

ESG REPORT 2023



Message from our CEO

We are pleased to share with you our latest ESG (Environmental, Social, and Governance) report, detailing our company's advancements in sustainability and our dedication to responsible business practices. This marks the fourth annual report we have published.

At Euroseas Ltd., we understand that our actions affect the environment, society, and our stakeholders. Therefore, we are dedicated to incorporating ESG considerations into every aspect of our business.

This year's report provides a thorough overview of our ESG performance, highlighting our progress toward our goals and the challenges we face. We have made notable advancements in reducing our carbon footprint, conserving resources, and enhancing our social impact. Additionally, we have implemented policies and programs to improve our governance and transparency.

Despite the geopolitical challenges in the Middle East, the ongoing conflict in Ukraine, and the persistent impacts of the COVID-19 pandemic, the maritime industry has displayed steadfast resilience amid a series of unforeseen events.

Our company is in great shape, with a strong balance sheet and significant cash revenues. We continue growing our fleet conservatively, as always, with deals that enhance our shareholder value, but at the same time, also align with our ESG aspirations.

In 2023, we welcomed our first two containership new-buildings, m/v Gregos and m/v Terataki, as well as the secondhand containership m/v Angeliki. The remaining seven new-buildings are expected to be delivered to our company within 2024 and early 2025.

2023 witnessed significant developments in the maritime industry. Digitalization and sustainability along with discussions and actual demand for alternative fuels were key themes. The EU ETS regulation will come into force as of 1/1/24 in the maritime sector. Our company has taken all necessary actions to ensure compliance and prepare for the transition it entails.

Looking forward, these developments present us with exciting opportunities. As we move forward, I am confident that our collective ingenuity, commitment to excellence, and dedication to creating a better world for future generations will drive our continued success.

The training of our employees and crew is a priority for our company and we continuously try to find new ways to enhance it. The new computer-based training program we developed with another company is one example. We also take great pride in the establishment of a cadet ship program onboard our ships, which includes female and young crew as well.

I want to express my deepest gratitude to each member of the Euroseas family for the unwavering dedication and hard work throughout this remarkable year. It is the resilience, innovation, and teamwork that make our company exceptional.

As we embark on the journey into 2024, let's build on our lessons learned, celebrate our achievements, and approach the future with confidence. Together, we can overcome any challenge, and I am excited about the continued success that lies ahead.

Aristides J. Pittas
Chief Executive Officer
Euroseas Ltd



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Euroseas Ltd was formed on May 5, 2005 under the laws of the Republic of the Marshall Islands to consolidate the ship owning interests of the Pittas family of Athens, Greece, which has been in the shipping business over the past 140 years. Euroseas trades on the NASDAQ Stock Market under the ticker ESEA.

Euroseas Ltd is a global shipping Company providing worldwide seaborne transportation solutions in the containership section and employs its vessels on spot and period charters .

At the time of reporting 31/12/23, the Company owns a fleet of 19 vessels, including 12 Feeder containerships and 7 Intermediate Container carriers. These 19 containerships have a total TEU capacity of 58,861 and an average age of 16.6 years.



- ▶ **12x Feeder:** Avg. Age: 17.2 years – Carrying Capacity: 26.9k TEU
- ▶ **7x Intermediate:** Avg. Age: 15.6 years – Carrying Capacity: 31.9k TEU



Vessel newbuilding projects:
9x Feeder – Carrying total capacity: 22.2k TEU

Within 2023, the first 2 feeder new-buildings, out of a series of 9, were delivered to Euroseas with a carrying capacity of 5.900 TEU. These have been included in this analysis; however, the remaining 7 new building projects that are still under construction have not.

Euroseas' operations are managed by Eurobulk Ltd., an ISO 9001:2015 (quality assurance) and ISO 14001:2015 (environmental assurance) certified ship management Company, which is responsible for the commercial and technical management of the vessels. Eurobulk Ltd ensures that the vessels are run in accordance with Euroseas' standards and as per its established policies and adhere to the requirements of the International Safety Management (ISM) Code for the Safe Operation of Ships and for Pollution Prevention.

Eurobulk Ltd includes all our executives and has infrastructure and personnel dedicated to the management and operation of our ships, as well as the promotion and development of our commercial interests. Consequently, wherever appropriate, Eurobulk Ltd has been included in the scope of this report.*

*For the purpose of this report we will analyze the data collected by our management Company which in some cases may include data from vessels not only under the ownership of Euroseas.

The purpose of our fourth ESG report is to provide our stakeholders with information on an annual basis as well as non-financial data on material ESG issues and allow them to compare our current performance to that of previous years.

The Company's vision is to grow for the benefit of its shareholders whilst at the same time committing to sustainable growth, employee welfare, digital innovation and environment protection, in line with industry standards and always in compliance with international regulations in place, exceeding them where possible. Euroseas' business strategy is focused on providing consistent shareholder returns by carefully selecting the timing and the structure of its investments in containership vessels and by reliably, safely and competitively operating the vessels owned, through its affiliate, Eurobulk Ltd. This continues to remain our priority.

Representing a continuous ship owning and management history that dates back to the 19th century, Euroseas believes that one of its competitive advantages is its ability to select and operate safely and economically vessels of any age. Euroseas continuously evaluates sale-and-purchase opportunities, as well as long term employment opportunities for its vessels. Euroseas has already expanded into newbuilding projects, which increase its revenues and make its containership fleet more cost efficient, environmentally friendlier, and attractive to its customers.

The Company implements an ESG strategy aligned with the IMO's Green House Gas (GHG) emission reduction targets and the UN's Sustainability Development Goals (UN SDG's). We are actively supporting these goals by promoting an inclusive, diverse, healthy and safe working environment, both onboard our ships and ashore, and by building a responsive, profitable and sustainable business, governed with consistency, transparency and accountability.

This report covers Euroseas' operations in 2023 and is based on the Sustainability Accounting Standards Board (SASB) standards. Additional criteria have been considered as well, such as the Global Reporting Initiative (GRI), the NASDAQ ESG reporting guidelines, and UN's SDGs, in compiling the report content.



Euroseas reports on a wide range of ESG issues since 2020. Our reports are focused on the ESG issues that are the most material to our operations and to our stakeholders.

ESG Priorities

Empowering People

- Adopt a diverse and inclusive workplace that creates equal opportunities for everyone while ensuring human rights protection.

Protecting the Environment

- Reduce the impact of our operations to the environment and implement a robust de-carbonization strategy.

Ensuring Health and Safety

- Comply with the highest safety standards and regulations to eliminate risk of hazards.

Promoting Good Governance

- Commit from the top and integrate ESG into the Company's decision-making processes.

