

ESG REPORT

2021



PIONEER
MARINE

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Executive Management

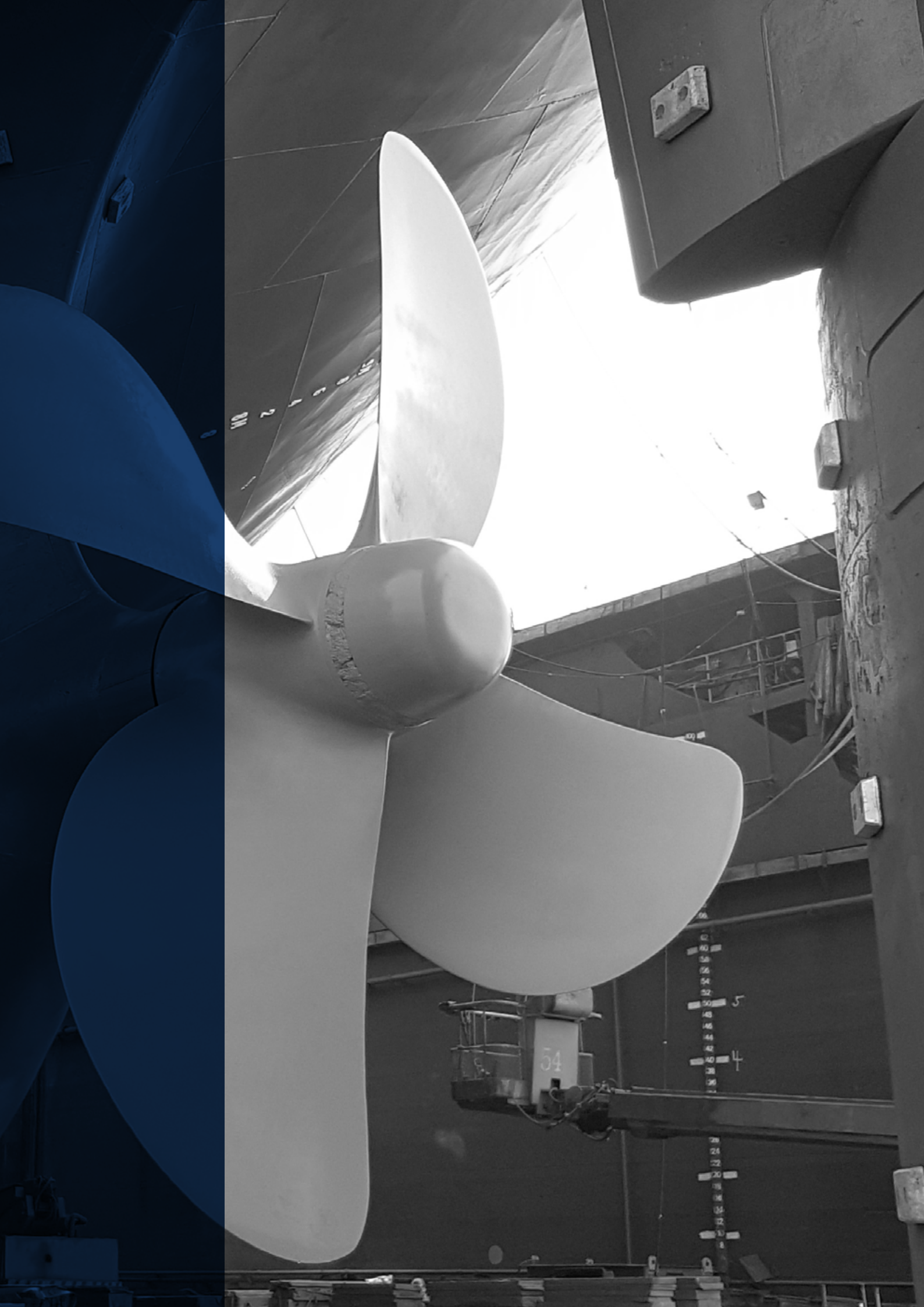
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“ ESG principles deeply
rooted in our Mission
and Vision. ”





Dimitris Papoulis
Chief Executive Officer



Korinna Tapaktsoglou
Chief Financial Officer

Message from our Executive Management

We are proud to introduce you to the first ESG Report of Pioneer Marine Group of Companies (“Pioneer Marine”). This report outlines our efforts and our commitment towards ESG principles and presents our actions in each aspect, further increasing transparency for our stakeholders.

