

# FY 2019 SUSTAINABILITY REPORT

## PREAMBLE

MPC Container Ships ASA (“MPCC” or the “Company”, together with its subsidiaries the “Group”) is a Oslo Stock Exchange-listed containership company specialising in the feeder segment. As of December 2019, the Group owns and operates 68 feeder container vessels with a carrying capacity of between 1,000 and 3,500 TEU. Of these, eight vessels are operated in a joint venture.

Our vessels are chartered out on time charter contracts to global liner shipping companies and regional carriers. Under such time charter contracts, the Group makes available the vessel and crew, and performs services related to the vessel’s operation. The charterer determines – and is responsible for – the vessel’s trading route, port calls, sailing speed, container stowage logistics and other operational matters. Voyage-related expenses, such as fuel costs and port fees, are covered by the charterer. The performance of crewing, commercial and technical ship management services are sub-contracted to third party ship managers. The Group remains responsible for the due performance of the services towards the ship-owning subsidiaries and the safety and well-being of seafarers serving aboard our vessels.

Container shipping is the dominant method of international transportation for a broad range of industrial and consumer goods, chemicals and foodstuff. Compared to other modes of long-distance commercial transportation, shipping is recognised as the most carbon-efficient alternative.<sup>1</sup> According to the third and latest greenhouse gas study conducted by the International Maritime Organization (“IMO”), international maritime shipping in 2007-2012 made up an average 2.8% p.a. of global greenhouse gas emissions.<sup>2</sup> In the years and decades to come, our industry will serve as an important contributor to the collective effort to drastically lower global greenhouse gas emissions, as still-increasing global trade and a continued reliance on containerised transportation will necessitate more energy-efficient and environmentally friendly vessel operations.

MPCC commenced operations in April 2017 and went on to rapidly expand our capital base, fleet and organisational structure throughout 2017-18. Having concluded 2019 as the Group’s first full year of operations post-growth, we deem it timely to premiere our sustainability reporting in a first effort to (i) furnish stakeholders with an understanding of the environmental and social consequences of our business operations, (ii) provide a standardised overview of our non-financial information, and (iii) support stakeholders’ risk assessments.

Our sustainability reporting will evolve in parallel with developing expectations towards – and maturing frameworks for – environmental, social and governance (“ESG”) reporting. Acknowledging ESG transparency as an integral part of driving change, we encourage an open dialogue with stakeholders on how to further improve the Group’s sustainable operations and information-sharing.

As a Oslo Stock Exchange-listed company, we follow the Euronext guidance on ESG reporting of January 2020.<sup>3</sup> The reporting process is based on the Global Reporting Initiative’s standards for corporate responsibility reporting (commonly referred to as the “GRI Standards”), the most widely used international framework for sustainability reporting.

This Sustainability Report and its data cover the period 1 January to 31 December 2019.

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<sup>1</sup> <http://www.worldshipping.org/industry-issues/environment/air-emissions/carbon-emissions>

<sup>2</sup> <http://www.imo.org/en/OurWork/Environment/PollutionPrevention/AirPollution/Pages/Greenhouse-Gas-Studies-2014.aspx>

<sup>3</sup> [https://www.oslobors.no/ob\\_eng/Oslo-Boers/Listing/Shares-equity-certificates-and-rights-to-shares/Oslo-Boers-and-Oslo-Axess/Guidelines-for-ESG-reporting](https://www.oslobors.no/ob_eng/Oslo-Boers/Listing/Shares-equity-certificates-and-rights-to-shares/Oslo-Boers-and-Oslo-Axess/Guidelines-for-ESG-reporting)

## ESG AWARENESS

In order to reach our objectives and maintain society's trust, MPCC must be able to efficiently manage the challenges and requirements society imposes on our activities. For the purpose of creating awareness of ESG matters and preserve the integrity of MPCC, our Board of Directors have resolved a Code of Conduct ([link](#)), a Corporate Social Responsibility Statement ([link](#)) and a series of management guidelines applicable to the Company's employees, directors, officers and agents. Further, the Group places great emphasis on cooperating with business partners that promote high standards of good business practice. As such, suppliers and service providers are required to adhere to MPCC's Business Partner Guideline ([link](#)).