ESG Governance

- The ESG and compliance department is responsible for providing guidance and supporting the development of the Company's ESG strategy, for evaluating and recommending ESG initiatives and practices and for ensuring that the Company promotes and integrates environmental, social and governance matters into its strategy and core business operations and stays abreast of risks and opportunities for ESG and climate change related matters.
- Leadership of ESG issues starts with our Top Management and flows across all employees and operations. Our Senior Management has the overall responsibility to oversee ESG matters and monitor the Company's performance against its commitments.

ESG Commitments

Environmental commitments:

- Implement the de-carbonization strategy in place and develop a climate transition plan in the following years, to meet industry aspirations for de-carbonization of international shipping.
- Upgrade energy efficiency technologies on board and apply operational improvement measures.
- Upgrade our fleet with more eco-friendly vessels.

Social commitments:

- Minimize the risk of hazards and eliminate workplace accidents.
- Promote inclusion and diversity in the workplace.
- Enhance employees' well-being and continuous development.
- Provide financial contributions to NGOs and the broader community.

Governance commitments:

- Commit to a zero-tolerance approach when it comes to bribery, corruption and any form of harassment or discrimination.
- Maintain and enhance transparency through annual ESG reporting in ESG rating indexes.



Zero incidents
Exceptional service to our charterers
Environmental protection

Wellbeing of our workforce
Transparency and accountability
Value for our shareholders



Our sustainability focus in 2023 covers all three areas of ESG

MINIMIZING OUR ENVIRONMENTAL IMPACT

- Timely preparation for GHG emissions reduction regulations
- Commitment to transparent reporting of fleet emissions
- Utilizing advanced vessel performance systems
- Implementing technical and operational measures to improve fleet energy efficiency
- ISO 14001 certified for environmental management
- Gradually renew fleet with more environmentally friendly vessels

- Utilizing company wide performance management processes
- Providing continuous professional development opportunities of employees
- Active involvement in the Community

PROMOTING SAFETY, DIVERSITY, AND EQUITY IN OUR WORKPLACE

- Zero tolerance for human rights violations
- Fostering a diverse and inclusive working environment
- Maintain high retention rates for employees, both on board and ashore
- Implementing programs to enhance the well-being of our workforce
- Prioritizing safety and compliance with regulations, port state control (PSC), and other authorities

CONDUCTING OUR OPERATIONS WITH EFFICIENCY, INTEGRITY, AND TRANSPARENCY

- Strong and independent Board of Directors in place
- Experienced management team with solid track record
- Consistently issue an annual ESG Report
- Implement robust internal controls to manage risks
- Continuous monitoring and transparently report on ESG Key Performance Indicators (KPI's)

Number of seaboard
Personnel approx.

623**

Number of operating
days

5,101***

Deadweight tonnage
(weighted)/Average

**740,512 /
38,974 DWT**

Average no. of vessels in
fleet

18.25

Number of port calls

1,353

Total distance travelled
by vessels (nm)

1,303,826

Twenty-foot equivalent
unit capacity/Average

**58,861 / 3,098
TEU**

*These figures are based on a total number of 19 vessels operated throughout the period from 1 January to 31 December 2023 including 2 newbuilding vessels delivered during this period. As of 31 December 2023 the total number of vessels was 19.

Figures for TEU and DWT represent the fleet as of 31 December 2023.

**Total pool of seafarers is approx. 1,825

***Excluding operational off-hires

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CORPORATE GOVERNANCE

- The Board of Directors (BoD) of Euroseas Ltd is committed to its fiduciary responsibility to represent shareholder interests and oversee the management of Eurobulk's business setting high standards for the Company's directors, officers, and employees.
- The corporate governance standards of the New York Stock Exchange (NASDAQ) are different for United States domestic issuers and foreign private issuers. While a number of the NASDAQ corporate governance standards for United States domestic issuers do not apply to Euroseas Ltd as a foreign private issuer, the Company still strives to meet this optional higher standard.
- The procedures and standards adopted by the Board of Directors to fulfill its responsibilities are recorded in the charters of the Board Committees, our policies and in various guideline documents, all of which are available in the Corporate Governance section of the [Company's website](#).
- The Board of Directors has established an Audit Committee, which is summarized below and acts as a whole on matters of Compensation and Nomination:
- Our Audit Committee consists of 3 independent directors and is responsible for representing and assisting the Company's BoD in its general oversight of the Company's accounting and financial reporting processes, audits of the financial statements, and internal control and audit functions. More specifically the audit committee is responsible for (a) the preparation, presentation and integrity of the Company's financial statements; (b) accounting and financial reporting principles; (c) the Company's internal controls and procedures designed to promote compliance with accounting standards and applicable laws and regulations; and (d) the performance evaluation of the Company's independent auditors and internal audit function. Another significant role of the Audit Committee is to identify and monitor financial business risks as well as ensure that we fully meet all the disclosure requirements of regulatory authorities.

**The Company promotes transparency and accountability and is committed to conduct business ethically.
We stand by our code of ethics & anti-bribery, our anti-fraud policy, and our whistleblower policy.**

An ethical workplace

We have adopted and communicated our code of ethics & anti-bribery policy to our employees, directors, officers and agents. The code covers the following key topics:

- Conflicts of Interest
- Corporate Opportunities
- Related Party Transactions
- Confidentiality and Privacy
- Honest and Fair Dealing
- Protection and Proper Use of Company Assets

- Compliance with Laws, Rules and Regulation
- Securities Trading
- Disclosure
- Procedures Regarding Waivers
- Internal Reporting and Whistleblower policy

Our Board of Directors and executive officers , as of the date of release of this report, are the following:

Bod composition	Role	Committees*
Aristides J. Pittas	Chairman	
Aristides P. Pittas	Vice Chairman	
Anastasios Aslidis	Director	
Panagiotis Kyriakopoulos	Director	Audit committee Chairman
Andreas Papathomas	Director	
Apostolos Tamvakakis	Director	Audit committee
George Taniskidis	Director	Audit committee

Executive Officers	Capacity
Aristides J. Pittas	Chief Executive Officer
Anastasios Aslidis	Chief Financial Officer & Treasurer
Symeon Pariaros	Chief Administration Officer
Stephania Karmiri	Secretary

Code of ethics

- All of our employees are required to follow our code of ethics & anti-bribery policy, and, in case of any suspected violations, they may report to the Chairman of the Audit Committee openly, confidentially, or anonymously – as per our internal reporting and Whistleblower policy.
- During FY2023, no bribery, fraud, or other whistleblowing incidents were recorded; neither were any violations of our ethical principles or anti-corruption policy.
- We recognize that exposure to corruption risks may vary by geography. In 2023, 1 of our port calls was in country in the 20 lowest rankings of Transparency International's Corruption Perception Index (CPI).

