DANAOS CORPORATION

ESG Report 2024

SHIPPING CO LTD

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DANAOS
ESG REPORT 2024

SHIPPING CO LTD

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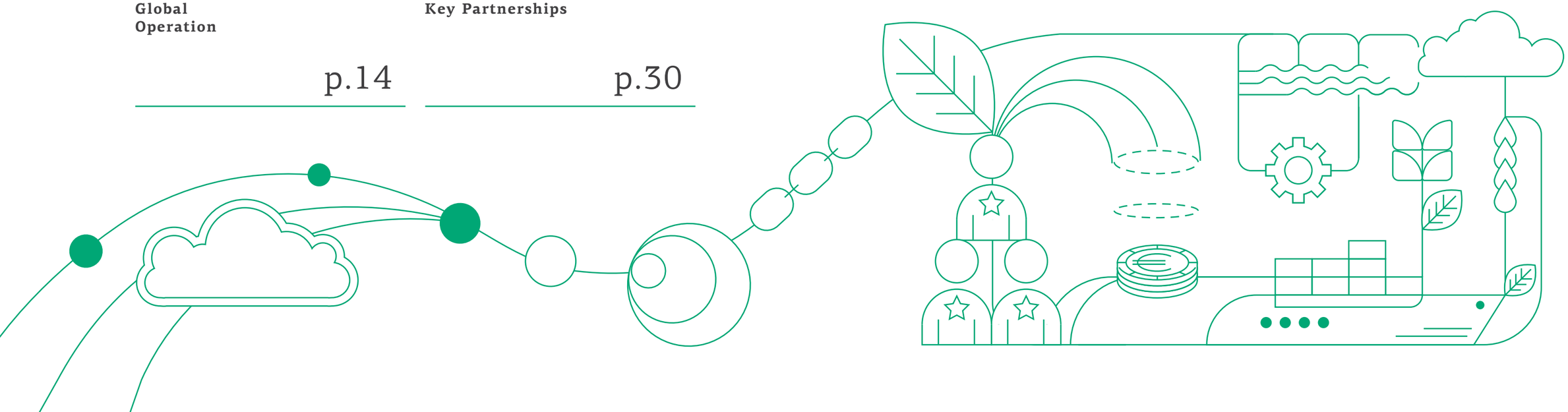
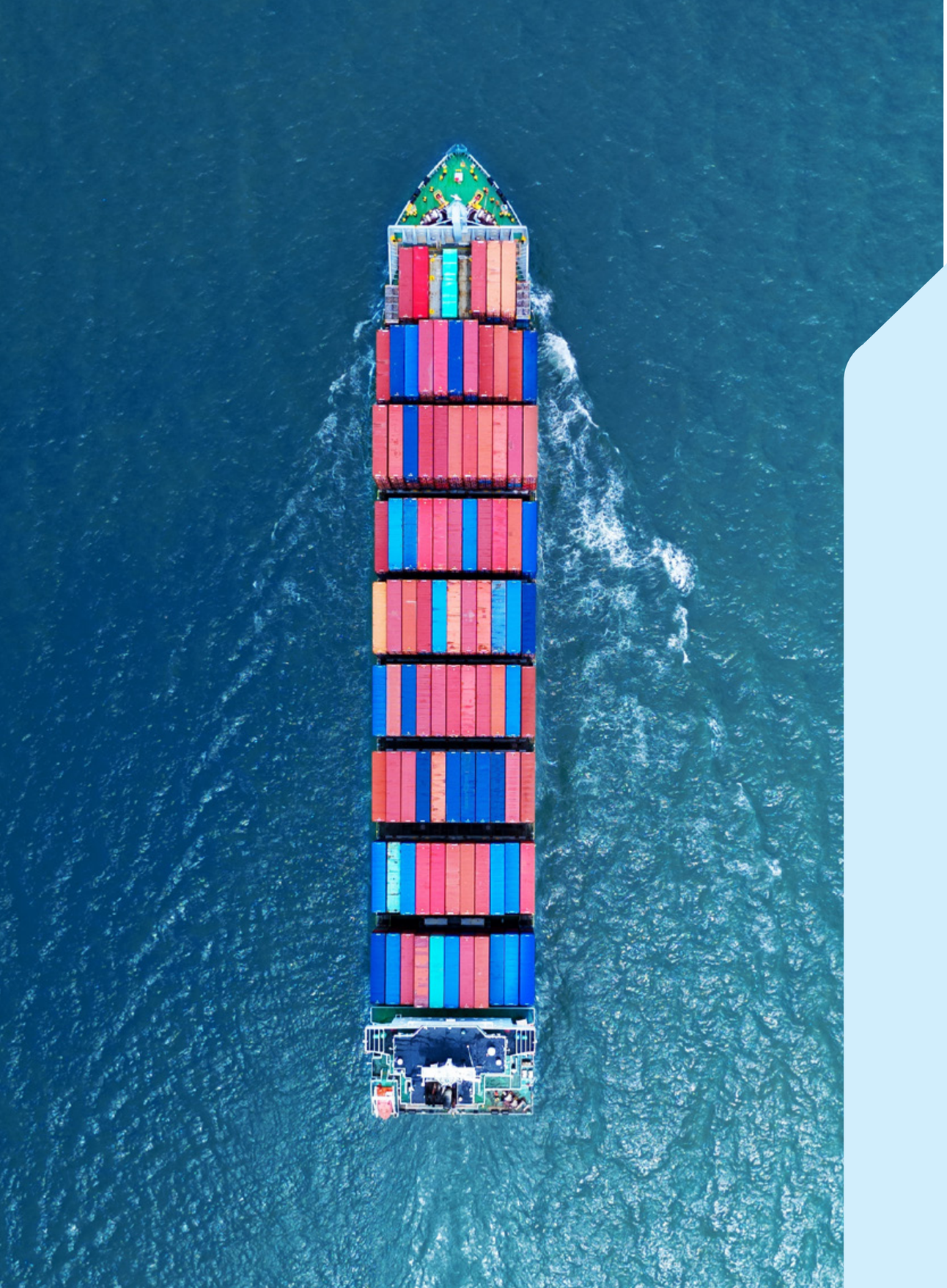




Message from the Company's Management

We need a shared vision to achieve a truly sustainable future.

A "good business" that delivers real value can be a driving force for fundamental change and long-term profitable growth, from which everyone can benefit.

We understand that long-term success and sustainability depends on resolving the challenges of both people and the planet, while ensuring profitability, rather than profiting from causing problems. We need global community working together to build a cleaner-energy future, ensuring transparency and integrity.

The journey towards decarbonization is a challenging one and we have made a deliberate effort to reduce our environmental impact. We realize that the responsibility goes beyond our operational control and will require a collaborative effort from all related stakeholders.

At Danaos, we support the transition to a lower-carbon future. We have already made significant investments, including 6 methanol-ready container vessels delivered in 2024, and additional 16 methanol-ready container vessels will follow between 2025-2028 with the aim of using green methanol as it becomes available. 9 of these vessels will also be ammonia-ready.

We have incorporated sustainability into corporate culture, and we have implemented several improvements to our sustainability governance. We have already achieved our 2030 carbon intensity reduction goal, six years ahead of schedule and we are on right track to meet our other commitments across the environmental, social and governance dimensions.

We recognize that digitalization and decarbonization are closely aligned. Over the past years, we have invested in fully digitizing our processes to ensure transparency and enhance operational excellence. Digitalization is a key driver for promoting efficient, sustainable operations and strengthening our competitiveness.

We remain committed to our mission to provide efficient, safe and sustainable transportation of goods, while carefully planning our actions to meet tomorrow's expectations in all ESG dimensions. As corporate leaders, we are charting a course towards a sustainable future, providing a positive and lasting impact on our shareholders, employees and society in general.

Dr. John Coustas
Chairman,
President & CEO

Our Profile

Purpose of the report

Welcome to Danaos Corporation's ESG report, which builds on our recent sustainability efforts. Since 2018, when we published our first ESG report for the fiscal year 2017, we pledged to intergrade sustainability into our business model. Over the years, through our ESG strategy, we are committed to going above and beyond the International Maritime Organisation's GHG emissions target, as well as adhering to the UN SDGs. To achieve our ESG goals, we work closely with our stakeholders to meet their expectations and interests in a transparent and thorough manner.

This is the second report after the establishment of our ESG Committee. The implementation of our ESG strategy led us to a significant improvement of our ratings this past year, both in sustainability metrics by disclosure on S&P Global CSA, as well as in disclosure to CDP, ranking high among the companies of marine transport sector. In addition, we have published our Low Carbon Transition Plan, which provides the roadmap with progressive steps to the ultimate target of low carbon emission future by demonstrating our commitment and progress monitoring on climate initiatives, as well as milestones on the way to carbon neutrality.

This report is an overall presentation of our annual performance, ESG strategy and targets. We are extremely pleased to present our environmental, social, safety and governance performance for 2024, along with our work in a broader range of specific commitments and initiatives to support our employees, suppliers, customers and communities within which we operate around the world.

Danaos Corporation operates based on three fundamental pillars: efficiency, safety and reliability, so as to create value for our stakeholders by pursuing environmentally responsible and sustainable solutions. The Report has been created in accordance with the Global Reporting Initiative (GRI) and SASB and covers the financial period from January 1st, 2024, to December 31st, 2024, in alignment with the financial report.

Danaos Corporation Overview

Danaos Corporation is a global leader in maritime shipping, specializing in the ownership, chartering and management of containerships and dry bulk vessels. With decades of industry expertise and strong partnerships with the world's premier liner companies, Danaos plays an essential role in facilitating global trade and supply chain efficiency.

Our fleet is continuously evolving to meet market demands. Currently, we operate 73 containerships (including two BB-chartered vessels) with a total capacity of 465,463 TEUs. Looking ahead, our ongoing expansion efforts include 16 newbuild containerships, expected to increase our fleet capacity by 134,234 TEUs, further reinforcing Danaos as one of the top containership leasing companies globally in terms of TEU capacity.

Danaos' business model is built on operational stability and efficiency, deploying our containership fleet under long-term charters with leading global liner operators. Our diverse and reputable customer base includes CMA-CGM, MSC, Yang Ming, Hapag Lloyd, ZIM, Maersk, COSCO, OOCL, ONE, PIL, Sealead, Niledutch, Samudera, OSC, ILS and Arkas, reflecting our strong market positioning and trusted industry relationships.

In addition, to our containership operations, Danaos maintains a strategically-managed dry bulk segment, consisting of 10 Capesize bulk carriers with a total deadweight tonnage (DWT) of 1,760,677. These vessels primarily operate under short-term time charters and voyage charters, allowing Danaos to maintain market flexibility while optimizing asset utilization.

At the heart of Danaos' success is our commitment to technological innovation, operational excellence and environmental sustainability. By integrating advanced fleet management systems and eco-efficient technologies, we continuously enhance safety, efficiency and fuel optimization, aligning with global decarbonization and sustainability objectives. This forward-thinking approach has solidified Danaos' reputation as a trusted and responsible partner in the maritime sector.

Our corporate headquarters are based in Piraeus, Greece, supported by a global operational network that includes crewing offices in Cyprus, Russia, Ukraine and Tanzania, as well as site offices in South Korea (Republic of Korea) and China. This strategic geographic presence enables real-time fleet management, crew coordination and technical oversight, ensuring seamless global operations.

Danaos' strategic direction is overseen by our Board of Directors and Executive Officers, while Danaos Shipping Co. Limited serves as our exclusive fleet manager, ensuring day-to-day operational excellence. Through a comprehensive management agreement, Danaos Shipping provides technical, administrative and commercial management services, aligning our operations with our Environmental, Social and Governance (ESG) commitments. We actively track progress using measurable ESG performance indicators, ensuring accountability, transparency and continuous improvement in sustainable operations.

This report encompasses Danaos Corporation, its subsidiaries and affiliates, including Danaos Shipping Co. Limited referred to collectively as "Danaos," "the Company," or "we." As a publicly traded company listed on the New York Stock Exchange (NYSE) under the ticker "DAC", Danaos Corporation is committed to corporate transparency, responsible business practices and sustainable growth, reaffirming our role as a key player in the global maritime industry.

2024 At a Glance

KEY PERFORMANCE INDICATORS (KPIs)

81

Vessels

71 Containerships &
10 Capesize bulk carriers

6,509,858 nm

Distance Traveled

24,951

Operating Days
of Containerships

3,164

Operating Days
of Bulk carriers

5,469,223

DWT Containerships

1,760,677

DWT Bulk carriers

218

Shore Employees

1,875

Seafarers

5

Offices

452,463

TEU

71 Containerships

4,389

Port Calls

Environmental	2023 Container	2023 Bulk	2024 Container	2024 Bulk
Total Fuel Consumption HFO-LFO (MT)	959,174	9,283.1	1,097,075	71,665
Fuel Consumption – MGO (MT)	39,590	115.4	33,574	2,055
Fuel Consumption – Biofuel (MT)	13,924 mt EU RED certified (Total 26,117.345 MT)	0	15,742 mt EU RED-II certified	0
Fuel Consumption – Power Efficiency Index	31.8 % (for 66 vessels)		35.2%	
AER Value (gr/DWT*miles)	7.31	2.44	7.48	2.65
	All fleet 7.18		All fleet 6.72	
Reduction in CO_2 emissions per ton*miles compared with the IMO' 2030 carbon intensity targets	48.5%		51.4%	
Emissions SO_x (tn SO_x)	8,685	91	9,624	906
SO_x Eff (grSO_x/tn*miles)	0.04	0.02	0.04	0.03
NO_x (tn NO_x)	94,996	883	107,813	6,940
NO_x Eff (grNO_x/tn*miles)	0.44	0.24	0.43	0.2
GHG Emissions Intensity (grCO_2/tn*miles)	14.15	8	14.22	6.49
	All fleet 14.05		All fleet 13.26	
Scope 1 Emissions (MT CO_2eq.)	3,119,979		3,799,558	
Scope 2 Emissions (MT CO_2eq.)	364.7		305	
Scope 3 Emissions (MT CO_2eq.)	289,789		340,327	
Total Freon Capacity (tns)	24		29.9	
Total Freon Losses (%)	8.84%		10.5%	
Plastics Recycling (m^3)	2,336.33		2,556.99	
Cooking Oil Recycling (m^3)	14.42		16.87	
E-Waste Recycling (m^3)	102		115	
Ashes (m^3)	24		66.4	
Incidents of non-compliance with environmental laws and regulations	0		1	
Total Ballast (m^3)	5,397,827		12,270,328	
Ballast Operated compared to last year	11% (increase)		127% (increase)	
Change in FO consumption per ton of ballast operated compared to last year	52.7% (decrease)		134% (Increase)	

Social	2023	2024
Office employees[1]	173	218
Seafarers[2]	1,718	1,875
Employee Hires	50	61
Contractors	0	0
% Of Women Employees	37%	39%
% Of Women in Managerial Positions	19%	17%
Average retention rate (office employees)	87%	92%
Average retention rate (crew)	81.08%	89.12%
Training hours (office employees)	3,367	3,247
Training hours (crew)	34,077	48,468
Marine Accidents with casualties	None	1
LTIs	35	48
LTIF Rate	2.57	3.03
Near Misses Reports	309 (Containers) 13 (Bulkers)	419

1 All office employees are working full time and on permanent basis.
2 All seafarers are on a contract basis.

Governance – Operations	2023	2024
Number of Offices	5	5
Number of Vessels	73	81
Operating Days	23,888	28,115
DWT	4,955,335 DWT for Containerships 1,231,157 DWT Bulk carriers	5,469,223 DWT for Containerships 1,760,677 DWT Bulk carriers
Distance Travelled	5,751,220	6,509,858
TEU	421,293 TEU (66 Containerships)	452,463 TEU (71 Containerships)
Port Calls	4,483	4,389
Number of Material Topics	20	20
Number of internal policies, codes, guidelines	12	13
Number of committees	4	4
Number of Board Members	6	6
Number of Independent Board Members	4	4
Port calls in countries in the 20 lowest rankings of Transparency International's Corruption Perception Index (CPI)	0%	0.05%
Number of bribery, fraud, corruption incidents of bribery, fraud, corruption incidents	0	0
Internal Assurance Audits	50	54
Material weaknesses or significant deficiencies were identified through internal assurance or external financial audits	0	0
Internal audits (ISM/ISPS related)	86	105
Third party audits (ISM/ISPS related)	48	36
MLC inspections	57	22
Inspections without deficiency	55%	49%
Inspections per Vessel	2.9	2.81
Deficiency/Inspection	2.13	2.15
ISM related	30.3%	25%

Our Mission

We strive to deliver safe, efficient and cost-effective seaborne transportation, as well as to remain the preferred choice among containerships and dry-bulks owners and to create shareholder value.

To achieve our goals, we make significant investments in our operational, technical and financial infrastructure, while pursuing sustainable and ecologically friendly solutions.

Our Vision, Our Values

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

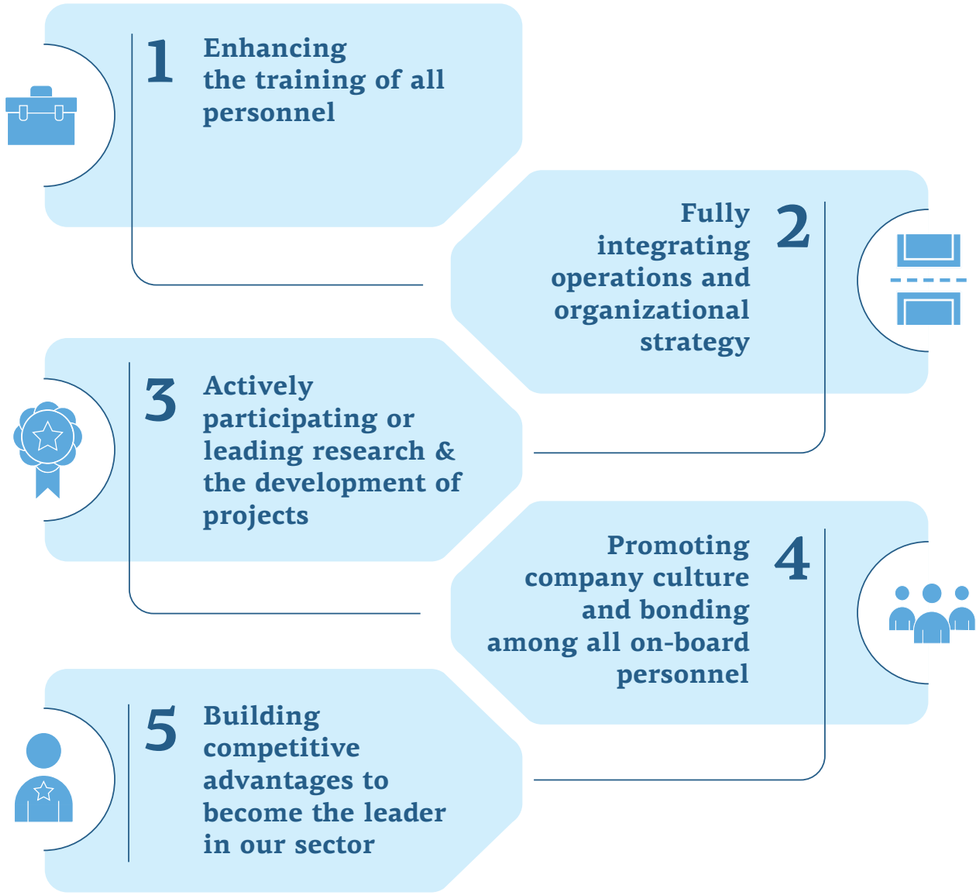


Figure 1: The Danaos company vision/values

Global Operation

Far East - U.S. East Coast
Far East - U.S. West Coast
Far East - Central America
Far East - Southwest America
Far East - U.S. West Coast- Southwest America
Far East - Latin America
Far East - Canada
Far East - India- Latin America
Far East - India
Far East - East Africa
Far East - West Africa
Far East - West Africa- Europe
Far East - West Africa India
Far East - South Africa- Latin America
Far East - India - South Africa - West Africa
Far East - India - West Asia
Far East - West Asia

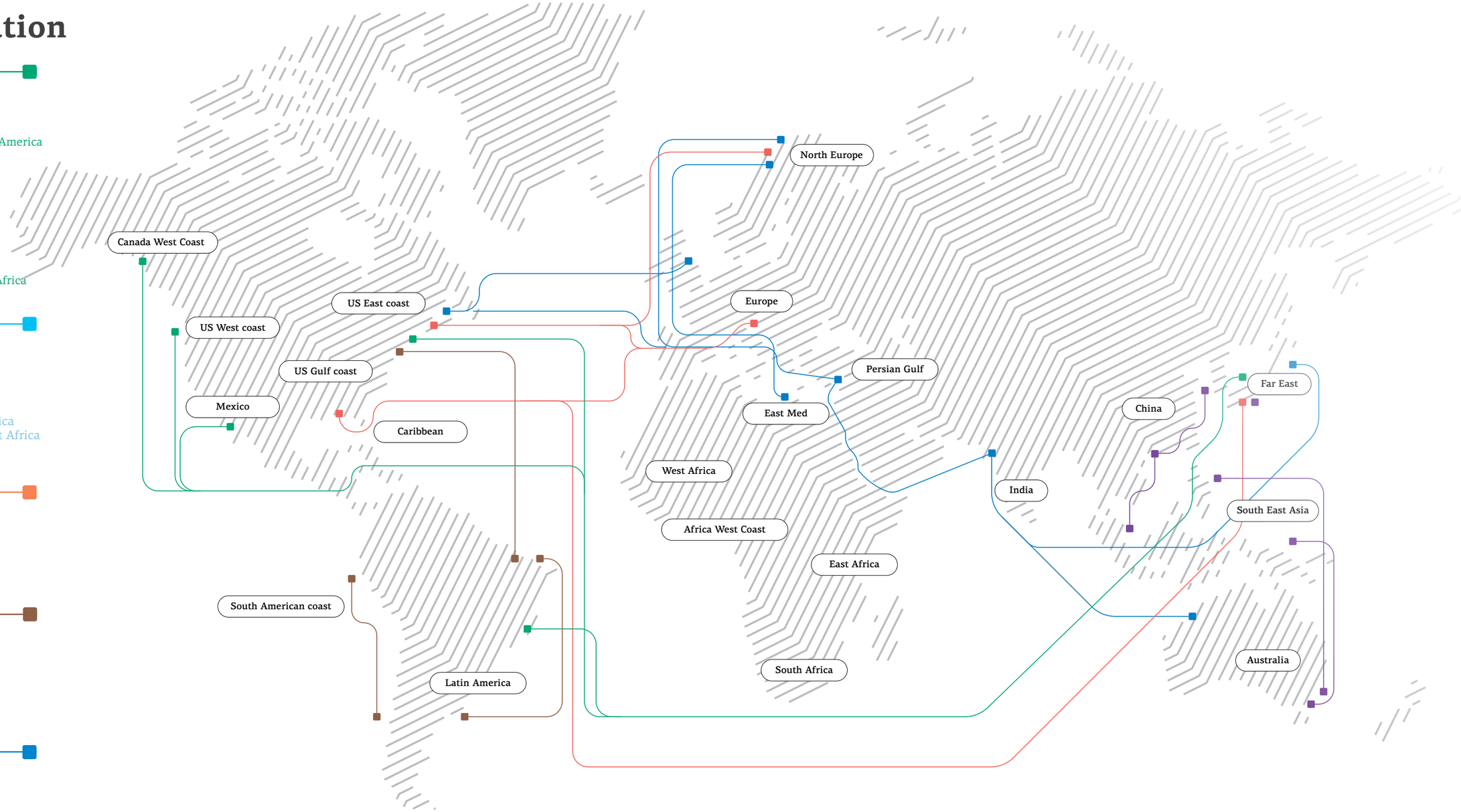
Far East - India - Latin America
Far East - India
Far East - East Africa
Far East - West Africa
Far East - West Africa- Europe
Far East - West Africa India
Far East - South Africa - Latin America
Far East - India - South Africa - West Africa
Far East - India - West Asia
Far East - West Asia
Far East

Far East - North Europe - Med
Far East - Med
Far East - Med - U.S. East Coast
Far East - Med - South Europe
Far East - Med - Australia
Far East - Med - West Africa
Far East - Australia
Far East - Australia & West Africa

U.s. East Coast - Latin America
U.s. East Coast - South America
U.s. East Coast - West Africa
U.s. East Coast - Europe
U.s. East Coast - North Europe
U.s. East Coast - Med
U.s. East Coast - India
U.s. West Coast - South Europe
U.s. West Coast - Australia

Europe - East Africa
North Europe - Med - West Asia
North Europe - Latin America
Med - West Africa
Med - India

India - West Asia
India - Far East - US West Coast
East Africa - India
East Africa - West Asia



Countries of Operation

Angola, Argentina, Australia, Bahamas, Bahrain, Belgium, Belize, Benin, Brazil, Cameroon, Canada, Chile, China, Columbia, Comoros, Congo Republic, Costa Rica, Côte d'Ivoire, Croatia, Dominican Republic, Ecuador, Egypt, France, French Polynesia, Germany, Ghana, Gibraltar, Greece, Guadeloupe, Guatemala, Guinea, Honduras, Hong Kong, India, Indonesia ,Iraq, Ireland, Italy, Jamaica, Japan, Jordan, Kenya, Lebanon, Malaysia, Malta, Martinique, Mauritania, Mauritius, Mexico, Morocco, Namibia, Netherlands, New Zealand, Nigeria, Oman, Pakistan, Panama, Peru, Philippines, Portugal, Qatar, Réunion, Romania, Saudi Arabia, Senegal, Singapore, Slovenia, South Africa, South Korea, Spain, Sri Lanka, Taiwan, Tanzania, Thailand, Togo, Trinidad and Tobago, Turkey, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United States of America, Vietnam.

Our ESG Strategy

This ESG Report covers the period from January 1 to December 31, 2024, and highlights our environmental, social and governance (ESG) initiatives, addressing our stakeholders' expectations with transparency and thoroughness.

Recognizing our responsibility as a member of society, our ESG strategy serves as a strategic roadmap toward building a more sustainable and resilient organization. In everything we do, our ESG agenda and sustainability initiatives remain at the forefront.

At Danaos, sustainability is both a cornerstone of our corporate culture and a vital driver of our decision-making process. We uphold the highest operational standards both on board and onshore, ensuring an ethical, safe and environmentally clean environment for all. We regularly measure our performance against our commitments, refining our approach as needed—and we are proud to share that we have made significant progress on our ESG journey:

The Danaos Low Carbon Transition Plan (LCTP), published in 2022 and updated annually, offers a comprehensive overview of our dedication to climate action and describes our decarbonization strategy.

- The Danaos Low Carbon Transition Plan (LCTP), published in 2022, offers a comprehensive overview of our dedication to climate action and decarbonization strategy, surpassing the targets set by the IMO. It reflects our aspirations to align with the 1.5°C pathway and adhere to internationally recognized goals for both the near and long term.

  Our primary avenues for reducing carbon emissions include implementing technologies to enhance fuel efficiency and minimize process emissions, investing in a greener fleet and incentivizing our suppliers to reduce their carbon footprint. The LCTP aims to achieve a 50% reduction in Energy Efficiency Operational Index (EEOI) by 2030 compared to 2008 levels, with the ultimate goal of attaining carbon neutrality by 2050.

  Key initiatives such as the adoption of Shadow Carbon Pricing play a pivotal role in realizing the objectives outlined in the LCTP. By aligning our environmental vision with targets beyond those set by the IMO, including the Sustainable Development Scenario (SDS) and Nationally Determined Contributions (NDC) under the United Nations Framework Convention on Climate Change (UNFCCC), we underscore our commitment to environmental stewardship and sustainable practices. The LCTP is updated on an annual basis ensuring transparency and continuous alignment with environmental goals and regulatory changes. This approach strengthens accountability and strategic adaptability.

- In 2023, we reported our key sustainability metrics to the S&P Global Corporate Sustainability Assessment (CSA), allowing us to showcase our performance across abroad spectrum of sector-specific economic, environmental and social criteria. As a result, we achieved a rating of "40" and placed in the top 20% of the "Transportation and Transportation Infrastructure" sector. Notably, we excelled in the Environmental pillar, ranking among the top 10% in the sector. Building on these accomplishments, Danaos further advanced its performance in 2024, attaining an **S&P Global ESG Score** of "51" that results in being ranked in the top 14% of the companies of the industry and in the top 5% in terms of environmental performance! In comparison to our benchmark peers, we ranked in the average high group and significantly outperformed the sector's average. Specifically, we stood much higher than the benchmark group average in the Environmental pillar. In the Governance pillar, we ranked slightly above both the benchmark group and the industry average, while in the Social pillar, we remained slightly below the benchmark group average, but still above the industry average.

Danaos further advanced its performance in 2024, attaining an S&P Global ESG Score of "51" that results in being ranked in the top 14% of the companies of the industry and in the top 5% in terms of environmental performance!