We aspire to be the selected partner amongst peers based on performance, relationships, leadership, and safety, while committed to the industry’s objective towards **“Green Shipping”**. This guides our people throughout our operations, with responsibility, performance, and safety, being essential elements of our transparent relationship with our business partners. With many decades of combined shipping experience, we are more than capable of adjusting to the ever-changing conditions of the shipping industry.

We have a clear **Vision** of what we want to achieve, which is to further expand our platform of owned and managed dry-bulk carriers, while minimizing the environmental footprint of our operations. We daily serve leading clients in the international shipping markets and naturally we will continue to do so. We will keep investing in our people, in our top-class assets and in latest business practices, to ensure an environment of operational excellence, while always staying loyal to our ethical practices, values, and our long-term goal of a **zero-emission future**.

This is our first attempt to record and measure our actions regarding sustainability, and going forward, we aim to further enhance our ESG disclosures and set new targets, which will allow us to grow and improve in a more sustainable environment.

Executive Management
Pioneer Marine



About Pioneer Marine



About Pioneer Marine

Pioneer Marine is a global shipping company specializing in the **transportation of dry bulk commodities**. This is achieved through the efficient management of owned and managed vessels with safety, customer service and **environmental protection** being **top priorities**. Our client portfolio includes a variety of reputable **international shipping companies** and trading houses.

Pioneer Marine was founded in 2013 with the support of a U.S investment fund. The headquarters are located in Athens, Greece, but the Company also has presence in Asia through a Singaporean entity, Pioneer Marine Advisers SA. On March 2014, Pioneer Marine Inc. was registered on the NOTC-list with ticker code “PNRM” and successfully completed a \$75 million private placement.



During 2021, following the major shareholder’s decision to exit as they reached their investment horizon, the Executive Management and affiliated investors acquired 8 vessels from the existing fleet along with the management companies of the Group.

Towards the end of the year, we further enhanced our business platform, by expanding our in-house Technical Department with highly skilled and experienced personnel, enabling us to offer full Technical Management of vessels. This allowed us, among others, to better evaluate the environmental footprint of our owned/managed fleet and be able to take the necessary actions to meet our ESG objectives.

2021 ended with our platform owning and managing a fleet of 13 modern and well maintained dry-bulk carriers.

13 DRY-BULK CARRIERS





KEY MILESTONES

Inception of Pioneer Marine **2013**

Acquisition of **13 high quality** secondhand handysize vessels (10 Japanese built) mainly from Japanese counterparties

2014 **\$75 million** private placement in Norwegian OTC equity market

Committed financing of **\$119 million** with CIT, ABN Amro and DVB Bank

Committed financing of **\$150.1 million** from ABN Amro, Deutsche Bank and Nord LB in relation to 12 Newbuilding Contracts

\$25 million private placement in NOTC

Delivery of **Green Dolphin eco-design** newbuilding

Delivery of the **second Green Dolphin eco-design** newbuilding

2016 Successful termination of **10 newbuilding contracts** with minimum penalties

Appointment of **new Executive Management**

Successful restructuring of the company and transfer of headquarters to Greece

2018

New credit facilities of **\$94 million** to refinance existing facilities and new acquisitions with ABN Amro and DVB Bank

Expansion of Commercial Management platform **2019**

2020

Restructuring of loan facility with ABN to **strengthen company's liquidity** during the pandemic

Due to major shareholder's decision to exit from the investment, the Executive Management and affiliated investors **acquired 8 vessels from the existing fleet**, along with the management companies of the group. Moreover, the company managed to **expand its commercial platform** by adding **6 more vessels**