Our Board of Directors has established a Risk & Audit Committee to act as a preparatory and advisory body for the Board of Directors and support the Board of Directors in the exercise of its responsibility for financial reporting, internal control and risk management.

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, MPCC is partnering with other ship owners, authorities and subject matter experts through collective initiatives such as the Maritime Anti-Corruption Network, the Clean Shipping Alliance 2020 and the Trident Alliance.



## MATERIALITY ANALYSIS

### Methodology

The Company has carried out a materiality analysis in order to define our principal stakeholders, being organisations and individuals that either significantly affect MPCC or are affected by our operations. The outcome of said analysis functions as the basis for this Sustainability Report. Prominent stakeholders and their interests have been defined in the below table, allowing MPCC to map and rank what risks and opportunities are most relevant for our value creation.

### Prominent stakeholders

Stakeholder group	Expectations towards the Company	Areas of dialogue	Actions by the Group
Board of Directors & sub-committees	<ul style="list-style-type: none"> <li>Sound corporate governance</li> <li>Transparency and communication</li> <li>Agile and responsive leadership</li> <li>Sustainable business model</li> <li>Create opportunities and monetise on industry trends</li> <li>Proactive risk management</li> </ul>	<ul style="list-style-type: none"> <li>Board of Directors and sub-committee meetings and briefs</li> <li>Ad-hoc proposals and approval requests in accordance with the Company's authority matrix</li> </ul>	<ul style="list-style-type: none"> <li>Board of Directors' / sub-committee meeting calendar</li> <li>Timely and frequent reporting</li> <li>Dedicated corporate functions, e.g. Corporate Secretary, Treasury, Risk Management &amp; Compliance Officer</li> <li>Dedicated asset management and market research functions</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Professional and positive workplace</li> <li>Secure jobs</li> <li>Equal treatment and fair terms of employment</li> <li>Financial hygiene</li> <li>Transparency (e.g. performance feedback and opportunities for development)</li> <li>Employer brand value</li> </ul>	<ul style="list-style-type: none"> <li>Company-wide and team-specific jour fixes each week</li> <li>Individual assessment meetings (annually and upon request)</li> <li>Social and sporting events in Norway and Germany</li> </ul>	<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Cross-border IT accessibility</li> <li>Empowerment of employees through flat hierarchy</li> <li>Engagement through company / employee assessments</li> <li>Clear communication of business strategy via Mission &amp; Vision Statements</li> </ul>