- In 2023, we reached a significant milestone by disclosing our environmental risks, opportunities and short-term targets through the Carbon Disclosure Project (CDP). In the "2023 CDP Climate Change Response Assessment," we earned a B- score, which was also reflected in our CDP Supplier Engagement Rating. This evaluation, conducted by CDP—a global sustainability assessment organization—highlights our progress in climate change strategies, greenhouse gas emissions management and reduction efforts.
  It also underscores our commitment to transparency and continuous improvement. In 2024, we disclosed to CDP our water-related activities for the first time and we earned a B- score, while we earned a C score for climate disclosure, indicating that Danaos is demonstrating some evidence of effectively managing its environmental impact. This rating reaffirms our dedication to advancing our sustainability initiatives and striving for further enhancements in our environmental performance.

In the context of our commitment to high ESG standards and incorporating sustainability into our operational processes, business activities and strategy in all lifecycle steps, within 2022 for the first time, we released a vendors' ESG questionnaire that will allow our company to evaluate our partners and gain a better understanding of our supply chain's operation.

Sustainability must be embedded across all levels—from ownership policies to individual mindsets— and is key to making lasting change. When every crew member and employee understand their role and the collective responsibility, it strengthens the entire organization's commitment to sustainability. This is what we strive for by investing in continuous training to build awareness and encourage sustainable practices in day-to-day operations.

Danaos is currently developing a revised ESG strategy for the period 2025-2028. Building on the existing framework in place until 2025, the updated strategy will integrate emerging industry practices and evolving stakeholder expectations. This approach aims at enhancing our commitments to sustainability, environmental protection and effective governance, ensuring that Danaos remains responsive to the challenges and opportunities within the maritime sector.

The Board use their combined global experience to regularly discuss, debate and agree on our strategy to achieve the highest level of ESG and operational performance whilst ensuring our continued competitiveness.

Iraklis Prokopakis
Vice Chairman of the Board and ESG Committee Chair

Materiality Assessment

In 2023, we conducted a Double Materiality Assessment to enhance our approach to sustainability and risk management, integrating its findings with our Risk Management processes. This assessment provided a comprehensive understanding of ESG impacts and associated risks, informed by sector materiality, stakeholder expectations, legal commitments and strategic alignment.

For the 2024 reporting cycle, we have maintained the material topics identified in the 2023 assessment. While we did not conduct a new Double Materiality Assessment this year, we continue to rely on the insights gathered through last year's extensive engagement with our key stakeholders—including employees, charterers, insurers, financial institutions, suppliers and the management. These insights remain highly relevant and reflective of our industry's evolving sustainability landscape.

The material topics identified in 2023 remain aligned with our Sustainability (ESG) Strategy, which emphasizes improving ESG rating performance, achieving IMO goals and ensuring transparency through the annual disclosure of ESG data. We remain committed to addressing these material topics and will reassess our materiality approach in future cycles, as needed, to reflect emerging risks and opportunities.

We continue to rely on the insights gathered through last year's extensive engagement with our key stakeholders—including employees, charterers, insurers, financial institutions, suppliers and the management. These insights remain highly relevant and reflective of our industry's evolving sustainability landscape.

Governance	Environmental	Social
1. Economic Performance	12. Energy	18. Employment
2 Indirect Environmental Impacts	13. Water and effluents	19. Human rights policy
3. Procurement Practices	14. Biodiversity	20. Labor/Management Relations
4. Anti-Corruption	15. Emissions	21. Occupational health and Safety
5. Tax	16. Waste	22. Training and Education
6. Monitoring & Mechanisms	17. Suppliers Environmental Assessment	23. Diversity and Equal Opportunities
7. Regulatory compliance		24. Non-discrimination
8. Business ethics		25. Child Labor
9. Strategy & Risk Management		26. Forced and Compulsory Labor
10. Transparency		27. Security Practices
11. Roles & Responsibilities		28. Local Communities
		29. Supplier Social Assessment
		30. Public Policy
		31. Customer Privacy

Table 1: The numbering of the material topics of the matrix table.

The material topics presented below are determined by the outcome of the 2023 materiality assessment in conjunction with the 2021 Sustainability ESG strategy and the 2025-2028 Sustainability ESG strategy.

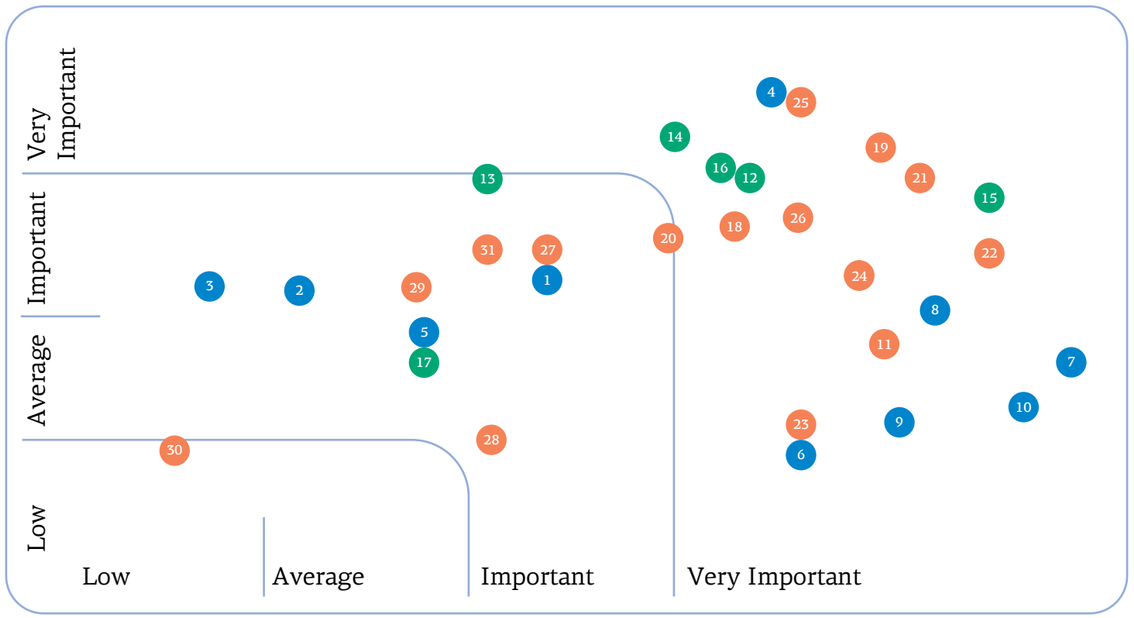


Figure 2: The materiality matrix from 2023.

ENVIRONMENTAL

Energy

Water
& effluents

Emissions

Biodiversity

Waste

SOCIAL

Occupational Health
& Safety - Zero Accidents

Humans' rights
policy

Training
and Education

Diversity & Equal
opportunities

Non -
discrimination

Child Labor

Forced and
Compulsory Labor

Security Practices

GOVERNANCE

Anti -
Corruption

Monitoring &
Mechanisms

Regulatory
compliance

Business
ethics

Strategy & Risk
Management

Transparency

Roles
& Responsibilities

Figure 3: Material Topics for the years 2023-2024.

An ongoing dialogue with our stakeholders is of paramount importance so that through our actions and targets we can fulfill their needs and concerns. Moving forward, we are regularly developing full materiality assessments in which stakeholders are asked to map out sustainability issues according to their importance.

Our Commitments - 2025 Goals in Progress

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

The table below lists Danaos' sustainability plan for 2025 and summarizes our commitments to ESG and their status.

Environmental

STATUS 2024 | 2025 — 2030

Embedded

EMISSIONS
- 47.5% reduction of CO_2 emissions intensity by 2025 (baseline 2008 IMO) ($grCO_2$/ tones x miles).
- Exhaust gas Cleaning Systems (scrubbers) have been installed, certified and are now in operation onboard 17 Danaos vessels (including 6 NBs delivered in 2024 and 2 bulk carriers acquired in 2024).
- 25% of vessels will be equipped with AMPs to ensure full power with less emissions.

MARINE POLLUTION, CONSERVATION & BIODIVERSITY
- Work with vessels to ensure zero significant spills.
- Successful installation, certification and operation of Water Ballast Treatment systems for the whole fleet.

WASTE REDUCTION
- Zero waste overboard. No paper to landfield from our offices.

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

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 -UK MRV emission reporting schemes through our advanced WAVES data analytics platform.
- Monitor and report company's fleet emissions and energy efficiency indices in our annual report.

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

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

In Progress

EMISSIONS
- Full alignment with the IMO 2030 targets for carbon intensity and the 2050 targets for net-CO_2 emissions (carbon neutral by 2050).
- By 2050, all newbuilds are to be carbon neutral, transitioning to alternative fuels subject to availability, as well as technological and regulatory readiness.
- Participating in Joint Industry Projects (JIP) investigating the use of alternative fuels to improve combustion and reduce the carbon footprint of vessels.

WASTE REDUCTION
- Reduction of waste volume onboard vessels by 50%.

INNOVATION
- Work on the full digitalization of company processes, ensuring close control and prompt response promoting fuel efficiency.
- Continuous study and research on technical measures and design retrofits, aiming at improving vessel performance.
- Support R&D research activities on the study and investigation of the use of alternative fuels and innovative technologies.

MEMBERSHIPS
- Become a member of the Methanol Institute.

CO_2 emissions' intensity reduction

Target 47.5%

Status 51.4%

Embedded

51.4% reduction in 2024 vs 2008.

WBT System Installation Status

Target 100%

Status 100%

Embedded

By the end of 2024 100% of the Fleet is already equipped with WBT (1 vessel completed in 2024).

AMP Installation Status

Target 25%

Status 39%

Embedded

39% of Container vessels already fitted with AMP in 2024 and 35% of total fleet fitted with AMP in 2024.

Waste reduction - Compactors installation status

Target 100%

Status 61.7%

In Progress

In 2024 garbage compactors installed in 26 vessels, total 47 vessels and 3 vessels already fitted (all fleet to be installed by 2025). By the end of 2024, 61.7% of the Fleet is already equipped with compactor and 70% of the Container Fleet is already equipped with compactor.

Social Targets

STATUS 2024 | 2025 — 2030

Embedded

CHILD AND FORCED LABOR
- No child or forced labor permitted in our own operations.
- Screening our significant suppliers to preclude child or forced labor.
- Screening our significant suppliers to comply with Human Rights, Equal Opportunities and Non-Discrimination Policies.

TRAINING & DEVELOPMENT
- All staff trained on Health, Safety, Social and Environmental (HSSE) risks.
- Offer summer internship programs.
- Ensure company culture of sustainability is in place onboard and ashore.
- Ongoing monitoring of personnel career development and training.

CREW RETENTION
- Maintain annual crew retention rates above 80%.
- Compliance with ILO requirements for seafarers.

PROCUREMENT
- Establish a sustainable procurement policy and screening of our suppliers.

EMPLOYEE RETENTION
- Expand diversity and equal opportunities.
- Maintain annual employee retention rates above 90%.

SAFETY
- Screening our significant suppliers for Safe Working Condition policies in place.

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 University Students.
- We commit to increase our social impact by 30%.

Crew retention

Target 80%

Status 89.12%

Embedded

89.12% Crew retention rate in 2024.

Employee retention

Target 90%

Status 92%

Embedded

92% Employee retention rate in 2024.

Zero fatal accidents

Target ZERO

Status 2

In Progress

On January 8, 2024, at about 03:31 LT, a fire broke out in the engine room of our c/v STRIDE while she was alongside at Barbours Cut Marine Terminal in LaPorte, TX, USA. As a result of the fire, two crew members died on scene, and one was seriously injured.

In Progress

SAFETY
- Maintain our LTIF significantly lower than the industry averages.
- Zero fatal accidents

Governance Targets

STATUS 2024 | 2025 — 2030

Embedded

CORRUPTION
- Zero Tolerance to bribery and corruption.
- Screening our significant suppliers to comply with anti-corruption policies.
- Establish partnerships with sustainable and anti-corruption initiatives.

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

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

WHISTLEBLOWING
- Provide a confidential and effective whistleblowing system for reporting violations.

ESG Suppliers Questionnaire

Target 100%

Status 66%

In Progress

ESG Suppliers Questionnaire was addressed to all Danaos significant suppliers.

66% of them replied. Assessment resulted in zero significant suppliers being excluded from the approved list of suppliers.

In Progress

CORRUPTION
- 100% of significant suppliers to be assessed.

DIVERSITY
- 25% women as Board Members and Executives.

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

Our ESG Goals and Commitments to the SDGs

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

Our ESG goals are outlined in the bullets below:

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

Table 2: 2028 strategy & ESG Goals for 2025-2030.

Environmental

COMMITMENTS TO DECARBONIZATION	50% reduction of CO_2 emission intensity by 2030 (Baseline 2008 IMO) (grCO_2/tones * miles)
	40% of containers will be equipped with AMPs for power with less emissions by 2028
	Carbon Neutral by 2050
MARINE POLLUTION AND CONSERVATION	Danaos will work with vessels to ensure zero significant spills.

Social

HEALTH AND SAFETY: PROMOTE ZERO ACCIDENT VISION	Zero Fatal Accidents and Improvement in Serious Accidents Rate
TRACKING KEY SUPPLIERS' SUSTAINABILITY PERFORMANCE	100% of suppliers* to be assessed. Improvement of Tier I suppliers 'ESG score by 20% by 2028
ANTI-CORRUPTION	Zero corruption incidents
CREW WELFARE & WELLBEING	Implementation of crew welfare & wellbeing program
MAXIMIZE OUR SOCIAL IMPACT	Increase further Social Impact by 2028

Governance

PROMOTE DIVERSITY IN THE BOARD OF DIRECTORS AND EXECUTIVE LEVEL	25% of the Board Members and Directors to be female
IMPROVING KEY ESG RATING PERFORMANCE	Increase and or maintain ESG ratings in the most important Agencies
CUSTOMER SATISFACTION	>90% of customers to be satisfied
TRANSPARENCY AND DISCLOSURE	Publish an ESG report on an annual basis and complying with the most important ESG Standards
ETHICAL BUSINESS CONDUCT	100% implementation rate
DIGITALIZATION	100% digitalization of company processes by 2027 Introduction and use of AI by 2027

SDGs	SDG sub-targets most applicable to the National FFA Sustainability Plan
2 ZERO HUNGER	**Target 2.1:** By 2030, end hunger and ensure access by all people in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round. **Target 2.3:** By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value-addition and non-farm employment. **Target 2.4:** By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.
4 QUALITY EDUCATION	**Target 4.3:** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. **Target 4.7:** By 2030, ensure that all learners acquire the knowledge and skills to promote Sustainable Development, including among others, through education for Sustainable Development.
5 GENDER EQUALITY	**Target 5.5:** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.
8 DECENT WORK AND ECONOMIC GROWTH	**Target 8.3:** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation and encourage the formalization and growth of micro- small and medium sized enterprises, including through access to financial services.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Target 12.3:** By 2030, achieve the sustainable management and effective use of natural resources.
13 CLIMATE ACTION	**Target 13.3:** By 2030, improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.
15 LIFE ON LAND	**Target 15.9:** Integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.

Stakeholder Engagement

Charterers

Suppliers

Financial Institutions

Regulatory Bodies

Industry Organizations

Employees & Crew

When it comes to our strategic planning, stakeholder engagement is critical. Danaos established a Stakeholder Engagement Policy to guide the relationships with the stakeholders. An ongoing dialogue with our stakeholders is of paramount importance so that through our actions and targets we can fulfil their needs and concerns. Moving forward, we are regularly developing full materiality assessments, in which stakeholders are asked to map out sustainability issues according to their importance. In determining if an issue is material, we consider our impacts across the value chain through the involvement of our main stakeholders. We update our assessment each year to make sure it reflects changes in our business and the external environment. In addition, we have initiated a customer satisfaction survey to gauge communication with this crucial stakeholder. Addressing each issue related to the ESG (environmental, social and governance) factors enables us to design a sustainability strategy accordingly and defines our reporting and actions.

Our Stakeholders	What they expect from us	Communication Channels and Frequency of Engagement
EMPLOYEES (OFFICE STAFF & SEAFARERS)	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. Relative material topics: • Anti-corruption • Energy • Emissions • Waste Management • Occupational Health and Safety • Training and education • Biodiversity	We support an ongoing open communication between management and employees. Engagement is achieved also through monthly internal meetings, as well as an annual management review report. We host regular team-building activities and employee welfare initiatives, and we hold regular employee satisfaction surveys.
CUSTOMERS (CHARTERERS)	Our customers expect high quality and flexible services, provision of ongoing and accurate support, flexibility regarding their requirements, transparency and conducting business in a sustainable manner (ethical, safe, environmentally friendly, respect human rights). Relative material topics: • Economic Performance • Anti-corruption • Anti-competitive behavior • Energy • Emissions • Customer Privacy	We engage with our customers through meetings, in order to share information on action plans and long-term strategy. We work closely with our customers to develop services that promote sustainability, and we participate in our customers' benchmarking systems and sustainability assessments. We have a customers' "Added value" program in place.
FINANCE RELATED (BANKS)	Our finance-related stakeholders are interested in our company's creditworthiness and financial performance, accurate information, risk control and assessment and in the company's robust management processes and long-term growth. Relative material topics: • Economic • Performance • Anti-corruption • Occupational Health & Safety • Training and Education • Diversity and Equal Opportunities • Child Labor • Forced and • Compulsory Labor • Security Practices	We are in daily communication with our finance-related stakeholders through our contracts, our financial reports, progress meetings, our corporate presentation and, in general, our day-to-day transactions.
GOVERNMENT OFFICIALS AND AUTHORITIES (PORT STATE CONTROL)	Government officials and agencies expect us to be compliant and consistent, to conduct safe and environmentally friendly operations, to implement quality standards, to do our due diligence and to generate economic growth. Relative material topics: • Anti-corruption • Emissions • Waste Management • Occupational Health and Safety	We engage with government officials and authorities through notices/instructions about latest rules and requirements, through the results of our inspections and auditing programs and through formal dialogue and communication channels.
INTERNATIONAL AND INDUSTRY ORGANIZATIONS AND REGULATORS (E.G. IMO, HELMEPA)z	These stakeholders expect our active participation, collaboration and support, to be up-to-date and compliant with new requirements, to operate in an ethical manner and to promote the internal sustainability culture. Relative material topics: • Regulatory Compliance • Waste Management • Occupational Health & Safety	We engage through annual and ad-hoc meetings, memberships, audits, participation in high-level meetings, steering groups, committee, councils, forums and projects, as well as through the formation of joint action plans.
SUPPLIERS (PORT AGENTS, MANUFACTURERS, SHIPYARDS)	Our suppliers expect fair and long-term cooperation, timely execution of our financial responsibilities, timely notification of any significant changes and exchange of knowledge and business opportunities. Relative material topics: • Anti-corruption • Anti-competitive behavior • Emissions • Occupational Health & Safety • Training and Education • Diversity and Equal Opportunities • Non-discrimination • Child Labor • Forced and Compulsory Labor • Security Practices	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. We have a sustainable procurement policy in place to ensure effective implementation of suppliers ESG programs required to identify and assess material risks and impacts. Detailed description can be found in the corresponding section in current ESG report.
SOCIETY (NGOs, LOCAL COMMUNITIES)	Our social stakeholders expect from us to support social and economic development, to conduct our business in an ethical manner and protect human rights, to provide employment opportunities and to participate in initiatives in order to support social and environmental causes. Relative material topics: • Emissions • Occupational Health and Safety	We 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.

Table 3: Our Stakeholders

Key Partnerships

Sharing expertise and collaborating with others in the sector is key to driving collective progress toward sustainability goals. We are actively pursuing membership in industry associations and committees, in order to contribute to the progress of the shipping industry via the exchange of expertise, as well as the support and promotion of sustainability concerns.

In 2024, Danaos officially joined the **United Nations Global Compact,** the world's largest corporate sustainability initiative, strengthening its commitment to Sustainability and Corporate Responsibility. By joining the UN Global Compact, we reaffirm our commitment to align our practices and operations with universal principles in the areas of human rights, labor standards, the environment and anti-corruption. Through our participation, we will engage with stakeholders globally and collaborate to advance progress towards the UN Sustainable Development Goals (SDGs).

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

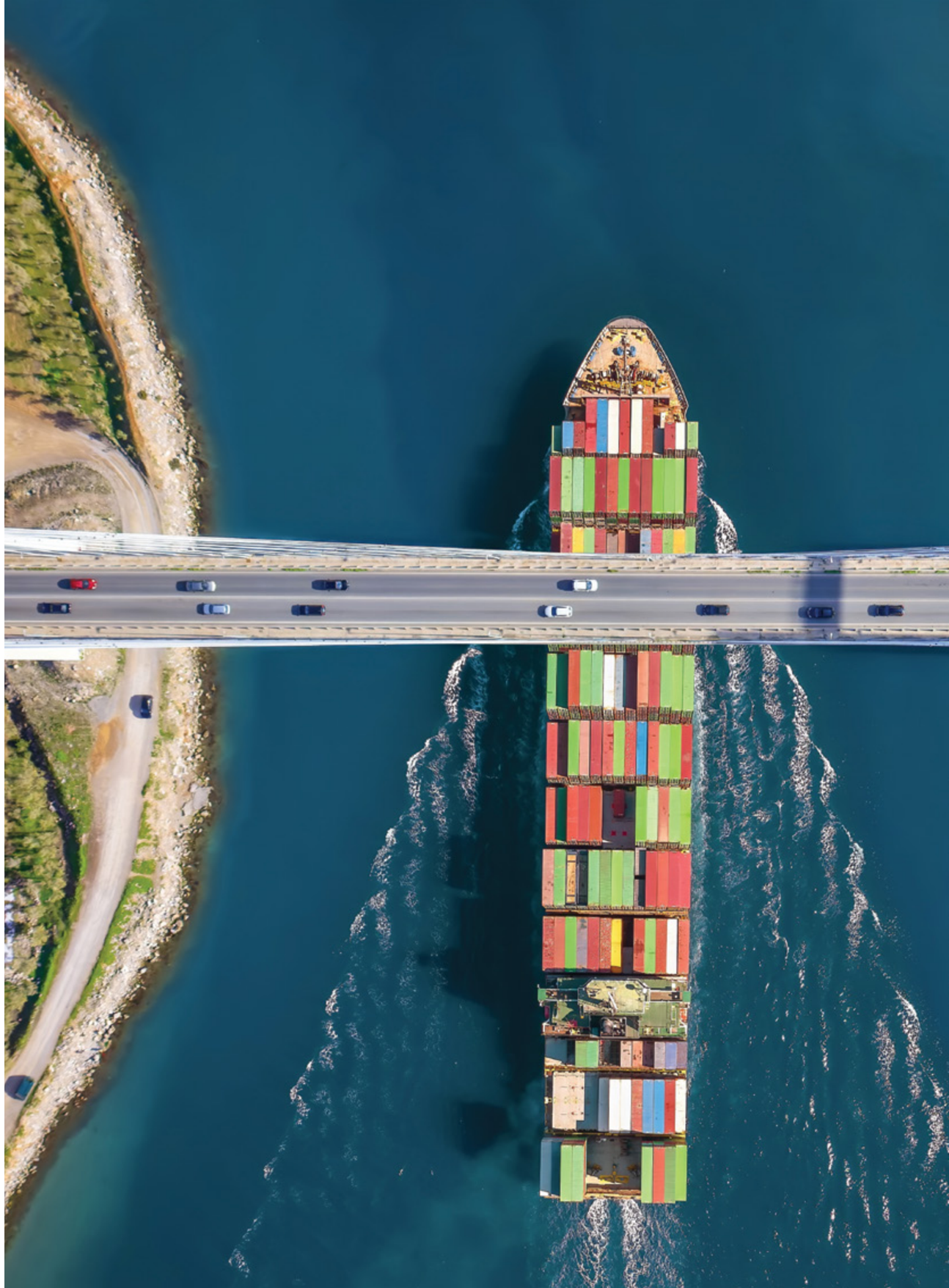
We have also been members of the **Ammonia Energy Association (AEA)** since July 2024, attending meetings and staying up-to-speed on all the latest advancements in the usage of ammonia in the marine sector.

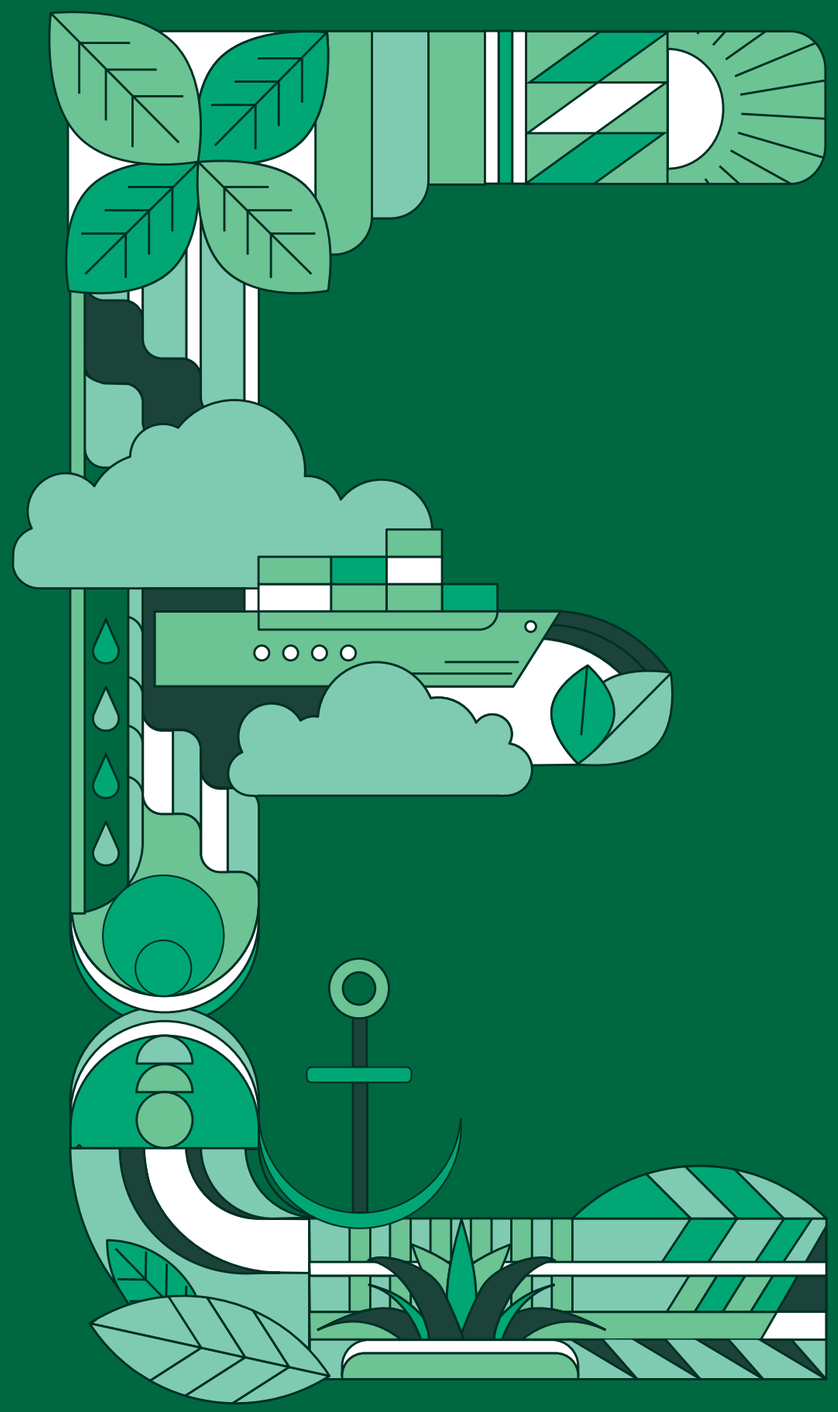
Our voluntary enrolment in the **Environmental Ship Index (ESI)** underscores Danaos' dedication to enhancing vessel environmental performance and supporting client sustainability initiatives. Leveraging ESI data can further strengthen emission-reduction strategies and regulatory compliance and client partnerships.

Poseidon Principles and Climate bond initiatives are also explored to verify fleet's compliance.

Danaos has taken measures to address the loss of biodiversity through the incorporation in our Waves online fleet monitoring system of areas under the **"SAvE Whales"** initiative, that is aiming to materializing a state-of the art alerting system for avoiding strikes of ships with these mammals. We are also addressing **the "Blue Whales Blue Skies"** initiative in a geofencing-like approach and raising concern to our clients with our vessels chartered on calling these regions for compliance with the voluntary speed reduction.

