The Group supports IMO’s climate ambitions and recognises the need for concrete measures. However, commercially viable and available low-carbon alternative fuel solutions for deep-sea vessels to support the shipping industry’s green transition are currently lacking. A tremendous amount of work has been – and is being – channelled into developing and testing mid- and long-term sustainable solutions. Yet, uncertainty remains around the future and commercial viability of alternative marine fuels such as LNG, LPG, ammonia and hydrogen.

Moreover, it is estimated that the shipping industry is facing investments in the vicinity of USD 1 trillion in replacing the existing fleet during the present decade to meet IMO’s climate change strategy. This in turn creates added uncertainty as to available sources of financing.

Our ESG Committee is working with management to develop sustainability targets and actions
This ESG report and its disclosures set out to furnish our stakeholders with a standardised overview of non-financial information and equip them with a better understanding of the Group’s environmental and social impacts – recognizing the importance of systematically and proactively addressing the green shift, as well as future-proofing the Group’s fleet.

To this end, our Board of Directors (the “Board”) has appointed 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. Moreover, the Company has initiated a Zero Emissions Project comprising a cohesive, collaborative team of internal resources and external partners and technology providers under the Company’s leadership.

We leverage industry networks and collective efforts to accelerate change
Several ESG-related challenges may be addressed more efficiently as a joint effort amongst industry participants. In order to exchange best practices and work towards common goals, the Company is partnering with other shipowners, authorities and subject matter experts through collective initiatives such as the Maritime Anti-Corruption Network, the Neptune Declaration on Seafarer Wellbeing and Crew Change, Eyesea and the Clean Shipping Alliance 2020. Furthermore, in January 2021, along with over 300 other companies and organisations, the Company 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.

Please refer to the “Social” section on page 11 in this report for further details on the Group’s COVID-19 response at sea and on shore.

Constantin Baack
CEO
MPC Container Ships ASA
In accordance with the principles underlying value-based management, the Company places great importance on systematic risk management. Our approach includes the management of ESG risks that are prominent within the shipping industry, such as health and safety, corruption, emissions and spills. Consequently, we have established a comprehensive set of policies, frameworks and routines to help us analyse and manage these risks in our daily operations.

As an Oslo Stock Exchange-listed company, we follow the Euronext guidance on ESG reporting of January 2020. The Euronext reporting process is based on the GRI Standards - the world’s most widely used international framework for sustainability reporting. In 2020, we performed a materiality analysis in line with GRI requirements to determine ESG topics material to the Company (see materiality matrix page 24).

The Company prepares corporate social responsibility and corporate governance reports in accordance with the Norwegian Accounting Act and the recommendations of the Norwegian Corporate Governance Board, respectively. The Group’s suppliers and service providers are required to adhere to our Business Partner Guidelines - a document which sets out our service standards and expectations, including on ESG issues. Furthermore, the Company performs business partner checks, including sanctions and bad press screenings, on counterparties of strategic, financial or reputational relevance.

ESG MANAGEMENT AND RESPONSIBILITY
In order to reach our business objectives and build trust, the Company seeks to effectively address ESG issues and meet stakeholder expectations. The Company is managed through our executive bodies, being the general meeting, the Board, and the executive management.

The overall responsibility for securing effective governance in daily operations lies with the CEO. The CEO brings effect to the Board’s decisions and determined frameworks in the day-to-day business of the Company.

Our third-party technical managers are certified according to e.g. the ISO 9001:2015 and/or 14001:2015 (quality and environmental management systems). Third party crewing agencies ensure employment of seafarers in accordance with IMO’s ISM Code and the SOLAS, STCW and International Labour Standards’ Maritime Labour conventions.

Further, seafarers undergo regular mandatory and voluntary training.

In the following, for sake of ease, topics deemed as most material to the Company have been clustered as either environmental, social or governance, and addressed separately.

ESG MANAGEMENT AT MPC CONTAINER SHIPS

The shipping industry is governed by a global and uniform regulatory framework. This framework, created by IMO, has significantly contributed to lessening 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.

Environmental regulation affects the ownership and operation of our vessels in a significant manner. The Group is subject to international conventions and 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.

The Group’s environmental impact relates mainly to (i) emissions from container vessel fuel consumption, (ii) the risk of major environmental accidents, (iii) waste management including ballast water and spills, and (iv) the disposal of vessels at the end of their useful life.

