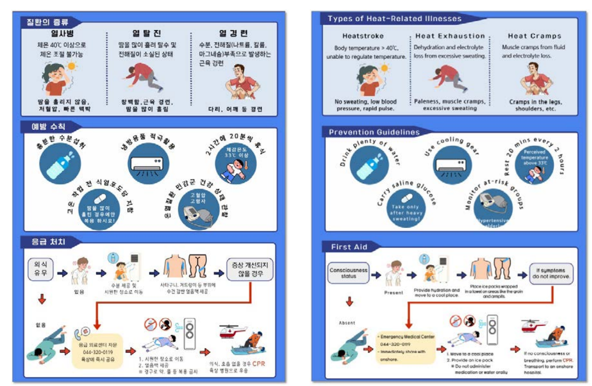
- **Real-Time Integrated Monitoring**
  Tracking vessel locations and providing guidance for safe navigation
- **Integrated Management of Shore-Based and Onboard Operation Information**
  Supporting optimal operational decision-making through information linkage between shore facilities and vessels
- **Establishment of an Autonomous Navigation Response System**
  Building a shore-based control tower system for future autonomous vessels

Functions of the E-Center

- **Strengthening the Safety Management System**
  Preventing major accidents and initiating rapid response in the event of an accident
- **Managing Operational Efficiency**
  Analyzing efficiency based on vessel operation data and providing guidance on optimal routes
- **Responding to Environmental Regulations**
  Managing the response status for various regulations through the GHG monitoring system

Preventing Heat-related Illnesses in Preparation for Heat Waves

Pan Ocean operates a prevention-oriented management system for offshore employees in response to the increasing risk of heat-related illnesses caused by heat waves. Vessels are equipped with basic air-conditioning systems to minimize exposure to high-temperature environments, and working environments are continuously maintained to mitigate heat stress. Pan Ocean also conducts training and awareness-raising activities, including the distribution of health protection posters, to provide guidance on how to respond during heat waves and manage health risks. In particular, in July 2025, Pan Ocean sent a company letter on prevention of heat-related illnesses to all vessels to raise awareness among all employees and re-emphasize relevant response guidelines.
Section 4.8, "Work in High-temperature Environments," under Chapter 7, "Safety Work Rules," of Pan Ocean's Safety and Health Manual specifies rules for prevention of heat-related illnesses and procedures to be followed in the event that someone falls ill. Based on this, Pan Ocean implements a systematic on-site response. In addition, to ensure the safety of seafarers, Pan Ocean provides seasonal supplies such as hydration beverages and cooling pads, while also implementing measures to improve working environments and reduce the burden of working in high-temperature conditions. Through these efforts, Pan Ocean minimizes health risks caused by heat waves and maintains a safe working environment. The company plans to continue improving its response system going forward.



Heat-related illness prevention training poster (Korean and English)

Response to Climate Change

Strategy

Climate Resilience Assessment

Transition Risk Scenario Analysis Overview

Pan Ocean conducted a mid- to long-term climate scenario analysis to assess the impacts of transition risks from climate change on its future business operations and finances, and to establish response strategies. The analysis period was set from 2030 to 2050, and the Net Zero Emissions (NZE) and Stated Policies Scenario (STEPS) scenarios of the International Energy Agency (IEA) were applied to the transition risk analysis. Scenario analysis is based on assumptions about the future environment and the findings may differ from actual results. It also includes limited forecasts of key variables, such as international carbon prices and energy prices.

The IEA's NZE and STEPS scenarios reflect future policy, technology, and market changes according to temperature rise pathways, and forecast changes in international carbon prices and energy prices expected during the transition to a low-carbon economy. Pan Ocean identified major transition risks associated with climate change based on the IEA NZE scenario, which assumes a pathway toward carbon neutrality by 2050, and analyzed the resulting business and financial impacts.

Category	Scenario	Temperature Rise by 2030 (Median)	Temperature Rise by 2050 (Median)	Assumptions
Transition risk analysis scenario	IEA NZE (Net Zero Emissions by 2050)	1.5°C	1.5°C	Transition pathway aligned with the Paris Agreement's 1.5°C target, based on the assumption of achieving global net-zero emissions by 2050
	IEA STEPS (Stated Policies Scenario)	1.5°C	2.0°C	Conservatively projects the overall direction of the energy system based on policies that are currently in force or under development

Oil, Natural Gas, and CO_2 Price Outlook[1]

Category	Unit	2022	2030	2040	2050
Natural gas price (Japan)	US$/MBtu	15.9	5.5	5.3	5.3
Crude oil price (IEA benchmark)	US$/bbl	98	42	30	25
CO_2 price (Based on the industrial sector, advanced economies)	US$/t$CO_2$	-	140	205	250

EU ETS Carbon Allowance Price Outlook[2]

Category	Unit	2024	2030	2035	2040
CO_2 price	€/tCO_2	65	142	185	240

1) The price outlook is based on the IEA NZE scenario. The energy price outlook assumes that demand for fossil fuels, such as oil and natural gas, will decline sharply in the future, causing energy prices to fall to the level of the operating costs of marginal projects. Japan's natural gas price outlook data were used for the scenario analysis based on natural gas prices, considering the similarity between Korea and Japan in terms of energy import structures and market systems.
2) EU ETS carbon allowance price outlooks are based on outlook data from BloombergNEF and Enerdata.

Analysis and Implications of Major Transition Risks

According to the IEA NZE scenario, or the 1.5°C pathway, carbon prices are projected to rise to approximately USD 140 per ton by 2030 and approximately USD 250 per ton by 2050, which is expected to have a direct impact on Pan Ocean's vessel operating costs. In addition, as EU ETS allowance prices are also projected to continue rising, additional cost burdens are expected to arise from the obligation to purchase and surrender emission allowances when operating on European routes. These impacts may lead to an increase in emission allowance-related expenses and expanded recognition of provisions for emission allowances in the financial statements. The related items can be found in Notes 14. Other Assets and 20. Provisions to Pan Ocean's Separate Financial Statements.

In terms of fuel, the acceleration of the low-carbon transition may place downward pressure on prices of conventional oil-based fuels over the mid- to long-term, while the burden of carbon prices and carbon taxes is expected to continue increasing. In addition, cargo volumes for fossil fuels, such as coal, which are among Pan Ocean's major transported cargoes, may decrease gradually, creating a risk of reduced profitability.

Furthermore, strengthened environmental regulations, including the IMO's EEXI and CII regulations and the EU's FuelEU Maritime, require improvements in vessel energy efficiency and fuel transition. These requirements are acting as factors that increase capital expenditures (CapEx) for vessel retrofits and the introduction of eco-friendly vessels. The costs of responding to these regulations and the investment burden associated with the low-carbon transition are expected to have meaningful impacts on Pan Ocean's financial structure and cost structure over the mid- to long-term.

Response to Climate Change

Strategy

Climate Resilience Assessment

Transition Risk Response

As the transition to a decarbonized economy gains momentum, Pan Ocean faces a major transition risk from the strengthening of GHG regulations applicable to both existing and new vessels. Pan Ocean is pursuing GHG emissions reduction as a key strategy to respond to this risk. Details of the related activities are described on pages 29 to 31 of this report.

Fleet Transition and Regulatory Response Strategies

Pan Ocean is implementing transition risk response strategies centered on transformation of fleet structure to respond proactively to strengthening global environmental regulations, including the IMO GHG Reduction Strategy, the EU Emissions Trading System (ETS), and FuelEU Maritime. To this end, Pan Ocean continues to lower the carbon intensity of its fleet by decommissioning aging vessels and replacing them with eco-friendly, high-efficiency vessels equipped with LNG dual-fuel engines. Pan Ocean also maintains the modernization of its fleet by managing the average vessel age at approximately 9.3 years.

Vessels mainly fueled by conventional heavy fuel oil (HFO) are being gradually transitioned to those using LNG or biofuel blends. In parallel, Pan Ocean is improving vessel operating efficiency and applying energy-saving technologies to respond to the IMO's EEXI and CII regulations. These responses go beyond regulatory compliance and contribute to securing freight competitiveness and strengthening market responsiveness through improved carbon intensity.

In addition, Pan Ocean is reviewing the introduction of vessels capable of using next-generation zero-carbon fuels, such as ammonia and methanol, as a mid- to long-term task. Through this, Pan Ocean is responding proactively to the future tightening of the decarbonization regulatory environment and accelerating the eco-friendly transition of its business portfolio.

Investment and Financial Response Framework

To manage the financial burden arising from the transition to low-carbon shipping, Pan Ocean secures the availability and flexibility of investment funding by utilizing green finance, including the issuance of green bonds. The funds secured are used for the introduction of LNG dual-fuel vessels and investments in environmental facilities, contributing to fleet transition and the strengthening of the foundation for regulatory response.

In particular, Pan Ocean is expanding investments in eco-friendly vessels by executing large-scale capital expenditures (CapEx). As a result, as of the end of 2025, Pan Ocean operates a fleet of 12 LNG vessels, including LNG bunkering vessels. These investments are being pursued as strategic investments to proactively manage the cost burden associated with carbon regulations while securing business opportunities arising from the growing demand for low-carbon shipping.

Investment decisions are made based on an internal process that comprehensively considers emissions reduction effects, economic feasibility, and technology applicability, taking into account the IMO's 2050 net-zero target and major international regulations. Through this process, Pan Ocean plans to secure financial responsiveness during the transition while continuing to strengthen its mid- to long-term competitiveness and climate response capabilities.

Response to Climate Change

Management of Impacts, Risks and Opportunities

Climate Change Risk and Opportunity Management Process

Pan Ocean operates an annual climate response process based on materiality assessment to systematically identify risks and opportunities arising from climate change and analyze their potential impacts on corporate value. Pan Ocean continuously monitors climate-related regulations, markets, technologies, and environmental changes, and assesses the materiality of each issue based on its likelihood and business and financial impacts to determine priorities.
The climate change response process begins with the identification of climate-related risks and opportunities through a comprehensive review of major climate-related frameworks and policies, such as TCFD and NDC, as well as IPCC reports, industry trends, and policy changes. In this process, Pan Ocean develops an issue pool by also considering changes in the market environment reflecting the characteristics of maritime logistics, regulations of the International Maritime Organization (IMO), and fuel transition trends.
For the identified issues, Pan Ocean determines material climate-related risks and opportunities based on likelihood and impact. It then applies scenario analysis using IPCC and IEA scenarios to review, from multiple perspectives, how key risks and opportunities may affect Pan Ocean's finances and operations. In particular, Pan Ocean analyzes the impacts of major variables, such as strengthened carbon regulations, changes in fuel costs, and growing demand for eco-friendly vessels, and derives response directions.
Finally, the key risks and opportunities identified through the scenario analysis are incorporated into business strategies, including vessel operation strategies, fleet composition, and eco-friendly investment plans. They also serve as the basis for establishing and implementing mid- to long-term response plans. Through this company-wide climate response process, Pan Ocean strengthens its responsiveness to climate risks and actively identifies business opportunities arising from the transition to low-carbon shipping.

Input Variables and Parameters for Scenario Analysis

Input Variables and Parameters	Data Sources
Policy changes	Major global and domestic policies
Industry trends and market outlook	External research institutes, IMO industry trend analysis materials, etc.
Climate change trends	Korea Meteorological Administration and IPCC climate change reports, etc.
Physical asset types	Jupiter Intelligence Asset Types
Physical asset locations	Latitude and longitude of Pan Ocean, subsidiaries, and major port locations
Energy and CO_2 prices	IEA energy market outlook data
Emission allowance prices	Outlook data from BloombergNEF and Enerdata

STEP 1 — Climate change risk and opportunity analysis

- Analysis of major climate-related frameworks and policies, including TCFD and NDC, IPCC reports, and policy and industry trends
- Identification of issues reflecting the characteristics of maritime logistics, IMO regulations, and trends in fuel transition
- Development of a company-wide climate change risk and opportunity issue pool

STEP 2 — Selection of material risks and opportunities

- Quantitative and qualitative assessment based on likelihood and business and financial impacts
- Selection of material risks and opportunities requiring priority management based on the assessment results
- Impact analysis applying short-, medium-, and long-term time horizons

STEP 3 — Scenario analysis

- Scenario analysis of selected material risks and opportunities by applying IPCC and IEA climate scenarios
- Analysis of the impacts that changes in the climate conditions and markets are likely to have on finances and operations

STEP 4 — Reflection in business strategy and establishment of response plans

- Identification of key risks and opportunities based on the scenario analysis
- Reflection in vessel operation strategies, fleet composition, and eco-friendly investment plans
- Establishment of mid- to long-term climate response strategies and implementation plans

Response to Climate Change

Metrics and Targets

Assets and Business Activities Vulnerable to Risks

Physical Risk

Marine transportation is closely exposed to climate-related physical risks, and vessels, which are Pan Ocean's core business assets, operate across various sea areas, including environments with high weather variability such as typhoons, storms, and high waves. The persistence of adverse weather conditions may not only cause short-term operation delays, but also accelerate the accumulation of fatigue in hulls and machinery over the long term, increasing the frequency of unexpected defects. This may lead to an increase in off-hire days due to the need for unplanned repairs, which can directly result in financial risks such as lower rates of vessel utilization (actual operating days / available operating days) and higher operating costs.

Transition Risk

International GHG-related regulations are being rapidly strengthened, including the International Maritime Organization's (IMO) Carbon Intensity Indicator (CII) regulations and the expansion of the European Union Emissions Trading System (EU ETS) to maritime transportation. As a result, operating restrictions and carbon cost burdens are increasing for vessels that fail to meet fuel efficiency standards. The higher the share of aging and low-efficiency vessels, the greater the exposure to regulatory costs, which may lead to higher operating costs and reduced profitability.

Stronger regulations also create structural pressure in terms of fleet operations. As the commercially viable operating period of aging vessels that fail to meet eco-friendly standards becomes shorter, residual asset values may decline and the need for newbuild investments may arise earlier than expected, potentially leading to an increase in capital expenditures (CapEx). In the tanker market, amid continued pressure on newbuild supply, demand for replacing aging vessels in response to eco-friendly regulations is acting as a substantial variable factor. Accordingly, the speed of regulatory response is emerging as a key factor determining competitiveness.

In addition, as major global shippers increasingly require decarbonization of the supply chain and ship finance institutions strengthen ESG screening, vessels with low environmental performance may face gradually worsening cargo order competitiveness and financing conditions. As a result, the eco-friendly transition of the overall fleet is emerging as an important task.

Assets and Business Activities Aligned with Opportunities

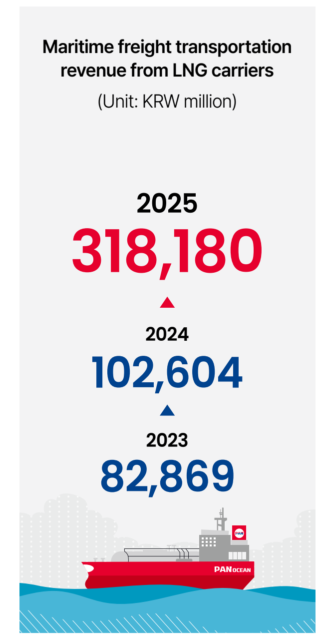
Opportunities

As the global energy transition accelerates, demand for maritime transportation of eco-friendly energy sources, including LNG, is experiencing structural growth. While the traditional dry bulk transportation market centered on coal and oil is gradually contracting, international demand for LNG as a carbon-reduction fuel is expected to show strong growth over the mid- to long-term in connection with energy security issues.

Pan Ocean has proactively responded to these market changes by continuously expanding its LNG carrier operation capabilities. As a result, revenue from the LNG carrier segment has shown clear growth over the past three years. This serves as an indicator that Pan Ocean's business competitiveness in the eco-friendly energy transportation market is being substantially strengthened, and that the company is building a foundation to capture new transportation demand arising from the climate-related transition.

LNG is also gaining attention as a vessel fuel, and the accumulation of LNG transportation capabilities may create synergies in terms of fuel procurement and operation when the acquisition of LNG-fueled vessels expands in the future. Based on its diversified fleet portfolio, Pan Ocean plans to respond flexibly to various transportation demands arising in the course of the energy transition and strengthen its position in the eco-friendly shipping market.

Pan Ocean's revenues from LNG carrier over the past three years



Capital Allocation for Risks and Opportunities

Pan Ocean allocates capital to eco-friendly equipment and newbuild vessel investments to prepare for climate-related risks and opportunities. For details, see 'Implementation Status of Response Strategies for Risks and Opportunities' on pages 29 to 31 of this Report.

Response to Climate Change

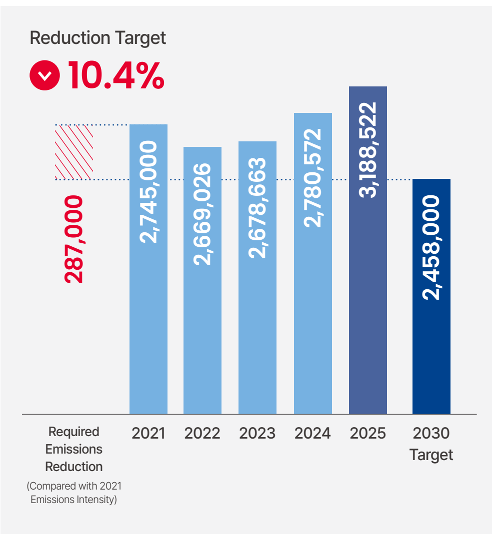
Metrics and Targets

Targets

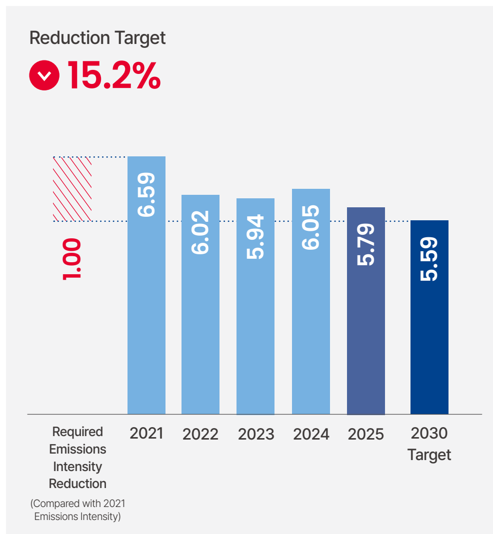
2030 Carbon Reduction Targets and 2025 Reduction Performance

2030 Target

Total GHG emission (Unit: tCO_2e)



GHG Intensity (Unit: gCO_2/ton-mile)



※ Total emissions fluctuate with changes in the number of vessels in operation, reflecting the operational characteristics of the marine transportation industry.

2025 Targets and Performance

Category	Unit	2025 Target	2025 Performance
GHG emissions (Scope 1, owned vessels)	tCO_2e	2,737,252	3,188,522
GHG intensity (Scope1, owned vessels)	gCO_2/ton-mile	5.91	5.79
Energy consumption (Scope 1+2)	TOE	964,079	1,119,379

2030 Carbon Reduction Implementation Targets

Scope 1

Responses to maritime regulations	• IMO EEXI Regulation: Completion of the Engine Power Limitation (EPL) installation for all 33 owned vessels subject to the regulation • IMO CII regulation: Introduction of high-efficiency vessels and optimization of navigational patterns, etc. • Market-based regulations such as EU ETS and FuelEU Maritime: Carrying out trials using low-carbon biofuels sourced from biomass and reviewing the implementation of zero-emission vessels
Optimization of operational patterns	• Maximizing emissions reduction by slowing down and maintaining a consistent navigational speed, considering the exponential increase in carbon emissions per unit with higher engine output • Developing a data-driven route monitoring system to optimize navigational efficiency in the long term
Replacement with high-efficiency fleets and introduction of ESD equipment	• Phasing out of 26 existing vessels with low energy efficiency • Placing orders for 24 new energy-efficient vessels equipped with eco-friendly technologies such as optimized hull design and Propeller Boss Cap Fins (PBCF) • Selective adoption of efficient ESD equipment such as rotor sails and air lubrication systems
Transition to zero emission vessels	• Phasing out of 10 existing vessels with carbon emissions • Establishing a goal to cease orders for carbon-emitting vessels • Introduction of 6 vessels with zero carbon emission

Scope 2

Review of participation in RE100	• Participating in a campaign to obtain 100% of internal electricity consumption from renewable energy sources • Purchasing Renewable Energy Certificates (RECs) or engaging in third-party Power Purchase Agreements (PPAs) for implementation

Scope 3

Reduction of emissions from capital goods such as vessels	• Collaborating with shipyards to increase the use of eco-friendly materials and components for reduction of carbon emissions generated during the construction of owned vessels • Engaging with equipment manufacturers and technical managers to minimize emissions associated with the production and logistics of vessel components and spare parts
Reduction of fuel consumption from chartered vessels	• Reducing carbon emissions from chartered vessels by prioritizing high-efficiency vessels in chartering decisions
Reduction of waste emissions	• Reducing carbon emissions through efforts such as enhancing recycling rates and minimizing the amount of waste disposal in the treatment of general vessel waste and sludge • Continuous implementation of company-wide campaigns, including manufacturing and distribution of reusable tumblers in 2023 to promote efforts to use fewer disposable products

Strengthening Safety and Health Management

Governance

Operational Structure

Pan Ocean

Pan Ocean is responsible for the overall management of onshore and offshore safety and health measures. The company establishes and approves safety and health management plans, and supervises the effective implementation of onshore and offshore safety and health systems. Pan Ocean makes safety and health-related decisions through major consultative bodies, including the Board of Directors, ESG Committee, Occupational Safety and Health Committee, and Safety Management Review Meetings.

POS SM

POS SM is a company specializing in offshore employee and vessel management, and applies Pan Ocean's safety and health management policies to vessel operations. POS SM operates the onboard safety and health management system and oversees activities, including internal audits and shipboard inspections, to prevent accidents and their recurrence.

In the event of an accident, POS SM convenes an Accident Response Team to coordinate vessels and offshore employees, reports the situation to the vessel owner and relevant institutions, and establishes measures to prevent recurrence, thereby enabling a rapid response system. In addition, POS SM reviews and improves key safety issues through the Onshore Safety, Health and Environment Committee and Safety Management Review Meetings.

Vessel

The onboard safety and health system is implemented under the leadership of the master. Onboard, risk assessments and accident prevention measures are carried out during work, and the Planned Maintenance System (PMS) is operated on a weekly basis to manage equipment conditions. Vessels also promote a safety culture through awareness campaigns, thereby strengthening the level of safety and health management among seafarers.

In the event of an emergency, vessels immediately carry out initial response measures and take necessary action to minimize the impact of the accident. In addition, matters related to safety, health, environment, and security are discussed and resolved through the Onboard Safety, Health and Environment Committee.

Operational Structure of Safety and Health Management

	R&R	Safety and Health Management Activities	Emergency Response	Governance System
Pan Ocean	Approval of onshore and offshore safety and health management plans Supervision of overall safety and health system operations and performance	Monitoring of onshore and offshore safety and health systems	Convening of the Accident Response Committee	Board of Directors and ESG Committee Occupational Safety and Health Committee Safety Management Review Meetings
POS SM	Establishment of policies for onboard safety and health management and distribution to vessels Prevention of accidents and their recurrence	Operation of onshore and offshore safety and health management systems Internal audits and shipboard inspections	Convening of the Accident Response Team and management of vessels and offshore employees Reporting incidents to the shipowner and relevant institutions Development of recurrence prevention measures	Onshore Safety, Health and Environment Committee Safety Management Review Meetings
Vessels	Operation of the onboard safety and health system led by the master	Risk assessment and accident prevention measures Operation of weekly PMS Safety awareness campaigns	Operation of Emergency Response Team and On-site Management	Onboard Safety, Health and Environment Committee

Strengthening Safety and Health Management

Governance

Operational Structure

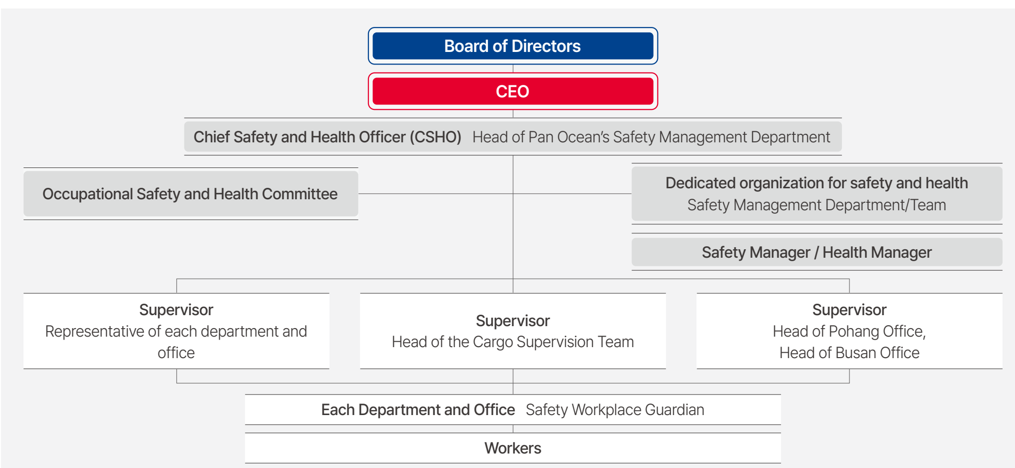
Board of Directors/ESG Committee

Pan Ocean's Board of Directors, as the highest decision-making body, checks and reviews the operation status of safety and health management systems across onshore and offshore operations, as well as performance against targets. The Board receives reports on the safety and health management plan resolved by the ESG Committee and deliberates on and approves the plan annually.

Occupational Safety and Health Committee/Onshore and Onboard Safety, Health and Environment Committee

Pan Ocean holds quarterly Occupational Safety and Health (OSH) Committee meetings to deliberate on and approve matters such as the establishment and revision of safety and health management regulations, development of safety and health plans, implementation of training programs, root cause analysis of serious accidents, and recurrence prevention measures. POS SM holds monthly meetings of the Onshore Safety, Health and Environment Committee to share operational status and improvement tasks and apply them to vessel operations. The Onboard Safety, Health and Environment Committee on each vessel promotes a safety culture and discusses key issues related to safety, health, environment, and security to identify directions for improvement.

Organizational Chart of Safety and Health Management Governance



Management

Pan Ocean's Safety and Health Deputy Head serves as the Chief Safety and Health Officer (CSHO), overseeing safety and health operations at business sites. The CSHO manages overall safety and health activities, including the establishment of industrial accident prevention plans, implementation of training programs, improvement of the working environment, management of employee health, investigation of accident causes, and development of measures to prevent recurrence. The CSHO also directs and supervises safety and health managers and supervisors. In addition, safety and health management performance is linked to the key performance indicators (KPIs) of the CSHO and reflected in incentives. Through this approach, Pan Ocean enhances the effectiveness of its safety and health management system.

Dedicated Organization

Pan Ocean's Safety Management Team serves as the dedicated organization for safety and health management, establishing and operating the safety and health system to prevent accidents and ensure compliance with laws and regulations. In addition, the Maritime Coordination Team holds semiannual Safety Management Review Meetings to review key safety and health issues related to owned vessels and discuss recurrence prevention measures, and reflects the results in vessel operations.

POS SM is responsible for operating and improving the safety and health management system. The Safety & Quality Team Leader is responsible for developing, maintaining, and improving the safety and health management system, while the heads of the Vessel Operation Team and the Crew Management Team establish and implement safety and health targets and action plans. POS SM also establishes safety and health management policies, ensures their implementation across all vessels, and monitors compliance with and effectiveness of these policies.

Masters oversee onboard safety and health implementation in accordance with the safety and health policies and procedures established by POS SM. They also hold daily onboard meetings with vessel management officers to review overall vessel operation activities, including vessel inspections, training and drills, repairs, and maintenance.

Safety and Health Agenda Deliberated on and Approved by the Board of Directors

Date	Agenda	Status
Feb. 11, 2025.	To approve the 2025 Safety and Health Management Plan	Approved

Safety and Health Performance-Based Compensation System

Target	KPIs	Compensation
The Management/ Dedicated Organization	Zero Major Accident at Business Sites	Reflected in incentives

Strengthening Safety and Health Management

Strategy

Major Impacts, Risks and Opportunities

Impact on the company (Risks and Opportunities)

Risks	Opportunities	Increased regulatory response costs due to strengthened safety accident regulations and growing requirements for investment across the overall management system

Impact on External Stakeholders (Environmental and Social Impacts)

Positive	Negative	Reduced ability of industry workers to maintain daily life activities due to physical and property damage caused by onshore and offshore safety accidents

Response Strategies

- Conducting site visits to key suppliers' facilities and holding safety and health meetings, establishing a digital safety and health platform for suppliers
- Holding Occupational Safety and Health Committee meetings and activating health promotion programs
- Providing regular training for offshore employees under the Occupational Safety and Health Act and the Serious Accidents Punishment Act, and establishing an offshore safety and health management consultative body
- Maintaining the trend of expanding the safety and health budget

Safety and Health Strategy

Guided by the vision of strengthening its position as a "Global Leading Shipping & Logistics Company with Safety and Health as Its Top Priority," Pan Ocean aims to maintain zero serious industrial accidents. To achieve this, Pan Ocean is implementing the following key tasks: advancing the safety and health management system, strengthening on-site implementation of safety and health measures, and expanding the safety and health network.

POS SM operates its safety and health strategy centered on its safety and health policies and targets, and has established a management system based on Safety, Health, Environment and Quality (SHEQ). POS SM places the highest priority on the safety of human life, vessels, and environmental protection, and provides the necessary resources to support onshore and offshore employees in performing their work safely. In addition, POS SM reflects on-site opinions and promotes continuous improvement activities through regular consultative bodies, including onboard safety meetings, management reviews, and Loss Incident Forums.

Vision Global leading shipping & logistics company with safety and health as its top priority

Targets Maintaining Zero Major Accident

Implementation tasks and activities

Advancing the safety and health management system
- Digital transformation of work processes
- Renewal of ISO 45001 certification

Strengthening the on-site effectiveness of safety and health management
- Strengthening safety and health management for suppliers
- On-site management at six major ports

Expanding the safety and health network
- Holding safety and health consultative body meetings and forums
- Expanding exchanges with associations, institutions, and peers in the industry

Strengthening Safety and Health Management

Management of Impacts, Risks and Opportunities

Safety and Health Policy

Policies and Guidelines

View POS SM Safety and Health Policy

Pan Ocean applies its Safety and Health Management Policy across its internal and external stakeholders, setting lives and safety as its top management priorities and promoting systematic safety management. Based on its safety and health management principles, Pan Ocean works to prevent accidents and minimize industrial accident risks.
POS SM has established the Safety Quality Policy, Health & Welfare Policy, Stop Work Policy, and Drug and Alcohol Policy, and discloses them on its website. Based on these policies and guidelines, POS SM strives to maintain a safe working environment throughout its operations.

Safety and Health Management Policy

Pan Ocean Safety and Health Management Policy	
	1. We consider employees' and stakeholders' lives and safety as top priorities in our business activities.
	2. We establish a safety and health management system and ensure compliance with relevant laws and regulations.
	3. We establish safety goals and conduct education, training and inspections in an organized manner.
	4. We continue working to prevent safety failures preemptively and proactively.
	5. We strengthen shared growth systems with stakeholders such as subcontractors, service providers, and commissioned services, fulfilling our roles and responsibilities in reducing occupational accidents for employees and stakeholders.
	6. We ensure employees' voice and engagement for safety and accident prevention.

Occupational Health and Safety Management System

Pan Ocean and POS SM have obtained ISO 45001 certification for their occupational health and safety management systems, and have established and applied safety and health management systems across both vessels and onshore operations. In addition to complying with the Korean Occupational Safety and Health Act, Pan Ocean and POS SM are committed to continuous improvement activities to maintain a safety and health management system that meets global standards. The companies also strive to protect the lives and health of employees and suppliers' workers and to create a safe working environment by establishing and implementing systems and procedures related to safety and health management.

PLAN	Identify, analyze, and evaluate safety and health risks and opportunities, and establish safety and health targets and action plans
DO	Apply and implement the established plans in actual operations
CHECK	Monitor and measure activities and processes against established safety and health policies and targets, and report the results
ACT	Implement measures to improve safety and health performance to achieve the intended results

ISO 45001 Certification Status (Pan Ocean)

Pan Ocean Occupational Health and Safety Management System Certification

Category	Description
Certification standard	ISO 45001:2018
Scope of certification	Ship transportation services
Percentage of certified business sites	100% (domestic business sites)
Validity Period	Dec. 5, 2023-Dec. 4, 2026

ISO 45001 Certification Status (POS SM)

POS SM Occupational Health and Safety Management System Certification

Category	Description
Certification standard	ISO 45001:2018
Scope of certification	Ship management and safety management services
Percentage of certified business sites	100% (domestic business sites)
Validity period	Mar. 31, 2025 – Apr. 14, 2028

Strengthening Safety and Health Management

Management of Impacts, Risks and Opportunities

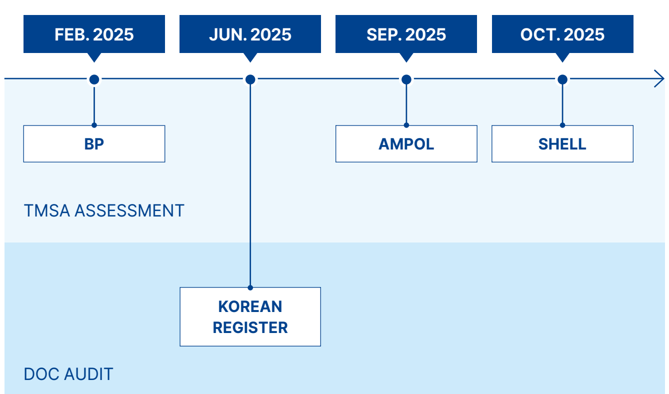
Safety and Health Policy

Vessel Operation Standards Assessment

Pan Ocean and POS SM undergo Tanker Management and Self Assessment (TMSA), a vessel safety management assessment system adopted by global oil companies. In 2025, the assessment covered tanker operation management, safety and quality, vessel reliability and maintenance, maritime security, emergency response capabilities, and incident management systems, and both the companies received a high level of evaluation.

In addition, Pan Ocean and POS SM reviewed the overall safety management system of business sites through surveillance audits based on the Document of Compliance (DOC) across five countries, and continue to meet international safety standards and the management requirements of each country.

Vessel Operation Standards Assessment History



Safety and Health Workshops

Pan Ocean and POS SM hold safety and health workshops to establish a safety culture among office employees and offshore employees and strengthen their safety capabilities. In 2025, key safety and health employees attended the workshop, including Pan Ocean's Safety and Health Deputy Head, POS SM's Head of Maritime Technology Department, the Safety & Quality Team, the Crew Management 1 Team Leader, and the Health Manager.

Participants shared and analyzed cases of personal injury and illness incidents that occurred in 2025 and discussed improvement directions to prevent recurrence. They also reviewed and shared the safety and health operation plan and key implementation tasks for 2026, and reaffirmed the importance of preventive activities and timely communication based on the shared understanding that "safety is not an option, but a fundamental value." Going forward, Pan Ocean and POS SM plan to strengthen the management system centered on the safety and health of onshore and offshore employees.

Pan Ocean, POS SM Safety and Health Workshop

Master, Chief Engineer, and Officer Workshop

Pan Ocean holds workshops for masters, chief engineers, deck officers, and engineering officers to raise safety awareness. In 2025, a total of four workshops were held in Gyeongju, covering onboard safety training, the Serious Accidents Punishment Act, and occupational safety and health training.

In addition, hands-on safety and health training was provided on cardiopulmonary resuscitation (CPR) and the use of automated external defibrillators (AEDs), strengthening initial response capabilities in emergency situations. Safety seminars were also held to review the overall operational status of vessels, and time was set aside for communication and work sharing by fleet, strengthening exchanges and a sense of collaboration among offshore employees.

POS SM Master, Chief Engineer, and Officer Workshop

Strengthening Safety and Health Management

Management of Impacts, Risks and Opportunities

Safety and Health Management Activities

Strengthening Safety Training for Employees

Since 2022, Pan Ocean has operated training programs for onshore employees, including legally mandated training and job training, to strengthen their safety and health capabilities. Safety and health training under the Occupational Safety and Health Act is provided to onshore employees, including supervisors, while job training is also provided for the Chief Safety & Health Officer and safety and health managers. For offshore employees, safety management training is included in workshops for masters, chief engineers, and officers, job training for officers and ratings, and new officer recruitment training programs. Pan Ocean also provides training to foster professionals through programs such as the ISO 45001 Internal Auditor Course. In 2025, at least one employee from each department participated, with a total of 22 employees completing the training. Furthermore, Pan Ocean and POS SM identify employees engaged in work with a high risk of accidents, as well as key facilities and equipment, and strengthen practical safety training based on these findings. To prevent major accidents that may occur in the process of vessel operation and management, the companies provide both in-person and online internal training, as well as external specialized programs such as Ship Handling Simulation, Bridge Resource Management, and Engine Room Resource Management, thereby enhancing accident prevention capabilities.