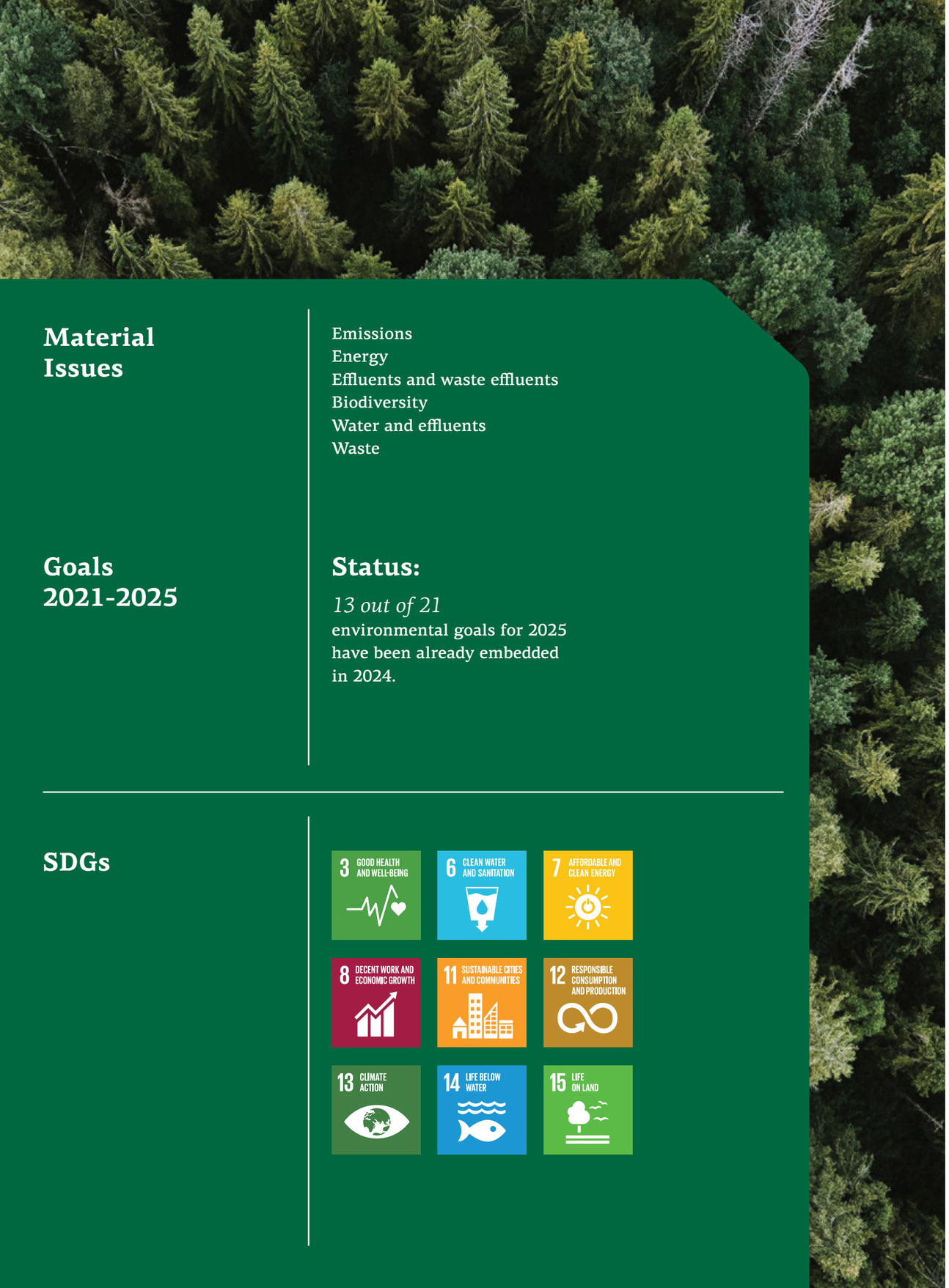
In 2024, Danaos officially joined the United Nations Global Compact, the world's largest corporate sustainability initiative, strengthening its commitment to Sustainability and Corporate Responsibility.





ENVIRONMENT

We acknowledge that environmental protection and adaptation to climate change is a great opportunity to reshape our operations, aiming to become a positive contributor. Climate-related risk assessment helps us define our strategy, align our investment decisions and adopt our actions, making the most of our operations on a risk-conscious basis.



Material Issues

Emissions
Energy
Effluents and waste effluents
Biodiversity
Water and effluents
Waste

Goals 2021-2025

Status:

13 out of 21
environmental goals for 2025 have been already embedded in 2024.

SDGs

Climate-Related Risks and Policies

When it comes to climate change, we recognize the necessity of following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to categorize, manage and report on climate-related risks of both categories (physical and transition).

Our commitment is net zero GHG emissions by 2050, pursuing efforts to be net zero earlier-subject to technology and shipyards' slot availability. In Danaos, we have implemented numerous energy-efficiency measures and developed tools, such as an Internal Carbon Pricing mechanism to evaluate and mitigate environmental impact. We align our disclosures with Task Force on Climate-related Financial Disclosures (TCFD) framework to provide stakeholders with clear insights into our climate-related strategies and risk-management practices.

Having considered climate change scenarios SSP1-2.6 and RCP 8.5, Danaos invested in automated systems for advanced sea routing and passage plan control, which have been installed to company vessels and at the same time, we invested in a software for advanced mooring force calculation and employee training, so as to ensure safe operation for vessels at port.

In the meantime, we are monitoring developments in the field and waiting for the International Association of Classification Societies (IACS) to adopt new, upgraded structural rules for newbuilding vessels.

In addition, following the damages that our major lubricant and additive suppliers sustained due to their hurricane-damaged product berths and the consequent shortage in supply that could result in disruption of vessel operation, we adapted our consumables management policy by optimizing the supplied quantities to our vessels. We also devised a smart monitoring and alerting system via our WAVES data analytics platform so that the necessary quantities are always kept onboard to guarantee vessel safe operation. Furthermore, we have diversified our suppliers and supply ports to have alternative supply options. Finally, as a measure to deal with prolonged stays at anchorage owed to extreme weather conditions (i.e. coastal flood, heavy wind, thunderstorms) that may impact port and terminal infrastructure and result in physical climate disruption, we have invested in the application of top low friction paints that guarantee longer idling periods while adjusting our provisions management policy accordingly.

Our supply chain resilience and consumables management adaptation, along with the supplier's diversification strategy aligns well with industry best practices in climate-driven supply chain risk mitigation.

Our Head office building is our key land – based asset. This is at low risk for physical impact of climate change and disruption of operations. A mitigation solution tailored to the scenario of total destruction entails a back-up land-based infrastructure established in another country, while, in case that that the approach to the Head Office premises is blocked by whatever reason, remote operation is feasible and well-tested during COVID-19 pandemic period. Our business continuity strategy aligns with industry best practices, particularly in risk management for corporate infrastructure.

Danaos' decarbonization path, as per LCTP, goes through an extensive optimization plan for improved operational efficiency on existing fleet, as well as 2nd-hand ECO vessel acquisition and a NB-vessel program with ECO vessel ready to accommodate green fuels in the future, with already six (6) green newbuilding vessels delivered in 2024, as well as sixteen (16) green newbuilding vessels under construction to be delivered in the period 2025-2028. We estimate that the very ambitious scenario SS91-1.9 will prevail with the 1.5°C objective of the Paris Agreement, which is why we are trying to identify ways to align our targets with SBTi targets, despite hindrances that need to be overcome.

LCTP addresses IMO targets following IEA SDS pursuing efforts to meet the stricter 1.5°C Paris Agreement goal.

In Danaos we decided to strengthen decarbonization policy, setting new stricter targets of 50% carbon intensity reduction by 2030 compared to 2008 levels, with the aim to net zero GHG emissions by 2050.

LCTP addresses IMO targets following IEA SDS pursuing efforts to meet the stricter 1.5°C Paris Agreement goal.

Our LCTP articulates the main aspects of our environmental strategy in:

1. Maximizing the efficiency of the existing fleet: Our investment in energy efficiency and Internal Carbon Pricing (ICP) tools demonstrates a strategic approach to emissions reduction and cost optimization. These tools enhance data-driven decision-making and sustainability impact assessments. Recognizing the limitations of energy efficiency improvements on the existing fleet underscores the importance of fleet renewal and exploring alternative fuels.

2. Cooperating closely with our clients on a transparent data-sharing basis aiming to optimize the vessel trade route through an advanced leg analysis methodology, developed in-house.

3. Working on the prevention of power penalty development through advanced performance monitoring tools: We try to achieve the maximum engagement of our people in this process. By emphasizing real-time performance evaluation and proactive corrective actions, we're ensuring both operational efficiency and long-term sustainability. In this respect, we invest in advanced performance-monitoring tools, crew engagement and training on energy efficiency best practices, while we encourage a data-driven culture where crew actively contributes to performance monitoring.

4. Green fuel readiness and fleet renewal, ensuring Danaos is well prepared for the maritime energy transition.

In Danaos we decided to strengthen decarbonization policy, setting new stricter targets of 50% carbon intensity reduction by 2030 compared to 2008 levels, with the aim to net zero GHG emissions by 2050.

In the scope of DANAOS disclosure about the application of TCFD framework in the management of climate-related risks, a comprehensive TCFD-aligned gap analysis was performed. In Danaos, we have assessed climate-related risks, identified their potential impacts and developed response mechanisms to mitigate these challenges.

These risks are categorized in **transition risks** (policy and legal, technology, market and reputation) and **physical risks** (acute and chronic climate impacts).

In connection to regulatory and policy risks pertinent to EU ETS, Fuel EU Maritime and IMO CII potential penalizing related increased operating costs, Danaos ensures compliance through data transparency, emission tracking and fleet efficiency upgrades. Danaos deals with technology risks by investing in fleet renewal, digitalization and fuel -flexibility to mitigate obsolescence risks.

The answer to increased scrutiny from investors, regulators and customers regarding sustainability commitments is Danaos transparent ESG disclosures (CDP, CSA, GRI, SASB) and the issuance of an annual Low Carbon Transition Plan. When it comes to acute physical risks, Danaos utilizes advanced weather routing, automated passage planning and risk-based fleet deployment. Response to chronic risks entails Danaos integrating climate resilience planning in asset management and exploring adaptive technologies.

We have also identified climate-related opportunities, evaluated their potential financial impact and developed a strategy to capitalize on them.

More specifically, in terms of resource efficiency, our strategy includes continuous investment in energy-saving solutions, digital monitoring and operational optimization. The growing customer demand for low-carbon shipping solutions is addressed through transparent emissions tracking and active collaboration with our clients. The low-carbon transition and fuel innovation requires investment in eco-vessels ready to undergo “green” retrofit, while we continuously enhance our risk management frameworks and integrate climate scenarios in our strategic planning.

A detailed description of the identified risks, their potential financial impact and the corresponding response strategies, as well as the opportunities, their financial implications and the approach to realizing them are thoroughly documented in Danaos' CDP report. This comprehensive disclosure ensures transparency and aligns with best practices in climate risk management.

Emissions

Regulatory Framework in Shipping on Emissions Reduction

The regulatory framework for emission reduction in shipping has been evolving, with international, regional and national regulations aiming to curb greenhouse gas emissions and improve the sustainability of the shipping industry. The key frameworks and regulations for 2024 are mainly associated with short-term decarbonization measures to reduce CO_2 emissions, including Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) and looking into alternative fuels like ammonia, hydrogen and biofuels, as well as wind and solar propulsion systems as a means to achieving net-zero emissions by 2050.

The EU has been at the forefront of regulating emissions from the shipping industry through various mechanisms, including the enforcement of EU Emissions Trading System (ETS) since 2024. With this system, shipping companies must buy allowances to cover their CO_2 emissions, serving hence as a financial incentive to reduce emissions, to promote measures to reduce greenhouse gas emissions by 55% by 2030 (Fit for 55 Package) and to incentivize the use of alternative energy sources (biofuels etc.).

Various countries have enacted their own regulations or are introducing stricter measures, particularly in their coastal and inland waters, such as emission caps, low-sulfur fuel requirements and stricter enforcement of emissions from ships. In the U.S., the California Air Resources Board (CARB) enforces strict air quality standards for ships operating in California’s waters.

While the regulatory framework has made significant progress, challenges remain in achieving ambitious decarbonization goals, including primarily fuel availability and infrastructure - since the production and distribution of alternative fuels are still in the early stages- and substantial investments are still required, along with significant technological costs and operational impacts. There is a continued shift towards cleaner technologies, but the path to full decarbonization will require ongoing innovation and collaboration within the shipping sector.

Fighting Climate Change

Our company embraces IMO's vision and its revised targets as set through the latest MEPC and works towards solid proposals for their improvement. In Danaos, we have developed online tools for monitoring the emissions of the vessels on a real-time basis, enabling a first benchmarking of Fuel EU compliance and arising costs and risks. The RED-II supports the development of renewable energy across the continent, serving as a turn point for the production of e-fuels and reduction of their production cost and making large scale production feasible and viable. Another EU action related to the ESG framework, also declared as pivotal towards carbon economy, is the introduction of EU Taxonomy with the aim to classify investment in an environmental sustainability scale, by codifying the Green Bond Principles.

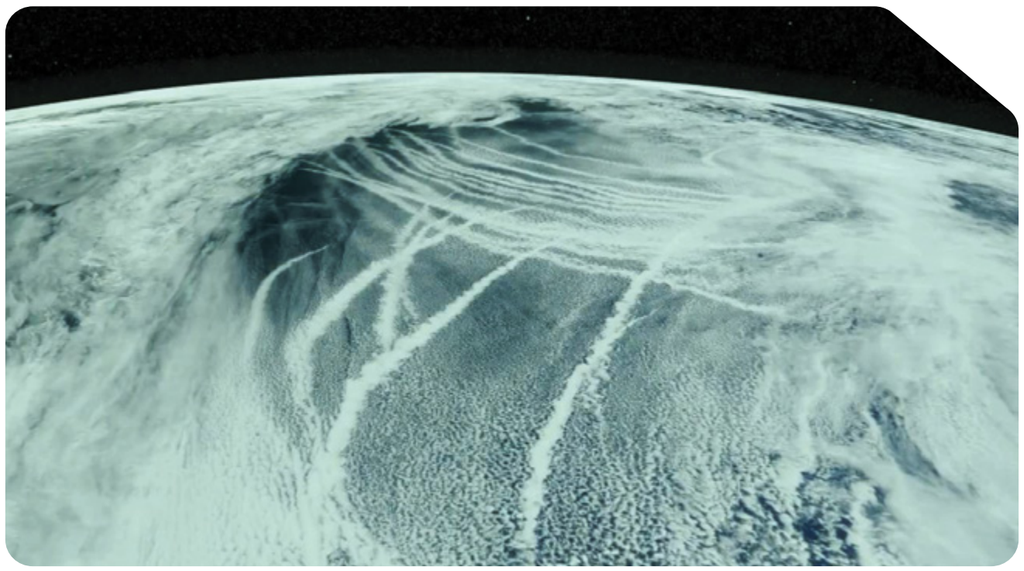
Heading Towards Decarbonisation

The shipping sector is undergoing a "third revolution" driven by decarbonization, regulatory evolution and alternative fuels. This transformation is fuelled by: regulatory updates, alternative fuels and new technologies and digitalization and AI driven efficiency solutions that reshape operations.

In the fast-evolving maritime industry, standing still is not an option. With regulatory shifts, alternative fuel innovations and decarbonization pressures, companies must continuously adapt or risk falling behind.

To meet our goals, the entire industry should embrace a mentality as expressed in a phrase of Johann Wolfgang von Goethe:

"He who moves not forward, goes backward."



NASA's MODIS satellite instrument reveals how air pollution may alter clouds, affecting global temperatures (area in Pacific Ocean). This visualization illustrates the effect by showing how ship exhaust leaves brights cloud trails in clean ocean air.

We approach the decarbonization journey towards 2050 with a blend of realism and optimism. Decarbonization will hinge on two primary pathways:

a) optimizing the current fleet of vessels and

b) transitioning to a fleet of zero-carbon vessels powered by zero-carbon fuels.

Following the roadmap outlined in the Low Carbon Transition Plan (LCTP), the company aims to seize opportunities for further business development by investing in ships that are commercially attractive with a low carbon footprint. In alignment with the International Energy Agency's (IEA) Beyond 2° Scenario (B2DS) analysis, Danaos has decided to bolster its decarbonization policy by setting more stringent targets. These targets include a 50% reduction in carbon intensity by 2030 compared to 2008 levels, with the ultimate aim of achieving net zero GHG emissions by 2050.

We embarked on a comprehensive Low Carbon Transition Plan (LCTP) aimed at reducing emissions from our fleet. In the short term (2022-2024), we prioritized retrofitting the fleet. More than 225 installations took place on our vessels, spading from propulsion improvement to navigation upgrades and M/E tunings.

Medium-term opportunities (1-3 years) to reduce emissions from fossil fuels were explored. We committed to applying Alternative Marine Power (AMP) arrangements to 25% of our fleet by 2025, with a focus on supporting decarbonization at ports, especially those subject to regulations on on-shore power.

Additionally, the company investigated biofuel as an alternative fuel, recognizing its potential to lower greenhouse gas (GHG) emissions, particularly considering its technological readiness and near-term availability. Following the IMO MEPC 78 outcome in 2022 regarding simplifications on the use of biofuels with contents up to 30% (B30), Danaos has actively participated in its charterer campaign, successfully supplying five vessels with 10 bunkerings of biofuel blends (B30 and B24) with almost of all them being certified as sustainable biofuels by the certification schemes (ISCC, RSB, EU REDII cert).

The most significant concern when the conversation comes to biofuels is the biomass feedstock the fuels is produced from. The demand for biofuels is expecting a boom during the years to follow and, to avoid adverse effects in social and environmental areas, selection of feedstock should be treated with due diligence.

In addition, Danaos has become a member of the Ammonia Energy Association to keep up with all developments in relation to methanol and ammonia use in the maritime industry.

Looking towards the long term, Danaos adopted a strategy of divesting from older technology vessels and acquiring new vessels with advanced environmental features. The company set standards for new builds, prioritizing vessels with ECO designs, Methanol-Ready capabilities and Cold Ironing plants. Already, Danaos has sixteen green newbuilding vessels under construction, scheduled for delivery between 2025 and 2028. All our newbuilds in China will be methanol ready, while nine of them will hold ammonia-ready notation as well.

We adopted a diversification policy of Danaos portfolio and, in 2024, we expanded further our operation in dry bulk sector with the acquisition of three (3) additional Capesize carriers leading to ten (10) Capsize bulk carriers in our fleet in total. Studies on how to convert these carriers into more efficiently operating vessels have already begun, while some relevant to propulsion improvements are already in implementation phase.

Engagement with suppliers was also crucial in Danaos' decarbonization journey. The company promoted awareness, incentivized emissions reductions and engaged with partners across the value chain, setting criteria for ESG performance. Danaos also recognized the importance of stakeholder engagement in achieving its decarbonization goals. Through its membership in industry associations such as the Global Maritime Forum (GMF), Danaos adhered to the Getting to Zero Coalition statement, aiming for net-zero emissions by 2050. The company also maintained contact with Science Based Targets (SBTi), actively monitoring developments in the finalization of science-based tools tailored for the shipping industry. The collaboration with stakeholders, including financial institutions, industry associations and suppliers, was essential in navigating the challenges of decarbonization and ensuring a sustainable future for the maritime industry.

We adopted a diversification policy of Danaos portfolio and, in 2024, we expanded further our operation in dry bulk sector with the acquisition of three (3) additional Capesize carriers.

Going one step further to fight climate change, Danaos introduced in 2022 carbon offsetting by neutralizing the Headquarters' carbon footprint including employees commuting emissions, with the aim to balance unavoidable emissions. The carbon offsetting that was verified by a third party, is a proactive action outside our value chains to contribute towards decarbonization and is beyond our near-term and long- term targets set.

Last but not least, in 2024 we enrolled in Voluntary Carbon Market, where savings from retrofits are translated in carbon credits. Enrolment in a program compliant with Gold Standards has been thoroughly investigated during the previous years for all retrofitted vessels and was finally contracted within 2024. In total, thirty (30) retrofitted vessels were enrolled with the aim that relevant income from carbon credits to be directed to investments for fleet renewal and environmental upgrade of our performance. There is a link between green performance and VCM, since funds anticipated for large scale retrofits will provide capital for ship-owing companies, making decisions for retrofits and green fuels more viable.

We have also performed speed trials to verify new speed power curves on both vessels retrofitted with propulsion improvements, as well as on vessels retrofitted with new propellers or ESDs.

In 2024 we enrolled in Voluntary Carbon Market, where savings from retrofits are translated in carbon credits.

Emissions Reduction

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

The regulations on carbon intensity in place since 2023, which contributed to the significant impact on operation and vessel speed reduction in the previous year and the introduction of EU ETS directive in 2024 encouraged shipping companies to adopt slower speeds or optimize their operations to reduce emissions. As a result, this year there were no significant changes to the ship's operations compared with the previous year, to remain in compliance with new requirements.

More specifically, following the significant speed drop by 1 kn in 2023 compared to 2022, the fleet's operation followed the same pattern. As a result, the average speed in 2024 remained steady at 14.7 kn compared to 2023 and fleet average draft was 11.2 m in 2024, compared to avg draft 10.7 m in 2023.

In 2024, we successfully achieved our stricter goal, compared to IMO, for 50% reduction in CO2 emissions intensity by 2030 (baseline 2008 IMO) (grCO2/tones miles) 6 years earlier than the target!*

The extensive retrofit plan which was initiated by Danaos in 2023 and continued in 2024, aiming at enhancing vessel energy efficiency, coupled with speed reduction initiatives, was reflected in the Energy Efficiency Operational Indicator (EEOI), which dropped at 13.26 grams per ton per nautical mile in 2024, compared to 14.05 gr per ton per nautical mile in 2023. This achievement signifies a substantial environmental milestone, marking a 51.4% reduction in CO_2 emissions intensity when compared to the 2008 baseline.

This kind of progress shows a strong commitment to sustainability and the reduction of carbon footprints, which is crucial when addressing climate change. Achieving such a reduction involves a combination of improving energy efficiency and adopting cleaner technologies and it sets an excellent example in industry efforts to work towards a greener future.

CO_2 emissions' intensity reduction

Target 47.5%

Status 51.4%

Embedded

Danaos CO_2 emissions per transport work ($grCO_2$/tn* miles) in 2024 was 13.26 ($grCO_2$/tones* miles), leading to 51.4% reduction compared to 2008 base year and meeting our 2030 target 6 years earlier!!

This kind of progress shows a strong commitment to sustainability and the reduction of carbon footprints, which is crucial when addressing climate change. Achieving such a reduction involves a combination of improving energy efficiency and adopting cleaner technologies and it sets an excellent example in industry efforts to work towards a greener future.

Emissions	2023	Change 2022-2023	2024	Change 2023-2024
CO_2 (tn CO_2)	3,119,979	15.1%	3,799,558	21.8% (increase)
CO_2 Emissions Intensity ($grCO_2$/tn*miles)	14.05	10.4%	13.26	-5.6% (decrease)
SOx (tn SOx)	8,775	-11%	10,530	20% (increase)
SOx Eff (grSOx/tn*miles)	0.04	0	0.04	0
NOx (tn NOx)	95,879	-13%	114,753	19.7% (increase)
NOx Eff (grNOx/tn*miles)	0.43	-9%	0.4	-7% (decrease)

Table 4:CO_2 and other emissions for 2023-2024.

The formula used for the calculation of our emission KPIs are in line with the ones used by the KPI platform: https://www.shipping-kpi.org/. We adopted this approach so as to use the same reference tool as that of our charterers and be fully aligned. After successful implementation of the IMO Sulphur cap 0.5% back in 2020, along with currently 9 existing vessels with open-loop scrubbers' installation and another six newbuilding vessels that were delivered in 2024 and two 2nd-hand bulk carriers delivered in 2024 also fitted with SOx Scrubber, Danaos has been closely monitoring Sulphur and nitrogen oxides to be able to measure our impact into the atmosphere. In addition, the fourteen of our sixteen newbuildings will be SOx scrubber-fitted and will also incorporating NOx emission reduction technology for Tier III compliance (SCR, EGR). R&D is constantly studying new technologies to identify the best fit for the fleet and the environment.

For the scrubber fitted vessels, aiming to accurately calculate the SOx emissions, we receive the data directly from emissions monitoring sensor. In this way it is possible having in our online platform the exact Sulphur calculation. We have also implemented in our systems the monitoring of both air emissions and wash-water discharged at sea, in order to timely identify and respectively rectify any potential malfunction and minimize violations.

Significant improvement reflected in the data above is achieved through various optimization strategies and retrofits. It is estimated that, for these Low Carbon Products (based on provided data of fuel savings from makers), which are being monitored for their reliability via Waves, the fuel consumption would be by 5% lower from the consumption if these modifications and actions had not been carried out.

Fleet EEOI - CII Data	2023	2024
AER	7.18	6.72
EEOI	14.05	13.26
EEXI Compliance	74%	100%
CII Compliance	81% rated A-B-C	62% (A-B-C CII rated)
CII-A Vessels	15.1%	19%
CII-B Vessels	27.4%	21%
CII-C Vessels	38.4%	22%
CII-D Vessels	19.4%	27%
CII-E Vessels	0%	11%
Fuel Consumption	1,022,086	1,220,112

Table 5: AER, EEXI, CII, EEOI, FUEL CONSUMPTION for Danaos Fleet for 2023-2024 (in tons).

Moreover, Danaos has implemented the installation of AMP in order to contribute to the reduction of emissions of ships while at berth.

In 2024, the target related with AMP installations was achieved, as twelve additional vessels are equipped with AMP, including the six NBs vessels that were delivered in 2024. In total 39% of Danaos' container vessels is already fitted with AMPs in 2024 and 34.5% of total fleet including bulkers is fitted with AMP in 2024. Our target was to have 25% of the fleet equipped with AMP by 2025.

Danaos has implemented in its core strategy the installation of AMP in order to contribute to the reduction of emissions of ships while at berth.

AMP Installation Status

Target 25%

Status 39%

Embedded

Embedded. 39% of container fleet is already fitted with AMP by the end of 2024, while 34.5% of total fleet was fitted with AMP in 2024.

Emissions Monitoring

The development of a sophisticated environmental routine that will incorporate an interactive Carbon Intensity Index calculation, vessel rating and projection of emitted CO_2 has set the foundation for effectively responding to a potential emission-trading or levy scheme that has been launched in Europe this year and is also a potential future IMO regulation.

Close monitoring of SOx scrubbers already installed on existing vessels since 2019 is ongoing through our Waves data analytics platform along with reference logs, ensuring continuous compliance with relevant regulations. We also monitor closely regions that ban the open loop scrubbers to update our monitoring map accordingly.

Scope 1 (Direct) – Scope 2 (Indirect) - Scope 3 GHG Emissions

We calculate our direct emissions (Scope 1) and indirect emissions from purchased electricity (Scope 2) and allocate these per client, while we are currently working on expanding the collection from the value chain GHG (Scope 3) emissions related to our business activity.

Scope 1 CO_2 emissions are produced from our ships' operation, the majority of which takes place at international waters, while Scope 2 emissions are calculated based on a market-based method using residual mix – regional emissions factor.

In 2024, our Scope 2 emissions were reduced by 16% compared to the previous year.

The procedure for Scope 3 emissions has been established and includes suppliers/partners reporting of their Scope 1 and 2 emissions allocated to Danaos. More precisely, the Scope 3 emissions categories include carbon emissions information from traveling agents and our Well-to-Tank (WtT) emissions calculation which relies on the GLEC (Global Logistics Emissions Council Framework) emission factors for the CO_2e values. Moreover, Scope 3 categories have been expanded as the company has collected accurate emissions data from courier service companies, to estimate emissions of sending goods onboard through procurement activities, while since 2023 we report shipyard shore power during drydockings and supplier Scope 3 emissions collection through ESG Questionnaire recorded in Danaos Analytics Platform, which aims to support and incentivize the procurement circle.

More specifically, our R&D department, in cooperation with our Procurement department, has created an Emissions Recording platform in Beyond WAVES environment, where partners are requested to report not only their Scope 1 and 2 emissions related to Danaos involvement and activities, but all ESG aspects that are considered important for sustainable business, addressing in parallel the emissions carbon reporting. The company has set prerequisite and mandatory criteria, mainly related to people and secondary ones related to GHG emissions. A number of KPIs have been introduced in order to follow up partner engagement status. Carbon emissions recording is done in Beyond WAVES platform. Our aim is to assess and measure sustainability activity and ensure the sustainable and efficient performance of our supply chain in compliance with our requirements and standards, which is necessary for creating positive value.

Our "Emissions Allocation" function devised in our Waves platform allocates our Scope 1 emissions on a client/vessel basis, so that our clients can in turn evaluate the size of their contribution in a holistic approach, as a part of the value-chain environmental footprint and thus refine their strategy accordingly.

Below you may find Danaos Scope 1, Scope 2 and Scope 3 emissions for the year 2024.

Scope 1	2023	2024
Containers	3,090,701	3,569,606.9
Bulkers	29,278	229,951.5
Total	**3,119,979**	**3,799,558**

Table 6: Scope 1 emissions (2023-2024).

