

ESG REPORT

2020



MPC Container Ships

(the "Company", together with its subsidiaries the "Group") is an Oslo Stock Exchange-listed containership company specialising in serving intra-regional trade lanes. As per 31 December 2020, the Group owns and operates 65 feeder container vessels with a carrying capacity of 131,243 TEU. Of these, eight vessels are operated in a joint venture.



MESSAGE FROM OUR CEO

We play an instrumental role in moving global trade

The Group is a global container tonnage provider serving intra-regional trade routes. Our vessels are chartered out on time chartercontracts 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 subcontracted 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.

Our ESG report follows SASB, GRI and NSA reporting requirements

The Company commenced operations in 2017. Our first sustainability report on environmental, social and governance ("ESG") performance was published in March 2020 and covered calendar year 2019, the first year of full operations following a period of rapid fleet and operational growth in 2017-18. This report

presents our ESG performance for the calendar year 2020. The material topics included in the report are selected based on stakeholder feedback and an analysis of the significance of the impacts for each topic. Our approach to determining material topics is aligned with the Global Reporting Initiative ("GRI") Standards' materiality principle. The report includes disclosures which meet the Norwegian Shipowners' Association's ("NSA") reporting requirements and the Sustainability Accounting Standards Board's ("SASB") Marine Transportation Standard. 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 the Group's ESG performance.

We support IMO's climate ambitions

Container shipping is the dominant method of international transportation for a broad range of industrial and consumer goods. As global trade in the foreseeable future will rely on container shipping, there will be an increased need for more energy-efficient and environmentally friendly vessel operations. The International Maritime Organization ("IMO") has set forth a climate change strategy towards 2050, with the ambition of reducing greenhouse gas ("GHG") emissions per transport work by at least 50% and energy efficiency by 70% compared to 2008 levels.

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. Likewise, our ship managers are engaged in multi-stakeholder groups for the purpose of ensuring a more sustainable maritime industry such as the Sustainable Shipping Initiative and the Container Ship Safety Forum.



The Company will work with our partners and stakeholders to contribute to the collective effort to drastically lower global GHG emissions. We believe that solid ESG management is critical to remain a trusted and competitive partner.

Our response to COVID-19

Since the start of 2020, most of the world has been affected by the exceptional challenges brought about by the outbreak of the COVID-19 pandemic. A great 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. Others have been unable to commence their scheduled crew service due to local COVID-19 prevention measures, leaving them without work.

Throughout a difficult working environment, in close cooperation with our ship managers and charterers, the Group has made significant efforts to put in place measures to lessen the impact on our crews. I am proud to experience how we responded to this global crisis by showing resilience, innovation and a natural willingness to care for colleagues whilst serving customers and stakeholders.

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 Back

CEO
MPC Container Ships ASA

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ESG MANAGEMENT AT MPC CONTAINER SHIPS



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 Guideline¹ – 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.² 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.

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ENVIRONMENT

Credit: Murashko Denys, Chief Officer, AS Rafaela

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-guideline

² International Safety Management Code (the "ISM Code"), International Convention for the Safety of Life at Sea ("SOLAS"), International Convention on Standards of Training, Certification and Watchkeeping for Seafarers ("STCW")

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.



"The Light in the Dark".

Credit: Mea Ignacio, Deck Cadet, AS Carlotta en route to Shanghai, China, 6 January 2021



SPILLS, DISCHARGES AND ECOLOGICAL IMPACT

Environmental impacts from shipping include airborne pollutant emissions and the risk of potential spills, discharges to land and water, and underwater-radiated noise.

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.³ 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 adapt to local regulation. Moreover, our ship managers adhere to sustainable procurement and the Group focuses on consolidating supply shipments, ISO certification of suppliers and local sourcing to the extent possible.

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.

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.

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 companies globally. The Group has direct access to, and full transparency concerning, all offloaded waste streams per vessel. During 2020, the Company's fleet discharged a total of 21,614 cubic meters of garbage at port reception facilities world-wide (2019: 19,818 cubic meters).

Promoting marine pollution mapping and clean-up

People who work and play on the ocean care deeply about its health and future. The Group's 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.