Practical Safety Training for Offshore Employees

Target	Training Type	Training Content
Korean offshore employees	Theoretical training	‣ Current employees: Training and workshops for masters, chief engineers, officers, and ratings ‣ New employees: New officer training ‣ Promotion candidates: Position-specific promotion training ‣ Vessel transfer crew: Practical training for assigned vessels
	Practical training	‣ Simulation training: SHS, ERS, LCHS
Foreign offshore employees	Theoretical training	‣ Individual online learning, including periodic assessments ‣ Safety awareness training ‣ Case studies of incidents ‣ PSC inspection cases and response manuals, e-POS training, etc. ‣ Position-specific training
	Practical training	‣ Simulation training: SHS, ERS, LCHS ‣ Training in safety awareness and communication skills ‣ Practical training, including cargo handling, mooring, and BWMS

HR TRAINING CENTER

In June 2025, POS SM established the HR Training Center at its Busan headquarters to create a practical training environment aligned with international standards and provide simulation and on-site practical training.

Ship Handling Simulator Training (SHS)	‣ Creating an environment similar to actual sea conditions ‣ Reproducing various weather conditions and maritime situations
Ship Handling Simulator CBT Training (SHS CBT)	‣ Simulation providing the same functions as ship handling ‣ Providing customized training for each individual
Engine Room Simulator (ERS)	‣ Learning the actual operating principles of engine room equipment ‣ Training on responding to engine trouble
Liquid Cargo & Ballasting Handling Simulator (LCHS)	‣ Simulating tanker cargo handling procedures ‣ Practicing pressure and temperature control in tanks

Strengthening Safety and Health Management

Management of Impacts, Risks and Opportunities

Safety and Health Management Activities

Enhanced Health Checkups and Counseling Programs

Pan Ocean and POS SM operate a health screening system that reflects the work characteristics of offshore employees. The companies conduct annual medical checkups for all offshore employees. For Korean offshore employees, cardiac CT scans have been added to support the prevention and management of major diseases such as cardiovascular and cerebrovascular diseases. Even while offshore employees are on board, monthly health interviews are conducted to identify those requiring intensive management and to continuously collect feedback. In particular, offshore employees who take long-term medication for chronic diseases submit a separate medication pledge form to prevent medication misuse and have monthly health interviews with the master to check for any health issues. In addition, when any health abnormalities occur, relevant information is shared immediately so that measures can be taken within the initial response time. After disembarkation, feedback is provided along with health-related evaluation comments, reflecting key health management findings identified before boarding. Pan Ocean and POS SM also provide first aid training to strengthen response capabilities for medical situations that may occur on board, and support offshore employees in improving their ability to manage their health independently through health promotion training. For returning foreign officers and senior ratings, the companies provide indemnity health insurance for the employees and their families, enabling family members residing in their home countries to receive financial support for local medical treatments.

Safety and Health Services

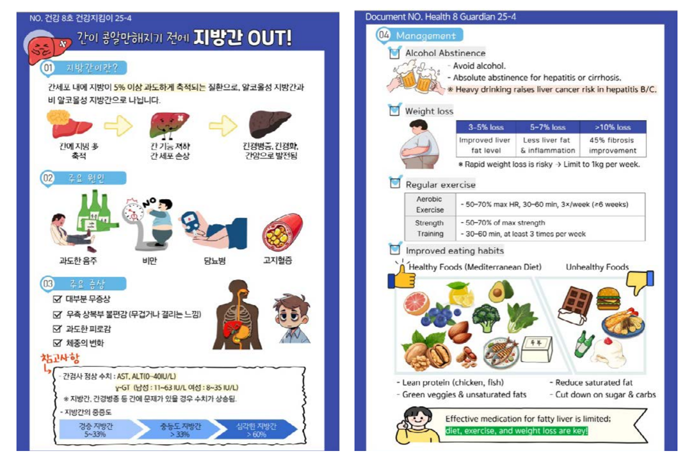
Category	Description
Health Counseling Office	• Experienced nursing staff and monitoring of health data • Management of employees with abnormal findings or requiring follow-up observation
Medical checkups	• Annual medical checkups, with results retained for five years
Job Stress Management	• Job stress assessment and guidance on health promotion programs
Health promotion programs	• Regular operation of smoking cessation programs, exercise and meditation programs (HomeFit), and walking campaigns (WalkOn)
Accident prevention incentive program	• Incentives awarded upon achieving safety accident prevention goals
Seasonal supplies for cargo supervisors	• Summer: Hydration beverages, cooling vests, and head cooling pads • Winter: Electronic hand warmers, heated vests, and neck warmers
Installation and management of emergency and health management equipment	• Automatic blood pressure monitors, blood glucose meters, and emergency bells installed • Emergency disaster kits provided to all employees • Automated External Defibrillators (AEDs) inspected once a month, with the results shared with the Jongno-gu Public Health Center

Category	Description
Provision of Personal Protective Equipment (PPE)	• Essential PPE, including helmets, safety shoes, uniforms, and winter jackets, provided
Vessel-specific safety and health response	• Activities based on safety and health policies for offshore employees and vessel managers
Inspections by vessel managers	• Conducted semiannually or more frequently
Medical screenings and consultations	• One health checkup per year and monthly health interviews by the master
Remote consultations with medical centers	• Linked with Busan National University Hospital ER and provides telemedicine services
Mental health counseling	• Korean offshore employees: Information on the Seafarers' Mental Health Center • Foreign offshore employees: Operation of mental health counseling desks, with designated contact persons by agency
Resilience activities	• Group activities and stress management among offshore employees
Onboard fitness room	• Physical fitness programs and health maintenance

Distributing Health Awareness Posters

Since 2024, POS SM has been producing health management information posters in Korean and English based on major diseases frequently identified through routine medical checkups, and distributing them every month throughout its fleet. The posters provide guidance on accident cases, major symptoms, types of diseases, prevention rules, and first aid methods.

Key topics include prevention rules and management measures for musculoskeletal disorders, heat-related illnesses, high blood pressure, shingles, dyslipidemia, and kidney stones.



POS SM Health Awareness Posters (Korean and English)

Strengthening Safety and Health Management

Management of Impacts, Risks and Opportunities

Safety and Health Management Activities

Onboard Newsletter “POS VIEW”

POS SM publishes POS VIEW, an onboard newsletter in Korean and English that includes major safety management activities, health information, and maritime incident cases, and shares it with all vessels on a quarterly basis. In particular, POS SM selects and rewards vessels that have achieved zero accidents and outstanding performance where accident risk factors were identified and improved in advance, and introduces them in the newsletter, thereby promoting the establishment and strengthening of an onboard safety culture.

POS SM Onboard Newsletter “POS VIEW”

Zero-Accident Campaign

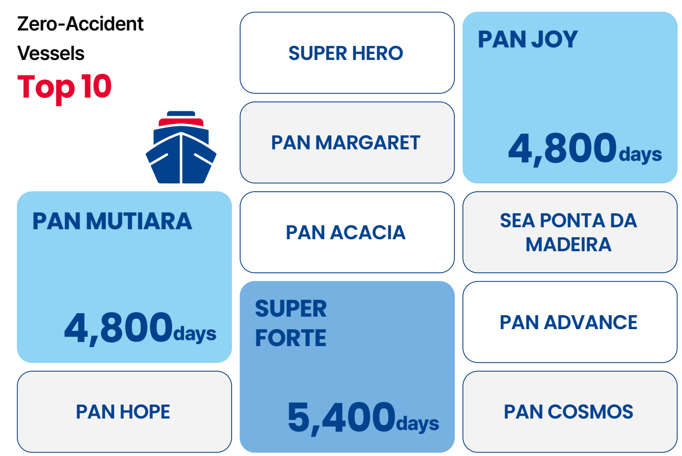
Pan Ocean and POS SM implement the Zero-Accident Campaign (POS-4P) with the goal of achieving zero accidents for vessels and offshore employees. As part of the Zero-Accident Campaign, they conduct Toolbox Meetings (TBM) before work to check work details, safety attire, health conditions, and other matters in advance. They also manage potential onboard hazards and prevent human errors through the Daily Safety Duty System, the posting of Safety Instruction Cards, and Pointing and Calling activities. In addition, they share incident case studies and conduct monthly Risk Awareness Training to raise the risk awareness level of employees and strengthen accident prevention activities.

Campaign Details

Training Type	Description
Toolbox Meeting (TBM)	‣ Ensure awareness and confirm detailed work instructions, safety attire, health conditions, and other matters before starting each task
Safety instruction cards	‣ Display safety instruction cards in designated areas before commencing work to raise awareness and remind employees of safety precautions related to the task
Sharing and utilizing incident case studies	‣ Display major cases from distributed incident case studies on bulletin boards and use them during training
Operating the daily safety duty system	‣ Inspect potential onboard hazards and document daily safety activities in a log
Pointing and Calling	‣ Clearly identify and address targets of action to prevent unconscious human errors
Risk awareness training	‣ Conduct monthly drills by task group to improve risk sensitivity and skills for risk factor identification

Zero-Accident Vessels in 2025

Pan Ocean has introduced a reward system for zero-accident vessels, providing rewards to vessels that record no accidents in 600-day units. Through this system, Pan Ocean supports offshore employees in enhancing their safety awareness and establishing a voluntary culture of safety management. In 2025, a total of 53 vessels achieved zero-accident records, an increase of approximately 30% year on year. As of March 2025, SUPER FORTE recorded 5,400 consecutive days without an accident, while PAN MUTIARA and PAN JOY recorded 4,800 consecutive days without an accident as of January and May 2025, respectively.



Strengthening Safety and Health Management

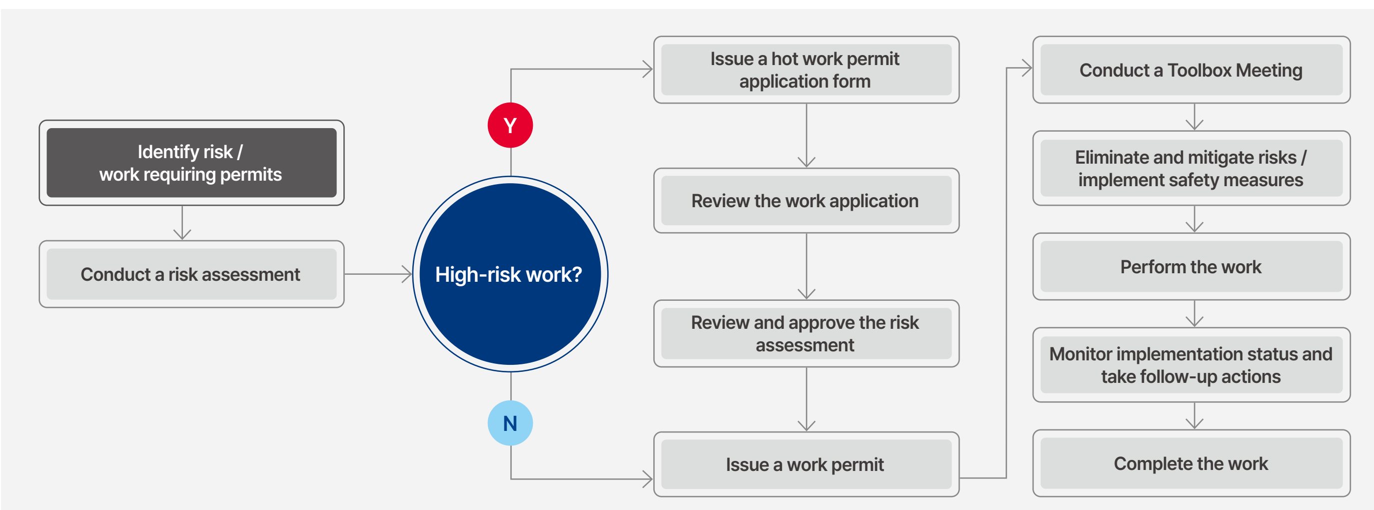
Management of Impacts, Risks and Opportunities

Safety and Health Risk Identification and Management

Safety and Health Risk Assessment

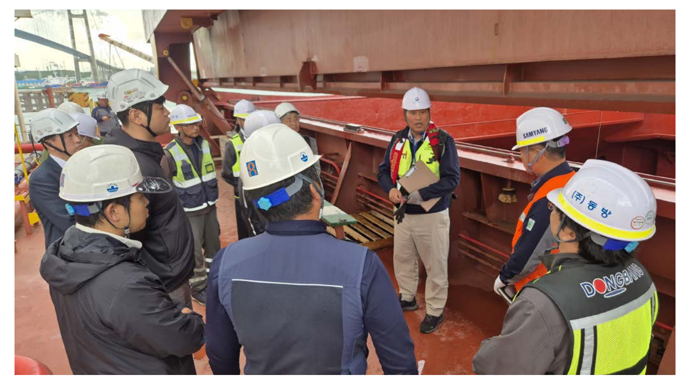
Pan Ocean has established a Risk Assessment Manual and conducts assessments of onshore safety and health risks, the results of which are reviewed annually. The risk assessment process consists of preliminary preparation, identification of hazards and risk factors, risk determination, and the establishment and implementation of risk reduction measures. Pan Ocean and POS SM conduct onboard safety and health risk assessments in accordance with their internal risk management system, with the participation of all workers. These assessments help identify potential hazards in advance and establish and implement preventive and mitigation measures. Risk assessments are led by the person in charge of the work and are conducted for routine and non-routine work performed by onboard offshore employees and repair contractors, as well as major activities involving potential risks, including the entire vessel operation process such as arrival and departure, navigation, anchoring, and cargo handling; the operation of deck and engine equipment; and firefighting and abandon-ship drills. Furthermore, the master comprehensively reviews the fatigue levels of offshore employees, equipment availability, and the impact of the working environment, and gives final approval for the risk assessment form. Pan Ocean and POS SM also continuously monitor the effectiveness of risk management measures and comprehensively review the risk assessment results once a year to determine whether the process subject to assessment and internal manuals need to be revised. The results are then reported to the Safety, Health and Environment Committee. In 2025, a total of 3,151 offshore health-related risk assessments were conducted. Major assessment items included health and hygiene, medical treatment, and assessment of the onboard environment.

Safe Work Permit System Operating Process



Supplier Safety and Health Management

Pan Ocean reflects risk assessment results when entering into contracts with suppliers. Even after contracts are signed, Pan Ocean further reviews risk assessment forms and requests supplementary measures from suppliers for matters requiring improvement. In addition, Pan Ocean conducts semiannual safety and health assessments to create safe working environments for suppliers and prevent industrial accidents. Evaluations are conducted with a focus on the occupational health and safety management system, the level of implementation, operational management, and workplace accident performance. Incentives are provided to outstanding contractors, such as awarding higher evaluation scores. High-risk contractors are identified in advance, and enhanced occupational health and safety management measures, such as on-site inspections and workplace visits, are carried out. In 2025, Pan Ocean strengthened safety and health management across its business sites and vessels, and promoted the enhancement of supplier safety and health management by establishing and digitalizing the supplier safety and health DX system.



On-site Safety and Health Assessment of Suppliers

Strengthening Safety and Health Management

Management of Impacts, Risks and Opportunities

Safety and Health Risk Identification and Management

Safety and Health Risk Response Measures

Stop Work Policy

Pan Ocean and POS SM guarantee the right of all offshore employees, suppliers, and other stakeholders working on vessels to stop work and activities with immediate effect when they determine that a situation is hazardous. The Stop Work Policy may be applied as soon as a hazardous situation is identified. When work is stopped, it must be reported immediately to the Safety Manager, after which the process is taken forward through investigation, action, resumption of work, follow-up measures, and safety training.

In 2025, Pan Ocean and POS SM carried out a Stop Work Campaign for offshore and onshore employees to prevent onboard accidents and support the effective implementation of the Stop Work Policy. All workers were informed that they have the authority to stop work, and Stop Cards that listed procedures for the immediate stopping of work and reporting in the event of a hazardous situation were worn visibly on the outside of uniforms or work clothes.

POS SM Stop Work Policy

Suggestion System

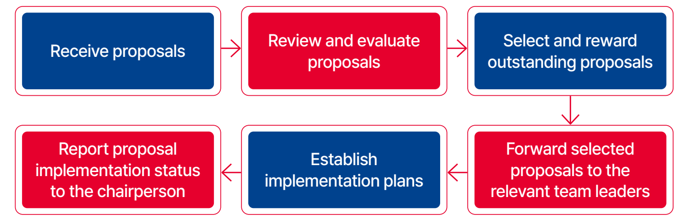
Pan Ocean and POS SM operate a Suggestion System based on the Vessel Administration Manual, allowing all offshore and onshore employees to participate. The Suggestion System is designed to encourage employees' creative research activities and contribute to the company's performance and the safe navigation of the fleet by promoting efficient vessel operations and strengthening safety awareness.

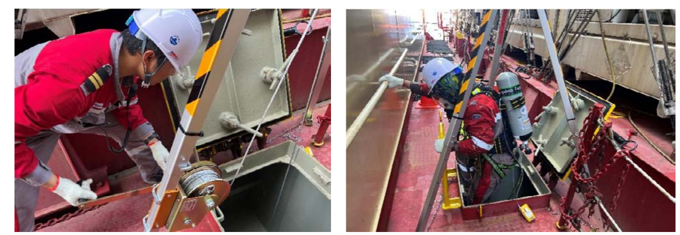
Proposals may be submitted through POS SM's e-POS system, and vessel-based employees may submit proposals directly on site. Proposals may be submitted by individuals, jointly by two or more persons, or by department or vessel unit. Designated proposals on specific topics may also be submitted.

Submitted proposals are reviewed and evaluated by the Proposal Review Committee. Outstanding proposals are rewarded, and selected proposals are forwarded to the relevant team leaders. Each team leader is required to establish a detailed implementation plan within 30 days from the date of implementation notice, and must report the implementation status of the proposals to the chairperson every six months.

In 2025, a total of 305 proposals were submitted, with proposals related to safe navigation and accident prevention accounting for a high proportion. Of the submitted proposals, 13 were adopted, and a total of KRW 8,075,200 in prize money was paid to the individuals who submitted the selected proposals. Major adopted cases included the bulk supply of tripods for enclosed-space rescue, the supply of dedicated freezers for storage of food waste, the supply of thermal imaging cameras, and the development of an electronic navigational chart USERMAP editing program. These proposals contributed to improving the onboard hygiene environment and enhancing worker safety.

Suggestion System Operating Process




Bulk supply of tripods for enclosed-space rescue


Supply of dedicated freezers for storage of food waste


Supply of thermal imaging cameras

Strengthening Safety and Health Management

Management of Impacts, Risks and Opportunities

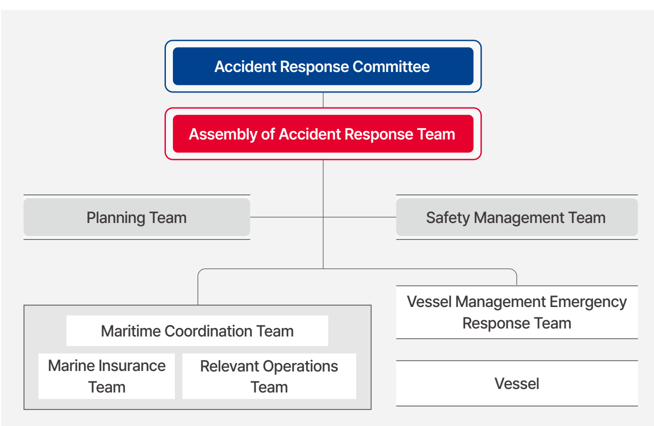
Safety and Health Risk Identification and Management

Response to Emergency

Accident Response Committee

In the event of a vessel-related or personnel accidents, Pan Ocean promptly forms the Accident Response Committee to oversee the response, and operates its emergency response system in accordance with the Business Continuity Plan (BCP) Manual and the Marine Accident Emergency Response Manual. When an emergency occurs, Pan Ocean receives the initial report, quickly assesses the scale of the accident, and works closely with relevant departments, including the vessel management company and the Maritime Operations Team, to minimize the magnitude of damage.
In particular, in the event of a vessel-related or personnel accidents, Pan Ocean first implements emergency measures and initial response actions at an early stage to prevent the accident from escalating. Once the accident response is completed, Pan Ocean thoroughly analyzes the cause of the accident and establishes recurrence prevention strategies based on the findings, thereby strengthening its safety management system.

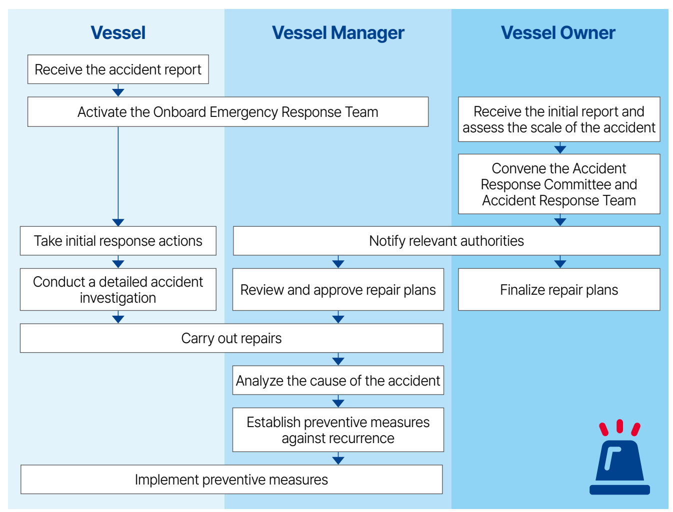
Emergency Response Organization



Classification of Incidents and Emergency Response Measures

Pan Ocean has established accident response manuals and continuously strengthens its capabilities for initial response through regular training. Pan Ocean and POS SM work to proactively prevent potential accidents by strengthening their cooperation system, and minimize harm to people and the environment through systematic responses.
Maritime incidents are broadly classified into vessel incidents, casualty incidents, and environmental incidents, and these incidents are often interconnected rather than independent. For example, a fire in the engine room can lead not only to vessel damage, but also to personal injuries and marine pollution. Taking immediate action right after an incident occurs is essential to minimize its impact. Delayed or insufficient initial response may result in secondary consequences, such as escalation of damage or rescue delays.

Accident Response Process



Joint Onshore and Offshore Emergency Response Drills

At least once a year, Pan Ocean's Safety Management Department and POS SM conduct joint emergency response drills with participation from both onshore and offshore employees. These simulated drills are designed to assess how effectively the Emergency Response Organization can respond to and handle maritime emergencies in a prompt and efficient manner.
In the drill conducted in October 2025, the exercise simulated a scenario in which another vessel in the United States became uncontrollable due to a blackout and collided with a Pan Ocean LNG vessel during cargo discharging, causing a pollution incident.
Such training initiatives strengthen the emergency response capabilities of onshore and offshore employees, ensuring prompt and appropriate actions during actual emergencies. Each drill is monitored and evaluated thoroughly, and any issues identified are comprehensively analyzed to develop effective improvement measures.

Strengthening Safety and Health Management

Management of Impacts, Risks and Opportunities

Safety and Health Risk Identification and Management

Response to Emergency

Business Continuity Management System Operation

POS SM has obtained ISO 22301 Business Continuity Management System (BCMS) certification and has established a response framework to address business disruptions in crisis situations. To prepare for major crisis situations that may occur onshore and offshore, including disasters, catastrophes, acts of terrorism, and infectious disease outbreaks, POS SM has established business continuity plans to rapidly recover key operations by situation and maintain business continuity. Based on these plans, POS SM has also prepared specific measures for damage mitigation.

ISO 22301 Certification Status (POS SM)

Category	Details
Certification standard	ISO 22301:2019
Scope of certification	Ship management and safety management services
Percentage of certified business sites	100%
Validity period	Apr. 15, 2026 – Apr. 14, 2029

POS SM Business Continuity Management System Certification

Infectious Disease Response System

POS SM has proactively established risk mitigation measures and systematic responses in preparation for disruptions to critical operations, considering the impact that large-scale casualties from infectious disease outbreaks may have on personnel and resource management. As a preventive measure, POS SM trains backup employees through a rotating work system, identifies essential duties, designates substitutes for those duties, and provides training. POS SM has also established various response systems, including IT infrastructure that enables remote work in the event of an infectious disease outbreak.

In addition, POS SM has set its Recovery Time Objective (RTO) at two days. In the event of an infectious disease outbreak, POS SM minimizes operational gaps and enables a prompt response by reallocating support employees to essential duties and deploying retirees and internal auditors.

Metrics and Targets

Safety and Health Mid- to Long-Term Targets

As of 2022, Pan Ocean established five-year mid- to long-term targets for the period from 2022 to 2026 for the number of serious industrial accidents, the resolution rate of opinions from suppliers' workers on safety and health, and accident rates involving onshore and offshore employees.

Category	Details
Number of serious industrial accidents	Zero serious industrial accidents
Resolution rate of opinions from suppliers' workers on safety and health	100% resolution rate for safety and health opinions submitted by suppliers' workers
Injury rate for onshore employees	Zero injury rate
Injury rate for offshore employees	23% reduction compared to the average accident rate for the 2017-2021 baseline period(0.86%)

2025 Performance Compared to Targets

KPIs	Unit	2025 Target	2025 Performance	2026 Target
Number of serious industrial accidents	Case	0	0	0
Number of expanded meetings of onshore and offshore safety committees (Session)	Session	12	16	24
Number of adopted items through the suggestion system (Case)	Case	-	13[1]	6

1) Of the 13 adopted suggestions, 10 have been implemented and 3 are in progress.

Strengthening Ethics and Compliance Management

Governance

Operational Structure

Board of Directors

The Board of Directors is the highest decision-making body overseeing Pan Ocean's ethics and compliance management. The Board reviews and approves major ethics and compliance matters and regularly monitors the operation of the Anti-Corruption Program (AP) and the Fair Trade Compliance Program (CP), as well as the results of effectiveness evaluations of compliance control standards. Through these activities, the Board continuously enhances the effectiveness of ethics and compliance management.

Self-Compliance Committee

The Self-Compliance Committee, led by the Self-Compliance Administrator, performs deliberations on the program's operational plans, key matters, and operational effectiveness. The Self-Compliance Bureau is responsible for practical duties, including the implementation of training and drafting the compliance handbook.

Organizational Chart of Ethics and Compliance Management Governance

Management

The Head of the Ethical Management Department serves as the executive responsible for ethical management and oversees the selection and implementation of company-wide priorities for ethics and compliance management. As manager of the Anti-Corruption Program, the Head of the Ethical Management Department is also responsible for establishing and operating the Anti-Corruption Program, as well as managing the dedicated organization, and reports the operational status to the Board of Directors once a year.
The Head of the Legal & Insurance Department serves as the Compliance Officer and Self-Compliance Administrator. In these roles, the Head reports to the Board of Directors once or twice a year on the status of legal and regulatory compliance across management activities, the operation of the Compliance Program, and compliance support activities.

Dedicated Organization

Pan Ocean and POS SM have established dedicated organizations for ethical management directly under the CEOs, enabling prompt decision-making and execution on major ethics issues, institutional improvements, and incident response matters. The dedicated organizations for ethical management are responsible for establishing and revising ethical management policies and systematically carrying out related activities.
In addition, they address misconduct and violations and establish an internal culture of ethical management through ethics and compliance training for employees, regular assessments and audits, and operation of the anonymous whistleblowing system.

Ethics and Compliance Management Agenda Approved by and Reported to the Board of Directors

Date	Agenda	Status
Feb. 11, 2025.	To report the evaluation of the effectiveness of Compliance Control	Reported
	To report the results of operation and auditing of the Compliance Program	Reported
	To report the results of operation of the Anti-Corruption Program	Reported
Dec. 16, 2025	To report the results of operation of the Compliance Program	Reported

Ethics and Compliance Management Performance-Based Compensation System

Target	KPIs	Compensation
Management	Establishment of an ethical management culture; activation of Compliance Control and self-compliance	Reflected in incentives
Dedicated Team	Response to reports; internal training and campaigns; compliance inspections	

Strengthening Ethics and Compliance Management

Strategy

Major Impacts, Risks and Opportunities

Impact on the company (Risks and Opportunities)

Risks	Opportunities	Financial penalties and compensation costs arising from violations of laws and regulations in the event of unethical or corrupt conduct

Impact on External Stakeholders (Environmental and Social Impacts)

Positive	Negative	Deterioration of fair competition practices in the industry due to unfair trade practices and unethical conduct

Response Strategies

- Enacting the Ethical Management Guidelines and having employees[1] sign the Ethical Management-Practicing / Law-Abiding Covenant
- Systematizing company-wide measures for risk identification and management based on the corruption risk map, and conducting regular checks
- Continuously operating and monitoring the anonymous whistleblowing system (Helpline), linked with an external professional organization
- Conducting company-wide anti-corruption training and campaigns regularly to prevent unethical conduct

1) Target: Pan Ocean, subsidiaries, and overseas subsidiaries

Ethical Management Strategy

Ethical Management Vision

Based on its ethical management vision of "Clean and healthy HANDS carrying our clients' dream," Pan Ocean aims to create a virtuous cycle that begins with integrity and ethical management and leads to the creation of customer value.

To realize its ethical management vision, Pan Ocean operates strategic tasks centered on Implementing an Ethical Management System, Embedding an Ethical Culture, and Implementation of an actual self-practice of compliance framework. To this end, Pan Ocean strengthens the foundation for ethical management by establishing ethical management policies and guidelines and conducting corruption risk assessment activities, while promoting an ethical culture through ethical management training and campaigns. Pan Ocean also operates self-compliance surveys and the Fair Trade Compliance Program (CP), promotes the internalization of ethical management, and encourages employees' voluntary compliance by having them sign the Ethical Management-Practicing / Law-Abiding Covenant pledge.

Vision Clean and healthy HANDS carrying our clients' dream

Strategies and Implementation Tasks

Buildup of an Ethical Management Systems
- Establishment of the Charter of Ethics, Code of Ethics, and Ethical Management Practice Guidelines
- Making/Reviewing AP Risk Map
- Operating an anonymous whistleblowing system

Establishment of an Ethical Culture
- CEO messages
- Survey for employees' sense of ethics
- Conducting the campaign and ethical management education

Realization of Self-Regulation Practice Systems in the field
- Reviewing voluntary compliance
- Operating Fair Trade Compliance Program (CP)
- Signing the Ethical Management-Practicing / Law-Abiding Covenant pledge

Strengthening Ethics and Compliance Management

Management of Impacts, Risks and Opportunities

Policies and Guidelines

Code of Ethics and Charter of Ethics

Based on ethical management, Pan Ocean pursues mutual growth with customers and suppliers and fulfills its corporate social responsibility based on the trust of shareholders and investors. To implement these efforts systematically, Pan Ocean has established the Charter of Ethics and Code of Ethics, and discloses them in both Korean and English on its official website to share the company's responsibilities and standards of ethical management with all stakeholders.

View Pan Ocean Code of Ethics / Charter of Ethics

Key Contents of the Charter of Ethics

Pan Ocean Ethical Charter

1. We perform our duties honestly and fairly; we make efforts to prevent corruption and establish clean corporate culture.
2. We separate public and private in performing our duties; we reject provision and receipt of money, goods, entertainment, etc., illegal solicitation or recommendation, etc.
3. We fundamentally prevent accidents by systematic improvement of areas of weakness; we make efforts to change wrong practices.
4. We practice open and transparent management to build customer trust; we make efforts to provide the best value for our customers.
5. We do not behave in a way that damages Pan Ocean's reputation and pride; we make efforts to fulfill the responsibilities given by the country and the society.
6. We respect one another as individuals; we make efforts to ensure fair opportunities and fair evaluations.
7. We practice management of sharing as a reliable partner of the country and the society; we contribute to development of the country and the society based on the highest ethical values.

Ethical Management Practice Guide

Pan Ocean has established the Ethical Management Guidelines, which set out the standards of ethical behavior that employees must comply with in the course of performing their duties, and discloses them in both Korean and English through the company's intranet and official website.

View Pan Ocean Ethical Management Practice Guide

Ethical Management Practice Guide

Chapter 1.	General Rules
Chapter 2.	Legal Compliance and Social Responsibility
Chapter 3.	Basic Ethics of Employees
Chapter 4.	Fair Performance of Duties
Chapter 5.	Prohibition of Giving and Receiving Unfair Profits
Chapter 6.	Transparency in Information and Financial Management
Chapter 7.	Creation of Healthy Climate of Corporate Culture
Chapter 8.	Measures against Violation
Chapter 9.	Supplementary Rules
Addendum	

Anti-Corruption and Compliance Policy

Pan Ocean has established the Anti-Corruption and Compliance Policy and applies it to all stakeholders, including customers, investors, and suppliers. Based on this policy, Pan Ocean identifies, prevents, and responds to corruption and compliance risks in advance. In addition, by disclosing the policy on its official website, Pan Ocean communicates its commitment to ethics and compliance management to stakeholders, including customers, investors, and suppliers, thereby realizing transparent and fair ethical management.

Going forward, Pan Ocean plans to obtain certifications for the Anti-Bribery Management System (ISO 37001) and Compliance Management System (ISO 37301), establishing an ethics and compliance management system aligned with international standards. Building on this foundation, the company will continue to strengthen its organization-wide management capabilities.

View Pan Ocean Anti-Corruption and Compliance Policy

Key Contents of the Anti-Corruption and Compliance Policy

Pan Ocean Anti-Corruption and Compliance Policy

Pan Ocean declares and pledges to actively practice the following:

1. We perform our duties with honesty and fairness, and prohibit all forms of corruption and bribery, including the offering, giving, receiving, or soliciting of money, goods, or other improper benefits.
2. We separate public and private matters in the performance of our duties, and reject any conduct that could be perceived as corruption, including the provision or receipt of money, goods, entertainment, or hospitality, as well as improper solicitation or mediation.
3. We faithfully comply with relevant laws, regulations, internal rules, and the ethical and social standards adopted by the Company, and do not tolerate any violation thereof.
4. We continuously identify and assess areas vulnerable to corruption and non-compliance, prevent incidents through systematic improvement and internal controls, and take the lead in correcting improper practices.
5. We practice open and transparent management to become a company trusted by our customers, and provide the best value to our customers.
6. We do not engage in any conduct that damages Pan Ocean's reputation or undermines trust in the Company. We protect the Company's assets and information and use them only for legitimate purposes.
7. We respect the individuality and the diversity of all employees, and foster a sound organizational culture through the provision of fair opportunities and objective evaluations.
8. We conduct responsible business activities based on trust with our stakeholders and, as a reliable partner to the public and society, contribute to the sustainable development of society.

Strengthening Ethics and Compliance Management

Management of Impacts, Risks and Opportunities

Ethical Management Activities

Anti-Corruption Program (AP)

Since 2023, Pan Ocean has implemented and applied an Anti-Corruption Program (AP) across all business activities and for all employees. Through the program, the company ensures compliance with applicable laws and regulations, identifies corruption risks, implements preventive measures, and continuously improves its performance.

In 2025, Pan Ocean expanded the scope of the Anti-Corruption Program to include POS SM and its overseas subsidiaries. The CEO of POS SM and the heads of each overseas subsidiary were appointed as Anti-Corruption Managers.

Accordingly, POS SM introduced its own corruption risk map tailored to its business environment and has been carrying out risk management activities based on the assessment results. In addition, overseas subsidiaries have distributed an English version of the Code of Ethics to enable foreign employees to actively participate in and uphold the company's ethical management practices.

Governance

View AP Organizational Chart

Pan Ocean has established a management system by classifying the responsibilities and roles for operating the AP by level. The Board of Directors appoints the AP Manager and reviews the operational status of the AP once a year, while the CEO oversees the overall implementation and operation of the AP.

The Head of the Ethical Management Department serves as the AP Manager and is responsible for establishing operational plans and managing and supervising the dedicated organization. The AP Manager also conducts corruption risk assessments and develops response strategies. The dedicated organization identifies corruption risks, monitors policies and procedures, and conducts investigations and recurrence prevention measures when corruption risks occur.

Ethical Management-Practicing / Law-Abiding Covenant pledge

Employees of Pan Ocean and POS SM annually participate in the Ethical Management-Practicing / Law-Abiding Covenant pledge. Pan Ocean also provides pledge forms in English, Japanese, and Chinese so that local employees hired at overseas subsidiaries can understand and participate in the same pledge.

Self-Compliance Survey

Pan Ocean conducts an annual Self-Compliance Survey by organization, and discloses the assessment results in its annual reports. The Self-Compliance Survey is a process in which team members conduct self-assessments based on a checklist, followed by reviews by team leaders, heads of departments. The Compliance Officer then conducts the final review and reports the results to the Board of Directors.

The scope of laws subject to voluntary control consists of 163 items, including corporate management, contracts, disclosures, fair trade, international affairs, and emergency planning. In 2025, 59 organizations participated in the assessment and voluntarily reviewed compliance with domestic and overseas laws and regulations. The assessment confirmed that the relevant laws and regulations were being complied with.

Self-Compliance Survey Process

Team Member	Team Leader	Head of Department	Compliance Officer
Self-assessment	Primary review	Secondary review	Final review
• Access the internal system and conduct the voluntary self-compliance self-assessment	• Conduct primary verification of team-level compliance risks and approve the assessment results in the system	• Review overall department assessment results and approve them in the system	• Complete final monitoring and review of system control status

Corruption Risk Map Management

Since 2023, Pan Ocean has introduced and systematically operated a risk map to identify and assess corruption-related risks. As of 2025, Pan Ocean manages a total of 54 potential risks across six categories. In addition, as part of the expansion of its anti-corruption program, POS SM introduced its own corruption risk map and identified and assessed a total of 26 potential risks across five categories, including asset-related risks, embezzlement, and undermining fair trade. Among these, POS SM has established management measures for 23 risks to prevent corruption risks. For the remaining three risks requiring improvement, POS SM plans to pursue institutional improvements and establish recurrence prevention plans.