Scope 2

	2023			2024		
Location	MWh	tCO_2e	Renewable	MWh	tCO_2e	Renewable
Greece	1,275	349.3	54.1%	1,011.2	291.4	48.5%*
Cyprus	14.1	8.3	—	12	6.4	—
Russia	10.5	0.4	—	9.2	0.39	—
Ukraine	7.9	3.5	—	14.3	4.16	—
Korea	6.7	3.2	—	5.7	2.68	—
Total	**1,314.5**	**364.7**	—	**1052.4**	**305**	**47%**

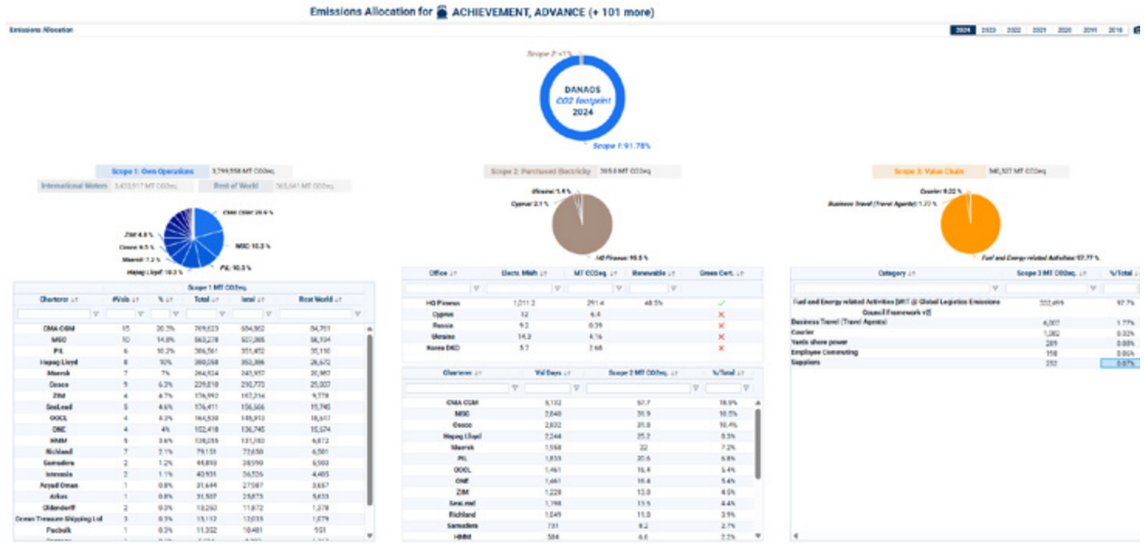
Table 7: Scope 2 emissions (2023 -2024).

** Reference DAPEEP report for Aggregated Energy Mix results*
(Data for 2023 are used, as data for 2024 will be published in July 2025).

Scope 3

	2023	2024
Categories	$tnCO_2e$	
Fuels + MGO WtT (GLEC Framework)	282,815	332,499
Upstream Transportation and Distribution (Courier)	995	1,082
Business travel	4,880	6,007
Employees commuting	159	198
Purchased Good and Services (Suppliers)	487	252.3
Purchased Good and Services (Yards shore power)	362	288.7
Total	**289,789**	**340,327**

Table 8: Scope 3 emissions (2023-2024).



Ozone Depleting Substances

We have 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, R-410, R-417 and R-407C. Total Freon Capacity increased in 2024 due to the increase in the number of vessels from 73 in 2023 to 81 within 2024. Freon losses for 2024 were at 10.5% of the total capacity (3,132 kg approximately), reflecting that our efforts to reduce losses are paying off.

We plan to reduce greenhouse gas emissions and mitigate climate change, based on EU F-gas Regulation (517/2014) adopted 1 Jan 2015 for reduction of use of HFCs. A service ban on HFCs with high Global Warming Potential (GWP >2,500) like R-404A, R-507 and R-422D has been imposed since 1 Jan 2020. The F-gas regulation applies to all EU countries and EU flagged vessels. Therefore, replenishment of retrofit of systems with lower GWP refrigerants takes place where required.

GWP	2023	2024
Total Freon Capacity (tons)	24.0	29.9
Total Freon Losses (%)	8.84%	10.5%

Table 9: Freon Capacity and Losses Overview for 2023-2024.

Energy

Energy Consumption

Our R&D department has extensively investigated options for minimizing transportation costs and the subsequent fuel consumption required per cargo transferred. This includes optimizing the vessels' design and operating profile and consequently monitoring performance. More than that, the R&D department is working on a series of alternative fuels such as LNG, methanol, ammonia and hydrogen.

We report on the fleet energy consumption on an annual basis. Fuel consumption encompasses fossil energy consumed/combusted at Danaos operated vessels and infrastructures. Total energy consumption increased by 16% in 2024 compared to 2023. There are no significant consumptions of energy outside the organization that Danaos operations contribute to.

Our R&D department has extensively investigated options for minimizing transportation costs and the subsequent fuel consumption required per cargo transferred.

Energy Consumption (TJ)	2023	2024
Consumption of Fuel	39,894	46,876
Consumption of Diesel	1,691	1,434
Renewable Energy (Fuel and Electricity)	576	646
Consumption of purchased non renewable electricity	2.2	2.0
Total energy consumption	42,163	48,959

Table 10: Energy Consumption for 2023-2024.

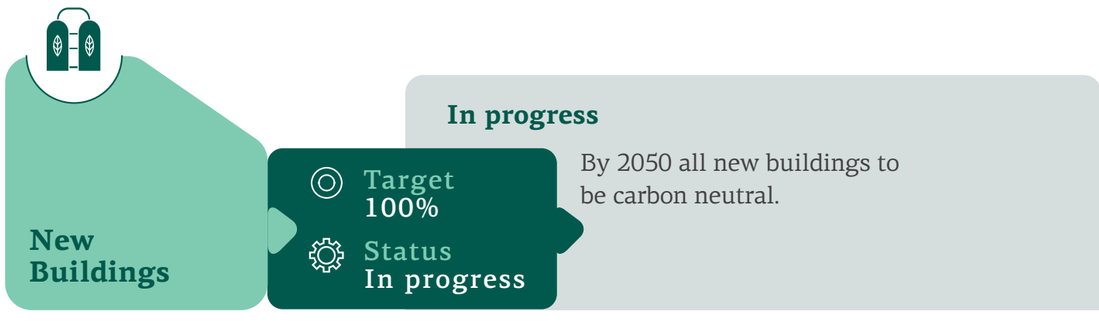
Headquarters Energy

Table 11: Percentage of renewable energy for Danaos Offices in 2023 and 2024.

2023 2024

New buildings

Sixteen (16) new building vessels are under construction and are scheduled for delivery between 2025 and 2028. All sixteen of our newbuilds in China will be methanol-ready, while nine of them will hold ammonia-ready notation as well.



Fuel Consumption

Danaos is compliant with ISO-50001 Environmental Management System adopted in 2015. To achieve decarbonization big money needs to be invested from the sector.

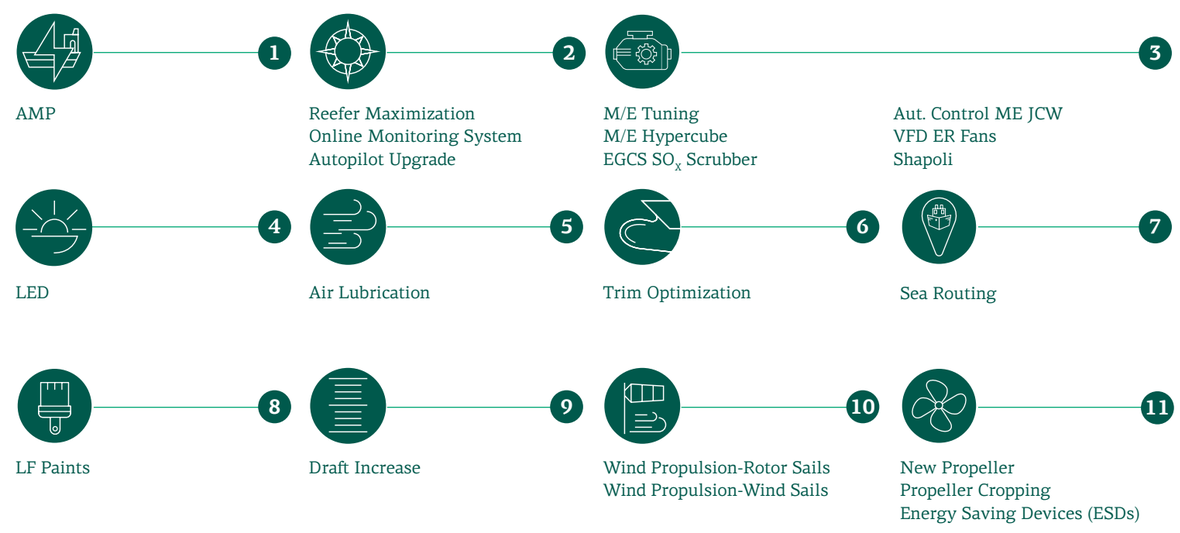
The R&D Department in Danaos monitors all matters related to climate change aiming for energy efficiency improvement onboard and formulates relevant KPIs to ensure compliance with regulations. More specifically, in Danaos we have been working on evaluating vessel performance and examining measures to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

On top of the above and as a part of our effort to achieve optimum CII results for our fleet, numerous retrofits have taken place within 2024 as depicted in below graph:

Scope	# Vessels Study/Ongoing	# Vessels Complete 2024
Sea Routing		11
New Propeller	25	21
Propeller Cropping	7	7
Energy Saving Devices (ESDs)	25	16
Trim Optimization		0
VFD ER Fans	5	7
Aut. Control ME JCW	2	2
M/E Tuning		1
M/E Hypercube		1
Draft Increase	10	5
Online Monitoring System	12 Container +7 Capes	18
Autopilot Upgrade		9
AMP	6	12
Shapoli		17
LF Paints		9
Air Lubrication	7	0
Wind Propulsion-Rotor Sails	7	0
Wind Propulsion-Wind Sails	7	0
Reefer Maximization	2	0
EGCS SO_x Scrubber	7	6 NBs +2 Cape bulkers
LED		1

Table 12: Retrofits carried out in 2024

Energy Efficiency measures and initiatives to improve CII



Within 2024, we completed 14 propeller retrofits in our container fleet, 12 out of which fitted with propeller BTF. All above investments are of course distributed in different implementation periods throughout 2024 and various retrofits were carried out on different vessels with various operational profiles. From the investment in the aforementioned low carbon products and enhancements, we have concluded to a fleet weighted average of 5% savings in fuel consumption per vessel.

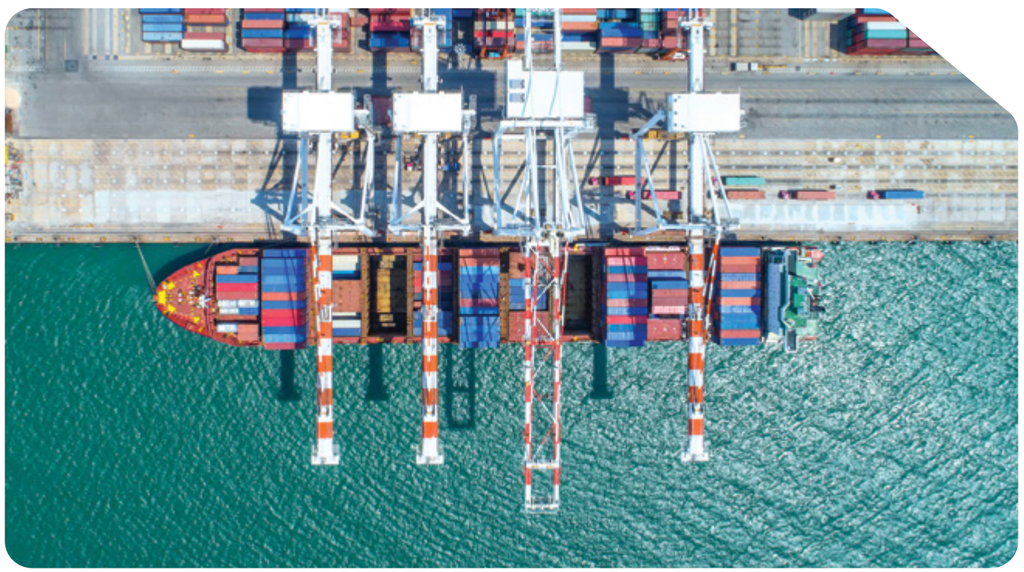
Apart from being a leading company in containership sector, we have diversified our operation in dry bulk sector with the acquisition of three additional Capesize carriers delivered within 2024, increasing the number of bulk carriers to ten (10) in total.

Technical optimizations and retrofits are being implemented for the second-hand Capesize Bulk Carriers acquired, which are not green-ECO vessels and need to be further optimized, aiming to performance improvement and emission reduction. In 2024, we completed 7 ESD installations (PSV, HVAF and propeller trimming) on the 7 bulk carriers and **2 more vessels** remain to be completed with 2025, while **one vessel was delivered with the ESD installed.** Compliance with Rightship standards and aiming to achieve good fleet rating scores refers to energy optimizations as well, apart from safety aspects.

We remain in compliance with our Low Friction Paint Campaign, with nine (9) vessels with Low friction paints. These measures were complemented by optimization efforts in ship loading and steering, leading to significant power savings and subsequent reductions in carbon emissions. In anticipations of regulatory changes, Danaos prepared for the inclusion in the EU Emissions Trading System (ETS), which is expected to further drive down vessels' speed.

Fuel Consumption	2023	2024
HFO-LSFO-Biofuel (MT)	982,380	1,184,482
MGO (MT)	39,705	35,630
Power efficiency index (%)	31.8	35.2%
Reefer utilization (%)	14	16.6
Average reefer load (kW)	3.9	4

Table 13: Fuel Consumption for 2023-2024.



Waste Management

Danaos operations creates significant waste with used spare parts from ship maintenance programs, sludge generated from consumed fuel, on-board garbage generated during shipping operations and finally waste produced from onshore infrastructures of the company.

Circular Economy and Responsible Waste Management

Danaos Electrical Department launched the ReNAV campaign/scheme with the purpose of upcycling old navigation and communication equipment. Our fleet has many sister vessels and equipment is often similar between vessels. ReNAV re-utilizes old equipment or spare parts, thus extending life cycles and 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, they are dispatched to another vessel or collected in the office as spares for future use. Marine type monitors, processor cards and satellite communication systems are often part of the ReNAV scheme. Parts or equipment cannot be re-utilized in any way are stripped down to basic components (batteries, bare metal parts like frames etc., electronic components) and delivered for recycling.

Through the ReNAV campaign within 2024, a total of 69 systems have been recycled, 29 systems have been upcycled (have been retrofitted and kept in office stock or sent to other vessels for reuse) and 3 systems have been repaired.

Stepping on with further recycling action in 2024, we have continued the Moorings Recycling Campaign, with two vessels engaged and offloading ropes and coils for recycling purposes, for which certification of collection has been provided by relevant facilities.

ReNav re-utilizes old equipment or spare parts, thus extending life cycles and reducing environmental impact.

ReNAV Campaign 2024

Ship Recycling – Handling of Hazardous Materials

We pay special attention to accurate recording of hazardous materials, ensuring smooth cooperation with our suppliers, safe recycling of vessels at the end of their life and selecting recycling facilities which embody safer practices. Since 2017, Danaos has been training its own Quality Control Engineers, as "Hazmat Experts" (currently approved by two Classification Societies: KR & DNV). Danaos' Quality Control Engineers have proceeded with sampling and the preparation of Inventories of Hazardous Materials (IHM) for over 98% of the entire Fleet, acting proactively throughout the years for certification of all Danaos Fleet.

Within 2024, IHM manuals have been prepared for 5 additional vessels recently acquired in order all Danaos Fleet to comply with current Regulations, being also proactive in the ratification of Hong Kong Convention that will enter into force in mid-2025.

Overall, from a diversified fleet of 71 containerships and 10 bulk carriers, almost 99% hold an IHM Certificate. 1 vessel remains for certification that will be completed on early 2025. The majority of the vessels have been completed in order to comply with the EU Regulation when entered into force.

Waste Onboard Management

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

Waste from ships is delivered to waste collectors at various ports and then is discharged according to local regulations regarding re-cycling and disposal, which are unknown to us. It is the company's policy to separate waste both onboard and ashore, so that can be ready for recycling. Waste streams on board can be divided into two main categories: liquids and solids. Both are controlled, grouped in specific categories and disposed according to MARPOL (International Convention for the Prevention of Pollution from Ships). Operational waste includes 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, ash is collected, retained onboard and discharged at port reception facilities, to be further used as raw material in the construction industry. In 2023, the total amount of ash disposed ashore was recorded as part of our systematic reporting and is shown below. Other waste generated from the living spaces is segregated in categories and disposed ashore for recycling. Waste that is categorized as Hazardous and Medical is carefully segregated, clearly labelled and disposed ashore according to international and national regulations. Two sub-categories of operational waste, which are totally separated as Hazardous, consist of jerrycans & paint cans, for which special care is provided to minimize to the extent possible the remnants of paint/chemical contained. In 2024, we continued recording the quantities of these two items separately from other operational waste, to ensure safe disposal.

Improvements recorded on waste recycling between 2023 and 2024 are available in the table below:

Category	2023	Difference (2022-2023)	2024	Difference (2023-2024)
Plastics (m^3)	2,336.33	+ 15.6%	2,556.99	9%
Cooking oil (m^3)	14.42	+ 20.2%	16.87	13%
e-Wastes (m^3)	102	45.7%	115	17%
Ashes (m^3)	24	4.3%	66.4	174%

Table 14: Waste (2023-2024).

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

1. Using supplies that come in bulk packaging, considering factors such as adequate self-life (once a container is open).
2. Using supplies that come in reusable or recyclable packaging and containers.
3. Avoiding supplies that are packaged in plastic, unless reusable or recyclable plastic is used.
4. Wrapping which protects goods on their way to the ship should be replaced in the port before receiving the goods.
5. Crew should return plastic, paper and wooden packing materials to the respective suppliers.

The total waste volumes produced onboard per DWT between 2023-2024 are available in the table below:

	2023	2024
Wastes volume (m^3)	5536 (66 vsls)	6,275 (81 vsls)
Wastes volume (lts) per DWT (For 66 vsls)	1.117	0.87 (81 vsls) 1.07 (containers) 0.33 (bulkers)

Table 15: Total waste volumes for 2023-2024.

In 2024, garbage compactors were installed on another 26 vessels of our fleet, bringing the total number of ships that operate compactors to fifty (50). By the end of 2024, 61.7% of the fleet has already been equipped with compactors, with installed units reaching 70% of the container fleet.

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%.

In 2024, the total produced quantity of plastic waste onboard was 2,556.99 m^3 compared to 2,336.33m^3 in the previous year, showing an increase of 9% due to fleet increase, while the quantity disposed for recycling increased by 12.5% compared to 2023, proving sustainability improvement since the ratio of recycling remains above the ratio of the quantity produced.

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 reduction Garbage compactors installation status

Target 100%

Status 61.7%

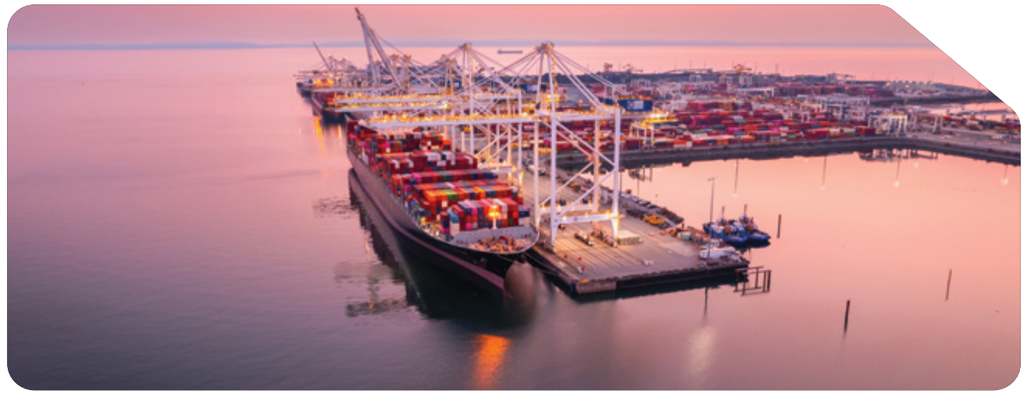
In progress

61.7% of the fleet is already equipped with compactors, with installed units reaching 70% of the container fleet in 2024.

The liquid waste category includes mostly oil residues (sludge) produced by the operation of ship main engine and other auxiliary machinery, resulting from the purification of oil. 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 machinery, we ensure the minimum quantity of fuel residues.

For the year 2024, the produced quantity of sludge is 19,248.9 m^3. Sludge is disposed to shore reception facilities, where after special treatment, it is used further in industrial processes.

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



Onshore Waste Management

In parallel with shipboard management, we continuously strive to improve the management of waste generated in our headquarters. As part of our Environmental Action Plan, we monitor the average paper consumption per employee per day and we always encourage our people to reduce paper consumption. Although the number of our personnel increased in 2024, the efforts for less paper use were noted. In 2024, a drop in total paper consumption reached 13.3% per person, compared to 15.8% reduction in 2023.

At the same time, e-waste generation is of major concern. Danaos invests in high-end data and networking electronic equipment, attaining information security and prolonged life cycles. Any obsolete equipment, classified as e-waste, can either be in working condition or be unusable. IT equipment that remains in working condition after it has been data-wiped and refurbished is donated to charity institutions. Any equipment that we can't re-use in-house is recycled by professional companies. Additionally, we abide by the contract with our suppliers to return IT electronic equipment and the empty toner cartridges for recycling. As a result of these practices, during 2024, a total of 543 kg IT electronic equipment and a total of 87 toner cartridges were collected from our offices.

Marine Environment Stewardship

Conforming to Environmental Laws & Regulations

Environmental protection and pollution prevention are considered as top priority matters by all crew. In Danaos, we implement a Zero MARPOL Incident policy and any oil spill or leak is documented, reported and analyzed to ensure that similar incidents do not occur in the future.

The most common reason for spillages is the human factor, while minimizing the exposure risk associated with pollution is a challenging task. In order to mitigate the risk of an oil spill, there is a series of measures described in an action plan, such as maintenance of all critical machineries for the related operations, routine drills and simulations, training both onboard and onshore through safety meetings and a strong crisis management policy. Danaos has also developed a Safety Management System and policies that promote pollution prevention and we have taken a step further to predict and prevent any potential threats to the marine environment. Danaos is continuously operating with zero spills, reflecting the structure and the efforts of the Company.

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

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

In 2024 there were zero (0) cases of spills above 1bbl, while zero containers have been reported to be lost at sea.

Zero significant spills

Target ZERO

Status ZERO

Embedded

In 2024 there were zero (0) cases of significant spills (zero cases above 1bbl while zero containers have been reported to be lost at sea).

In 2024 we had one (1) fine imposed related to the Sulphur limit of the fuel oil consumed withing Emission Control Area. The non-compliance was attributed to an inadvertent mixing of fuels.

After investigation the relevant procedures were reviewed and all our crew members involved with fuel management aboard our vessels were alerted accordingly in order to prevent reoccurrence.

In Danaos an action plan described by a set of measures is in place to mitigate the risk of oil spill, such as maintenance of all critical machinery for the related operations, routine drills and simulations, training both onboard and onshore through safety meetings, and a strong crisis management policy.

Biodiversity

Protecting Marine Biodiversity

Addressing the loss of biodiversity is a critical issue, especially considering how interconnected ecosystems are with human well-being and business operations. In this context, we apply sustainable shipping practices by minimizing the environmental impact of shipping through the reduction of pollutants, such as ballast water discharge and implementing stricter waste management practices which can prevent harm to marine ecosystems. In addition, we respect Marine Protected Areas in operational routes, ensuring that critical habitats are preserved and reducing the risk of ecosystem destruction.

The strengthened policy on waste management, the monitoring of fresh water consumption, the recycling actions, recently introduced for mooring ropes on our vessels, along with company's 3R (Repair-Reuse-Recycle) policy, the compliance with international regulation for ballast water by installing UV technology systems in all of our containerships (thus majorly avoiding discharge of chemicals from treatment) are tokens of our efforts to protect marine biodiversity. By the end of 2024, 100% of our diversified fleet of containerships and bulk carriers has been retrofitted with BWTS and we are constantly monitoring the percentage of operation of these BWTS systems in sensitive areas under MARPOL (MEPC. 1/Circ. 778). In addition, the application of sewage treatment and compliance with relevant standards, the adoption of the aforementioned "zero-spill" policy with continuous fleet monitoring and predictive maintenance are implemented and have paved the way to reach targets and set new, more ambitious ones.

In Danaos we have a well-structured action plan in place for oil spill risk mitigation. Preventing and responding to such incidents is crucial, not just for environmental protection but also for ensuring the safety of crews and surrounding communities. The proactive approach through maintenance, drills, training, and crisis management policies shows a clear commitment to minimizing risk and responding effectively in the event of an emergency. We have established and implemented a robust Environmental Management System and our fleet systematically complies with or exceeds environmental laws and regulations.

Additional measures taken to address the loss of biodiversity include the application of biocide free hull coatings to some vessels, the incorporation in our online fleet monitoring of areas included in "Blue Whales Blue Skies" and "SAvE Whales" initiatives in a geofencing-like approach and raising concern to our clients with chartered vessels on complying with the voluntary speed reductions. Danaos Officers are also highly advised to report areas of encounter with cetacean and protected species.

Sustainability must be embedded across all levels—from ownership policies to individual mindsets—is key to making lasting change. When every crew member and employee understand their role and the collective responsibility, it strengthens the entire organization's commitment to sustainability.

This is what we strive for by investing in continuous training to build awareness and encourage sustainable practices in day-to-day operations.

Additional measures taken to address the loss of biodiversity include the application of biocide free hull coatings to some vessels, the incorporation in our online fleet monitoring of areas included in "Blue Whales Blue Skies" and "SAvE Whales" initiatives in a geofencing-like approach and raising concern to our clients with chartered vessels on complying with the voluntary speed reductions.

Monitoring and Compliance in Particularly Sensitive Sea Areas

As a tonnage provider, we monitor our vessels' trading route and trespassing (if any) in any sensitive areas and particularly sensitive areas as per MEPC.1/Circ.778/Rev.3 Annex 2, Page 1, through our online performance tools. More specifically, all Sensitive areas and Particularly Sensitive Areas have been mapped in our Waves Analytics platform and the % of time spent in PSSAs is automatically produced based on vessels' coordinates as received from our online performance tools. In total, 1.7% of the travel time was spent in PSSAs within 2024. During this time, crew onboard strictly follows all associated protected measures as listed as in MEPC.1/Circ.778/Rev.3 Annex 2, Page 1, that include detailed reporting to the authorities, speed reduction, no anchoring, while threatening activities are avoided (i.e. no cargo loading/unloading, no bunkering, etc.).

Our operations primarily occur in international waters, which means that the standard reporting requirements typically applicable to coastal or inland activities do not directly apply to us. However, we are deeply committed to environmental stewardship and regulatory compliance.

In particular, we maintain vigilant oversight in areas designated as Particularly Sensitive Areas. In these regions, our operations are strictly limited to transshipment activities only, ensuring that no cargo is loaded, unloaded, or that bunkering operations are conducted. This approach helps us prevent any potential environmental risks associated with such activities, and it demonstrates our proactive commitment to safeguarding vulnerable marine ecosystems while operating responsibly on a global scale.

It is sensible that since Danaos is not a liner company and running of the ships are in the hands of our clients, some operational measures pertain to the awareness of the charterers. Apart from, for example, voluntary speed reduction, the avoidance of illegal wildlife transport is a commitment made officially by most of our clients.

Supporting the environment is also manifested by company's afforestation actions on an annual basis and contribution to HELMEPA (Hellenic Marine Environment Protection) initiatives through various social actions and participation.

Water Usage And Effluents Treatment

Water Used for Oceanic Operations

Danaos has comprehensive procedures in place for handling various types of water discharges, with a clear alignment to international guidelines like the IMO and local regulations. This proactive approach not only minimizes the environmental impact of our operations but also helps ensure compliance with increasingly stringent global regulations.

Given the variety of water discharges involved, it's essential to have robust risk management tools to assess and mitigate potential impacts.

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

- All sewage equipment on board the Company's ships is type approved as indicated by a maker's plate affixed to the equipment and are approved by the Flag Administration.
- Vessels equipped with sewage holding tanks should use these tanks in all ports and following MARPOL Guidelines, dispose of the contents further than 12 miles from nearest land and in accordance with the approved discharge rate.
- Treated sewage along with graywater can be temporarily disposed through Class approved piping to designated temporary holding tanks and thereafter discharged to the stringiest regulation applicable.
- Vessels equipped with chemical treatment plants should be used while in transit throughout all coastal areas.

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

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

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

All commercial vessels greater than 79 feet must have a permit, such as the Vessel General Permit (VGP) before they can legally discharge graywater in US waters. Vessels cannot operate in US Waters without a VGP in place. Danaos has integrated VGP requirements for the control of graywater impacts into its DSMS covering all fleet vessels with an onboard specific manual and CBT for crew's familiarization.