Stakeholder group	Expectations towards the Company	Areas of dialogue	Actions by the Group
Seafarers	<ul style="list-style-type: none"> <li>Safe and predictable work environment</li> <li>Commitment to health and safety</li> <li>Equal treatment and fair terms of employment</li> <li>Financial hygiene</li> </ul>	<ul style="list-style-type: none"> <li>Crewing outsourced to third parties, hence seafarer HR management handled by crewing managers</li> </ul>	<ul style="list-style-type: none"> <li>Ensure crew awareness of efficient and sustainable ship operations and conscious use of consumables</li> <li>Support crew by utilisation of riding gangs etc.</li> <li>To be prioritised: increase ship owner involvement in crew welfare</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>Value creation / return on investment</li> <li>Responsible and cost-efficient operations</li> <li>Prompt and transparent disclosures and financial reporting</li> <li>Sound corporate governance</li> <li>Regulatory compliance</li> <li>Sustainable business model</li> </ul>	<ul style="list-style-type: none"> <li>Annual / Extraordinary general meetings</li> <li>Quarterly financial reporting and earnings calls</li> <li>Regulatory / non-regulatory stock exchange disclosures</li> <li>Meetings with investors and analysts</li> <li>Company website and social media platforms</li> <li>Industry and investor conferences</li> </ul>	<ul style="list-style-type: none"> <li>Prioritise / award long-term, strategic decisions aimed at maximising expected shareholder value</li> <li>Align senior executives' incentives and risk with shareholders'</li> <li>Dividend policy</li> <li>Financial and ESG reporting</li> <li>Earnings call presentations and road shows</li> </ul>
Bondholders & debt providers	<ul style="list-style-type: none"> <li>Downside risk protection</li> <li>Proactive risk management</li> <li>Sound corporate governance</li> <li>Prompt and transparent disclosures and financial reporting</li> <li>Timely interest and debt repayments</li> <li>Sustainable business model</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly financial reporting and earnings calls</li> <li>Regulatory / non-regulatory stock exchange disclosures</li> <li>Meetings with investors and analysts</li> <li>Company website and social media platforms</li> <li>Industry and investor conferences</li> </ul>	<ul style="list-style-type: none"> <li>Financial and ESG reporting</li> <li>Earnings call presentations and road shows</li> </ul>
Charterers (Customers)	<ul style="list-style-type: none"> <li>Reliable and customisable service offering</li> <li>Safe and efficient vessel operations</li> <li>Good bilateral communication and performance reporting</li> <li>Transparent and trustworthy business partner</li> </ul>	<ul style="list-style-type: none"> <li>(Via commercial managers) On-going dialogue on e.g. quality of ship and ship management performance</li> </ul>	<ul style="list-style-type: none"> <li>Emphasis on vessel maintenance, safe and sustainable operations</li> <li>Act as a transparent and trustworthy business partner</li> <li>Add value by offering flexible / customised solutions</li> </ul>
Business partners / suppliers	<ul style="list-style-type: none"> <li>Fair and transparent collaboration</li> <li>Financial hygiene</li> <li>Clear communication on expectations, scope of collaboration, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Routine engagements (e.g. class societies, insurers and market analysts)</li> <li>Course of daily business</li> <li>Regular jour fixes with business partners of strategic relevance</li> </ul>	<ul style="list-style-type: none"> <li>Alignment of interests via Business Partner Guideline</li> <li>Impartially and justly treatment</li> </ul>
Civil society	<ul style="list-style-type: none"> <li>Business integrity</li> <li>Regulatory and human rights compliance</li> <li>Responsible, sustainable and transparent operations</li> </ul>	<ul style="list-style-type: none"> <li>Harbour-side / where vessels are operating</li> <li>Company website and social media platforms</li> <li>Regulatory / non-regulatory reporting via the Oslo Stock Exchange</li> <li>Industry and trade press</li> <li>Events (conferences, shipping sector panels etc.)</li> <li>Ad-hoc dialogue with e.g. NGO's and interest groups</li> </ul>	<ul style="list-style-type: none"> <li>Code of Conduct, corporate governance reports, Corporate Social Responsibility Statement and Business Partner Guideline</li> <li>Financial and ESG reporting</li> <li>Emphasis on safe and sustainable operations</li> <li>Show consideration for the local communities in which MPCC is part of</li> <li>Meet society with insight, respect and understanding</li> </ul>
Authorities	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Timely disclosures of (financial, tax, fuel emissions) reporting obligations</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory / non-regulatory stock exchange disclosures</li> <li>Financial, tax and fuel emissions reporting</li> <li>Port State Controls</li> <li>Class society reporting</li> <li>Flag state reporting</li> <li>EU MRV and IMO DCS reporting</li> </ul>	<ul style="list-style-type: none"> <li>Code of Conduct, corporate governance reports and Corporate Social Responsibility Statement</li> <li>"4 Eyes" principle</li> <li>Proactively monitor regulatory changes (seminars and workshops)</li> <li>Reliance on professional support from subject matter experts</li> </ul>

## Material topics

The identification of prominent stakeholders' interests and subsequent ranking of such topics by importance, in combination with rating the topics by relevance for the Company, has resulted in a set of material topics. In the following, for sake of ease, these matters have been clustered as either environmental, social or governance, and addressed separately. Relevant, industry-specific ESG key performance indicators ("KPIs") have been included where deemed appropriate and in so far available under operational data collection procedures being in place throughout 2019. In line with the rapid evolution of sustainability reporting, MPCC is already preparing for a more extensive ESG data collection and KPI disclosure pertaining to fiscal year 2020 (e.g. conditions of class, sulphur dioxide and nitrogen oxides emissions data).

