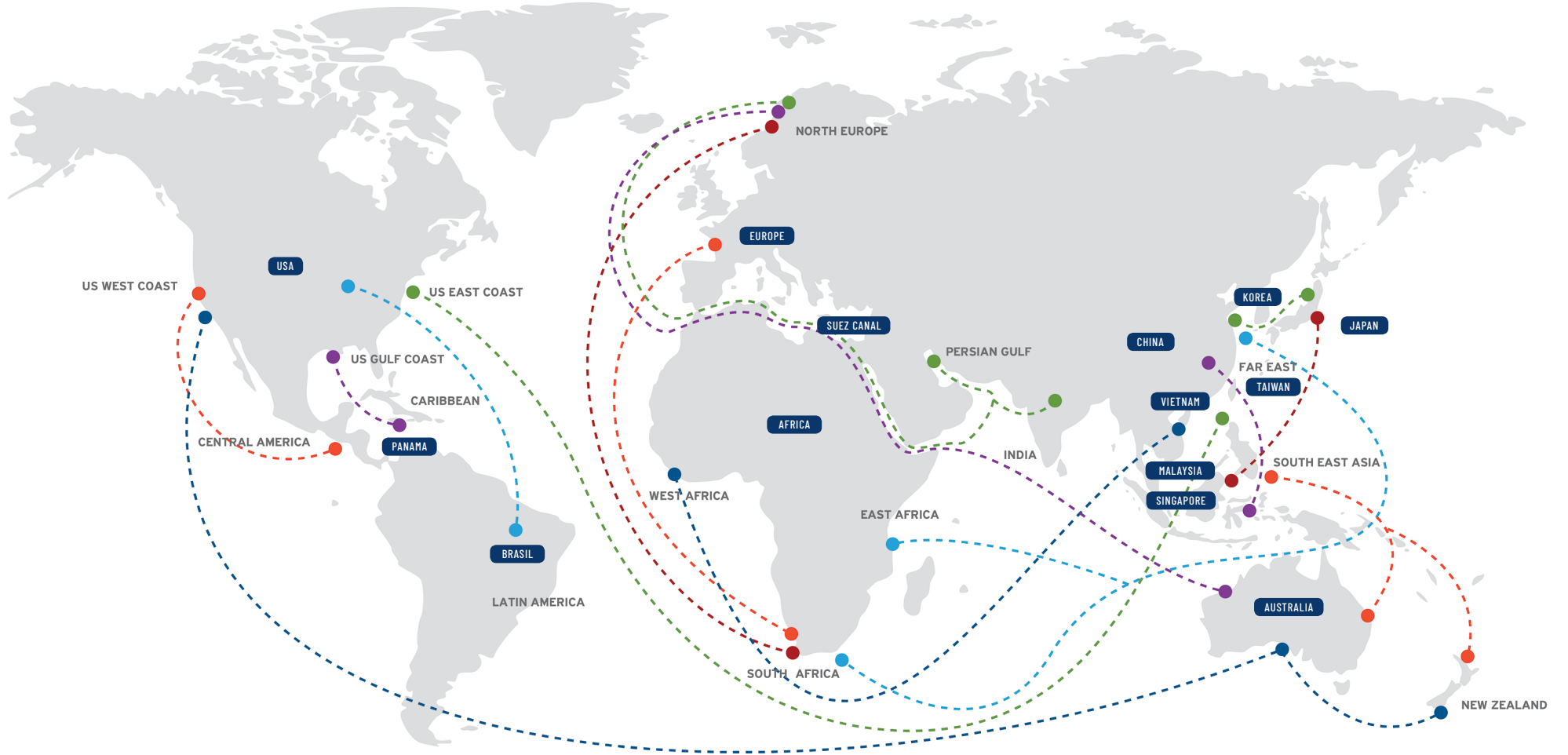


ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT



- FAR EAST - JAPAN
- USA E.C. - FAR EAST
- N. EUROPE - PERSIAN GULF - INDIAN SUBCONTINENT



- USA - LATIN AMERICA
- FAR EAST - S. AFRICA
- FAR EAST - E.C. AFRICA



- S.E. ASIA - AUSTRALIA - N. ZEALAND
- EUROPE - S. AFRICA
- USA W.C. - CENTRAL AMERICA



- N. EUROPE - S. AFRICA
- S.E. ASIA - JAPAN



- ASIA - W. AFRICA
- USA W.C. - AUSTRALIA - N. ZEALAND



- CHINA - S.E. ASIA
- USA GULF COAST - CARIBBEAN
- N. EUROPE - AUSTRALIA VIA SUEZ

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Experts in Shipping ➔ **Acknowledged Innovators** ➔ **Environmentally Active**

Our Mission Statement

Danaos seeks to provide safe, efficient and cost-effective seaborne container transportation and remain the premier choice among containership owners and create value for all our stakeholders. To meet this goal, we continuously make

substantial investments in operational technical and financial infrastructure while striving for sustainable and environmentally friendly solutions.

Our Vision – Our Values

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

- Enhancing the training of our personnel ashore and on-board.
- Integrating fully the vessels in the organization.
- Actively participating and leading research & development projects.
- Promoting company culture and bonding on all personnel on board.
- Seeking growth by our strong comparative advantages to become the leader in our sector



2020 Highlights

 **2**
Offices

 **63**
Vessels

 **21,919**
Operating Days

 **1,413**
Seafarers

 **5,927,039**
DWT

 **5,005,851**
Distance Traveled

 **149**
Ashore Employees

 **403,793**
TEU

 **5,143**
Port Calls



Message from the Company's Management

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 people and planet profitably, and not profit from causing problems.

Concretely, business 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.

However, 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.

Finally, 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 should now face the requirements of sustainable growth and create value for all, shareholders, employees, and the society.

The Management Team of Danaos Shipping



Our Approach towards ESG

We are determined to work closely with our stakeholders and contribute to the achievement of the IMO's GHG emission reduction targets and the UN Sustainable Development Goals, through the promotion of environmental protection, health and safety and innovation. This report covers the period from 1 January to 31 December and illustrates our environmental, social and governance (ESG) activities, responding to our stakeholders' expectations and interests in a transparent and comprehensive way.

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, under IMO's pollution prevention treaty (MARPOL) – the Energy Efficiency Design Index (EEDI) mandatory for new ships, and the Ship Energy Efficiency Management Plan (SEEMP). The GHG strategy envisages a reduction in carbon intensity of international shipping by at least 40% and 50%, compared to 2008 levels, by 2030 and 2050, respectively.

Good news is that in 2019 Danaos Shipping already met IMO 2030 carbon intensity targets 11 years ahead, by achieving 41.5 % reduction in CO₂ emissions per ton*miles compared with base year 2008!

UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted by the United Nations in 2015 as a universal call to action to end poverty, fight inequality and injustice, and tackle climate change by 2030. The UN SDGs provide a blueprint for human progress and a clear call to action for businesses to contribute to a better future.

Having identified the goals to which we can have a meaningful impact, Danaos Shipping is committed to increase the speed and scale their delivery across a wide number of SDGs through leveraging our technology and through partnering.

Our Strategic Roadmap

At Danaos, we vision sustainability as 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 and our Environmental, Social and Governance (ESG) approach provides us with a strategic roadmap to become a more sustainable and resilient business.

