danaos
DANAOS CORPORATION

ESG Report

2022

danaos
SHIPPING CO LTD

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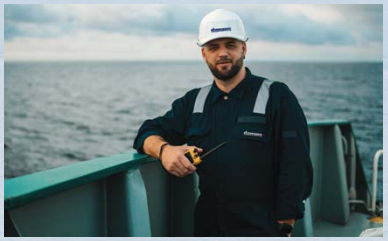

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Message From The Company's Management

We need a common vision for a truly sustainable future. The truly value-generating enterprise is one from which everyone can benefit. This is about responsible long- term management: what we used to call simple "good business".

We believe that the purpose of business is to solve the problems of the people and the planet profitably, rather than profit from causing problems. Concretely, businesses should seek rapid progress on reducing their carbon emissions and extricating themselves from the economy of disposable consumption. Consumers are already crying out for more environmental alternatives. Smart companies will not be left behind by this trend.

The pathway towards decarbonization of the shipping industry requires synergies and initiatives from all related stakeholders. One of the biggest challenges is the availability and cost of green fuels in the future. In Danaos we have accelerated our energy transition, investing in 6 methanol-ready container vessels to be delivered in 2024, with a view to use green methanol when same is available.

In Danaos our ESG policy is the core of our strategy. We are on the right track to achieve our core commitments for 2025, in the environmental, social and governance dimensions as stipulated in this report.

Our mission is to provide efficient, safe, and sustainable transportation of consumers goods, it is therefore necessary to carefully balance between reducing carbon emissions and maintain efficient transportation of consumers' goods.

The business community should welcome sensible regulation to stimulate healthy competition. Even the invisible hand sometimes needs a nudge from an Editor.

We, being corporate leaders, are now facing the requirements of sustainable growth creating value for all, shareholders, employees, and society.

Dr. John Coustas

Chairman, President & CEO

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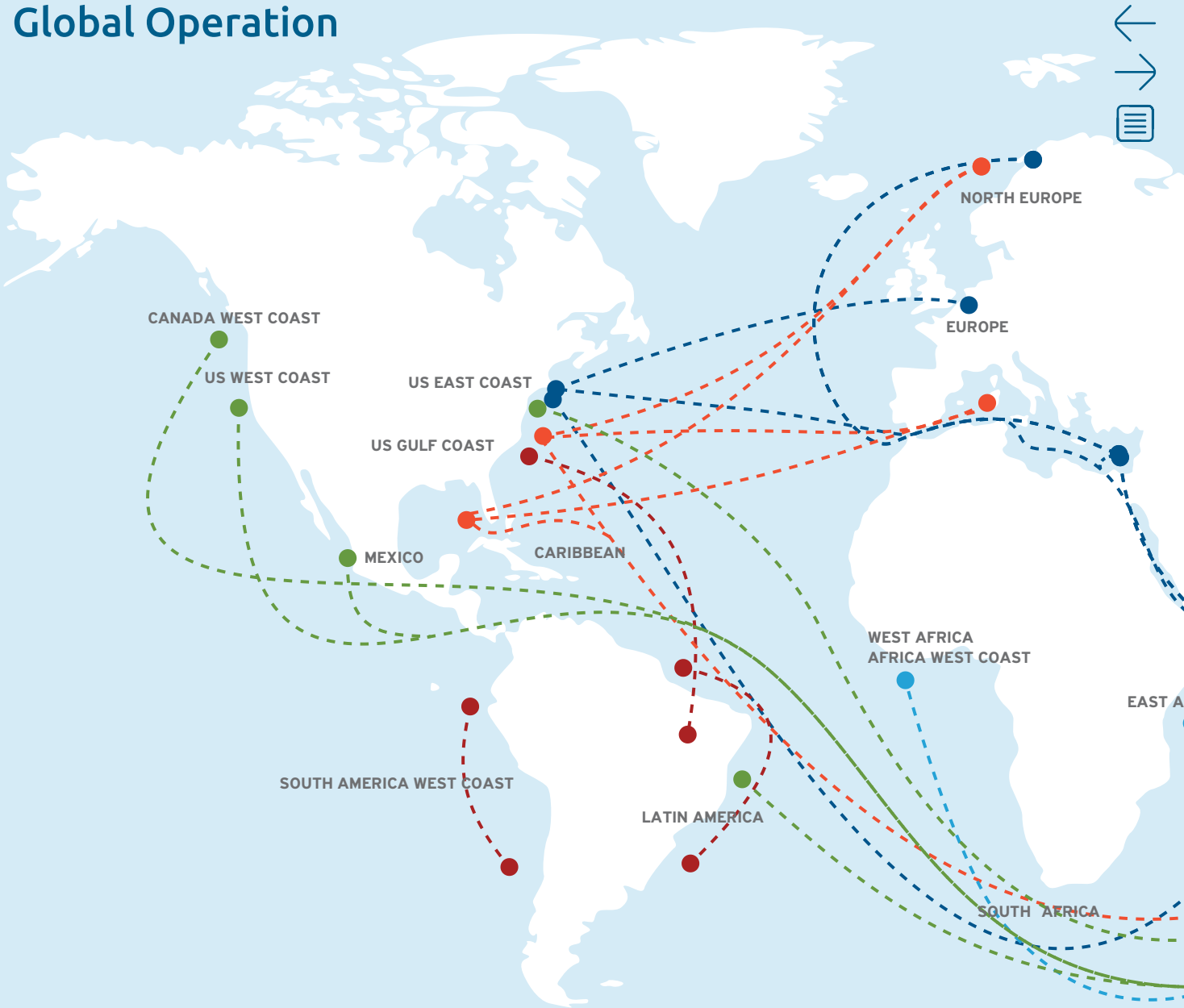
Global Operation



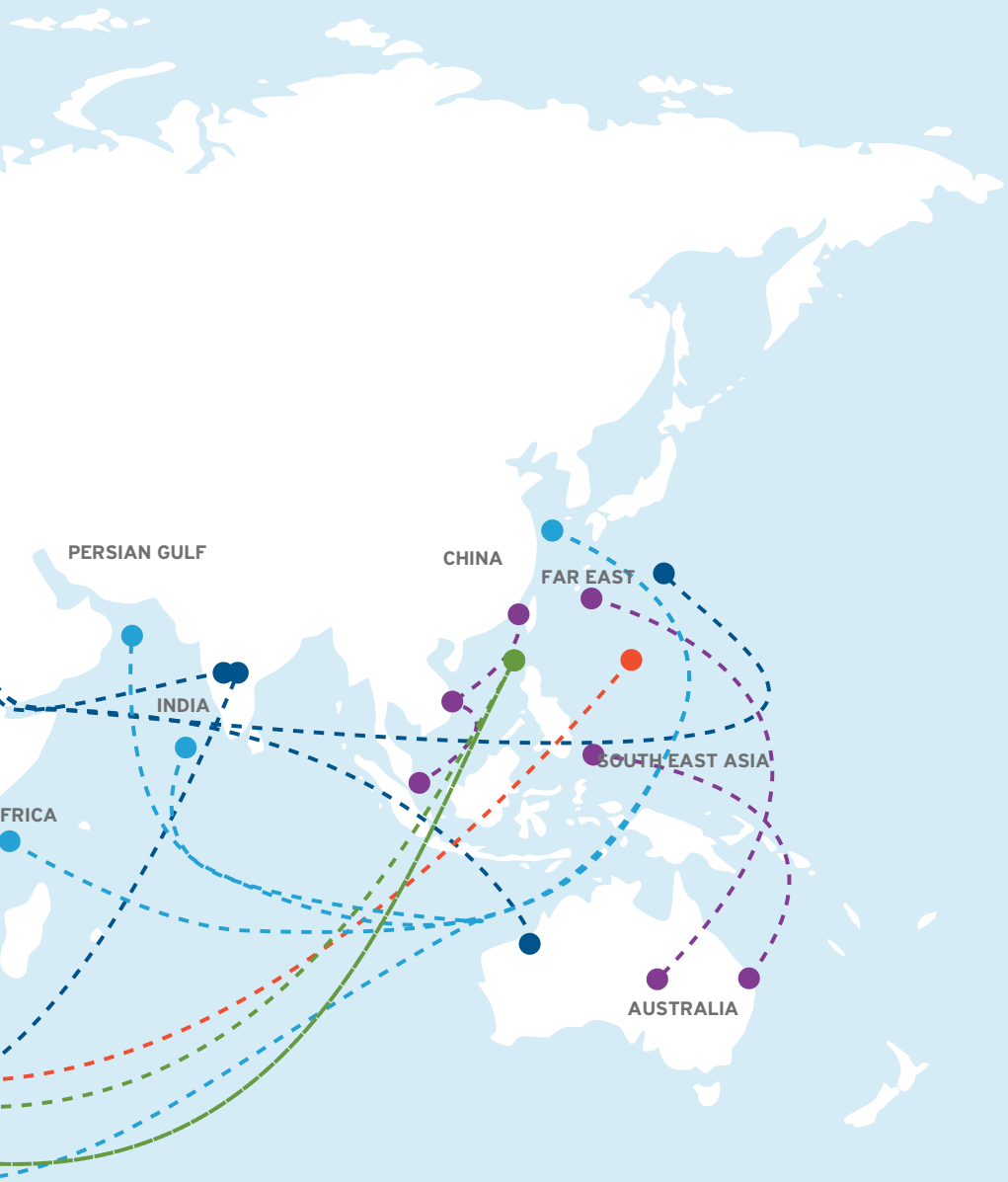
2022 at a glance

69
Vessels

24,509
Operating Days

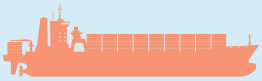
5
Offices

5,846,487
nm Distance Traveled



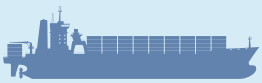
- FAR EAST – U.S. EAST COAST
- FAR EAST – U.S. WEST COAST
- FAR EAST – MEXICO WEST COAST
- FAR EAST – LATIN AMERICA

- FAR EAST – EAST AFRICA
- FAR EAST – WEST AFRICA
- FAR EAST - INDIA
- FAR EAST - PERSIAN GULF

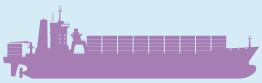


- NORTH EUROPE- U.S. EAST COAST – US GULF
- MED - U.S. EAST COAST
- MED – MEXICO – U.S. GULF
- U.S. GULF – U.S. EAST COAST – FAR EAST

- LATIN AMERICA – U.S. EAST COAST
- INTRA-SOUTH AMERICA WEST COAST
- EAST COAST SOUTH AMERICA



- NORTH EUROPE – MED – FAR EAST
- NORTH EUROPE – MED – AUSTRALIA
- EUROPE – U.S. EAST COAST
- INDIA SUBCONTINENT – U.S. EAST COAST
- INDIA – MIDDLE EAST ASIA – U.S. EAST COAST



- SOUTHEAST ASIA -AUSTRALIA
- INTRA-ASIA
- FAR EAST - AUSTRALIA

127
Shore Employees

5,088,623
DWT

1,435
Seafarers

426,160
TEU

4,090
Port Calls

HIGHLIGHTS 2022

ENVIRONMENTAL

20%
Of fleet complying with the Poseidon Principles

1,106,649
Fuel Consumption – HFO-LSFO (MT)

54,720
Fuel Consumption – MGO (MT)

7,165
Fuel Consumption – Biofuel (MT)

31.9%
Fuel Consumption – Power Efficiency Index
(*For 63 vessels)

8.46
AER Value (gr/DWT*miles)

42.6%
Reduction in CO_2 emissions per ton miles compared with the IMO' 2030 carbon intensity targets

9,809
Emissions SO_x (tn SO_x)

0.04
SO_x Eff (grSO_x/tn miles)

110,404
NO_x (tn NO_x)

0.47
NO_x Eff (grNO_x/tn miles)

15.68
GHG Emissions Intensity (grCO_2/tn miles)

3,675,991
Scope 1 Emissions (MT CO_2eq.)

473.7
Scope 2 Emissions (MT CO_2eq.)

330,655
Scope 3 Emissions (MT CO_2eq.)*

22.1
Total Freon Capacity (tns)

2.1%
Total Freon Losses (%)

2,021
Plastics Recycling (m^3)

11% increase vs. '21
(Lower than 2019)
Consumption of A4 sheets

12
Cooking Oil Recycling (m3)

70
E-Waste Recycling (m3)

23
Ashes (m3)

11% (decrease)
Ballast Exchange compared to last year

12% (decrease)
Change in FO consumption per ton of ballast exchange compared to last year

**Scope 3 emissions concern values received so far from our partners*

HIGHLIGHTS 2022

SOCIAL

127
Office employees[1]

1,435
Seafarers[2]

20
Employee Hires

0
Contractors

44%
% Of Women Employees

22.7%
Of Women in Managerial Positions

90%
Average retention rate (office employees)

81.2%
Average retention rate (crew)

1,397
Training hours (office employees)

4,966
Training hours (crew)

None
Marine casualties

23
LTIs

1.84
LTIF Rate

287
Near Misses Reports

[1]All office employees are working full time and on permanent basis.

[2]All seafarers are on a contract basis.

GOVERNANCE - OPERATIONS

5
Offices

69
Vessels

24,509
Operating Days

5,088,623
DWT

5,846,487
Distance Travelled

426,160
TEU

4,090
Port Calls

18
Material Topics

8
Internal policies, codes, guidelines

4
Committees

6
Board Members

4
Independent Board Members

0.2%
Port calls in countries in the 20 lowest rankings of Transparency International's Corruption Perception Index (CPI)

0
Briberies, fraud, corruption incidents

50
Internal Assurance Audits

0
Material weaknesses or significant deficiencies were identified through internal assurance or external financial audits

76
Internal audits (ISM/ISPS related)

21
Third party audits (ISM/ISPS related)

5
MLC inspections

67%
Inspections without deficiency

2.32
Inspections per Vessel

0.90
Deficiency/Inspection

0.26%
ISM related

Our Profile

Purpose of the report

Welcome to the **Danaos Corporation's ESG report**. This report reflects our ongoing commitment to sustainability, a commitment that was first formalized in 2018 with the publication of our initial ESG report for fiscal year 2017. Since then, we have maintained this cycle of integration, demonstrating our commitment to exceed the **International Maritime Organization's (IMO) GHG emission target** and adhere to the **United Nations' Sustainable Development Goals (UN SDGs)**. We strive to meet our stakeholders' expectations and interests transparently and thoroughly as part of our ESG strategy.

The year 2022 marked a significant milestone of our journey with the establishment of the **ESG Committee**, by our Board of Directors, that has been instrumental in guiding our sustainability efforts.For the first time, we disclosed our climate change strategies to the **Carbon Disclosure Project (CDP)**, earning a **C rating**. Our diligent efforts in supplier engagement were also recognized with a **CDP Supplier evaluation B-score**, a score above the marine transport sector's average. Simultaneously, we developed our **Low Carbon Transition Plan**. This strategic roadmap outlines our path to a future with significantly lower carbon emissions and showcases our dedication to climate initiatives. It also sets clear milestones towards achieving **carbon neutrality**. In addition, we have been collaborating with the **Science Based Targets initiative (SBTi)** to align our emission reduction targets with the ambitious **1.5°C target**.

This report presents an overview of our annual performance, **ESG strategy, and targets**. It encompasses our extensive commitments and initiatives to support our employees, suppliers, customers, and the communities where we operate globally. We share our 2022 **environmental, social, safety, and governance performance**, along with key events and achievements of our teams worldwide throughout the year. Danaos Corporation operates on three fundamental pillars: **efficiency, safety, and reliability**. These principles guide us in creating value for our stakeholders while pursuing environmentally responsible and sustainable solutions. The **ESG 2022** report is a source of pride as it highlights our wide-ranging commitments and initiatives that support all our stakeholders.

About Danaos Corporation

Danaos Corporation is one of the largest independent owners of modern, large-size containerships. Our fleet is chartered to many of the world's largest liner companies on fixed-rate charters. Our current fleet of 74 containerships aggregating 467,493 TEUs, which includes 6 containerships on order aggregating 46,200 TEU with scheduled deliveries in 2024, ranks Danaos among the largest containership charter owners in the world based on total TEU capacity. Our fleet is chartered to many of the world's largest liner companies on fixed-rate charters. Danaos Corporation's shares trade on the New York Stock Exchange under the symbol "DAC".

Our distinct edge in advanced shipping technology and long track record of safety, efficiency, and environmental responsibility has helped us forge lasting relationships with our customers. Our customers portfolio includes CMA-CGM, Hyundai Merchant Marine ("HMM"), MSC, Yang Ming, Hapag Lloyd, ZIM, Maersk, COSCO, OOCL, ONE, PIL, KMTC, Niledutch, Samudera, SITC, RifLine, OSC and TS Lines.

Danaos Corporation principal executive offices are in Piraeus, Greece and owns crewing offices in Cyprus, Russia, Ukraine, and site office in South Korea (Republic of Korea).

Our Board of Directors and Executive Officers provide strategic management for our company, while also supervising the management of these operations by Danaos Shipping Co. Limited, our exclusive Manager. Danaos Corporation has a management agreement with our exclusive manager Danaos Shipping for the provision of administrative, technical, and certain commercial management services.

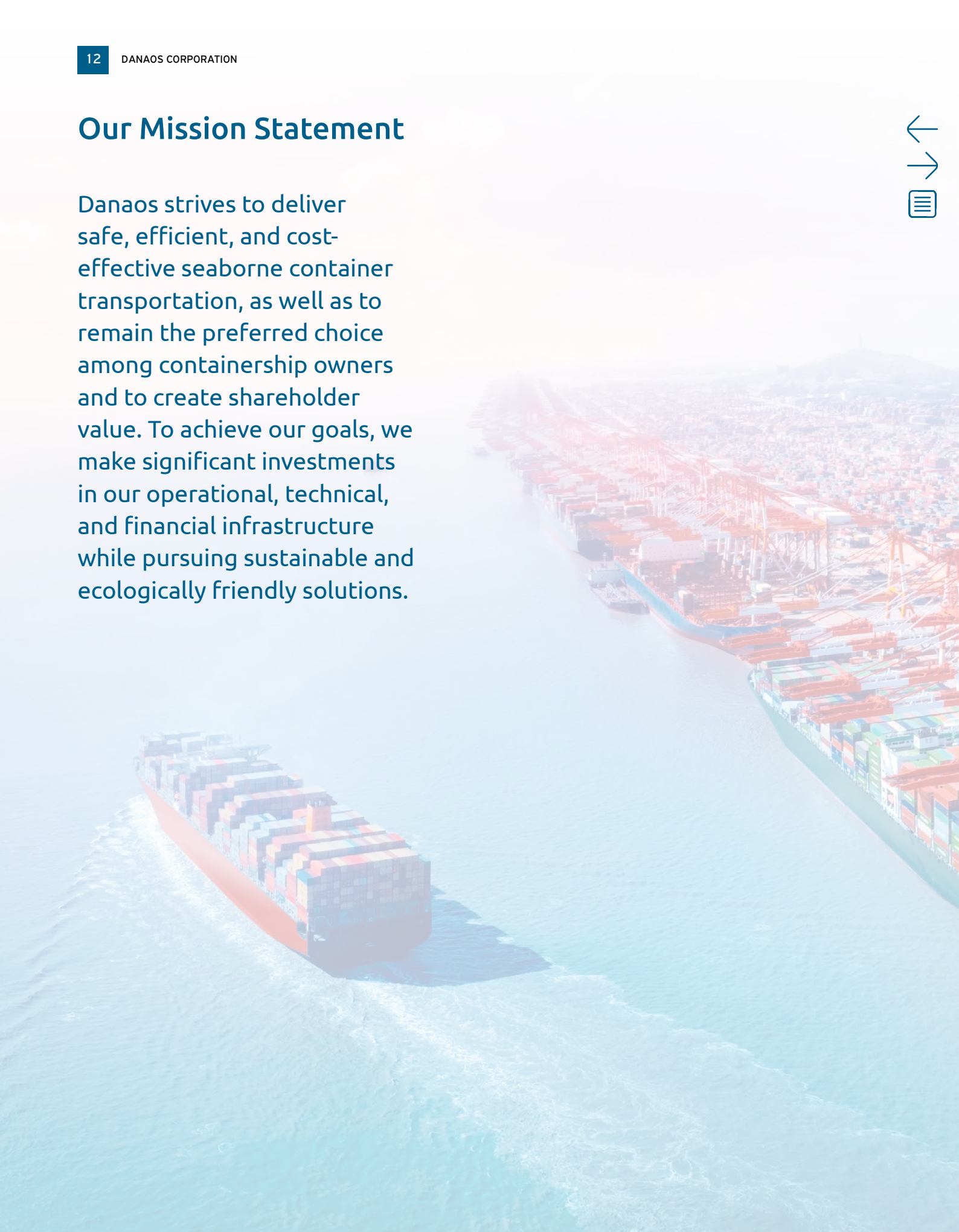
Danaos Corporation, through the management agreement has shared and embedded its ESG commitments and goals to Danaos Shipping that is tasked with the proper implementation of these commitments and goals, using specific measurable metrics to track, monitor, assess and communicate the success or failure of our objectives. This is a Danaos Corporation report along with its subsidiaries[3] and affiliates, including its exclusive Manager Danaos Shipping Co. Limited, to be called collectively as "Danaos" or the "Company" or "we".

[3] As referred within the Annual Report of Danaos Corporation https://www.danaos.com/investors/financial-information/annual-reports/default.aspx

Our current fleet of **74** containerships aggregating **467,493 TEUs**, which includes 6 containerships on order aggregating **46,200 TEU** with scheduled deliveries in 2024, ranks Danaos among the largest containership charter owners in the world based on total TEU capacity.

Our Mission Statement

Danaos strives to deliver safe, efficient, and cost-effective seaborne container transportation, as well as to remain the preferred choice among containership owners and to create shareholder value. To achieve our goals, we make significant investments in our operational, technical, and financial infrastructure while pursuing sustainable and ecologically friendly solutions.



Our Vision – Our Values

Enhancing the training of all personnel. We believe in training and engaging our personnel both in the office and onboard.

Fully integrating operations and organizational strategy. Our operations are fully aligned with our strategy, we align planning and actions.

Actively participating or leading research & the development of projects. We believe in the value of research.

Promoting company culture and bonding on all personnel on board. We believe in teamwork and have a culture that supports bonding.

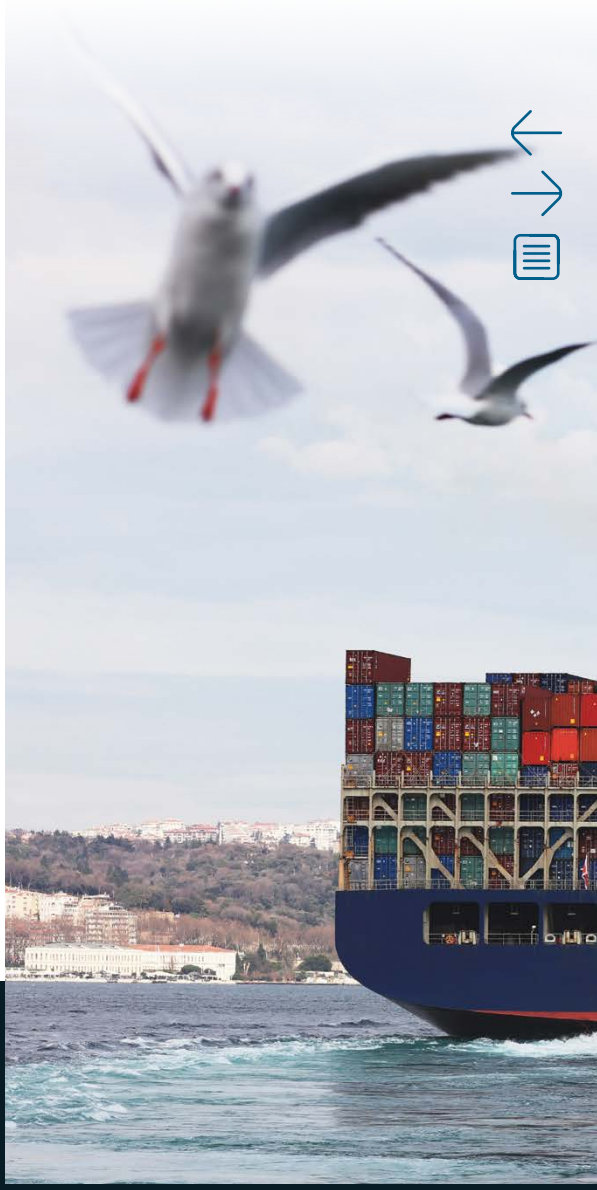
Building competitive advantages to become the leader in our sector. We want to be leaders in the sector.

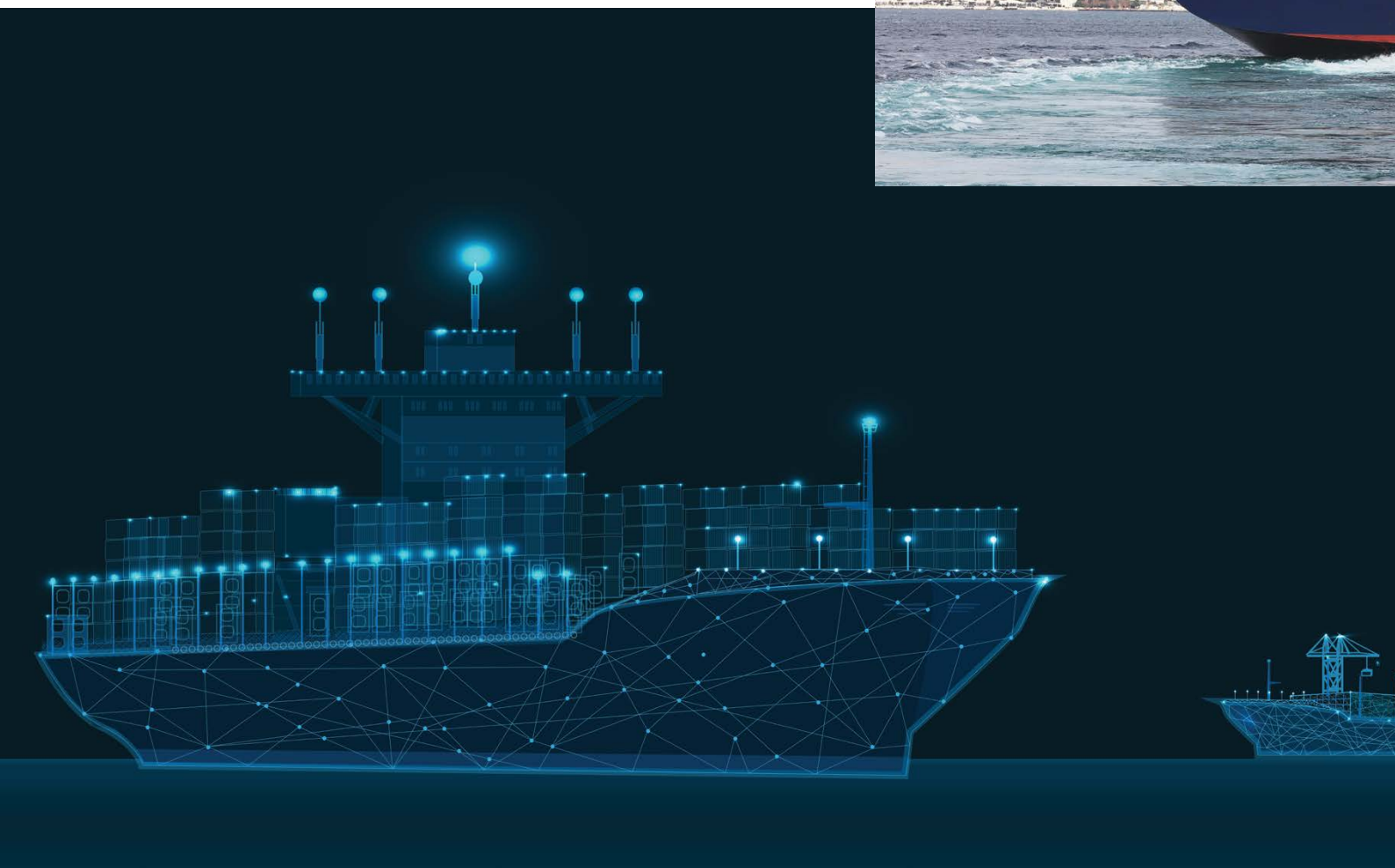
Our ESG Strategic Roadmap

This report covers the period from January 1 to December 31, 2022, and illustrates our environmental, social and governance (ESG) activities, responding to our stakeholders' expectations and interests in a transparent and comprehensive way.