Type of Corruption Risks

Total **54 Cases**

Type	Cases
Conflict of interest risk	16 Cases
Risk of fraud in suppliers' relationships	11 Cases
Risk of embezzlement of funds	6 Cases
Risk of undermining the organizational culture	8 Cases
Risk of distorting performance evaluations	7 Cases
Risks in the procurement process	6 Cases

Strengthening Ethics and Compliance Management

Management of Impacts, Risks and Opportunities

Ethical Management Activities

Anti-Corruption Program (AP)

Online Training

Pan Ocean conducts integrity and ethical management training in accordance with the operating regulations of the Anti-Corruption Program. Since 2022, Pan Ocean has been conducting online training on the prevention of corruption and other unethical conduct at least twice a year for all employees. In 2025, Pan Ocean used audiovisual materials developed by the Anti-Corruption Training Institute (ACTI) of the Anti-Corruption and Civil Rights Commission to raise employees' awareness of ethical management. In 2026, Pan Ocean plans to conduct offline training to provide smoother training through direct communication with employees.

E-mail Training

To support the stable implementation of the Anti-Corruption Program and strengthen anti-corruption awareness, Pan Ocean conducts e-mail training on the prevention of corruption and unethical risks. Training is conducted regularly for all employees, and training materials are posted on the company's internal portal so that employees of Pan Ocean and its subsidiaries can access them at any time. In 2025, Pan Ocean expanded the training target to employees stationed overseas, further broadening efforts to raise anti-corruption awareness.

Campaign for Ethical Management Practice

Pan Ocean conducts company-wide Ethical Management Practice Campaign during major holidays and the year-end and New Year periods to foster a culture of integrity. The campaign covers topics such as the prohibition of accepting money or gifts, establishment of work discipline, prevention of accidents and disasters, creation of a sound organizational culture, and information security. In addition, any gifts delivered despite a clear refusal are returned through the "Gift Return Center" operated by the dedicated organization for ethical management or donated to social welfare facilities and other charitable organizations.

Fair Trade Compliance Program (CP)

View Fair Trade Compliance Handbook

Pan Ocean operates the Fair Trade Compliance Program (CP) to ensure voluntary compliance with fair trade-related laws and regulations, strengthen employees' awareness of compliance, and proactively prevent violations of the law.

Governance

View CP Operations Organization Chart

Pan Ocean operates a management system by separating the governance and implementing organization of the Compliance Program. The Board of Directors appoints the Head of the Legal & Insurance Department as the Self-Compliance Administrator, who oversees the overall operation of the Compliance Program. The Self-Compliance Bureau, composed of in-house counsels, publishes the Fair Trade Compliance Handbook and conducts related training. Each team identifies, reviews, and manages fair trade risks continuously based on the handbook.
In addition, the Self-Compliance Administrator reviews the operation plans, key matters, and operational effectiveness of the program through the Self-Compliance Committee twice a year. In 2025, discussions addressed the operation plan, monitoring status, and audit results.

Fair Trade Training

The Self-Compliance Bureau conducts both online and in-person training by position. It also provides updates through internal postings on relevant risk factors, legislative amendments, and recent court rulings to support employees in voluntarily complying with the Fair Trade Act.

2025 Fair Trade Training

Executives
- Supreme Court ruling on administrative litigation regarding joint conduct in maritime shipping
- Training on the importance of compliance

Employees
- Training on amendments to the Commercial Act by an invited law firm
- Training on the Commercial Act and the Trade Union and Labor Relations Adjustment Act by an invited law firm
- Mandatory training on relevant laws and regulations by the Korea Shipowners' Association

Strengthening Ethics and Compliance Management

Management of Impacts, Risks and Opportunities

Ethical Management Activities

Anonymous Whistleblowing System

Go to Helpline

Pan Ocean operates a Helpline to enable stakeholders, including employees and suppliers, to report ethics and compliance-related matters. The Helpline is operated through the K-Whistle platform (www.kbei.org), an independent external professional organization. Pan Ocean applies the principles of ensuring whistleblower anonymity, protecting whistleblowers' identities, and prohibiting any unfavorable treatment through the Ethical Management Guidelines, the Anti-Corruption Program Operating Regulations, and the Human Rights Management Guidelines.

1 Filing a Report

Pan Ocean supports whistleblowers in conveniently filing reports in accordance with the reporting procedures provided on the Helpline platform. Whistleblowers can report conduct that undermines workplace culture; financial misconduct; safety, health, and environmental violations; suggestions for improvement and compliments; job-related and ethical violations; and unfair subcontracting practices. The reports or opinions can be submitted based on the "5W1H principle"(who, when, where, what, why, and how), using the designated form.

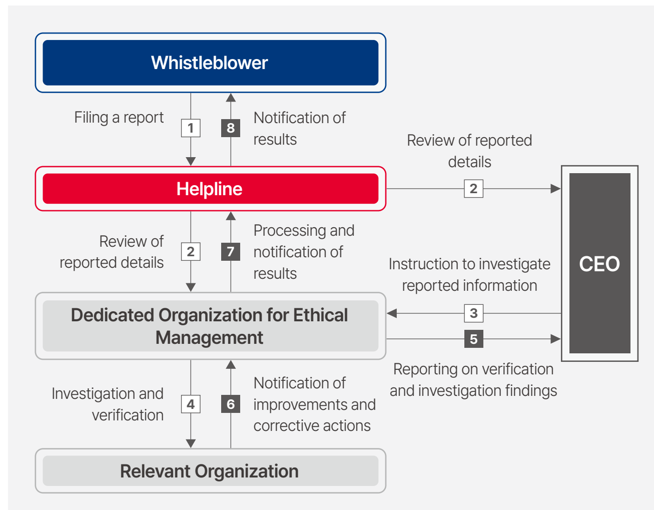
2 Verification and Investigation

The Chief Executive Officer and the dedicated organization for ethical management review reports, tips, and feedback submitted through the Helpline platform. In accordance with the CEO's direction, the dedicated organization for ethical management investigates and reviews the reported matters.

3 Follow-up Actions and Notification of Outcomes

Based on the investigation results, the CEO determines the appropriate corrective measures. Accordingly, the results of handling reports, tips, and opinions are directly communicated to the reporter through the Helpline platform, where the reporter can also check the results.

Report Handling Process



2025 Reporting and Resolution Outcomes

Classification	Unit	No. of Reports
Reporting of Fraud and Corruption	Case	0
Complaints (Suggestions and Grievances)		15
Unfair Trade Practices / Anti-Corruption		0
Other Unethical Practices		2
Total		17[1]

1) As of 2025, all 17 reports received through the Helpline platform were investigated and corrective actions were completed.

Metrics and Targets

2025 Performance Compared to Targets

Resolution rate for Anonymous Reports 100%

Ratio of signing the Ethical Management-Practicing / Law-Abiding Covenant pledge 100%

Completion rate for Self-Compliance Surveys 100%

KPIs	Unit	2025 Target	2025 Performance	2026 Target
Resolution rate for Anonymous Reports	%	100	100	100
Ratio for signing the Ethical Management-Practicing / Law-Abiding Covenant pledge		100	100	100
Completion rate for Self-Compliance Surveys		100	100	100
Scope of anti-corruption program operation	N/A	Expansion to its subsidiaries	Expansion to its subsidiaries	Expansion to its subsidiaries

Sustainable Supply Chain Management

Governance

Operational Structure

Board of Directors

The Board of Directors is responsible for reviewing and approving policy directions, internal regulations, and business plans related to sustainability management of the supply chain and mutual growth with suppliers.

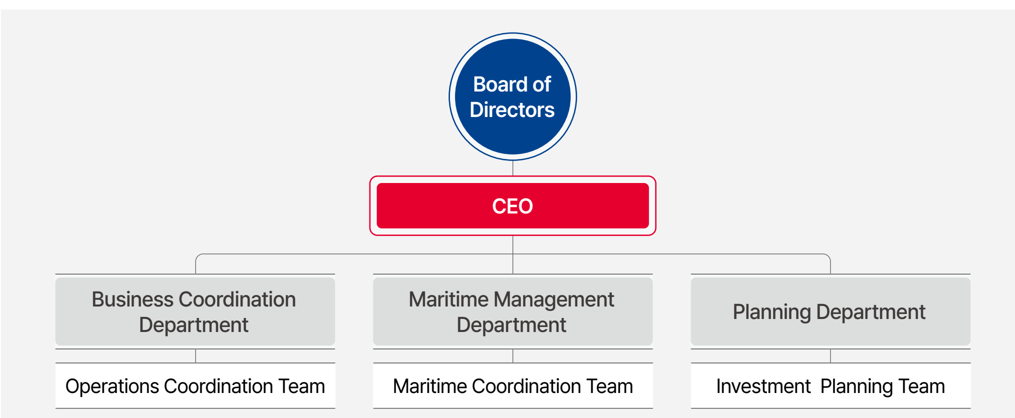
Management

The CEO of Pan Ocean is responsible for the execution and oversight of all operational matters concerning contracts and transactions with suppliers.

Dedicated Organization

The Operations Coordination Team oversees transactions with agents, cargo surveyors, tugboat operators, lashing companies, cargo handlers, and domestic and overseas fuel suppliers to support vessel operations and the loading and delivery of cargo. The Maritime Coordination Team is responsible for transactions with suppliers of ship stores, repair contractors, and shipyards to support the maintenance and repair of Pan Ocean's owned vessels. The Investment Planning Team manages transactions with domestic and overseas shipyards for the construction of new vessels.

Organizational Chart of Sustainable Supply Chain Management Governance



Strategy

Major Impacts, Risks and Opportunities

Impact on the company (Risks and Opportunities)

Risks	Delays in delivery and revenue recognition, as well as additional costs such as penalties, due to schedule disruptions caused by safety accidents and issues in the supply chain
Opportunities	Contributing to supply chain stability by building a sustainable supply chain and promoting mutual growth with suppliers

Impact on External Stakeholders (Environmental and Social Impacts)

Negative	Deterioration of the economic environment due to delayed payments to suppliers and unfair payment practices

Response Strategies

- Establishing and distributing the Supplier Code of Conduct
- Selecting and evaluating suppliers in accordance with internal guidelines for supply chain management
- Reviewing supplier risk assessment forms, requesting improvements, and conducting semiannual safety and health assessments
- Identifying and managing corruption risks arising from the procurement process

Sustainable Supply Chain Management

Management of Impacts, Risks and Opportunities

Policies and Guidelines

Supplier Code of Conduct

View Supplier Code of Conduct

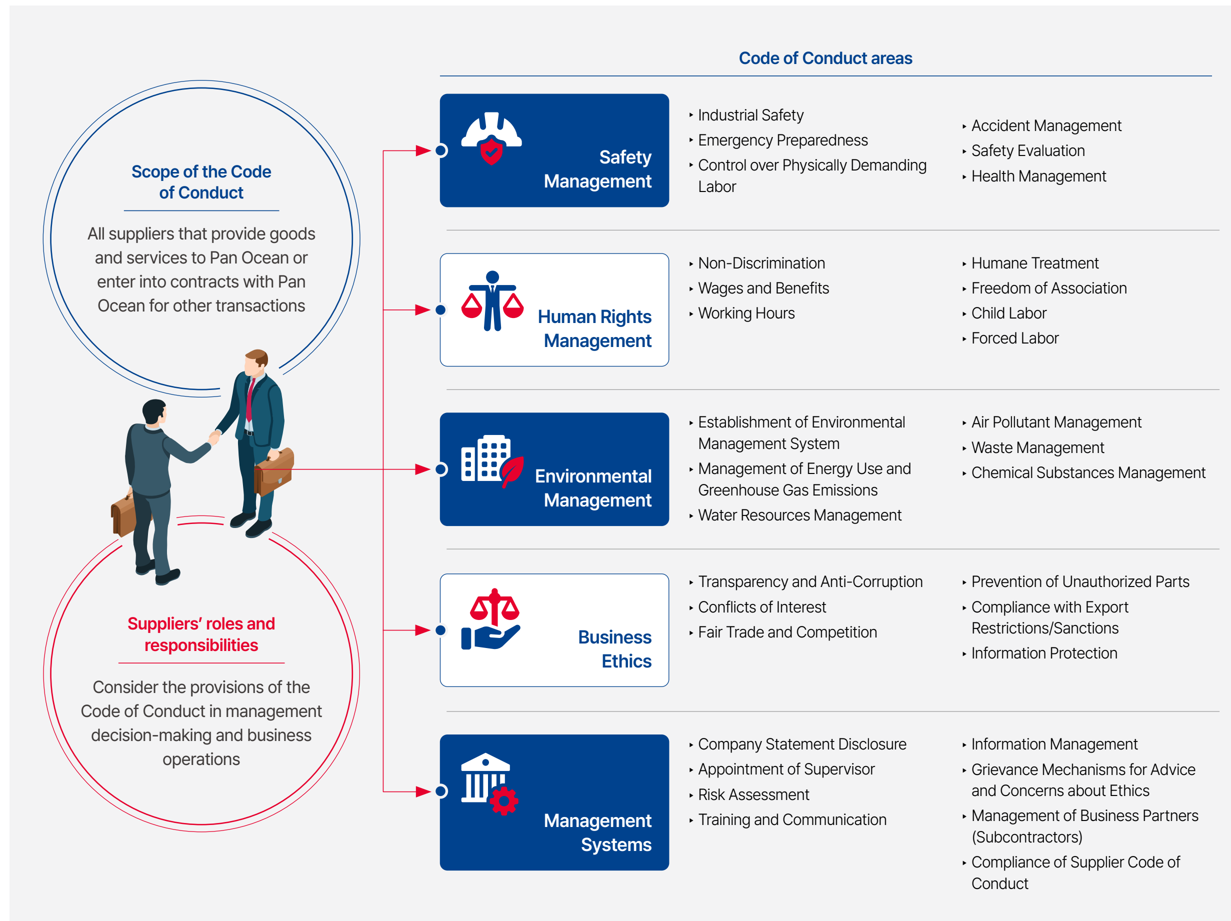
Pan Ocean has established and implemented a Supplier Code of Conduct that defines the essential standards suppliers are expected to follow. The Code sets out compliance requirements in five areas: Safety Management, Human Rights Management, Environmental Management, Ethical Management, and Management System. All suppliers that do business with Pan Ocean are required to comply with the Code of Conduct in their management decision-making and business operations. Suppliers are also required to direct their own suppliers, including subcontractors, to comply with the Code of Conduct. In addition, suppliers are expected to communicate internally and externally their commitment to principles of social responsibility equivalent to the Supplier Code of Conduct. To this end, Pan Ocean encourages suppliers to share such commitments internally through New Year's addresses by the management, internal guidelines, and internal notice boards, and to disclose them externally through various channels, including suppliers' websites, annual reports, and promotional materials. If Pan Ocean determines that a domestic shipping supplier with 50 or more employees does not comply with the Code of Conduct, the company applies measures in stages, including an initial request for corrective action, a written warning, and a penalty in the supplier evaluation process. For suppliers with fewer than 50 employees, Pan Ocean encourages compliance with the Code of Conduct in the short term and requires the Code to become embedded over the mid- to long- term.

Green Purchasing Policy

Pan Ocean has established a Green Purchasing Policy to minimize environmental impacts generated throughout the logistics process, including supply, transportation, and cargo handling, and to build a sustainable supply chain. In purchasing decisions, Pan Ocean considers not only price and quality, but also environmental friendliness, and gives priority to products and services that can contribute to improving resource efficiency, reducing pollutants, and reducing GHG emissions.

In relation to vessel operations, Pan Ocean is expanding the introduction of eco-friendly items suited to the characteristics of maritime logistics, including environmentally certified materials, high-efficiency equipment, low-carbon fuels, and equipment for reducing environmental pollution. In addition, when purchasing ship stores and consumables, Pan Ocean gives priority to recyclable materials and products with reduced hazardous substances to lower the environmental impact of vessel operations.

Key Provisions of Pan Ocean Suppliers' Code of Conduct



Sustainable Supply Chain Management

Management of Impacts, Risks and Opportunities

Supplier Selection and Evaluation

Suppliers

Pan Ocean and POS SM conduct the construction of new vessels and repair services through contracts with shipyards, and operate their business in cooperation with fuel spot suppliers, suppliers that support vessel operations, and suppliers involved in vessel management and maintenance. Pan Ocean and POS SM classify key suppliers within this cooperation system according to internal criteria and manage them with focused attention, while carrying out business activities through close partnerships with a wide range of suppliers.

As of 2025, Pan Ocean does business with a total of 667 suppliers. Among them, Pan Ocean has selected and manages 18 key suppliers based on long-term contracts and transaction volume.

Selection and Evaluation of Domestic Suppliers

Pan Ocean and POS SM select domestic suppliers for ship supplies, repair and services, and dry-docking in accordance with their internal supply chain management guidelines. In Pan Ocean and POS SM's supplier recruitment process, prospective suppliers submit corporate information documents and complete supplier registration online. Working-level staff in the purchasing departments of Pan Ocean and POS SM then review the technology, quality, safety, environmental performance, management and financial status, and proposed prices of newly registered companies before finalizing eligible suppliers.

From the initial stage of transactions with suppliers, Pan Ocean and POS SM communicate requirements related to quality, environment and energy, ethical management, and safety and health management policies. Even after contracts are signed, Pan Ocean and POS SM conduct ad hoc and regular evaluations on suppliers' compliance. Through an evaluation system that reflects the standards of the International Organization for Standardization (ISO), the companies review whether suppliers hold relevant certifications and support suppliers in improving their sustainability management level.

For renewal assessments, Pan Ocean and POS SM evaluate suppliers' capabilities, including their level of implementation of sustainability management in areas such as collaborative growth, price competitiveness, quality, and safety and health. On-site quality-focused evaluations are also regularly conducted on board vessels. In addition, for suppliers with low evaluation scores, Pan Ocean and POS SM request corrective actions and encourage the operation of a recurrence prevention system, thereby strengthening sustainability across the supply chain. In 2025, the number of new suppliers that underwent environmental and social impact assessments was zero.

Supplier Scope

Vessel construction
Domestic and overseas shipyards

Vessel maintenance and repair
Providers for ship supplies, repair and service providers, ship repair yards, etc.

Operation support
Agents, cargo surveyors, tugboat operators, lashing companies, cargo handlers, etc.

Fuel supply
Domestic and overseas fuel suppliers

Supplier Selection Process

1 Vendor registration

Potential supplier

- Participates in competitive bidding after meeting the basic requirements for each supplier type, including expertise, track record, creditworthiness, and cash flow

2 Registration assessment

Pan Ocean and POS SM

- Select excellent suppliers and enter into contracts based on evaluations by area, including technology, quality, safety, management, and finance
- For the safety area, review matters such as ISO certification status, implementation of safety training, safety and health management system and roles, and history of industrial accidents

3 Contract renewal assessment

Pan Ocean and POS SM

- Conduct semiannual regular evaluations focused on the level of mutual growth, price competitiveness, quality, environment, safety and health, and business continuity

Vessels

- Conduct on-site evaluations focused on product and service quality

4 Follow-up actions

Pan Ocean and POS SM

- Issue a written corrective request if a supplier receives a low score in on-site evaluations

Supplier

- Establish and implement improvement tasks and operate a recurrence prevention system

Sustainable Supply Chain Management

Management of Impacts, Risks and Opportunities

Supplier Management Activities

Supplier Code of Conduct Checklist

Pan Ocean annually distributes the Supplier Code of Conduct Checklist to key suppliers. For small-scale suppliers, Pan Ocean explains the contents of the Supplier Code of Conduct Checklist through briefings and other communication channels, helping them conduct voluntary self-assessments.

The Supplier Code of Conduct Checklist is designed to reflect key management elements that suppliers are expected to comply with, including compliance with requirements related to safety, human rights, environment, ethics, and management systems. Pan Ocean reviews the checklist submission results to assess suppliers' management level and, when necessary, provides recommendations for improvement and guidance on follow-up actions. In 2025, the results of the Supplier Code of Conduct Checklist assessment confirmed compliance with all items.

Risk Management in the Procurement Process

Development and Management of Risk Maps

Pan Ocean has established a procurement process risk map to identify and assess key risks that may arise across the overall procurement process, including purchase orders for ship supplies, competitive bidding, supplier selection, and regular evaluations. Pan Ocean also conducts surveys on the likelihood and impact of corruption risks that may occur in the procurement process. Going forward, Pan Ocean plans to enhance the level of sustainable supply chain management by minimizing potential corruption risks in the ship supplies procurement process.

Renewal of Excellent Shipper Certification

Pan Ocean first obtained Excellent Shipper Certification in 2021 and renewed the certification in 2024. Excellent Shipper Certification is granted under Chapter 5 of the Maritime Transport Act, “Promotion of a Sound Maritime Logistics Industry and Support for Shippers,” to companies that pursue mutual growth based on fair maritime transportation.

The certification is testimony to Pan Ocean's strong performance as a carrier across various areas, including shipper–carrier mutual growth strategies, contributions to the maritime logistics industry, service quality, differentiated services, route planning, shipper responsiveness, and participation in environmentally responsible management.

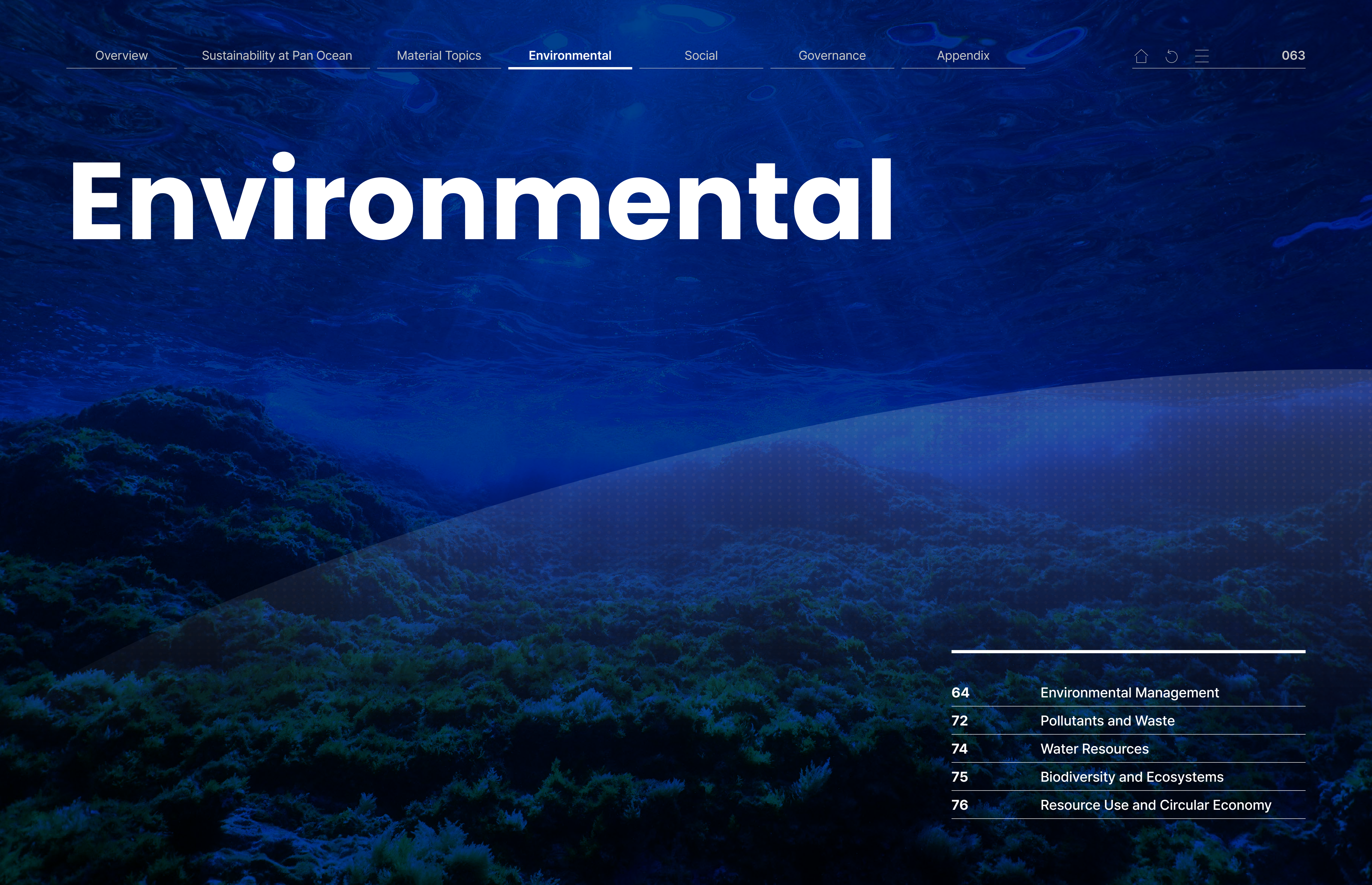
Metrics and Targets

Mid- to Long-Term Target

Over the mid- to long-term, Pan Ocean aims to maintain and improve supplier quality while supporting suppliers in verifying and embedding compliance with the Supplier Code of Conduct.

2025 Performance Compared to Targets

KPIs	Unit	2025 Target	2025 Performance	2026 Target
Number of key suppliers provided with self-assessment checklists	Companies	11	8	8
Number of companies that received in-person briefings on the Supplier Code of Conduct	Companies	30	40	50



Environmental

Environmental Management

Governance

Operational Structure

Board of Directors

The Board of Directors, as the highest company-wide decision-making body, oversees Pan Ocean's environmental management governance covering the establishment of environmental management targets, implementation review, and supervision. Key agenda items deliberated and approved by the ESG Committee are reported to the Board of Directors and reflected in prompt decision-making. In 2025, the Board received a report on environmental management performance for the previous year and approved the agenda item on establishing environmental management targets for 2025.

ESG Committee

The ESG Committee, a specialized committee under the Board of Directors, is responsible for pre-reviewing, deliberating, and approving key agenda items related to environmental management. It reviews environmental management performance for the previous year, in areas including GHG emissions reduction, energy management, and response to climate change, and discusses targets and key implementation tasks for the current year to support the systematic execution of environmental management.

Management

The CEO, who serves as the highest decision-maker and Chair of the Board of Directors, is responsible for overseeing the environmental management system. To fulfill this responsibility, the CEO reviews environmental management-related targets, action plans, and performance at least once a year.
The Head of Maritime Management Department is responsible for compliance with the environmental management system and oversees its overall operation, reporting implementation status directly to the CEO. In addition, the Head supervises corrective actions and improvement activities when non-conformities related to the environmental management system occur, and facilitates the improvement of environmental performance.

Dedicated Organization

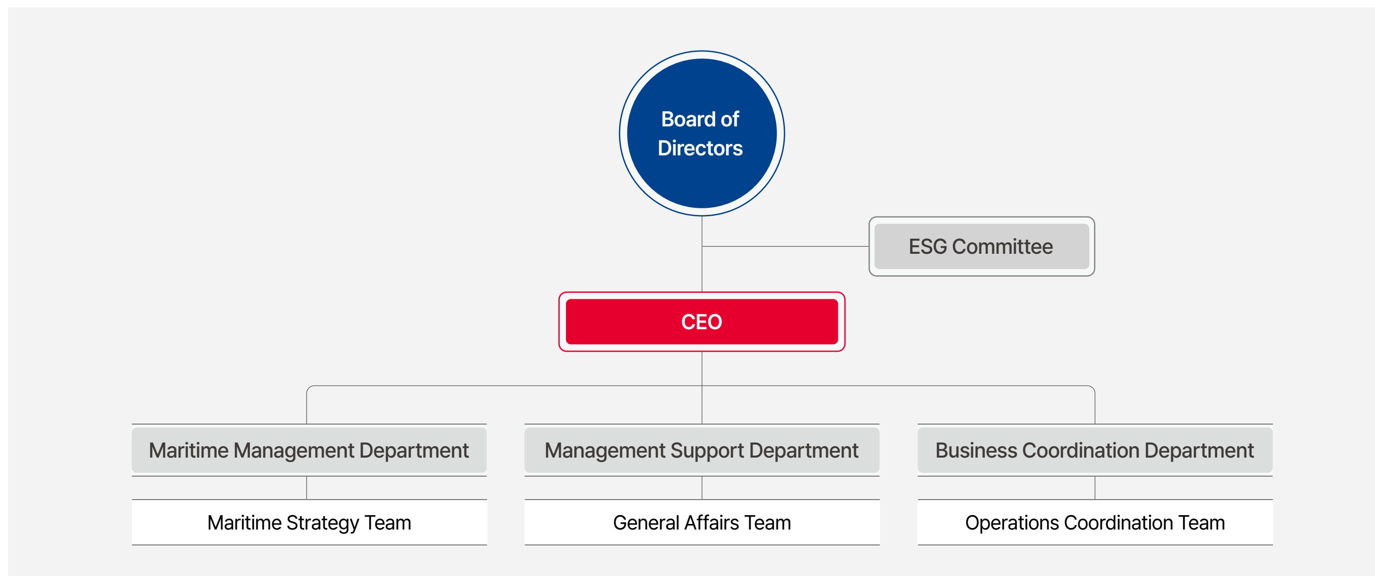
The Maritime Strategy Team serves as the dedicated organization for environmental management and establishes environmental policies and response strategies for related regulations. It also monitors performance based on company-wide environmental targets and implementation plans, and reports progress against plans to the management.
The General Affairs Team manages energy and water use and waste generated at the headquarters to minimize environmental impacts. The Operations Coordination Team reduces and mitigates environmental pollution from vessels through the management of vessel fuel oil and suppliers.

Environment Management Agenda Deliberated on and Approved by the Board of Directors

Date	Agenda	Status
Jun. 16, 2025	To report on 2024 environmental management performance and to approve the 2025 environmental management targets	Approved

1) Reporting on the achievement of 2024 GHG emissions and energy use targets and detailed action plans, and approval of the establishment of 2025 GHG emissions and energy use targets and detailed action plans

Organizational Chart of Environmental Management Governance



Environmental Management

Strategy

Major Impacts, Risks and Opportunities

Pollutants and Waste

Impact on the company (Risks and Opportunities)

Risks	Opportunities	Increase in operating costs due to stricter regulations on pollutants and potential regulatory penalties in the event of inadequate management
Risks	**Opportunities**	Reduction in port dues through strengthened pollutant reduction/ management following the introduction of eco-friendly vessels

Impact on External Stakeholders (Environmental and Social Impacts)

Positive	**Negative**	Increase in waste generation from the use of containers made with non-recycled steel and delays in establishing a recycling system

Response Strategies

- Installing air pollutant reduction equipment, such as SCR and AMP
- Conducting assessments of risks from hazardous chemicals, operating protective equipment, and carrying out accident prevention inspections
- Developing a Waste Management Manual and monitoring the entire process of waste generation, transportation, and treatment through the TES system
- Conducting real-time monitoring of scrubber washwater, operating sewage treatment facilities, managing discharge records, and regularly inspecting equipment

Biodiversity and Ecosystems

Impact on the company (Risks and Opportunities)

Risks	Opportunities	Increase in bunker fuel costs due to reduced navigation efficiency caused by an increase in biofouling on vessel hulls due to a rise in seawater temperatures, and increase in vessel maintenance costs
Risks	**Opportunities**	Securing additional customers and reducing financing costs by participating in ecosystem initiatives and responding to the requirements set by financial institutions

Impact on External Stakeholders (Environmental and Social Impacts)

Positive	**Negative**	Environmental pollution and deterioration of public health due to direct pollutant emissions from vessels, ports, and other sources
Positive	Negative	Disturbance and destruction of marine ecosystems due to noise, the spread of biofouling organisms, and other impacts caused by business operations

Response Strategies

- Installing ballast water treatment systems on all vessels owned by Pan Ocean
- Conducting hull cleaning
- Participating in vessel slow steaming programs

Environmental Management

Strategy

Major Impacts, Risks and Opportunities

Resource Use and Circular Economy

Impact on the company (Risks and Opportunities)

Risks	Opportunities	Additional purchasing costs associated with the green premium for low-carbon products when ordering eco-friendly vessels, such as vessels built with low-carbon steel, which is more expensive than conventional steel
Risks	**Opportunities**	Expansion of opportunities to secure long-term contracts and premium orders based on eco-friendly vessels

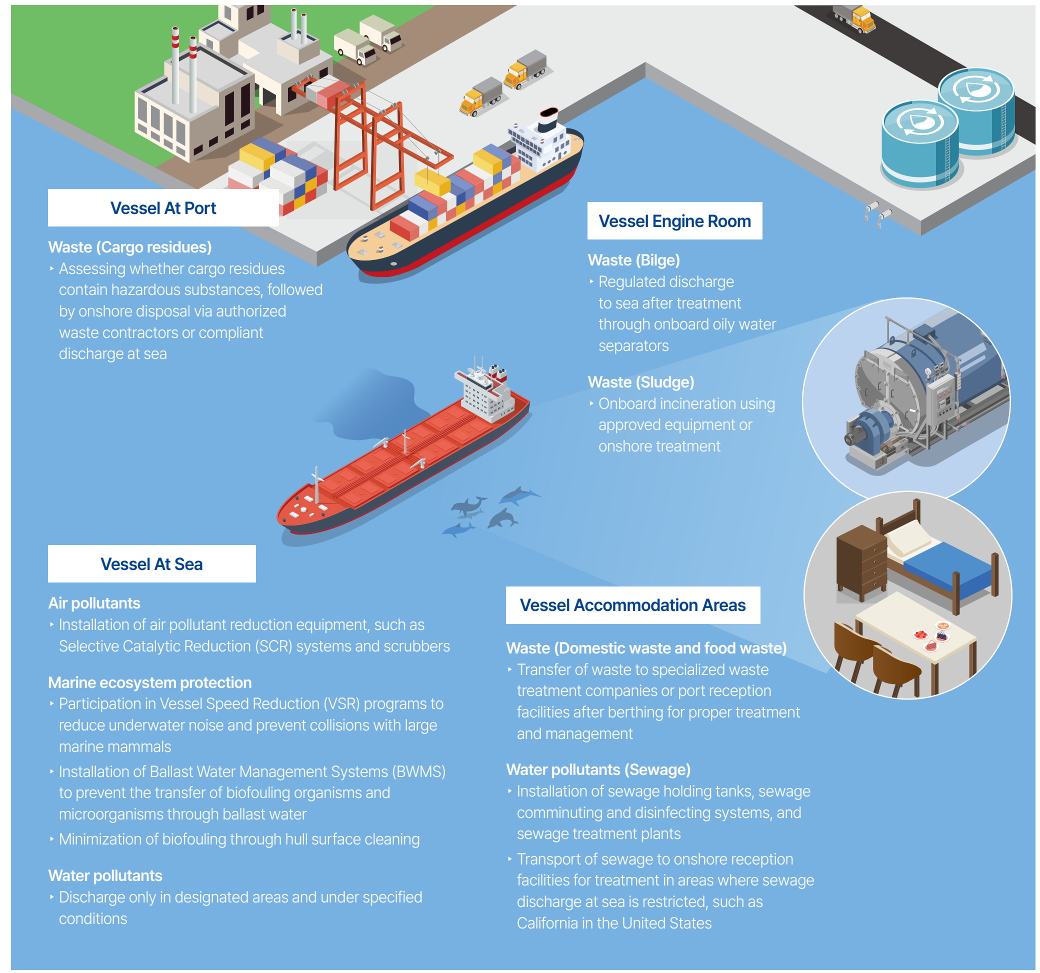
Impact on External Stakeholders (Environmental and Social Impacts)

Positive	**Negative**	Increase in waste generation from the use of containers made with non-recycled steel and delays in establishing a recycling system

Response Strategies

- Establishing a Green Recycling Policy
- Establishing procedures for vessel dismantling and recycling

Environmental Pollution Reduction Measures



Environmental Management

Strategy

Environmental Management Strategy

Under its vision of providing shipping services that do not harm the environment, Pan Ocean aims to protect the marine environment, conserve biodiversity, and reduce air pollutant emissions to prevent air pollution. To achieve these targets, Pan Ocean pursues sustainable development by reducing carbon emissions and introducing eco-friendly technologies. Pan Ocean also seeks to protect the natural environment and achieve sustainable growth by communicating its vision with stakeholders to build shared understanding and response capabilities regarding environmental issues.

Vision

Providing shipping services that respect the environment

Implementation Strategies and Targets

Response to Climate Change

- 2030 Carbon emissions reduction strategy implementation
- 2050 Achievement of carbon neutrality

Marine Environment Protection and Biodiversity Conservation

- Decrease adverse impacts on marine environment and biodiversity
- 10% reduction of waste generated in vessels by 2025 compared to the 2018–2020 average

Air Pollution Prevention

- Reduce air pollutant emissions from vessels
- 12% reduction of SOx and NOx emissions by 2030 compared to 2021 levels

Compliance with Laws and Regulations and Regulatory Response

Pan Ocean continuously monitors policy and regulatory trends of the International Maritime Organization (IMO) and the EU to respond promptly to changes in global maritime environmental regulations. Pan Ocean complies with the Energy Efficiency Existing Ship Index (EEXI) regulation by installing Engine Power Limitation (EPL) devices on 33 owned vessels. Pan Ocean also responds to the Carbon Intensity Indicator (CII) regulation by improving energy efficiency and carbon intensity through slow steaming, minimizing anchorage time, and management of hull coating.
In addition, Pan Ocean operates an internal system that analyzes port call records and costs to ensure compliance with the EU Emissions Trading System (EU ETS) and FuelEU Maritime. Pan Ocean is also developing mid- to long-term strategies in preparation for the future introduction of the IMO's mid-term measures for reduction of GHG emissions from vessels.