Internal controls

- In order to ensure robust governance practices, disciplined business processes, and high levels of transparency and disclosure, we have developed a rigorous and effective internal control environment. The Company's independent auditing firm, Deloitte, is responsible for performing an independent audit of the consolidated financial statements in accordance with generally accepted auditing standards.
- We have also a dedicated Internal Audit team responsible for monitoring and testing our internal procedures to ensure that risk management practices, controls, and overall governance processes are adhered to.
- The Audit Team is tasked with continuously improving our control environment and ensuring that the quality of our internal controls on financial reporting meets and exceeds compliance requirements under Sarbanes-Oxley (SOX).
- The Internal Audit team reports to the Audit Committee, making recommendations and/or suggesting corrective actions that will assist in accomplishing our business objectives.
- During 2023, a total of **208 internal controls** were tested. **No** deficiencies and **no** material weaknesses were identified.

External Environment

External Environment risks, arise when there are external factors or influences that could impact our business operations.

Operations

Operations risk, is the risk that our operations are inefficient and/or ineffective in executing our business strategy and/or subject to human error and meeting our customers' needs.

Financial

The risk that cash flows and financial risks are not managed cost-effectively such as to maximize cash availability, etc.


Information Technology

The risk that information technologies used by the Company are not operating as intended, or are compromising the integrity and reliability of data and information, etc.

Fraud

Risks associated with management fraud, employee fraud, illegal and/or unauthorized acts, any or all of which could lead to legal action against us and/or to reputational damage in the market.

Risk management:
The key risks associated
with our business are
grouped into the following
5 categories:



Our stakeholders represent a diverse range of organizations and individuals. We prioritize stakeholder engagement. Their insight informs our decision-making process and ensures the relevance of our overall business strategy to their expectations, concerns, and needs.

Customers <ul style="list-style-type: none">• Vessel owners• Charterers• Cargo owners	Suppliers <ul style="list-style-type: none">• Manufacturers• Shipyard• Brokers• General suppliers• Port agents	Financial Institutions <ul style="list-style-type: none">• Banks• Leasing financial institutions• Underwriters• Insurance companies	Seafarers and office employees <ul style="list-style-type: none">• Crew on board• Office employees• Manning agent
Shareholders / Investors <ul style="list-style-type: none">• Natural persons• Institutional shareholders• Funds / Private Equities	Industry organizations <ul style="list-style-type: none">• Classification societies• P&I clubs• Insurers• Vetting companies	Authorities <ul style="list-style-type: none">• Governments• International Maritime Organization (IMO)• Flag administrations• Port authorities / coast guards	Community and Society <ul style="list-style-type: none">• Academic institutions• Local communities• NGOs• Media

Stakeholders engagement questionnaire

This year we continued conducting a stakeholders’ engagement assessment to identify environmental, social and governance matters, and to ensure that our operations and overall business strategy aligns with the issues that matter to our stakeholders.

Material ESG issues

Material topics refer to the topics that are of high importance to the business and its stakeholders.



1. Issue identification

- Review issues raised by the leading industry players and sustainability standards and initiatives, such as SDGs, SASB, etc.
- Explore business and industry landscape on sustainability.
- Introduce our Company specific issues.
- Group the pool of potentially material sustainability issues into focus areas.

2. Assessment and prioritization via completion of survey

- Assess and prioritize the issues by considering their effects on the business, associated risks and opportunities, and the level of control we have over them.
- Obtain input from key stakeholder groups on what they perceive to be the most important issues in relation to our performance through our internal channels
- Use survey input to inform and guide our prioritization.

3. Validation and alignment

- Review the assessment results and validate that they are aligned with objectives reflecting Euroseas' sustainability/ESG viewpoint.
- Produce the "Materiality matrix", focus efforts and allocate resources accordingly.



ESG topics for Euroseas and its stakeholders

Stakeholders were asked to rate the following topics on a scale of 0 to 10 via a questionnaire:

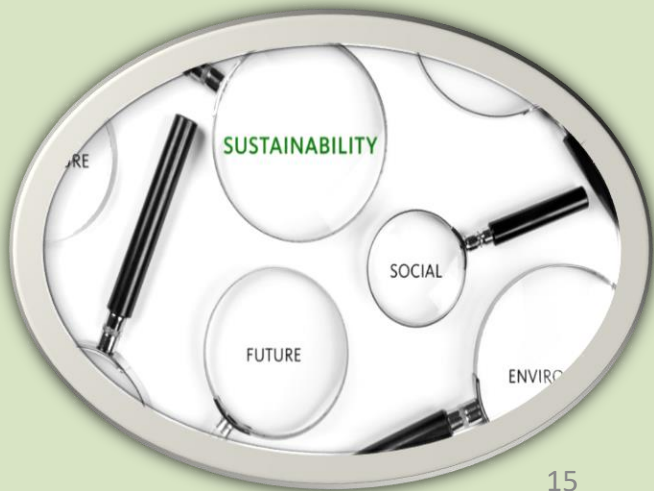
- Business Conduct, Ethics and compliance
- Company Financial Performance
- Attracting, Developing, Rewarding and retaining employees
- Social Impact
- Climate Change and the Environment
- Trust and Transparency
- Customer satisfaction
- Ensuring high quality services and support in a cost-effective manner
- Sustainable Growth
- Respecting Human rights
- Remuneration and benefits
- Environmental Protection
- Research and innovation in green technologies alternative fuels
- Waste management and recycling
- Energy consumption, monitoring and efficiency
- Regulatory compliance and application
- Partnerships for advancing sustainability
- Diversity , inclusion and belonging
- Gender equality/reducing gender inequalities
- Employee engagement
- Work/ life balance
- Career development and growth
- Affordable quality education/training for all
- Volunteer donating
- Occupational health, safety and security onboard and ashore
- GHG emissions reduction and energy efficiency
- Impact of environmental regulations on fleet profile
- Water pollution prevention, control and compliance with respective regulations
- Vessel's recycling