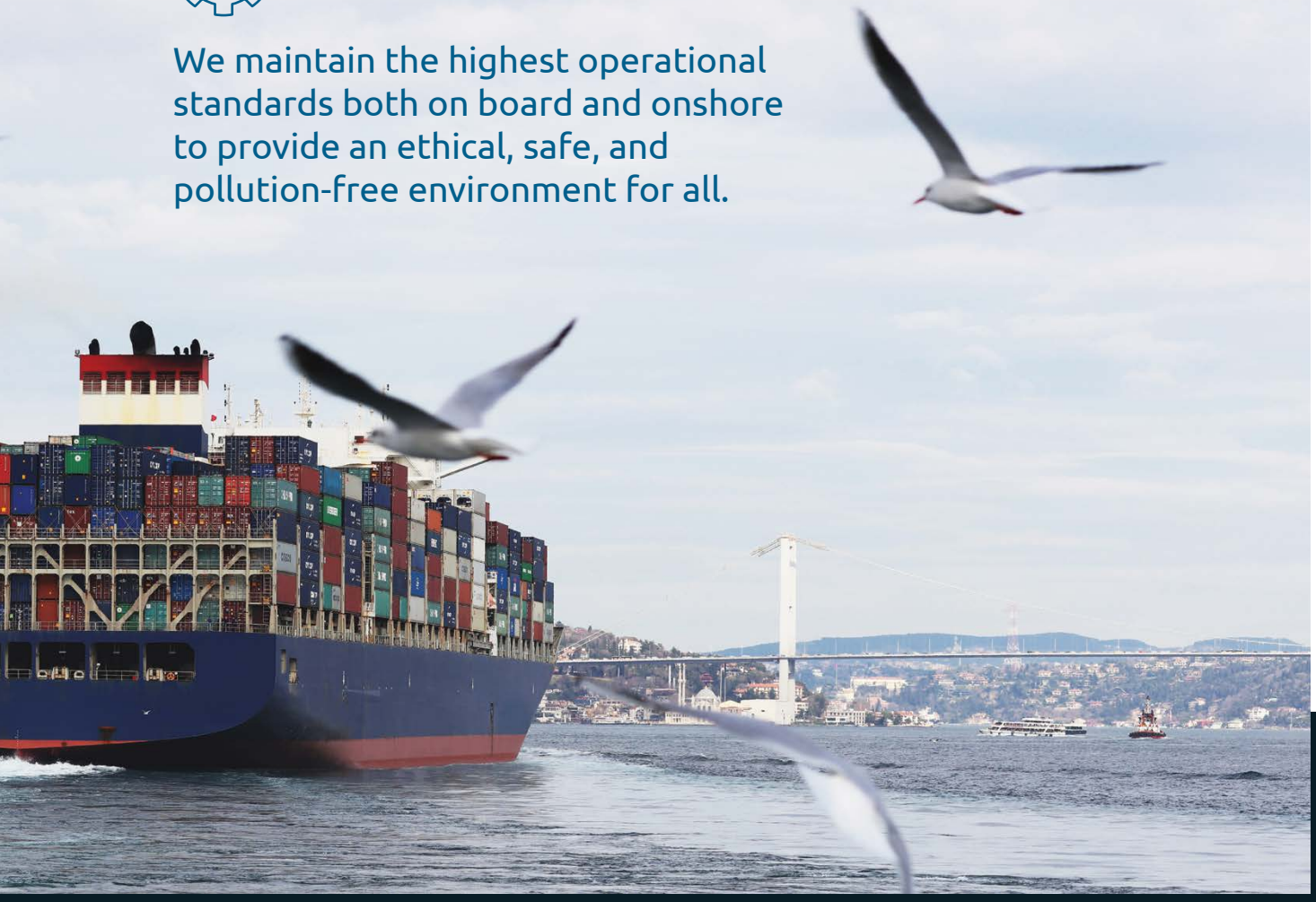
At Danaos, we regard sustainability as both a fundamental component of our corporate culture and a crucial decision-making regulator. We maintain the highest operational standards both on board and onshore to provide an ethical, safe, and pollution-free environment for all. We assess our success against our commitments and optimize our approach appropriately, and we are pleased to note that considerable achievements have been achieved on our ESG journey. Danaos acknowledges the importance of being a responsible member of society, hence our Environmental, Social, and Governance (ESG) approach provides us with a strategic roadmap toward becoming a more sustainable and resilient corporation.

Our ESG agenda and sustainability are at the forefront of all that we do.





We maintain the highest operational standards both on board and onshore to provide an ethical, safe, and pollution-free environment for all.



Our Commitments | 2025 Goals

In 2021 we designed and implemented our updated ESG Plan which includes specific goals and measurable targets for the period 2021-2025. Environmental protection and pollution prevention are of high importance to the company.

environment

2025 Goals

Full alignment
and exceeding with the IMO 2030 targets for carbon intensity and carbon neutrality by 2050

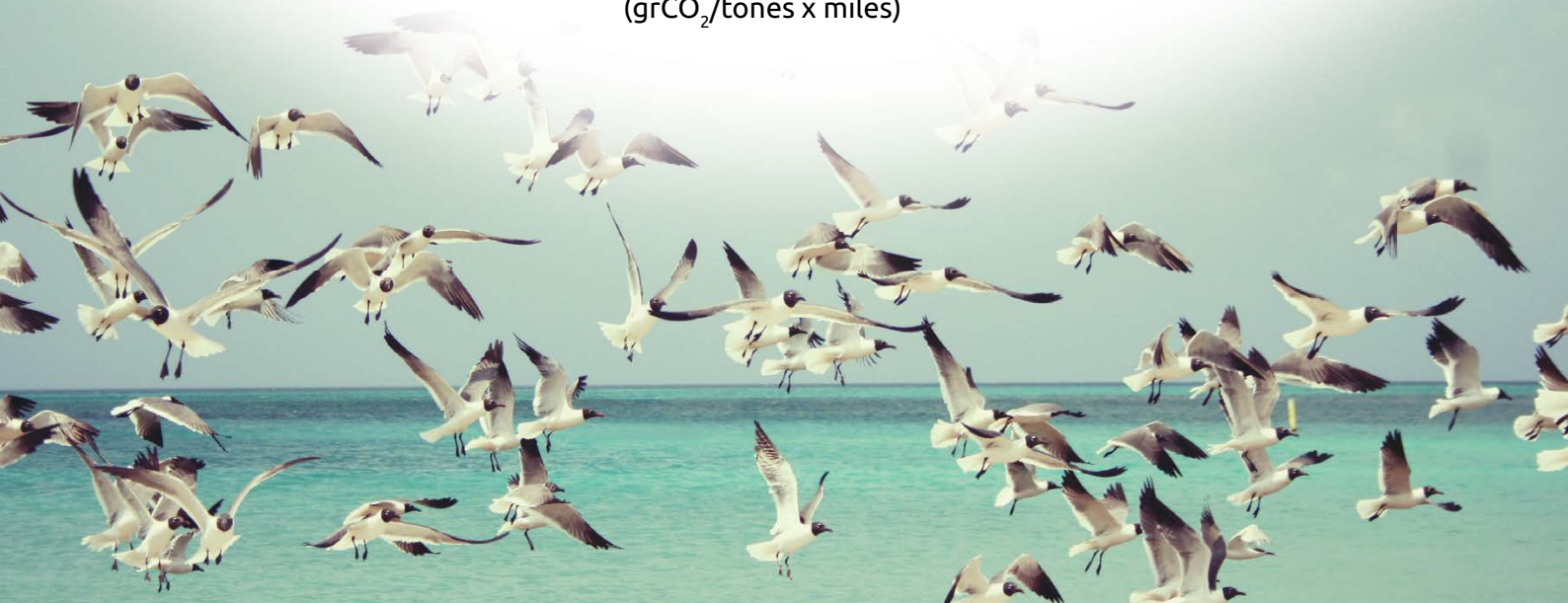
New buildings
to meet design and environmental construction standards

50% reduction
of waste onboard vessels

Zero
significant spills

47.5% reduction
of CO_2 emission per transport work by 2025 (Baseline 2008 IMO) ($grCO_2$/tones x miles)

Zero
waste to landfield, including paper, in all offices

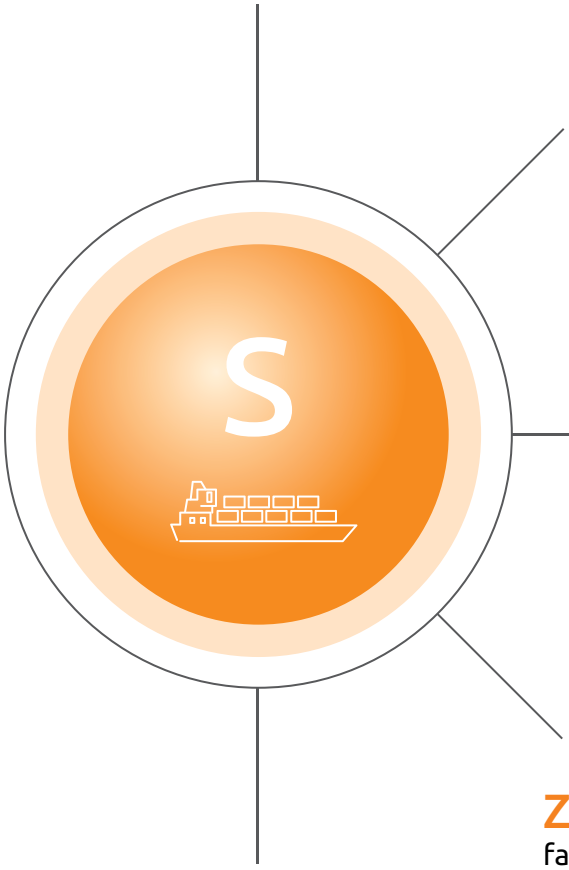


social

2025 Goals

Retain and hire
Maintain an annual retention rate:
above **90% for employees** and
above **80% for crew**

Increase
Social Media
Impact by **30%**



100%
of key suppliers
to be assessed

Zero
fatal accidents

Maintain
our material contribution in
supporting the community

governance

2025 Goals

95%
of customers to be satisfied

Zero
Tolerance to bribery and corruption

Maintain
full transparency through annual ESG reporting

Increase
ESG ratings by globally renowned Rating Agencies

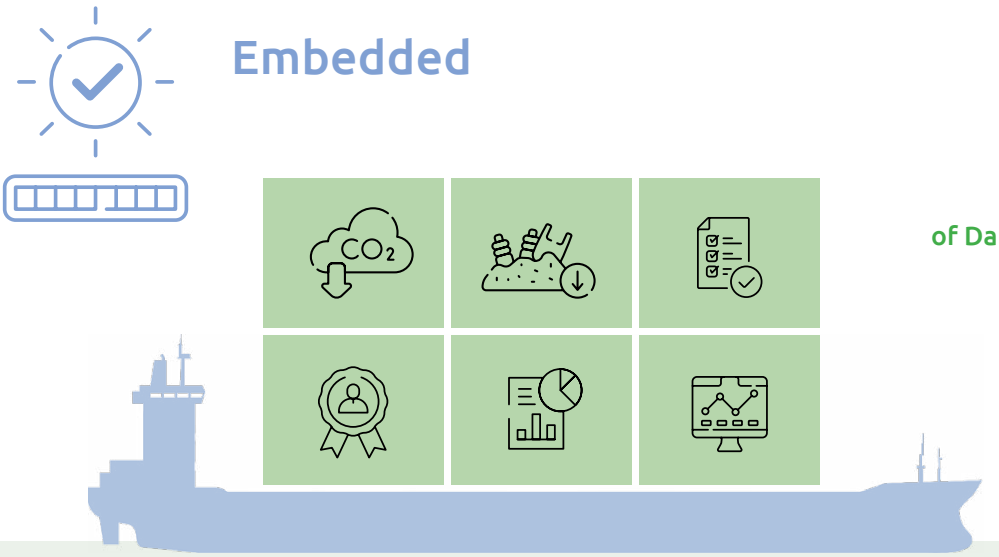
25%
women as Board Members and Executives

Maintain 100%
of staff training on Danaos Ethical Business Conduct

ENVIRONMENTAL Targets 2021 - 2025 | Status 2022

Danaos' sustainability plan between 2021 and 2025 is outlined below, summarizing our commitments to ESG.

Embedded



25%
of Danaos fleet already fitted with AMP in 2022.

Emissions

25% of vessels already fitted with AMPs to ensure full power with less emissions.

Exhaust gas Cleaning Systems (scrubbers) have been installed, certified and are now in operation onboard 11 Danaos vessels.

Voluntary enrollment in the DNV "CO_2 Index" project, monitoring and certifying fleet's performance and CO_2 emissions.

ISO-50001 Environmental Management System adopted in 2015 is now stimulating energy efficient operational practices and provides the necessary metrics.

Waste reduction

Zero waste overboard. No paper to landfill from our offices.

New target set in 2021.

Environmental Compliance

Perform gap analysis and issue compliance roadmap with modifications to take place on each vessel (when relevant enforcement takes place).

Comply with IMO 2020 regulations on 0.5% sulphur cap, achieving a successful and smooth transition from HSFO to VLSFO.

Reporting

Ensure full transparency to the IMO DCS and EU MRV emission reporting schemes through our advanced WAVES data analytics platform.

Monitor and report company's fleet emissions and energy efficiency indices in our annual report.

Initiatives

Develop tools to monitor compliance with various initiatives such as the Poseidon Principles, Climate Bonds, SBTi and sharing of relevant data with our clients.

Memberships

Become a member of the Global Maritime Forum (GMF) and join the Getting to Zero Coalition.

Become a member of the Ammonia Energy Association (AEA) and explore potential alternatives for newbuilding vessels.

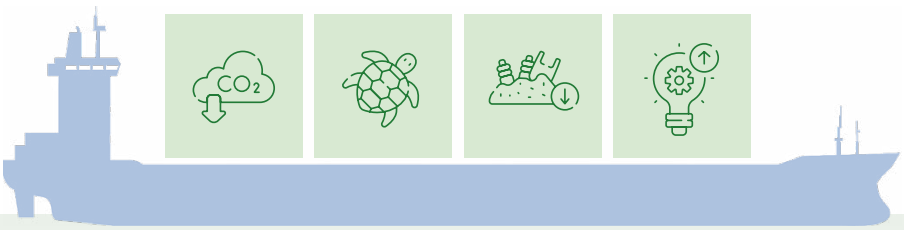
Become a member of the Methanol Institute.

In progress

In 2022 garbage compactors installed in **9 vessels**

47.5%
reduction of CO_2 emissions per transport work by 2025

42.6%
reduction in 2022 vs 2008



Emissions

Full alignment with the IMO 2030 targets for carbon intensity and the 2050 targets for net- CO_2 emissions.

47.5% reduction of CO_2 emissions per transport work by 2025.
(baseline 2008 IMO) ($grCO_2$/tones X miles)

New Target set in 2021.

42.6% reduction in 2022 vs 2008.

By 2050 all newbuilds are to be carbon neutral transitioning to alternative fuels subject to availability, as well as technological and regulatory readiness.

New Target set in 2021.

Participating in Joint Industry Projects (JIP) investigating the use of alternative fuels to improve combustion and reduce the carbon footprint of vessels.

Waste reduction

Reduction of wastes volume onboard vessels 50%.

In 2022 garbage compactors installed in 9 vessels (all fleet to be installed by 2025).

Marine Pollution, Conservation and Biodiversity

Work with vessels to ensure zero significant spills.

Successful installation, certification, and operation of Water Ballast Treatment systems for the whole fleet.

By end of 2022 91% of the Fleet is already equipped with WBT.

Innovation

Work on the full digitalization of company's processes ensuring close control and prompt response promoting fuel efficiency.

Continuous study and research on technical measures and design retrofits aiming at improving vessels performance.

Support R&D research activities on the study and investigation of the use of alternative fuels and innovative technologies.

SOCIAL Targets 2021 - 2025 | Status 2022

Embedded

81,2%
'22 crew retention rate

90%
'22 employee retention rate

Child and Forced Labor

No child or forced labor permitted in our own operations.

Screening to our suppliers to preclude child or forced labor.

Crew Retention

Maintain annual crew retention rates above 80%.
'22 Retention rate: 81.2%

Compliance with ILO requirements for seafarers.

Employee Retention

Expand diversity and equal opportunities.
New Target set in 2021.

Maintain annual employee retention rates above 90%.
'22 Retention rate: 90%

Supporting Local Communities

Maintain our strong social engagement and provide support to vulnerable groups.

Encourage the spirit of volunteerism among the employees towards environmental and charity activities.

Increase social media impact by 30%.

Provide Sponsorships to Universities' Students.

Training & Development

All staff trained on Health, Safety, Social and Environmental (HSSE) risks.

Offer summer internship programs.

Procurement

Establish a sustainable procurement policy and screening of our suppliers.

In progress

Safety

Maintain our LTIF significantly lower than the industry averages.

Training & Development

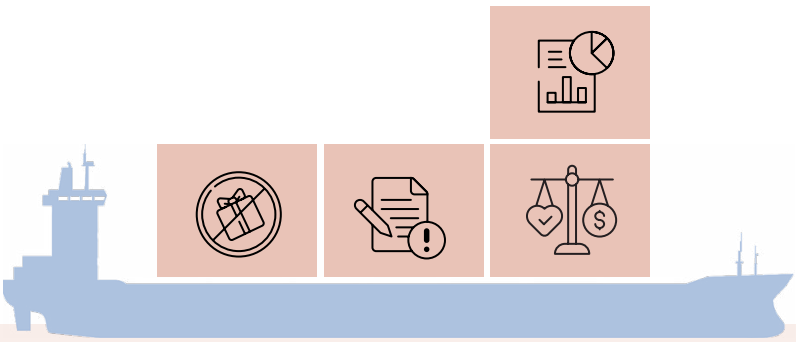
Ensure company culture of sustainability is in place onboard and ashore.

Ongoing monitoring of our people's career development and training.

GOVERNANCE Targets 2021 - 2025 | Status 2022

Embedded

Zero
bribery and corruption



Corruption

Zero Tolerance to bribery and corruption.

Ethical Business Conduct

Provide to all (100%) crew members and office employees a customized educational program of ethical business conduct.

Whistleblowing

Provide a confidential and effective whistleblowing system for reporting violations.

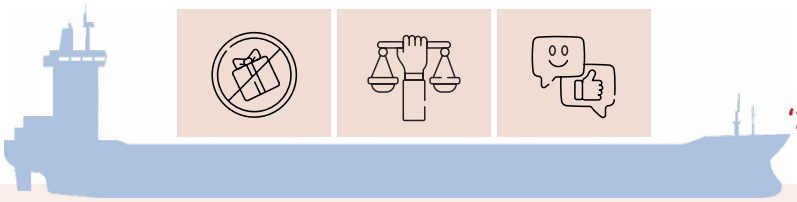
Reporting ESG - Rates

Maintain full transparency in ESG report.
Increase ESG Ratings by globally renowned Rating Agencies.
Integrate SASB standards into ESG report.

In progress

95%
customer satisfaction by 2025

82%
'22 customer satisfaction



Corruption

Establish partnerships with sustainable and anti-corruption initiatives.

Diversity

25% women as Board Members and Executives.

Customer Satisfaction

Maintain customer satisfaction at 95% or above through the application of new tasks.

In 2022 we initiated a customer satisfaction survey receiving a result of 82%.

The UN Sustainable Development Goals

In Danaos we are working on aligning key specific targets and future investments with the United Nations Sustainable Development Goals (SDGs) and Environment, Social and Governance (ESG) criteria. We are a link in a chain of multiple forces, and our priority is to strengthen our commitment to contributing to this global call to take action to eradicate poverty, safeguard our planet and mitigate climate change implications by 2030.We have completely incorporated the SDGs into our strategy, recognizing those that are most relevant to our business and evaluating their potential to support us leverage our contribution to the UN 2030 Agenda.

Our environmental sustainability goals are outlined in the bullets below:

- **Work towards decarbonization and achieving carbon neutrality by 2050.**
- **Continue our research on energy efficiency and alternative fuels and technologies.**
- **Establish partnerships with key stakeholders to promote sustainable development.**
- **Ensure perfect compliance with regulations at sea, prevent negative impacts on marine biodiversity by avoiding water pollution, ensuring proper waste management and ballast water management and treatment.**
- **Fully comply with regulatory demands to reduce air emissions impacts and continue investing in maintaining and implementing solutions that will enable this.**
- **Promote circular economy principles by implementing policies fostering 3R concept.**
- **Training of both ashore and onboard personnel on decarbonization awareness and actions to take place.**
- **Work further on digitalizing company processes and devising the tools that shall foster the decarbonization process on a transparent and block-chain ready concept.**

IMO's GHG Emission Reduction Targets

IMO continues to contribute to the global fight against climate change and takes urgent action to combat its impacts. As such, it has adopted mandatory measures to reduce emissions of greenhouse gases from international shipping, through the IMO's pollution prevention treaty (MARPOL) – the Energy Efficiency Design Index (EEDI), and the Ship Energy Efficiency Management Plan (SEEMP) which are both mandatory for new ships. The GHG strategy envisages a reduction in carbon intensity of international shipping by at least 40% and 50%, compared to 2008 levels, by 2030 and 2050, respectively.

Danaos has already fulfilled the IMO's 2030 carbon intensity requirements 9 years ahead of schedule, delivering a 39.5% decrease in CO_2 emissions per ton mile compared to 2008, the base year, thanks to an increase in weighted average speed of over 1 knot in 2021. Danaos also installed AMP on 25% of its existing fleet to reduce emissions when at dock, hitting the 2025 objective three years ahead of schedule.

Key Partnerships

We are actively pursuing membership in industry associations and committees in order to contribute to the progress of the shipping industry via the exchange of expertise, as well as the support and promotion of sustainability and environmental concerns.

In 2020 Danaos became a member of the **Global Maritime Forum (GMF)**, adhering to the Getting to **Zero Coalition statement**.

We have also been members of the Ammonia Energy Association (AEA) since July 2020, attending meetings and staying up to date on all the latest advancements in the usage of ammonia in the marine sector.

We support the **Poseidon Principles** that help banks align their shipping loans with climate goals as set by the IMO. Signatory banks measure the carbon intensity of their shipping loans, relying on the global Data Collections System for fuel oil Consumption by ships ("IMO DCS") and publicly report how their shipping loans align to the climate goals. As a result, banks can focus on financing "green" assets, such as vessels with technologies that allow for low GHG emissions. In 2022 20% of Danaos fleet already complied. The percentage was lower than the previous year (35%) since the trajectory line was revised in 2021 by the Poseidon Principles and became stricter, while the vessel's average speed increased by almost 1 knot resulting in a higher average AER[4] value for 2021.

Climate bond initiatives are also explored to verify fleet's compliance. We also work with **Science Based Targets (SBTi)** and the **Methanol Institute (MI)** and plan to proceed with further commitment, in the view of recently launched sectoral trajectories for the maritime sector that enables to set near-and long-term science-based emission reductions targets in line with 1.5°C.

It is also important to mention that in view of the **EU taxonomy** regulation that sets a clear framework classifying environmentally sustainable economic activities Danaos will take a first step to identify the eligible activities that are covered by the taxonomy, and subsequently we shall identify the % of alignment of Danaos economic activities according to the technical screening criteria developed by the EU.

[4]Annual Efficiency Ratio (AER): The ratio of a ship's carbon emissions per actual capacity- distance (e.g., dwt/nm sailed). The AER uses the parameters of fuel consumption, distance travelled, and design deadweight tonnage.

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GOVERNANCE

The Board is responsible for setting the company's strategic objectives, providing leadership to put them into effect, supervising the management, and reporting to shareholders on their oversight

Danaos Corporation places a strong emphasis on ethical business conduct and is committed to maintaining the highest standards of integrity in all of its operations.

Provide guidance to help employees recognize and deal with ethical issues, especially in preventing bribery and corruption

GOVERNANCE

Material Issues

- Economic performance
- Anti-corruption
- Anti-competitive behavior
- Tax
- Ethical Business Conduct
- Customer Satisfaction

SDGs

Goals 2021-2025

- Status: 6 out of 9 governance goals for 2023 have been already embedded.

A Strong Corporate Culture

We believe that effective Corporate Governance is essential for the Company's successful operation and the building of trust among our stakeholders. The Company is committed to governing and conducting its business with integrity, honesty, fair dealing and full compliance with all laws and regulations in place. We have established a robust governance structure that is directed and controlled by our Board of Directors. The Board sets the Company's strategic objectives, supervises the Management team, and reports to shareholders on their oversight. The company's commitment to corporate governance is integral to its positive outcomes in all aspects of its operations, particularly in relation to sustainability.

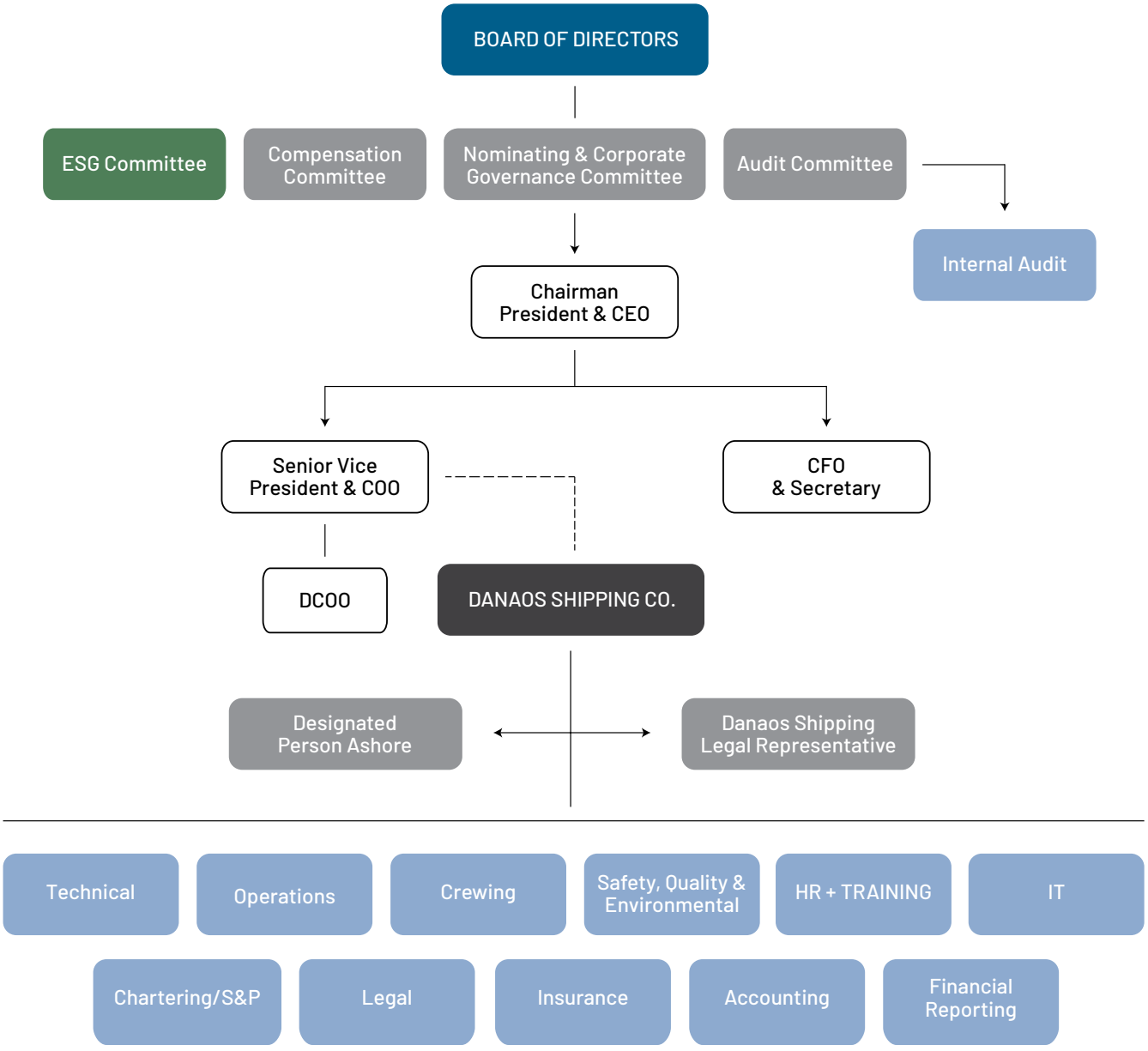
Danaos abides by the:

- Corporate Governance Guidelines
- Code of Business Conduct and Ethics
- Code of Conduct & Ethics for Corporate Officers & Directors
- Ethics and Compliance Policy
- Anti-Fraud Policy
- Insider Trading Policy
- Anti-Bribery & Anti-Corruption Policy
- Anti-Money Laundering Policy

Governance structure, composition and responsibilities

The Board of Directors has adopted a set of corporate governance guidelines that outline the framework for the company's governance. The board and management acknowledge that resolving the concerns of other stakeholders, including those of workers, charterers, suppliers, government officials, and the general public, advances the long-term interests of shareholders.