Moreover, the ESG Suppliers' assessment program was updated to incorporate the water coverage information by adding extra field in the Danaos ESG Assessment Questionnaire, aiming to engage suppliers by addressing their water usage and effluents treatment policy implemented in 2024.

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.

Danaos initiated **Water Ballast Treatment (WBT)** installation onboard vessels back in 2018. Currently, 100% 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. In all our containerships, UV light is used for water sterilization, eliminating any bacteria and pathogens from the water volumes used. By the end of 2024, the last vessel had the system installed and running.

We have also adopted a Ballast Water operation 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 2024, the total volume of ballast water that was operated through BWTS in Danaos' fleet was remarkably increased to 12,270,328 cubic meters, signifying 127% increase compared to previous year, which is due to fleet growth, as well as to the increased use of ballast water of the newly acquired bulk carriers. We should mention that we aim to optimize the use of ballast water equipment and, whenever possible, we perform ballast operations by gravity to reduce fuel consumption.

Discharged ballast water is tested on an annual basis for all Danaos vessels. Samples are tested annually regardless of VGP port calls in order to verify system operation and proper discharge properties. Within 2024, a total of 81 samples have been tested and all found within limits.

Ballast Water	2023	2024
Total Ballast Operated (m^3)	5,397,827	12,270,328
Ballast Operated compared to last year	11% (increase)	127% (increase)
Change in FO consumption per ton of ballast operated compared to last year	52.7% (decrease)	134% (increase)

Table 16: Ballast Water for 2023-2024.

WBT Installation per year

Table 17: WBT Installation for 2023-2024.

Scrubber discharge water is tested in all vessels of our fleet that are equipped with open loop scrubber. In 2024, the 6 newbuilding vessels equipped with open loop scrubber were delivered from shipyard and 2 bulk carriers recently acquired are also fitted with SOx Scrubber. As per VGP, washwater sampling from 3 positions shall take place twice during the first year of permit coverage or system operation, whichever is later. The two samples must be collected at least 14 days apart, while -as per MEPC- sampling should take place only during system testing (commissioning) and at a 12-month interval for a period of two years of operation (minimum 3 samples). Apart from the standard VGP requirement, Danaos requires that washwater is tested on an annual basis, in order to verify system operation and that the discharged water is within the permissible limits. Within 2024, a total of 10 samples have been tested and 9 found within limits. Resampling was carried out as a corrective action for the one out-of-limits test from washwater samples, to ensure proper operation of system. The resampling results were found to be within limits, too.

Though water withdrawal is not applicable for Danaos due to the nature of the company, we also monitor the total ballast water operated within each year, quantities are reported from vessels on a quarterly basis. Total ballast treated within 2024 is 12,270,328 m^3; total ballast quantity is also related to the total number of vessels of the fleet and the diversification of the fleet and is expected to increase along with the fleet growth.

Fresh Water Use

Since fresh water is becoming extremely scarce throughout the years, monitoring of freshwater consumption can promote our company's competitiveness through cost savings and reduced environmental liabilities, while also allowing us to be prepared for potential future environmental regulations.

Water consumed in headquarters is monitored from 2023 and, as of 2024, we have been monitoring the water withdrawals from all Offices. The water consumed in our headquarters during 2024 was 813 m^3, showing an increase in relation to 2023 due to the company's growth and personnel increase. In case of water consumed in company's premises, the effluent is discharged in the public wastewater drainage systems according to the local legislation and specifications.

Water withdrawals – total volumes (cubic meters)	Office	HQ	All offices
	2023	638	n/a
	2024	813	1,101

Table 18: Water withdrawals for 2023-2024.

As far as our vessels are concerned, 17,591 MT of fresh water have been received onboard. This is a small fraction of the fresh water that is used on board, given that the vast majority of volumes consumed are generated by sea water with desalination units. Total consumption is linked with the number of vessels and, since the fleet is growing, the total fresh water supplied will increase respectively.

Monitoring is carried out on a quarterly basis by our SQE department, where vessels report relevant consumption per category and we have also included a daily average FW consumption in our monitoring scheme.

Freshwater monitoring for 2023-2024

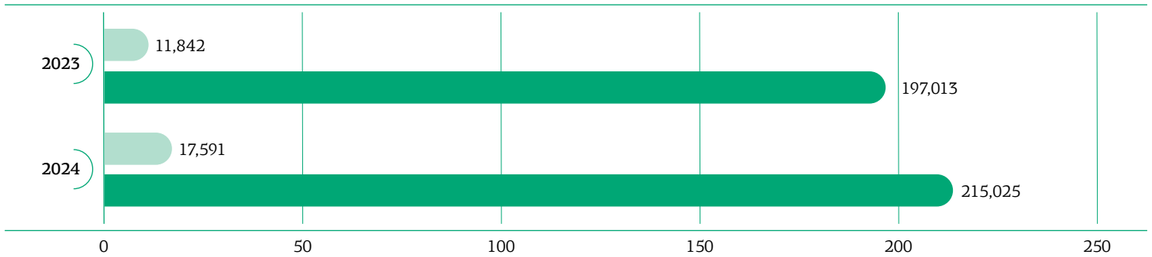


Table 19: Freshwater monitoring for 2023-2024.

FW Quantity received (MT) FW Quantity Produced (MT)

Average daily consumption of freshwater for 2023-2024.

Table 20: Average daily consumption of freshwater for 2023-2024.

2023 2024

Moreover, Danaos conducts onboard fresh water analysis in order to confirm that fresh water meets specific standards as per MLC 2006. The Maritime Labour Convention (MLC 2006), which came into force on August 20, 2013, demands that Potable (Drinking) Water should be tested (in accordance with World Health Organization guidelines for drinking water quality) at least once, at intervals of not more than six (6) months. Every vessel sends 2 samples on an annual basis, usually 1 sample from ER fountain and another from galley or accommodation areas, in order to ensure that water quality meets WHO standards in all locations. Within 2024, a total 166 samples were sent for analysis and 152 were found within limits. Resampling has been carried out as corrective action related to out-of-limits test results from freshwater samples to ensure compliance and the resampling results provided until the day this report was being prepared have been found within limits. Only four tests remaining in progress. We have a dedicated contact with a laboratory in order for the whole testing process to run smoothly and avoid unnecessary delays of the analysis results.

EU Projects

Danaos continues to drive innovation with ongoing projects aimed at improving energy efficiency, decarbonization and digital transformation in the maritime sector. Ongoing projects include DT4GS, AutoAssess, ESY Ecoshipyard and SafeNav, BlueBarge, Copropel, Engimmonia, Realchem, Reship, EO4EU. Additionally, projects that were completed in 2024 (Bugwright2, Smartship, Emerge, Gaters and E-Shyips) have already laid the groundwork for more efficient, environmentally friendly and autonomous maritime operations.

2024 EU Projects

The table below depicts ongoing and completed projects during 2024.

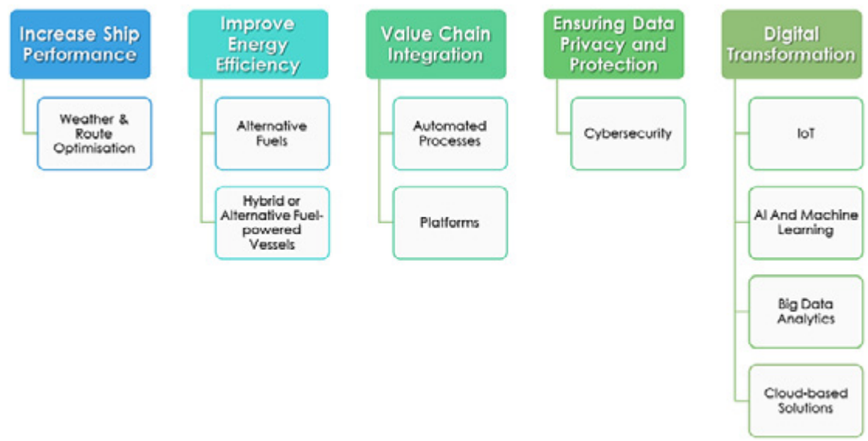
Ongoing			
Digital Transformation	**Increase Ship Performance**	**Improve Energy Efficiency**	**Value Chain Integration**
DT4GS AUTOASSESS ESY|ECOSHIPYARD SAFENAV	BLUEBARGE COPROPEL	ENGIMMONIA REALCHEM RESHIP	EO4EU
Completed in 2024			
BUGWRIGHT2 SMARTSHIP	EMERGE GATERS	E-SHYIPS	

Table 21 Ongoing and completed projects during 2024

New EU Projects

As we enter 2025, Danaos Research Center's portfolio is enriched with three winning proposals, each awarded EU funding for a three-year duration. These projects—D-Navio, Mediate and Warrant—represent significant advancements in the maritime industry. They incorporate cutting-edge technologies, such as AI Digital Twin, Zero-Trust principles, IoT, Federated Learning and MCDA, which will be central to new innovative approaches to improve security, safety and operational efficiency.

These initiatives not only highlight our commitment to advancing research and development in the maritime sector but also demonstrate our dedication to fostering innovation and contributing to the future of maritime technology and sustainability and Secured Digital Transformation.



D-Navio

This project focuses on developing a next-generation **digital twin** for large ships through the Intelligent Digital Twin **(IDT)** system. Its innovative approach aims to enhance maritime safety, improve environmental efficiency and facilitate the transition to autonomous vessels. By integrating explainable AI, self-healing technologies and interdisciplinary knowledge, D-NAVIO will revolutionize risk assessment and hazard management in maritime operations, setting new standards in the field.

Danaos will support this innovative project by integrating explainable AI, big data and interdisciplinary knowledge. D-Navio will revolutionize risk assessment and hazard management in maritime operations, setting new standards in the field.

Mediate

MEDIATE is a research program dedicated to addressing the **security and privacy** challenges within the computing continuum, focusing on the **integration of cloud**, edge and Internet of Things **(IoT)** systems. With this project, we aim to develop a robust technology based on zero-trust principles and federated learning to enhance **cybersecurity** resilience, mitigate vulnerabilities and ensure secure integration across these complex systems. This will position us at the forefront of cybersecurity innovation, enabling more secure, privacy-conscious and resilient digital ecosystems across industries.

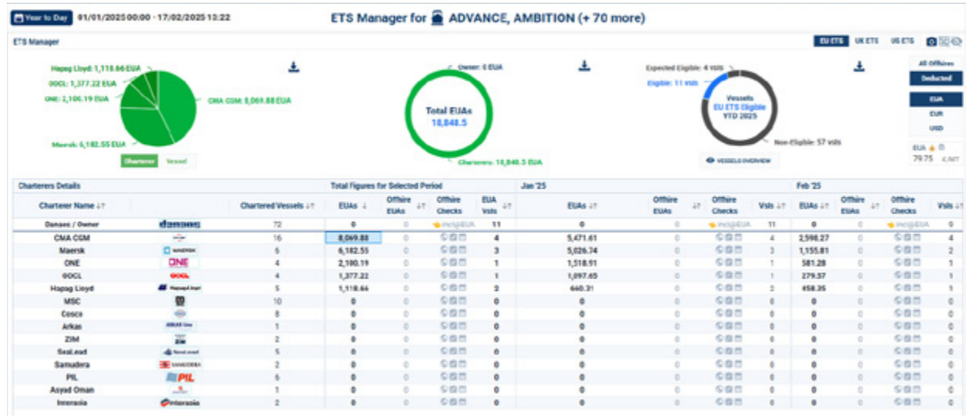
WaRRaNT

The WARRaNT project is set to address the challenge of enhancing the dependability, safety, security and resilience of Waterborne Digital Systems **(WDS)** and **digitalized ships.** Through its cutting-edge solutions, Danaos anticipates significant advancements in real-time monitoring, predictive maintenance and risk management, ultimately enabling safer, more resilient and autonomous maritime operations. This will have a lasting impact on improving **operational efficiency,** reducing risks and fostering industry-wide adoption of best practices from safety-critical sectors.

Innovation and Digitalization

Shipping companies are continuously seeking ways to adopt new technologies and enhance the efficiency of their investments. As global supply chains demand a smooth flow of goods and services, Digital Business has become a crucial enabler for shipping companies. Modern technologies, such as the Internet of Things (IoT), Big Data, Artificial Intelligence (AI), Application Programming Interfaces (APIs) and sensors, along with large volumes of data, are being harnessed to optimize operations, boost efficiency and lower costs. In order all of these to be implemented, changes in the operating models are required as soon as possible in order for the whole industry to adapt to the new demanding reality.

Our target is to work on the full digitalization of company's processes ensuring close control and prompt response, promoting fuel efficiency. Online systems installation further increased within 2024, with 4 additional vessels from the existing container fleet, as well as the 6 newbuilding vessels delivered within 2024, leading to a total of 70 out of 71 container vessels equipped with high frequency data (98.6% of the container fleet). Another 7 installations were completed on the bulk fleet and 5 more installations are planned for 2025 (3 on existing bulk carrier vessels and another 2 on the newbuildings that will be delivered next year). Within 2024, we introduced our internal ETS EUAs calculation tool in the Waves Data Analytics platform, automating CO_2 emissions reporting, in order to comply with EU Emissions Trading System (ETS) regulations and provide our charterers with billing accuracy.



In 2024, spatio-temporal applications have been also integrated in the Waves system, including IBF/ITF War Zones to monitor high-risk areas, calculating potential extra compensation or benefits for the crew and offering real-time insights into high-risk areas. Moreover, we have been monitoring through our Waves system the vessels' routes to ensure compliance with environmental protections and speed limitations in areas designated as "Whales Initiatives", such as Blue Whales Blue Skies Zones, Vancouver Killer Whales Zone, NOAA Right Whale Ship Strike Reduction Rule Zones and SaVE WHALES Zones (Kythira). The above is an innovative and impactful application, which serves two important functions: safety for vessels and protection for marine life -whales in particular-, reflecting a combination of navigation technology and environmental responsibility.

The vessels' performance analysis was further digitized within 2024 in Waves "Spot inspector" by applying multi-criteria filtering, regression analysis and post-cleaning event comparisons to detect anomalies and maintenance needs. The analysis includes the uniformed performance evaluation of vessels, utilizing multi-criteria filtering techniques to ensure data accuracy. Regression analysis incorporating multiple models is performed to identify key relationships within the data. Additionally, outlier filtering is applied to maintain data integrity, while enabling users to effectively detect anomalies and maintenance needs. This approach also helps in assessing investments and providing valuable insights by identifying performance degradation early for future planning.

The major Waves system updates include among others operational processes, such as Port activities and Disbursement accounts, providing centralized access to invoices and documents for better cost control, as well as internal processes incorporated in Waves Data Analytics, such as Milestones Scheduler and Employees Allocation applications, which improve coordination and communication.

Moreover, crewing management is a crucial aspect of effective operations, playing a vital role in ensuring sustainable development. Danaos has enriched Crewing application into Waves Data analytics platform to digitalize the constant monitoring of onboard crew composition and ensuring compliance with regulations for crew welfare and MLC, as well as compliance with company policies. The following applications have been incorporated in Waves Data Analytics platform: Crew Payable days, Crew Allotments, Crew Working hours, Crew Contracts generator, Crew List Company Policy Violations, Crew Standard Synthesis coverage.

In Danaos, we value data sharing and transparency. Our Waves platform is being constantly upgraded to incorporate all latest regulatory affairs and technology insights, providing reliable and stable data on a real time basis. Apart for enhancing our "digital surveys" in the performance of our vessels, we have participated in client initiatives for development of their in-house tools for the same purposes, enabling benchmarking and cross-validation of data gathered from both sides. This healthy collaboration will drive shipping into decarbonization, overcoming competition and commercial barriers.

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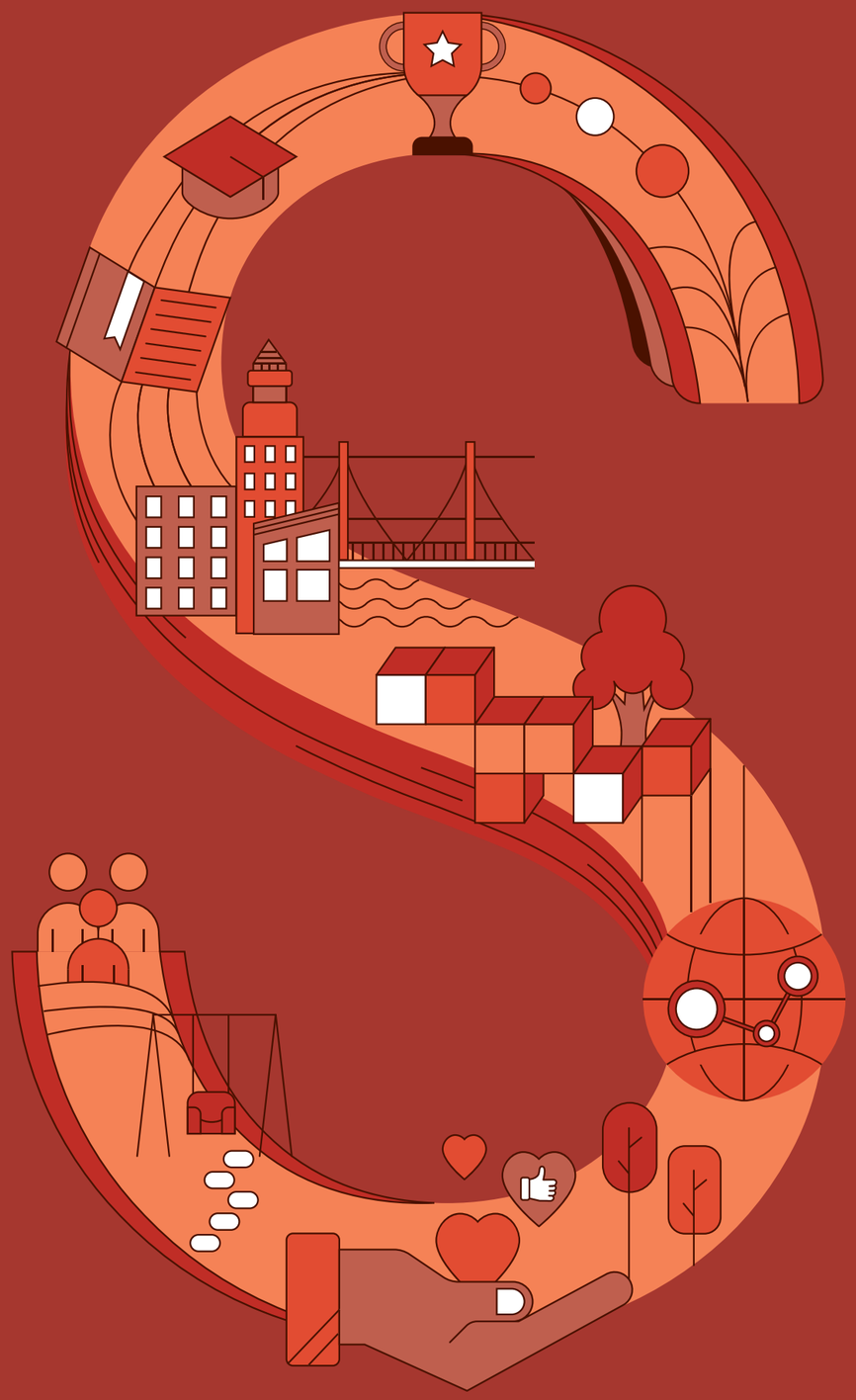

SOCIAL

At Danaos, we recognize that our success and growth are driven by the invaluable contributions of our human capital, including both our onshore staff and seafarers. As our most essential stakeholders, their well-being and professional development are our top priorities.

We are dedicated to attracting exceptional talent, providing continuous training and creating opportunities for career advancement. Our commitment is to foster a work environment that promotes engagement, supports the overall well-being of our employees and champions inclusivity at all levels.

Material Issues

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

Goals 2021-2025

Status:

17 out of 19
social goals for 2024 have been already embedded.

SDGs

Human Capital

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We are dedicated to attracting exceptional talent, providing continuous training and creating opportunities for career advancement. Our commitment is to foster a work environment that promotes engagement, supports the overall well-being of our employees and champions inclusivity at all levels.

By prioritizing the growth and satisfaction of our workforce, Danaos strengthens its foundation for sustainable development and reaffirms its commitment to fulfilling its ESG objectives.

Our Employees

Our employees form a highly skilled team with extensive experience in the shipping industry both in containerships and bulk carriers industry. We prioritize the establishment and oversight of efficient processes across various departments, focusing on continuous professional growth and continuous learning training. The strong employee retention rate is a key indicator of both employee satisfaction and our dedicated efforts to engage them effectively. Danaos is committed to promoting workplace equality through the implementation of fair and inclusive policies and practices, ensuring transparency in pay structures.

Key Statistics for 2024:

In 2024, our workforce continued to grow and diversify, reflecting our commitment to excellence and inclusion.

The average age of our employees is

39.4 years.

Our team comprises 218 employees, representing five nationalities with

39% women and 17%

of management positions held by women.

The turnover rate for office employees stands at

8% with a voluntary turnover rate of 4%.

We welcomed 61 new employees and 15 summer interns with

44% female hires and 46%

aged 30 or younger.

A highly educated workforce, where

71% of employees

hold a Bachelor's degree or higher, while

54% of total

have earned postgraduate qualifications (MSc, MBA, PhD).

Our employees accumulated a total of 3,247 training hours, averaging

14.9 hours per employee.

The opinion and ideas of our employees is of great importance to us, so, in 2024, we started the "Suggestion Box" competition, an interdepartmental initiative set out to encourage building relations with colleagues of other departments, while aiming at fostering innovation and creativity. Through the competition, we received 31 ideas from 22 different teams. The winning ideas of the competition were awarded and implemented.

Our Seafarers

Our seafarers play a crucial role at Danaos, driving global trade and ensuring the seamless operation of our vessels. Their profession requires a unique blend of technical expertise, resilience and adaptability, making seafaring both a distinctive and challenging occupation. The safety, well-being and development of our crew are central to our operations, forming the backbone of our business. We maintain strong relationships with each member of our crew, emphasizing their ongoing training and career growth.

Seafarer Workforce Overview –
As of December 31, 2024

The average age of our seafarers was

36 years.

A total of

1,875 seafarers

were onboard our vessels.

Our seafarer workforce remained strong, diverse and committed to excellence.

Our workforce represented seven different nationalities, fostering a diverse and inclusive working environment.

The crew retention rate stood at

89.12%

reflecting our commitment to employee satisfaction and career growth.

We delivered

48,468 training hours,

reinforcing our dedication to continuous learning and skill development.

A total of

495 seafarers

were promoted, recognizing their expertise and contributions.

From Great to Best Place to Work

For the second year in a row, Danaos has been officially certified as a "Great Place to Work" by the esteemed Great Place to Work organization, achieving an impressive survey score of 87%, up from last year's 78%.

The survey assesses employee sentiments, perceptions, and overall satisfaction in Credibility, Respect, Fairness, Pride, and Camaraderie, with significant improvements across all pillars.

Notably, 95% of our employees take pride in sharing that they work at Danaos, while 87% confirm it as a truly Great Place to Work.

Moreover we have been included in the list of Top Ten companies of Best Workplaces in Greece for 2025 (based on 2024 evaluation). This remarkable distinction is more than just a title it's a recognition of the culture we've all built together. It speaks to the respect, trust, teamwork, and shared commitment that define our daily experience and drive our success.

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87%

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Occupational Health & Safety

We developed a documented Safety Management System (the DSMS) fulfilling the requirements of the ISM Code. Since 2002 -when the Code became mandatory for containerships-, the DSMS has being audited successfully and Danaos maintains its Document of Compliance (the "license to operate" of shipping) valid throughout the years. The health and safety of our employees are linked to their well-being and we focus on the safest possible working conditions through the implementation of an Occupational Health and Safety regime, which covers all of our employees on-board and ashore.

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 overarching goal of our safety policy is simple yet vital: to ensure that every day starts and ends with our people safe and healthy.

Therefore, the DSMS has been amended several times, in order to:

a) Consolidate all local, national or international regulatory requirements affecting our fleet well in advance and

b) Incorporate voluntary standards well above the provisions of any mandatory rules and regulations.

In addition, all seafarers actively participate in monthly onboard Safety & Environmental Meetings. These formal meetings, guided by a set agenda, include discussions on health and safety issues. The Safety, Environmental & MLC Committee, comprising crew representatives, prepares the meeting agenda and works to enhance health, safety and environmental standards onboard. The Committee's role and responsibilities are clearly defined within the Company's Safety Management System (SMS), ensuring that all procedures and practices are adhered to by crew members.

Risk assessment

Recognizing our responsibility to identify and manage the risks associated with our ships, operations and trade, our Safety, Quality & Environmental team — comprised of seasoned professionals with extensive sea-going experience — has developed a comprehensive library of risk assessments. These assessments address various shipboard operations and implement appropriate controls to maintain a safe working environment onboard and minimize the environmental impact of our operations.

During onboard Health & Safety visits, our experts engage directly with seafarers to gather their insights and experiences regarding near-misses and situations that could potentially lead to Lost Time Injuries. These observations are evaluated both at the vessel and company level, enabling continuous improvement of our Health & Safety System and Risk Assessment practices. This collaborative approach underscores our commitment to safeguarding our workforce and promoting sustainable operations.

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

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

Additional controls beyond those outlined in the respective risk assessments may be implemented to further mitigate risks. The ship's Master has the discretion to conduct a new risk assessment, identifying additional hazards and applying controls to reduce risks more effectively. Once completed, this new assessment is submitted to the Office for review and approval. Upon approval, it is incorporated into the existing Risk Assessment library.

The Risk Assessment library is continuously updated to reflect newly identified hazards and their corresponding controls. Senior Officers receive comprehensive training during their pre-joining sessions, equipping them with the skills to evaluate and manage the risks associated with day-to-day shipboard operations effectively.

Crisis management

Danaos has implemented comprehensive measures and allocated resources to safeguard people, vessels and operations in the event of an emergency. We have established procedures to identify potential emergency scenarios and developed detailed response plans. These plans are effectively communicated to all employees and crew members, who receive the necessary training to ensure preparedness. Apart from the Response plan, we have developed an in-house Emergency Response Service system to provide clear instructions, task allocations and structured support to effectively manage emergency situations.

A key component of our emergency preparedness system is the hands-on management system onboard every vessel, as outlined in the Ship Security Plan (SSP). All employees, crew members, visitors, inspectors, suppliers and third parties boarding our ships are required to adhere strictly to the SSP guidelines.

Drills

The Company has established a program of drills and exercises to prepare crew and shore-based personnel for emergency actions to develop and maintain confidence and proficiency and test the effectiveness and suitability of the emergency plans. This planning is drawn up annually in accordance with the requirements provided by the international regulations. In addition to the onboard drills required to be performed by the International Convention for the Safety of Life at Sea (SOLAS convention) at specific intervals (monthly, 2-monthly, or 3-monthly), the planning includes a variety of scenarios in which crews practice throughout the year. These drills cover both emergency preparedness in respect of safety and familiarity with security plans and procedures. The identification of emergencies is defined in the Emergency Procedures Manual (EPM), which contains guidelines (in the form of checklists) for handling emergency situations and is the point of reference during the design and execution of onboard drills.

Danaos Annual Drills Planning is outlined in the table below:

Drill Description	Periodicity
Abandon Ship	Monthly/ Every 15 days (Maltese fleet)
Black out	Semi-Annual
Collision	Once per year
ECDIS Failure	Quarterly
Emergency Steering	Quarterly
Emergency Towing	Semi-Annual
Enclosed Space Entry	2-Monthly
Engine Room Flooding	Semi-Annual
Engine Side Emergency Operation	Quarterly
Excessive List	Once per year
Explosion in Engine Room	Semi-Annual
Fire Drill	Monthly/ Every 15 days (Maltese fleet)
Grounding	Semi-Annual
Hazmat	Semi-Annual
Helicopter Rescue – Helicopter Crash	Once per year
Hull Failure	Once per year
Man overboard - Recovery	Quarterly
Search and Rescue	Semi-Annual
SOPEP	Quarterly
Security	Quarterly
Stowaway	Once per year
SHIP-TO-SHORE with selected ships from our fleet	Once per year

Table 22: Danaos Annual Drills Planning

All drills are thoroughly documented, capturing key details such as the specific scenario, date, time, location, participants, areas for improvement and an evaluation of the crew's skills and knowledge. This information is recorded in the Danaos Enterprise ISM Module.

The drill reports are then submitted to the office, where they are reviewed by the Safety, Quality and Environmental (SQE) Superintendents to ensure compliance and identify opportunities for further enhancement. In 2024, a total of 4,899 drills were conducted across the Danaos fleet.

Incidents

Our policy mandates that all incidents are reported, investigated and analyzed to prevent recurrence. Crew members are trained and actively encouraged to recognize and report near-misses, which are treated as early warning signs of procedures or practices that require revision and improvement. Investigations are led by the ship's Master, with support from the Safety Officer, seafarers' safety representative, or other members of the Safety, Environmental & MLC Committee.

