



# ESG REPORT 2021

Non financial statement

# OPERATIONAL HIGHLIGHTS

**1,934**

Deadweight tonnage

**14.8m**

Revenue USD

**4.5m**

Total distance traveled  
by all assets

**1,324**

Number of shipboard personnel  
for operated fleet

**23,567**

Operating days for operated fleet

**6,798**

Number of vessel port  
calls for all vessels





“We have focused on our crew’s wellbeing and implemented several initiatives.”



Constantin Baack  
CEO MPC Container Ships ASA

**Dear Readers,  
Dear Shareholders,**

Covid-19 continued to cause global disruption in 2021, with the container shipping sector proving to be no exception. The sector has been heavily affected, frequently appearing in headlines as the pandemic has continued to disrupt supply chains. There have been record high port congestion levels and, as a consequence, freight rates, with port closures leading to significant delays. This has led to fewer port calls per vessel coupled with increased demand, as more vessels are needed to meet schedules. Our charterers increased the speed of our vessels on average by 5% or ~0.7 knots resulting in higher relative CO<sub>2</sub> emissions compared with the previous year. Despite the challenges global demand continued to grow and our sector has been vital to keeping the world economy turning.

Our response to the pandemic has matured, moving from firefighting to long-term planning to ensure that our fleet can continue operating efficiently. Within our organisation, it is our seafarers that have borne brunt of the pandemic’s effects. To address this, we have focused on our crew’s wellbeing and implemented several initiatives. In 2021, our priority was to facilitate timely crew changes even if this led to deviations and off-hires. Furthermore, our main ship manager Wilhelmsen Ahrenkiel Ship Management GmbH & Co. KG, succeeded in effectively organising vaccinations and addressing other crew-related challenges.

We are deeply concerned about the current conflict in Ukraine and its serious humanitarian consequences. The conflict is also impacting our seafarers and their families, as a considerable part of our crew is domiciled in the region. Our priority is supporting our seafarers and their families in every way we can, with their wellbeing and safety being of paramount importance to us. To this end, we have established a dedicated hotline to help crew members and their families. We are also working on implementing an external mental health service for our seafarers, which is accessible in their mother tongues. Our support is being organised jointly with our crew managers, who have a broad network of employees in Ukraine. We will spare no cost in implementing recommended measures to meet the needs of our distressed seafarers. We will maintain close dialogue with all vessels that have crews from the region on board to ensure that their needs are heard and addressed as early as possible.

As the crisis continues to unfold and governments impose new sanctions, MPCC is monitoring the situation closely. We will ensure that we are compliant with the emerging sanction regime by conducting internal assessments to identify any areas of operations that may conflict with the regime.

Regulations addressing decarbonisation and the transition to a more sustainable economy continue to be on the top of the global agenda and are likely to remain there. For the shipping industry, this means regulatory measures to reduce carbon intensity, including the introduction of emission reduction trajectories (CII ratings) and the Energy Efficiency Existing Ship Index (EEXI) by the International Maritime Organisation (IMO). We are well placed to meet the requirements as we believe that it is imperative to ensure the highest standards of compliance and transparency to reach our overall ambitions.

Within the EU, the "Fit for 55" package was launched to reinforce the European Green Deal and its ambition to reduce emissions by at least 55% by 2030. The package underscores the need for a strong regulatory framework in the coming years, with several legislative proposals targeting decarbonisation of the shipping sector. We are closely monitoring these developments and are ready to assess and respond to impacts on our operations.

In addition to setting explicit requirements, there is an increasing number of regulations that focus on how companies manage environmental and human rights risks within both their own operations and their value chains. In addition to our endeavours to tackle relevant environmental issues concerning our fleet and within our operations, we started the process of implementing human rights due diligence through developing a human rights policy and mapping our salient human rights issues. In 2022, we will continue to map our supply chain to better understand potential human rights risks and impacts.

The management of environmental, social and governance (ESG) issues is an increasingly important part of how we do business. We have developed a holistic strategic framework and defined concrete and measurable targets for all our material issues. The framework is based on our commitment to reduce our negative and enhance our positive impacts on climate and the environment, people and society. Our strategic framework is embedded in our governing documents, which were updated in 2021 to include eight new policies governing our most material ESG topics. To embed our ESG and human rights approach, we have also developed customised e-learning courses. These courses will be rolled out within our organisation and offered to our business partners, to ensure proper knowledge of our commitments and responsibilities throughout our operations. We strive to continuously improve our performance in these areas and believe that it's imperative to ensure the highest standards of compliance and transparency to reach our ambitions.

We have recently implemented a digital platform to collect and structure all relevant ESG data. This will ensure accurate and accessible data, improving our ability to manage and monitor whether we are reaching our ESG targets. In addition, the platform will allow us to have data-driven discussions on ESG at any time and to optimise our operations based on the most recent data.

This year has seen us lay a strong foundation for our strategic ESG work and how to manage our impacts. In the coming year, our priority will be to implement our strategy throughout our organisation and in our daily work.

Sincerely,



Constantin Baack  
CEO MPC Container Ships ASA

# ESG AT MPC CONTAINER SHIPS

Our commitment to ESG and sustainability is founded in our vision of being a preferred chartering partner and create shareholder and stakeholder value through sustainable operations and capital allocation. Our mission is to facilitate global trade in a responsible way through:

- + Being a professional and positive workplace with an inclusive working environment. Health and safety of our employees is always our main priority.
- + Supporting collective climate ambitions and leverage industry networks to accelerate change.
- + Valuing professional, transparent and fair business relationships. We act as a transparent and trustworthy business partner.

## Corporate Social Responsibility and Principles

Our corporate responsibility is reflected in our core values, in the quality of our work and services, and in our entire range of activities. We strive for coherence between what we say and what we do. As stated in our Corporate Social Responsibility Statement we:

- + show consideration for the local communities in which we are part of and the environment in which we operate;
- + contribute to learning and distribution of knowledge;
- + establish long-term working relationships and utilise the shipping sector's expertise for the further development of the industry;
- + meet public authorities and customers with insight, respect and understanding and in an open and appropriate manner, treating suppliers impartially and justly.



# ESG Priorities

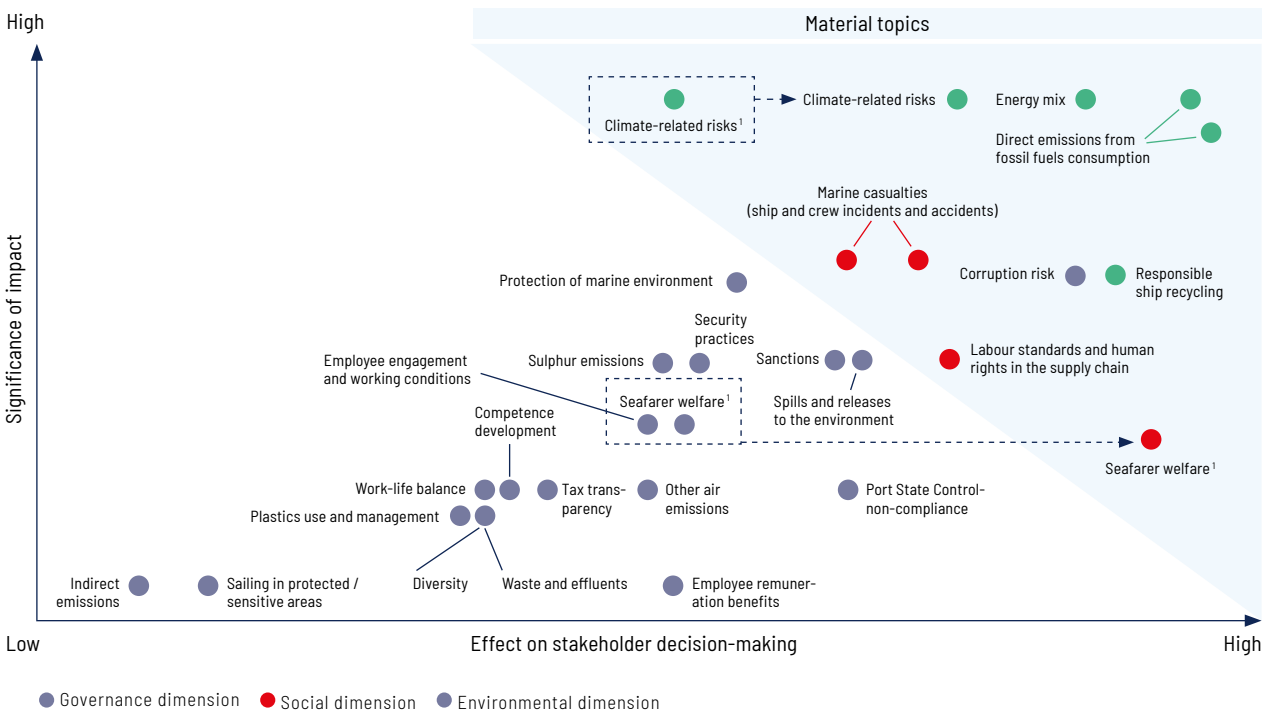
To identify areas that are material to our business, we finalised a materiality assessment in 2021 with reference to the GRI Standard. Topics that are considered material have a significant environmental, social or economic impact, and are validated by our stakeholders. Our stakeholders include staff, investors, clients, business partners, local communities where we operate and non-governmental organisations (NGOs).