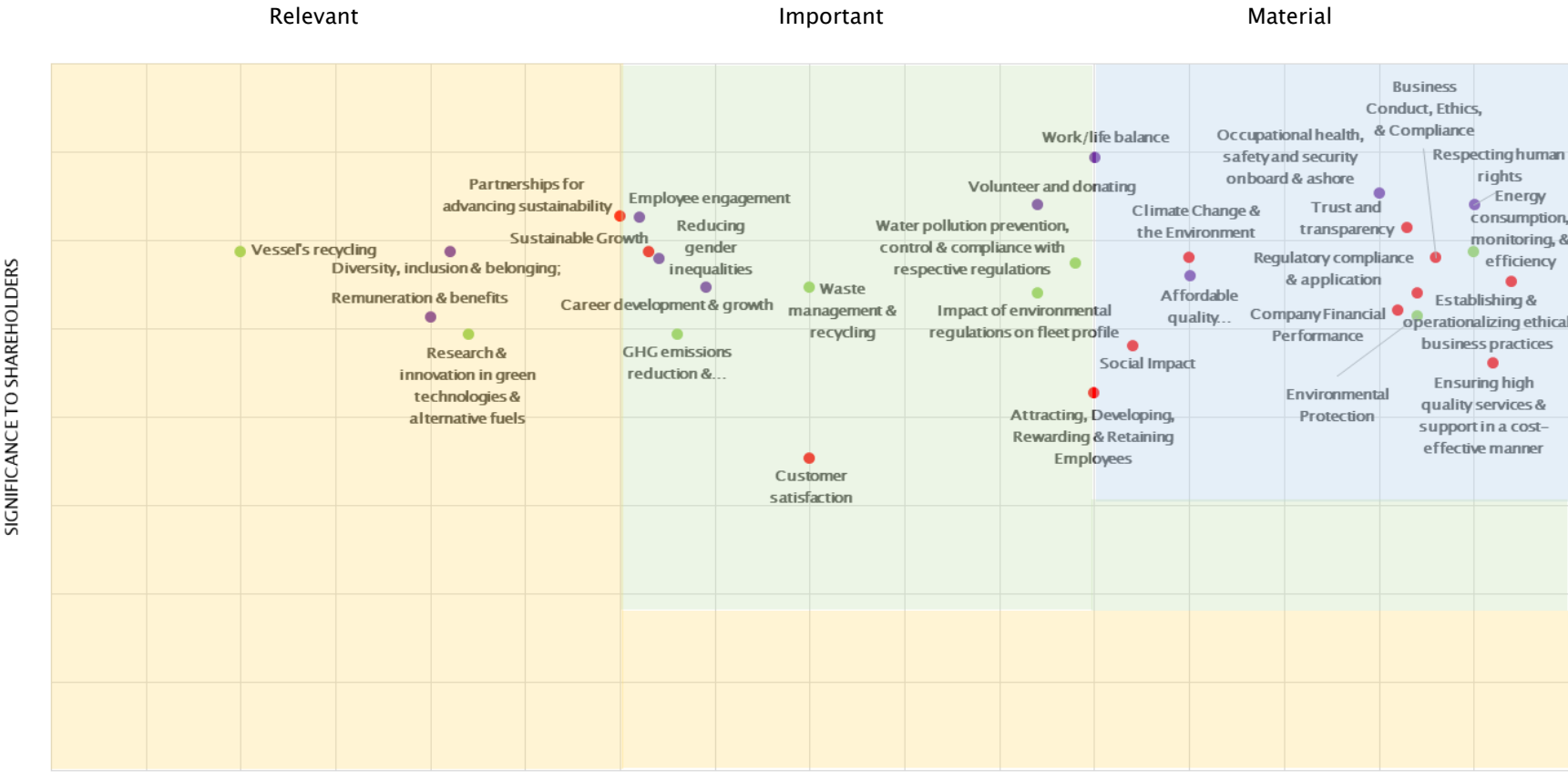
Our 2023 materiality matrix highlights the Company's core strategic issues

Our second Stakeholder Questionnaire included 30 topics. Based on the results of the analysis, 13 topics were identified as material, 12 as important and 5 as relevant to us and to our stakeholders.

The following topics in the Stakeholder Questionnaire were identified as the top material ones: (1) Work/life balance, (2) Occupational health, safety and security, (3) Respecting human rights and (4) Volunteer and donating.

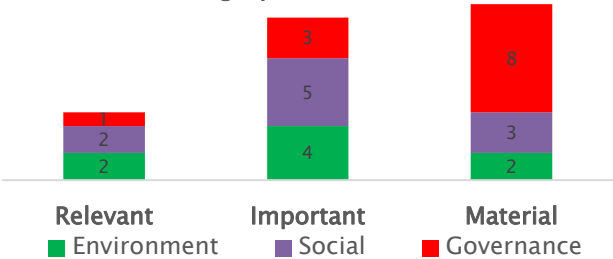
For Euroseas Ltd, the most material topics were the following: (1) Establishing and operationalizing ethical business practices, (2) Ensuring high quality services and support in a cost-effective manner, (3) Respecting human rights and (4) Energy consumption, monitoring and efficiency.





EUROSEAS' SIGNIFICANT IMPACTS

Number of issues per materiality level and ESG category



2

OPERATIONAL EXCELLENCE



Safety at work is a basic human right, and working conditions affect our employees directly and their families and the communities in which they live in, indirectly. We care for our people, and we aim to meet and exceed compliance requirements in order to provide a safe and respectful working environment for all personnel, both ashore and onboard our vessels. Our operations promote safety and aim to protect human health, the environment, and property.

We consider Health and Safety to be an essential value and safeguarding it is our top priority. Alongside our commitment to protect the environment in our daily operations, we are focused on maintaining and promoting a safe, respectful and healthy workplace for all employees. We are certified with the ISO 9001:2015 standards and we try to constantly improve our operational practices. To achieve this, we:

- Comply with all applicable laws and regulations and apply responsible standards of best practice where laws and regulations do not exist.
- Identify and mitigate risks that potentially affect employees, contractors, or the public.
- Share industry insights about health and hygiene risks with our employees.
- Seek medical services for the treatment of employee occupational illnesses or injuries and for the handling of medical emergencies.
- Implement programs, trainings and appropriate protective measures to control risks.
- Support voluntary health and hygiene promotion campaigns aimed at improving employees' well-being and increasing personal safety.

Our company is a member in various Associations such as:

- DNV's Greek National and Technical Committee
- Lloyd's Hellenic Technical Committee
- NKK Greek Technical Committee
- RINA Greek Advisory and Technical Committee
- Bureau Veritas Hellenic Technical Committee
- Union of Greek Ship-Owners
- Verifuel Greek Technical Committee
- Lloyd's Gas as Fuel Working Group
- CIMAC, Global Association of the Internal Combustion Engines Industry
- MARTECMA
- Intercargo Technical Committee
- BIMCO

The Company's CEO is also Chartered Engineer in the Hellenic Technical Chamber and a member of the Institute of Marine Engineers (UK).

He is also a member of the HELMEPA BoD and is currently the Association's treasurer.

Additionally, he is the President of the Athens College Alumni Association and member of the Hellenic Association Education Foundation.

