

SUSTAINABILITY REPORT

MESSAGE FROM THE BOARD OF DIRECTORS ON SUSTAINABILITY REPORT

To the Shareholders,

We are pleased to present the Company's Sustainability Report in a new format, adopting the Global Reporting Initiative ("GRI") G3 guidelines. This Report includes Economic Performance, Environment Performance and Social Performance.

The Company's mission is to be the most respected shipping company in the world, providing best services and solutions to facilitate International dry-bulk trade. We believe this can be achieved with an unwavering focus on the Company's stakeholders, namely customers, governments & other statutory/industry organisations, employees, shareholders, and society & the community, and serving their respective needs in a constructive manner. The Company has also included elements of Corporate Social Responsibility as its core values which are followed at all times on a day-to-day level by all in the Company.

The Sustainability Report summarises the Company's interactions with its stakeholders and reflects the Company's continuous search for ways to improve at all levels. We welcome comments, suggestions and views on this Report, and we assure you that each and every response is and will be taken very seriously and considered for appropriate action.

On behalf of the Board of Directors of Precious Shipping Public Company Limited, we would like to express our gratitude to all those who have contributed to the success of the Company.

**For and on behalf of the Board of Directors of
Precious Shipping Public Company Limited**



Mr. Khalid Moinuddin Hashim
Managing Director



Mr. Khushroo Kali Wadia
Executive Director

7th February 2014

Overview of Sustainability Report

The Company places the highest priority to deliver long-term value and sustainable returns to its shareholders. The Report also includes information relating to the performance of the Company and its subsidiaries based locally and internationally. The focus of the Report is on the main businesses which have a material impact on the achievement of the long-term sustainability.

The Company is committed to conducting business under Good Corporate Governance principles; doing business ethically and striving for the betterment of society and the environment. The Company acknowledges that its unique character, having all of its ships trade all over the world flying the Royal Thai flag, obliges it to act as the country's ambassador to the world, and the Company takes this responsibility very seriously.

The Company's previous report for 2012, published on 21 February 2013, was not made pursuant to the GRI guidelines. For the year 2013, this Sustainability Report is the 2nd such Report to be included in the Annual Report, to present the Company's performance in material aspects under economic, environmental and social categories. Further information on the Company's Corporate Governance, risk management and mitigation strategies, all of which are part of Sustainability, can be found in the relevant chapters under the **Corporate Governance Report, Internal Controls** and **Significant Risk Factors** sections of this Annual Report.

This edition of Sustainability Report is the first one to use the reporting principles and framework of GRI G3, Application Level C in terms of materiality, stakeholder engagements, sustainability context, completeness, accuracy and comparability. This Report addresses activities and data that fall within the Company's financial year for the period from 1st January to 31st December 2013.

The scope of the Report

The data and information contained in this Report relates to Precious Shipping Public Company Limited and all its wholly-owned subsidiaries.

The boundary and limitations of the Report

Data in this Report has been collected from the Company's operations as listed above.

The process for defining the content of the Report

We have defined the content of the Report through research with key stakeholder groups in order to gain their feedback on requirements and preferences. Data is provided and reviewed by Senior Management prior to submission to Managing Director for approval. Final Report is approved by the Company's Board of Directors.

Stakeholder Engagements

The Company recognizes the importance of all stakeholder groups whether it is the internal stakeholders such as shareholders, employees and management of the Company and subsidiaries or external stakeholders such as creditors, suppliers, customers, communities, government agencies and other related organizations whom we have an ongoing relationship and impact as the result of our business operations. We have identified our primary stakeholders as the picture showed below:



The Company engages our stakeholder groups in a variety of ways, with the frequency and communication mechanisms based on the most effective means of facilitating dialogue. The Company has also provided channels on our website for any stakeholder to express his/her opinion and contact the Board of Directors in case they wish to contact the Board of Directors directly without going through the Management. The Board will treat such information seriously and will maintain utmost confidentiality.

Stakeholders	Key Action and Engagements
Shareholders	<ul style="list-style-type: none"> • Create, preserve and enhance long term value for our shareholders • Disclosing timely, concise and relevant information • Responsive to inquiries
Customers	<ul style="list-style-type: none"> • Develop services to respond to diverse needs • Provide efficient, reliable and professional service to all our customers
Employees	<ul style="list-style-type: none"> • Respecting human rights, diversity • Develop employees' competency • Ensuring equal opportunity • Ensuring a safe and healthy work environment • Providing competitive compensation and benefits
Community & Society	<ul style="list-style-type: none"> • Support and get involved in many community and society-based activities on a regular basis
Regulators	<ul style="list-style-type: none"> • Follow the guidelines in doing transactions with the State, code of conduct and participate on academic collaboration
Brokers	<ul style="list-style-type: none"> • Ensuring fairness and in keeping with industry norms
Suppliers	<ul style="list-style-type: none"> • Ensure that terms and conditions for suppliers are based on industry norms and practices • Follow strictly in agreed terms and condition
Creditors	<ul style="list-style-type: none"> • Comply with all terms in borrowings including compliance with the objectives of using the borrowed funds, repayment, collateral, and other conditions as may be agreed

Sustainable Management Performance

Economic Performance

In 2013, the Company's Senior Management has set up goals for the next year with targets that are both realistic and aggressive as follows:

- Daily earnings per vessel to be at least 10% higher than the corresponding industry average;
- Daily Operating costs per vessel to be at least 15% lower than the industry average as published by Moore Stephens;
- Target quarterly dividend payments to the shareholders; and
- Additional bonus to employees linked to the Company's annual net profits.

The Company's operations contribute to national economies by generating economic benefits for different shareholder groups. The related direct monetary flows indicate the extent of added value.

Direct Economic Value Generated and Distributed (Million USD)

Description	2010	2011	2012	2013
Direct Economic Value Generated:				
Revenues:-				
Vessel Operating Income	92.40	100.51	112.34	124.76
Revenue from financial investments	0.82	0.85	0.65	0.27
Revenues from sale of assets	13.37	0.06	0.01	0.00
Other income	0.34	10.77	10.24	31.69
Direct Economic Value Generated	106.93	112.19	123.24	156.72
Economic Value Distributed:				
Operating Costs (excluding crew costs)	10.76	26.33	40.17	42.93
Employee wages and benefits (including crew costs)	24.62	26.23	32.55	42.89
Payment to providers of loans	9.29	14.20	13.85	14.82
Dividend distribution	40.37	21.14	15.08	13.76
Tax payments to governments	3.32	0.36	0.15	0.31
Community Investments	0.80	0.08	0.06	0.04
Other payments	1.24	1.93	2.09	1.10
Economic Value Distributed	90.40	90.27	103.95	115.85
Economic Value Retained as under:	16.53	21.92	19.29	40.87
Depreciation and amortization	21.70	21.40	29.63	37.09
Provisions	0.48	0.00	0.39	0.04
Transfer to (from) Reserves	(5.65)	0.52	(10.73)	3.74

For Financial Performance: see the Financial Highlights and Management Discussions and Analysis sections in this Annual Report.

Environment Performance

The Company recognizes that irresponsible shipping operations will inevitably lead to catastrophic environmental impact, particularly in terms of air and/or water pollution. Therefore, The Company is firmly committed to the protection and conservation of the environment, and ranks environmental considerations equally with commercial and operational factors.

However, over years of operation the Company has realized that simply complying with regulations is not enough, but what is needed is to go above and beyond the mandatory regulations by developing internal emergency response plans and quality control systems, constantly searching for new technologies to employ to help reduce our environmental impact, and also a firm commitment to reducing CO2 emissions and waste generation.

This Report outlines the most significant environment-related maritime regulations and the Company's compliance therewith; the Report also outlines the Company's internal emergency and quality control systems and CO2 reduction efforts. This Report concludes with a statement of goals and objectives set by the Company for the coming year.

Environment Performance Highlights:

1. Annual review meetings conducted every year are utilized as a platform to discuss and address issues related to review of the maritime regulations.
2. Environment protection policy statement, as below, has been made public in line with ISO 14001 requirement: It is the Company's policy to conduct its operations in an environmentally sustainable manner in order to protect the environment and planet earth for a better life for the present and future generations (please see details below in "**ISO 14001 Certification**").
3. For use of new technology and innovations, the Company has signed contracts for new-build vessels with specifications exceeding those mandated by the regulations and which enhance the vessels' ability to protect and conserve the environment.
4. Environmental objectives and targets are set and assigned to all levels of employees in the Company, both ashore and afloat, with stipulated time frames and action plans. The Company recognizes that training and improving awareness at all levels is the key to achieving the environmental policy and seeks to accomplish these through in-house training described herein under.
5. The Company has evaluated significant environmental impacts for all shipboard and company activities that have been analysed and it has been found that the Company's existing procedures can effectively reduce the environmental impact of any incident.
6. In-house training programs are conducted for all staff (serving at shore office as well as on vessels) on the EMS policy, objectives that have been set, and for general awareness. These training programs are conducted at the Company's training center and through internal audit visits to vessels.
7. The Company uses best endeavors to influence and encourage all vendors associated with the Company to comply with environmental standards / good practices.

Compliance with Regulations & Conventions

In order to have the Company's ships sailing in international waters, the Company is legally required to be fully compliant with the regulations imposed by the International Maritime Organization (IMO) and other regulatory bodies.

Safety of Life at Sea (SOLAS), Maritime Regulations for Prevention of Pollution (MARPOL), Standards for Training Certification and Watchkeeping (STCW) & Maritime Labour Convention (MLC) are the four pillars of the international maritime industries regulatory frame work.