# Our Material Topics

- + Direct emissions from consumption of fossil fuels
- + Energy mix
- + Climate-related risks
- + Responsible ship recycling
- + Corruption risk
- + Marine casualties
- + Human and labour rights in the supply chain
- + Seafarer welfare

We have ongoing and continuous dialogue, both formal and informal, with our stakeholders. We acknowledge transparent ESG reporting and stakeholder engagement as being integral parts of driving change and encourage an open dialogue on this report and how to further improve our ESG performance.

Results of FY 2020 materiality assessment with MPCC external stakeholders<sup>1</sup>



<sup>1</sup> Climate-related risks and seafarer welfare deemed material topics by MPCC management and hence elevated in materiality assessment matrix / FY 2020 Sustainability Report





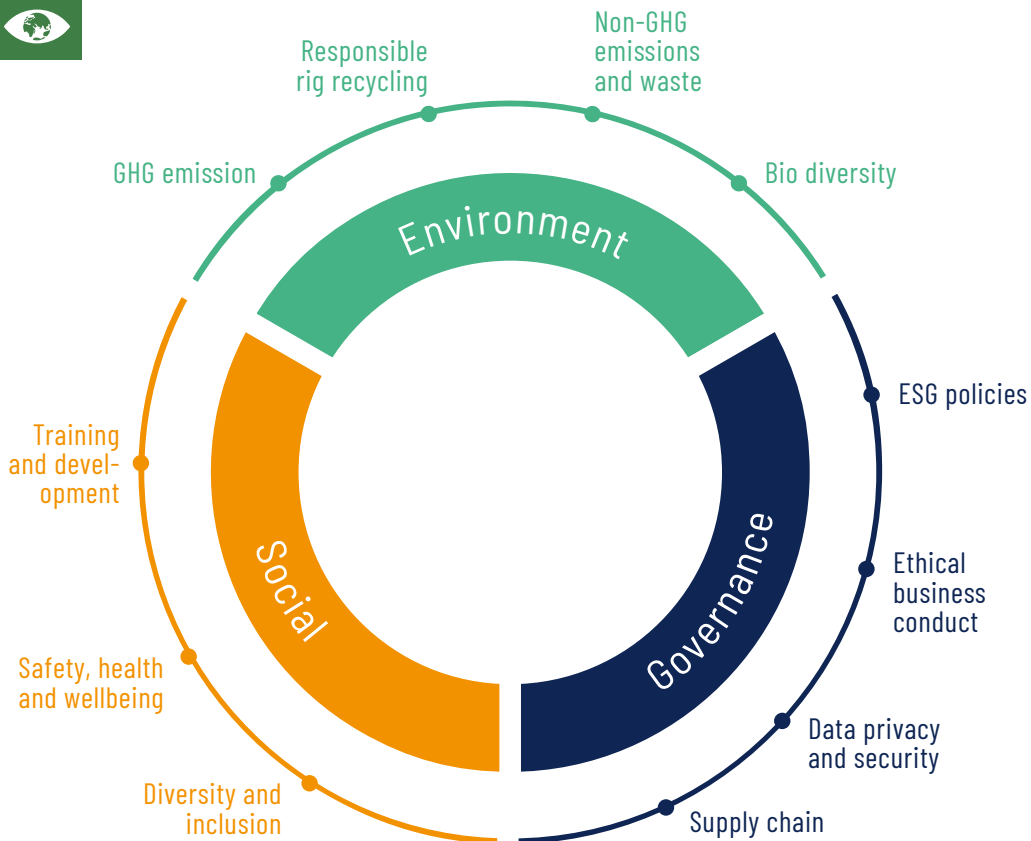
# ESG Strategy

In 2021, we further defined our strategic priorities which will serve as our framework for sustainable operations and improving our ESG performance. The development of our ESG strategy was based on a comprehensive review of each material topic, including peer review and competitive benchmarking, assessment of regulatory and market trends, as well as discussions and workshops within our ESG committee to set ambition levels and concrete targets.

We support the United Nations Sustainable Development Goals (SDGs), a set of 17 global goals set by the United Nations General Assembly in 2015. We have prioritised seven SDGs where we believe our company can have the most impact and where we seek to contribute positively (see illustration 1). In 2021, we reviewed and updated our prioritisation to ensure that the selected SDGs are aligned with the goals and material issues set out in our ESG strategy.



The 17 Sustainable Development Goals (SDGs)



The strategic framework is based on our commitment to reduce our negative and enhance our positive impacts on climate and the environment, our people and the society we operate in and provides a strong foundation from which we can achieve our ESG ambitions. We believe that it's imperative to ensure the highest standards of compliance and transparency to reach our ambitions. These commitments make up the pillars of our strategic work and guide the way we conduct our business and improve our performance. In the coming year, our priority will be to implement our strategy throughout our organisation and in our daily work.

The resulting framework is centred around three main pillars;

Pillars	Ambitions
Reduce negative and enhance positive impacts on climate and environment	Developing a fleet strategy aligned with the IMO goals for GHG emissions reductions
	Continuous exploration and assessment of new efficiency-enhancing technologies, propulsion technologies and/or alternative fuels
	Waste reduction on board
Reduce negative and enhance positive impacts on people and society	Extending the safety culture
	Increasing the well-being of employees and seafarers
	Respecting internationally recognised human rights in our organisation and throughout our value chain
Ensure the highest standards of compliance and transparency	Zero tolerance for discrimination and harassment
	Raise awareness and compliance of ESG among stakeholders
	Enhance transparency and accountability of progress towards our ESG goals
	Strengthening the anti-corruption/sanction system
	Adhere to market leading practices for ship recycling

## ESG management

Our company is managed through our executive bodies, being the General Meeting, the Board of Directors (the Board) and the Executive Management, with overall responsibility for securing effective governance lying with the CEO. The CEO brings effect to the Board's decisions and determined frameworks in the day-to-day business of our company.

The overall responsibility for ESG compliance and performance lies with the Board. An ESG committee was established as a subcommittee of the Board to establish and monitor short- and long-term sustainability targets and defining requirements for strategic areas

where the company can exercise a high degree of influence. Our management team ensures the effective governance of ESG issues in daily operations and informs the Board at every board meeting.

To reduce ESG risks in our operations and onboard our ships we require that our third-party technical managers are certified according to quality and environmental management systems, i.e. ISO 9001:2015 and/or 14001:2015. Third party crewing agencies ensure employment of seafarers in accordance with IMO's ISM Code<sup>1</sup> and the SOLAS<sup>2</sup>, STCW<sup>3</sup> and International Labour Standards' Maritime Labour conventions. Seafarers undergo regular mandatory and voluntary training.

Our approach to managing ESG is embedded in our policies, frameworks and processes which help us analyse and manage risks in our daily operations. In 2021, we further enhanced our management approach by expanding our policy suite. All ESG related policies are available on our website. Additionally, we revised our Sanctions Policy in response to tightened regulations. The Policy applies to our corporate and operational staff, as well as our (contractual) partners and aims to mitigate risks of sanction breaches and respond to rapidly changing legislative initiatives.

Our suppliers and service providers are required to adhere to our Business Partner Guideline – a document which sets out our service standards and expectations, including on ESG issues. Furthermore, we perform business partner checks, including sanctions and bad press screenings, on counterparties of strategic, financial or reputational importance.

In 2021, we enhanced our ESG management by implementing our reporting into "Position Green" – a digital platform to collect and structure all relevant ESG data. This will ensure accurate and accessible data, improving our ability to manage and monitor whether we are reaching our ESG targets. In addition, the platform will allow us to have data-driven discussions on ESG at any time and to optimise our operations based on the most recent data.

