ESG Report

danaos
DANAOS CORPORATION

danaos
SHIPPING CO LTD

2021

Contents

Message from our CEO

We need a common vision for 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.

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 the society.

Dr. John Coustas

Chairman, President & CEO

Our Profile

Purpose of the Report

Welcome to Danaos Corporation's ESG report, which builds on our sustainability progress over the last years – particularly since 2021 when we committed to building a sustainable business. Herein we present our environmental, social, safety, and governance performance during 2021 as well as significant events for any of our teams across the globe during the year.

Danaos Corporation operates based on three fundamental pillars; efficiency, safety, and reliability, to create value for our stakeholders while striving on environmentally friendly and sustainable solutions. We follow the IMO's GHG emission targets, the UN SDG's and we are determined to work closely with our stakeholders to meet their expectations and interests in a transparent and comprehensive way.

This report is an overall presentation of our annual performance, ESG strategy and targets and, for the first time, we are extremely satisfied since it includes our work on a wider range of specific commitments and initiatives to support our employees, suppliers, customers, and communities where we operate around the world.

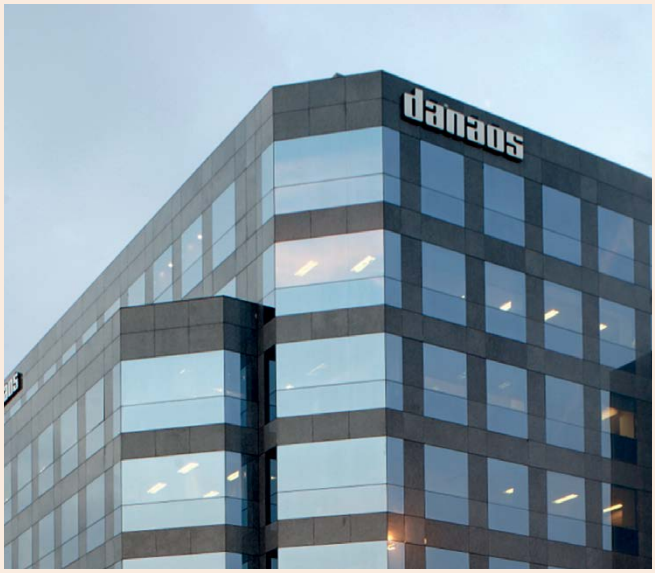
As a supplement to this annual ESG report, we prepared the Low Carbon Transition plan (Danaos LCTP).

About Danaos Corporation

Danaos Corporation is one of the largest independent owners of modern, large-size containerships. Our current fleet of 77 containerships aggregating 482,789 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, Evergreen, KMTC, Niledutch, Samudera, SITC and TS Lines.

Our Board of Directors and Executive Officers provide strategic management for our company while they also supervise, 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 aforementioned 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.



Within this report, Danaos Corporation, its subsidiaries* and affiliates, including its exclusive Manager Danaos Shipping Co. Limited, to be called collectively as "Danaos" or the "Company" or "we".

** As referred within the Annual Report of Danaos Corporation.*

2021 Operational Highlights at a glance

2
Offices

63
Vessels

20,678
Operating Days

5,307,343
Distance Traveled

124
Shore Employees

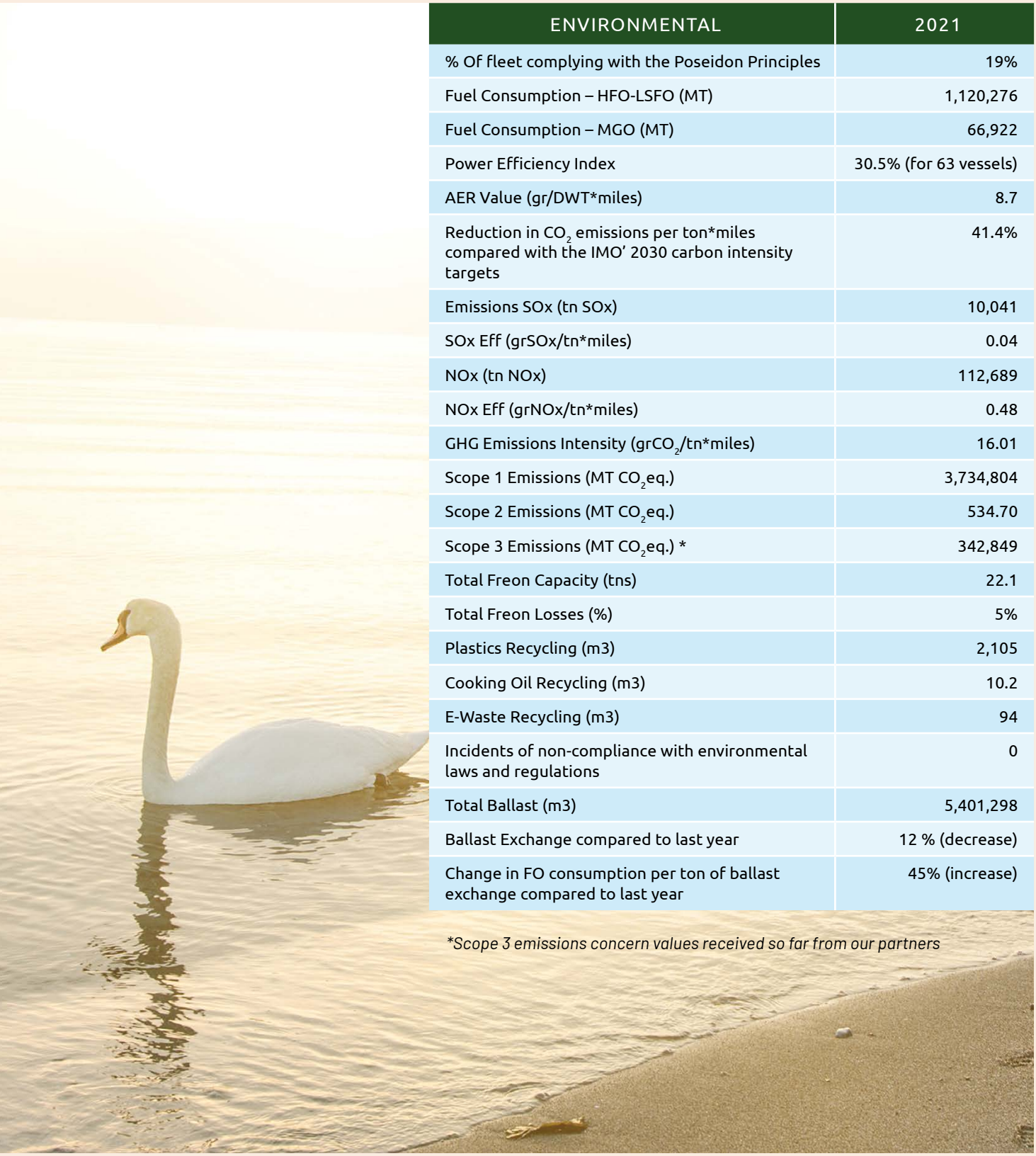
1,459
Seafarers

5,927,039
DWT

403,793
TEU

4,844
Port Calls

2021 Sustainability (ESG) Highlights at a glance



ENVIRONMENTAL	2021
% Of fleet complying with the Poseidon Principles	19%
Fuel Consumption – HFO-LSFO (MT)	1,120,276
Fuel Consumption – MGO (MT)	66,922
Power Efficiency Index	30.5% (for 63 vessels)
AER Value (gr/DWT*miles)	8.7
Reduction in CO_2 emissions per ton*miles compared with the IMO' 2030 carbon intensity targets	41.4%
Emissions SOx (tn SOx)	10,041
SOx Eff (grSOx/tn*miles)	0.04
NOx (tn NOx)	112,689
NOx Eff (grNOx/tn*miles)	0.48
GHG Emissions Intensity ($grCO_2$/tn*miles)	16.01
Scope 1 Emissions (MT CO_2eq.)	3,734,804
Scope 2 Emissions (MT CO_2eq.)	534.70
Scope 3 Emissions (MT CO_2eq.) *	342,849
Total Freon Capacity (tns)	22.1
Total Freon Losses (%)	5%
Plastics Recycling (m3)	2,105
Cooking Oil Recycling (m3)	10.2
E-Waste Recycling (m3)	94
Incidents of non-compliance with environmental laws and regulations	0
Total Ballast (m3)	5,401,298
Ballast Exchange compared to last year	12 % (decrease)
Change in FO consumption per ton of ballast exchange compared to last year	45% (increase)

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

SOCIAL	2021
Office employees	124
Seafarers	1,459
Decrease of consumption of A4 sheets	7%
Employee Hires	12
% Of Women Employees	45.1%
% Of Women in Managerial Positions	22.72%
Average retention rate (office employees)	94.1%
Average retention rate (crew)	84.6%
Training hours (office employees)	289
Training hours (crew)	5,842
Marine casualties	1 non-serious incident
LTIs	16
LTIF Rate	1.29
Near Misses Reports	274

GOVERNANCE - OPERATIONS	2021
Number of Offices	2
Number of Vessels	63
Operating Days	20,678
DWT	5,927,039
Distance Travelled	5,307,343
TEU	403,793
Port Calls	4,844
Number of Material Topics	14
Number of internal policies, codes, guidelines	8
Number of committees	3
Number of Board Members	7
Number of Independent Board Members	5
Port calls in 2021 were in countries in the 20 lowest rankings of Transparency International's Corruption Perception Index (CPI)	0.15%
Number of bribery, fraud, corruption incidents	0
Internal Assurance Audits	50
Material weaknesses or significant deficiencies identified in 2021 internal audits or external financial audits	0
Internal audits (ISM/ISPS related)	72
Third party audits (ISM/ISPS related)	32
MLC inspections	49
Inspections without deficiency	80%
Inspections per Vessel	2.18
Deficiency/Inspection	0.51
ISM related	0.19%

Our Mission Statement

Danaos seeks to provide safe, efficient and cost-effective seaborne container transportation, remain the premier choice among containership owners and create value for all stakeholders. To meet our goals, we continuously make substantial investments in our operational, technical, and financial infrastructure while striving on sustainable and environmentally friendly solutions.

Our Vision – Our Values

We implement the highest standards on efficiency, safety, and reliability by:

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

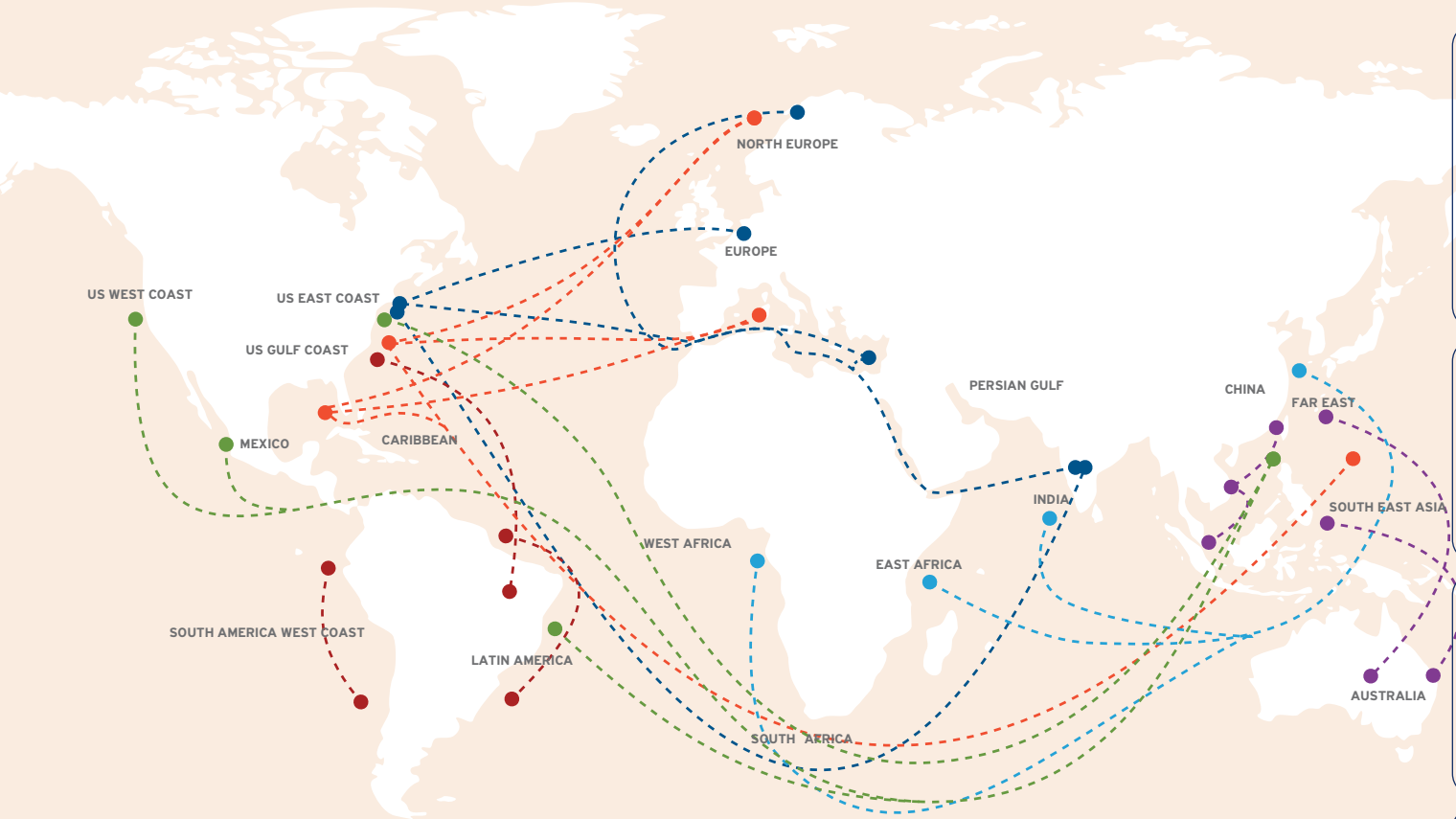
2. **Fully integrating operations and organizational strategy.** Our operations are fully aligned with our strategy, we align planning and actions.

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

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

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

Our Scope and Global Operations



- 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

- 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 – EAST MED
- 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

Our ESG Strategic Roadmap

This report covers the period from January 1 to December 31, 2021 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 vision sustainability an integral part of our corporate culture and an important regulator in decision making. We constantly employ the highest operating standards on board and ashore to ensure an ethical, safe and pollution free environment for everyone.

We evaluate our progress against our commitments, refining our strategy accordingly and we are happy to see that significant progress on our journey has been made. Danaos recognizes the importance of being a responsible part of the society so our Environmental, Social and Governance (ESG) approach provides us with a strategic roadmap to become a more sustainable and resilient business.

Sustainability and our ESG agenda are at the forefront of our thinking.

Materiality Assessment

In 2020 we conducted a materiality assessment, a qualitative survey involving our key stakeholder groups (Employees, Crew, Financial Institutions, Charterers, Suppliers and Danaos Management). For year the 2021 the results of the materiality assessment were validated and updated through internal processes, benchmarking, and through the process of drafting our new Sustainability (ESG) Strategy.

Our Material Topics

Commitments to Decarbonization

Waste Management

Carbon Emissions

Marine pollution and conservation

Promote Zero Accidents

Tracking key suppliers sustainability performance

Talent Management

Anti-Corruption

Contribute value to the society

Promote diversity in the board of directors and executive level

Improving key ESG rating performance

Commitments to achieve IMO goals

Transparency and disclosure ESG data annually

Ethical Business Conduct

Customer satisfaction

Our Commitments | 2025 Goals

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

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

New-buildings to **meet** design and environmental construction **standards**

Zero
significant spills

Increase Social Impact by **30%**

50% reduction
of waste onboard vessels

100%
of key suppliers to be assessed

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

Zero
fatal accidents

Maintain our material contribution in supporting the **community**

Zero waste and paper in all offices

AMPs on 25% of the fleet

95% of customers 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

Our ESG Goals and Commitment to the SDG's

Year 2021 marked the design and implementation of our updated ESG Plan which includes specific goals and measurable targets for the period 2021-2025. Environmental protection and pollution prevention is of high importance to the company. The table below, lists Danaos's sustainability plan between 2021 and 2025 and summarizes our commitments to ESG.

Targets 2021 - 2025	Status
ENVIRONMENTAL	
Emissions	
Full alignment and exceeding with the IMO 2030 targets for carbon intensity and carbon neutrality by 2050	New Target set in 2021
47.5% reduction of CO_2 emissions by 2025 (baseline 2008 IMO) ($grCO_2$/tones x miles)	New Target set in 2021
Additionally, 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
25% of vessels will be equipped with AMPs to ensure full power with less emissions	New Target set in 2021
Exhaust gas Cleaning Systems (scrubbers) have been installed, certified and are now in operation onboard 11 Danaos vessels.	Embedded
Participate in Joint Industry Projects (JIP) investigating the use of alternative fuels to improve combustion and reduce the carbon footprint of vessels.	In progress
Voluntary enrollment in the DNV "CO_2 Index" project, monitoring and certifying fleet's performance and CO_2 emissions.	Embedded
ISO-50001 Environmental Management System adopted in 2015 is now stimulating energy efficient operational practices and provides the necessary metrics.	Embedded
Marine Pollution, Conservation and Biodiversity	
Work with vessels to ensure zero significant spills	In progress
Successful installation, certification, and operation of Water Ballast Treatment systems for the whole fleet.	In progress
Waste Reduction	
Reduction of wastes volume by 50% on board all vessels	New target set in 2021
Zero waste and paper in all offices	New target set in 2021
Environmental Compliance	
Perform gap analysis and an issue compliance roadmap with modifications for each vessel in the fleet (when relevant enforcement takes place)	Embedded
Comply with IMO's 2020 regulations introducing a 0.5% sulphur cap, and achieving a successful and smooth transition from HSFO to VLSFO	Embedded
Memberships	
Become a member of the Global Maritime Forum (GMF) and joined the Getting to Zero Coalition	Embedded
Become a member of the Ammonia Energy Association (AEA) and explored potential alternative ammonia-based fuels for newbuilt vessels	Embedded

Targets 2021 - 2025	Status
Become a member of the Methanol Institute	Embedded
Reporting	
Ensure full transparency to the IMO's DCS and EU MRV emission reporting schemes through the WAVES data analytics platform	Embedded and ongoing
Monitor and report the fleet's emissions and energy efficiency indices on our annual report	Embedded
Innovation	
Work on fully digitizing our processes ensuring close control and a prompt response in promoting fuel efficiency	In progress
Continuous study and research on technical measures and design retrofits aiming at improving vessels performance	In progress
Support R&D research activities on use of alternative fuels and innovative technologies	In progress
Initiatives	
Develop tools to monitor compliance with various initiatives such as the Poseidon Principles, Climate Bonds and sharing of relevant data with clients.	Embedded
SOCIAL	
Employee Retention	
Expand diversity and equal opportunities	In progress
Maintain annual employee retention rates above 90%	Embedded
Crew Retention	
Maintain annual crew retention rates above 80%	Embedded
Full Compliance with the ILO's requirements for seafarers	Embedded
Training & Development	
All staff trained on Health, Safety, Social and Environmental (HSSE) risks	Embedded
Reinforce a culture of sustainability onboard and ashore	Embedded
Monitoring of career development and training for employees	Embedded
Summer internship programs	Embedded
Safety	
Maintain a lost time injury frequency rate (LTIFR) significantly lower than the industry averages	Embedded
Zero fatal accidents	Embedded
Procurement	
Establish a sustainable procurement policy and screen of our suppliers (100% key suppliers assessed)	New target set in 2021
Child and Forced Labor	
No child or forced labor permitted in our own operations	Embedded
Screen our suppliers to preclude child or forced labor	In progress

Targets 2021 - 2025	Status
Supporting Local Communities	
Maintain strong social engagement and provide support to vulnerable groups	Embedded
Encourage the spirit of volunteerism among the employees on environmental and charity activities	Embedded
Increase social impact by 30%	New target set in 2021
Provide Sponsorships to University Students	Embedded
GOVERNANCE	
Corruption	
Zero Tolerance to bribery and corruption	Embedded
Establish partnerships with sustainable and anti-corruption initiatives	In progress
Whistleblowing	
Provide a confidential and effective whistle blowing system for reporting violations	Embedded
Reporting – ESG Ratings	
Maintain full transparency through annual ESG reporting	Embedded
Increase ESG ratings by globally renowned Rating Agencies	New target set in 2021
Integrate SASB standards into ESG reporting	In progress
Diversity	
25% women as Board Members and Executives	New target set in 2021
Customer Satisfaction	
Maintain customer satisfaction at 95% or above through the application of new tasks	New target set in 2021
Ethical Business Conduct	
Provide to all (100%) crew members and office employees a customized educational program of ethical business conduct	New target set in 2021

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) as well as Environment, Social and Governance (ESG) criteria.