IMO and EU Regulatory Compliance Strategy

Laws/ Regulations	Key Details	Regulated Greenhouse Gases			Response Strategies
		CO_2	CH_4	N_2O	
IMO EEXI	Regulation on the Energy Efficiency Existing Ship Index for existing vessels	●			• Completed EPL installation work for all 33 owned vessels subject to the regulation
IMO CII	Assignment of operational carbon intensity ratings for existing vessels	●			• Developed a CII rating monitoring system within the internal Ship Operations & Management (SOM) system
EU ETS	Market-based measure for trading European carbon emission allowances for emissions from fuel use	●	●	●	• Securing and settling EU ETS emission allowances • Developing an EU ETS management system • Purchasing emission allowances
FuelEU Maritime	Achieving the transition to zero- and low-carbon fuels through GHG intensity regulations based on the full fuel lifecycle	●	●	●	• Purchasing and using biofuels • Developing an automatic calculation program for the amount of biofuels required for regulatory compliance

Environmental Management

Management of Impacts, Risks and Opportunities

Policies and Guidelines

Pan Ocean has established the Environmental Policy, Energy Efficiency Management Policy, and Hull Coating Management Policy to systematically manage efforts for GHG emissions reduction and energy savings. Pan Ocean has also established the Environmental Management System (EMS) Manual to proactively identify potential environmental impact factors that may arise in the course of business operations and review its management system, thereby improving operational efficiency. In addition, Pan Ocean has established the Waste Management Manual to systematically manage the entire process of waste generation, storage, and treatment. These policies and guidelines are integrated with directions for employees' work by posting notices onshore and onboard, conducting training, monitoring data, and sharing improvement results.

Environmental Policy

Pan Ocean Environmental Policy	
	1. We are committed to providing sustainable maritime services.
	2. We proactively pursue carbon neutrality to lead the industry towards a more sustainable future.
	3. We are dedicated to ongoing efforts to protect marine environments and preserve biodiversity.
	4. We strive to reduce emissions of air pollutants and ensure compliance with all relevant environmental regulations.
	5. We maintain open lines of communication with our stakeholders to foster understanding and responsiveness to environmental challenges.

Environmental Management System

Pan Ocean and POS SM have maintained ISO 14001 Environmental Management System certification since first acquiring it in 2010. Through continuous renewal of the certification, they operate an environmental management system based on the Plan-Do-Check-Act (PDCA) cycle. Based on this system, Pan Ocean's Maritime Strategy Team establishes and monitors environmental targets, and supports corrective actions and management reviews when environmental non-conformities occur. Pan Ocean also encourages internalization of environmental awareness among employees by operating environmental training programs, thereby enhancing the company-wide level of environmental management.

PLAN Identify, analyze, and evaluate environmental risks and opportunities, and establish environmental targets and implementation plans

DO Apply and implement the established plans in actual operations

CHECK Manage performance by monitoring, analyzing, and evaluating environmental performance

ACT Implement corrective actions and improvements based on the results of monitoring and measurement

ISO 14001 Certification Status (Pan Ocean)

Pan Ocean Environmental Management System Certification

Category	Details
Certification standard	ISO 14001:2015
Scope of certification	Provision of Maritime Transportation Services
Percentage of certified business sites	100% (Domestic business sites)
Validity period	Jul. 23, 2025 – Oct. 3, 2028

ISO 14001 Certification Status (POS SM)

POS SM Environmental Management System Certification

Category	Details
Certification standard	ISO 14001:2015
Scope of certification	Ship Management and Safety Management Services
Percentage of certified business sites	100%(Domestic business sites)
Validity period	Mar. 31, 2025 – Apr. 14, 2028

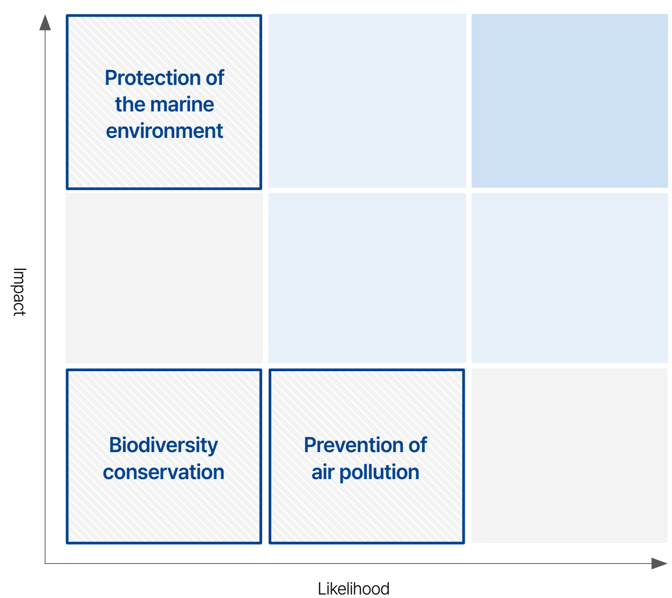
Environmental Management

Management of Impacts, Risks and Opportunities

Risk Assessment

Pan Ocean assesses environmental risks, including climate change, annually to proactively identify negative impacts on the environment and prevent pollution. When conducting environmental risk assessments, Pan Ocean determines the severity level of environmental impacts by considering likelihood and impact. Items expected to have significant impacts based on the assessment results are reflected as priority tasks when setting environmental targets for the following year. Environmental performance is reviewed annually by detailed indicator, and improvement items identified through internal and external reviews and audits are reflected in the establishment of targets for the next year to improve the level of environmental risk management.

Risk Assessment Matrix



Criteria for Selecting Risks and Opportunities

Category	Likelihood	Impact
High	• Risks expected to have a near-term impact, such as regulations scheduled to take effect within one to two years, related technologies that are commercially available, precedent legal cases, issues that are continuously raised in the market, or other risks that are certain to have an impact in the near future	• Risks with an estimated financial impact exceeding USD 3 million, or those for which impacts and progress are reported regularly to the CEO
Medium	• Regulations finalized and scheduled to take effect within three to five years, Related technologies in the initiation or development phase but not yet commercialized, Potential litigation risks lacking precedent, Emerging market issues, Other risks certain to have an impact within two to three years	• Risks with an estimated financial impact ranging from USD 100,000 to USD 3 million, or those considered significant enough to be reported to the CEO
Low	• Risks considered low in probability or uncertain in impact, such as regulations in the early discussion stage with no confirmed timeline, technologies in the early stage of development or discussion, no likelihood of litigation, limited market discussion of the issue, or other impacts with low or uncertain probability	• Risks with an estimated financial impact of less than USD 100,000, or those considered sufficient to be addressed through internal reporting within the relevant division

Risk Management

Issue	Risk Factor	Period	Likelihood	Impact	Response Strategies	Potential Financial Impact
Protection of marine environment	• Oil waste leakage from vessels • Discharge of household/cargo waste from vessels • Pollution incidents caused by vessel accidents	Ongoing	Low	High	• Complying with applicable laws, regulations, and international conventions • Establishing and complying with internal rules on the treatment of oil waste and general waste (non-hazardous waste) • Prohibiting the marine dumping of household/cargo waste and transferring waste to waste management companies for treatment when vessels are berthed at ports • Complying with safe navigation practices to prevent accidents	• Fines and response costs of up to KRW 2 billion per vessel may arise in the event of an oil pollution incident
Biodiversity conservation	• Ballast water discharge • Transfer of biofouling organisms attached to vessel exteriors	Ongoing	Low	Low	• Complying with applicable laws, regulations, and international conventions • Installing and operating ballast water management systems on all vessels • Conducting regular cleaning to remove external biofouling organisms	• Annual hull cleaning costs of USD 1 million may arise
Prevention of air pollution	• Pollutants generated from combustion of fossil fuels • Dust generated from dry bulk cargo	Ongoing	Medium	Low	• Complying with laws, regulations, and international conventions on NOx and SOx emissions • Installing NOx reduction equipment • Conducting pollutant testing for fuel oil • Complying with laws and regulations during cargo loading and unloading	• Expenses of USD 3 million per vessel may arise when installing scrubbers • Newbuilding costs may increase due to the adoption of NOx Tier III engines

Environmental Management

Management of Impacts, Risks and Opportunities

Environmental Management Activities

Total Environment System (TES)

Pan Ocean has established the Total Environment System (TES), a smart environmental information management platform, to ensure the reliability of environmental data and improve operational efficiency by integrating data dispersed across multiple departments and operations, including port operations, finance, and vessel management. Pan Ocean also uses TES to manage environmental financial costs and respond to sustainability management assessments and evaluations.
The key management items include GHG emissions, environmental pollutants, and eco-friendly investment categories. In 2025, Pan Ocean upgraded TES to enable easier identification of vessels subject to FuelEU Maritime regulations and to support the integrated calculation and management of GHG emissions.

TES Management Items

Management Items	Details
GHG emissions	‣ Direct and indirect GHG emissions, from sources including ship supplies, chartered vessel fuel consumption, employee business travel, and commuting
Environmental pollutants	‣ Emission of air pollutants ‣ Waste emissions
Eco-friendly investments	‣ Purchase of sustainable products ‣ Investment in environmental facilities ‣ Revenue from low-carbon vessels

Pan Ocean TES System Dashboard

Environmental Regulations Training for Employees

Pan Ocean regularly conducts environmental training for onshore and offshore employees. In 2025, Pan Ocean provided advanced, task-oriented training on global environmental regulatory trends and key environmental issues in the shipping and shipbuilding industries.
In particular, the training covered topics such as response measures for changes in IMO and EU regulations based on Pan Ocean's owned fleet portfolio, carbon neutrality trends in the maritime industry, vessel operation optimization strategies, and developments in eco-friendly technologies, thereby enhancing employees' understanding of environmental regulations.

Environmental Training for Onshore Employees

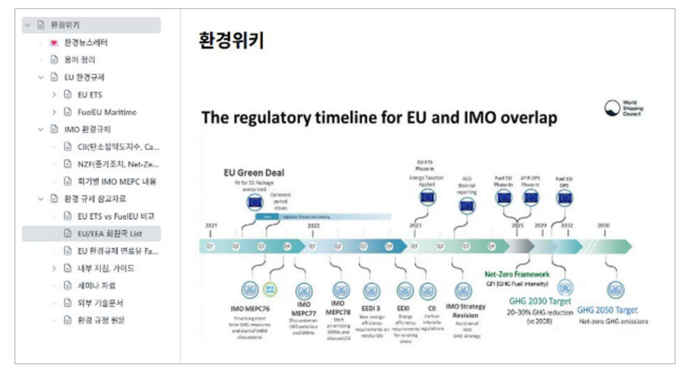
Date	Training Content	Targets	Unit	Number of Participants	Method
Apr. 24, 2025	Key details from MEPC 83 and briefing on environmental regulations	All employees	Persons	54	In-person
Nov. 10, 2025 – Dec. 12, 2025	Team-level briefing on environmental regulations	Each team		79	

Environmental Regulations Training for Offshore Employees

Session	Start Date	End Date	Targets	Method
1st	Feb. 17, 2025	Feb. 19, 2025	Master, Chief Engineer, Officer	In-person
2nd	May 13, 2025	May 15, 2025		
3rd	Aug. 18, 2025	Aug. 20, 2025		
4th	Nov. 10, 2025	Nov. 12, 2025		

'Environmental Wiki', an Internal Knowledge-Sharing Platform

Pan Ocean launched 'Environmental Wiki' an internal knowledge-sharing platform, to enhance employees' understanding of environmental regulations and facilitate responses to vessel GHG emissions regulations. 'Environmental Wiki' is structured in a Wiki format so that employees can apply key international environmental regulatory trends, including CII regulations, IMO mid-term measures, the EU ETS, and FuelEU Maritime, to their practical work. Employees can access 'Environmental Wiki' at any time through the internal system to check detailed information by regulation and promptly resolve questions that arise in the course of their work.



Pan Ocean 'Environmental Wiki' Internal Knowledge-Sharing Platform Screen

Environmental Management

Metrics and Targets

Environmental Targets and Performance

Pan Ocean established its 2026 environmental targets to facilitate proactive responses to tightening environmental regulations. Items that have continuously exceeded the targets over the past three years were adjusted to refine the target management system, while some target indicators were improved to reflect the scale of operations and enable integrated management. In addition, new targets for preventing marine pollution were incorporated.

Category	KPIs		Unit	2025 Target	2025 Performance
Protection of the marine environment	Waste oil (Sludge) generation		m³/vessel	10.08	29.87
	Waste oil (Bilge) generation[1]		m³/vessel	174.18	153.03
	Plastic waste generation		m³/vessel	11.32	13.92
	Refrigerant usage		kg/vessel	63.25	77.84
	Generation of food waste		m³/vessel	2.77	3.30
	Marine pollution accidents		Case	0	0
Biodiversity conservation	BWMS installation		Vessel	8	9
	Hull cleaning implementation		Times	70	71
Prevention of air pollution	NOx emissions		kg	68,054,628	74,860,992
	SOx emissions		kg	7,913,052	8,807,176
	NOx reduction device (SCR, EGR) installation		Vessel	5	5
	Implementation of fuel oil sample testing		-	Implementing at every bunkering	Implemented at every bunkering
Supplier management and initiatives	Supplier assessment	Assessment based on the Supplier Code of Conduct	Times	1	1
		Bi-annual assessment and guidance on the Code of Conduct	Times	2	2
	Social contribution activities	Eco-clean Volunteer Group	Times	24	24
		Cleanup at Seoul National Cemetery	Times	1	1

KPIs		Unit	2026 Target
Changed Rate of waste oil (Sludge) generation		%	2.61
New Average oily rag generation		m³/vessel	4.08
Average plastic waste generation		m³/vessel	14.16
Changed Total refrigerant consumption		kg	245.36
Food waste generation		m³/vessel	3.45
Marine pollution accidents		Case	0
BWMS installation		Vessel	8
Hull cleaning implementation		Times	79
NOx emissions		kg	65,854,085
SOx emissions		kg	7,642,868
Installation of NOx reduction devices (SCR, EGR)		Vessel	8
Implementation of fuel oil sample testing		-	Implementing at every bunkering
Supplier assessment	Assessment based on the Supplier Code of Conduct	Times	1
	Bi-annual assessment and guidance on the Code of Conduct	Times	2
Social contribution activities	Eco-clean Volunteer Group	Times	24
	Cleanup at Seoul National Cemetery	Times	1

1) This item continuously exceeded the targets over the past three years and was excluded from the 2026 targets.

Status of Violations of Environmental Laws and Regulations

KPIs	Unit	2023	2024[1]	2025	2026 Target
Violations of environmental laws and regulations	Case	0	1	0	0

1) In February 2024, one incident occurred in which fuel oil was spilled into the sea during bunkering of the Pan Horizon. To prevent recurrence of the same incident, Pan Ocean reviewed its bunkering procedures and conducted additional training on the prevention of marine pollution incidents.

Pollutants and Waste

Management of Impacts, Risks and Opportunities

Pollutants

Air Pollutant Emissions Control

To reduce sulfur oxides (SOx) generated during vessel operations, Pan Ocean uses low-sulfur fuel oil with a sulfur content of 0.5% or less and installs and operates scrubbers, which are SOx reduction devices. For newly introduced vessels, Pan Ocean applies Selective Catalytic Reduction (SCR) systems to reduce nitrogen oxide (NOx) emissions.

In addition, Pan Ocean participates in Vessel Speed Reduction (VSR) programs at major domestic and overseas ports to reduce emissions of substances that cause particulate matter, including sulfur oxides (SOx), nitrogen oxides (NOx), and particulate matter (PM), by adjusting vessel operating speed.

Pan Ocean installs Alternative Maritime Power (AMP) systems to receive onboard power from shore and minimize the operation of diesel generators when vessels are berthed, thereby contributing to the reduction of air pollutant emissions.

Hazardous Chemicals

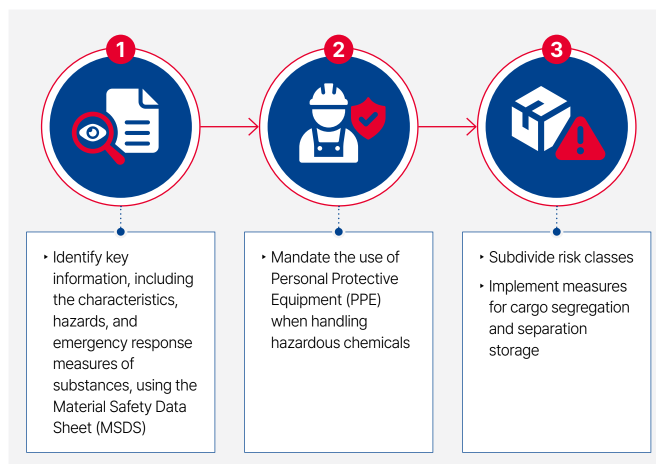
Pan Ocean has established a safe transportation system for hazardous chemicals during marine transportation based on international standards, including the International Maritime Dangerous Goods (IMDG) Code and the International Code for the Construction and Equipment of Ships Carrying Dangerous Chemicals in Bulk (IBC Code).

Pan Ocean uses the Material Safety Data Sheet (MSDS) under the Occupational Safety and Health Act to identify key information, including the characteristics, hazards, and emergency response measures of each substance in advance. Pan Ocean also reviews whether the substance is subject to shipment restrictions or prohibitions in accordance with the IMDG Code and other applicable regulations.

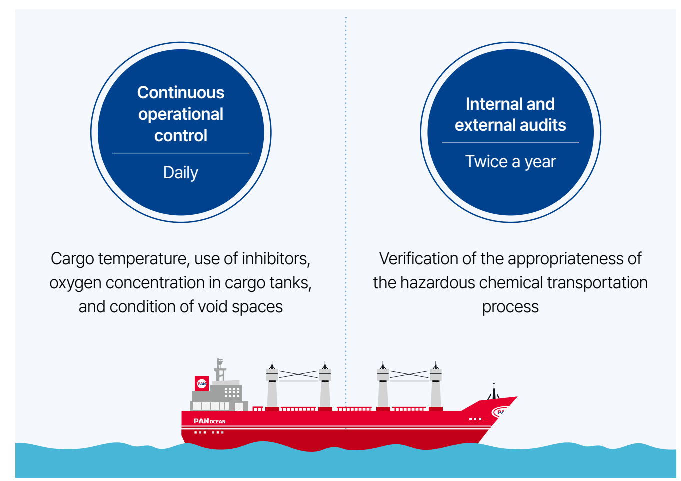
Furthermore, Pan Ocean has established criteria and procedures for wearing Personal Protective Equipment (PPE) when handling hazardous chemicals based on the type and hazards of each substance, and mandates the use of required safety equipment. In addition, Pan Ocean subdivides risk classes according to packaging type and substance characteristics, and implements cargo segregation and separation storage measures to prevent reactions between substances and accidents that may occur during transportation.

Pan Ocean checks cargo temperature, the use of inhibitors, oxygen concentration in cargo tanks, and the condition of void spaces on a daily basis. The company also verifies the appropriateness of the transportation process for hazardous chemicals through internal and external audits conducted twice a year.

Hazardous Chemical Management Process



Hazardous Chemical Management Inspection Method



Pollutants and Waste

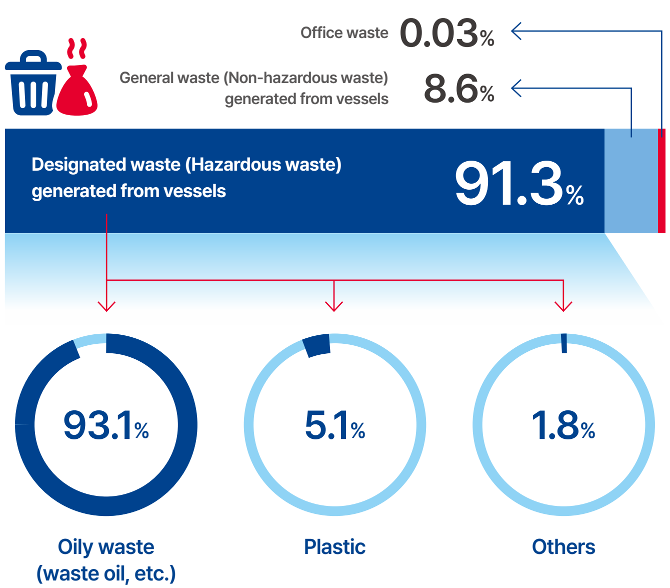
Management of Impacts, Risks and Opportunities

Waste Status and Management

Waste Management

Pan Ocean and POS SM have established and operate a Waste Management Manual in compliance with international regulations, including the International Safety Management (ISM) Code and the International Convention for the Prevention of Pollution from Ships (MARPOL). Based on the manual, Pan Ocean and POS SM monitor the entire waste management process by waste type, including general waste (Non-hazardous waste), oily waste, and packaging waste. When waste management is outsourced for external treatment, they continuously review whether waste treatment companies comply with contract requirements and manual standards.

Waste Generation Status



Designated Waste (Hazardous Waste)

Oily Waste

Pan Ocean and POS SM treat oily waste in accordance with the Marine Environment Management Act and other relevant domestic and overseas laws and regulations. Pan Ocean records the operation status of onboard environmental facilities and the treatment data of oily waste through the Environment Tag System (ETS), and monitors waste treatment status based on these records. Engine room bilge is stored in bilge water holding tanks and then discharged at sea after processing through onboard oily water separators in accordance with legal procedures.

POS SM manages and treats bilge in accordance with the Environmental Management System (EMS) Manual for vessels. Oily residue sludge is stored in designated onboard tanks and later transported to shore or treated through approved onboard incinerators. POS SM also reduces sludge generation by using Very Low Sulfur Fuel Oil (VLSFO).

Plastic

Pan Ocean and POS SM, in accordance with the Waste Management Manual, completely prohibit the disposal of all plastic waste generated onboard vessels into the sea and treat such waste through shore-based port reception facilities. Onboard vessels, the incineration of all plastic waste, except PET, is prohibited. In addition, to reduce the generation of plastic waste, Pan Ocean and POS SM request ship supplies providers to minimize the use of plastic packaging materials, such as plastic bags, shrink wrap, and Styrofoam. If items containing plastic are inevitably brought onboard, they are returned to the suppliers.

General Waste (Non-Hazardous Waste)

Domestic waste

Pan Ocean and POS SM prohibit the marine discharge of domestic waste generated in vessel accommodation areas. Household waste is incinerated using onboard incinerators or transported to shore for treatment in accordance with legal procedures. Offshore employees use separate collection bins installed onboard to separate and discharge domestic waste.

Food Waste

Pan Ocean and POS SM store food waste separately from other waste in dedicated containers and manage it separately to maintain sanitary conditions. Pan Ocean operates chillers while vessels are berthed to minimize the decomposition of food waste and odor generation, and to manage food waste in a hygienic manner.

Cargo Residues and Operational Waste

Pan Ocean and POS SM confirm the hazard level of cargoes and cargo residues with shippers and manage and dispose of the waste in accordance with relevant laws and regulations. Pan Ocean and POS SM classify all non-regulated solid waste generated during general vessel operations, including cargo loading, handling, operation, and maintenance, as operational waste, and manage and dispose of it through legal procedures based on international conventions and relevant regulations according to the type of waste.

Water Resources

Management of Impacts, Risks and Opportunities

Marine Water Resources Management

Water Management

Pan Ocean takes in and discharges seawater in compliance with the International Convention for the Prevention of Pollution from Ships (MARPOL) and national regulations. All discharge activities are conducted only in designated areas and under designated conditions. Pan Ocean also manages discharge records systematically to verify regulatory compliance on a regular basis.

Scrubber Washwater Management

Pan Ocean manages water pollution in accordance with the International Convention for the Prevention of Pollution from Ships (MARPOL) and other international conventions and regulations related to the management of vessel discharges. Pan Ocean monitors water pollution indicators, including pH, turbidity, polycyclic aromatic hydrocarbons (PAHs), and nitrate, and discharges scrubber washwater within prescribed regulatory limits. Pan Ocean also records and retains washwater monitoring data and submits them for inspections by domestic and overseas port authorities and other agencies.

Sewage Management

Pan Ocean treats sewage generated in vessel accommodation areas in compliance with the International Convention for the Prevention of Pollution from Ships (MARPOL) and national regulations, thereby meeting the requirements of the International Sewage Pollution Prevention (ISPP) Certificate. Sewage is treated through sewage holding tanks, sewage comminuting and disinfecting systems, and sewage treatment plants, discharged in accordance with the management manual, and relevant data recorded and managed.

Pan Ocean also inspects and maintains sewage treatment plants regularly in accordance with the Planned Maintenance System to ensure normal operation of the facilities. In areas where overboard discharge of sewage at sea is restricted, such as California in the United States, sewage is transported to onshore reception facilities for treatment.

Biodiversity and Ecosystems

Management of Impacts, Risks and Opportunities

Initiatives for Marine Ecosystem Disruption Prevention

Expansion of Ballast Water Management System Installation

In proactive response to the IMO regulation requiring the installation of Ballast Water Management Systems (BWMS), Pan Ocean began installing BWMS before the mandatory IMO BWMS regulation took effect. By monitoring the sterilization and purification process of discharged ballast water and recording the results in real time, Pan Ocean reduces the possibility of ecosystem disruption and contributes to protecting marine ecosystems. In 2025, Pan Ocean installed BWMS on five newbuilding vessels, completing the application of BWMS to all vessels owned by Pan Ocean.

Hull Cleaning

Through hull cleaning, Pan Ocean removes marine organisms attached to vessel surfaces to prevent their transfer to other regions. Pan Ocean also minimizes environmental impacts while enhancing work efficiency by considering optimal anchoring times.

In particular, in 2025, through a new partnership with a robotics technology provider in Singapore, Pan Ocean removed biofouling organisms even from hull recesses requiring detailed management by using robotic technology and professional divers.

Marine Animal Protection Activities

Participation in Vessel Speed Reduction Programs

Pan Ocean participates in Vessel Speed Reduction (VSR) programs implemented at major domestic and overseas ports, including those under the Special Act on the Improvement of Air Quality in Port Areas. Through these programs, Pan Ocean reduces underwater noise generated from vessel hulls, protects the habitats of marine organisms, and lowers the risk of collisions between marine mammals and vessels, thereby contributing to the conservation of mammal habitats and the protection of marine ecosystems.

In 2025, a total of 17 vessels, including seven chartered vessels, participated in vessel speed reduction programs and received "compliant" results, minimizing negative impacts on the marine environment.

Resource Use and Circular Economy

Management of Impacts, Risks and Opportunities

Sustainable Vessel Recycling

Green Recycling Policy

Pan Ocean has established a vessel recycling policy under which vessel recycling is carried out only at recycling yards certified by classification societies in accordance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships. Pan Ocean's vessel recycling policy is implemented with the protection of the lives and human rights of workers involved in vessel dismantling as a core objective. The policy aims to prevent the uncontrolled release of asbestos, heavy metals, waste oil, and other hazardous substances that may occur during the dismantling process, and to ensure safe and environmentally sound vessel dismantling and recycling.

Vessel Dismantling and Recycling Process

Pan Ocean has established a step-by-step vessel dismantling and recycling process. In the first step, Pan Ocean identifies additional hazardous substances not included in the onboard Inventory of Hazardous Materials, covering hull structures, machinery, electrical equipment, tanks, deck equipment, and other items, including operational waste, fuel oil stored onboard, lubricating oil, and ballast water. The Inventory of Hazardous Materials (IHM) is then finalized through review by the classification society and verification by on-site inspectors.
In the second step, Pan Ocean identifies the types and quantities of hazardous substances through a pre-survey and assesses related risks. In the third step, Pan Ocean selects a certified Ship Recycling Facility (SRF) based on the results of the pre-survey, comprehensively considering the vessel structure and the characteristics of hazardous substances. Finally, vessel dismantling and recycling are carried out at the dismantling site under the management and supervision of qualified supervisors.

Vessel Dismantling and Recycling Process

IHM identification and update	Pre-survey	Selection of a certified ship recycling facility	Vessel dismantling and recycling
Update the IHM in accordance with the Hong Kong International Convention	Investigate hazardous substances and conduct risk assessments	Select a certified ship recycling facility based on the pre-survey results	Conduct on-site management and supervision by qualified supervisors

Social

Human Rights Management

Governance

Operational Structure

Human Rights Management Committee

The Human Rights Management Committee reviews and deliberates on human rights risk assessments, follow-up measures, investigations of human rights violations, and remedial measures based on the Human Rights Charter and related regulations.

Management

The CEO, as Chairperson of the Human Rights Management Committee, receives reports on the assessment results of human rights risks identified across various stakeholder groups, including employees and suppliers, and assesses the appropriateness of mitigation measures. The CEO also manages human rights issues by integrating them into the company-wide risk management strategy.

Dedicated Organization

The Human Resources Team serves as the dedicated organization for human rights management. It supports the establishment and revision of policies and guidelines related to human rights management, and operates the human rights management system. The team also identifies and diagnoses human rights risks by stakeholder group, develops improvement measures, and continuously monitors the implementation status of those measures. In addition, the Human Resources Team manages the implementation status of human rights management and measures performance, strengthens transparent communication with stakeholders through external disclosure, and enhances the credibility of human rights management.

Organizational Chart of Human Rights Management Governance

Strategy

Major Impacts, Risks and Opportunities

Impact on the company (Risks and Opportunities)

Risks	Opportunities	Financial penalties and compensation costs arising from violations of laws and regulations in the event of human rights violations
Risks	Opportunities	Additional costs for securing human resources due to increased turnover caused by inadequate management of the work environment
Risks	**Opportunities**	Improved worker satisfaction through better working conditions and reduced operating costs from lower employee turnover
Risks	Opportunities	Increased costs for securing and training seafarers due to a decrease in highly skilled offshore employees

Impact on External Stakeholders (Environmental and Social Impacts)

Positive	**Negative**	Human rights violations arising from discrimination in business operations based on nationality of foreign workers, disability, gender, or other factors
Positive	Negative	Expansion of employment opportunities in local communities and alleviation of the employment burden through job creation as part of business operations
Positive	**Negative**	Decline in workers' living standards and mental health due to overcrowded work environments and insufficient hygiene standards
Positive	Negative	Improvement of employee productivity and satisfaction through support for competency enhancement

Response Strategies

- Conducting human rights risk assessments and implementing improvement measures; Operating human rights grievance reporting channels
- Managing human rights activities to enhance job satisfaction among offshore employees

Human Rights Management

Strategy

Human Rights Management Strategy

Mid- to Long-Term Roadmap for Human Rights Management

Pan Ocean established a mid- to long-term roadmap for human rights management and built a human rights management system in 2023. Since then, Pan Ocean has continued to advance the system, striving to embed a management culture that respects human rights and strengthen its capabilities for managing human rights risks. Pan Ocean is also enhancing its management level through human rights due diligence and reviews to improve related indicators, while continuously strengthening a preventive human rights management system. In addition, for stakeholder rights protection issues identified through human rights risk assessments as requiring management, Pan Ocean expanded the scope of human rights management across the supply chain in 2025 and established a human rights management system for its subsidiaries in order to implement risk improvement measures. Going forward, Pan Ocean plans to expand the scope of human rights monitoring, while continuing to review and support the operation of human rights management at its subsidiaries.

Pan Ocean Roadmap for Advancing Human Rights Management

	1 Phase 1 (through 2023)	2 Phase 2 (through 2024)	3 Phase 3 (through 2025)
Establishment and Implementation	• Declaration of human rights management and establishment of human rights management guidelines • Establishment of mid- to long-term goals for human rights management • Establishment of indicators for human rights management assessments • Conducting self-risk assessments based on the established indicators	• Implementation of human rights management training for new employees • Development of response plans for human rights risk assessments by responsible organization • Enhancement of self-risk assessment items	• Expansion of human rights management, including across the supply chain • Completion of the human rights management system for POS SM, a subsidiary

	1 Phase 1 (through 2026)	2 Phase 2 (through 2027)	3 Phase 3 (through 2028)
Expansion and Embedding	**Preliminary Human Rights Assessment**	**Establishment of Human Rights Management Systems at Overseas Offices**	**Establishment of Human Rights Management Systems for Overseas Offices and Subsidiaries**
	• Self-risk assessments by overseas offices • Preparation of checklists	• Establishment of human rights management guidelines and related standards, reflecting local requirements in overseas jurisdictions • Conducting self-risk assessments	• Human rights management assessment of suppliers of overseas offices
	Establishment of the second mid- to long-term plan	Expansion of the scope of human rights management training from Pan Ocean to overseas offices	Establishment and internalization of human rights standards for individual work processes, including ongoing monitoring of human rights risks during work performance

Management of Impacts, Risks and Opportunities

Human Rights Charter

Pan Ocean has established the Human Rights Charter based on the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights (UNGP), setting out the basic principles and implementation system to implement human rights management and fulfill its responsibility to respect human rights.

The Human Rights Charter applies to all stakeholders who are directly or indirectly affected by Pan Ocean's business activities, including employees, suppliers, local communities, customers, and shareholders. Pan Ocean applies the principles of human rights protection within the scope of compliance with applicable laws, regulations, and international standards. Pan Ocean also defines its human rights management system and operates risk management procedures and an assessment system, through which it conducts desk-based assessments and due diligence to identify and manage human rights risks.

In addition, Pan Ocean communicates the implementation of human rights management transparently based on regular disclosures of human rights management-related materials, including the Human Rights Charter, through official channels such as the Pan Ocean website.

Fundamental Principles of Human Rights Management

1. Prohibition of discrimination
2. Compliance with working hours and labor laws
3. Prohibition of forced labor
4. Prohibition of child labor and protection measures for minors
5. Humane treatment
6. Guarantee of freedom of association and collective bargaining
7. Assurance of a safe working environment
8. Protection of environmental rights
9. Protection of rights of local residents
10. Protection of stakeholder rights

Human Rights Management

Management of Impacts, Risks and Opportunities

Human Rights Risk Assessment

Pan Ocean conducts human rights risk assessments at least once a year in accordance with Article 12 of the Pan Ocean Human Rights Charter. The assessments are conducted for domestic and overseas business sites and suppliers. Pan Ocean designs and updates assessment indicators suitable for the assessment scope by reflecting the Pan Ocean Human Rights Charter, the United Nations Guiding Principles on Business and Human Rights (UNGP), and the Guidelines and Checklist for Human Rights Management issued by the National Human Rights Commission of Korea. Pan Ocean conducts desk-based assessments based on its own checklist. Based on the assessment results, the Human Resources Team identifies key human rights risks, implements improvement measures to mitigate risks, and continuously reviews the status of those measures. In 2025, Pan Ocean added items related to the protection of employees' human rights and conducted the assessment based on a checklist consisting of a total of 63 items.

Human Rights Risk Assessment Process

Define the risk assessment scope	Define the scope of the human rights risk assessment for domestic and overseas business sites and suppliers
Design and improve indicators	Design indicators by reflecting the Pan Ocean Human Rights Charter and domestic and overseas guidelines for human rights management
Desk-based assessment	Identify potential human rights risks or factors that may have negative impacts based on the indicators
Results analysis	Analyze unmet requirements by business site based on the results of the desk-based assessment, and derive key risks by comprehensively considering regional laws and regulations
Improvement measures	Implement improvement measures to mitigate risks and review the implementation status of those measures

Human Rights Risk Assessment Results

Pan Ocean conducts regular human rights impact and risk assessments to review the effectiveness of its human rights management system and proactively identify and manage potential human rights risks. In the first half of 2026, Pan Ocean conducted a written assessment covering a total of 11 key human rights issues, including the establishment of a human rights management system, prohibition of discrimination, prohibition of forced labor, prohibition of child labor, humanitarian treatment and prohibition of harassment, guarantee of freedom of association and collective bargaining, assurance of industrial safety, protection of environmental rights, protection of the human rights of local residents, protection of stakeholder rights, and protection of employees' human rights. As a result of the assessment, no significant human rights violations or notable issues were identified across the 11 topics. However, in relation to the protection of stakeholder rights, Pan Ocean identified the need to improve its system for checking whether major related companies comply with human rights protection requirements through surveys, site visits, and other measures. Going forward, Pan Ocean plans to advance related indicators and expand the scope of monitoring.

Results of the 2026 Self-Assessment of Human Rights Risks

Area	Assessment Result
Establishment of a human rights management system	No issues identified
Prohibition of discrimination	No issues identified
Prohibition of forced labor	No issues identified
Prohibition of child labor	No issues identified
Humanitarian treatment and prohibition of harassment	No issues identified
Guarantee of freedom of association and collective bargaining	No issues identified
Assurance of industrial safety	No issues identified
Protection of environmental rights	No issues identified
Protection rights of local residents	No issues identified
Protection of stakeholder rights	No issues identified; review needed to expand the scope of monitoring
Protection of employees	No issues identified

Review and expand the monitoring scope to further improve stakeholder rights risk management

Potential Human Rights-Vulnerable Groups[1]

● : Low risk, ● : Potential risk

Area	Employees	Women	Subsidiaries/ Suppliers	Local Communities
Prohibition of discrimination and humanitarian treatment	Low risk	Low risk	Low risk	Low risk
Prohibition of forced labor and child labor	Low risk	Low risk	Low risk	Low risk
Assurance of a safe working environment and protection of environmental rights	Low risk	Low risk	Low risk	Low risk
Rights of local residents/ stakeholders	Low risk	Low risk	Potential risk	Low risk

1) Preliminary screening was conducted based on the 2025 ITUC Global Rights Index. Child labor and migrant worker screening was not conducted, as these categories were not applicable.

