

Pakistan National Shipping Corporation

SUSTAINABILITY REPORT



ENVIRONMENTAL
SOCIAL
GOVERNANCE DISCLOSURES

FINANCIAL YEAR ENDED

JUNE 30, 2026

SAILING CLEAN
TO KEEP OCEANS
GREEN

Prepared with reference
to IFRS S1, IFRS S2 and
the SECP ESG
Disclosure Guidelines for
Listed Companies
(2024, updated 2025)

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ABOUT THIS REPORT

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A MESSAGE FROM THE CHAIRMAN PNSC

Dear Stakeholders,

It gives me great pleasure to present Pakistan National Shipping Corporation's (PNSC) first Sustainability Report, forming an integral part of the Annual Report for the year ended 30 June 2026. This report marks an important milestone in PNSC's journey towards strengthening sustainability, transparency, accountability and responsible corporate practices.

PNSC's achievement of this milestone is not merely a reflection of our enduring legacy as Pakistan's national flag carrier; it is also a reaffirmation of our responsibility to contribute meaningfully to the development and sustainable future of Pakistan's maritime sector. As we look ahead, remain committed to leading the transition towards a more sustainable, resilient and responsible shipping Corporation while continuing to fulfil its strategic role in supporting the country's maritime trade.

The Sustainability Report represents a significant step in this direction. It demonstrates our commitment to embedding Environmental, Social and Governance (ESG) principles into our long-term corporate strategy and decision-making processes. Our approach is straightforward: we aspire to be a responsible, forward-looking and resilient organization that recognizes the importance of climate action, social responsibility, human capital, stakeholder engagement and sound corporate governance. This report reflects the seriousness with which the Board and management regard these responsibilities and our commitment to communicating our sustainability journey transparently.



At the Board level, significant steps have been taken to institutionalize sustainability and ESG within PNSC's governance framework. The establishment of the Sustainability, Strategy and Risk Management Committee (SSRMC) provides dedicated Board-level oversight of sustainability and ESG matters. The Committee is responsible for reviewing and guiding ESG policies and strategies, monitoring regulatory and reporting developments, and considering emerging sustainability trends and stakeholder expectations that may influence PNSC's long-term performance and resilience. This governance structure represents a transition from commitment and intent towards structured oversight and accountability.

The global ESG landscape is undergoing rapid evolution. Decarbonization, energy transition, technological advancement, resource efficiency, responsible business practices and increasing stakeholder expectations are reshaping the way organizations are assessed not only on their financial performance, but also on their broader environmental and societal impact. PNSC recognizes that, this transition presents challenges, but also significant opportunities for organizations such as PNSC to innovate, improve operational efficiency, strengthen resilience and demonstrate leadership in the maritime sector.

Strategic direction of PNSC reflects this perspective, remain committed to the responsible growth and modernization of our fleet and to pursuing operational initiatives that support improved environmental performance and greater efficiency. The induction of three (03) modern vessels and our continued focus on fuel efficiency, emissions management, regulatory compliance and environmentally responsible operations are important elements of our broader sustainability journey. PNSC recognizes that, the maritime industry has an important role to play in the global transition towards lower-carbon shipping, and will continue to align its efforts with applicable international maritime requirements and evolving industry practices.

Our commitment to sustainability extends beyond environmental considerations. Corporate Social Responsibility (CSR) has been incorporated as an integral component of the Social pillar of this Sustainability Report, reflecting our belief that sustainable value creation must extend to our employees, communities and wider society. During the year, PNSC contributed approximately **Rs. 13.6 million** towards CSR initiatives covering key areas including community development, education, health and workplace related initiatives. These contributions reflect our commitment to supporting communities and promoting social well-being while remaining aligned with our broader corporate responsibilities.

We also recognize that our people are central to our sustainability journey. As a maritime organization, the health, safety, welfare, development and well-being of our employees and seafarers remain fundamental priorities. PNSC continues to strengthen its practices relating to occupational health and safety, human capital development, employee welfare, human rights and responsible workplace practices. We believe that an inclusive, safe and supportive working environment is essential to building a resilient organization capable of delivering sustainable long-term performance.

Looking ahead, PNSC intends to further strengthen its sustainability framework through the implementation of its ESG Policy (2026-2035), following its approval by the Board of Directors. The policy will provide a structured foundation for embedding ESG considerations across the Corporation and will support the development of appropriate strategies, objectives, performance indicators and measurable targets. Its implementation will enable PNSC to progressively enhance ESG integration across its operations, strengthen accountability and improve the consistency and quality of sustainability-related information and disclosures.

We are equally committed to continuously improving our sustainability reporting practices. In the years ahead, PNSC will seek to enhance the quality, completeness and comparability of its ESG disclosures in line with applicable regulatory requirements and relevant international reporting and sustainability standards. As our systems, data capabilities and internal processes mature, we intend to progressively develop more measurable sustainability targets and performance indicators that will enable stakeholders to better assess our progress.

The Board also recognizes that effective oversight of sustainability requires continuous learning and capacity building. We remain committed to strengthening the knowledge and capabilities of the Board, management and relevant personnel so that sustainability-related risks and opportunities can be identified, assessed and addressed effectively. This will further support the integration of ESG considerations into strategic planning, risk management and corporate decision-making.

This first Sustainability Report should therefore be viewed not as the culmination of our ESG journey, but as an important beginning. It provides a foundation upon which PNSC will continue to build its sustainability framework, improve its disclosures, strengthen its policies and processes, and establish measurable objectives for future progress. We acknowledge that sustainability is a continuous journey requiring commitment, collaboration, transparency and accountability.

On behalf of the Board of Directors, I would like to express my sincere appreciation to our shareholders, employees, seafarers, customers, business partners, regulators, government institutions, communities and all other stakeholders for their continued trust, confidence and support. I also commend the management and employees of PNSC for their efforts in advancing this important agenda.

I am confident that, through collective commitment and responsible leadership, PNSC will continue to strengthen its position as a resilient and responsible national maritime organization and contribute meaningfully to Pakistan's sustainable economic and maritime development.

I extend my appreciation to all those who contributed to the preparation of PNSC's first Sustainability Report. We look forward to continuing this journey together, creating long-term value for our stakeholders and contributing to a more resilient, inclusive and sustainable maritime future for Pakistan.



Sultan A. Chawla
Chairman
Board of Directors, PNSC



A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Dear Stakeholders,

It gives me immense pleasure to present the first Sustainability Report of Pakistan National Shipping Corporation (PNSC) for the financial year ended 30 June 2026. This report reflects our commitment to transparent reporting and highlights our performance, initiatives and progress across the key pillars of **Environmental, Social and Governance (ESG)**.

This report marks a significant milestone in PNSC's journey towards embedding sustainability into its corporate strategy and operational framework, strengthening responsible corporate governance and creating long-term value for our stakeholders while supporting the sustainable development of Pakistan's maritime sector.

As Pakistan's national flag carrier, PNSC has a vital responsibility not only to facilitate the country's maritime trade and contribute to national economic development, but also to operate in a manner that is environmentally responsible, socially inclusive and governed by the highest standards of integrity and transparency. The global maritime industry is undergoing a profound transformation, driven by increasing environmental concerns, evolving stakeholder expectations and emerging sustainability related regulatory requirements. PNSC recognizes that sustainable development is no longer a choice but a strategic imperative.

During the current reporting period, PNSC made considerable progress in strengthening its ESG framework,



initiating the development of a comprehensive "ESG Policy 2026-2035" and enhancing Board oversight of sustainability matters by reconstituting its existing Board committee and renaming it as the Sustainability, Strategy and Risk Management Committee (SSRMC).

PNSC has also commenced its alignment with the evolving sustainability disclosure requirements, as per the guidance issued by the Securities and Exchange Commission of Pakistan (SECP) and IFRS S1 and IFRS S2. As part of this alignment, this year's report also incorporates, for the first time, structured Social and Governance disclosures prepared with reference to the SECP's ESG Disclosure Guidelines for Listed Companies (2024, updated 2025), covering workforce diversity and wellbeing, occupational health and safety, community investment, board composition and effectiveness, business ethics and risk oversight. As the Guidelines remain voluntary for PNSC at this stage, disclosure has been made against available indicators, with the remaining data points to be built out in subsequent reporting cycles.

Three Perspectives

- 1. Environmental:** PNSC remains committed to minimizing the ecological footprint of its marine operations, improving fleet efficiency, enhancing environmental management practices, complying with applicable international maritime conventions and exploring opportunities for reducing greenhouse gas emissions.
- 2. Social:** PNSC continued its efforts to promote employee welfare, diversity, professional development, occupational health and safety, and the well-being of ashore staff and seafarers in line with international best practice and the Maritime Labor Convention, 2006, alongside CSR initiatives in Education, Healthcare, Community welfare and Workplace.
- 3. Governance:** Good governance continues to serve as the foundation of PNSC's sustainability journey, with robust corporate governance practices, strengthened risk management and internal controls, ethical conduct and transparency, alongside newly presented structured governance indicators aligned with the SECP's ESG Disclosure Guidelines.

PNSC continued to pursue fleet expansion by inducting three modern vessels into its existing fleet to enhance Pakistan's maritime capabilities while contributing to the country's economic resilience and foreign exchange savings. The induction of these newer, more fuel-efficient vessels is also expected to reduce carbon dioxide (CO₂) emissions through improved fuel efficiency and lower emission intensity.

This Sustainability Report represents the beginning of a long-term journey. PNSC acknowledges that there remains significant work ahead in further integrating sustainability considerations into its decision making, establishing measurable targets and enhancing sustainability-related data management and reporting mechanisms. Nevertheless, PNSC is fully committed to continuously improving ESG performance and aligning operations with internationally recognized sustainability principles and best practices.

On behalf of the management of PNSC, I would like to express my sincere gratitude to the Board of Directors, employees, customers, regulators, business partners, investors and all other stakeholders for their continued trust, support and collaboration.



Syed Jarar Haider Kazmi
Chief Executive Officer, PNSC

A MESSAGE FROM THE CHAIRPERSON SSRMC

I am delighted to present the first Sustainability Report of Pakistan National Shipping Corporation (PNSC) for the year ended 30 June 2026. This report marks a historic milestone in the Corporation's journey towards integrating sustainability principles into its strategic direction, governance framework and operational activities.

The global maritime industry is witnessing a significant transformation driven by climate-related challenges, increasing stakeholder expectations and evolving regulatory requirements concerning sustainability disclosures. PNSC recognizes its responsibility to operate in a sustainable and responsible manner while contributing towards the economic development of the country and the long-term interests of its stakeholders.

Recognizing the growing importance of sustainability and emerging regulatory requirements, the PNSC Board strengthened its oversight of sustainability matters by reconstituting its existing Board committee, broadening its mandate and renaming it as the Sustainability, Strategy and Risk Management Committee (SSRMC). During the year under review, the Committee remained actively engaged in laying the foundation for an effective sustainability governance structure within PNSC.

Key accomplishments during the year

- ◆ Finalisation and recommendation of the revised Terms of Reference (TORs) of the Committee for Board approval, broadening its mandate to incorporate sustainability oversight, strategic guidance, risk management and ESG related governance responsibilities.



- ◆ First-time guidance to management on incorporating structured Social and Governance disclosures aligned with the SECP's ESG Disclosure Guidelines, alongside the existing climate-related disclosures under IFRS S1/S2.
- ◆ An in-house Board training session conducted at PNSC Head Office by the Pakistan Institute of Corporate Governance (PICG) on 22nd April 2026, enhancing awareness of sustainability matters, emerging ESG trends and the evolving reporting landscape.
- ◆ A Committee recommendation that relevant officers of the Corporation undergo specialized ESG-related training and professional certification to strengthen institutional capability.
- ◆ Subsequent to the year end, the ESG Policy 2026-2035 prepared by Management was duly reviewed and approved by the SSRMC and Board of Directors.
- ◆ Finalization of a dedicated Management sub-Committee, led by the Chief Financial Officer, to drive implementation, monitor progress against sustainability objectives, coordinate ESG initiatives and facilitate reporting and stakeholder engagement.
- ◆ Consideration, by the Committee, of a future Chief Sustainability Officer (CSO) role to provide strategic direction over the Corporation's sustainability agenda.

While this inaugural Sustainability Report represents the beginning of PNSC's sustainability reporting journey, it also demonstrates the Corporation's commitment to continuous improvement, transparency, accountability and long-term value creation. The Committee remains committed to strengthening governance mechanisms, establishing measurable targets, enhancing data management systems and aligning PNSC's practices with applicable regulatory requirements and international best practice.



Mrs. Nadia Osman Jung

Chairperson, SSRMC

Independent Director, PNSC Board

REPORT OVERVIEW FROM THE CHIEF FINANCIAL OFFICER

This Sustainability Report represents PNSC's first reporting of climate-related disclosures prepared with partial alignment to IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB). The Report establishes an initial baseline for the Corporation's climate-related reporting and demonstrates PNSC's commitment to transparent, decision useful and internationally aligned sustainability disclosures.

In addition to its climate-related disclosures under IFRS S2, this Report also incorporates the Corporation's Corporate Social Responsibility (CSR) activities and for the first time, structured Social and Governance disclosures prepared with reference to the SECP's ESG Disclosure Guidelines for Listed Companies, together with governance disclosures aligned with IFRS S1-General Requirements for Disclosure of Sustainability related Financial Information.

How this report is structured

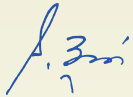
- ◆ **Environment:** PNSC's climate-related disclosures prepared under IFRS S2, covering governance, strategy, risk management and metrics & targets and environment initiatives.
- ◆ **Social:** CSR initiatives across Education, Health, Community and Workplace, together with structured Social indicators aligned with the SECP's ESG Disclosure Guidelines.
- ◆ **Governance:** PNSC's Board and committee oversight arrangements, including climate governance under IFRS S1, and structured Governance indicators aligned with the SECP's ESG Disclosure Guidelines.

As the SECP's ESG Disclosure Guidelines remain voluntary for PNSC in the current reporting period, the Social and



Governance indicators have been disclosed on a best effort basis, with certain data points identified for completion in future reporting cycles as PNSC's data collection and reporting systems mature. In preparing this Report, PNSC has applied the transition reliefs available for first-time adopters under IFRS S2 comparative information has not been presented, and Scope 3 greenhouse gas emissions have not been disclosed while methodologies, systems and data collection processes are developed.

This Report has been prepared for the financial year ended 30th June 2026. PNSC is reporting under IFRS S2 pursuant to the SECP Order dated 31 December 2024, which mandates application for periods beginning on or after 1st July 2025 as part of its commitment to enhanced transparency, sound corporate governance and internationally recognized sustainability reporting practice. This first reporting period establishes the baseline against which future climate-related performance and disclosures will be measured.



Syed Zeeshan Taqvi
Chief Financial Officer
Secretary (SSRMC)



ESG IMPACT SUMMARY 2026

Sustainable Shipping
for a Stronger Pakistan



GHG SCOPE-1
EMISSION

177,565
(TCO2E)



GHG SCOPE-2
EMISSION

1,042
(TCO2E)



ENERGY
CONSUMPTION

2,283,675
GJ



CSR
CONTRIBUTION

PKR 13.6
MILLION



TRAINING
SESSIONS

19
(TOTAL)

PEOPLE

PLANET

PROSPERITY

A lush green forest with tall trees and dense foliage. In the top left corner, there is a green triangle graphic containing the number 02.

02

SUSTAINABILITY REPORT FRAMEWORK

How this Report was scoped, assessed for materiality, and how PNSC's sustainability and climate-related risks and opportunities were identified mirroring the structure of leading sector sustainability reports.

1. Integrating Sustainability into Business Resilience
2. Basis of Preparation, including Materiality Assessment
3. Sustainability and Climate Related Risks and Opportunities

1. INTEGRATING SUSTAINABILITY INTO BUSINESS RESILIENCE

SETS OUT PNSC'S SUSTAINABILITY CONTEXT, BUSINESS MODEL, VALUE CHAIN AND STRATEGIC PRIORITIES

Pakistan National Shipping Corporation (PNSC) operates in Pakistan's maritime sector, supporting the nation's seaborne trade through the ownership and operation of a diversified fleet of liquid cargo tankers and dry bulk carriers, together with ship repair workshop services and a real estate portfolio in Karachi. The Corporation's operations are conducted within a highly regulated environment where vessel safety, environmental compliance and operational reliability are fundamental to maintaining trust and ensuring continuity of Pakistan's maritime supply chain.

As a Pakistan's National Flag Carrier, PNSC recognizes that sustainability considerations are increasingly linked to long-term resilience, cost management and responsible value creation. This Sustainability Report reflects PNSC's first year reporting under the Sustainability Disclosure Standards (IFRS S1 and IFRS S2) and the SECP's ESG Disclosure Guidelines, pursuant to the SECP Order dated 31st December 2024, (updated 2025).

1.1 Structure of This Report:

Section	Purpose and Content Overview
1. Integrating Sustainability into Business Resilience	Sets out PNSC's sustainability context, business model, value chain and overarching strategic direction in relation to sustainability and climate-related matters.
2. Basis of Preparation	Describes the basis of preparation of this Report, including reporting scope, key judgements, and partial alignment with IFRS S1, IFRS S2 and the SECP's ESG Disclosure Guidelines. Also sets out the five-step materiality assessment process that PNSC intends to undertake; a formal enterprise value focused materiality assessment consistent with IFRS S1 and IFRS S2 has not yet been completed.
3. Sustainability & Climate-Related Risks and Opportunities	Presents sustainability related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) identified through management's reasonable and supportable judgment informed by industry based guidance (SASB Marine Transportation Standard), IMO regulatory developments and PNSC's own operational data. A formal stakeholder engaged materiality assessment has not yet been completed; the topics presented reflect an interim identification basis and will be updated as the assessment process matures. Climate-related risks and opportunities (CRROs) have been assessed in full; a structured assessment of broader SRROs beyond climate has not yet been completed.
4. Governance	Describes PNSC's governance arrangements for sustainability and climate-related matters, including Board oversight through the Sustainability, Strategy and Risk Management Committee (SSRMC), committee structures, roles and responsibilities and information flows supporting oversight and decision making.

Section	Purpose and Content Overview
5. Strategy	Explains how PNSC's strategy responds to identified CRROs and to the extent identified to date, SRROs including strategic priorities, integration into business planning and qualitative scenario resilience considerations across three climate pathways. Time horizons applied (short term: 0–2 years; medium term: 2–5 years and long term: beyond 5 years) are defined in Section 5.7.
6. Risk Management	Describes how sustainability and climate-related risks and opportunities are identified, assessed, managed and integrated into PNSC's enterprise risk management framework and operational processes. As a first year reporter, PNSC has not yet formalized a documented risk scoring methodology or dedicated climate risk register; these are identified priorities for the year ahead.
7. Metrics and Targets	Discloses the sustainability and climate-related metrics used to monitor PNSC's exposure to CRROs, together with qualitative information on targets and the current status of performance measurement. Scope 1 and Scope 2 GHG emissions are disclosed; Scope 3 emissions have not been disclosed in this first reporting period, consistent with the transition relief available under IFRS S2. No formal quantitative climate target has yet been adopted; proposed future targets under the ESG Policy (2026–2035) are disclosed separately as forward looking, Board unapproved commitments.
8. Conclusion	Summarizes PNSC's overall sustainability posture and forward direction and records Board and management sign-off of this Report.

1.2 Our Value Chain:

PNSC's value chain reflects the characteristics of the maritime shipping industry, where regulatory compliance, vessel safety and operational reliability are critical at every stage. Sustainability and climate-related considerations arise across fuel and provisioning, fleet operations and cargo delivery and charter activity. PNSC's value chain broadly comprises the following stages:



Across these stages, PNSC's operations are dependent on reliable bunker fuel supply, port infrastructure, a skilled seafaring and shore workforce and access to ship finance. Certain sustainability and climate-related dependencies are particularly significant across the value chain, including:

Bunker fuel availability and price Continuity and cost of low carbon marine fuel supply as the global bunkering market transitions.	Port and regulatory infrastructure Reliable access to Karachi Port Trust and Port Qasim Authority infrastructure, and stability of IMO/EU/SECP regulatory frameworks.
Workforce capability and well-being Availability of qualified seafarers and shore staff, crew welfare under the Maritime Labor Convention, 2006 and technical/ESG skills development.	Financing and capital access Access to concessional/green ship finance.

1.3 Establishing Sustainability Priorities to Support Enterprise Value:

PNSC's sustainability priorities are informed by business relevance, stakeholder expectations, and emerging sustainability and climate-related disclosure requirements. As PNSC's materiality assessment process matures, the Corporation intends to identify a focused set of sustainability priority areas / material topics across environmental, social and governance dimensions that will form the foundation for identification and assessment of sustainability and climate-related risks and opportunities in future reporting periods.

1.4 Contribution to the Sustainable Development Goals:

PNSC recognizes the Sustainable Development Goals (SDGs) as an important framework for aligning its business activities with broader economic, social and environmental priorities. As a National Flag Carrier and an integral part of Pakistan's maritime and logistics infrastructure, PNSC's operations contribute to relevant SDGs through responsible vessel operations, protection of the marine environment, seafarer welfare, occupational health and safety, resource efficiency, climate action, responsible governance and stakeholder collaboration.

PNSC has identified SDGs as particularly relevant to its business and sustainability priorities, consistent with the International Maritime Organization's recognition of the significant contribution of international shipping to the 2030 Agenda. While these SDGs have a particularly direct relationship with maritime activities, PNSC's contribution extends across the social, environmental, economic and governance dimensions of sustainable development.

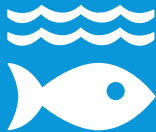
The following table presents PNSC's key areas of contribution to the relevant SDGs, the related ESG topics and activities undertaken during the reporting period, together with the principal international maritime conventions, regulatory requirements and sustainability reporting frameworks applicable to such activities.