## ENVIRONMENTAL TOPICS

	FY 2019
Greenhouse gas emissions (metric tonnes)	1,688,699
Number of reported overboard oil spills	0
Total vessel waste generated / disposed of (cubic meters)	5,000
Number of vessels with ballast water management systems	15

The shipping industry is governed by a global and uniform regulatory framework. This framework, created by the IMO, 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 Group 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.

### Greenhouse gas emissions and air pollution

Today, ocean-going vessels enable long-distance commercial transportation of approximately 90% of global trade, and is the world's most carbon-efficient mode of transportation. Nonetheless, pollution derived from maritime shipping is significantly impacting air and water quality. With increasing levels of international trade, so too is air pollution from ships. As a response, global emission standards are becoming more stringent. MARPOL Annex VI limits the main air pollutants originating from vessels' exhaust gas, including sulphur oxides and nitrogen oxides, and prohibits deliberate emissions of ozone-depleting substances. The NO<sub>x</sub> Emission Tier III standard in Emission Control Areas enforced from 2016 and the IMO's 0.5% global sulphur cap for marine fuel oils enforced from 2020 ("IMO 2020") both represents major advancements for the global shipping industry in terms of combatting pollution.

The increasing energy efficiency from vessel operations and the adhering reduction of greenhouse gas emissions carry both environmental and economic benefits, and is a key material topic for MPCC, the liner companies chartering our vessels and other stakeholders. During 2019, in preparation for IMO 2020, the Company made significant investments in retrofitting exhaust gas cleaning system aboard a selected ten vessels within our fleet whilst having the remaining 58 vessels undergo an extensive tank cleaning and fuel change-over programme.

The Company and our ship managers are working diligently with each vessel's Ship Energy Efficiency Management Plan to improve 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. During 2019, the MPCC fleet emitted a total of 1,688,699 metric tonnes of greenhouse gases.

In the years to come, in order to maintain an attractive and competitive fleet, the Company must seek to continuously optimise vessel performance and minimise the environmental impact of our business by proactively exploring viable options for pollutant emission reductions. To that end, the Company will continue its close collaboration with our ship managers and engage in sustainable shipping partnerships such as the Clean Shipping Alliance 2020 and the Trident Alliance, each a coalition of ship owners and operators supporting effective and transparent enforcement of the IMO 2020 for the benefit of the environment, human health and responsible businesses.

### **Land, water and acoustic pollution**

The shipping industry's environmental impact is caused not only by airborne pollutant emissions, but carries environmental and reputational risks also in the form of potential spills, discharges to land and water and through underwater-radiated anthropogenic noise. The Company aims to mitigate such risks by partnering with reputable third party technical and crewing ship managers that are certified according to ISO 9001:2015 and/or 14001:2015 (quality and environmental management systems) and that perform their duties in strict compliance with applicable environmental laws and regulations, e.g. the IMO's International Safety Management Code (the "ISM Code") for the safe management and operation of ships and pollution prevention.

With regards to underwater-radiated noise caused by commercial shipping and its effects on marine life, especially that of marine mammals, the Company is closely monitoring the on-going research carried out by the 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 the 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 in order to detect a potential for propeller and hull fouling and cleaning.

Ballast water is essential for safe and efficient shipping operations. However, the multitude of marine species carried in the 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. As of 31 December 2019, 15 out of our 68 vessels have installed ballast water treatment systems. A further eight installations are scheduled for 2020, while installations on remaining 43 vessels are planned for, and will occur in line with each vessel's triggering date of compliance.

The Company recognises that oil spills have long-lasting adverse impacts on ecosystems and that incidents may cause grave injuries and fatalities. Moreover, oil spills necessitates extensive recovery efforts and may entail reputational damage and economic fines. The Company did not record any material incidents relating to spills during 2019.

The prevention of pollution by garbage from ships is regulated by MARPOL's Annex V, which prohibits the discharge of most waste into the sea. Instead, regulated waste accumulated aboard a vessel is to be disposed of at designated port reception facilities. During 2019, the MPCC fleet discharged a total of 5,000 cubic meters of waste at port reception facilities world-wide.

