



CORPORATE SOCIAL RESPONSIBILITY

Pacific Basin believes in the importance of a long-term relationship with its shareholders, employees, customers, business partners and other stakeholders and strives to behave responsibly towards them and to society as a whole. Safety and environmental protection are also key priorities for the Group. Pacific Basin believes that this commitment to social, safety and environmental responsibilities indirectly gives rise to comparative advantages for the Group in the marketplace, particularly in the longer term.

Responsibilities to Shareholders and Employees

To safeguard the interests of its shareholders, customers and staff alike, Pacific Basin believes in the responsibility to practice and promote good corporate governance beyond the standards established by regulatory authorities. The Group has established a balanced corporate governance system through the Board of Directors and its committees and ensures that the corporate culture established by the Board is communicated to staff throughout the Group. Pacific Basin was in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. (Please see “Corporate Governance” for more details).

Responsibilities to Customers and Business Partners

Pacific Basin places great emphasis on relationships with its customers and business partners based on honesty and trust, and seeks to understand their business needs and aims with a view to ensuring mutually beneficial long-term business partnerships.

Pacific Basin is committed to the application of sound and internationally-accepted business ethics and principles. It strives to conduct business in the

most responsible manner to ensure customer satisfaction at all times whilst always complying with strict statutory and regulatory requirements, including the codes, guidelines and standards recommended by the International Maritime Organisation, relevant flag state administrations, classification societies and other maritime industry organisations all of whom the Group deems to be an integral part of its larger business partnership.

Pacific Basin avoids cooperating with suppliers and contractors whose environmental, safety and employment standards of practice are known to conflict with those of the Group.

Responsibilities to the Community

Pacific Basin is committed to playing its role as a responsible member of the community both in Hong Kong where the Group is headquartered and in the many cities and ports around the world where it is represented by its staff, whether they be shore-based executives or shipboard officers and crew.

The Group endeavours to play its part in the betterment of the shipping industry through active membership of maritime bodies and associations such as the Baltic Exchange in London, Protection & Indemnity clubs with which Pacific Basin senior executives have directorships, and the Hong Kong Shipowners Association of which Pacific Basin is a member with one of the largest fleets trading under the Hong Kong flag.



Pacific Basin is a major supporter of the Chinese seafaring community and the training of Chinese seafarers, and is one of the largest foreign employers of Chinese crew. The Group's growing body of young Chinese management executives and seagoing personnel is a testimony to its commitment to the employment of Chinese graduates and seafarers.

The Group takes pride in making contributions to the well-being of society and the needy in part through financial donations to charities often linked to the maritime industry. In 2004, Pacific Basin supported a number of charities including The Sailors' Home and Missions to Seamen, Operation Santa Claus, The Community Chest of Hong Kong, The Hong Kong Cancer Fund and The Hong Kong Liver Foundation with donations amounting to approximately US\$52,000.

Safety and Environmental Responsibility

Pacific Basin is committed to the safe, environmentally-conscious and socially responsible operation of its ships at sea and its business ashore through a proactive and integrated management system which conforms to the mandatory International Safety Management (ISM) Code and voluntary ISO standards. This "Pacific Basin Management System" has been implemented across the Pacific Basin fleet and shore-based operations with the primary objectives of ensuring:

- safety at sea and ashore and the prevention of injury or loss of life;
- avoidance of damage to the environment, in particular the marine environment, and to property.

The positive results of this programme are in part reflected in the Group's commendable safety record as well as its port state control, classification society and flag state inspections record.

The Group applies robust selection and training procedures when recruiting new seafarers. This is augmented by regular on-board systems training provided by its fleet training superintendents to

promote the Pacific Basin Management System and the application of rigorous planned maintenance and machinery inspection regimes and, more generally, a pro-active safety culture on board all Pacific Basin ships.



Pacific Basin seeks to minimise its impact on the environment in a number of ways. The Group operates a fleet of modern, fuel-efficient vessels. Fuel efficiency is maintained through the regular maintenance of the vessels' main engines as well as the appropriate treatment of the vessels' hulls under the waterline. All Pacific Basin vessels are treated with only tin-free anti-fouling paints of a grade that has minimum environmental impact whilst ensuring an appropriate level of protection to the hull for periods of up to five years between drydockings.

Pacific Basin is implementing the voluntary ISO 9001:2000 (quality management), 14001 (environmental quality assurance) and OHSAS 18001 (occupational health and safety systems) standards demonstrating its commitment to quality, safety and environmental protection. The Group's technical operation has been accredited by Lloyd's Register Quality Assurance (LRQA) to the ISO 9001:2000 standard and is on target to achieve ISO 14001 and OHSAS 18001 certification (pending) within the second quarter of 2005.