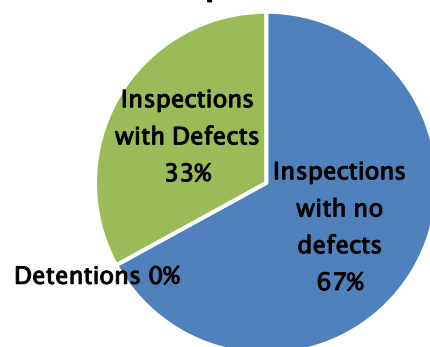
Type	Description	Total/ Average per vessel 2020	Total/ Average per vessel 2021	Total/ Average per vessel 2022	Total/ Average per vessel 2023
Internal figures	Onboard drills	1650/96	1408/88	1512/84	1926/105
	Near misses	578/33	378/24	247/14	202/11
	Internal audits	28/1.6	28/1.7	34/1.8	33/1.8
Port State Control (PSC)	Detentions	0	1	0	4/0.2
	Inspections	44/2.6	37/2.3	49/2.7	55/3
	Inspections with no defects	28	20	31	32
	Deficiencies	48/2.8 from which 3 MARPOL and 45 other categories	65/4.6 from which 4 MARPOL and 61 other categories	74/4.3 from which 12 MARPOL and 62 other categories	107/5.9 from which 10 MARPOL and 97 other categories
Classification Society	Conditions of Class	33/1.9	40/2.5	25/1.5	65/3.6

Due to the Covid-19 pandemic and the ensuing lockdowns and port disruptions, onboard office attendances, audits and inspections were reduced. This resulted in an increase in PSC detentions, deficiencies, and Conditions of Class in 2023 compared to the previous years. However, the company has taken immediate remedial action to improve its operational performance and for the first half of 2024, no PSC detentions have been reported.

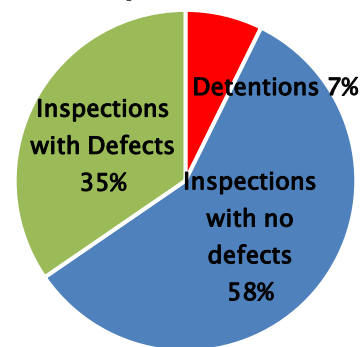


In July 2023, our affiliated management company has been awarded a commendation letter from the Liberian Flag for the vessels' excellent performance in the past two years and the company's commitment to safety aboard the vessels.

PSC Inspections 2022



PSC Inspections 2023



A safe environment aboard our ships is of paramount importance for us. Our goal is to manage and eliminate safety risks associated with our activities and protect the safety of our employees and others involved in our operations, by preventing accidents, injuries, and occupational illnesses.

In order to achieve these goals, and increase safety awareness among all our employees and through our operations, we:

- Comply with all applicable laws and regulations and apply responsible standards where laws and regulations do not exist.
- Encourage ongoing training to employees throughout the organization.
- Evaluate our safety risks and establish appropriate safety measures.
- React promptly, effectively, and with attention to emergencies or accidents resulting from our operations.
- Continuously review and assess our procedures and apply additional measures, where deemed necessary.

We invest in our people, policies, and equipment as we try to protect both our people and the environment, meeting our significant goal of **zero** accidents and spills.

During the reporting period, **one fatality** due to a fall overboard was recorded. **No marine casualty** was recorded related to **hull damage** while **2 crew minor injuries were recorded**.

We aim to further strengthen our safety policies and increase the safety awareness of our employees through training, seminars, campaigns, and team activities in our efforts to minimize safety risks.

Cyber security

We are very concerned of the latest technological advancements' side effects of greater exposure to cyber attacks. In an effort to protect the Company's information and computer systems from possible threats, the Company has developed a cyber security manual and relevant procedures that include protection measures and users' guidelines. In addition, all our vessels are equipped with the latest anti-virus programs and most of our vessels are also installed with a cyber security software (deep instinct). Our plan is to complete the installation in our entire fleet during the next years.

General Data Protection Regulation (GDPR)

The EU GDPR came into force in 2018 and provides the required guidelines for the proper collection, storage, use and process of the individual's personal data within the EU, in an effort to protect the individual's rights and personal data. In this respect we have carried out the required gap analysis and managed to implement the necessary procedures to safeguard the personal data as required by the regulation.



3 ENVIRONMENT

We recognize the global threat that GHGs pose and our responsibility to contribute to de-carbonization. We are committed to protecting our environment and this commitment is reflected in our Environmental Protection, Safety and Quality Policy. We seek to minimize the impacts of our operations on both air quality and the marine environment. To support our policy, we have an Environmental Management System in place, incorporated in our HSEQ manual, to define our objectives, action plans, strategic ambition, and the corresponding deadlines for our work to reduce potential negative impacts.

Euroseas Ltd has been an active member of the Hellenic Marine Environmental protection association (HELMEPA) since 2012 and has registered its vessels in order to support the environmental efforts made by the association and be part of a community which provides training and other benefits for our crew members and our shore-based employees. Our CEO is a member of the BoD and is currently the Association's treasurer.

Our affiliated management Company, Eurobulk Ltd is certified with the ISO 14001:2015 which sets the international environmental standard. This certificate is annually verified by Bureau Veritas.

In an effort to reduce our environmental footprint, the company has changed all lamps at the premises to LED and has introduced an automated lighting system.

The company is launching an Environmental Campaign set to roll out across the entire fleet by mid-2024. Our aim is to provide additional training for the crew on environmental protection and to further promote excellence in this area.

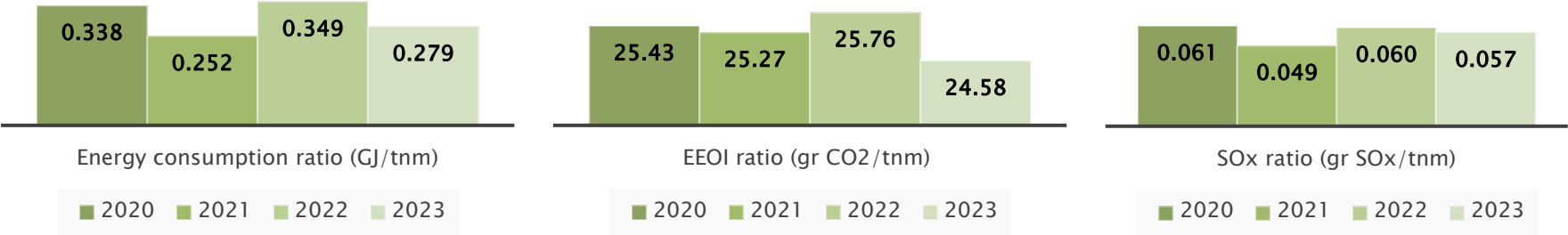


The Company hasn't suffered any oil spills during 2023

Euroseas Ltd embraces all efforts to mitigate its footprint on the environment and in this regard, the Company's responses to new regulations have been summarized as follows:

Regulation	Objective	Euroseas response
Ballast Water Management (BWM) https://www.imo.org/en/About/Conventions/Pages/International-Convention-for-the-Control-and-Management-of-Ships%27-Ballast-Water-and-Sediments-(BWM).aspx	Sets standards for proper management of ballast water and sediments to prevent the spread of harmful marine species. Entry into force Sept 8 th ,2017.	We implement the requirements and keep valid BWM plans onboard and update BW record books . 17 of our vessels (89.5%) have Ballast water treatment plants (BWTP) installed on-board. By the end of 2024 the remaining 2 Company's vessels will have it installed as well.
IMO DCS (Data Collection System) https://www.imo.org/en/ourwork/Environment/pages/data-collection-system.aspx	Mandates the collection of fuel consumption data for ships of 5000 gt or larger as part of the SEEMP. Entry into force March 1 st ,2018 for data collection Jan 1 st 2019.	All the vessels have valid SEEMPs onboard and periodically calculate the EEOI. The Company is in compliance with the regulation and monitors the vessels' performance and emissions through the pre-verifier (Valibe) and finally the verifier, RINA.
EU MRV (Monitoring, Reporting and Verification) https://climate.ec.europa.eu/sites/0/emission-trading-system-mrv-reporting_en	A regulation requiring the monitoring, reporting and verification of carbon dioxide emissions from ships of more than 5000 GRT operating in EU ports, aiming to minimize it. Entry into force July 1 st ,2015.	The Company is in compliance with the regulation and constantly monitors the vessels' performance and emissions through the pre-verifier (Valibe) and finally the verifier, RINA.
EU ETS (European Union Emissions Trading System) https://climate.ec.europa.eu/sites/0/emission-trading-system-eu-ets/what-eu-ets_en	The 2024 EU ETS (European Union Emissions Trading System) regulation for shipping aims to curb greenhouse gas emissions in EU waters. It mandates CO2 allowances for ships over 5,000 gross tons, enforcing emissions monitoring, reporting, and verification (MRV).	The company has taken the necessary actions for its implementation and will be compliant with the regulation upon its entry into force in January 2024.
IMO strategy on reduction of GHG emissions from ships https://www.imo.org/en/OurWork/Environment/Pages/2023-IMO-Strategy-on-Reduction-of-GHG-Emissions-from-Ships.aspx	Targets the reduction in total GHG emissions from international shipping by at least 50% by 2050 compared to 2008 . Entry into force : October 2018	We are committed to meet the IMOs' 2030, 2040 and 2050 targets by working along with our industry peers and stakeholders.
MARPOL annex VI https://www.imo.org/en/MediaCentre/MeetingSummaries/Pages/MEPC-74th-session.aspx	A regulation intended to reduce the amount of sulfur oxide emissions from ships-either by adopting alternate fuels or installing EGC systems (scrubbers) or by using fuel oil with a sulfur content of no more than 0.50% m/m . Entry into force Jan 1 st ,2020	We have switched to low-sulfur fuels to meet the sulfur emissions limits. Additionally, vessels have already onboard the SEEMP part III and are calculating the carbon intensity indicator (CII) of each vessel in order to comply with the amendments to the MARPOL annex VI which has entered into force in January 2023
Northern Right Whale Speed Reduction Zones https://www.fisheries.noaa.gov/endangered-species-conservation/northern-atlantic-right-whale-speed-zone-dashboard	NOAA's Office of Law Enforcement and the U.S. Coast Guard actively enforce the North Atlantic Right Whale vessel speed regulations that require some vessels to transit at 10 knots or less in designated areas of the ocean during certain times of the year. Entry into force:2008	The company complies with the regulation when/where needed by reducing the speed of the vessels to the required limit.
Inventory of Hazardous Materials (IHM) https://eur-lex.europa.eu/eli/reg/2013/1257/oj	A regulation to control hazardous materials onboard ships for the safe and environmentally sound recycling of ships . Any ship which is 500gt or over regardless of Flag will require a valid and certified IHM onboard if calling at an EU port or anchorage. Entry into force December 31 st ,2020	All vessels have received the approval letter for the IHM plan and completed the on-scene survey for certification.

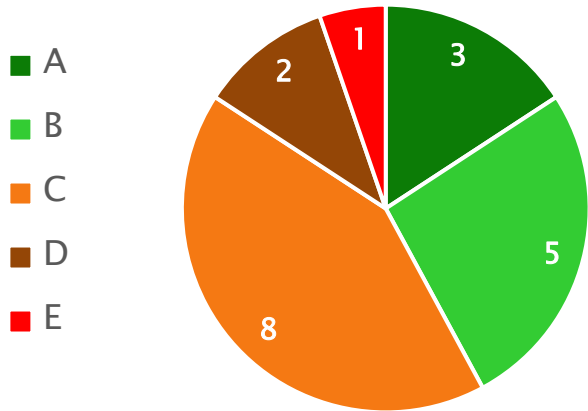
The company increased its Deadweight Tonnage (DWT) by 7% in 2023, primarily due to fleet expansion and an 18% increase in cargo transportation work (measured in cargo ton miles), compared to 2022. Nevertheless, the company managed to decrease the energy consumption ratio by 20% as well as the EEOI ratio by 4% and the SOx ratio by 5%.



Euroseas has prepared its vessels and the company ahead of time for the regulations that have already or will soon come into force, such as the EU ETS that will come into effect on 1/1/24.

In this regard, we have already started a cooperation since last year with a consulting company to calculate the EEXI and CII values for our vessels based on the guidelines set by the IMO that were adopted in June 2021 (MEPC 76) and we have completed the implementation process of the new SEEMP part III for our vessels. Further to the above, we have calculated that the majority of our vessels have a C or better CII rating. During 2023, our company has continued to use biofuels as alternative fuels on 1 of our vessels, to achieve a better carbon footprint and consequently a lower carbon intensity. The company also foresees more extensive use of biofuels in the future.

Fleet's CII rating 2023



Fleet Average CII value 2023	
10.472 grCO ₂ /dwt*nm	Attained CII (Weighted)
11.229 grCO ₂ /dwt*nm	Required CII (Weighted)
12.008 grCO ₂ /dwt*nm	Upper C Limit for CII (Weighted)

Fleet Average CII value 2022	
11.930 grCO ₂ /dwt*nm	Attained CII (Weighted)
10.918 grCO ₂ /dwt*nm	Required CII (Weighted)
11.430 grCO ₂ /dwt*nm	Upper C Limit for CII (Weighted)

In an effort to more accurately monitor the fleets' performance and air emissions, we have introduced two performance software modules and a specialized team to report and evaluate the effectiveness of such. In addition, 63% of the fleet is equipped with digital mass flow meters and 47.4% of our vessels have completed the installation of telemetric equipment for high frequency data collection aiming to better monitoring the fleets' fuel consumption and to grow our digitalization front. This has resulted in energy efficiency improvements of at least 10% across our fleet.

We aim to work with reliable and well-qualified suppliers. We have established standard procedures to ensure that our suppliers comply with the International Hazardous Material (IHM) resolutions (which include specifications on chemicals, hazardous materials etc.) and that the materials supplied are in compliance with IMO Resolution MEPC.269(68) and are supported by a Material Declaration Form.

Our fleet of ships operates globally, which means that keeping them properly supplied presents challenges of logistical nature. In order to reduce both our costs and our environmental footprint, we focus on combining supply shipments as much as possible. During the reporting period, 93.6% of supply shipments (from a total of 4.250) were consolidated and supplied on an approximate 3-month basis.