Human Rights Management

Management of Impacts, Risks and Opportunities

Operation of Human Rights Reporting Channels

Go to Helpline

Pan Ocean has established a grievance handling system to listen to opinions and grievances from each stakeholder group through various channels and provide appropriate responses. Employees can report grievances, including human rights violations such as discrimination and harassment, through the internal company portal. For offshore employees with limited access to electronic devices, reports and complaints can be submitted through the onboard grievance handling procedure. External stakeholders, including customers and suppliers, may report related issues, including human rights violations, through the anonymous whistleblowing system (Helpline), on the Pan Ocean website. Cases received through this channel are managed in a strictly protected environment.

Received grievances and reports are investigated fairly through a fact-checking process. When necessary, the Human Rights Management Committee is convened to discuss follow-up measures and improvement plans. In addition, Pan Ocean strictly manages the anonymity of reporters in accordance with the Pan Ocean Human Rights Charter and protects reporters from any unfavorable treatment.

Human Rights Management Activities

Human Rights Management for Offshore Employees

Pan Ocean and POS SM place the protection of employees' human rights at the core of their values, based on the Maritime Labour Convention (MLC). In accordance with international maritime standards, they prohibit discrimination based on race, gender, nationality, and other characteristics, strive to create a free and fair working environment, and systematically manage employees' physical and mental safety.

They also conduct human rights training on a regular basis and manage reports and disclosures related to human rights violations through the anonymous whistleblowing system (Helpline). In addition, Pan Ocean and POS SM are promoting economic support programs, including the expansion of family insurance coverage, to improve the welfare of foreign offshore employees. They also provide access to professional psychological counseling by connecting employees with medical professionals and counselors, including the Seafarers' Mental Health Center.

Enhancing the Quality of Life for Offshore Employees

Pan Ocean and POS SM support the improvement of offshore employees' physical and mental health by enhancing the medical, welfare, and communication environment. Annual medical checkups are provided to all offshore employees, and Korean offshore employees are additionally offered cardiac CT scans to enable the early diagnosis and prevention of cardiovascular disease.

To improve access to medical services, Pan Ocean and POS SM provide telemedicine services based on onboard medical centers. They also support voluntary exercise and health management by installing fitness rooms and providing exercise equipment. From a mental health perspective, they operate resilience programs centered on group activities among offshore employees to help relieve psychological burdens caused by long-term onboard work and support psychological stability and stress relief.

In addition, since 2025, Pan Ocean and POS SM have been sequentially introducing low Earth orbit satellite communication services on each vessel to provide a continuous communication environment with shore. This helps alleviate social isolation and emotional stress among employees and contributes to improving job satisfaction.

For more details, please refer to Enhanced Health Checkups and Counseling Programs.

Corporate Culture Improvement Activities

Since 2024, POS SM has been operating the Corporate Culture Improvement Team and conducting activities to handle grievances and raise human rights awareness among offshore employees. POS SM also conducts fair and prompt investigations into onboard human rights violation cases received through human rights reporting channels, while implementing measures for victim protection and remediation.

In addition, POS SM conducts monthly organizational culture improvement campaigns, including the production and distribution of posters, to prevent interpersonal conflicts such as discrimination and bullying that may occur onboard. In 2025, POS SM selected "Building Seamanship Together" as a topic and carried out activities to enhance safety awareness, practical maritime knowledge, communication, and problem-solving capabilities. It also carried out activities under the topic of "Fostering a Culture of Respect" to improve understanding of a respectful culture.

Corporate Culture Improvement Activities Topic

Building seamanship together		Fostering a culture of respect	
Jan.	Safety Awareness	Jul.	Respect is a mindset of learning and growth.
Feb.	Navigation Skills	Aug.	Respect begins with how we treat ourselves.
Mar.	Knowledge of the Sea	Sep.	Respect means showing dignity in our words and attitudes.
Apr.	Communication	Oct.	Respect means not taking procedures and standards lightly.
May.	Maintenance	Nov.	Respect means choosing understanding over judgment.
Jun.	Problem-Solving	Dec.	Respect is revealed in how we handle conflict.

Human Resource Management

Management of Impacts, Risks and Opportunities

Talent Recruitment System

Pan Ocean operates a fair recruitment process to secure talent with the expertise and competencies required for its business operations. Pan Ocean discloses its recruitment procedures and criteria in a transparent manner, and reviews applicants' expertise, job performance capabilities, and potential adaptability to the organization throughout the recruitment process.
Pan Ocean avoids discrimination based on educational background, gender, age, or other factors, and promotes fair recruitment based solely on job-oriented evaluations. In particular, considering the characteristics of the marine transportation industry, Pan Ocean is strengthening the recruitment of professionals in areas such as maritime affairs, vessel operations, and safety and environmental management. For offshore employees, Pan Ocean continues to promote the conversion of contract Masters and Chief Engineers to regular employment to secure the mid- to long-term stability of vessel operations and build a stable foundation for business activities.
In addition, Pan Ocean strives to secure talent capable of responding to the changing global business environment, and provides recruitment information through various recruitment platforms, including YouTube, online recruitment communities, and recruitment websites.

Recruitment Evaluation Process

	New University Graduate Hires	Experienced Employees
1 Document screening	Basic screening based on major, GPA, language proficiency, certificates, volunteer activities, etc.	Review of experience and competencies required for job performance
2 Aptitude and personality test	Online assessment of aptitude and personality traits, job orientation, and level of job performance capabilities	
3 Interview	Presentation (PT), discussion, foreign language, and personality interviews	Evaluation of corporate values, career verification, and potential capabilities
4 Medical checkup	Medical checkup at designated hospitals	
5 Final acceptance	Individual notification of acceptance	

Performance Management and Evaluation System

Performance Evaluation for Onshore Employees

Pan Ocean operates a systematic evaluation process to comprehensively manage performance and competencies. As part of its employees' evaluation, Pan Ocean conducts assessment and evaluation of actual work performance methods and collaboration attitudes through Growth Review. Pan Ocean also operates a feedback period and objection procedure to ensure sufficient communication between the company and employees regarding evaluation results.
In addition, Pan Ocean provides assessment results in the form of a report to evaluated employees, enabling them to identify their strengths and areas requiring improvement and use the results for competency development. For performance evaluation, Pan Ocean systematically manages employee evaluations by assessing organizational performance and contribution based on Quick Notes and Reviews through Performance Review.

Performance Evaluation Method for Onshore Employees

Category		Details
Growth review	Assessment	‣ Team members: Peer assessment within the same and other organizations, and downward assessment ‣ Team leaders: Additional assessment of leadership competency through peer/downward assessment and upward assessment within the same team
	Evaluation	‣ Absolute evaluation and grade confirmation based on common questions
Performance review	Process management	‣ Team members: Register individual work and frequently record notes on actual work performance through Quick Notes ‣ Team leaders: Review team members' work performance notes, provide frequent feedback through Quick Reviews, and conduct at least one in-person interim interview per year
	Evaluation	‣ Conduct year-end self review of work, followed by absolute evaluation and grade confirmation based on common questions

Performance Evaluation for Offshore Employees

Pan Ocean and POS SM operate an employees' evaluation system for offshore employees by classifying evaluations into evaluations for Masters and Chief Engineers and evaluations for employees other than Masters and Chief Engineers, in order to fairly assess job competencies and organizational contribution.
For Masters and Chief Engineers, vessel managers conduct competency evaluations once every half year and performance evaluations once a year to assess vessel operation, command, and leadership capabilities in a comprehensive manner. If competency improvement is needed, additional training and feedback are provided.
For employees other than Masters and Chief Engineers, two senior officers conduct job evaluations and personality evaluations to comprehensively assess job performance capabilities and adaptability to onboard life. The evaluation also reflects factors that may affect overall onboard life, such as attitude to work, alcohol management, and diligence. Explanations and feedback are provided on evaluation results, and consultation procedures are operated when necessary to improve the fairness and acceptance of evaluations.

Performance Evaluation Method for Offshore Employees

Category		Details
Evaluation for Masters and Chief Engineers	Competency evaluation	‣ Evaluation mainly focused on command and leadership capabilities; if leadership is deemed insufficient, competency enhancement is provided through additional training
	Performance evaluation	‣ Evaluation of the results of job performance over a certain period to achieve the targets of the company or the individual Master or Chief Engineer
Employees other than Masters and Chief Engineers	Job evaluation	‣ Evaluation of competencies required to perform duties according to the position of each offshore employee
	Personality evaluation	‣ Evaluation of factors affecting overall onboard life, including ethics, alcohol management, and diligence, in addition to attitude to work

Human Resource Management

Management of Impacts, Risks and Opportunities

Onshore Employee Training

Pan Ocean operates a customized training system by position-specific and role, supporting employees in strengthening their job expertise and organizational capabilities. Pan Ocean provides position-specific training, including specialized position-specific courses to help new employees adapt to the organization and training for promoted employees. It also offers practice-oriented learning opportunities through field training and practical training on shipping operations.
Pan Ocean also operates programs to strengthen leadership and management capabilities, including the Executive MBA Program and Leadership Insight Lectures. In addition, to enhance training quality, Pan Ocean conducts surveys before and after training. Before training, Pan Ocean conducts preliminary surveys of participants to reflect training needs in the curriculum. After training, it reviews training effectiveness through satisfaction surveys and reflects the results in future program operations, thereby improving training quality.

Results of the 2025 New Employee Mentoring Program Satisfaction Survey (Average score out of 5)

The mentoring program was considered helpful for mentees' adaptation to the organization	4.7 points
The mentoring program was considered helpful for mentees' adaptation to their work.	4.6 points
The selected mentors helped mentees adapt to the organization and their work during the mentoring period.	4.8 points

Training Programs for Onshore Employees

	1 Adaptation period (Associate)	2 Engagement & Development (Manager)	3 Specialist (Senior manager)	4 Leader (Team leader)	5 Business leader (Head of department)
General	Employee engagement training (Staff Seminar, TDP etc.) / Smart learning (Micro-Learning, Online Library) / Statutory training				
Level	New employee onboarding	Specialized course (4th Year)	Specialized courses for fourth-year employees in position		New/Promoted executive training
	Basic training	Promotion training	Promotion training		
Job competency	Professional Practice Training / OJT Training / Online Job Training				
	Promotion qualification course	Workplace practicum / Overseas dispatch	Overseas dispatch		Executive MBA program
	OJT & On-site training	Training course (on board owned-vessel)	Training course (on board owned-vessel) / Job mentoring		
Leadership		Bridge leadership	Bridge leadership	Long-term leadership training	Executive W/S
				New manager leadership development	Leadership insights lecture
Global	Foreign language training program: Online & Phone-based				

Mentoring Program

Pan Ocean operates a mentoring program for new employees to help new hires and experienced hires adapt smoothly to the organization and improve their job competencies. The mentoring program for new employees matches mentors and mentees one-on-one and operates for four to six months. The program consists of teamwork-building activities, meetings with senior employees, career development guidance, and experience sharing, so that participants can share practical knowledge and experiences related to adapting to the organizational culture.
For experienced hires, Pan Ocean operates a three-month mentoring program to enhance their understanding of the company, team, and job, and to promote communication and bonding among employees through activities such as sharing organizational culture and hobbies. After the program ends, Pan Ocean conducts a satisfaction survey for participants to collect suggestions for improvement and recommended activities, and reflects the results in future program operations.
In 2025, the program was conducted for ten new employees, helping them adapt smoothly to the organization and strengthen job engagement.

Preliminary Workshop for Mentoring of New Employees

Human Resource Management

Management of Impacts, Risks and Opportunities

Offshore Employee Training

Pan Ocean and POS SM operate a customized training system for offshore employees to support the strengthening of on-site work capabilities. They enhance job understanding and organizational adaptability through advanced job-specific training for employees scheduled for promotion and job-specific training for experienced hires. They also support safe onboard life for offshore employees by providing essential safety training, on topics including emergency response to maritime accidents, survival at sea, and prevention of casualty accidents.

In 2025, POS SM established its in-house training center, the HR Training Center, creating an educational space where offshore employees can experience an actual vessel environment even onshore. In particular, the center introduced a ship handling simulator, engine room simulator, and liquid cargo handling simulator, enabling offshore employees to receive job-specific training in an environment similar to maritime and vessel work settings. The company has appointed instructors with extensive on-site experience as Masters and Chief Engineers to provide training directly and strengthen practical competencies.

After job-specific training, subject-specific tests are conducted to review and manage training effectiveness. In 2025, the average score across all subjects was 92.1 points, showing an improvement from the previous year.

Offshore Employee Training Programs

4 courses	Recruitment	• Cadet training • New officer training • Experienced officers and ratings training
5 courses	Officer training	• Cadet familiarization training • New officer training • Job-specific training
3 courses	Promotion training	• Job-specific promotion training
6 courses	Job training	• Workshops • Position-specific job training • Embarkation and disembarkation task negotiations • Vessel takeover training
22 courses	Advanced Job training	• Advanced training by vessel type • Advanced navigation job training • Advanced ship equipment training

Types of Onboard Training and Drills for Offshore Employees

SHEQ system manual	Maritime emergency response training
Health and safety training for disaster prevention	Statutory training
Cybersecurity training	Maritime survival training
Environmental management training and pollution prevention training	Job training
Statutory training	Ice class training

Seagull: Online Training Program for Offshore Employees

Pan Ocean and POS SM have operated Seagull, an online training program, since 2021 to strengthen offshore employees' job competencies. Seagull is a CBT-based program that provides a wide range of offshore job-specific training content based on more than 60 years of accumulated training experience and infrastructure.

The program can be accessed through work PCs and personal mobile devices. CBT training materials are also provided onboard, enabling learning during voyages and improving access to training materials.

New Officer Overlap Program

Pan Ocean and POS SM operate the New Officer Overlap Program to help newly hired third officers and third engineers systematically acquire knowledge related to vessel operations and practical skills, and receive guidance on onboard life through training and coaching from senior officers. In 2025, a total of 48 employees participated in the program, helping them enhance their understanding of vessel operations and safety work and strengthen on-site adaptability.

The First Certified Domestic Company with "Best Ship Management Business Operator"

POS SM was selected as a "Best Ship Management Business Operator" certified by the Ministry of Oceans and Fisheries, based on its offshore employee management capabilities, expertise in vessel operations, and systematic safety management system.

The Best Ship Management Business Operator certification is granted after a comprehensive evaluation of a vessel management company's vessel operation performance, rate of accident-free operations, offshore employee training and welfare standards, compliance with International Maritime Organization (IMO) regulations, and compliance with domestic and international laws and regulations. After first obtaining the certification in 2021, POS SM was recertified in 2024 with the certification valid until 2027. Through this achievement, POS SM continues to be recognized for its world-class vessel management quality and safety management capabilities.

Human Resource Management

Management of Impacts, Risks and Opportunities

Employee Satisfaction

Pan Ocean conducts regular satisfaction surveys for onshore and offshore employees. Based on the survey results, Pan Ocean identifies improvement tasks and reflects them in the establishment of action plans for the following year.

The satisfaction survey for onshore employees is conducted through a third-party professional organization to ensure objectivity and independence. The survey reviews detailed competency indicators, including vision sharing, organizational effectiveness, organizational culture, HR systems, and human resource management. Based on the results of the analysis, Pan Ocean establishes and implements action plans for each organization. Pan Ocean also conducts additional internal job satisfaction surveys twice a year to gather employees' feedback.

For offshore employees, Pan Ocean and POS SM conduct internal satisfaction surveys targeting Masters and Chief Engineers, as well as deck and engine officers. The survey analyzes key items such as management, communication, education and training, operation management, and safety and quality management by position, nationality, and fleet. Through these surveys, Pan Ocean and POS SM strive to identify factors affecting the satisfaction of Korean and foreign offshore employees and reflect them in improvement activities.

Labor-Management Relations

Labor-Management Council

Pan Ocean operates separate Labor-Management Councils for onshore and offshore employees to establish stable labor-management relations based on trust and cooperation between labor and management. The Labor-Management Council meetings are held quarterly. In accordance with Article 12 of the Act on the Promotion of Workers' Participation and Chapter 12 of the Pan Ocean Collective Agreement, the councils discuss various agenda items, including wage negotiations and measures to enhance employee welfare, through smooth communication and consultation between employees and the company.

Since declaring labor-management harmony in 2013, the company has successfully maintained a record of no labor disputes while continuing its efforts to advance mutual development. In 2025, Pan Ocean held four Labor-Management Council meetings each for onshore and offshore employees.

Promoting Labor-Management Communication

Pan Ocean and POS SM hold regular management briefings and position-specific meetings to share the direction of organizational operations and key issues, and to gather employees' feedback. Training for newly hired experienced officers and ratings, as well as position-specific promotion training, is also used as an opportunity for communication and opinion sharing among employees.

For offshore employees, Pan Ocean and POS SM operate regular Master Review Reports, an improvement suggestion system, and a non-conformity reporting system so that employees can freely communicate their feedback while onboard. Through these channels, they promptly identify operational issues and employee concerns from the field, and reflect the collected opinions in system improvements and activities for improvement of the work environment.

Human Resource Management

Management of Impacts, Risks and Opportunities

Employee Benefits

Benefits and Welfare Programs

Category	Employee Benefits System	Details
Customized working system	Selective working hours	• Applied when it is difficult to predict periods of intensive work in advance or when working hours are expected to increase during a specific period, such as time-difference sales operations or long-term projects; flexibly operated with mandatory core time and optional working hours • Also available, upon request, for employees with children aged eight or younger or in the second grade of elementary school or below, for childcare support purposes
	Flexible working hours	• When periods of intensive work can be predicted in advance, such as month-end closing work or short-term projects, working hours are flexibly adjusted on specific days or weeks according to fluctuations in workload
	Flex time work	• Employees may adjust commuting hours while maintaining prescribed working hours, considering commuting congestion and work characteristics
Living stability support	Child tuition support	• Support for kindergarten and university tuition
	Housing support	• Housing loan support to help employees secure a stable living foundation and improve welfare
	Communications fee support	• Monthly support for employees' mobile phone expenses
	Meal support	• Access to various restaurants near the company: approximately 100 restaurants
Personal development and leisure activities	Recreational facilities	• Support for employees' use of recreational facilities through resort memberships and hotel partnerships
	Language learning	• Support with expenses for external language training selected by employees in addition to in-house training
Maritime industry benefits	Family boarding	• Employees may board vessels with family members when safe navigation can be ensured
	Family visits	• Family members may visit vessels upon arrival at ports after applying for visit approval at the port of call
	Recreation allowances	• Provided by each vessel unit to support individual or group leisure activities while onboard, including the purchase of books, music, and exercise equipment
Others	Group accident insurance coverage	• Support for diagnosis and treatment costs related to injuries and diseases
	Advance use of annual leave	• Advance use of annual leave for the following year, available from November to December, up to three days
	Employee benefits card	• A certain amount, KRW 1 million to KRW 2.5 million, is charged to the employee benefits card and provided to all employees each year
	Health checkup	• Comprehensive health checkups covering additional items beyond general checkup items; • Support for employees and their families; • Half-day leave available on the day of the employee's health checkup
	Birthday allowance	• Gift coupon worth KRW 50,000 provided on the employee's birthday
	Support for family events	• Congratulatory and condolence payments, special leave, goods, and wreaths for all employees and spouses

Human Resource Management

Management of Impacts, Risks and Opportunities

Employee Benefits

Work-Life Balance Support Programs

Category	Employee Benefits System	Details
Maternity support programs	Reduced working hours for pregnant employees	‣ Female employees can reduce their working hours by 2 hours per day during the early stages of pregnancy, up to 12 weeks, and in the later stages, from the 32nd week onward, upon request.
	Pre- and post-maternity leave	‣ Employees are entitled to 90 days of maternity leave covering both prenatal and postnatal periods. In the event of a premature birth, 100 days of leave are granted, while 120 days are provided for multiple pregnancies. ‣ The company ensures a minimum of 60 days of paid maternity leave, which is extended to 75 days for employees expecting multiple children.
	Miscarriage and Stillbirth Leave	‣ Leave in accordance with the Labor Standards Act
	Paternity leave	‣ Up to 20 days of paid paternity leave available within 120 days of childbirth, with flexible use allowed
	Infertility treatment leave	‣ Up to 6 days of infertility treatment leave are granted per year, with the first 2 days recognized as paid leave.
Childcare support programs	Parental leave	‣ Eligibility: Employees requiring maternity protection or with children under age 8 or in the 2nd grade or below. ‣ Leave period: Up to one year. (Parents may extend their leave by an additional 6 months if both parents each use at least 3 months of parental leave for the same child, or if they are single parents or parents of children with severe disabilities.) ‣ Employees are allowed to take childcare leave for up to three separate periods. However, any leave taken for maternity protection purposes is exempt from this limitation. ‣ If employees have fully used their childcare leave and wish to take additional time off for child-rearing purposes, they may be granted up to one additional year of leave (this is permitted only once).
	Reduced working hours for childcare	‣ Eligible employees: Those raising children under the age of 12 or up to the sixth grade of elementary school. ‣ Reduction period: Up to one year by default, with an extension of up to twice the unused childcare leave period allowed. ‣ Working hours: Adjustable to between 15 and 35 hours per week.
	Women's facilities	‣ Exclusive space for women provided in the employee lounge
Employee health support programs	Workplace stress management	‣ Weekly health promotion program (Homefit) provided
	Support for sports and health activities	‣ Operation of in-house clubs, based on interests including cycling/running, cultural activities, soccer, tennis, table tennis, skiing/snowboarding, baseball, and more ‣ Support for the use of partnered fitness facilities
Family care support programs	Leave of absence for Family care	‣ Leave of absence available for up to 90 days per year
	Family care leave	‣ Leave available for up to 10 days per year

※ When laws are amended, the amendments are reflected in Pan Ocean's internal rules based on their effective dates and implemented accordingly.

Social Contribution

Strategy

Vision and Mission

Pan Ocean carries out social contribution activities under its vision of "Beyond Limits, Connecting All Value." To realize this vision, Pan Ocean has set "Value creation of the life & sharing happiness" as its mission and carries out various activities that enable employees and local communities to grow together. Pan Ocean has also established "Fulfilling its corporate social responsibility / Contributing to the community" as its implementation direction, serving as a responsible corporate citizen.

Vision

Beyond Limits, Connecting All Value

Mission

Value creation of the life & sharing happiness

Implementation

Fulfilling its corporate social responsibility / Contributing to the community

Activities

Volunteer work	Donation
• Eco-Clean Volunteer Group activities • Floral tribute and environmental cleanup at Seoul National Cemetery • Meal service support activities at senior welfare centers	• Special meals and donation of food ingredients to senior welfare centers • Scholarships for students at Korea Maritime & Ocean University, Mokpo National Maritime University, Busan National Maritime High School, and Incheon National Maritime High School • Donation to the Seafarers' Welfare Fund Foundation • Annual mileage-based donations to public interest organizations • Support for environmental organizations and disaster recovery efforts

Management of Impacts, Risks and Opportunities

Contribution to Local Communities

Social Contribution Mileage Program

Pan Ocean operates the Social Contribution Mileage Program to encourage and support employees' voluntary participation in social contribution activities. Under this program, employees accumulate mileage points each time they participate in social contribution activities, and receive monetary or non-monetary incentives based on their mileage points. A wide range of social contribution activities, such as blood donation certificates, monetary donations, environmental cleanup initiatives, and talent donations, are eligible for mileage accumulation.

Eco-Clean Volunteer Group Activities

Pan Ocean operates the Eco-Clean Volunteer Group, consisting of approximately 30 participants, including employees and volunteers from KD Tech, a standard workplace for persons with disabilities. On August 22, 2025, the group carried out a plogging activity, collecting litter around the area from the outer gate of Jongmyo Shrine to Seosulla-gil. On November 7, 2025, the group improved the local environment through environmental cleanup activities around Seodaemun Independence Park.

Eco-Clean Volunteer Corps environmental cleanup activities at Seodaemun Independence Park

Community Coexistence Activities at Senior Welfare Centers

Pan Ocean annually conducts meal service and dishwashing volunteer activities at the Seoul Senior Welfare Center, fulfilling its social responsibility and promoting coexistence with local communities. On July 18, 2025, approximately 30 Pan Ocean employees participated in volunteer activities and donated 1,000 servings of samgyetang to mark Chobok (the first of Korea's three hottest summer days). On September 26, 2025, Pan Ocean donated 1,000 servings of ox foot bone soup and engaged in meal service volunteer activities to mark Chuseok (Korean Thanksgiving Day) and the Day of Older Persons.

Since 2011, Pan Ocean has continued regular donations and volunteer activities with the Seoul Senior Welfare Center, practicing sustainable coexistence with local communities. In recognition of these efforts, Pan Ocean received the Seoul Metropolitan Council Chairperson's Award in the sponsorship category at "2025 Good Relationship," a year-end gathering hosted by the Seoul Senior Welfare Center in November 2025.

Special Meal Sponsorship Volunteer Activity for the Day of Older Persons and Chuseok

Seoul Metropolitan Council Chairperson's Award in the Sponsorship Category

Social Contribution

Management of Impacts, Risks and Opportunities

Developing Maritime Talent

Provision of Recruitment and Employment Information

Pan Ocean and POS SM participate annually in career fairs hosted by Korea Maritime & Ocean University, Mokpo National Maritime University, Busan National Maritime High School, and Incheon National Maritime High School, where they conduct recruitment information sessions. During these sessions, they provide information about the company, including key financial information, business areas, and fleet operations, as well as the recruitment process and welfare programs for new officers.

Industry-Academia Mentoring Program

Pan Ocean and POS SM operate a mentor-mentee program with the participation of fourth-year students at Korea Maritime & Ocean University and Mokpo National Maritime University, with senior maritime professionals. Through the program, they provide career counseling and share practical knowledge and insights required for maritime work. The mentoring program enhances students' understanding of the overall maritime industry and creates opportunities for practical exchanges between academia and industry.

Cadetship Program

Pan Ocean and POS SM provide training opportunities and a safe and supportive learning environment so that cadets can grow into offshore employees in the future. Training results are reflected in the selection of industry-academia scholarship recipients and the recruitment of new officers. Even after training is completed, industry-academia cooperation continues through mentoring activities led by onshore employees.
In 2025, Pan Ocean and POS SM accepted 40 third-year students from Korea Maritime & Ocean University and Mokpo National Maritime University for onboard field training. In 2026, the scope of universities for cadetship program was expanded to Korea Maritime & Ocean University, Mokpo National Maritime University, Pukyong National University, Chonnam National University, and Ocean Polytechnic under the Korea Institute of Maritime and Fisheries Technology, with 71 commissioned cadets participating.

Awarding Scholarships to Industry-Academia Scholarship Recipients

Pan Ocean and POS SM operate an industry-academia scholarship program in cooperation with domestic and overseas maritime universities and high schools to secure and develop outstanding maritime professionals.
Scholarship recipients are selected through industry-academia cooperation with Korea Maritime & Ocean University, Mokpo National Maritime University, and maritime universities in Indonesia. In 2025, Busan National Maritime High School and Incheon National Maritime High School were included in the program, and in 2026, Pan Ocean and POS SM plan to expand the scope of cooperation to maritime universities in Myanmar.
In 2025, Pan Ocean and POS SM selected a total of 25 scholarship recipients through the industry-academia scholarship program. Scholarships of KRW 4 million per person were provided to 18 students from maritime universities, and scholarships of KRW 1 million per person were provided to seven students from maritime high schools, along with scholarship certificates.

2025 Pan Ocean Industry-Academia Scholarship Certificate Award Ceremony

Social Contribution

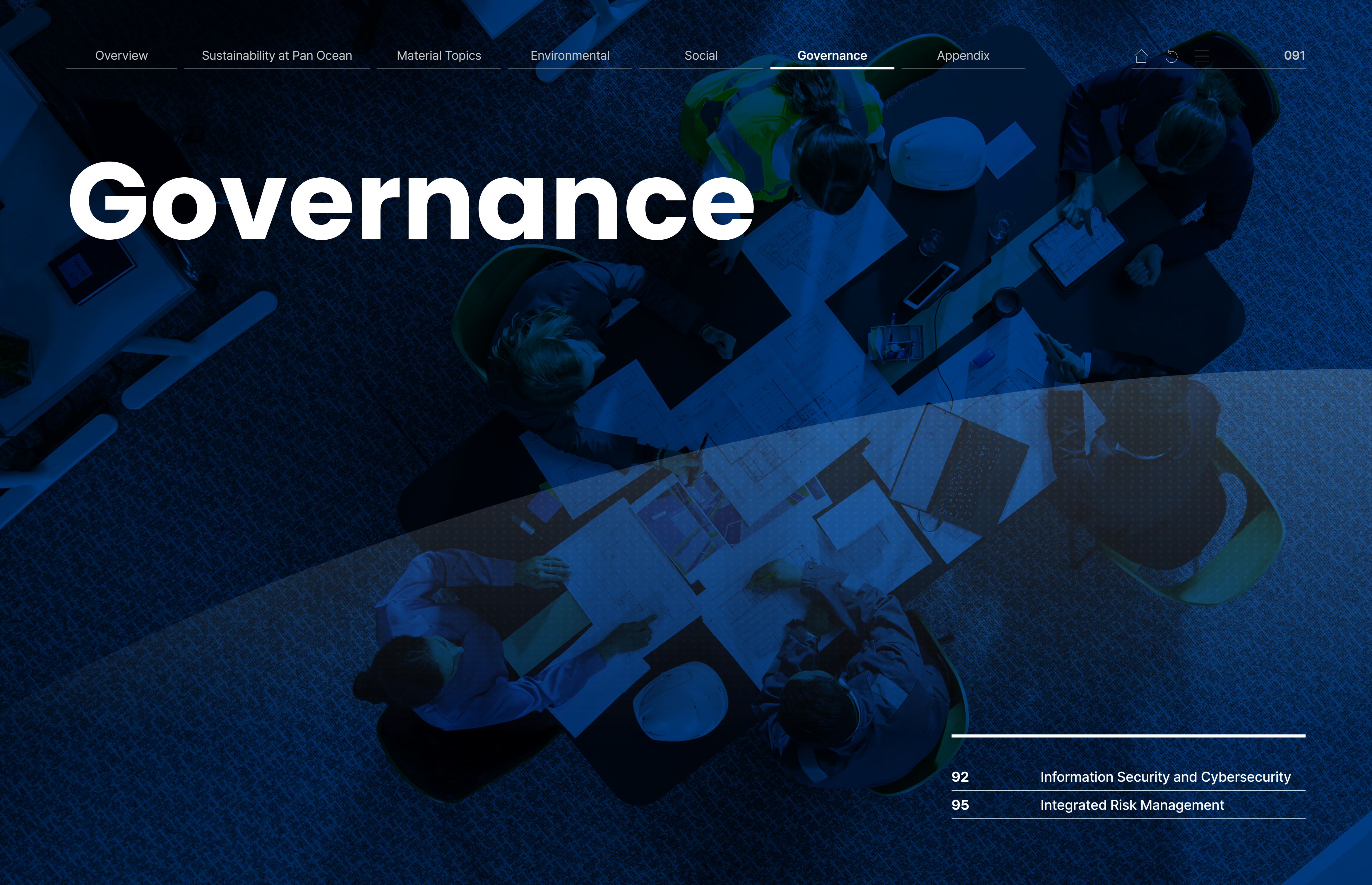
Metrics and Targets

Developing Maritime Talent

Contribution to Local Communities

Program	Contents		Unit	2024 Target	2024 Performance	2025 Target	2025 Performance	2026 Target
Eco-clean Volunteer Group	Frequency of volunteer group activities		Times	24	24	24	24	24
	Frequency of employee engagement		Times	3	4	3	2	4
Seoul National Cemetery	Frequency of floral tribute and environmental cleanup		Times	2	2[1]	1	1	1
Senior Welfare Center	Frequency of meal service support activities		Times	2	2	2	2	2
	Special meal and food ingredient donations	Frequency	Times	2	2	2	2	2
		Amount	KRW 10,000	1,400	1,400	1,400	1,400	1,400
Industry-academia scholarship	Number of scholarship recipients selected from Korea Maritime & Ocean University and Mokpo National Maritime University		Person	20	17	20	18	20
	Scholarships for Korea Maritime & Ocean University and Mokpo National Maritime University		KRW 10,000	8,000	6,800	8,000	7,200	8,000
	Number of scholarship recipients selected from Busan National Maritime High School and Incheon National Maritime High School		Person	-	-	-	7	10
	Scholarships for Busan National Maritime High School and Incheon National Maritime High School		KRW 10,000	-	-	-	700	1,000
Maritime organization	Donation to the “Embrace of the Sea”, Seafarers’ Welfare Fund Foundation		KRW 10,000	-	138,900	-	67,259	-
Disaster relief	Donation of relief supplies for Gyeongbuk wildfire victims		KRW 10,000	-	-	-	10,000	-
Social contribution	Annual volunteer hours per onshore employee		Hours/person	2	1	2 or more	1	2 or more
	Annual mileage-based donations to public donations		KRW 10,000	1,000	-	1,000	0	1,000
ESG Practices	Support for environmental organizations or disaster recovery efforts		KRW 10,000	-	-	1,000 or more	10,000	1,000

1) Restatement of the 2024 Data on the Number of Floral Tribute and Cleanup Activities at Seoul National Cemetery



Governance

Information Security and Cybersecurity

Governance

Operational Structure

Pan Ocean and POS SM operate their information security management system primarily through the IT Department to protect customers' cargo transportation information, the company's core technologies, and personal information.

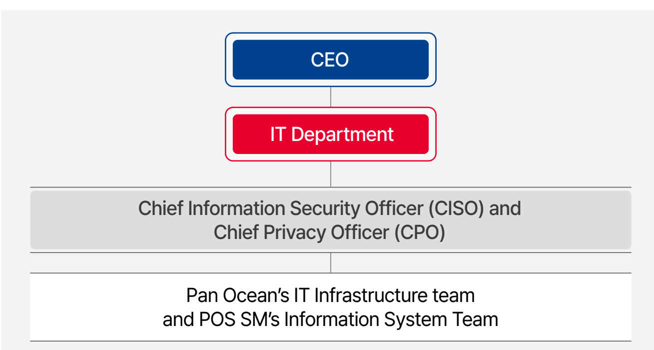
Management

The CEO is responsible for final approval of principles, policies, and business plans related to information security management. The Head of the Information System Department performs the roles of Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO), and internal reviews and improvements are planned regarding compliance with restrictions on concurrent positions.

Dedicated Organization

Pan Ocean's IT Infrastructure Team and POS SM's Information System Team responsible for information security, supporting secure information management across information systems and vessels.

Organizational Chart of Information Security and Cybersecurity Governance



Strategy

Technical Security

Pan Ocean and POS SM implement technical security measures, including the operation of endpoint security systems, establishment of web application firewalls, database access controls, regular security patch updates for servers and workstations, and document encryption. In 2025, the companies introduced a specialized security solution to respond to increasingly sophisticated business e-mail compromise attacks, thereby strengthening their security response capabilities. In addition, when introducing information technology (IT) and operational technology (OT) systems, Pan Ocean and POS SM apply a five-step cyber resilience framework—asset identification, protection, detection, response, and recovery—from the vessel design stage.

Administrative Security

Pan Ocean and POS SM establish security policies and regulations and provide information security training to all employees. The companies also participate twice a year in user cybersecurity simulation training programs organized by the Korea Internet & Security Agency (KISA), while conducting ad hoc internal security drills to strengthen employees' practical information security capabilities.

Information Security and Cybersecurity Strategy

Vessel and navigation information security

Onboard Security
- Installation of vessel security firewalls
- Establishment and operation of an emergency information security response system in case of disasters or accidents
- Development of vessel information security implementation plans and execution of training for offshore employees
- Designation of information security officers and personnel for each vessel

Risk Assessment
- Evaluation of response to external hacking attempts
- Evaluation of response to internal information leakage
- Implementation of vessel and navigation information security drills and identification of improvement tasks

Incident Response
- Establishment of information security incident response scenarios and emergency contact systems
- Conducting training for rapid recovery and business continuity in the event of information security incidents

Personal data protection

Policy
- Establishment and implementation of the "Personal Information Processing Policy" in accordance with the Personal Information Protection Act and the Act on Promotion of Information and Communications Network Utilization and Information Protection, etc.
- Review of amendments to relevant laws and reflection of changes in policies and systems

Protection Activities
- Establishment and implementation of personal information protection activity plans
- Implementation of personal information protection training for all employees (legally mandated training)
- Implementation of personal information security drills and identification of improvement tasks

Remediation
- Operation of reporting channels for personal information management complaints and incidents
- Remediation for damages in the event of personal data hacking or leakage incidents
- Enrollment in personal data liability insurance

Disclosure of Information Security Status and Compliance with Relevant Laws and Regulations

Pan Ocean discloses its information security status, including information security investments and employees, through the integrated information security disclosure portal. In 2025, Pan Ocean invested approximately KRW 380 million in the information security sector, including the introduction of an e-mail security solution.