The Board is responsible for setting the company's strategic objectives, providing leadership to put them into effect, supervising the management, and reporting to shareholders on their oversight. The Board also has four committees, including the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, and the ESG Committee, each with its own charter outlining its responsibilities. Directors are selected based on their high personal and professional ethics, integrity, and values and are willing to devote sufficient time to carry out their duties. A majority of directors are independent under NYSE listing standards. The Board also considers diversity in selecting directors and has established a process for evaluating the performance of the board and its committees.

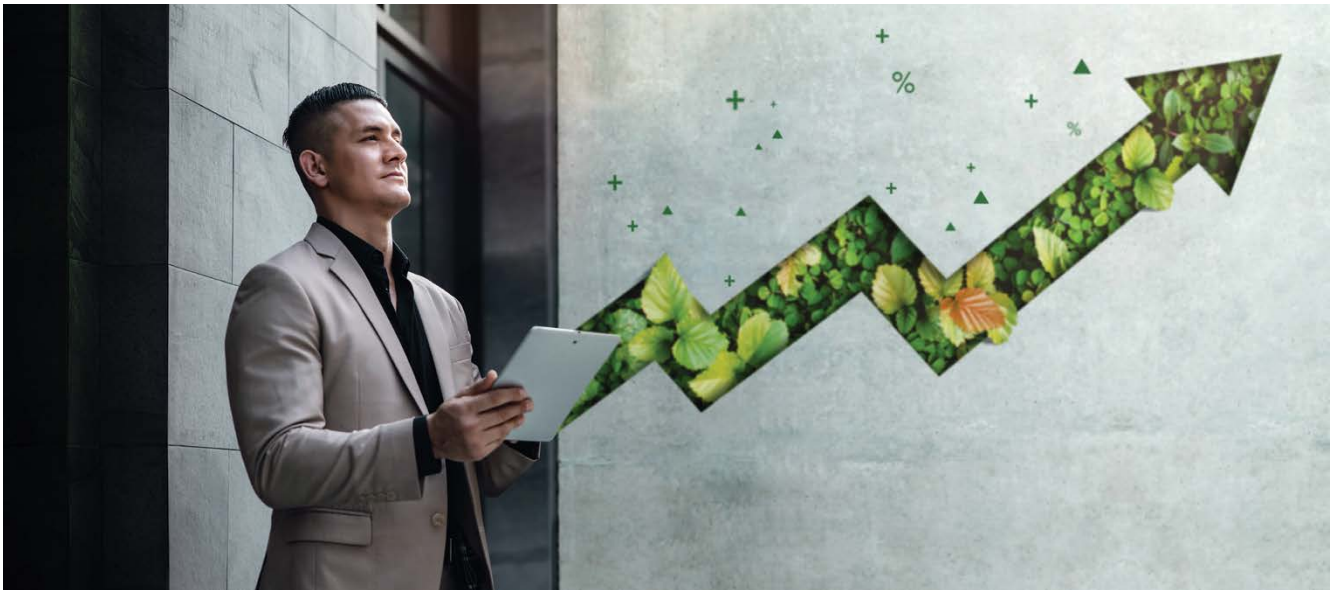


Nomination and selection of the highest governance body

The Nominations and Corporate Governance Committee is responsible for identifying and recommending qualified individuals to be elected as directors at the annual stockholders meeting. The committee evaluates candidates based on their experience, skills, independence, ability to attend meetings and contribute to the company's mission, as well as their character, judgment, and reputation. In addition, the committee may also consider factors such as diversity, the candidate's potential to maintain relationships with other stakeholders and respond to market developments, and any additional criteria for selection. The committee also reviews director tenure and removal and approves any agreements that allow parties other than the board or committee to nominate directors, ensuring the company's compliance with such obligations.

Chairman of the highest governance body

The board of directors is responsible for leading the company, setting strategic goals, overseeing management, and reporting to shareholders. The Board of Directors is composed of six members, with the majority being independent directors, while the two non-independent are our Chairman, President and Chief Executive Officer (CEO), and our Senior Vice President, Treasurer and Chief Operating Officer (COO). As the CEO of the company, the Chairman provides leadership and is accountable for implementing the board's strategic objectives and supervising the company's management team. Each director serves until the third consecutive annual stockholders' meeting, with their term extending until a qualified successor is elected, unless there is a death, resignation, or removal for cause. If Board vacancies occur, they can be filled by a majority vote from the remaining directors in office, even with fewer directors than a quorum, at a special or regular board meeting.



Conflicts of interest

The company expects all directors, officers, and employees to adhere to the Code of Conduct & Ethics and act with integrity. Directors should avoid personal or professional relationships with the company that could interfere with their duties or the company's interests and should disclose any transactions or relationships to the Board that could give rise to a conflict of interest. The Audit Committee will address conflicts of interest involving the CEO or other executive officers, with the chair of the Audit Committee handling conflicts involving other officers.

	AUDIT COMMITTEE	COMPENSATION COMMITTEE	CORPORATE GOVERNANCE COMMITTEE	ESG COMMITTEE
Dr. John Coustas				
Iraklis Prokopakis			Member	Chairman
Myles R. Itkin	Chairman		Member	
Petros Christodoulou	Member	Chairman		Member
William Repko	Member	Member	Chairman	
Richard Sadler		Member		Member

Chairman Member

Highest governance body in sustainability reporting

In 2022, the Board of Directors established the ESG Committee, to provide guidance and oversight on matters related to environmental, social, and governance (ESG). The ESG Committee serves as the highest governance body in sustainability reporting. Its responsibilities include reviewing and providing oversight on the company's efforts to promote environmentally and socially conscious business operations, evaluating and recommending initiatives for ESG matters, assessing risks and opportunities related to ESG matters, promoting ESG practices within the company's business culture and processes, and reviewing the preparation and publication of any reports on ESG matters by the company. Composed of three directors, the committee meets at least once a year and reports to the board. By establishing the ESG Committee, the Company demonstrates its commitment to sustainability and responsible business practices. The committee's oversight and guidance on ESG matters help to ensure that the company operates in an environmentally and socially responsible manner, and that it remains accountable to stakeholders for its actions.

Communication of critical concerns

The company also has a Whistleblowing Policy to encourage the reporting of any unethical or illegal activity and to protect employees from dismissal or retaliation for doing so. The company has established procedures to promote compliance with environmental, safety, and socioeconomic laws and regulations, and to educate employees about the Code of Business Conduct & Ethics and Policies and the process for reporting violations and requesting waivers.

Evaluation of the performance of the highest governance body

The Board of Directors and its committees conduct comprehensive annual self-evaluations to gain valuable insight into their effectiveness. These evaluations are analyzed and discussed by the Board and committees, with the Nominating & Corporate Governance Committee leading the process. The Committee is responsible for rigorously assessing the consolidated results of the evaluations, using their experience and expertise to suggest recommendations for improvement.

The Board and Committees' commitment to maintaining high standards is evident in their satisfaction with the results of their evaluations. They recognize that corporate governance excellence is an ongoing process and continuously strive for improvement, demonstrating their dedication to high standards. Their focus on achieving the highest standards has positioned them as a leading voice in corporate governance and a role model for other organizations, making them well-prepared for even greater success in the future.

Remuneration

The Compensation Committee of the Board of Directors, which is comprised of independent directors, evaluates and approves the compensation of the senior executives of Danaos Corporation and the Board of Directors every year. The compensation of the board of directors and the senior executives are not linked with the performance of the company's share price/market cap, profitability and other matrix.

Economic performance

Danaos provides information on the direct economic value generated and distributed in its annual report.

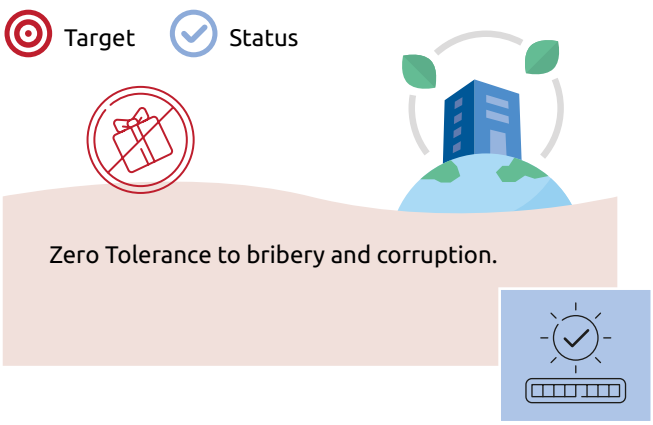
Defined benefit plan obligations and retirement plan instructions.

The company also has a defined benefit plan in place, which is managed through its liquidity resources. Danaos believes it has sufficient cash and cash equivalents to meet its defined benefit plan obligations. However, due to confidentiality reasons, quantitative disclosure about the terms of executives' defined benefit plan cannot be provided. For detailed information, please refer to our latest annual report.

Financial assistance received from the government.

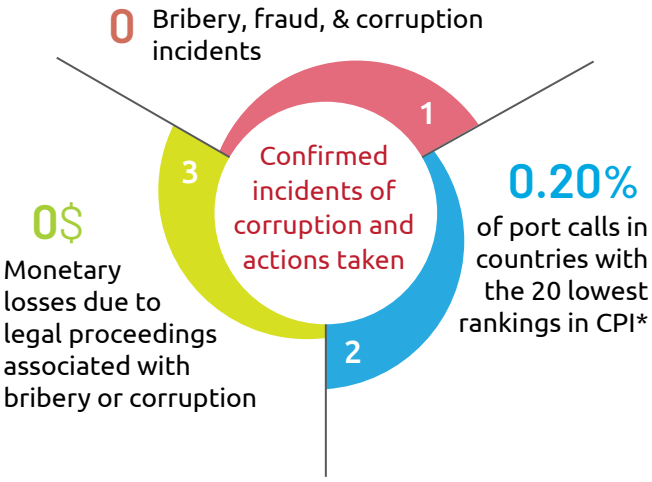
Not applicable as Danaos did not receive any financial assistance from any government.

Anti-corruption



Operations assessed for risks related to corruption.

Danaos assesses its operations for risks related to corruption and has implemented an Anti-Bribery & Anti-Corruption (ABAC) Policy. This policy applies to all directors, officers, contractors, employees, and third parties performing duties for or acting on behalf of the Company or the Managers. The policy aims to ensure compliance with anti-bribery and anti-corruption laws and prohibits all forms of bribery, including bribes to or from government officials and private sector parties. Covered persons are required to report any actual or potential violations of the policy or anti-corruption laws to the Company's management or legal department. No confirmed incidents of corruption have been reported, and the company has taken appropriate measures to prevent such incidents. Our Anti-Bribery & Anti-Corruption (ABAC) Policy is available on our website and is also included in our annual report.



Anti-competitive behavior

Legal actions for anti-competitive behavior, anti-trust and monopoly

Danaos is committed to promoting fair and sustainable business practices in compliance with relevant anti-competitive and anti-trust policies. The company's directors and employees are expected to maintain high ethical standards in all their interactions and refrain from engaging in any unfair or deceptive practices. The company is not aware of any legal actions that have been pending or completed implicating them in anti-competitive behavior or violations of anti-trust and monopoly legislation.

We remain vigilant in maintaining our commitment to ethical and sustainable business practices.

Tax

Danaos Corporation is registered and domiciled in the Marshall Islands and its subsidiaries are exempt from tax on income generated from international shipping. To qualify for exemption from US tax on international shipping income, the company operating the ships must be incorporated in a country that grants an equivalent exemption from income taxes to US corporations, and more than 50% owned by residents of that country or another foreign country that also grants an equivalent exemption. All of Danaos' ship operating subsidiaries meet these initial criteria and the more than 50% beneficial ownership requirement for 2022. The company's in-house legal department, in consultation with US tax experts, ensures compliance with US tax regulations and assesses whether any subsidiaries are subject to US taxes. However, compliance with these regulations is subject to factors outside of company's control. For more information about Danaos' tax compliance and regulations, please refer to the company's annual report.

Ethical Business Conduct

Target Status

Provide a confidential and effective whistle blowing system for reporting violations.

Target Status

Provide to all (100%) crew members and office employees a customized educational program of ethical business conduct.

High Ethical Principles

Danaos Corporation places a strong emphasis on ethical business conduct and is committed to maintaining the highest standards of integrity in all of its operations. The company has developed a comprehensive Code of Business Conduct & Ethics and associated policies to ensure adherence to these standards. Employees are expected to conduct themselves in a manner that upholds the reputation and integrity of the company, avoiding any actual or perceived conflicts of interest in their personal and business activities, and disclosing any such conflicts promptly.

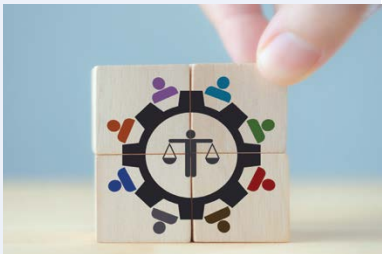
To promote ethical behavior throughout the organization, Danaos has established procedures for identifying, interpreting, and effectively communicating compliance issues to both shore-based and onboard personnel. The company also provides a safe and anonymous system for reporting any violations of its Code of Business Conduct & Ethics and Policies. By prioritizing ethical conduct, Danaos aims to establish trust with stakeholders and mitigate potential legal and operational risks.

Danaos measures its commitment to ethical behavior through several key performance indicators. All employees (100%) certify their compliance with the company's Code of Business Conduct & Ethics and Policies, and all employees (100%) receive training and education on ethical policies and procedures. Incidents reported through the anonymous reporting system are monitored, and effective resolution of any issues that arise is ensured. For 2022, no material reports were received. The company also conducts regular reviews and updates to its ethical policies and procedures to ensure their continued relevance and effectiveness.

For more information on Danaos' ethical business conduct practices, please refer to the company's Code of Business Conduct & Ethics and Policies, which are available on its website and annual report. Danaos' commitment to ethical behavior and integrity is essential for establishing a safe and inclusive work environment, boosting employee satisfaction, morale, and productivity, and contributing to the company's long-term growth and sustainability.

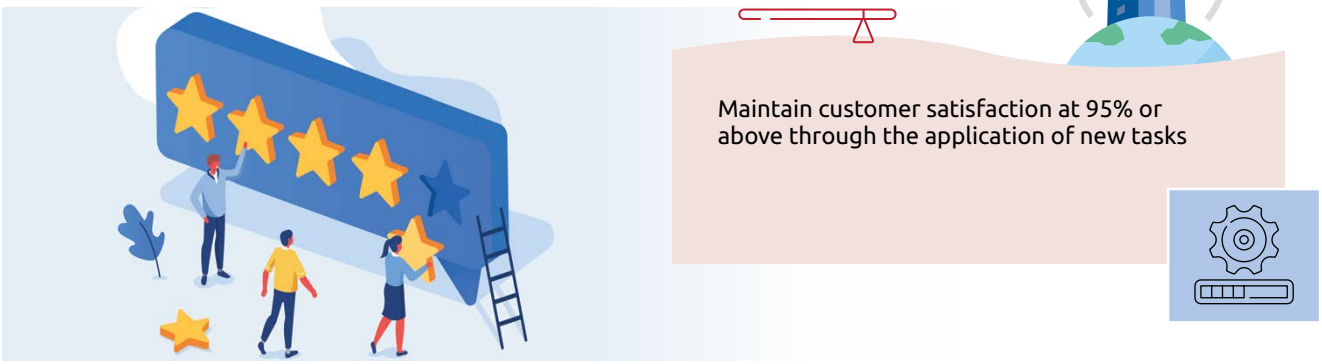
The purpose of the Code of Business Conduct & Ethics and Policies is to:

- Raise employee awareness on areas concerning ethical risk
- Provide guidance to help employees recognize and deal with ethical issues, especially in preventing bribery and corruption
- Provide mechanisms for employees to report unethical conduct
- Foster among them a culture of honesty and accountability



Customer Satisfaction

In 2022 we have initiated a customer satisfaction survey receiving a result of 82% and we are currently in process of revisiting the survey for fine tuning based on the assessment in order to reach our commitment by 2025.



A Robust Risk Management and Control Framework

The shipping industry faces a variety of risks, from environmental and safety hazards to regulatory compliance issues. In our company, we take a proactive approach to risk management and control, beginning with an enterprise-wide risk assessment to identify and prioritize key risks. This process is dynamic and iterative, continually assessing risks and developing strategies to manage them.

To ensure robust risk management, we have established four main business objectives: Operations, Reporting, Compliance, and Sustainability. These objectives are measurable, observable, attainable, and relevant, and they shape our day-to-day operations and priorities. Additionally, we consider possible changes in the external environment and our own business model that may render internal controls ineffective.

Our internal controls are designed to provide assurance and promote strong risk management. To achieve this, we maintain two separate assurance functions: an independent Internal Audit Department and a Safety Quality and Environmental Department. The Internal Audit Department reports directly to the Audit Committee of the Board and provides recommendations and action plans. They assist Management in achieving compliance with various laws and regulations, including the Sarbanes-Oxley requirements regarding the internal control environment over financial reporting.

The Safety Quality and Environmental Department focuses on maintaining compliance with relevant environmental and safety regulations, as well as our own Danaos Safety Management System. We have established procedures to ensure that all vessels under our management comply with the maritime environmental requirements set up under applicable regulations. Our good records in PSC (Port State Control) examinations are an indication of a sound safety management system.

We also undergo third-party audits annually at our Piraeus office and twice within a 5-year cycle on board. These audits are performed by Recognized Organizations members of IACS to maintain the validity of our Company's Documents of Compliance and issue Vessels' Safety Management Certificates after verifying the effectiveness of our Safety Management System.

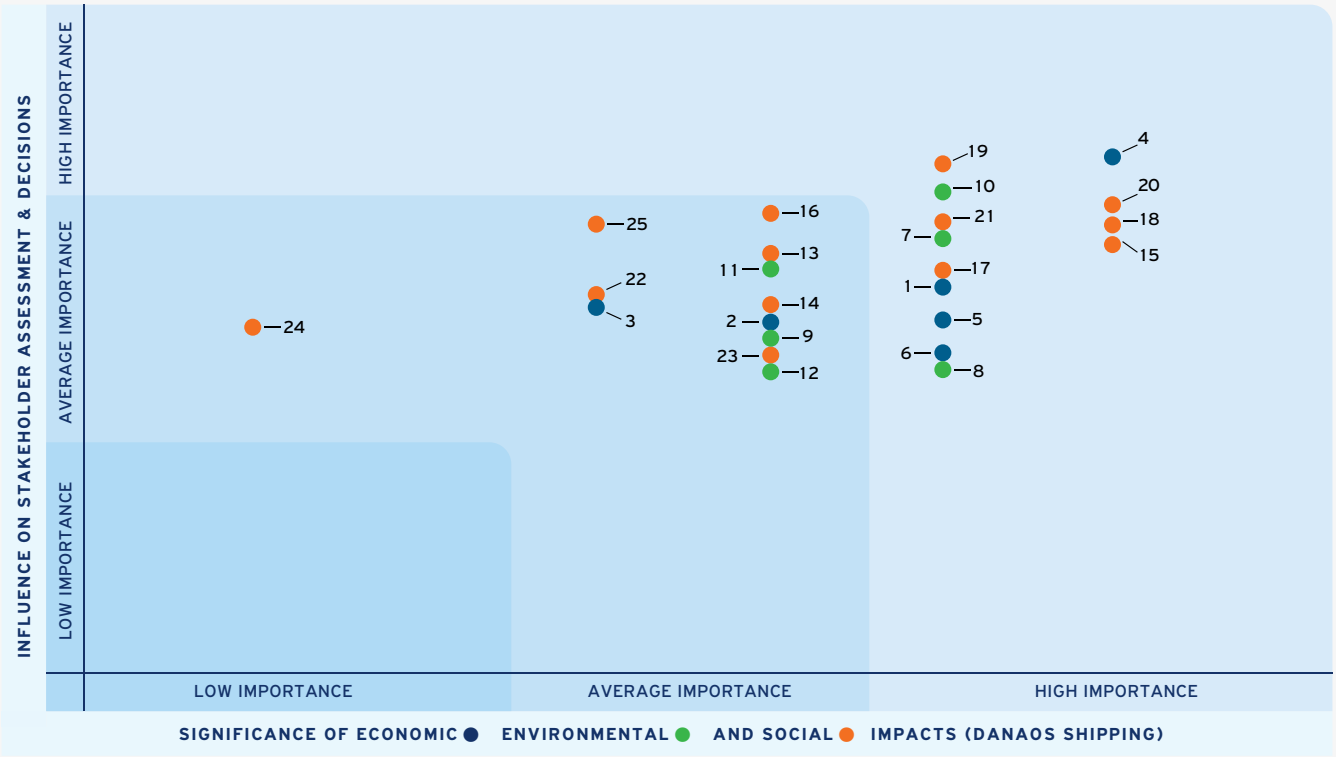
International, National and Local regulatory framework

Overall, our strong internal controls and proactive approach to risk management help ensure that we maintain compliance with the regulations, promote safety and environmental stewardship, and continue to operate successfully in the shipping industry.

MATERIALITY ASSESSMENT

In November – December 2022, we conducted a materiality assessment in our 6 key stakeholder groups via a qualitative survey (Employees, Financial Institutions, Charterers, Suppliers, Flag State & Classification Societies and Danaos Management). The results of the materiality survey were evaluated and updated through internal procedures, benchmarking, and in conjunction with the Sustainability (ESG) Strategy of 2021. In the 5-year sustainability (ESG) Strategy as of 2021 was also highlighted the importance of improving the key ESG rating performance commitments, to achieve IMO goals as well as, transparency and disclosing ESG data annually.

The materiality matrix from 2022 is presented below:



ECONOMIC	ENVIRONMENT	SOCIAL
1. Economic Performance	**7.** Energy	**13.** Employment
2. Indirect Environmental Impacts	**8.** Water and effluents	**14.** Labor / Management Relations
3. Procurement Practices	**9.** Biodiversity	**15.** Occupational health and Safety
4. Anti-Corruption	**10.** Emissions	**16.** Training and Education
5. Anti-competitive Behavior	**11.** Effluents and Waste	**17.** Diversity and Equal Opportunities
6. Tax	**12.** Suppliers Environmental Assessment	**18.** Non-discrimination
		19. Child Labor
		20. Forced and Compulsory Labor
		21. Security Practices
		22. Local Communities
		23. Supplier Social Assessment
		24. Public Policy
		25. Customer Privacy

The material topics presented below are determined by the outcome of the 2022 materiality assessment in conjunction with the 2021 Sustainability ESG strategy.

The topics which have been identified for the first time are underlined for clarity.

ECONOMIC

- **Ethical Business Conduct**
- **Customer Satisfaction**
- **Economic performance**
- **Anti-corruption**
- **Anti-competivive behavior**
- **Tax**

ENVIRONMENT

- **Waste Management**
- **Emissions**
- **Marine pollution and conservation**
- **Energy**
- **Water and effluents**

SOCIAL

- Promote diversity in the board of **directors and executive level**
- **Occupational Health & Safety**
- **Training and Education**
- **Non- discrimination**
- **Child Labor**
- **Forced and Compulsory Labor**
- **Security Practices**

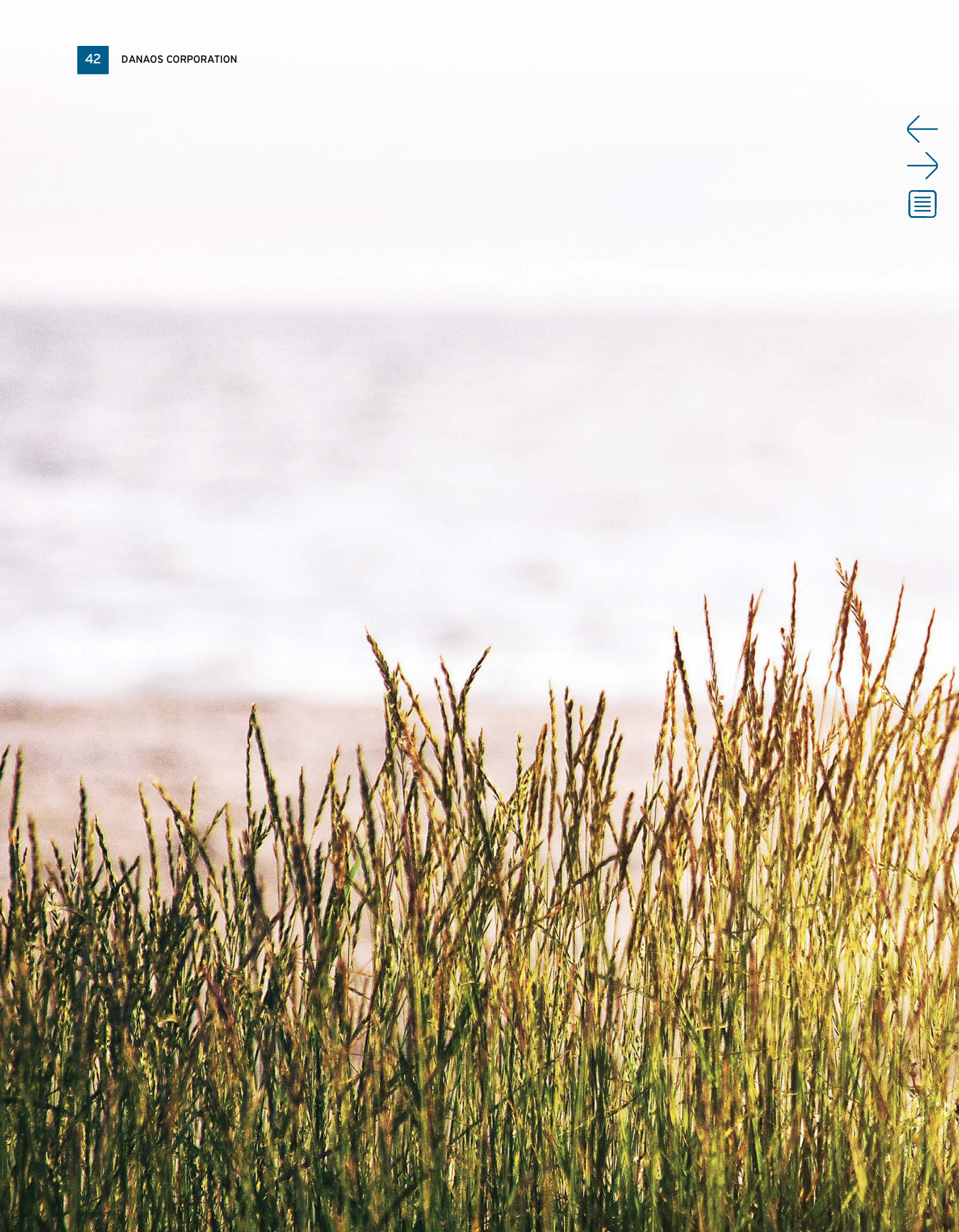
As seen by the aforementioned results, the materiality survey validated the strategy's direction.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement helps us to proactively consider the needs and desires of anyone who has a stake at Danaos. This is fostering connections, trust, confidence, and buy-in for our key initiatives. When it comes to our strategic planning stakeholder engagement is critical. An ongoing dialog with our stakeholders is of paramount importance so that through our actions and targets we can fulfill their needs and concerns. Moving forward, we are regularly developing full materiality assessments in which stakeholders are asked to map out sustainability issues according to their importance. In determining if an issue is material, we consider our impacts across the value chain through the involvement of our main stakeholders. We update our assessment each year to make sure it reflects changes in our business and the external environment. In addition, we have initiated a customer satisfaction survey to gauge communication with this very important stakeholder. Addressing each and every issue related to the ESG (environmental, social and governance) factors enables us to design a sustainability strategy accordingly and defines our reporting.