2021

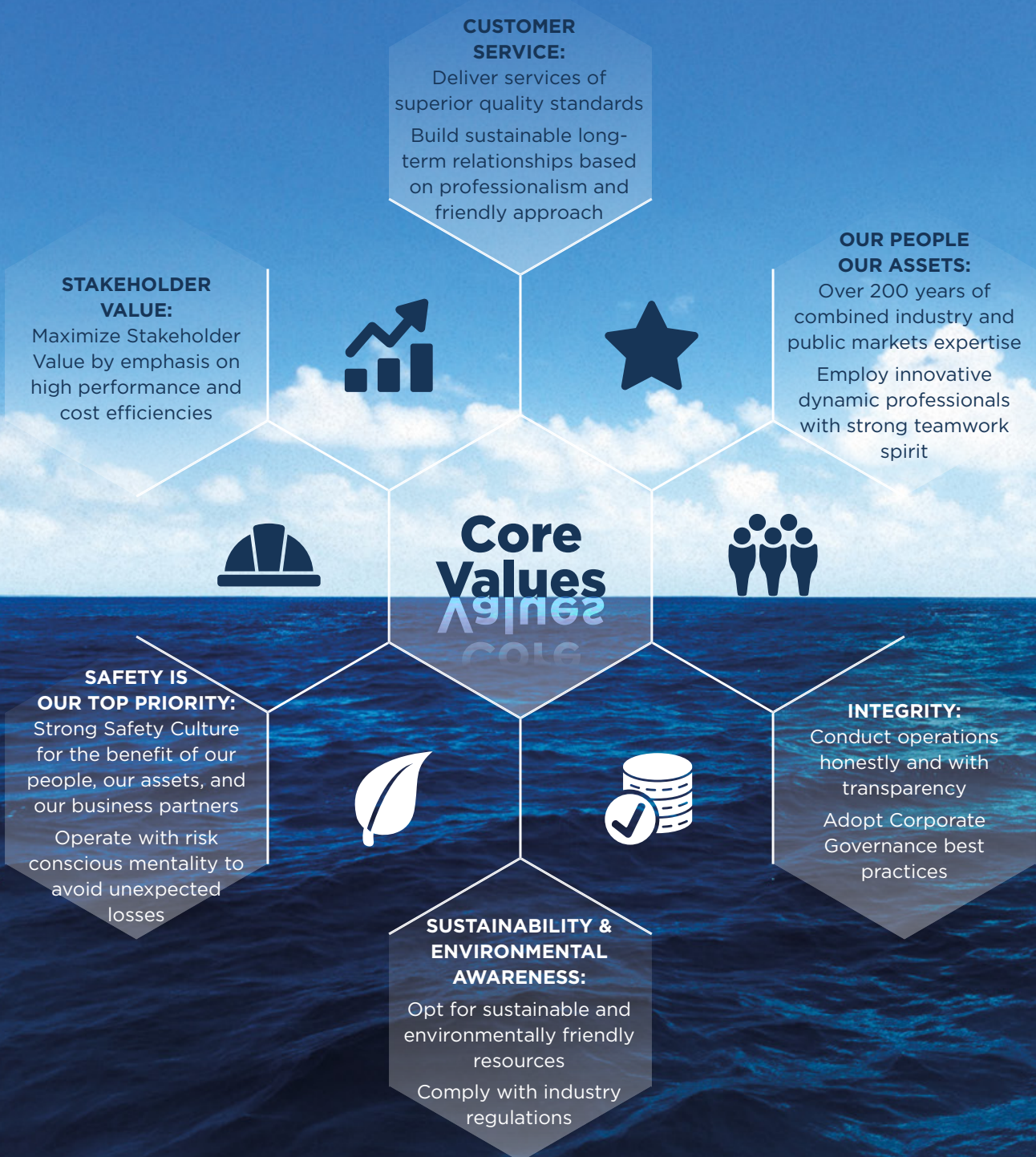
Establishment of in-house Technical Department

2022

Executive Management finalized Management **buy-out process by acquiring 83%** of Pioneer Marine Inc.

Our Values

Our set of **Core Values** guide us throughout our efforts to achieve our objectives, clearly addressing all ESG Components.





 PIONEER
MARINE

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Our services

Pioneer Marine offers complete services related to the sea-born transportation of dry cargo. We cover all aspects during the maritime lifecycle whilst relying on our trusted business network with a vast global reach.