Our priority is to intensify efforts towards contributing to this universal call to action to end poverty, protect the planet, combat climate change and ensure that by 2030 all people enjoy peace and prosperity.

We have fully integrated the SDGs into our strategy, acknowledging those that are most relevant to our business and assessing the extent to which they can help us leverage our contribution to the UN 2030 Agenda.

Our sustainability goals in connection to the environment are as follows:

1. Work towards decarbonization and achieve carbon neutrality by 2050
2. Keep researching energy efficiency and alternative fuels and technologies
3. Establish partnerships with key stakeholders to promote sustainable development
4. Ensure perfect compliance with regulations at sea, prevent negative impacts on marine biodiversity by avoiding water pollution, ensure proper waste management and ballast water management and treatment.
5. Fully comply with regulatory demands to reduce air emissions and continue investing in maintaining and implementing enabling solutions.
6. Promote circular economy principles by implementing policies fostering the 3R concept.
7. Training ashore and onboard personnel on decarbonization awareness and actions.
8. Work further on digitalizing company processes and devising the tools that 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) are now both mandatory for new ships. The IMO has adopted mandatory measures to reduce emissions of greenhouse gases from international shipping by at least a 40% reduction in carbon intensity by 2030 and pursue efforts towards a 70% reduction by 2050, with a total annual GHG emissions reduction by at least 50% by 2050, all compared to 2008.

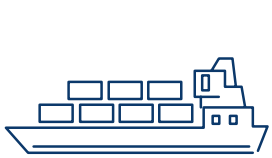
In 2021 Danaos for 3 consecutive year met IMO's 2030 target achieving a 41.4% reduction in CO_2 emissions per ton*miles compared to 2008 base year.

The % of reduction though was a bit lower compared to 2020 due to an increase in the weighted average speed by almost 1 knot in 2021!

Key Partnerships

We are actively seeking the participation in industry associations and committees in order to contribute to the advancement of the shipping sector through the exchange of experience and the support and the promotion of sustainability and environmental issues.

EEE
•HELMEPA•
SYN-ENOSIS
AMERICAN-HELLENIC CHAMBER OF COMMERCE
CSSF CONTAINER SHIP SAFETY FORUM
BIMCO
International Chamber of Shipping Shaping the Future of Shipping
CUS CYPRUS UNION OF SHIPOWNERS
GLOBAL MARITIME FORUM
GREEK SHIPPING PUBLICATIONS CO. LTD
Getting to Zero Coalition



19%

of Danaos fleet already complies with Poseidon Principles

In 2020 Danaos became a member of the Global Maritime Forum (GMF), adhering 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 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 2021, 19% of Danaos fleet already complied. The percentage was lower than the previous year (35%) since the trajectory line 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 value for 2021.

**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.*
The total AER value for Danaos fleet is calculated as the ratio of the fleet's total carbon emissions divided by the sumproduct of each vessel's deadweight multiplied by the total distance sailed in nm:

$$\text{AER (gr/mt*nm):} \frac{\sum_v \sum_i \sum_j FC_{ijv} \times C_{fj}}{\sum_v \sum_i nm_{iv} \times Dwt_v} \times 10^6$$

-FC_{ijv} is the mass of consumed fuel j at voyage i (metric tons) for the vessel v,
-nm is the distance in nautical miles corresponding to the voyage i for the vessel v
-Dwt is the Dwt for the vessel v at the summer load draft
-Cfj is a non-dimensional conversion factor between fuel j consumption, measured in grams and CO_2 emission also measured in grams based on carbon content (as per the update of the IMO 2000 study (Buhaug et al,2008))

Climate bond initiatives are also explored to verify fleet's compliance. **We also work with Science Based Targets (SBTi) and the Methanol Institute (MI)** to organize our participation in various initiatives and schemes.

GLOBAL MARITIME FORUM

METHANOL INSTITUTE

AMMONIA ENERGY ASSOCIATION

POSEIDON PRINCIPLES

Getting to Zero Coalition

Stakeholder Engagement

2025 GOALS

95% of customers be satisfied

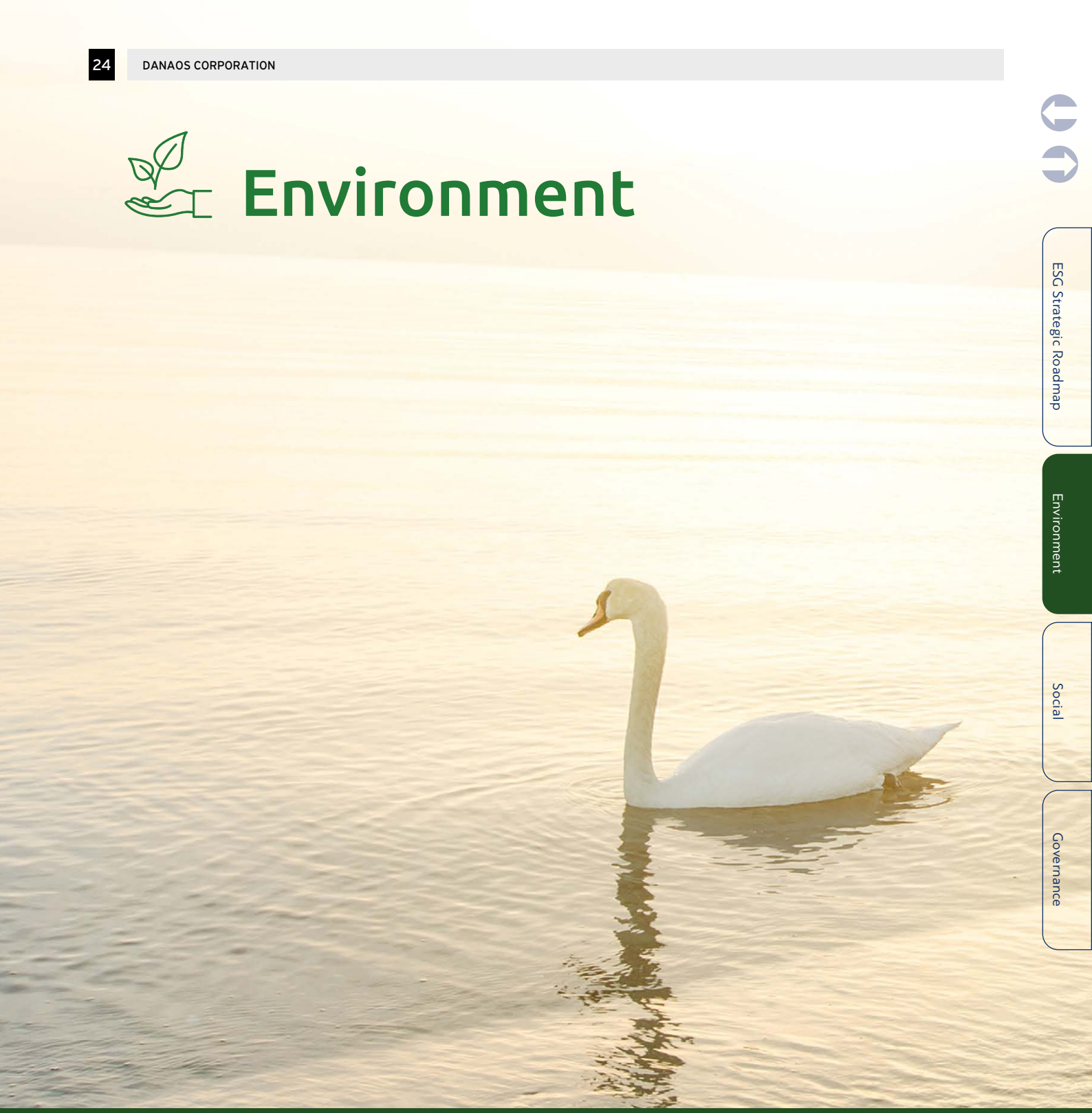
Stakeholder engagement helps us to proactively consider the needs and desires of anyone who has a stake at Danaos. This is fostering connections, trust, confidence, and buy-in for our key initiatives. When it comes to strategic planning stakeholder engagement is critical. An ongoing dialog with our stakeholders is of paramount importance so that we can fulfill their needs and concerns in relation to our actions. 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. Addressing each and every issue related to the ESG (environmental, social and governance) factors enables us to design our sustainability strategy accordingly.

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 employees, to provide opportunities for training and professional development, and to ensure a discrimination-free working environment. **Relative material issues:** Anti-corruption, Commitments to Decarbonization, Carbon Emissions, Waste Management, Marine Pollution and Conservation, Promote Zero Accidents, Talent Management, Ethical Business Conduct, Governance	We support an ongoing open communication between management and employees. Communication is achieved through monthly internal meetings as well as annual management review reports. 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, ongoing support, flexibility to any requirements that come up, transparency, and to conduct our business in a sustainable manner (ethical, safe, environmentally friendly, respecting of human rights). **Relative material topics:** Commitments to Decarbonization, Carbon Emissions, Waste Management, Marine Pollution and Conservation, Ethical Business Conduct, Governance, Customer Satisfaction	Communication with our finance related stakeholders is through contracts, financial reports, progress meetings, corporate presentations, and day-to-day transactions.
Finance Related (Banks)	Our finance related stakeholders are interested in credit and financial performance, wish to receive accurate information, on risk control and assessment, and to the company's robust management processes and long-term growth. **Relative material topics:** Anti-corruption, Transparency and Disclosure of ESG Data, Ethical Business Conduct, Commitment to Achieve IMO Goals, Improving Key ESG Rating Performance, Promoting Diversity in the BoD and Executive Level, Commitments to Decarbonization	Communication with our finance related stakeholders is through contracts, financial reports, progress meetings, corporate presentations, and 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 cover due diligence, and to generate economic growth. **Relative material topics:** Anti-corruption, Transparency and Disclosure of ESG Data, Ethical Business Conduct, Commitment to Achieve IMO Goals, Commitments to Decarbonization, Carbon Emissions, Waste Management, Marine Pollution and Conservation	We engage with government officials and authorities through notices/instructions about on latest regulations and requirements, through the results inspections and auditing programs, and through formal dialogue and communication channels.

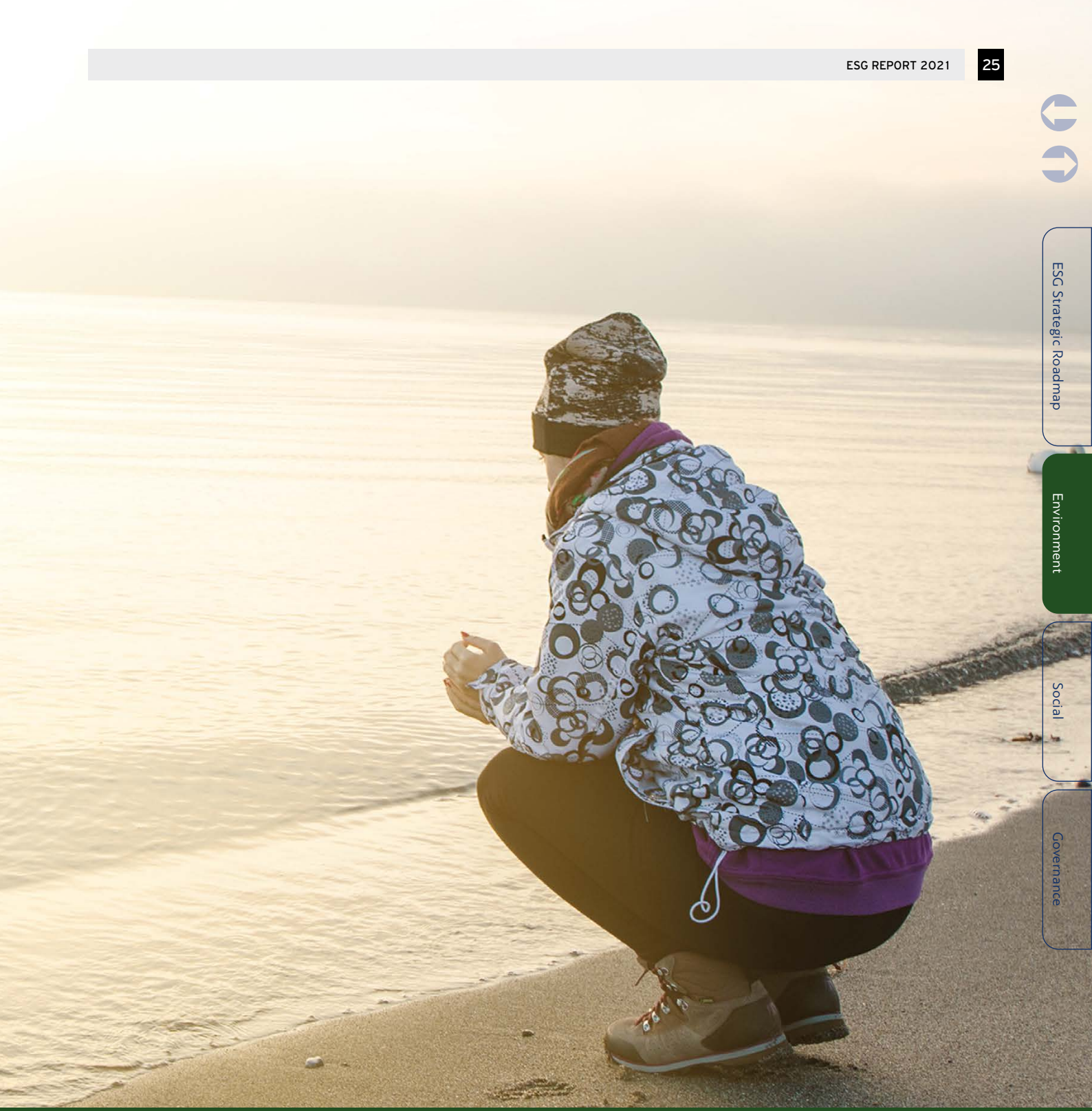
Our Stakeholders	What they expect from us	Communication Channels and Frequency of Engagement
International Industry Organizations and Regulators (e.g., IMO, HELMEPA)	These stakeholders expect our active participation, collaboration and support, to be up-to-date and compliant with new requirements, to operate in an ethical manner, and to promote a sustainability culture. **Relative material topics:** Anti-corruption, Transparency and Disclosure of ESG Data, Ethical Business Conduct, Commitment to Achieve IMO Goals, Commitments to Decarbonization, Carbon Emissions, Waste Management, Marine Pollution and Conservation, Promote Zero Accidents	We engage though annual and ad-hoc meetings, through memberships, audits, through participation on high-level meetings, steering groups, committee, councils, forums and projects, as well as in the formation of joint action plans.
Suppliers (port agents, manufacturers, shipyards)	Our suppliers expect a fair and long-term cooperation, the timely execution of our financial responsibilities, to provide information on significant changes, and to exchange knowledge for business opportunities. **Relative material topics:** Ethical Business Conduct, Tracking Key Suppliers Sustainability Performance, Commitments to Decarbonization, Commitments to Achieve IMO Goals	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 social support 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:** Commitments to Decarbonization, Commitments to Achieve IMO Goals, Ethical Business Conduct, Promote Zero Accidents, Marine Pollution and Conservation, Talent Management	We communicate 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

Environment



Material Issues

- Environmental Compliance
- Energy Consumption
- Emissions & Air Pollution
- Biodiversity
- Waste Management
- Innovation & Digitization




9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
7 AFFORDABLE AND CLEAN ENERGY
13 CLIMATE ACTION
14 LIFE BELOW WATER
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

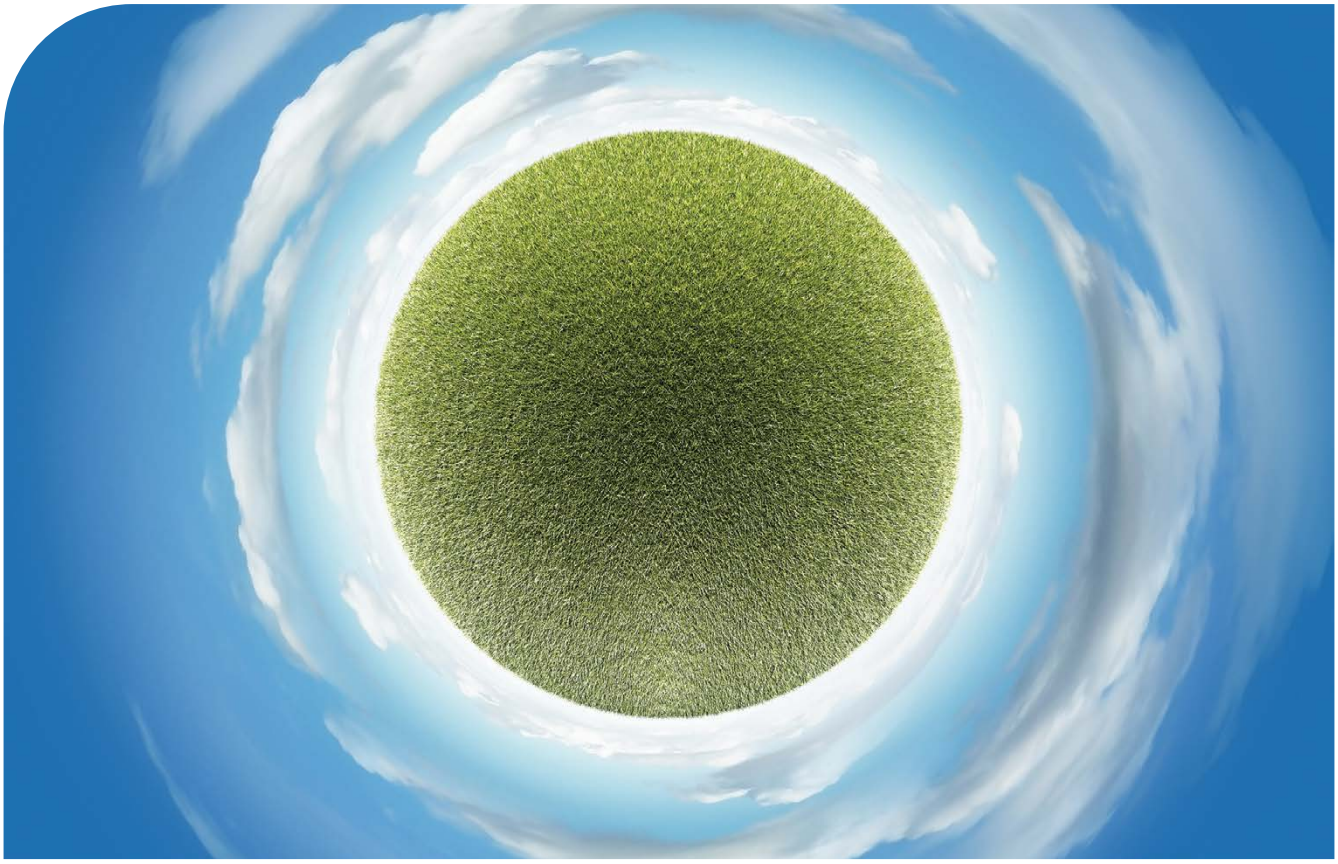
Fighting Climate Change

The global shipping industry is responsible for 90% of world trade by volume but it is also a large and growing source of greenhouse gas emissions. The EU has put in place legislation with specific climate and energy targets to reduce the sector's carbon footprint.