## Ship recycling

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. As per 2019, the average age of the Group's fleet is approximately 13 years and the Group has not been involved in ship recycling activities. Any future recycling of owned vessels will be conducted in accordance with applicable laws and regulations, in particular 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.

## SOCIAL TOPICS

	FY 2019
Number of staff employed at the Group	20
Average number of seafarers working on board the Group vessels <sup>4</sup>	18.75
Fatalities	0
Lost Time Injury Frequency	3.01
Reported material incidents	1
Port State Control Deficiency ratio	1.25
Port State Control Detention ratio	0.01

### Health and safety conditions

Maritime transportation comes with inherent health and safety risks. Ensuring a safe working environment for both the crew serving on board our vessels and our onshore employees is of highest priority for MPCC and our stakeholders, and hence qualifies as a material topic. The Group's Code of Conduct and Business Partner Guideline outlines policies for ensuring employees and business partners conduct their duties and responsibilities in a manner designed to protect their health and safety and that of the Group's customers, the public and the environment, and in accordance with all applicable environmental and safety laws and regulations.

Our third party technical managers are certified according to the ISO 9001:2015 quality management system. Third party crewing agencies ensure employment of seafarers in accordance with the IMO's ISM Code and the SOLAS, STCW and International Labour Standards' Maritime Labour conventions.<sup>5</sup> Further, seafarers undergo regular mandatory and voluntary training.

The Group did not record any onshore or offshore fatalities during 2019, but had one material incident<sup>6</sup> occurring. This relates to our 2,800 TEU vessel Stadt Dresden (tbn AS Clara) who experienced a fire in an engine room compartment while in the port of Venice (Italy) on 16 February 2019. Following the incident, the crew took immediate action, sealing the engine room and filling it with CO<sub>2</sub> where after the fire was successfully extinguished. No injuries were reported following the incident, and all relevant authorities were informed. A first on-site report was prepared for MPCC the following day, and the vessel completed necessary repairs and recommenced operation soon thereafter.

<sup>4</sup> The Group has sub-contracted crewing to third party ship managers, but remains responsible for the safety and well-being of seafarers serving aboard our vessels. Seeing as the Group's fleet comprises several size segments, the required number of crew on board each vessel will vary.

<sup>5</sup> International Convention for the Safety of Life at Sea ("SOLAS"), International Convention on Standards of Training, Certification and Watchkeeping for Seafarers ("STCW").

<sup>6</sup> The Group defines an incident as "material" if our Emergency Response Team is summoned to address the situation.

During 2019, the Group's Lost Time Injury Frequency, being the number of work-related fatalities, lost workdays cases, permanent partial disabilities and permanent total disabilities per one million exposure hours, was 3.01. For the same period, the Group registered a Port State Control Deficiency ratio of 1.25 and a Port State Control Detention ratio of 0.01.

### Human rights

The Group conducts its business in accordance with fundamental human rights as enshrined in the United Nations Universal Declaration of Human Rights<sup>7</sup> and follow the standards of the International Labour Organization, which are guiding principles encouraged and implemented by the European Union. We advocate fair and equal opportunities and treatment for employees irrespective of ethnic or national origin, age, sex or religion. Through our Business Partner Guideline, our suppliers and service providers are required to adhere to the same standards of good business practice.

### Work environment

The Company's good name and the trust of stakeholders are two of our most important assets. Maintaining a professional and positive workplace is of paramount importance for protecting MPCC's reputation and increase employee engagement. In this regard, senior management places great emphasis on utilising MPCC's flat organisational structure to create an inclusive working environment and to ensure our employees are offered personal development, guidance and motivation.

At sea, our ship managers have put in place various voluntary measures aimed at addressing crew welfare. These include a cadet programme aimed at coaching and retaining crew, ensuring free and reliable internet access, furnishing the vessels' recreation rooms with sports equipment, karaoke machines and musical instruments, sponsoring monthly entertainment allowances, developing diet suggestion programmes in collaboration with chief cooks, and facilitating vessel visits for crew family members and church visits during shore leaves. Moreover, crew members may be offered loans and accelerated salary pay-outs to cater for special needs and unforeseen events.