### MPC Container Ships' governing documents on ESG

- + Code of Conduct
- + Corporate Governance Policy
- + Anti-Corruption Policy
- + Environmental Policy
- + Health and Safety Policy
- + Human Capital Policy
- + Human Rights Policy
- + Ship Recycling Policy
- + Sustainability Policy
- + Sustainable Procurement Policy

<sup>1</sup> The International Management Code for the Safe Operation of Ships and for Pollution Prevention

<sup>2</sup> The International Convention for the Safety of Life at Sea

<sup>3</sup> International Convention on Standards of Training, Certification and Watchkeeping for Seafarers

# Memberships and initiatives

MPCC is, either directly or via third party ship managers, engaging in collaborative partnerships that underline our commitment and support our objectives on ESG.



**Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping**

## **Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping (MMMCZCS)**

MPCC is a mission ambassador and a project partner to the MMMCZCS, an independent research and development center seeking to accelerate the transition towards a net-zero future for our industry.

We will contribute to the Center work with market analysis capabilities building industry insight and strategic industry and policy recommendations focusing on the decarbonisation of the maritime sector. MPCC and our partner companies from the MPC Group are committed to provide further support to the Center hereby using its broad network and expertise in commercial and technical management, renewable energy as well as synthetic fuels to foster the necessary transition of the maritime industry.

By joining the Center we underline our commitment and support to the Center's mission and vision. We will provide concrete support by seconding an employee to the Center in Copenhagen. For further information, please see the public announcement of our partnership.



## **Getting to Zero Coalition**

The Getting to Zero Coalition, a partnership between the Global Maritime Forum, the Friends of the Ocean Action, and the World Economic Forum. The Coalition is committed to getting into operation commercially viable deep sea zero emission vessels powered by zero emission fuels by 2030. In 2021, we signed the Getting to Zero Coalition's Call to Action, urging governments to work together with the industry to deliver policies and investments needed to decarbonise global supply chains and the global economy



## **Clean Shipping Alliance**

We are a member of the Clean Shipping Alliance. The alliance seeks to provide information and research data to inform stakeholders within our industry on the environmental performance and benefits of open- and closed-loop Exhaust Gas Cleaning Systems (EGCS) and associated air and water emissions. The alliance also serves as an advocate for companies working to reduce marine exhaust gas emissions.



## **VDR German Shipowners' Association**

We are, through our vessels, a member of the German Shipowners' Association VDR. The VDR aims to facilitate common and uniform management of interests and represents German maritime shipping companies on a global scale. Executives of MPCC and its service providers from the MPC Group are represented in several working groups and commissions.



## **EyeSea**

Our company and our CEO is a founding member and ambassador of EyeSea, a non-profit organisation set up to map and report global pollution and maritime hazards.



## **Marine Anti-Corruption Network**

We are a member of the Marine Anti-Corruption Network ("MACN") - a global business network working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large.



## **The Neptune Declaration**

We signed the Global Maritime Forum-initiated Neptune Declaration on Seafarer Wellbeing and Crew Change (the "Neptune Declaration") in a world-wide call to action to end the unprecedented crew change crisis caused by COVID-19. The Neptune Declaration works to facilitate crew changes and keep global supply chains functioning during the pandemic.



## **The Container Ship Safety Forum (CSSF)**

CSSF is a global business-to-business network that improves safety performance and management practices in the container shipping industry. Our technical manager, WASM, is a CSSF member and works together with other industry actors to continuously improve the safety culture and performance in the container shipping industry through measurement, reporting and benchmarking, sharing best practices and engaging with key stakeholders.

# Climate and environment

Container shipping is the dominant method of international transportation for a broad range of industrial and consumer goods. As global trade will rely on container shipping for the foreseeable future, there will be an increased need for more energy-efficient and environmentally friendly vessel operations.

Ocean-going vessels are the most carbon-efficient mode of long-distance commercial transportation, responsible for moving approximately 90% of global trade. With increasing levels of international trade, comes increasing levels of pollution from maritime shipping which negatively impacts air and water quality. The impacts on the environment mainly relate to:



- + emissions from container vessel fuel consumption,
- + the risk of significant environmental accidents,
- + waste produced by vessels,
- + discharge of untreated ballast water,
- + air pollutant emissions,
- + risks of spills to the environment and
- + the disposal of vessels at the end of their useful life.

Environmental regulations affect the ownership and operation of our vessels in a significant manner. The shipping industry is governed by a global and uniform regulatory framework created by the IMO. This has significantly contributed to reducing the industry's impact on the environment by enforcing the adoption of certain technical and operational measures. One of the basic frameworks of IMO has been the International Convention for the Prevention of Pollution from Ships (MARPOL). Since its ratification in 1973, MARPOL has undergone numerous amendments, continuously expanding its framework to require increasing compliance from the shipping industry. Additionally, the industry is subject to national, port state and local laws and regulations applicable to international and/or territorial waters of the countries in which our vessels may operate or are registered.

## Climate change and air emissions

We recognise the need for more energy-efficient and environmentally friendly vessel operations, and support and commit to IMO's climate ambitions of reducing CO<sub>2</sub> emissions per transport work by 70 per cent and total annual GHG emissions by at least 50 per cent by 2050 (compared to 2008 levels). To maintain an attractive and competitive fleet, we are continuously optimising vessel performance and proactively exploring viable options for reducing pollutants and GHG emissions.

We also recognise that commercially viable low carbon alternative fuel solutions for deep-sea vessels are currently unavailable. A tremendous amount of work has been and is being channelled into developing and testing mid- and long-term sustainable solutions. At MPCC, we will be actively involved in the development of green technologies for the container shipping industry and support the work of industry-wide initiatives.

SDG	Ambition	Target	2021 performance
	Developing a fleet strategy aligned with the IMO goals for GHG emissions reductions.	C-rating in line with MEPC76	C-rating
	Continuous exploration and assessment of new efficiency-enhancing technologies, propulsion technologies and/or alternative fuels	Establish task force, including key technical experts within MPCC, to monitor and engage with leading institutions on a quarterly basis	<p>We set-up a task force and established a broad overview of available technologies and fuels. It became obvious that an even broader cooperation is needed.</p> <p>In early 2022 MPCC therefore became a mission ambassador and a project partner to the MMMCZCS, an independent research and development center seeking to accelerate the transition towards a net-zero future for our industry.</p> <p>We will provide concrete support by seconding an employee to the Center in Copenhagen.</p>

Improving energy efficiency from vessel operations and subsequent reduction of GHG emissions carry both environmental and economic benefits. Operating decisions impacting a vessel's fuel consumption, such as trading route and port calls, sailing speed and container stowage logistics, are determined by the liner companies chartering our vessels. This highlights the need for cooperation

between industry actors to address climate impacts. Together with our third-party ship managers, we are working diligently with each vessel's Ship Energy Efficiency Management Plan to improve its long-term operating efficiency by implementing energy- and fuel-saving measures.

We continuously evaluate retrofit possibilities and investment opportunities, together with our charterers, to enhance our fleet's environmental performance. During 2021, we reviewed feasible upgrades to our fleet and in 2022 we will roll out new flow meters and torque meters onboard our vessels. This will improve our ability to monitor fuel consumption on a more automated and frequent basis.

Our ship managers employ dedicated performance teams which frequently compare and benchmark operational performance between our customers – with the goal of minimising the carbon footprint of our fleet. We are also engaged in several operational improvement measures, such as container loading and stowage optimisation or trim optimisation with dedicated software solutions.

In preparation for the IMO's 2021 amendments to MARPOL Annex VI, which will take effect in 2023, we have calculated EEXI values for each of our vessels and are prepared to apply the engine power limitation during 2022. Furthermore, we have calculated the emission reduction trajectories for our fleet and the CII reference line for 2019 for each ship. We have estimated the fleet average

CII – arriving at an average 'C' rating. The annual rating ranges from A to E, where the thresholds will become increasingly stringent towards 2030. The target is to retain the 'C' rating as a minimum for our fleet as a whole, which will require fleet investments and upgrades in the coming years.

To achieve our target, we need to reduce CO<sub>2</sub> emissions according to the reduction factors below relative to our 2019 baseline and the corresponding reference line.