In November 2020, MEPC 75 approved the new EEXI regulations and corresponding amendments to MARPOL Annex VI, introducing new short-term mandatory measures, requiring the application of technical efficiency measures for existing ships (EEXI regulations) and the reduction of operational carbon intensity indicator (CII) for ships in operation, while the guidelines are subject to finalization and approval at MEPC 76 in June 2021. The Shipping industry is now expected to develop "cleaner" and energy efficient vessels, while research on alternative options is constantly increasing and a considerable investment is made in the development of advanced technologies, emission abatement mechanisms, energy-efficient engines, and alternative fuels for ships to enable the industry to meet the decarbonization and sustainability targets.

The shipping industry has an important part to play in combatting climate change. The Paris Agreement aimed to reduce global warming to well below 2°C and pursue 1.5°C. Despite a brief dip in carbon dioxide emissions caused by the COVID-19 pandemic, the world is still heading for a temperature rise in excess of 3°C within the century. Urgent action is needed on both mitigation and adaptation. At the regulatory level, the shipping industry is addressing climate issues through the 1973/1978 International Convention for the Prevention of Pollution from Ships (MARPOL). In June 2021, the IMO adopted amendments to Annex VI of the Convention, which introduced new mandatory regulations to further reduce greenhouse gas emissions from shipping and require owners to set energy efficiency targets.

The reduction of GHG emissions from shipping was central to the discussions at MEPC 77 while a substantial amount of time was dedicated to the discussion of methods for reducing GHG emissions from ships, zero carbon technologies, the range of zero carbon bunker fuel options, the establishment of an automated IMO Maritime Research Fund (IMRF) for R&D (developed by the ICS).



2021 joined the list of the seven warmest years on record and was also the seventh consecutive year when the global temperature has been more than 1°C above pre-industrial levels, as the UN weather agency reported; edging closer to the limit laid out under the 2015 Paris Agreement on Climate Change.

Global warming and other long-term climate change trends are expected to continue as a result of record levels of heat-trapping greenhouse gases in the atmosphere. The long-awaited COP26 climate summit in Glasgow made important progress in a number of areas — but not enough. The world still remains off track to beat back the climate crisis.

Recognizing the urgency of the challenge, ministers from all over the world agreed that countries should come back next year to submit stronger 2030 emissions reduction targets with the aim of closing the gap to limiting global warming to 1.5 degrees C. To keep the goal of limiting temperature rise to 1.5 degrees C within reach, we need to cut global emissions in half by the end of this decade. In contrast, the United Nations calculates that these plans, as they stand, put the world on track for 2.5 degrees C of warming by the end of the century.

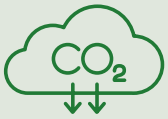
The transition to a climate-neutral society is both an urgent challenge and an opportunity to build a better future for all. All parts of society and economic sectors will play a role – from the power sector to industry, mobility, transportation, buildings, agriculture, and forestry.

Climate Related Actions at Danaos

Climate action is a global imperative. Since Danaos is one of the largest independent owners of modern large-size containerships, and a crucial link in the global logistics chain, we are highly committed to contribute to the transition towards decarbonization.

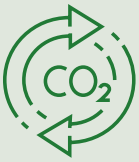
Optimization for energy efficiency

Innovation & Digitization



Emissions reduction

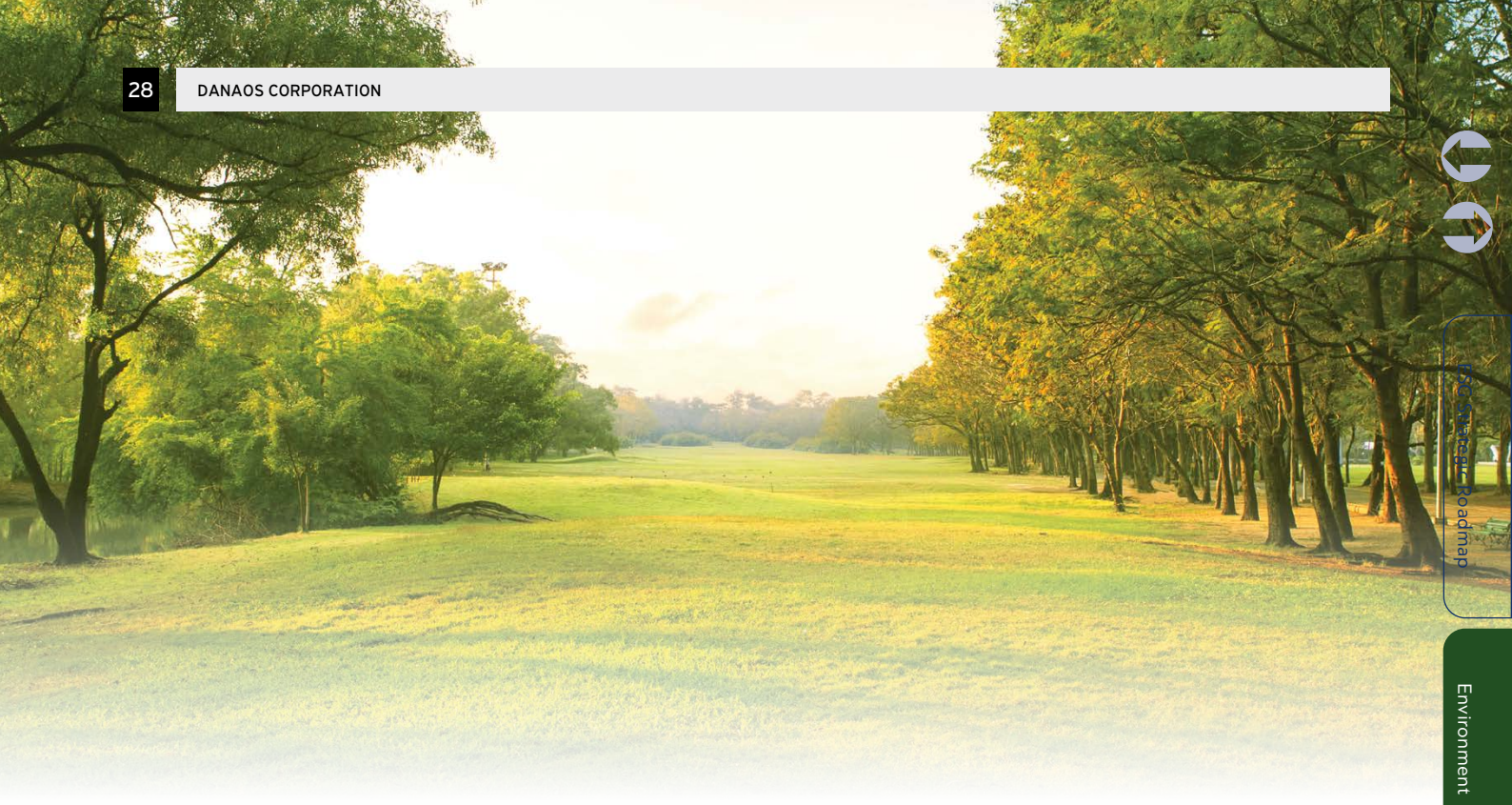
Decarbonization, Initiatives and Carbon Neutrality



Circular Economy and Responsible Waste Management

Sustainability and ESG are at the forefront of our strategy. Decarbonizing the transportation industry is only one part of the sustainability challenge related to consumption, it is of the most challenging sectors to decarbonize, but it is the one that may positively impact directly.

Digitalization of the supply chain, regulatory requirements and trade patterns driven by climate imperatives and customer expectations, are already forming the future of the shipping industry. 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. This will require further refining both the



vessel and fuel production technologies and creating 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 viable at scale, while driving down costs and scaling up demand to enable broader deployment. Shipping stakeholders should align to support and enable the decarbonization of international shipping. Governments and regulators should establish policy frameworks that make zero emission shipping commercially viable, investable and equitable.

Call to Action is an initiative towards emissions reduction and decarbonization.

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 collective key objective is to keep the global temperature increase to well below 2°C and pursue efforts to lower it to 1.5 °C; Danaos remains fully aligned to IMO actions. A sustainability committee is set up at Danaos that helps the company design the necessary environmental plans. Not only is it 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.

Danaos' strategy plans to achieve the environmental goals recorded in Danaos' Low Carbon Transition plan (Danaos LCTP), including our GHG target to extend beyond the plans and targets set by the IMO, the Sustainable Development Scenario (SDS) as well as the UNFCCC (United Nations Framework Convention on Climate Change). In conclusion, 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.

** 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.*

- The low carbon transition plan for international shipping extends further than the NDC targets (Nationally Determined Contribution) under the UNFCCC), and it is formulated by IMO (International Maritime Organization).
- Since the IEA considers the IMO's GHG emission reduction target to be equivalent to the SDS scenario, we consider that our GHG reduction targets set out in our environmental vision are consistent with the IMO targets, and exceed them.

Ship Optimization for Energy Efficiency

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

R&D at Danaos have studied and evaluated 38 methods for optimizing the energy efficiency of vessels. These are categorized according to the system that was optimized: propulsion system (main engine-propeller), fuel, on board energy management, reduction of hull roughness, intervention on the hull design to reduce friction or ripple resistance, or improvement of vessel operation. Following the above studies R&D assess a possible implementation on Danaos fleet by considering each ship's hull lines, equipment, special features and assessing its dynamics through CFDs studies and model tests in experimental tanks.

The R&D department we have devised assessment the tools and incorporated those on the Waves Data Analytics Platform to assess vessels performance and rate as per IMO CII and other initiatives. "Waves" also forecasts future ratings by applying several speed and efficiency improvement criteria.

Danaos have deployed a **Shadow Internal Carbon pricing tool**. Using the "shadow "costing method, the cost of carbon within any business process is calculated (i.e., a specific business case assessment or strategy development) to demonstrate the carbon cost implications of specific business decisions. The resultant cost is communicated to stakeholders when needed. Typically, the price is set to a level that reflects the expected future price of carbon, such as the $100 per ton. The shadow carbon price methodology helps businesses understand likely carbon risk and prepare appropriately, well in time before the shadow price becomes a real price. Using this shadow cost pricing mechanism, we can disclose to CDP (which we plan to do so in 2022) an internal carbon price into our business strategies and actions.

Fuel Consumption	2019	2020	2021
HFO-LSFO	867,414 MT	899,411 MT	1,120,276 MT
MGO	51,380 MT	55,582 MT	66,922 MT

**For 63 vessels (excluding new acquisitions)*

Power efficiency index	2019	2020	2021
Power efficiency index*	33.7%	34%	30.5%*

** Power efficiency index , which is the % of saving of actual power consumption compared to the theoretical power demand as per Electric load analysis, is a measure of the energy efficiency as a result of the optimum energy management guided by the proper implementation of SEEMP measures onboard.*

Heading towards Decarbonization - Decarbonization Initiatives

Supporting the global fight to reduce climate change the shipping industry is well heading towards decarbonization. To achieve the IMO targets, technical and operational initiatives are taken into consideration, including advanced emission abatement technologies and the introduction of alternative fuels in shipping operations.

Danaos through several projects in the last years has examined ammonia, methanol, hydrogen, and LNG-LPG as the most promising alternative fuels for propulsion, with ammonia so far presenting the most promising solution for achieving shipping decarbonization targets. Biofuels are also under review. 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.

The Existing Energy Efficiency Indicator (EEXI) and the CII (Carbon Intensity Indicator) as put forward in MECP 76, are technical and operational measures selected to achieve the IMO decarbonization target. In 2021 Danaos proceeded with the calculation of the EEXI for all vessels. **Danaos AER value for 2021 was 8.7 gr/DWT*miles**.

An extensive study has been performed involving all vessels in Danaos fleet to identify the most efficient way to comply with the requirements. Engine Power Limitation (EPL) has been selected as the measure to reach the EEXI limits. An average EPL (Engine Power Limitation) limit in the range of 50-60% was identified.

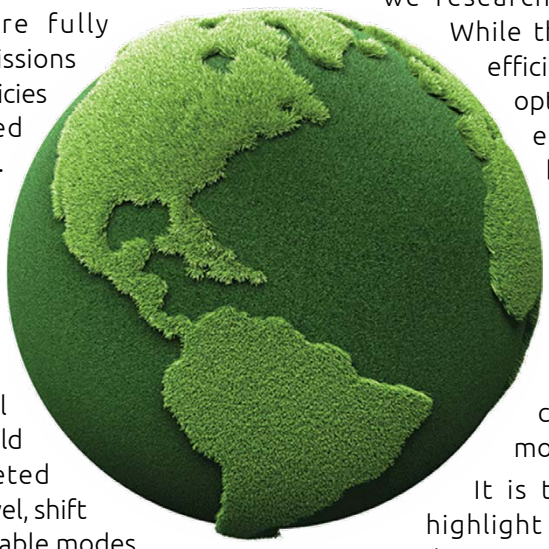
The annual growth in containerized trade volume for 2021 is 5.9 % and expected to remain steady above 4% till 2026 (UNCTAD review of Maritime Transport 2021, https://unctad.org/publication). While according to ITF Transport Outlook 2021 the maritime sector accounts for more than 70% of freight activity and around one-

2025 GOALS

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

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 is 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. The expected emissions reductions from these existing policies are cancelled by the expected increase on the transport demand. By contrast, more ambitious transport decarbonization policies could reduce transport CO_2 emissions by almost 70% in 2050 compared to 2015. Such a reduction would bring the goal of the Paris Agreement to limit global warming to 1.5˚C into reach. 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 vehicles and low-carbon fuels.



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 dealing with the 2050 decarbonization challenge, we invest, we 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. 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.

Upon the application of EEXI limit with EPL in 2023 and possible 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 arrangement to 25% of our fleet by 2025 in an effort to support decarbonization at ports.

Reduction in CO_2 emissions per ton*miles compared with the IMO' 2030 carbon intensity targets	
2019	41.5%
2020	45.0%
2021	41.4%

In Danaos we target **10% higher** than IMO is connection to carbon intensity improvement vs 2008 reference year. Our target is **50% improvement** in 2030 which is translated in **47.5% reduction** in carbon intensity by 2025

WE ARE RESEARCH FOCUSED

2025 GOALS

New-buildings to **meet** design and environmental construction **standards**

Our R&D Department was established in 2011 to explore innovative concepts and develop knowledge and competencies in a constantly evolving maritime environment. We apply our technical expertise and knowledge to improve fleet's efficiency and the company's environmental performance, thus maintaining our competitive advantage and leading position in the shipping industry.

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.

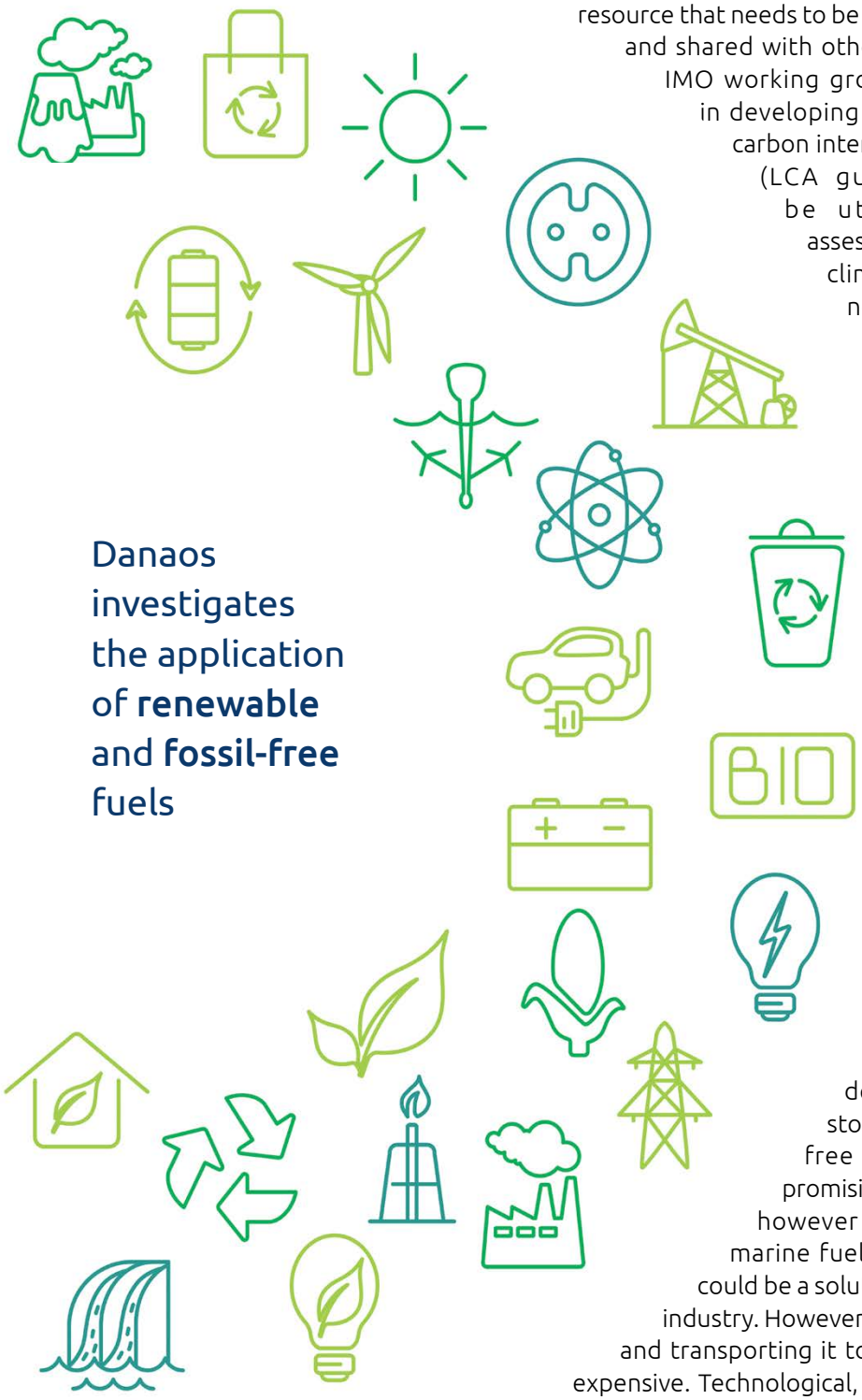
The closure of 2021 finds Danaos holding a leading role in bona fide maritime research and innovation. For several years embracing international research collaboration through an active engagement in joint initiatives and synergies, reflected by participating in 21 research projects co-funded by the European Union. The Danaos is ranked as the first profit-oriented private entity in Greek-Cypriot maritime research, investing value-driven effort in research activities to benefit in energy efficiency, vessel operational sustainability and service quality. Research interests are focused on alternate fuels (LPG, cells, H2, NH3, CH3OH) and energy sources (wind, solar, waves, electricity) assessment and feasibility, retrofits for energy efficiency (Waste heat recovery, bulbous modification, propellers optimization and appendages, antifouling, SCR). Maritime 4.0 revolutionists at Danaos we are working on IoT, big data analytics, AI, deep learning, robotics, autonomy, Underwater vehicles, simulation, maritime digital twin, augmented reality, cybersecurity and safety (mass evacuation system and vessel design). Our work is based on the development of decision support systems and models (bunkering, weather routing, anomaly detection, benefit of doubt, etc.) and LCxA (Life cycle assessment for x: performance, cost, efficiency).