Our Targets

In Progress

Embedded

 ENVIRONMENTAL

Emissions

Be fully aligned with the IMO 2030 targets for carbon intensity and 2050 targets for net- CO ₂ emissions	✓	
Completion of Exhaust gas Cleaning Systems (scrubbers) with the installation, certification and operation onboard 11 Danaos vessels.		✓
Participate in JIP for investigating the use of alternative fuels as a means to improve combustion and improve vessel’s carbon footprint	✓	
Voluntary enrollment in the DNV “CO ₂ Index” project, monitoring and certifying our vessels performance and CO ₂ emissions.		✓
ISO-50001 Environmental Management System adoption in 2015 stimulating energy efficient operational practices and development of means and metrics		✓

Environmental Compliance

Perform gap analysis and issue compliance roadmap with modifications to take place on each vessel (when relevant enforcement takes place)	✓	
Comply with IMO 2020 regulations on 0.5% sulphur cap, achieving a successful and smooth transition from HSFO to VLSFO		✓

Biodiversity

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

Become a member of the Global Maritime Forum (GMF) and joined the Getting to Zero Coalition		✓
Become a member of the Ammonia Energy Association (AEA) and explore potential alternatives for newbuilding vessels		✓

Reporting

Ensure full transparency to the IMO DCS and EU MRV emission reporting schemes through our advance WAVES data analytics platform		✓
Monitor and report company’s fleet emissions and energy efficiency indices in our annual report		✓

Our Targets	In Progress	Embedded
Monitor and report company's fleet emissions and energy efficiency indices in our annual report		✓
Innovation		
Work on the full digitalization of company's processes ensuring close control and prompt response promoting fuel efficiency	✓	
Continuous study and research on technical measures and design retrofits aiming at improving vessels performance	✓	
Support R&D research activities on the study and investigation of the use of alternative fuels and innovative technologies	✓	
Initiatives		
Develop tools to monitor compliance with various initiatives such as the Poseidon Principles, Climate Bonds and sharing of relevant data with our clients		✓
SOCIAL		
Employee Retention		
Expand diversity and equal opportunities	✓	
Maintain annual employee retention rates above 90%		✓
Crew Retention		
Maintain annual crew retention rates above 80%		✓
Compliance with ILO requirements for seafarers		✓
Training & Development		
All staff trained on Health, Safety, Social and Environmental (HSSE) risks		✓
Ensure company culture of sustainability is in place onboard and ashore	✓	
Ongoing monitoring of our people career development and training		✓
Offer summer internship programs		✓

Our Targets	In Progress	Embedded
Safety		
Maintain our LTIF significantly lower than the industry averages		✓
Procurement		
Establish a sustainable procurement policy and screening of our suppliers	✓	
Child and forced labor		
No child or forced labor permitted in our own operations		✓
Screening to our suppliers to preclude child or forced labor	✓	
Supporting Local Communities		
Maintain our strong social engagement and provide support to vulnerable groups		✓
Encourage the spirit of volunteerism among the employees towards environmental and charity activities		✓
Provide Sponsorships to Universities' Students		✓
GOVERNANCE		
Corruption		
Zero Tolerance to bribery and corruption		✓
Establish partnerships with sustainable and anti-corruption initiatives	✓	
Whistle-blowing		
Provide a confidential and effective whistle blowing system for reporting violations		✓
Reporting		
Maintain full transparency in ESG report	✓	
Integrate SASB standards into ESG report	✓	



Materiality Analysis

Stakeholder Engagement



The ongoing dialogue with stakeholders is a key part of Danaos Shipping sustainability strategy and their feedback is essential so that we can fulfill their needs and concerns, through our strategy, initiatives and goals.

Materiality helps us report on the sustainability issues that matter most to our business and stakeholders. In determining if an issue is material, we consider our impacts across the value chain through the involvement of our main stakeholders.

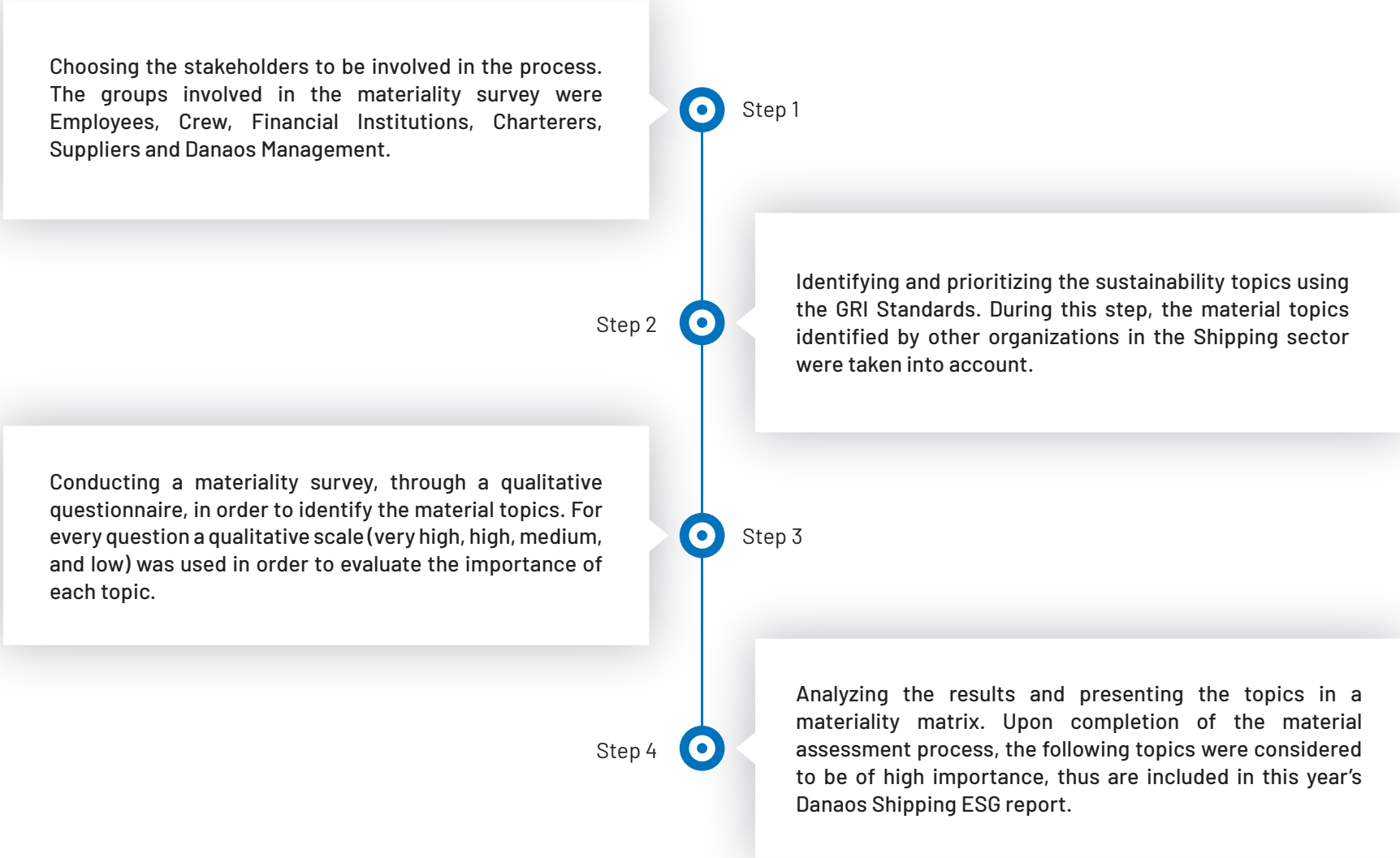
We use our materiality assessment to identify priority sustainability issues across our business and ensure we report on the issues of most interest to our stakeholders. We update our assessment each year to make sure it reflects changes in our business and the external environment.

Addressing each and every issue related to the ESG (environmental, social and governance) factors enables us to design a sustainability strategy accordingly and defines our reporting.