PNSC – Alignment with Relevant UN Sustainable Development Goals

Relevant SDG	ESG Topic	PNSC compliance with the SDGs through activities undertaken	Compliance with relevant regulations / standards
3 GOOD HEALTH AND WELL-BEING 	Occupational Health, Safety and Seafarer Welfare	PNSC promotes the health, safety and well-being of its employees and seafarers through occupational health and safety practices, medical facilities / support, safety training, onboard emergency preparedness,	PNSC Code of Conduct, Maritime Labour Convention (MLC), 2006; SOLAS; STCW Convention; applicable ILO requirements; Pakistan occupational health and safety requirements; IMO safety-

Relevant SDG	ESG Topic	PNSC compliance with the SDGs through activities undertaken	Compliance with relevant regulations / standards
		safe working procedures and welfare arrangements. The Company also undertakes initiatives aimed at maintaining a safe and healthy working environment both onboard vessels and at shore-based facilities.	management requirements under ISM Code.
5 GENDER EQUALITY 	Diversity, Equal Opportunity and Non-discrimination	PNSC supports equal employment opportunities and a workplace free from discrimination and harassment. The Corporation promotes merit-based recruitment, professional development and participation of women in the workforce and management, while maintaining policies and practices supporting a respectful and inclusive workplace.	PNSC Code of Conduct, ILO principles on non-discrimination and equal opportunity; applicable Pakistan labour laws; Companies Act, 2017 and SECP corporate governance requirements; SECP ESG Disclosure Guidelines relating to diversity, gender and non-discrimination.
6 CLEAN WATER AND SANITATION 	Water Management, Wastewater and Marine Pollution Prevention	PNSC manages water consumption and wastewater generated through its shore-based operations and vessels. Shipboard sewage, oily water and other liquid wastes are managed in accordance with applicable maritime pollution-prevention requirements, with emphasis on preventing discharge of pollutants into the marine environment.	MARPOL 73/78 Annex IV (Sewage) and Annex I (Oil Pollution); applicable port and coastal state requirements; ISM Code; IMO requirements concerning shipboard pollution prevention.
7 AFFORDABLE AND CLEAN ENERGY 	Energy Efficiency and Fuel Management	PNSC seeks to improve energy efficiency through efficient vessel operations, fuel-consumption monitoring, voyage optimization, operational efficiency and implementation of energy-efficiency measures. Fleet renewal and acquisition of modern vessels also support improved energy performance and reduced emissions intensity.	MARPOL Annex VI; EEXI requirements; CII requirements; SEEMP; IMO energy-efficiency regulations and the 2023 IMO GHG Strategy.
8 DECENT WORK AND ECONOMIC GROWTH 	Employment, Seafarer Welfare, Labour Standards and Economic Contribution	As Pakistan's national shipping company, PNSC contributes to economic activity through maritime transportation and international trade while providing employment opportunities for shore-based employees and seafarers. The Company supports professional development, training, competency enhancement, employee welfare and safe and decent working conditions.	MLC, 2006; STCW Convention; SOLAS; ISM Code; PNSC Code of Conduct, applicable Pakistan labour laws; ILO maritime labour standards. IMO specifically identifies seafarer welfare, fair treatment and decent work as important contributions of shipping to SDG 8.

Relevant SDG	ESG Topic	PNSC compliance with the SDGs through activities undertaken	Compliance with relevant regulations / standards
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Fleet Modernization, Maritime Infrastructure and Innovation	PNSC supports resilient maritime infrastructure through fleet expansion and renewal, acquisition of modern vessels, enhancement of cargo carrying capacity, digitalization and technology-enabled vessel and fleet management. Investments in modern and efficient vessels contribute to a more resilient and sustainable maritime transport system.	SOLAS; MARPOL; ISM Code; IMO energy-efficiency requirements; applicable flag-state and classification requirements; Pakistan maritime regulations. IMO identifies shipping technology, resilient infrastructure and innovation as key contributions to SDG 9.
11 SUSTAINABLE CITIES AND COMMUNITIES 	Safe, Resilient Maritime Transport and Port Connectivity	PNSC contributes to resilient communities by providing reliable maritime transportation and supporting the movement of essential commodities and international trade. Safe vessel operations, maritime security, emergency preparedness and effective port connectivity support resilient supply chains and coastal communities.	SOLAS Chapter XI-2 / ISPS Code; ISM Code; applicable port-state and flag-state requirements; IMO maritime safety and security regulations.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Waste Management, Resource Efficiency and Pollution Prevention	PNSC promotes responsible consumption through fuel and resource efficiency, segregation and controlled disposal of ship-generated waste, minimization of operational waste and environmentally responsible vessel operations. Shipboard waste management and pollution-prevention practices support efficient use of resources and reduction of environmental impacts.	MARPOL Annex V – Garbage; MARPOL Annex I – Oil; MARPOL Annex VI – Air Pollution; Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships; applicable port reception facility requirements. IMO specifically links MARPOL waste requirements with SDG 12.
13 CLIMATE ACTION 	Climate Change, GHG Emissions and Energy Efficiency	PNSC addresses climate-related impacts through monitoring and management of fuel consumption and GHG emissions, energy efficiency initiatives, vessel operational optimization and compliance with IMO carbon-intensity requirements. Climate-related risks and opportunities are incorporated into the Corporation's broader risk management and sustainability framework, with governance oversight through the SSRMC.	MARPOL Annex VI; EEXI; CII; SEEMP; IMO DCS requirements; 2023 IMO Strategy on Reduction of GHG Emissions from Ships; IFRS S2 climate-related disclosures; SECP ESG Disclosure Guidelines. The 2023 IMO Strategy replaced the initial 2018 strategy and establishes the current global framework for shipping decarbonization.

Relevant SDG	ESG Topic	PNSC compliance with the SDGs through activities undertaken	Compliance with relevant regulations / standards
14 LIFE BELOW WATER 	Marine Pollution Prevention, Biodiversity and Ocean Protection	As a maritime company, PNSC's most direct SDG contribution is protection of marine ecosystems. The Company undertakes measures to prevent oil pollution, sewage discharge, garbage pollution and harmful emissions from vessels and maintains shipboard procedures for pollution prevention and emergency response. Vessel operations are conducted in accordance with applicable marine environmental requirements.	MARPOL 73/78; SOLAS; Ballast Water Management Convention (BWM); Anti-Fouling Systems (AFS) Convention; London Convention/Protocol, where applicable; Hong Kong Ship Recycling Convention; applicable flag state and port state requirements. IMO identifies SDG 14 as central to its work because international shipping operates directly within the marine environment.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Corporate Governance, Ethics, Compliance and Transparency	PNSC maintains a governance structure comprising the Board of Directors and Board committees, including the Sustainability, Strategy and Risk Management Committee (SSRMC). The Corporation promotes ethical conduct, regulatory compliance, risk management, internal controls, transparency and accountability. Sustainability related matters are incorporated into established governance and oversight mechanisms.	Companies Act, 2017; Listed Companies (Code of Corporate Governance) Regulations, 2019, as applicable; SECP ESG Disclosure Guidelines; applicable PSX requirements; ISM Code; PNSC Code of Conduct, IMO/flag-state regulatory requirements.
17 PARTNERSHIPS FOR THE GOALS 	Stakeholder Engagement, Collaboration and Capacity Building	PNSC works with regulators, government bodies, port authorities, maritime organizations, business partners, financial institutions, training institutions and other stakeholders to strengthen maritime operations and sustainability performance. Collaboration, employee training, professional development and engagement with relevant stakeholders' support knowledge sharing and capacity building.	IMO conventions and technical cooperation framework; MLC, 2006; STCW Convention; applicable Pakistan maritime regulations; SECP ESG Disclosure Guidelines; relevant contractual and stakeholder requirements. IMO itself emphasizes partnerships, capacity building and cooperation as important mechanisms for achieving SDG 17.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

PNSC has prepared this Sustainability Report with partial alignment to the IFRS Sustainability Disclosure Standards IFRS S1, General Requirements for Disclosure of Sustainability related Financial Information and IFRS S2, Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB), together with reference to the SECP's ESG Disclosure Guidelines for Listed Companies (2024, updated 2025).

Under the SECP's Order dated 31 December 2024, PNSC is required to report mandatorily for annual reporting periods beginning on or after 1 July 2025. PNSC intends to progressively strengthen its systems, controls and processes for sustainability related disclosures as its reporting practice matures.

No significant transactions, events or conditions are known to have occurred between the end of the reporting period 30th June 2026 and the date of authorization of this Report that would require disclosure in accordance with the sustainability related framework.

2.2 IFRS Sustainability Adoption - Year Zero

The reporting period ended 30 June 2026 represents PNSC's first time reporting in accordance with the IFRS Sustainability Disclosure Standards. This Report establishes an initial sustainability reporting baseline ("Year Zero"). As a first-time adopter, PNSC has prioritized:

Priority	Description
01	Establishing governance and oversight arrangements for sustainability related and climate-related matters.
02	Developing structured processes to identify and assess sustainability related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs).
03	Actively strengthening the availability, consistency and reliability of sustainability and climate data to support informed decision making.

Transition reliefs applied

Transition relief
Comparative information has not been provided by PNSC, as allowed for the first-year reporting period.
Scope 3 greenhouse gas emissions have not been disclosed by PNSC, being the first year of reporting.

The transition relief permitting disclosure limited to climate-related risks and opportunities in the first annual reporting period (as per IFRS S1) has been applied for the climate-related disclosures in the Environment segment of this Report; the broader sustainability related (SECP ESG) disclosures in the Social and Governance segments are presented on a best effort, voluntary basis alongside it.

2.3 Reporting Scope and Boundary

This Sustainability Report has been prepared on a consolidated basis for the (PNSC Group) which consists of PNSC (the parent company), its 19 wholly owned subsidiaries (including 3 non-vessel operating companies and 3

dormant/non-operating subsidiaries) and an associate as a single reporting entity, consistent with the basis used for the audited consolidated financial statements for the year ended 30 June 2026. All quantitative and qualitative data presented in this Report pertains to the Group's owned and operated activities, including its shipping, ship repair workshop and real estate segments.

In identifying and assessing sustainability and climate-related risks and opportunities, PNSC has considered relevant upstream and downstream value chain exposures that could reasonably be expected to affect its enterprise value, in accordance with IFRS S1 and IFRS S2 requirements. The extent of value chain consideration varies by topic and is determined by data availability, degree of influence and relevance to financial performance, financial position or future cash flows.

2.4 Key Judgements and Estimates

Key judgements and estimates applied in preparing this Sustainability Report include:

- Determining which sustainability and climate-related risks and opportunities could reasonably be expected to affect enterprise value.
- Defining reporting boundaries and the extent of value chain coverage.
- Assessing the significance of risks and opportunities across short, medium and long-term time horizons.
- Determining the level of disaggregation and narrative detail appropriate for first time adoption disclosures.

These judgements are based on management experience, Committee input, available data and prevailing regulatory and market conditions.

2.5 Materiality Assessment

A structured materiality assessment is central to identifying the sustainability and climate-related topics that could reasonably be expected to affect PNSC's financial performance, financial position and future cash flows. PNSC has not yet completed a formal, enterprise value focused materiality assessment consistent with the requirements of IFRS S1 and IFRS S2. The Corporation intends to undertake this assessment under SSRMC oversight, following a process modelled on the five steps below:

Step	Description
Peer benchmarking	Review of sustainability disclosures of comparable regional and international shipping/maritime operators to identify commonly considered material topics.
Initial topic identification	Development of a candidate list of sustainability topics based on peer benchmarking, industry characteristics (SASB Marine Transportation guidance) and regulatory considerations relevant to PNSC's operations and value chain.
Stakeholder engagement and risk and opportunity identification	Internal stakeholder engagement to gather management perspectives on sustainability priorities; identification and assessment of SRROs/CRROs against the candidate topic list, considering financial, operational, environmental and social implications.
Prioritization and narrowing	Structured prioritization of topics based on their potential impact on PNSC's enterprise value, considering PNSC's operational footprint, stakeholder relationships and regulatory environment.

Step	Description
Review and finalization	Review of shortlisted topics by the SSRMC, and approval of PNSC's material sustainability related risks and opportunities and related disclosures. The SSRMC is intended to review the materiality assessment at least annually, or earlier upon a significant event or material change in circumstances.

2.6 Measurement Uncertainty

In this Report certain sustainability related and climate-related information disclosed is subject to inherent measurement uncertainty, arising from data limitations, estimation techniques and the evolving nature of sustainability measurement practices, particularly in the context of first-time adoption. In preparing these disclosures, PNSC has applied professional judgement to ensure that the information presented is based on reasonable and supportable inputs available at the reporting date, developed without undue cost or effort, proportionate to the Corporation's current skills, capabilities, data availability and internal resources.

2.7 Key Limitations

This Sustainability Report represents PNSC's first year of sustainability and climate-related disclosures prepared with reference to the IFRS Sustainability Disclosure Standards. At present, the systems, methodologies and internal controls required to separately identify, measure, aggregate and validate sustainability and climate-related financial impacts are still under development. Accordingly, PNSC has not disclosed quantitative information relating to the current or anticipated financial effects of certain sustainability and climate-related risks and opportunities for the reporting period, and has instead prioritized qualitative information to provide meaningful insight into risks, opportunities and management responses consistent with the disclosures.

PNSC intends to progressively strengthen its data management systems, scenario modelling capabilities, internal controls and financial impact assessment methodologies in future reporting periods, with the objective of enabling robust, reliable and decision useful quantitative disclosures in line with the requirements of applicable sustainability reporting framework.

2.8 Connected Information

PNSC presents sustainability related financial disclosures in a manner intended to enable users of general purpose financial reports to understand the connections between sustainability related risks and opportunities and the Corporation's governance, strategy, risk management, metrics and targets, as well as their relationship with PNSC's financial position, financial performance and cash flows where available.

- ◆ **Governance Disclosures** explain how the Board of Directors, supported by the SSRMC, oversees sustainability and climate-related risks and opportunities identified through the enterprise risk management framework.
- ◆ **Strategy Disclosures** describe how identified SRROs and CRROs influence PNSC's strategic priorities, capital planning considerations and operational focus areas over the short term, medium term and long term period.
- ◆ **Risk Management Disclosures** explain how SRROs and CRROs are identified, assessed, prioritized, monitored and escalated through PNSC's enterprise risk management processes, including linkages to operational controls and internal reporting.
- ◆ **Metrics and Targets Disclosures** provide quantitative and qualitative indicators supporting the monitoring of exposure to sustainability and climate-related risks and opportunities, including Scope 1/2 emissions, and governance metrics.

Where sustainability and climate-related risks and opportunities have potential financial implications (e.g., impacts on revenues, costs, capital expenditure, or asset values), these relationships are currently described qualitatively within the Strategy and Risk Management sections. As PNSC's data systems and methodologies continue to mature, the Corporation intends to progressively enhance its disclosures by quantifying the financial effects of such risks and opportunities, where practicable. PNSC has not identified material differences between the data and assumptions used in preparing its sustainability related financial disclosures and those used elsewhere in this Report.

3. SUSTAINABILITY & CLIMATE-RELATED RISKS AND OPPORTUNITIES

SUSTAINABILITY RELATED RISKS AND OPPORTUNITIES (SRROS) AND CLIMATE-RELATED RISKS AND OPPORTUNITIES (CRROS)

3.1 Position within the Materiality Assessment Framework

In the absence of a completed, stakeholder engaged materiality assessment, the sustainability and climate-related risks and opportunities identified in this section reflect management's reasonable and supportable judgment, informed by industry based guidance (the SASB Marine Transportation Standard), IMO regulatory developments and PNSC's own operational and technical data. This basis is consistent with the proportionality, reasonable and supportable information principles applied for first time adopters will be superseded by the outcomes of the formal materiality assessment once completed.

The identification and assessment of sustainability related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) forms an integral component of PNSC's materiality assessment framework. This process is intended to identify, assess and priorities sustainability and climate-related risks and opportunities that could reasonably be expected to affect PNSC's enterprise value, including its financial position, financial performance and future cash flows.

The assessment of SRROs and CRROs is aligned with the objectives of the IFRS Sustainability Disclosure Standards and supports management's understanding of how sustainability related matters may influence PNSC's ability to create value over the short, medium and long term.

3.2 Identification of Sustainability Related and Climate-Related Topics

In developing its set of sustainability related and climate-related topics, PNSC's management has considered the industry based disclosure topics set out in the SASB Marine Transportation Standards; the industry based guidance accompanying IFRS S2 for Marine Transportation; and the sustainability disclosures and practices of shipping/maritime industry peers, together with relevant IMO, EU and SECP regulatory developments. These sources informed management's judgement but did not in isolation determine materiality.

3.3 Basis and Scope of the Assessment

The sustainability and climate-related risk and opportunity assessment was conducted at the entity level, encompassing the PNSC Group's owned operations, including its shipping, ship repair workshop and real estate segments across its Karachi based operations and ocean going fleet. Where relevant, the assessment also considered upstream and downstream value chain exposures, including dependencies on bunker fuel suppliers, port authorities and charter counterparties, to the extent such exposures could reasonably be expected to affect PNSC's enterprise value.

3.4 Business wide Identification of SRROs and CRROs

PNSC's identification process focused on risks and opportunities that could reasonably be expected to affect the Corporation's revenues, operating and administrative costs, capital expenditure requirements, asset utilization and values and regulatory and compliance obligations. Each risk and opportunity are, where information allows, considered for likelihood of occurrence, considering current conditions, observable sustainability and climate trends, regulatory developments and historical experience.

3.5 Assessment Across Time Horizons

Sustainability and climate-related risks and opportunities are assessed across the short, medium and long-term horizons defined in Section 5.7 (short term: up to 2 years; medium term: 2–5 years; long term: beyond 5 years and up to the typical 20–25-year economic life of a vessel), aligned to PNSC's dry-docking cycle and multi-year fleet expansion plan. Any references throughout this Report to short, medium or long term should be read using these time horizons, including circumstances where an underlying sustainability or climate-related condition has not yet fully materialised but may affect enterprise value in future periods.

3.6 Climate-Related Risks and Opportunities (CRROs)

During the reporting period, PNSC identified and assessed climate-related risks and opportunities associated with its key environmental exposures, drawing on the industry based disclosure topics in the SASB/IFRS Marine Transportation guidance and on PNSC's fleet, route and financial information. These CRROs reflect the Corporation's exposure to climate-related transition risks and physical risks, evolving regulatory requirements, resource constraints and stakeholder expectations and their potential effects on enterprise value.

Table - Climate-Related Risks

Material Topic	Classification	Risk	Horizon	Management Response
Climate Impact on Fleet and Fuel Costs	Transition	IMO decarbonization regulation (EEXI, CII, SEEMP III) and the 2025 IMO Net-Zero Framework	Medium Term and Long Term	Fleet renewal toward more fuel efficient, higher CII rated tonnage; ballast water management systems and fuel optimization programs already implemented across the fleet.
Climate Impact on Fleet and Fuel Costs	Transition	EU ETS (maritime, from 1 Jan 2024) and Fuel EU Maritime Regulation (from 1 Jan 2025)	Short Term and Medium Term	Monitoring of EU/EEA-linked voyage exposure; consideration within fleet deployment planning.
Climate Impact on Fleet and Fuel Costs	Transition	Volatility in bunker fuel prices and the emerging price differential for compliant low-/zero-carbon marine fuels	Short Term and Medium Term	Fuel optimization programs and satellite-routing for fuel efficient voyages; digital energy metering to monitor consumption.
Fleet Modernization and Technology	Transition	Shift toward dual fuel/eco efficient tonnage; risk of technological obsolescence of older, single fuel vessels	Medium Term and Long Term	Induction of 3 modern vessels in the current financial year as part of the ongoing fleet modernization program.
Charter and Counterparty Relationships	Transition	Charterers and state-owned counterparties increasingly favor vetted, fuel efficient, low emission tonnage	Short Term and Medium Term	Continued investment in CII / EEXI compliance and SIRE vetting readiness across the fleet.

Material Topic	Classification	Risk	Horizon	Management Response
Physical Impact on Port and Coastal Assets	Physical Acute	Increased frequency/intensity of tropical cyclones and monsoon flooding affecting Karachi Port, Port Qasim and coastal operations.	Medium Term and Long Term	Monitoring of port-authority and meteorological advisories; HSEQ/ Safety Management System protocols for weather related disruption.
Physical Impact on Port and Coastal Assets	Physical Chronic	Long-term sea level rise and coastal erosion affecting Karachi's port infrastructure and PNSC owned waterfront real estate.	Long Term	Considered qualitatively within long-term asset planning; formal physical risk quantification planned as data systems mature.
Route and Voyage Disruption	Physical Route disruption	Rerouting away from the Suez Canal / Red Sea due to regional security disruption, lengthening voyages via the Cape of Good Hope.	Short Term	Voyage planning and satellite navigation technology used to chart optimized routes and manage fuel burn.

Table - Climate-related opportunities

Material Topic	Opportunity	Horizon	Management Response
Fuel and Operational Efficiency	Fuel optimization programs, hull/propeller efficiency improvements, ballast water management systems already being implemented across the fleet.	Short Term	Lowest fuel cost and emissions intensity; strengthens CII ratings ahead of tightening IMO thresholds.
National Flag Market Position	First mover national flag advantage in securing Pakistan's energy and food security seaborne trade as global shipping decarbonizes	Medium Term and Long Term	Reinforces PNSC's fleet expansion and foreign exchange conservation strategic objective, supported by GoP policy to reduce reliance on foreign-flagged tonnage.
Access to Green/Concessional Financing	Access to concessional / green financing for eco-efficient tonnage	Medium Term	PNSC intends to engage with domestic and international bank and development finance institutions offering green financing facilities for eco-efficient tonnage as fleet modernisation progress and climate related reporting matures.

3.7 Sustainability Related Risks and Opportunities (SRROs)

PNSC has not yet completed a full identification and assessment of sustainability related risks and opportunities (SRROs) across its other material ESG topics (for example, workforce human rights and labor practices, business ethics and corporate governance, supply chain management and transparency and reporting) in the structured format applied to CRROs above. Consistent with the phased approach, PNSC intends to extend its structured risk and opportunity assessment process to these topics as its materiality assessment is completed.

3.8 Assessment of Financial Effects

For each identified SRRO and CRRO, PNSC intends to assess qualitative and, as data systems mature, quantitative financial effects to determine potential impacts on components of enterprise value, including revenues and market access, operating expenditure, capital expenditure, working capital requirements, asset values and impairment risk, regulatory or legal liabilities and cost of capital and access to finance. PNSC has not yet developed a quantitative financial impact banding methodology (e.g. Low / Medium / High bands) for this reporting period, and financial effects are instead described qualitatively within the strategy and metrics and targets in this Report.