Danaos promotes sustainable shipping in the medium and long term by participating in the EMERGE project. EMERGE is an EU project which has been granted a flagship status for the EU strategy for the Baltic Sea region. The objectives of EMERGE are (i) to quantify and evaluate the effects of potential emission reduction solutions for shipping in Europe, and (ii) to develop effective strategies and measures to reduce the environmental impacts of shipping.

The roadmap for decarbonization in shipping is going hand-in-glove with the exploitation of alternative green fuels. DANAOS is studying and investigating the application of renewable and fossil-free fuels for sustainable and zero-emission waterborne transport. This investigation follows an integrated multidimensional life cycle assessment (LCA) where lifecycles of the alternative fuels are analyzed in classifications of Well-to-Tank, Tank-to-Wake phases. DANAOS applies LCA methodology assessing products of two EU-funded projects that explore alternative fuels and other energy efficient technologies.

Danaos considers fossil-sourced LNG as a bridging fuel for the future while BIO-LNG produced from biogas has started to attract attention as a source of low carbon LNG for shipping generated with low lifecycle GHG emissions. The process through which biogas is produced is difficult to scale up, this is technically and economically challenging. On the other hand, 2nd generation biofuels consist of a mid-term plausible solution, which is technically easy to apply; we are eager to test this in cooperation with our clients. A barrier holding back large-scale use of biofuels in the shipping sector is the lack of certainty on scaling and availability of feedstocks to produce sustainable biofuels. Potential

sustainable biomass feedstock, such as wastes and residues, as well as crops grown on marginal, underutilized, and contaminated (MUC) lands, are a limited resource that needs to be used efficiently and shared with other sectors. The IMO working group is working in developing lifecycle GHG/ carbon intensity guidelines (LCA guidelines), to be utilized when assessing the overall climate impact of new fuels.



Danaos investigates the application of **renewable** and **fossil-free** fuels

Candidate future low- and zero-carbon fuels for shipping have diverse production pathways (for example, different generations of biofuels or hydrogen-based fuels produced by renewable energy sources or fossil fuels) entailing significant differences in their overall environmental footprint. The IMO LCA guidelines are setting a common framework for the lifecycle assessment of the GHG intensity of marine fuels, covering both the upstream and the downstream parts. Methanol is widely available and easy to handle and store and is a well proven solution from technical perspective although its carbon footprint does not make it eligible for long-term use. Green or synthetic methanol offer great potential, but environmentally sustainable feedstocks and production methods consist of a challenge to be addressed. Ammonia despite its drawbacks related to toxicity, storage and safety considerations is a carbon free fuel and seems to be one of the most promising candidates for shipping decarbonization however is technical maturity and reliability as a marine fuel remains to be proven. Green hydrogen could be a solution to the decarbonization of the shipping industry. However, creating a large supply of green hydrogen and transporting it to where it will be used is challenging and expensive. Technological, economic, regulatory, and environmental barriers are faced by the green hydrogen sector.

The carbon capture and storage technology, another area that Danaos is investigating as a possible solution to decarbonization.

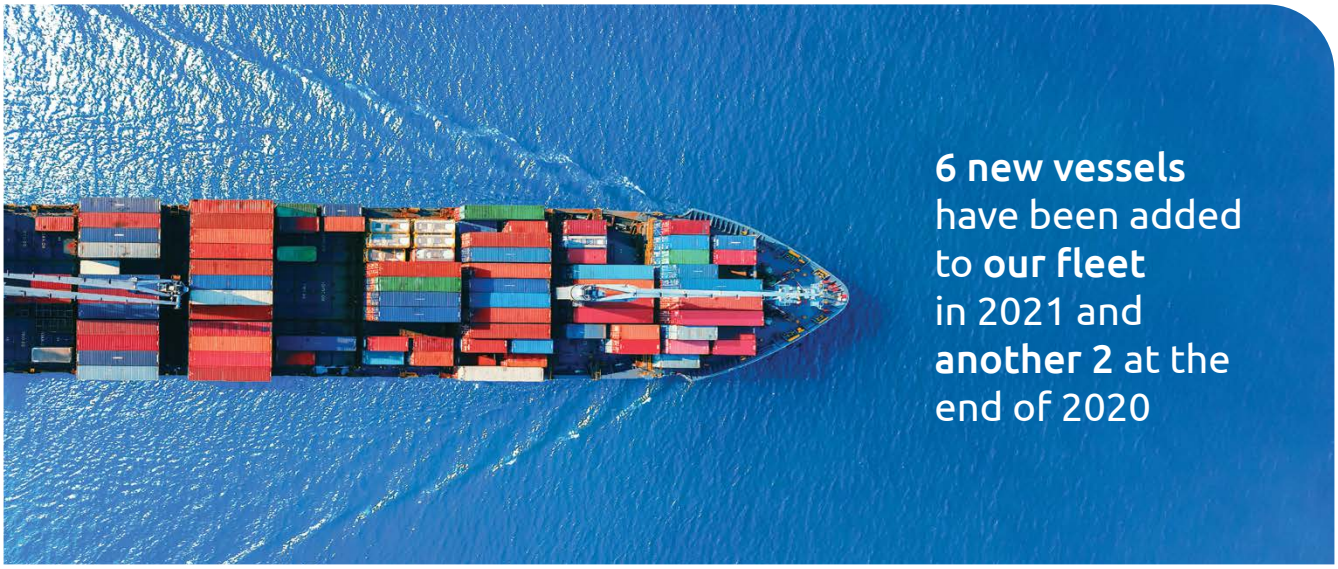
Emissions Reduction

We have developed a monitoring tool for the fleets 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 environmental footprint (value chain footprint – scope 3 GHG protocol).

In 2021 fleet emissions have increased by 24% compared to 2020, which was expected as 2021 was a booming year for the container shipping sector. Six new vessels have been added to our fleet in 2021 and another two at the end of 2020. Our fleet's average speed for 2020 was 15.3 kn while within 2021 speed was increased by 1.1kn reaching 16.2kn, with at the same time 0.3m higher operating draft. Moreover, our vessels had 3% more steaming time compared to 2020. For the same reasons the fleet's EEOI has been increased to 16.01 gr/tn*miles. Due to the increase in consumption, consequently all NOx and SOx emissions have been increased respectively. At this stage there is no available data to benchmark Danaos performance globally, we can only record however our own specific improvements which we demonstrate herewith.

On vessel assessments, increasing and decreasing trends have been observed. A detailed performance analysis and comparison between 2020 & 2021 is completed for each of the company's vessels within the first quarter of every year and results are updated in the SEEMP manual.

In 2021 Danaos proceeded with six (6) 2nd hand new acquisitions, a set of sister ECO vessels, built in 2015 with their EEDI being 10.5 gr/tn.mile, already in compliance with Phase 3 requirements. The rest of Danaos fleet does not fall under EEDI regulations since all of our vessels were built prior 2013.



	2019	2020	2021
CO_2 (tn CO_2)	3,070,913	3,013,941	3,734,804
GHG Emissions Intensity ($grCO_2$/tn*miles)	15.99	15.09	16.01
SO_x (tn SO_x)	44,110	8,006	10,041
SO_x Eff ($grSO_x$/tn*miles)	0.23	0.04	0.04
NO_x (tn NO_x)	93,638	91,187	112,689
NO_x Eff ($grNO_x$/tn*miles)	0.49	0.46	0.48

2025 GOALS

AMPs on 25% of the fleet

The formulae used for the calculation of emission KPIs are in line with the ones used by the KPI platform: https://www.shipping-kpi.org/. We adopted the above approach to be fully aligned. After successful implementation of the IMO sulphur cap 0.5 back in 2020 along with 11 open-loop scrubbers' installation. RnD is constantly studying on new technologies in an effort to identify the best fit for the fleet and the environment.

To ensure optimal functioning on scrubber fitted vessels and to accurately calculate SOx emissions, we integrated sulfur calculations in WAVES using emission ratios recorded from installed monitoring sensors. We monitor both air emissions and wash water discharges, to identify and rectify any potential malfunction and/or minimize violations.

Moreover, Danaos installed AMP to achieve reduction of emissions while at berth.

Environmental Monitoring incorporated in Waves

A sophisticated environmental routine that incorporates interactive Carbon Intensity Index calculations and vessel rating and projection of emitted CO_2, setting the foundation for effectively responding to emissions trading or a levy scheme that may be launched next year.

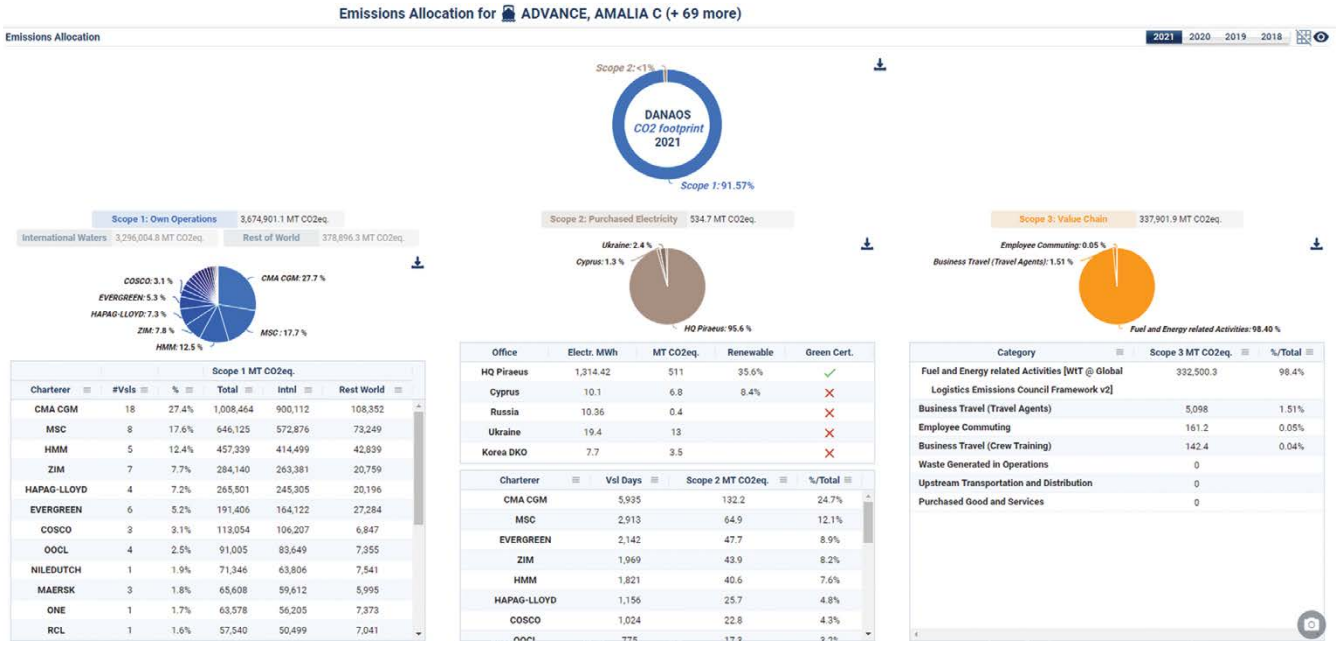
Scrubber Monitoring incorporated in Waves

The Scrubber Monitoring feature is custom designed and incorporated in Waves data analytics platform. We can now provide users with good insights on scrubber operational data almost in real time and can easily confirm compliance with the regulatory requirements for all needed parameters. Moreover, the Scrubber Reference log is a feature that demonstrates compliance in case any monitoring sensor fails, indicating compliant operation under similar conditions meeting the regulations the malfunction is rectified.

Both direct (Scope 1) and indirect (Scope 2) emissions for the entire organizations are estimated annually. In addition, an emissions information dashboard per client is prepared annually to calculate value chain GHG (Scope 3) emissions related to Danaos business activity. The procedure for calculating Scope 3 emissions is established and involves suppliers and partners reporting on their Scope 1 and 2 emissions that relate to Danaos, relevant activities include the following:

- Tickets
- Crew training
- Well-to-tank fuel emissions
- Employee commuting
- Suppliers/partners
- Class travel/ shipyard related emissions
- Agents/tugboats

DANAOS TOTAL EMISSIONS ALLOCATION

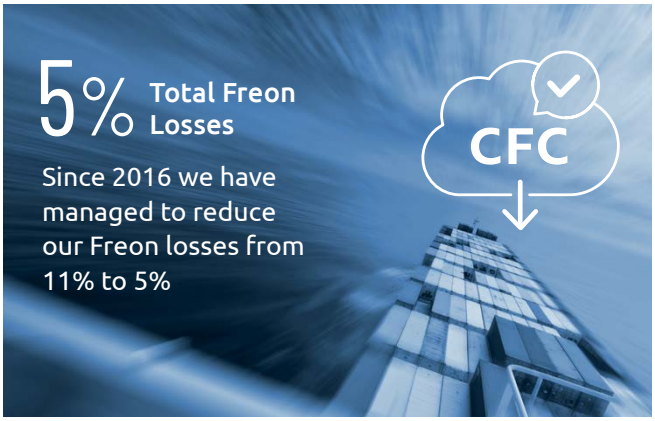


Danaos is on track for a **carbon neutral future** and remains a pioneer in taking actions for decarbonization and digitization

OZONE DEPLETING SUBSTANCES

The Company modified all installations in older vessels according to regulations and any deliberate emission of ozone depleting substances (ODS) is prohibited. Similarly, any installation containing ODS in new building vessels (i.e., halons and chlorofluorocarbons (CFCs)) is also prohibited.

Freon Types in use are R-404A and R-407C. **Freon losses for 2021 were at 5% of the total capacity (1053kg approximately).** Since 2016 Danaos have managed to reduce Freon losses from 11% to 5% following the EU F-gas Regulation (517/2014) adopted in 1 Jan 2015. 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. Since the F-gas regulation applies to all EU countries and EU flagged vessels, replenishment of retrofit of systems with lower GWP refrigerants took place where required.



Ozone Depleting Substances	2019	2020	**2021**
Total Freon Capacity (tns)	18.8	22.1	**22.1**
Total Freon Losses (%)	7.0%	5.0%	**5.0%**

Circular Economy and Responsible Waste Management

2025 GOALS

50% reduction
of waste onboard vessels

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 the global trade, it can enable and capitalize on a circular conversion of global supply chains and influence the collaboration across value chains to facilitate this change. 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.

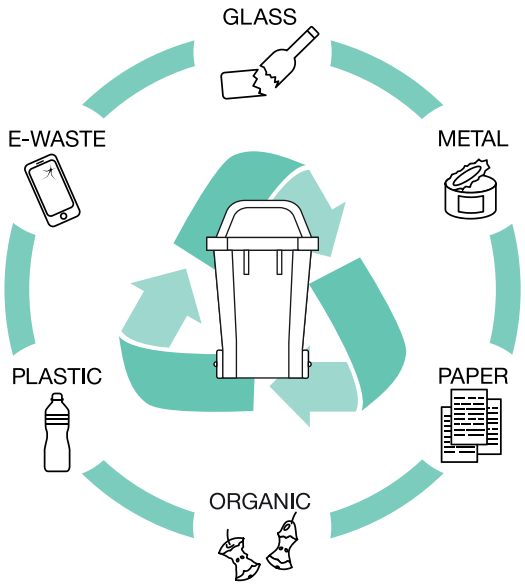
In the maritime industry parts from the vessels are continuously refurbished by a service provider until the end of their life span. The concepts for resource-efficiency, waste management and circular economy are all integrated into Danaos' organizational policies.

• In terms of circular economy Danaos has adopted the 3R reduce-reuse-recycle principle in its operations.

• Garbage segregation takes place onboard as part of the DSMS – Safety management and pollution prevention procedures. We encourage preventing, reducing, recycling, reusing, and minimizing of 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.

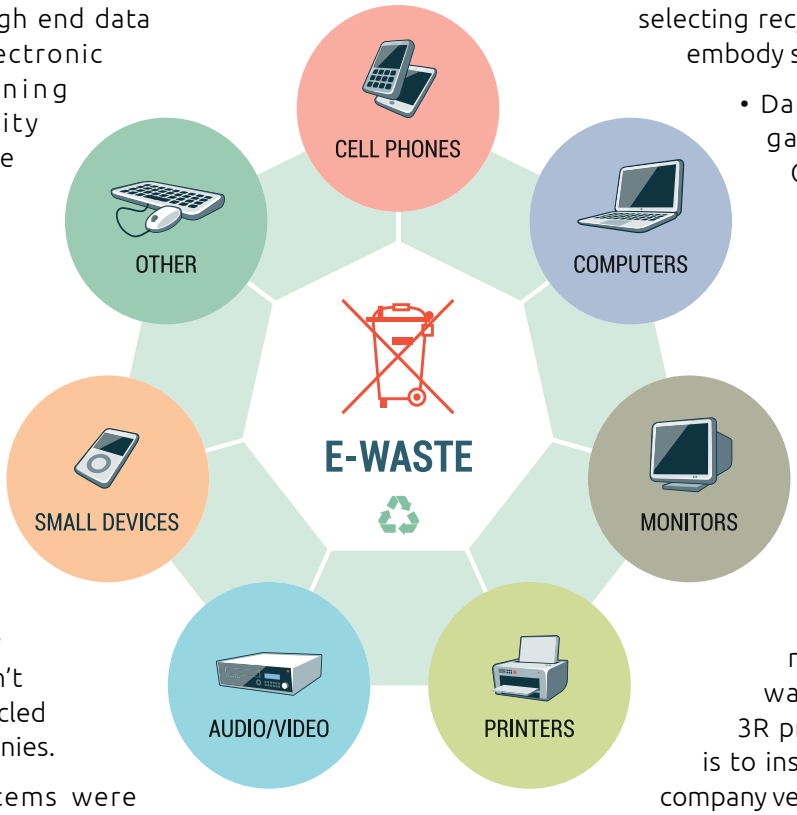
• Some of the spare parts onboard any vessel, mainly major components of various machineries can be reconditioned due to wear or deterioration. Reconditioning spare parts means restoring its condition back to near-new or original operational level making it suitable for further safe use with optimum performance and extending its lifetime.