By year compared to base year	Aggregate improvement in GHG intensity (CII)
2023	5%
2024	7%
2025	9%
2026	11%
2027 – 2030	To be determined

Accounting metric	Unit of measure	2019	2020	2021
Scope 1 <sup>a</sup>	Metric tonnes CO <sub>2</sub> e	1,688,699	1,550,271	1,758,036
Scope 2 <sup>b</sup>	Metric tonnes CO <sub>2</sub> e	Not disclosed	Not disclosed	16.38
Energy consumed <sup>c</sup>	Gigajoules	Not disclosed	21,579,913	24,508,042
Average Efficiency Ratio (AER): weighted average <sup>d</sup>	Grams of CO <sub>2</sub> e per tonne-nautical mile	Not disclosed	13.05	13.70
Heavy fuel oil consumed	Percentage	Not disclosed	86%	91%
NOx (excluding N2O) <sup>e</sup>	Metric tonnes	Not disclosed	34,722	40,186
SOx <sup>e</sup>	Metric tonnes	Not disclosed	4,845	2,018
Particulate matter <sup>e</sup>	Metric tonnes	Not disclosed	Not disclosed	133

Further informations "Disclaimer and assumptions" can be found on page 23.

In response to IMO's 0.5% global sulphur cap for marine fuel oils enforced from 2020, we have made significant investments in retrofitting exhaust gas cleaning systems aboard 10 vessels within our fleet (including two vessels sold in 2021, to be handed over in 2022). In 2021, we further expanded our scrubber fleet by acquiring Songa Container AS, including six vessels equipped with Exhaust Gas Cleaning Systems. The remaining vessels underwent an extensive tank cleaning and fuel change-over programme.

On shore we provide our employees with free charging of electric cars, free tickets for public transportation (job tickets) and company bikes.

## Climate-related risks

Climate change poses risks to our business and operations related to the transition to a lower-carbon economy and to the physical impacts of climate change. The Task Force on Climate-related Financial Disclosures (TCFD) provides a useful framework for assessing our approach to manage climate risk:

### Governance

The Board of Directors conducts quarterly reviews of our most prominent risks, as identified through our risk management system. The Risk and Audit Committee is the designated advisory board for identifying and managing risks for the Board.

### Strategy

Transitioning to a lower-carbon economy implies extensive changes in the political, legal, technological, and market environment. It is the aim of our Risk Management procedures to identify the specific risks for our business model and to address mitigation and adaptation requirements related to climate change. Depending on the speed and focus of these changes, transition risks may pose varying levels of financial and reputational risk to our organisation. The main climate-related risk identified in 2021 was related to upcoming decarbonisation regulations enacted by the IMO.

Physical risks resulting from climate change can be event-driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications for our company, such as direct damage to assets and indirect impacts from disruptive changes.

## Risk management

Climate risks identification is incorporated into our general risk management and internal control system. Our Risk & Audit Committee serves as an advisory body for the Board, with subunits providing updates on potential risks. The financial impact of climate-related risks to our business are categorised and prioritised using a risk heat map, based on probability of occurrence and net monetary impact of each risk.

## Targets and metrics

We monitor fuel efficiency on a vessel-by-vessel basis. In line with the IMO's emission reduction trajectories (CII ratings) our target is to maintain a 'C' rating average for our fleet. The annual rating ranges from A to E, where the thresholds will become increasingly stringent towards 2030.

## Spills, discharges and ecological impact

Environmental impacts from shipping include the risk of potential spills, discharges to land and water, and underwater-radiated noise. We seek to mitigate these environmental impacts and risks by partnering with reputable third-party technical and crewing ship managers.

Our ship managers are expected to perform their duties in strict compliance with applicable environmental laws and regulations, including IMO's ISM Code for the safe management and operation of ships and pollution prevention. Further, we require our ship managers to have in place satisfactory quality and environmental management systems, predominantly through certifications according to ISO 9001:2015 and/or 14001:2015. Beyond existing regulations, we frequently carry out technical ship modifications such as air seals or EAL oils (Environmentally Acceptable Lubricants) in bow-thrusters and stern tube seals – also on vessels that may not be required to adapt to local regulation. From our 69 vessels, 45 bow thrusters and 47 stern tubes have been retrofitted accordingly thereof eight in 2021. Due to technical reasons we have not been able to perform retrofits on all vessels the fleet.

Moreover, our ship managers adhere to sustainable procurement practices through adhering to our Code of Conduct. We focus on consolidating supply shipments, ISO certification of suppliers and local sourcing wherever possible.

The potential for major environmental accidents relates to the risk of a vessel accidentally running aground or suffering a breach, with a subsequent leak of bunker oil into the environment, which may cause significant ecological harm. The prevention of pollution by oil from operational measures and accidental discharges is regulated by MARPOL's Annex I, and MPCC and our ship managers have implemented comprehensive spill prevention procedures. In 2021, we experienced one spill incident, with an aggregate volume of 50 litres. The incident was caused by incorrect measuring upon bunkering operation for one of our vessels. The incident was discussed during a safety meeting, and corrective actions have been taken to prevent similar incidents in the future.

Underwater noise from commercial ships may have adverse impacts on marine life, and especially on marine mammals. The main components of underwater noise can be attributed to a ship's design (i.e. hull form, propeller, the interaction of the hull and propeller, and machinery configuration). However, operational modifications and maintenance measures such as hull and propeller cleaning should be considered as ways of reducing noise for both new and existing ships. We closely monitor the on-going research carried out by IMO's Marine Environment Protection Committee on underwater noise. Furthermore, our technical ship managers are regularly reviewing the vessels' performance to determine the need for propeller and hull fouling and cleaning in accordance with the recommendations set out in IMO's 2014 non-mandatory technical guideline for the reduction of underwater noise from commercial shipping to address adverse impacts on marine life.

Ballast water is essential for safe and efficient shipping operations. However, discharge of untreated ballast water may potentially introduce non-native organisms into new marine environments, causing ecological damage. The handling of ballast water is regulated by the International Convention for the Control and Management of Ships' Ballast Water and Sediments (the BWM convention). As of 31 December 2021, 35 of our vessels had installed ballast water treatment systems, while installations on the remaining vessels will be equipped between 2022 and 2024 in order to comply with the BWM convention.

Accounting metric	Unit of measure	2019	2020	2021
Shipping duration in marine protected areas or areas of protected conservation status <sup>f</sup>	Number of travel days	Not disclosed	Not disclosed	1,539
Implemented ballast water exchange <sup>g</sup>	Percentage	22%	66%	55%
Implemented ballast water treatment <sup>g</sup>	Percentage		34%	52%
Spills and releases to the environment <sup>h</sup>	Number	0	0	1
	Cubic metres	0	0	5

## Waste disposal

The prevention of pollution by waste from ships is regulated by MARPOL's Annex V, which prohibits the discharge of most waste into the ocean. Regulated waste accumulated aboard a vessel is disposed of at designated port reception facilities. We, together with our ship managers, utilise a designated service provider for ship waste management who is certified according to ISO 9001

and 14001 and performs regular audits of all involved waste management companies globally. We have direct access to, and full transparency concerning, all offloaded waste streams per vessel.

In 2021, we successfully tested water filtration systems to generate drinking water from the vessels freshwater systems on board. We plan to roll out this initiative to the entire fleet in order to further reduce plastic waste and transportation of water bottles. In 2022, we will define a target for waste reduction, using 2021 as baseline for reductions.

Accounting metric	Unit of measure	2019	2020	2021
Sludge	cbm	13,378	14,722	15,471
Oily/bilge water	cbm	1,621	1,802	1,896
Garbage	cbm	4,622	4,943	5,099
Sewage	cbm	198	147	120
Total waste disposal	cbm	19,818	21,614	20,216

Our vessels operate in parts of the globe accessible to few others, and hence play a unique role in monitoring and reporting on marine pollution. The compilation of such data may have a profound impact on our ability to target areas in need of attention and solutions in need of development. MPCC and our CEO is a founding member and ambassador of Eyesea, a non-profit organisation set up to map and report pollution and hazards at sea. Since its official launch in December 2020, with the support of a global network of shipping and maritime community members and volunteers, Eyesea has developed an ocean pollution reporting app for the intended use by for example seafarers, professional mariners, recreational sailors, fishermen, surfers and divers. The application has successfully gone live in August 2021 following six months of testing onboard commercial ships, recreational boats, and with community volunteers. The app is now available on Google Play and in the Apple App Store. We encourage the use of the app and the recording of ocean, coastal and waterway pollution, to effectively allocate clean-up resources and highlight areas of need.



## People and society

Our crew and workforce are crucial to our success. Maintaining a professional and positive workplace is vital to achieving a high degree of employee engagement and ensuring safe working environments onboard our vessels. MPCC aims to be an employer of choice, where we endeavour to invest in our people.

### Occupational health and safety

Maritime transportation comes with inherent health and safety risks. Ensuring the wellbeing of and a safe working environment for both the crew serving onboard our vessels and our onshore employees is of the highest priority for the company and our stakeholders.