COMMERCIAL

CHARTERING:

- First Class Charterers
- Access to niche markets
- Charter parties with airtight clauses
- Optimization of earnings/ Strategic positioning of tonnage
- +3,000 Fixtures

OPERATIONS:

- Safe & Efficient handling of vessels
- Fuel Efficiency
- Network of reputable agents, brokers, bunker suppliers
- Constant coordination with technical and legal department avoiding losses and minimizing costs
- Post fixture

S&P:

- Global network of competitive brokers, shipowners, and shipyards
- Outstanding record of supporting vessel owners and potential owners with S&P advice and services
- Cooperated with international banks to take-over and upgrade vessels during challenging times in the dry bulk markets



TECHNICAL MANAGEMENT

TECHNICAL:

- Highly qualified and experienced team support the fleet around the clock
- Access to top class shipyards, repair workshops and suppliers
- High-end system tools constantly monitoring fleet efficiency
- Drydock supervision and attendance
- Cost Control of Budgeted Opex/Capex
- Client driven KPIs and frequent onboard visits and inspections
- Compliance with National/International regulatory and Industry requirements

MARINE & HSSQE:

- Compliance with Health, Safety, Security, Quality, Energy and Environmental (HSSQE)
- Zero tolerance to non-compliance with our HSSQEE standards
- Identification of training needs for all personnel
- Preserve Rightship score of the fleet
- Regular audits and reviews to ensure meeting HSSQE objectives

Since the beginning we have built a reputation for delivering results, on which our clients and customers can rely on. This can be depicted by the excellent historic record of TCE performance, fleet utilization and low Opex costs compared to our peers.



LEGAL - INSURANCE & CLAIMS

INSURANCE & CLAIMS HANDLING:

- Twenty years of experience in claims handling
- Fleet insurance policy attained via A rated Underwriters
- Good claims record
- Align needs with trading patterns and compliance with current regulations

CORPORATE:

- Formation and establishment of offshore entities in various jurisdictions
- Corporate Finance
- Sale and Purchase of Vessels
- Management Agreements for outsourced functions



FINANCE - REPORTING & TREASURY SERVICES

FINANCING:

- Access to top class financing platforms (from traditional banks to alternative financing) and Norwegian investors
- In depth understanding of specialized needs & requirements of shipping companies
- Monitoring of credit facilities and covenants compliance

REPORTING:

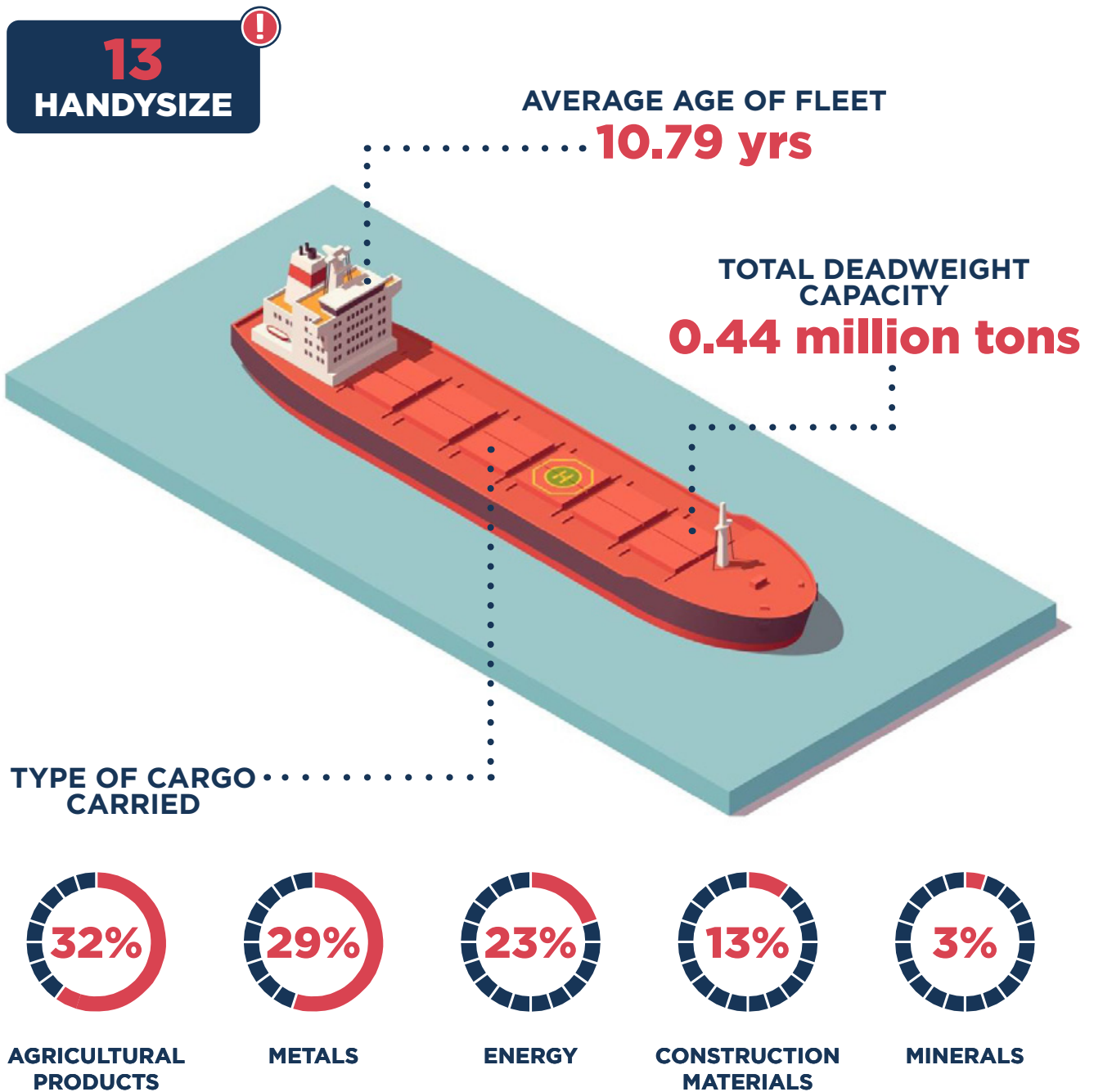
- Experienced team of qualified Chartered Accountants
- High Quality Performance monitoring
- Accurate and timely reporting in accordance with the applicable GAAP
- Reporting deliverables audited by BIG 4 audit firms

TREASURY:

- Full transparency and traceability of processed transactions
- Attentive planning of payments to ensure minimization of bank charges
- Continuous monitoring of cashflow projections to ensure that the vessel can meet its financial obligations
- Utilization of cash reserves in efficient manner

Our operations and our fleet

Pioneer Marine's Owned-Managed fleet, as of year-end, consists of **13 geared dry bulk carriers**, all **Handysize**, with a total deadweight capacity of **0.44 million tons**.



! These ships carry the widest range of cargoes of any dry bulk size segment and mostly carry minor bulks and grain. They are usually equipped with cargo-handling gear (cranes or derricks) and are widely used on routes to and from draft-restricted ports that (a) cannot receive larger ships and (b) often lack their own land-based cargo-handling equipment; often located in the developing nations. Many of these ships are extensively employed on intra-regional, shorter-haul trades.

Our vessels **trade worldwide** in a multitude of trade routes carrying a **wide range of cargoes** for several industries. Our cargo includes agricultural products, metals, energy, construction materials, and minerals.

MOST VISITED PORTS IN 2021



Pioneer at a glance



**VESSEL
UTILIZATION
RATE:**

>97%



**N° OF
OPERATING
DAYS IN 2021:**

5,210



**N° OF CREW ON
BOARD YEAR-
END:**

260



**N° OF SHORE
STAFF YEAR
END:**

25



**N° OF PORT
CALLS IN 2021:**

225



**N° OF MILES
TRAVELLED IN
2021:**

575,682



**N° OF
VIOLATIONS
OF ETHICAL
CONDUCT &
POLICIES:**

0



**N° OF CYBER
SECURITY
INCIDENTS:**

0

Memberships

BIMCO

RIGHTSHIP



The International
Propeller CLUB
of the United States

Supporting UN Sustainable Development Goals (SDGs)



In 2015, the United Nations adopted the 17 Sustainable Development Goals (SDGs), also known as Global Goals, aiming 'to transform our world, to end poverty, protect the planet, and ensure prosperity for all'.