ENVIRONMENT

PNSC's climate-related disclosures, prepared under IFRS S2 Sections 4 to 7 of the sustainability reporting framework.

- 4. Governance
- 5. Strategy
- 6. Risk Management
- 7. Metrics & Targets, including Scope 1 & 2 Emissions

PNSC's environmental initiatives undertaken during the current fiscal year are discussed in the final part of this section.

CLIMATE-RELATED DISCLOSURES PREPARED UNDER IFRS S2

Environmental sustainability is vital for the well-being of our planet and the prosperity of future generations. PNSC actively supports environmental sustainability through a range of initiatives focused on reducing its ecological footprint and is committed to integrating environmentally responsible practices across its maritime operations.

In line with the SECP's ESG Disclosure Guidelines for Listed Companies, 2024 (updated 2025) and PNSC's first year reporting under IFRS S1 and IFRS S2, PNSC has applied the transition reliefs available for first time adopters under IFRS S2 comparative information has not been presented for the reporting period, and Scope 3 greenhouse gas emissions have not been disclosed while the Corporation develops the necessary methodologies, systems and data collection processes.

A Brief Overview of IFRS S2 Requirements

IFRS S2, Climate-related Disclosures, issued by the ISSB, requires an entity to disclose information about climate-related risks and opportunities across five areas:

- ◆ Governance arrangements for climate-related matters
- ◆ Climate-related risks and opportunities
- ◆ Strategy and resilience of business operations
- ◆ Climate-related metrics and targets
- ◆ Greenhouse Gas (GHG) emissions - Scope 1 (direct) and Scope 2 (indirect, purchased energy)

Basis of Preparation & Transition Relief

This is the PNSC Group's first year of reporting under the IFRS Sustainability Disclosure Standards, applied pursuant to the SECP Order dated 31 December 2024 (issued under section 237/238 of the Companies Act, 2017), mandating phased application of IFRS S1/S2 to first-tier listed companies for periods beginning on or after 1 July 2025. Under the transition relief available, PNSC has elected in this first period to disclose only climate-related risks and opportunities (per IFRS S2), applying IFRS S1 solely insofar as it relates to that disclosure; comparative information has not been presented.

These climate-related financial disclosures are at Group level, which consists of PNSC, its all wholly owned subsidiary companies and an associate company for the audited consolidated financial statements for the year ended 30 June 2026.

Sources of Guidance Considered

- ◆ IFRS S1 General Requirements and IFRS S2 Climate-related Disclosures, issued by the ISSB
- ◆ Industry-based guidance on implementing IFRS S2 for Marine Transportation (derived from SASB Transportation-sector standards)
- ◆ ICAP's Guidance for Sustainability Reporting in Pakistan - IFRS S1 & S2 Disclosure Checklist
- ◆ The GHG Protocol Corporate Accounting and Reporting Standard (2004) and Corporate Value Chain (Scope 3) Standard (2011)
- ◆ IMO instruments: MARPOL Annex VI, the 2023 IMO GHG Strategy, EEXI, CII and SEEMP, and the 2025 IMO Net-Zero Framework

Local Laws and Regulations Considered

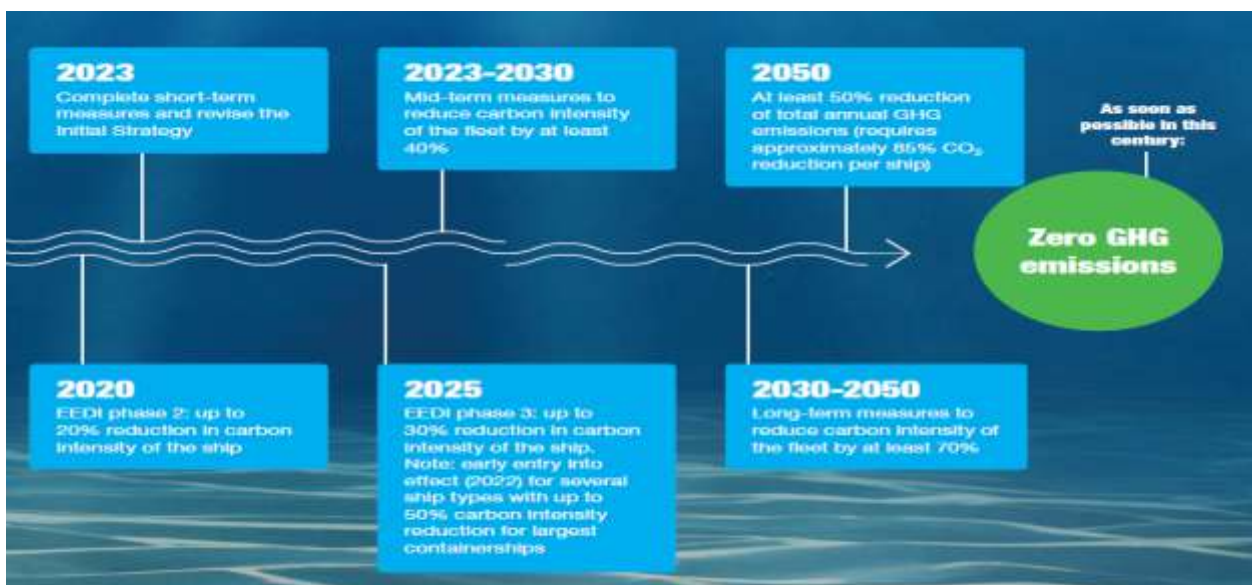
- ◆ SECP Order dated 31 December 2024 (phased IFRS S1/S2 roll out), issued under section 237/238 of the Companies Act, 2017
- ◆ Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019
- ◆ Pakistan National Shipping Corporation Ordinance, 1979
- ◆ State-Owned Enterprises (Governance and Operations) Act, 2023 and the Central Monitoring Unit (CMU) board evaluation guidelines, 2024
- ◆ SECP ESG Disclosure Guidelines, 2024 and the SECP "ESG Sustain" platform
- ◆ Pakistan's Nationally Determined Contributions (2021) under the Paris Agreement and the National Climate Change Policy, 2021 (2023 update)
- ◆ EU Emissions Trading System (maritime, from 1 Jan 2024) and Fuel EU Maritime Regulation (from 1 Jan 2025)

Compliance with IMO Regulations on GHG Emissions

As part of its commitment to global environmental standards, PNSC has successfully installed the Carbon Intensity Indicator (CII) and Energy Efficiency Existing Ship Index (EEXI) across its fleet. These advanced measures are designed to monitor and reduce carbon emissions, reinforcing the Corporation's role in supporting international efforts to combat climate change and drive sustainable maritime practices.

In line with the International Maritime Organization's (IMO) initial strategy to reduce total greenhouse gas (GHG) emissions from international shipping, PNSC has proactively developed a Ship Energy Efficiency Management Plan (SEEMP) for its entire fleet. This initiative is part of the Corporation's broader effort to lower CO₂ emissions and support global efforts to combat climate change. PNSC vessels operate using cleaner fuels, significantly minimizing their carbon footprint. While docked at ports worldwide, strict environmental protocols are followed to prevent the discharge of effluents that could harm marine ecosystems.

To further enhance energy efficiency, PNSC leverages advanced satellite navigation technology to chart optimized, fuel-efficient routes, thereby reducing unnecessary carbon emissions. The Corporation has also implemented a digital energy metering system to monitor and improve energy consumption across its operations.



Environmental Management Plan alignment with ISO 14001 standards

At the organizational level, PNSC has developed and implemented an Environmental Management Plan for its Head Office, in alignment with ISO 14001 standards, to ensure sustainable workplace practices. These comprehensive measures reflect PNSC's strong commitment to environmental stewardship and sustainable maritime operations.

Navigating Toward a Greener Future

PNSC undertakes a variety of sustainability initiatives to ensure that its operations remain environmentally responsible. These efforts focus on reducing waste, conserving energy, and fostering environmental awareness among employees and stakeholders. By embedding CSR into its core business strategy, PNSC not only contributes to a more sustainable future but also actively promotes practices that minimize the environmental impact of its maritime operations. This includes the adoption of cleaner technologies and the implementation of more energy efficient processes.

"PNSC hopes that all stakeholders will recognize its initiatives and efforts as a reflection of its commitment to environmental sustainability and its role as a responsible corporate citizen."



4. GOVERNANCE

PNSC'S GOVERNANCE ARRANGEMENTS FOR SUSTAINABILITY AND CLIMATE-RELATED MATTERS

4.1 Overall Governance Structure

PNSC's governance framework is designed to provide effective oversight of strategy, performance, risk management, and sustainability and climate-related matters that could reasonably be expected to affect enterprise value. The Board of Directors is the highest governance body and is supported by Board committees and management level structures.

Oversight of sustainability and climate-related risks and opportunities (SRROs and CRROs) is exercised through the Sustainability, Strategy and Risk Management Committee (SSRMC), a Board level committee reconstituted and renamed to provide focused oversight of these matters across the Corporation and its value chain, consistent with Regulation 10 (A) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Table - Governance Bodies and Mandates

Governance Body	Primary Mandate	Relevance to Sustainability and Climate
Board of Directors	Overall oversight of strategy, performance, risk management, and governance.	Overall oversight of strategy, performance, risk management, and governance.
Sustainability, Strategy and Risk Management Committee	Sustainability and risk management.	Oversees sustainability risks relevant to financial reporting and disclosures Oversees social matters, workforce risks, DEI, and ethical culture Oversees ESG strategy, SRROs, CRROs, disclosures, and stakeholder engagement.
PNSC Management Sub-Committee	Execution and implementation.	Identifies, manages, and reports SRROs and CRROs.

4.2 Board of Directors' Oversight

For information regarding the Board of Directors' oversight, please refer to the Governance section of this Report.

4.3 Board Skills and Competencies

The Board of Directors of PNSC periodically assesses whether it possesses the appropriate skills, experience and competencies required to effectively oversee sustainability related and climate-related risks and opportunities relevant to the Corporation's business and operating environment.

For information regarding the Board Skills and Competencies, please refer to the Governance section of this Report.

4.4 Role of Board Committees

For information regarding the Role of Board Committees, please refer to the Governance section of this Report.

SSRMC Structure

Refer to the Governance section of this Report for the SSRMC's full membership and meeting record.

Table - Roles and Responsibilities of the SSRMC

Area	SSRMC Role
Strategy	Oversee ESG strategy and roadmap, ensuring that sustainability considerations including environmental compliance obligations and climate-related risks and opportunities are integrated into corporate strategy, business planning and capital allocation decisions.
Risk and opportunity	Review material sustainability related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs), including evaluation of trade-offs between environmental impacts, regulatory compliance requirements, operational feasibility and business growth objectives when making strategic and investment related decisions.
Climate	Review and guide initiatives related to fuel efficiency, energy management, water and ballast management, waste management and emissions reduction, ensuring alignment with applicable environmental laws, regulatory approvals and evolving climate expectations.
Disclosure	Oversee the quality, completeness and consistency of sustainability related disclosures, including transparency regarding key decisions where trade-offs between sustainability risks and opportunities have been considered.
Stakeholders	Monitor ESG related stakeholder engagement, including consideration of Government of Pakistan, minority shareholder, employee, seafarer, regulator and coastal community perspectives when assessing sustainability related trade-offs and decision outcomes.
Capacity building	Support the development of ESG governance frameworks, data systems, internal controls and organizational awareness to strengthen PNSC's ability to identify, evaluate and manage sustainability related trade-offs over time.

Management supports the SSRMC through regular reporting, analysis and operational inputs. While the SSRMC retains overall oversight responsibility, management is responsible for implementing approved initiatives and integrating climate-related considerations into day to day operations. Management currently relies on existing internal controls, policies and procedures embedded within core functions such as Ship Management, Procurement, Finance and Legal & Compliance to support oversight of climate-related risks and opportunities. These controls are integrated within routine planning, budgeting, capital expenditure approval, compliance monitoring and performance review processes, enabling climate-related matters to be identified, managed and escalated through established governance channels.

This governance structure reflects PNSC's current stage of sustainability maturity and provides a foundation for progressive enhancement of management level oversight, data governance and sustainability and climate-related decision making in future reporting periods.

4.5 Information Flow and Oversight

Sustainability related risks and opportunities are communicated to the Board through PNSC's enterprise risk management framework, periodic management reporting, and Board committee reviews, particularly via the Audit Committee and the SSRMC.

Historically, climate-related matters were communicated through the different functions of the Corporation. Following the reconstitution of the existing Board committee as the SSRMC, responsibility for the structured reporting of climate-related risks and opportunities to the Board has been formally assigned to the Committee, including oversight of key areas such as greenhouse gas emissions, fuel consumption, climate-related risks and opportunities, and related metrics, targets and disclosures.

Table - Information Flow for Sustainability and Climate Matters

Level	Information Provided	Frequency
Business Operations (Shore and Afloat)	SRROs, CRROs, performance data	Ongoing
Management (ESG/Sustainability function)	Consolidated risk and performance updates	Quarterly
Independent Board Committee (SSRMC)	ESG and climate oversight reports	Quarterly (per SSRMC mandate)
The PNSC Board	Strategic risks, disclosures, decisions	Aligned with Board meetings

4.6 For Information Regarding Integration with Risk Management and Decision Making, Sustainability Related Policies and Codes, Targets, Monitoring and Incentives, Internal Controls and Assurance And Governance Maturity and Continuous Improvement, please refer to the Governance Section of this report.

5. STRATEGY

PNSC'S STRATEGY FOR MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES

5.1 Strategic Approach to Sustainability and Climate-Related Matters

PNSC's strategy is designed to protect and enhance enterprise value by considering sustainability and climate-related risks and opportunities that could reasonably be expected to affect its financial performance, financial position and future prospects. These considerations are intended to be embedded within the Corporation's core strategic and operational decision-making processes, rather than being addressed through standalone sustainability initiatives.

SRROs and CRROs identified through management's reasonable judgement, as described in Section 3, and as PNSC's governance framework matures are intended to be incorporated into enterprise risk management and governance frameworks. This ensures that sustainability and climate considerations are evaluated alongside broader business, regulatory and financial priorities.

Governance oversight is exercised at both Board and management levels, with coordination led by the SSRMC to support consistency, accountability and strategic alignment across relevant functions. This integrated approach is intended to enable informed decision making and prudent risk management, even in areas where quantitative climate scenario analysis has not yet been applied.

5.2 Strategic Objectives and Focus Areas

Based on the risk and opportunity assessment described in Section 3, PNSC's strategy focuses on the following interrelated areas:

Fleet Modernization and Operational Resilience

Disciplined management of fuel, ballast water, and dry-docking cycles supports operational continuity, regulatory compliance, and cost efficiency, while mitigating exposure to physical and transition risks.

Bunker Supply and Charter-Readiness

Given PNSC's reliance on bunker fuel suppliers, port infrastructure, and charter counterparties, strategic emphasis is placed on supplier oversight, vetting/SIRE readiness, and contingency planning to strengthen resilience against supply disruption and evolving regulatory expectations.

People, Ethics and Seafarer Welfare

Strategic focus on workforce practices, business ethics, seafarer welfare, and occupational health and safety reinforces long-term reputation, strengthens stakeholder trust, and ensures alignment with evolving regulatory and societal expectations.

Governance, Transparency and ESG Integration

PNSC's governance framework, anchored in Board oversight and the SSRMC, supports the structured integration of sustainability and climate-related matters into strategy, reporting, and decision-making processes.

5.3 Integration of SRROs and CRROs into Strategic Decision Making

Identified SRROs and CRROs are intended to inform strategic considerations across planning, operations and governance. Sustainability related matters are incorporated into enterprise risk management discussions, reviewed by management and escalated to the Board through established governance channels described in Section 4. Operational and environmental information, assessed through existing management processes, further informs sustainability and climate-related oversight, which is intended to be progressively strengthened through the SSRMC.

Strategic trade-offs are evaluated by balancing near term financial and operational priorities such as the capital cost of fleet renewal with longer term resilience, compliance and efficiency outcomes, thereby seeking alignment between sustainability considerations and PNSC's overall business objectives.

5.3.1 Integration of Sustainability and Climate Considerations into Financial Planning

Historically, PNSC has not explicitly classified climate-related risks and opportunities as a distinct category within its financial planning framework. Nevertheless, environmental, operational and ethical considerations have consistently been embedded within budgeting, capital allocation, and investment decision making processes most visibly in the evaluation of new build and second hand vessel acquisitions against CII/EEXI compliance criteria.

During the reporting period, PNSC initiated actions to more formally integrate climate-related considerations into financial planning, including incorporating climate-related factors into capital expenditure prioritization, particularly in relation to fuel efficient tonnage, ballast water management and fuel optimization initiatives. Scenario based assessments are also intended to be progressively introduced to evaluate the potential financial implications of sustainability and climate-related disruptions, thereby strengthening long-term financial resilience.

5.4 Sustainability and Climate-Related Strategic Resilience

PNSC's business model and operational activities inherently incorporate sustainability and climate-related considerations across bunker fuel and provisioning, fleet operations and cargo delivery and charter activity. These practices provide day to day resilience against sustainability and climate-related disruptions; however, PNSC acknowledges the need to formalize them within a structured climate resilience framework.

For the reporting year, PNSC applied qualitative, scenario-based strategic considerations to assess the resilience of its strategy under a range of plausible sustainability and climate-related pathways. These considerations are informed by identified SRROs and CRROs, operational information, and governance oversight mechanisms.

These scenarios do not represent forecasts or quantified financial projections. Instead, they serve as analytical lenses to evaluate how PNSC's existing strategy, controls, and governance arrangements may perform under differing external conditions. Looking ahead, PNSC intends to develop a dedicated framework that defines how climate considerations are integrated into strategy, identifies relevant resilience metrics, and supports ongoing monitoring of the business model's adaptability to sustainability- and climate-related changes and uncertainties.

5.4.1 Scenario Selection

PNSC selected three climate scenarios to represent contrasting yet plausible climate futures, providing a decision useful range of outcomes for resilience assessment. The scenarios were chosen to capture a wide spectrum of potential pathways, ensuring that resilience considerations reflect diverse external conditions:

Scenario Pathway	Strategic Context	Primary Areas of Influence
Orderly transition	Gradual and coordinated evolution of IMO/EU climate-related regulation (EEXI, CII, the IMO Net-Zero Framework), market expectations, and alternative-fuel technology adoption.	Bunker fuel costs and price volatility; compliance readiness; operational efficiency and CII performance.
Physical risk escalation	Increasing frequency and severity of acute physical climate impacts, including cyclones, monsoon flooding, and heat stress affecting Karachi Port and Port Qasim operations.	Port accessibility and voyage disruption; workshop and real-estate resilience; logistics and supply chain reliability.
Delayed / disorderly transition	Abrupt or uncoordinated regulatory and market responses following a period of limited climate action, resulting in steeper compliance tightening.	Bunker fuel cost volatility; governance responsiveness; flexibility in capital allocation and operational planning.

The use of different pathways enables PNSC to assess resilience under both favorable and adverse climate futures. PNSC's fleet operations are highly dependent on stable bunker fuel supply and reliable port infrastructure, particularly at Karachi Port Trust and Port Qasim Authority, which face persistent exposure to monsoon-related flooding and cyclone risk in the Arabian Sea. The selected scenarios therefore provide a relevant framework for assessing potential impacts arising from energy/fuel transition, physical climate stress on port infrastructure and evolving regulatory and stakeholder expectations within Pakistan's operating environment.

5.4.2 Orderly Transition Pathway

Under an orderly transition pathway, PNSC's strategy demonstrates resilience through its emphasis on fleet modernization, governance oversight and compliance readiness. The ongoing fleet renewal program three vessels inducted and two older vessels disposed of during FY2025-26 together with fuel optimization programs and satellite routing for fuel efficient voyages, helps moderate exposure to gradually tightening IMO carbon intensity requirements and bunker price volatility.

Strategic implications include:

- ◆ Greater predictability of fuel and compliance related operating costs.
- ◆ Enhanced readiness for evolving IMO/EU disclosure and regulatory requirements.
- ◆ Reinforcement of long-term operational performance without disruptive change to the fleet renewal program already under way.

5.4.3 Physical Risk Escalation Pathway

The physical risk escalation pathway assumes increasing frequency and severity of climate impacts, including cyclones, monsoon flooding, and heat stress affecting Karachi Port Trust, Port Qasim Authority, and PNSC's real estate and workshop assets. Under this pathway, PNSC's resilience is supported by HSEQ-led awareness and control mechanisms, monitoring of port authority and meteorological advisories and the Safety Management

System's emergency preparedness protocols. Voyage and route disruption risk (e.g., rerouting away from the Suez Canal/Red Sea) becomes more pronounced under this scenario, as does the resilience of the Karachi workshop and real estate portfolio.

Strategic implications include:

- ◆ Heightened importance of operational continuity and business continuity planning for Karachi based shore assets.
- ◆ Increased reliance on port authority coordination and insurance coverage for weather related disruption.
- ◆ Greater focus on voyage planning resilience and fleet routing flexibility.

5.4.4 Delayed or Disorderly Transition Pathway

The delayed or disorderly transition pathway reflects a scenario in which regulatory or market responses to climate change occur abruptly following a period of limited action for example, a later than expected but steeper tightening of the IMO Net-Zero Framework's pricing mechanism. In such circumstances, PNSC's strategy benefits from governance led decision making and the flexibility embedded within capital and operational planning processes, including the phase gated approach to alternative fuel and technology commitments described in Section 7.1.4.

Strategic implications include:

- ◆ Short-term volatility in bunker fuel costs and compliance requirements.
- ◆ Increased reliance on SSRMC and Board governance structures for rapid decision making.
- ◆ Greater importance of flexibility in capital allocation and dry-docking/retrofit planning.

5.4.5 Cross-Scenario Strategic Strength

Across all three pathways, PNSC's strategy demonstrates a consistent emphasis on governance, operational discipline, and adaptability rather than reliance on scenario-specific commitments. Key strengths observed across scenarios include:

- ◆ Integration of SRROs and CRROs into enterprise risk management (see Section 6).
- ◆ Board oversight supported by the SSRMC.
- ◆ Operational practices - fuel optimization, ballast water management, voyage routing that enhance resilience to both physical and transition risks.
- ◆ Use of existing technical and commercial data (IMO DCS, classification-society survey data) to inform strategic judgement.