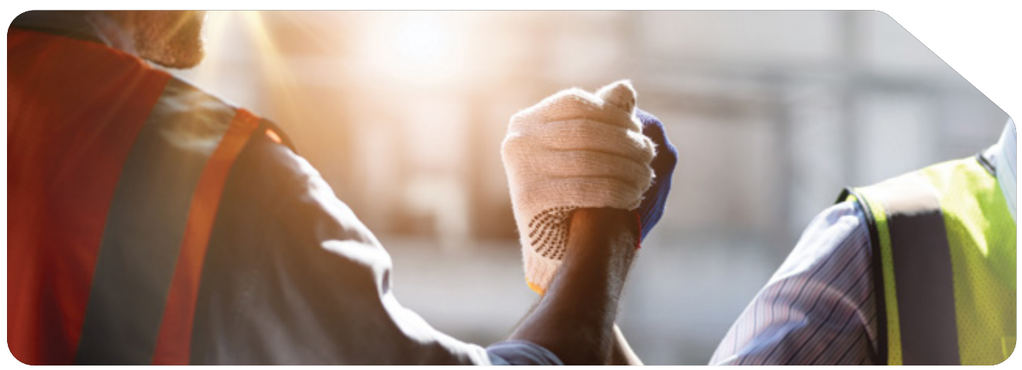
Danaos employs the Loss Time Injury Frequency (LTIF) metric, an objective tool measuring work hours lost due to injury, to monitor and enhance safety performance. To further reduce LTIF rates, we have implemented the Lockout/Tagout system for hazardous energy control. Additionally, since 2018, we have adopted a Behavior-Based Safety (BBS) approach to address factors that influence learning and behaviour. The successful implementation of BBS fosters significant safety improvements, helping us create a "total safety culture" across the organization.

In 2024, we continued utilizing the UDE (Undesired Event) application within our platform for accident and incident analysis reporting. Enhancements to this system provided clearer insights into the conditions surrounding incidents and facilitated close monitoring of corrective actions taken onboard. At the same time, we reinforced best practices to increase crew awareness and promote safety.

One (1) major accident is reported in 2024, the fire aboard the c/v STRIDE, which resulted in two (2) fatalities were reported across the fleet. On January 8, 2024, a fire broke out in the engine room of our c/v STRIDE while she was alongside at Barbours Cut Marine Terminal in LaPorte, TX, USA. As a result of the fire, two crew members died on scene and one was seriously injured. Due to the sustained damage, the vessel was later declared a constructive total loss. Danaos cooperated fully with the local authorities, both at the stage of the emergency response, as well as at the stage of the incident investigation.

In the wake of this accident, Danaos took the following immediate actions:

- Thorough checks of the integrity of the bunker systems and fittings were conducted aboard all managed vessels. Some of the checks were carried out in the presence of the Classification Societies.
- Bunker procedures were reviewed.
- Furthermore, Danaos adopted the ISO 45001:2018 "Occupational Health and Safety Management System" standard by incorporating all its provisions in our existing Safety Management System. The certification process against ISO 45001:2018 was successfully completed in 2024.



Safety audits

Danaos' Safety Management Systems are regularly audited by the Safety, Quality and Environmental Department internally and by Recognized Organizations, including IACS members, externally. Unscheduled audits are conducted if serious deficiencies are identified during third-party inspections. Audit findings, non-conformities, or observations are analyzed during the management review process. To ensure excellence, we have established internal Key Performance Indicators (KPIs) aligned with BIMCO SHIPPING KPIs. Serious findings that pose risks to personnel, ships or the environment are analyzed using the Root Cause Analysis (RCA) method, followed by immediate corrective actions.

A variety of inspections are conducted across our fleet to ensure compliance with ISM/ISPS Codes, ISO 9001, ISO 14001, ISO 50001, ISO 45001 standards and the MLC Convention. All vessel certifications were successfully endorsed. The table below outlines the number and types of audits conducted over the past two years.

Audit type	2023	Difference 2022-2023	2024	Difference 2023-2024
Internal audits	86	+13%	105	+22%
Third party audits	48	+129%	36	-29.2%
MLC inspections	57	+1,040%	22	-61.4%

Table 23: Number of audits per type of audit for 2023 and 2024

In 2024, the container fleet recorded a total of 341 deficiencies, with four (4) detentions. For the bulk carrier fleet, the total recorded deficiencies were 142, with three (3) detentions. Finally, we should mention that third-party MLC inspections confirmed that all seafarers onboard are provided with decent living and working conditions and that their employment agreements and wage payments comply with applicable collective bargaining agreements.

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All Fleet	2023	2024
LTIs	35	48
LTIF Rate	2.57	3.03
Near Misses reports	323	419

Table 24: Safety Performance Metrics for 2023-2024.

PSC Boardings - [Containers Fleet]	2023	2024
Inspections/Vessels	2.9	2.85
Deficiencies/Inspection	2.13	1.69
Inspections without Deficiency	55%	52%
ISM Related	30.3%	12.3%

Table 25: Inspection Performance Metrics for containers fleet, 2023-2024.

PSC Boardings - [Bulk Carriers Fleet]	4Q 2023	2024
Inspections/Vessels	1.5	2.56
Deficiencies/Inspection	4.67	6.17
Inspections Without Deficiency	0%	22%
ISM Related	0%	56.3%

Table 26: Inspection Performance Metrics for bulk carriers fleet, 2023-2024.

2024 Crew Welfare Campaign

As part of our ongoing commitment to crew welfare and regulatory compliance, we launched several key initiatives in 2024. To enhance regulatory awareness, an online training platform has been introduced, enabling crew members to stay updated on the compliance framework impacting all managed vessels, with progress tracked electronically. Watch and rest hours, as well as overtime work, are now monitored through dedicated online platforms, supported by a clear policy on overtime assignment, tracking and compensation.

On the well-being front, a 24/7 mental health support service has been implemented for all seafarers, along with a remote medical assistance service already covering 19 vessels. A dedicated crew welfare budget was introduced in August 2024, enabling further support initiatives. New entertainment systems are being installed across the fleet, with deployment underway on a growing number of vessels. Free onboard internet access now includes an initial data allowance, ensuring connectivity for all crew members. Additionally, video conferencing capabilities are being rolled out to facilitate direct crisis assistance, with deployment progressing fleet-wide. We always ensure that clothing, bed linens and towels are regularly refreshed across the entire fleet. These measures underscore our commitment to fostering a supportive and well-equipped environment for our seafarers.

Health & Safety at our Offices

At our offices, we have established a Building Emergency Response Team (BERT) with designated members on each floor. This team is certified in firefighting and emergency response, ensuring preparedness for a range of scenarios. To maintain readiness, we conduct annual drills and refresher training sessions. Both the team and the building are equipped with the necessary tools to handle emergencies safely and efficiently.

Additionally, we have a well-trained First Aid Team equipped to provide immediate medical assistance when needed. This team undergoes annual refresher training and is supported with adequate first-aid equipment to ensure swift and effective responses to health-related situations. These initiatives demonstrate our commitment to maintaining a safe and secure environment for all.

According to 2024 Great Place to Work® Trust Index© Survey 99% of Office Employees believe that Danaos is a safe place to work.

Caring for our People

As part of our commitment to fostering a positive and inclusive workplace, we have introduced a new managerial role focused on Culture & Engagement. This role is designed to strengthen employee engagement by cultivating a vibrant, collaborative and supportive culture across the organization. By prioritizing meaningful connections and a sense of belonging among our people, we aim to empower employees to thrive and contribute to the company's ongoing success while reinforcing our dedication to social responsibility.

At Danaos, the well-being of our people is our top priority. We strive to create a supportive environment that values both employees and their families. To promote physical activity, we organize Danaos Sport teams participating to tournaments, encouraging fitness, teamwork and collaboration. Employees also benefit from personalized nutrition guidance and subsidies for gym memberships, supporting their individual fitness journeys. Regular health check-ups and access to an on-site doctor further ensure that our team has the resources they need to thrive both personally and professionally. We warmly welcome employees' families to participate in company-organized events and celebrations, fostering a strong sense of community. Financial support is provided through our Childcare Fund and we honor the scholastic achievements of employees' children with Academic Achievement Awards. Career orientation sessions with professional consultants help guide their professional paths, while art competitions encourage creativity and self-expression. Our commitment extends to the families of our employees, with access to the Danaos Blood Bank, ensuring support during critical times.

However, we are equally committed to supporting the well-being of our seafarers, fully aware of the unique challenges they encounter during their extended time at sea. To support their wellness, we provide essential amenities like internet access onboard, helping them stay connected with loved ones and access valuable resources while away from home. We also offer tailored wellness courses for seafarers, covering topics like stress management and mental health awareness. These initiatives aim to provide our seafarers with the tools and resources to maintain their physical and emotional health, fostering a safer and more fulfilling work environment for those at sea.

Through these efforts, we reaffirm our unwavering commitment to the well-being of our people, recognizing that their happiness and success are integral to our shared achievements.

Diversity, Equal Opportunities and Non-Discrimination

Danaos remains firm in its dedication to cultivating a workplace culture that upholds safety, respect, and inclusivity for all employees and stakeholders. At the heart of this commitment is the company's zero-tolerance policy against violence and harassment in any form.

We are dedicated to creating and maintaining a diverse, inclusive and equitable workplace, where every individual is valued and respected. Diversity and inclusion are fundamental to our success and we actively promote a culture of respect, inclusion and belonging for all employees, regardless of age, gender, race, ethnicity, disability, family or marital status, religion, beliefs, pregnancy, gender identity or expression, sexual orientation, nationality, or any other characteristic protected by law.

This Diversity, Equal Opportunities and Inclusion policy applies to all facets of employment at Danaos, including recruitment, training, performance management, career development, rewards, code of conduct, workplace facilities and termination of employment. These principles of equity, diversity and inclusion also guide our interactions with external stakeholders, including clients, agents and suppliers.

Our company firmly believes that diversity is a key driver of value, significantly contributing to enhanced business results. By embracing diverse perspectives, experiences and backgrounds, we unlock innovation, foster creativity and strengthen our ability to achieve sustainable success.

Our workforce comprises office employees from five different nationalities, while our seafarers represent a diverse range of seven nationalities.

We expect all individuals to uphold and promote the values of equity, diversity and inclusion in their daily work.

At Danaos, every employee, from the crew onboard to the management team onshore, is expected to maintain the highest standards of professional conduct. This includes treating others with dignity and respect and refraining from any behaviour that could be considered violent, abusive, or harassing.

To reinforce this commitment, Danaos has implemented comprehensive policies and procedures designed to effectively prevent and address incidents of violence and harassment. These policies are clearly communicated to all employees through training programs and written guidelines, ensuring everyone understands their rights and responsibilities in fostering a safe and respectful workplace.

There are in-house awareness sessions included modules on cultural awareness, inclusion and equal employment opportunities, promoting a workplace environment that values and respects the uniqueness of everyone. By addressing and challenging implicit biases, employees gain deeper insights into their own perspectives, fostering fairer, more equitable interactions and building stronger relationships across diverse backgrounds.

The onboarding process for all new employees and senior officers onboard vessels includes comprehensive training on the principles of Diversity and Inclusion. This ensures that every member of the Danaos team is equipped to promote a culture that values and respects individual differences. In addition to onboarding training, Danaos offers accessible online courses through its training platform, providing seafarers with opportunities to enhance their understanding of Diversity and Inclusion, thus contributing to a harmonious and supportive environment both onshore and at sea.

In 2024, no incidents of discrimination, violence, or harassment were reported through our online applications.

The figures below provide insights into the age diversity of both office employees and seafarers, gender diversity in managerial positions, gender diversity in STEM roles among office employees and the gender pay gap across office positions.

Danaos remains firm in its dedication to cultivating a workplace culture that upholds safety, respect, and inclusivity for all employees and stakeholders. At the heart of this commitment is the company's zero-tolerance policy against violence and harassment in any form.

		2023	2024
Female	Directors	21%	29%
	All Managers	19%	39%
Male	Directors	79%	71%
	All Managers	81%	61%

Table 27: Gender diversity in managerial positions for 2023-2024.

Age	Employees	2023	2024
≤30	Crew	28%	27%
	Office	21%	26%
>30≤50	Crew	58%	59%
	Office	65%	62%
>50	Crew	14%	14%
	Office	14%	12%

Table 28: Age diversity of both office employees and seafarers in 2023 and 2024.

Gender diversity in STEM

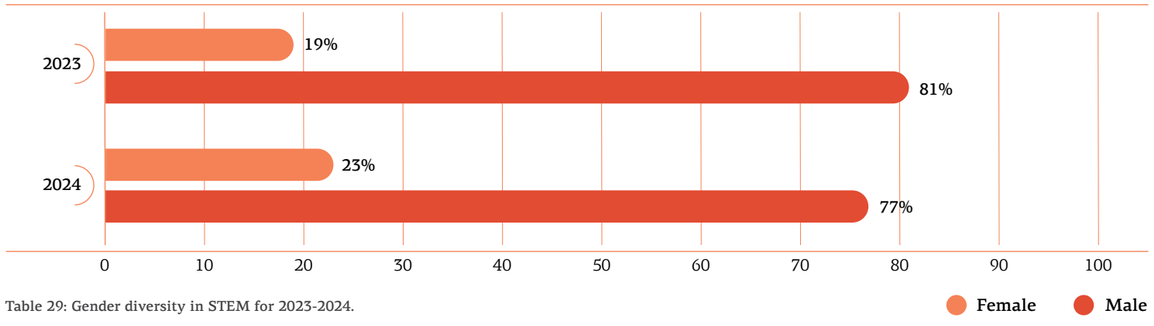


Table 29: Gender diversity in STEM for 2023-2024.

Female to Male Ratio Salary Gap

Employees	77%
Managers	101%

Table 30: Ratio of the basic salary and remuneration of women to men.

As part of our ongoing commitment to sustainability and social responsibility, Danaos participates in the All Aboard Alliance, a coalition of senior leaders from various sectors of the maritime industry. This alliance shares a collective vision of enhancing diversity, equity and inclusion within maritime organizations, both at sea and onshore. By fostering collaboration, the All Aboard Alliance seeks to drive positive change and shape a more sustainable, innovative and inclusive maritime industry. Danaos recognizes the critical importance of diversity and inclusion in building a resilient workforce and is proud to contribute to this impactful initiative, reaffirming our commitment to promoting positive social change within the industry and beyond.

In 2024, no incidents of discrimination, violence, or harassment were reported through our online applications.

Transparency and Accountability

Danaos strives to be one of the most transparent shipping companies globally and we have implemented a series of initiatives, reports and tools to collect and communicate data to all interested parties. These efforts are supported by a set of commitments and policies that cover areas such as sustainable development, compliance with IMO and EU MRV regulations, energy consumption and emissions, employee assessments and development and our interactions with the wider value chain.

Our Danaos Management System ensures accountability across departments and employees. By establishing clear organizational structures and communication channels, we enhance company efficiency and reduce workloads. The system includes business charters for committees, corporate governance guidelines, a Code of Conduct & Ethics for corporate officers and directors, job descriptions, policies, SOPs and working instructions. This framework helps prevent conflicts of interest, clearly assigns responsibilities and allows for the identification of potential violations.

Danaos employees can access the company's Management System through personal computers on the company intranet. External stakeholders can view our Code of Business Conduct and Ethics on the Danaos website. These practices align with our commitment to maintaining transparency and accountability throughout our operations, helping us ensure continuous improvement in all aspects of our business.

Human Capital Training & Development

At Danaos Shipping, we are committed to fostering a culture of continuous growth and development through our Performance Management System. In line with this commitment, in 2024, 100% of employees have been evaluated, receiving structured feedback on their performance and achievement of objectives. This process ensures transparency and provides a clear roadmap for professional growth, with each employee setting a personalized development plan for the following year. Additionally, through Talent Review meetings with Management, employees are assessed not only on their performance, but also on their potential and motivation. The insights gained from this process are directly linked to our Career Development Framework, ensuring that employees are supported in their career progression while aligning individual aspirations with the company's long-term goals.

Danaos Assessment and Training Centre (DATC)

The Danaos Assessment and Training Centre (DATC) was established in 2016 to meet the training needs of the company's fleet officers, crew and shore-based employees. Located at the Danaos Piraeus offices, the facility is equipped with a full-mission Bridge Simulator and state-of-the-art training resources. The DATC underscores the company's commitment to providing top tier training facilities and further developing the competence of its personnel to ensure operational excellence.

The DATC is certified and accredited by Lloyd's Register of Shipping and the Cyprus Department of Merchant Shipping (DMS), holding the Approved Training Provider Certificate and ISO 9001:2015 certification. The DATC team works closely with all company departments to identify specific training needs, offering tailored training activities that aim to boost knowledge, awareness, competence and overall performance.

Through the DATC the following Simulation Trainings are provided:

1. **BR(T)M:** Bridge Resource Management
2. **MRM:** Maritime Resource Management
3. Damage Stability and Damage Control
4. Multi-Cultural Teams and Effective Communication

An essential component of the training curriculum is Danaos' Safety Management System (DSMS), incorporating real-life fleet experiences, feedback and lessons learned. The training program combines theoretical knowledge with practical exercises, using real-world scenarios in simulation-based drills to enhance skills and competence.

In-House Training Department

In 2024, we strengthened our Training Department to uphold the highest standards of safety and quality. To enhance the scope of our training sessions, we increased the number of Training Officers assigned per nationality, ensuring a broader range of topics was effectively addressed.

Additionally, we introduced 16,300 hours of training for our seafarers through a newly implemented online-training platform. Beyond this, we developed and uploaded custom Danaos training programs, tailored to address root cause analyses and lessons learned, further reinforcing our commitment to continuous improvement and operational excellence.

Our highly skilled training department is dedicated to offering a wide range of seminars designed to enhance the skills, knowledge and expertise of individuals within the maritime industry. Through careful planning and expert instruction, these seminars cover essential topics that are vital to the success and safety of seafarers. The department utilizes innovative and interactive training methods to ensure participants receive a well-rounded and engaging learning experience.

From navigation techniques and safety protocols to emergency response procedures, as well as the latest developments in maritime technology and international regulations, the seminars are tailored to meet the evolving needs of seafarers. With a strong commitment to excellence, our training department plays a crucial role in shaping capable and well-prepared professionals, equipping them to confidently and competently navigate the challenges of open seas.

Seafarers Training: Navigating the Path to Excellence

By prioritizing technical proficiency, safety, environmental awareness and continuous learning, our training programs enhance the competence and professionalism of seafarers, ensuring the reliability and safety of global shipping operations.

To achieve this, we have developed in-house seminars and pre-boarding training and we continually assess training needs to ensure the safety and competence of our workforce.

Training for both employees and seafarers covers key areas, including:

1. Safety
2. Relevant environmental aspects
3. Environmental policy and goals
4. Updates on laws and regulations affecting ships' operations
5. Operational, monitoring and contingency procedures
6. Day-to-day activities

Our computer-based training programs ensure ongoing evaluation and appraisal of seagoing and shore-based employees throughout their careers.

A variety of seminars tailored to Danaos Shipping are held at our premises.

Seafarer Development

Danaos takes a proactive approach to fostering the professional development and skill enhancement of its seafarers through regular quarterly performance reviews. These assessments play a vital role in determining career advancement opportunities and identifying specific training and development needs. Utilizing an innovative online platform, feedback is collected from a wide range of sources, ensuring a comprehensive and unbiased evaluation. The assessment criteria cover key areas such as operational efficiency, compliance with regulations, adherence to safety standards and the demonstration of essential soft skills. By maintaining these high evaluation standards, Danaos promotes a culture of continuous improvement while reinforcing its unwavering commitment to excellence and safety in maritime operations.

Cadet Programs

Our cadet programs are designed to support aspiring maritime professionals from various countries, promoting skills development and long-term career growth. We collaborate with local maritime academies with comprehensive approach to maritime education, including rigorous theoretical and practical training aligned with international standards. The programs focus on disciplines such Deck and Engineering Watch Officer training and Electro-Technical, emphasizing safety, technical expertise and strict adherence to industry requirements. Graduates gain essential sea service experience through established placement programs, culminating in certifications that support their career progression. The program also provides ongoing professional development, wellness and tailored training, ensuring a sustainable talent pipeline for Danaos. During 2024, we had 116 participants from various countries aiming to increase the number during 2025.

Onboard Riding Trainer Program

In 2024, we launched the Onboard Riding Trainer initiative as part of our commitment to enhancing the training and development of our seafarers. This program involves the selection of experienced Deck and Engine Officers from within our crew, each with extensive expertise and a deep understanding of our company's operations. These trainers are tasked with visiting vessels to provide on-the-job training for new seafarers, focusing on operational procedures, onboard systems, communication protocols and corporate culture.

The Onboard Riding Trainers act as consultants, sharing their knowledge and offering practical guidance on Deck and Engine Room responsibilities. Their mission is to ensure that new crew members gain a comprehensive understanding of Danaos practices and standards, safety culture, fostering a seamless integration into our operations.

Before embarking on their assignments, the selected trainers underwent extensive training in soft skills and mentoring techniques, equipping them to effectively guide and support their colleagues. This program reflects our dedication to cultivating a skilled and confident workforce, prepared to uphold Danaos's high standards of excellence.

On-Shore Employee Training

We invest extensively in comprehensive training programs designed to facilitate smooth onboarding, enhance digital skills, promote awareness of rules and regulations, encourage safety measures, improve operational efficiency, advance diversity, equity and inclusion (DEI) initiatives and cultivate effective leadership skills. Our commitment to employee growth is reflected in the thousands of training hours provided, delivered through various methods such as instructor-led sessions, webinars, seminars and other interactive platforms. By empowering our team with the necessary knowledge and skills, we not only strengthen our organizational capabilities but also contribute to a more sustainable and responsible maritime sector. Acknowledging the critical need to stay ahead in the fast-changing maritime industry, Danaos has invested in this initiative to provide its workforce with the essential tools and knowledge. This proactive approach highlights the company's dedication to innovation and ensures that its team is equipped to tackle the challenges of the digital age, leading to enhanced performance and efficiency throughout the organization.

Training Topics Hours

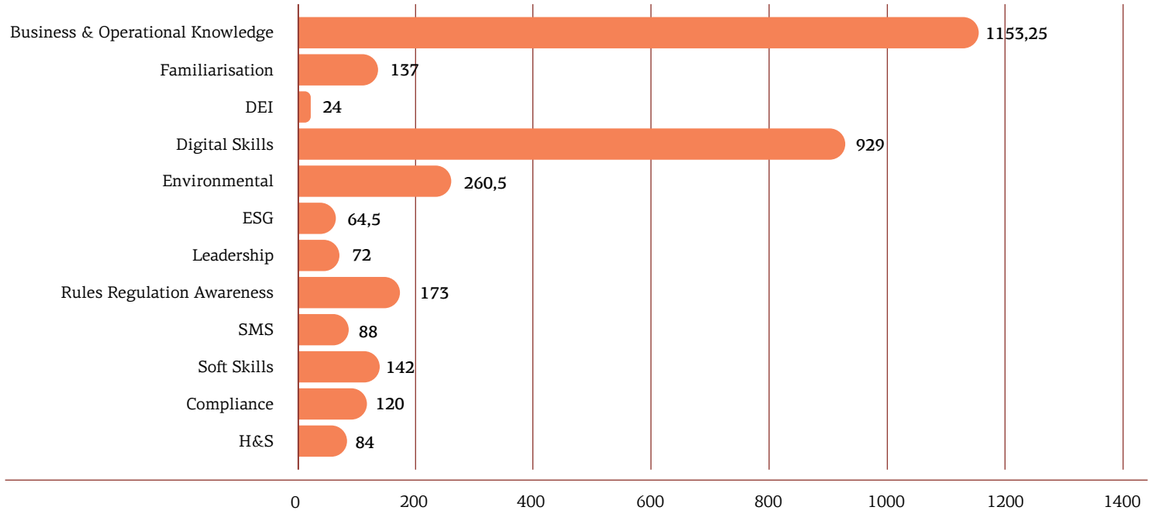


Figure 4: Hours of training topics for all employees for 2024.

Digital Skills Development Program

As part of its commitment to digital transformation, Danaos Shipping has launched a comprehensive Digital Skills Development program for its office employees. Understanding the critical role of technology in the evolving maritime industry, the company has invested in equipping its workforce with essential digital competencies. Through this initiative, a total of 929 training hours have been offered, providing employees access to a wide array of courses designed to enhance their digital proficiency. This proactive strategy not only reinforces Danaos Shipping's dedication to innovation but also empowers its team to adapt to the digital landscape, driving efficiency and operational excellence across the organization.

Effective Communication with Seafarers

Danaos Shipping recognizes the importance of clear and effective communication in fostering strong relationships between onshore teams and seafarers. To enhance collaboration and operational efficiency, the company has implemented a specialized Training Program for Effective Communication with Seafarers, designed for professionals who engage regularly with crew members onboard. The program covers key aspects such as verbal and written communication, body language, cultural awareness, providing clear guidelines, requesting feedback and maintaining regular communication channels. A total of 142 training hours have been delivered, equipping participants with the skills necessary to ensure seamless and respectful interactions. This initiative reflects Danaos Shipping's commitment to strengthening teamwork, improving operational outcomes and supporting the well-being of its seafarers.

Office employees accumulated a total of **3,247.25** training hours, averaging 14.9 hours per employee.

Seafarers received a total of **48,468** training hours, ensuring ongoing skill development and regulatory compliance.

Career Path Framework

One of the key benefits of our Career Path Framework is its ability to provide employees with a clear pathway for career growth. By outlining the skills and experiences required for progression, individuals can take proactive steps to develop their capabilities and advance within the organization. This not only enhances employee engagement and job satisfaction but also strengthen our talent pipeline, ensuring that we have the right people in the right roles at every level of the organization.

Importantly, our Career Path Framework is an integral component of our broader Human Resources Management strategy, which encompasses Performance Management, Talent Management and Training & Development. By integrating career progression into these core processes, we create a holistic approach to employee development, where individuals are supported at every stage of their career journey.

Career Path Allocation

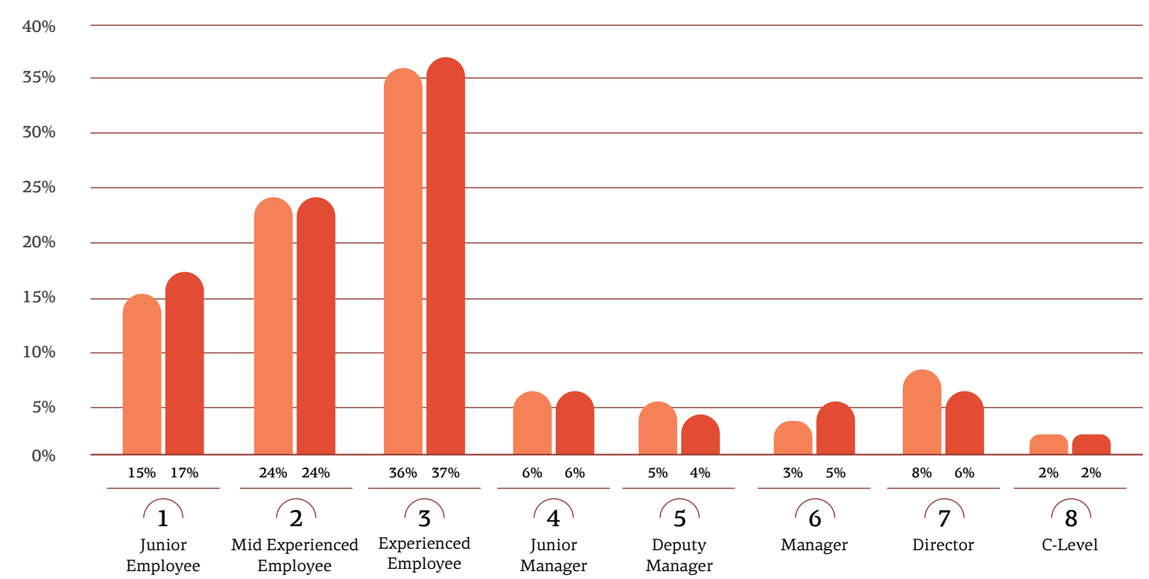
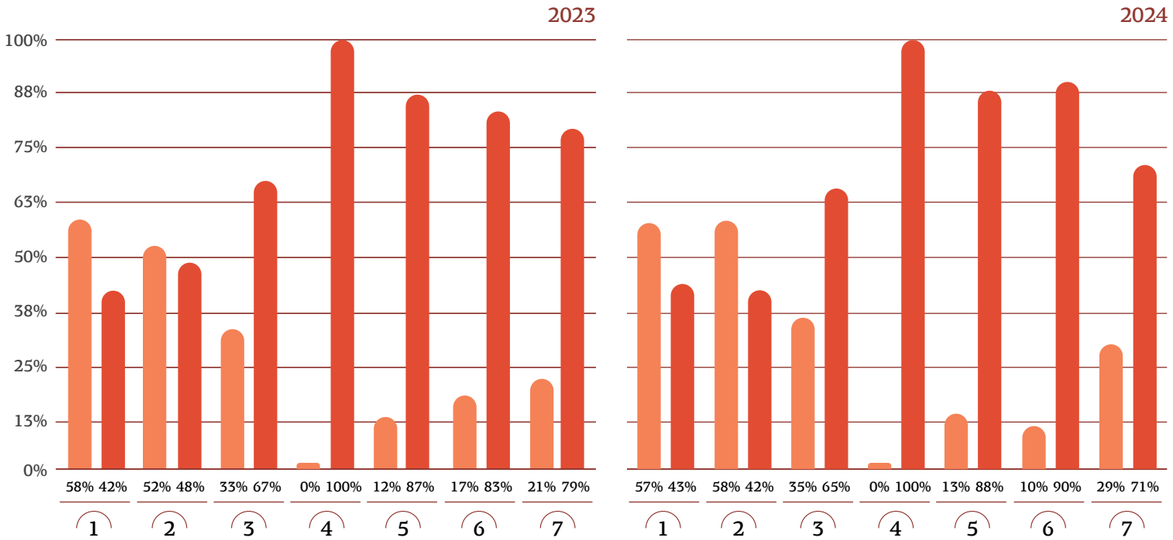


Table 31: Career Path Allocation for 2023-2024.