Our Stakeholders	What they expect from us	Communication Channels and Frequency of Engagement
Employees (Office staff & Seafarers)	Our employees expect from Danaos to be a fair employer, to provide safe working conditions and to care for the work-life balance of the employees, to provide opportunities for training and professional development, and to provide a discrimination-free working environment. Relative material topics: • Anti-corruption • Energy • Emissions • Waste Management • Occupational Health and Safety • Training and education • Biodiversity	We support an ongoing open communication between management and employees. Engagement also through monthly internal meetings as well as an annual management review report. We host regular team building activities and employee welfare initiatives, and we hold regular employee satisfaction surveys.
Customers (Charterers)	Our customers expect high quality and flexible services, to provide ongoing and accurate support, to be flexible to their requirements, to be transparent, and to conduct our business in a sustainable manner (ethical, safe, environmentally friendly, respecting human rights). Relative material topics: • Energy • Waste management	We engage with our customers through meetings, in order to share information on action plans and long-term strategy. We work closely with our customers to develop services that promote sustainability, and we participate to our customers' benchmarking systems and sustainability assessments.

Our Stakeholders	What they expect from us	Communication Channels and Frequency of Engagement
Finance Related (Banks)	Our finance-related stakeholders are interested in our company's creditworthiness and financial performance, receiving accurate information, in our risk control and assessment, and in the company's robust management processes and long-term growth. Relative material topics: • Anti-corruption	We are in daily communication with our finance related stakeholders through our contracts, our financial reports, progress meetings, and our corporate presentation and in general our day-to-day transactions.
Government Officials and Authorities (Port State Control)	Government officials and agencies expect us to be compliant and consistent, to conduct safe and environmentally friendly operations, to implement quality standards, to do our due diligence, and to generate economic growth. Relative material topics: • Anti-corruption • Emissions • Waste Management • Occupational Health and Safety	We engage with government officials and authorities through notices/instructions about latest rules and requirements, through the results of our inspections and auditing programs, and through formal dialogue and communication channels.
International Industry Organizations and Regulators (e.g., IMO, HELMEPA)	These stakeholders expect our active participation, collaboration and support, to be up-to-date and compliant with new requirements, to operate in an ethical manner, and to promote the internal sustainability culture. Relative material topics: • Environmental Compliance • Waste Management • Occupational Health and Safety	We engage though annual and ad-hoc meetings, memberships, audits, participation in high-level meetings, steering groups, committees, councils, forums and projects, as well as in the formation of joint action plans.
Suppliers (port agents, manufacturers, shipyards)	Our suppliers expect fair and long-term cooperation, the timely execution of our financial responsibilities, to inform them in time of any significant changes, and to exchange knowledge and business opportunities. Relative material topics: • Waste Management	We communicate with our suppliers through our supplier performance evaluation, through service review meetings (with major suppliers), through our participation in supplier organized workshops and on- site visits.
Society (NGOs, Local Communities)	Our social stakeholders expect from us to support social and economic development, to conduct our business in an ethical manner and protect human rights, to provide employment opportunities, and to participate in initiatives in order to support social and environmental causes. Relative material topics: • Emissions • Occupational Health and Safety	We engage through news published on our corporate website and social media accounts, through our donations and charities, and through our participation in discussions/ dialogue in sustainability forums organized by NGOs.



ENVIRONMENTAL

Danaos LCTP addresses IMO targets and focuses on the Paris Agreement targets, following the SDS and pursuing efforts to meet the **1.5°C goal**.

Danaos Shipping AER value for 2022 was 8.46 gr/ DWT miles.

Our target is **50% improvement** in 2030 which is translated in **47.5% reduction** in carbon intensity by 2025

We support the Poseidon Principles that help banks align their shipping loans with the climate goals set by the IMO. In 2022, 20% of Danaos fleet already complied.

ENVIRONMENTAL

Material Issues

- Emissions
- Energy
- Waste Management
- Marine pollution and conservation
- Water and effluents

Goals 2021-2025

- Status: 13 out of 23 environmental goals for 2023 have been already embedded

SDGs

Emissions

Fighting Climate Change

The contribution of shipping in about 90% of world trade by volume is undoubtedly accompanied with GHG emissions, estimated around 2.9% of the total global anthropogenic CO_2. Projections show an increase from 90% to as much as 130% from 2008 by 2050 from the perspective of different economic and energy scenarios. The Paris Agreement of pursuing limitation to 1.5°C temperature increase is seriously undermined, and the world is heading for a temperature rise more than 3°C within this century. As per IEA Report 2022 and Net Zero Emission Scenario, the most ambitious one, a major transformation is ongoing with the CO_2 emissions falling from 840 Mt CO_2 today to 110 Mt CO_2 by 2050. IMO feels the pressure from lawmakers, regional or national, to define decarbonization as a top priority, all that despite the paradox that shipping is by far the least carbon-intensive way of transport. At the regulatory level, the shipping industry is addressing climate issues through the International Convention for the Prevention of Pollution from Ships (MARPOL) and IMO continues to support and practically contribute the UN Sustainable Development Goal 13, aiming to combat the climate change.

There are already three years past the MEPC 75, introducing short-term measures of EEXI and CII which were adopted in following MEPC 76. The industry is now diving into those new metrics aiming for a greener fleet. The next MEPCs 77 and 78 majorly prepared the land for the long-anticipated revision of the IMO GHG strategy, initially adopted in 2018. Among the others in scope were cleaner fuels, zero carbon technologies, the range of zero carbon bunker fuel options, the establishment of an automated IMO Maritime Research Fund and finalization of the structure and the guidelines of the regulations for the launch of EEXI, CII metrics and SEEMP synthesis.

It was the second week of December 2022 when the shipping world awaited acceptance of relevant proposals for the IMO's updated GHG Strategy, however the outcome is still upon further discussion for the upcoming working groups with the will and hope to be adopted during the next MEPC 80. Despite the fact that no on-hand agreement was made, crucial aspects

of humanity's effort to act before it is too late were raised, such as establishment of Green Corridors by 2030, onboard Carbon Capture implementation steps and fuel establishment of lifecycle GHG carbon factors for all fuel types.

In conjunction with IMO activity in tackling temperature rise, European Union has set sail to be one of the most influential and ambitious regulatory authorities around the globe. Indeed, the maritime sector was the only one without specific GHG reduction commitments in the EU. Current legislation for the Alternatives Fuels Infrastructure, Monitoring, Reporting and Verification and Renewable Energy Directive are upon pursue of ensuring sustainability.

The 'Fit For 55' package, as part of the European Green Deal, is certainly a milestone, which, if translated from paper to actions, might surpass the 55% reduction in GHG emission by 2030 and may constitute the EU carbon-neutral by 2050. Five are the shipping-related items of subject package: FuelEU Maritime, Energy Taxation Directive, Alternative Fuels Infrastructure Regulation, Renewable Energy Directive II and EU Emissions Trading System. Among them, a groundbreaking step was the inclusion of shipping in EU ETS from 2024 through a phase-in period by 2026, with methane and NOx to be also included in this cap & trade scheme by 2026 and further on. Another EU action related to the ESG framework and also declared as one of the most pivotal ones towards carbon economy, is the introduction of EU Taxonomy with the aim to classify investment in an environmental sustainability scale, by codifying the Green Bond Principles. Shipping-specific criteria are anticipated shortly.

More recently, other countries have set their concrete goals with China declaring to be carbon-neutral by 2060 and United States to cut their GHG footprint by 50% before 2030, compared to 2005. Japan and Canada have set their common trip for 40-45% reduction by 2030.

With analysis manifesting that 1.5°C increase might come before 2040, inaction is not an alternative and, through this rapid transition in terms of energy and technology, involved parties of maritime business should play their part in securing our planet. Considering also that energy shocks caused by financial or military invasions around the world and high demands following a pandemic period have sent emissions to unseen levels of almost 37Gt in 2021, the term marginal for our attempt is too optimistic in such volatile times. It is embraced by leaders and experts that decarbonization is moving fast, but with these ominous projections of monotonically increasing temperature curve, how "fast" can be determined?

Climate Related Actions

Understanding that climate action is a global peremptory, we are highly committed to contribute to the transition towards decarbonization, stepping away from fossil fuels. At Danaos we acknowledge that all related stakeholders need to join forces to optimize ship operations at multiple levels. Given the complexity of the technological and energy source challenges involved, long-term solutions can only be deployed through partnerships with various industry stakeholders. While the technologies needed to build zero emission vessels and produce zero emission fuels and propulsion systems exist, they need to be further developed to ensure that they are safe, clean, and reliable for onboard application. Further refinement of both the vessel and fuel production technologies is required, in conjunction with clarity around safety, sustainability, regulation, training, fuel and vessel life-cycle analyses, and fuel availability and infrastructure. At the same time, it should be demonstrated that zero emission shipping is worthy at scale, while driving down costs and scaling up demand is needed to enable broader deployment. Shipping stakeholders should align to support and enable the decarbonization of international

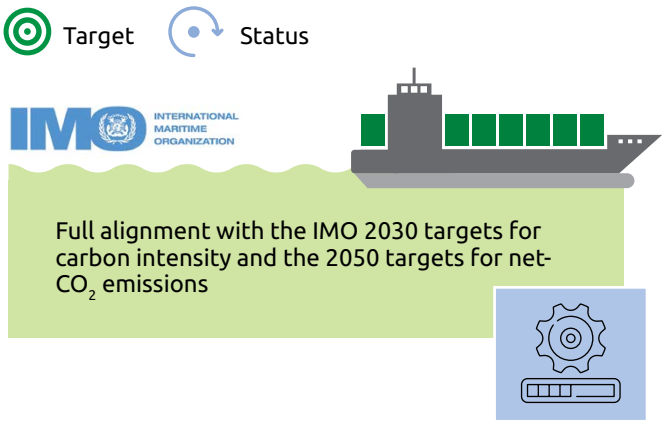
Danaos LCTP addresses IMO targets and focuses on the Paris Agreement targets, following the SDS and pursuing efforts to meet the 1.5°C goal.

shipping. Governments and regulators should establish policy frameworks that make zero emission shipping commercially viable, investable, and equitable.

Danaos as a signatory to the Call to Action we are committed to several climate targets, and we intend to take concrete action towards decarbonizing the shipping industry. A sustainability committee is set up at Danaos that helps the company to design the necessary environmental plans. Not only it is a core part of good Governance, but its role is also to integrate both business and Sustainability priorities so that the company is able to thrive and be on the Environmental side as well.

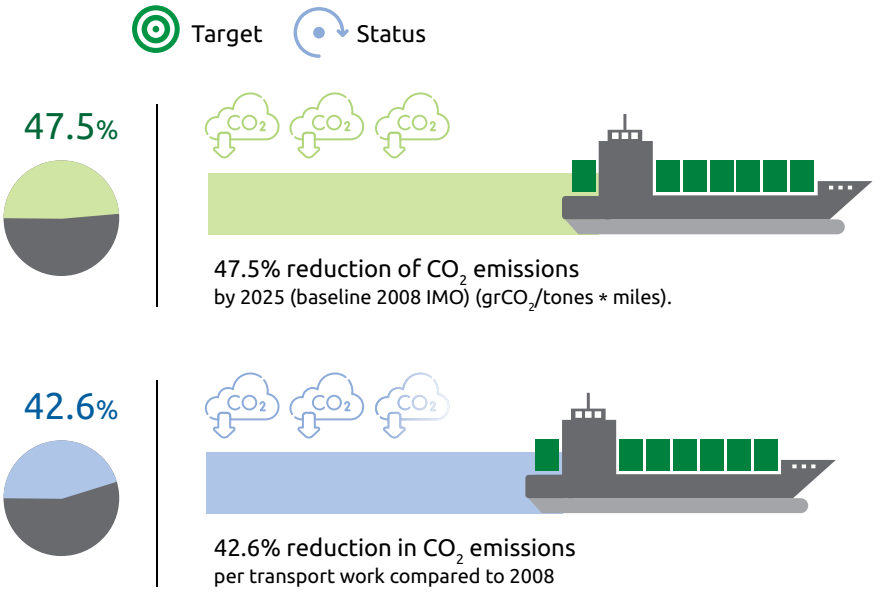
Danaos' strategy plans to achieve the environmental goals are recorded in the company's Low Carbon Transition plan (Danaos LCTP), including also our GHG target. Danaos LCTP addresses IMO targets and focuses on the Paris Agreement targets, following the SDS and pursuing efforts to meet the 1.5°C goal. Since the IEA considers the IMO's GHG emission reduction target to be equivalent to the SDS scenario, this is to justify that our environmental vision extends beyond of the targets of IMO, of the Sustainable Development Scenario (SDS) as well as of the NDC targets (Nationally Determined Contribution) under the UNFCCC (United Nations Framework Convention on Climate Change) and formulated by IMO (International Maritime Organization)[5].

[5]The Sustainable Development Scenario (SDS) is an additional scenario referenced in IEA-World Energy Outlook-2021. As a "well below 2 °C" pathway, the SDS represents a gateway to the outcomes targeted by the Paris Agreement. Like the Net Zero Emissions (NZE), the SDS is based on a surge in clean energy policies and investment that puts the energy system on track for key SDGs.



Heading towards Decarbonization

Transparency, simplification, standardization, and harmonization, all in view of a sustainable future, should be implemented in modern trade business. Danaos, through several projects in the last years, has examined ammonia, methanol, hydrogen, and LNG-LPG in order to identify the most promising alternative fuels for propulsion. Methane is the most mature alternative marine fuel from production, infrastructure, and technological readiness perspective, however biomethane availability is questionable while fugitive methane emissions and methane slip are challenges to be dealt with and regulated. Biofuels consist of a mid-term solution since significant cross-sector competition for sustainable biomass may limit the scaling potential for biofuels in the shipping industry. Ammonia has complexity in matters of transport, storage and operation and same is the least technologically mature alternative fuel with the laughing gas production in the internal combustion engines - a GHG with a global warming potential nearly 300 times greater than CO_2 over 100 years - necessitating the development and employment of emission reduction technologies in parallel with ammonia engines.



Given all the above our bet is placed on methanol 's green version although currently extremely limited and upcoming steps and plans are accordingly shaped. Methanol is a liquid fuel at ambient temperatures, it does not involve significant storage and handling considerations while retrofitting is expected to be possible from 2024 onwards.

Green Methanol seems that, will be produced easier by feedstock or electrolysis and captured CO_2 than LNG; LNG requires more energy to be liquified and cooled down for proper storage. Currently alternative fuels are much more expensive compared to fossil fuels.

However, the gap is expected to close for e-fuels as they use renewable energy which will not be limited to the same way as biomass.

Regulations and frameworks considering well-to-wake emissions and GHG pricing, as well as green corridors and book and claim systems development could provide a push towards the switch to alternative fuels. Among the new technologies, we have examined fuel cells, alternative ship propulsion technologies, such as wind-assisted propulsion and carbon capture & storage, which may all have reasonable potential in shipping applications.

Danaos Shipping AER value for 2022 was 8.46 gr/DWT miles.

The Existing Energy Efficiency Indicator (EEXI) and the CII (Carbon Intensity Indicator) introduced with MECP 76, are technical and operational measures, respectively, selected to achieve the IMO decarbonization target. In 2022 Danaos proceeded with the calculation of the EEXI for all vessels. Danaos Shipping AER value for 2022 was 8.46 gr/DWT miles.

An extensive study has been performed for Danaos fleet to identify the most efficient way to comply with the EEXI requirements, with the Shapoli (Shaft Power Limitation) emerging as the measure to reach the EEXI limits. An average EEXI load in the range of 50-60% was identified for Danaos fleet corresponding to maximum speeds in the range of 20-22 knots under charter party conditions.

Projections from UNCTAD (Review of Maritime Transport 2022, *https://unctad.org/webflyer/review-maritime-transport-2022*) estimate maritime trade growth to 1.4% and for period 2023–2027 to expand at an annual average of 2.2%, a slower rate than the previous three-decade average of 3.3%. For a long period, containerized trade was the fastest growing segment with 1.2% growth in 2022 and an estimated marginal pick up to 1.9% in 2023. Following unseen highs in spot rates in December 2021, one year later the pandemic-driven conditions are less faithful and spot freight rates more moderate, still slightly above the pre-pandemic levels. The sector is also experiencing a transformation through vertical integration, with the top ten carriers holding almost 91% of total market shares. Containerships hold the second place in number of newly delivered vessels, just below liquefied gas carriers and also place number two in average age of the fleet, with 11,1 years. Shipbuilding remains well below 2014-2017 levels. Fleet growth evaluation showed for 2022 a 2.95% increase in comparison to 2021.

While according to ITF Transport Outlook 2021 the maritime sector accounts for more than 70% of freight activity and around one-fifth of freight emissions, demand for maritime freight has approximately doubled over the last two decades, growing by 3.7% annually on average (ITF Transport Outlook 2021, *https://www.itf-oecd.org/itf-transport-outlook-2021*).

Current transport decarbonization policies are insufficient to pivot passenger and freight transport onto a sustainable path. CO_2 emissions from transport are expected to increase by 16% by 2050 (ITF Transport Outlook 2021, *https://www.itf-oecd.org/itf-transport-outlook-2021*) even if today's commitments to decarbonize transport are fully implemented. It is expected that emissions will reach a plateau and then start to decline. During the past decade there was a steady reduction in carbon intensity, with 21% estimated for the containers, or in other words equal to 3.3 grams of CO_2 per ton-mile, explained by UNCTAD by the increased size of the vessels, since stats are proving that the younger and larger the vessel, the lower the carbon intensity.

The expected emissions reductions from these existing

policies are cancelled by the expected increase on the transport demand and hold-back due to latest war invasion in Ukraine. By contrast, even more ambitious transport decarbonization policies could reduce transport CO_2 emissions by almost 70% in 2050 compared to 2015, bringing closer the goal of the Paris Agreement to limit global warming to 1.5˚C. It would require more and better-targeted actions to reduce unnecessary travel, shift transport activity to more sustainable modes, improve energy efficiency, and rapidly scale up the use of electric power and low-carbon fuels. Investing in carriers' sector is reluctant due to the uncertainty caused by upcoming regulations, fuels and carbon prices and technological development (Review of Maritime Transport 2022). Establishing a predictable global regulatory framework for sustainable investments for decarbonized shipping is certainly another step forward.

To reach the above target a large portion of the world fleet would need to be using net zero-carbon fuels by 2050. This still needs to be tested, proven, and become commercially available. At Danaos, we believe that there is no single solution to deal with the 2050 decarbonization challenge, we invest, research, and inform policy makers. While the implementation of energy efficiency improvement methods to optimize vessels' performance and environmental footprint have been extensively studied and applied, these are not enough to meet IMO decarbonization targets. UNCTAD estimates that 31% of containerships fleet are D or E rated in terms of CII. Danaos' existing fleet's improvement has an "optimization ceiling" as most installed engines onboard cannot be upgraded to dual fuel mode and burn zero carbon fuels.

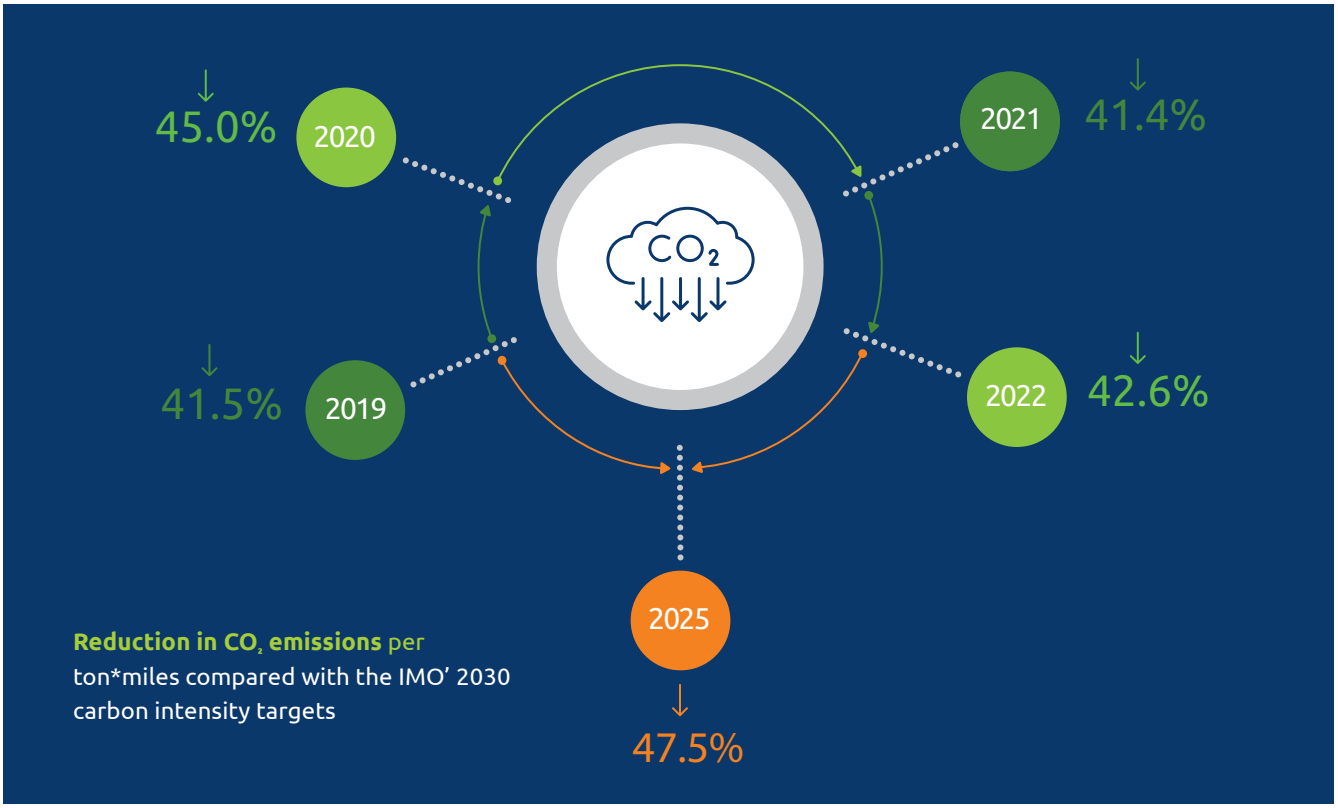
It is therefore very important to highlight that decarbonization will be carried out in two steps:

Step 1: Optimization of the current fleet, to improve carbon intensity.

Step 2: Renewal of the fleet with zero carbon vessels, starting in the next decade, developing in parallel carbon emission offsets.

The transition to low carbon fuels along with speed reduction and route optimization seem to be the only way for decarbonizing the shipping sector.

Reduction in CO_2 emissions per ton*miles compared with the IMO' 2030 carbon intensity targets:



Upon the application of EEXI limit in 2023 and inclusion of shipping in EU ETS as per EU Fit for 55 proposals, the speeds are expected to decrease. In Danaos we target 10% higher than IMO in connection to carbon intensity improvement vs 2008 as a reference year. Our target is 50% improvement in 2030 which is translated in 47.5% reduction in carbon intensity by 2025. In addition to the above we are committed to apply Alternative Marine Power (AMP) arrangement to 25% of our fleet by 2025 in an effort to support decarbonization at ports, especially Ten-T Core Network ports, were regulations about on-shore power will come into force as part of the Alternative Fuels Infrastructure Directive (AFID).

Target Status

25% of vessels will be equipped with AMPs to ensure full power with less emissions.

25% of Danaos fleet already fitted with AMP in 2022.

On route to decarbonization, at Danaos we have been exploring biodiesel as alternative fuel to achieve GHG reduction due to being one of the most "technologically ready" and "near-term available" options to lower the overall lifecycle emissions. The IMO MEPC 78 outcome simplified the significant barriers and restrictions previously in place for the use of Biofuels contents up to 30% (B30). Within 2022 in Danaos, as part of participating in our charterers' campaign, 5 of our vessels were successfully supplied with biofuel blends (B30). The use of biofuels will be one option to the pathway of decarbonization, while the procedure for evaluating the carbon footprint reduction effect of biofuel in the lifecycle is currently being developed by the IMO.

Going one step further to fight climate change, Danaos within 2022 introduced carbon offsetting by neutralizing the Headquarters' carbon footprint including employees commuting emissions, with the aim to balance unavoidable emissions. The carbon offsetting that was verified by a third party, is a proactive action outside our value chains to contribute towards decarbonization and is beyond our near-term and long-term targets set. Moreover, in Danaos we participated in the afforestation program including the planting of 1,000 trees, which corresponds to the absorption of 22,000 kg CO_2.

Certificate

Decarbonization Initiatives

In Danaos we believe that the decarbonization pathway should be drawn up as a result of strong partnership of all key stakeholders. We are participating in various consortiums and are in close contact with targeted bodies aiming to advance mutual interests related to decarbonization and sustainability targets.

We have been in contact with various initiatives since we are closely monitoring all developments around the decarbonization, and alternative fuels and we are constantly monitoring our vessels' performance and compliance through Waves Data Platform.

In 2020 Danaos became a member of the Global Maritime Forum (GMF), adhering to the Getting to Zero Coalition statement. We are also members of the Ammonia Energy Association (AEA) since July 2020, participating in meetings and keeping up to date with all latest developments for the use of Ammonia in the maritime industry. We support the Poseidon Principles that help banks align their shipping loans with the climate goals set by the IMO. In 2022, 20% of Danaos fleet already complied.

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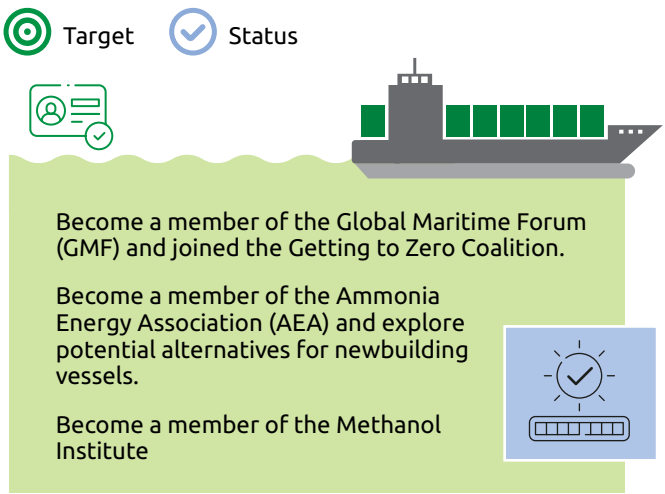
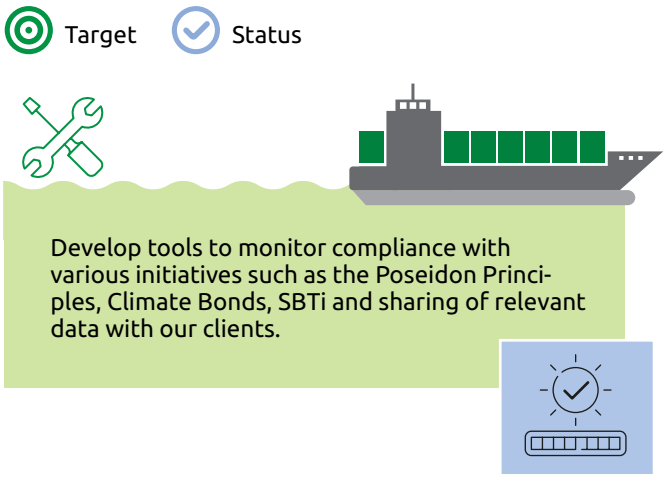




The signatory banks measure the carbon intensity of their shipping loans, relying on the global Data Collections System for fuel oil Consumption by ships ("IMO DCS") and then publicly report how their shipping loans align with the adopted climate goals. As a result, banks will focus on financing "green" assets, such as ships with technologies that allow for low GHG emissions. Ship owners on the other hand will focus on such technologies and in turn will be able to justify a longer return on investment.