Some of the other regulatory instruments are:

- International Convention for the Control and Management of Ships' Ballast Water and Sediments 2004.
- International Convention on the Control of Harmful Anti-Fouling Systems 2001.
- International Convention on Civil Liability for Bunker Oil Pollution Damage 2001.
- International Maritime Dangerous Goods Code.
- International Maritime Solid Bulk Cargo Code.
- National Regional and Local regulations more stringent than the international requirements like US environment protection acts, European Union air pollution directives etcetera.

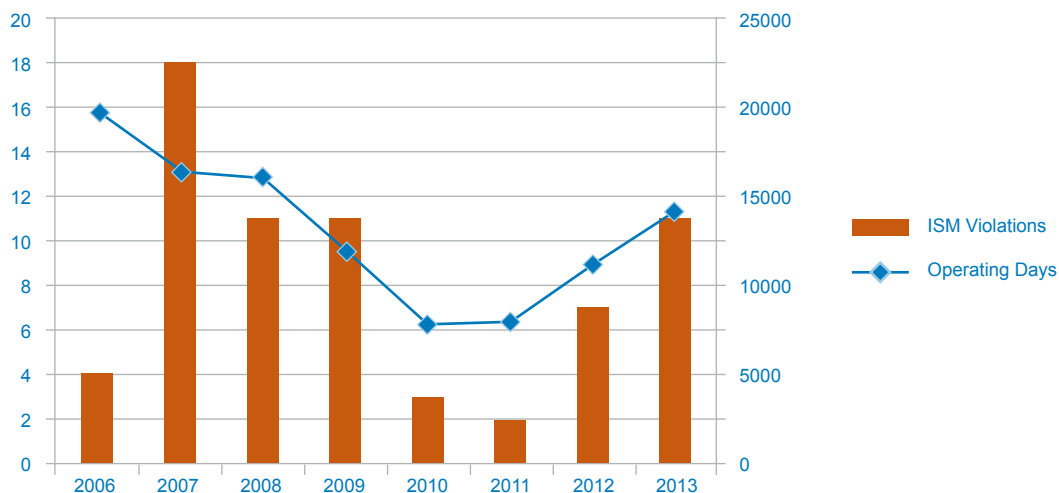
In addition to the above, the most significant regulations are outlined below, and the Company's efforts to remain compliant.

International Safety Management Code (ISM Code): Learning from various marine casualties over the years, "International Safety Management Code" (ISM Code) was introduced by the International Maritime Organization, to enhance the safe operation of ships and pollution prevention. The ISM Code became mandatory on 1st July 1998 for passenger ships including passenger high-speed crafts, oil tankers, chemical tankers, gas carriers, bulk carriers and cargo high-speed crafts of 500 gt and upwards, but the Company implemented this in 1995 itself after obtaining due certification.

The Code is implemented on board the vessels and offices ashore in order to provide an international standard for the following objectives:

1. Ensure safety at sea.
2. Prevent human injury or loss of life.
3. Avoid damage to the environment.

Below is a graphical account of the Company's ISM Code violations viewed against Operating days from 2006-2013. For the purpose of this analysis, violations are considered as any incident that results in a fire, explosion, injury or death to crew members, collisions, and groundings. Operating days hit a peak with 19,710 days in 2006, while ISM code violations peaked in 2007 with 18 violations. However, between 2007 and 2011 the code violations declined by 94%; there has been an uptick in 2012 & 2013, and the Company has analysed each violation in detail and conveyed to all senior employees as a case-study, and to avoid recurrence on violations per operating day basis, 2006 and 2011 were the Company's best years with the violation at the lowest at 0.02%, while even at worst, in 2007, the violations were a negligible fraction, at only 0.11%. Across the period, the average violation for the whole fleet was only 0.06%.



As per the ISM code requirements, annual internal audits are conducted on board by a dedicated team of qualified and experienced ship auditors reporting directly to the Managing Director. All incidents of non-compliances, accidents and near misses are thoroughly investigated and analyzed, after which procedures are reviewed immediately. Furthermore, all lessons learned from various accidents and near miss incidents are shared with organizations like Marine Accident Reporting Scheme (MARS) for the mutual benefit of the industry and to enhance maritime safety in general. The Nautical Institute, London, which publishes the MARS reports every month, has appreciated the Company's participation in MARS and for promotion and sharing "lessons to learn" incidents and case studies from its own fleet for the benefit of the industry. This is in compliance with our highest ideals of quality management and social responsibility.

In addition to the above, the Company is undertaking following initiatives to limit ISM Code violations through preventative action:

- **Enhanced staff training:** An increasing trend in the industry is that Port State Control inspectors are getting more stringent in their enforcement of the ISM Code. As such our ship staff are given regular checks on their ISM knowledge, sharing of experiences from across the fleet.
- **Enhanced maintenance of vessels:** The head office has stressed that all machinery checks and inspections be carried out with greater frequency, and any difference observed by ship staff are immediately reported. Also the Company's management has stressed that internal auditors enforce the code more stringently than ordinary inspectors to achieve a higher level of compliance and safety for our ships, cargoes and crew.
- **Timely warnings and reminders to vessels:** Vessels entering North American and Australian waters often require additional certificates for compliance with local regulations. As a preventative measure the head office gives instructions to the crew well in advance of the vessel's arrival in such waters to ensure that all documents are in order and the vessel is in full compliance.
- In 2012, the Company became a member of INTERCARGO, the International Association of Dry Cargo Shipowners. Intercargo, quoting their own words, 'exists in order to link industry stakeholders in a commitment to a safe, efficient and environmentally friendly dry cargo maritime industry, and our vision is for a safe, efficient and environmentally friendly dry cargo maritime industry where its member's ships serve world trade – operating competitively, safely and profitably'. This perfectly fits in with the Company's philosophy and the Intercargo membership reflects Company's resolve towards sustainability.
- In 2012, the Company also became a member of RightShip, an independent ship-vetting organization formed by BHP Billiton, Rio Tinto and Cargill, three of the world's largest trans-national corporations and major users of sea transport services. RightShip's ship vetting model is known for its exacting and stringent standards, and focuses on ship safety (including crew and cargo) and marine environmental protection; and the Company's membership is yet another affirmation towards sustainability.

Keeping in line with the declining trend observed in the previous graph, the Company has set an internal target of zero ISM Code violations resulting in injury or death, fire, collisions or groundings or any vessel detentions resulting from an ISM Code violation.

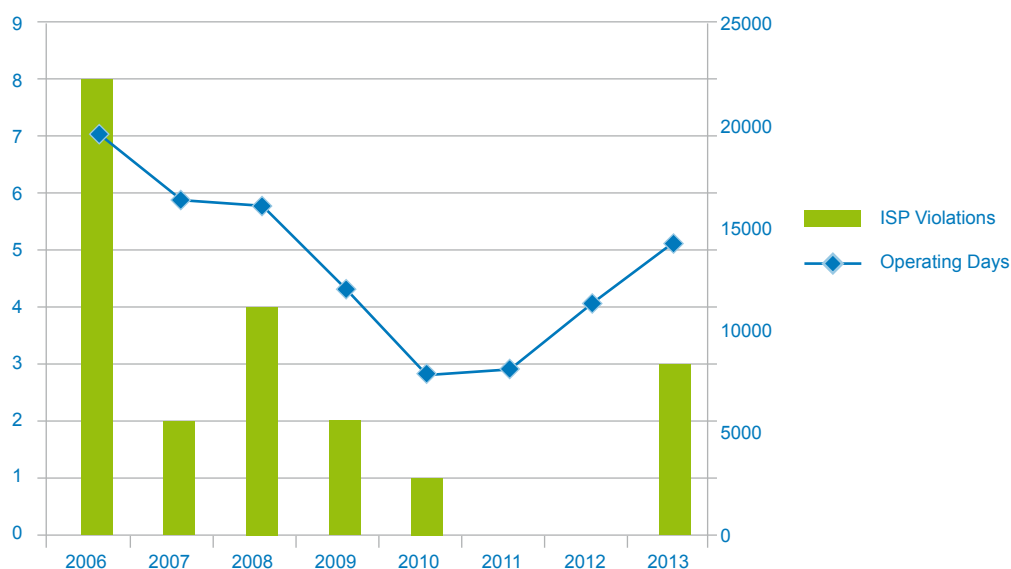
International Ship and Port Safety (ISPS) Code: In light of changing security circumstances across the globe, the International Ship and Port Safety Code was adopted in 2004. The code is an amendment to the Safety of Life At Sea (SOLAS) Convention that encompasses a greater level of security arrangements for ships and ports. The code assigns responsibilities to governments, shipping companies, shipboard personnel, and port/facility personnel to "detect security threats and take preventative measures against security incidents affecting ships or port facilities used in international trade" (ISPS Code Part A 1.2.1).

In implementing the ISPS Code the Company has developed standard operating procedures for vessels entering ports prone to drug smuggling, and stowaways. This includes employing sniffer dogs and armed guards where appropriate. Furthermore, standard policies are employed whenever vessels call European, British, American, Australian or Canadian ports, and to date the Company has had only 1 detention from an ISPS violation.

Annual internal reviews are conducted on preventative measures including the performance of the companies providing the sniffer dogs and guards. Like the ISM audits mentioned above, these are carried out by a dedicated team of qualified and experienced ship auditors reporting directly to the Managing Director. All incidents of non-compliance, accidents and near misses are thoroughly investigated and analyzed. In the event of any failures of the standard operating procedures, reviews are immediately conducted.