This cross-scenario perspective indicates that PNSC's strategy is structured to remain reasonably robust under a range of plausible external conditions. As governance, data quality, and analytical capabilities continue to evolve, these scenario-based considerations provide a foundation for progressively strengthening strategic integration over time.

5.4.6 Scope and Methodology

The climate scenario assessment covers PNSC's owned and operated fleet, ship repair workshop, real estate portfolio and key value chain exposures (bunker fuel suppliers, port authorities and charter counterparties). The assessment considered both physical climate risks (acute and chronic) and transition risks previously identified through PNSC's risk and opportunity identification process described in Section 3 together with relevant opportunities.

Each identified climate-related risk and opportunity was assessed under the three selected scenarios across the short, medium and long-term time horizons defined in Section 3.5. The assessment considered scenario specific drivers and assumptions, potential strategic impacts, qualitative financial implications, the level of organizational preparedness and adaptability and the severity of stress under each scenario. The scenario analysis does not assume material changes to PNSC's business model instead, it evaluates the resilience of the Corporation's current operating structure and planned fleet renewal activities under alternative climate pathways.

PNSC intends to review and update its climate scenario analysis periodically and at least annually, to reflect developments in climate science, regulatory frameworks (particularly the finalization of the IMO Net-Zero Framework at MEPC 85), market conditions, data availability and changes in the Corporation's operating environment. The scope assumptions and scenarios applied will be reassessed over time to ensure continued relevance and decision usefulness, with enhancements incorporated as PNSC's climate data systems and analytical capabilities mature.

5.4.7 Key Judgements and Estimations

In preparing the climate-related scenario analysis and associated disclosures, management applied significant judgement in several areas:

- ◆ The selection of climate scenarios most relevant to PNSC's operating context, international shipping regulation, Pakistan's coastal exposure and fleet composition.
- ◆ The determination of appropriate time horizons for assessing climate-related impacts (see Section 3.5).
- ◆ The identification of climate-related risks and opportunities reasonably expected to affect PNSC's strategy and financial performance (see Section 3.6).
- ◆ The severity of risks under each scenario, particularly where qualitative or quantitative financial impacts could not be reliably quantified due to limitations in data availability and uncertainty regarding future IMO policy, alternative fuel technology development and freight market response.

Management also assessed the extent to which current mitigation and adaptation measures fleet renewal, ballast water systems, fuel optimization programs contribute to organizational resilience, considering PNSC's degree of control over external factors such as national port infrastructure, bunker fuel availability and Karachi Port Trust (KPT) / Port Qasim Authority (PQA) coordination.

The scenario analysis was based on a number of core assumptions include continuation of PNSC's existing fleet composition and route network, baseline demand for Pakistan's seaborne energy and food security trade aligned with historical trends, continuation of the current fleet modernization program and an energy / fuel system primarily reliant on conventional bunker fuel with gradual evaluation of alternative fuel readiness. The analysis further assumes ongoing physical stress conditions in Karachi and surrounding coastal regions, rising stakeholder expectations for climate transparency and disclosure and no major relocation of PNSC's Karachi based shore facilities during the assessment period.

The scenario analysis does not assume radical changes to PNSC's business model. Instead, it evaluates the resilience of the Corporation's current and planned operating structure under alternative climate pathways, enabling assessment of potential vulnerabilities and adaptive capacity under differing future climate conditions.

5.5 Sustainability Strategy (Other Than Climate)

PNSC's sustainability strategy is centered on managing sustainability-related risks and opportunities identified to date through management's reasonable judgement, consistent with the interim identification basis described in Section 3.

5.5.1 Supply Chain and Operational Resilience

The strategy emphasizes strengthening supply-chain resilience by addressing key risks such as bunker fuel

supplier dependency, documentation gaps for spares/provisions, and geopolitical disruption to trade routes. Strategic actions include supplier diversification, enhancing traceability, and fostering coordination between Procurement, Ship Management, and Finance functions, together aiming to safeguard business continuity and revenue stability.

5.5.2 Transparency and Reporting

PNSC's transparency and reporting strategy is grounded in producing high-quality, comprehensive disclosures that align with recognized reporting practices and stakeholder expectations, reflected in this Report's alignment with IFRS S1/S2, the SECP's ESG Disclosure Guidelines, and the SASB Marine Transportation Standard. PNSC emphasizes robust governance, clear communication of performance and material topics and ongoing enhancement of reporting processes to support accountability and stakeholder confidence.

5.5.3 Workforce, Ethics, and Governance

PNSC's strategy mitigates workforce and governance related SRROs by embedding ethical conduct, fair labour practices and strong internal controls across operations. Leadership and oversight are reinforced through the SSRMC, ensuring accountability and leadership alignment. These measures reduce legal, reputational and operational risks while fostering employee and seafarer engagement, organizational resilience and long-term effectiveness.

5.5.4 Diverse Workforce

PNSC's approach to diversity, equity and inclusion is centered on fostering an inclusive workplace culture where diverse perspectives are valued, equitable opportunities are provided and employees and seafarers can thrive irrespective of background, subject to national laws and the availability of trained female seafarers. This is supported by the Gender Diversity Action Plan targeting 20% women in shore-based roles by 2030 described in the Social segment of this Report.

5.6 Climate Strategy

PNSC's climate strategy is based on the climate-related risks and opportunities outlined in Section 3, particularly those associated with fuel use, water and ballast management, waste management, physical climate hazards, and transition-related regulatory and cost pressures.

As PNSC has not yet conducted quantitative climate scenario analysis (see Section 5.4.7), the climate strategy reflects a qualitative, preparatory approach centered on resilience, operational efficiency and governance readiness.

5.6.1 Fuel and Emissions

PNSC's strategic priorities include improving fuel efficiency, strengthening monitoring of fuel consumption and CII performance and progressively evaluating alternative fuel opportunities where operationally and financially feasible. Current initiatives fuel optimization programs, satellite routing and digital energy metering provide a foundation for managing fuel cost exposure and transition related risks.

5.6.2 Water and Ballast Management

PNSC addresses water related risks by maintaining compliant Ballast Water Management Systems across the fleet and at shore facilities by improving water use efficiency and strengthening contingency planning for supply disruption. These measures enhance operational resilience and support ongoing regulatory compliance.

5.6.3 Waste and Environmental Management

PNSC's strategic priorities for waste management include compliance with MARPOL Annex V garbage management requirements across the fleet, minimizing waste generation at shore facilities, strengthening

segregation and disposal practices and engaging licensed disposal vendors. These measures help manage costs while reducing environmental risks and supporting compliance with sustainability commitments.

5.7 Time Horizons Considered in Strategy

PNSC's sustainability and climate strategy considers short term, medium term and long term time horizons consistent with those applied in the identification and assessment of SRROs and CRROs (see Section 3.5).

Horizon	Strategic Focus
Short Term (0–2 years)	Strengthening governance structures, improving data availability, reinforcing policies and controls and addressing immediate operational risks.
Medium Term (3–5 years)	Progressive integration of sustainability and climate considerations into business planning, capital allocation decisions and operational efficiency initiatives.
Long Term (more than 5 years)	Enhancing organizational resilience to evolving sustainability and climate trends, regulatory developments and market expectations as capabilities mature.

5.8 Financial Effects of Sustainability and Climate-related Risks and Opportunities

During the reporting period, climate-related matters affected the Group's financial position, performance and cash flows principally through:

- (i) the induction of 3 new vessels;
- (ii) bunker fuel costs, a significant component of direct operating expenses exposed to global oil price and bunker fuel mix volatility; and
- (iii) capital expenditure incurred/committed on newer tonnage as part of the fleet modernization program (Rs. 66,183 million in FY2026 vessel additions, per Note 7 to the consolidated financial statements).

These are recognized operating and capital transactions at actual transaction cost; they do not represent a remeasurement of the carrying amount of existing assets. Management has concluded, consistent with the accounting judgments disclosed in Note 4.1 to the FY2025-26 consolidated financial statements that climate-related matters do not currently give rise to a significant risk of material adjustment to the carrying amounts of the Group's assets including its vessel fleet within the next annual reporting period.

5.8.1 Anticipated Short Term, Medium Term and Long Term Financial Effects

Horizon	Anticipated Financial Effect
Short Term (0–2 years)	Continued bunker fuel cost exposure and dry-docking/retrofit expenditure; limited additional impact expected beyond ordinary course fleet maintenance. The three modern vessels inducted during FY2025-26 are fully acquired and their improved fuel efficiency is expected to progressively reduce fleet-average carbon intensity and operating costs over this horizon.
Medium Term (3–5 years)	Potential increase in operating costs as IMO Net-Zero Framework pricing and any EU ETS/Fuel EU Maritime exposure take effect; offset in part by improved fuel efficiency from the modernized fleet.
Long Term (more than 5 years)	Financial effects will depend on the pace and design of IMO decarbonization regulation and the cost trajectory of alternative marine fuels, neither of which can be reliably estimated at this time.

5.8.2 Risks of Material Adjustment to Assets and Liabilities

Based on the climate-related risk and opportunity assessment conducted during the reporting period, PNSC has not identified sustainability- or climate-related factors that are considered highly probable to result in material adjustments to the carrying amounts of assets or liabilities within the next reporting period. Asset categories considered most sensitive to sustainability and climate-related risks are the vessel fleet (Note 7) and the Karachi based real estate portfolio (Note 10).

5.8.3 Investment Plans and Sources of Funding

PNSC's fleet modernisation strategy is supported by internally generated cash flows. The three vessels inducted during FY2025-26, two Aframax crude oil tankers (M.T. Lahore and M.T. Karachi) and one MR-II clean product tanker (M.T. Quetta) have been fully acquired and inducted into the national fleet. The financial obligations associated with these acquisitions have been settled and are reflected in the consolidated financial statements for the year ended 30 June 2026.

Looking ahead, PNSC intends to continue its fleet modernisation and expansion programme through internally generated cash flows. As the fleet transitions toward more fuel-efficient and lower-emission tonnage, the Corporation also intends to explore access to green and concessional financing facilities offered by domestic and international banks and development finance institutions, consistent with the climate-related opportunity identified in Section 5.3 of this Report.

5.8.4 Expected Changes in Financial Performance and Cash Flows

In the short term, PNSC anticipates continued exposure to bunker fuel price volatility and selective capital expenditure on dry-docking and retrofit programs. In the medium term, efficiency improvements from the modernized fleet are expected to moderate fuel-cost pressure and support margin stability. In the long term, sustained focus on fleet efficiency and climate resilience is expected to contribute to more stable and predictable financial performance, though this cannot be quantified at the current stage of PNSC's climate-related reporting maturity.

5.8.5 Effects on Business Model and Value Chain

PNSC's business model comprises four principal segments: liquid cargo (crude oil and petroleum products carried by its Aframax and LR class tanker fleet), dry bulk cargo, ship repair and marine workshop services in Karachi, and real estate. Climate-related risks and opportunities are concentrated in the liquid and dry cargo shipping segments, and specifically in:

- (i) the owned and chartered vessel fleet, most directly exposed to IMO/EU decarbonization regulation and physical/route risk;
- (ii) the Karachi ship repair workshop and coastal real estate portfolio, exposed to acute and chronic physical risk; and
- (iii) the value chain of bunker fuel suppliers, ports (Karachi Port Trust, Port Qasim Authority), and charterers / cargo owners, through which transition risk and opportunity are transmitted to PNSC.

6. RISK MANAGEMENT

PROCESSES TO IDENTIFY, ASSESS, PRIORITISE AND MONITOR CLIMATE-RELATED RISKS

PNSC manages climate-related risks and opportunities (CRROs) and sustainability related risks and opportunities (SRROs) to the extent identified to date through its existing enterprise risk management (ERM) framework and supporting operational control systems. As noted in Section 3.7, a full structured identification and assessment of SRROs beyond climate has not yet been completed; the processes described in this section apply primarily to CRROs, with broader SRRO integration intended as the materiality assessment matures. Climate and sustainability considerations are evaluated within the Corporation's broader risk universe and are assessed, monitored and escalated through established governance channels, including management reviews and Board level oversight via the SSRMC.

PNSC's risk management approach is designed to support disciplined identification, assessment, and prioritization of risks that could reasonably be expected to affect enterprise value over the short, medium and long term. It also seeks to ensure consistent implementation of mitigation actions through accountable ownership and ongoing monitoring, thereby reinforcing resilience in the Corporation's financial position, performance and cash flows.

6.1 Policies and Processes Used to Identify, Assess, Monitor, And Manage CRROs and to the Extent Identified SRROs

PNSC's risk management approach establishes a structured approach for managing risks across the organization, including:

Step	Description
01	Risk identification at functional and site level (Fleet / Marine Operations, HSEQ, Finance, Procurement, Legal & Compliance, shore facilities).
02	Risk assessment using defined likelihood and impact considerations and assignment of risk ratings.
03	Risk response planning, including mitigation actions and assignment of accountable owners.
04	Ongoing monitoring and reporting, including periodic review and escalation through management and governance forums.

6.1.1 Inputs and Parameters Used (Including Scenario Analysis, Where Applicable)

Inputs used in PNSC's risk assessment and monitoring process include:

- ◆ Technical / classification society survey and dry-docking data, and IMO Data Collection System (DCS) fuel consumption and CII rating data gathered annually for each applicable vessel under MARPOL Annex VI Ch.4 Reg. 22A.
- ◆ Charter-party and vetting / SIRE inspection feedback, and commercial/operational considerations reflected in functional risk registers (e.g., supply chain continuity, regulatory readiness and port accessibility).
- ◆ Port authority and meteorological advisories for Karachi Port and Port Qasim and monitoring of IMO, EU and SECP regulatory developments.
- ◆ Governance inputs through periodic SSRMC and Board Audit Committee reviews and escalation mechanisms.

PNSC has not evidenced the use of quantitative scenario modelling within its ERM framework for CRROs. Where qualitative scenario-based considerations are applied (see Section 5.4), these are used primarily as analytical lenses for resilience rather than as quantified parameters within ERM processes. This approach reflects management's current emphasis on qualitative evaluation and governance oversight, while highlighting the potential for future integration of quantitative modelling to strengthen risk assessment and alignment with financial position, performance, and cash flow considerations.

6.1.2 PNSC Assesses the Nature, Likelihood and Magnitude of Effects

As at the date of this Report, PNSC has not yet formalized a documented risk scoring methodology specific to climate-related risk. Climate-related risks are currently assessed on a qualitative, case by case basis alongside other operational and strategic risks, without a standardized likelihood × impact matrix distinguishing inherent risk (before mitigation) from residual risk (after considering existing controls/mitigations) specific to climate. Formalizing a documented risk scoring matrix applied consistently across operational, financial, strategic and climate risk categories rather than as a separate climate-specific scale has been identified as a priority for the year ahead.

6.1.3 PNSC Prioritizes Climate-Related and to the Extent Identified, Sustainability Related Risks

Prioritization is intended to be performed through the ERM process using relative risk ratings and management judgement to focus attention on risks with higher potential implications for operational continuity, compliance, cost stability and enterprise value. As the formal materiality assessment is completed and broader SRROs are identified, these will be incorporated into the same prioritization framework. Risks requiring escalation, enhanced monitoring, or structured action planning are intended to be prioritized through management reviews and governance oversight via the SSRMC.

6.1.4 PNSC Monitors SRROs/CRROs

As at the date of this Report, PNSC has not yet formalized a defined monitoring cadence or dedicated risk register tool specific to climate-related risk. Climate-related risks are currently monitored through the ordinary course of technical and HSEQ oversight dry-docking planning, IMO DCS data collection and vetting/SIRE inspection cycles and reported to the SSRMC in line with its quarterly meeting cadence, rather than through a standing, documented monitoring process. Monitoring of broader SRROs will be incorporated as the structured identification and assessment process described in Section 3.7 is completed. Establishing a defined review cadence for the enterprise risk register (including climate-related entries) has been identified as a priority for the year ahead.

6.1.5 Changes in Processes

This is the first-year climate-related risk has been identified as a discrete category within PNSC's risk management process; accordingly, no comparative information on process changes is presented. The reconstitution of the SSRMC represents a governance strengthening measure intended to enhance coordination and oversight of ESG related matters, including the identification of CRROs and progressively broader SRROs as the materiality assessment matures. This addition reinforces governance integration within the broader risk universe and supports Board-level oversight. Beyond this enhancement, no further process changes such as adjustments to methodology, thresholds, or formal integration mechanisms have been evidenced in the documentation available at the date of this Report.

6.2 Integration of SRRO/CRRO Risk Management into the Overall ERM Framework

PNSC's risk management processes for CRROs and SRROs to the extent identified to date are not separate, standalone systems; rather, they are implemented through the Corporation's existing ERM architecture and functional risk management practices. This supports integration into:

- ◆ Broader operational and compliance controls (Safety Management System under the ISM Code, HSEQ standard operating procedures);
- ◆ Management review and escalation pathways (management SSRMC Board); and
- ◆ Governance oversight structures, including Board oversight and SSRMC coordination.

CRROs identified at function and fleet/shore level are intended to be periodically consolidated through PNSC's ERM reporting cycle. SRROs beyond climate will be incorporated into the same consolidation process once the formal materiality assessment described in Section 2.5 is completed. Risks assessed as significant, once a formal impact / likelihood threshold methodology is established (see Section 6.1.2), would be escalated to the enterprise-level risk register and reported to the SSRMC as part of regular governance reporting.

6.3 Linkage to Governance, Strategy and Metrics & Targets

This Risk Management section is designed to be directly linkable to:

Section	Linkage
Governance (Section 4)	Oversight through the Board with SSRMC coordination.
Strategy (Section 5)	Strategic responses are informed by the prioritized CRROs and mitigation actions, once tracked through a formal ERM process. Broader SRRO integration into strategic decision-making is intended to follow completion of the materiality assessment.
Metrics and Targets (Section 7)	Monitoring of relevant indicators (e.g., operational fuel / emissions metrics) supports risk monitoring and management decision making, where metrics are used as management information

7. METRICS AND TARGETS

PNSC'S PERFORMANCE AGAINST CLIMATE-RELATED RISKS AND OPPORTUNITIES AND PROGRESS TOWARD TARGETS

PNSC manages CRROs and SRROs to the extent identified to date through its enterprise risk management framework and supporting operational control systems (see Section 6). As noted in Section 3.7, a full structured identification and assessment of SRROs beyond climate has not yet been completed; the metrics in this section therefore relate primarily to climate-related matters, with broader sustainability metrics disclosed under Sections 7.2 and 7.3 on a best effort basis. Climate and sustainability considerations are evaluated within the Corporation's broader risk universe and are assessed, monitored and escalated through established governance channels, including management reviews and Board level oversight principally via the SSRMC.

PNSC intends to use sustainability and climate-related metrics to provide decision useful information regarding exposure to CRROs and progressively to SRROs as identification and assessment matures, to support governance oversight and to strengthen the integration of sustainability considerations into strategic and operational decision making. The metrics disclosed in this section reflect information currently monitored across PNSC's operations and governance processes and are intended to provide transparency regarding matters relevant to enterprise value.

PNSC is not currently subject to any regulatory requirement mandating formal sustainability or climate-related targets for this reporting period. Detailed target characteristics defined metrics, organizational and operational scope, base year and time horizons are under development and will be disclosed in future reporting periods as part of PNSC's continued advancement towards more comprehensive and decision useful sustainability reporting.

7.1 Climate-Related Metrics

7.1.1 Greenhouse Gas Emissions - Cross-Industry Metric

The figures below are Group totals, aggregating PNSC (the Corporation) and all 19 wholly owned subsidiaries as a single consolidated accounting group. PNSC vessels above 5,000 GT already collect annual fuel consumption data under the IMO Data Collection System (IMO DCS / MARPOL Annex VI Ch.4 Reg. 22A) to compute each vessel's Annual Efficiency Ratio and CII rating; this is the primary data source for the Scope 1 figure below. Scope 2 (purchased electricity for onshore offices, the PNSC workshop and real estate portfolio) is sourced from K-Electric / utility invoices.

177,576
TCO₂E - SCOPE 1 EMISSIONS

1,042
TCO₂E - SCOPE 2 EMISSIONS

In accordance with the transition relief in paragraph C4(b) of IFRS S2, the Corporation has elected not to disclose its Scope 3 greenhouse gas emissions in this first annual reporting period. PNSC intends to disclose Scope 3 emissions, focusing initially on categories relevant to its bunker fuel supply chain and chartered-out tonnage, from the year ending 30th June 2027 onward.