Pan Ocean also maintains personal information liability insurance in accordance with applicable laws. In addition, Pan Ocean reviews laws and regulations related to information security on a regular basis and reflects them in its operations, thereby strengthening compliance management in the field of information security.

2025 Investment in Information Security

Category	Unit	2025
Investment in the information security sector	KRW 100 million	3.8
Ratio of information security investment to information technology investment	%	4.9

Information Security and Cybersecurity

Management of Impacts, Risks and Opportunities

Policies and Guidelines

Information Security Policy

Pan Ocean and POS SM have established and operate the Personal Information Processing Policy in accordance with applicable laws and regulations. When requesting any personal information, they inform personal information individuals of the purpose and method of use and the measures taken to protect personal information.

Pan Ocean and POS SM also review amendments to relevant laws, including the Personal Information Protection Act, the Act on Promotion of Information and Communications Network Utilization and Information Protection, and the Act on the Promotion of the Information Security Industry, on an annual basis and reflect them in internal policies. When the Personal Information Processing Policy is amended, the changes are announced through the website and e-mail.

Information Security Risk Identification and Management

Information Security Risk Management

Pan Ocean recognizes that, as vessels and operational equipment are operated based on IT systems, cyberattacks may lead to operational disruptions, safety issues, and logistics disruptions. To respond to these risks, Pan Ocean operates an information security organization centered on the Head of the Information System Department and strives to strengthen security across internal systems and vessels in cooperation with POS SM.

Pan Ocean has also implemented technical security measures, including firewalls, as well as security policy management and monitoring systems. It provides personal information protection training to all employees and job-specific training for relevant employees. In addition, Pan Ocean is promoting information security status assessments by external security experts to receive an objective and professional assessment of its security level.

View Information Security Management

External Risk Assessment

Pan Ocean and POS SM participate twice a year in cybersecurity simulation training organized by the Korea Internet & Security Agency (KISA), a government agency. Employees who do not participate or fail to comply with information security regulations are required to complete additional training and drills. Pan Ocean and POS SM also conduct disaster recovery tests once a year to ensure the stability of systems and data. In 2025, the companies participated in a vulnerability assessment program operated by a specialized security organization to identify and mitigate security risks.

Information Security and Cybersecurity

Management of Impacts, Risks and Opportunities

Information Security Management Activities

Information Security Training

Pan Ocean and POS SM provide mandatory personal information protection training to all employees. They also provide information security training to new employees and advanced job-specific cybersecurity training to IT and information security employees. In addition, they carry out activities such as regular and ad hoc security simulation drills and security advisories to raise employees' security awareness.

Training	Target	Frequency
Personal information protection training (Mandatory)	All employees	Once a year
Information security training	New employees	Once upon joining
Advanced job-specific cybersecurity training	IT and information security employees	Once a year

Information Security System Inspection

Pan Ocean and POS SM annually establish and implement information security activity plans. Based on these plans, they assess security levels and vulnerabilities, and implement appropriate corrective measures. They also conduct ongoing security checks using security monitoring solutions and manage records of security activities through monthly status reports. In addition, they strengthen the transparency of system operations and information protection standards by conducting periodic reviews of information access rights and management processes.

Information Security Incident Response

In the event of a security incident, Pan Ocean and POS SM operate an emergency response system led by the IT Infrastructure Team and the Information System Team, and have established a system for immediate reporting to the Chief Information Security Officer (CISO) and the Chief Privacy Officer (CPO). If external hacking data breaches, system failures, or other incidents are detected, backup systems are activated immediately, and regular response drills are conducted to ensure problem resolution and system recovery.

Remedies for Personal Data Infringement

Pan Ocean and POS SM designate a personal information protection officer and a responsible department, and disclose this information on the website to address complaints and provide remedies related to personal information processing. In the event of a personal data breach, they take prompt action in accordance with the internal response process. If necessary, they cooperate with relevant government agencies, including the Korea Internet & Security Agency, the Cyber Bureau of the National Police Agency, and the Personal Information Dispute Mediation Committee, to provide remedies and implement follow-up responses.

Activities for Personal Information Protection

Pan Ocean conducts annual reviews of personal data validity to ensure legal compliance for all services involving the processing of personal information, and discloses the company's Personal Information Processing Policy on its website. In addition, Pan Ocean requires all employees, including those who handle personal information to comply with security obligations through information security pledges, thereby preventing data breaches and incidents.

Vessel Information Security

Pan Ocean recognizes that security threats arising from the use of IT in vessel operations and the expansion of maritime internet activities may affect safe navigation. Accordingly, Pan Ocean has installed information security firewalls on all vessels and distributes manuals on onboard IT devices, internet use, and information security.

Pan Ocean also provides information security training to all offshore employees and conducts joint onshore and offshore training to raise employees' security awareness and strengthen their capabilities for responding to security threats. In addition, Pan Ocean has established data backup systems that can be activated immediately in the event of a maritime disaster, and reviews technical security systems continuously to prevent data loss or leakage.

Metrics and Targets

Status of Personal Data Breaches and Damages

Pan Ocean and POS SM have not experienced any personal data breaches over the past three years. They will continue to strengthen their information security systems to prevent any potential incidents or damage in the future.

Category	Unit	2023	2024	2025
Pan Ocean	Case	0	0	0
POS SM		0	0	0

Integrated Risk Management

Governance

Risk Management Organization

Risk Management Committee

The Risk Management Committee holds regular quarterly meetings. When necessary, it also convenes ad hoc meetings to review significant risks and develop appropriate response measures. The outcomes of these meetings are reported to the Board of Directors on a semiannual basis. In addition to company-wide risk management, Pan Ocean has established risk management systems within each organization. Risks are identified and managed through regular review meetings, while significant issues are promptly reviewed and addressed by the Committee.
The Risk Management Committee consists of the Chairperson, who is the Chief Risk Officer (CRO), members representing each division, and a secretary. Heads of relevant departments may also attend meetings when necessary.

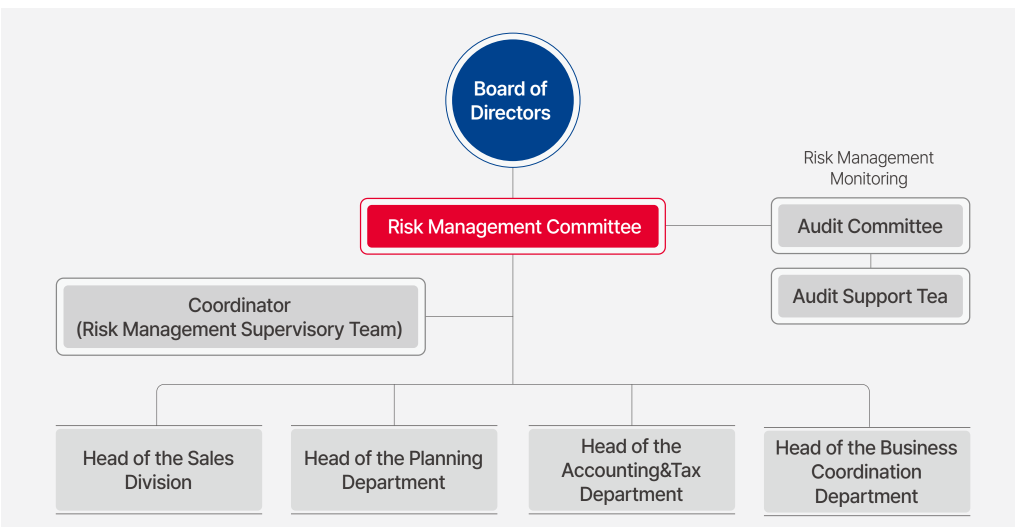
Audit committee

The Audit Committee independently reviews whether the risk management system is functioning effectively and regularly reviews risk management and compliance procedures to ensure that they remain aligned with the Company's overall strategy.

Dedicated Organization

In addition to company-wide risk management, Pan Ocean operates a risk management system subdivided at the organizational level. Identified risks are managed through regular risk assessment meetings, reporting, and proactive responses. Important issues that have a direct impact on overall business operations are promptly addressed through the Risk Management Committee.

Organizational Chart of Risk Management Governance



Integrated Risk Management Agenda Approved by and Reported to the Board of Directors

Date	Agenda	Status
Jun. 16, 2025.	To report Risk Management Committee activities for the first half of 2025	Reported
Dec. 16, 2025.	To report Risk Management Committee activities for the second half of 2025	Reported

Integrated Risk Management

Strategy

Risk Management Organization

Pan Ocean operates a company-wide risk management system to manage financial and non-financial risks in an integrated manner. The company classifies and manages risks by type, including market risks, counterparty risks, financial risks, maritime and environmental risks, legal risks, information security risks, and other risks, and analyzes them from multiple perspectives through assessments of risk impact.
In particular, Pan Ocean has established separate response systems for major risks strengthening prevention and response activities. Pan Ocean has established a risk management vision and targets to improve its company-wide risk management system. Through these efforts, Pan Ocean is strengthening its management foundation to proactively prevent and promptly respond to potential risks arising from rapidly changing internal and external environments.

Risk Management System

Type	Details
Market risks	• Fleet position status review and management • Monitoring and response to oil price volatility • Management of freight forward agreements (FFA) and fuel hedging transaction policies
Counterparty risks	• Managing counterparty risks through a structured, data- and system-based approach • Enhancing counterparty rating management and information sharing
Financial risks	• Review of the operational status and key issues of the internal accounting management system • Monitoring and response to the status of outstanding receivables
Maritime and environmental risks	• Monitoring and responding to environmental regulatory trends
Legal risks	• Monitoring legal trends and managing key contractual issues and related responses
Information security risks	• Monitoring trends in information security risks and assessing Internal security systems
Other risks	• Response to weather-related risks (Typhoons, Hurricanes, Monsoons, etc.) • Monitoring and responding to changes in disclosure regulations

Counterparty Risk Management

Pan Ocean operates a credit rating evaluation system to manage risks that may arise from transactions with counterparties. For new counterparties and counterparties whose transactions were suspended for more than one year and then resumed, Pan Ocean assigns credit ratings in six levels according to internal criteria and conducts ad hoc evaluations to assess counterparty creditworthiness before entering into contracts.
Pan Ocean manages counterparty risks in advance by applying different transaction limits by counterparty according to the assigned credit rating. For counterparties with transaction records within the most recent year, Pan Ocean reviews and adjusts credit ratings through regular evaluations twice a year. The evaluation results are finalized after the initial assessment and review at the team and department levels.

Financial Risk Management

Given the nature of its shipping and agri-trading businesses, Pan Ocean may be affected by exchange rate fluctuations because its major settlement currency is the United States dollar (USD). However, Pan Ocean secures a natural hedge effect through a structure by which most cash flows generated from operating activities are denominated in the same currency.
Pan Ocean also strictly applies the principle of matching currencies for receipt and payment in export/import transactions and funding transactions to minimize additional foreign exchange risks. Furthermore, the management conducts advance reviews on the impact of exchange rate fluctuations on net assets through sensitivity analysis.
Meanwhile, Pan Ocean is exposed to interest rate fluctuation risks due to a high share of floating-rate debt in its borrowing structure. However, the company manages such risks by controlling the scale of external borrowings, maintaining balance among interest rate types, and continuously reviewing the interest rate environment. Pan Ocean also analyzes the impact of changes in benchmark interest rates on earnings before tax (EBT) and interest rate sensitivity to establish proactive response strategies.

Tax Risk Management

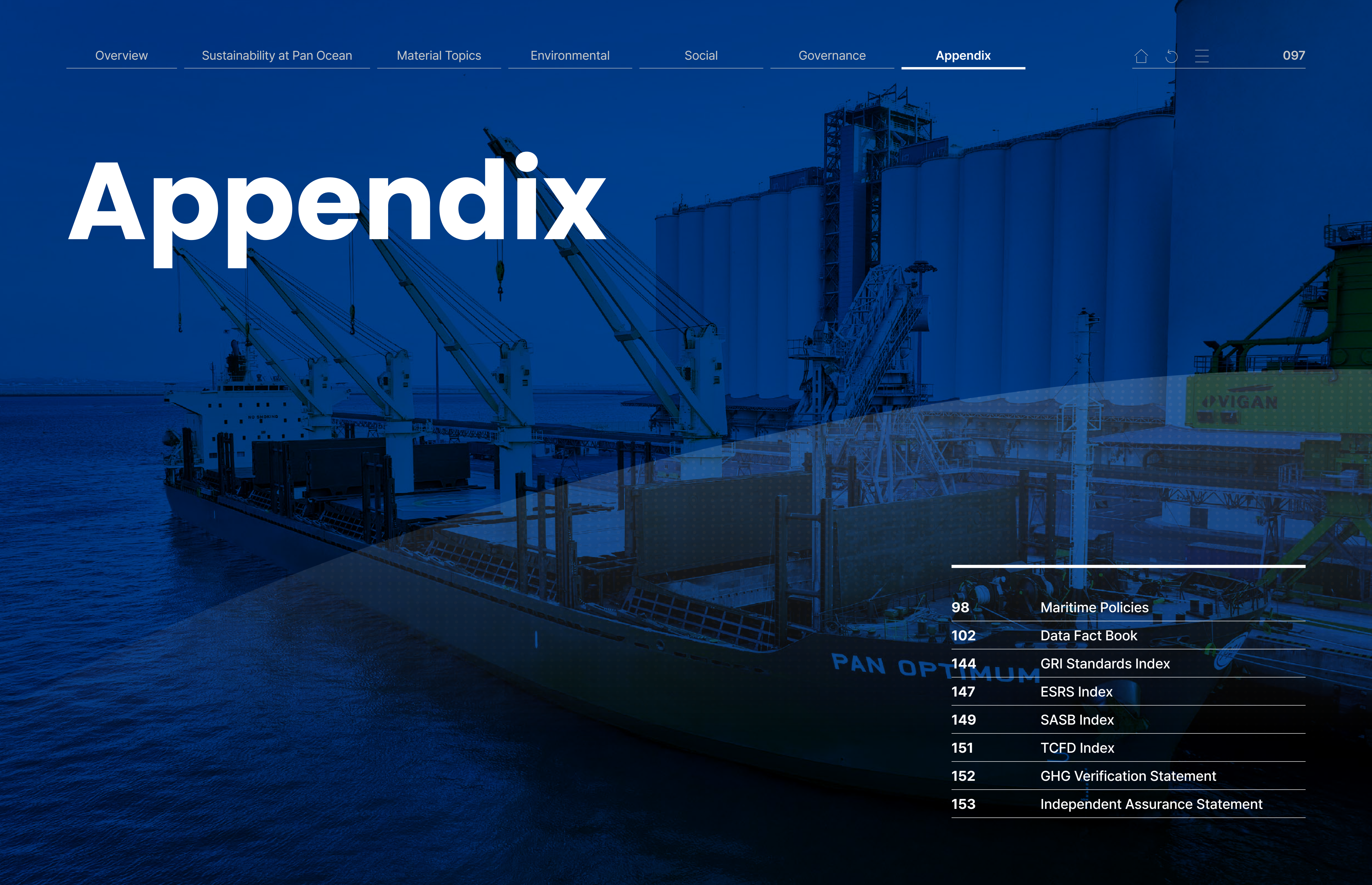
Pan Ocean recognizes tax risks as a major management risk and prioritizes faithful fulfillment of tax obligations and compliance with tax laws to manage the possibility of financial losses and reputational damage arising from non-compliance with tax laws.
To this end, Pan Ocean reviews tax risks in advance at major decision-making stages, including transactions of goods and services, mergers and acquisitions (M&A), changes in organizational function, international transactions, and new business development. The results of analyses by the internal tax organization and external experts are reflected in the decision-making process. Pan Ocean also complies with the tax laws of each country in which it operates and conducts its business based on the principle of fair taxation.

Legal Risk Management

As regulations related to the environment, safety, labor rights, and human rights continue to tighten, Pan Ocean is subject to both international regulations and port-specific regulations due to the nature of its multinational operations. Pan Ocean recognizes that failure to meet legal requirements may lead to risks such as fines, restrictions on operations, litigation, and reputational damage. To respond to these risks, Pan Ocean reviews and responds in a timely manner to domestic and overseas regulatory trends and major contractual issues, thereby minimizing losses from legal disputes and regulatory risks.

Information Security Risk Management

Pan Ocean recognizes cybersecurity risks arising from the digitalization of vessels and operational equipment, and is strengthening the security level of its internal systems and vessels through the operation of its information security organization and collaboration with POS SM. Pan Ocean is also advancing its information security system through the establishment of firewalls, management of security policies, employee training, and assessments by external specialized institutions. For more details, please refer to Information Security Risk Identification and Management.



Appendix

Maritime Policies

POS SM is Pan Ocean's specialized ship management subsidiary. It has established and operates policies and management systems covering all aspects of maritime operations to ensure safe operation of vessels, protect the environment, and promote the health and welfare of offshore employees.

The Safety Quality Policy

1. The Company is totally committed to achieving the highest management standards with particular emphasis placed upon marine safety, safe working practices and the protection of the marine & air environment, and promotes a Zero-Incident/Zero-Spill Culture to become a Global Leading Ship Management Company as our vision.
2. Compliance with this policy, the safety and quality procedures and shipboard instructions are mandatory and binding upon all shore staff and sea personnel. Safety and Quality is the responsibility of everyone working for and on behalf of POS SM Co., Ltd. Also, senior officers and visiting shore managers set a good example to vessel crews by wearing the correct PPE and strictly complying with safety practices and procedures.
3. The Company is responsible for assessing all identified risks to its ships, personnel and the environment and establishing appropriate safeguards and also supports the strategic direction.
4. The Company is to supply all its customers with services that consistently meet customer needs and requirements.
5. The Company is to measure the customer's satisfaction quantitatively for the service provided and for the image of the enterprise in order to maximize the satisfaction through continual improvement based on the results.
6. The Company observes the following respects
   1. Conducts regular inspection and audits, rectification of non-conformity and the results are notified to all personnel of organization.
   2. Lists relevant information on a Homepage on a regular basis available to the public and interested parties.

The Shipboard Life Etiquette Policy

1. The Company is responsible for making a working environment where privacy and respect among members are preserved regardless of their nationalities, sexes, age, and positions at work.
2. The Company is responsible for recognizing and easing the seriousness of impacts made by disputes among crew members caused by lack of their understanding of cultural and religious values of each other.
3. Honorific expressions among officers and crew members shall be used. However, orders should be made precise and clear and receivers of such orders should repeat important parts aloud when they receive the orders in order to maximize work efficiency and safety through concrete communication among crew members.
4. The Master is responsible to maintain healthy environment and equality of sexes on board by doing his best to prevent any type of sexual harassment.
5. Once a crew member is on board, then he or she becomes a part of a community where cooperation among its members is needed. Here are etiquettes (SHEQ-1.1 "Ch.5.5 8) ⑤") by every crew member to make such an ideal environment on board.

Maritime Policies

The Environment Policy

1. The Company gives top priority of policy to doing her best to conserve and protect the environment from pollutions of sea, air and other types as well as from various wastes and garbage.
2. The Company eliminates the possibility of pollution from its source by strictly adhering to all laws, regulations and conventions under the firm resolution of safety against environmental pollution.
3. The goal of prevention of Marine pollution is ultimately 'Zero-Spill'. The Company establish the concrete and realistic plan for achieving the goal and regularly monitor whether the goal is to improve.
4. The goal of prevention of Air pollution is 'Reduction in permitted emissions'. The Company establish the concrete and realistic plan for achieving the goal and regularly monitor whether the goal is to improve.
5. Proactively implement the environmental activities and ensure continuous improvement the performance including those areas required by the MARPOL.
6. Recognize the importance of eliminating the possibility of sea & air pollution from its source, The Company commit that various types of equipment, parts, machinery can cause contamination to maintain, repair and supply systematically. Also given commitment to support the human and material resources to provide enough to have promise. In order to achieve it, The Company operates the Leakage control system, Waste tracking system, Centralized budget system and Ship's performance monitoring system etc.
7. All staffs of Company assure to do every uninterrupted improvement efforts for achieving the goal of minimizing the waste and garbage generation by efficiently using all necessary tools and means.
8. Actively participates in meetings and events held by relevant authorities, class and external bodies in order to make Company updated with latest environmental issues and to develop measures for minimizing environmental hazards.
9. The Company observes the following respects
   1. Develops environment sense among its crews through education and training.
   2. Operation of shore-based and vessel is performed taking into consideration of efficient use of energy and resources.
   3. Disposes wastes and garbage in responsible manner.
   4. Complies with the rule and principle of re-using and re-cycling, as far as possible.
   5. Requests all Cooperative Company under direct supervision of The Company to comply with Company's environment policy.
   6. Conducts regular inspection and audits, rectification of non-conformity and the results are notified to all personnel of organization.
   7. Lists relevant information on a web page and publishes environment report on a regular basis available to the public and interested parties.

The Health & Welfare Policy

1. The Company recognizes the importance of all employees and demands the commitment of all employees to high standards in respect of personal health and hygiene. The Company provide a healthy working environment and welfare for all employees and the workplace, whether at sea or ashore, must be kept in a condition which will ensure that good standards of health are maintained at all times.
2. Company employs all shipboard personnel in accordance with the company standard employment guidelines that includes health and physical management standards based on the international agreements and domestic regulations.
3. The Company is to disseminate any relevant information concerning health on seafarers to the ship by means of circular letters. Any symptoms of illness, or cause for concern relating to health and hygiene, are to be reported to a responsible officer or manager on board.
4. The Company provide with a proper standard of living accommodation, wholesome food and suitable recreational facilities to seafarers.
5. The Company shall share the safety and health guidelines of our Company with all Cooperative Company and other interested parties and select, manage, and evaluate appropriate businesses.

The Security Policy

1. All employees shall work to enhance ship security operations, prevent security incidents and respond to illegal acts against security threats by comply with SOLAS XI-2 and ISPS Code.
2. For the prevention of terrorism and illegal acts at sea, this SSP is applied when security activities are undertaken on board the ship through mutual cooperation with other parties concerned.
3. It is the duty of all company personnel to continually carry out and maintain procedures and directives related to the security of ship. In case where new potential threat to the security of ship exists, the company shall ensure that additional measures to deal with such threat can be identified and carried out.
4. The CSO has the authority to release the information pertaining to security to the master, the ship security officer and the port facility security officer. Unless approved by the master or the ship security officer, internal and external communications from the ship pertaining to security measures, threat analysis, intelligence information and planned action plans shall not be discussed with anyone on shore or any other members of the crew.

Maritime Policies

The Drug and Alcohol Policy

1. The Company's Drug and Alcohol Policy applies to all persons on board the managed vessel, including crew members and visitors, and complies with all regulations set forth in Oil Companies International Marine Forum (OCIMF)'s 'Guidelines for the control of drugs and alcohol onboard ship' and the U.S. 'Anti Drug Abuse Act (1986)'.
2. The final responsibility rests with the Master to control the use of alcohol onboard ship.
3. The use, possession or sale of non-prescriptive drugs by anyone is strictly prohibited. The sale and consumption of alcoholic beverages on company vessels is subject to restrictions and controls. Violation of this Drug and Alcohol Policy will result in dismissal. The master shall strictly control the introduction of drugs and alcohol on board the vessel, ensuring that no substances are brought on board without the master's permission. This includes preventing access by small craft that are not authorized by the master.
4. While onboard a vessel, the Master, Officer or rating, as described herein as an employee or servant of the Company and Pilot, visitors are;
   1. Never to exceed 0.03% of Blood Alcohol Content (BAC).
   2. Never to allow Officer or rating to stand any scheduled duties onboard if their BAC is more than 0.00%.
   3. Must be able to respond to an emergency situation at any time.
   4. Not permitted to consume alcohol 24 hours prior to arrival in port or during port stay or while in U.S. territorial waters (12 Nautical Miles).
   5. Not permitted to consume alcohol in any coastal waters or at any time subject to the Master's discretion.
   6. Not permitted to consume any alcohol while on duty or during work.
   7. Not to perform or attempt to perform any scheduled duties within 4 hours of consuming any alcohol or while intoxicated.
   8. Not permitted to purchase alcohol while ashore with the intent of bringing it on board the vessel for consumption.
5. 24 hours prior to arrival in port or during port stay or while in U.S. territorial waters (12 Nautical Miles), the master collects all alcoholic beverages individually owned by crews in the bond warehouse.
6. When providing alcoholic beverages to crews individually, the master collects empty liquor containers and manage them so that each individual does not have more than 1 day's supply or 3 units.
7. Upon returning to the ship after landing crews, the master conducts alcohol testing using the ship's alcohol tester to confirm that the blood alcohol concentration does not exceed 0.03%.
8. No spirits/alcohol beverages (including Soju) stronger than 15% will be allowed onboard. Only beer and table wine (excluding rice wine) within this limit may be consumed, however strictly observing the OCIMF and USCG regulation.
9. When permitted by Master, the consumption of alcohol onboard vessels will normally be allowed in the mess room or in recreation rooms. The consumption of alcohol in cabins by individual crewmembers on their own is prohibited.
10. Any person found to have an alcohol problem will not be employed aboard the Company's managed ships.
11. Any Officer or crew member who has reason to believe that the Master or Chief Engineer is violating the Company's Drug and Alcohol Policy, shall report the incident to their department head or Senior Officer, who in turn, will report the facts to the Fleet Superintendent or DPA.

Social Responsibility Policy

1. The company conducts sincerely basic duty in order to keep social responsibility.
2. The company effort to strengthen mutual competitiveness with sub-contractor through continual discussion and positive communication in order to make relationship coexistence and co-prosperity.
3. The company forbid that any receiving or offering of cash, gift card, present to the inspectors, Surveyors and other internal/external personnel which is likely to be assumed as bribe.
4. The company strictly prohibits all forms of tax evasion and avoidance, and practices transparent management through full compliance with applicable laws and regulations.
5. The company requires all employees to avoid situations in which personal interest conflict with the interests of the company, and to immediately report any occurrence of a conflict of interest.

Maritime Policies

Cyber Security Policy

1. All Employees prevent information security accidents in advance, minimizing threats or losses that could result from loss, theft, or destruction of the information system.
2. All Employees use a safe password on the IT System and change that regularly.
3. All Employees prohibit to use Business Computer and Software for personal use.
4. All Employees prohibit to open when receiving e-mails and attachments from unknown source.
5. All Employees prohibit to share copyrighted material without permission.
6. All Employees prohibit to install the illegal copying software or other programs.

Stop Work Policy

1. The purpose of this policy is to maintain a safe and secure work environment against any risk or exposure to personal harm, property damage or adverse effects to the environment.
2. The company fully encourage and support the stop work policy if it becomes apparent that harm could occur to ourselves, our co-workers, member of the public, assets (whether our own or others, including equipment and materials), or the environment in which our work. This include vessels, cooperative company and other interested parties.
3. In the event of loss due to worker's unstable behavior, negligence, or non-action, work must be ceased immediately.
4. Work that ceased due to this policy order must not be resumed until the task is re-evaluated by master or superintendent for a safer and harmless approach.
5. There shall be no blame or fault put on any worker calling for Stop Work even if, upon investigation, the stop work order was deemed unnecessary. The stop work order must be applied in good faith.
6. All ship's crew and worker shall stop the job immediately in the middle of work in case the below condition happen.
    1. When work activities are imposing an immediate danger to life and health (IDLH) to our personnel during adverse weather conditions or during hazardous or critical work operations.
    2. When action by an individual or a team is in non-compliance with the set standards and procedures for performing the job tasks.
    3. When risk arises for work to be performed as a result of not implementation the agreed work procedure and the approved Risk Assessment.

Human Factor Policy

1. The purpose of this policy is to recognize that people, work, equipment, organization factors, and environmental conditions interact throughout all aspects of operations and directly influence safety and performance, and to prevent loss of life, vessel incidents, and environmental damage by managing Human Factors in an integrated manner.
2. The Company encourages the interaction of the following Human Factor elements to enhance efficient business performance:
    1. People: Consideration of physical and cognitive abilities, anthropometric characteristics (height/weight), fatigue, attitude, knowledge, and cultural factors.
    2. Work: Includes the type of tasks, required skills and knowledge, workload, and analysis of safety-critical tasks.
    3. Organization: Organizational structure, communication, and procedures can be improved through Human Factor principles.
    4. Equipment: Incorporating Human Factor considerations into facilities, equipment, and tools enhances operability and maintainability while reducing risks.
    5. Environment: Working conditions such as lighting, noise, air quality, and temperature significantly influence human performance.
3. The Company establishes the following Human Factor management objectives to enhance organizational performance:
    1. The Company designates Human Factor elements as a core management area within the ship safety management system and continuously identifies, assesses, and controls Human Factor-based risks.
    2. All employees shall faithfully comply with procedures and perform Human Factor obligations such as clear communication and fatigue management.
    3. The Master is responsible for fostering a Human Factor-based safety culture and for faithfully implementing all Human Factor requirements.
4. The Company shall ensure the following items are maintained to enhance efficient business performance:
    1. Reduction of human error and improvement of the reliability of critical tasks.
    2. Prevention of incidents caused by key Human Factor elements such as fatigue, communication issues, and insufficient equipment familiarization.
    3. Elimination of inconsistencies between manuals and actual practices, ensuring safe work execution.
5. The Company monitors and improves the ship's safety management activities based on above Human Factors.

Data Fact Book

Financial Performance and Economy

Consolidated Summary Statement of Financial Position

Indicators	Unit	Pan Ocean		
		2023	2024	2025
Assets				
I. Current assets	KRW million	1,757,323	2,021,806	1,854,075
II. Non-current assets	KRW million	6,096,623	8,249,700	8,999,593
Total assets	KRW million	7,853,946	10,271,506	10,853,668
Liabilities				
I. Current liabilities	KRW million	1,294,029	1,276,861	1,366,156
II. Non-current liabilities	KRW million	1,846,566	3,341,262	3,764,030
Total liabilities	KRW million	3,140,595	4,618,123	5,130,186
Equity				
Equity attributable to the owners of the Parent company	KRW million	4,713,351	5,653,383	5,723,482
I. Share capital	KRW million	534,570	534,570	534,570
II. Capital surplus	KRW million	717,132	717,132	717,132
III. Retained earning (accumulated deficit)	KRW million	1,638,233	1,859,636	2,096,794
IV. Other components of equity	KRW million	1,823,416	2,542,045	2,374,986
Non-controlling interests	KRW million	0	0	0
Total equity	KRW million	4,713,351	5,653,383	5,723,482
Total liabilities and equity	KRW million	7,853,946	10,271,506	10,853,668

Consolidated Summary Statement of Comprehensive Income

Indicators	Unit	Pan Ocean		
		2023	2024	2025
Revenue	KRW million	4,360,982	5,161,218	5,432,888
Cost of sales	KRW million	3,861,154	4,578,484	4,819,614
Gross profit	KRW million	499,828	582,734	613,274
Selling and administrative expenses	KRW million	113,974	111,554	121,326
Operating profit	KRW million	385,854	471,180	491,948
Finance income	KRW million	83,092	90,297	105,840
Finance costs	KRW million	157,057	252,270	259,128
Share of profit of associates accounted for using equity method	KRW million	- 3,479	24,228	29,157
Other non-operating expenses, net	KRW million	- 59,921	- 51,343	- 49,613
Profit before income tax	KRW million	248,489	282,092	318,204
Income tax expense	KRW million	3,448	13,949	16,797
Profit for the year	KRW million	245,041	268,143	301,407
Other comprehensive income	KRW million	55,888	714,130	- 167,160
Total comprehensive income for the period	KRW million	300,929	982,273	134,247

Data Fact Book

Financial Performance and Economy

Economic Value Generated and Distributed

Indicators	Unit	Pan Ocean		
		2023	2024	2025
Revenue by Business Segment				
Dry bulk	KRW million	3,114,279	3,330,092	3,199,567
Containers	KRW million	365,815	400,844	441,843
Tankers	KRW million	342,729	347,816	297,894
LNG	KRW million	82,869	102,604	318,180
Agri-trading	KRW million	527,252	1,053,351	1,231,035
Others (vessel management, leasing, etc.)	KRW million	259,823	146,204	57,658

Creation of Social Value

Indicators	Unit	Pan Ocean		
		2023	2024	2025
Value Distributed				
Employees[1]	KRW million	278,901	300,514	336,882
Customers[2]	KRW million	4,360,982	5,161,218	5,432,888
Suppliers (transaction amount)[3]	KRW million	3,043,775	3,203,398	3,212,896
Shareholders and Investors[4]	KRW million	162,499	188,591	281,439
Government[5]	KRW million	327	11,978	14,239
Local Communities[6]	KRW million	571	1,758	1,166

1) Wages for onshore and offshore employees
2) Sales revenue
3) Charterage, port charges, cargo expenses, bunker fuel costs, depreciation and amortization, vessel maintenance expense
4) Dividends and creditors
5) Income tax expense
6) Donations

Data Fact Book

Financial Performance and Economy

Total Compensation Ratio

Classification	Unit	Pan Ocean			POS SM		
		2023	2024	2025	2023	2024	2025
Annual total compensation of the highest-paid individual	KRW million	1,685	1,848	1,850	227	241	245
Annual salary increase rate of the highest-paid individual	%	62.2	9.7	0.1	- 6.4	6.4	1.6
Median value of annual total compensation for all employees (excluding the highest-paid individual)[1]	KRW million	106	110	114	82	84	86
Median value of annual salary increase rate for all employees (excluding the highest-paid individual)[1]	%	4.5	3.8	3.6	- 1.9	2.7	2.2
Ratio of annual total compensation of the highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)[1]	Times	15.9	16.8	16.2	2.8	2.9	2.9
Ratio of the annual total compensation increase rate of the highest-paid individual to the median annual total compensation increase rate for all employees (excluding the highest-paid individual)[1]	%	13.8	2.6	0.0	- 3.4	2.4	0.7

1) Pan Ocean: Based on the average salary per person disclosed in annual report. POS SM: Based on the average annual total compensation of employees excluding the highest-paid individual.