• Our ReNAV campaign/scheme is part of the company's circular economy policy and launched by the Electrical Department 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 get 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.



Danaos ReNAV campain aims at **upcycling** old navigation and communication equipment

• E-waste generation is of major concern. Danaos invests on 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.



• In 2021, 150 IT items were classified as obsolete of which 40% (in operating condition) was donated to charity institutions.

• We continuously investigate in ports all around the world sources of specific recycling, especially for large components i.e., main engine or radar.

• 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.

• Since 2017 Danaos is 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 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. 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 by selecting recycling facilities which embody safer practices.

• 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. 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%.

• 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).

• The Convention (MARPOL Annexes IV and V) also requires that 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 on 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.

• 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. By next year the total amount of ashes disposed ashore will be counted as part of our systematic reporting.

• Other garbage generated from the living spaces is segregated in categories and disposed ashore for recycling.

• In 2021, we disposed for recycling:

- Plastics: 2,105 m3
- Cooking Oil: 10.2 m3
- E-Waste: 94 m3

• 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 a reusable or recyclable plastic is used.
- Wrapping which protect goods on its 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.

2025 GOALS

Zero waste and paper in all offices

We have further taken measures to improve the management of waste generated in our headquarters. We monitor the average paper consumption per employee per day and we encourage our people to reduce the paper consumption. The consumption of A4 sheets in the office has decreased by a further **7% for the second year in a row.**

Waste that is categorized as Hazardous and Medical is carefully segregated, clearly labelled and disposed ashore according to international and national regulations.

In the frame 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%**

Conforming to Environmental Laws & Regulations

Environmental protection and pollution prevention are matters of top priority by all crew. An action plan is in place to mitigate the risk of oil spill, including 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.

In 2021 we reported **no incidents of non-compliance with environmental laws** and regulations, no spills, and no fines.

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

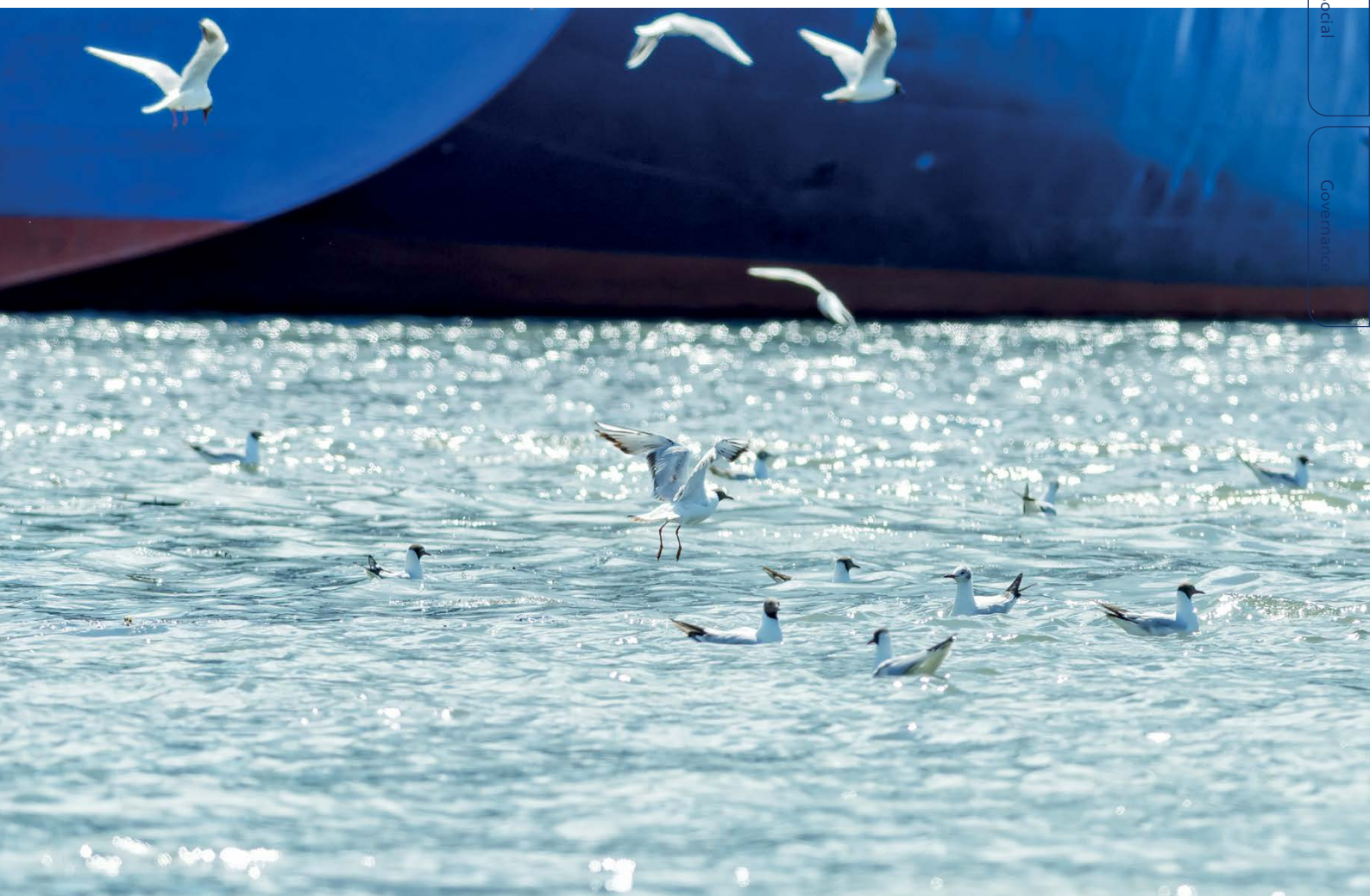
> U.S. Oil Pollution Act of 1990

> CERCLA (spills and releases of hazardous substances)

> Clean Water Act

> Clean Air Act

> EU MRV regulation

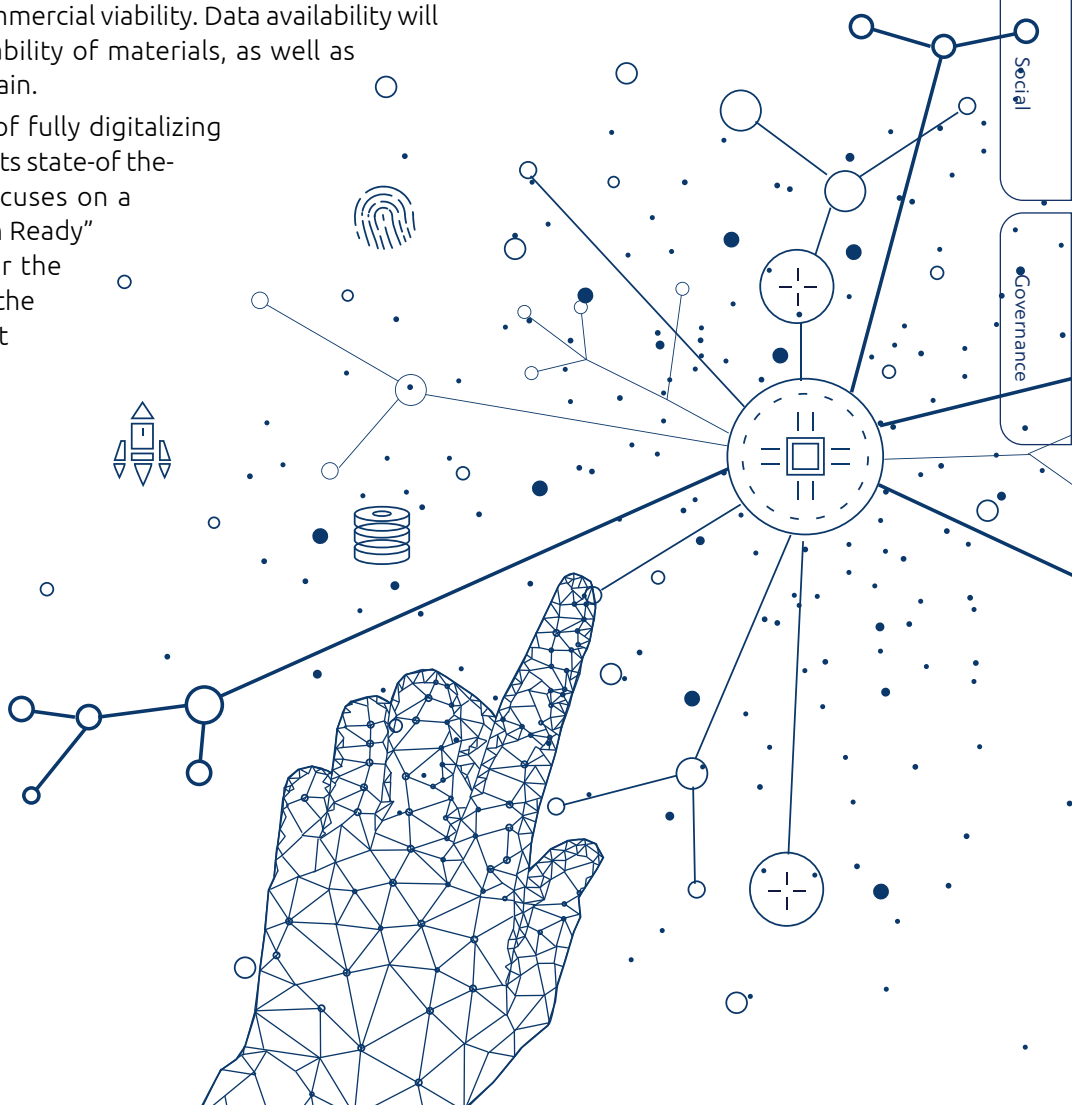


Innovation and Digitization

According to the next-generation business model for vessel ownership, the shipping industry will be a digital, circular and decarbonized utility supplying vessel capacity to the market as a service. The performance data collected from operating the vessels will be shared with equipment manufacturers and other stakeholders in the supply chain to help them improve their operations and products. Digitalization of the shipping industry and increased focus on sustainability are powering a new business model innovation.

The digital transformation of the shipping industry is a fundamental element in the global shift towards more sustainable practices, and the maritime industry's deeper integration into global supply chains. Moving towards circularity within the shipping sector requires the involvement of the whole ecosystem to create transparency, set common goals and objectives, and establish the right financial incentives and structures for commercial viability. Data availability will enable transparency and traceability of materials, as well as partnerships across the value chain.

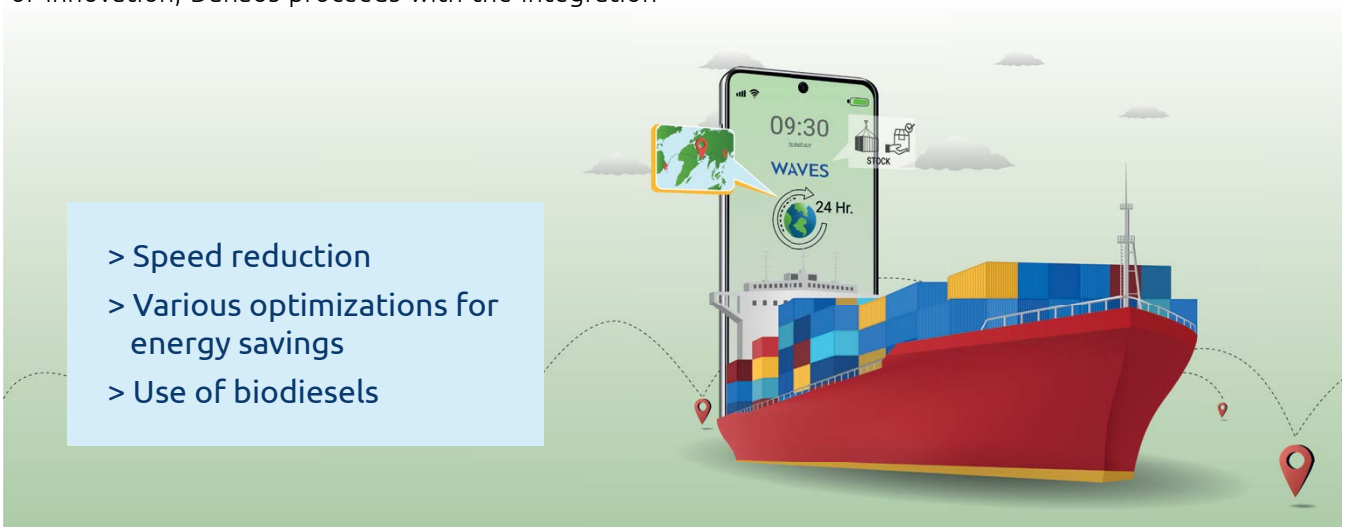
Danaos embraces the concept of fully digitalizing its processes and operations via its state-of the-art WAVES architecture and focuses on a transformation as a "Block Chain Ready" partner. An important driver for the optimization of digitalization, is the transparent data exchange that enables all involved parties to share and access it. Moving our architecture towards data sharing, the system is designed to provide strict and formal APIs for enabling third-party stakeholders, to have automated access to our data in a formal, real-time, secure, efficient, and controlled manner, while eliminating compliance issues, duplication of effort, data losses and long processing times.

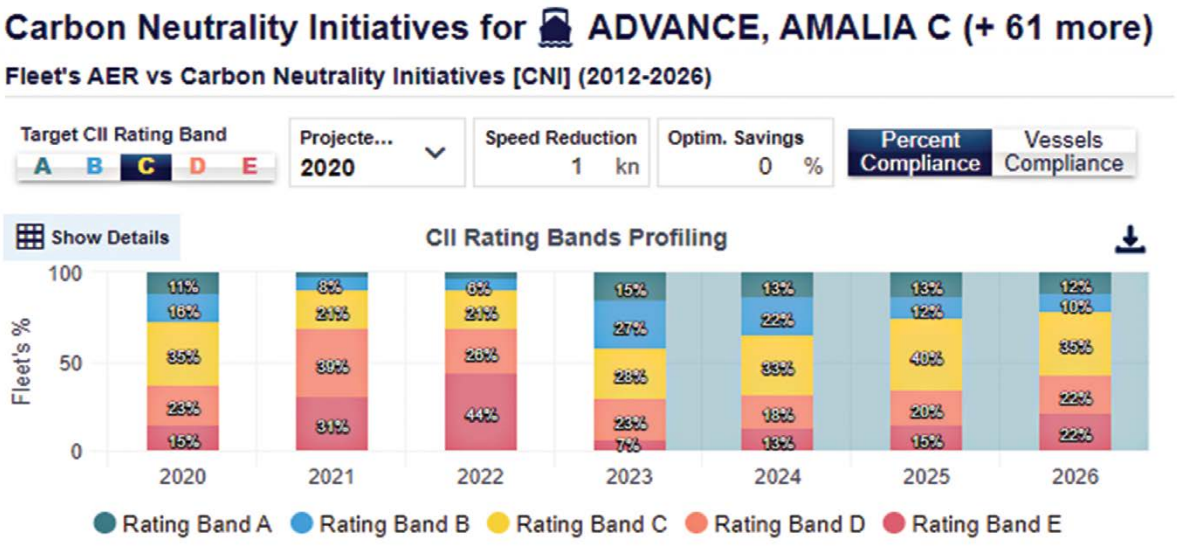


INNOVATION AND DIGITIZATION TOWARDS A CARBON NEUTRAL 2050

Danaos is heading full speed towards the company's digitalization to ensure first class services for customers, while saving time and optimizing all processes. Our response to the current demanding market is immediate. Under the umbrella of driving a culture of innovation, Danaos proceeds with the integration of services and facilitates communication among departments, empowering decision making by using Big Data analytics.

Danaos monitors individual vessels any time on the 3 following pillars:





Danaos Fleet CII Rating and forecast basis 2020 profiling and 1 knot reduction

With the use of the WAVES platform and based on a pre-selected operating profile, Danaos can identify the speed that is needed to achieve desired ratings. Moreover, by assuming a potential saving can be achieved, the "new" rating is also calculated. Thus, with every study that concludes to a % saving, same can be tested in order to identify how this is reflected in vessel's actual performance and rating. Vessels are compared to IMO CII reference curve and rating, Poseidon Principles and Climate Bond Initiative.

Year:	2026
CII Reference Target:	6.30 gr/DWT*mt
AER (Projected):	7.28 gr/DWT*mt
AER (Once Off Reduc.):	6.30 gr/DWT*mt
AER (Gradual Reduc.):	6.30 gr/DWT*mt
AER Reduction % (Once Off Reduc.):	0.00 %
AER Reduction % (Gradual Reduc.):	-2.20 %
Biodiesel Cons. (Projected):	0.00 %
Biodiesel Cons. (Once Off Reduc.):	13.53%
Biodiesel Cons. (Gradual Reduc.):	13.53%
Speed (Projected):	17.63 kn
Speed (Once Off Reduc.):	15.92 kn

Example of CII related data for selected year and vessel

Moving one step forward Danaos investigating a range of biodiesels can estimate the exact quantity that is needed to cover a specified trajectory. Various scenarios can be tested per vessel in order to get the full picture of the future and be in a position to identify the best-fit solution in order to optimize the vessel and her performance.

Since the Market Based Measures (MBMs) are a major topic discussed among the shipping industry, Danaos has formulated a special tool within Waves that enables the company to assess the amount of the excess CO_2 tons, along with any monetary consequence that comes along. Scenarios based on a specified by user price for CO_2 tn can be tested and relevant report can be produced since an internal shadow ICP is in place from early 2022 onwards. Every scenario with a specified CO_2 tn has a source and info is circulated to the management for their review and evaluation.

Moreover, detailed dashboard with all Scope 1,2 and 3 emissions is produced through Waves providing a fast and transparent monitoring of the company's emissions. Danaos is closely monitoring all developments related to carbon emissions enabling the company to have deep knowledge of the fleet state anytime within the year and with various scenarios. Danaos is on track for a carbon neutral future and remains pioneer in the new demanding field that combines needs for decarbonization and digitization.

Dashboard with AER/CO_2 surplus & financial impact

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.

In 2021, a total volume of 5,401,298 cubic meters of ballast water was produced from Danaos' fleet.

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 the 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.