7.1.2 Other Cross Industry Metrics

Section	Linkage
Amount and % of assets / business activities vulnerable to climate-related transition risk	Rs. 19,575 million / 23% of fleet carrying value
Amount and % of assets / business activities vulnerable to climate-related physical risk	Rs. 7,628.5 million / 7.58% of Non-Current Assets
Amount and % of assets / business activities aligned with climate-related opportunities	Rs. 66,183 million / 77% of total fleet carrying value
Capital deployment directed to climate-related risks and opportunities	Not separately classified in the current reporting period; fleet capital expenditure of Rs. 66,183 million disclosed in Section 5.8 includes climate-related considerations see Section 5.8.3.
Internal carbon price - whether/how used, and price per tCO ₂ e	Not currently applied, under evaluation
Whether / how climate considerations are factored into executive remuneration	Not currently applied, under evaluation
% of current period executive remuneration linked to climate considerations	Nil

7.1.3 Industry-Based Metrics - Marine Transportation

Drawn from the SASB/IFRS Marine Transportation industry-based guidance referenced by IFRS S2 - the metrics most commonly used by international shipping peers for this disclosure topic:

Reference	Metric	Unit
TR-MT-110a.1	Gross global Scope 1 GHG emissions	177,576 tCO ₂ e
TR-MT-110a.2	Discussion of long/short-term strategy to manage Scope 1 emissions, targets and performance	PNSC manages Scope 1 emissions in the short term (2026–2030) through operational efficiency measures across the existing fleet voyage optimization and weather routing, speed and trim optimization, hull and propeller bio-fouling management, and digital fuel consumption monitoring together with fleet modernization, evidenced by the induction of three second hand tankers during FY2025-26. All applicable vessels are tracked against IMO's CII and EEXI requirements under MARPOL Annex VI using IMO DCS fuel consumption data. In the medium to long term (2030 onward), the strategy shifts toward LNG capable /

Reference	Metric	Unit
		dual fuel newbuild induction and hull air lubrication systems, moving toward methanol and ammonia ready tonnage by 2035–2040, with new vessel orders from 2027 assessed for alternative fuel readiness at defined phase gates (2027, 2033, 2040) rather than committed prematurely. PNSC has not, as at the date of this Report, adopted a Board approved quantitative Scope 1 target; subsequent to the year end, the ESG Policy 2026-2035 was duly approved by the Board of Directors, proposes a 40% carbon intensity reduction by 2030 and 70% by 2040 (against a 2008 baseline), aligned to the IMO's 2023 GHG Strategy, with net-zero by or around 2050. Group Scope 1 emissions for FY2025-26, PNSC's first verified baseline year, totaled 177,576 tCO₂e on a tank to wake basis; as this is the baseline year, no prior year performance trend is presented
TR-MT-110a.3	Total energy consumed; % heavy fuel oil; % renewable/alternative fuel	2283674.77 GJ, 100 % (HFO/MDO)
-	Average EEXI attained across the fleet vs. required	4.09 gCO ₂ /t·nm
-	Fleet CII ratings distribution (A/B/C/D/E)	A 0 %, B 0%, C 30%, D 20% & E 50%
TR-MT-120a.1	Air emissions: NO _x (excl. N ₂ O), SO _x , particulate matter (PM ₁₀)	- PNSC vessels are fitted with Tier-II main engines – Nox. - PNSC supplies 12 out of 13 vessels with VLSFO with (0.5% Sulphur CAP) in line with industry practice and HSFO to 01 vessel with scrubber for SO_x emission control. ULSFO (MGO) is supplied as and when required for SECA regions defined by IMO.
TR-MT-000.A–D	Fleet size; distance travelled; deadweight tonnage capacity	Current FY 2025-2026 Information: Fleet Size: Total 13 (8 Tankers & 5 Bulkers) Distance Travelled: Tankers travelled in Gulf Region & Australia and Bulkers travelled in South East Asia Region. Deadweight Tonnage: Total 996,682 M.T (Tankers: 741,505 M.1T & Bulkers: 255,177 M.T)
TR-MT-540a.1	Number of marine casualties, % classified as very serious	1

Reference	Metric	Unit
TR-MT-540a.2	Number of Port State Control (PSC) deficiencies / detentions	FY2025-26 data is mentioned as follows: No of (PSC) deficiencies: 114 No of (PSC) detentions: 5
TR-MT-530a.1	Calls at ports in the 20 lowest ranked countries on the Corruption Perceptions Index	There were no calls during the FY2025-26 by all vessels under the PNSC managed fleet.
-	Energy Efficiency Operational Indicator (fleet average carbon intensity)	6.28 gCO2/t-nm

7.1.4 Climate-Related Targets

PNSC has not, as at the date of these disclosures, set a quantitative greenhouse gas emissions target or other formal climate-related target. The Corporation's fleet modernization program is expected to improve the fleet's average energy efficiency and CII rating over the medium term, and management, under SSRMC oversight, is evaluating the adoption of a formal, Board approved climate-related target informed by IMO's 2030/2040 GHG intensity checkpoints and 2050 net-zero ambition for adoption in a future reporting period. The only target PNSC is currently required to meet by law or regulation is compliance with the mandatory IMO EEXI and CII requirements applicable to its ocean going fleet under MARPOL Annex VI.

Future Climate-Related Targets - ESG Policy (2026–2035)

FORWARD-LOOKING

PNSC Management has prepared a Board-level ESG Policy (2026–2035), which was subsequently approved, would formally adopt the quantitative targets and roadmap below. These are proposed forward commitments only not yet approved by the Board and not a measure of FY2025-26 performance.

FUTURE COMMITMENT - PROPOSED DECARBONISATION TARGETS

(Per PNSC's ESG Policy (2026–2035), subsequent to the year end was duly reviewed and approved by the SSRMC and Board of Directors.

- ◆ Carbon-intensity reduction: at least 40% by 2030 and at least 70% by 2040, both against a 2008 baseline, aligned to the IMO's 2023 GHG Strategy checkpoints, with net-zero fleet GHG emissions by or around 2050.
- ◆ Fleet-average Carbon Intensity Indicator (CII) rating of C or better, with zero vessels rated E; any vessel rated D for three consecutive years or E in any year to trigger a mandatory corrective action plan under SEEMP Part III.
- ◆ All applicable vessels to maintain verified EEXI compliance as a design-efficiency baseline.
- ◆ 100% of new vessel orders from 2027 onward to be assessed for LNG-capable, methanol-ready or ammonia-ready specification, with fuel and technology commitments reviewed at defined phase gates (2027, 2033, 2040) rather than locked in prematurely.
- ◆ A verified fleet GHG emissions baseline targeted for completion by end 2026, using IMO DCS data and fleet-wide CII methodology.

Proposed fleet decarbonization roadmap (subject to Board approval):

Horizon	Proposed Key Actions
2026–2030 (Short Term)	EEXI compliance upgrades; voyage optimization and weather routing; low Sulphur and blended biofuel trials; LED retrofits, VFDs, shaft generators; MRV/DCS/CII optimization; verified emissions baseline (2026).
2030–2035 (Medium Term)	LNG capable and dual fuel newbuild induction; pre-swirl ducts and propeller boss cap fins; hull air lubrication systems; shore to ship green energy integration where port infrastructure allows; low-carbon fuel infrastructure readiness assessment.
2035+ (Long Term)	Methanol ready and ammonia ready vessels; consolidated Green Fleet Roadmap; carbon neutral shipping corridor participation; carbon capture technology evaluation; hydrogen ready vessel technology review.

7.1.5 Carbon Intensity Indicator and Energy Efficiency Existing Ship Index

PNSC has implemented the Carbon Intensity Indicator (CII), Energy Efficiency Existing Ship Index (EEXI) and Ship Energy Efficiency Management Plan (SEEMP) across its fleet, in line with the IMO's GHG reduction strategy. Vessels operate on cleaner fuels with strict port discharge protocols and fuel efficiency is further supported through satellite-based route optimization and digital energy metering.

7.1.6 Environmental Initiatives

PNSC's environmental initiatives are discussed at the end of this section of the Report.

7.1.7 Performance Monitoring Status

PNSC's disclosed climate-related metrics provide a foundation for understanding exposure to CRROs and for strengthening performance monitoring over time. At present:

- ◆ PNSC monitors operational metrics relevant to climate-related exposure, including fuel/energy consumption, greenhouse gas emissions, and CII/EEXI performance.
- ◆ Oversight of these metrics is supported through management review processes and governance structures, including the SSRMC.
- ◆ PNSC continues to evaluate the appropriateness of formalizing targets, baseline definitions, and monitoring methodologies in a phased and proportionate manner.
- ◆ As the formal SRRO identification and assessment process matures, PNSC intends to extend performance monitoring to cover broader sustainability topics beyond climate.

7.2 NON-CLIMATE SUSTAINABILITY METRICS

PNSC monitors selected non-climate sustainability indicators to support procurement oversight, transparency, business ethics and operational efficiency. These indicators are presented on a best-effort basis, consistent with Section 3.7 acknowledgement that a full structured SRRO identification and assessment beyond climate has not yet been completed.

As with the climate-related metrics in Section 7.1, these indicators are intended to be progressively formalized as PNSC's data systems and materiality assessment mature; the tables below are structured to be completed by the responsible function once FY2025-26 data is available.

7.2.1 Supply Chain Management

PNSC intends to monitor selected supply chain indicators to support procurement oversight, supplier

compliance, and risk management, consistent with the Supplier ESG Compliance Framework proposed under PNSC's ESG Policy (see the Governance chapter of this Report). As at the date of this Report, quantitative supply chain metrics for FY2025-26 are not yet available, as the systems and processes required to capture, consolidate and validate supplier-related data in a reportable format are still being established. This is consistent with the first-year reporting limitations acknowledged in Section 2.7. PNSC has identified supply chain data collection as a priority for the year ahead and intends to disclose these metrics in full in the FY2026-27 Sustainability Report.

Table - Supply Chain Metrics

Supply chain metric	Unit	Frequency
Total number of active suppliers/vendors	Number	224
Number of Strategic segment suppliers (bunker suppliers)	Number	10
% of Strategic segment suppliers audited during the year	%	100%
Number of suppliers' subject to Corrective Action Plans	Number	Not available - FY2025-26 baseline data is being established.

7.2.2 Transparency and Reporting

PNSC's transparency and reporting strategy is grounded in producing high quality, comprehensive disclosures that align with recognized reporting practices and stakeholder expectations (see Section 5.5.2). PNSC positions transparent governance and stakeholder engagement as core to its sustainability framework.

Table - Transparency & Reporting Indicators

Indicator	Status
Sustainability related policies documented and approved	Sustainability Policy has been prepared and SSRMC has submitted to the Board for Approval.
Defined reporting governance structure	Yes - SSRMC
Stakeholder engagement mechanism in place	Stakeholder engagement mechanisms are in place, including regular meetings and consultations, feedback and grievance channels, customer and employee engagement, regulatory communication and stakeholder feedback reviews.
Identification of key stakeholder groups	Yes
Internal data owners assigned for disclosures	At PNSC internal data owners are assigned for key disclosures, with defined responsibilities for data collection, validation, review and timely submission to ensure accuracy and accountability.
Frequency of stakeholder engagement activities	Regularly throughout the year, with frequency based on stakeholder needs and the nature of engagement.
Sustainability disclosures included in annual report	Yes - this Report

7.2.3 Business Ethics & Corporate Governance

PNSC monitors ethics and governance through employee coverage under the Code of Conduct, training, whistleblowing mechanisms, and governance oversight (see Section 4.7 and the SECP Governance disclosures in the Governance chapter of this Report).

Table - Business Ethics & Corporate Governance

Metric	Unit	FY2025-26
Employees covered under Code of Conduct	%	100%
Total monetary losses from legal proceedings - false marketing claims	Rs.	Nil
Total monetary losses from legal proceedings - corruption and bribery	Rs.	Nil
Independent directors on the Board	Number	5
Total number of confirmed incidents of corruption	Number	0

7.2.4 Operational Efficiency

PNSC monitors a range of operational efficiency metrics to support oversight of sustainability related risks and opportunities across its fleet and shore operations. These metrics are embedded within existing governance, compliance, and operational monitoring processes and are used to inform management review and decision making.

Table - Operational efficiency metrics

Metric	Unit	FY2025-26
Fuel consumption per nautical mile (fleet average)	MT/nm	0.205
Fleet average CII rating	A-E	For the rating information para no 7.1.4 may be referred
Vessel utilization / off hire rate (268 Days / 4103)	%	6.53
Average dry-docking turnaround time (149 Days / 3 Vessels)	Days	50

7.3 MONITORING OF SOCIAL AND WORKFORCE RESPONSIBILITY METRICS

PNSC monitors a range of social and workforce related metrics to support oversight of sustainability considerations across its operations and value chain. These metrics are presented on a best effort basis, consistent with Section 3.7 acknowledgement that a full structured SRRO identification and assessment beyond climate has not yet been completed. They are embedded within existing governance, compliance, and operational monitoring processes and are used to inform management review and decision-making.

7.3.1 Human Rights & Labour Practices

PNSC is committed to upholding internationally recognized human rights and fair labour practices across its operations, supported by formal policies on ethical conduct, non-discrimination, health and safety and employee wellbeing and for seafarers the Maritime Labour Convention, 2006 (see Section 4.7 and the Social chapter of this Report).

Table - Human Rights and Labour Practices

Metric	Unit	FY2025-26
Total number of incidents of discrimination	Number	0
Number of work-related injuries (shore and fleet)	Number	1

7.3.2 Diversity, Equity and Inclusion (DEI)

PNSC's approach to DEI is described in Section 5.5.4 of this Report and in the Social chapter's SECP Social disclosures, including the proposed Gender Diversity Action Plan targeting 20% women in shore-based roles by 2030.

Table - DEI Metrics

Metric	Unit	FY2025-26
Total employees (shore based)	Number	297
Percentage of female employees (shore based)	%	3%

7.3.3 Seafarer Occupational Health and Safety Monitoring

As a maritime operator, PNSC recognizes that seafarer health, fatigue, and occupational safety are material to its social risk profile and long-term operational resilience. PNSC monitors occupational health and safety related indicators to better understand its exposure to operational and reputational risk and to identify opportunities to strengthen crew welfare and safety practices, consistent with the Maritime Labour Convention, 2006 and the STCW Convention.

Table - Seafarer Health and Safety Monitoring Indicators

PNSC has approved a Health and Safety Policy to ensure the effective implementation of its Safety Management System (SMS) in compliance with the requirements of the International Safety Management (ISM) Code and the International Convention for the Safety of Life at Sea (SOLAS).

Indicator	Status
Policy addressing seafarer fatigue and rest hour management (STCW/MLC)	Minimum Rest: - 10 hours in 24 hours period and 77 hours in 7 days period. - Rest hours may be divided into no more than 2 periods, one of which shall be at least 6 hours. - Interval between consecutive rest periods shall not exceed 14 hours.
24/7 shore based medical advisory (telemedicine) support for vessels at sea	PNSC's Safety Management System (SMS) addresses the provision of medical advisory support to vessels at sea. Medical-related provisions within the SMS are aligned with applicable World Health Organization (WHO) recommendations and flag State regulations.
Confidential counselling / mental health support access for seafarers	PNSC's Safety Management System (SMS) addresses the provision of confidential counselling and mental health support to seafarers, recognizing the importance of their psychological well-being and access to appropriate support while at sea.

ENVIRONMENTAL INITIATIVES OF PNSC



WORLD ENVIRONMENT DAY

5 JUNE 2026

*Together for a healthier planet,
a resilient future.*



REDUCING
EMISSIONS



PROTECTING
MARINE LIFE



RESPONSIBLE
RESOURCE USE



BUILDING
SUSTAINABLE
COMMUNITIES



SUSTAINABLE
SHIPPING

INTERNATIONAL MANGROVE DAY (26TH-JULY-2026)

A day dedicated to action, impact, and hope for our coastal ecosystems

PNSC in collaboration with Mangrove Crew on World Mangrove Day 2026 Plantation Drive. A student led movement to root the future, rise as a community and revive our coastlines brought together volunteers to plant mangroves, strengthen our coastline and take another meaningful step towards a more sustainable future. Every sapling planted today is an investment in climate resilience, biodiversity and the generations to come.

A heartfelt thanks to Mangrove Crew and everyone for collaborating with PNSC in making a difference because commitment to environmental sustainability and coastal conservation helped make this initiative a meaningful success. Together, PNSC taking collective action to restore Pakistan's mangrove ecosystems and inspire a greener future.



TREE PLANTATION DRIVE (14TH-AUGUST-2025)

On the occasion of Pakistan's **78th Independence Day**, a flag hoisting and tree planting ceremony was organized at PNSC, in which the Chairman PNSC addressed the employees, a cake was also cut during the ceremony on this occasion and at the end of the ceremony, sweets were distributed among the participants.

Demonstrating its commitment to a safe and healthy environment PNSC organized a tree plantation drive at its Head Office. The PNSC CEO planted a sapling in the premises of the building, to mark the celebration of Pakistan's Independence Day. This initiative was part of the Corporation's broader CSR strategy to promote environmental conservation and foster environmental awareness among employees.

Tree plantation drives by corporate entities like PNSC contribute significantly to enhancing the local ecosystem by increasing green cover, reducing air pollution and mitigating the urban heat island effect. Additionally, such initiatives encourage employee participation, strengthen team spirit and instill a sense of pride in contributing to a sustainable and meaningful cause.



AN AWARENESS SEMINAR ON MARINE POLLUTION

The Directorate General Ports & Shipping Wing Karachi, in line with the vision of Ministry of Maritime Affairs has organized a seminar on “The Role of Maritime Stakeholders In Preventing Marine Pollution In Pakistan” on 06th November 2025 at KPT Staff College to highlight the challenge of marine pollution.

The seminar was a part of the Maritime Week activities envisaged by the Federal Minister for Maritime Affairs. Speakers from Pakistan National Shipping Corporation (PNSC), Karachi Port Trust, Port (KPT) Qasim Authority (PQA), Sindh Solid Waste Management Board and S-III Project (Karachi Water & Sewerage Corporation) participated in seminar. Esteemed academicians and researchers from Karachi University and Bahria University Karachi also shared insights on marine pollution, challenges and way forward.

The seminar highlighted the environmental impact of pollution on port activities, shipping operations and on Pakistan’s coastal ecosystem. The speakers from both federal and provincial governments and academia focused on joint collaborated efforts for improve waste management practices, and ensure scientific monitoring and strengthening inter-departmental cooperation to mitigate the effects of Marine Pollution.

The seminar reinforced the commitment of all marine stakeholders to work collectively for sustainable and pollution free seas. The Director General Ports & Shipping Wing Karachi, reaffirmed its dedication for supporting national and international efforts for ocean conservation and maritime sustainability.



NEW INDUCTION IN PNSC MANGED FLEET ADVANCING MARITIME SOVEREIGNTY TOGETHER!

Pakistan advances its maritime sovereignty by strengthening the national fleet, as during the year, PNSC acquired upon induction into the national fleet.

- ◆ A modern crude oil tanker M.T. NAFSIKA, which was renamed as “M.T. Lahore” was built in 2022, has a deadweight tonnage (DWT) of 112,051 Metric tons.
- ◆ A modern Aframax crude oil tanker M.T. LORAX, which was renamed as “M.T. Karachi” was built in 2022, has a deadweight tonnage (DWT) of 109,990 Metric tons.
- ◆ A modern MR-II clean product tanker MT. STAVANGER POSEIDON, which was renamed as “M.T. Quetta” was built in 2020, deadweight tonnage (DWT) of 49,999 Metric tons.

Syed Jarar Haider Kazmi, Chief Executive Officer of PNSC, expressed his satisfaction on the acquisition of these vessels, stating that their induction marks a significant milestone in PNSC’s fleet modernization strategy and reinforces its commitment to operational excellence, energy efficiency and environmental sustainability.

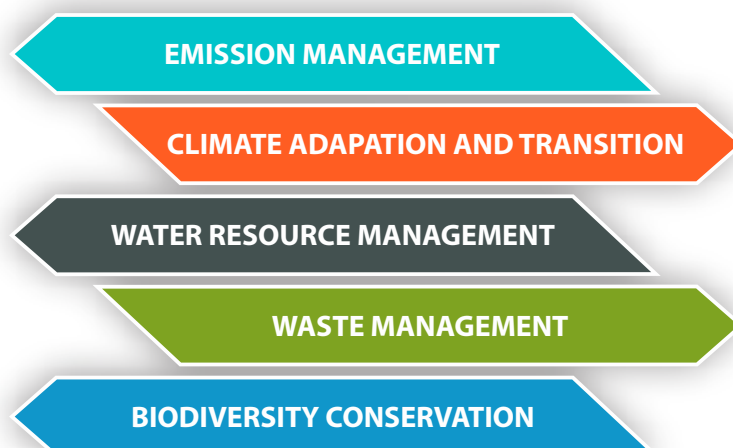
These modern, high performance vessels are compliant with applicable IMO regulations on GHG emissions and energy efficiency and are expected to improve fuel efficiency, reduce emissions and support PNSC in achieving its future sustainability and emissions reduction targets. The inductions further strengthen PNSC’s position as a responsible, environmentally conscious and globally compliant shipping company, while enhancing its capacity to meet Pakistan’s growing energy transportation requirements.



PNSC’S ENVIRONMENTAL MANAGEMENT APPROACH

PNSC is committed to conducting its operations responsibly by minimizing environmental impacts, enhancing operational efficiency and supporting the transition towards sustainable shipping. The Corporation’s environmental management approach focuses on reducing emissions, conserving natural resources, preventing marine pollution and complying with applicable national and international environmental regulations.

PNSC Sustainability Aspects includes:



Emission Management

PNSC continuously works to improve the environmental performance of its fleet through fuel-efficient operations, voyage optimization, regular maintenance and the induction of modern vessels with improved energy efficiency. The Corporation monitors fuel consumption and greenhouse gas (GHG) emissions and is progressively strengthening its climate-related disclosures in line with the SECP ESG Guidelines, IFRS S2 and applicable IMO environmental regulations.

Climate Adaptation and Transition

PNSC recognizes the risks and opportunities arising from climate change and is integrating climate considerations into its operational planning and long-term business strategy. The Corporation is enhancing resilience through efficient fleet management, weather-informed voyage planning and investment in modern vessels that support the transition towards a lower-carbon maritime sector while complying with evolving international environmental standards.

Water Resource Management

PNSC promotes the responsible use of water across its vessels and shore-based facilities by encouraging efficient water consumption and regular monitoring of usage. Shipboard operations comply with international requirements for the treatment and discharge of ballast water and sewage to prevent marine pollution and protect the quality of ocean ecosystems.

Waste Management

The Corporation follows established procedures for the segregation, handling, storage, recycling, and environmentally responsible disposal of operational waste generated onboard vessels and at office locations. Waste management practices are implemented in accordance with MARPOL requirements to minimize pollution and reduce the environmental footprint of operations.

Biodiversity Conservation

PNSC is committed to protecting marine biodiversity by preventing pollution and ensuring environmentally responsible vessel operations. Compliance with international conventions governing ballast water management, oil pollution prevention, and waste disposal helps safeguard sensitive marine ecosystems. The Corporation also promotes environmental awareness among its employees and seafarers to support the conservation of marine resources.



04

SOCIAL

Structured Social disclosures and Corporate Social Responsibility.

- FY2025-26 CSR spend by area
- Education, Health, Community initiatives & Workplace
- SECP ESG Social disclosure indicators

SOCIAL

SOCIAL SUSTAINABILITY

1. Our People and Human Capital

At PNSC, our people are central to the safe, reliable and sustainable delivery of our maritime operations. We are committed to maintaining a skilled, engaged and responsible workforce across our shore-based operations and seafaring community. Our approach focuses on employee development, fair employment practices, health and safety, wellbeing, inclusion and creating a workplace culture built on integrity, respect and accountability.