Below is a graph displaying the number of ISPS Code Violations (left-hand axis) against the number of Operating days (right-hand axis) from 2006-2013. ISPS violations peaked in 2006 with 8 violations occurring that year, while operating days peaked in 2006 with 19,710 days. Both operating and ISPS violations reached their lowest levels in 2011 with 0 code violations during 5,842 operating days. There were no ISPS violations in 2011 and 2012 but the fleet witnessed 3 violations in 2013, being incidents when stowaways secreted onboard – these stowaways are typically very poor and desperate to escape to a foreign country for a better living. Even though the stowaways were detected by ship-staff and were taken off at the same port where they came onboard, the Company has counted them as ISPS violations for reporting purposes, in line with the Company’s zero tolerance for such lapses.

The Company has set an internal target of zero violations for the coming year.

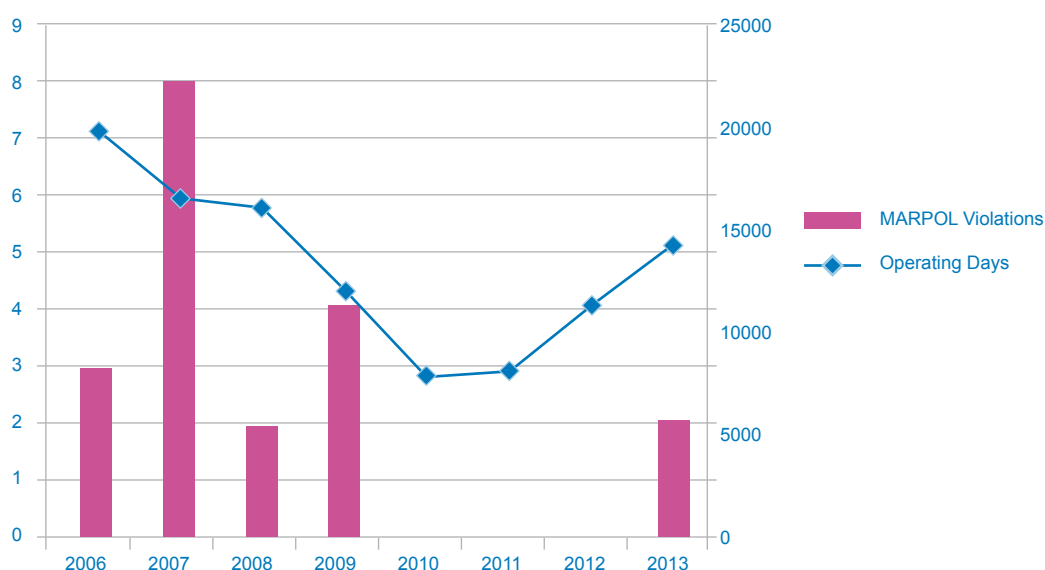


MARPOL: is one of the most important environmental regulations in the maritime industry and aims “to preserve the marine environment through the complete elimination of pollution by oil and other harmful substances and the minimization of accidental discharge of such substances.” This convention is divided into 6 distinct sub-areas (IMO, 2011):

1. Regulations for the Prevention of Pollution by Oil.
2. Regulations for the Control of Pollution by Noxious liquid substances in bulk.
3. Regulations for the Prevention of Pollution by harmful substances carried by sea in packed forms, or in freight containers, portable tanks or road and rail tank wagons.
4. Regulations for the Prevention of Pollution by Sewage from ships.
5. Regulations for the Prevention of Pollution by Garbage from ships.
6. Regulations for the Prevention of Pollution by Air from ships.

There is a companywide acknowledgment that the risk posed to the marine environment from a marine incident is severe. The Company has adopted a great deal of preventative measures to limit this risk factor. The first is to limit human error, and the second is to maintain the vessel's machinery to the highest possible standard.

In order to limit human error the Company has developed an internal training programme for all seagoing staff. This includes simulator exercises designed to improve navigational skills and awareness by putting officers through various weather, sea and port conditions. Furthermore, the Company also ensures that all engineers employed are put through their own specific rigorous programme aimed at enhancing their ability to maintain engines and avoid any fuel or sludge discharge while the vessel is in port or at sea.



The above graph demonstrates the number of MARPOL violations (left-hand axis) resulting in an insurance claim and Operating days (right-hand axis) from 2006-2013. For the purpose of the analysis, any incident counts as a violation if it is resulted in an insurance claim. MARPOL violations were most numerous in 2007 with 8 violations, while operating days peaked in 2006. The average number of violations for the period was less than 3, while the average number of operating days was 13,805 days. From 2007 to 2012, the total number of incidents declined by 100% while operating days declined by 32%. On a per day basis in 2007, the Company violated MARPOL 0.03% of all Operating days, while in 2010, 2011 and 2012, the Company obtained a rate of 0% violations per Operating day. The Company reported 2 MARPOL violations in 2013, both more in the sense of lack of awareness of ship-staff than any actual physical loss of pollutants from any of our vessels. These 2 incidents were analysed and the findings have been circulated by way of fleet memorandum to all the vessels in the fleet. As is the case with the 2 previous codes outlined, the Company aims to have zero MARPOL violations in 2014 and that none of our vessels are detained as a result of a MARPOL violation.

Upcoming regulations: Following are some of the regulations coming into force within the immediate future:

- US vessel general permit (VGP) requirements of Environment Protection Agency (EPA) is becoming more stringent from January 2014.
- Scope of requirements for US Non Tank vessel response plan (NTVRP) is becoming larger and more vessel specific.
- California waters: Beginning 1 January 2014 the maximum fuel sulfur (S) limit for both marine gas oil (DMA) and marine diesel oil (DMB) will be 0.1% S.

- Caribbean Emission Control Area (CECA) becomes mandatory from 1 January 2014. The emission standards applicable will be the same as those for the North American ECA, i.e. vessels must use Low Sulfur Fuel Oil (LSFO) with maximum 1% sulfur content during the first phase from January 2014 until January 2015. The second phase begins in January 2015, when vessels in both the North American and Caribbean ECAs must use fuel with a maximum sulfur content of 0.1%. Please note that unlike “Wider Caribbean area for Garbage Special area”, the United States Caribbean Sea ECA for LSFO includes the sea area located off the Atlantic and Caribbean coasts of the Commonwealth of Puerto Rico and the United States Virgin Islands only.
- Non-compliant Lifeboat simultaneous release mechanisms need to be replaced at the time of first dry docking after 1 July 2014.

Having successfully outlined and explained the significant maritime regulations that safe guard the environment and those that will soon play a significant role, the next section details the Company’s internal environmental control system.

Protection and conservation of the environment:

ISO 14001 Certification: With an increasing demand for environmental conservation the Company has established an “Environment Protection Policy.” In addition to minimum requirements based on international conventions and regulations, the Company implements an Environment Management System (EMS) complying with the ISO 14001 standards. ISO 14001:2004 provides a framework for a holistic, strategic approach to the Company’s environmental policy, plans and actions, and demonstrates that the Company is an environmentally responsible organization. Upon completion of one year after initial certification, the Company has successfully completed annual audit verification conducted by Class NK, confirming compliance with the standards. The EMS supplements the Quality Management System, meeting ISO 9001 standard, and the International Safety Management (ISM) code. This integrated Management System is known as Safety Quality and Environment Management System (SQEMS). According to the SQEMS, the Technical Manager, who also heads the Management Company, is appointed as the “Management Representative” and is also the “Designated Person” for the purpose of the ISM code. In 2008, ClassNK issued the Company a QMS certificate - the new 2008 version of ISO 9001. In general, dry bulk shipping companies do not go for this certification which is more or less the exclusive preserve of tanker companies where protection of the environment is the paramount issue.

Objectives of the EMS:

- Minimize pollution caused to the environment.
- Comply with all national, international legislations and other regulations pertaining to pollution of the environment.
- Establish procedures for the efficient use of natural resources.
- Improve environmental awareness of all employees.
- Ensure effective monitoring of the environmental performance of the Company is carried out.
- Ensure continual improvement of environmental performance and pollution prevention.

Through periodic review and continual improvement of our SQEMS, the Company hopes to elevate environmental performance over the coming years and make significant contribution to conservation of the environment and reducing the Company’s carbon footprint. Another tangible effort being made by the Company to reduce the environmental impact of the business is the adoption of new environment friendly technology on new ships acquired.

The Company is the proud recipient of Port of Long Beach Green Environment Achievement Flag from the Port of Long Beach (‘the green port’), California, USA, for our commitment to reducing air pollution in Southern California. Besides the citation, our fleet also gained an additional 25% off on dockage dues payable to the Port of Long Beach!

Use of New Technology and Innovations: The Company's commitment to protection and conservation of the environment and prevention of pollution is reflected in the new building contracts the Company has signed with various shipyards in China as explained in this Annual Report. These vessels are being built to comply with all regulations presently in force and also those which are known to be applicable in the foreseeable future. In addition, wherever practical, the vessel's specifications exceed those mandated by regulations, both for ease of operations as well as to enhance the vessels' ability to protect and conserve the environment.