Identifying our environmental risks
Our vessels run on ordinary heavy fuel oil or gasoil. 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. There are also potential impacts from the waste produced by vessels, discharge of untreated ballast water, air pollutant emissions and potential spills into the environment. Discharge of untreated ballast water may potentially introduce non-native organisms into new marine environments, causing ecological damage.

Increasing vessel energy efficiency
The increasing energy efficiency from vessel operations and subsequent reduction of GHG emissions carry both environmental and economic benefits. This is a material topic for the Group, the liner companies chartering our vessels and other stakeholders. Together with our third-party ship managers, the Company is 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. In this regard, it should be noted that operating decisions impacting a vessel’s fuel consumption, such as trading route and port calls, sailing speed and container stowage logistics, are all determined by the Company’s customers, being the liner companies chartering our vessels – highlighting the increasing need for cooperation among industry actors.

Our ship managers employ dedicated performance teams which frequently compare and benchmark operational performance between our customers – with the goal of minimizing the carbon footprint of our fleet. The Group is also engaged in a number of operational improvement measures, such as container loading and stowage optimization or trim optimization with dedicated software solutions.

1 See www.mpc-container.com/sustainability/business-partner-guideine
CLIMATE CHANGE AND AIR EMISSIONS

As per today, 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, so is pollution from maritime shipping on air and water quality.

Committed to reducing greenhouse gas emissions
During 2020, the Company’s fleet emitted a total of 1.55 metric mega tonnes of carbon dioxide equivalent (“CO2e”) GHG.

This represents an 8% decrease from the 1.69 metric mega tonnes emitted in 2019. In this respect, it should be noted that the fleet comprised of 65 vessels per end of 2020 versus 68 vessels as per end of 2019, and that COVID-19 led to increased idle time for the fleet in 2020.

To maintain an attractive and competitive fleet, we are continuously optimising vessel performance and proactively exploring viable options for reducing pollutants and GHG emissions.

Collaborating to reduce SOx emissions
As one effort towards more sustainable shipping operations, the Company is, either directly or via third party ship managers, engaging in collaborative partnerships such as the Clean Shipping Alliance 2020 and the Sustainable Shipping Initiative.

Moreover, during 2019 and in preparation for IMO’s 0.5% global sulphur cap for marine fuel oils enforced from 2020, the Group made significant investments in retrofitting exhaust gas cleaning systems aboard a selected ten vessels within our fleet whilst having the remaining 55 vessels undergo an extensive tank cleaning and fuel change-over programme.

Our efforts contribute to the United Nations Sustainable Development Goal 13 (SDG 13) – Take urgent action to combat climate change and its impacts, in line with the IMO 2030 strategy and the IMO 2050 ambition.
Environmental impacts from shipping include airborne pollutant emissions and the risk of potential spills, discharges to land and water, and underwater-radiated noise.

**SPILLS, DISCHARGES AND ECOLOGICAL IMPACT**

**No recorded spills**
The Company recognises that oil spills have long-lasting adverse impacts on ecosystems and that incidents may cause significant ecological harm. Oil spills may result in extensive and costly recovery efforts, resulting both in reputational damage and the risk of significant financial penalties. The prevention of pollution by oil from operational measures and accidental discharges is regulated by MARPOL’s Annex I, and the Company and our ship managers have implemented comprehensive spill prevention procedures. The Company did not record any incidents related to spills neither in 2019 nor 2020.

**Ensuring compliant waste disposal**
The prevention of pollution by refuse 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. The Group utilises a designated service provider for ship waste management. The provider is certified according to ISO 9001 and 14001 and performs regular audits of all involved waste management procedures. The Company did not record any incidents related to spills neither in 2019 nor 2020.

**Investments in ballast water treatment systems**
Ballast water is essential for safe and efficient shipping operations. However, the multitude of marine species carried in vessels’ ballast water may also represent serious ecological, economic and health risks. 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 per 31 December 2020, 22 out of our 65 vessels have installed ballast water treatment systems. A further 19 installations are scheduled for 2021, while installations on the remaining 24 vessels are planned for in order to comply with the BWM convention.