2. Seafarer Welfare and Maritime Labour Standards

As a national maritime organization, PNSC recognizes the critical role of seafarers in sustaining its operations. We are committed to providing seafarers with safe and dignified working conditions, appropriate accommodation and welfare arrangements, access to healthcare, fair employment practices and effective communication channels. Our maritime labour practices are aligned with applicable national requirements and relevant international maritime labour standards.

3. Health, Safety and Wellbeing

Health and safety remain fundamental to PNSC's operational performance and social responsibility. We seek to identify and manage workplace and operational hazards through appropriate policies, procedures, training, emergency preparedness and preventive measures. Particular emphasis is placed on protecting seafarers and employees from occupational risks while promoting physical and mental wellbeing across our workforce.

4. Learning and Development

PNSC recognizes continuous learning as an important enabler of operational excellence and long-term human capital development. We support employees and seafarers through relevant technical, professional, safety and competency-based training. Our learning and development approach aims to strengthen capabilities, support career progression, enhance leadership capacity and ensure that our workforce remains prepared for evolving requirements in the maritime sector.

5. Diversity, Equity and Inclusion

PNSC is committed to fostering a workplace where individuals are treated fairly, respectfully and with dignity. We seek to promote equal opportunity in employment and career development and to maintain a working environment free from discrimination and harassment. As the maritime industry evolves, PNSC continues to recognize the value of diverse perspectives, skills and experiences in strengthening organizational performance.

6. Human Rights

Respect for human rights is an important element of PNSC's responsible business approach. We are committed to respecting fundamental rights throughout our operations and to preventing practices involving discrimination, harassment, forced labour, child labour or other forms of exploitation. We also expect our business partners and suppliers to uphold appropriate standards of ethical conduct and respect for human rights.

7. Employee Engagement and Grievance Mechanisms

PNSC values open communication and constructive engagement with its employees and seafarers. Appropriate channels are maintained to enable employees to raise concerns, provide feedback and seek resolution of

workplace issues without fear of retaliation. Effective grievance mechanisms support a culture of transparency, accountability and continuous improvement while helping management identify and address emerging workforce concerns.

8. Responsible Supply Chain and Procurement

PNSC recognizes that social sustainability extends beyond its direct workforce to its suppliers, contractors and service providers. Through responsible procurement practices, we seek to promote ethical business conduct, compliance with applicable laws, safe working conditions and respect for human rights within our supply chain. Supplier expectations and due diligence will continue to be strengthened as part of PNSC's broader responsible sourcing approach.

9. Stakeholder Engagement

Meaningful stakeholder engagement enables PNSC to understand social expectations, identify emerging concerns and strengthen relationships with key stakeholders. We engage, as relevant, with employees, seafarers, customers, suppliers, regulators, local communities and other maritime stakeholders through appropriate communication and consultation channels. Stakeholder feedback supports our decision-making and informs our sustainability priorities.

10. Social Risks and Opportunities

PNSC recognizes that social factors can influence operational resilience, workforce performance and long-term value creation. Key areas of focus include occupational health and safety, seafarer welfare, employee capability, human rights, workforce diversity, supply-chain practices and stakeholder expectations. We aim to manage these risks proactively while leveraging opportunities to strengthen employee engagement, skills development, inclusion and social value creation.

11. Social Performance Dashboard

PNSC is progressively strengthening its social sustainability performance measurement and reporting. Key indicators are being developed and monitored across areas including workforce composition, training and development, health and safety, seafarer welfare, employee engagement, diversity and human rights. The Social Performance Dashboard will support management oversight, transparency and continuous improvement by providing a structured view of progress against relevant social objectives.

12. Social Sustainability Priorities / Way Forward

Going forward, PNSC will continue to strengthen its social sustainability agenda by enhancing seafarer welfare, improving occupational health and safety, investing in workforce skills, promoting diversity and inclusion, strengthening human rights due diligence and advancing responsible supply chain practices. We will also continue improving stakeholder engagement and social performance measurement to embed sustainability more deeply into our operations and decision-making.

In addition to the above, narrative disclosures on Education, Health, Community and Workplace are presented under the Corporate Social Responsibility ahead in this report as part of the Social pillar.

CORPORATE SOCIAL RESPONSIBILITY

MESSAGE FROM THE CHAIRMAN CSR COMMITTEE

Dear Stakeholders,

At Pakistan National Shipping Corporation (PNSC), we recognize that our responsibility as the National Flag Carrier extends beyond commercial success. As a state-owned enterprise, we remain committed to creating sustainable value for our stakeholders while contributing meaningfully to the socio-economic development of Pakistan.

During the year under review, PNSC continued to strengthen its commitment to CSR through focused initiatives in education, healthcare, community welfare, environmental stewardship and employee well-being reflecting our belief that long-term organizational success is closely linked with the prosperity and resilience of the communities we serve.

Category wise CSR spend during FY2025-2026

Description	Horizon
Community	2,037,498
Education	9,999,301
Health	1,508,067
Workplace	80,000
Grand Total	13,624,866



PNSC's CSR activities during the year were directed towards initiatives that create meaningful and measurable social impact across community welfare, education, healthcare and workplace well-being reflecting the Corporation's commitment to responsible corporate citizenship and the sustainable development of the communities it serves. Looking ahead, PNSC remains committed to expanding the reach and impact of its CSR program in alignment with its sustainability objectives and the evolving needs of the communities it serves.

On behalf of the management of PNSC, I extend my sincere gratitude to all our stakeholders for their continued trust, support and partnership.

Captain Mustafa Kizilbash
Chairman, CSR Committee

EDUCATION

“INVESTING IN KNOWLEDGE, INSPIRING TOMORROW”

Education is the cornerstone of sustainable development and a key driver of social progress, economic prosperity and individual empowerment. PNSC remains committed to supporting initiatives that enhance access to quality learning and capacity building, dedicating a total of **Rs. 10 million** during the year to educational initiatives.

THE PIVOTAL ROLE OF THE PNSC LIBRARY

PNSC Library serves as a valuable hub of knowledge, offering a wide array of information resources in both physical and digital formats. It provides easy access to books, magazines, newspapers and research journals making it a dependable source for learning and discovery. The library plays a crucial role in fostering a culture of reading, encouraging continuous learning and supporting intellectual growth.

The library is accessible to PNSC employees, visiting dignitaries, foreign delegations, business school interns, Pakistan Marine Academy cadets and researchers. It offers a diverse collection of materials aimed at enriching the knowledge and understanding of its readers. With a broad and thoughtfully curated selection of reading resources, the library often provides content that may not be readily available elsewhere, thereby enhancing learning opportunities and supporting personal and professional development.



Equipped with modern digital tools and technology, the PNSC Library is also a preferred venue for hosting training sessions, workshops, meetings and awareness programs. These activities help cultivate a growth oriented mindset among employees and contribute to the continuous development of professional skills across the organisation.

THE PAKISTAN MARINE ACADEMY

PNSC, as part of its CSR initiatives, has contributed an amount of **Rs. 9.2 million** towards the need based scholarship program of the Pakistan Marine Academy. This initiative reflects PNSC's commitment to promoting maritime education, supporting talented and deserving students, and strengthening the future workforce of Pakistan's shipping and maritime sector. Through this contribution, PNSC aims to enhance access to quality maritime education for students with limited financial resources, enabling them to pursue professional training and build successful careers in the maritime industry. The initiative further underscores PNSC's role in fostering human capital development and contributing towards the socio-economic advancement of the country.



THE LINGUA GRAMMAR SCHOOL

PNSC, under its CSR initiatives, has extended its support to the Lingua Grammar School through a contribution towards its School Education Fund. This initiative reflects PNSC's commitment to promoting inclusive and quality education by supporting educational institutions and providing opportunities for students to access better learning resources. Through this contribution, PNSC aims to play its role in strengthening the education sector, encouraging academic development, and contributing towards the empowerment of young learners. The initiative highlights PNSC's continued focus on creating a positive social impact and supporting sustainable community development through education focused interventions.



THE REHMAT UNIFORM SCHOOL EDUCATION

PNSC has contributed to the Rehmat Uniform School Education to support the provision of essential educational requirements, including stationery, shoes and school uniforms for deserving students. This initiative reflects PNSC's commitment to promoting access to education and supporting the educational needs of underprivileged students by reducing financial barriers that may affect their learning journey. Through this contribution, PNSC continues to support community development, encourage school participation, and contribute towards creating a more inclusive and empowered society through education-focused CSR efforts.



WORLD SEA FARERS DAY (25TH JUNE 2026)

For PNSC, World Seafarers Day under Human Capital Development demonstrates the Corporation's commitment to recognizing the invaluable contribution of its seafarers, promoting employee wellbeing, strengthening workforce engagement and reinforcing its people centric culture. This is also well aligned with the SECP ESG Guidelines under the Social pillar and complements the requirements of IFRS S2 regarding workforce related climate resilience and organizational capacity.



PNSC CEO MEETING WITH SCHOOL EDUCATION AND LITERACY DEPARTMENT (SELD)

A productive meeting was convened at PNSC between Syed Jarar Haider Kazmi, CEO (PNSC) and Mr. Zahid Ali Abbasi, Secretary, School Education & Literacy Department (SELD), Government of Sindh.

The meeting centered on exploring synergies and fostering collaboration to enhance the effectiveness of education sector initiatives in Sindh, with a view to driving progress and improving outcomes.



HEALTH

Health is a vital component of CSR, and PNSC recognizes its importance in building sustainable communities, integrating health-related initiatives into its CSR strategy to enhance the well-being of employees and the broader society. During the current fiscal year, PNSC contributed Rs. 1.5 million to health-focused CSR medical initiatives.

FREE MEDICAL CAMPS AT GOVERNMENT GIRLS SECONDARY SCHOOL LIYARI KARACHI

This initiative underscores PNSC dedication to improving public health and supporting underprivileged communities. With the help of local people and targeted outreach to coastal communities, PNSC continues to play an active role in fostering social wellbeing and building a healthier future for all.

The Pakistan National Shipping Corporation (PNSC), as part of its continued commitment to corporate social responsibility, organized a free medical camp at the Government Girls Secondary School in Lyari, Karachi.

The initiative was undertaken to provide essential healthcare services to underserved segments of the community. Approximately 600 individuals, predominantly women and children from Lyari and adjoining localities, benefited from the camp.



Through this initiative, PNSC reaffirms its dedication to promoting public health, supporting vulnerable communities, and contributing meaningfully to social development. The Corporation remains committed to undertaking impactful CSR activities aimed at fostering sustainable community well-being.

Senior PNSC leadership, including Syed Jarar Haider Kazmi (CEO), Capt. Mustafa Kizilbash (Chairman CSR Committee) and Syed Zeeshan Haider Taqvi (CFO), along with the CSR Team, were present to oversee and support the event, reflecting the organization's hands-on approach to corporate responsibility.

THE FREE MEDICAL CAMP AT BENAZIR BHUTTO SHAHEED UNIVERSITY LYARI (BBSUL)

In a noble gesture, the Pakistan National Shipping Corporation (PNSC) recently spearheaded a philanthropic initiative, hosting a free medical camp at Benazir Bhutto Shaheed University, Lyari. This commendable effort underscored PNSC unwavering commitment to community welfare, providing vital healthcare services to approximately 600 individuals, predominantly women and children, from marginalized communities in Lyari and surrounding areas.



This initiative exemplifies PNSC dedication to enhancing public health and supporting underprivileged communities, reinforcing its efforts to foster social well-being and create a healthier future for all.

BREAST CANCER AWARENESS SESSION

As part of its commitment to employee health and well-being, PNSC organized its annual Breast Cancer Awareness Session in support of the global Breast Cancer Awareness campaign. The initiative aimed to educate female employees on the importance of breast cancer prevention, early detection and timely medical intervention.

The session, conducted by qualified medical professionals, covered breast cancer risk factors, symptoms, screening methods and preventive measures. Employees were encouraged to adopt proactive healthcare practices, including regular screenings and self-examinations. Through this initiative, PNSC reaffirmed its commitment to promoting a healthy, informed and supportive workplace.



COMMUNITY

Engagement with local communities provides significant value, reinforcing PNSC's role as a responsible corporate citizen. During FY2025-26, PNSC's community facing activities spanned national solidarity measures, stakeholder engagement, institutional partnerships and public events, highlighted below.

THE PAKISTAN HINDU COUNCIL (PHC)

PNSC, extended its support to the Job Fair organized by the Pakistan Hindu Council (PHC) at the Expo Centre Karachi. This contribution reflects PNSC's commitment to promoting inclusive economic participation and supporting initiatives that create employment opportunities for diverse segments of society. By facilitating such events, PNSC aims to encourage skill development, career awareness and workforce integration, particularly for underrepresented communities.



This initiative underscores PNSC's dedication to social inclusion and equal opportunity, while also contributing to national efforts aimed at reducing unemployment and fostering economic empowerment. Through its participation, PNSC continues to strengthen its role as a responsible corporate citizen committed to supporting community development and inclusive growth.

THE PAKISTAN NAVY NAVAL STAFF SQUASH CHAMPIONSHIP 2025

PNSC, as part of its CSR initiatives, extended its support and patronage to the Pakistan Navy Naval Staff Squash Championship 2025. This contribution reflects PNSC's continued commitment to promoting sports activities and encouraging a culture of healthy competition, discipline, and physical fitness within national institutions.



By supporting this sporting event, PNSC aims to strengthen its longstanding relationship with the Pakistan Navy and contribute towards initiatives that foster teamwork, resilience, and professional excellence. The initiative underscores PNSC's dedication to social engagement beyond its core business operations and highlights its role in promoting national sports and institutional collaboration.

THE PAKISTAN HINDU COUNCIL (PHC)

PNSC extended its support to the Pakistan Hindu Council (PHC) sponsored 19th Combined Marriage Program. This initiative reflects PNSC's commitment to promoting social welfare activities that contribute to community support and uplift of underprivileged segments of society.

Through this contribution, PNSC aimed to facilitate a dignified and culturally significant social service by supporting financially challenged families in celebrating marriage ceremonies with respect and ease. The initiative underscores PNSC's dedication to fostering social inclusion, harmony and community well-being, while reinforcing its role as a responsible corporate citizen contributing to meaningful societal development.



BOXING KITS TO AN UNDERPRIVILEGED CHILD

Under its Corporate Social Responsibility (CSR) initiatives, PNSC contributed by providing boxing kits to an underprivileged child, Mr. Faizan, belonging to the underdeveloped area of Lyari. This initiative reflects PNSC's commitment to youth development and the promotion of sports activities among disadvantaged communities. By supporting access to basic sports equipment, PNSC aims to encourage healthy recreational engagement, nurture sporting talent at the grassroots level, and provide constructive opportunities for children in underserved areas.



The initiative underscores PNSC's dedication to social uplift, inclusivity, and community development through targeted CSR interventions focused on empowering youth through sports.

PNSC PARTICIPATED IN THE WORLD MARITIME DAY 2025

The Ministry of Maritime Affairs (MoMA) commemorated Pakistan Maritime Week 2025 with an ambitious announcement by the Pakistan National Shipping Corporation (PNSC), marking a new chapter in the country's maritime development.

PNSC set sail for expansion under Prime Minister, Muhammad Shehbaz Sharif's leadership and Maritime Century Vision, Led by Federal for Maritime Affairs, Junaid Anwar Chaudhry, announced at Pakistan Maritime Week 2025, the plan envision adding 30 new ships within year and 60 within 3 year a bold move to reduce Pakistan's \$5 billion sea freight bill and build maritime self-reliance.

The discussion centered on fostering collaboration between public and private sector stakeholders to realize PNSC's expansion goals. Participants emphasized the importance of investment, innovation, and institutional synergy to strengthen Pakistan's maritime capabilities and position the country as a regional maritime hub.

Participation of PNSC in this event reflects continued commitment to advancing the blue economy, promoting sustainable maritime trade and ensuring Pakistan's active role in global shipping and logistics.

PNSC actively participated in the World Maritime Day 2025 celebrations organized at the Pakistan maritime museum under the auspices of the Pakistan Navy. This year's theme **"Our Ocean, Our Obligation, Our Opportunity"** reminds that protecting our seas means securing our future.



Capt. Mustafa Kizilbash, Executive Director (Commercial) along with representatives from PNSC briefed maritime professionals, students from schools, colleges, and universities, as well as naval officials, while reaffirming their commitment to strengthening Pakistan's role in international shipping and maritime affairs. PNSC participation reflects its dedication to supporting national initiatives, promoting Pakistan's maritime potential, and aligning with the global theme of World Maritime Day 2025.



PAKISTAN INTERNATIONAL MARITIME EXPO AND CONFERENCE (PIMEC-2025)

PAKISTAN NATIONAL SHIPPING CORPORATION (PNSC) HONoured WITH PRESTIGIOUS EXCELLENCE AWARD AT PIMEC-2025

The 2nd Pakistan International Maritime Expo and Conference (PIMEC-25) was inaugurated at the Karachi Expo Centre, Pakistan National Shipping Corporation (PNSC) participating in the ceremony, marking the beginning of the four-day event. PNSC extended a warm welcome to our Honorable Minister for Maritime Affairs, Junaid Anwar Chaudhry and distinguished VIPs, national and international delegates at its exhibition stall, showcasing the Corporation's maritime capabilities and expertise.

The PNSC Pavilion at PIMEC 2025 was truly outstanding. Many visitors including delegations from Oman, France and Turkey showed great interest in learning about PNSC's future plans.



The Pavilion representatives did an excellent job with such great team spirit and excellence throughout 4 days of the event.



Syed Jarar Haider Kazmi, Chief Executive Officer of PNSC, received the esteemed PIMEC-II 2025 Excellence Award from the Honourable Minister of Maritime Affairs, Junaid Anwar Chaudhry, at the closing ceremony held in Karachi.

THE REGIONAL TRANSPORT MINISTERS CONFERENCE (RTMC-2025)

The Conference (RTMC-2025) commenced on October 23, 2025, at the Jinnah Convention Center in Islamabad, bringing together transport ministers from various countries, senior government officials, international delegates, and key maritime stakeholders. Organised by the Ministry of Communications, Government of Pakistan, the three day conference aims to strengthen regional partnerships, enhance transport connectivity, and promote economic cooperation through integrated maritime, road, rail and logistics systems. The PNSC, under the leadership of its Chief Executive Officer, Syed Jarar Haider Kazmi, played a key role in the conference under the guidance of the Honourable Minister of Maritime Affairs, Mr. Junaid Anwar Chaudhry.



WORKPLACE

A supportive and inclusive workplace culture is essential to both employee well-being and the overall success of the Corporation. A positive work environment not only enhances employee satisfaction and productivity but also fosters a sense of loyalty and belonging. It ensures that every employee feels valued, included, and empowered with opportunities for personal and professional growth.

PNSC'S INITIATIVES FOR BUILDING MARITIME TALENT

PNSC being a National Flag Carrier offers internship opportunities each year in a professional and supportive work environment to young cadets from the Pakistan Marine Academy (PMA) and university students. These internships are designed to provide meaningful exposure to real-world practices, allowing students to gain practical experience in their respective fields of specialization.



Such programs serve as a valuable bridge between academic learning and professional application, offering hands on experience that cannot be achieved through classroom instruction alone. They not only prepare students for future careers but also allow PNSC to identify and engage with promising talent for potential recruitment. Additionally, PNSC actively contributes to advancing maritime research and plays a role in strengthening the regulatory framework for the training and certification of seafarers, supporting the development of a skilled and competent maritime workforce.

INAUGURATION OF PNSC WORKSHOP

PNSC inaugurated its state of the art West Wharf Workshop, signifying a major milestone in the nation's maritime development and self reliance. The ceremony celebrated the expansion of PNSC's industrial capabilities and its commitment to technical independence in shipbuilding and repair.

The workshop inauguration ceremony was attended by the Chief Guest Sultan Chawla, (Chairman PNSC Board), Guest of Honour Rear Admiral Jawad Ahmed SI (M) and Chief Executive Officer of PNSC Syed Jarar Haider Kazmi.



The upgraded PNSC Workshop will enhance technical expertise, such as Internal Combustion Engine afloat repairs, certified life raft testing, radio & Navigation shop, advanced laboratory and UT gauging facility, positioning PNSC as a leader in regional maritime engineering which support the national fleet and drive economic self-sufficiency by reducing reliance on foreign ship repair services.



INDEPENDENCE DAY OF PAKISTAN

PNSC celebrated the Independence Day of the Islamic Republic of Pakistan with great enthusiasm, fostering a spirit of patriotism, unity and national pride among its employees. The event brought together employees from



diverse backgrounds to commemorate the nation's independence through various cultural and commemorative activities. The celebration reflected PNSC's commitment to promoting employee engagement, inclusivity and a shared sense of national identity.

PNSC CELEBRATED EID MILAD 2025

PNSC paid tribute to the Holy Prophet Hazrat Muhammad (PBUH) by celebrating his birth anniversary with great zeal and devotion. The scholar encouraged the audience that how to Promote Positive Social Media use in light



of Seerat un Nabi, based on the teachings of the Holy Prophet Hazrat Muhammad (PBUH), Muslims are encouraged to use social media responsibly, aligning with Islamic values of honesty, kindness, respect and responsibility.

Promote Truthfulness and Accountability reflect the Prophet's teachings of honesty in all communications, including on social media. Encourage compassion and respect which foster an environment of kindness and respect for others dignity online, as emphasized by the Holy Prophet Hazrat Muhammad (PBUH).



Seek Guidance and Awareness for responsible and ethical use of social media, drawing parallels from the Holy Prophet's teachings. Prevent Harmful Content align with Islamic principles to prevent the spread of harm, falsehood, or divisiveness on social media. This event was organized under the directives of the Ministry of Religious Affairs as part of the Ashra Rahmatul-lil-Alameen and the 50th International Seerat-un-Nabi, (PBUH) Conference. The gathering was graced by the presence of CEO Syed Jarar Haider Kazmi, Executive Directors along with officers and staff members.