Some of the "Green" features of these new ships are:

1. Double Hull construction is utilized (for 38,500 DWT bulkers) to minimize environmental pollution in case of accidental hull damage.
2. The vessels' hull form has been perfected after several rounds of careful design analysis using the latest technology, with a view to arrive at the most optimal combination of ship-size & shape to achieve the desired speed at minimum fuel consumption. The fuel consumption of these vessels will be far less than comparable sized older ships: the main engine on the 38,500 DWT ships will consume about 19T/day as compared to about 25T/day for older ships of similar size, whereas the main engine fuel consumption on 64,000 DWT ships will be about 26.4T/day as compared to 30T/day on the older 57,000 DWT ships. Such low fuel consumption has been made possible by combining highly fuel efficient main engine with a new design of slow-speed high-efficient propeller on an optimized hull form. These new generation ships will have EEDI (Energy Efficiency Design Index) of about 25% below the permissible limits.
3. Although it is not mandatory at this stage, all these new ships will be fitted with onboard treatment plants for water ballast which will fully comply with regulations likely to be enforced in the future. These treatment plants will kill harmful bacteria and invasive species of micro-life in sea water which have been found to be responsible for destroying native marine environment.
4. Engines fitted will be in compliance with Nitrogen oxide (NOx) emission standards.
5. The 38,500 DWT ships will have flush, box-type ship-sides for cargo holds. This will reduce accumulation of cargo residues in the holds, thereby reducing the need for harmful cleaning chemicals for removal of the same, since the holds can be cleaned using water only.
6. Deep-well sump pumps for Main Engine oil circulating system - this will reduce the overall quantity of lubricating oil required for the Main Engines, which will in due course reduce the quantities of waste oil.
7. Large capacity Incinerator compliant with IMO performance standards (capable of incinerating plastics if required).
8. The vessels will be fitted with large incinerators, well above the requirements of MEPC.76 (40) Standards, to burn waste and sludge. This will ably supplement the Company's garbage and waste management system which is already in operation on all of the Company's vessels.
9. Larger capacity Bilge water/sludge storage tanks - these will enable environmentally friendly waste disposal ashore by allowing more flexibility in selecting the best waste disposal facilities ashore separately for oily water and sludge.
10. Improved Sewage Treatment Plants are being installed on the ships.
11. Ships will be in compliance with IMO's "Ship Recycling Convention": The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009, was adopted in May 2009. It is aimed at ensuring that ships, when being recycled after reaching the end of their operational lives, do not pose any unnecessary risk to human health and safety or to the environment. Presently the Convention is open for accession by States. It will enter into force 24 months after the date on which 15 States, representing 40% of world merchant shipping by gross tonnage, have either signed it without reservation as to ratification, acceptance or approval or have

deposited instruments of ratification, acceptance, approval or accession with the Secretary General. Furthermore, the combined maximum annual ship recycling volume of those States must, during the preceding 10 years, constitute not less than 3 percent of their combined merchant shipping tonnage. As it stands, all ships contracted for building before 2015 will need to comply by the year 2020. New ships contracted from 2015 need to comply upon delivery. Our new building contracts will ensure compliance with this requirement. We will also be preparing all existing vessels to meet the requirements before the deadline arrives. Vessels will be maintaining an inventory of Hazardous material in compliance with the convention recommendation, specifically by prohibiting/restricting the use of hazardous materials at the ship construction stage. If any hazardous materials are used in the construction, a continuous inventory of the same will be maintained, so that all the vessels are eligible to apply for an International Certificate of Inventory of Hazardous Material.

A few significant developments in respect of new ship-design and construction are outlined below. As far as practically possible, the Company will take these into consideration while acquiring new ships in the future.

Eco-friendly ships: Shipping is one of the cleanest and greenest industries among all international industries. It is also an environmentally friendly and fuel-efficient industry. It is estimated that shipping carries roughly 90% of world trade, and yet, according to the latest figures from IMO, it is responsible for just 2.7% of global carbon dioxide emissions. Nevertheless, the shipping industry continues to look for ways to reduce that figure still further.

Shipping industry has not yet solved all its green issues; rather it is far from it. Present endeavors of the industry and the IMO are two-fold:

- For existing vessels: Adoption of a number of established “good management practices” to conserve and save fuel burned by ships.
- For new vessels: Use of improved hull designs and more fuel efficient engines and technology.

Ballast Water Treatment: Presently mid ocean ballast water exchange is permitted as means to get rid of unwanted species in the ballast water finding its way and damaging local species in another port. However, when the Ballast water management Convention enters into force 12 months after ratification by 30 States, representing 35% of world merchant shipping tonnage, ballast water on board need to be treated to achieve standards specified by IMO. Installation schedule for Ballast water treatment system applicable to our vessels have been relaxed. As per amended schedule, vessels are required to comply only at the time of first renewal survey of the International oil pollution prevention certificate (IOPP) following the date of entry into force of the convention. As of now the convention has attained ratification by 38 countries amounting to only 30.38% of the total tonnage.

All efforts outlined thus far will have no significant impact unless there is a firm commitment from management to reduce CO2 emissions. Thus the following sections details what efforts are currently being undertaken to limit the Company’s CO2 and waste output.

Carbon Footprint and Waste Generation:

The most recognized and constant source of CO2 comes from the burning of fuel oil onboard ships. In order to reduce CO2 emission, the only alternative available is to reduce the fossil fuel burnt. But that is not possible without sacrificing growth and development. The need therefore is to achieve higher efficiency while reducing the quantity of fuel oil burnt, and the Company has taken the following steps to achieve this.

- Improved voyage planning with reduced/minimized ballast passage.
- Weather routing.
- Speed Optimization.
- Optimized ship handling by Trim, Ballast condition.
- Hull Maintenance.

- Use of improved Hull coatings like Silicon based anti-fouling that does not release biocides like other anti-fouling paints.
- Improved cargo handling.
- Good Engine Maintenance.

The Company has consciously opted to acquire larger ships, of 54,000 – 64,000 tons deadweight; these ships can carry almost twice the amount of cargo, i.e. 100% more, compared to smaller ships in the fleet. However, more importantly, the larger ships burn just about 40-45% more fuel than the smaller ships per day of sailing. On this basis, the fuel burnt per unit load of cargo reduces drastically; this is yet another example of the Company's efforts towards sustainability and to reduce the carbon footprint.

The Company's stated goal is to own approximately 60-70 ships in the near future, and as such the aim is to endeavor to reduce the fuel and diesel oil consumption on a progressive basis every year. To accomplish this, the Company continuously looks at new technologies available in the market and examines their applicability for our type & size of ships. Ship builders the world-over are actively marketing their vessels as 'eco friendly' and describing them with speed and consumption figures that were previously never achieved. The Company seriously evaluates all new developments, but realized that the builders' claims are often sensationalised to grab attention and when technical parameters such as calorific value of fuel, design and scantling draft and 'sea margins' are taken into consideration, the so-called benefits simply do not exist or they are not cost-effective. In any event, the Company looks very closely at the machinery installed on all new acquisitions, whether new buildings or second hand vessels, and monitor their performance very carefully to arrive at optimum speed and consumption variables, while ensuring that emissions are kept to a minimum.

Another source of harmful substances generated by our ship's consumption of fuel and diesel oil is sludge. Sludge is a product of 'on board' fuel oil purification and as an alternative to incinerating sludge and releasing even more harmful gasses into the environment, the Company has made a substantial effort to dispose off such material to shore based reception facilities. This is a much more expensive way for dealing with this issue but the Company is committed to reducing its carbon footprint and reflects the Company's efforts towards environmental conservation. Waste oil or sludge generated on each ship is about 1% of all fuel burnt. Empirical research suggests that every ton of oil burnt generates approximately 3 ton of CO₂.

Between 2012 and 2013, the Company increased the disposal of sludge ashore by 11% from 900 tons to 995 tons of sludge. This accounts for approximately 2,985 tons less CO₂ emitted into the atmosphere had the sludge been incinerated on board. By delivering sludge to a suitable reception facility, this waste can be recycled to make products like grease which is a lubricant widely used in multiple industries.

Conclusion and Environmental Objectives and Goals

Having explained all facets of the Company's efforts to protect the environment this section concludes with a summary of all objectives put forward and how each will be monitored. Compliance with the ISM, ISPS and MARPOL codes will be monitored by the Company's internal audit team, and all initiatives subsequently employed to minimize violations will be subject to half-yearly reviews by the Company's senior management and technical team. As previously stated the target set by the Company's management is to have zero violations in 2014. Additionally, the Company will also strive to maintain our SQEMS ISO certification. The Company will constantly look for ways to improve the SQEMS and look to incorporate all new regulations into the initiative even before they become effective. Likewise, the Company will also constantly be on the lookout for newer technology that can be employed on our ships to reduce our environmental impact. And finally, given the Company's rapid fleet expansion programme, the Company has set a highly ambitious target of a 3-5 percent reduction for fuel and diesel oil consumption.

We are happy to report that the Company's Annual Report this year is printed on recycled paper, our token contribution to the conservation of the natural environment and in line with our stated desire to reduce our carbon footprint.

Social Performance

The Company treats Corporate Social Responsibility (CSR) as one of its highest priorities and has built it into the Company's Mission Statement and Core Values. The Company allocates an amount of 0.50% of net profit every year to CSR Reserve which is subject to a minimum of Baht 1.75 million and a maximum of Baht 25 million per year. The actual utilisation out of this Reserve is decided by the Company's senior management and/or the Board of Directors, and is periodically, or at least once a year, reviewed by the Board of Directors.

Customer Relationship Management

The Company recognises that it is in the sea transportation industry and its success depends on adding value to customers by way of transporting goods from place of production to the place of consumption. As part of its commitment to add value to its Customers, the Company is committed to provide substantive reply to any query from a Customer promptly, but in any event within 24 hours including weekends and national/international holidays. Further, whilst operating within the scope of the agreed contract, the Company tries to provide solutions to any situation/problem the Customer may face, even if any of our vessels are not involved at that moment. The Company is happy to report that its service is well appreciated and some typical comments from Customers are quoted below:

"...Your prompt assistance is, as always, very much appreciated..."