17 PARTNERSHIPS
FOR THE GOALS



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



13 CLIMATE
ACTION



Six of our vessels are Alternative Maritime Power (AMP) fitted, thus allowing the vessels to use electrical power from external shore facilities. This reduces exhaust emissions and noise at port, while also saving on fuel consumption. In addition, we have applied silicon paints on the hull of six of our vessels, significantly improving vessels' efficiency.

We are also exploring studies for hull modification and propeller renewal for our less efficient vessels. In this regard, we have collaborated with another shipping company and have installed energy saving devices (ESD's), such as bulbous bow shape optimization, DWT increase, PSV (Pre-Shrouded Vanes) and HVAF (Hub Vortex Absorbed Fins) installations, and propeller optimization to one of our vessels. Due to these retrofits, we estimate a 20% reduction to the fuel consumption. We are examining the implementation of similar modifications to other vessels of our fleet gradually in the next years and have already planned retrofits for 2 vessels in 2024.



The Company periodically holds environmental campaigns onboard its vessels and ashore in order to raise awareness and thus promote an environmental culture and an energy-efficiency focus both onshore and at sea.

The Company sets annual targets, which are monitored on a semi-annual basis and include the improvement of environmental performance, energy efficiency, minimization of GHG emissions, discharge and waste and embeds best practices for operational management.

We have signed contracts for the construction of a total of nine Eco design, fuel efficient feeder containerships (EEDI phase 3). During the reported period, 2 out of the 9 new building vessels were delivered to the company and the rest are scheduled to be delivered till the fourth quarter of 2024.

These 9 new-buildings have been contracted to Tier III standards, thus reducing NOx emissions by 70% vs Tier II ships. They also consume about 40% less fuel than older generation vessels at current sailing speeds, thus also reducing CO₂ emissions commensurately. They are fitted with AMP, which allows for electricity use at ports suitably equipped. Lastly, 7 out of the 9 ships will be LNG ready.



New-building "Gregos" was delivered in April 2023



New-building "Terataki" was delivered in July 2023

4

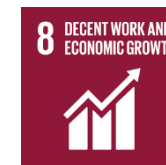
SOCIAL



The quality and commitment of our seafarers are fundamental to the success of our business. Consequently, we consider the safety and development of our crew essential to our operations.

Our Company prioritizes the fair treatment of our employees, providing equal opportunities, assuring a safe working environment and practicing non-discrimination. We have policies in place that ensure that we have no tolerance on these sensible subjects while doing our utmost to ensure compliance. These include the Anti-bullying and Anti-harassment policy, our occupational health and safety policy, as well as the training and development policy.

During 2023, we employed 623 seafarers onboard our ships, drawn from a pool of 1,825* professionals.



We communicate regularly with our seafaring personnel, gathering information regarding any concerns or expectations they might have, and providing training opportunities to enhance their capabilities and provide opportunities for career development. We remunerate our crew fairly, in line with market rates, and in accordance with their expertise, experience, and the responsibilities of their respective positions.

To increase motivation, social inclusion, and improve crew retention and wellbeing, we offer additional recreational and wellness opportunities such as gym, pool, karaoke and team activities. We also plan on increasing the recreational internet access onboard, as well as enhancing programs that promote the mental health of our crew members.

The average age of our seafarers is **38 years old***, with the majority being **Filipinos**. Other nationalities employed include Ukrainian, Romanian and Greek.

- Our aim is to ensure attractive working conditions for all our employees. Our crew **retention rate was 88.7%**, and our goal is to increase this rate over time. The average service time onboard was **7.9 months**.
- Seaman wages are above ILO (International Labour Organization) levels.
- We also try to acknowledge hard work at an individual level, promoting seafarers accordingly – **52 promotions*** (average 2.8 per vessel) were carried out within the reported period of all nationalities, both officers and ratings.
- The Company provides free, confidential, multilingual helpline for seafarers and their families available 24 hours a day, 365 days per year, through an international maritime charity, which works to improve the lives of seafarers and their families.

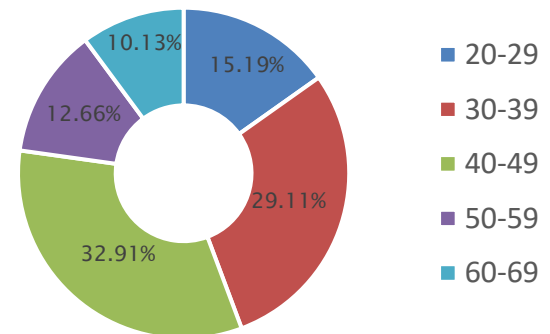
* Data was collected from our manning agencies which also include vessels not owned by Euroseas Ltd.

Our shore-based staff has significant experience and expertise in the shipping industry in general, and in the containership sector in particular. The value and commitment of our personnel is critical to the employment and smooth operation of our fleet. The high employee retention rate is an important indicator of employees' satisfaction, which is evident by the employees' **average time in the Company which is 10.53 years and is almost steady through the years.**

We aim to promote a work environment encouraging commitment among our staff – with practices cultivating mutual respect, equal opportunities, diversity, empowerment, career-advancement, and fundamental human rights. For the reported period:

- 101 shore-based staff is employed, 100% of whom under full-time contracts
- 48% of all our employees were women; 3 of which are head of departments.
- One woman (25%) is included in the Executives Officers of Euroseas
- The total number of new hires was 21 and we offered 9 internships
- The average retention rate was 96%, with 4% employee turnover.
- The company appointed an ESG manager to oversee the company's ESG initiatives and reporting as part of the ESG & Compliance Department and a Compliance Manager to oversee the compliance of the Environmental Regulations onboard our vessels. The company has also hired a MARPOL officer.
- We hired a doctor to provide medical services for its employees and a safety technician for the company's building. We also carry out annually a fire and earthquake drill in the building.

Age group of shore based staff



Gender of shore staff



We invest in our people, and we have significantly increased employees' training sessions aiming to support the continuous improvement of their skills and promote further education.



1,240 hours of training were provided to our employees in 2023 (average per employee of 12.3 hrs), with the following goals:

- ✓ To develop the practical and personal skills of our employees,
- ✓ To inform and educate our employees regarding the latest developments in regulations and industry practices and,
- ✓ To raise the environmental awareness of our employees, with a focus on energy efficiency and the growing regulatory environment.