**Table: Compliant Waste Disposal**

<table>
<thead>
<tr>
<th>Waste Type</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sludge</td>
<td>14,722</td>
<td>13,378</td>
</tr>
<tr>
<td>Oily/Bilge water</td>
<td>1,802</td>
<td>1,621</td>
</tr>
<tr>
<td>Garbage</td>
<td>4,943</td>
<td>4,622</td>
</tr>
<tr>
<td>Sewage</td>
<td>147</td>
<td>198</td>
</tr>
<tr>
<td>Total compliant</td>
<td>21,614</td>
<td>19,818</td>
</tr>
</tbody>
</table>

The Company recognises that oil spills have long-lasting adverse impacts on ecosystems and that incidents may cause significant ecological harm. Oil spills may result in extensive and costly recovery efforts, resulting both in reputational damage and the risk of significant financial penalties. The prevention of pollution by oil from operational measures and accidental discharges is regulated by MARPOL’s Annex I, and the Company and our ship managers have implemented comprehensive spill prevention procedures. The Company did not record any incidents related to spills neither in 2019 nor 2020.

**Partnering with environmentally certified ship managers**
The Company aims to mitigate its 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 regulation, the Group frequently carry out technical ship modifications such as stern tube air seals – also on vessels that may not be required to do so. The Company has invested in a number of measures to eliminate the risk of hull fouling and cleaning.

**Reducing underwater noise**
The Company is closely monitoring the on-going research carried out by IMO’s Marine Environment Protection Committee on underwater noise. Although 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), 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. 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, our technical ship managers are regularly reviewing the vessels’ performance to determine the need for propeller and hull fouling and cleaning.

**Table: Compliant Waste Disposal**

<table>
<thead>
<tr>
<th>Waste Type</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sludge</td>
<td>14,722</td>
<td>13,378</td>
</tr>
<tr>
<td>Oily/Bilge water</td>
<td>1,802</td>
<td>1,621</td>
</tr>
<tr>
<td>Garbage</td>
<td>4,943</td>
<td>4,622</td>
</tr>
<tr>
<td>Sewage</td>
<td>147</td>
<td>198</td>
</tr>
<tr>
<td>Total compliant</td>
<td>21,614</td>
<td>19,818</td>
</tr>
</tbody>
</table>

The Company aims to mitigate its 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 regulation, the Group frequently carry out technical ship modifications such as stern tube air seals – also on vessels that may not be required to do so. The Company has invested in a number of measures to eliminate the risk of hull fouling and cleaning.

**Investments in ballast water treatment systems**
Ballast water is essential for safe and efficient shipping operations. However, the multitude of marine species carried in vessels’ ballast water may also represent serious ecological, economic and health risks. 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 per 31 December 2020, 22 out of our 65 vessels have installed ballast water treatment systems. A further 19 installations are scheduled for 2021, while installations on the remaining 24 vessels are planned for in order to comply with the BWM convention.

**No recorded spills**
The Company recognises that oil spills have long-lasting adverse impacts on ecosystems and that incidents may cause significant ecological harm. Oil spills may result in extensive and costly recovery efforts, resulting both in reputational damage and the risk of significant financial penalties. The prevention of pollution by oil from operational measures and accidental discharges is regulated by MARPOL’s Annex I, and the Company and our ship managers have implemented comprehensive spill prevention procedures. The Company did not record any incidents related to spills neither in 2019 nor 2020.

**Ensuring compliant waste disposal**
The prevention of pollution by refuse 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.

**Table: Compliant Waste Disposal**

<table>
<thead>
<tr>
<th>Waste Type</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sludge</td>
<td>14,722</td>
<td>13,378</td>
</tr>
<tr>
<td>Oily/Bilge water</td>
<td>1,802</td>
<td>1,621</td>
</tr>
<tr>
<td>Garbage</td>
<td>4,943</td>
<td>4,622</td>
</tr>
<tr>
<td>Sewage</td>
<td>147</td>
<td>198</td>
</tr>
<tr>
<td>Total compliant</td>
<td>21,614</td>
<td>19,818</td>
</tr>
</tbody>
</table>
Committed to responsible ship recycling

The Company is committed to sustainable and socially responsible recycling of ships. Safeguarding the environment and human health and safety are our priorities when recycling vessels.

In 2020, the average age of the Group’s fleet is approximately 14 years and the Group has 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.

Our efforts contribute to SDG 14 – Life below water. SDG 14 focuses global action to conserve and sustainably use the oceans, seas and marine resources for sustainable development.