NIPA DELEGATION INLAND STUDY TOUR TO PNSC



A delegation of 19 participants, accompanied by faculty members, undertook a visit to the Pakistan National Shipping Corporation (PNSC). During the visit, PNSC's high level Officers from various departments shared insights into its functions, management practices, achievements, challenges and future plans.

The National Institute of Public Administration (NIPA), Lahore, conducted an Inland Study Tour (IST) as part of the 38th Senior Management Course for officers (BS-19) from federal, provincial and other services. As part of this course, which focuses on public policy formulation and implementation at strategic and operational levels, an Inland Study Tour (IST).

PNSC TOOK STEPS TOWARD WOMEN'S EMPOWERMENT

In compliance of the directives of his Excellency Prime Minister of Pakistan regarding women employee scheme, the PNSC'S Board approved the comfortable transport facility for women employees. PNSC, has taken significant step towards women's empowerment by improved transportation services for its female employees and Syed Jarar Haider Kazmi, CEO PNSC handed over the Car Keys to Transportation Department of PNSC.

This initiative is part of PNSC commitment to creating a supportive work environment that empowers women to excel in their careers without worrying about their safety and mobility. The new service features modern



vehicles, ensuring that female employees can travel to and from work with dignity and ease. PNSC is committed to upholding the highest standards and looks forward to continuing its efforts in promoting women's empowerment in the workplace.



75 YEARS OF PAKISTAN-CHINA UNITY, TRUST AND SHARED PROGRESS

At PNSC we are proud to be the maritime lifeline that connects two great nations. Today, we celebrate 75 years of diplomatic excellence between Pakistan and China a partnership built on the solid bedrock of mutual respect and shared prosperity.

From the bustling docks of Karachi to the strategic shores of Gwadar and beyond, PNSC has been at the forefront of this "All-Weather" alliance. We don't just transport, we carry the spirit of the Iron Brotherhood across the high seas.

As the national flag carrier, we salute this enduring bond. Here's to 75 years of sailing together toward a brighter, more connected future.



47TH ANNUAL GENERAL MEETING (AGM) 2025

PNSC held its 47th Annual General Meeting (AGM) on October 28th, 2025, providing an important platform for engagement with shareholders, the Board of Directors and management. The AGM facilitated transparent communication on the Corporation's financial and operational performance, strategic priorities and future outlook, while enabling shareholders to raise questions and provide feedback. The event reinforced PNSC's commitment to transparency, accountability, stakeholder engagement and sound corporate governance.



CORPORATE BRIEFING SESSION (CBS) 2025

PNSC convened its Corporate Briefing Session (CBS) for the financial year ended 30th June 2025 at PNSC Building, Karachi on 26th November 2025. The session was attended physically and through online means by analysts, investors, and representatives of brokerage houses, whereas the senior management of PNSC shared the Corporation's operational performance, financial results, fleet utilization, future business plans and key strategic developments. Participants acknowledged the Corporation's transparency, policy advocacy efforts, and continued commitment to national shipping development. The session concluded with appreciation expressed by PNSC management to stakeholders, analysts and shareholders. Among academia, subject matter experts and decision makers pertinent to Maritime Industry and the Blue Economy, thereby enhancing understanding and collaboration within different domains.



MOU BETWEEN PNSC AND DYNAMIC WORLD WIDE LOGISTICS GROUP

During the conference, significant progress was made toward strengthening maritime cooperation through the signing of two landmark Memorandums of Understanding. The first MoU was signed between PNSC and Dynamic World Wide Logistics Group, represented by Syed Jarar Haider Kazmi, CEO, PNSC and Muhammad Saleh Tariq Chaudhry, Group Director. This partnership aims to bolster cooperation in maritime logistics, establish new trade corridors and integrate sea-land transport solutions to support regional and international commerce.



MOU BETWEEN PNSC AND RAVIAN MARITIME PRIVATE LIMITED

The Second MoU was signed between PNSC and Ravian Maritime Pvt. Ltd, represented by Syed Jarar Haider Kazmi, CEO, PNSC and Abdul Hameed Paracha. This agreement focuses on the development of regional shipping routes, the launch of liner services from Pakistan to Central Asia, the Far East, the Gulf, Africa and Europe and the promotion of enhanced trade connectivity via land and sea.



MOU BETWEEN PNSC AND AGVEN, FOR BUSINESS COLLABORATION

PNSC entered into a Memorandum of Understanding (MoU) with AGVEN to explore and strengthen opportunities for business collaboration. The MoU provides a framework for cooperation and mutual engagement, aimed at leveraging the respective capabilities and expertise of both organizations, identifying potential areas of collaboration and supporting sustainable business growth. This initiative reflects PNSC's commitment to building strategic partnerships and enhancing stakeholder engagement in support of its long-term business objectives.



PAKISTAN BANGLADESH DISCUSSION ON DIRECT SHIPPING FROM KARACHI PORT TO CHITTAGONG PORT

In a significant development for bilateral trade between Pakistan and Bangladesh, a meeting was held on September 9th, 2025 at PNSC between Mr. Muhammad Sakib Sadakat, the newly appointed Deputy High Commissioner of Bangladesh and Syed Jarar Haider Kazmi, CEO PNSC, aimed to explore direct shipping routes between Karachi Port and Chittagong Port, enhancing bilateral trade between Pakistan and Bangladesh. The impact of this meeting is anticipated to be positive for both countries, fostering mutual benefits through strengthened trade ties.

Enhanced shipping connectivity between Karachi and Chittagong could lead to increased bilateral trade, economic cooperation, and potentially open avenues for further collaboration in logistics and transport sectors. Strengthening ties in shipping logistics can contribute to broader economic partnerships between Pakistan and Bangladesh, aligning with their interests in boosting trade and cooperation.



PAKISTAN NAVY WAR COLLEGE DELEGATION VISIT

PNSC welcomed a delegation from the Navy War College for an interactive knowledge sharing session on Pakistan's maritime sector. The visit enhanced participants' understanding of commercial shipping operations, maritime logistics, and PNSC's strategic role in supporting the country's trade and economic development.

Pakistan Navy War College (PNWC) delegation visits to the Pakistan National Shipping Corporation (PNSC) during the 2025–2026 academic year serve as a strategic educational bridge connecting future naval leadership with the pillars of Pakistan's maritime economy. These visits are primarily executed through the college's annual Pakistan Navy Staff Course and its highly prestigious Maritime Security Workshop (MARSEW) programs.



PID TEAM VISIT TO PNSC

PNSC hosted a delegation from the Press Information Department (PID) to showcase the Corporation's operations, strategic initiatives and contributions to Pakistan's maritime industry. The visit strengthened institutional collaboration and enhanced public awareness of PNSC's role in facilitating national and international trade. To project the state shipping entity's strategic expansion and maritime milestones. As the principal media arm of the Government of Pakistan, the Press Information Department works closely with the Ministry of Maritime Affairs to report on the restructuring and commercial updates taking place across the 2025–2026 operational year.



SECP ESG DISCLOSURE GUIDELINES – SOCIAL DISCLOSURES

In addition to the narrative disclosures on Education, Health, Community and Workplace presented above, the table below sets out PNSC's disclosures against the Social pillar indicators recommended under the SECP's ESG Disclosure Guidelines for Listed Companies (2024, updated 2025). The Guidelines are voluntary for PNSC in the current reporting period; the Corporation is presenting these disclosures on a best effort, early adoption basis.

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
Gender Pay Ratio	Ratio of median male compensation to median female compensation (in absolute terms)	Mean Gender Pay Gap: 3.90 Median Gender Pay Gap: 13.34
Employee Turnover	Year-over-year % change - full-time employees	Employee turnover: 9.38% Year over Year change in employee headcount: (-4.26%)
	Year-over-year % change - part-time employees	Nil
	Year over year % change - contractors / consultants	Nil
Gender Diversity	% of total headcount - men / women	Total = 297 Men = 287 (97%) Women = 10 (3%)
Non-Discrimination	Sexual harassment / non-discrimination policy in place? (Yes/No)	Yes
	Confidential grievance / non-retaliation mechanism for harassment? (Yes/No)	Yes
Global Health & Safety	Occupational health and/or global H&S policy followed? (Yes/No)	Yes: PNSC has approved Health & Safety Policy and fleet operations are governed by the Safety Management System (SMS) under the ISM Code and SEEMP.
Child & Forced Labor	Child and/or forced labor policy followed? (Yes/No)	Yes
Corporate Social Responsibility	List of CSR activities, total hours and amounts allocated	Refer to annexed CSR report at page no.____.
Training & Succession	Training sessions & employees trained - Skill Up gradation	PNSC conducts regular training, PMA cadet/university internships and scholarships (see Social

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
		section); there are 07 trainings (66 employees) were undertaken during the year.
	Training sessions & employees trained - Health & Safety Measures	Health and Safety Measures: 12 awareness sessions / training were conducted.
Human Rights	Human rights policy followed? (Yes/No)	Yes
	Does the policy extend to suppliers and vendors? (Yes/No)	Yes
	% of employees/workers covered by health and safety insurance	For all employees group insurance policy cover has been obtained by the Corporation.

An aerial photograph of the Parliament of Nepal, a large white building complex with a central tower, surrounded by green lawns and a wide road. In the background, there are rolling green hills and mountains under a blue sky with scattered clouds. A green triangular graphic is in the top left corner.

05

GOVERNANCE

Board and committee oversight of PNSC's sustainability agenda.

- SSRMC and Management Sub Committee composition
- Board-level climate oversight
- SECP ESG Governance disclosure indicators

GOVERNANCE STRUCTURE & ROLE OF COMMITTEE'S

As a listed company, PNSC maintains a governance framework designed to provide effective oversight of the Corporation's strategy, performance, risk management, sustainability and climate-related risks and opportunities that could reasonably be expected to affect its prospects. The Board of Directors has overall responsibility for governance oversight and is supported by Board committees and management level structures in discharging these responsibilities.

During the year, PNSC further strengthened its governance framework by reconstituting its existing Board committee, broadening its mandate to encompass sustainability oversight, strategic guidance and risk management, and renaming it as the Sustainability, Strategy and Risk Management Committee (SSRMC). The Committee provides focused oversight of sustainability and climate-related matters, including the identification, assessment and management of climate-related risks and opportunities identified to date, their potential impact on the Corporation's strategy and operations, and their integration into the broader risk management framework. The SSRMC also supports the Board in monitoring the Corporation's progress against relevant sustainability objectives, climate-related initiatives and metrics and targets.

PNSC continues to enhance its governance and management processes to ensure that sustainability and climate-related considerations are appropriately incorporated into strategic decision-making, risk management and long-term business planning, consistent with applicable regulatory requirements and evolving IFRS Sustainability Disclosure Standards, including IFRS S2 Climate-related Disclosures and the SECP ESG disclosure framework.



BOARD ESG COMMITTEE



Mrs. Nadia Osman Jung
Chairperson



Mr. Qumar Sarwar Abbasi
Member



Captain (R) Sarfaraz Inayatullah
Member



Khawaja Shahzeb Akram
Member



Syed Zeeshan Taqvi
Secretary SSRMC

PNSC's Management Sub-Committee

PNSC has constituted a Management level sub-committee comprising senior and experienced management to support the Sustainability, Strategy and Risk Management Committee (SSRMC). The management sub-committee assists the SSRMC through regular reporting, analysis, monitoring and provision of operational insights on sustainability and climate-related matters. While the SSRMC and its supporting management structures provide oversight and guidance, management is responsible for implementing approved initiatives and integrating relevant climate-related considerations into day to day operations and decision making processes.

PNSC currently leverages its existing internal control framework, policies and procedures embedded across key business functions, including environment, health and safety, procurement, operations, finance and risk management to identify, assess and manage climate-related risks and opportunities. These controls are integrated into routine planning, budgeting, capital expenditure approvals, regulatory and compliance monitoring, operational management and performance review processes. This approach enables climate-related matters to be identified and assessed within established business processes and where appropriate, escalated through the Corporation's existing governance and reporting channels.

PNSC is also continuing to strengthen its management level governance arrangements to enhance the integration of climate-related considerations into strategic planning, risk management, resource allocation and business decision making, consistent with the Corporation's sustainability objectives and applicable regulatory and reporting requirements.

Composition of Management Sub-Committee



Board Level Oversight

Oversight of climate-related risks and opportunities is assigned to the Board's Sustainability, Strategy and Risk Management Committee (SSRMC), a Board level committee comprising independent and SECP certified directors, supported by the Chief Financial Officer as Secretary and Co-opted Member. The Committee's terms of reference include oversight of the Corporation's Environmental, Social and Governance (ESG) strategy, including climate-related risks and opportunities, as an integral part of the Corporation's overall strategy and risk management framework, in line with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the State-Owned Enterprises (Governance and Operations) Act, 2023.

Climate Responsibilities Reflected in Mandates

The SSRMC's terms of reference explicitly encompass oversight of the Corporation's ESG strategy and climate-related risks and opportunities. As this is PNSC's first year of structured sustainability reporting, the formal documentation and Board approval of the updated terms of reference incorporating explicit climate and ESG oversight language is in progress. PNSC intends to disclose the approved terms of reference, including the date of Board approval, in the FY2026-27 Sustainability Report.

Skills and Competencies

The Board comprises directors with experience across finance and accounting, audit and risk management, corporate governance, maritime and shipping operations and senior executive leadership. During the reporting period, the Board undertook an in-house sustainability training session conducted by the Pakistan Institute of Corporate Governance (PICG) on April 22nd, 2026, enhancing directors' awareness of sustainability matters, emerging ESG trends and the evolving reporting landscape. A formal process for periodically assessing Board and Committee members' climate-related skills and competencies against a structured framework such as the CMU Board Evaluation Guidelines 2024 competency matrix has not yet been established and has been identified as a priority for the year ahead.

Frequency and Content of Reporting

Climate-related matters are reported to the SSRMC through management inputs provided in connection with the Committee's quarterly meetings. As this is PNSC's first year of structured sustainability reporting, a formalized reporting cadence covering the form, content, frequency and presenter of dedicated climate-related management reports or dashboards to the Committee and Board has not yet been established. Formalizing a structured climate reporting framework for the SSRMC has been identified as a priority for the year ahead.

Climate-related considerations are factored into the Board's oversight of major capital allocation decisions. In evaluating vessel acquisitions, the Board and management consider trade-offs between the capital cost of eco efficient/dual fuel capable tonnage and the transition risk exposure and residual value of older, less fuel efficient vessels, together with anticipated tightening of IMO carbon intensity and EU ETS/Fuel EU Maritime requirements.

Management's Role

As at the date of this Report, PNSC does not maintain a standalone, documented climate risk register separate from its broader enterprise risk management framework. Climate-related risks are currently identified and managed through existing operational controls embedded within the Safety Management System under the ISM Code, HSEQ standard operating procedures, technical and dry-docking planning cycles, and IMO DCS fuel consumption monitoring processes. These controls span the Ship Management, Finance, Technical, HSEQ and Procurement functions, providing a cross-functional basis for climate-related risk identification and management within established business processes.

The absence of a formalized, standalone climate risk register is consistent with the first-year reporting limitations acknowledged in Section 2.7 of this Report. Developing a documented climate risk register explicitly linking climate-related risks to accountable owners across Ship Management, Finance, Technical, HSEQ and Procurement functions, and integrating it within the broader enterprise risk management framework has been identified as a priority for the year ahead. PNSC intends to report on progress against this priority in the future reporting period.

BOARD SKILLS AND COMPETENCIES

The Board of Directors of PNSC periodically assesses whether it possesses the appropriate skills, experience and competencies required to effectively oversee sustainability related and climate-related risks and opportunities relevant to the Corporation's business and operating environment.

The Board comprises directors with diverse experience and expertise across areas relevant to PNSC's operations, including finance and accounting, audit and risk management, corporate governance, maritime and shipping operations, commercial and business management, legal and regulatory matters, strategic planning and senior executive leadership. These competencies support the Board's ability to consider the strategic, financial, operational and regulatory implications of sustainability and climate-related matters affecting PNSC.

During the reporting period, the Board undertook an in-house sustainability and ESG training session conducted by the Pakistan Institute of Corporate Governance (PICG) at PNSC Head Office. The session enhanced directors' awareness of sustainability matters, emerging ESG trends, climate-related risks and opportunities, and the evolving sustainability reporting landscape. This represents PNSC's first structured step towards building Board-level capability in sustainability and climate-related oversight.

As at the date of this Report, a formal evaluation of individual Board and Committee members' sustainability-related and climate-related skills and competencies against a structured assessment framework has not yet been conducted. Such an evaluation which may draw on frameworks such as the CMU Board Evaluation Guidelines 2024 competency matrix or equivalent has been identified as a priority for the year ahead. Where capability gaps are identified through this process, they will be addressed through targeted training, capacity building and access to external subject matter expertise, in line with PNSC's governance and professional development practices.

PNSC intends to disclose the outcomes of this skills assessment, together with any resulting capacity-building actions, in the FY2026-27 Sustainability Report.

AUDIT COMMITTEE

The Audit Committee assists the Board of Directors by providing oversight of financial reporting, internal controls, internal audit and regulatory compliance. These responsibilities form the foundation of the Committee's contribution to the Corporation's broader governance framework.

In its supporting role, the Audit Committee assists the SSRMC by considering sustainability-related matters that arise within its existing financial reporting and compliance oversight mandate. Where such matters have broader sustainability implications, they are escalated to the SSRMC, which retains primary oversight responsibility.

SUSTAINABILITY, STRATEGY AND RISK MANAGEMENT COMMITTEE

The Sustainability, Strategy and Risk Management Committee (SSRMC) supports the Board in providing focused oversight of sustainability, strategic, risk management and climate-related matters. The Committee considers sustainability- and climate-related risks and opportunities - identified through management's reasonable and supportable judgement in the absence of a completed formal materiality assessment (see Section 2.5) that may affect PNSC's strategy, operations, financial performance, assets, reputation and long-term resilience.

The audit committee and the HR, Nomination & CSR Committee assist the SSRMC by escalating relevant matters within their respective functional mandates; however primary sustainability oversight responsibility at board level rests with the SSRMC.

The SSRMC provides oversight of the development of PNSC's sustainability framework and supports the progressive integration of relevant ESG and climate-related considerations into strategic planning and risk

management. During the reporting period, the Committee was actively engaged in a number of foundational governance activities, including providing guidance to management on structured Social and Governance disclosures aligned with the SECP's ESG Disclosure Guidelines, reviewing the draft Sustainability Policy and Implementation Framework ahead of submission to the Board for approval, overseeing the formation of the Management Sub-Committee, and supporting the Board sustainability training session conducted by the Pakistan Institute of Corporate Governance (PICG). As the sustainability framework matures, the SSRMC will extend its oversight to cover progress on sustainability initiatives, relevant policies, reporting requirements, capacity-building initiatives and emerging regulatory and stakeholder expectations.

Through its oversight role, the SSRMC provides a governance mechanism for strengthening PNSC's approach to climate-related risks and opportunities, environmental stewardship, social responsibility and responsible corporate governance.

HR, NOMINATION & CSR COMMITTEE

The HR, Nomination & CSR Committee supports the Board in overseeing matters relating to human capital, employee welfare, leadership development, succession planning, workforce governance and corporate social responsibility.

As a shipping company, PNSC recognises the importance of maintaining a skilled, competent and resilient workforce, including seafarers who operate and maintain the Corporation's vessels. Human capital considerations therefore form an important component of PNSC's long-term operational resilience and sustainability. In its supporting role, the HR, Nomination & CSR Committee assists the SSRMC by considering sustainability-related matters that arise within its existing human capital and CSR mandate including workforce diversity, seafarer welfare, occupational health and safety, training and development, equal opportunity, employee engagement, community investment and stakeholder engagement. Where such matters have broader sustainability implications for PNSC's ESG framework, they are escalated to the SSRMC, which retains primary sustainability oversight responsibility.

PROCUREMENT COMMITTEE

The Procurement Committee supports the Board in overseeing matters relating to the acquisition, disposal and commercial evaluation of vessels and other significant assets forming part of PNSC's fleet and operational portfolio. The Committee's mandate encompasses the review and recommendation of vessel purchase and sale transactions, evaluation of commercial terms, assessment of asset values and consideration of fleet composition in the context of PNSC's operational and strategic requirements.

In its supporting role, the Procurement Committee assists the SSRMC by considering sustainability and climate-related matters that arise directly within its vessel acquisition and disposal mandate. Where such matters have broader sustainability implications for PNSC's ESG framework or fleet decarbonisation strategy, they are escalated to the SSRMC, which retains primary sustainability oversight responsibility.

INTEGRATION WITH RISK MANAGEMENT AND DECISION MAKING

The Board recognizes effective risk governance as an important component of sustainable growth and resilience. PNSC maintains established processes for identifying, assessing and managing a broad range of strategic, financial, operational, commercial, environmental, regulatory, legal, reputational and compliance risks. As this is PNSC's first year of structured sustainability reporting, the formal integration of sustainability-related considerations into the enterprise risk management framework is at an early stage, with climate-related risks and opportunities currently considered within existing operational and governance processes rather than through a standalone, formalized sustainability risk management framework.

Climate-related risks are increasingly relevant to the maritime sector and may arise from both physical climate

risks and transition risks. Physical risks may include extreme weather events, rising sea levels, changing weather and sea conditions and other factors that could affect vessel operations, ports, cargo movements, infrastructure and supply chains. Transition risks may arise from evolving international maritime regulations, decarbonization requirements, energy transition, technological developments, fuel-related changes and changing stakeholder expectations.

PNSC currently manages these risks through established operational, environmental, health and safety, technical, compliance and risk-management processes including the Safety Management System under the ISM Code, HSEQ standard operating procedures, IMO DCS fuel-consumption monitoring and technical/dry-docking planning cycles. As disclosed in Section 6.1.2, a formalized, documented risk-scoring methodology specific to climate-related risk has not yet been established; formalizing such a methodology has been identified as a priority for the year ahead. The Corporation is progressively strengthening its approach to identifying and assessing the potential financial and operational implications of climate-related risks and opportunities and their relevance to the resilience of its fleet and business model.

