

## **MPC Container Ships ASA: Corporate Social Responsibility**

Last amended and adopted by the Board of Directors  
on 23 March 2020

In order to achieve the company's objectives, it is essential that MPC Container Ships ASA ("**MPCC**" or the "**Company**") is trusted by society. As a corporation, we must be able to efficiently manage the challenges and requirements society imposes on our activities.

MPCC is engaged in the global marine transportation of containerised goods. The business activity of the Company is to invest in maritime assets with a particular focus on feeder container vessels, chartering out the vessels per time charter agreements, operate and sell them.

This report constitutes the Company's reporting according to the requirements of the Norwegian Accounting Act § 3-3c on social responsibility reporting.

### **Corporate responsibility and our principles**

Corporate responsibility shall be reflected in our core values, in the quality of our work and services, and in our entire range of activities. There must be coherence between what we say and what we do. MPCC shall:

- operate our business with integrity and respect laws, different cultures and human dignity;
- operate our business in accordance with fundamental human rights as enshrined in the United Nations Universal Declaration of Human Rights ([link](#)) and follow the standards of the International Labour Organization, which are guiding principles encouraged and implemented by the European Union;
- show consideration for the local communities in which we are a part of, the environment in which we operate, and emphasise spin-off effects of the Company's activities;
- 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; and
- meet public authorities and customers with insight, respect and understanding and in an open and appropriate manner, and treat suppliers impartially and justly.

### **Ethics**

The Company adheres to a Code of Conduct which requires our employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees must practice fair dealing, honesty and integrity in every aspect in dealing with other employees, business relations and customers, the public, the business community, shareholders, suppliers, competitors and government authorities.

When acting on behalf of MPCC, employees shall not take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or other unfair dealing practices.

The Company's Code of Conduct prohibits unlawful discrimination against our employees, shareholders, directors, customers and suppliers on account of ethnic or national origin, age, sex or religion. Respect for the individual is the cornerstone of the Company's policy. All persons shall be treated with dignity and respect and they shall not be unreasonably interfered with in the conduct of their duties and responsibilities.

No employee should be misguided by loyalty to MPCC or desire for the Company's profitability to disobey any applicable law or the Company's policy.

## Environmental impact

The international shipping industry is of great economic importance, with a majority of worldwide transported goods being carried out by ocean-going ships. Such economic impact also comes with an environmental footprint – particularly carbon and sulphur dioxides. This poses both risks and opportunities for the shipping industry due to its significance and potential role in optimising global supply chains for its customers. As in other industries, green strategies are about seizing opportunities and creating value for customers, shareholders and other stakeholders.

The industry is governed by a global and uniform regulatory framework created by the International Maritime Organization ("IMO"). The framework has significantly contributed in lessening the industry's impact on the environment by enforcing the adoption of certain technical and operational measures. One of the basic frameworks of the 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 Company is subject to international conventions and national, port state and local laws and regulations applicable to international waters and/or territorial waters of the countries in which our vessels may operate or are registered.

The environmental impact of our operations 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.

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. The last potential impact is waste produced by the vessels, discharge of untreated ballast water and potential spills of chemicals, bilge water and sludge etc. into the environment. Discharge of untreated ballast water may potentially introduce non-native organisms into marine environments worldwide.

MPCC is continuously working on optimising fleet operations in terms of e.g. speed/fuel consumption. The Company has retrofitted selected vessels with exhaust gas cleaning systems ("scrubbers") as one alternative measure to comply with the IMO's January 2020 sulphur emission cap regulation. Remaining vessels will operate on compliant low-sulphur fuel oils. Through participation in maritime environmental organisations such as the [Clean Shipping Alliance 2020](#) and the [Trident Alliance](#), MPCC aims to align our company with networks of like-minded industry peers and support efforts for sustainable shipping.

All of our vessels have ballast water treatment systems in place according to the IMO's Ballast Water Management Convention so as to prevent the spread of potentially harmful aquatic organisms and pathogens in the ships' ballast water.

The ship recycling industry supports the economy of many developing countries and functions as an important contributor to global sustainability by recycling metals and other components, hence extending the useful life of these resources. MPCC is committed to sustainable and socially responsible recycling of ships, thereby safeguarding the environment, human health and safety. Any recycling of owned vessels will be conducted in accordance with applicable laws and regulations, specifically in compliance with the requirements of 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.

The Company subcontracts performance of technical ship management services to firms that have environmental policies and procedures in place. Our aim is to conduct operations with the utmost regard for the safety of employees, the public, the environment and to meet or exceed the industry and customer's requirements. Third party managers are certified according to e.g. ISO 9001:2015 (Quality Management System) and ISO 14001:2015 (Environmental Management System), and are required to comply with applicable regulations, codes, guidelines and standards such as the IMO's ISM Code.

### **Quality, Health and Safety**

The Company's policy is to operate our business in a manner designed to protect the health and safety of our employees, customers, the public and the environment, and in accordance with all applicable environmental and safety laws and regulations so as to ensure the protection of the environment, our personnel and property.

Our employees should conduct themselves in a manner that is consistent with this policy. Any departure or suspected departure from this policy must be reported promptly.

MPCC shall be a professional and positive workplace with an inclusive working environment. All employees shall help to create a work environment free from any discrimination due to e.g. religion, skin colour, gender, sexual orientation, age, nationality, race and disability. We do not tolerate behaviour that can be perceived as degrading or threatening.

Seafarer crewing is subcontracted to third party ship managers who comply with e.g. the IMO's ISM Code, Safety of Life at Sea ("SOLAS") Convention, International Convention on Standards of Training, Certification and Watchkeeping for Seafarers as well as the ILO Maritime Labour Convention. Masters, officers and ratings must be qualified, certified and experienced in their duties. This 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.

### **Anti-corruption**

Value creation at MPCC must be achieved in compliance with our Code of Conduct and applicable legislation. The Company's overarching goal is to develop a corporate culture characterised by good judgement and the ability to deal with difficult situations. MPCC has zero tolerance for corruption, price-fixing agreements, market sharing or other practices that hamper free competition.

Our Code of Conduct describes the Company's standards and guidelines relating to key integrity issues. The management is responsible for communicating the MPCC Code of Conduct to every employee and making all employees who may be exposed to risk aware of the requirements in the anti-corruption and competition law manuals.

As part of the Company's due diligence procedures in connection with acquisitions and major investments, we assess the risk of becoming involved in breaches of anti-corruption and competition law. The Company will take necessary risk-mitigating actions to prevent independent business partners, including customers and joint venture partners, from participating in corruption or other illegal or unethical activities in connection with their business dealings with MPCC.

MPCC's anti-corruption policy includes the following principles:

- We do not tolerate active corruption (attempts to bribe others by e.g. offering or giving anything of value) or passive corruption (allowing oneself to be bribed by way of demanding, soliciting, receiving, accepting, etc. an offer of an improper advantage).
- Gifts must be made openly. They must not be made in the form of cash, must have a clear, legitimate basis in local business relationships and must have a minimal cash value.
- Expenses relating to travel, meals and events paid for customers or other persons must be clearly justified by business considerations, must be reasonable and well documented and must be paid openly.
- We do not tolerate acts of corruption carried out by our agents or representatives. Agents and other representatives acting on behalf of the Company must comply with the same anti-corruption standards as MPCC.
- MPCC must not make financial contributions to political campaigns or the like.