Climate bonds initiatives are also explored in order to verify our fleet's compliance. We have also been in contact with Science Based Targets (SBTi) and follow up all latest developments in relation to the finalization of the science-based tool targeted for shipping while we became members of the Methanol Institute (MI) in order to keep up with all developments in relation to methanol use as a marine fuel.

We are research focused

The large-scale transition towards net zero by 2050 will, at some point require a full switch to zero-carbon fuels. Medium-term measures may, for some, include blend-in of carbon-neutral fuels, biofuels, or the use of bridging fuels such as LNG or methanol with a view to their bio versions subject to successful scale up in future while most short-term measures are largely about increased fuel and energy efficiency. In this whole context, the ordered NBs within 2022 are methanol ready, with a belief that bio-methanol will be developed at scale and will be used as a carbon neutral fuel for shipping.

Target Status

Participating in Joint Industry Projects (JIP) investigating the use of alternative fuels to improve combustion and reduce the carbon footprint of vessels.

Continuous study and research on technical measures and design retrofits aiming at improving vessels performance.

Support R&D research activities on the study and investigation of the use of alternative fuels and innovative technologies.

2022 was really a fully active and energetic period which DrC team was involved in multiple Research, academic, network activities and awarded with new distinctions. Three (3) projects (Aircoat, Sleekship, and Seahealth) were successfully completed, while officially started new ones (CoPropel, DT4GS, EO4EU, RESHIP, SafeNav, iCrew, HP4SHIP, Optiship). Projects are mainly focused on the mitigation of the CO_2 Shipping emissions (decarbonization), autonomous robotic inspection, energy efficiency, weather routing, navigation/safety and operational optimization.

During 2022, five (5) EU Projects started aiming at the marine propeller propulsion efficiency (COPROPEL), advanced hydrogen power system (RESHIP) through ESDs (Energy Saving Devices) onboard for newbuilds and retrofits (RESHIP), the use of DT (Digital Twins) innovations and application to support smart green shipping in the upgrade of existing ships (DT4GS), dynamic data mapping and labelling based on AI adding FAIRness to the system and data (EO4EU), as well as innovative digital collision prevention for the elimination of the navigational accidents (SAFENAV).

More specifically, **CoPropel** puts forth a holistic approach towards the realization of marine propellers made of advanced composite materials. Compared to their traditional counterparts, marine composite propellers offer efficiency gains in propulsion efficiency, noise reduction and weight savings. The CoPropel project will see an interdisciplinary team of experts drawn both from research and industry, from theoretical considerations and numerical modelling to precision manufacturing - assembly and experimental verification testing. The proposed activities will mature our Technology Readiness. Level to 5-6 and drastically de-risk the integration of the investigated solutions on future products, effectively resulting in reducing the direct operating costs for the operators while minimizing the environmental impact.

On the other hand, the **Reship project**, aims to redefine the onboard energy saving solutions for newbuilds and retrofits in marine and inland waterway with disruptive technologies in two distinct areas, Energy Saving Devices (ESDs) and onboard hydrogen utilization.

DT4GS is aimed at delivering an "Open Digital Twin Framework" for both shipping companies and the broader waterborne industry actors to tap into new opportunities made available through the use of Digital Twins (DTs). The project will enable shipping stakeholders to embrace the full spectrum of DT innovations to support smart green shipping in the upgrade of existing ships and new vessels. DT4GS will cover the full ship lifecycle by embracing federation of DT applications as well as utilising DTLF policies

and related shared dataspace developments for the sector. DT4GS applications will focus on shipping companies but will also provide decarbonisation decision-support system for shipyards, equipment manufacturers, port authorities and operators, river commissions, classification societies, energy companies and transport/corridor infrastructure companies.

The project, **EO4EU**, aims to provide innovative tools, methodologies and approaches that would assist a wide spectrum of users, from domain experts and professionals to simple citizens to benefit from EO data. EO4EU strives to deliver dynamic data mapping and labelling based on AI adding FAIRness to the system and data. EO4EU introduces an ecosystem for holistic management of EO data, bridging the gap among domain experts and end users, bringing in the foreground technological advances to address the market straightness towards a wider usage of EO data.

Finally, **Safenav** project will develop and test a highly innovative digital collision prevention solution that will significantly reduce the probability of collisions, impact damage, grounding, and contribute to safer navigation by a) faster reliable real-time detection of a variety of obstacles (other vessels, fixed installations, submerged/semi-submerged objects, and marine mammals) in the marine environment, using data from state-of-the-art sensors and other relevant sources, and b) effective visual representation of the multi-source data to the navigators for quick COLREG-based decision-making support.

Along with the aforementioned academic, the carbon capture and storage technology, is another promising area that Danaos Shipping R&D team is investigating as a possible solution to decarbonization. Within 2022, Danaos has contacted several carbon capture and storage system suppliers and studied the proposed solutions. At the same time, Danaos is also in continuous contact with Flag Administrations and classification societies in order to stay up to date with all relevant developments on this project.

Air lubrication systems have also been examined as a potential solution for increasing energy efficiency. Another innovative unit has also been put under the microscope that can at the same time treat both SO_x and CO_2, though tests results are expected to be available within 2023.

Under the umbrella of our low friction paint campaign, Danaos is also testing a new biocide free ultra-low friction paint that has been applied in one of our vessels that was drydocked within 2022 and her performance is being compared with her sisters in order to check the real benefit and assess whether same paint will be implemented also at other vessels of the fleet.

A feasibility study has also been conducted for a patented rudder arrangement that would improve fuel efficiency, maneuverability & course keeping and noise and vibration reduction. Danaos has checked whether installation can be tested in one of the NBs that will be delivered within 2024 and whether the system can be tested in one of our existing vessels. The results for the study of the NB case indicated a saving in the range of 5%.

Emissions Reduction

We have developed a monitoring tool for the fleet's emissions to evaluate and monitor energy. Danaos calculates the emissions of the entire fleet, to ensure transparency and emissions management. These metrics are indicators of environmental performance and are shared with clients, upon request, so that they can in turn evaluate their environmental footprint (value chain footprint – scope 3 GHG protocol).

Target Status

DNV

Voluntary enrollment in the DNV "CO_2 Index" project, monitoring and certifying fleet's performance and CO_2 emissions.

Danaos received EEOI Certificates by DNV for year 2022; EEOI certificates are renewed within the first quarter of every year, where specific sets of data for enrolled vessels are sent to DNV, evaluated and discussed with Danaos in order to produce the EEOI values.

In 2022, fleet emissions decreased by 1.6% compared to 2021. Our fleet's average speed, which reached 16.2 knots in 2021, was reduced by 0.5 knots in 2022 while maintaining nearly the same operating draft. Moreover, our vessels had only 1% more steaming time compared to 2021. For the above reasons the fleet's EEOI has decreased to 15.68 gr/tn*nm from 16.01 gr/tn*miles in 2021. Due to the decrease in consumption, consequently all NO_x and SO_x emissions have been reduced respectively.

On vessel assessments, increasing and decreasing trends have been observed. A detailed performance analysis and comparison is completed for each of the company's vessels within the first quarter of every year and results are updated in the SEEMP manual.

Target Status

CO_2 NEUTRAL

By 2050 all newbuilds are to be carbon neutral transitioning to alternative fuels subject to availability, as well as technological and regulatory readiness.

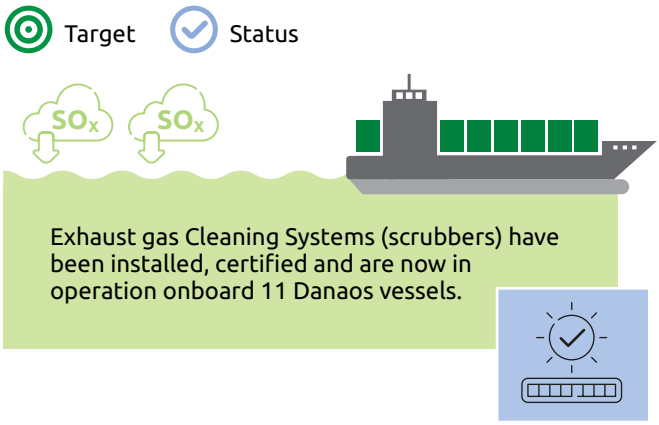
Within 2022, Danaos placed orders for 6 eco vessels equipped with engines that can be retrofitted at later stage, so as to enable dual fuel (methanol) use onboard.

Within 2022, Danaos placed orders for 2 eco vessels of 7,100 TEU containerships that will be built at Dalian Shipbuilding in China and are expected to be delivered in the 2nd and 3rd quarters of 2024, as well as for 4 eco vessels of 8,000 TEU containerships that will be built at Daehan Shipbuilding in South Korea and are expected to be delivered to Danaos in the first half of 2024. The vessels will be methanol-fuel ready in order to retrofit into green methanol use when the fuel is available and will be built in accordance with the latest requirements in relation to Tier III emission standards and Energy Efficiency Design Index (EEDI) Phase III while they shall also be equipped with an on-line data acquisition system for incorporating in Danaos WAVES data analytics platform.

	2019	2020	2021	2022
CO_2 (tn CO_2)	3,070,913	3,013,941	3,729,025	3,675,991
GHG Emissions Intensity ($grCO_2$/tn*miles)	15.99	15.09	16.52	15.68
SO_X (tn SO_X)	44,110	8,006	10,091	9,809
SOx Eff (grSOx/tn*miles)	0.23	0.04	0.04	0.04
NO_X (tn NO_X)	93,638	91,187	112,517	110,404
NOx Eff ($grNO_X$/tn*miles)	0.49	0.46	0.50	0.47

The formula used for the calculation of our emission KPIs are in line with the ones used by the KPI platform: *https://www.shipping-kpi.org/*. We adopted the above approach, to use the same reference tool as that of our charterers, so as to be fully aligned. After successful implementation of the IMO Sulphur cap 0.5 back in 2020 along with 11 open-loop scrubbers' installation, Danaos has been also closely monitoring Sulphur and nitrogen oxides in order to be able to measure our impact into the atmosphere. RnD is constantly studying new technologies in an effort to identify the best fit for the fleet and the environment.

For the scrubber fitted vessels and in order to accurately calculate the SO_X emissions, we have implemented in our online platform the exact Sulphur calculation based on the emission ratio as recorded from the emissions monitoring sensor. We have also implemented in our systems the monitoring of both air emissions and washwater discharged at sea, in order to timely identify and respectively rectify any potential malfunction and minimize violations.



Moreover, Danaos has implemented in its core strategy the installation of AMP in order to contribute to the reduction of emissions of ships while at berth. Our plan is to have 25% of the fleet equipped with AMP by 2025.

Environmental Monitoring incorporated in Waves

The development of a sophisticated environmental routine that will incorporate an interactive Carbon Intensity Index calculation, vessel rating and projection of emitted CO_2, setting the foundation for effectively responding to a potential emission trading or levy scheme will be launched within the next year.

Scrubber Monitoring incorporated in Waves

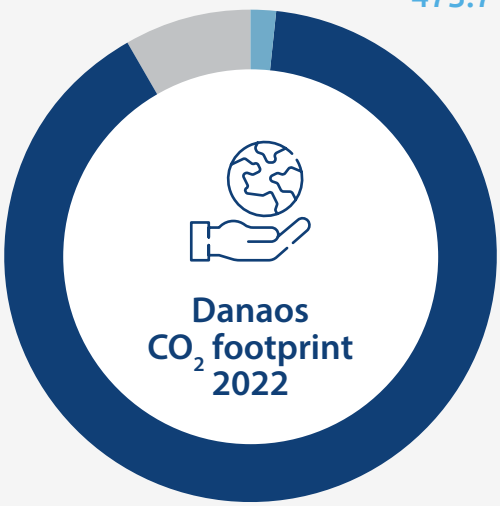
Scrubber Monitoring feature that is custom designed in our Waves data analytics platform for our vessels fitted with SO_x Scrubbers, in order to provide the user with good insight on the scrubber operational data almost in real time, while at the same time one is able to easily confirm compliance with the regulatory requirements for all parameters. Moreover, the Scrubber Reference log is a feature incorporated in Waves in 2020, in order to demonstrate compliance in case a failure occurs in a monitoring sensor by indicating compliant operation in the same conditions and ensure that the regulations are met until the malfunction is rectified.

We calculate our direct emissions (Scope 1) and indirect emissions from purchased electricity (Scope 2) and allocate same per client, while we are working on collecting value chain GHG (Scope 3) emissions related to our business activity which is a more difficult exercise. The procedure for Scope 3 emissions has been established and includes suppliers/partners reporting of their Scope 1 and 2 emissions allocated to Danaos. A detailed study and breakdown of all Scope 3 emissions is being carried out for the below categories:

- Tickets
- Crew training
- WtT fuel emissions
- Employee commuting
- Suppliers/partners
- Courier
- Class travel/ shipyard related emissions
- Agents/tugboats.

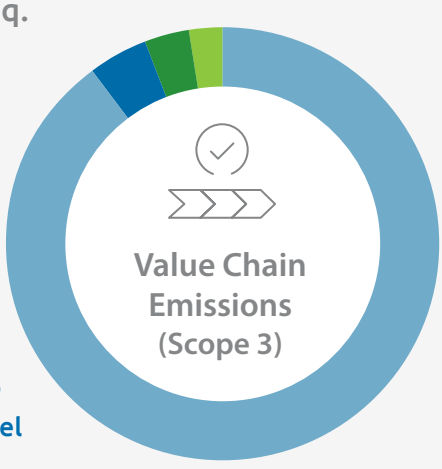
In the context of our commitment to high ESG standards, incorporating sustainability into our operational processes, business activities and strategy in all lifecycle steps, within 2022 we released a vendors' ESG checklist that will allow our company to evaluate our partners and gain a better understanding of our supply chain's operation. Our aim is to assess and measure sustainability activity and ensure the sustainable and efficient performance of our supply chain in compliance with our requirements and standards, which is necessary for creating positive value. The checklist addresses important environmental and social considerations through questions related to human rights and equal opportunities, working conditions, safety and proper energy and emissions monitoring, and also enables us to collect and report the Scope 3 emissions data that emerge from our own supply chain.

Danaos Total Emissions Allocation



8.3%

SCOPE 3 | Value Chain
330,655 MT CO_2 eq.

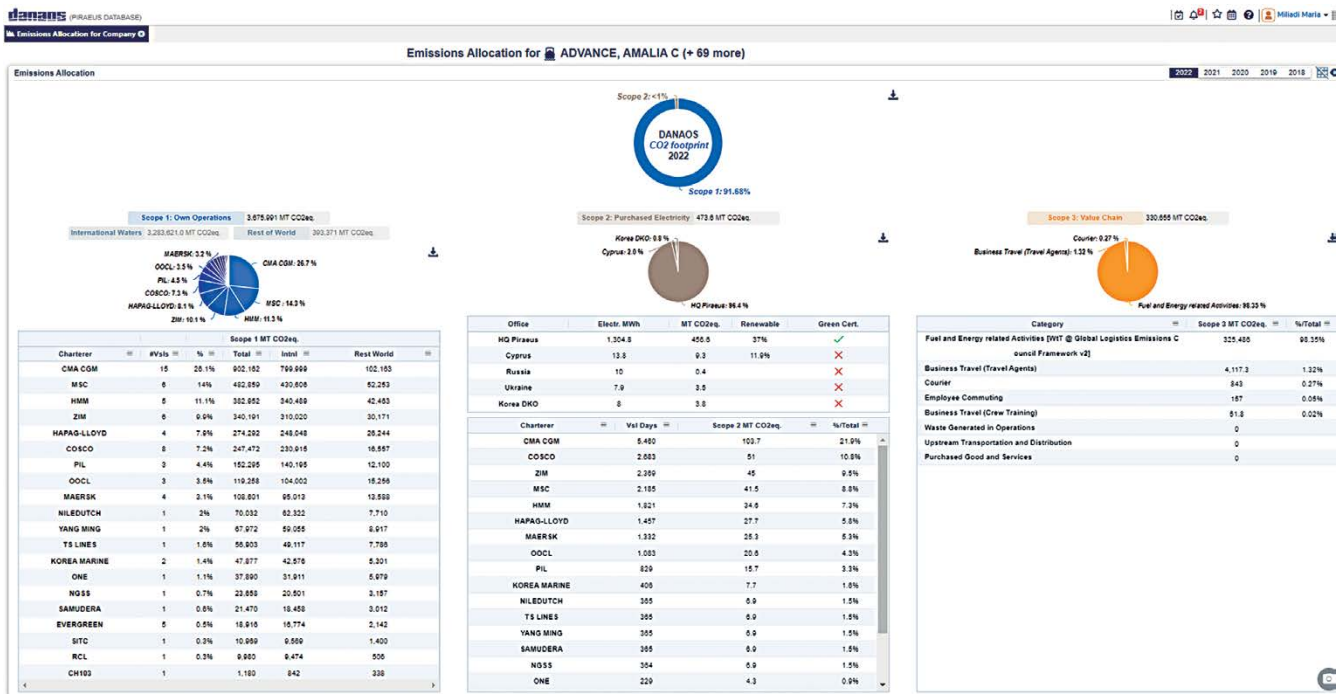


98.34%
Fuel & Energy

1.34%
Business Travel

0.27%
Courier

0.05%
Employee
Commuting



Danaos is on track for a carbon neutral future and remains a pioneer in taking actions for decarbonization and digitization.

Innovation and digitization towards a carbon neutral 2050

Across the shipping industry, companies strive to find ways to leverage new technologies and maximize the efficiency of their investments. The new business environment demands the shift from the traditional business model of selling capacity, to one that offers value to customers, through transparency and data sharing. With the increasing need of global supply chains for seamless flow of goods and services, Digital Business is a key enabler for shipping companies today. Concepts and new technologies that are massively used nowadays, such as the Internet of Things (IoT), Big-Data, Artificial Intelligence (AI), Application Programmable Interfaces (APIs) and sensors, together with vast amount of data, are utilized to optimize operations, improve efficiency and reduce costs. In order all of these to be implemented, changes in the operating models are required as soon as possible in order the whole industry to adapt to the new demanding reality.

Target Status

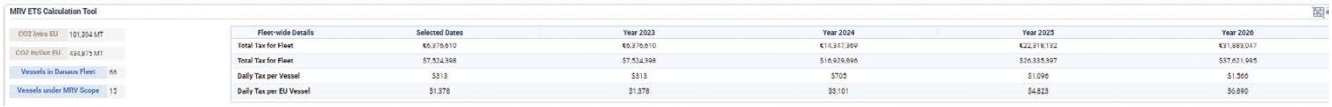
Work on the full digitalization of company's processes ensuring close control and prompt response promoting fuel efficiency.

Within 2022, Danaos has strongly enriched its Waves Data Analytics Platform with various scenarios concerning the speed reduction in order to compare results and effect of an updated route design based on same steaming with lower speed and same miles run within the year with route and port times' optimization. CII rating prediction based on charter party figures have also been added.

The online monitoring system is continuously evolving around 2 pillars; installation of online systems in the part of the fleet that is not yet equipped with such a system and the optimization of the currently installed equipment in order to enhance data reception with additional parameters like reefer consumption that are now essential for the CII calculation. Within 2022, online system data reception has been installed in another 5 vessels, leading to a total number of 55 vessels of the total fleet, i.e., 80% (55/69 vessels) of the fleet being capable of online data transmission to office. Danaos plans to extend even more the online systems installation within 2023. Moreover, reefer online data collection has also been installed additionally in 3 vessels, leading to a total of 28 vessels of the fleet to be equipped with online reefer monitoring.

Within 2022, Danaos has strongly enriched its Waves Data Analytics Platform with various scenarios concerning the speed reduction in order to compare results and effect of an updated route design based on same steaming with lower speed and same miles run within the year with route and port times' optimization. CII rating prediction based on charter party figures have also been added. Further to various meetings and discussions with our clients regarding the speed reduction, Danaos has proceeded in making a fully detailed leg analysis in order to identify which parts of the trade route are the "weakest links" and concentrate more on their optimization.

Apart from the internal carbon pricing that has been introduced last year, specific ETS MRV tool has been developed based on latest EU guidelines in order to provide a more details view of the costs involved up to today and for the coming years assuming same operation in EU territory for Danaos fleet.



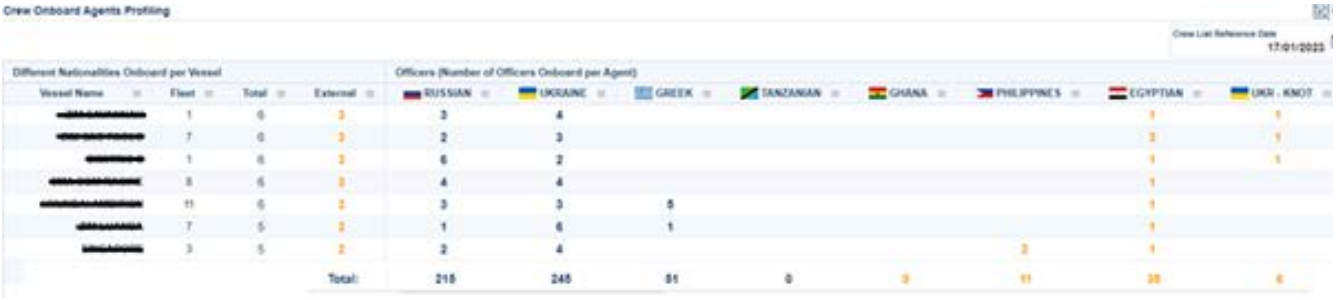
After the latest MEPC developments a specific extension to the existing telegram has been created in order to include all data needed for any potential voyage adjustment that needs to be excluded from CII calculation, biofuels bunkering details and AMP used. Telegram extension's design base is flexibility, since it is structured in such a way so that the system will be able to quickly adapt in future changes regarding any additional data needed.

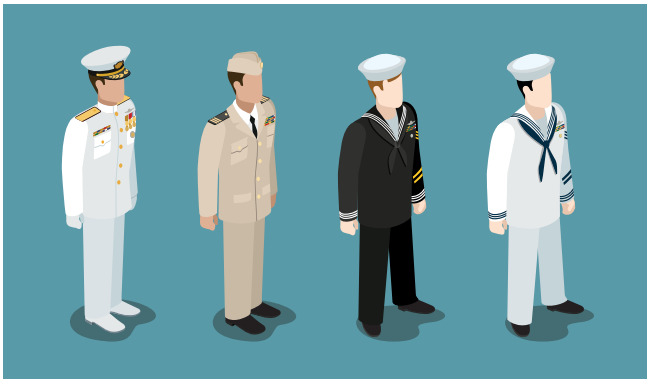
Moreover, since the past year has been crucial for all of our crew due to the ongoing war, Danaos has embedded crewing application into Waves Data analytics platform in an effort to monitor crew synthesis onboard all of our vessels, crew availability and all crew agents as well.

Three (3) different routines have been incorporated in Waves Data Analytics platform as presented below:

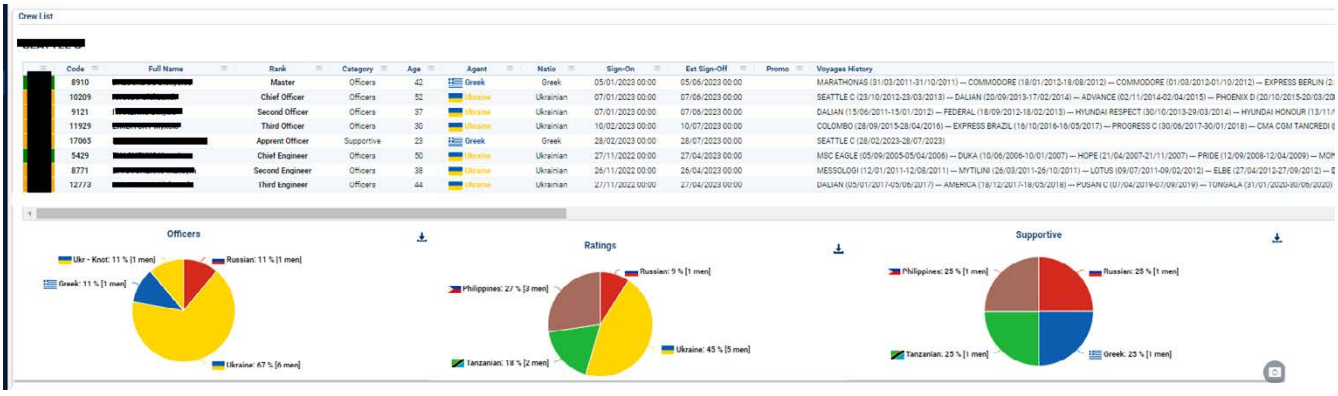
1. Crew onboard agents profiling
2. Crew resignation / extension on board
3. Crew pool control

Crew Onboard Agents Profiling



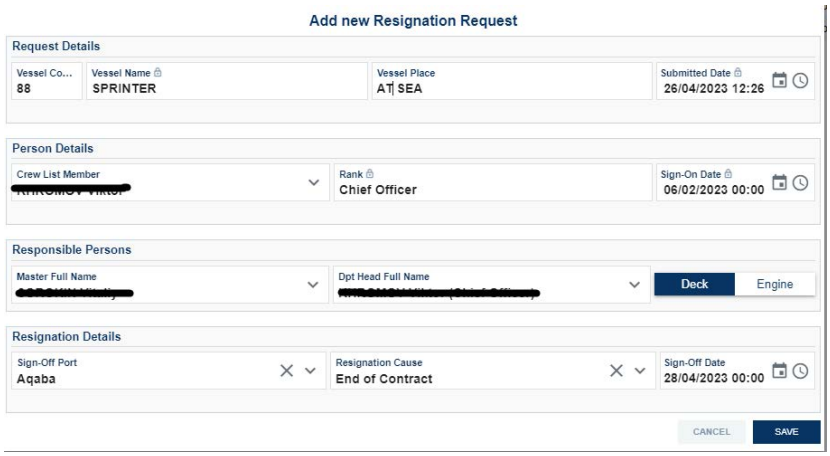


The ongoing war led to severe heterogeneity onboard our vessels, which consequently resulted in maximizing the need for monitoring of the number of different nationalities onboard and how same can actually cooperate. Different local habits, religion and all current geopolitical issues require utmost attention in order to assure crew welfare and safe collaboration among them. A single click creates the above table indicates a drilldown on nationalities per rank and per type of ranks (officers/ratings). A detailed crew list screen that includes full info of the crew onboard (nationality, agent, company evaluation color, photo, past embarkations/voyages, etc). is also available in both table and pie format in order for the user to get a quick and meaningful overview of the crew mix onboard the vessel.



Crew Resignation/Extension Onboard

In order to lower the workload onboard of the officers, eliminate human errors and at the same time speed-up the communication procedure of resignation/extension requests between office and vessel, a new electronic form has been created. The form has been designed in a way to minimize entries required by the crew member, having strong validations, eliminating misconceptions of erroneous pieces of information (like exact name and errors on airplane tickets), and finally automatically share the validated data with the office.



Crew Pool Control

The shortage of Ukraine and Russian crew due to the ongoing war led to insufficiency of available crew at Danaos Ukraine and Russian offices to cover vessels crew needs and thus new pools have been investigated and acquired in order to fulfil the current demanding market. A new sophisticated crew pool controller has been designed based on Danaos' needs, that checks all the available crew pool per office and per rank in order to be able to identify whether today's crew needs can be covered. Safety margins have also been considered along with the total crew synthesis, easily identifying either the supernumerary or lack of seamen in each rank as well as the offerings of the acquired pools.