Our Stakeholders	What they expect from us	Communication Channels and Frequency of Engagement
<p>Employees (Office staff & Seafarers)</p>	<p>Our employees expect from Danaos Shipping to be a fair employer, to provide safe working conditions and to care for the work-life balance of the employees, to provide opportunities for training and professional development, and to provide a discrimination-free working environment.</p> <p>Relative material issues: Anti-corruption, Response to Social Crisis, Energy consumption, Emissions, Environmental Compliance, Emergency Preparedness, Risk Assessment, Innovation and Digitization, Waste Management, Occupational Health and Safety, training and education, Audits/Inspections/Surveys, Governance, Biodiversity</p>	<p>We support an ongoing open communication between management and employees. Engagement also through monthly internal meetings as well as an annual management review report. We host regular team building activities and employee welfare initiatives, and we hold regular employee satisfaction surveys.</p>
<p>Customers (Charterers)</p>	<p>Our customers expect high quality and flexible services, to provide ongoing and accurate support, to be flexible to their requirements, to be transparent, and to conduct our business in a sustainable manner (ethical, safe, environmentally-friendly, respecting of human rights).</p> <p>Relative material topics: Energy consumption, Environmental Compliance, Emergency preparedness, Risk assessment, Innovation and digitization, Waste management, Audits/Inspections/Surveys, Governance</p>	<p>We engage with our customers through our cargo booking process and our dedicated customer service coordinators. We also hold review meetings, every 6 months (or when needed), in order to share information on action plans and long-term strategy. We work closely with our customers to develop services that promote sustainability, and we participate to our customers' benchmarking systems and sustainability assessments.</p>
<p>Finance Related (Banks)</p>	<p>Our finance related stakeholders are interested in our company's creditworthiness and financial performance, to receive accurate information, in our risk control and assessment, and to the company's robust management processes and long-term growth.</p> <p>Relative material topics: Anti-corruption, Environmental Compliance, Emergency Preparedness, Risk Assessment, Governance</p>	<p>We are in daily communication with our finance related stakeholders through our contracts, our financial reports, progress meetings, and our corporate presentation and in general our day-to-day transaction.</p>
<p>Government Officials and Authorities (Port State Control)</p>	<p>Government officials and agencies expect from us to be compliant and consistent, to conduct safe and environmentally-friendly operation, to implement quality standards, to do our due diligence, and to generate economic growth.</p>	<p>We engage with government officials and authorities through notices/instructions about latest rules and requirements, through the results of our inspections and auditing programs, and through formal dialogue and communication channels.</p>

Our Stakeholders	What they expect from us	Communication Channels and Frequency of Engagement
	<p>Relative material topics: Anti-corruption, Response to Social Crisis, Emissions, Environmental Compliance, Emergency Preparedness, Risk Assessment, Innovation and Digitization, Waste Management, Occupational Health and Safety, Audits/Inspections/Surveys, Governance</p>	
<p>International and Industry Organizations and Regulators (e.g. IMO, HELMEPA)</p>	<p>These stakeholders expect our active participation, collaboration and support, to be up-to-date and compliant with new requirements, to operate in an ethical manner, and to promote the internal sustainability culture.</p> <p>Relative material topics: Environmental Compliance, Risk Assessment, Innovation and Digitization, Waste Management, Occupational Health and Safety, Audits/Inspections/Surveys, Governance</p>	<p>We engage through annual and ad-hoc meetings, through memberships, audits, through participation in high-level meetings, steering groups, committee, councils, forums and projects, as well as in the formation of joint action plans.</p>
<p>Suppliers (port agents, manufacturers, shipyards)</p>	<p>Our suppliers expect a fair and long-term cooperation, the timely execution of our financial responsibilities, to inform them in time of any significant changes, and to exchange knowledge and business opportunities.</p> <p>Relative material topics: Emergency Preparedness, Risk Assessment, Innovation and Digitization, Waste Management, Audits/Inspections /Surveys , Governance</p>	<p>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.</p>
<p>Society (NGOs, Local Communities)</p>	<p>Our social stakeholders expect from us to support social and economic development, to conduct our business in an ethical manner and protect human rights, to provide employment opportunities, and to participate in initiatives in order to support social and environmental causes.</p> <p>Relative material topics: Response to Social Crisis, Emissions, Environmental Compliance, Occupational Health and Safety</p>	<p>We communicate through news published on our corporate web-site and social media accounts, through our donations and charities, and through our participation in discussions/ dialogue in sustainability forums organized by NGOs</p>

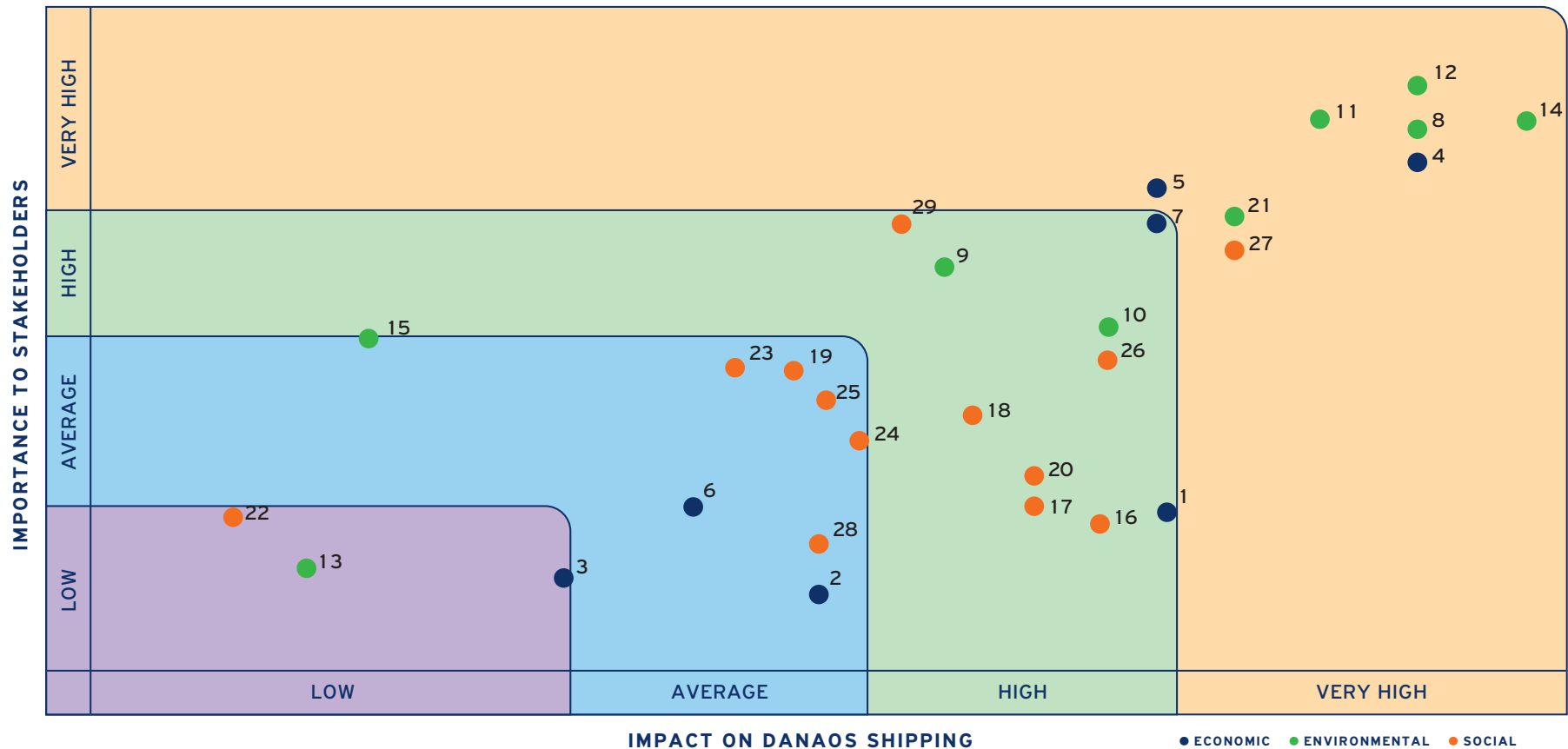
Methodology



Our Material issues



Materiality Matrix



- | | | |
|--------------------------------|--|---|
| 1. Economic Performance | 11. Emissions (or Air Pollution) | 20. Diversity, Equal Opportunity and Non-discrimination |
| 2. Indirect Economic Impact | 12. Waste and Spill Management | 21. Emergency Preparedness |
| 3. Procurement Practices | 13. Noise | 22. Supplier Social Assessment |
| 4. Anti-corruption | 14. Environmental Compliance | 23. Security Practices |
| 5. Risk Assessment | 15. Selecting and Evaluating Supplier using Environmental Criteria | 24. Corporate Responsibility Activities |
| 6. Tax | 16. Employment | 25. Human Rights Assessment |
| 7. Corporate Governance | 17. Labor/Management Relations | 26. Audits, Inspections and Surveys |
| 8. Energy Consumption | 18. Occupational Health and Safety | 27. Innovation and Digitalization |
| 9. Biodiversity | 19. Training and Education | 28. Socio-economic Compliance |
| 10. Water (Inc. Ballast Water) | | 29. Response to Social Crisis |



Material Issues

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

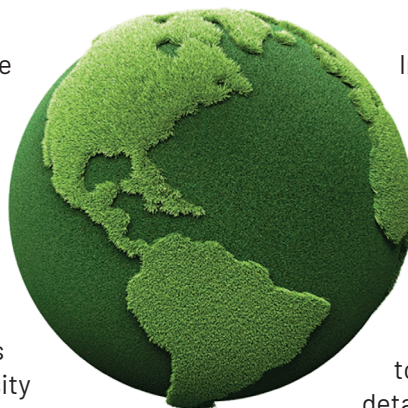


Environment

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 to achieve 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 more than ever pushed by increasingly stringent regulations 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 meet the decarbonization and sustainability target.