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.

Maintaining a professional and positive workplace is vital to achieving a high degree of employee engagement. Our senior management places great emphasis on utilising our flat organisational structure to create an inclusive working environment and to ensure that our employees are offered personal development, guidance and motivation. We take great pride in our organisational build-up, which today consists of a cohesive and close-knitted team of professionals, enabling us to maintain the necessary agility in response to the fast-paced shipping markets.

Our response to COVID-19

The global outbreak of the COVID-19 pandemic in 2020 created a unique and unforeseen situation for the Group 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.

On shore, the Company established a COVID-19 Task Force in charge of monitoring regional developments in COVID-19 cases and responses in the countries where we are present. Moreover, the Group developed and communicated internal protocols to ensure safe operations and business continuity, including rotating shift schedules, our Work@Home online tool and routine follow-ups of each team member.

At sea, our crew and ship managers were first in line to witness and respond to the growing impacts and implications from the coronavirus on regional trade. The Group’s fleet serves ports and intra-regional trading routes on all continents, in particular Intra-Asia. In early February 2020, our ship managers developed and disseminated guiding circulars to vessel crews.

As the situation escalated, circulars aimed at crews and vessels in exposed geographical areas evolved into a fleet-wide framework of protocols for safe operations, crew changes and travels, in line with firming guidelines – such as from IMO.

Crew changes in particular have emerged as a serious challenge for the shipping industry in the face of COVID-19. In response to regional travel bans, lockdowns and port closures, the Company together with our ship managers and charterers has made significant efforts in adopting and frequently amending crew change plans for each vessel in our fleet – with consequences such as deviating port call schedules in order to enable crew changes.

The mental health and wellbeing of seafarers have been closely related to the difficult crew change situation. Even prior to COVID-19, an increasing degree of automation on board vessels has led to smaller crews. Since the outbreak of 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 Company and our ship managers have addressed these concerns by various means, such as increased frequency of dialogue with crews – including facilitating for daily calls to discuss work and non-work-related topics. All our vessels are equipped with free and unlimited wireless internet access to enable seafarers to stay in touch with friends and families at shore. Where required, the vessels’ recreation rooms have been further upgraded with sports, gym and entertainment equipment – such as table tennis and video game consoles.

Credit: John Carlo C. Hernandez, Engine Boy, AS Lines on route to Piraeus, Greece, 9 January 2021
Joint efforts to improve seafarers’ wellbeing

In January 2021, along with over 300 other companies and organisations, the Company 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 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 750 companies have become signatories of the Neptune Declaration.

Managing crew welfare

Aboard our vessels, in addition to aforementioned measures established in response to the COVID-19 pandemic, a number of voluntary measures have been put in place to address crew welfare. These include a cadet programme aimed at coaching and retaining crew, facilitating vessel visits for crew families and facilitating church visits during shore leaves. Moreover, in special or unforeseen circumstances, crew members may be eligible for loans and accelerated salary pay-outs. Through the establishment of closed groups on social media platforms, ship managers have established a line of communication which has proven popular among seafarers for communicating on matters such as working conditions, career planning and non-work-related topics.

Decreasing Lost Time Incident Rate and Frequency compared to 2019

During 2020, the Group’s Lost Time Incident Rate (“LTIR”) was 2.03 and Lost Time Incident Frequency (“LTIF”) was 0.85. This is a decrease of 25% and 72%, respectively, compared to 2019.

For the same period, the Group registered a Port State Control Deficiency ratio of 1.35 (2019: 1.25) and a Port State Control Detention ratio of 0.01 (2019: 0.01).

The Group encountered one Port State Control Detention during 2020 related to a minor fire in the emergency DG switchboard cabinet on a vessel as it was departing Puerto Cortés, Honduras, prima July. The fire was swiftly extinguished on board without further incidents. The vessel was detained for investigation by the Port State Control before safely departing one day after the incident.

There were no onshore or offshore fatalities during 2020, and the Group recorded no material health and safety incidents.

Health and safety policy

The Company’s Health and Safety policy, embedded in our Corporate Social Responsibility Statement, is to operate our business in a manner designed to protect the health and safety of our employees, customers, the public and the environment. It specifies how we act in accordance with all applicable environmental and safety laws and regulations – to ensure the protection of the environment, our personnel and property. Our aim is for all employees to conduct themselves in a manner that is consistent with this policy and any departure or suspected departure from this policy is promptly reported.