Crew Pool Control

Officers | Ratings/Supportive | Crew Pool Overview (66/71 vsls) | Active Pool Structure (66/71 vsls) | Crew DANAOS S

Active Pool Details		Master	Chief Officer	Second Officer	Third Officer	Chief Engineer	Second Engineer	Third Engineer	4th Engineer	Electrician	Summary
TANZANIAN Officers	Active Pool (Sign On or Off last Year)	0	0	0	0	0	0	0	1	0	1
	Registered, but Non-Contracted	0	0	0	0	0	0	0	0	0	0
	Unavailable Seamen fm Active Pool	0	0	0	0	0	0	0	0	0	0
	Total (Active + Non-Contr - Unavail)	0	0	0	0	0	0	0	1 1 more (100%)	0	1
	Required Pool by DANAOS	0	0	0	0	0	0	0	0	0	0
	Total Seamen Onboard Now	0	0	0	0	0	0	0	0	0	0
	Assigned Vessels	0	0	0	0	0	0	0	0	0	0
	Ashore (Active+Non-Contr+Unavail)	0	0	0	0	0	0	0	1	0	1
	Declared / SignOFF+90d Availability	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 0	0 / 1	0 / 0	0
	Next 90 days Availability	0	0	0	0	0	0	0	1 100% available	0	1
RUSSIAN Officers	Active Pool (Sign On or Off last Year)	59	61	54	52	56	55	54	45	57	493
	Registered, but Non-Contracted	1	2	7	3	0	0	2	2	2	19
	Unavailable Seamen fm Active Pool	0	0	0	0	0	0	0	0	0	0
	Total (Active + Non-Contr - Unavail)	60 12 more (-20%)	63 15 more (-24%)	61 13 more (-21%)	55 11 less (-20%)	56 8 more (-14%)	55 7 more (-13%)	56 8 more (-14%)	47 8 less (-17%)	59 4 more (-7%)	512
	Required Pool by DANAOS	48	48	48	66	48	48	48	55	55	464
	Total Seamen Onboard Now	29	27	30	26	26	28	24	20	31	241
	Assigned Vessels	27 2 supernumerary	27	27 3 supernumerary	31 10 unmanned	27 1 unmanned	27 1 supernumerary	27 3 unmanned	31 11 unmanned	31	255
	Ashore (Active+Non-Contr+Unavail)	31	36	31	29	30	27	32	27	28	271
	Declared / SignOFF+90d Availability	21 / 10	26 / 9	24 / 7	24 / 5	15 / 15	20 / 7	18 / 14	13 / 14	17 / 11	0
	Next 90 days Availability	31 100% available	35 97% available	31 100% available	29 100% available	30 100% available	27 100% available	32 100% available	27 100% available	28 100% available	270
UKRAINE Officers	Active Pool (Sign On or Off last Year)	48	47	66	64	50	56	64	81	46	522
	Registered, but Non-Contracted	3	2	1	2	0	2	0	1	0	11
	Unavailable Seamen fm Active Pool	4	6	12	14	11	11	22	23	20	123
	Total (Active + Non-Contr - Unavail)	47 1 more (-3%)	43 3 less (-7%)	55 8 more (+16%)	52 10 less (-19%)	39 7 less (-19%)	47 1 more (-2%)	42 4 less (-10%)	59 8 more (+14%)	26 35 less (-84%)	410
	Required Pool by DANAOS	46	46	46	62	46	46	46	51	51	440
	Total Seamen Onboard Now	27	25	29	33	27	26	35	45	31	278
	Assigned Vessels	26 1 supernumerary	26 1 unmanned	26 3 supernumerary	29 2 unmanned	26 1 supernumerary	26	26 5 supernumerary	29 16 supernumerary	29 2 supernumerary	243
	Ashore (Active+Non-Contr+Unavail)	24	24	38	33	23	32	29	37	15	255
	Declared / SignOFF+90d Availability	8 / 16	6 / 18	3 / 35	2 / 31	2 / 21	8 / 24	0 / 29	1 / 36	0 / 15	0
	Next 90 days Availability	20 83% available	18 75% available	26 68% available	19 58% available	12 52% available	21 66% available	7 24% available	14 38% available	-5 33% available	132
TOTAL Officers	Overall Total	133 14 more (+11%)	135 16 more (+12%)	147 28 more (+19%)	135 8 less (-6%)	123 4 more (-3%)	122 3 more (+2%)	120 1 more (+1%)	127 9 more (+7%)	101 17 less (-17%)	1143
	Available in next 90 days	64	69	79	64	55	56	52	57	37	533

Ozone Depleting Substances

Danaos has incorporated the modifications from the old systems to the new ones and, according to the regulations, any deliberate emission of ODS is prohibited. For new building vessels, any installation containing ODS, such as halons and chlorofluorocarbons (CFCs), is prohibited. The Freon Types in use are R-404A and R-407C. Freon losses for **2022** were at **2.12%** of the total capacity (**412kg** approximately) showing that our efforts to reduce losses are paying off. We plan to reduce greenhouse gas emissions and mitigate climate change, based on EU F-gas Regulation (517/2014) adopted 1 Jan 2015 for reduction of use of HFCs. A service ban on HFCs with high Global Warming Potential (GWP >2,500) like R-404A, R-507 and R-422D has been imposed since 1 Jan 2020. The F-gas regulation applies to all EU countries and EU flagged vessels. Therefore, replenishment of retrofit of systems with lower GWP refrigerants takes place where required.

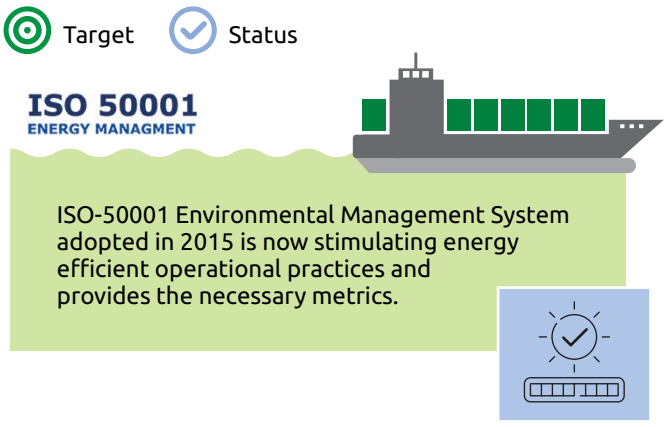
	2019	2020	2021	2022
Total Freon Capacity (tons)	18.8	22.1	22.1	22.1
Total Freon Losses (%)	7.0%	5.0%	5.0%	2.1%

Energy

The R&D Department at Danaos has extensively investigated options for minimizing transportation costs and the subsequent fuel consumption required per TEU. This includes optimizing the vessels' design and operating profile and consequently monitoring performance.

Methods for optimizing energy efficiency on vessels

The R&D Department in Danaos monitors all matters related to climate change aiming to energy efficiency improvement onboard and formulates relevant KPIs to ensure compliance with regulations. More specifically, in Danaos we have been working on evaluating our vessels' performance and examining measures to increase energy efficiency and improve Carbon Intensity Indicator (CII) rating.



Our general policy for all vessels entails full blasting and low friction paints application at drydock, sea routing for optimum voyage execution and performance monitoring through WAVES in order to ensure optimum performance and avoid power or SFOC penalties while we closely follow the regulatory developments pertinent to the use of biofuels and pursue through our charterers the use of same onboard.

On top of the above and as a part of our effort to achieve optimum CII results from owners' perspective following actions have been decided:

- Propeller retrofit and BTF on 4 vessels sized 6500s TEU that will be carried out within 2023.
- Hull coating improvement by applying advanced Low friction antifouling, based on the vessel's operating profile, on another 13 (total 36 vessels).
- Draft increase to further increase cargo capacity (DWT) on 5 vessels in 2022, while 10 vessels are in progress, with ongoing study for another 5 vessels.
- Trim optimization module approved for all Danaos vessels and will be implemented within 2023.
- Autopilot eco upgrade project with an enhanced operation for energy saving by applying course control and minimizing losses due to rudder resistance. The retrofit project is in progress for 55 Danaos vessels.
- Approval of CFD studies for BB optimization and propeller retrofit that will be carried out within 2023 for specific series corresponding to respectively 12 vessels and 25 vessels of Danaos fleet.

Fuel Consumption	2019	2020	2021	2022
HFO-LSFO-Biofuel	867.414 MT	899.411 MT	1.118.381MT	1.113.814 MT
MGO	51.380 MT	55.582 MT	66.982 MT	54.720
Power efficiency index	33,7%	34%	31%	30.3%*
Reefer utilization				15%
Average reefer load				4.8 kW

*For 63 vessels

In connection to CII correction factors pertinent to reefers consumption, since in several routes with reefers of old type, the load/reefer is higher than 2.7 KW, used in the theoretical calculation formula, we are in contact with classification societies and Flag Administrations in order to identify the pursuant requirements to this respect in order to be authorized to use directly the reefer load as retrieved through our on-line reefer monitoring data fed in Danaos WAVES platform.

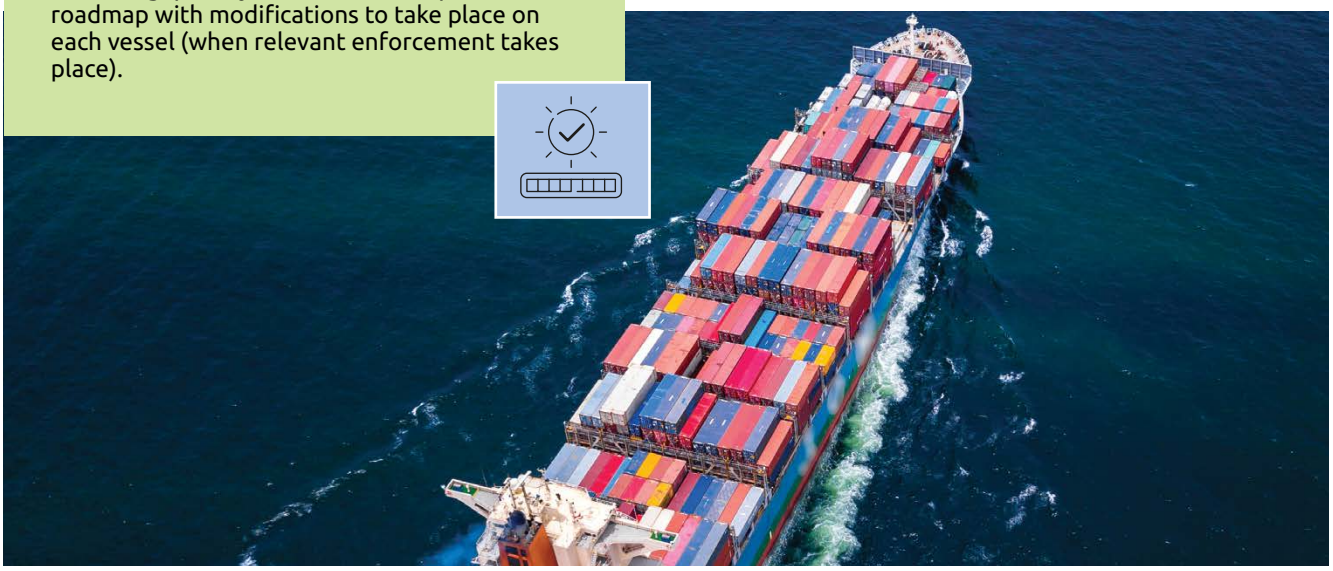
As part of our ESG strategy and working towards further engagement on sustainability matters, in Danaos within 2022 we have disclosed for the first time to CDP, obtaining a C rating and we also received a CDP Supplier evaluation B- score on our practices on supplier engagement issues, which is above the average of marine transport sector. C. In parallel, our Low Carbon transition plan was created, which outlines the roadmap with the progressive steps to the ultimate target of low carbon emission future by demonstrating our commitment and progress monitoring on climate actions along with milestones on route to carbon neutrality. Moreover, in Danaos we have been committed to well above IMO targets and we have been working with SBTi in order to proceed with further commitment, in the view of recently launched sectoral trajectories for the shipping industry that enables to align our near-and long-term emission reductions targets with the 1.5°C.

Target Status

Comply with IMO 2020 regulations on 0.5% sulphur cap, achieving a successful and smooth transition from HSFO to VLSFO.

Target Status

Perform gap analysis and issue compliance roadmap with modifications to take place on each vessel (when relevant enforcement takes place).



Waste Management

Circular Economy and Responsible Waste Management

Circular Economy is a recognized concept for sustainable growth and is increasingly gaining ground globally. The concept is expected to have a significant impact across products, markets, business models and value chains and on infrastructure. Since shipping is the most valuable link in global trade, it can enable and capitalize on a circular conversion of global supply chains and influence collaboration. Circular economy favors activities that preserve value in the form of energy, labor, and materials so new designs involve durability, reuse, remanufacturing, and recycling to keep products, components, and materials circulating in the economy.

In the maritime industry parts from the vessels are continuously refurbished by a service provider until the end of their life span. The concepts for resource-efficiency, waste management and circular economy are all integrated into Danaos' organizational policies. We continuously investigate in ports all around the world sources of specific recycling, especially for large components i.e., main engine or radar. By adopting the 3R reduce-reuse-recycle principle in its operations Danaos Electrical Department launched the ReNAV campaign/scheme with the purpose of upcycling old navigation and communication equipment.

Our fleet has many sister vessels and equipment is often similar between vessels. ReNav re-utilizes old equipment or spare parts extends life cycles reducing environmental impact. When a retrofit is performed, the components removed are assessed and if unaffected by the fault that caused the need for retrofit are dispatched to another vessel or collected in the office as spares for future use. Marine type monitors, processor cards and satellite communication systems are often part of the ReNav scheme. Parts or equipment which are not possible to be utilized in any way are stripped down to basic components (batteries, bare metal parts like frames etc., electronic components) and delivered for recycling. Through the Renav campaign within 2022, a total of 24 systems have been recycled, 16 systems have been upcycled (have been retrofitted and kept in office stock for future use) and 5 systems have been repaired.

Ship Recycling – Handling of Hazardous Materials

Hazardous materials are dealt with according to Regulation (EU) No 1257/2013 of the European Parliament and of the Council, for vessels exceeding a gross tonnage of 500. The scrap ships are recycled in facilities included in the European List of ship recycling facilities as laid down on EC Decision 2016/232326. Danaos places special attention to the proper recording of hazardous materials, ensuring smooth cooperation with our suppliers, safe recycling of vessels at the end of their life and selecting recycling facilities which embody safer practices.

Since 2017 Danaos has been training its own Quality Control Engineers, as "Hazmat Experts" (currently approved by two Classification Societies: KR & DNV). Danaos' Quality Control Engineers have tested and prepared Inventories of Hazardous Materials (IHM) for over 80% of the entire Fleet, while acting proactively, IHMs are in the pipeline for the rest of the fleet despite not being required to comply with EU SRR No.1257/2013 as per 2021 routes. Within 2022, IHM manuals have been timely prepared for 2 additional vessels due to change of route and calling EU port.

Waste onboard management

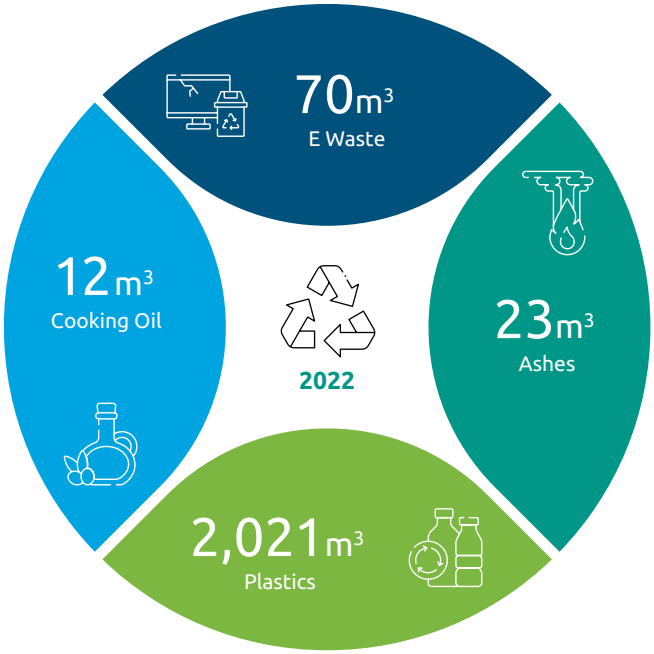
Garbage segregation takes place onboard as part of the DSMS – Safety Management and pollution prevention procedures. We encourage preventing, reducing, recycling, reusing, and minimizing waste streams including garbage generated on board. We provide separate waste streams at the point of collection so that garbage can be separated and discharged ashore more effectively.

Waste streams on board can be divided into two main categories: liquids and solids. Both are controlled, grouped in specific categories, and disposed according to MARPOL (International Convention for the Prevention of Pollution from Ships).

Operational wastes include those in solid form which are related to the ship's maintenance. Some are disposed ashore for recycling i.e., metallic parts and others such as oily rags (which are non-recyclable) are incinerated onboard to reduce the volume of waste ending up at the landfills. In compliance with the regulations, ashes are collected, retained onboard and discharged at port reception facilities to be further used as raw material in the construction industry. In 2022, the total amount of ashes disposed ashore were recorded as part of our systematic reporting as shown below.

Other garbage generated from the living spaces is segregated in categories and disposed ashore for recycling. Waste that is categorized as Hazardous and Medical is carefully segregated, clearly labelled and disposed ashore according to international and national regulations.

In 2022, we disposed for recycling:



As part of our efforts to minimize ship generated garbage we endeavor to receive as little as possible packaging on board our ships. Towards this direction we have agreed with our approved ship-chandlers to a number of practices such as:

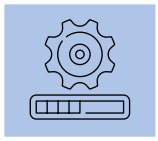
- Using supplies that come in bulk packaging, considering factors such as adequate shelf-life (once a container is open).
- Using supplies that come in reusable or recyclable packaging and containers.

- Avoiding supplies that are packaged in plastic, unless reusable or recyclable plastic is used.
- Wrapping which protects goods on their way to the ship should be replaced in the port before receiving the goods. Crew should return to suppliers' plastic, paper, and wooden packing materials.

Danaos has invested in garbage compactors. Garbage compactors are an eco-friendly way to process trash and other waste products. Their use improves waste management while relieves the pressure on landfills, reduces the size of the waste and has the potential to assist in separating recyclable materials from landfill waste.

Target Status

Reduction of wastes volume onboard vessels 50%.



In 2022 garbage compactor installed in 9 vessels (all fleet to be installed by 2025).

These reductions were achieved by the operation of compactors onboard which reduced the volume of plastics by 26%.

The waste liquids category includes mostly oil residues (sludge) produced by the operation of ship's main engine and other auxiliary machinery, resulting from the purification of oil. The handling of these residues onboard is regulated under MARPOL, Annex I. The amount of sludge generated is proportional to the fuel consumed onboard. By analyzing the quality of fuels in specialized laboratories and the constant maintenance of purification machineries we ensure the minimum quantity of fuel residues. For the year 2022 the produced quantity is 12,288m^3, reduced by 29% compared to the previous year. Sludge is disposed to shore reception facilities where after special treatment is used further in industrial processes.

All Fleet vessels carry onboard a specific Garbage & Sewage Management Plan (GSMP), a Garbage Record Book and placards for the familiarization of crew and visitors regarding the proper handling of garbage on board. Shipboard personnel are trained in the procedures outlined in GSMP and this is recorded. Vessels are controlled for their compliance through audits and Port State Control inspections or local port agencies.

As part of the 3R program our intention is to install compactors in all company vessels by 2025 and thus reduce the waste volume onboard by 50%. By the end of 2022, the vessels of our fleet with installed compactors amounted to twelve (12), as 9 installed and 3 existed onboard. The plan is to have ten (10) more vessels equipped with compactors in the next year (2023). This year the total produced quantity of plastic waste onboard was reduced by 1,3% while the quantity disposed for recycling was also decreased by 4,1%.

Onshore waste management

In parallel with shipboard management, we continuously strive to improve the management of waste generated in our headquarters. As part of our Environmental Action Plan, we monitor the average paper consumption per employee per day and we always encourage our people to reduce paper consumption. Although this year there was an increase of 11% in paper (office fully operational after Covid-19) the total consumption remained at a lower level compared to 2019.

At same time e-waste generation is of major concern. Danaos invests in high end data and networking electronic equipment attaining information security and prolonged life cycles. Any obsolete equipment classified as e-waste can either be in working condition or be unusable. IT equipment which remains in working condition after it has been data-wiped and refurbished is donated to charity institutions. Any equipment that we can't re use in house is recycled by professional companies.

Additionally, we abide by the contract with our Supplier to return all the empty toner cartridges for recycling. The year 2022 a total of 77pcs were collected from our office.

Target Status

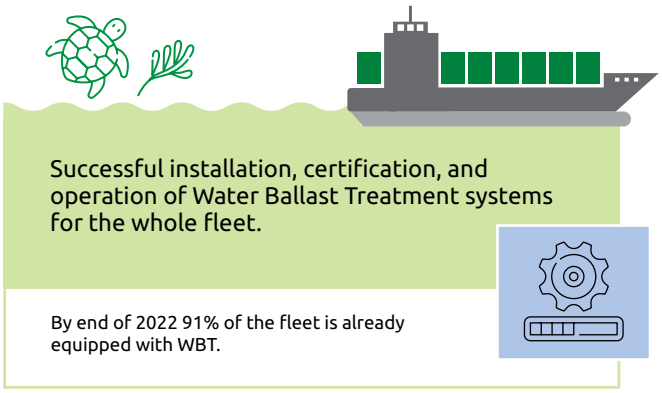
0
zero

Zero waste overboard.
No paper to landfield to our offices.

Protection of Marine Biodiversity

We adopt a Ballast Water exchange policy which prevents the transfer of harmful alien aquatic species from one region of the world to another. All engineering, plan approval and installation work has been carried out in-house by Danaos' R&D and Technical department. Each Ballast Water Treatment System has been evaluated for its efficiency, technical competence, operational flexibility, durability, and environmental friendliness, through principal certification and acceptance by the IMO, the US Environmental Protection Agency and the European Committee.

Target Status



In 2022, a total volume of 4,866,233 cubic meters of ballast water was exchanged in Danaos' fleet.

Ballast Water	2019	2020	2021	2022
Total Ballast (m3)	5,996,209.8	6,055,711.8	5,401,298	**4,866,233**
Ballast Exchange compared to last year	1,3% (decrease)	1,0% (increase)	12 % (decrease)	**11% (decrease)**
Change in FO consumption per ton of ballast exchange compared to last year	8,6% (increase)	9,6% (increase)	45% (decrease)	**12% (decrease)***

** We aim to optimize the use of ballast water equipment and whenever possible perform ballast operations by gravity to reduce fuel consumption.*

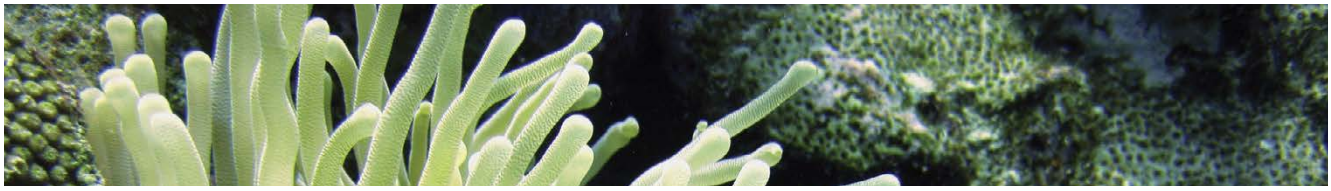
As a major container company, our impact on marine eco-systems can potentially be significant due to the ballast water quantities that are needed for vessels' operation and stability. In this respect, we aim at the lowest possible impact to marine life and in order to achieve it we strictly follow all relevant regulations in place.

We ensure compliance with all IMO regulations and protect marine biodiversity by installing water treatment systems at first opportunity, even well ahead of the official compliance dates.

Installation per year	2020 and before	25
	2011	4
	2022	28
	2023	6

Danaos initiated Water Ballast Treatment (WBT) installation onboard vessels back in 2018. Our plan is to have WBT units installed in 100% of the fleet by 2023. Currently almost 91% of the fleet is already equipped with WBT. These are fully operational units and are used regardless of whether they have passed the IMO compliance date or not. UV light is used for water sterilization, this eliminates any bacteria and pathogens from the water volumes used. By the end of 2022, another 6 vessels will have the system installed and running.

In 2022 WAVES was enriched with maps of areas listed as special, i.e., areas where emission are controlled, sensitive areas under MARPOL (MEPC. 1/Circ. 778 has been used in order to identify all relevant areas). A total of 2% of time is spent in special designated areas while operation in ECA areas reaches 25% for the whole fleet.



Water and Effluents

The water discharges incidental to the normal operation of ships includes ballast water, bilge water, black water, and graywater.

Ballast water is essential to control the trim & stability of the vessel. However, ballast water may contain aquatic organisms or pathogens which, if introduced into the sea including estuaries, or into fresh water sources, may create hazards to the environment and human health and impact ecosystem diversity. In accordance with the International Convention for the Control and Management of Vessels' Ballast Water and Sediments, 2004 (the Convention) and the associated Guidelines each vessel carries an approved Ballast Water Management Plan which provides standard operational guidance for the planning and management of vessels' ballast water and sediments and describes safe procedures to be followed. The selection of appropriate methods of Ballast Water Management is done based on the criterion that the practices used to comply with the Convention do not cause greater harm to the environment, human health, property or resources of any States and the safety of vessels, than they prevent. In line with this we have drawn up our policy described in "Protection of Marine Biodiversity" section.

Bilge water contains fluids from machinery spaces, internal drainage systems, sludge tanks and various other sources. Regardless of its source bilge water is treated to reduce the oil content to levels meeting international regulations (Annex I of MARPOL Convention) prior releasing into the environment.

Black water refers to sewage which is a term used to describe drainage wastewater from any form of toilets and urinals; from medical wash basins, wash tubs and other wastewater when mixed with these drainages. The discharge of sewage from ships is regulated by Annex IV of MARPOL Convention.

The Company's policy concerning prevention of pollution by sewage from its ships is based on the following principles:

- All sewage equipment on board the Company's ships is type approved as indicated by a maker's plate affixed to the equipment and are approved by the Flag Administration.
- Vessels equipped with sewage holding tanks should use these tanks in all ports and following MARPOL Guidelines, dispose of the contents further than 12 miles from nearest land while underway and in accordance with the approved discharge rate.

- Treated sewage along with graywater can be temporarily disposed through Class approved piping to designated temporary holding tanks and thereafter discharged to the stringiest regulation applicable.
- Vessels equipped with chemical treatment plants should be used while in transit throughout all coastal areas.

The designated manual for the wastewater shipboard management is the Garbage & Sewage Management Plan (GSMP) which describes all the applicable International and National requirements. The manual defines the designated person responsible for the execution of the Sewage Management Plan as well as best practices for the efficient running of a sewage treatment plant. Periodic maintenance and inspection records have been included into Planned Maintenance System (PMS).

Apart from the assigned personnel's specific duties familiarization, all shipboard personnel are further trained and educated during the regular safety and environmental meetings held on board on the following topics:

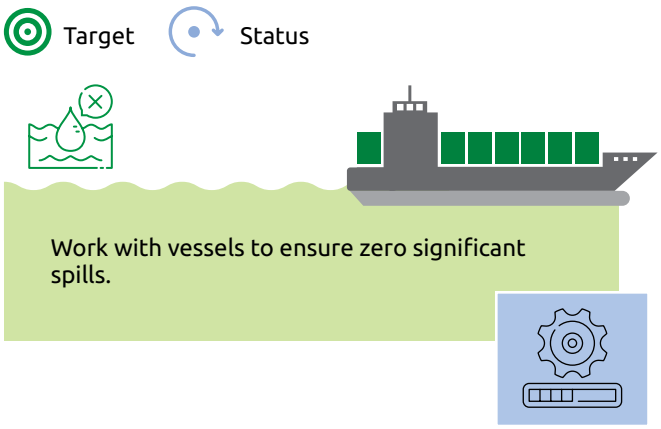
- International (MARPOL Annex IV) and national legislation of the States/ports called.
- Specific requirements for the wastewater treatment and disposal of wastewater effluents.
- The operation of wastewater treatment facilities onboard.
- The disposal of wastewater to shore facilities.
- Health and sanitary considerations, best practices to avoid abnormalities to sanitary system onboard.