Data Fact Book

Financial Performance and Economy

Financial Assistance Received from Government

Classification	Unit	Pan Ocean			POS SM		
		2023	2024	2025	2023	2024	2025
Tax reductions and credits[1]	KRW million	10,881	15,702	23,091	0	0	12
Subsidies	KRW million	0	0	0	0	0	0
Investment support, R&D support, other support, etc.	KRW million	0	0	0	0	0	0
Awards	KRW million	0	0	0	0	0	0
Financial support from export credit agencies[2]	KRW million	0	0	0	0	0	0
Royalty exemptions	KRW million	0	0	0	0	0	0
Financial incentives	KRW million	0	0	0	0	0	0
Others (guarantees)	KRW million	1,288	1,341	1,283	0	0	0

1) 2025 deduction applied to the employment increase tax credit carried over from 2024
2) Received export-based insurance services from the Korea Trade Insurance Corporation (2 cases)

Data Fact Book

ESG Data | Environment

GHG Emissions

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Direct GHG emissions (Scope 1)	tCO_2e	2,678,713	2,916,456	3,275,606	26	32	18	42,722	39,629
Vessels	tCO_2e	2,678,662	2,916,390	3,275,446	N/A	N/A	N/A	41,301	37,856
Vessels (owned)[1]	tCO_2e	2,675,270	2,739,298	3,146,641	N/A	N/A	N/A	41,274	37,826
Vessels (long-term chartered)[1]	tCO_2e	N/A	173,996	124,781	N/A	N/A	N/A	N/A	0
Onboard incinerators	tCO_2e	3,392	3,096	4,025	N/A	N/A	N/A	27	30
Vehicles	tCO_2e	50	62	83	26	14	18	1,416	1,768
Purchased gas consumption[2]	tCO_2e	N/D	3	77	N/D	18	0	5	5
Indirect GHG emissions (Scope 2)	tCO_2e	580	599	623	125	120	137	166	179
Purchased electricity consumption[3]	tCO_2e	580	599	623	125	120	137	166	179
Other indirect GHG emissions (Scope 3)[4]	tCO_2e	4,511,253	4,384,419	4,129,056	N/D	N/D	N/D	N/D	N/D
Purchased goods and services	tCO_2e	2,399	2,434	4,194	N/D	N/D	N/D	N/D	N/D
Upstream transportation and distribution	tCO_2e	2,531,001	2,666,641	2,488,635	N/D	N/D	N/D	N/D	N/D
Business travel	tCO_2e	140	235	174	N/D	N/D	N/D	N/D	N/D
Employee commuting	tCO_2e	112	141	109	N/D	N/D	N/D	N/D	N/D
Upstream leased assets[1]	tCO_2e	1,977,601	1,714,968	1,635,944	N/D	N/D	N/D	N/D	N/D
Total GHG emissions (Scope 1 and 2)[5]	tCO_2e	2,679,293	2,917,055	3,276,229	151	152	156	42,887	39,808
Revenue[6]	KRW 100 million	38,115	40,689	41,441	2,589	1,454	570	11,667	13,452
GHG emissions intensity (Scope 1, 2)[7]	tCO_2e/KRW 100 million	70.295	71.691	79.058	0.058	0.105	0.273	3.676	2.959

1) 2023–2024: Carbon Factors specified in IMO Resolution MEPC.976(80) LCA GUIDELINES APPENDIX 2 applied; 2025: Carbon Factors specified in IMO Resolution MEPC.376(80) LCA GUIDELINES APPENDIX 2 applied
2) Purchased gas usage has been tallied since 2024; for the net calorific value of stationary combustion LNG, the domestic national net calorific value (Tier 2) of 38.9 MJ/m³ is applied domestically, and the IPCC (Tier 1) value of 48 TJ/Gg is applied overseas
3) Country-specific greenhouse gas emission factors applied separately
4) Scope 3 emissions are tallied for the headquarters only
5) Since 2024, figures are larger than previously reported totals due to the expansion of organizational boundaries
6) Revenue based on each entity's separate (non-consolidated) financial statements
7) Greenhouse gas emission intensity = (Scope 1 + Scope 2 emissions) / revenue based on each entity's separate financial statements

Data Fact Book

ESG Data | Environment

Energy Consumption

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Scope 1	TJ	35,905.49	40,325.15	46,320.51	0.37	0.56	0.27	585.55	583.04
Owned fleet[1]	TJ	35,904.78	37,925.68	44,610.53	N/A	N/A	N/A	565.45	512.95
HFO	TJ	16,793.80	27,277.34	31,498.27	N/A	N/A	N/A	298.48	342.87
LFO	TJ	16,283.26	6,374.99	3,046.36	N/A	N/A	N/A	222.96	137.87
DO	TJ	2,153.06	2,422.86	2,853.36	N/A	N/A	N/A	44.01	32.22
LNG	TJ	674.66	1,814.09	7,201.32	N/A	N/A	N/A	0.00	0.00
Renewable energy (Biofuel)	TJ	0.00	36.41	11.19	N/A	N/A	N/A	0.00	0.00
Rate of Heavy Fuel Oil (HFO) consumption	%	46.77	71.92	70.61	N/A	N/A	N/A	52.79	66.84
Long-term charter (1+ years)[2]	TJ	N/A	2,398.49	1,707.24	N/A	N/A	N/A	N/A	N/A
HFO	TJ	N/A	154.91	122.68	N/A	N/A	N/A	N/A	N/A
LFO	TJ	N/A	2,032.13	1,373.00	N/A	N/A	N/A	N/A	N/A
DO	TJ	N/A	211.46	211.57	N/A	N/A	N/A	N/A	N/A
LNG	TJ	N/A	0.00	0.00	N/A	N/A	N/A	N/A	N/A
Rate of Heavy Fuel Oil (HFO) consumption	%	N/A	6.46	7.19	N/A	N/A	N/A	N/A	N/A
Corporate vehicle	TJ	0.71	0.92	1.23	0.37	0.20	0.27	20.00	24.98
Gasoline	TJ	0.63	0.84	1.07	0.33	0.20	0.27	0.63	0.94
Diesel	TJ	0.08	0.08	0.15	0.00	0.00	0.00	19.37	24.04
LPG	TJ	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00
Purchased gas[3]	TJ	N/A	0.06	1.51	N/A	0.36	0.00	0.10	0.10

1) Pan Ocean: Data for two owned vessels belonging to the Singapore subsidiary excluded from 2024 onward; POS SM: No owned or chartered vessels; Overseas subsidiaries: Two owned vessels belonging to the Singapore subsidiary reclassified as overseas subsidiary data from 2024 onward
2) Pan Ocean: Due to the expansion of organizational boundaries from 2024 onward, 19 long-term chartered vessels (one year or more) were incorporated into Scope 1 emissions (previously classified as Scope 3 leased-asset emissions); 17 long-term chartered vessels for 2025
3) For the gross calorific value of stationary combustion LNG, the domestic national gross calorific value (Tier 2) of 43.1 MJ/m³ is applied domestically, and overseas, it is based on the IPCC (Tier 1) value of 48 TJ/Gg, reflecting the average ratio of net-to-gross calorific value provided in the IPCC Guidelines

Data Fact Book

ESG Data | Environment

Energy Consumption

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Scope 2	TJ	12.10	4.69	4.88	2.60	0.94	1.08	1.24	1.39
Purchased electricity	TJ	12.10	4.69	4.88	2.60	0.94	1.08	1.24	1.39
Scope 3[1]	TJ	26,414.94	23,630.68	22,361.10	N/A	N/A	N/A	N/A	N/A
Chartered fleets (Less than One Year)	TJ	26,414.94	23,630.68	22,361.10	N/A	N/A	N/A	N/A	N/A
HFO	TJ	2,822.87	2,596.33	2,478.46	N/A	N/A	N/A	N/A	N/A
LFO	TJ	21,161.59	18,725.70	17,673.14	N/A	N/A	N/A	N/A	N/A
DO	TJ	2,430.48	2,308.64	2,209.5	N/A	N/A	N/A	N/A	N/A
Total Energy Consumption (Scope 1 and 2)[2]	TJ	35,917.59	40,329.84	46,325.39	2.97	1.50	1.35	586.79	539.43
Revenue[3]	KRW 100 million	38,115	40,689	41,441	2,589	1,454	570	11,667	13,452
Energy intensity[4]	TJ/ KRW 100 million	0.94	0.99	1.12	0.001	0.001	0.002	0.05	0.04

1) Scope 3 emissions are calculated for the head office only
2) Due to the expansion of the organizational boundary from 2024, the total is larger than the previously reported amount.
3) Revenue is based on each entity's separate financial statements.
4) Energy intensity = (Scope 1 + Scope 2 energy consumption) / revenue based on each entity's separate financial statements

Pollutant Emissions[1]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Air pollutants[2]									
Nitrogen Oxides (NOx)	kg	70,867,753	71,419,008	73,851,868	N/A	N/A	N/A	801,162	1,009,124
Sulfur Oxides (SOx)	kg	8,337,383	8,066,798	8,688,456	N/A	N/A	N/A	429,693	118,720
Particulate Matter (PM10)	Metric tons	5,301	5,355	5,469	N/A	N/A	N/A	34	76

1) Applied based on IMO MEPC.1/Circ.681, the "2nd IMO GHG Study 2009 (MEPC 59/INF.10)," and the "4th IMO GHG Study 2020"
2) Calculated only for Pan Ocean and overseas subsidiaries that own vessels.

Data Fact Book

ESG Data | Environment

Waste Generated and Disposed

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Vessel[1]									
Waste generated	ton	31,487	30,301	36,130	N/A	N/A	N/A	246	356
General waste (Non-hazardous waste)	ton	2,883	2,838	3,116	N/A	N/A	N/A	62	118
Food waste	ton	364	375	399	N/A	N/A	N/A	6	7
General waste	ton	2,519	2,463	2,718	N/A	N/A	N/A	56	112
Designated waste (Hazardous waste)	ton	28,604	27,463	33,014	N/A	N/A	N/A	184	237
Waste oil	ton	26,632	25,432	30,738	N/A	N/A	N/A	149	192
Waste absorbent	ton	386	387	457	N/A	N/A	N/A	5	11
Plastic	ton	1,462	1,505	1,679	N/A	N/A	N/A	28	34
Ash	ton	124	139	140	N/A	N/A	N/A	2	1
Recycled waste[2]	ton	11,901	10,767	11,897	N/A	N/A	N/A	154	191
Designated waste (Hazardous waste)	ton	11,901	10,767	11,897	N/A	N/A	N/A	154	191
Disposed waste	ton	19,586	19,534	24,234	N/A	N/A	N/A	92	165
Incineration volume	ton	2,165	1,931	2,581	N/A	N/A	N/A	42	42
General waste (Non-hazardous waste) incineration volume	ton	720	718	912	N/A	N/A	N/A	23	30
Designated waste (Hazardous waste) incineration volume	ton	1,444	1,213	1,669	N/A	N/A	N/A	10	12

1) Pan Ocean: The volume of vessel waste was tallied in CBM (cubic meters), and the conversion to Ton units may result in a figure larger than the actual amount of waste generated
2) Recycled volume of vessel waste oil and plastic

Data Fact Book

ESG Data | Environment

Waste Generated and Disposed

Classification	Unit	Pan Ocean			POS SM[1]			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Office									
Waste generated	ton	2.40	14.29	11.58	1.72	2.87	2.72	N/D	N/D
Head Office	ton	1.77	13.61	10.98	1.72	2.87	2.72	N/D	N/D
Busan Office	ton	0.21	0.50	0.43	N/A	N/A	N/A	N/D	N/D
Pohang Office	ton	0.42	0.18	0.18	N/A	N/A	N/A	N/D	N/D
Gangyang Office	ton	0.00	0.00	0.00	N/A	N/A	N/A	N/D	N/D
Recycled waste	ton	0.00	0.00	0.00	N/D	1.68	0.00	N/D	N/D
Designated waste (Hazardous waste)	ton	0.00	0.00	0.00	N/D	1.68	0.00	N/D	N/D
Disposed waste	ton	2.40	14.29	11.58	N/D	1.19	2.72	N/D	N/D
Designated waste (Hazardous waste)	ton	2.40	14.29	11.58	N/D	1.19	2.72	N/D	N/D
Total waste generated	ton	31,489.40	30,315.29	36,141.86	1.72	2.87	2.72	246.00	355.53
Total waste recycled	ton	11,901.00	10,767.00	11,896.50	N/D	1.68	0.00	154.00	191.23

1) POS SM calculates the amount of waste generated, recycled, and treated in leased buildings based on leased floor area.

Data Fact Book

ESG Data | Environment

Water Withdrawal

Classification	Unit	Pan Ocean			POS SM[1]			Overseas Subsidiaries[1]	
		2023	2024	2025	2023	2024	2025	2024	2025
Water withdrawal	m^3	N/D	53,231	50,657	2,335	2,071	2,156	3,294	3,321
Vessel[2]	m^3	N/D	43,907	40,832	N/A	N/A	N/A	0	300
Office[3]	m^3	8,775	9,324	9,825	2,335	2,071	2,156	3,294	3,021

1) POS SM and overseas subsidiaries calculate water withdrawal for leased buildings based on leased floor area
2) Vessel water withdrawal has been tallied for fresh water only since 2024
3) Pan Ocean: For 2023 and 2024, 100% of municipal water withdrawal was tallied for the headquarters, Busan Office, Pohang Office, and Gwangyang Office; from 2025 onward, the Dangjin Office is also included in the tally

Data Fact Book

ESG Data | Social

Occupational Health and Safety System

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Total number of employees[1]	Person	1,161	3,024	3,143	174	175	173	N/D	N/D
Rate of employees covered by the occupational health and safety management system[2]	%	100	100	100	100	100	100	N/D	N/D
Rate of employees covered by the occupational health and safety system subject to internal audit[3]	%	71	87	89	100	100	100	N/D	N/D
Rate of employees covered by the occupational health and safety system subject to external audit/certification[3]	%	71	87	89	100	100	100	N/D	N/D

1) Pan Ocean: The 2023 figure represents the total number of employees. From 2024 onward, the figure includes employees dispatched to subsidiaries and employees at the Korea office of the Singapore subsidiary.
2) Pan Ocean and POS SM operate businesses in Korea and are therefore subject to the Occupational Safety and Health Act.
3) Pan Ocean: ISO 45001 has applied to onshore employees since the end of 2023. (Applicable to 30 employees in 2023, 32 employees in 2024, and 30 employees in 2025.)

Data Fact Book

ESG Data | Social

Incident Management[1]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Total Lost Time Injury Rate (LTIFR) (Onshore and Offshore)	Per million hours	1.34	1.82	2.93	0.00	0.00	0.00	N/D	N/D
Total Number of Marine Accidents	Case	1	5	2	N/A	N/A	N/A	N/A	N/A
Rate of Accidents Classified as Serious Marine Accidents	%	1.6	20.0	0	N/A	N/A	N/A	N/A	N/A
Onshore									
Number of Lost Time Injuries	Case	0	0	1	0	0	0	N/D	N/D
Lost Time Injury Frequency Rate (LTIFR)[2]	Per million hours	0.00	0.00	0.91	0.00	0.00	0.00	N/D	N/D
Offshore									
Number of Lost Time Injuries	Case	4	6	9	0	0	0	N/D	N/D
Lost Time Injury Frequency Rate (LTIFR)[2]	Per million hours	2.00	2.76	3.90	0.00	0.00	0.00	N/D	N/D
PSC(Port State Control)									
Number of deficiencies	Case	284	228	315	N/A	N/A	N/A	N/A	5
Number of detentions	Case	2	1	1	N/A	N/A	N/A	N/A	0

1) Lost time injury data for onshore and offshore employees is calculated for employees only.
2) Lost Time Injury Frequency Rate (LTIFR) = (Number of Lost Time Injuries / Total Hours Worked) × 1,000,000

Data Fact Book

ESG Data | Social

Work-Related Injuries and Diseases[1)]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Onshore									
Employees									
Total hours worked[2)]	Hour	989,880	1,125,480	1,101,072	436,392	438,900	433,884	N/D	348,957
Injury									
Number of fatalities	Person	0	0	0	0	0	0	N/D	N/D
Rate of fatalities	%(Per million hours)	0.00	0.00	0.00	0.00	0.00	0.00	N/D	N/D
Number of serious industrial accidents (excluding fatalities)	%	0	0	0	0	0	0	N/D	N/D
Rate of Serious industrial accidents (excluding fatalities)	%(Per million hours)	0.00	0.00	0.00	0.00	0.00	0.00	N/D	N/D
Number of other injuries	Case	0	0	1	0	0	0	N/D	N/D
Rate of Other injuries[3)]	%(Per million hours)	0.00	0.00	0.91	0.00	0.00	0.00	N/D	N/D
Disease									
Number of fatalities	Person	0	0	0	0	0	0	N/D	N/D
Number of diseases	Case	0	0	0	0	0	0	N/D	N/D

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria
2) Total working hours for onshore employees: number of employees × standard monthly working hours for ordinary wage calculation (226 hours) × 12 months
3) Other injury rate = (number of other injury occurrences / total working hours) × 1,000,000

Data Fact Book

ESG Data | Social

Work-Related Injuries and Diseases[1)]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Onshore									
Non-employees									
Total hours worked[2)]	Hour	5,424	5,424	43,392	N/A	N/A	N/A	N/A	N/A
Injury									
Number of fatalities	Person	0	0	0	N/A	N/A	N/A	N/A	N/A
Rate of fatalities	%(Per million hours)	0.00	0.00	0.00	N/A	N/A	N/A	N/A	N/A
Number of serious industrial accidents (excluding fatalities)	%	0	0	0	N/A	N/A	N/A	N/A	N/A
Rate of serious industrial accidents (excluding fatalities)	%(Per million hours)	0.00	0.00	0.00	N/A	N/A	N/A	N/A	N/A
Number of other injuries	Case	0	0	0	N/A	N/A	N/A	N/A	N/A
Rate of other injuries[3)]	%(Per million hours)	0.00	0.00	0.00	N/A	N/A	N/A	N/A	N/A
Disease									
Number of fatalities	Person	0	0	0	N/A	N/A	N/A	N/A	N/A
Number of diseases	Case	0	0	0	N/A	N/A	N/A	N/A	N/A

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria
2) Total working hours for onshore employees: number of employees × standard monthly working hours for ordinary wage calculation (226 hours) × 12 months
3) Rate of other injuries = (number of other injury occurrences / total working hours) × 1,000,000

Data Fact Book

ESG Data | Social

Work-Related Injuries and Diseases[1)]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Offshore[2)]									
Employees									
Total hours worked[3)]	Hour	1,996,368	2,174,436	2,307,360	N/A	N/A	N/A	N/A	N/A
Injury									
Number of fatalities	Person	0	1	0	N/A	N/A	N/A	N/A	N/A
Rate of fatalities	%(Per million hours)	0.00	0.46	0.00	N/A	N/A	N/A	N/A	N/A
Number of serious industrial accidents (excluding fatalities)	%	0	0	0	N/A	N/A	N/A	N/A	N/A
Rate of serious industrial accidents (excluding fatalities)	%(Per million hours)	0.00	0.00	0.00	N/A	N/A	N/A	N/A	N/A
Number of other injuries	Case	4	5	12	N/A	N/A	N/A	N/A	N/A
Rate of other injuries[4)]	%(Per million hours)	2.00	2.30	5.20	N/A	N/A	N/A	N/A	N/A
Disease									
Number of fatalities	Person	0	0	0	N/A	N/A	N/A	N/A	N/A
Number of diseases	Case	18	11	12	N/A	N/A	N/A	N/A	N/A

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria
2) In the absence of an official standard for injuries and diseases applicable to the shipping industry, figures are tallied according to Pan Ocean's internal criteria
3) Total working hours for seafarers: number of employees × standard monthly working hours for ordinary wage calculation (209 hours) × 12 months
4) Rate of other injuries = (number of other injury occurrences / total working hours) × 1,000,000

Data Fact Book

ESG Data | Social

Work-Related Injuries and Diseases[1)]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Offshore[2)]									
Non-employees									
Total hours worked[3)]	Hour	3,589,404	4,424,112	4,557,036	N/D	N/A	N/A	N/A	N/A
Injury									
Number of fatalities	Person	0	0	0	N/D	N/A	N/A	N/A	N/A
Rate of fatalities	%(Per million hours)	0.00	0.00	0.00	N/D	N/A	N/A	N/A	N/A
Number of serious industrial accidents (excluding fatalities)	%	0	0	0	N/D	N/A	N/A	N/A	N/A
Rate of serious industrial accidents (excluding fatalities)	%(Per million hours)	0.00	0.00	0.00	N/D	N/A	N/A	N/A	N/A
Number of other injuries	Case	19	14	13	N/D	N/A	N/A	N/A	N/A
Rate of other injuries[4)]	%(Per million hours)	5.29	3.16	2.85	N/D	N/A	N/A	N/A	N/A
Disease									
Number of fatalities	Person	0	2	2	N/D	N/A	N/A	N/A	N/A
Number of diseases	Case	16	23	21	N/D	N/A	N/A	N/A	N/A

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria
2) In the absence of an official standard for injuries and diseases applicable to the shipping industry, figures are tallied according to Pan Ocean's internal criteria
3) Total working hours for seafarers: number of employees × standard monthly working hours for ordinary wage calculation (209 hours) × 12 months
4) Rate of other injuries = (number of other injury occurrences / total working hours) × 1,000,000

Data Fact Book

ESG Data | Social

Employees

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Overall Workforce Status[1]									
Total number of employees	Person	1,161	1,282	1,334	174	175	173	168	170
Onshore									
Number of employees	Person	365	415	414	174	175	173	168	170
Gender									
Male	Person	264	300	303	141	137	135	108	107
Female	Person	101	115	111	33	38	38	60	63
Age									
Under 30	Person	43	55	54	16	28	29	33	37
30 -50	Person	263	281	269	127	120	117	111	103
50 or older	Person	59	79	91	31	27	27	24	30
Position									
Managers[2]	Person	74	86	87	22	23	24	11	14
Non-managers	Person	291	329	327	152	152	149	157	156

1) Pan Ocean: The 2023 figure represents total employees; from 2024 onward, the tally includes personnel dispatched from subsidiaries and staff at the Singapore subsidiary's Korea office. Overseas subsidiaries: All 9 subsidiaries are located overseas; the figure tallies locally hired staff only, excluding subsidiary heads (Pan Ocean employees) and expatriate staff (Pan Ocean employees)

2) Managers: For onshore positions, team leader or above (including 5 overseas subsidiary heads and 1 head of the Singapore subsidiary's Korea office); for seagoing positions, Chief Officer/First Engineer or above

Data Fact Book

ESG Data | Social

Employees

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Offshore									
Number of Employees	Person	796	867	920	N/A	N/A	N/A	N/A	N/A
Gender									
Male	Person	777	843	891	N/A	N/A	N/A	N/A	N/A
Female	Person	19	24	29	N/A	N/A	N/A	N/A	N/A
Age									
Under 30	Person	236	281	308	N/A	N/A	N/A	N/A	N/A
30 -50	Person	310	334	371	N/A	N/A	N/A	N/A	N/A
50 or older	Person	250	252	241	N/A	N/A	N/A	N/A	N/A
Position									
Managers[1]	Person	448	468	542	N/A	N/A	N/A	N/A	N/A
Non-managers	Person	348	399	378	N/A	N/A	N/A	N/A	N/A
Workers with disabilities	Person	4	3	5	0	0	0	0	0
Veteran workers	Person	6	6	6	0	0	0	0	0

1) Managers: For onshore positions, team leader or above (including 5 overseas subsidiary heads and 1 head of the Singapore subsidiary's Korea office); for seagoing positions, First Officer/First Engineer or above

Data Fact Book

ESG Data | Social

Workers Other Than Employees

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Non-affiliated workers									
Total number of workers[1]	Person	14	14	16	N/A	N/A	N/A	N/A	N/A
Gender									
Male	Person	11	8	10	N/A	N/A	N/A	N/A	N/A
Female	Person	3	6	6	N/A	N/A	N/A	N/A	N/A
Other workers									
Total number of workers[2]	Person	N/D	1,766	1,833	N/D	N/A	N/A	N/A	N/A
Onshore									
Gender									
Male	Person	2	2	10	N/A	N/A	N/A	N/A	N/A
Female	Person	0	0	6	N/A	N/A	N/A	N/A	N/A
Nationality									
Republic of Korea	Person	2	2	16	N/A	N/A	N/A	N/A	N/A
Other than the Republic of Korea	Person	0	0	0	N/A	N/A	N/A	N/A	N/A
Offshore									
Gender									
Male	Person	N/D	1,764	1,817	N/D	N/A	N/A	N/A	N/A
Female	Person	N/D	0	0	N/D	N/A	N/A	N/A	N/A
Nationality									
Republic of Korea	Person	N/D	6	0	N/D	N/A	N/A	N/A	N/A
Other than the Republic of Korea	Person	N/D	1,758	1,817	N/D	N/A	N/A	N/A	N/A

1) Pan Ocean: For 2023 and 2024, the figures were calculated based on the number of non-affiliated employees disclosed in the annual report, referring to personnel under service contracts with a Standard Workplace for Persons with Disabilities. For 2025, the figures include dispatched workers classified as non-affiliated workers in the annual report, as well as additional dispatched employees and employees under service contracts with a Standard Workplace for Persons with Disabilities.
2) Pan Ocean: Other workers refers to employees excluded from the annual report; other worker seagoing employees (foreign seagoing employees) have been tallied since 2024.

Data Fact Book

ESG Data | Social

[Employee] Ratio of Female Managers[1)]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Onshore									
Ratio of female managers	%	4.05	4.65	4.60	0.00	0.00	0.00	18.18	14.29
Total number of managers	Person	74	86	87	22	23	24	11	14
Number of female managers	Person	3	4	4	0	0	0	2	2
Offshore									
Ratio of female managers	%	0.89	0.85	0.92	N/A	N/A	N/A	N/A	N/A
Total number of managers	Person	448	468	542	N/A	N/A	N/A	N/A	N/A
Number of female managers	Person	4	4	5	N/A	N/A	N/A	N/A	N/A

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria

Data Fact Book

ESG Data | Social

[Employee] Employment[1]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Total (Onshore and Offshore)									
Total	Person	99	167	176	50	56	47	14	14
New hire	Person	47	120	76	4	9	4	10	10
Experienced hire	Person	44	44	99	41	39	35	2	4
Transfers from affiliates[2]	Person	0	0	1	5	8	7	0	0
Reemployment of retired employees	Person	8	3	0	0	0	1	2	0
Gender									
Male	Person	91	144	166	46	41	39	9	8
Female	Person	8	23	10	4	15	8	5	6
Onshore									
Total	Person	11	30	14	50	56	47	14	14
New hire	Person	10	15	10	4	9	4	10	10
Experienced hire	Person	1	15	3	41	39	35	2	4
Transfers from affiliates[2]	Person	0	0	1	5	8	7	0	0
Reemployment of retired employees	Person	0	0	0	0	0	1	2	0
Gender									
Male	Person	8	17	11	46	41	39	9	8
Female	Person	3	13	3	4	15	8	5	6

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria
2) 2023–2025 figures disclosed including intra-group transfers as a hire type

Data Fact Book

ESG Data | Social

[Employee] Employment[1)]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Offshore									
Total	Person	88	137	162	N/A	N/A	N/A	N/A	N/A
New hire	Person	37	105	66	N/A	N/A	N/A	N/A	N/A
Experienced hire	Person	43	29	96	N/A	N/A	N/A	N/A	N/A
Reemployment of retired employees	Person	8	3	0	N/A	N/A	N/A	N/A	N/A
Gender									
Male	Person	83	127	155	N/A	N/A	N/A	N/A	N/A
Female	Person	5	10	7	N/A	N/A	N/A	N/A	N/A

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria.

Data Fact Book

ESG Data | Social

[Employee] Turnover[1)2)]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Total (Onshore and Offshore)									
Total	Person	63	110	136	36	52	51	18	12
Voluntary	Person	51	100	110	8	19	17	16	9
Dismissal	Person	0	5	4	0	0	0	1	0
Retirement	Person	12	3	22	28	33	34	1	0
Other	Person	0	2	0	0	0	0	0	3
Gender									
Male	Person	58	103	126	31	41	43	11	7
Female	Person	5	7	10	5	11	8	7	5
Total turnover rate	%	5.4	8.6	10.2	20.7	29.7	29.5	10.7	7.1
Voluntary turnover rate	%	4.4	7.8	8.2	4.6	10.9	9.8	9.5	5.3

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria.
2) Only turnover rate was reported through 2023; from 2024 onward, the reporting criteria were specified in greater detail.

Data Fact Book

ESG Data | Social

[Employee] Turnover[1)2)]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Onshore									
Total	Person	19	12	21	36	52	51	18	12
Voluntary	Person	16	12	19	8	19	17	16	9
Dismissal	Person	0	0	0	0	0	0	1	0
Retirement	Person	3	0	2	28	33	34	1	0
Other	Person	0	0	0	0	0	0	0	3
Gender									
Male	Person	16	9	13	31	41	43	11	7
Female	Person	3	3	8	5	11	8	7	5
Total turnover rate	%	5.2	2.9	5.1	20.7	29.7	29.5	10.7	7.1
Voluntary turnover rate	%	4.4	2.9	4.6	4.6	10.9	9.8	9.5	5.3

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria.
2) Only turnover rate was reported through 2023; from 2024 onward, the reporting criteria were specified in greater detail.

Data Fact Book

ESG Data | Social

[Employee] Turnover[1)2)]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Offshore									
Total	Person	44	98	115	N/A	N/A	N/A	N/A	N/A
Voluntary	Person	35	88	91	N/A	N/A	N/A	N/A	N/A
Dismissal	Person	0	5	4	N/A	N/A	N/A	N/A	N/A
Retirement	Person	9	3	20	N/A	N/A	N/A	N/A	N/A
Other	Person	0	2	0	N/A	N/A	N/A	N/A	N/A
Gender									
Male	Person	42	94	113	N/A	N/A	N/A	N/A	N/A
Female	Person	2	4	2	N/A	N/A	N/A	N/A	N/A
Total turnover rate	%	5.5	11.3	12.5	N/A	N/A	N/A	N/A	N/A
Voluntary turnover rate	%	4.4	10.1	9.9	N/A	N/A	N/A	N/A	N/A

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria.
2) Only turnover rate was reported through 2023; from 2024 onward, the reporting criteria were specified in greater detail.

Data Fact Book

ESG Data | Social

[Employee] Performance Evaluation[1)]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Onshore									
Position									
Manager	%	100	100	100	100	100	100	63	43
Non-manager	%	100	100	100	100	100	100	29	24
Gender									
Male	%	100	100	100	100	100	100	29	14
Female	%	100	100	100	100	100	100	37	44
Offshore									
Position									
Manager	%	100	100	100	N/A	N/A	N/A	N/A	N/A
Non-manager	%	100	100	100	N/A	N/A	N/A	N/A	N/A
Gender									
Male	%	100	100	100	N/A	N/A	N/A	N/A	N/A
Female	%	100	100	100	N/A	N/A	N/A	N/A	N/A

1) Pan Ocean: Independent directors, employees with less than six months of employment throughout the reporting year, or since their date of hire, employees covered under emergency response plans or labor unions, and contract workers are excluded (subject to separate evaluation)
Overseas subsidiaries: For 2024, figures were calculated for locally hired employees including expatriate staff; for 2025, figures were calculated for locally hired employees excluding expatriate staff

Data Fact Book

ESG Data | Social

[Employee] Education and Training[1)]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Ethics/Compliance									
Onshore									
Number of participants subject to training[2)]	Person	386	407	414	151	171	174	193	170
Number of participants who completed training[2)]	Person	386	407	414	151	171	174	25	170
Rate of training completion[3)]	%	100	100	100	100	100	100	13	2
Offshore									
Number of participants subject to training	Person	0	0	0	N/A	N/A	N/A	N/A	N/A
Number of participants who completed training	Person	0	0	0	N/A	N/A	N/A	N/A	N/A
Rate of training completion	%	0	0	0	N/A	N/A	N/A	N/A	N/A
Occupational safety and health[4)]									
Onshore									
Training hours	Hour	4,616	4,846	4,758	3,384	3,422	3,070	N/D	N/D
Number of participants	Person	719	744	739	194	213	191	N/D	N/D
Offshore									
Training hours	Hour	20,404	31,001	36,274	N/A	N/A	N/A	N/A	N/A
Number of participants	Person	1,899	2,609	2,779	N/A	N/A	N/A	N/A	N/A

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria
2) Overseas subsidiaries: For 2024, figures were tallied based on locally hired employees including expatriate staff; for 2025, figures were tallied based on locally hired employees excluding expatriate staff
3) Overseas subsidiaries: For 2024, the denominator included all employees including expatriate staff, with expatriates who received training selected as training completers; for 2025, training completers were selected relative to locally hired employees
4) Occupational safety and health training hours and the number of participants are calculated on a cumulative basis

Data Fact Book

ESG Data | Social

[Employee] Education and Training[1)]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Information Security									
Onshore									
Number of participants subject to training[2)]	Person	387	407	409	178	196	182	193	N/A
Number of participants who completed training[2)]	Person	387	407	409	178	196	182	25	N/A
Rate of training completion	%	100	100	100	100	100	100	13	N/A
Offshore									
Number of participants subject to training	Person	796	867	846	N/A	N/A	N/A	N/A	N/A
Number of participants who completed training	Person	796	867	846	N/A	N/A	N/A	N/A	N/A
Rate of training completion	%	100	100	100	N/A	N/A	N/A	N/A	N/A

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria
2) Overseas subsidiaries: For 2024, figures were tallied based on locally hired employees including expatriate staff; for 2025, figures were tallied based on locally hired employees excluding expatriate staff. Information security training was provided only to expatriate staff; therefore, the indicator is reported as N/A for 2025.

Data Fact Book

ESG Data | Social

[Employee] Human Rights Training

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Workplace Disabilities Awareness Training									
Onshore									
Number of participants subject to training	Person	390	407	409	180	150	172	N/D	N/D
Number of participants who completed training	Person	390	407	409	180	150	172	N/D	N/D
Rate of training completion	%	100	100	100	100	100	100	N/D	N/D
Offshore									
Number of participants subject to training	Person	796	867	846	N/A	N/A	N/A	N/A	N/A
Number of participants who completed training	Person	796	867	846	N/A	N/A	N/A	N/A	N/A
Rate of training completion	%	100	100	100	N/A	N/A	N/A	N/A	N/A
Workplace Sexual Harassment Prevention Training									
Onshore									
Number of participants subject to training	Person	390	407	409	183	150	182	N/D	N/D
Number of participants who completed training	Person	390	407	409	183	150	182	N/D	N/D
Rate of training completion	%	100	100	100	100	100	100	N/D	N/D

Data Fact Book

ESG Data | Social

[Employee] Human Rights Training

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Offshore									
Number of participants subject to training	Person	796	867	846	N/A	N/A	N/A	N/A	N/A
Number of participants who completed training	Person	796	867	846	N/A	N/A	N/A	N/A	N/A
Rate of training completion	%	100	100	100	N/A	N/A	N/A	N/A	N/A
Workplace Bullying Prevention Training									
Onshore									
Number of participants subject to training	Person	390	407	409	175	149	172	N/D	N/D
Number of participants who completed training	Person	390	407	409	175	149	172	N/D	N/D
Rate of training completion	%	100	100	100	100	100	100	N/D	N/D
Offshore									
Number of participants subject to training	Person	796	867	846	N/A	N/A	N/A	N/A	N/A
Number of participants who completed training	Person	796	867	846	N/A	N/A	N/A	N/A	N/A
Rate of training completion	%	100	100	100	N/A	N/A	N/A	N/A	N/A
Seafarer Labor and Human Rights Protection Education									
Offshore									
Number of participants subject to training	Person	796	867	846	N/A	N/A	N/A	N/A	N/A
Number of participants who completed training	Person	491	867	846	N/A	N/A	N/A	N/A	N/A
Rate of training completion	%	62	100	100	N/A	N/A	N/A	N/A	N/A

Data Fact Book

ESG Data | Social

[Employee] Human Rights Training

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Mental Health Training for Seafarers									
Offshore									
Number of participants subject to training	Person	796	867	846	N/A	N/A	N/A	N/A	N/A
Number of participants who completed training	Person	274	278	243	N/A	N/A	N/A	N/A	N/A
Rate of training completion	%	34	64	29	N/A	N/A	N/A	N/A	N/A

[Employee] Training Hours and Costs

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Total training hours	Hour	35,397	40,787	67,702	13,457	11,414	7,937	N/D	75
Avg. training hours per person	Hour/Person	30.5	31.8	50.8	77.3	65.2	45.9	N/D	0.4
Onshore training hours	Hour	18,224	19,083	17,747	13,457	11,414	7,937	N/D	75
Offshore training hours[1]	Hour	17,173	21,704	49,955	N/A	N/A	N/A	N/A	N/A
Total training costs	KRW	1,299,501,418	2,235,771,790	1,722,279,538	112,141,897	100,925,172	135,766,360	N/D	3,319,215
Avg. training costs per person	KRW/Person	1,119,295	1,743,972	1,291,064	644,494	576,715	784,777	N/D	19,525
Onshore training costs	KRW	545,196,397	549,409,416	565,633,991	112,141,897	100,925,172	135,766,360	N/D	3,319,215
Offshore training costs	KRW	754,305,021	1,686,362,374	1,156,645,547	N/A	N/A	N/A	N/A	N/A

1) In prior reporting years, figures were limited to in-house training hours; from 2025 onward, the calculation criteria were changed to include both in-house and external training hours

Data Fact Book

ESG Data | Social

[Employee] Ratio of Female Minimum Wage and Compensation to Male Wage and Compensation

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Onshore									
Manager	%	118.2	113.3	121.5	N/A	N/A	N/A	104.9	131.9
Non-managers	%	76.4	75.4	77.9	70.1	53.0	60.5	110.6	64.4
Offshore									
Manager	%	100.0	100.0	100.0	N/A	N/A	N/A	N/A	N/A
Non-managers	%	100.0	100.0	100.0	N/A	N/A	N/A	N/A	N/A

Data Fact Book

ESG Data | Social

[Employee] Comparison of New Employee Wage to Minimum Wage by Gender

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Onshore[1]									
Starting wage for new male hires[2]	KRW	4,076,600	4,076,600	4,082,800	3,512,000	3,671,000	3,732,000	2,083,795	1,844,939
Starting wage for new female hires[2]	KRW	4,076,600	4,076,600	4,082,800	3,512,000	3,671,000	3,732,000	1,511,940	1,785,448
Minimum wage (based on monthly salary)[3]	KRW	2,174,120	2,228,360	2,266,780	2,010,580	2,060,740	2,194,500	1,438,565	1,352,712
Ratio of new male hires' starting wage to the minimum wage	%	187	183	180	175	178	170	145	136
Ratio of new female hires' starting wage to the minimum wage	%	187	183	180	175	178	170	105	132
Offshore									
Starting wage for new male hires	KRW	4,649,700	4,792,400	4,936,900	N/A	N/A	N/A	N/A	N/A
Starting wage for new female hires	KRW	4,649,700	4,792,400	4,936,900	N/A	N/A	N/A	N/A	N/A
Minimum wage (based on monthly salary)	KRW	2,487,640	2,561,030	2,614,810	N/A	N/A	N/A	N/A	N/A
Ratio of new male hires' starting wage to the minimum wage	%	187	187	189	N/A	N/A	N/A	N/A	N/A
Ratio of new female hires' starting wage to the minimum wage	%	187	187	189	N/A	N/A	N/A	N/A	N/A

1) The prescribed working hours for onshore employees are calculated based on 226 hours.
2) Pan Ocean: The amount reflecting wage negotiations is applied, with no difference between men and women. Overseas Subsidiaries: The subsidiaries that hired new employees in 2024 were the China and Japan subsidiaries. Entry-level wages of new hires were calculated by applying the year-end transaction exchange rates and reported as average values.
3) Overseas Subsidiaries: As minimum wage standards differ by country, the amount was calculated by multiplying the average minimum wage, based on hourly wage, by working hours of 226 hours (Year-end transaction exchange rates applied)

Data Fact Book

ESG Data | Social

[Employee] Parental Leave[1]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Onshore									
Number of employees that used parental leave[2]									
Male	Person	1	2	5	1	4	7	2	0
Female	Person	6	6	9	1	3	1	0	0
Number of employees who returned from parental leave[3]									
Male	Person	0	2	5	4	3	6	2	0
Female	Person	5	3	4	2	1	3	0	0
Rate of employees returning from parental leave[4]									
Male	%	N/A	100	100	100	67	67	100	0
Female	%	100	100	57	50	100	100	0	0
Number of employees who served for 12 months or more after parental leave[5]									
Male	Person	1	N/A	2	0	3	1	2	0
Female	Person	2	5	3	2	1	1	0	0
Rate of employees serving for 12 months or more after parental leave[6]									
Male	%	100	N/A	100	0	75	33	N/D	0
Female	%	100	100	100	100	50	100	N/D	0

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria
2) Tallied based on the number of employees who began parental leave during the reporting period
3) Tallied based on the number of employees who returned from parental leave during the reporting period
4) Tallied as the proportion of employees who actually returned to work, out of those scheduled to return from parental leave during the reporting period
5) Tallied based on the number of employees who returned to work in the year prior to the reporting period and remained employed for 12 months or more
6) Tallied as the proportion of employees who returned to work in the year prior to the reporting period and remained employed for 12 months or more

Data Fact Book

ESG Data | Social

[Employee] Parental Leave[1)]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Offshore									
Number of employees that used parental leave[2)]									
Male	Person	10	13	28	N/A	N/A	N/A	N/A	N/A
Female	Person	0	0	0	N/A	N/A	N/A	N/A	N/A
Number of employees who returned from parental leave[3)]									
Male	Person	12	6	19	N/A	N/A	N/A	N/A	N/A
Female	Person	0	0	0	N/A	N/A	N/A	N/A	N/A
Rate of employees returning from parental leave[4)]									
Male	%	92	86	95	N/A	N/A	N/A	N/A	N/A
Female	%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of employees who served for 12 months or more after parental leave[5)]									
Male	Person	4	11	5	N/A	N/A	N/A	N/A	N/A
Female	Person	N/A	0	0	N/A	N/A	N/A	N/A	N/A
Rate of employees serving for 12 months or more after parental leave[6)]									
Male	%	66.7	91.6	83.3	N/A	N/A	N/A	N/A	N/A
Female	%	N/A	0	0	N/A	N/A	N/A	N/A	N/A

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria
2) Tallied based on the number of employees who began parental leave during the reporting period
3) Tallied based on the number of employees who returned from parental leave during the reporting period
4) Tallied as the proportion of employees who actually returned to work, out of those scheduled to return from parental leave during the reporting period
5) Tallied based on the number of employees who returned to work in the year prior to the reporting period and remained employed for 12 months or more
6) Tallied as the proportion of employees who returned to work in the year prior to the reporting period and remained employed for 12 months or more

Data Fact Book

ESG Data | Social

Labor Union and Collective Agreement

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Onshore									
Rate of enrollment to labor union[1]	%	80.2	81.8	81.9	N/D	N/D	N/D	N/A	N/A
Rate of coverage under collective agreement	%	100	100	100	N/D	N/D	N/D	N/A	N/A
Offshore									
Rate of enrollment to labor union	%	100	100	100	N/A	N/A	N/A	N/A	N/A
Rate of coverage under collective agreement	%	100	100	100	N/A	N/A	N/A	N/A	N/A

1) Pan Ocean: Under the collective bargaining agreement, some team leaders in support departments and employees at L2 position-specific or above are restricted from joining the labor union.