The Company 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 app is currently in beta testing amongst volunteers on board a selection of the Group's vessels and other commercial ships, and will be made available to the general public in due course.⁴

	2020	2019
Sludge	14,722	13,378
Oily/Bilge water	1,802	1,621
Garbage	4,943	4,622
Sewage	147	198
Total compliant waste disposal	21,614	19,818

³ See www.imo.org/en/OurWork/HumanElement/Pages/ISMCode.aspx

⁴ See www.eyesea.org

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.

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

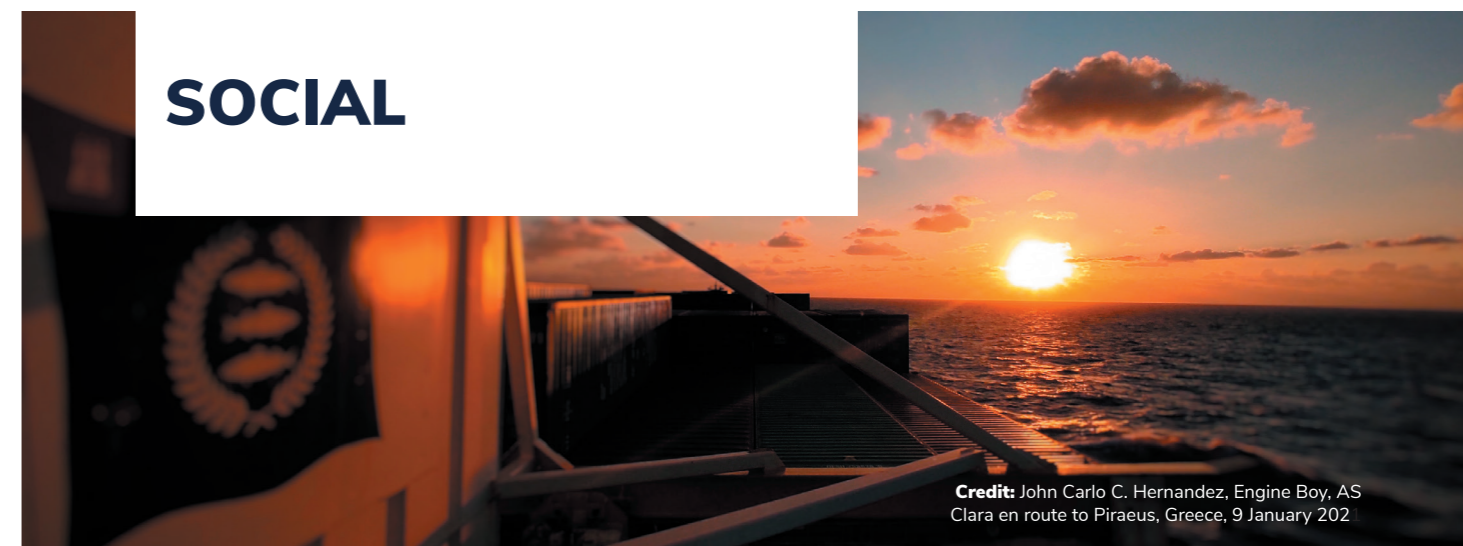
Convention for the Safe and Environmentally Sound Recycling of Ships, the Basel Convention on the Control of the Transboundary Movements of Hazardous Wastes and their Disposal and, where applicable, the EU Ship Recycling Regulation.

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.



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SOCIAL



Credit: John Carlo C. Hernandez, Engine Boy, AS Clara en route to Piraeus, Greece, 9 January 202

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.

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")⁵ 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.



Credit: John Carlo C. Hernandez, Engine Boy, AS Clara outside of Trieste, Italy, 6 February 2021

OCCUPATIONAL HEALTH AND SAFETY

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 the highest priority for the Company and our stakeholders.

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, primo 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.

	2020	2019
Lost Time Incident Frequency	0.85	3.01
Lost Time Incident Rate	2.03	2.72
Material Health & Safety Incidents	0	0
Port State Control Deficiency Ratio	1.35	1.25
Port State Control Detention Ratio	0.01	0.01
Onshore or offshore fatalities	0	0

⁵ <https://www.globalmaritimeforum.org/neptune-declaration/>

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.

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



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

Number of Group employees in each employee category				
Male	Female	Under 30 years old	30-50 years old	Over 50 years old
90.0%	10.0%	5%	90%	5%

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

Number of seafarers in each employee category				
Male	Female	Under 30 years old	30-50 years old	Over 50 years old
99.6%	0.4%	38.6%	50.2%	11.3%

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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.⁶

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.