SDG	Ambition	Target	2021 performance
	Extending the safety culture	LTIR not to exceed 0.3 by 2030	1.08
		Zero serious injuries	1
	Increasing the well-being of employees and seafarers	Establish and implement annual crew well-being survey	Survey to be developed and implemented in 2022
Maintaining annual on-shore employee retention rate above 90%		91%	



Our commitment to a safe working environment is outlined in our Health and Safety Policy, which sets out our standards for operating our business in a manner designed to protect the health and safety of our employees, customers, the public and the environment. The Policy specifies how we act in accordance with all applicable environmental and safety laws and regulations – to ensure the protection of our personnel, the environment and our property. We expect this policy to be followed by our ship and crew managers, contractors, temporary personnel, and those who act on behalf of or represent us and third-party personnel, throughout our supply and value chains.

Our Business Partner Guideline outlines policies ensuring that our business partners conduct their duties and responsibilities in a manner designed to protect their health and safety. Seafarer crewing is subcontracted to third-party ship managers who comply with IMO's ISM Code, SOLAS, STCW as well as the ILO Maritime Labour Convention. Masters, officers and ratings must be qualified, certified and experienced in their duties, and their required qualification level must be maintained by regular training and education. Accidents, incidents, near-miss incidents and non-conforming processes are investigated, and deficiencies are identified, analysed and evaluated.

In our operations throughout 2021, we experienced eight smaller incidents. Two of these were related to mooring operations in the first quarter of the year, causing negligible damage to our assets.

During loading and unloading, we experienced four incidents, the most severe involved the gantry crane's spreader hitting the ship's crane, causing damage to cabin frames and glass on the AS Samanta on 9 January 2021. Our fleet was involved in two collisions caused by third parties, these included a tugboat and a tender boat, however the damages to our assets were limited. Following such incidents, we follow-up with our ship managers so that the crew in our fleet are reminded of the precautionary routines that are to be adhered to.

We also experienced one serious accident. On 17 June 2021, the vessel AS Rosalia collided with the fishing boat Birincioglu in the Bosphorus Strait. There were three persons on the Birincioglu and as a result of the collision, two persons lost their lives, and one person was injured. Despite the Master of the AS Rosalia and his crew following proper procedure, it unfortunately was not possible to avoid the collision. Our response to this incident has been to support all parties involved and to assist the affected families financially. We also provided financial support to the Master of the AS Rosalia, who had to remain in Turkey for several months. We have also conducted a thorough review of our established procedures, which we believe to be necessary after such incidents, even though there is no indication of fault from our vessel.

We have a set a commitment of zero serious injuries aboard our vessels, and we will diligently work to improve our safety culture.

Accounting metric	Unit of measure	2019	2020	2021
Lost Time Incident Rate <sup>l</sup>	Rate	2.72	2.03	1.08
Lost Time Incident Frequency <sup>k</sup>	Rate	3.01	0.85	0.49
Marine casualties incidents <sup>l</sup>	Number	1	0	9
Very serious marine casualties <sup>l</sup>	Percentage	0%	0%	11%
Port State Control Deficiency <sup>n</sup>	Ratio	1.25	1.35	1.23
Port State Control Detention <sup>n</sup>	Number	Not disclosed	1	1
Conditions of Class or Recommendations <sup>m</sup>	Number	Not disclosed	Not disclosed	256

## Our response to COVID-19

The global outbreak of the COVID-19 pandemic in 2020 created a unique and unforeseen situation for our company, business partners and the greater shipping industry alike. Our main priority has been to ensure the health and safety of our employees and crews serving on board our vessels. In order to prevent infection on board, we have implemented strict rules and test regimes for on-signing crew members and visitors like service technicians. Our managers have worked diligently to offer vaccinations whenever possible, resulting in more than two thirds of the crews being vaccinated at least once at the end of 2021.

Crew changes in particular have emerged as a serious challenge for the shipping industry in the face of the pandemic. In response to regional travel bans, lockdowns and port closures, we have, together with our ship managers and charterers, made significant efforts in adopting and frequently amending crew change plans

for each vessel in our fleet to enable crew changes. When needed, we have made deviations and off-hire times have been accepted, which bore significant costs.

Despite our continued efforts to ensure the best possible medical care on board our vessels and prompt escalation response, one of our crewmembers unfortunately passed away in a military hospital in Bahrain due to the impacts of a severe COVID-19 infection.

## Seafarer wellbeing

The mental health and wellbeing of seafarers have been closely related to the difficult crew change situation caused by the pandemic. Many seafarers have found themselves in a demanding situation of being isolated at sea, away from their families and prevented from disembarking vessels at the end of their contracts. The situation increased the sector's focus on seafarers' wellbeing onboard and led to a number of initiatives to improve longer shifts

on our vessels, including upgraded recreation rooms and unlimited wireless internet access to enable seafarers to stay in touch with friends and families at shore.

Last year, we continued our efforts by facilitating vessel visits for crew families and facilitating church visits during shore leaves. In special or unforeseen circumstances, our crew managers may facilitate loans and accelerated salary pay-outs to crew members experiencing financial distress. Furthermore, our ship managers have established closed groups on social media platforms, which has proven popular among seafarers for communicating on matters such as working conditions, career planning and non-work-related topics. To improve the physical wellbeing of our crew, 52 cooks were trained in Nutrition Seminars to cook healthier food.

Moreover, we are also working on strengthening our approach to coaching and retaining our crew. In 2021, we implemented a cadet programme with 172 cadets participating, including five female cadets.

We implemented a key performance indicator "Contract Fulfilment (%)". This indicator will show us the percentage of seafarers staying on board until contract expiry. A low figure, meaning that crew members sign off prematurely, might be an indicator for the need to improve the working environment. In 2021, the contract fulfilment was 98.7%, which was obviously affected by Covid cases.

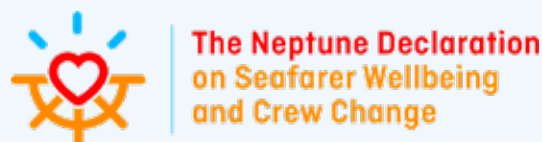
During 2022, we will develop and implement an annual employee survey to be distributed to both onshore and offshore personnel. Through the survey, we seek to increase our understanding of how we can further improve employee satisfaction and wellbeing.

In January 2021, we signed the Global Maritime Forum-initiated Neptune Declaration on Seafarer Wellbeing and Crew Change (the "Neptune Declaration") in a world-wide call to action to end the unprecedented crew change crisis caused by COVID-19. Through our technical managers Wilhelmsen Ahrenkiel we support the efforts of Wilhelmsen Ship Management who is taking an active role in the working group that focuses on seafarers. Together with other shipowners and charterers, they are developing a code of conduct for charterers that aims to raise the industry's standard on seafarers' labour and human rights.

The Neptune Declaration is based on four main actions to facilitate crew changes and keep global supply chains functioning:

1. recognize seafarers as key workers and give them priority access to COVID-19 vaccines;
2. establish and implement gold standard health protocols based on existing best practice;
3. increase collaboration between ship operators and charterers to facilitate crew changes; and
4. ensure air connectivity between key maritime hubs for seafarers



Since its launch in January 2021, more than 850 companies have become signatories of the Neptune Declaration.



### Fair and equal opportunities and treatment

We advocate for fair and equal opportunities and treatment for employees irrespective of ethnic or national origin, age, disability, gender, sexual orientation or religion, as outlined in our Human Capital Policy. We strive to foster a diverse workforce and ensure a constructive and pleasant working environment, where we have zero tolerance for harassment and discrimination in all its forms.

We seek to enhance a gender-diverse workforce and an inclusive work environment. To strengthen our commitment to fair and equal opportunities, we have set a target of 35% female employees onshore by 2030.

SDG	Ambition	Target	2021 performance
 	Enhance a gender-diverse workforce & inclusive environment	35% female employees onshore by 2030	19.2%



Our employees are essential enablers of a work environment free from unfair treatment due to discrimination. At MPCC, we ensure that all employees are paid equally for equal work, including women and those from minority backgrounds. To ensure that our principles are properly implemented in our daily operations, we will roll out training for our employees on non-discrimination and workplace harassment. Through our Business Partner Guideline, our suppliers and service providers are required to adhere to the same standards of good business practice.

in %	2020	2021
<b>Group employees</b>		
Male	90	80.8
Female	10	19.2
<b>Seafarers</b>		
Male	99.6	99.5
Female	0.4	0.5

in %	2020	2021
<b>Group employees</b>		
Under 30 years old	5	15.3
30-50 years old	90	73.1
Over 50 years old	5	11.5
<b>Seafarers</b>		
Under 30 years old	38.6	31.3
30-50 years old	50.2	55.0
Over 50 years old	11.3	13.7

### Human rights

Human and labour rights issues are present across the entire lifecycle of a ship – from design, finance and ordering, building and operation, and to dismantling and recycling. We seek to ensure that human and labour rights are upheld throughout the lifecycle of our vessels. We are committed to respecting human rights as defined in the International Bill of Rights, the ILO Fundamental Conventions on Labour Standards and the UN Guiding Principles on Business and Human Rights.