The SDGs provide a universal framework that businesses can use to improve their performance on sustainable development and achieve a better future for all.

At Pioneer Marine, as a member of the international shipping community, we understand the importance of global cooperation in the fight to solve these issues, which is why we are proud to align ourselves with the United Nations SDGs and do our best towards their achievement.

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS





Environment





Society



Our Social Responsibility

We consider our people as our greatest asset.

Maintaining a **professional, attractive, and positive workplace** is vital to achieving a **high degree of employee engagement**, both for our crew onboard and our shore-based staff.

Our Executive Management places great emphasis on creating such a working environment, ensuring that all employees feel valued and appreciate being part of the greater Pioneer family.

To achieve this, for our crew onboard, we engage only with well-respected third-party Managers / Manning Agents, who meet our strict criteria (i.e., embracing the Global Maritime Forum initiated Neptune Declaration on Seafarer Wellbeing and Crew Change), and are being monitored and evaluated by our management on a continuous basis.

For our shore-based staff, we take pride in our organizational structure, which despite our small to medium size in terms of number of onshore staff, includes a dedicated in-house HR department.

The combination of the above, creates a strong and cohesive team of high-caliber professionals, who constantly work to maintain and further improve, an attractive working environment, both onboard our vessels and in our on-shore premises.



To achieve the objectives of our health and safety management system, we have established an elaborate monitoring mechanism that includes among others (in cooperation with our third-party Managers, as applicable):

- on-board inspections
- drills and emergency simulation exercises to be fully prepared in emergency situations
- internal audits
- monitoring of multiple indicators related to health and safety such as Lost Time Injuries, etc.
- regular meetings with our partners, as well as between our Company's Departments, etc.

Health & Safety

The nature of our business includes a variety of health and safety risks, especially for our crew on board, such as work injuries, adverse weather conditions, collisions, piracy, etc. We consider the health and safety of our people as our top priority and every decision we make, is driven by our responsibility to provide a secure working environment, minimizing the risks associated with the industry, while ensuring the wellbeing of our personnel and the safety of our ships.

We have adopted a health and safety mentality throughout all aspects of our operations, (on board and on shore); with emphasis on strict compliance with all applicable regulations, and implementation of best practices, that may go beyond the minimum requirements i.e., making available AED devices (Automatic External Defibrillators) to our premises, etc.

If it becomes apparent that harm could occur to our employees, partners, member of the public, the environment, or our assets, employees are encouraged to stop work and take specific steps to ensure that no harm will occur. Overall, our aim is to promote a culture of sharing insights and lessons learned throughout the Group, thus ensuring that we are constantly improving the health and safety aspect of our operations.

Fatalities (marine casualties)	1
Lost Time Incident Rate	1,5
Port State Control Detentions	1
No of Conditions of Class or Recommendations	35



Human Rights

At Pioneer, we treasure fundamental human rights and we do not tolerate any violation regarding same, as these are determined in the United Nations Universal Declaration of Human Rights.

We comply with all the applicable regulatory requirements, including the Maritime Labor Convention as adopted by the International Labor Organization.

We value the diversity of our employees, and we advocate fair and equal opportunities and treatment for employees irrespective of ethnic, or national origin, age, disability, gender, sexual orientation, or religion.

We have adopted a set of Standards of Business Conduct & Ethics (the “Standards”) as a way of life, which reflect our continued commitment to manage our business activities with integrity and respect. These Standards guide us throughout our operations (refer to Governance Section for more info on our Standards).

We expect our suppliers and business partners to abide by the same principles and respect human rights in all aspects of their operations.

Instances of reporting violations of human rights: 0

Attracting and retaining Human Capital

We aspire our people to view Pioneer as their second family. We strongly believe that creating an attractive working environment for our people, is of paramount importance to keep our crew and staff fully motivated, engaged, and ultimately fulfilled for contributing to the achievement of our collective objectives.



Crew

To attract and retain quality seafarers for our ships, we collaborate closely with our carefully selected third-party Managers (i.e., adopters of the Neptune Declaration on Seafarer Wellbeing and Crew Change), who maintain a pool of seafarers originating from a variety of nations.