Our suppliers follow our health and safety standards

The Group’s 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 has to 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.
EQUALITY AND ANTI-DISCRIMINATION

The Group conducts its business in accordance with fundamental human rights as enshrined in the United Nations Universal Declaration of Human Rights and follows the standards of the International Labour Organization, which are guiding principles encouraged and implemented by the European Union.

Fair and equal opportunities and treatment

We advocate fair and equal opportunities and treatment for employees irrespective of ethnic or national origin, age, disability, gender, sexual orientation or religion. Through our Business Partner Guideline, our suppliers and service providers are required to adhere to the same standards of good business practice. Our employees are essential enablers of a work environment free from unfair treatment due to discrimination.

As per 31 December 2020, the Group employed 20 persons, of which women made up 10%. Among our five Board members, two are women.

<table>
<thead>
<tr>
<th>Number of Group employees in each employee category</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30 years old</td>
<td>90.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>30-50 years old</td>
<td>5%</td>
<td>90%</td>
</tr>
<tr>
<td>Over 50 years old</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

During 2020, through third party crewing, the Group employed 1,216 seafarers, of which women made up 0.4%.

<table>
<thead>
<tr>
<th>Number of seafarers in each employee category</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30 years old</td>
<td>99.6%</td>
<td>0.4%</td>
</tr>
<tr>
<td>30-50 years old</td>
<td>38.6%</td>
<td>50.2%</td>
</tr>
<tr>
<td>Over 50 years old</td>
<td>11.3%</td>
<td></td>
</tr>
</tbody>
</table>

GOVERNANCE

Reliable corporate governance is a foundation for the Group’s integrity and efficiency. 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. The documents are publicly available on our website.

Independent risk and audit, remuneration and corporate ESG committees

The Company 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 is independent of the Company’s management. The composition of the Risk & Audit Committee satisfies the requirements of the Norwegian Public Limited Liability Companies Act.

Furthermore, the Company has established a Remuneration Committee to assist 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.

Ethics and conduct standards

The Group operates its business with integrity and respects 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. 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.

Credit: Junivy O. Borda, Second Officer, AS Flora in Ningbo, China, 14 February 2021

6 See www.mpc-container.com
ANTI-CORRUPTION AND BUSINESS ETHICS

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

Transparent and ethical business practices

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. The Company seeks fair and open competition in all markets, both nationally and internationally. Under no circumstances shall the Company or any of its employees take actions that breach applicable competition legislation.

Zero tolerance for corruption

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, Corporate Social Responsibility Statement 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 the Company’s anti-corruption and anti-bribery policies applicable for the crew operating the Group’s chartered-out vessels. Tackling systemic integrity challenges requires collective action.

The Company is a member of the Marine Anti-Corruption Network ("MACN"), the global business network working towards the vision of a maritime industry free of corruption and create a culture of integrity within the maritime community. During 2020, while on charter to our customers, 25 of the Group’s 65 vessels made a total of 183 port calls (2.5% of total port calls) in nine of the 20 lowest ranking countries in Transparency International’s 2020 Corruption Perception Index. During the same period, the Group did not register any monetary losses as a result of legal proceedings associated with bribery or corruption.

WHISTLEBLOWING AND PROTECTION

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. Violations involving a manager are reported directly to a Board member.

Zero reported whistleblowing incidents in 2020

When a manager receives a report of a violation, it is the manager’s 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.

Prevention of insider trading

The Company’s 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.

No reported incidents of insider trading in 2020

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 or the Company’s 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.

7 Port calls in the 20 lowest ranking countries (183) represented 2.5% of total port calls (7,349)
CORPORATE SOCIAL RESPONSIBILITY AND OUR PRINCIPLES

The Group’s 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 a part of, 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, and treat suppliers impartially and justly.