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 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 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.⁷ During the same period, the Group did not register any monetary losses as a result of legal proceedings associated with bribery or corruption.

⁷ Port calls in the 20 lowest ranking countries (183) represented 2.5% of total port calls (7,349)

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.

All communications are taken seriously and, if warranted, any reports of violations are investigated. No whistleblowing incidents were recorded during 2020. The Company does not retaliate, or allow retaliation, in respect of any reports made by an employee in good faith.

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.

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

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2020	SASB CODE
GREENHOUSE GAS EMISSIONS	CO₂ Emissions			
	Gross global Scope 1 emissions: Financial control approach ⁱ	Metric tonnes CO ₂ e	1,550,271	TR-MT-110a.1
	Gross global Scope 2 emissions	Metric tonnes CO ₂ e	N/A ⁱⁱ	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	See pages 5-6	TR-MT-110a.2
	Reporting on climate related risks and opportunities in line with the recommendations	Qualitative description	See pages 2-3, 6	Additional (GRI 305-2)
	Energy consumedⁱⁱⁱ			
	Total energy consumed	Gigajoules (GJ)	21,579,913	TR-MT-110a.3
		Percentage of energy from heavy fuel (%)	86%	
		Percentage of energy from renewable/low-carbon sources (%)	0%	
	EEDI			
Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO ₂ e per tonne-nautical mile	No new ships in 2020	TR-MT-110a.4	
AER^{iv}				
Average Efficiency Ratio (AER): weighted average	Grams of CO ₂ e per tonne-nautical mile	13.05	Additional	

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2020	SASB CODE
AIR QUALITY	Other emissions to air ^v			
	(1) NO _x (excluding N ₂ O)	Metric tonnes	34,722	TR-MT-120a.1
	(2) SO _x	Metric tonnes	4,845	
	(3) particulate matter	Metric tonnes	Not available	
ECOLOGICAL IMPACTS	Marine protected areas ^{vi}			
	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	Not available	TR-MT-160a.1
	Implemented ballast water ^{vii}			
	(1) exchange	Percentage (%)	66%	TR-MT-160a.2
	(2) treatment	Percentage (%)	34%	
	Spills and releases to the environment ^{viii}			
	(1) number	Number	0	TR-MT-160a.3
(2) aggregate volume	Cubic meters (m ³)	0		
BUSINESS ETHICS	Corruption index ^{ix}			
	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	183	TR-MT-510a.1
	Corruption ^x			
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	TR-MT-510a.2
EMPLOYEE HEALTH & SAFETY	Lost time incident rate ^{xi}			
	Lost time incident rate (LTIR)	Rate	2.03	TR-MT-320a.1
	Lost time incident frequency (LTIF)	Rate	0.85	Additional (GRI 403-9)

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2020	SASB CODE
ACCIDENT & SAFETY MANAGEMENT	Marine casualties ^{xiii}			
	Incidents	Number	0	TR-MT-540a.1
	Very serious marine casualties	Percentage (%)	0%	
	Conditions of Class ^{xiii}			
	Number of Conditions of Class or Recommendations	Number	Not disclosed ⁸	TR-MT-540a.2
	Port State Control ^{xiv}			
	(1) deficiencies	Rate	1.35	TR-MT-540a.3
(2) detentions	Number	1		

ACTIVITY METRIC	UNIT OF MEASURE	DATA	CODE
NUMBER OF SHIPBOARD PERSONNEL	Number	1,216	TR-MT-000.A
TOTAL DISTANCE TRAVELLED BY VESSELS	Nautical miles (nm)	4,190,865	TR-MT-000.B
OPERATING DAYS	Days	23,441	TR-MT-000.C
DEADWEIGHT TONNAGE	Thousand deadweight tons	1,801	TR-MT-000.D
NUMBER OF VESSELS IN FLEET	Number	65	TR-MT-000.E
NUMBER OF VESSEL PORT CALLS	Number	7,349	TR-MT-000.F
TWENTY-FOOT EQUIVALENT UNIT (TEU) CAPACITY	TEU	131,243	TR-MT-000.G

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).

ⁱ**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.

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

ⁱⁱⁱ**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").

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

^v**Other emissions to air:** NO_x and SO_x data for WASM and joint venture vessels are compiled from real-time performance platform Bluetracker One installed on each vessel. NO_x and SO_x 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.