Career Path Gender Allocation



1. Junior Employee
2. Mid Experienced Employee
3. Experienced Employee
4. Junior Manager
5. Deputy Manager
6. Manager
7. Director

Table 32: Career Path per Gender for 2023-2024.

Talent Attraction

We take a comprehensive approach to attracting top talent. We actively promote exciting career opportunities through multiple channels, emphasizing the meaningful impact employees can have within our dynamic organization. Our competitive compensation packages, extensive benefits and strong focus on professional growth make us an appealing destination for the best talent. In essence, we don't just seek talent—we create an environment that naturally draws exceptional individuals.

Danaos is a leader in modern recruitment practices, utilizing cutting-edge technology to identify and evaluate candidates whose skills and values align seamlessly with our company's goals and culture. Through innovative platforms and tools, we streamline the recruitment process, ensuring each potential team member undergoes a thorough assessment that goes beyond traditional measures.

In 2024, we welcomed 61 new office employees 3 of whom were promoted from our fleet. Among the new hires, 44% were female employees.

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Human Rights

In our commitment to responsible business practices, Danaos proudly aligns with the core conventions of the International Labour Organization (ILO), as well as internationally recognized frameworks such as those of the UN and OECD. Our dedication goes beyond complying with local laws; we actively uphold fundamental human rights within our operations. This includes respecting the rights to freedom of association and collective bargaining, strongly opposing forced labor, child labor and all forms of discrimination in employment and occupation. Additionally, we maintain rigorous standards for working conditions and prioritize the safety and well-being of our people. This steadfast commitment demonstrates our unwavering dedication to fostering fair, equitable and safe work environments for all.

We are resolutely committed to respecting human rights across all facets of our business. We recognize that our operations can have a significant impact on the lives and well-being of our employees, customers, suppliers and the communities in which we operate. Danaos' Human Rights Policy represents our voluntary commitment to promoting human rights and ensures their respect throughout our supply chain and business practices.

We are devoted to protecting the inherent dignity of every individual, regardless of their race, color, gender, sexual orientation, age, religion, disability, or any other characteristic protected by applicable laws and international human rights standards.

Discrimination, harassment, or any form of abuse will not be tolerated within our company.

Failure to adhere to this Human Rights Policy may result in disciplinary actions for employees, which could include (subject to domestic law) termination or dismissal.

We are committed to continually improving our human rights performance. This includes regular assessments, training for our employees and suppliers and actively engaging with human rights organizations and initiatives. To enrich this process and ensure its effectiveness, we adopt the following stakeholder engagement strategies: At Danaos, we firmly believe that respecting and promoting human rights is not only a moral obligation but also essential for the long-term success and sustainability of our business. We work diligently to uphold these principles and we encourage all our stakeholders to join us in this endeavor.

If there is a breach of Human Rights, everyone has the option to report it either externally through the Ethics & Compliance Policy, or internally though the Grievance procedure.

We recognize the interconnectedness of environmental sustainability and human rights. We take steps to reduce our environmental impact, contribute to the fight against climate change and protect the rights of future generations to a healthy and sustainable environment.

Labor Rights

We commit to upholding the rights of all workers, including:

- Freedom of Association: Employees have the right to join or not join trade unions or workers' organizations of their choice, without fear of retaliation or discrimination. On top of that, 100% of our employees are covered by collective bargaining agreements.
- Fair Wages and Benefits: We provide fair and competitive compensation packages that meet or exceed legal and industry standards.
- Safe and Healthy Workplace: Danaos Shipping ensures that all employees and seafarers have a safe and healthy working environment by complying with all relevant health and safety regulations.
- Child Labor: We strictly adhere to minimum age requirements in accordance with international labor standards.

Child, Forced and Compulsory Labor

We recognize the critical importance of addressing child labor risks within our operations and supply chains. Danaos maintains a strict policy of not employing any seafarer under the age of 18, in any capacity. Age verification is conducted prior to employment to ensure compliance with this standard and to align with international labor conventions and best practices.

Our commitment extends beyond our direct operations and into the global community. We are dedicated to promoting sustainable and responsible business practices that protect the well-being of all individuals involved in our value chain.

We actively engage with our suppliers to communicate our zero-tolerance policy on child labor and align on expectations for ethical and socially responsible conduct. Transparency and accountability are central to our supplier selection process. We require all suppliers to comply with applicable labor laws and industry best practices, including fair employment policies, health and safety measures, and zero tolerance for corruption.

When selecting suppliers, we prioritize ethical and responsible business practices to mitigate risks associated with child labor, especially in industries such as manufacturing and in geographic areas where such risks may be more prevalent. We aim to build a network of suppliers who share our values and commitment to human rights.

Danaos has implemented comprehensive policies that explicitly prohibit all forms of child labor. These policies are communicated throughout the organization and to our suppliers. They are continuously reviewed and updated to remain aligned with international labor standards and evolving expectations.

Through these efforts, we contribute to the effective abolition of child labor while ensuring that the products and services supporting our operations not only meet high performance standards but also reflect our social responsibility.

Security Practices

All deck personnel (52%) with designated security responsibilities receive training on methods for conducting physical searches of individuals. As outlined in our Ship Security Plan (SSP), any search is to be carried out with full respect for the individual's human rights and dignity. In addition to the SSP, the SSO Danaos Security Training Manual, used for onboard training, provides detailed instructions and techniques for conducting searches. This manual also outlines specific items to be considered to ensure respect and professionalism in every situation. No security personnel are provided by contractors.

Our Strong Community Engagement

Our strategic priority is to generate value for society and the communities in which we operate, while keeping our employees engaged and actively involved through a variety of voluntary initiatives.

We believe in the strength of solidarity and our community investment efforts are focused on supporting vulnerable groups and institutions.

Empowering Communities – Commitment to Health & Inclusivity

We proudly participate in the Race for the Cure organized by the NGO "Alma Zois" during the Greece Race for the Cure event, showcasing our commitment to raising awareness and supporting the fight against breast cancer. Our team's enthusiastic involvement reflects our dedication to backing crucial causes that impact our communities. We also collaborate with ELEPAP, an NGO that supports children with disabilities, in running the Athens Classic Marathon. Through these events, Danaos Shipping reaffirms its steadfast commitment to promoting health, well-being and inclusivity in society. Through the "Act of Joy" initiative, we donate to NGOs that protect children.

Danaos also promotes employee well-being and supports the broader community by establishing the Danaos Blood Bank. This innovative initiative provides employees with the opportunity to donate blood, benefiting not only their colleagues and families in times of need but also contributing to the overall health system of the country.

Fostering Maritime Education

We remain committed to fostering the development of future maritime professionals by actively engaging with academic institutions and schools. In 2024, we had the privilege of hosting 254 students from Greek and international universities, as well as over 100 students from local schools. These interactions provided valuable insights into the maritime industry, offering hands-on experiences and knowledge to inspire and educate the next generation of professionals. Through these initiatives, Danaos plays an integral role in developing essential skills and fostering a greater understanding and appreciation of the maritime sector within the academic community. This reflects our ongoing dedication to investing in education and the growth of young talent, ensuring a brighter and more sustainable future for the maritime industry.

Beyond our work with schools and universities, we have actively participated in Maritime Career Events, where we share key information about career opportunities and the skills needed to succeed in the maritime sector. This reinforces our commitment to talent development and career advancement. Furthermore, our involvement in the "Adopt a Ship" initiative, led by "Project Connect," highlights our dedication to both education and community engagement. Through this innovative program, we support 15 vessels over the course of an academic year, connecting primary and high school students with seafarers. This initiative helps to educate young people about the maritime profession, deepen their understanding of maritime careers and create valuable connections between students and industry professionals.

We continue "Students Onboard" Educational Voyages, part of the "Management in Maritime Science and Technology" Master's Program, in collaboration with the University of Piraeus and the Hellenic Naval Academy. This initiative offers graduate students an invaluable opportunity to embark on voyages between ports, spending up to a week onboard Danaos vessels. During these voyages, students gain practical experience and insights into real-world maritime operations, further enriching their academic journey and preparing them for successful careers in the industry.

We remain committed to fostering the development of future maritime professionals by actively engaging with academic institutions and schools.

Charting Futures: Summer Internship Experience

We offer dynamic and enriching summer internships designed to provide aspiring professionals with a unique and hands-on experience in the maritime industry. Our summer internship program is crafted to expose participants to various facets of our operations, from vessel management and logistics to financial analysis and corporate governance. Interns at Danaos work closely with experienced professionals, gaining insights into the complexities of the global shipping market.

We foster an environment that encourages innovation, critical thinking and collaboration, allowing interns to contribute meaningfully to Danaos projects. This program not only equips participants with industry-specific knowledge but also nurtures their professional growth, preparing them for future challenges in the maritime sector. At Danaos, we believe in investing in the next generation of maritime leaders and our summer internships provide a valuable platform for students to explore their interests and build a foundation for a successful career in the maritime industry.

Empowering the Next Generation

The Danaos Scholarships reflect our commitment to supporting talented and driven individuals pursuing education in maritime-related fields. Through financial assistance, Danaos seeks to inspire and acknowledge exceptional students who demonstrate academic excellence, leadership and a passion for advancing the maritime industry. Our scholarship program emphasizes the importance of investing in education as a catalyst for innovation and success in the ever-evolving global shipping sector. As Danaos scholarship recipients embark on their educational paths, we eagerly anticipate their growth and future contributions to the industry. Additionally, we award six scholarships to university students in recognition of their dedication to becoming future maritime professionals.

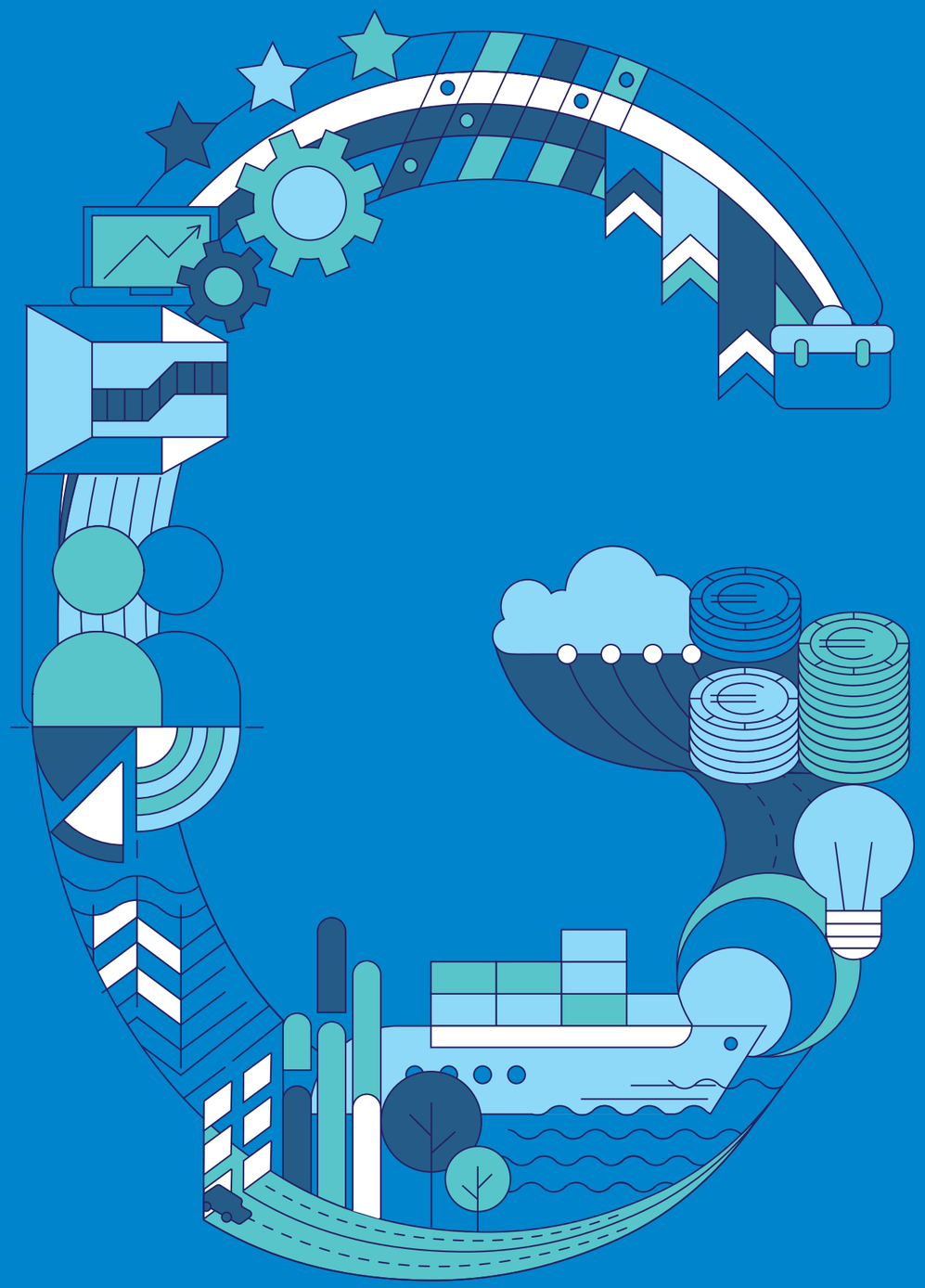
The Danaos Scholarships reflect our commitment to supporting talented and driven individuals pursuing education in maritime-related fields.

Leading the Way in Environmental Responsibility

We remain firm in our commitment to environmental protection through a series of impactful initiatives. Our dedication to preserving coastal ecosystems was demonstrated through our participation in the International Coastal Cleanup Campaign organized by HELMEPA, where 75 Danaos employees collaborated to remove marine debris and safeguard our coastlines. Also more than 25 employees participated in our annual tree afforestation initiative in collaboration with the NGO We4All.

In addition to these efforts, Danaos supports sustainability through clothing recycling initiatives. By partnering with Fabric Republic, in 2024 we facilitated the recycling of over 100 kilograms of clothing, contributing to waste reduction and resource conservation.

These initiatives reflect our steadfast commitment to environmental stewardship and our proactive approach to creating a sustainable and positive impact on the planet.



GOVERNANCE

We believe that strong corporate governance is essential to our success and to building trust with our stakeholders. We conduct our business on a foundation of integrity, honesty and fairness, while rigorously complying with all relevant legal and regulatory requirements.

Material Issues

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

Goals 2021-2025

Status:

9 out of 12
governance goals for 2024 have been already embedded.

SDGs

Corporate Governance: The Cornerstone of Excellence

At Danaos, corporate governance is not just a framework—it is a reflection of who we are. Our commitment to transparency, accountability and ethical leadership guides our decisions and strengthens the trust we share with stakeholders. These principles are deeply embedded in how we operate, ensuring sustainable growth and resilience in a fast-evolving global environment.

The Board of Directors, supported by a robust governance structure, plays a pivotal role in upholding these values while aligning strategic goals with long-term success.

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
- Stakeholders Engagement Policy
- Health & Safety Policy
- Environmental policy
- Information Security Policy
- Compensation Recovery Policy

Looking Ahead: Governance Goals for 2025

Danaos remains committed to evolving governance best practices to meet the demands of a rapidly changing global landscape.

Our 2025 governance priorities include:

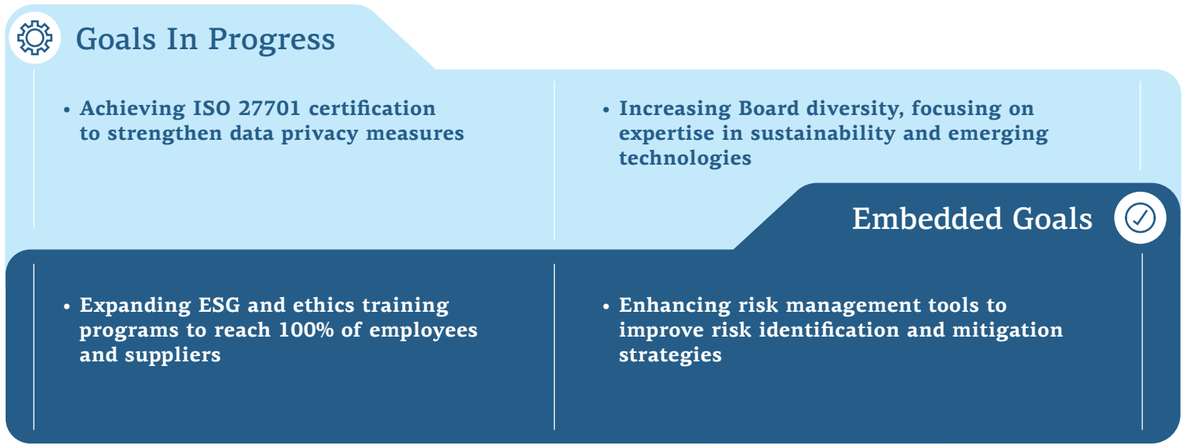


Figure 5: Goals In Progress and Embedded Goals for 2025.

With trust, accountability and sustainability as our guiding principles, Danaos is ready to lead the maritime industry into the future with integrity and innovation.

Governance Structure, Composition and Responsibilities

The Board of Directors, supported by a robust governance structure, plays a pivotal role in upholding these values while aligning strategic goals with long-term success. It is composed by executive, non-executive, and independent members, embodying a breadth of nationalities and diverse areas of expertise. With an average tenure of 15.68 years, the Board benefits from a depth of institutional knowledge and continuity.

At present, its composition is exclusively male. However, we acknowledge the critical importance of fostering diversity at the highest levels of governance. To this end, we have implemented targeted recruitment strategies and mentorship initiatives designed to enhance the representation of women and other underrepresented social groups, reflecting our commitment to cultivating a more inclusive and balanced leadership.

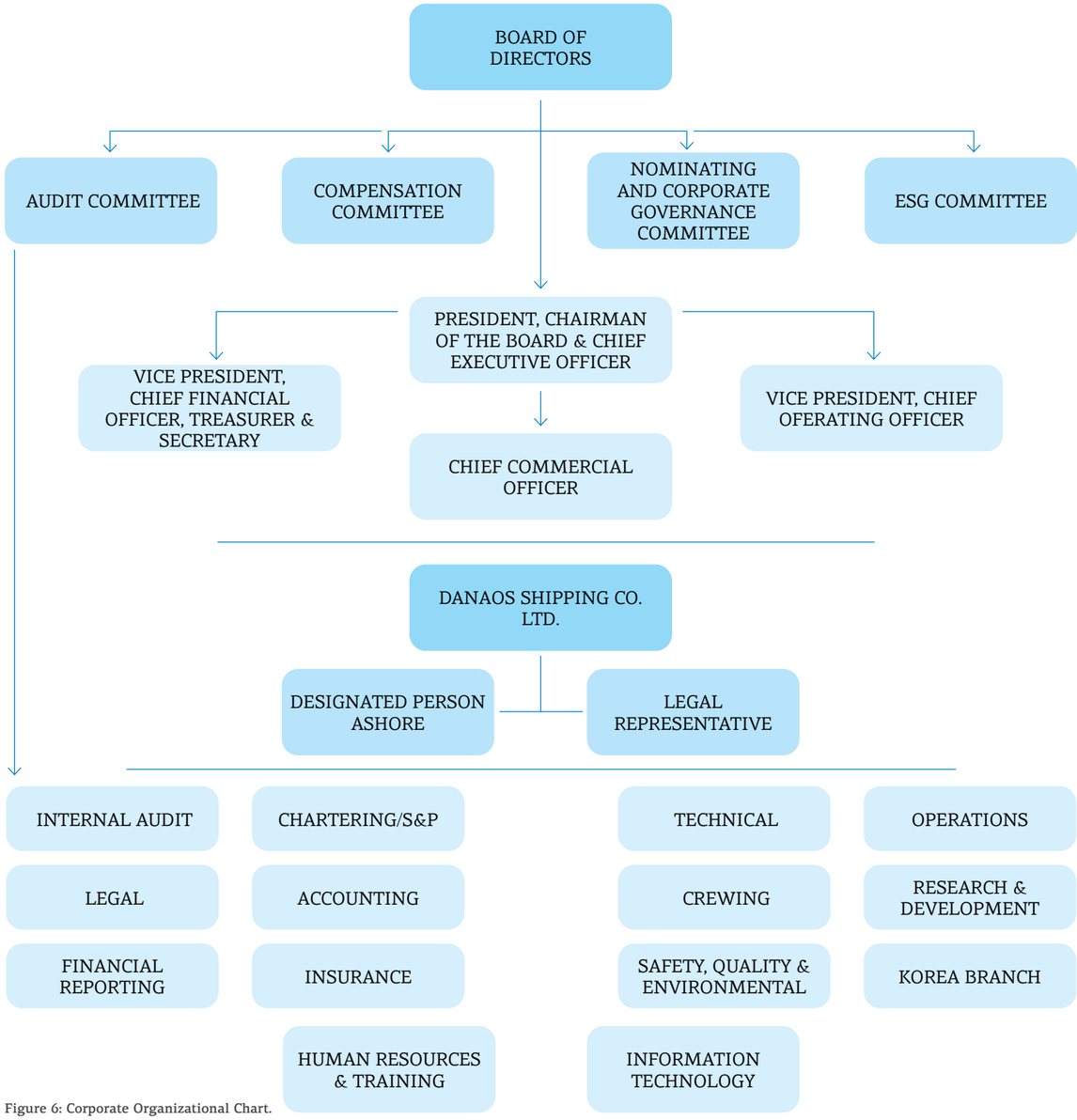


Figure 6: Corporate Organizational Chart.

Danaos' Board is supported by four key committees, each playing a vital role in ensuring high governance standards:

1. Audit Committee:

Oversees financial reporting, regulatory compliance and risk management, including cybersecurity governance and internal controls.

2. Compensation Committee:

Establishes fair and ethical remuneration policies, linking executive compensation to long-term performance, operational excellence and ESG targets.

3. Environmental, Social and Governance Committee:

Aligns Danaos' corporate strategy with sustainability objectives, assessing ESG risks and opportunities. Among other, it is responsible for overseeing and approving sustainability reporting, including materiality assessment.

4. Nominating and Governance Committee:

Evaluates Board candidates, ensuring a balance of skills, independence and diversity, aligned with corporate governance best practices.

Board Nomination & Remuneration

The Nominating and Governance Committee oversees a structured Board nomination process, evaluating candidates based on professional expertise, independence and alignment with Danaos' mission. The selection process prioritizes diversity of experience and strategic foresight.

The Compensation Committee, composed of independent directors, ensures that executive compensation is fair, transparent and performance-driven, directly linking remuneration to long-term sustainability goals. In 2024:

- Bonuses were awarded to executive officers based on ESG and environmental targets.
- 1% of net income was allocated to employees who contributed to achieving sustainability goals.
- More information about the remuneration policies, procedures and figures are provided in Danaos annual report for 2024.

Leadership and Oversight: The Heart of Danaos

Danaos' governance structure is led by a six-member Board of Directors, comprising four independent directors and one non-executive director. This composition ensures balanced perspectives, independent oversight and compliance with New York Stock Exchange (NYSE) standards. The Board's expertise spans maritime operations, finance, cybersecurity, technology and sustainability—ensuring sound strategic decision-making in a highly regulated and evolving industry.

In 2024, the Board convened six times, achieving an 89% attendance rate, demonstrating their commitment to active oversight and accountability. To further strengthen governance, Danaos introduced Corporate Governance Self-Assessment Analysis Dashboards, based on the Board and Committees' annual performance self-evaluations. These dashboards facilitate continuous improvement by identifying key achievements and areas for enhancement.

The Chairman, who also serves as CEO, bridges governance and operations, enabling agile decision-making and seamless communication. To ensure independence and mitigate potential conflicts of interest, the Board has established clear policies, with the Audit Committee overseeing related-party transactions and ethical compliance.

"Danaos executive management continuously demonstrates a commitment to the highest ethical standards. They are judicious in their judgements, committed to flawlessly representing their constituencies including societal obligations and have created one of the most positive working environments in the industry."

Myles R. Itkin
Director,
Audit Committee Chair

Anti-Corruption

Our comprehensive anti-corruption strategy integrates robust risk management with our commitment to ethical business conduct, reinforcing our dedication to integrity. By combining strategic risk mitigation with principled engagement, we effectively address corruption risks while strengthening our operational resilience.

Ethics and Transparency: Built on Integrity

Ethics and transparency are at the core of Danaos' governance approach. As a member of the Maritime Anti-Corruption Network (MACN), Danaos collaborates with industry leaders to combat corruption and promote ethical business conduct across the maritime sector.

In 2024, Danaos strengthened its anti-corruption training programs by integrating MACN materials into employee and seafarer training initiatives. Additionally, anonymous whistleblowing channels and grievance mechanisms provide employees and stakeholders with secure and confidential avenues to report concerns. There were zero cases of confirmed breaches of the Code of Conduct & Ethics for 2024.

Testimonial: "The MACN training gave me the tools I needed to handle complex ethical situations. It reinforced Danaos' commitment to integrity at every level."

Confirmed incidents of corruption and actions taken

Danaos' strong zero-tolerance stance on corruption is reflected in our results:

ZERO
incidents of corruption or bribery were reported in 2024.

Only 0.05%
of port calls occurred in high-risk jurisdictions, as ranked by Transparency International's Corruption Perception Index (CPI).

An Internal Grievance Form is implemented, allowing employees to report workplace concerns such as discrimination, harassment, or unfair treatment.

Proactive Risk Management: Navigating Challenges with Confidence

Danaos' two-tiered risk management framework ensures a structured approach to identifying, assessing, and mitigating risks across financial, operational, regulatory, and sustainability domains. Using scenario planning and STEEPLE analysis, we anticipate challenges and maintain business resilience.

Risk Governance & Three Lines Model

Danaos follows a three lines model to ensure risk management is effectively embedded across the organization:

1. Operational Risk Ownership (First Line) – Business units proactively identify and manage risks within daily operations.

2. Risk Management and Compliance Oversight (Second Line) – Senior management establishes risk control policies and ensures compliance.

3. Independent Assurance (Third Line) – The Internal Audit function provides independent evaluations of Danaos' risk framework, ensuring ongoing improvement.

Key Risk Focus Areas in 2024

- **Cybersecurity – Strengthened with ISO 27001:2022 certification, robust incident response testing and risk monitoring.**
- **Operational Continuity – Strengthened by proactive supply chain risk assessments to mitigate geopolitical risks.**
- **Environmental Compliance – Adapting to stricter regulatory decarbonization requirements.**

Information Security and Data Privacy: Leading with Integrity

Danaos is committed to safeguarding sensitive data and cybersecurity in an increasingly digital world.

- Zero cybersecurity or data privacy breaches were reported in 2024.
- Cybersecurity governance is led by the Board and COO, while execution is managed by the Chief Information Security Officer (CISO) and IT security teams.
- Danaos achieved ISO 27001:2022 certification in 2024 and we are actively pursuing ISO 27701 certification for enhanced data privacy measures.

Training and Employee Development: Empowering Excellence

Danaos prioritizes continuous learning as a key pillar of governance. In 2024, we launched a next generation training platform, delivering tailored content on ethics, sustainability and cybersecurity.

a) Cybersecurity training was made available via Danaos' intranet, providing employees with real-time awareness of evolving cyber threats.

b) MACN training materials were integrated into seafarer training, strengthening ethical decision-making at sea.

Sustainable Procurement: Extending ESG Beyond Danaos

Sustainability is embedded not only in Danaos' operations, but also in how we collaborate with our partners. Our Supplier Code of Conduct ensures that procurement practices align with the highest ethical, environmental and social standards, extending our ESG commitments across our supply chain.