In 2020, the long-awaited implementation of the new 0.5% limit on fuel oil sulphur of ships trading outside Sulphur Emission Control Areas (ECAs) was introduced in the shipping industry as of January 1st, with significant impact on shipping dynamics and important benefits for the environment and human health. Moreover, as of March 2020, the carriage of non-compliant fuel for combustion purposes for propulsion or operation onboard ships, was prohibited, unless a ship is fitted with an Exhaust gas cleaning system (SOx Scrubber). The need for a smooth transition to IMO 2020 increased the need for familiarization with the new detailed product, along with the necessity for the proper handling and onboard operational aspects, as the shipping industry to date relied on specific residual and distillate fuels, based on ISO 8217:2017 marine fuel quality standards. Apart from issues related to the availability and specifications, the nature of the new fuels raised concerns on contamination and incompatibility that may lead to engine issues that require close monitoring. In Danaos, we achieved a successful and smooth transition from HSF0 to VLSFO without experiencing any major disruption or any delay and off-hire, which is reflected in our impressive technical utilization percentage of 99.9%!

Conforming to Environmental Laws & Regulations

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

During 2020 there were no incidents of non-compliance with environmental laws and regulations



Ship Optimization for Energy Efficiency

Our R&D Department has extensively investigated the options in minimizing the transportation cost and the subsequent fuel consumption required per TEU. This includes optimizing the vessels' design, their operating profile and monitoring their performance. In this context, we have studied and evaluated 38 methods of optimizing the energy efficiency of vessels, which we have 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. Having studied all these measures, we arrived at a conclusion as to whether they would be worth implementing on the containerships, by taking into account each ship's hull lines, equipment, and special features and assessing its dynamics through CFDs studies and model tests in experimental tanks.

The launching in Waves of a new smart interactive control form with built-in deep dive and diagnosis features that will guide the user in the performance evaluation and problems identification process is the ultimate tool for the day-to-day operation that aims to enhance the accomplishment of energy efficiency and performance excellence targets.

The development of a sophisticated environmental routine that will incorporate an interactive Carbon Intensity Index calculation, vessel rating and projection of emitted CO₂, setting the foundation for effectively responding to a potential emission trading or levy scheme will be launched within the next year.

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



Heading towards Decarbonization

Decarbonization Initiatives

In the context of the global fight against climate change the shipping industry is heading towards decarbonization, as IMO has adopted mandatory measures to reduce emissions of greenhouse gases from international shipping, by at least 40% reduction in carbon intensity by 2030 and pursue efforts towards 70% by 2050 and total annual GHG emissions reduction by at least 50% by 2050 compared to 2008. In order to achieve the overall goal, technical and operational initiatives are taken into consideration, including advanced emission abatement technologies and the introduction of alternative fuels use in shipping operations. The alternative fuels are power sources, which serve as substitute of fossil fuel and contribute to direction of shipping sector towards net zero emissions.

Danaos through several studies during the last years has examined ammonia, methanol, hydrogen, LNG-LPG as the most promising alternative fuels for propulsion, with ammonia as one of the most promising solutions for achieving shipping decarbonization targets. Biofuels are also under review with a potential contribution if the lifecycle effect is considered in the cf factor by IMO. Among the new technologies, we have examined fuel cells, alternative ship propulsion technologies, such as wind-assisted propulsion and carbon capture & storage, which may have reasonable potential in shipping applications.

Further to the latest MEPC 75 held within November 2020 and in anticipation of the next MEPC 76 (expected in June 2021), that will advise all details relevant to the EEXI (Existing Energy Efficiency Indicator) and the CII (Carbon Intensity Indicator), the technical and operational measures selected in order to achieve the IMO decarbonization targets, Danaos as a first step, has proceeded with the calculation of the EEXI for all vessels basis on the available guidelines by IMO.

For all company vessels, extensive study has been performed in order to identify the most efficient way to comply with the requirements. EPL has been selected as the measure to reach the EEXI limits. An average EPL limit in the range of 50-60% was identified basis available guidelines.

Moreover, a commercial and operational study has been performed after the EPL limit has been determined for each of the vessel series. The actual maximum load and maximum speed within the last year have been checked in order to see the

actual impact on the current operational profile in case the EPL was in place.

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

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

We are also members of the **Ammonia Energy Association (AEA)** since July 2020, participating in meetings and keeping up to date with all latest developments for the use of Ammonia in the maritime industry.

We support the **Poseidon Principles** that help banks align their shipping loans with the climate goals set by the IMO.

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

For 2020, **35% of Danaos fleet already complies.**

Climate bonds initiatives are also explored in order to verify our fleet's compliance.

We have also been in contact with **Science Based Targets (SBTi) and Methanol Institute (MI)** in order to investigate our participation in various initiatives and different schemes.



GLOBAL
MARITIME
FORUM

Getting to Zero
Coalition



POSEIDON
PRINCIPLES

12 Signatory banks have already committed to the Principles

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 promotion of sustainability and environmental issues.



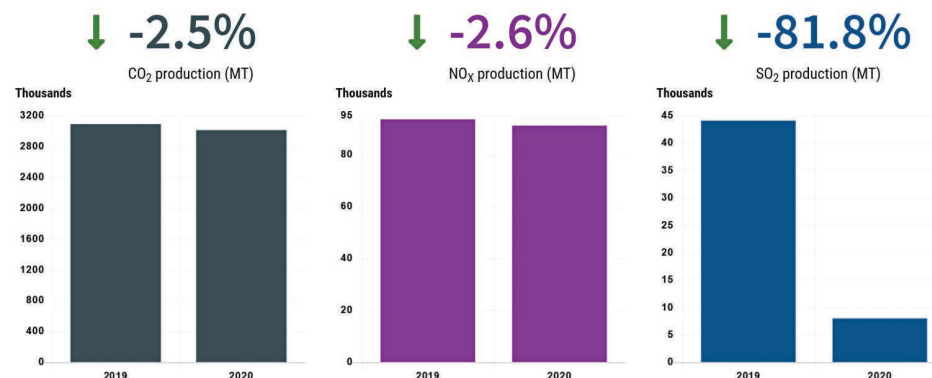
Our Emissions

We have developed our environmental indicators as a monitoring tool of our fleet environmental performance and as a means to evaluate the effectiveness of our energy efficiency improvement measures. Every year, we calculate the emissions of our entire Fleet, aspiring to be fully transparent on the parameters that can influence our efforts towards a more energy efficient management. We use those calculations as indicators of our environmental performance and share them with our clients, upon their request, in order for them to evaluate their fleet's environmental footprint.

The company's environmental footprint was improved compared to that of the previous year. Additionally, the total number of produced emissions for 2020 (CO₂, NO_x, SO₂) is by a percentage of 2.5%, 2.6% & 81.8% respectively lower compared to 2019.