SDG	Ambition	Target	2021 performance
 	Respecting internationally recognised human rights in our organisation and throughout our value chain	Develop and implement policy in line with UN Guiding Principles on Business and Human Rights	Policy is developed and will be implemented in 2022.

In the last year, we have worked to strengthen our commitment to human rights and have developed a human rights policy to anchor this work. The policy applies to everyone at MPCC and our subsidiaries and we expect this policy to be followed by our ship and crew managers, contractors, temporary personnel, and those who act on behalf of or represent us and third-party personnel, throughout our value chain. To ensure that everyone understands their responsibilities in this area, we will roll out human rights eLearning in 2022.

In the coming year, we will take additional measures to ensure compliance with the new Norwegian Transparency Law, which comes into force in July 2022. This law requires companies to carry out human rights due diligence in line with the OECD Guidelines for Multinational Enterprises. In addition, companies must report on the actions taken to mitigate adverse human rights impacts and their effectiveness, as well as respond to requests of information from the public.

As a first step to complying with the law, we have worked with an independent consultant to identify salient human rights issues. These are:

- + Crew working conditions
- + Ship recycling
- + Diversity, discrimination and minority rights
- + Supply chain management
- + Search and rescue
- + Security response to piracy

We will review these issues on a regular basis as we work with and improve our performance on these issues. As part of our drive to improve how we work with human rights, in the coming year we will begin the process of fully mapping our supply chain to better understand the potential human rights risks that are present within it. This will allow us to design more informed human rights due diligence that properly addresses actual and potential adverse human rights impacts.


# Governance

Good corporate governance is a key factor in underpinning the integrity and efficiency of our company, with an aim of creating trust and providing transparency to our stakeholders. Our overarching goal is to develop a corporate culture characterised by good judgement and the ability to manage ethically difficult situations, should they arise.

At the core of our governance structure is our Code of Conduct, Corporate Governance Policy, Corporate Social Responsibility Statement, Business Partner Guideline, and Articles of Association.

A total of eight new policies were developed in 2021, setting our principles in respect of Human Rights, Ship Recycling, Sustainability, Sustainable Procurement, Anti-Corruption, the Environment, Health and Safety, and Human Capital. These documents are publicly available on our website.

We operate our business with integrity and respect laws, different cultures and human dignity. All employees are expected to observe high standards of business and personal ethics in the conduct of their duties and responsibilities, in line with our governing documents. Our business partners must practice fair dealing, honesty and integrity in every aspect in dealing with employees, suppliers, competitors, the public and government authorities – as stated in our Business Partner Guideline.

SDG	Ambition	Target	2021 performance
	Raise awareness and compliance of ESG among stakeholders	ESG policies updated and made available on website	Eight new policies were developed in 2021, and are published on our website.
		Develop and implement ESG digital course for internal and external stakeholders	Course developed in 2021, and to be rolled out in 2022.
	Enhance transparency and accountability of progress towards our ESG goals	Annual high quality ESG disclosures based on TCFD, GRI and SASB	Sustainability report 2021 in accordance with the Marine Transportation SASB Standard (2018) and with reference to the GRI Standards.

## Risk and audit, remuneration and ESG committees

MPCC has appointed a Risk & Audit Committee – a subcommittee of the Board – to act as a preparatory and advisory body for the Board in the exercise of its responsibility for financial reporting, internal control and risk management. Each member of the committee is independent of the MPCC management team. The composition of the Risk & Audit Committee satisfies the requirements of the Norwegian Public Limited Liability Companies Act.

Furthermore, the Remuneration Committee assists the Board in its work in relation to the company's remuneration policies and the terms of employment for the CEO, as well as an ESG Committee to assist the Board in its work on short- and long-term sustainability targets and to define requirements for strategic areas where the company can exercise a high degree of influence. During its bi-annual meetings, the committee has formulated and agreed on an ESG strategy which will guide our work on ESG. Going forward, the committee will develop a concrete action plan and overall roadmap to identify initiatives to reach targets and enable continuous monitoring of the progress made.

## Prevention of insider trading

Our employees and their family members are not permitted to buy or sell shares or other securities in the company, or provide advice related to trading in securities, while in possession of inside information relating to those securities, including the company's financial instruments and the financial instruments of any customer, supplier or partner of the company. A Management Guideline has been established to ensure the proper handling of inside

information applicable for companies listed on the Oslo Stock Exchange in accordance with governing laws and regulations. The statutory duties include, but are not limited to the following requirements:

- + the company must have procedures to ensure secure handling of inside information;
- + the company shall ensure that a list is drawn up of persons who are given access to inside information, and the list shall be continuously updated;
- + persons given access to inside information shall be made aware of the duties and responsibilities that this entails, as well as the criminal liability associated with misuse or unwarranted distribution of such information; and
- + the company must be able to provide documentary evidence that persons with access to inside information are aware of their duties concerning handling of inside information, including the criminal liability, to the Oslo Stock Exchange and the Norwegian Financial Supervisory Authority ("NFSA").

Inside information is any information of a precise nature relating to the company, its financial instruments (e.g. shares or bonds) or other circumstances which has not been made public and is not commonly known in the market and which is likely to have a significant effect on the price of those financial instruments or of related financial instruments. If there is any doubt as to whether a person possesses inside information, they are required to contact their immediate superior, the company's Chief Compliance Officer and the advice of legal counsel may be sought. Members of the

Board and the executive management and certain other persons are subject to additional requirements under the company's insider trading rules.


The books and records of the company are prepared with care and honesty and accurately reflect the company's transactions. All corporate funds and assets are recorded in accordance with company procedures. No undisclosed or unrecorded funds or assets are established for any purpose.

## Compliance

To strengthen our compliance system two new compliance-related positions were created in 2021. A German lawyer and certified Compliance Officer was appointed as our external Compliance Officer and a Norwegian lawyer was appointed to be the company's external Data Protection Officer, with responsibility for applicable data protection laws. Both positions report to the company's Chief Compliance Officer.

## Anti-corruption and business ethics

Our overarching goal is to develop a corporate culture characterised by good judgement and the ability to deal with ethically difficult situations, should they arise. We have zero tolerance for corruption, price-fixing agreements, market sharing or other practices that hamper free and fair competition.

SDG	Ambition	Target	2021 performance
	Strengthening the anti-corruption/sanction system	Identify, assess, integrate and monitor anti-corruption risks  Implement annual testing and training of whistleblower system	n/a - to be finalised in 2022  Whistleblower hotline is implemented in 2021, testing and training to be rolled out in 2022.

A level playing field is vital for sustainable and ethical business. Our stakeholders expect transparency and tangible action around our commercial operations. The seafarers serving our vessels deserve a safe and fair work environment. We seek fair and open competition in all markets, both nationally and internationally. Under no circumstances shall MPCC or any of its employees take actions that breach applicable competition legislation.

Our stance on anti-corruption, as well as our policies for ensuring that employees and business partners adhere to high standards of business and personal ethics, is laid out in our Code of Conduct, Anti-Corruption Policy and Business Partner Guideline. We do not tolerate active (attempts to bribe others) nor passive corruption (allowing oneself to be bribed). Any demands for facilitation payments, such as payment of small amounts to civil servants, for example, in order to have routine services carried out, are rejected firmly and clearly. Similarly, our ship managers and charterers impose our Anti-Corruption Policy applicable for the crew operating on our chartered-out vessels.

Employees who observe or become aware of a situation that they believe to be a violation of the Code of Conduct are obliged to notify their immediate superior, the executive management or a member of the Board unless the Code of Conduct directs otherwise. To further ease the reporting of unwanted behaviour, we have implemented a third-party whistleblower hotline enabling all employees on- and off-shore to report and document any violation of the Code of Conduct, if preferred, also anonymously. MPCC's Compliance Officer will be notified in the event of any respective report and will initiate the necessary steps to investigate the respective incident and any appropriate measures.