We carefully select our crew based on their experience and skills, to ensure they meet our high standards of performance and excellence.

Throughout their employment, we regularly communicate with them, keeping an open ear to any concerns or expectations they might have, and doing our best to meet their needs.

We invest in their training and development (in coordination with our third-party Managers) helping them enhance their capabilities and further advance their career development.

We make sure our vessels provide all the necessary equipment and facilities to enhance our seafarers' recreational time on board (i.e., fitness activities, entertainment and gaming, internet access, etc.).

We fully support them throughout their employment, by aligning our practices with Seafarers Union Standards, by offering shore leaves, and by covering their repatriation expenses.

While aiming to maintain the highest possible retention rate, we offer performance and rejoining bonuses, after thorough evaluation and performance review.

Onshore staff

Our onshore staff is key to all our operations. They keep our ships and our business running, proving to be a crucial element in our efforts to meet our business objectives and our clients' expectations.

Our in-house HR department, in close collaboration with our executive management, has built a set of core competencies for all positions and attends to all matters pertaining to our onshore staff needs.

Our recruiting process ensures that we always employ adequately qualified personnel, who have the required skillset and competencies and share our commitment to high standards of performance and conduct.

During employment, we go to great lengths to ensure that each individual member of our team, through a transparent performance management process gets the feedback, training, and development, that is most suitable both to their position in the Company, and their unique needs and aspirations (i.e., attendance of conferences, seminars, and presentations, on the job training, opportunities to achieve professional qualifications, career development opportunities etc.).



As part of our continuous effort to foster an inspiring “family-oriented” working environment, we provide a variety of benefits including among others:

- Life and medical plan
- Bonus scheme
- Recreational / group activities
- Regular social gatherings
- Complimentary snacks
- Mobile phones
- Remote working flexibility
- Company Awards (awarding skills such as creativity, teamwork, positive mindset, etc.)



OUR PEOPLE BREAKDOWN

As of **December 31, 2021**,
the Group managed through third-party manning agents, a total of



260 seafarers

Seafarers per Nationality*



Ukrainian: **190**
73%



Filipino: **53**
20%



Russian: **9**
3,5%



Indian: **7**
2,7%

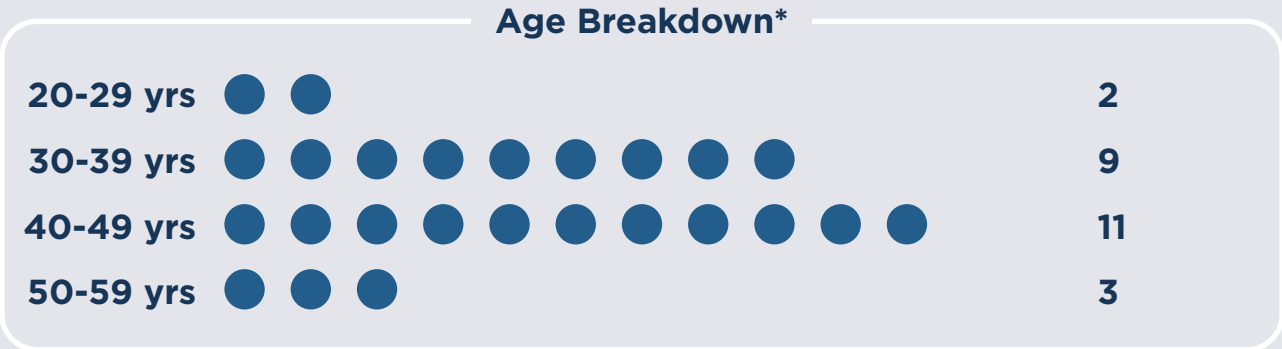
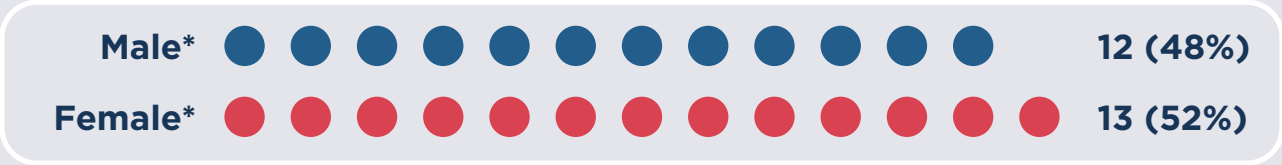