ESG DISCLOSURES

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>ACCOUNTING METRIC</th>
<th>UNIT OF MEASURE</th>
<th>DATA 2020</th>
<th>SASB CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>GREENHOUSE GAS EMISSIONS</td>
<td>CO₂ Emissions</td>
<td>Gross global Scope 1 emissions: Financial control approach¹</td>
<td>Metric tonnes CO₂e</td>
<td>1,550,271</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gross global Scope 2 emissions</td>
<td>Metric tonnes CO₂e</td>
<td>N/A²</td>
</tr>
<tr>
<td></td>
<td></td>
<td>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</td>
<td>Qualitative description</td>
<td>See pages 5-6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reporting on climate related risks and opportunities in line with the recommendations</td>
<td>Qualitative description</td>
<td>See pages 2-3, 6</td>
</tr>
<tr>
<td>Energy consumed³</td>
<td></td>
<td>Total energy consumed</td>
<td>Gigajoules (GJ)</td>
<td>21,579,913</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage of energy from heavy fuel (%)</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage of energy from renewable/low-carbon sources (%)</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>EEDI</td>
<td></td>
<td>Average Energy Efficiency Design Index (EEDI) for new ships</td>
<td>Grams of CO₂e per tonne-nautical mile</td>
<td>No new ships in 2020</td>
</tr>
<tr>
<td>AERiv</td>
<td></td>
<td>Average Efficiency Ratio (AER): weighted average</td>
<td>Grams of CO₂e per tonne-nautical mile</td>
<td>13.05</td>
</tr>
<tr>
<td>TOPIC</td>
<td>ACCOUNTING METRIC</td>
<td>UNIT OF MEASURE</td>
<td>DATA 2020</td>
<td>SASB CODE</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-----------------------------------------------</td>
<td>-----------------</td>
<td>-----------</td>
<td>------------</td>
</tr>
<tr>
<td><strong>BUSINESS ETHICS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lost time incident rate (LITR)</td>
<td>Rate</td>
<td>2.03</td>
<td>TR-MT-320a.1</td>
</tr>
<tr>
<td></td>
<td>Lost time incident frequency (LTIF)</td>
<td>Rate</td>
<td>0.85</td>
<td>Additional (GRI 403-9)</td>
</tr>
<tr>
<td></td>
<td>Number of calls at ports in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index</td>
<td>Number</td>
<td>183</td>
<td>TR-MT-510a.1</td>
</tr>
<tr>
<td></td>
<td>Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption</td>
<td>Reporting currency</td>
<td>0</td>
<td>TR-MT-510a.2</td>
</tr>
<tr>
<td><strong>ECOLOGICAL IMPACTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of travel days</td>
<td>Number</td>
<td>Not available</td>
<td>TR-MT-160a.1</td>
</tr>
<tr>
<td></td>
<td>Implemented ballast water</td>
<td>Number</td>
<td>0</td>
<td>TR-MT-160a.2</td>
</tr>
<tr>
<td></td>
<td>Spills and releases to the environment</td>
<td>Number</td>
<td>0</td>
<td>TR-MT-160a.3</td>
</tr>
<tr>
<td><strong>AIR QUALITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(1) NOx (excluding N2O)</td>
<td>Metric tonnes</td>
<td>34,722</td>
<td>TR-MT-120a.1</td>
</tr>
<tr>
<td></td>
<td>(2) SOx</td>
<td>Metric tonnes</td>
<td>4,845</td>
<td>TR-MT-120a.1</td>
</tr>
<tr>
<td></td>
<td>(3) particulate matter</td>
<td>Metric tonnes</td>
<td>Not available</td>
<td>TR-MT-120a.1</td>
</tr>
<tr>
<td><strong>TOPIC ACCOUNTING METRIC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ACTIVITY METRIC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of SHIPBOARD PERSONNEL</td>
<td>Number</td>
<td>1,216</td>
<td>TR-MT-000.A</td>
</tr>
<tr>
<td></td>
<td>TOTAL DISTANCE TRAVELLED BY VESSELS</td>
<td>Nautical miles (nm)</td>
<td>4,190,865</td>
<td>TR-MT-000.B</td>
</tr>
<tr>
<td></td>
<td>OPERATING DAYS</td>
<td>Days</td>
<td>23,441</td>
<td>TR-MT-000.C</td>
</tr>
<tr>
<td></td>
<td>DEADWEIGHT TONNAGE</td>
<td>Thousand deadweight tons</td>
<td>1,801</td>
<td>TR-MT-000.D</td>
</tr>
<tr>
<td></td>
<td>NUMBER OF VESSELS IN FLEET</td>
<td>Number</td>
<td>65</td>
<td>TR-MT-000.E</td>
</tr>
<tr>
<td></td>
<td>NUMBER OF VESSEL PORT CALLS</td>
<td>Number</td>
<td>7,349</td>
<td>TR-MT-000.F</td>
</tr>
<tr>
<td></td>
<td>TWENTY-FOOT EQUIVALENT UNIT (TEU) CAPACITY</td>
<td>TEU</td>
<td>131,243</td>
<td>TR-MT-000.G</td>
</tr>
<tr>
<td></td>
<td><strong>TOPIC ACCOUNTING METRIC</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Marine casualties</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Incidents</td>
<td>Number</td>
<td>0</td>
<td>TR-MT-540a.1</td>
</tr>
<tr>
<td></td>
<td>Very serious marine casualties</td>
<td>Percentage (%)</td>
<td>0%</td>
<td>TR-MT-540a.1</td>
</tr>
<tr>
<td><strong>Conditions of Class</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number of Conditions of Class or Recommendations</td>
<td>Number</td>
<td>Not disclosed</td>
<td>TR-MT-540a.2</td>
</tr>
<tr>
<td><strong>Port State Control</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(1) deficiencies</td>
<td>Rate</td>
<td>1.35</td>
<td>TR-MT-540a.3</td>
</tr>
<tr>
<td></td>
<td>(2) detentions</td>
<td>Number</td>
<td>1</td>
<td>TR-MT-540a.3</td>
</tr>
</tbody>
</table>