^{vi}**Marine protected areas:** Information on shipping duration in marine protected areas was not available for the reporting period as it requires extensive data mining. The Company may consider reporting on this indicator in the future.

^{vii}**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.

^{viii}**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.

^{ix}**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.

^x**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.

^{xii}**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.

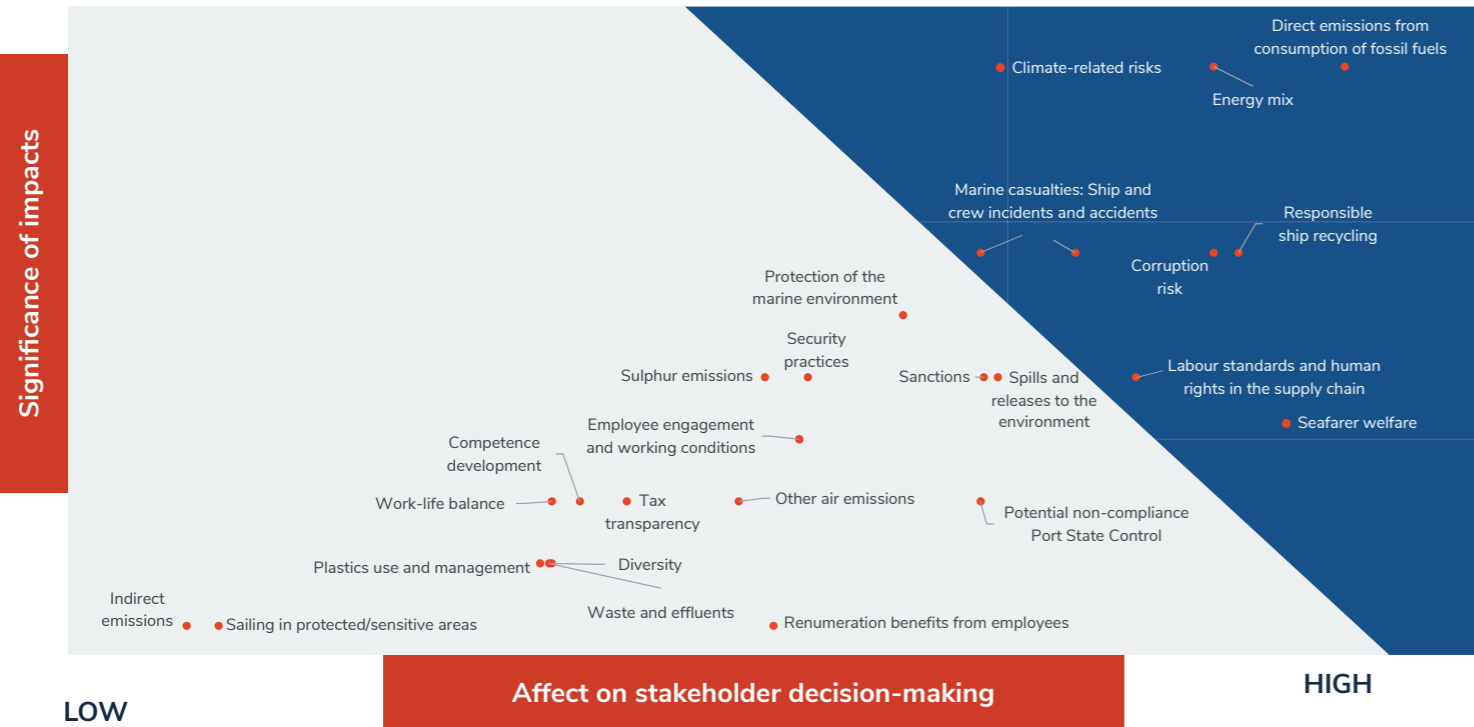
^{xiii}**Conditions of class:** The data provided represents the number of Conditions of Class or Recommendations the Group's vessels have received from a Flag Administration or a Recognized Organization that has been delegated the authority to issue such findings. The scope of disclosure includes all Conditions of Class regardless of whether they resulted in withdrawal, suspension, or invalidation of a vessel's Class certificate.

^{xiv}**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.

MATERIALITY MATRIX

"We Grow Through What We Go Through".
Credit: Mea Ignacio, Deck Cadet, AS Carlotta at Port of Botany Bay Sydney, Australia, 12 January 2021

HIGH



LOW

HIGH

Affect on stakeholder decision-making

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



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