"...like to thank you for your professional services during our 117 days t/c together.

It was a pleasure working with you..."

New computer-based Management Information System: As reported in the previous years, the new Computer Program implemented by the Company covers all the operations in the Head Office and also links all the vessels in the fleet. This software gives real-time information on vessel operations, costs, etc. and keeps the Head Office in close contact with the Master of each and every vessel; and assists in effective decision making on all issues. This System has enhanced the Company's ability to better serve its Customers, and to provide support to its employees serving onboard the ships.

Employee

The Company has committed to be a fair and caring employer offering our staff equitable opportunities to develop and grow.

In line with our commitment to high ethical standards and good corporate governance practices, the Company has in place a group-wide whistle-blowing policy and encourages all employees to report any possible improprieties on a confidential basis without fear of recrimination. The employees may also provide feedback via email or mail.

Employee Recruitment

The Company recognizes that employees are one more key success factor for the Company's operations. The Company provides equal opportunities in employment, job security, and career advancement, as well as adhering to other good principles related to employees and employment. The Company also ensures that employees are adequately knowledgeable and skillful to perform their jobs for the Company's business, and understand relevant code of conduct and practice and are encouraged to gain knowledge and ability and keep them updated following Industry trends.

Directors' Orientation: If someone is newly appointed on the Board of Directors by the shareholders, the Company Secretary will inform and provide relevant documents for new Directors such as Director's handbook, the Company's corporate documents, CG Policy Manual, Business Ethics and Code of Conduct Manual, laws, regulations and practices which are related to the trading of Company's shares.

Employee Development

The Company provides in-house and external training for officers of the Company both at Head Office as well as on the Ships. The costs of such training are borne by the Company. Moreover, the Company allows special leave and flexible working hours for employees who are undergoing longer term professional or degree courses. Moreover, the Company supports good relationship between all employees including the Management.

Directors and Management Training: The Board of Directors continues to try and enhance their value by participation in activities, courses and events which add to their knowledge base in the continually changing business environment to ensure that they are updated and possess full knowledge. All the Company's Directors have attended important training courses that are available such as the Director Certification Program (DCP) or the Director Accreditation Program (DAP) held by the Thai Institute of Directors Association (IOD).

Employees Benefits

The Company provides remuneration to office employees as salary, bonus, and other benefits like Provident Fund on a voluntary basis, although the same is not required by law. Remuneration is based on their performance, roles and duties and incentives/increments/bonuses are also based on financial status/performance and future plans of the Company. As a long-term incentive, the Company does not have an ESOP plan in place since the Company feels that to a large extent, the share price of the Company depends on a number of factors beyond the employees' direct control like the state of the International Freight Markets and therefore, the Company's share price may not adequately reflect the better performance of the employees. Therefore, the Company has implemented a profit sharing scheme, which ensures that the employees are paid bonus annually based on the performance of the Company against specified quantitative targets, which are laid down annually in advance.

Performance Data	2011	2012	2013
Social Performance			
Employee Information			
Number of Employees* (persons)	111	117	124
Number of Employees by Gender (persons)			
• Male	47	49	53
• Female	64	68	71
Proportion of Employees by Level (%)			
• Senior Management	12.6	11.9	12.1
• Middle Management	19.8	18.8	18.5
• Operations	67.6	69.3	69.4
Proportion of Employees by Gender (%)			
• Male	42.3	41.9	42.7
• Female	57.7	58.1	57.3
Proportion of Employees by types of employment (%)			
• Full time	100.0	100.0	100.0
• Part time	-	-	-
Proportion of Employees by Age groups (%)			
• Under 30 years old	4.5	5.9	10.4
• 30-50 years old	72.0	71.9	68.6
• Over 50 years old	23.5	22.2	21.0
Proportion of Absence by Type (%)			
• Sickness	0.8	1.1	1.1
• Work-Related Injuries	0	0	0
• Others	-	-	-
Return to Work after Parental Leave of Female Employees**			
• Number of Employees that were Entitled to Parental Leave.	64	68	71
• Number of Employees that Took Parental Leave	3	3	1
• Number of Employees who Returned to Work after Parental Leave Ended	3	3	1
• Number of Employees who Returned to Work after Parental Leave Ended who were still Employed Twelve Months after Their Return to Work	3	2	1
Proportion of Management by Age Group (%)			
• Under 30 years old	-	-	-
• 30-50 years old	52.8	52.8	55.3
• Over 50 years old	47.2	47.2	44.7

Note : * Includes Employees in a subsidiary company at the office.

** Only female employees are entitled to parental leave by Thai law.

Number and proportion of employees at Company's Offices ashore, by gender and nationality *

Occupational levels	Male			Female			Total
	Thai	Indian	Singaporean	Thai	Indian	Singaporean	
Senior Management							15
• Under 30 years old	-	-	-	-	-	-	0
• 30-50 years old	2	3	-	1	-	-	6
• Over 50 years old	-	8	1	-	-	-	9
Middle Management							23
• Under 30 years old	-	-	-	-	-	-	0
• 30-50 years old	10	2	-	3	-	-	15
• Over 50 years old	-	8	-	-	-	-	8
Operator							86
• Under 30 years old	5	-	-	8	-	-	13
• 30-50 years old	8	1	-	55	-	-	64
• Over 50 years old	2	3	-	4	-	-	9
Total permanent	27	25	1	71	0	0	124
Temporary/contract	-	-	-	-	-	-	0
2013 Grand total	27	25	1	71	0	0	124
Percentage (%)	21.77	20.16	0.81	57.26	0	0	100

Note : * Includes Employees in a subsidiary company based at the Company's office

Safety & Occupational Health: The Company recognizes that respect for human rights is the foundation of Human Resources' improvement, which adds value to the business. Moreover Human Resource is a key success factor for business and adds value to the Company in all aspects. It is the Company's policy to conduct its activities in a manner that promotes the health and safety of its employees so that the actions of the Company, and its employees, promote the health and safety of others too. The Company considers health and safety to contribute equally with commercial and operational factors and is considered a management responsibility. To this end, the health and safety responsibilities of all personnel have been defined and allocated. The Company's Safety Management System (SMS) is intended to affirm that the Company achieves its purpose in this area and is based on the philosophy that accidents can be prevented by the identification and management of risk.

The Company also has a Drug and Alcohol Abuse Policy. It is based on the recommendations contained in OCIMF's "Guidelines for the Control of Drugs and Alcohol On board Ship". They are detailed in the Safety Management System available on all vessels and displayed for all crew members.

Ensuring that each crew member gets enough rest is a necessity. In order to avoid fatigue and stress related accidents on board, minimum rest periods have been recommended by STCW 95 convention and ILO Convention 180. Both these conventions have undergone considerable amendments. As a result, the requirements have become more stringent. STCW 2010 Manila amendments are effective from January 2012 whereas ILO 2006, which is known as MLC (Maritime Labor Convention) 2006, has been ratified in August 2012 and has become effective in August 2013. Thai flagged vessels operated by the company are obtaining a Statement of Compliance with the MLC 2006 after inspections and verification by a Recognized organization. However, Thailand has not ratified the Maritime Labour Convention until now. It is not clear if Thailand would ratify MLC before Aug of 2014. After the grace period of one year proposed by ILO which expires in Aug 2014, the Statement of Compliance with Maritime labour convention carried by Thai flag vessels will not be acceptable to countries that have ratified the convention. This may cause uncertainty in smooth trading of Thai flagged vessel worldwide.

The Company's medical fitness requirements are higher than the standards set by International Labour Organization (ILO) and other regulatory bodies. As a result, the Company finds very few cases of fitness or sickness related problems amongst its seafarers.

PIRACY: As outlined in the **Board of Directors' Report**, piracy is major threat faced by the Company's ships and the officers/crew sailing onboard are under tremendous pressure when sailing through areas where armed pirates are known to attack. This is especially true of the Indian Ocean / Arabian Sea area, extending from the mouth of the Persian Gulf in the north to the south of Madagascar. The Company takes this threat very seriously and ensures all ships are routed outside these areas and closer to the Indian coast; where this is not possible for any reason, the Company engages security guards to sail with the vessel for the passage through these high risk areas. In any case, all ships transiting through the high risk areas are 'hardened', amongst other things, by rigging barbed razor wire around the ship thereby making it harder for the pirates to climb onboard our ships. The Company is committed to doing everything possible to ensure safety of the ship and officers/crew.

Teamwork: Unlike a conventional ship owning Company which outsources the technical management of its ships, the Company's Management Company, viz. Great Circle Shipping Agency Limited (GCSHIP) is a wholly owned subsidiary of the Company. The staff of the Management Company work as one team under the same roof. Good co-ordination is achieved in all areas of ship operation by this arrangement. Besides ISM code certification, GCSHIP is also certified for Quality Management System "ISO 9001: 2008", and has obtained certification for their Environment Management System "ISO 14001:2004."

Training & Development: Over the years, the Company has not only acquired expertise in the field of ship management, but in the process, has developed a pool of highly qualified and competent staff, both, on-board and ashore. It is through this dedicated and loyal work force of floating staff, technical superintendents, and internal auditors that the Company has been able to achieve high standards of Safety and Quality in all aspects of ship operations. It is the Company's policy to encourage and support competent and efficient seafarers and give them the opportunity to grow within the Organization.

All officers are required to visit the head office for briefing before being assigned to vessels. Here, they are briefed and updated about new developments and practices in the industry. Regular updates are also sent to the vessels. Officers are often sent to attend value addition courses in order to enhance their skills. The costs for these courses are borne by the Company.