Social responsibility

The company firmly believes in promoting social matters. Significant funds have been allocated to support our corporate social responsibility this year as well. The following actions have occurred throughout 2023:

- Euroseas Ltd has made various donations to “Synenosis”, “Floga”, “The smile of the child”, “Open Door”, “Greenpeace” and “Hara”, “Doctors without borders” among others. We also support local schools and the Hellenic Coast Guard through donations for specific causes and needs.
- Our Company generally participates in various fundraising athletic competitions providing its own teams formed from its employees. We have participated this year to the Andros International sailing race and the race for the cure (a non-profit organization supporting awareness for breast cancer). These activities, in addition to their social contribution, build stronger bonds among employees which is an important feature of the Company.
- The company has also organized its first volunteer blood donation event this year in our premises with the support of the Hellenic Red Cross and the employee participation was wholehearted.
- The Company is committed to keep its employees and its seamen environmentally and socially aware. Our team, through Eurobulk Ltd, in collaboration with HELMEPA organizes various activities in order to support efforts to keep the local coastlines clean as well as this year.
- The company collaborated with an NGO and participated in 2 underwater beach cleaning events (one in the island of Spetses and one in Porto Heli) that also included diving equipment.
- Through our management Company, we have also participated in the “ADOPT A SHIP” program by the NGO “PROJECT CONNECT” initiative allowing young people to connect online with seafarers on-board in order to become familiar with the profession and the maritime industry.
- The company is an active member and supports the YES forum of the Navigator shipping consultants with various activities and interviews, among others.
- We have also initiated a computer-based training (CBT) program for our officers and employees to provide more training opportunities on a wider range of subjects remotely. We have also introduced a cadet ship program onboard, which encourages young seafarers and women to attend onboard our ships.



GREENHOUSE GAS EMISSIONS

CO ₂ emissions	Unit of Measure	Data 2020	Data 2021	Data 2022	Data 2023	SASB Code
Gross global Scope 1 emissions	Metric tons CO ₂ -e ^A	549,839	474,436	557,057	580,607	TR-MT-110a.1
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	Page 16	Page 17–20	Page 24–26	Page 23–26	TR-MT-110a.2
Energy consumed						
(1) Total energy consumed	Gigajoules (GJ) ^B	7,182	6,090	7,296	7,819	TR-MT-110a.3
	Percentage of energy from heavy fuel (%)	86,6%	90%	92.3%	91.4%	
	Percentage of energy from renewable/low-carbon sources (%)	Not available	Not available	Not available	Not available	
EEDI						
Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO ₂ per ton-nautical mile	Not applicable	Not applicable	Not applicable	Not applicable	TR-MT-110a.4
Fleet average Energy Efficiency Operational Indicator (EEOI):weighted average	Grams of CO ₂ per ton-nautical mile ^C	25.43	25.27	25.76	24.58	Additional

AIR QUALITY

Other emissions to air	Unit of Measure	Data 2020	Data 2021	Data 2022	Data 2023	SASB Code
(1) NO _x (excluding N ₂ O)	Metric tons	Not available	Not available	Not available	Not available	TR-MT-120a.1
(2) SO _x	Metric tons	1,295	1,187	1,433	1,596	
(3) Particulate matter (PM)	Metric tons	Not available	Not available	Not available	Not available	

ECOLOGICAL IMPACT

Marine protected areas	Unit of Measure	Data 2020	Data 2021	Data 2022	Data 2023	SASB Code
Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days ^D	Not available	Not available	Not available	Not available	TR-MT-160a.1
Implemented ballast water						
(1) Exchange	Percentage (%)	73.7%	75%	83%	89.5%	TR-MT-160a.2
(2) Treatment	Percentage (%)	26.3%	25%	17%	10.5%	
Spills and releases to the environment						
(1) Number	Number	0	0	0	0	TR-MT-160a.3
(2) Aggregate volume	Cubic metres (m³)	Not applicable	Not applicable	Not applicable	Not applicable	

EMPLOYEE HEALTH & SAFETY

Lost time incident rate	Unit of Measure	Data 2020	Data 2021	Data 2022	Data 2023	SASB Code
Lost time incident rate (LTIR)	Rate ^E	1.20	1.36	0	1.65	TR-MT-320a.1
Lost time incident frequency (LTIF)	Rate	0.93	0.57	0	0.55	Additional, GRI 403-9

BUSINESS ETHICS

Corruption index	Unit of Measure	Data 2020	Data 2021	Data 2022	Data 2023	SASB Code
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	3	0	9	1	TR-MT-510a.1
Corruption						
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	0	0	0	TR-MT-510a.2

ACCIDENT & SAFETY MANAGEMENT

Marine casualties	Unit of Measure	Data 2020	Data 2021	Data 2022	Data 2023	SASB Code
Marine casualties	Number ^F	9	9	2	3	TR-MT-540a.1
Very serious marine casualties	Percentage (%)	0	11.1%	50%	33.3%	
Conditions of class						
Number of conditions of class or recommendations	Number ^G	33	40	25	65	TR-MT-540a.2
Port state control						
(1) Deficiencies	Rate ^H	1.1	1.8	1.5	1.9	TR-MT-540a.3
(2) Detentions	Number	0	1	0	4	

ADDITIONAL GRI STANDARD

Employment	Section	Page	Code
New employee hires and turnover	Social	29	GRI 401-1
Training and education			
Average hours of training per year per employee	Social	29	GRI 404-1
Diversity and equal opportunities			
Diversity of governance bodies and employees	Social	29	GRI 405-1
General disclosures			
Statement from senior decision maker	Message from our CEO	2	GRI 402-14
Governance structure	Corporate governance	8	GRI 402-18

- A. **CO₂ emissions:** Calculations are based on IMO emission factors and fuel consumed, for the reporting period. The financial control approach has been applied for Scope 1.
- B. **Energy consumption:** Calculations are based on tonnes of oil equivalents (toe), using DEFRA conversion factors to calculate energy consumed in gigajoules (GJ).
- C. **Energy Efficiency Operational Indicator (EEOI):** The EEOI measures the fuel efficiency of a ship in operation and is estimated based on fuel consumed, cargo carried, and distance travelled (nm).
- D. **Marine protected areas:** Information on duration of our ships in marine protected areas was not available for the reporting period as it requires extensive data mining from records kept on board our vessels.
- E. **Lost time incident rate (LTIR):** The rate is calculated based on (lost time incidents) / (1,000,000 hours worked), and includes incidents resulting in absence from work beyond the date or shift when it occurred.
- F. **Marine casualties:** The definition of a marine casualty is based on the United Nations International Maritime Organization (IMO)'s Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident Resolution MSC 255(84), paragraph 2.9, chapter 2 of the General provisions.
- G. **Conditions of class:** The data provided represent the number of Conditions of Class or Recommendations Euroseas Ltd has received from a Flag Administration or a Recognized Organization (RO) that has been delegated the authority to issue such findings. The scope of disclosure includes all Conditions of Class regardless of whether they resulted in withdrawal, suspension or invalidation of a vessel's Class certificate.
- H. **Port state control:** Deficiency rate is calculated using the number of deficiencies it received from regional port state control (PSC) divided by total number of port state control inspections.
- I. Reflects the fleet as per 31 December 2023.

Disclaimer:

Information was gathered to the best of our knowledge basis the tools and resources we have in hand. Although we believe that information provided herein is reasonable, no assurance can be given and we expressly disclaim any obligations or undertaking for any discrepancy that may appear. For additional information about the company please refer to www.euroseas.gr

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