Through the establishment of closed groups on social media platforms such as Facebook, ship managers have established a line of communication which has proven popular among seafarers for communicating e.g. working conditions, career planning and non-work-related topics.

## GOVERNANCE TOPICS

	FY 2019
Number of port calls in 20 lowest ranking countries in Transparency International's Corruption Perception Index	82
Monetary losses as a result of legal proceedings associated with bribery or corruption	0

### Agile and responsive company culture

As the vast majority of world trade is carried by sea, the shipping industry is widely regarded as a barometer of the global economy. Ship owners therefore need to stay on top of abrupt macroeconomic and geopolitical shifts, changes in trading patterns and technological, regulatory and political disruptions. Moreover, following the financial crisis, shipping has witnessed an increasingly tiered financing market where availability of funding both from traditional banks and alternative sources have been skewed towards top-tier ship owners whilst ship owning remains substantially capital-intensive.

<sup>7</sup> [https://www.ohchr.org/EN/UDHR/Documents/UDHR\\_Translations/eng.pdf](https://www.ohchr.org/EN/UDHR/Documents/UDHR_Translations/eng.pdf)

As of December 2019, the Group comprises 20 full-time employees located at offices in Oslo (Norway), Hamburg (Germany) and Amsterdam (The Netherlands).<sup>8</sup> We take great pride in our organisational build-up which today consists of a cohesive and close-knitted team of professionals, thus ensuring MPCC can maintain the necessary agility in response to fast-paced shipping markets.

### **Anti-corruption**

A level playing field is vital for sustainable and ethical business. MPCC's stakeholders expect transparency and tangible actions around our commercial operations, and the seafarers serving our vessels deserve a safe work environment. As such, business integrity has been emphasised as a material topic for the Group. Our stance on anti-corruption is laid out in our Code of Conduct, Corporate Social Responsibility Statement and Business Partner Guideline. We tolerate neither active (attempts to bribe others) nor passive corruption (allowing oneself to be bribed). Any demands for 'facilitation payments', i.e. payment of small amounts to civil servants, for example, in order to have routine services carried out, must be rejected firmly and clearly. Similarly, our ship managers and charterers impose anti-corruption and anti-bribery policies in varying shapes and forms, applicable for the crew operating the Group's chartered-out vessels.

Tackling systemic integrity challenges requires collective action. During the fall of 2019, MPCC joined 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 organisations 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.

During 2019, while on charter to our customers, 17 of the Group's 68 vessels made a total of 82 port calls in seven of the 20 lowest ranking countries in Transparency International's 2019 Corruption Perception Index.<sup>9</sup> During the same period, the Group did not register any monetary losses as a result of legal proceedings associated with bribery or corruption.

### **Business ethics**

The Group's Code of Conduct and Business Partner Guideline outlines policies for ensuring employees and business partners observe high standards of business and personal ethics in the conduct of their duties and responsibilities, and practice fair dealing, honesty and integrity in every aspect of dealing with others. 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. If an employee observes or becomes aware of a situation that he/she believes to be a violation of the Code of Conduct, said employee has an obligation to notify his/her immediate superior, the executive management or a member of the Board of Directors unless the Code of Conduct directs otherwise. Violations involving a manager should be reported directly to a member of the Board of Directors. If an employee reporting a violation wishes to remain anonymous, MPCC warrants to take all reasonable steps in order to keep the employee's identity confidential. All communications will be taken seriously and, if warranted, any reports of violations will be investigated.

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<sup>8</sup> The latter office was relocated to Rhooen (The Netherlands) in February 2020.

<sup>9</sup> Berbera (Somalia), Mukalla (Yemen), La Guaira and Puerto Cabello (Venezuela), Lafiteau and Port au Prince (Haiti), Bingazi, Al Khums, Misurata and Tripoli (Libya), Kâmpóng Saôm (Cambodia), Corinto (Nicaragua).



**Sound corporate governance and proactive risk management**

An a Oslo Stock Exchange-listed company, MPCC 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 MPCC's Business Partner Guideline. Further, the Company perform business partner checks, including sanctions and bad press screenings, on counterparties of strategic, financial or reputational relevance.