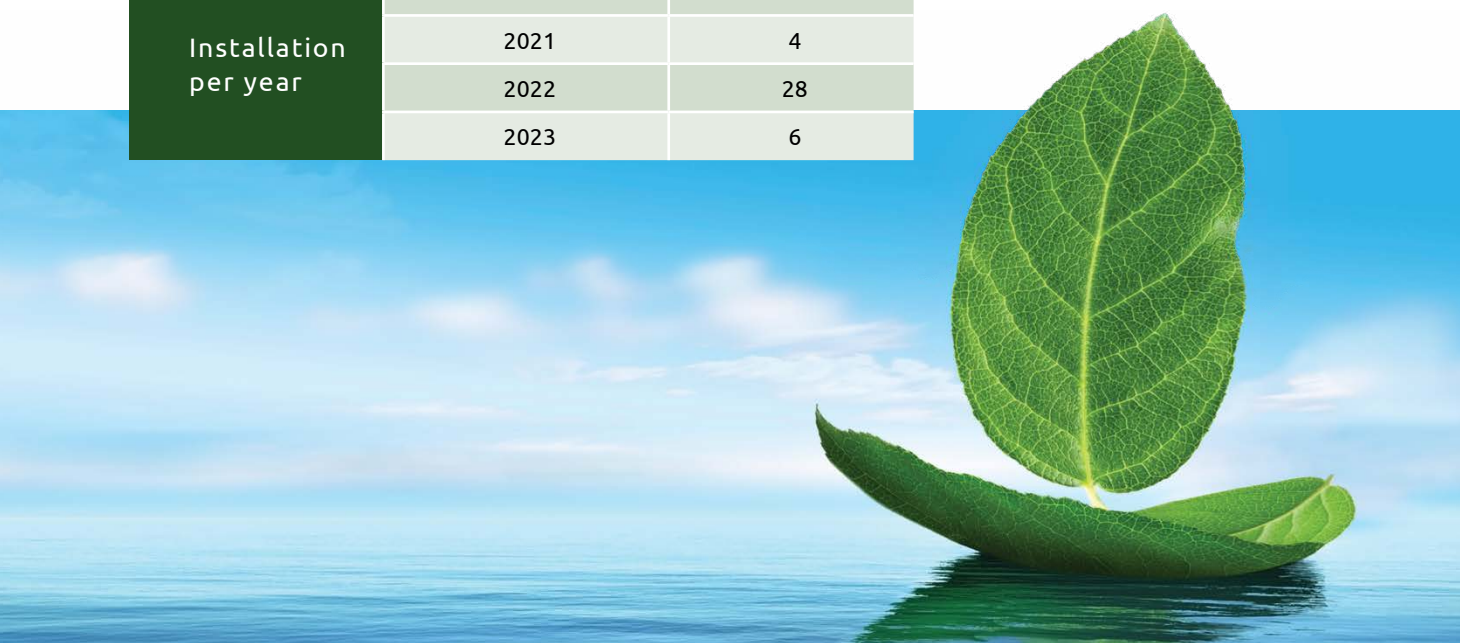
Danaos initiated Water Ballast Treatment (WBT) installation o/b vessels back in 2018. Our plan is to have WBT units installed in 100% of the fleet by 2023. Currently almost 50% of the fleet is already equipped with WBT. These are fully operational units and are used regardless of whether they have passed 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 28 vessels will have the system installed and running.

In 2021 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 2% of time is spent in special designated areas while operation in ECA areas reaches 19% for the whole fleet.

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

**Increase in FO consumption is attributed to the energy consumed for the operation of Ballast Water Treatment Systems (50% of fleet is equipped with BWTS)*

Installation per year	2020 and before	25
	2021	4
	2022	28
	2023	6



2025 GOALS

Zero
significant spills

WASTE SLUDGE AND OIL SPILLS

Danaos has developed a **Safety Management System** and policies that promote pollution prevention

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. The produced quantity for the year 2021 is 17,256m^3. Sludge is disposed to shore reception facilities where after special treatment is used further in industrial processes.

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.

Social

Material Issues

- Employment
- Diversity, Equal Opportunity and Non-Discrimination
- Training and Education
- Occupational Health and Safety
- Emergency Preparedness
- Response to Social Crisis


3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Our People

ATTRACT, RETAIN, MOTIVATE

2025 GOALS

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

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 develop their skills and talents and make them feel inspired and valued. 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 welcomed. 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.

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.

Employees	124
Average age of employees	39.9
Female representation	45.1%
Female managers	22.72%
Employee retention rate	94.1%
New Hires	9.6%
MSc	38.7%
Training hours	289

We hired 12 employees and 11 summer interns

45.1 % of all our employees were women; 1 out of 3 in a managerial position

Increased self – awareness and improved working relations through the 360 Degree Feedback

The average retention rate was 94.1%

Employees of all levels can share their perspectives and ideas through the Suggestion Box which enhances employee engagement and morale. This year we received 56 proposals by 34 participants and we awarded 4 of them ; participation rate went up by 41.6 year on year.

SEAFARERS

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 accidents. As a matter of fact, crews' welfare and development play a major role in our operations and it is in the center of our business. We keep a close relationship, and we work hard on their regular training and career development.

Access to communication facilities play a vital role for seafarers' mental health and it contributes to their career development.

As of December 31, 2021:

> **1,459** seafarers were **onboard** our ships

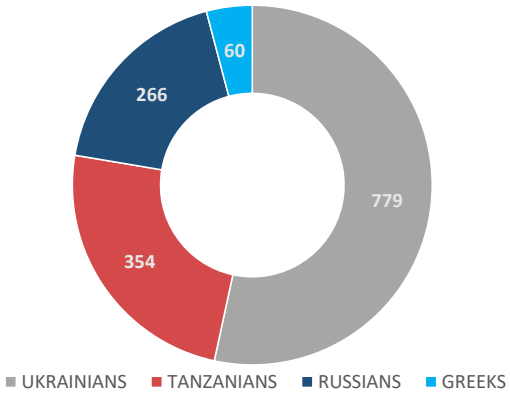
> The **average age** of our seafarer was **37**

> We offer a **diverse working** environment with seafarers being from Russia, Ukraine, Zanzibar and Greece.

> The crew **retention** rate was **84.6%**

> We offered **5,842 training hours**

> **69** Seafarers were **promoted**

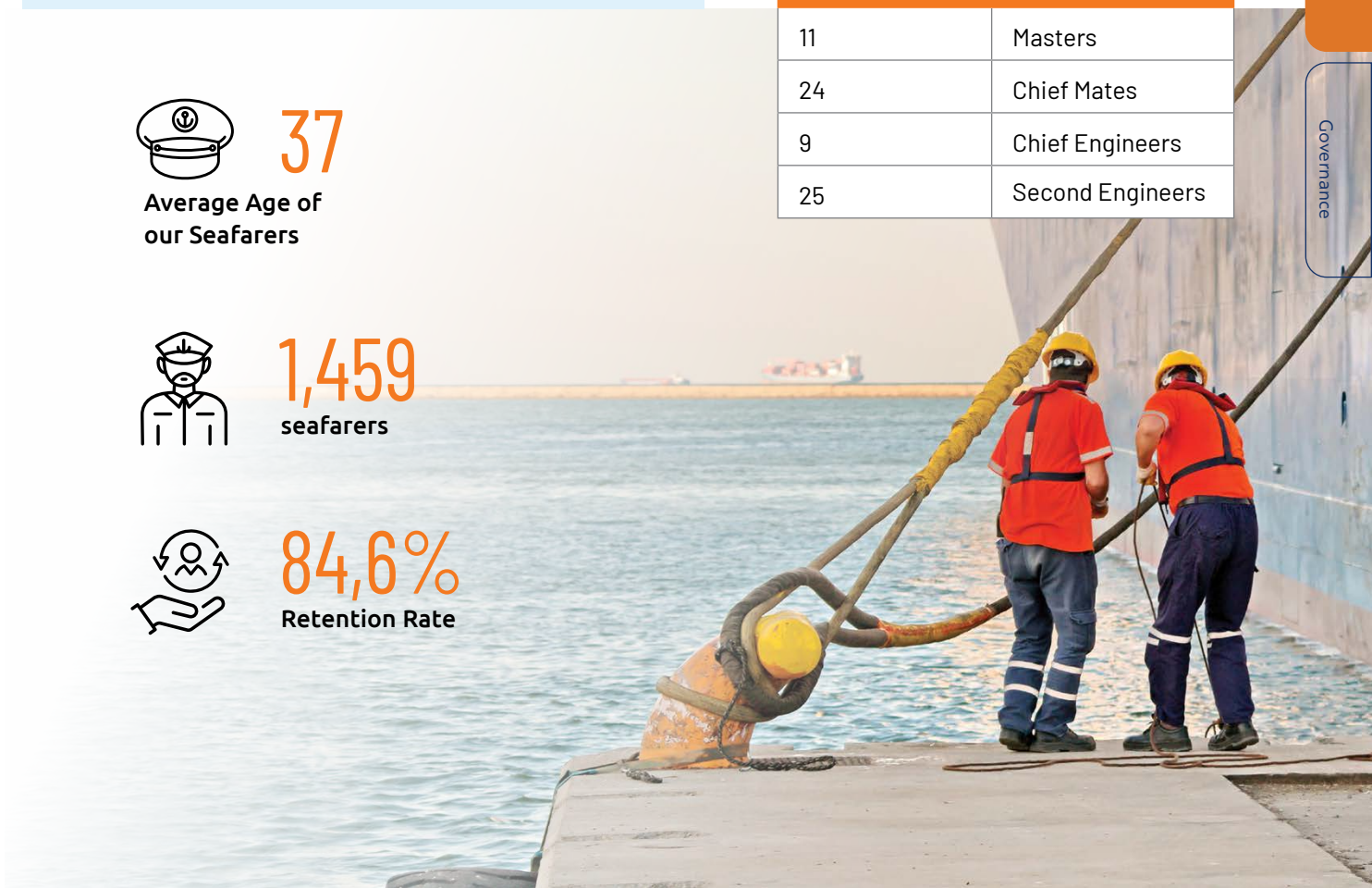


Promotions	Rank
11	Masters
24	Chief Mates
9	Chief Engineers
25	Second Engineers

37
Average Age of our Seafarers

1,459
seafarers

84,6%
Retention Rate



Attracting, Developing, Retaining the best set of Crew

Crew sourcing is controlled directly from our Manning offices. We provide in-house training to promote environmental safety culture & awareness and organize frequent visits onboard by the Technical and Quality experts to ensure that all safety and navigational measures are in place. There are numerous onboard training programs and Computer Based Trainings (CBT) promoting training on the field. Company's management system has been accredited with an ISO 9001 & ISO 14001. On top of the Regulatory requirements, Danaos has applied a Green Policy with regard to the chemical composition used onboard and a Garbage Management plan.

We invest in training that promotes safety, efficiency, environmental awareness, and multicultural communication. We continuously identify training needs and we have designed a customized training program to ensure safety awareness and competence. Our belief is that constant and detailed training of the staff is the key in order to achieve our development goals.

Company's management system has been accredited with an ISO 9001 & ISO 14001.

In **2021** we offered **289** and **5,842** 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

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.

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

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 and 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.

Shore personel

- Sustainability committee meetings and guidance
- Training Express (Tr-Ex) program run in Tech-supplies-R&D-electric dptms
- Access to Beyond WAVES
- Presentations
- Teams agility & projects running
- Social media

Seafarers

- Remote training sessions
- Remote briefing and familiarizations
- Participation in workgroups
- Knowledge sharing onboard through company's representatives
- Local training in manning offices
- Social media

Promoting Safety at Sea

The health and safety of our people are paramount to us, 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 in order 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

The **health** and **safety** of **our people** are paramount to the well-being of our people

DNV certified

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

The main objective of the policy is to start and finish the day safe and healthy

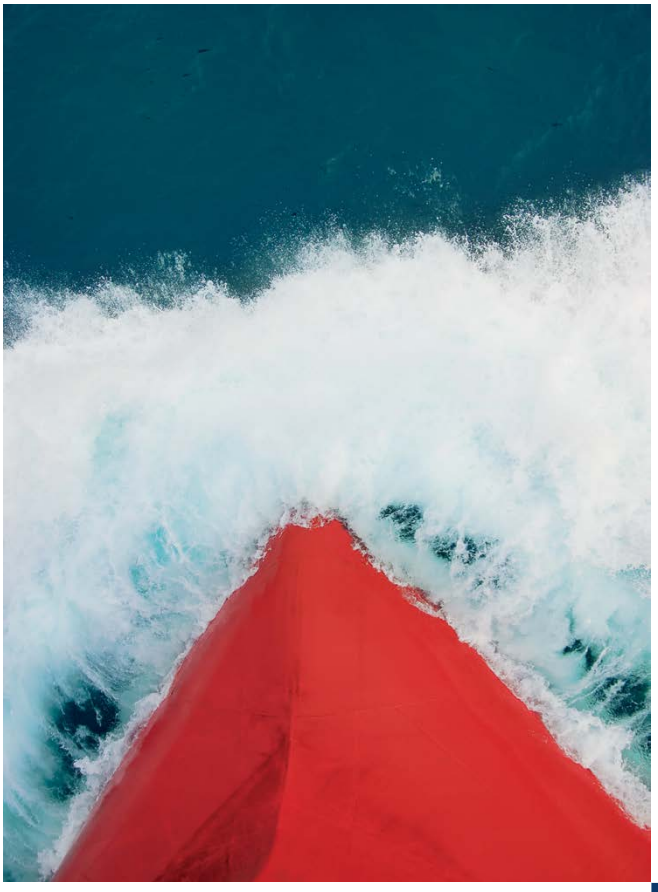
The policy clearly states that all incidents are reported, investigated, and analyzed in order to prevent similar incidents in the future. We encourage reporting of incidents which do not result in injuries and near misses. These minor incidents are regarded as warnings signals for procedures and practices 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 injuries. We train our people onboard and actively engage them in recognizing and reporting a near miss. To further decrease the LTIF rate we have incorporated the Lockout/Tagout system which is used to control hazardous energy.

2025 GOALS

Zero
fatal accidents

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. All systems of Danaos Safety Management are audited by the Safety Quality and Environmental Department. 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 the beginning of 2021, we introduced a new reporting application called UDE (Undesired Event) for the internal reporting of all medical cases related to injury or sickness onboard ships. The same application is used for the reporting of near misses. This new application offers a more in-depth analysis into the causes of an event which together with the detailed description assist us to better analyze and understand the circumstances under which an event occurred. In addition, there is interchange between office and vessel on corrective actions with set-up deadlines and on proposed preventive actions which are also recorded.

During **2021** we have performed **72** internal audits as well as **32** third party audits carried out by DNV, KR and LR to ensure that our systems remain in compliance with the ISM/ISPS Code, the ISO 9001, ISO 14001, ISO 50001 standards and the MLC Convention. **49** MLC inspections were carried out by qualified auditors without major deficiencies and our vessels were certified successfully.

	2020	**2021**
LTIs	16	**16**
LTIF Rate	1.27	**1.29**
Near Misses Reports	224	**274**

Crisis Management and Emergency Planning

Danaos has taken all necessary measures and resource 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 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. There is a number of risks associated with the shipping industry and therefore we have policies and procedures for risk assessment onboard our vessels. 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

The adoption by the IMO of the Resolution MSC.428(98) - Maritime Cyber Risk Management in Safety Management Systems at Maritime Safety Committe's 98th session in June 2017 foresaw that the Safety Management System (SMS) of a shipping company should incorporate cyber risk management in accordance with the objectives and functional requirements of the ISM Code. This was verified in the first annual verification of the company's Document of Compliance after 1 January 2021. At Danaos we established protective guards for our IT systems a long time ago since Information Technology applications had been at the core of our management system from the early stages. This was clearly described in our Danaos SMS. Now, particular focus is given also to the risks derived from the internet-accessible operational technology (OT) assets onboard ship. Our cyber security policy includes a number of procedures and tools in order to have in place a robust cyber security management system.

Our Sustainable Supply Chain

2025 GOALS

100% of key suppliers to be assessed

TRACKING KEY SUPPLIERS' SUSTAINABILITY PERFORMANCE SYSTEM

Company's Procurement department is responsible for sourcing, analyzing, negotiating and supplying materials and services for each 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.

Due to the complexity of the needs of vessels, our supply chain includes providers of products and services such as Spares/Maintenance, Provisions, Cabin, Deck, Engine Stores, Lubricants, Chemicals, Gases, Paints and Safety services. These product and service providers are in almost every calling port. The ability to conduct business in an appropriate manner towards ethical, social and environmental standards plays a major role on the selection of suppliers. 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.

We concluded in 2021 the assessment criteria identification for our suppliers and prepared the analysis platform required. In 2022 we will initiate the assessment process.

In addition to responding to the challenges posed by locating, selecting an ordering, 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.

Orders	21,183
Requisitions	17,269
Suppliers	more than 500 suppliers
Quotations	40,406

Our Response to COVID-19

The COVID-19 pandemic has significant impacts on the shipping industry on both our employees and seafarers, or "key workers" as designated by a number of IMO Member States. Travel restrictions imposed by governments around the world created major issues to crew changes and repatriation of seafarers. During this unprecedented time, the safety of our people is more important than ever while our goal is the efficient transportation of goods. However, protecting our crew and continuing operations in unchartered environments with special requirements is considerably hard. For the second year now, we have been working hard following all the precautionary measures and procedures to ensure crew changes can take place safely, in compliance with the WHO and the IMO instructions. In the meantime, trying to support our seafarers in such difficult times we offered a bonus system for those who have overworked their contracts. Regarding our in-between communication, we are currently meeting online 100% of our seafarers during pre-joining familiarizations, workgroups, online meetings, de-briefings and delivery of training under these difficult circumstances and worldwide travelling restrictions.

VACCINATION FOR OUR SEAFARERS

Immunization through vaccination is a safe, simple and effective way against serious, preventable, and sometimes deadly, contagious diseases. In the global fight against Covid-19, vaccination is a key. COVID-19 vaccines reduce the severity of symptoms or prevent symptoms completely in a vaccinated person.

Throughout the pandemic, seafarers are on the frontline playing an essential role in maintaining the flow of vital goods, they ensure that the global supply chain continue to deliver goods whilst the last 2 years they have been collateral victims of the crisis, as travel restrictions have left tens of thousands of them stranded on ships, or unable to join ships.

For Danaos Family, it is essential that these key workers are prioritized when it comes to lifesaving vaccines. Therefore, Danaos not only strongly recommends seafarers to get vaccinated, but in May a Vaccination program was introduced for the crew members visiting US ports. The first seafarers were vaccinated in Houston onboard M/V Express France. However, physical distancing, washing hands with soap and water or the use of hand sanitizer, good respiratory hygiene, and use of a mask remain the main methods to prevent spread of COVID-19 and seafarers should continue these practices even when fully vaccinated.

By the end of 2021 39% of onboard seafarers had been vaccinated against COVID-19.

MARINE CASUALTIES

Containers Loss overboard – 1 non-serious incident

On October 21st around 22:30 local time while c/v ZIM KINGSTON was off the entrance of Juan de Fuca awaiting to proceed to the port of Vancouver she encountered heavy weather. For a short period, the ship suffered extreme and violent pitching and rolling caused an excessive listing. This resulted some containers from bay 14, 34 and 54 collapsed on deck and fell overboard.