Within 2020, idling periods significantly increased, due to vessels entering the shipyards for drydocking and scrubber retrofit and shipyard delays related to the COVID-19 pandemic. On the other hand, the tn*miles index has increased compared to the previous year and as a result, the carbon intensity for 2020 has improved compared to 2019.

Moreover, the SO₂ emissions are significantly reduced compared to the previous year due to the 0.5% sulphur content cap for ships' fuel worldwide from 1st January 2020.



EEOI average (gr/tn.mile)

The average EEOI has been reduced by 5.6% for 2020. The operational profile of the fleet is almost unchanged within 2020 in terms of average speed and draft. The fleet's average energy efficiency footprint was improved when compared to the previous year, mainly due to the increased ton miles index by 4% and the improved performance of the vessels after leaving drydock. Within 2020, 13 vessels in total were drydocked, 10 of which have optimized their bow, contributing significantly to the improved performance and consumption.



When it comes to each vessel's individual assessment, mixing trends have been observed either upward or downward. Detailed performance analysis and comparison between 2019 & 2020 is completed for each of the company's vessels within the first quarter of every year and results are updated in the SEEMP manual.

Utilization percentage: 99.9%

Ozone Depleting Substances

Danaos Shipping has incorporated the modifications from the old systems to the new ones and, according to the regulations, any deliberate emission of ODS is prohibited. For new building vessels, any installation containing ODS, such as halons and chlorofluorocarbons (CFCs), is prohibited. The Freon Types in use are R-404A and R-407C. Freon losses for 2020 were at 5% of the total capacity (1210kg approximately). Since 2016 we have managed to reduce our Freon losses from 11% to 5%. We plan to reduce greenhouse gas emissions and mitigate climate change, based on EU F-gas Regulation (517/2014) adopted 1 Jan 2015 for reduction of use of HFCs. A service ban on HFCs with high Global Warming Potential (GWP >2,500) like R-404A, R-507 and R-422D has been imposed since 1 Jan 2020. The F-gas regulation

applies to all EU countries and EU flagged vessels. Therefore, replenishment of retrofit of systems with lower GWP refrigerants takes place where required.



Protection of the Marine Environment

We adopt a Ballast Water exchange policy which prevents the transfer of harmful alien aquatic species from one region to another through Ballast water. 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, based on its operational principle certification and acceptance by the IMO, USA Environmental Protection Agency and the European Committee.

Within 2020, a total volume of 6,055,711.80 cubic meters of ballast water has

been exchanged through our fleet, contributing to the significant goal of marine environment protection and environmental footprint reduction.

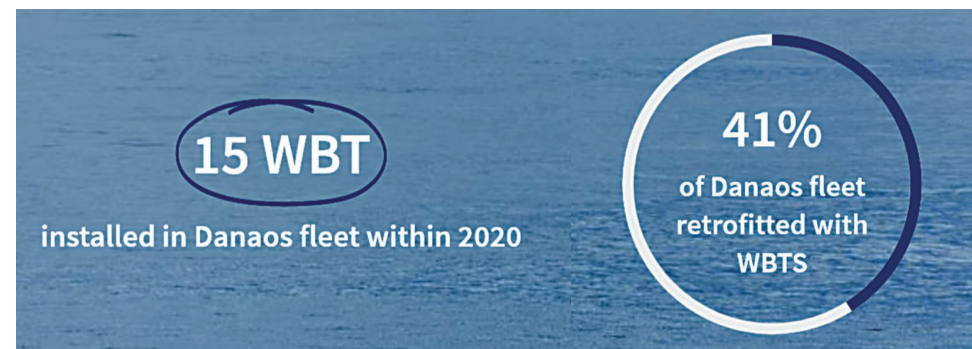
In total 15 WBT have been installed in Danaos' fleet within 2020, with capacity from 500 to 1500 m3/h.

From the 1st system installation (December 2018) until today in total 26 vessels, corresponding to **41% of Danaos fleet, have been successfully retrofitted with WBTS.**

All engineering, plan approval and installation work has been carried out in-house by Danaos R&D and Technical department.

Responsible Waste Management

The most common reason for the spillages is the human factor and minimizing the exposure risk associated with pollution is a challenging task. Danaos Shipping 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. Our fleet is being maintained at the highest standards of the market, providing safe boundaries for the pollutants transported.



Attracting, Developing, Retaining the best set of Crew

The human factor is being controlled by selected Crew Pools from Danaos Shipping owned Manning offices, in-house training to promote environmental safety culture & awareness, frequent visits onboard by the Technical and Quality experts of the office to evaluate the condition, safety and navigational measures and practices implemented. In addition, there are many onboard training programs and Computer Based Trainings (CBT) promoting training on the field. The SMS system of Danaos Shipping has been awarded with an ISO 9001 & ISO 14001. On top of the Regulatory requirements, Danaos Shipping has applied a Green Policy with regard to the chemical composition used onboard and a Garbage Management plan.

We are constantly operating with “zero spills” as our main goal, so it is not a coincidence that, in 2020, Danaos Shipping had a zero oil spillage record,

something which rewards the structure and the efforts of the Company. These efforts include a comprehensive series of seminars and the superintendence modernization which aims to enhance inspection efficiency.

We have further taken measures to improve the management of waste generated by our headquarters. We monitor the average paper consumption per employee per day and we encourage our people to reduce the paper consumption. In 2020 the consumption of A4 sheets in our office was decreased by 22%.



Innovation and Digitization

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

At times when shipping is facing stringent regulations and challenging market needs, our focus has been placed on the establishment of “digitally smart shipping” to enable ships’ management optimization. The key tool to manage the new challenges is through advanced technologies, intelligent management systems and innovative mechanics.

Moving forward from traditional applications to advanced technologies, we have implemented online data acquisition on our fleet and we have developed Waves Management system. Waves provides innovative business operational intelligence by aggregating and analyzing data gathered from multiple sources and incorporating big data analysis algorithms and visualization tools for extracting really valuable information and transform real-time data into useful insight.

Innovation is the ability to see change as an opportunity - not a threat

Steve Jobs

Waves Management System incorporates the relevant modules and integrates departmental KPIs, in order to provide a holistic approach and have then operations optimized to meet well in advance the increasing regulations and need, while at the same time creating a true complete advantage and enabling the decision-making process. Going one step forward to the company’s full digitalization, we have designed the new Waves Control form to provide sophisticated data-driven alerts and a better visualization of fleet data, as well as to enable significantly

faster operation of the system and facilitate the cooperation with the other systems.

In Danaos we are taking part in various EU Research and Innovation Maritime projects and programs, with main focus cutting-edge technologies and methods, such as energy efficiency optimization-advanced materials, robotics, artificial intelligence, big data analytics, blockchain, IoT autonomy, zero emissions, alternative fuels and energy sources, next generation propulsion etc. In that way, Danaos is supporting projects aiming to new technologies and fuels to decarbonize and promoting their development, while at the same time identifying future trends at an early stage and keeping up with the latest developments in innovative maritime technologies and methods.



Material Issues

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



Social

Our People

As a global leader in the shipping industry, we believe that our seafarers and onshore personnel are our strongest asset. Each plays a critical role in helping us reach our business goals. This is why we strive to hire only the most talented individuals and make them feel inspired and valued.

We promote equal opportunities and a culture of appreciation and respect. We aim to attract, retain, empower and motivate our people, both at the office and at sea. Our main objective is to create an inclusive environment where all feel welcomed. We know that our company's success comes from the work of talented, dedicated seafarers and ashore personnel.

Ashore Personnel

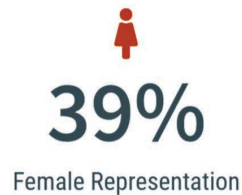
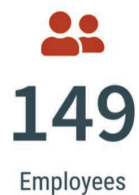
Our shore-based staff has significant experience and expertise in the shipping industry and in the container market. Employee satisfaction is essential to the success of our business and is a major priority for us. This is why we are so proud

of the high employee retention rate, which is 96%, is an important indicator of employees' satisfaction.