Retirement Pension

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Total number of participants	Person	790	950	1,172	173	171	170	N/D	N/D
Number of DB pension participants[1]	Person	410	561	768	126	137	142	N/D	N/D
Number of DC pension participants[2]	Person	380	389	404	47	34	28	N/D	N/D

1) Pan Ocean: A defined benefit plan is not operated for onshore employees; it is operated only for offshore employees
2) Pan Ocean: Onshore employees as of year-end, excluding new hires

Data Fact Book

ESG Data | Social

Suppliers[1)]

Classification	Unit	Pan Ocean		
		2023	2024	2025
Operating costs[2)]				
Total number of suppliers	Company	641	553	585
Number of key suppliers	Company	3	3	3
Bunker fuel costs[2)]				
Total number of suppliers	Company	26	33	37
Number of key suppliers	Company	10	8	8
Vessel maintenance expense[2)]				
Total number of suppliers	Company	487	52	45
Number of key suppliers	Company	38	6	7
Shipyards[2)]				
Number of key suppliers	Company	N/A	2	1
Spot suppliers[3)]				
Total number of spot suppliers	Company	N/A	500	545
Total number of suppliers	Company	1,154	638	667

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria
* The 2023 data follows the previous tallying criteria and includes all suppliers, but does not include the number of shipyards
2) Suppliers: Companies that have engaged in direct transactions with Pan Ocean during the reporting period, from 2024 onward
- Operating cost basis: Suppliers performing essential functions, from 2024 onward
- Fuel cost basis: Suppliers under term contracts from 2024 onward, and existing key Suppliers
- Vessel maintenance cost basis: Suppliers under long-term maintenance contracts from 2024 onward
- Shipyard basis: For 2024, shipyards that delivered vessels during that year; for 2025, shipyards that signed contracts during that year
3) Spot suppliers Scope: Companies that engaged in one-off transactions during the reporting period without entering into formal contracts.

Data Fact Book

ESG Data | Social

Local Communities and Social Contributions

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Rate of business sites that conduct community engagement, impact assessments, and development programs[1]	%	100	100	100	100	100	100	0	N/A
Social contribution investment amount	KRW million	260	269	315	N/A	N/A	N/A	N/A	N/A
Total donation amount	KRW million	267	1,572	1,332	2.4	2.4	2.4	0	N/A
Employee fundraising amount	KRW million	2.2	2	1.6	0	0	0	0	N/A
Employee volunteer activities									
Volunteers	Person	111	103	91	0	0	0	0	N/A
Hours	Hour	352	318	273	0	0	0	0	N/A
Hours per person	Hour	3.2	3.1	3.0	0	0	0	0	N/A

1) Pan Ocean and POS SM hold regular meetings such as the Labor-Management Council, the Occupational Safety and Health Committee (Pan Ocean), and the Safety, Health and Environment Committee (POS SM). In addition, Pan Ocean carries out community engagement activities in the region surrounding its headquarters

Data Fact Book

ESG Data | Governance

Board of Directors[1]

Classification	Unit	Pan Ocean			Overseas Subsidiaries
		2023	2024	2025	2025
Independence					
Total	Person	7	7	7	3
Inside directors	Person	3	3	3	3
Independent directors	Person	4	4	4	0
Rate of independent directors	%	57	57	57	0
Diversity					
Gender					
Male	Person	6	6	6	3
Female	Person	1	1	1	0
Female ratio	%	14.29	14.29	14.29	0
Operations					
Number of board meetings held	Case	11	9	10	8
Number of board agenda items	Case	47	48	45	10
Number of board approvals on ESG matters	Case	2	4	3	0
Rate of attendance of inside directors	%	100	100	100	96
Rate of attendance of independent directors	%	100	97	100	0
Rate of total attendance	%	100	98	100	96
Education					
Number of ESG-related training sessions attended[2]	Case	0	1	1	0

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria
2) 2024: ESG course provided during Audit Committee training. 2025: All independent directors participated in the "12th AAP (Advanced Auditor Program)" organized by Samjong KPMG's Audit Committee Institute (ACI).

Data Fact Book

ESG Data | Governance

Compliance and Ethics Management[1)]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Compliance with laws and regulations									
Total number of significant cases of non-compliance	Case	0	1	2	0	0	0	N/D	N/D
Number of cases for which fines were incurred	Case	0	1	2	0	0	0	N/D	N/D
Total monetary value of fines for cases of non-compliance	KRW	0	8,000,000	2,042,067,300	0	0	0	N/D	N/D
Employee discrimination[2)]									
Onshore	Case	0	0	0	0	0	0	N/D	N/D
Offshore	Case	5	5	6	N/A	N/A	N/A	N/A	N/A
Confirmed cases of corruption and actions taken									
Total number of confirmed corruption cases	Case	0	0	0	0	0	1	N/D	N/D
Number of employees dismissed or disciplined for corruption	Case	0	0	0	0	0	1	N/D	N/D
Number of contracts with suppliers terminated due to corruption	Case	0	0	0	0	0	0	N/D	N/D
Number of legal cases related to corruption involving the company or its employees	Case	0	0	0	0	0	0	N/D	N/D
Total monetary losses as a result of legal proceedings associated with corruption	KRW million	0	0	0	0	0	0	N/D	N/D

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria
2) Number of cases received through the grievance handling system and addressed as “discrimination” or “harassment”

Data Fact Book

ESG Data | Governance

Compliance and Ethics Management[1]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Legal actions for anti-competitive behavior, anti-trust, and monopoly practices									
Number of legal actions either completed or pending	Case	0	0	3	0	0	0	N/D	N/D
Cases of non-compliance related to workplace health and safety impacts[2]									
Total number of cases of non-compliance	Case	0	0	0	0	0	0	N/D	N/D
Number of cases resulting in fines or penalties	Case	0	0	0	0	0	0	N/D	N/D
Number of cases resulting in warnings	Case	0	0	0	0	0	0	N/D	N/D
Number of cases of non-compliance with voluntary codes	Case	0	0	0	0	0	0	N/D	N/D
Business sites assessed for risks related to corruption[3]									
Total number of business sites	Site	1	1	1	1	1	1	9	9
Number of sites assessed for corruption risks	Site	1	1	1	0	0	0	7	9
Rate of sites assessed for corruption risks	%	100	100	100	0	0	0	78	100

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria
2) Based on the Occupational Safety and Health Act, the Serious Accidents Punishment Act, and the Special Act on Port Safety.
3) Pan Ocean's headquarters and major overseas subsidiaries are subject to internal controls over financial reporting. Regular corruption risk assessments, internal audits, and operational inspections are conducted across both Pan Ocean's headquarters and subsidiaries.

Data Fact Book

ESG Data | Governance

Anti-Corruption Education and Training[1]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Board of Directors									
Number of members of the governance body to whom the organization's anti-corruption policies and procedures have been communicated	Person	2	2	2	N/A	N/A	N/A	N/A	0
Ratio of members of the governance body to whom the organization's anti-corruption policies and procedures have been communicated	%	29	29	29	N/A	N/A	N/A	N/A	0
Number of members of the governance body who have completed training on anti-corruption	Person	2	2	2	N/A	N/A	N/A	N/A	0
Ratio of members of the governance body who have completed training on anti-corruption	%	29	29	29	N/A	N/A	N/A	N/A	0
Employees									
Number of employees to whom the organization's anti-corruption policies and procedures have been communicated[2]	Person	980	973	1,552	145	152	166	71	129
Ratio of employees to whom the organization's anti-corruption policies and procedures have been communicated[3]	%	100	100	100	100	100	100	100	100
Number of employees who have completed training on anti-corruption[4]	Person	386	391	389	151	171	174	N/D	25
Ratio of members of the governance body who have completed training on anti-corruption[4]	%	100	100	100	100	100	100	N/D	100

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria, Pan Ocean: Anti-corruption policies/procedures were communicated, and training was provided to two of the three inside directors.
2) Based on the Number of employees who signed the Ethical Management-Practicing / Law-Abiding Covenant pledge conducted annually at the beginning of the year. All employees at the time of signing are required to participate, excluding those on parental leave.
3) Pan Ocean and Overseas Subsidiaries: All designated individuals have completed the anti-corruption pledge.
4) Pan Ocean: Anti-corruption training is conducted at least twice a year, and the figures represent the average Number of participants. POS SM: Number of employees who completed ethics and compliance training.

Information Security[1]

Classification	Unit	Pan Ocean			POS SM			Overseas Subsidiaries	
		2023	2024	2025	2023	2024	2025	2024	2025
Status of Information Security Breaches									
Number of complaints received from outside parties	Case	0	0	0	0	0	0	0	0
Number of complaints from regulatory bodies[2]	Case	0	1	1	0	0	0	0	0
Number of leaks, thefts, or losses of customer data	Case	0	0	0	0	0	0	0	0

1) Prior-year reporting figures restated due to improvements in the calculation methodology and changes in criteria
2) 2024-2025: Administrative fine paid due to the concurrent appointment of the Chief Information Security Officer (CISO).

GRI Standards Index

Statement of Use	Pan Ocean Co., Ltd. has reported in accordance with the GRI Standards for the period from January 1, 2025 to December 31, 2025. Certain key activities and performance outcomes include information through the first half of 2026.
GRI Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	As of the publication date of this report, no GRI Sector Standards corresponding to the industry classification of Pan Ocean Co., Ltd. have been published; therefore, no GRI Sector Standards have been applied.

GRI Standard	Disclosure	Location
General Disclosures		
GRI 2: General Disclosures 2021		
2-1	Organizational details	p7~8
2-2	Entities included in the organization' sustainability reporting	About this Report
2-3	Reporting period, frequency and contact point	About this Report
2-4	Restatements of information	p114~117, p121~126, p128~129, p135~136, p138, p140~143
2-5	External assurance	About this Report, p153~154
2-6	Activities, value chain and other business relationships	p7~12, [Annual Report] p293
2-7	Employees	p118~119, [Annual Report] p293
2-8	Workers who are not employees	p120
2-9	Governance structure and composition	p14, [Corporate Governance Report] Table 4-1-2: Board of Directors Composition Status
2-10	Nomination and selection of the highest governance body	p276, [Corporate Governance Report] Detailed Principles 4-2, 4-3
2-11	Chair of the highest governance body	[Corporate Governance Report] Table 4-1-2: Board of Directors Composition Status
2-12	Role of the highest governance body in overseeing the management of impacts	p14
2-13	Delegation of responsibility for managing impacts	p14
2-14	Role of the highest governance body in sustainability reporting	p14
2-15	Conflicts of interest	p14

GRI Standard	Disclosure	Location
General Disclosures		
GRI 2: General Disclosures 2021		
2-16	Communication of critical concerns	p14, p21, p58, p81
2-17	Collective knowledge of the highest governance body	[Annual Report] p282
2-18	Evaluation of the performance of the highest governance body	Insufficient information
2-19	Remuneration policies	[Annual Report] p278, p295-297
2-20	Process to determine remuneration	[Annual Report] p278, p295-297
2-21	Annual total compensation ratio	p104
2-22	Statement on sustainable development strategy	p5-6
2-23	Policy commitments	p60, p79-81
2-24	Embedding policy commitments	p60
2-25	Processes to remediate negative impacts	p58, p81
2-26	Mechanisms for seeking advice and raising concerns	p58, p81
2-27	Compliance with laws and regulations	p142-p143
2-28	Membership associations	Seoul Chamber of Commerce & Industry, Korea Shipowners' Association, SIGTTO, and others
2-29	Approach to stakeholder engagement	p21
2-30	Collective bargaining agreements	p137

GRI Standards Index

GRI Standard	Disclosure	Location
Material Topics		
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	p18
3-2	List of material topics	p19
Material Topics 1: Response to Climate Change		
GRI 3: Material Topics 2021		
3-3	Management of material topics	p20
GRI 201: Economic Performance 2016		
201-2	Financial implications and other risks and opportunities due to climate change	p28~p38
201-3	Defined benefit plan obligations and other retirement plans	p137
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	p40, p107
302-2	Energy consumption outside of the organization	p40, p108
302-3	Energy intensity	p40, p108
GRI 305: Emissions 2016		
305-1	Direct GHG emissions (Scope 1)	p106
305-2	Energy indirect (Scope 2) GHG emissions	p106
305-3	Other indirect GHG emissions (Scope 3)	p106
305-4	GHG emissions intensity	p106
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	p108

GRI Standard	Disclosure	Location
Material Topics 2: Strengthening Safety and Health Management		
GRI 3: Material Topics 2021		
3-3	Management of material topics	p20
GRI 4: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	p44
403-2	Hazard identification, risk assessment, and incident investigation	p49~51
403-3	Occupational health services	p47
403-4	Worker participation, consultation, and communication on occupational health and safety	p42, p49~50
403-5	Worker training on occupational health and safety	p45~46, p51, p128
403-6	Promotion of worker health	p86~87
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p49, p60~62
403-8	Workers covered by an occupational health and safety management system	p112
403-9	Work-related injuries	p114~p117
403-10	Work-related ill health	p114~p117
Material Topics 3: Strengthening Ethics and Compliance Management		
GRI 3: Material Topics 2021		
3-3	Management of material topics	p20
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	p56, p142
205-2	Communication and training about anti-corruption policies and procedures	p57, p128, p143
205-3	Confirmed incidents of corruption and actions taken	p142
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p142

GRI Standards Index

GRI Standard	Disclosure	Location
Material Topics 4: Sustainable Supply Chain Management		
GRI 3: Material Topics 2021		
3-3	Management of material topics	p20
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	p61
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	p61
Non-Material Topics		
GRI 101: Biodiversity 2024		
101-2	Management of biodiversity impacts	p65, p75
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	p7, p103
201-3	Defined benefit plan obligations and other retirement plans	p137
201-4	Financial assistance received from government	p105
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	p134
GRI 303: Water and Effluents 2018		
303-2	Management of water discharge-related impacts	p74
303-3	Water withdrawal	p111

GRI Standard	Disclosure	Location
Non-Material Topics		
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	p65
306-2	Management of significant waste-related impacts	p76
306-3	Waste generated	p109~110
306-4	Waste diverted from disposal	p109~110
306-5	Waste directed to disposal	p109~110
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	p122~126
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p86~87
401-3	Parental leave	p135~136
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	p132
404-3	Percentage of employees receiving regular performance and career development reviews	p127
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	p118~119, p121
405-2	Ratio of basic salary and remuneration of women to men	p133
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	p58, p141
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	p139
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p143

ESRS Index

ESRS Standards	Disclosure	Disclosure
ESRS 2: General Disclosures		
ESRS 2 BP-1	Basis for Preparation of the Sustainability Statement	About this report
ESRS 2 BP-2	Specific Information if the Undertaking Uses Phasing-in Options	p20
ESRS 2 GOV-1	The Role of the Administrative, Management and Supervisory Bodies in Relation to Sustainability	p14, p23, p41~42, p53, p59, p64, p78, p92, p95
ESRS 2 GOV-2	Integration of Sustainability-Related Performance in Incentive Schemes	p24, p42, p53, p78
ESRS 2 GOV-3	Statement on Due Diligence	p80
ESRS 2 GOV-4	Risk Management and Internal Controls over Sustainability Reporting	p14, p23
ESRS 2 SBM-1	Strategy, Business Model and Value Chain	p15
ESRS 2 SBM-2	Interests and Views of Stakeholders	p21
ESRS 2 SBM-3	Interaction of Material Impacts, Risks and Opportunities with Strategy and Business Model, and Financial Effects	p15
ESRS 2 IRO-1	Description of the Process to Identify and Assess Material Impacts, Risks and Opportunities to Be Reported	p18
ESRS 2 IRO-2	Material Impacts, Risks and Opportunities and Disclosure Requirements Covered by the Sustainability Statement	p20, p43, p54, p59, p65~66, p78
ESRS E1. Climate Change		
ESRS E1-1	Transition Plan for Climate Change Mitigation	p23, p27, p31, p37, p40
ESRS E1-2	Identification of Climate-Related Risks and Scenario Analysis	p25~26, p38
ESRS E1-3	Resilience in Relation to Climate Change	p33~37
ESRS E1-5	Actions and Resources in Relation to Climate Change Mitigation and Adaptation	p29~31
ESRS E1-6	Targets Related to Climate Change	p40
ESRS E1-7	Energy Consumption and Mix	p107~108
ESRS E1-8	Gross Scope 1, 2, 3 GHG Emissions	p40, p106
ESRS E1-11	Anticipated Financial Effects from Material Physical and Transition Risks and Potential Climate-Related Opportunities	p28

ESRS Standards	Disclosure	Disclosure
ESRS E2. Pollution		
ESRS E2-2	Actions and Resources Related to Pollution	p72~73
ESRS E2-3	Targets Related to Pollution	p67, p71
ESRS E2-4	Pollution of Air, Water and Soil	p108
ESRS E3. Water		
ESRS E3-2	Actions and Resources Related to Water	p74
ESRS E3-4	Water Metrics	p111
ESRS E4. Biodiversity and Ecosystems		
ESRS E4-3	Actions and Resources Related to Biodiversity and Ecosystems	p75
ESRS E5. Resource Use and Circular Economy		
ESRS E5-1	Policies Related to Resource Use and Circular Economy	p76
ESRS E5-2	Actions and Resources Related to Resource Use and Circular Economy	p76
ESRS E5-5	Resource Outflows	p109~110
ESRS S1. Own Workforce		
ESRS S1-1	Policies Related to Own Workforce	p79
ESRS S1-2	Engagement with Own Workforce and Workers' Representatives, Existence of Channels for Own Workforce to Raise Concerns or Needs and Approaches to Remedy	p81
ESRS S1-3	Actions and Resources Related to Own Workforce	p81
ESRS S1-4	Targets Related to Own Workforce	p79
ESRS S1-5	Characteristics of the Undertaking's Employees	p118~119
ESRS S1-6	Characteristics of Non-Employees in the Undertaking's Own Workforce	p120
ESRS S1-7	Collective Bargaining Coverage and Social Dialogue	p137
ESRS S1-8	Diversity Metrics	p121

ESRS Index

ESRS Standards	Disclosure	Disclosure
ESRS S1. Own Workforce		
ESRS S1-10	Social Protection	p87, p136~137
ESRS S1-11	Persons with Disabilities	p118~119
ESRS S1-12	Training and Skills Development Metrics	p127~131
ESRS S1-13	Health and Safety Metrics	p112~117
ESRS S1-14	Work-Life Balance Metrics	p86~87, p135~136
ESRS S1-15	Remuneration Metrics	p104, p133
ESRS S1-16	Incidents of Discrimination and Other Human Rights Incidents	p141
ESRS S2. Workers in the Value Chain		
ESRS S2-1	Policies Related to Workers in the Value Chain	p60
ESRS S2-2	Engagement with Workers in the Value Chain, Existence of Channels for Workers in the Value Chain to Raise Concerns or Needs and Approaches to Remedy	p81
ESRS S2-3	Actions and Resources Related to Workers in the Value Chain	p61~62
ESRS S2-4	Targets Related to Workers in the Value Chain	p62
ESRS S3. Affected Communities		
ESRS S3-2	Engagement with Affected Communities, Existence of Channels for Affected Communities to Raise Concerns or Needs and Approaches to Remedy	p81
ESRS S3-3	Actions and Resources Related to Affected Communities	p88~89
ESRS S3-4	Targets Related to Affected Communities	p90
ESRS S4. Consumers and End-users		
ESRS S4-2	Engagement with Consumers and End-users, Existence of Channels for Consumers and End-users to Raise Concerns or Needs and Approaches to Remedy	p81

ESRS Standards	Disclosure	Disclosure
ESRS G1. Business Conduct		
ESRS G1-1	Policies Related to Business Conduct	p55
ESRS G1-2	Actions Related to Business Conduct	p56~58
ESRS G1-3	Targets Related to Business Conduct	p58
ESRS G1-4	Metrics Related to Corruption and Bribery	p141~142

SASB Index

Industry	Marine Transportation

Sustainability Disclosure Topics & Metrics

	Code	Accounting Metric	Unit	Data
GHG Emissions	TR-MT-110a.1	Gross global Scope 1 emissions	tCO_2e	3,315,253
	TR-MT-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	-	2026 ESG Report p23-40
	TR-MT-110a.3	Total energy consumed	GJ	46,866,160
		Percentage heavy fuel oil	%	68
		Percentage renewable	%	0.025
	TR-MT-110a.4	Average Energy Efficiency Design Index (EEDI) for new ships	gCO_2/ton. mile	5.79
Air Quality	TR-MT-120a.1	Nitrogen Oxides (NOx) Emissions [excluding Nitrous Oxide (N_2O)]	Ton	74,861
		Sulfur Oxides (SOx) Emissions	Ton	8,807
		Particulate Matter (PM10) Emissions	Ton	5,545
Ecological Impacts	TR-MT-160a.1	Shipping duration in marine protected areas or areas of protected conservation status	Days	0
	TR-MT-160a.2	Percentage of fleet implementing ballast water exchange	%	0
		Percentage of fleet implementing ballast water treatment	%	100
	TR-MT-160a.3	Number of spills and releases to the environment	Case	0
		Aggregate volume of spills and releases to the environment	m^3	0
Workforce Health & Safety	TR-MT-320a.1	Lost time incident rate (LTIR)	Per million hours	2.93
Business Ethics	TR-MT-510a.1	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Case	N/D
	TR-MT-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	KRW	0
Accident & Safety Management	TR-MT-540a.1	Number of marine casualties[1]	Case	2
		Percentage classified as "very serious"	%	0
	TR-MT-540a.2	Number of Conditions of Class or Recommendations	Case	32
	TR-MT-540a.3	Number of port state control (PSC) deficiencies	Case	320
		Number of port state control (PSC) detentions	Case	1

1) Disclosures must include a description of marine incidents and very serious marine incidents, their outcomes, and the corrective actions taken in response

SASB Index

Industry	Marine Transportation

Activity Metrics

Code	Accounting Metric	Unit	Data
TR-MT-000.A	Number of shipboard employees[1]	Persons	2,772
TR-MT-000.B	Total distance travelled by vessels	Nautical miles	8,038,800
TR-MT-000.C	Operating days[2]	Days	28,746
TR-MT-000.D	Deadweight tonnage (DWT)[3]	DWT	14,657,138
TR-MT-000.E	Number of vessels in total shipping fleet	Vessels	121(including vessels sold)
TR-MT-000.F	Number of vessel port calls	Case	3,647
TR-MT-000.G	Twenty-foot equivalent unit (TEU) capacity	TEU	11,011

1) Shipboard employees refer to personnel working on the company's vessels during the reporting period, including both directly employed and contract employees.
2) Operating days are calculated by subtracting the total number of off-hire days resulting from unforeseen circumstances from the total available days during the reporting period. In other words, this metric represents the number of days on which vessels actually generated revenue during the reporting period.
3) Deadweight tonnage (DWT) represents the aggregate deadweight tonnage of all vessels operated by the company, calculated as the difference between "light displacement" and "actual loaded displacement."

TCFD Index

TCFD Recommendations	Location
Governance	
a) Describe the board's oversight of climate-related risks and opportunities.	p23
b) Describe management's role in assessing and managing climate-related risks and opportunities.	p23~24
Strategy	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	p25~26
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	p25
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	p28
Risk Management	
a) Describe the organization's processes for identifying and assessing climate-related risks	p26, p38
b) Describe the organization's processes for managing climate-related risks.	p38
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	p38
Metrics and Targets	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	p40, p106~108
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	p106
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	p40

GHG Verification Statement

Independent Verification Opinion PAN OCEAN CO., LTD.

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by Pan Ocean Co., Ltd.("Company") to perform third-party verification for the company's Greenhouse Gas Statement. The company is responsible for the preparation of the GHG statement on the basis set out within 'WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard', 'The Corporate Value Chain (Scope 3) Accounting and Reporting Standard', 'IPCC Guidelines: 2006'. The company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or co-responsibility for any decisions a 3rd party may make based on the verification opinion.

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company's GHG statement, and the scope of verification is as follows;

- Organizational Boundary: Pan Ocean Co., Ltd. and its Subsidiaries (10 Subsidiaries – POS SM Co., Ltd., Pan Logix Co., Ltd., Pan Ocean (America) Inc., Pan Ocean (China) Co., Ltd., Pan Ocean Brasil Apolo Maritimo Ltda. Pan Ocean Container (Japan) Co., Ltd., Pan Ocean International Logistics Co., Ltd., Pan Ocean Japan Corporation, Pan Ocean Trading & Logistics Pte. Ltd., Wide Sea Logistics Co., Ltd.)
- Reporting Boundary: Scope 1 (Direct emissions), Scope 2 (Indirect emissions), Scope 3 (Other Indirect emissions – Category 1, 4,6,7,8)
- Reporting Period: 2025.01.01 ~ 2025.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a Limited Level of assurance. DNV planned and conducted the verification to obtain all necessary information and explanations, ensuring sufficient evidence to support a verification opinion at a 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information.

- DNV represents "unmodified" opinion on Greenhouse Gas Emissions.

(Unit: ton CO_2 eq)

Year	Scope 1		Scope 2	Scope 3	Total Emissions
	Vessel	Others	Electricity		
2025	3,313,302	1,951	939	4,129,056	7,445,249

※ Total emissions may differ from the sum of direct and indirect emissions due to decimal rounding.

DNV

J.S.

2026. 6. 23

Lee, Jang Sup

Country Representative
DNV Business Assurance Korea Ltd.

This Assurance Opinion is valid as of the date of the issuance. Please note that this Assurance Opinion would be revised if any material discrepancy which may impact the Greenhouse Gas Emissions of the company is subsequently brought to our attention.

Independent Assurance Statement

The Stakeholders of PAN OCEAN

Overview

The British Standards Institution (hereinafter referred to as the "Assurer") was requested to verify the 2026 Pan Ocean Sustainability Report (hereinafter referred to as the "Report"). The Assurer is independent to Pan Ocean and has no major operational financial interest other than the assurance of the Report. This assurance opinion statement is intended to provide information related to the assurance of the Pan Ocean's report relating to the environment, social and governance (ESG) to the relevant stakeholders and may not be used for any other purpose. This assurance opinion statement is prepared based on the information presented by the Pan Ocean. The verification does not extend beyond such information and is solely based on it. In performing such verification, the Assurer has assumed that all such information is complete and accurate.

Pan Ocean is responsible for managing the relevant information contained within the scope of assurance, operating the relevant internal control procedures, and for all information and claims contained in the Report. Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Pan Ocean only.

The Assurer is responsible for providing Pan Ocean's management team with an independent assurance opinion containing professional opinions derived by applying the assurance methodology to the scope specified, and to provide the information to all stakeholders of Pan Ocean. The Assurer will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person or party by whom the independent assurance opinion statement may be read.

Scope

The scope of engagement agreed upon with Pan Ocean includes the following:

- Report contents during the period from January 1st to December 31st 2025 included in the Report, some data of 2026 are included.
- Major assertion included in the Report, such as sustainability management policies and strategies, goals, projects, and performance, and the Report contents related to material issues determined as a result of materiality assessment.
- Appropriateness and consistency of processes and systems for data collection, analysis and review.
- Confirmation of the Report's compliance with the AA1000 AccountAbility Four Principles and, where applicable, the reliability of the sustainability performance information contained within the Report, based on the type of sustainability assurance performed in accordance with AA1000 AS v3.

The following contents were not included in the scope of assurance.

- Financial information in Appendix.
- Index items related to other international standards and initiatives other than the GRI.
- Other related additional information such as the website, business annual report.

Assurance Level and Type

The assurance level and type are as follows;

- Moderate level based on AA1000 AS and Type 1 (confirmation to the four principles as described in the AA1000 Accountability Principle 2018)

Description and sources of Disclosures Covered

Based on the scope and methodology of assurance applied, the Assurer reviewed the following disclosures based on the sampling of information and data provided by Pan Ocean.

[Universal Standards]

2-1 to 2-5 (The organization and its reporting practices), 2-6 to 2-8 (Activities and workers), 2-9 to 2-21 (Governance), 2-22 to 2-28 (Strategy, policies and practices), 2-29 to 2-30 (Stakeholder engagement), 3-1 to 3-3 (Material Topics Disclosures)

[Topic Standards]

101-2, 201-1~4, 202-1, 205-1~3, 206-1, 302-1~3, 303-2&3, 305-1~4&7, 306-1~5, 308-1, 401-1~3, 403-1~10, 404-1&3, 405-1&2, 406-1, 413-1, 414-1, 418-1

Methodology

As a part of its independent assurance, the Assurer has used the methodology developed for relevant evidence collection in order to comply with the verification criteria and to reduce errors in reporting. The Assurer has performed the following activities;

- Validation of the materiality assessment and internal analytical process for determining assurance priorities, and a top-level review of issues that may be raised by external stakeholders in the context of sustainability.
- Discussion with managers and representatives on stakeholder engagement.
- Review of the supporting evidence related to the material issues through interviews with senior managers in the responsible departments.
- Verification of the sustainability strategy implementation process and supporting systems, including the generation, collection, and reporting of data across performance areas, as well as confirmation of the evidence supporting claims presented in the report
- Assessment of Pan Ocean's reporting and management processes against the four principles of Inclusivity, Materiality, Responsiveness, and Impact as defined in the AA1000 Accountability Principles Standard (2018)
- On-site visit to Pan Ocean's headquarters to confirm the effectiveness of data collection processes, internal control procedures, and management practices

Limitations and Approach Used to Mitigate Limitations

The Assurer performed limited verification for a limited period based on the data provided by Pan Ocean. It implies that the Assurer is therefore subject to limitations relating to inherent risks that may exist without the identification of material errors. The Assurer does not provide assurance on possible future impacts that cannot be predicted or verified during the verification process and any additional aspects related thereto.

Independent Assurance Statement

Competency and Independence

British Standards Institution (BSI) is a leading global standards and assessment body founded in 1901. BSI is an independent professional institution that specializes in quality, health, safety, social and environmental management with over 120 years history in providing independent assurance services globally. No member of the assurance team has a business relationship with Pan Ocean. The Assurer has conducted this verification independently, and there has been no conflict of interest. All assurers who participated in the assurance have qualifications as an AA1000AS assurer, have a lot of assurance experience, and have in-depth understanding of the BSI Group's assurance standard methodology.

Opinion Statement

The assurance was conducted by a team of sustainability report assurers in accordance with the AA1000 Assurance Standard v3. The Assurer planned and performed the verification and collected sufficient evidence to explain Pan Ocean's approach to the AA1000 Assurance Standard and to provide confidence in its self-declaration of compliance with the GRI Standards.
On the basis of our methodology and the activities described above, it is our opinion that the information and data included in the Report are accurate and reliable and the Assurer cannot point out any substantial aspects of material with mistake or misstatement. We believe that the economic, social and environment performance indicators are accurate and are supported by robust internal control processes.

Conclusions

The Report is prepared in accordance with the GRI Standards. (Reporting in accordance with the GRI standards). A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact and the GRI Standards is set out as below.

‣ Inclusivity: Stakeholder Engagement and Opinion

Pan Ocean has identified shareholders and investors, customers, employees, business partners, international organizations, government bodies, local communities, and civic groups as its key stakeholders. The company operates diverse communication channels tailored to each stakeholder group and, through its stakeholder engagement process, collects expectations and opinions from core stakeholder groups. The key issues derived from this process are incorporated into sustainability-related decision-making.

‣ Materiality: Identification and reporting of material sustainability topics

Pan Ocean has carried out a Double Materiality Assessment to identify sustainability management issues and determine the key topics that reflect both stakeholder concerns and significant impacts on business activities. The company analyzed global disclosure standards, evaluation frameworks, and industry-specific material issues, resulting in a long list of 22 topics and a short list of 10. From these, risks and opportunities were identified for each material topic. Pan Ocean then assessed both environmental and social impacts (Impact Materiality) and financial impacts (Financial Materiality), ultimately selecting four key material topics. The results of this assessment are disclosed in its sustainability report.

‣ Responsiveness: Responding to material sustainability topics and related impacts

Pan Ocean reports on the key material topics identified through the Double Materiality Assessment by conducting a "Material Issue Analysis." Within this framework, the company evaluates both the actual and potential, as well as positive and negative, environmental and social impacts of each key topic, alongside the financial risks and opportunities. Furthermore, Pan Ocean discloses in its sustainability report the response strategies developed for each major impact area.

‣ Impact: Impact of an organization's activities and material sustainability topics on the organization and stakeholders

Pan Ocean has established a process to identify and assess the impacts of core material issues on the organization and its stakeholders. The analysis of impacts, risks, and opportunities related to these core material issues is utilized in decision-making for developing response strategies for each issue. This process is disclosed through the report.

Recommendations and Opportunity for Improvement

The Assurer provides the following observations to the extent that they do not affect the assurance opinion;

- Pan Ocean operates its sustainability governance framework primarily through the Board of Directors and the ESG Committee, which oversee decision-making and management processes. To further strengthen the effectiveness of this governance system and enhance the credibility of disclosures, it is necessary to establish clearer performance evaluation criteria and procedures for the governance bodies' role execution. In addition, the company should more explicitly disclose how major ESG risks and opportunities are integrated into decision-making and performance management systems. By continuously monitoring and reporting on the evaluation results and the implementation status of subsequent improvement measures, Pan Ocean can reinforce transparency in responsible management and build greater trust among stakeholders.
- Pan Ocean has established a framework that incorporates global disclosure standards, ESG evaluation criteria, and stakeholder feedback into its issue pool, which serves as the basis for identifying material issues. To further enhance the effectiveness of stakeholder engagement and the credibility of sustainability disclosures, it would be beneficial to more clearly demonstrate how the issues raised by stakeholders are linked to the company's management strategy, risk management, and performance monitoring systems. By explicitly reporting these connections, along with transparent disclosure of the company's responses and outcomes, Pan Ocean can strengthen the effectiveness of its stakeholder engagement and improve trust in its sustainability reporting.

GRI-Reporting

Pan Ocean has self-declared compliance with GRI Standards. Based on the data and information provided by Pan Ocean, the Assurer confirmed that the Report is prepared in accordance with the GRI Standards, and confirmed there are no errors in the disclosures related to the Universal Standards and Topic Standards Indicators. No sector standard is applied.

Issue Date: 17/06/2026
For and on behalf of British Standards Institution (BSI):
BSI representative

SangWoo Nam
Lead Assurer (LCSAP)

ChongKwan Kim
Assurer

Seonghwan Lim
Managing Director of BSI Korea

AA1000
Licensed Report
000-4/V3-0DFMY

BSI Group Korea Limited: 29, Insa-dong 5-gil, Jongno-gu, Seoul, South Korea
Hold Statement Number: SRA 831260

PAN OCEAN