The Company is introducing a mechanism whereby the officers and crew serving onboard our ships can send in their complaints and/or suggestions to the office. This, we expect will encourage the ship-staff to make effective contribution to the shipboard operations, and help us further improve the Company's performance.

The Company has provided on board the vessels, selected video training programs from the best available in the market.

In order to motivate the junior officers and also keep up with the process of learning while on board, senior officers are asked to actively interact with them. In order to measure their levels of competency, computer based competency test facility is provided on board. Based on the results of these tests, officers are able to determine their weaknesses and work to improve upon on weak areas.

Maritime Training Center & Bridge Navigation Simulator: The Company has set up a full-fledged Maritime Training Center at its Head Office in Bangkok which includes a state-of-the-art Bridge Navigation Simulator. The PSL Training Center, which commenced operations in March 2008, has given a solid foundation to the Company's training activities and has enabled its Officers and Crew to keep abreast of the latest developments in ship operations. The Bridge Navigation Simulator recreates the actual bridge on a ship as it enters a major port and provides ideal conditions in which to train Officers and Crew in ship-handling and navigation. The Training Center continually develops new training courses for marine engineers, navigating officers and crew at all levels. The PSL Maritime Training Center is a significant step taken by the Company to train and equip its Officers and Crew to take better care of themselves and their ships, all with a view to ensure Safety of the Crew and preventing accidents, thus preserving the environment.

List of Major Training Programs conducted by The Company's Maritime Training Center for the year 2013

Training Courses	Course Overview	For year 2013	Participants in Y2013						Average hours (per person)				Total Man-hours
			Ship's staff			Ship's staff			Ship's staff		Ship's staff		
			S/Off	J/Off	S/Eng	J/Eng	S/Off	J/Off	S/Eng	J/Eng			
Maritime Resource Management Course (MRM)	The course, supported by the Swedish Club under a license agreement, is aimed at training masters, officers & senior engineers as well as key shore-based personnel. The course aims to create good teamwork & resource management attitudes and skills that are required to avoid management error-caused accidents.	4 days	13	42	14	n/a	24	24	24	24	n/a	1,656	
Bridge Team Competency Simulator Course I (BTC - I)	This training course aims to improve various competency skills & knowledge of navigating officers for safe conduct of voyages.	3 days	n/a	64	n/a	n/a	n/a	n/a	18	n/a	n/a	1,152	
Bridge Team Competency Simulator Course II (BTC - II)	Hands-on practices to gain competence, knowledge & experiences on Ship Handling, Maneuvering, Turning and Anchoring in various conditions and under various effects of controllable forces.	3 days	21	n/a	n/a	n/a	18	n/a	n/a	n/a	n/a	378	
Bridge Team and Resource Management Course (BTM) and Vessel Traffic Service (VTS)	This training course aims to train the ship's masters and officers in effective bridge teamwork and resource management in various situations as well as bridge operations in emergencies. The course also develops our officers' communication skills in communicating with a vessel traffic service (VTS) using various SMCIP's through the VHF and GMDSS communication equipment in our Bridge Simulator.	5 days	22	58	n/a	n/a	30	30	n/a	n/a	n/a	2,400	
Maritime Professional Briefing Course (MPB)	This training course aims to keep senior officers and engineers updated on new regulations and information. Senior staff from several departments co-conduct this course which covers 1. Marine Insurance & Loss Prevention 2. Ship Commercial & Cargo Operations 3. Port State Control-Ship Inspection & Pollution Prevention 4. ISPS and ISM Implementation & Documentation, Paint Maintenance 5. EMS Awareness & Shipboard Safety.	2 days	46	n/a	36	n/a	12	n/a	n/a	12	n/a	984	
Officer Of the Watch (OOW) and Shipboard Safety Course	To enhance the standards of watchkeeping at sea as well as in port, it is designed to help junior watchkeeping officers to understand his duties on board, and realize their significance. It also enables them to make a positive contribution to success of the entire commercial venture.	3 days	n/a	97	n/a	n/a	n/a	n/a	18	n/a	n/a	1,746	
Chief Mate Course (CMC)	To strengthen the professionalism and competence of chief officers and prepare experienced second officers for the chief mate rank.	3 days	11	25	n/a	n/a	18	18	n/a	n/a	n/a	648	
Command Course (Command)	The purpose of this course is to further train Masters in all necessary skills and topics and prepare chief officers for the command. It includes modules for Leadership, Business & Law, International Sale of Goods and related rules/codes/conventions, Time Charter & Voyage Charter, Cargo matters and Ship's Certificates, Documentation, Ship Handling/ Anchoring techniques, etc.	5 days	37	n/a	n/a	n/a	30	n/a	n/a	n/a	n/a	1,110	

Training Courses	Course Overview	For year 2013	Participants in Y2013						Average hours (per person)				Total Man-hours
			Ship's staff			Ship's staff			Ship's staff				
			S/Off	J/Off	S/Eng	J/Eng	S/Off	J/Off	S/Eng	J/Eng	S/Off	J/Off	
Electronic Chart Display and Information Systems (ECDIS)	To ensure that users of ECDIS are properly trained in the operation and use of electronic charts and are familiar with the shipboard equipment. This course aims to enhance navigational safety with the safe operation of ECDIS equipment, proper use of ECDIS related information and knowledge of the limitations of ECDIS equipment. (new IMO requirement)	2 days	10	11	n/a	n/a	n/a	12	12	n/a	n/a	n/a	252
E/R Management & Competency Enhancement course and Engineer Of the Watch Course (EMC & EOW)	This course aims to train senior engineers (C/E & 2/E) in various management & competency knowledge and skills that are required for safe and efficient running of the ship. The junior engineers taking this course are trained in watch-keeping duties, engine parameters monitoring, operation & maintenance, safety & pollution prevention, record keeping.	5 days	n/a	n/a	37	92	n/a	n/a	n/a	30	30	3,870	
Wartsila RT-Flex Engine Familiarization	To familiarise the engineers with the company's new type of engine "Wartsila RT-Flex Electronic Engine" before they join a ship equipped with this type of engine. This course focuses mainly on the practice part.	3 days	n/a	n/a	64	106	n/a	n/a	n/a	18	18	3,060	
Basic English Course (Basic)	This course is designed to help the students to be able to understand and use the English language correctly and provide them with all the basic language skills such as the pronunciation of the Standard English sound system, practical and useful listening, speaking, reading and writing practices with suitable grammar and vocabulary in various functional contexts.	10 days	-	24	-	15	-	-	30	-	30	1,170	
Elementary Maritime English Course level-I (EMT- I)	This course is designed to improve and raise the students' competence in English to elementary-II level and offer the students' opportunities to gradually overcome their individual difficulties in English usage, as well as to improve their English knowledge and abilities in daily life.	10 days	-	18	4	7	-	-	30	30	30	870	
Elementary Maritime English Course level-II (EMT- II)	This course is designed to improve and raise the students' competence in English to intermediate level and give the students' wide-ranging opportunities to practice communicating in English for both maritime and general purposes at elementary-II level.	10 days	1	6	9	7	30	30	30	30	30	690	
Intermediate English Course level-I	This course aims to improve the students' pronunciation and develop the four English skills- speaking, listening, reading and writing. After the course, the students will be able to speak English with better pronunciation, accent and intonation, communicate more effectively in daily situations, using appropriate vocabulary, expressions and idioms, and make sentences with fewer grammatical mistakes.	10 days	8	2	1	1	30	30	30	30	30	360	

Training Courses	Course Overview	For year 2013	Participants in Y2013						Average hours (per person)			Total Man-hours
			Ship's staff			Ship's staff			Ship's staff			
			S/Off	J/Off	S/Eng	J/Eng	S/Off	J/Off	S/Eng	J/Eng	S/Off	
Intermediate English Course level-II	This advanced course aims to further develop the students' English skills with an emphasis on advanced grammar structures, business-related vocabulary and letter & email writing (main focus). The students will learn typical words and phrases used in English correspondence and learn how to write letters and emails with proper word choices, styles, and level of formality for different occasions.	10 days	5	1	2	1	30	30	30	30	270	
Maritime English Computer and Video-Based Training Programs (Maritime English CBT)	To increase the learners' knowledge of Maritime English, IMO Standard Marine Communication Phrases (SMCP), vocabulary and phrases frequently used in navigation, engineering, cargo handling, ship operation, etc	10 days	14	51	16	31	30	30	30	30	3,360	
Total Participants Average Hours training per year per employee =23976/(188+399+183+260)/2 = 46.56		188	399	183	260						23,976	

S/Off = Senior Officer (Masters & Chief Officers)
J/Off = Junior Officer (Second, Third, Fourth Officers & Cadets)
S/Eng = Senior Engineer (Chief & Second Engineers)
J/Eng = Junior Engineer (Third, Fourth, Fifth Engineers & Cadets)

Summary Training by Rank

Course	Master	Chief Officer	2nd Officer	3rd Officer	3rd, 4th, Junior Officers	Chief and 2nd Engineer	3rd, 4th, 5th Junior Engineers
MRM	24	24	24	24	24	24	-
BTM	30	30	30	30	30	30	-
BTC - I	-	-	18	18	18	18	-
BTC - II	18	18	-	-	-	-	-
CMC	-	18	18	-	-	-	-
MPB	12	12	-	-	-	12	-
OOW & SS	-	-	18	18	18	-	-
Command	30	30	-	-	-	-	-
English Course	30	30	30	30	30	30	30
Maritime English CBT	30	30	30	30	30	30	30
ECDIS	12	12	12	12	12	-	-
EMC & EOW	-	-	-	-	-	30	30
Wartsila RT-Flex Engine	-	-	-	-	-	18	18
Total hours/year/employee	186	204	180	162	192	108	18

“Automated Mutual assistance Vessel Rescue System” (AMVER): Sponsored by the United States Coast Guard (“USCG”), AMVER is a unique, computer-based, and voluntary global ship reporting system used worldwide by search and rescue authorities to arrange for assistance to persons in distress at sea. The Company continues to be involved in the AMVER program and its good performance is recognized by the USCG in the form of AMVER awards given to the Company every year through their representative at the United States Embassy in Bangkok. A quote from the USCG citation letter would perhaps reflect what this award is all about: “...you can take pride in the voluntary commitment of your officers and crew to the safety of life at sea.”