Bulgarian: **1**
0.4%

As of **December 31, 2021**, the Group employed a total of



25 onshore staff



***11% Employee Turnover Ratio**

Supporting the wider community

In Pioneer Marine, we believe that it is our duty to give something to Society and make a difference in the lives of people. This is achieved through regular financial or product donations to a variety of Charities as determined by the Management of the Company.

We have also initiated an Office Recycling Program to enhance our employees' environmental awareness during their day-to-day activities, reduce the use of plastic, and contribute to the protection of the environment by minimizing the amount of office waste.



Governance



Reliable corporate governance is at the core of our mindset.

As responsible business leaders, it is not enough to do things right; it is also important to do them in the right way. Our business decisions and actions must be **ethical and in full compliance** with legal requirements.

Our “Standards of Business Conduct and Ethics” (the “Standards”) are designed to guide all members of the Pioneer Group of Companies, to always comply with applicable laws and regulations, while conducting business in a fair and ethical manner. We actively encourage and where possible, support our business partners and suppliers to do the same.

The Standards also cover a wide variety of corporate practices, company policies and compliance, contributing significantly in our continuous effort to maintain a corporate governance framework on par with international best practices.



We have established clear policies, procedures, and systems, to support the application of the Standards in our daily business practices (i.e., Sanctions Policy, Whistleblower Policy, etc.).

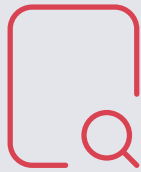
That said, we avoid complacency and reliance, solely on our established systems. Considering the ever-changing compliance landscape of the shipping industry, we continuously monitor applicable regulatory environment, and we coordinate with industry experts as needed, to ensure compliance and protect our own and our stakeholders' interests.



We adopt a **“zero tolerance”** stance towards corruption and non-compliance with applicable legislation.

Year 2021

Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index



6 out of 225

2.6%



0

INCIDENTS OF CODE OF CONDUCT VIOLATIONS

0

MONETARY LOSSES DUE TO LEGAL PROCEEDINGS ASSOCIATED WITH BRIBERY OR CORRUPTION



Our Executive Management

Our Companies are managed through our executive bodies, being the general meetings, the Boards, and the Executive Management (the “EMT”).

The day-to-day business of the Group Companies is managed by the Executive Management Team.

The multi-faceted career profile of the EMT, combined with the support of a talented and dynamic team of seasoned professionals in the shipping industry, are a unique combination, which allows us to consistently generate and distribute direct economic value for our stakeholders.

Transparency

We are especially proud of our approach towards transparency in all aspects of the Company’s operations.

Our reporting systems are monitored by Board(s) of Directors consisted of Maritime and Finance experts. Our Companies are regularly audited by well-known independent external auditors (“Big 4”) in accordance with applicable standards.

Additionally, our Management Reporting framework (i.e., monthly closing) allows us to provide timely, high quality performance monitoring, which in turn, enables our stakeholders to take prompt strategic decisions as needed.

Data Privacy and Information Security

At the same time, we are extremely vigilant about handling IT assets and information, throughout the scope of our operations, both on board vessels, and on our premises.



To protect our assets from risks related to cyber threats, human errors or any other actions that may affect confidentiality, integrity, and availability of information, we have adopted a variety of measures and systems such as:

- Ensuring proper infrastructure is in place to support the crucial function of our IT department in this matter
- Regular training of our people to improve their cybersecurity skills and awareness
- Contingency plans (i.e., back up procedures) that will allow us to respond efficiently and effectively to cyber-security related incidents, etc.



THERE HAVE BEEN NO INSTANCES OF SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA DURING THE REPORTING PERIOD.



THERE HAVE BEEN ZERO CYBER SECURITY INCIDENTS, DURING THE REPORTED PERIOD.



Thx4Stock



ESG

Thx4Stock

Appendix