Climate-related considerations are actively factored into major capital expenditure, fleet expansion, vessel acquisition and vessel replacement decisions. As disclosed in Sections 5.3.1 and 5.8 of this Report, PNSC evaluates vessel acquisitions against CII and EEXI compliance criteria and fuel-efficiency considerations, alongside factors including asset life, operational efficiency, regulatory requirements, environmental performance, maintenance requirements, financial returns and long-term business resilience.

PNSC intends to enhance the formal integration of sustainability and climate-related risks and opportunities into its enterprise risk management framework as its climate-risk assessment methodologies, data availability and reporting practices develop. Progress against this objective will be disclosed in the FY2026-27 Sustainability Report.

SUSTAINABILITY RELATED CODES AND POLICIES

PNSC's governance framework is supported by policies, procedures, codes and management systems that guide ethical conduct, risk management, environmental stewardship, occupational health and safety, maritime operations, human capital management, procurement and regulatory compliance. These frameworks provide the foundation for identifying and managing sustainability and climate-related risks and opportunities and reinforce accountability across the Corporation.

As at the date of this Report, a number of these frameworks are operational within their primary functional domains; however, their formal extension to explicitly incorporate sustainability- and climate-related oversight responsibilities is still in progress, consistent with the first-year reporting limitations acknowledged in Section 2.7. The current status of each framework is set out in the SECP Governance disclosure table that follows this section.

Code of Conduct

PNSC's Code of Conduct establishes expectations for ethical behavior, integrity, compliance with applicable laws and regulations and responsible conduct by employees and relevant stakeholders. It addresses key governance matters including ethical conduct, conflicts of interest, anti-bribery and anti-corruption, confidentiality, fair dealing and reporting of concerns. The Code supports the management of governance, ethical, compliance and reputational risks and promotes a culture of accountability and responsible business conduct. Confirmation of the Code's formal approval date, coverage and training completion rate is set out in the SECP Governance disclosure table below.

Risk Management Policy

PNSC's risk management framework provides a structured approach for identifying, assessing, monitoring and mitigating risks across the Corporation. The framework supports the consideration of climate-related risks alongside other strategic, financial, operational, regulatory and reputational risks. As disclosed in Section 6.1.2, the formal integration of a documented climate risk-scoring methodology within this framework is in progress and has been identified as a priority for the year ahead.

Environmental, Health, Safety and Marine Operations Framework

PNSC's environmental, health and safety requirements and marine operational procedures support the responsible management of its vessel and shore-based activities. These arrangements address matters including marine environmental protection, occupational health and safety, vessel safety, pollution prevention, fuel and energy management, emissions management, waste management, water management, emergency preparedness and regulatory compliance. The framework supports PNSC in managing environmental and operational risks and maintaining compliance with applicable national and international maritime requirements, including relevant requirements of the International Maritime Organization (IMO).

Human Resource Management Framework

PNSC's human resource policies and procedures support effective workforce management, employee welfare, training and development, performance management and workplace governance. For PNSC, social sustainability also extends to the welfare, safety, competency and development of seafarers and shore-based employees. These arrangements support the management of social risks relating to occupational health and safety, human rights, employee wellbeing, workforce capability, equal opportunity and talent retention.

Procurement and Supply Chain Framework

PNSC's procurement processes support transparent, accountable and responsible sourcing of goods and services required for vessel operations and shore-based activities. Given the importance of suppliers, contractors, ship-management service providers, technical vendors, shipyards and other business partners to PNSC's operations, responsible procurement and supplier management contribute to operational resilience, regulatory compliance, safety, quality and sustainability performance across the value chain. As disclosed in Section 7.2.1, a formalized Supplier ESG Compliance Framework is proposed under the draft ESG Policy and has not yet been formally adopted.

Maritime Safety and Operational Management Systems

PNSC maintains established operational and safety procedures to support the safe and efficient operation of its vessels. These systems are designed to address vessel safety, navigation, cargo operations, maintenance, emergency preparedness, pollution prevention, crew safety and compliance with applicable maritime requirements. These arrangements form an important component of PNSC's approach to asset integrity, operational resilience and responsible maritime operations.

TARGETS, MONITORING AND INCENTIVES

As at the date of this Report, PNSC has not yet established formal, Board-approved sustainability- or climate-related targets, consistent with the disclosure in Section 7.1.4. The Corporation is progressively developing sustainability and climate-related objectives and performance indicators, informed by its operational priorities, business strategy, regulatory developments and stakeholder expectations and these will be formalized as the materiality assessment described in Section 2.5 is completed.

Certain operational metrics relevant to climate-related exposure including fuel and energy consumption,

greenhouse gas emissions and CII/EEXI performance are currently monitored through management reporting and existing operational processes. As disclosed in Sections 7.2 and 7.3, metrics across a number of broader sustainability areas, including waste management, water management, workforce development and community investment are not yet reported in a consistent and validated format in this first reporting period; data collection processes for these indicators are being established.

As PNSC continues to strengthen its sustainability data-management systems, the Corporation intends to develop and refine measurable sustainability and climate-related targets and key performance indicators (KPIs) relevant to its operations, to be disclosed in future reporting periods.

During the reporting period, sustainability and climate-related performance indicators were not directly linked to executive remuneration. PNSC intends to evaluate the potential integration of selected sustainability and climate-related indicators into management performance assessment and incentive mechanisms as its sustainability governance, data availability and performance measurement practices mature.

The Corporation recognizes that effective targets, reliable performance data and appropriate accountability mechanisms are important for demonstrating progress and strengthening the integration of sustainability considerations into business decision-making.

INTERNAL CONTROLS AND ASSURANCE

PNSC utilizes established internal control systems, risk-management procedures, operational controls, compliance mechanisms, internal audit processes and Board and management oversight to support effective management of climate-related risks and, to the extent identified to date, sustainability related risks, consistent with the first-year disclosure basis described in Section 3.7.

Sustainability and environmental matters are addressed through relevant operational and management controls across vessel operations and shore-based functions. These controls support the monitoring and management of areas such as fuel consumption, emissions, environmental compliance, occupational health and safety, waste, water, vessel operations, asset integrity and regulatory requirements.

As at the date of this Report, internal controls specific to sustainability related data collection, validation and disclosure are still being developed. These mechanisms collectively provide a foundation for progressively enhancing the reliability, consistency and completeness of sustainability related information and disclosures.

As PNSC develops its sustainability reporting capabilities, the Corporation intends to strengthen data governance, documentation, internal controls and review processes supporting sustainability and climate-related disclosures, with progress to be reported in the FY2026-27 Sustainability Report.

GOVERNANCE – CONTINUOUS IMPROVEMENT

As PNSC presents its first Sustainability Report for the year ended 30 June 2026, the Corporation recognizes that its sustainability and climate-related governance framework will continue to evolve.

PNSC is progressively strengthening its governance arrangements, policies, risk-management processes, data systems, internal controls and management capabilities to enhance the identification, assessment and management of sustainability- and climate-related risks and opportunities.

The reconstitution of the existing Board committee as the Sustainability, Strategy and Risk Management Committee (SSRMC), supported by Board oversight, management accountability and a dedicated Management Sub-Committee, provides an important foundation for the continued development of PNSC's sustainability governance framework.

Moving forward, PNSC intends to further enhance the integration of sustainability and climate-related considerations into strategy, enterprise risk management, fleet planning, capital allocation, operational

decision-making, performance monitoring and stakeholder engagement.

These efforts are intended to support PNSC's long-term resilience and responsible growth while strengthening the Corporation's alignment with applicable SECP ESG requirements, IFRS Sustainability Disclosure Standards, including IFRS S2, and relevant international maritime sustainability and climate-related developments.



SECP ESG DISCLOSURE GUIDELINES - GOVERNANCE DISCLOSURES

The disclosures below supplement the Board-level oversight, committee composition and climate-governance disclosures presented above, and address the Governance pillar indicators recommended under SECP's ESG Disclosure Guidelines for Listed Companies, the Listed Companies (Code of Corporate Governance) Regulations, 2019 (as amended), and given PNSC's status as a Federal Government-owned Corporation the State-Owned Enterprises (Governance and Operations) Act, 2023.

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
Board Composition & Independence	Total Board size; number of Executive, Non-Executive and Independent Directors	Total Board Size: 10 No. of Executive Directors: 1 No. of Non-Executive Directors: 4 No. of Independent Directors: 5
Board Gender Diversity	Number/% of female directors on the Board (CCG 2019 requires a minimum of one)	No. of Female Directors: 1 % of Total Directors: 10%

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
Board & Committee Meetings	Number of Board/committee meetings held during FY2025-26, and average director attendance (%)	Disclosed in Director's Report.
Directors' Training	Number/% of directors certified under SECP's Directors' Training Program (DTP)	All the board of directors (100%) are certified under SECP's Directors' Training Program (DTP)
ESG / Sustainability Governance Structure	Board-level oversight structure for sustainability and ESG matters	During the reporting period, PNSC reconstituted its existing Board committee, broadening its mandate to encompass sustainability oversight, strategic guidance and risk management, and renaming it as the Sustainability, Strategy and Risk Management Committee (SSRMC). The reconstitution is consistent with the 2024 amendments to the Listed Companies (Code of Corporate Governance) Regulations, 2019, which require listed companies to constitute a sustainability committee at Board level. The SSRMC's terms of reference cover oversight of the Corporation's ESG strategy, including climate-related risks and opportunities, as an integral part of the Corporation's overall strategy and risk management framework. The Committee is chaired by Mrs. Nadia Osman Jung, an Independent Director and SECP certified director, and comprises independent and SECP certified Board directors, supported by the Chief Financial Officer as Secretary and Co-opted Member. During the reporting period, the Committee held its inaugural meetings, providing guidance on sustainability disclosures, overseeing the draft Sustainability Policy and Implementation Framework, and supporting Board level ESG capacity building through a training session conducted by the Pakistan Institute of Corporate Governance (PICG).
Code of Conduct / Business Ethics	Board approved Code of Conduct / business ethics policy? Coverage and training %	PNSC Code of Conduct and business ethics policy is duly approved by BoD and 100% Coverage and 100 % and certified under SECP training program.

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
Anti-Bribery & Anti-Corruption	Anti-bribery/Anti-corruption policy? Confirmed incidents during the year	These matters are adequately addressed in the Corporation's approved Code of Conduct, which has been communicated to all employees for strict observance and compliance. No incidents were reported during FY 2025–26.
Whistle-blowing / Grievance Mechanism	Confidential whistle-blowing channel; cases reported and resolved	The Corporation's approved Whistleblowing Policy provides a formal mechanism for employees and other relevant stakeholders to report suspected misconduct, unethical practices, or violations of applicable laws and policies. The Policy is communicated across the Corporation to promote transparency, accountability, and protection against retaliation. During FY 2025–26, no whistleblowing incidents were reported.
Related Party Transactions	Approval mechanism and value of related party transactions during the year	Reviewed and approved by the Board / Audit Committee in accordance with Section 208 of the Companies Act, 2017 and the Listed Companies (CCG) Regulations, 2019. Please refer to Note 53 of Financial statements.
Risk Management Framework	Enterprise wide risk identification, assessment and mitigation framework	PNSC maintains an enterprise risk management (ERM) framework providing a structured approach for identifying, assessing, monitoring and mitigating risks across the Corporation, overseen by the Board of Directors with governance support from the SSRMC. As disclosed in Section 6 of this Report, the ERM framework currently addresses climate-related risks and opportunities through existing operational controls principally the Safety Management System (SMS) under the ISM Code, HSEQ standard operating procedures, IMO DCS fuel consumption monitoring and technical/dry-docking planning cycles rather than through a standalone, formalized climate risk management framework. A documented, climate-specific risk-scoring methodology distinguishing inherent from residual risk has not yet been established; formalizing such a methodology and integrating it within the broader ERM framework has been identified as a priority

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
		for the year ahead. The formal identification and assessment of broader sustainability related risks and opportunities (SRROs) beyond climate has also not yet been completed, consistent with the disclosure in Section 3.7 of this Report. PNSC intends to disclose progress on the formalization of its climate and sustainability risk management framework in the FY2026-27 Sustainability Report.
Internal Controls & Internal Audit	Statement on adequacy of internal controls over financial reporting (ICFR); internal audit function	PNSC maintains an internal control framework designed to provide reasonable assurance over the reliability of financial reporting, the safeguarding of assets, compliance with applicable laws and regulations, and the effectiveness and efficiency of operations. The Board of Directors, supported by the Board Audit Committee, is responsible for overseeing the adequacy and effectiveness of the Corporation's internal control systems. The Board Audit Committee oversees the internal audit function, which operates independently and reports directly to the Board Audit Committee, providing risk-based assurance over the design and operating effectiveness of internal controls across the Corporation's financial reporting, operational and compliance processes. A formal statement on the adequacy of internal controls over financial reporting (ICFR), consistent with the Directors' Report and the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, is set out in PNSC's Annual Report for the year ended 30 June 2026.
Executive Remuneration	Remuneration policy and any linkage to ESG/climate-related KPIs	Executive remuneration at PNSC is overseen by the CSR, Nomination & Human Resource Committee, a Board-level committee responsible for reviewing and recommending the Corporation's remuneration policy and executive compensation arrangements to the Board for approval, in accordance with the Listed

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
		Companies (Code of Corporate Governance) Regulations, 2019 and the State-Owned Enterprises (Governance and Operations) Act, 2023. During the reporting period, sustainability and climate-related performance indicators were not linked to executive remuneration. The percentage of FY2025-26 executive remuneration linked to ESG or climate-related considerations is Nil. This is consistent with the disclosures in the Targets, Monitoring and Incentives section and the CSR, Nomination & Human Resource Committee section of this Report. As at the date of this Report, PNSC has not yet established a formal policy linking executive remuneration to sustainability or climate-related key performance indicators. PNSC recognizes that aligning executive incentives with sustainability performance is an important governance development and intends to evaluate the appropriateness of incorporating selected sustainability and climate-related indicators into management performance assessment and remuneration frameworks as its sustainability governance, data availability and performance measurement practices mature. Progress against this objective will be disclosed in the FY2026-27 Sustainability Report.
Data Privacy & Cybersecurity	Data protection / cybersecurity policy; breaches reported during the year	PNSC recognizes that data privacy and cybersecurity represent material operational and reputational risks for a state-owned maritime Corporation managing sensitive commercial, operational and personnel data across its fleet and shore-based operations. As at the date of this Report, a formally documented, Board approved data protection and cybersecurity policy specific to sustainability related data has not yet been established. Cybersecurity and data protection matters are currently managed through existing IT governance and operational controls embedded within PNSC's shore-based management information systems and vessel operational technology environments. As disclosed in

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
		the Future ESG Governance Enhancements section of this Report, the draft ESG Policy (2026–2035) proposes the development of an information security management framework aligned with ISO/IEC 27001 for shore-based IT and a maritime cybersecurity framework aligned with IMO Resolution MSC.428(98) for vessel operational technology. Formalizing these frameworks has been identified as a priority for the year ahead. With respect to reported breaches during FY2025-26, no cybersecurity breaches or data privacy incidents requiring regulatory notification or Board escalation were reported during the reporting period. PNSC intends to disclose the status of its formalized cyber security and data protection frameworks in the FY2026-27 Sustainability Report.
Regulatory Compliance	Penalties, fines or show cause notices from SECP, PSX or other regulators during the year	During the reporting period, PNSC did not receive any penalties, fines or show-cause notices from the Securities and Exchange Commission of Pakistan (SECP), the Pakistan Stock Exchange (PSX) or any other applicable regulator in connection with the Corporation's listed-company obligations, maritime regulatory requirements or sustainability related disclosures. PNSC maintains an active compliance monitoring framework overseen by the Legal & Corporate Secretariat function, with regulatory compliance matters reported to the Board Audit Committee as part of its oversight of regulatory and legal risk. This disclosure is consistent with the information available to management at the date of authorization of this Report. Any material regulatory developments arising after the reporting period would be disclosed in accordance with the Corporation's continuous disclosure obligations under the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
Shareholder Rights and Engagement	AGM parties, minority shareholder participation, investor engagement	PNSC is committed to transparent and equitable engagement with all shareholders, including minority shareholders, in accordance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. During the reporting period, PNSC held its 47th Annual General Meeting (AGM) on 28 October 2025, providing shareholders with an opportunity to review and engage with the Corporation's financial and operational performance, strategic priorities and future direction. The AGM was conducted in accordance with all applicable statutory and regulatory requirements. In addition, PNSC convened a Corporate Briefing Session (CBS) on 26 November 2025, attended by analysts, investors and representatives of brokerage houses, both physically and through online participation, through which senior management shared the Corporation's operational performance, financial results, fleet utilization and key strategic developments. As at the date of this Report, the availability of electronic or postal ballot voting facilities and the mechanism for minority shareholder nominated directorships are governed by the Companies Act, 2017 and PNSC's Articles of Association; specific arrangements applicable to FY2025-26 are set out in the Directors' Report contained in PNSC's Annual Report for the year ended 30 June 2026, which should be read in conjunction with this Sustainability Report
State-Owned Enterprise (SOE) Governance Alignment	Compliance with SOE specific governance requirements	As a Federal Government-owned Corporation, PNSC's governance framework and Board nomination practices are aligned with the State-Owned Enterprises (Governance and Operations) Act, 2023 and the Public Sector Companies (Corporate Governance) Rules, 2013 (as amended), in addition to the Listed Companies (Code of Corporate Governance) Regulations, 2019. Board members are nominated in accordance with the applicable SOE

SECP ESG Indicator	Specific Disclosure Item	PNSC Disclosure FY2025-26
		governance framework, with Government nominated and minority shareholder represented directors serving on the Board. PNSC is also subject to oversight by the Central Monitoring Unit (CMU) established under the SOE Act, 2023, and aligns its Board evaluation and governance practices with the CMU Board Evaluation Guidelines 2024. The applicable SOE compliance statement and governance certification for FY2025-26 are contained in PNSC's Annual Report for the year ended 30 June 2026 and should be read in conjunction with this Sustainability Report. PNSC continues to strengthen its SOE governance alignment as regulatory expectations under the SOE Act, 2023 and associated rules evolve.
Trade & Sanctions Compliance	AML / sanctions screening relevant to cross-border shipping operations	As an international shipping operator conducting voyages across multiple jurisdictions, PNSC recognizes that anti-money laundering (AML) and sanctions compliance are important components of responsible corporate governance and operational risk management. As at the date of this Report, a formally documented, Board-approved AML and sanctions screening policy specific to the screening of charterers, cargo counterparties and port calls has not yet been established. Sanctions and trade compliance considerations are currently addressed within existing voyage risk management and legal review processes, overseen by the Legal Affairs function. As disclosed in the Future ESG Governance Enhancements section of this Report, the draft ESG Policy (2026–2035) proposes the formalization of AML and sanctions screening of charterers, cargo and port calls as part of voyage risk management. Formalizing this framework has been identified as a priority for the year ahead. No sanctions violations, AML incidents or related regulatory actions were identified or reported during the reporting period. PNSC intends to disclose the status of its formalized AML and sanctions compliance framework in the future reporting period.

FORWARD-LOOKING

PNSC management has prepared a Board-level ESG Policy (2026–2035), which would formalize and extend the governance arrangements below under the oversight of the existing Sustainability, Strategy and Risk Management Committee (SSRMC), an independent board level committee. The ESG Policy was subsequently approved by the Board and the items below are proposed enhancements, not confirmed current practice.

The draft Policy proposes an ESG governance architecture built on a **Three Lines of Defense Model**:

First Line: Fleet, shore, HR, procurement and other operational departments owning and managing ESG risks and controls in day to day activities;

Second Line: the ESG/Sustainability function, Legal and Risk Management providing policy, monitoring and challenge; and

Third Line: Internal Audit providing independent, risk-based assurance over ESG controls and data integrity, reporting to the Board Audit Committee with material findings shared with the SSRMC.

FUTURE COMMITMENT - GOVERNANCE POLICIES PROPOSED FOR FORMALISATION

- ◆ A single Board-approved Code of Conduct applicable to all Directors, employees and seafarers.
- ◆ A zero-tolerance anti-corruption program referencing the National Accountability Ordinance, OECD Anti-Bribery Convention principles and the UN Convention against Corruption, supported by mandatory training.
- ◆ A confidential, non-retaliation whistleblower mechanism open to employees, seafarers and third parties, with case statistics reported to the SSRMC and Board Audit Committee.
- ◆ An information security management framework aligned with ISO/IEC 27001 for shore-based IT, and a maritime cyber security framework aligned with IMO Resolution MSC.428 (98) for vessel operational technology.
- ◆ AML/sanctions screening of charterers, cargo and port calls as part of voyage risk management.
- ◆ A Supplier ESG Compliance Framework segmenting suppliers as Strategic (biennial third-party audit), High-Risk (annual self-assessment plus biennial third-party audit) and Standard (triennial self-assessment), with a mandatory 90-day Corrective Action Plan for non-compliance.



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CONCLUSION

PNSC's overall sustainability posture and forward direction, and Board/management sign-off of this Report.

- Summary statement
- Approval and sign-off

PNSC is committed to embedding sustainability and climate-related considerations at the core of its business operations, ensuring alignment with evolving ESG expectations and international maritime industry practice. With oversight from the Board of Directors and the Sustainability, Strategy and Risk Management Committee, PNSC has established a structured framework that integrates sustainability and climate-related risks and opportunities into its governance, strategy and risk management processes.

The disclosures presented in this first Sustainability Report provide a baseline for future performance measurement and improvement. While the current report reflects an early stage of maturity, it establishes a clear direction for strengthening data systems, advancing the integration of climate and sustainability considerations, and progressively enhancing the depth and quality of disclosures in subsequent reporting periods.

Through its first-year reporting under applicable sustainability framework, pursuant to the SECP Order dated 31 December 2024, PNSC has taken a step towards delivering transparent, consistent and decision useful disclosures thereby enhancing stakeholder confidence and reinforcing its commitment to long term resilience and responsible national service as Pakistan's flag carrier.

Approval and sign-off

This Sustainability Report was authorized for issue by the Board of Directors of Pakistan National Shipping Corporation, on the recommendation of the Sustainability, Strategy and Risk Management Committee.



Chief Financial Officer
(Secretary, SSRMC)



Chief Executive Officer



Chairperson, SSRMC
(Independent Director)