Social and Community Development

The Company recognizes that a solid community and society is a significant factor to support the Company’s business. Therefore, the Company supports and gets involved in many community and society-based activities on a regular basis. The Company fully recognizes its responsibility to the Community and is attentive to the consequences of the Company’s conduct that affect the people around more than what the laws require, including making efforts to gradually absorb social accountability. The creation and expansion of the Company’s CSR Fund will provide a permanent and formal framework to enhance the Company’s CSR activities.

The unprecedented floods in Thailand in 2011 affected millions of people and wrought damage and destruction not witnessed before. The Company’s employees were also affected and many had their homes under 2 meters of water! Keeping aside the misery of living in such appalling conditions and despite their precious valuables being completely damaged, the Company’s employees continued to perform their duties normally and the Company records its appreciation of the employees’ commitment. The Company, for its part, issued a policy directive that all possible assistance be extended to those affected by the floods, and the Human Resources Development (‘HRD’) Department was designated as the nodal point for this purpose. Those who were unable to travel to the office were granted special leave and excused from attending office; where the houses were inundated, the employees and their families were provided accommodation in the city center, and for others who made their own arrangements, their expenses were reimbursed by the Company.

Some of the Social and Community activities undertaken by the Company are as follows:

- The Company takes an active interest in the Merchant Marine Training Center, Thailand (MMTC) and has awarded Gold medals for graduates finishing at the top of the class since 1998. Besides, the Company also donates text-books to MMTC on a regular basis.
- The Company has instituted Scholarship scheme for students of MMTC. In 2013, 2012, 2011 and 2010, an aggregate of Baht 1,345,400, Baht 2,131,900, Baht 2,339,800 and Baht 2,355,120, respectively, have been disbursed to outstanding students in need of funding.
- The Company employs most of the cadets passing out from the Merchant Marine Training Center, Thailand and thus contributes to the development of qualified Thai officers. This pool of officers is available to any/all Thai ship-owners and not just restricted to the Company.
- As reported in the previous report, the Company had signed a MOU with the Vocational Education Commission to implement knowledge and promote teaching and learning for Nakhon Si Thammarat Industrial and Shipbuilding College (NASIC). Pursuant to this MOU, the Company built and handed over a student dormitory facility at NASIC, at a total cost of about Baht 25.40 million. The Company continues to provide financial assistance to the students by purchasing books & other materials for their library. For their part, NASIC has introduced new courses and curriculum under consultation with the Company to develop/train Engineering Officer graduates for a career in shipping, thus developing a new career option for Thai youth. The Ministry of Education, Vocational Education Department, awarded a Honor Shield to the Company in recognition of its participation with NASIC.
- The Company awarded Baht 165,000 Scholarship to a student of The International Maritime College, Kasetsart University, Si Racha Campus to support his entire Maritime Science degree course in the University. The final installment under this scholarship award was paid in April 2010.

- In 2013, the Company donated Baht 137,000 to the project Hom Bah Hai Nong 15th by cadets of Merchant Marine Training Centre to build toilets facilities, repair the building, renovate school infirmary and surrounding areas at Ban Nong Kaie School in Sakaew Province. This is further to the donation made by the Company in the previous years of: 1) In 2011, the Company donated Baht 113,160 to the project Hom Bha Hai Nong 14th by cadets of Merchant Marine Training Centre to build canteen for Wat Ta Phang Klee school, Chachoengsaoprovence. 2) In 2010, Baht 139,000 to the project Hom Bha Hai Nong 13th by cadets of MMTC to build toilet facilities at Bann Non Pha Suk School, Sa Kaew province. 3) In 2009, Baht 80,466 to the project Hom Bha Hai Nong 12th by cadets of MMTC to buy a projector and build an activities stage for Wat Bang Kra Jao School in Samut Sakorn province; and 4) In 2008, Baht 100,000 to the project "Hom Bha Hai Nong 11th" by cadets of MMTC to repair classrooms and renovate the library for Ban Bhai See Thong School in Suphanburi province.
- In January 2013, The Company donated Baht 5,000 to Department of Labour Protection and Welfare for gifts to children on the Children Day at Suapa Field, Dusit Palace.
- During the year 2010, the Company donated 28 used computers to Mathayom Warichpoom School, Sukhothai School, Bann Koh School, Sathya Sai School and to Pak-Kret Community Administration Office. This is in continuation of the Company's tradition to assist in the education of needy children, when the Company has reported the donation of 15 computers for teaching program to Bann Koh School in Surin province which was followed up by further three computers of modern vintage (Dell Celeron 2 GHZ, Hard Disk 40 GB) to upgrade the teaching facilities.
- The Company donated Baht 40,000 for Muslim youth center Bann Pak Lad at Prapadaeng, Samutprakarn to support educational equipments and scholarship for Children day activity held on 19th January 2008.
- The Company makes regular donations to the needy and poor and for various causes. For instance, the Company, in collaboration with employees, donated over Baht 1 million to the Thai Red Cross for those affected by the Tsunami in Thailand, and in early 2004, donated computers to four primary/secondary schools in Rayong province for use by 877 students studying in these schools.
- The Company helped build a school for children affected by the earthquake which hit western India in 2001. The "Indo-Thai Friendship School" is now fully operational and can accommodate 700 students in Elementary, Middle and High School levels. This has been greatly appreciated by all concerned and projects a very favorable impression of Thailand.
- The Company readily responded to the needs of the people living in South Thailand affected by the deadly Tsunami of Dec 2004. As an immediate measure, the Company and its employees contributed Baht 590,000 to the villagers of Talay Nok in Ranong province, to renew/repair their fishing boats and resume earning their livelihood. The Company has adopted the Talay Nok village and undertakes regular visits there to ascertain their requirements. The Company has extended an open invitation to needy children to apply for study scholarships (one such girl child is presently studying in a Bangkok college). Moreover, with a view to provide a source of livelihood to the youth, the Company is also encouraging able-bodied youngsters from this village to come forward for basic seamanship training, to be provided at Company's cost, following which they can become sailors on the Company's ocean-going ships for a fruitful and fulfilling career in international shipping.
- The Company along with the staff and crew donated Baht 1,325,867 in year 2008 to construct a new building for housing the Physics, Chemistry and Computer laboratories in a school in Semmangudi, Tamil Nadu, India. This school is in a very poor village and was seriously affected by the Tsunami of Dec 2004.
- The Company organizes blood donation camps on a regular basis in collaboration with the Thai Red Cross. These blood donation camps have been organized since the past several years. In 2013, 2 donation camps were organized in January and July with a total collection of 43,200 cc.

- Every year, the Company organizes a 5-KM run “PSL Annual Maritime Day Run” at the Lumpini Park to encourage all its employees to inculcate a habit of doing regular exercise to maintain good health.
- In 2012, the PSL Run was not held and instead the Company decided to utilize the funds for providing assistance to those affected by the devastating floods in Thailand.
- The Company is one of the sponsors of the annual sports day function at the Merchant Marine Training Center. The co-operation with MMTC thus extends to Sports, besides academics (as outlined above), and helps in all-round development of Officer Cadets.
- The Company is setting up schemes to provide assistance by way of annual scholarships or otherwise, to our own staff members who are not able to afford school admission and/or tuition fees for their children.
- The Company donated money and equipment to make a scientific laboratory that supported study activities at Ban Koh School in Surin province in September 2006. The Company donated Baht 100,000 and books to cadets of Merchant Marine Training Centre to repair classrooms and build up the library for Bannwangsuan School in Nakhonratchasima province in September 2007.
- The Company contributed Baht 100,000 to The Council for Social Welfare of Thailand under The Patronage of His Majesty the King to develop knowledge and foster career skills of disabled people, supporting them to seek their own income, on the 43rd Cripple Day in November 2007.
- The Company donated Baht 68,000 to Ban Koh School in Surin province in year 2008 to support the “Student Field Trip” to Skaerat Evironmental Research Station in Nakhon Ratchasima province.



Capt. Nopphong Ratanachaiphornphan, Senior Manager – Post Fixture, and Khun Somprathana Thepnaplern, Assistant Vice President (Finance & Accounts), receiving the CSR Recognition 2013 from the SET.

Blood Donation 2013

The Company organizes blood donation camps on a regular basis in collaboration with the Thai Red Cross. In January and July 2013, the Company organized 2 blood donation camps with a total collection of 43,200 cc.



Blood Donation Award

In March 2013, Princess Soamsavali Kitiyakara conferred an award to blood donor Mr. Stephen Korah, PSL's Vice President in International Safety Management, for donating blood more than 36 times.