When a manager or the Compliance Officer receives a report of a violation, it is their responsibility to handle the matter in consultation with a Board member. If an employee reporting a violation wishes to remain anonymous, all reasonable steps are taken to keep their identity confidential. All communications are taken seriously and, if warranted, any reports of violations are investigated. One whistleblowing incident was reported during 2021. The incident has been handled and resolved at top management level. At MPCC, we do not retaliate, or allow retaliation, in respect of any reports made by an employee in good faith.

Accounting metric	Unit of measure	2019	2020	2021
Calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	82	183	1,315 <sup>4</sup>
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	0	0

<sup>4</sup> The methodology used for calculating calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index has been updated in 2021. Where more than one country received the same ranking, all countries have been included. In 2021, 64 countries were included.

We are a member of the Marine Anti-Corruption Network (“MACN”), the global business network working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large. By raising awareness of the challenges faced, implementing the MACN Anti-Corruption Principles, co-developing and sharing best practices and collaborating with governments, non-governmental organizations and civil society, the MACN and its members seek to identify and mitigate the root causes of corruption and create a culture of integrity within the maritime community.



## Ship recycling

The ship recycling industry provides economic benefits in several developing countries. It functions as a contributor to material circularity by recycling metals and other components, extending the useful life of these valuable resources. However, ships contain hazardous materials, and must therefore be performed according to strict standards to mitigate risks to human health and safety, as well as risks to the environment.

SDG	Ambition	Target	2021 performance
 	Adhere to market leading practices for ship recycling	Establish policy and ensure proper implementation	Policy developed in 2021

We are committed to sustainable and socially responsible recycling of ships as outlined in our Ship Recycling Policy. Safeguarding the environment and human health and safety are our main priority when recycling vessels. By the end of 2021, the average age of our fleet was approximately 14.6 years and we have not yet been involved in ship recycling activity. Any future recycling of owned

vessels will be conducted in accordance with applicable laws and regulations, specifically the 2009 Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, the Basel Convention on the Control of the Transboundary Movements of Hazardous Wastes and their Disposal and, where applicable, the EU Ship Recycling Regulation.



# Appendices

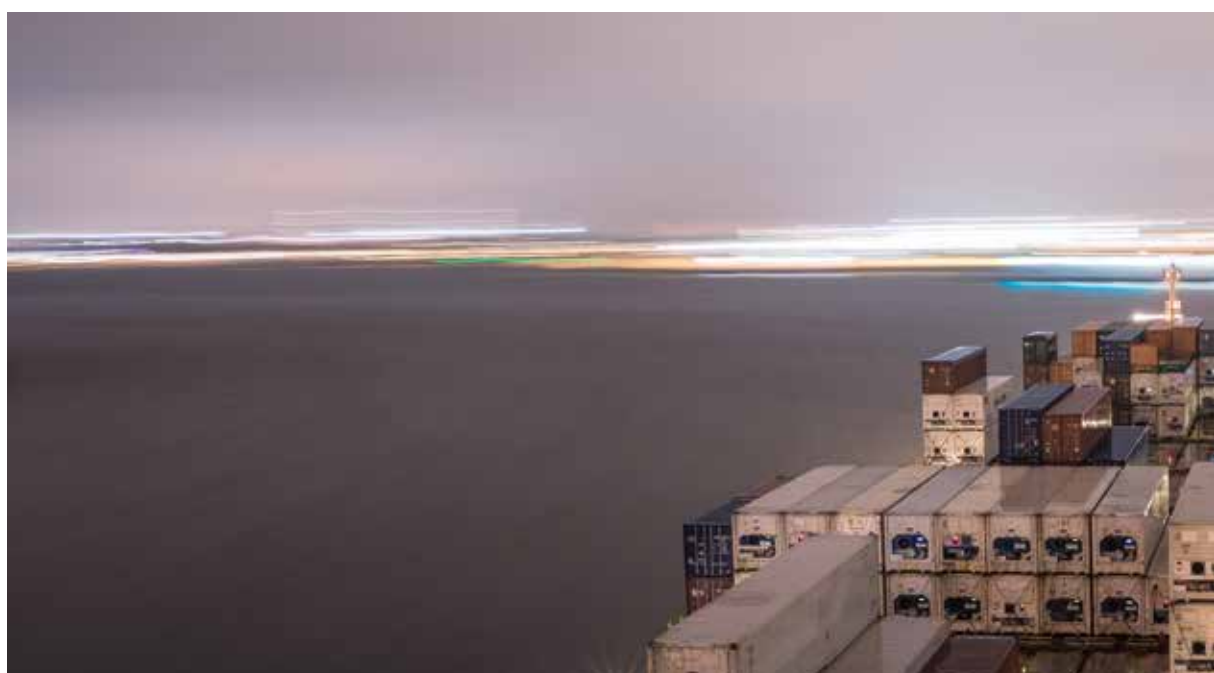
## SASB table

Accounting metric	Unit of measure	2020	2021	SASB code
<b>GREENHOUSE GAS EMISSIONS</b>				
<b>CO<sub>2</sub> emissions</b>				
Gross global Scope 1 emissions: Financial control approach <sup>a</sup>	Metric tonnes CO <sub>2</sub> e	1,550,271	1,758,036	TR-MT-110a.1
Gross global Scope 2 emissions <sup>b</sup>	Metric tonnes CO <sub>2</sub> e	Not reported	16.38	Additional (GRI 305-2)
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	Qualitative description	2020 report	Page 9	TR-MT-110a.2
Reporting on climate related risks and opportunities in line with the recommendations	Qualitative description	2020 report	Page 12 f.	Additional (GRI 305-2)
<b>Energy consumed</b>				
Total energy consumed <sup>c</sup>	Gigajoules (GJ)	21,579,913	24,508,042	TR-MT-110a.3
	Percentage of energy from heavy fuel (%)	86%	91%	TR-MT-110a.3
	Percentage of energy from renewable/low-carbon sources (%)	0%	0%	TR-MT-110a.3
<b>CO<sub>2</sub> efficiency</b>				
Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO <sub>2</sub> e per tonne-nautical mile	Not applicable	Not applicable	TR-MT-110a.4
Average Efficiency Ratio (AER): weighted average <sup>d</sup>	Grams of CO <sub>2</sub> e per tonne-nautical mile	13.05	13.70	Additional
<b>AIR QUALITY</b>				
<b>Other emissions to air</b>				
NO <sub>x</sub> (excluding N <sub>2</sub> O) <sup>e</sup>	Metric tonnes	34,722	40,186	TR-MT-120a.1
SO <sub>x</sub> <sup>e</sup>	Metric tonnes	4,845	2,018	TR-MT-120a.1
Particulate matter <sup>e</sup>	Metric tonnes	Not available	133	TR-MT-120a.1
<b>ECOLOGICAL IMPACTS</b>				
<b>Marine protected areas</b>				
Shipping duration in marine protected areas or areas of protected conservation status <sup>f</sup>	Number of travel days	Not available	1,539	TR-MT-160a.1
<b>Implemented ballast water</b>				
Exchange <sup>g</sup>	Percentage (%)	66%	55%	TR-MT-160a.2
Treatment <sup>g</sup>	Percentage (%)	34%	52%	TR-MT-160a.2
<b>Spills and releases to the environment</b>				
Incidents <sup>h</sup>	Number	0	1	TR-MT-160a.3
Aggregate volume	Cubic meters (m <sup>3</sup> )	0	5	TR-MT-160a.3
<b>BUSINESS ETHICS</b>				
<b>Corruption index</b>				
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	183	1,315	TR-MT-510a.1
<b>Corruption</b>				
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	0	TR-MT-510a.2

## ESG at MPC Container Ships

Accounting metric	Unit of measure	2020	2021	SASB code
<b>EMPLOYEE HEALTH AND SAFETY</b>				
<b>Lost time incident</b>				
Lost time incident rate (LTIR) <sup>l</sup>	Rate	2.03	1.08	TR-MT-320a.1
Lost time incident frequency (LTIF) <sup>k</sup>	Rate	0.85	0.49	Additional (GRI 403-9)
<b>ACCIDENT AND SAFETY MANAGEMENT</b>				
<b>Marine casualties</b>				
Incidents <sup>l</sup>	Number	0	9	TR-MT-540a.1
Very serious marine casualties	Percentage (%)	0%	11%	TR-MT-540a.1
<b>Conditions of class</b>				
Conditions of Class or Recommendations <sup>m</sup>	Number	Not available	256	TR-MT-540a.2
<b>Port state control</b>				
Deficiencies <sup>n</sup>	Rate	1.35	1.23	TR-MT-540a.3
Detentions	Number	1	1	TR-MT-540a.3

Activity metric	Unit of measure	2020	2021	SASB code
Number of shipboard personnel <sup>p</sup>	Number	1,216	1,324	TR-MT-000.A
Total distance travelled by vessels	Nautical miles	4,190,865	4,462,895	TR-MT-000.B
Operating days	Days	23,441	23,567	TR-MT-000.C
Deadweight tonnage <sup>o</sup>	Thousand DWT	1,801	1,934	TR-MT-000.D
Number of vessels in fleet <sup>o</sup>	Number	65	69	TR-MT-000.E
Number of vessel port calls	Number	7,349	6,798	TR-MT-000.F
Twenty-foot equivalent unit capacity <sup>o</sup>	TEU	131,243	141,381	TR-MT-000.G





# Disclaimers and assumptions

The figures presented in this report are based on the vessels in our fleet throughout the reporting year, excluding eight vessels acquired during the second half of 2021. These vessels were either sold before the year end, or data between closing of the transaction and the takeover by our technical managers are not available.