The accident is attributed to adverse weather conditions which in combination with other factors aligned at that moment such as small metacentric height, wavelength versa ship's length led to parametric rolling phenomenon.

None of the containers that fell into the sea identified as being Harmful to the Marine Environment.

The company hired a specialized marine service company that would be responsible for the removal of any containers and debris that had, or might at a future date, have landed on shore.

From the very beginning the Company worked in close cooperation with the authorities. As a second step an internal investigation took place to identify the weak links in the chain of events and avoid recurrence. Further enhancement of our SMS procedures and special emphasis was given in the pre-joining briefing for the better comprehension of the Parametric Rolling phenomenon among Masters and Bridge Officers. Relative safety alert was distributed also on board.

Our Strong Community Engagement

2025 GOALS

Maintain our material contribution in supporting the **community**

Increase Social Impact by **30%**

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 ACTIVITIES

Running for ELEPAP in the Athens Classic Marathon

The 38th Athens Authentic Marathon returned after two years of absence, due to the Coronavirus pandemic, with thousands of participants from 83 countries. We proud for everyone who participated to such a great social and sporting event that unites the legend with history, highlighting the power of the human will and soul. Danaos runners ran the 5km, 10km and 42km aiming to support and highlight the social contribution of ELEPAP!

Afforestation – Acharnes

Afforestation is an internationally accepted term for the practice of planting trees on land that has not recently been used to grow a crop of trees.

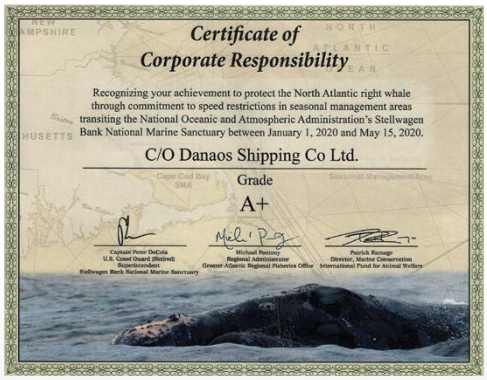
Over the last 50 years, afforestation of abandoned or marginally productive agricultural land has been a common practice in many areas of the world. The average tree can absorb on average 22 kg of CO_2 per year and create 117 kg of oxygen. In November, in collaboration with the non-profit Environmental Organization We4All, we planted our first 1000 trees in a tree planting initiative in Acharnes and it was such a special and rewarding experience! At The principles of social responsibility are an inextricable part of Danaos culture and we take pride in partnering with organisations who are as passionate about protecting the planet as we are.

Beach Cleanup – Freattida Beach

The goal of beach cleanups is to raise awareness in the population about marine pollution and contribute with it the reduction of garbage and plastic in the ocean.

Every year, in partnership with HELMEPA that coordinates the oldest and most extensive public awareness campaign on marine litter, a selected beach is cleaned by Danaos volunteers as part of our social responsibility. This year, we visited the beach of Freattyda in Piraeus, where waste and garbage were collected, categorized and counted.

About 12 million tons of plastics flow into the ocean every year and being a part of the solution to this global problem is of major importance, it is a beacon of hope, leading and inspiring action in support of our ocean.



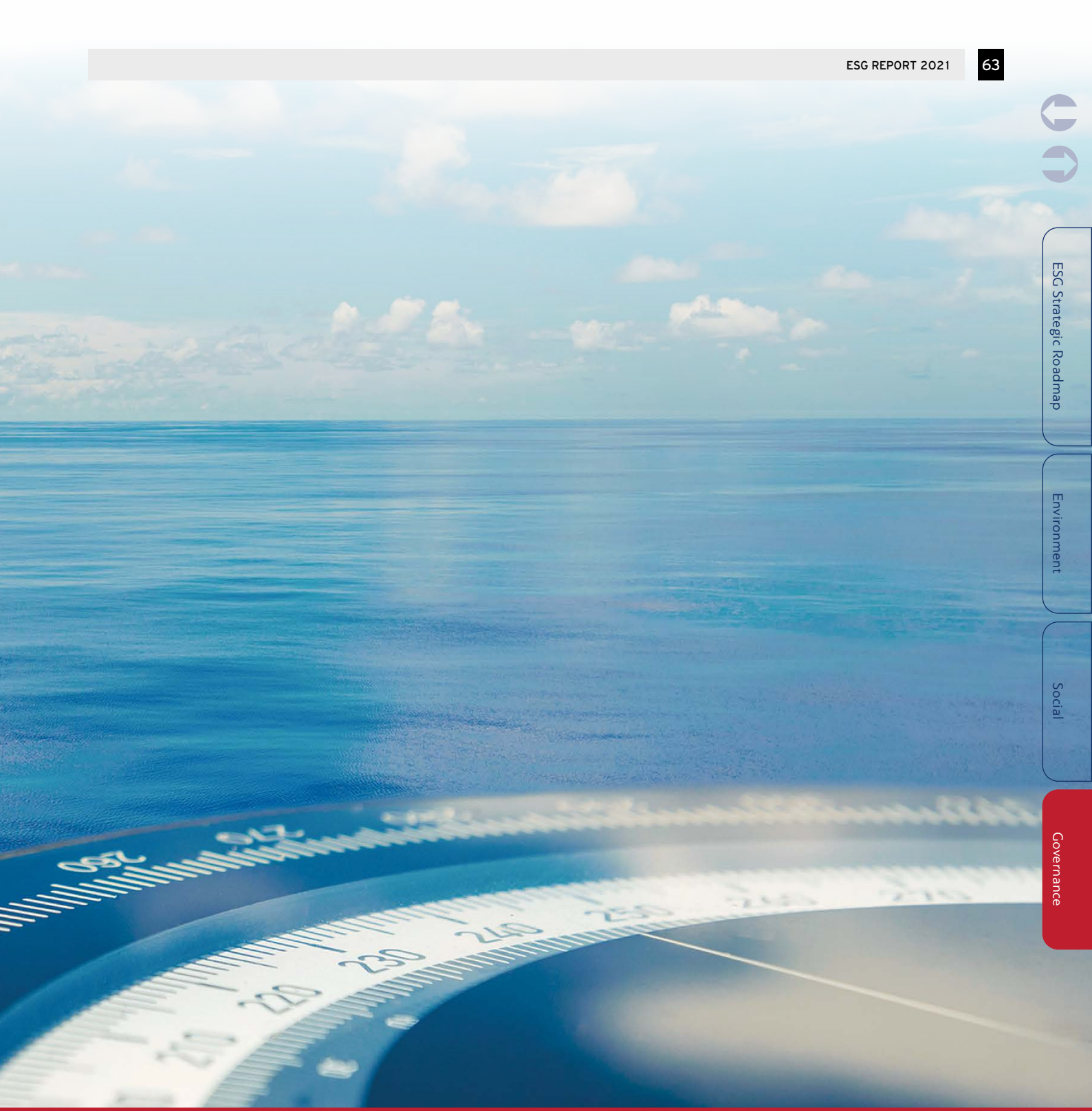
Certificate of Corporate Responsibility in recognition of the North Atlantic right whale protection, one of the world's most endangered large whale species

Collisions between endangered North Atlantic right whales and large shipping vessels are one of the leading causes of death for these rare whales and hinder the recovery of their entire species of approximately 500 individuals. As a protection measure, mariners are required to travel at ten knots or less in designated right whale habitat areas and their speed is monitored.

Governance

Material Issues

- Corporate Governance
- Risk Assessment
- Anti-corruption
- Audits, Inspections & Surveys




5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

A Strong Corporate Culture

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

2025 GOALS

25% women as Board Members and Executives

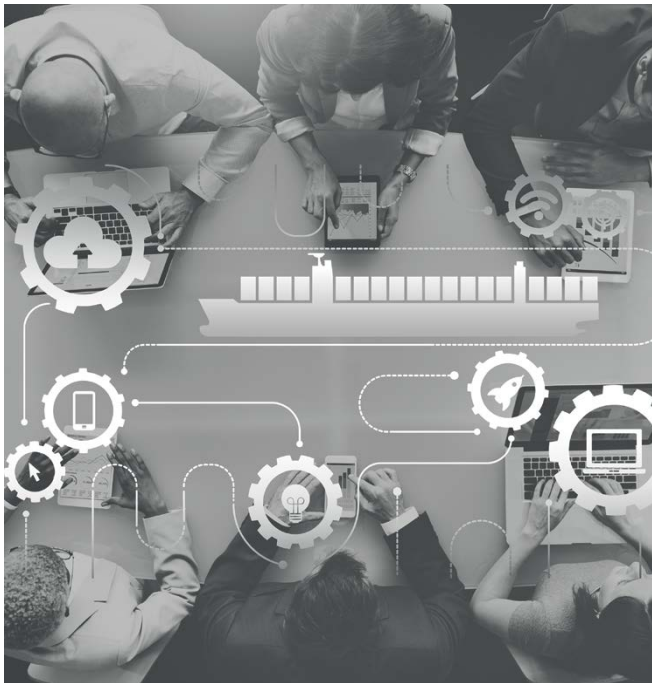
Increase ESG ratings by globally renowned Rating Agencies

Maintain **full** transparency through **annual ESG** reporting

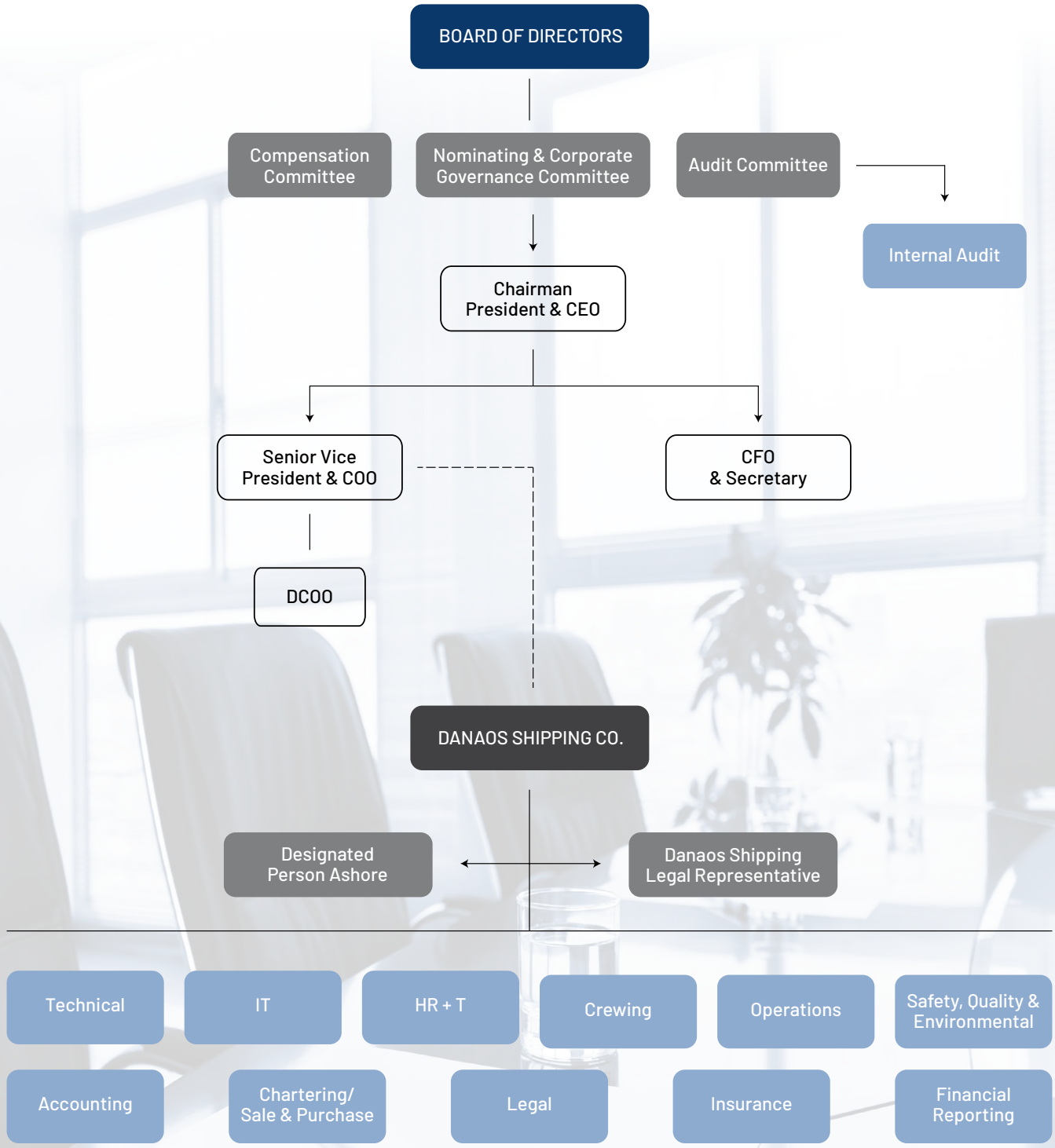
We believe that effective Corporate Governance is at the heart of the successful running of our company, not only because it improves the Company's overall performance, but also because it promotes trust among our stakeholders. Since the Company's establishment, we have a long-standing commitment to govern and conduct our business with integrity, honesty, fair dealing and full compliance with all laws and regulations in place. Among our first priorities is to set up a robust governance structure by which our company is directed and controlled and at the same time it is essential for achieving positive outcomes in all aspects of our operations, especially as it relates to sustainability. The responsibilities of our Board include setting the Company's strategic objectives, providing the leadership to put them into effect, supervising our Management and reporting to shareholders on their oversight.

In 2021, our Board of Directors was comprised of seven* members the majority of which were independent Directors, while the two non-independent were our Chairman, President and Chief Executive Officer (CEO), and our Senior Vice President, Treasurer and Chief Operating Officer (COO). Each Director is selected with a view to having a Board representing diverse experience in areas that are relevant to the Company's business activities. The Board has three Committees, each of which is chaired by an independent non-executive Director and has a Charter setting out its responsibilities. The Board and each of the Committees performs an annual self-evaluation, in order for the Company to adhere to the highest standards of good corporate governance and enhance the Board's and its Committees overall effectiveness. The Directors are requested to provide their individual assessments, which are then summarized for discussion with the Board and the Committees, leading to continuous improvement.

** As of January 2022 our Board of Directors is comprised of six members.*



Danaos Corporation in 2021 employed four Officers, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Deputy Chief Operating Officer. Danaos Shipping, being the exclusive manager of Danaos Corporation, has built a strong reputation in the shipping community by providing customized, high-quality operational services in an efficient manner for both new and older vessels. The following organization chart describes our structure:



For more information on Corporate Governance, click: https://www.danaos.com/investors/corporate-governance/board-of-directors/default.aspx

High Ethical Principles

2025 GOALS

Zero Tolerance to bribery and corruption

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

0

Bribery, fraud, and corruption incidents

$0

Monetary losses due to legal proceedings associated with bribery or corruption

0.15%

of port calls in countries with the 20 lowest rankings in CPI*

*Transparency International's Corruption Perception Index

Based on the Company's dynamic organizational chart and detailed job descriptions, specific roles are established for each employee. The employees, being devoted to the implementation of our Code of Business Conduct & Ethics and Policies, which have been developed encompassing the ten principles of the United Nations Global Compact about Labor, Environment, Anti-Corruption and Human Rights. The purpose of these Code of Business Conduct & Ethics and Policies is to uphold the reputation and integrity of the Company that are valuable assets and vital to our success. Each employee of the Company is responsible for conducting the Company's business in a manner that demonstrates a commitment to the highest standards of integrity. Though, no Code can replace the thoughtful behavior of an ethical employee.

It is beyond question that our employees are expected to avoid conflicts of interest in their personal and business activities, in any number of circumstances. A conflict of interest occurs when an employee's or an employee's immediate family's personal interest interferes with, has the potential to interfere with, or appears to interfere with the interests or business of the Company. Should an actual or perceived conflict of interest arise, an employee must promptly identify and disclose.

Since a conflict of interest can occur in a variety of situations, employees must keep the foregoing general principle in mind in evaluating both their conduct and that of others. Only the Board of Directors, upon receiving an adequate justification, may approve any waiver of any ethics policy for any director, executive officer, or employee.

The shipping industry is inherently vulnerable to corruption due to its international nature and interactions with authorities at various levels in ports around the world. Undoubtedly, we must conform with our Anti-Bribery & Anti- Corruption (ABAC) Policy

by asking our directors, officers, employees, agents, brokers, vendors, partners, managers, consultants, contractors, joint venture partners, and all other representatives to act with integrity in all their business dealings – i.e., to do the right thing for the right reason. The purpose of ABAC Policy is to memorialize the Company's commitment to adhere in the conduct of our business activities worldwide to both the letter and spirit of any anti-bribery legislation, and anti-corruption, anti-fraud, and anti-money laundering laws of countries and regions where the Company operates. As corruption can take place everywhere, it is significant to mention that only 0.15% of our port calls in 2021 were in countries in the 20 lowest rankings of Transparency International's Corruption Perception Index (CPI).

Compliance with environmental, safety, and socio-economic laws and regulations is of perpetual concern. Employees are educated with the content of the Code of Business Conduct & Ethics and Policies and the process on how violations must be reported, and waivers must be requested. All employees of the Company certify on an annual basis that they are in full compliance with the Code of Business Conduct & Ethics and any related policy statements. Having established standard operating procedures, we have created accountability and a culture of compliance throughout our organization which is necessary for the long-term development of the Company. We have also developed and implemented procedures for identifying, interpreting, and effectively communicating compliance issues to both our shore-based and onboard personnel. We provide a safe and anonymous system for anyone who wishes to report to the Company in good faith any violation. All our employees, vendors, agents, technicians, contractors, and partners are encouraged to report any violations of our Code of Business Conduct & Ethics and Policies and any other compliance issues directly and anonymously to us via our whistle-blowing link. Additionally, our employees may report any concerns regarding any violation without fear of dismissal or retaliation. However, we retain the right to dismiss any employee or crew member on board any of the vessels under our management for violation of our Code of Business Conduct & Ethics and Policies or any other applicable international rule and law.

2025 GOALS

Maintain 100%
of staff training on
Danaos Ethical Business Conduct

A Robust Risk Management and Control Framework

There are several risks associated with the shipping industry. We prepare an enterprise-wide risk assessment to identify and prioritize the key risks confronting the Company and to determine how these risks can be managed. Risk assessment involves a dynamic and iterative process for identifying and assessing risks to the achievement of our business objectives. The business objectives allow our strategy to be put into practice and shape our day-to-day operations and priorities. We have developed four main business objectives: 1. Operations, 2. Reporting, 3. Compliance and 4. Sustainability – that are measurable, observable, attainable, and relevant.