In 2020:

- We hired 12 employees and 13 summer interns
- 39% of all our employees were women; 1 out of 3 in a managerial position
- The average retention rate was 96%
- Increased self – awareness and improved working relations through the 360 Degree Feedback
- Offer employees at all levels to share their perspectives and ideas through the introduction of an anonymous Suggestion Box

We enhanced employee engagement and morale through the introduction of the Suggestion Box; we received 57 ideas by 23 employees and we awarded 2 of them.



Seafarers

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

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

As at December 31, 2020:

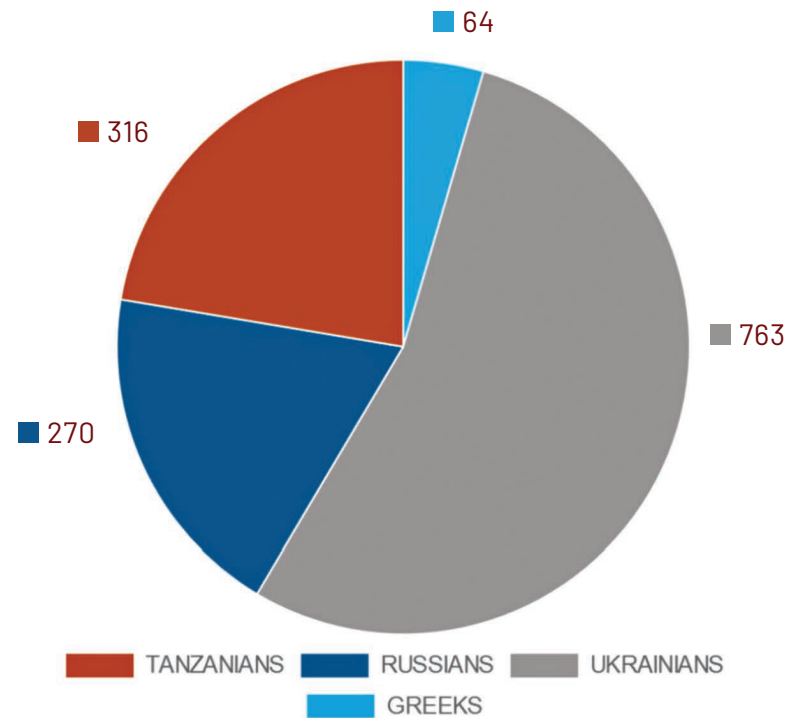
- 1,413 seafarers were onboard our ships
- The average age of our seafarer was 37
- We offer a diverse working environment with seafarers being from Russia, Ukraine, Zanzibar and Greece.
- The crew retention rate was 81%
- We offered 4,552 training hours
- 38 Seafarers were promoted


1,413
Seafarers


81%
Retention Rate


37
Average Age of
our Seafarers

Promotions	Rank
8	Masters
12	Chief Mates
8	Chief Engineers
10	Second Engineers



Ongoing Development

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.

In 2020 we offered 204 and 4,552 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 Shipping Assessment and Training Center

The Danaos Shipping 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-premise installation, housed at the Danaos Shipping 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 Shipping 13,100/10,100 TEU vessels
- Incident Command & Rescue Sim AFF Module

Also, in 2020 the following Trainings/ Courses/Seminars were provided →

Maritime Resource Management	Multinational ship Management
Bridge Resource & Team Management	Damage Control
Mega Carriers ship's handling	The Human Element in SHIPPING
Incident Command	Marine Environment Awareness
Simulators Training	Passage Planning 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	

1,400

Seafarers trained in 2020

4,552

Training Hours in 2020

Promoting Safety at Sea

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



The application of best practices in ship operation and working environment 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 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 Shipping 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.



DNV certified

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

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 Shipping 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. During 2020 we have performed

69 internal audits as well as 19 third party audits carried out by DNVGL, 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. 44 MLC inspections were carried out by qualified auditors without major deficiencies and our vessels were certified successfully.

During 2020 we had on record 16 LTIs which is equal to a LTIF rate of 1.27. We are encouraged to have seen a further increase in reporting of near misses, counting 224 reports for this year.



69

Internal audits



19

Third party audits



44

MLC inspections



1.27

LTIF rate



224

Near Misses

Crisis Management and Emergency Planning

Danaos Shipping has taken all necessary measures and resources in order to protect our people, vessels and operations in case of an emergency. We have established procedures to identify potential emergency situations and we have prepared plans for each one. These plans are communicated to all employees and crew members and at the same time we provide training in order for them to be ready to respond in emergency situations. An important parameter in 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. Crisis Management undertaken by Danaos Shipping is prepared to deal in the most efficient way with any incident that might evolve into a crisis, prevent it if feasible. 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.



Our Sustainable Supply Chain

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

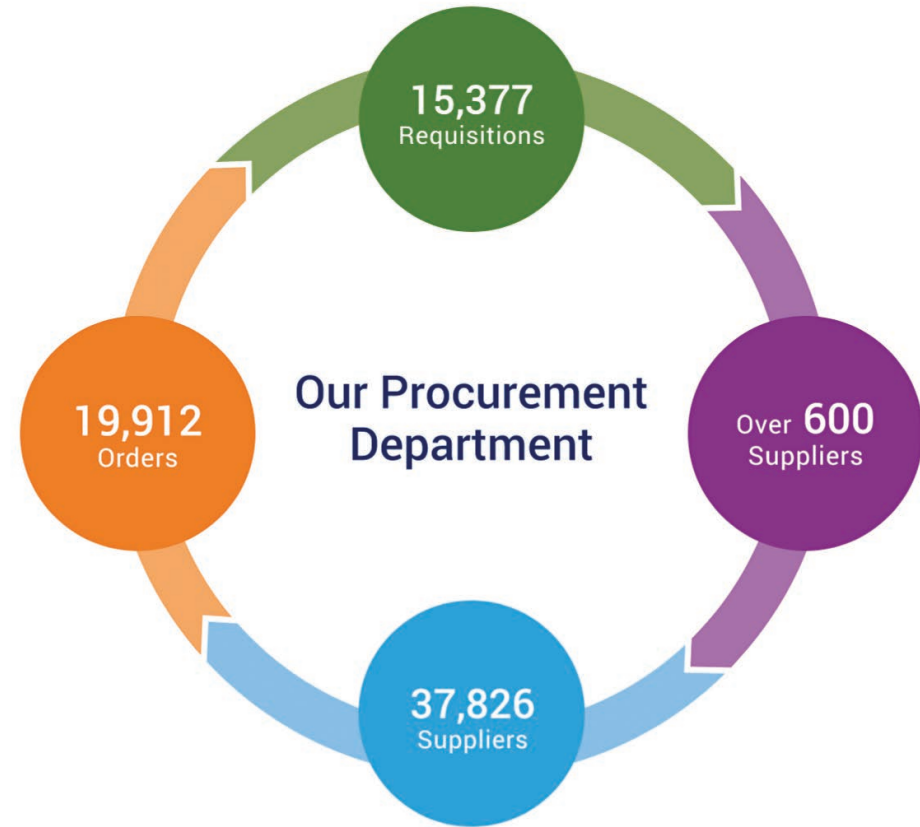
Due to the complexity of the needs of vessels, our supply chain includes providers of products and services such as Spares/Maintenance, Provisions, Cabin, Deck, Engine Stores, Lubricants, Chemicals, Gases, Paints and Safety services. These product and service providers are located in almost every calling port. At the same time, the ability to forward them from a manufacturer or a warehouse is essential for proper operation.

The ability to conduct business in an appropriate manner towards ethical, social and environmental standards plays a major role in our suppliers' selection. As such, they are expected to take steps for continuous improvement towards a responsible and sustainable way.

Criteria such as equal opportunities, compliance with international labor standards (no child labor, decent working conditions), health and safety awareness, zero corruption tolerance, transparency and fair business policy are combined with high standards products that promote best use of the vessels' machinery and the hull as well as the wellbeing of our crews onboard.

More than 70% of our major suppliers and more than 50% of our medium and small suppliers have been characterized as "green suppliers" through our rigorous assessment of relevant certifications they hold. We aim at increasing these percentages to 85% and 70% respectively.