<sup>a</sup> **CO<sub>2</sub> 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, which represents vessels owned by MPC Container Ships (including vessels owned through JVs).

<sup>b</sup> **Gross global Scope 2 emissions:** Calculations are based on AIB residual mix emissions factors for electricity consumption, as well as IEA European average emission factor for district heating consumed.

<sup>c</sup> **Energy consumption:** Calculations are based on fuel use, applying the UK Department for Environment, Food & Rural Affairs' ("DEFRA") conversion factors to calculate energy consumed in gigajoules ("GJ").

<sup>d</sup> **Average Efficiency Ratio ("AER"):** Carbon intensity metric estimated based on fuel consumed, distance travelled ("nm"), and deadweight tonnage ("DWT"). Weighted average based on DWTnm.

<sup>e</sup> **Other emissions to air:** NOx figures for WASM and joint venture vessels are compiled from real-time performance platform Bluetracker One installed on each vessel. NOx figures for Marlow

vessels are calculated based on the consumption reported via their MARS system. NOx figures for Hartmann vessels are compiled through the software "Navigator Insight". SOx and PM figures for all vessels are estimated based on the IMO's Fourth Greenhouse Gas Study 2020 methodology. In cases where detailed engine data for a vessel has not been available, an average figure for the relevant segment has been applied. For more information on the formulas applied, please see the IMO's Fourth GHG Study, pp. 21-24.

<sup>f</sup> **Marine protected areas:** The number reported reflect number of days sailed in ECA zones only.

<sup>g</sup> **Implemented ballast water:** Only ships performing ballast water exchange with an efficiency of at least 95% volumetric exchange of ballast water have been included. When it comes to treatment, approved systems must discharge (a) less than 10 viable organisms per cubic meter that are greater than or equal to 50 micrometres in minimum dimension and (b) less than 10 viable organisms per millilitre that are less than 50 micrometres in minimum dimension and greater than or equal to 10 micrometres in minimum dimension.

<sup>h</sup> **Spills and releases to the environment:** Any over-board spills and releases - intentional or accidental.

<sup>i</sup> **Corruption index:** Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index. In the event that two or more countries share rank, all have been included in the scope of disclosure. The list is based on the Corruption Perception Index for 2021.

<sup>j</sup> **Lost time incident rate:** 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.

<sup>k</sup> **Lost time incident frequency:** The rate is calculated based on (lost time incidents) / (total exposure hours \* 10<sup>-6</sup>) and according to BIMCO's shipping KPI methodology.

<sup>l</sup> **Marine casualties:** The definition of a marine casualty is based on 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.

<sup>m</sup> **Conditions of class:** The data provided represents the number of Conditions of Class or Recommendations the Group's vessels have received from a Flag Administration or a Recognised Organisation 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.

<sup>n</sup> **Port state control:** Deficiency rate is calculated using the number of deficiencies it received from regional port state control divided by total number of port state control inspections.

<sup>o</sup> The figures include all vessels employed by MPCC throughout the reporting year.

<sup>p</sup> The figures represent our fleet at year end.



# GRI-Index

GRI standard	Disclosure	Location
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Page 9
	2-2 Entities included in the organization's sustainability reporting	Page 9  Entities are included/excluded upon commercial closing of transaction.
	2-3 Reporting period, frequency and contact point	The ESG report covers the calendar year of 2021, and is published on an annual basis. Financial reporting covers the same period (01 January - 31 December). The ESG report is published on 25 February 2022. Contact point for questions about the reported information: Investor Relations at <a href="mailto:ir@mpc-container.com">ir@mpc-container.com</a>
	2-4 Restatements of information	Not applicable
	2-5 External assurance	Not applicable
	2-6 Activities, value chain and other business relationships	Annual Report page 13 ff.  <a href="http://www.mpc-container.com/company/container-shipping">www.mpc-container.com/company/container-shipping</a>  Our value chain includes our technical managers (link to various suppliers and crew managers), direct supplier (e.g. for BWTS), commercial managers, insurance companies, banks, charterers, freight forwarders, port operator and agency, operator transport infrastructure.
	2-7 Employees	Page 14 ff.
	2-8 Workers who are not employees	Page 14
	2-9 Governance structure and composition	Annual Report page 31 ff.  <a href="http://www.mpc-container.com/company/board-of-directors">www.mpc-container.com/company/board-of-directors</a>
	2-10 Nomination and selection of the highest governance body	Annual Report page 31 ff.
	2-11 Chair of the highest governance body	The chair of the Board of Directors is the CEO of MPC Capital (MPC Münchmeyer Petersen Capital AG).
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 9
	2-13 Delegation of responsibility for managing impacts	Page 9
	2-14 Role of the highest governance body in sustainability reporting	The ESG committee is responsible for reviewing and approving the annual ESG Report.
	2-15 Conflicts of interest	Managed according to our Code of Conduct.
	2-16 Communication of critical concerns	Page 19
	2-17 Collective knowledge of the highest governance body	Workshops and meetings with external experts to discuss policies and processes related to ESG. Developed eLearning to increase knowledge throughout the organization and amongst suppliers
	2-18 Evaluation of the performance of the highest governance body	The ESG committee controls, evaluates and contributes to the performance of the highest governance body on ESG in regular committee meetings, at minimum four times a year.
	2-19 Remuneration policies	Annual Report / Remuneration Report page 37
	2-20 Process to determine remuneration	Annual Report / Remuneration Report page 37
	2-21 Annual total compensation ratio	Not disclosed
	2-22 Statement on sustainable development strategy	Page 8
	2-23 Policy commitments	Page 9
	2-24 Embedding policy commitments	Page 9
	2-25 Processes to remediate negative impacts	Page 18

GRI standard	Disclosure	Location
	2-26 Mechanisms for seeking advice and raising concerns	Page 19
	2-27 Compliance with laws and regulations	No significant instances of non-compliance with laws and regulations during the reporting period.
	2-28 Membership associations	Page 10
	2-29 Approach to stakeholder engagement	Page 10
	2-30 Collective bargaining agreements	0% of employees covered by collective bargaining agreements. Working conditions and terms of employment are not based on collective bargaining agreements.
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Page 6
	3-2 List of material topics	Page 6
<b>Material topic: Climate-related risks</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 12 f.
<b>GRI 201: Economic Performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change	Page 12 f.; Annual Report page 22
<b>Material topic: Corruption risk</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 18 f.
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Page 18 f.
	205-2 Communication and training about anti-corruption policies and procedures	Page 18 f.
	205-3 Confirmed incidents of corruption and actions taken	Page 18 f.
<b>Material topic: Energy mix</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 11 f.
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Page 21
	302-2 Energy consumption outside of the organization	Page 21
<b>Material topic: Direct emissions from consumption of fossil fuels</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 11 ff.
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Page 21
	305-4 GHG emissions intensity	Page 12
	305-5 Reduction of GHG emissions	Page 12
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Page 21
<b>Material topic: Marine casualties</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 14 f.
<b>Other</b>	SASB TR-MT-540a.1	Page 22
<b>Material topic: Seafarer welfare</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 15 f.
<b>Material topic: Responsible ship recycling</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 20
<b>Other</b>	Norwegian Shipowners' Association's Guidelines for ESG reporting in the shipping and offshore industries. Metric: Responsible ship recycling	Page 1
<b>Material topic: Human and labour rights in the supply chain</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 17



**MPC Container Ships ASA**  
Munkedamsveien 45 A, 0250 Oslo  
Postbox 1251 Vika N-0111 Oslo, Norway

Org no. 918 494 316

[www.mpc-container.com](http://www.mpc-container.com)