Graywater refers to wastewater from laundry, galleys, washbasins, showers, and sinks. Graywater discharges can contain bacteria, pathogens, detergent and soap residue, metals, and nutrients. Currently there is no international regulation to control these discharges other than local or State regulations. In the United States under Clean Water Act (CWA) National Pollutant Discharge Elimination System (NPDES) all commercial vessels greater than 79 feet must have permit such as the Vessel General Permit (VGP) before they can legally discharge graywater in US waters. The VGP, in force since 2008, requires that vessel owners and operators assure their vessels' graywater discharges meet effluent limits, corrective action is taken for fixing permit violations, and related requirements for inspections, monitoring, recordkeeping and reporting are implemented. Vessels cannot operate in US Waters without a VGP in place. Danaos has integrated VGP requirements for the control of graywater impacts into its DSMS covering all fleet vessels providing onboard specific manual and CBT for crew's familiarization.

Marine Pollution and Conservation

Conforming to Environmental Laws & Regulations

Environmental protection and pollution prevention are considered as top priority matters by all crew. An action plan described by a set of measures is in place to mitigate the risk of oil spill, such as maintenance of all critical machineries for the related operations, routine drills and simulations, training both onboard and onshore through safety meetings, and a strong crisis management policy. In Danaos we implement a Zero MARPOL Incident policy, and any oil spill or leak is documented, reported, and analyzed with a view to ensure that similar incidents do not occur in the future.



The most common reason for spillages is human factor while minimizing the exposure risk associated with pollution is a challenging task. Danaos has developed a Safety Management System and policies that promote pollution prevention and we have taken a step further to predict and prevent any potential threats to the marine environment. Danaos is continuously operating with “zero spills”, reflecting the structure and the efforts of the Company.

At same time we have established and implemented a robust Environmental Management System and our fleet systematically complies with or exceeds environmental laws and regulations as imposed by:

- IMO
- U.S. Oil Pollution Act of 1990
- CERCLA (spills and releases of hazardous substances)
- Clean Water Act
- Clean Air Act
- EU MRV regulation

In 2022 we reported no incidents of non-compliance with environmental laws and regulations, no spills, and no fines.

SOCIAL

Through our **commitment to our people**, our values and our responsibility to our communities, we aim to create an environment in which our people are proud to work.

The **health and safety** of our people are paramount to the well-being of our people, and we are working towards the safest possible conditions through the implementation of an Occupational Health and Safety regime.

All systems of **Danaos Safety Management** are audited internally by the Safety Quality and Environmental Department and externally by Recognized Organizations, members of IACS.

SOCIAL

Material Issues

- Diversity, Equal Opportunities and non-discrimination
- Occupational Health & Safety
- Training and Education
- Child Labor
- Forced and Compulsory Labor
- Security Practices

SDGs

Goals 2021-2025

- Status: 12 out of 15 social goals for 2023 have been already embedded.

Diversity, Equal Opportunities and non-discrimination

Our People

In a fast-moving world that poses multiple challenges, the ability of our people to uphold the highest standards is crucial to keep growing in a sustained manner. Their safety and well-being are a priority for us, while we strive to keep them happy, engaged, and help them reach their full potential. We promote equal opportunities and a culture of appreciation and respect, while recruitment processes are applied without any discrimination. Our main objective is to create an inclusive environment where all feel welcome. We know that our success depends on the work of talented, dedicated seafarers and ashore personnel who play a critical role in helping us reach our business goals. That's why we seek to attract, recruit and retain only the best people. Through our commitment to our people, our values and our responsibility to our communities, we aim to create an environment in which our people are proud to work.

Target Status

Maintain annual employee retention rates above 90%.

'22 Retention rate: 90%

Ashore Personnel

Our shore-based staff is run by an expert team of individuals with extensive experience in the shipping industry and the containership market. We develop and maintain processes across departments and promote continuing professional development and training. The high employee retention rate is an important indicator of the employees' satisfaction and the effort we put into engaging our staff.

It is widely recognized that there should be no difference in salary based on gender and equal pay for equal work is a fundamental concept.

Danaos promotes equality in the workplace, creating fair and inclusive policies and practices and ensuring transparency in pay structures, while at the same time addressing any biases or discrimination that may affect salary decisions.

It is essential to continue advocating for equal pay and working towards a society where gender does not determine one's salary.

The participation rate of the suggestion box remains high. This year we received

46 ideas from

35 participants

3 awarded

44%
Female Representation

15,7%
New Hires

90%
Employee Retention Rate

22,7%
Female Managers

48,8%
MSc/MA/MBA

72%
BA/BSc

127
Employees

39.7
Average Age of Employees

1,397
11 Training Hours per Employee

20
New Employees Hired

12
Summer interns

Danaos Summer Internship Program

Target Status

Offer summer internship programs.

Danaos summer internship program is a valuable opportunity for recent graduates to gain hands-on experience in our offices. The length of the internship program varies but it typically ranges from three to four months. The interns work under the guidance of a team who provides feedback and support throughout the program while they also participate in training sessions, workshops, and networking events to enhance their skills. At the end of the program, they have the opportunity to present their work, participate in group projects, and receive feedback from their peers and supervisors. This experience can help graduates develop their skills and knowledge and explore career paths. They also meet and connect with professionals in their field, learn about job opportunities, and receive guidance and mentorship from experienced professionals. Overall, our goal is to make internships in Danaos a valuable and rewarding experience for both the graduates and the employees!

Our Crew

Being a seafarer is one of the toughest and most demanding jobs in the world. Seafarers often have to deal with isolation, difficult weather conditions and constant threat of piracy and shipwrecking. As a matter of fact, the crew's welfare and development play a major role in our operations and it is in the center of our business. In doing so, we have a close relationship with all of them and we work hard on their regular training and career development.

As a matter of fact, access to communication facilities plays a vital role within seafarers' mental health and it contributes to their career development.

Target Status

Expand diversity and equal opportunities.

As of December 31, **2022**:

1,435 Seafarers onboard

36 Average Age Seafarer

81,2% Crew Retention Rate

4,966 Training Hours provided in the offices

66 Seafarers were promoted

Promotions	Rank
9	Masters
24	Chief Mates
11	Chief Engineers
22	Second Engineers

Incidents of discrimination and corrective actions taken

In 2022 no incidents of discrimination have taken place.

Target Status

Maintain annual crew retention rates above 80%.

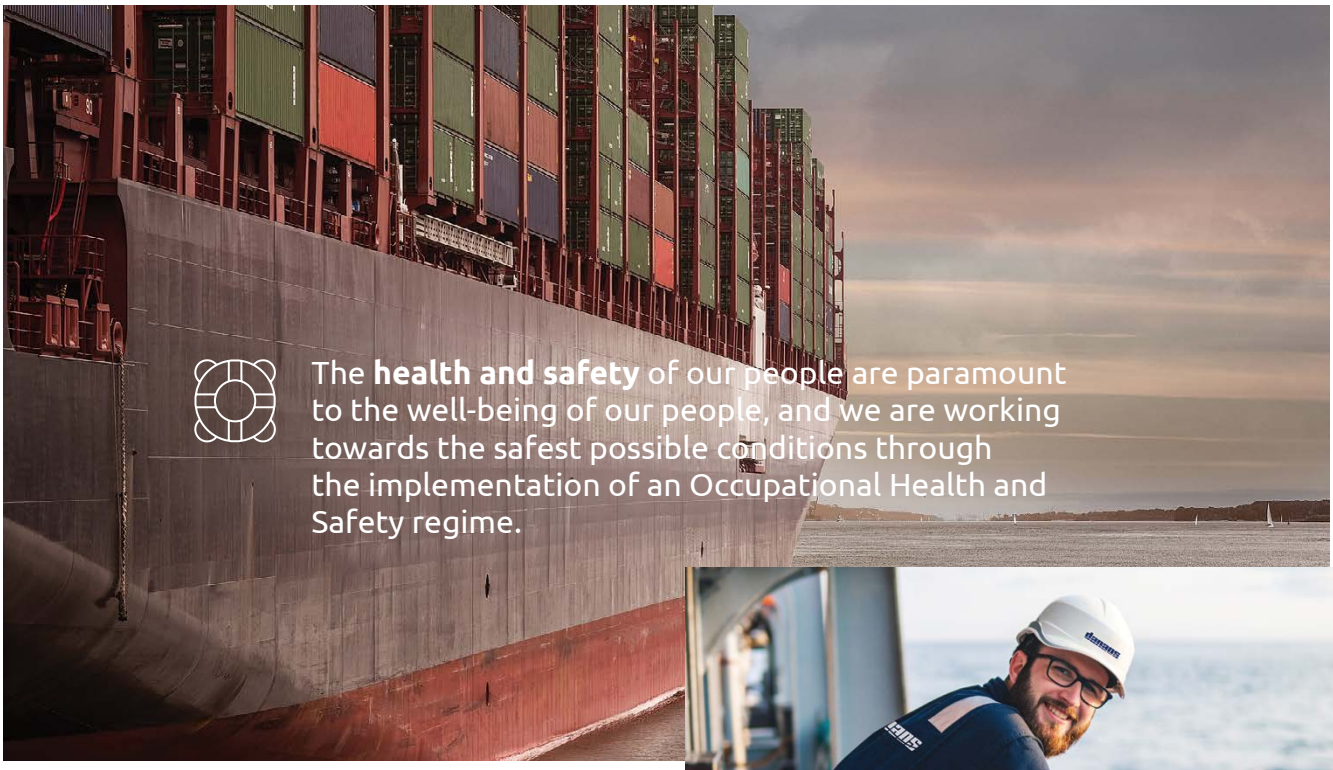
'22 Retention rate: 81.2%

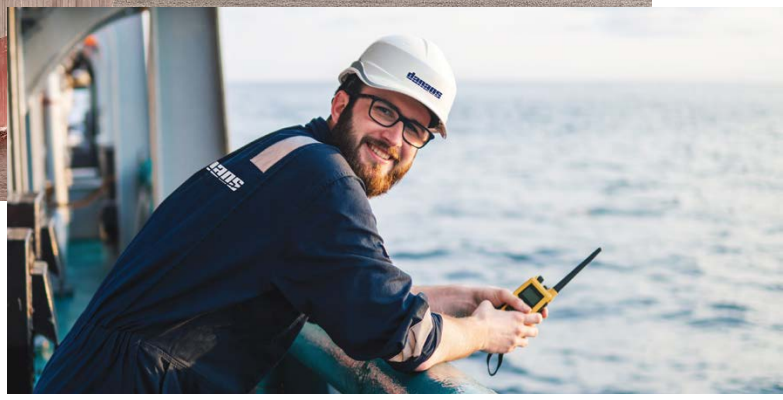
All Aboard Alliance

Danaos has joined The All Aboard Alliance which brings together senior leaders from across the maritime industry, united by a collaborative drive towards increasing diversity, equity, and inclusion in all organizations, at sea and onshore – for maritime to become the sustainable, forward-looking and innovative industry we can all be proud of.

The All Aboard Alliance is designed around five principles:

1. **Appoint a business sponsor** to lead and ensure accountability of diversity, equity, and inclusion within the organization.
2. **Equip and educate people** to understand their role in fostering a diverse, equitable, and inclusive workplace – from senior leaders through to line managers and team members.
3. **Create and maintain an organizational culture of equity and belonging** where everyone has equal opportunities to contribute and to thrive.
4. **Capture relevant data and develop insights** to evaluate progress and to evolve strategic objectives.
5. **Communicate commitment and progress** externally on an annual basis.





Occupational Health & Safety

Promoting Safety at Sea

Shipping is an inherently hazardous activity. The United Nations agency, International Maritime Organization (IMO), implements international regulations designed to improve safety at sea while reducing pollution from ships.

The IMO's International Convention for the Safety of Life at Sea ("SOLAS"), together with the International Safety Management Code ("ISM Code") for the Safe Operations of Ships and Pollution Prevention set forth the framework for effective maritime safety in the late 1990s.

At early stage Danaos developed a documented Safety Management System (the DSMS) fulfilling the requirements of the ISM Code. Since 2002 -when the Code became mandatory for containerships- the DSMS has being audited successfully and Danaos maintains its Document of Compliance (the "license to operate" of shipping) valid throughout the years.

The health and safety of our people are paramount to the well-being of our people, and we are working towards the safest possible conditions through the implementation of an Occupational Health and Safety regime.

This regime includes:

- The application of best practices in ship operation and working environment to prevent injuries.
- Continual, flexible, and regularly reviewed risk assessment for vessels, cargo, and environment.
- The ongoing development of the health and safety skills of our people.

DNV certified

Danaos Shipping was the first Greek company to be certified by Det Norske Veritas ("DNV")

The 2008 Amendments to the ISM Code which entered into force on 1 July 2010 foresaw the inclusion of Risk Management process in the Safety Management System of a shipping company. Risk Management is a decision-making process aimed at reducing the number of losses of people, equipment and material due to accidents. Since it is impossible to eliminate all risks,

we must learn to control hazards in order to reduce the amount of risk that the crews, our vessels and the Company are exposed to.

A hazard is a substance, situation or practice that has the potential to cause harm. The controls may be applied either to reduce the likelihood of occurrence of an adverse event, or to reduce the severity of the consequences. The risks we are concerned with, are those that are reasonably foreseeable, and are related to:

- The health and safety of all those who are directly or indirectly involved in the activity, or who may be otherwise affected.
- The property of the company and others.

It is important to recognize that the Company is responsible for identifying the risks associated with its ships, operations, and trade. Consequently, our Safety, Quality & Environmental team experts having long sea-going experience prepared a library with various risk assessments related to shipboard operations and their respective controls to achieve a Healthy and

We train our people on board and actively engage them in recognizing and reporting near misses.

Safe working environment onboard the ship, and to achieve a friendly environmental impact from the ship's operations.

Risk Assessments are prepared to cover a wide range of shipboard operations in areas such as:

- Anchoring
- Arrival - Departure
- Bunkering
- Cargo Operations
- Defective Equipment
- Emergency preparedness
- Environmental Operations
- Health - Hygiene
- Maintenance & Repairs
- Management of change
- Mooring
- Navigation
- Safety preparedness
- Security preparedness
- Use of tools
- Various Shipboard Activities
- SEEMP

Any additional controls from those mentioned in respective risk assessments, may be considered to reduce the risk further. The Master has the liberty to make a new risk assessment applying controls and hazards which might further reduce the risks involved. This is sent to the Office for approval and when reviewed and approved by the Office, is saved within the existing library. The Risk Assessment library is continuously updated when a new hazard and its associated controls are identified.

Our policy clearly states that all incidents are reported, investigated, and analyzed to prevent similar incidents in the future. We train our people on board and actively engage them in recognizing and reporting near misses. These minor incidents are regarded as warning signals for procedures and practices that merit revision and remediation. All incidents are investigated by the ship's Master, with the support of the safety Officer, seafarers' safety representative or any other member of the Safety, Environmental & MLC Committee.

Danaos uses the most objective measuring tool, the Loss Time Injury Frequency (LTIF) which measures the number of hours a seafarer is unable to work due to injury. To further decrease the LTIF rate we have incorporated the Lockout/Tagout system which is used to control hazardous energy. Additionally, from 2018 onwards we started implementing a Behavior Based System approach in order to address the factors that influence and reinforce learning and behavior. Successful implementation leads to significant improvements to the safety performance, and through the BBS approach we aim to create a "total safety culture" throughout the company.

In 2022 with the usage of UDE reporting tool in its full application we have gained a more in-depth insight into the conditions under which an event occurred and closely followed up the corrective actions taken onboard. At the same time, we emphasized best practices which enhance onboard safety in an effort to raise crew awareness.

	2020	2021	2022
LTIs	16	16	23
LTIF Rate	1.27	1.29	1.84
Near Misses Reports	224	274	287

All seafarers actively participate in the onboard Safety & Environmental Meeting performed at least once per

month. This is a formal meeting where a set agenda includes, among others, health and safety issues for discussion. The Safety, Environmental & MLC Committee comprises of crew representatives and is tasked to prepare the agenda for the meeting. The Committee works with the sole goal of enhancing the health, safety & environmental standard on board ships by ensuring that all Health, Safety & Environmental procedures and practices are followed by the ship's crew members. Its role and main tasks are clearly defined in the Company's Safety Management System.

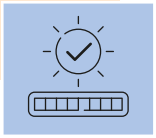
All systems of Danaos Safety Management are audited internally by the Safety Quality and Environmental Department and externally by Recognized Organizations, members of IACS. Unscheduled audits are performed if a serious deficiency in any part of the DSMS becomes evident during third party inspections. Audit findings, Non-Conformities or Observation notes are collectively analyzed and evaluated during the management review process. In pursuit of managerial excellence, we have established our own KPIs by participating in the BIMCO SHIPPING KPIs. Findings that pose a serious threat to the safety of personnel or the ship or a serious risk to the environment are analyzed with the RCA method and immediate corrective action is undertaken.

In 2022, 76 internal audits as well as 21 third party audits and 5 MLC inspections were carried out onboard of ourFleet to ensure that our system remains in compliance with the ISM/ISPS Code, the ISO 9001, ISO 14001, ISO 50001 standards and the Maritime Labor Convention (MLC). Our vessels' certification was endorsed successfully.

During 3rd-party MLC inspections it is verified that all seafarers enjoy decent living and working conditions onboard and that their employment agreements and payment of wages are in accordance with the applicable collective bargaining agreements.

Target Status

Compliance with ILO requirements for seafarers.



Enhancing fire safety onboard

During the last years an increase in cargo fire incidents has been noted with over 70 cases of fires on container ships reported over the span of five years (Allianz Global Corporate & Specialty (2022), "Safety & Shipping Review 2022", https://www.agcs.allianz.com/). This has triggered a lot of discussions among industry and reflection on the measures that should be taken to strengthen onboard fire safety. In 2022, Danaos taking into consideration the safety risks of dangerous goods (DGs) transported in containers and of cargoes that may not be characterized officially as dangerous but still they represent a possible source of ignition under specific conditions, supplied the whole fleet with additional fire-fighting equipment capable for use in fires where cargo containers are engaged. Onboard training has been enriched with the demonstration on the proper use of the additional firefighting devices (Portable Twin Hydrant Valve, Container Fog Lance Kit, HydroPen) in order to raise crew effectiveness in emergencies.

Our Response to COVID-19

Although in 2022 it was noticed a relaxation of imposed restrictions due to COVID-19 pandemic we continued following all the precautionary measures and procedures to ensure crew changes can take place safely, in compliance with the WHO and the IMO instructions. Our shipboard COVID-19 Contingency Plan remained in force with focus on practices that protect crews from infection.

Marine Casualties

In the year 2022 we had Zero Marine Casualties.

Number of Port State Control

In the year 2022 the total number of recorded deficiencies was 130. Among Fleet it was noted one (1) detention.

PSC BOARDINGS - 2022	
INSPECTIONS / VESSEL	2.32
DEFICIENCIES / INSPECTION	0.90
INSPECTIONS WITHOUT DEFICIENCY	67%
ISM RELATED	0.26%

Crisis Management and Emergency Planning

Danaos has taken all necessary measures and resources to protect people, vessels and operations in case of an emergency. We have established procedures to identify potential emergency situations and we have prepared the relevant plans. The plans are communicated to all employees and crew members, and we provide response training. An important parameter for our emergency preparedness system is our hands-on management system on board of every vessel, detailed in the Ship Security Plan ("SSP"). All employees, crew members, visitors, inspectors, suppliers, and any third party seeking to board the ship are also required to comply with the SSP. A specific Emergency Response Plan and an in-house Emergency Response Service system have been developed to support the whole process and provide specific instructions and task allocations.

Danaos Cyber Security Management System

Ensuring the security of our digital assets is a top priority for us. We have implemented and incorporated into our SMS, a Cyber Security Management System (CSMS) that is designed to protect our systems and data from cyber threats. Our CSMS is based on industry best practices and is continuously updated to address new and emerging threats. We believe that our CSMS is an essential component of our overall risk management strategy and is critical to maintaining the trust of our customers, partners, and stakeholders.

Our CSMS is designed to provide a comprehensive approach to cybersecurity that includes risk management, threat detection, incident response, and recovery. We have implemented a range of security controls, using the latest technology of firewalls, EDR/XDR, intrusion detection and prevention systems, and data encryption, shore and onboard. We also conduct regular security assessments, including social engineering, penetration tests, vulnerability assessments and audits to ensure that our CSMS is effective and up-to-date. We are committed to maintaining the highest standards of cybersecurity and will continue to invest in our CSMS to ensure that we are well-prepared to meet the challenges of an ever-evolving threat landscape.

We recognize that cybersecurity is a shared responsibility and that our employees play a critical role in maintaining the security of our systems and data. We provide regular training and awareness programs to ensure that our employees are aware of the latest threats and best practices for cybersecurity. We also encourage our employees to report any suspicious activity or potential security incidents to our security team. By working together, we can help to ensure the security of our digital assets and protect the interests of our customers, partners, and stakeholders.

Training

Danaos Assessment and Training Center

The Danaos Assessment and Training Center (DATC) was established in 2016 in order to cover the newly arising training need of the fleets' Officers, Crew and shore staff employees. It accommodates an on-premises installation, housed at the Danaos Piraeus offices, comprising of the full-mission Bridge Simulator and state of the art training facilities. The DATC defines the Company's inherent duty and obligation to provide the best training facilities and to develop further the personnel's competence in order to ensure operational excellence. An integral part of the curriculum is our Company's Safety Management System (DSMS), and the feedback and lessons learnt from actual fleet experience. The training combines theoretical knowledge and practical training, tests and enhanced competence by using actual scenarios as simulation exercises.

DATC has been certified and accredited by Lloyd's Register of shipping and the DMS (Cyprus Government Department of Merchant shipping) with the Approved Training Provider Certificate and the ISO 9001:2015 Certificate. The DATC personnel continuously support and cooperate with all the Company's departments for the identification of their specific training needs and thus providing training activities aimed to further enhance their knowledge, awareness, competence, and performance.

In **2022** we offered **1,397** and **4,966** training hours to our ashore and onboard people, respectively, on the following topics:

- Environmental policy and goals
- Relevant environmental aspects
- Operational, monitoring and contingency procedures
- Updates in laws and regulations affecting ships' operations
- Fire safety training, designed to introduce us to the necessary skills of fire safety, prevention and risk assessment
- CPR & First Aid course, skills required to deal with emergency situations whenever and wherever they may occur is of vital importance

In particular we offered:

Seafarers

1,148
training hours
(Greece office)

1,129
training hours
(Ukraine office)

651
training hours
(Russia office)

2,038
training hours
(Zanzibar office)

Office Employees

1,397
11 training hours
per employee / year

Through the DATC the following Simulation Trainings are provided:

- BR(T)M: Bridge Resource Management
- MRM: Maritime Resource Management
- Mega carries Shiphandling basis Danaos 13,100/10,100 TEU vessels
- Incident Command & Rescue Sim AFF Module

Also, in 2022 the following Trainings/ Courses/ Seminars were provided:

Maritime Resource Management	Multinational ship Management
Bridge Resource & Team Management	Damage Control
Mega Carriers ship's handling	The Human Element in SHIPPING
Incident Command	Marine Environment Awareness
Simulators Training	Passage Planning & ECDIS awareness
Damage Stability & Control	Charter party peculiarities
Bridge Seamanship	Scrubber
Anti-drug Trafficking	Ballast Water Treatment
Leadership	IMO 2020 Sulphur Cap
Oil Record Book	

It is imperative for people involved in daily operations to understand the importance of energy management and company's commitment to the battle against climate change. We place emphasis on training our people so as to be well aware of a company's environmental policy, objectives, performance, and ultimate goals, in order to be able to embrace the corporate efforts and contribute each one as a unit the maximum to this collective effort. Decarbonization is not a simple process and requires joint efforts not only internally, but also externally engaging key stakeholders. Training is to be provided to both shore -based personnel and seafarers.

Child Labor, Forced and Compulsory Labor

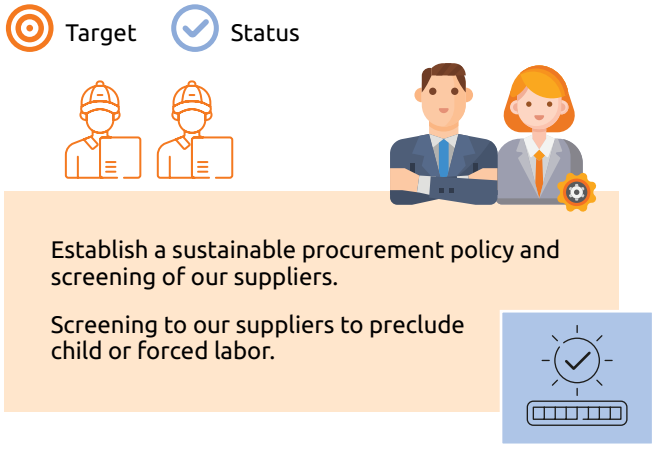
Our Sustainable Supply Chain

Company's Procurement is responsible for sourcing, analyzing, negotiating and supplying materials and services for vessels' and personnel's needs. To this context, there is interaction with hundreds of vendors and service providers across the globe producing tenths of thousands of orders and service agreements.

	2021	2022
Orders	21,183	21,357
Requisitions	17,269	17,152
Suppliers	more than 500 suppliers	more than 500 suppliers
Quotations	40,406	41,995

Due to the complexity of the needs of vessels, our supply chain includes products and services such as Spares/ Maintenance, Provisions, Cabin, Deck, Engine Stores, Lubricants, Chemicals, Gases, Paints and Safety services in every port of call. The ability to conduct business in an appropriate manner towards ethical, social and environmental standards plays a major role in our suppliers' selection. As such, they are expected to take steps for continuous improvement towards a responsible and sustainable way.

Criteria such as equal opportunities, compliance with international labor standards (no child labor, decent working conditions), health and safety awareness, zero corruption tolerance, transparency and fair business



policy are combined with high standards products that promote best use of the vessels' machinery and the hull

as well as the wellbeing of our crews onboard.

In 2021 we concluded the assessment criteria identification for our suppliers and prepared the analysis platform required.

In 2022, questionnaires according to identified criteria were sent to all our key suppliers (104) and more than one third (37) have already been assessed. Process will continue for the rest and all new entries that can be identified as key ones. In addition to responding to the challenges posed by locating and selecting an order, we ensure effective delivery onboard, considering minimum energy footprint and proper timing. In this process we implement and evaluate tactics like seeking local deliveries, placing bulk orders, consolidating shipments, optimizing courier usage and implementing a one-step final delivery.

Child Labor at sea

The Company does not consider a seafarer suitable for employment in case he/she has not completed the 18th year of age under any capacity. Age verification of Seafarers is conducted prior to their employment to verify that no Seafarers under 18 years are employed.

Security practices

All deck personnel (52%) with specific assigned security duties receive related training on methods of physical searches of persons. As is clearly stated in our Ship Security Plan (SSP) any such search shall be undertaken in a manner which fully takes into account the human rights of the individual and preserves their basic human dignity. Complementary to the SSP, SSO Danaos Security Training Manual which is used for the onboard training contains detailed instructions and techniques related to search of individuals and describes the items to be considered to ensure respect is always given.

Our Strong Community Engagement

Our strategic priority is to create value for the society and the community in which we operate, and to keep our employees engaged and involved through various voluntary initiatives. We believe in the value and power of solidarity and our community investment activities focus on supporting vulnerable groups and institutions.