Additionally 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.



70

"Green suppliers" percentage of our major suppliers

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. Over a 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.

Work from Home Scheme

The Danaos Shipping 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-premise installation, housed at the Danaos Shipping 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.

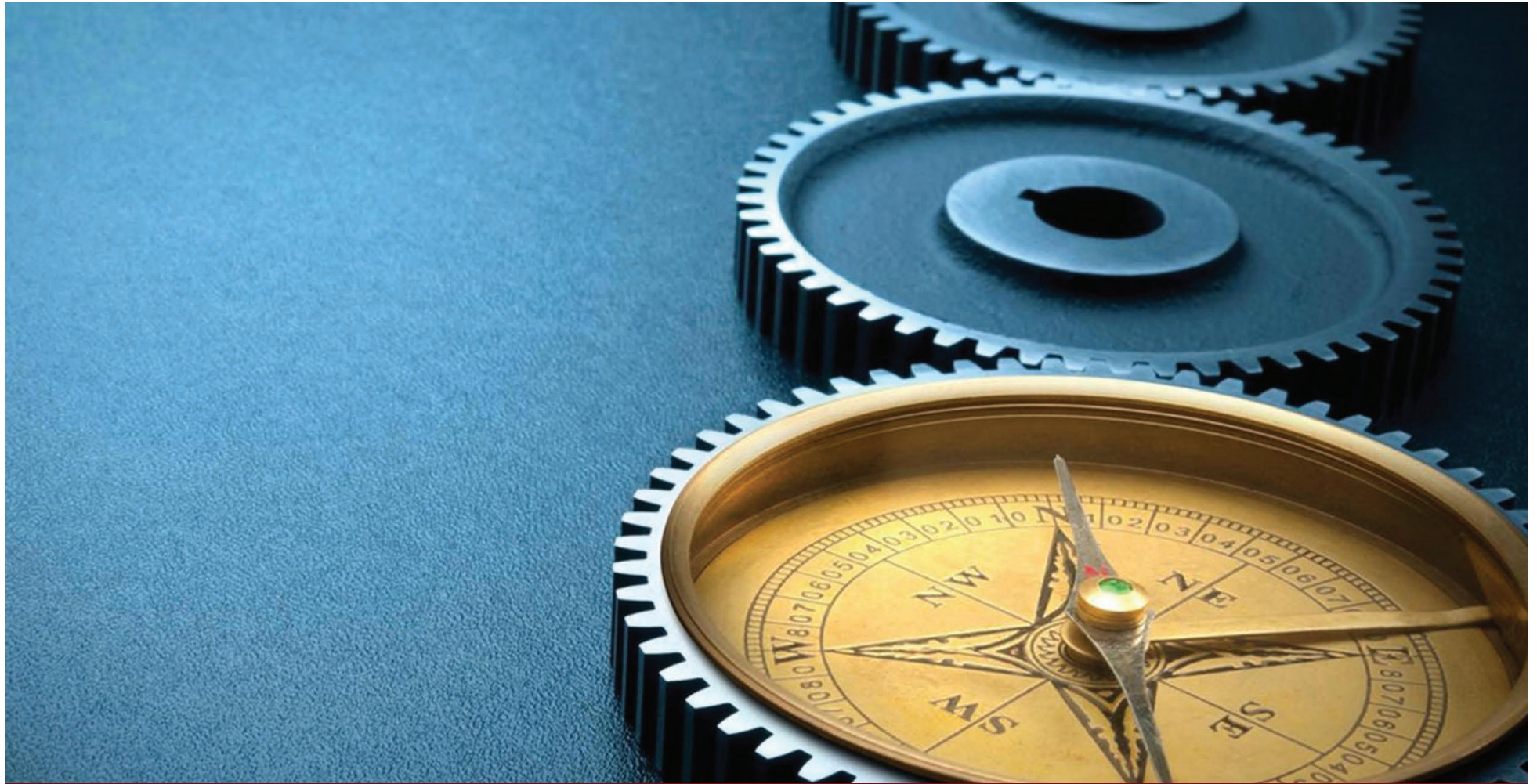


Our Strong Community Engagement

Our strategic priority is to create value for the society and the community, in which we operate, and to keep our employees engaged and involved through various voluntary initiatives.

We believe in the value and power of solidarity and our community investment activities focus on supporting vulnerable groups and institutions.





Material Issues

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



Governance

A Strong Corporate Culture

We consider 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 corporate working culture that promotes high ethical behaviors and encourages the individual responsibility. Danaos Shipping, being the exclusive manager of Danaos Corporation (DAC), abides by the DAC's Corporate Governance Guidelines and the Code of Business Conduct & Ethics and Policies.

The fundamentals for a strong corporate environment are set by the DAC's Board of Directors through the Top Management. Based on the Company's dynamic organization chart and detailed job descriptions, specific roles are established for each employee. The employees, being devoted to the implementation of the Code of Business Conduct & Ethics and Policies, conduct the Company's business on a day-to-day basis, under the direction of our Chief Operating Officer.

High Ethical Principles

We have developed our Code of Business Conduct & Ethics and Policies, 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's 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

Danaos Shipping abides by the:

- > Corporate Governance Guidelines of DAC
- > 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

**Integrity is doing the right thing,
even when no one is watching**

C. S. Lewis

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 DAC, upon receiving an adequate justification, may approve any waiver of any ethics policy for any director, executive officer, or an 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 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 1.2% of our port calls in 2020 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 constant concern. Employees receive periodic training on the contents and importance of the Code of Business Conduct & Ethics and Policies, and 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 are encouraged to report any violations of the 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.

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

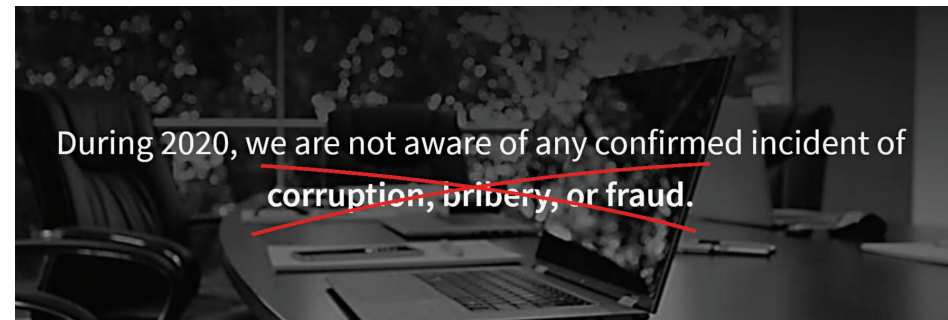
Monetary losses due to legal proceedings associated with bribery or corruption



1.2%

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

*Transparency International’s Corruption Perception Index



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 three main business objectives: 1. Operations, 2. Reporting, and 3. Compliance – that are measurable, observable, attainable, and relevant.

BUSINESS OBJECTIVES	
OPERATIONS	
Profitability	Fulfill charterer requirements and profit-making opportunities
	Control cost in operations while maintain the profit margin on services rendered
Growth	Grow the business and manage our expansions 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 address shortcomings in outsourced service providers
	Maintain and operate a modern fleet of high quality and high fleet utilization rates
Ethics & Organizational Culture	Consider fraudulent actions regarding assets misappropriation
	Maintain a culture of honesty and opposition to fraud and corruption through adherence to our policies and procedures
	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
Society & Environment	Manage vessels that are built with optimum safety, efficiency and environmental performance

BUSINESS OBJECTIVES	
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 reports 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

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. We provide Danaos Corporation with a detailed analysis of all the risks which affect our 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 DAC, 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 2020, 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 2020 were 47, while they performed 1 ad-hoc audit and 4 follow-up reviews. Moreover, no material weaknesses or significant deficiencies were identified during our audits.

52

Internal Assurance audits

247

ICFR Controls tested

0

Material weaknesses or significant deficiencies identified in 2020 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.