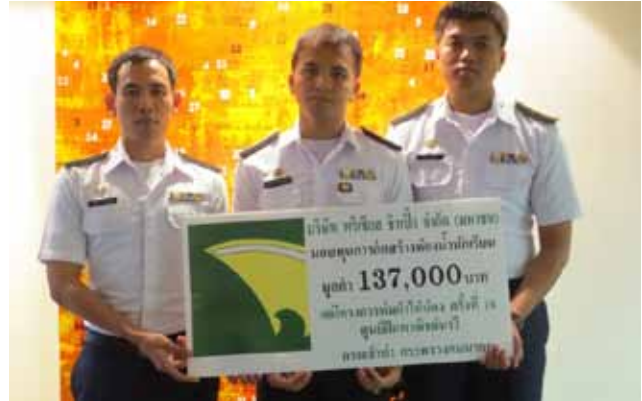
Scholarships to MMTC 2013

In July 2013, the Company awarded Baht 1,345,400 worth of scholarships to selected students of Merchant Marine Training Center (MMTC) to support their entire education year. The photograph shows MMTC scholarship students along with Mr. Koka V. Sudhakar, PSL's Vice President, Fleet Management.



Hom Bha Hai Nong 15th by cadets of Merchant Marine Training Centre

In October 2013, the Company donated Baht 137,000 to the project Hom Bah Hai Nong 15th by cadets of Merchant Marine Training Centre to build toilet facilities, repair the building, renovate school infirmary and surrounding areas at Ban Nong Kaie School in Sakaew Province.



National Children Day

In January 2013, the Company donated Baht 5,000 to Department of Labour Protection and Welfare for gifts to children on the Children Day at Suapa Field, Dusit Palace.



G3 GRI Content Index

STANDARD DISCLOSURES: Profile Disclosures

1. Strategy and Analysis

GRI Ref.	GRI Indicator	2013 Annual Report Page Number	2013 Annual Report Section Reference
1.1	Statement from the most senior decision-maker of the organization.	73	Message from the Board of Directors
		30-46	Board of Directors' Report
1.2	Description of key impacts, risks, and opportunities.	37-45	The Issues Facing Our Industry
		102-107	Significant Risk Factors

2. Organizational Profile

GRI Ref.	GRI Indicator	2013 Annual Report Page Number	2013 Annual Report Section Reference
2.1	Name of the organization.	Cover Page	Cover
2.2	Primary brands, products, and/or services.	12-15	Nature of Business and Industry
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	6-7	Corporate Structure
2.4	Location of organization's headquarters.	8	Other Information Pursuant to SEC. 114
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	9-11	Registered Office Address of Subsidiary and Associated Companies
2.6	Nature of ownership and legal form.	8	Other Information Pursuant to SEC. 114
		28-29	Organization Chart
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	12-23	Nature of Business and Industry
2.8	Scale of the reporting organization.	4-5	Financial Highlights
		9-10	Name and Category of Subsidiaries and Associated Companies in which the Company holds more than 10% of shares sold by them
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	4-5	Financial Highlights
		25	Revenue Structure
		33-34	Fleet Rejuvenation
		45	Joint Venture
2.10	Awards received in the reporting period.	32	Awards and Accolades

3. Report Parameters

GRI Ref.	GRI Indicator	2013 Annual Report Page Number	2013 Annual Report Section Reference
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Cover Page	Cover
3.2	Date of most recent previous report (if any).		21 February 2013
3.3	Reporting cycle (annual, biennial, etc.)	Cover Page	Cover
3.4	Contact point for questions.	8	Other Information Pursuant to SEC. 114
3.5	Process for defining report content.	74-75	The process for defining the content of the report, Stakeholder engagements
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	74	The scope of the report
3.7	State any specific limitations on the scope or boundary of the report (see completeness Principle for explanation of scope).	74	The boundary and limitations of the report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	74	Overview of Sustainability Report
3.12	Table identifying the location of the Standard Disclosures in the report.	98-101	G3 GRI content index

4. Governance, Commitments, and Engagement

GRI Ref.	GRI Indicator	2013 Annual Report Page Number	2013 Annual Report Section Reference
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	28-29	Organization Chart
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	26-27	The Board of Directors

GRI Ref.	GRI Indicator	2013 Annual Report Page Number	2013 Annual Report Section Reference
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	26-27	The Board of Directors
		62-63	Board Structure
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	53-54	Shareholders' Meetings
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	68	Board Self Assessment
		58-61, 68-69	Directors and Management Remuneration
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	64-65	Conflict of interest
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	114	The Nomination Committee
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	1	Core Values
		64	Business Ethics
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	30-46	Board of Directors' Report
		102-107	Significant Risk Factors
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	30-46	Board of Directors' Report
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	57	Collective Action Coalition against Corruption in Private Sector
4.14	List of stakeholder groups engaged by the organization.	74-75	Stakeholder engagement
		55-57	Role of Stakeholders
4.15	Basis for identification and selection of stakeholders with whom to engage.	74-75	Stakeholder engagement
		55-57	Role of Stakeholders
4.16	Approaches to stakeholder engagements, including frequency of engagement by type and by stakeholder group.	74-75	Stakeholder engagement
		55-57	Role of Stakeholders
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	74-75	Stakeholder engagement
		55-57	Role of Stakeholders

STANDARD DISCLOSURES: Performance Indicators

Economic

Economic performance		2013 Annual Report Page Number	2013 Annual Report Section Reference
	Management approach		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	76	Direct Economic Value Generated and Distributed
		76	Vessel Operating Income
		76	Vessel Operating Cost
		76	Salaries, wages, welfares and other benefits of employees and crews
		76	Dividend to shareholders - Finance costs paid to lender
		76	Interest payments made to providers of loans.
		76	Income tax
		76	Investments and expenditures regarding community development, Social infrastructure and environment
EC3	Coverage of the organization's defined benefit plan obligations.	87	Employee benefits
EC4	Significant financial assistance received from government.		None
Market presence		2013 Annual Report Page Number	2013 Annual Report Section Reference
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	62	Board Structure
		88	Number and proportion of employees at the based office by gender and nationality
		62	Definition in CG report

Indirect economic impacts		2013 Annual Report Page Number	2013 Annual Report Section Reference
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit.	93-97	Social and Community Development
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	102-107	Significant Risk Factors
		30-46	Board of Directors' Report
Environmental			
Energy		2013 Annual Report Page Number	2013 Annual Report Section Reference
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	83-85	Use of New Technology and Innovations
Emissions, effluents and waste		2013 Annual Report Page Number	2013 Annual Report Section Reference
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	84-85	Carbon Footprint and Waste Generation
Products and services		2013 Annual Report Page Number	2013 Annual Report Section Reference
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	84-85	Carbon Footprint and Waste Generation
Compliance		2013 Annual Report Page Number	2013 Annual Report Section Reference
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	-	Note : no significant fines
Social: Labor Practices and Decent Work			
Employment		2013 Annual Report Page Number	2013 Annual Report Section Reference
LA1	Total workforce by employment type, employment contract, and region broken down by gender.	87	Social Performance table
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	-	None
LA15	Return to work and retention rates after parental leave, by gender.	87	Social Performance table
Labor/management relations		2013 Annual Report Page Number	2013 Annual Report Section Reference
LA4	Percentage of employees covered by collective bargaining agreements.	87	Social Performance table
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	-	Note : comply with Thai Law
Occupational health and safety		2013 Annual Report Page Number	2013 Annual Report Section Reference
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	-	Note : comply with Thai Law
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and gender.	87-88	Social Performance table, Employee Health and Safety
Training and education		2013 Annual Report Page Number	2013 Annual Report Section Reference
LA10	Average hours of training per year per employee by gender and by employee category.	90-92	List of Major Training Programs conducted by the Company's Maritime Training Center
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	90-92	List of Major Training Programs conducted by the Company's Maritime Training Center
LA12	Percentage of employees receiving regular performance and career development reviews by gender.	88-93	Training & Development
Diversity and equal opportunity		2013 Annual Report Page Number	2013 Annual Report Section Reference
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	87-88	Social Performance table

Social: Human Rights			
Non-discrimination		2013 Annual Report Page Number	2013 Annual Report Section Reference
HR4	Total number of incidents of discrimination and corrective actions taken.	-	Note : no incidents
Indigenous rights		2013 Annual Report Page Number	2013 Annual Report Section Reference
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	-	Note : no incidents
Assessment		2013 Annual Report Page Number	2013 Annual Report Section Reference
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	-	100% reviewed by Business Ethics and Code of Conduct
Remediation		2013 Annual Report Page Number	2013 Annual Report Section Reference
HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.	-	Note : no incidents
Social: Society			
Local communities		2013 Annual Report Page Number	2013 Annual Report Section Reference
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	93-97	Social and Community Development
Corruption		2013 Annual Report Page Number	2013 Annual Report Section Reference
SO4	Actions taken in response to incidents of corruption.	-	Note : no incidents
Public policy		2013 Annual Report Page Number	2013 Annual Report Section Reference
SO5	Public policy positions and participation in public policy development and lobbying.	57-58	Policy on preventing corruption and offering a bribe, Whistleblowing policy
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	-	Non Relevance
Anti-competitive behavior		2013 Annual Report Page Number	2013 Annual Report Section Reference
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	-	Non Relevance
Compliance		2013 Annual Report Page Number	2013 Annual Report Section Reference
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	-	Note : no significant fines
Social: Product responsibility			
Product and service labelling		2013 Annual Report Page Number	2013 Annual Report Section Reference
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	12-15	Nature Business
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	-	Compliance with Regulations & Conventions
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	56, 86	Customers, Customer Relationship Management