CSR Employees Initiatives

Project Connect

Danaos has warmly integrated the "Adopt a Ship" program by having already enrolled 5 vessels. "Adopt a Ship" is an innovative program which connects primary and high school pupils with seafarers, aiming to educate youngsters about the seafaring profession and the maritime sector through the adoption of a vessel for one academic year. Throughout the year, the pupils communicate with the crew on a weekly basis and gain first-hand knowledge of life at sea by tracking the voyage on a world map and engaging in interactive learning activities while, at the same time, the importance of the seafarers' contribution to the society is also highlighted.

Target Status

Maintain our strong social engagement and provide support to vulnerable groups.

Encourage the spirit of volunteerism among the employees towards environmental and charity activities.

Increase social media impact by 30%

The Master of M/V Hyundai Honour accompanied his last letter with a few pictures from the Aleutian Islands, a chain of 14 large volcanic islands and 55 smaller islands in Alaska.

M/V Hyundai Honour at the Aleutians

Running for ELEPAP in the Athens Classic Marathon

Runners from across the globe united in Greece for the 39th Athens Marathon retracing the steps of the Ancient Greek hero, Pheidippides, who ran from Marathon to Athens to convey the news of Greece's victory over the Persians in 490 BC.

Among them, as per every year, the Danaos Running Team was there supporting ELEPAP and highlighting its important social work.

As Bill Bowerman once stated " The real purpose of running isn't to win a race. It's to test the limits of the human heart"!

Greece Race for the Cure

Team Danaos walked and ran to support the NGO "Alma Zois", during "Greece Race for the Cure" and spread awareness and hope in the fight against breast cancer!

Together we are stronger.

Afforestation in Paiania

According to a Chinese proverb, the best time to plant a tree was 20 years ago. The second-best time is today!

For a 2nd year, Danaos joined forces with We4All and planted 1000 trees in a tree planting initiative in Paiania.

The principles of social responsibility are an inextricable part of Danaos culture and we take pride in partnering with organizations who are as passionate about protecting the planet as we are.

We are grateful and honored to be part of this forward movement!

Beach Cleanup in Voula

On the occasion of the International Coastal Cleanup Campaign coordinated in Greece by HELMEPA, another voluntary coastal cleanup was successfully completed yesterday in Voula.

Big thanks to Danaos employees and their families who renewed their commitment to the protection of our planet by taking part in this global initiative and spreading the message that we care about the sea and the future of our children.

CPR & First Aid course training

Being trained in the skills required to deal with emergency situations whenever and wherever they may occur is of vital importance!

Danaos is proud to offer our people a comprehensive CPR & First Aid course.

First aid training is saving lives!

Fire safety training

Fire safety in- house training was successfully completed in our premises. The training was delivered by a designated firefighter from the Hellenic Fire Academy, and it was especially designed to introduce us to the necessary skills of fire safety, prevention and risk assessment.

With safety coming first everyone should always be prepared and work with each other effectively.

danans

ESG Report 2022

EXTERNAL ASSURANCE

SASB STANDARDS INDEX

GRI CONTENT INDEX

GRI SDGs LINKAGE

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External Assurance

Danaos Corporation 2022 ESG Report - External Assurance Report

This External Assurance report was conducted by CSE North America on behalf of Danaos Corporation and its ESG Report for the period 1/1/2022 to 31/12/2022. The goal of the process is to provide assurance towards the stakeholders of Danaos Corporation for the accuracy, reliability, and objectivity of the information in the ESG Report, as well as that the report covers all the material issues, as identified by Danaos Corporation and its stakeholders.

Scope & Methodology

ESG Report has been conducted in accordance with the GRI 2021 standards, as well as according to SASB Standards for Marine Transportation.

- Report covers all material issues as identified by Danaos Corporation and its stakeholders.
- External assurance process applied was AA1000AS v3 standard with an agreed-on 'Type 2 (moderate)' Scope
  - Type 2 requires assessment of organization's adherence with all four AA1000AS Principles (Inclusivity, Materiality, Responsiveness, Impact), and shall additionally, assess and evidence the reliability and quality of specified sustainability performance and disclosed information, providing relevant findings and conclusions, i.e., assurance on reliability and quality.
  - CSE North America's applied assurance methodology followed that Type 2 standard with sample analysis and review of processes related with / to
    - identifying / communicating with key stakeholder groups
    - identifying and defining material issues
    - key performance indicators (except for reviewing / verification of the operational efficiency of data collection and computation systems that were used to collect and process the data)
    - review of information and claims included in ESG Report
    - review concerning compliance with GRI and SASB Standards.

General Conclusions

Based on the scope of the assurance, it was observed that:

- The description of Danaos Corporation's activities and performance during 2022, as well as the way those topics have been presented in the ESG Report, is accurate.
- Danaos Corporation complies with the principles of inclusivity, materiality, responsiveness, and impact, as defined in the AA1000AS v3.
- Danaos Corporation's ESG report provides transparency on the challenges the shipping industry is facing concerning net zero greenhouse gas (GHG) emissions goals in the future.

Key Observations & Recommendations

Danaos Corporation achieved significant improvements in the management and performance in corporate responsibility and sustainability during the period covered by the ESG Report:

- Danaos Corporation conducted a materiality assessment through a quantitative survey in key stakeholder groups in 2022. In addition, Danaos initiated a customer satisfaction survey to better track and assess communication with this important stakeholder group.

- Danaos Corporation designed and implemented an updated ESG Plan in 2021, which includes specific goals and measurable targets for years 2021 - 2025: most notably with a goal of 47.5% reduction of carbon intensity (compared to a 2008 baseline), exceeding International Maritime Organization's (IMO) 2030 target. At the end of 2022, 13 out of 23 environmental goals, 13 out of 16 social goals, and 6 out of 9 governance goals of the ESG Plan have been embedded.

CENTER for SUSTAINABILITY and EXCELLENCE
ESG Net-Zero Circular Economy

- Danaos Corporation reported significant achievements concerning environmental protection and pollution prevention in 2022, such as
    - 42.6% reduction of CO_2 emissions intensity in 2022 (vs. baseline 2008 IMO)
    - Significant reduction of Freon losses in 2022
    - Installation of Ballast Water Treatment (BWT) systems at 90% of Danaos fleet! Furthermore, Danaos achieved a significant reduction in ballast water exchange, compared to 2021.
    - Equipment of a quarter of Danaos fleet with Alternative Maritim Power (AMP) systems.
    - Installation, certification, and operation of exhaust gas cleaning systems (scrubbers) onboard 11 Danaos vessels.
    - Voluntary enrollment in the DNV "CO_2 Index" project, monitoring and certifying all vessels' performance and CO_2 emissions.
    - Full transparency to the IMO DCS and EU MVR emission reporting schemes through advanced WAVES data analytics platform.
    - Successful implementation of a 'Zero MARPOL Incident' policy with a 2022 record of zero incidents of non-compliance with environmental laws and regulations, no spills, and no fines.
    - 20% of Danaos' fleet complies with Poseidon Principles
- The Company continued engagement as members of the Global Maritime Forum (GMF), joining the 'Getting to Zero Coalition', and the Ammonia Energy Association (AEA), exploring alternatives for newbuilding low carbon fuel vessels. Danaos also joined the Methanol Institute (MI) for monitoring the development of methanol use as marine fuel.
- Danaos Corporation continuously improves the environmental performance, as represented through its fleet efficiency programs, based on extensive R&D efforts, such as 'CoPropel', 'Reship', and 'Safenav'. In addition, Danaos has adopted Circular Economy strategies, such as the 3R 'Reduce-Reuse-Recycle' principle in its operations.
- Danaos has established advanced offshore and onshore waste management practices.
- Danaos Safety Management System (DSMS) with internal and external audits, DNV supported/certified
- Danaos Assessment & Training Center with state-of-the-art training facilities, supporting DSMS.
- Danaos Corporation's effective Corporate Governance, embedding a 'Code of Business Conduct & Ethics and Policies' based on UN Global Compact principles in corporate culture, resulting in zero incidents of corruption, bribery, or fraud in 2022.
- In 2022, Danaos' Board of Directors established an ESG Committee, whose purpose is to provide guidance and oversight on ESG matters, representing the highest governance body in sustainability reporting.

Based on our observations during the assurance process, our key recommendations are:

- With respect to the principle of inclusivity, Danaos Corporation must maintain and aim at further developing the existing model of engaging and communicating with its stakeholders.
- With respect to the principle of materiality, Danaos Corporation should maintain the established annual processes for identification and prioritization of its material issues. Most notably, Danaos added 10 material topics through its 2022 materiality assessment.
- With respect to the principle of responsiveness, Danaos Corporation should maintain and further enhance its approach, as done, for example in 2022, with adding a customer satisfaction survey.
- Given the ever-increasing importance of managing a sustainable supply chain, Danaos Corporation must maintain and continue strengthening its sustainability policy regarding its supply chain and build on efforts such as releasing a vendors' ESG checklist in 2022.
- Danaos Corporation must maintain and continue enhancing and accelerating its environmental initiatives, specifically GHG emission reduction of its fleet, which are part of its long-term commitment towards environmental protection.

Danaos in 2022 placed orders for 6 eco vessels that will be 'methanol-fuel' ready, once fuel is available in required quality and quantities.

Findings and Conclusions Regarding the Principles

- Inclusivity – how the stakeholder groups have been identified, and how Danaos Corporation communicated with key stakeholders regarding sustainability. The communication activities with the stakeholder groups include all key stakeholder groups of Danaos. Also, Danaos Corporation has implemented the appropriate principles in the development of its approach towards sustainable development.

- Materiality – how Danaos Corporation determines the importance for the selection of the material sustainability issues. The process of determining the material issues by Danaos Corporation, including the visualization of prioritizing material topics via a 'materiality matrix', provides a balanced representation of the material issues based on its sustainability performance.

- Responsiveness – how Danaos Corporation responded to the issues set by the stakeholders and how this process is described within the ESG Report. Danaos has implemented the principle of responsiveness during the selection of the issues included in the report. At the same time, its sustainability strategy responds to the concerns of the stakeholders, and to the long-term commitment towards corporate responsibility.

- Impact – how Danaos Corporation monitors, measures, and is accountable for its impact on the broader ecosystem, people, and economy. Danaos has identified all key sustainability issues and has reported on them using the GRI Standards and SASB Standards. At the same time, Danaos Corporation's long-term strategy and goals respond to both the short-term impacts and long-term impacts and aim to adoption and mitigation.

As stated in the ESG Report there is a major challenge for the shipping industry with the individual enterprises' overall GHG emissions reduction, as the sector can expect high demand and growth in the coming decades. The key tool for significant GHG emission reductions for this sector are vessels powered by 'zero carbon energy sources' (Getting to Zero Coalition). The commercial readiness of those sources, at competitive costs and at scale need strengthened international policies and allocation of significant resources, to enable accelerated development and deployment. Furthermore, there are several risks associated with the shipping industry that are proactively addressed by Danaos with a robust 'Risk Management and Control Framework', supported through extensive internal and external assurance audits.

- **Specific Performance Information.** The Specific Performance Information (quantitative data related to GRI and SASB metrics and indicators) has been collected and presented in a commonly accepted manner in ESG Report and the 'general and specific disclosures' have been reviewed during the assurance process. During the assurance process the following metrics and information were reviewed:

  - General disclosures about Danaos Corporation, its strategy, its ethics and integrity, its corporate governance, its engagement with stakeholders, and its reporting practices.

  - Specific Disclosures about:
    - Greenhouse gas emissions and their reduction.
    - Energy consumption, intensity, and reduction
    - Production and management of waste.
    - Statements regarding compliance to environmental laws and regulations.
    - Occupational health and safety
    - Employment records.
    - Policies and incidents regarding corruption.

- Statements regarding compliance with anti-competitive behavior laws and regulations.
- Practices regarding customer data and privacy.
- Employee training.
- Supply chain characteristics.
- Selection and evaluation of suppliers.
- Records about diversity, non-discrimination, and equal opportunities.

- The incorporation of the UN Sustainable Development Goals in the ESG Report.

Exceptions and Limitations

The assurance process did not include information related to:

- Activities outside the reporting period.
- Statements about the position, policies, and principles of Danaos Corporation.
- Financial information.
- Content of other documents, reports and/or corporate websites.

Responsibilities of Danaos Corporation and the Assurance Provider

The preparation, presentation, and the content of the online versions of the ESG Report is the responsibility of Danaos Corporation.

The responsibility of CSE North America lies in providing an independent assurance to the stakeholders for the accuracy, reliability and objectivity of the information included in the report, as well as to express its overall opinion based on the type of engagement, as defined by the present report.

CSE North America recognizes the need for a detailed, transparent assurance process to ensure reliability and to operate in order to improve the performance of Danaos Corporation about its sustainability strategy, as well as its ESG Reporting.

CSE North America has extensive knowledge on reviewing and evaluating issues and systems regarding sustainability.

On behalf of CSE North America

Thomas Weber

AA1000
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SASB STANDARDS INDEX

The present ESG report includes the metrics of the SASB Standard for the Marine Transportation Sector.

Category	Disclosure Topic	SASB Indicator	Reference / Answer
GHG Emissions	Gross global scope 1 emissions	TR-MT-110a.1	3,675,991 MT CO_2 eq
	Discussion on long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TR-MT-110a.2	Page 17, 20-21
	(1) Total energy consumed, (2) percentage heavy fuel oil, (3) percentage renewable	TR-MT-110a.3	(1) page 63, (2) 95%, (3) 1%
	Average Energy Efficiency Design Index (EEDI) for new ships	TR-MT-110a.4	10.5 gr/tn.mile
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N_2O), (2) SOx, and (3) particulate matter (PM10)	TR-MT-120a.1	(1) 110, 404, (2) 9,809 (3) We do not track particulate matter (PM10)
Ecological Impacts	Shipping duration in marine protected areas or areas of protected conservation status	TR-MT-160a.1	27%
	Percentage of fleet implementing ballast water (1) exchange and (2) treatment	TR-MT-160a.2	(1) 9% (2) 91%
	(1) Number and (2) aggregate volume of spills and releases to the environment	TR-MT-160a.2	(1) 0 (2) 0
Employee Health and Safety	Lost time injury rate (LTIR)	TR-MT-320a.1	1.84
Business Ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	TR-MT-510a.1	0.20%
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	TR-MT-510a.2	0
Accident and Safety Management	Number of marine casualties, percentage classified as very serious	TR-MT-540a.1	0
	Number of conditions of class or recommendations	TR-MT-540a.2	Within 2022, total 77 conditions of class were opened for the whole Danaos Fleet. 79% of them have been closed within the year.
	Number of port state control (1) deficiencies and (2) detentions	TR-MT-540a.3	(1) 130 (2) 1

Activity Metric	Unit of measure	Code	Reference / Answer
Number of shipboard employees	Number	TR-MT-000.A	1,435
Total distance traveled by vessels	Nautical Miles (nm)	TR-MT-000.B	5,846,487
Operating days	Days	TR-MT-000.C	24,509
Deadweight tonnage	Thousand Deadweight tons	TR-MT-000.D	5,088,623
Number of vessels in total shipping fleet	Number	TR-MT-000.E	69
Number of vessel port calls	Number	TR-MT-000.F	4,090
Twenty-foot equivalent unit (TEU) capacity	TEU	TR-MT-000.G	426,160

GRI CONTENT INDEX

Statement of use: The present ESG report of Danaos is the Company's sixth attempt to communicate its sustainability and ESG performance and covers our activities during 2022. It was evaluated by the Centre for Sustainability and Excellence (CSE) according to the reporting guidelines of GRI STANDARDS and was verified as in accordance with GRI Standards. **GRI 1 used:** GRI 1: Foundation 2021. **Applicable GRI Sector Standard(s):** There is no applicable sector standard.

Gri standard/ Other source	Disclosure	Location	Omission			Gri sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GENERAL DISCLOSURES						
GRI 2: General Disclosures 2021	2-1 Organizational details	Pages 6-7, 11	*A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.*			
	2-2 Entities included in the organization's sustainability reporting	Page 11 and exhibit 8 of the Annual Report of Danaos Corporation: https://www.danaos.com/investors/financial-information/annual-reports/default.aspx				
	2-3 Reporting period, frequency and contact point	Page 10				
	2-4 Restatements of information	There is no restatement of information in the current report				
	2-5 External assurance	Page 88-91				
	2-6 Activities, value chain and other business relationships	Page 11				
	2-7 Employees	Pages 9, 76 - 77				
	2-8 Workers who are not employees	Page 9				
	2-9 Governance structure and composition	Page 30				
	2-10 Nomination and selection of the highest governance body	Pages 31				

Gri standard/ Other source	Disclosure	Location	Omission			Gri sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Page 31				
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 32				
	2-13 Delegation of responsibility for managing impacts	Page 32				
	2-14 Role of the highest governance body in sustainability reporting	Page 32				
	2-15 Conflicts of interest	Page 31				
	2-16 Communication of critical concerns	Page 33				
	2-17 Collective knowledge of the highest governance body	Page 32				
	2-18 Evaluation of the performance of the highest governance body	Page 33				
	2-19 Remuneration policies	Page 33				
	2-20 Process to determine remuneration	Page 33				
	2-21 Annual total compensation ratio		a,b,c	Confidentiality constraints	For more details please refer to our Annual Report: https://www.danaos.com/investors/financial-information/annual-reports/default.aspx	
	2-22 Statement on sustainable development strategy	Pages 16-17				

Gri standard/ Other source	Disclosure	Location	Omission			Gri sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-23 Policy commitments	Pages 34, 35				
	2-24 Embedding policy commitments	Pages 34, 35				
	2-25 Processes to remediate negative impacts	Page 24				
	2-26 Mechanisms for seeking advice and raising concerns	Page 33				
	2-27 Compliance with laws and regulations	Page 36				
	2-28 Membership associations	Page 25				
	2-29 Approach to stakeholder engagement	Page 40				
	2-30 Collective bargaining agreements	Page 80				
MATERIAL TOPICS						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 37	*A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.*			
	3-2 List of material topics	Page 8				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 33				

Gri standard/ Other source	Disclosure	Location	Omission			Gri sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	F-7 of the Annual Report of Danaos Corporation: https://www.danaos.com/investors/financial-information/annual-reports/default.aspx				
	201-2 Financial implications and other risks and opportunities due to climate change	CDP 2022 submission CC5. Climate Change Risks CC6. Climate Change Opportunities				
	201-3 Defined benefit plan obligations and other retirement plans		a,b,c,d,e	Confidentiality constraint	For more details please refer to our Annual Report: https://www.danaos.com/investors/financial-information/annual-reports/default.aspx	
	201-4 Financial assistance received from government	Page 33				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 34				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 34				
	205-2 Communication and training about anti-corruption policies and procedures	Page 34				
	205-3 Confirmed incidents of corruption and actions taken	Page 34				

Gri standard/ Other source	Disclosure	Location	Omission			Gri sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 34				
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 34				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 34				
GRI 207: Tax 2019	207-1 Approach to tax	Page 34 and Annual Report of Danaos Corporation: https://www.danaos.com/investors/financial-information/annual-reports/default.aspx				
	207-2 Tax governance, control, and risk management	Page 34 and Annual Report of Danaos Corporation: https://www.danaos.com/investors/financial-information/annual-reports/default.aspx				
	207-3 Stakeholder engagement and management of concerns related to tax	Page 34 and Annual Report of Danaos Corporation: https://www.danaos.com/investors/financial-information/annual-reports/default.aspx				
	207-4 Country-by-country reporting	Page 34 and Annual Report of Danaos Corporation: https://www.danaos.com/investors/financial-information/annual-reports/default.aspx				

Gri standard/ Other source	Disclosure	Location	Omission			Gri sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 62-63				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 8, 57				
	302-2 Energy consumption outside of the organization	Page 8, 57				
	302-3 Energy intensity	Page 8, 54				
	302-4 Reduction of energy consumption	Page 57				
	302-5 Reductions in energy requirements of products and services	Pages 54, 57 and 63				
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 69				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 69				
	303-2 Management of water discharge-related impacts	Page 70				
	303-3 Water withdrawal	Page 70				
	303-4 Water discharge	Page 70				

Gri standard/ Other source	Disclosure	Location	Omission			Gri sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 303: Water and Effluents 2018	303-5 Water consumption		a,b,c,d	Information Unavailable / Incomplete	In 2022, we included water consumption in our environmental reporting so by next year to have compiled measurable data.	
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 45-59				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Pages 8 and 57				
	305-2 Energy indirect (Scope 2) GHG emissions	Pages 8 and 57				
	305-3 Other indirect (Scope 3) GHG emissions	Pages 8 and 57				
	305-4 GHG emissions intensity	Pages 8 and 55				
	305-5 Reduction of GHG emissions	Pages 55				
	305-6 Emissions of ozone-depleting substances (ODS)	Pages 8 and 62				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Page 55				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 64				

Gri standard/ Other source	Disclosure	Location	Omission			Gri sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pages 65 and 67				
	306-2 Management of significant waste-related impacts	Page 68				
	306-3 Waste generated	Page 68				
	306-4 Waste diverted from disposal	Page 68				
	306-5 Waste directed to disposal	Page 68				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 78				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pages 78-79				
	403-2 Hazard identification, risk assessment, and incident investigation	Page 79				
	403-3 Occupational health services	Page 79				
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 79-80				
	403-5 Worker training on occupational health and safety	Page 79				

Gri standard/ Other source	Disclosure	Location	Omission			Gri sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	Page 79				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 78-79				
	403-8 Workers covered by an occupational health and safety management system	Page 79				
	403-9 Work-related injuries	Page 78				
	403-10 Work-related ill health	Page 78				
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 82				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 82				
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 82				
	404-3 Percentage of employees receiving regular performance and career development reviews	100%				

Gri standard/ Other source	Disclosure	Location	Omission			Gri sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 76				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 76				
	405-2 Ratio of basic salary and remuneration of women to men	Page 75				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 77				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 77				
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 83				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Pages 83-84				

Gri standard/ Other source	Disclosure	Location	Omission			Gri sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 84				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Page 84				

GRI SDGs Linkage

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-1 Organizational details		
	2-2 Entities included in the organization's sustainability reporting		
	2-3 Reporting period, frequency and contact point		
	2-4 Restatements of information		
	2-5 External assurance		
	2-6 Activities, value chain and other business relationships		
	2-7 Employees		10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
	2-8 Workers who are not employees		8.5 By 2030, achieve full and productive employment anddecent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
	2-9 Governance structure and composition		5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels
	2-10 Nomination and selection of the highest governance body		5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body		16.6 Develop effective, ccountable and transparent institutions at all levels
	2-12 Role of the highest governance body in overseeing the management of impacts		16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels
	2-13 Delegation of responsibility for managing impacts		
	2-14 Role of the highest governance body in sustainability reporting		
	2-15 Conflicts of interest		16.6 Develop effective, accountable and transparent institutions at all levels
	2-16 Communication of critical concerns		
	2-17 Collective knowledge of the highest governance body		
	2-18 Evaluation of the performance of the highest governance body		
	2-19 Remuneration policies		
	2-20 Process to determine remuneration		
	2-21 Annual total compensation ratio		
	2-22 Statement on sustainable development strategy		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
GRI 2: General Disclosures 2021	2-23 Policy commitments		16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all
	2-24 Embedding policy commitments		
	2-25 Processes to remediate negative impacts		
	2-26 Mechanisms for seeking advice and raising concerns		16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all
	2-27 Compliance with laws and regulations		
	2-28 Membership associations		
	2-29 Approach to stakeholder engagement		
	2-30 Collective bargaining agreements		8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1 Process to determine material topics		
	3-2 List of material topics		
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending
	201-2 Financial implications and other risks and opportunities due to climate change		8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
	201-3 Defined benefit plan obligations and other retirement plans		
	201-4 Financial assistance received from government		

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		16.5 Substantially reduce corruption and bribery in all their forms
	205-2 Communication and training about anti-corruption policies and procedures		16.5 Substantially reduce corruption and bribery in all their forms
	205-3 Confirmed incidents of corruption and actions taken		16.5 Substantially reduce corruption and bribery in all their forms
Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all
Tax			
GRI 207: Tax 2019	207-1 Approach to tax		17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection 17.3 Mobilize additional financial resources for developing countries from multiple sources 1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day 1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
GRI 207: Tax 2019	207-2 Tax governance, control, and risk management		17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection 17.3 Mobilize additional financial resources for developing countries from multiple sources 1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day 1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality
	207-3 Stakeholder engagement and management of concerns related to tax		17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection 17.3 Mobilize additional financial resources for developing countries from multiple sources 1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day 1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality
	207-4 Country-by-country reporting		17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection 17.3 Mobilize additional financial resources for developing countries from multiple sources 1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day 1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 302: Energy 2016	302-1 Energy consumption within the organization		7.2 By 2030, increase substantially the share of renewable energy in the global energy mix 7.3 By 2030, double the global rate of improvement in energy efficiency 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead 12.2 By 2030, achieve the sustainable management and efficient use of natural resources 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
	302-2 Energy consumption outside of the organization		7.2 By 2030, increase substantially the share of renewable energy in the global energy mix 7.3 By 2030, double the global rate of improvement in energy efficiency 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead 12.2 By 2030, achieve the sustainable management and efficient use of natural resources 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
GRI 302: Energy 2016	302-3 Energy intensity		7.3 By 2030, double the global rate of improvement in energy efficiency 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead 12.2 By 2030, achieve the sustainable management and efficient use of natural resources 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
	302-4 Reduction of energy consumption		7.3 By 2030, double the global rate of improvement in energy efficiency 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead 12.2 By 2030, achieve the sustainable management and efficient use of natural resources 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
	302-5 Reductions in energy requirements of products and services		7.3 By 2030, double the global rate of improvement in energy efficiency 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead 12.2 By 2030, achieve the sustainable management and efficient use of natural resources 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
Water and effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity 6.a By 2030, expand international cooperation and capacity-building support to developing countries in waterand sanitationrelated activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies
	303-2 Management of water discharge-related impacts		6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
	303-3 Water withdrawal		6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
	303-4 Water discharge		6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
GRI 303: Water and Effluents 2018	303-5 Water consumption		6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 14.3 Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions		12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions		12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
GRI 305: Emissions 2016	305-4 GHG emissions intensity		13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally
	305-5 Reduction of GHG emissions		13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally
	305-6 Emissions of ozone-depleting substances (ODS)		12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

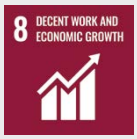
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts		3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and mediumsized enterprises, including through access to financial services 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
GRI 306: Waste 2020	306-3 Waste generated		15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
GRI 306: Waste 2020	306-4 Waste diverted from disposal		3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
GRI 306: Waste 2020	306-5 Waste directed to disposal		15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
	403-2 Hazard identification, risk assessment, and incident investigation		8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
	403-3 Occupational health services		3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety		8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels
	403-5 Worker training on occupational health and safety		8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
	403-6 Promotion of worker health		3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, waterborne diseases and other communicable diseases 3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol 3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
	403-8 Workers covered by an occupational health and safety management system		8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
	403-9 Work-related injuries		3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment 16.1 Significantly reduce all forms of violence and related death rates everywhere

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
GRI 403: Occupational Health and Safety 2018	403-10 Work-related ill health		3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, waterborne diseases and other communicable diseases 3.4 By 2030, reduce by one third premature mortality from noncommunicable diseases through prevention and treatment and promote mental health and well-being 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment 16.1 Significantly reduce all forms of violence and related death rates everywhere
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship 4.5 eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations 5.1 End all forms of discrimination against all women and girls everywhere 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs		8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
	404-3 Percentage of employees receiving regular performance and career development reviews		8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		5.1 End all forms of discrimination against all women and girls everywhere 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decisionmaking in political, economic and public life 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
	405-2 Ratio of basic salary and remuneration of women to men		5.1 End all forms of discrimination against all women and girls everywhere 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	SDG	TARGET
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment 5.1 End all forms of discrimination against all women and girls everywhere
Child labor			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		16.1 Significantly reduce all forms of violence and related death rates everywhere 16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children 5.1 End all forms of discrimination against all women and girls everywhere 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms
Security practices			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		16.1 Significantly reduce all forms of violence and related death rates everywhere

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