Paris MOU

Medium Performance Company

US Coast Guard

Excellent inspection record

✓ Company's Documents of Compliance

✓ Vessels' Safety Management Certificate

PSCI - FSI Deficiencies



2.39

Inspection / Vessel



0.61

Deficiency / Inspection



79%

Inspections without Deficiency



0.18%

ISM related



SASB STANDARDS INDEX

This year, for the first time, we incorporated metrics from the SASB Standard for the Marine Transportation Sector. Specifically, the following SASB metrics are covered in the present ESG Report.





CATEGORY	DISCLOSURE TOPIC	SASB INDICATOR	REFERENCE
GHG Emissions	Total energy consumed, percentage from heavy fuel oil, percentage from renewables	SASB TR-MT-110a.3	HFO-LSFO: 899.411 MT MGO: 55.582MT D/G: 102.138 MT Percentage Heavy Fuel Oil: 85,1%
	Percentage of fleet implementing ballast water (1) exchange and (2) treatment	SASB TR-MT-160a.2	Environmental Section
Waste and Spill Management	(1) Number and (2) aggregate volume of spills and releases to the environment	SASB TR-MT-160a.3	Environmental Section
	Lost time injury rate (LTIR)	SASB TR-MT-320a.1	Social Section
Employee Health and Safety	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	SASB TR-MT-510a.2	Governance Section
Business Ethics			




GRI STANDARDS INDEX



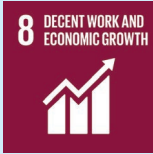
GRI INDICATOR	DISCLOSURE/INDICATOR TITLE	SUSTAINABLE DEVELOPMENT GOALS	PAGE REFERENCE
GENERAL DISCLOSURES			
Company Profile			
GRI 102-1	Name of the organization		Danaos Shipping Co. LTD
GRI 102-2	Activities, brands, products, and services		Global Operations 2020
GRI 102-3	Location of headquarters		3, Christaki Kombou Str., 3011, Limassol, Cyprus 14, Akti Kondyli Str., 18545, Piraeus, Greece
GRI 102-4	Location of operations		Global Operations 2020
GRI 102-5	Ownership and legal form		Danaos Shipping Co. LTD is the exclusive Manager of DANAOS Corporation (DAC)
GRI 102-6	Markets served		Global Operations 2020 Corporate Website
GRI 102-7	Scale of the organization		Global Operations 2020
GRI 102-8	Information on employees and other workers		Social Section
GRI 102-9	Supply chain		Social Section
GRI 102-10	Significant changes to the organization and its supply chain		No significant changes during the reporting period
GRI 102-11	Precautionary Principle or approach		Sustainability Practices
GRI 102-12	External initiatives		Social Section
GRI 102-13	Membership of associations		Social Section


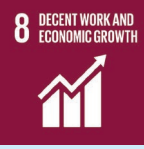




GRI INDICATOR	DISCLOSURE/INDICATOR TITLE	SUSTAINABLE DEVELOPMENT GOALS	PAGE REFERENCE
Strategy			
GRI 102-14	Statement from senior decision-maker		Global Operations 2020
Ethics and Integrity			
GRI 102-16	Values, principles, standards and norms of behavior		Our Philosophy Governance Section
Governance			
GRI 102-18	Governance structure		Our Company's Departments and Structure
GRI 102-25	Conflict of interest		Governance Section
GRI 102-30	Effectiveness of risks management process		Governance Section
GRI 102-31	Review of economic, environmental, and social topics		Governance Section
Stakeholder Engagement			
GRI 102-40	List of stakeholder groups		Materiality Analysis Section
GRI 102-41	Collective bargaining agreements		Danaos Shipping follows all national laws and regulations regarding collective bargaining agreements, and during 2020 there were no incidents of non-compliance recorded
GRI 102-42	Identifying and selecting stakeholders		Materiality Analysis Section
GRI 102-43	Approach to stakeholder engagement		Materiality Analysis Section
GRI 102-44	Key topics and concerns raised		Materiality Analysis Section

GRI INDICATOR	DISCLOSURE/INDICATOR TITLE	SUSTAINABLE DEVELOPMENT GOALS	PAGE REFERENCE
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		Materiality Analysis Section
GRI 102-47	List of material topics		Materiality Analysis Section
GRI 102-48	Restatements of information		There are no restatements of information provided in previous reports
GRI 102-49	Changes in reporting		There are no significant changes in reporting
GRI 102-50	Reporting period		1/1/2020 – 31/12/2020
GRI 102-51	Date of most recent report		2019
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		Index
GRI 102-56	External assurance		We have not sought external assurance for our ESG report

GRI INDICATOR	DISCLOSURE/INDICATOR TITLE	SUSTAINABLE DEVELOPMENT GOALS	PAGE REFERENCE
SPECIFIC DISCLOSURES			
Anti-corruption			
GRI 103	Management Approach		Governance Section
GRI 205-3	Confirmed incidents of corruption and actions taken		Governance Section
Energy Consumption			
GRI 103	Management Approach	 	Environmental Section
GRI 302-1	Energy consumption within the organization		HFO-LSFO: 899.411 MT MGO: 55.582MT D/G: 102.138 MT Percentage Heavy Fuel Oil: 85,1% Office Energy Consumption: 1.209.174 KW
GRI 302-5	Reductions of energy requirements of products and services		Environmental Section
Biodiversity			
GRI 103	Management Approach		Environmental Section
GRI 304-2	Significant impacts of activities, products, and services on biodiversity		Environmental Section

GRI INDICATOR	DISCLOSURE/INDICATOR TITLE	SUSTAINABLE DEVELOPMENT GOALS	PAGE REFERENCE
Emissions			
GRI 103	Management Approach		Environmental Section
GRI 305-1	Direct (Scope 1) GHG emissions		Environmental Section
GRI 305-4	GHG emissions intensity		CO₂eff.: 15.09 gr/tn*miles NO₂eff.: 0.46 gr/tn*miles SO₂eff.: 0.04 gr/tn*miles
GRI 305-5	Reduction of GHG emissions		Environmental Section
GRI 305-6	Emissions of ozone depleting substances		Environmental Section
GRI 305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions		Environmental Section
Waste and Spill Management			
GRI 103	Management Approach	 	Environmental Section
GRI 306-1	Waste generation and significant waste-related impacts		Environmental Section
GRI 306-2	Management of significant waste-related impacts		Environmental Section
GRI 306-3	Waste generated		Environmental Section

GRI INDICATOR	DISCLOSURE/INDICATOR TITLE	SUSTAINABLE DEVELOPMENT GOALS	PAGE REFERENCE
Environmental Compliance			
GRI 103	Management Approach		Environmental Section
GRI 307-1	Non-compliance with environmental laws and regulations		Environmental Section
Occupational Health and Safety			
GRI 103	Management Approach	 	Social Section
GRI 403-1	Occupational health and safety management system		Social Section
GRI 403-2	Hazard identification, risk assessment, and incident investigation		Social Section
GRI 403-3	Occupational health services		Social Section
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety		Social Section
GRI 403-5	Worker training on occupational health and safety		Social Section
GRI 403-6	Promotion of worker health		Social Section
GRI 403-9	Work-related injuries		Social Section

GRI INDICATOR	DISCLOSURE/INDICATOR TITLE	SUSTAINABLE DEVELOPMENT GOALS	PAGE REFERENCE
Training and Education			
GRI 103	Management Approach	 	Social Section
GRI 404-1	Average hours for training per year per employee		Social Section
GRI 404-2	Programs for upgrading employee skills and transition assistance programs		Social Section
Risk Assessment			
GRI 103	Management Approach	 	Governance Section
Emergency Preparedness			
GRI 103	Management Approach	 	Social Section

GRI INDICATOR	DISCLOSURE/INDICATOR TITLE	SUSTAINABLE DEVELOPMENT GOALS	PAGE REFERENCE
Response to Social Crisis			
GRI 103	Management Approach		Social Section
Audits, Inspections and Surveys			
GRI 103	Management Approach	 	Governance Section
Innovation and Digitization			
GRI 103	Management Approach		Environmental Section Technology



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