OPERATIONS	
Profitability	Fulfill charterer requirements and profit-making opportunities
	Control cost in operations while maintain the profit margin on services rendered
	Maintain max fleet utilization
Growth	Grow the business and manage our expansion successfully
Maintain Financing	Maintain our ability to finance operations
Innovation & Technology	Ensure reliability and timeliness of reports and reflect adequately areas of responsibility and reporting lines
Quality & Performance Level	Ensure management structure is adequate and efficient
	Evaluate competence and addresses shortcomings in outsourced service providers
	Maintain and operate a modern fleet of high quality and high fleet utilization rates
Accountability & Integrity	Encourage and call for employees' ownership & responsibility, pioneer mentality, transparency and honesty on its daily operational activities
	Demonstrate professional reliability and trustworthiness
	Consider fraudulent actions regarding assets misappropriation
	Conduct the company's business affairs in an ethical manner
Human Resources	Attract and retain qualified and competent personnel
	Create secure employment and career development opportunities for our employees
	Reward exceptional performance

OPERATIONS	
Health, Safety and Stability	Ensure the health and safety of our personnel onboard and ashore
	Manage vessels that are built with optimum safety, efficiency and environmental performance
REPORTING	
Internal Financial / Non-Financial Reporting	Maintain and monitor a well-established internal controls system
	Monitor the business performance adequately
External Financial Reporting	Prepare complete and accurate financial report on time
External Non-Financial Reporting	Present transactions and events with precision and accuracy
COMPLIANCE	
Internal Control	Establish effective internal controls that limit the opportunity to commit fraud
Regulations & Governments	Comply with all applicable laws and regulations
SUSTAINABILITY	
Environmental	Fight against climate change and conform to all industry environmental laws & regulations
	Conduct vessel operations with a safe, efficient, and environmentally sustainable manner
	Work devotedly on ship optimization for energy efficiency, emissions controlling and reduction towards decarbonization
	Foster protection and sustainable use of water and marine environment, waste prevention and recycling, pollution prevention and maintenance of healthy ecosystems
Social	Support equality, social cohesion, and social integration
	Respect labor relations via encouragement of open dialogue, work recognition and rewarding, and learning and development promotion
	Set as strategic priority to create value for the society and to keep our employees engaged and involved through various voluntary initiatives
Governance	Embrace an effective Corporate Governance as a contributor to the improvement of our overall performance and to the promotion of trust among our stakeholders
	Maintain a culture of honesty and opposition to fraud and corruption through adherence to entity's policies and procedures

Risk assessment also requires that the Management considers the impact of possible changes in the external environment and within our own business model that may render internal controls ineffective. Management provides to the Board of Directors a detailed analysis of all the risks, which affect Company's performance in various levels.

Our internal controls ensure robust risk management. For a strong internal control environment, we maintain two separate assurance functions.

Firstly, we have an independent Internal Audit Department, which reviews the Company's processes and internal controls, providing appropriate recommendations and action plans. The Internal Audit department reports directly to the Audit Committee of the Board, provides recommendations, and monitors their implementation. Our Internal Audit department also assists the Management in achieving compliance with various laws and regulations, including the

Sarbanes – Oxley requirements (SOX) regarding the internal control environment over financial reporting. During 2021, our Internal Audit team conducted several internal audits to assess and monitor the performance of the respective activities.

More specifically the number of internal audits (including SOX related audits) performed by our Internal Audit team in 2021 were 48, while they performed 2 ad-hoc reviews. Moreover, no material weaknesses or significant deficiencies were identified during our audits.

50

Internal Assurance audits

274

ICFR Controls tested

0

Material weaknesses or significant deficiencies identified in 2021 internal audits or external financial audits

Secondly, we have the Safety Quality and Environmental Department which reports directly to the Management, and its main focus is to maintain compliance with the relevant environmental and safety regulations, as well as the Danaos Safety Management System. Additionally, we have established standards and procedures to make sure that all vessels under our management comply with the maritime environmental requirements set up under applicable international, flag state and port state laws. Among others, this includes:

- ✓ All United States' federal and state statutes and regulations
- ✓ The Safety of Life at Sea Convention (SOLAS)
- ✓ The International Convention for the Prevention of Pollution from Ships (MARPOL)
- ✓ The International Safety Management (ISM) Code
- ✓ The International Ship and Port Facility Security (ISPS) Code
- ✓ The Ballast Water Management Convention
- ✓ Standards of Training, Certification, and Watchkeeping for Seafarers (STCW) Convention
- ✓ The Maritime Labour Convention, 2006
- ✓ International and nationally adopted low sulphur requirements

Our good records in PSC (port state control) examinations are an indication of a sound safety management system. Apart from the regulatory PSC inspections, our fleet is also subject to the annual safety inspections performed by our Flag States. All recorded deficiencies are immediately rectified, and preventive actions are taken to the satisfaction of the local Port State Control. The deficiencies are collectively analyzed and evaluated to avoid recurrence of similar deficiencies and the necessary corrective events are circulated for training purposes to the rest of our fleet. Timely corrective action is undertaken for both shore and shipboard deficiencies, not exceeding the three months. Third-party audits are performed by a Recognized Organizations member of IACS annually at our Piraeus office and twice within a 5-year cycle on board. The main purpose of these third-party audits is to maintain the validity of the Company's Documents of Compliance and to issue Vessels' Safety Management Certificate after having verified the effectiveness of our Safety Management System.

This year (2021) we have succeeded in scoring 80% clean inspections (without any deficiency) among 133 PSC boardings in total.

The total number of recorded deficiencies was 68. Among Fleet it was noted one (1) detention.

PSCI Deficiencies

Paris MOU

Medium Performance Company

✓ **Company's Documents of Compliance**

US Coast Guard

Excellent inspection record

✓ **Vessels' Safety Management Certificate**

External Assurance Report

CENTER for SUSTAINABILITY and EXCELLENCE
ESG Net-Zero Circular Economy

Danaos 2021 ESG Report - External Assurance Report

This External Assurance report was conducted by CSE North America on behalf of Danaos and its ESG Report for the period 1/1/2021 to 31/12/2021. The goal of the process is to provide assurance towards the stakeholders of Danaos 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 and its stakeholders.

Scope & Methodology

ESG Report has been conducted according to GRI standards (core), as well as according to SASB Standards for Marine Transportation.

- Report covers all material issues as identified by Danaos 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' activities and performance during 2021, as well as the way those topics have been presented in the ESG Report, is accurate.
- Danaos complies with the principles of inclusivity, materiality, responsiveness, and impact, as defined in the AA1000AS v3.
- Danaos' ESG report provides transparency on the challenges the shipping industry is facing concerning net zero GHG emissions goals in the future

Key Observations & Recommendations

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

- Danaos conducted a materiality assessment through a quantitative survey in key stakeholder groups in 2020. The results of the materiality assessment were validated and updated in year 2021, leading to Danaos' new comprehensive Sustainability ESG Strategy.
- Danaos 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 Organisation's (IMO) target.
- Danaos reported significant achievements concerning environmental protection and pollution prevention in 2021, such as
  - 41.4% reduction in carbon intensity (CO_2 emissions per ton*miles), 9 years ahead of the IMO's 2030 target
  - Ballast Water Treatment (BWT) systems installed for approx. 50% of Danaos fleet with commitment of achieving 100% by 2023
  - 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 2021 record of zero incidents of non-compliance with environmental laws and regulations, no spills, and no fines
- The Company's 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 constant improvement of the environmental performance, as expressed through its fleet efficiency improvements, through adopting Circular Economy strategies, such as the 3R 'Reduce-Reuse-Recycle' principle in its operations, as well as 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 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 2021

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

- With respect to the principle of inclusivity, Danaos 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 must maintain the existing processes for the identification and prioritization of its material issues. At the same time Danaos should aim to further expand the process, for example through the increase of the stakeholder groups involved in the process.
- With respect to the principle of responsiveness, Danaos should maintain and further enhance its approach about the incorporation of stakeholder expectations, and more effectively include the charterers, concerning Danaos' services and initiatives.
- Given the ever-increasing importance of managing a sustainable supply chain, Danaos must maintain and continue strengthening its sustainability policy regarding its supply chain.
- Danaos 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.

Findings and Conclusions Regarding the Principles

- Inclusivity – how the stakeholder groups have been identified, and how Danaos communicated with key stakeholders regarding sustainability. The communication activities with the stakeholder groups include all key stakeholder groups of Danaos. Also, Danaos has implemented the appropriate principles in the development of its approach towards sustainable development.
- Materiality – how Danaos determines the importance for the selection of the material sustainability issues. The process of determining the material issues by Danaos provides a balanced representation of the material issues based on its sustainability performance.
- Responsiveness – how Danaos 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 monitors, measures, and is accountable for its impacts 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' longterm 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, 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 to 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.

º 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.
- Financial information.
- Content of other documents, reports and/or corporate websites.

Responsibilities of Danaos and the Assurance Provider

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

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 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
Licensed Report
000-142/V3-80WGN

SASB STANDARDS INDEX

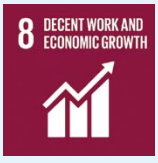
The present ESG report includes the metrics of the SASB Standard for the Marine Transportation Sector.

Category	Disclosure Topic	SASB Indicator	Reference
GHG Emissions	Gross global scope 1 emissions	TR-MT-110a.1	3,674,901.1 MT CO_2eq.
	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	p.25-32, 35-37
	(1) Total energy consumed, (2) percentage heavy fuel oil, (3) percentage renewable	TR-MT-110a.3	p. 29
	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	p.35 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	p.46
	Percentage of fleet implementing ballast water (1) exchange and (2) treatment	TR-MT-160a.2	p.46
	(1) Number and (2) aggregate volume of spills and releases to the environment	TR-MT-160a.2	No spills recorded during 2021
Employee Health and Safety	Lost time injury rate (LTIR)	TR-MT-320a.1	p.55
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	0.15%
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	TR-MT-510a.2	No incidents during 2021
Accident and Safety Management	Number of marine casualties, percentage classified as very serious	TR-MT-540a.1	1 marine casualty, 0% classified as very serious
	Number of conditions of class or recommendations	TR-MT-540a.2	Within 2021, total 85 conditions of class were opened for the whole Danaos Fleet. 61% of them have been closed within the year.
	Number of port state control (1) deficiencies and (2) detentions	TR-MT-540a.3	p. 72
Activity Metrics	Number of shipboard employees	TR-MT-000.A	1,459
	Total distance traveled by vessels	TR-MT-000.B	5,307,343
	Operating days	TR-MT-000.C	20,678
	Deadweight tonnage	TR-TM-000.D	5,927,039
	Number of vessels in total shipping fleet	TR-MT-000.E	63
	Number of vessel port calls	TR-MT-000.F	4,844
	Twenty-foot equivalent (TEU) capacity	TR-MT-000.G	403,793

GRI STANDARDS INDEX

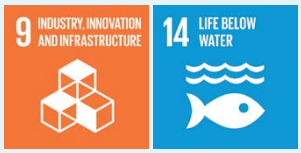
The present ESG report is the Company's fifth attempt to communicate its sustainability and ESG performance and covers our activities during 2021. It was evaluated by the Centre for Sustainability and Excellence (CSE) according to the reporting guidelines of GRI STANDARDS and was verified as an "in-accordance core" GRI Standards Report.

GRI INDICATOR	DISCLOSURE / INDICATOR TITLE	SUSTAINABLE DEVELOPMENT GOALS	REFERENCE
GENERAL DISCLOSURES			
Company Profile			
GRI 102-1	Name of the organization		Danaos Corporation
GRI 102-2	Activities, brands, products, and services		https://www.danaos.com/fleet/fleet-overview/default.aspx
GRI 102-3	Location of headquarters		c/o Danaos Shipping Co. Ltd, Athens Branch 14 Akti Kondyli 185 45 Piraeus, Greece Tel: +30 210 4196400
GRI 102-4	Location of operations		p. 11
GRI 102-5	Ownership and legal form		Danaos Shipping Co. LTD is the exclusive Manager of DANAOS Corporation (DAC).
GRI 102-6	Markets served		An international provider of seaborne transportation services, Danaos Corporation is one of the world's largest containership charter owners.
GRI 102-7	Scale of the organization		p. 6-9
GRI 102-8	Information on employees and other workers		p.9, 50-51
GRI 102-9	Supply chain		p. 57
GRI 102-10	Significant changes to the organization and its supply chain		Year 2021 marked the design and implementation of our updated ESG Plan which includes specific goals and measurable targets for the period 2021-2025.

GRI INDICATOR	DISCLOSURE / INDICATOR TITLE	SUSTAINABLE DEVELOPMENT GOALS	REFERENCE
GRI 102-11	Precautionary Principle or approach		p. 10, 14-18, 66-72 Accreditations
GRI 102-12	External initiatives		p. 18-20
GRI 102-13	Membership of associations		p. 19-20
Strategy			
GRI 102-14	Statement from senior decision-maker		p. 4 Strategy
Ethics and Integrity			
GRI 102-16	Values, principles, standards and norms of behavior		p. 10, 64-67
Governance			
GRI 102-18	Governance structure		p. 64-65 Our Company's Departments and Structure Management Board of Directors Committees
GRI 102-22	Composition of the highest governance body and its committees		Management Board of Directors Committees
GRI 102-25	Conflict of interest		p. 64-67
GRI 102-30	Effectiveness of risks management process		p. 68-72
GRI 102-31	Review of economic, environmental, and social topics		p. 12-17, 68-72
Stakeholder Engagement			
GRI 102-40	List of stakeholder groups		
GRI 102-41	Collective bargaining agreements		Danaos follows all national laws and regulations regarding collective bargaining agreements, and during 2021 there were no incidents of non-compliance recorded.
GRI 102-42	Identifying and selecting stakeholders		p. 21-23
GRI 102-43	Approach to stakeholder engagement		p. 21-23

GRI INDICATOR	DISCLOSURE / INDICATOR TITLE	SUSTAINABLE DEVELOPMENT GOALS	REFERENCE
GRI 102-44	Key topics and concerns raised		p. 21-23
Report Profile			
GRI 102-45	Entities included in the consolidated financial statements		Danaos Corporation Financial Summary
GRI 102-46	Defining report content and topic Boundaries		p. 12-13
GRI 102-47	List of material topics		p. 13
GRI 102-48	Restatements of information		There are no restatements of information provided in previous reports
GRI 102-49	Changes in reporting		The report is fully complying with the SASB Standards for the Marine Transportation Sector
GRI 102-50	Reporting period		1/1/2021 – 31/12/2021
GRI 102-51	Date of most recent report		2021 (2020 ESG Report)
GRI 102-52	Reporting cycle		Annual
GRI 102-53	Contact point for questions regarding the report		sustainability@danaos.com
GRI 102-54	Claims of reporting in accordance with the GRI Standards		This report has been prepared in accordance with the GRI Standards: Core Option
GRI 102-55	GRI content index		p. 77
GRI 102-56	External assurance		p. 73-75
SPECIFIC DISCLOSURES			
Anti-corruption			
GRI 103	Management Approach		103-1: p. 12-13, 21-23 103-2: p. 12-18 103-3: p. 64-72
GRI 205-3	Confirmed incidents of corruption and actions taken		p. 66

GRI INDICATOR	DISCLOSURE / INDICATOR TITLE	SUSTAINABLE DEVELOPMENT GOALS	REFERENCE
Energy Consumption (Commitments to Decarbonization)			
GRI 103	Management Approach		103-1: p. 12-13, 21-23 103-2: p. 12-18 103-3: p.26-32, 35-38, 44-45
GRI 302-1	Energy consumption within the organization		p. 29
GRI 302-5	Reductions of energy requirements of products and services		p. 29-32
Biodiversity (Marine Pollution and Conservation)			
GRI 103	Management Approach		103-1: p. 12-13, 21-23 103-2: p. 12-18 103-3: p. 46-47
GRI 304-2	Significant impacts of activities, products, and services on biodiversity		p. 46-47
Emissions (Commitments to Decarbonization, Carbon Emissions)			
GRI 103	Management Approach		103-1: p. 12-13, 21-23 103-2: p. 12-18 103-3: p. 26-32, 35-38, 44-45
GRI 305-1	Direct (Scope 1) GHG emissions		p. 35, 38
GRI 305-2	Indirect energy (Scope 2) GHG emissions		p. 38
GRI 305-3	Other indirect (Scope 3) GHG emissions		p. 38
GRI 305-4	GHG emissions intensity		p. 35
GRI 305-5	Reduction of GHG emissions		p. 35-38
GRI 305-6	Emissions of ozone depleting substances		p. 38
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		p. 35

GRI INDICATOR	DISCLOSURE / INDICATOR TITLE	SUSTAINABLE DEVELOPMENT GOALS	REFERENCE
Waste and Spill Management (Waste Management)			
GRI 103	Management Approach		103-1: p. 12-13, 21-23 103-2: p. 12-18 103-3: p. 39-41
GRI 306-1	Waste generation and significant waste-related impacts		p. 39-41
GRI 306-2	Management of significant waste-related impacts		p. 39-41
GRI 306-4	Waste diverted from disposal		p. 41
Environmental Compliance			
GRI 103	Management Approach		103-1: p. 10-11, 20-22 103-2: p. 12-18 103-3: p. 42
GRI 307-1	Non-compliance with environmental laws and regulations		p. 42
Occupational Health and Safety (Promote Zero Accidents)			
GRI 103	Management Approach		103-1: p. 12-13, 21-23 103-2: p. 12-18 103-3: p. 54-56, 58
GRI 403-1	Occupational health and safety management system		p. 54-56
GRI 403-2	Hazard identification, risk assessment, and incident investigation		p. 56
GRI 403-3	Occupational health services		p. 54-56
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety		p. 54-56
GRI 403-5	Worker training on occupational health and safety		p. 52, 54-56
GRI 403-6	Promotion of worker health		p. 54-56, 58
GRI 403-9	Work-related injuries		p. 55
Training and Education (Talent Management)			
GRI 103	Management Approach		103-1: 12-13, 21-23 103-2: p. 12-18 103-3: p. 52-53
GRI 404-1	Average hours for training per year per employee		p. 52
GRI 404-2	Programs for upgrading employee skills and transition assistance programs		p. 52-53

GRI INDICATOR	DISCLOSURE / INDICATOR TITLE	SUSTAINABLE DEVELOPMENT GOALS	REFERENCE
Tracking Key Suppliers Sustainability Performance			
GRI 103	Management Approach		103-1: p. 12-13, 21-23 103-2: p. 12-18 103-3: p. 57
Ethical Business Conduct			
GRI 103	Management Approach		103-1: p. 12-13, 21-23 103-2: p. 12-18 103-3: p. 64-67
Transparency and Disclosure ESG Data Annually			
GRI 103	Management Approach		103-1: p. 12-13, 21-23 103-2: p. 12-18 103-3: p. 64-67
Commitments to Achieve IMO Goals			
GRI 103	Management Approach		103-1: p. 12-13, 21-23 103-2: p. 12-18 103-3: p. 19-20, 30-32
Improving Key ESG Rating Performance			
GRI 103	Management Approach		103-1: p. 12-13, 21-23 103-2: p. 12-18 103-3: p. 12-18
Promote Diversity in the Board of Directors and Executive Level			
GRI 103	Management Approach		103-1: p. 12-13, 21-23 103-2: p. 12-18 103-3: p. 12-18, 64-67
Customer Satisfaction			
GRI 103	Management Approach		103-1: p. 12-13, 21-23 103-2: p. 12-18 103-3: p. 68-72 Quality

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