8 The Company may consider to disclose this information in future reports
DISCLAIMERS AND ASSUMPTIONS

Figures provided in this report are based on estimates outlined below. Figures provided as per the end of the financial year 2020 (December 31).

**CO₂ emissions**: Data for the Company’s vessels managed by Wilhelmsen Ahrenkiel Ship Management ("WASM"), including seven of the eight vessels operated in a 50/50 joint venture, are compiled from real-time performance platform Bluetracker One installed on each vessel. Data for vessels managed by Marlow Navigation Deutschland ("Marlow"), including the one remaining joint venture vessel, are calculated based on IMO emission factors and fuel consumed. The financial control approach has been applied for Scope 1 and also includes joint venture vessels.

**Gross global Scope 2 emissions**: Total office consumption is less than 50,000 kWh in 2020.

**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").

**Average Efficiency Ratio ("AER")**: Carbon intensity metric estimated based on fuel consumed, distance travelled (nm), and deadweight tonnage ("DWT").

**Other emissions to air**: NOₓ and SO₂ data for WASM and joint venture vessels are compiled from real-time performance platform Bluetracker One installed on each vessel. NOₓ and SO₂ data for Marlow vessels are estimated based on distance travelled (nm) and a tool developed by the Danish Shipowners’ Association for calculating emissions from bulk carrier vessels.

**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.

**Spills and releases to the environment**: Any overboard spills and releases – intentional or accidental – shall be reported, even if the quantity is low and i.e. only causes a thin film or slight sheen upon or discoloration of the surface of the water.

**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 2020.

**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.

**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.

**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.

**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 Recognized Organization 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.
# MATERIALITY MATRIX

| HIGH |
| Affect on stakeholder decision-making |
| LOW |

- Sulphur emissions
- Other air emissions
- Sanctions
- Other
- Tax transparency
- Other air emissions
- Potential non-compliance
- Port State Control
- Labour standards and human rights in the supply chain
- Seafarer welfare
- Sanctions
- Other emissions
- Financial practices
- Protection of the marine environment
- Marine casualties: Ship and crew incidents and accidents
- Spills and releases to the environment
- Direct emissions from consumption of fossil fuels
- Energy mix
- Climate-related risks
- Responsible ship recycling

*“We Grow Through What We Go Through”*

*Credit: Mea Ignacio, Deck Cadet, AS Carlotta at Port of Botany Bay Sydney, Australia, 13 January 2021*

*Credit: Czar Floyd J. Berzuela, Cook, AS Samanta en route to Savannah, Georgia (USA), 11 February 2021*
MPC Container Ships ASA

Visiting address: Munkedamsveien 45, N-0250 Oslo, Norway
Postal address: P.O. Box 1251 Vika, N-0110 Oslo, Norway
E-mail: contact@mpc-container.com

Credit: Pros M. Reoma, Chief Officer, AS Sicilia