Through sustainable procurement initiatives, Danaos works closely with suppliers and subcontractors to:

- Ensure fair labor conditions and human rights compliance.
- Promote environmentally responsible practices that align with global sustainability goals.
- Prevent conflicts of interest, corruption and bribery through strict ethical sourcing policies.

Our procurement strategy prioritizes suppliers who demonstrate a commitment to ESG best practices, ensuring that our supply chain supports our long-term sustainability objectives.

Danaos' commitment to supplier ESG compliance and transparency is a strong step toward responsible and sustainable operations. By integrating ESG principles into procurement and ensuring end-to-end visibility, we're reinforcing ethical sourcing and carbon reduction efforts. The key strengths of this approach include comprehensive suppliers' assessments that help us identify material risks and enforce ESG standards, public disclosure and transparency that strengthen stakeholder trust, integrated ESG procurement model embedding sustainability into supplier selection and strong focus on ethical and environmental standards addressing human rights, anti-corruption and carbon reduction.

Our systematic supplier screening process ensures that ESG considerations are embedded in our supply chain decisions. This proactive approach helps mitigate risks, improve compliance and drive sustainability across our operations. The approved list of suppliers is comprised of suppliers meeting financial integrity, legal integrity, reliability, material and service cost and delivery time predefined criteria. For significant key suppliers, ESG criteria have also been introduced.

A suppliers' desk assessment with verification of evidence is in place. This approach ensures that suppliers not only commit to ESG principles but also provide tangible proof of their adherence. The Danaos ESG Assessment Questionnaire, in which ESG rating criteria are reported, can be found in the following link: https://vq.danaosshipping.gr/?partner=11111111-2222-3333-4444-555555555555

Suppliers are requested to provide supporting evidence on their ESG policies, practices, performance and public disclosures. This information is then reviewed, resulting in an appraisal of the supplier's ESG performance.

We have set prerequisites and mandatory criteria which, in case they are not fulfilled, the corresponding suppliers are removed from the approved suppliers list. Removing non-compliant suppliers reinforces accountability and strengthens our sustainable procurement framework. The 2024 assessment resulted in zero suppliers being excluded from the list.

Key Suppliers assessment

Target 100%

Status 66%

In Progress

ESG Suppliers Questionnaire was addressed to all significant suppliers. 66% of these suppliers replied in 2024. Assessment resulted in zero significant suppliers being excluded from the approved list of suppliers.

Below is the summary of our suppliers' screening results for 2024:

Total number of Tier-1 suppliers		Total number of significant suppliers in Tier-1		% of total spend on significant suppliers in Tier-1	
2023	141	2023	141	2023	>90%
2024	122	2024	122	2024	>90%

Total number of suppliers assessed via desk assessments/ on-site assessments		% of significant suppliers assessed	
2023	50	2023	35%
2024	81	2024	66%

Table 33: Suppliers' screening results for 2024.

In the scope of this questionnaire with ESG criteria, according to UN Compact and GRI standards, our suppliers are requested to report not only on their Scope 1+2 emissions related to Danaos activities, but also on all ESG aspects that are considered important for sustainable business.

Within 2024 the number of our suppliers sharing their Scope 1+2 emissions increased significantly, as 18 responses provided relevant data. Of course, there is work to be done to this respect, however the first steps have been successfully made to this direction. Our transparent sharing of Scope 1+2 emissions data with clients is a valuable step toward collaborative decarbonization. By enabling clients to assess their environmental impact within the value chain, we help drive informed decision-making and strategic refinements.

We have developed the Supplier Code of Conduct that articulates our expectations for ethical behavior, legal compliance and responsible practices among all our suppliers and subcontractors. Our Supplier Code of Conduct is a strong foundation for ensuring ethical and responsible supply chain practices. By aligning with international standards and the UN Global Compact, we are reinforcing sustainability, human rights and corporate responsibility across our network.

In 2024, we sent our ESG questionnaire to 122 significant suppliers (above $200k business and more than 20 p personnel), which represent more than 90% of our supplier turnover. These suppliers include shipyards, spares, lub oil and paint suppliers, travel agents, insurers, etc.

The 66% of total have replied and all of them have reported that the adhere to Danaos Code of Ethics, part of which is Danaos Supplier Code of Conduct (https://www.danaos.com/investors/corporate-governance/corporate-governance-guidelines/default.aspx). The foundation for integrating sustainable procurement into our ESG strategy was built in 2022, in 2023-2025 we focus on scaling up our supplier engagement.

During 2024, we introduced a Supplier ESG Scorecard, based on supplier ESG practices and performance. Our aim is for the suppliers with low ESG rating to engage in a constructive dialogue, identify the root causes of their low performance, listen their ideas on alternative plans and practices for improving their ESG score, share our view on best practices and capture measurable, achievable solutions, guide and support them on the implementation of corrective and improvement actions within a realistic timeframe. ESG assessment during 2024 resulted in no underperforming Suppliers, therefore no auditing took place and no need for implementation of corrective action plans.

We have established a sustainable procurement steering committee that meets on a quarterly basis to review progress and discuss risks and consequently plan remedial measures to assure solid sustainability performance. This committee reports to the COO, who is responsible for ensuring alignment of ESG vision and implementation.

Customer Added - Value Program

Our customer strategy is based on a spirit of partnership and our customer needs are the compass that paves the way for necessary improvements in our services. Our commitments refer to certain focus areas and are explicitly described in our "Customer Added-Value Program" methodology, which was published in 2024 and encompasses the 2023 Customer Added Value Dashboard with the KPIs linked to each element that is relevant to our customers' added value creation. Additionally, an updated version of this document will be published within Q2 2025.

Danaos Financial Integrity

Maintaining a healthy financial status is essential for sustaining long-term growth, innovation and ESG commitments. A strong financial foundation enables continued investments in efficiency, sustainability and customer-focused improvements. Financial KPIs, such as EBIDTA, which are the metrics of a company's financial integrity along with a commitment to transparency, ethical business practices and mutual trust build a concrete foundation for long-term collaboration.

Danaos Code of Business and Ethics

Our commitment to transparency, ethics and fairness strengthens Danaos' reputation and fosters trust-based partnerships with customers. Upholding these values ensures long-term success and reinforces Danaos leadership in sustainable and responsible business practices. Each employee of the Company, including each of the Company's officers, is responsible for conducting the Company's business in a manner that demonstrates commitment to the highest standards of integrity.

Reliability in the transportation of goods

Danaos sets the target of fleet utilization due to operational issues at >99%. This target has been met every year for the last 10 years. Our focus on uninterrupted, high-quality fleet operations ensures safe, efficient and timely transportation, which is essential for maintaining customer trust and delivering value. This commitment strengthens our competitive advantage and operational excellence.

Professional Crew

Our target for crew retention rate is > 80%. Seafarers is the backbone of operations, which highlights the importance of competence, training and well-being in ensuring safe and efficient ship operations. We invest in crew development since not only does it enhance safety but also boosts overall fleet performance.

Optimized Performance

The Danaos Low Carbon Transition Plan (LCTP) offers a comprehensive overview of our dedication to climate action and describes our decarbonization strategy, surpassing the targets set by the IMO. Our LCTP is a well-structured and ambitious framework for achieving decarbonization. Aligning with IMO targets, IEA SDS and the Paris Agreement ensures that Danaos remains at the forefront of sustainable shipping. The 50% carbon intensity reduction by 2030 and net-zero goal by 2050 demonstrate strong initiative in the industry's green transition.

Danaos' role as a strategic partner in decarbonization strengthens customer relationships and reinforces industry leadership in sustainability. By sharing efforts and vision, we create value beyond compliance—helping clients achieve their sustainability goals efficiently.

Transparency and Data Sharing

Our proactive approach to data sharing, transparency and on-demand emission verification aligns perfectly with evolving EU ETS, FuelEU Maritime and IMO CII regulations. Ensuring compliance while leveraging data for strategic decision-making helps Danaos stay ahead in the decarbonization landscape.

Our collaborative data-sharing approach through Joint Industry Projects (JIPs) and API development is a strong step toward real-time performance optimization and route efficiency. Establishing a common understanding with clients ensures more effective decision-making and emissions reduction.

Sustainable Structure

At Danaos, sustainability is an integral part of our corporate culture and an important regulator in the decision-making process. The company is committed to issue an updated ESG report annually according to GRI & SASB standards. We are also committed to disclose data to CDP and CSA annually. The path to achieving our commitments is described in our LCTP (Low Carbon Transition Plan), which outlines the roadmap with the progressive steps to the ultimate target which is carbon neutrality.

When it comes to the environment, as part of our ESG strategy and following our decision on strengthening our engagement to sustainability, during 2024 we disclosed for third time to CDP and for the second time, we reported to the S&P Global Corporate Sustainability Assessment, as well. We declare our commitments and progress towards their achievement in a transparent way and we are assessed and rated accordingly.

Customer Satisfaction

In Danaos we are committed to honor our commitments and C/P agreements.

Our digitalized performance monitoring and pro-active issue detection demonstrate a strong commitment to data accuracy, operational efficiency and timely decision-making. Leveraging advanced analytics ensures continuous improvement and compliance with industry standards.

Our direct engagement with customers through meetings on action plans and long-term strategy fosters transparency strengthens partnerships and ensures alignment on sustainability and operational goals. Aligning with our client standards and participating in their benchmarking and sustainability assessments reinforces continuous improvement and strengthens long-term partnerships.

In 2023, we initiated a customer satisfaction survey, the content of which has been restructured within 2024 to enhance insights into key performance indicators (KPIs) that reflect customer perceptions of our service value.

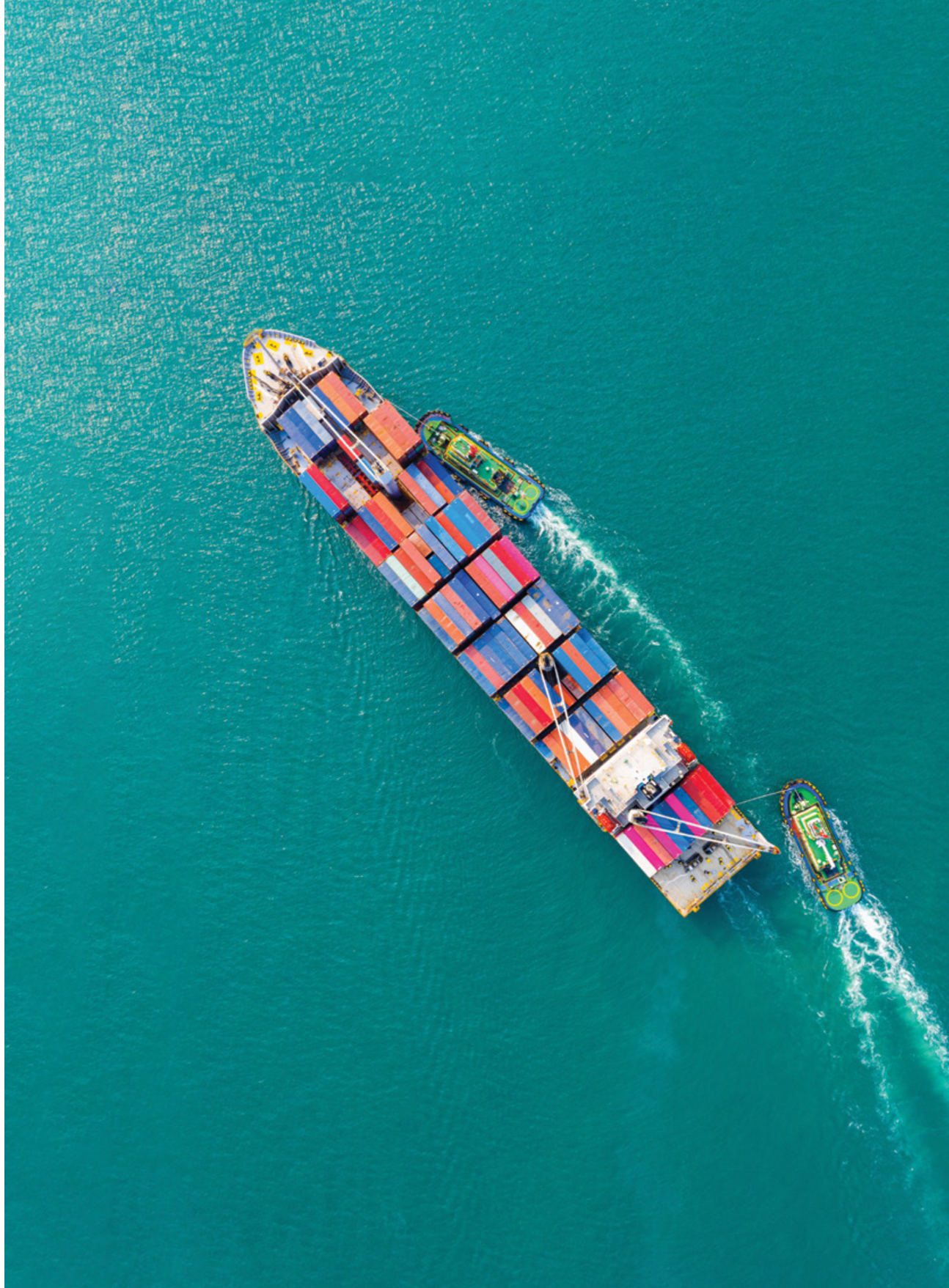
Customer satisfaction

Target
95%

Status
82%

In Progress

In 2023, we initiated a customer satisfaction survey, the content of which has been restructured within 2024 to enhance insights into key performance indicators (KPIs) that reflect customer perceptions of our service value.



Danaos Corporation 2024 ESG Report - External Assurance Report

This External Assurance report was conducted by CSE North America on behalf of Danaos Corporation and its ESG Report for the period 1/1/2024 to 31/12/2024. The goal of the process is to provide assurance towards the stakeholders of Danaos Corporation for the accuracy, reliability, and objectivity of the information in the ESG Report, as well as that the report covers all the material issues, as identified by Danaos Corporation and its stakeholders.

Scope & Methodology

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

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

General Conclusions

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

- The description of Danaos Corporation's activities and performance during 2024, as well as the way those topics have been presented in the ESG Report, is accurate.
- Danaos Corporation complies with the principles of inclusivity, materiality, responsiveness, and impact, as defined in the AA1000AS v3 standard.
- Danaos Corporation's ESG report provides transparency on the challenges the shipping industry is facing concerning net zero greenhouse gas (GHG) emissions goals in the future and is complemented by Danaos detailed 'Low Carbon Transition Plan' (LCTP), published in 2022, and updated in 2024.

Key Observations & Recommendations

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

- Danaos Corporation joined the United Nations Global Compact (UNGC) initiative in 2024, reaffirming its commitment to align and strengthen its practices and operations in areas such as human rights, labor standards, the environment and anti-corruption.
- Danaos Corporation further improved its performance in 2024, attaining a S&P Global ESG Score of 51, being now ranked in the top 14% of the companies in the maritime industry.
- Danaos Corporation conducted a double materiality assessment through a quantitative survey in key stakeholder groups at the end of the year 2023, and results were used also for the 2024 reporting period.
- Danaos Corporation continued in 2024 with its annual customer satisfaction survey to track and assess communication with this important stakeholder group.
- Danaos Corporation designed the implementation and updated its 2025 ESG Plan, which includes specific goals and measurable targets for the years 2025-2028. In 2024, Danaos Corporation successfully achieved its stricter goal for 2030 of 50% reduction of carbon intensity , meaning that Danaos Corporation, in 2024, has already significantly overachieved the International Maritime Organization's (IMO) revised 2030 target of 40% reduction (set target is with IMO's recent approval of the 'net zero regulation' for global shipping mandatory for large ocean-going ships over 5,000 gross tonnage. IMO's Net Zero Framework is expected to be formally adopted in fall 2025 and enforced in 2027).
- At the end of 2024, 13 out of 21 environmental goals, 17 out of 19 social goals, and 9 out of 12 governance goals of the ESG Plan have been embedded.
- Danaos Corporation reported significant achievements concerning fleet efficiency, reduction of CO_2 emissions intensity, environmental protection and pollution prevention in 2024, such as
  - An extensive retrofit effort of the fleet, started in 2023 and continued in 2024, aiming at enhanced vessel efficiency, coupled with speed reduction initiatives, optimizing the fleet's Energy Efficiency Operational Indicator (EEOI), resulting in 51.4% reduction of CO_2 emissions intensity (vs. baseline 2008 IMO)
  - 100% installation of Ballast Water Treatment (BWT) systems at the Danaos fleet!
  - 35% of Danaos fleet equipped with Alternative Maritime Power (AMP) systems
  - Installation, certification, and operation of exhaust gas cleaning systems (scrubbers) onboard of 17 Danaos vessels by 2024
  - Full transparency to the IMO DCS and EU MVR emission reporting schemes through advanced WAVES data analytics platform.
- The Company continued engagement as members of the Global Maritime Forum (GMF) and continued to work with the Ammonia Energy Association (AEA), exploring alternatives for newbuilding low-carbon fuel vessels.
- Danaos Corporation continued to advance offshore and onshore waste management practices.
- Danaos Corporation has adopted Circular Economy strategies, such as the 3R 'Reduce-Reuse-Recycle' principle in its operations.
- Danaos Safety Management System (DSMS) with internal and external audits, DNV supported/certified
- Danaos Assessment & Training Center with state-of-the-art training facilities, supporting DSMS.
- Danaos Corporation's effective Corporate Governance, embedding a 'Code of Business Conduct & Ethics and Policies' based on UN Global Compact principles in corporate culture, resulting in zero incidents of corruption, bribery, or fraud in 2024.
- 2024 marked the second full operational year of Danaos' Board of Directors ESG Committee, continuing to provide guidance on ESG matters within the company from the highest management level.

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

- With respect to the principle of inclusivity, Danaos Corporation must maintain and aim at further developing the existing model of engaging and communicating with its stakeholders and provide more training opportunities for its staff on Sustainability
- Concerning the principle of materiality, Danaos Corporation introduced 'Double Materiality' assessment for the first time in 2023, using those results also in 2024.

Danaos Corporation should consider doing another Materiality Assessment during 2025 for the identification and prioritization of its material issues.

- With respect to the principle of responsiveness, Danaos Corporation should build on its sophisticated customers' Added Value program.

- Given the ever-increasing importance of managing a sustainable supply chain, Danaos Corporation enhanced its Suppliers' ESG Assessment in 2024 with introducing an ESG scorecard, continuing to ensure that suppliers comply with Human Rights, Equal Opportunities and Non-Discrimination Policies. Furthermore, Danaos Corporation should continue to enforce its Code of Ethics, as well as anti-corruption policies, maintaining the goal to cover 100% of all significant suppliers by 2025.

- Danaos Corporation must maintain and continue enhancing and accelerating its environmental initiatives, specifically GHG emission reduction of its fleet, working closely with SBTi on its near-term commitments. As of 2024, Danaos has 16 new green building vessels on order, to be delivered by 2028. All newbuilds will be 'methanol' ready, with nine of them also being 'ammonia' ready.

Findings and Conclusions Regarding the Principles

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

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

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

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

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

With its Low Carbon Transition Plan, established in 2022 (updated in 2024), Danaos proactively explores relevant scenarios to transition the company into a low-carbon future, further exploring climate related risk and opportunities for Danaos.

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

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

  - **Specific Disclosures about:**

    Governance / Economy

    - Policies / incidents regarding corruption
    - Statements regarding compliance with anti-competitive behavior laws and regulations.
    - Business Ethics
    - Strategy & Risk Management
    - Transparency
    - Roles & Responsibilities

    Environment

    - Energy consumption, intensity, and reduction
    - Greenhouse gas emissions and their reduction.
    - Production and management of waste
    - Biodiversity

    Social

    - Occupational health and safety
    - Humans' Rights Policy
    - Training and Education
    - Records about diversity, non-discrimination, and equal opportunities
    - Child Labor
    - Forced Compulsory Labor
    - Security Practices

Exceptions and Limitations

The assurance process did not include information related to:

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

Responsibilities of Danaos Corporation and the Assurance Provider

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

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

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

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

On behalf of CSE North America

Nikos Avlonas Thomas Weber

AA1000 Licensed Report 000-142/V3-GS2OE

SASB Standards Index

SASB table	2024
Gross global scope 1 emissions	3,799,558
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	
Total energy consumed,	48,959 TJ
percentage heavy fuel oil,	96%
percentage renewable	
Average Energy Efficiency Design Index (EEDI) for new ships	9.425 gr/tn*nm
Air emissions of the following pollutants: NOx (excluding N_2O),	114,753 tn
Air emissions of the following pollutants: SOx,	10,530 tn
Air emissions of the following pollutants: particulate matter (PM10)	
Shipping duration in marine protected areas or areas of protected conservation status	1.7%
Percentage of fleet implementing ballast water exchange	0
Percentage of fleet implementing ballast water treatment	100%
Number of spills and releases to the environment	0
aggregate volume of spills and releases to the environment	0
Lost time incident rate (LTIR)	3.03
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	0.05%
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	0
Marine Accidents with casualties	1
percentage classified as very serious	100%
Number of Conditions of Class or Recommendations	179
Number of port state control deficiencies	483
Number of port state control detentions	7
Number of shipboard employees	1,875
Total distance travelled by vessels	6,509,858
Operating days	28,115
Deadweight tonnage	5,469,223 DWT for Containerships 1,760,677 DWT Bulk carriers
Number of vessels in total shipping fleet	81
Number of vessel port calls	4,389
Twenty-foot equivalent unit (TEU) capacity	452,463

TCFD content index

TCFD Recommendation	TCFD Recommended Disclosure	Reported at / Omissions
Governance Disclose the organization's governance around climate-related issues and opportunities	1. Describe the board's oversight of climate-related risks and opportunities	Highest Governance in ESG Reporting Climate Related Risks and Policies
	2. Describe the management's role in assessing and managing climate-related risks and opportunities	Climate Related Risks and Policies Danaos CDP submission 2024
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business strategy and financial planning where such information is material	1. Describe the climate related risks and opportunities the organization has identified over the short, medium and long term	Emissions Low Carbon Transition Plan 2024
	2. Describe the climate related risks and opportunities on the organization's businesses, strategy and financial planning	Climate Related Risks and Policies Danaos CDP submission 2024
	3. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Climate Related Risks and Policies Danaos Low Carbon Transition Plan 2024
Risk management Disclose how the organization identifies, assesses and manages climate related risks	1. Describe the organization's processes for identifying and assessing climate related risks	A Robust Risk Management and Control Framework Climate Related Risks and Policies
	2. Describe the organization's processes for managing climate related risks	
	3. Describe how processes for identifying, assessing and managing climate related risks are integrated into the organization's overall risk management	Climate Related Risks and Policies
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	1. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	ESG Goals 2021 – 2025, Emissions Energy New Buildings
	2. Disclose Scope 1, Scope 2 and if appropriate Scope 3 GHG and the related risks	Emissions Monitoring Incorporated in Waves
	3. Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets	ESG Goals 2021 – 2025
General Metrics and Targets		
Greenhouse Gas Emissions		Emissions Monitoring Incorporated in Waves
Energy		Energy
Water		Water Usage and Effluents Treatment
Innovation and Markets		Customer Added Value Innovation and Digitalization Shaping the Future
Land Use and Management		Not applicable
Forest Management		Not applicable
Resource Management		
Physical impacts		Climate Related Risks and Policies
Carbon price		Climate Related Risks and Policies Danaos CDP submission 2024 Danaos Low Carbon Transition Plan 2024

In the scope of DANAOS disclosure about the application of TCFD framework in the management of climate related risks, a gap analysis was performed, the climate related opportunities were assessed, their potential impacts and Danaos strategy to realize same were mapped. In parallel Danaos Climate risks were assessed, their potential impacts and Danaos response to these issues have been identified. Description of the identified risks, potential financial impact figures and description of the response mechanism developed to address the risk are thoroughly described in Danaos CDP report.

Description of the identified opportunities, potential financial impact figure and the strategy to realize the opportunity are thoroughly described in Danaos CDP report.

A snapshot can be found below:

Primary climate-related risk driver	Category	Risk Type	Assets or Activities	Probability	Magnitude	Duration	Result	Accounts Impacted	Company-specific description	Description of response
ENERGY										
Carbon Pricing Mechanisms	Current Regulation	Transition	Direct operations	Very likely	High	Short-term	Financial impact	Increased indirect (operating) costs	The EU ETS is a mandatory 'cap and trade' system that currently applies to greenhouse gas (GHG) emissions from power stations, industrial plants and aircraft located or operated within the EU. Participants must acquire and surrender 'emissions allowances' (EUAs), which represent quantities of regulated emitted GHGs on an annual basis. Emissions from maritime transport will be included from 1 January 2024 onwards. According to current regulations company has to report on annual basis GHG emissions to the verifier, according to EU MRV requirements and surrender EUAs by the end of September each year. Failure to secure and surrender EUAs on time results to penalties' imposition, and potentially loss of EU trade contracts. Additionally to EU ETS, Fuel EU Maritime and EU Taxonomy are also under discussion and shall be soon enforced. Assessment of cost arising from the Fuel EU penalty is comparable to EU ETS cost, while its ratio is highly increasing with a 5-year interval, while it is a fact that by addressing EU ETS and minimizing GHG emissions will not subsequently influence in the same way the Fuel EU, which targets Fuel efficiency rather than energy saving onboard and optimizations. Inability to provide EUAs on time results in penalties on GHG surplus, and potentially in loss of market opportunities. For the year 2023, 25 Danaos vessels were operating in EU resulting to over USD 400 mil annual income. If the company, is not in position to surrender timely the EUAs, vessels' operation in EU will be prohibited. Of course, ships' trading changes and in 2024 there might be more or less ships in EU trade, nevertheless using 2022-2023 as a reference years, the risk of losing access to a market of USD 200-400 Mil is realistic.	R&D dptm has proactively developed an intelligent software in order to estimate with accuracy the expected annual GHG emissions in the scope of EU ETS, thus, accurate reporting of EUAS is in place. Chartering department has been working and already finalized with the majority of our clients the EU ETS clauses which set the legal framework and define the responsibilities and compliance timeframes for all involved parties, ensuring on time compliance with the EU ETS regulatory framework.
	Current Regulation	Transition	Direct operations	Likely	Medium-High	Short-term	Financial impact	Increased indirect (operating) costs	Ship's performance, Carbon Intensity rating and EU ETS EUAs are directly related, since the worse ship's performance, the higher the EUAs cost. Danaos vessels operating in EU territory in 2023, had CII rating, more or less 70% better than "C" reference level. Considering "theoretical C rated" vessels, a difference in surplus and relevant cost is estimated.	R&D dptm has developed a software for the calculation of GHG emissions, taking into account the effect of Energy Efficiency Improvement Methods, speed reduction, use of biodiesel and combination of all the above. CII rating forecast is feasible basis on the combination of various scenarios. At the same time, API preparation for online data sharing with clients, is already in place; thus the tool for assisting the decision making process on the optimization path to be followed for each vessel is in place.
	Emerging regulation	Transition	Direct operations	Likely	Medium-High	Short-term	Financial impact	Increased indirect (operating) costs	According to the current regulatory obligations, company has to report on an annual basis its CO_2 emissions to the verifier, according to IMO DCS and EU MRV requirements. Business activities cover global routes, international waters and EU/EEA countries. Failure to submit emissions on time will cause disruptions in ship's smooth trade. Vessels emissions' production is the outcome of the combination of: - operations profile (speed, utilization, activity, route, trimming, etc.) - fuel type used - ship's design - ship's condition Currently, IMO has introduced the Carbon Intensity Index (CII-AER) basis which vessels' are rated. Danaos vessels, through WAVES platform, are monitored continuously, and the deviation from "theoretically C rated" ships reference line is considered as a metric to be used as a basis for future investments and discussion with clients.	Danaos R&D dptm has run various scenarios for GHG emissions, for the pursuing years, in an effort to estimate GHG emissions production in 2026, and at the same time the surplus, if any, with "theoretically C rated" vessels, to evaluate the commercial handicap vs these vessels. For the production of the results, various reference years (2018 to 2023) have been used to assess full market cycles. It resulted that total existing fleet is expected to produce a certain amount of GHG MT higher than the theoretical-C rated vessels, amount that varies given the selected reference year to be used for the forecast. If IMO adopts a levy, tax or other Market Based Measure in 2026, then depending on the scenario selected, it is expected to have a certain commercial gap compared to a theoretically C rated vessel (where C is the C reference line) that needs to be commercially considered. To mitigate this cost difference there are various options that have to be considered case by case: 1. Energy Efficiency Improvement Methods have not yet been applied onboard. In this case investments have to be done to reduce GHG emissions. However, currently, vessels trading in EU are already optimised. 2. In cooperation with company's clients, speed could be reduced to improve vessels CII rating. There is still margin for operational improvement. 3. To stay as is, if none of the above are feasible, and TRADE route's benchmarking remains at similar CII levels. R&D dptm has developed a software for the calculation of GHG emissions, taking into account the effect of Energy Efficiency Improvement Methods, speed reduction, use of biodiesel and combination of all the above. CII rating forecast is feasible basis on the combination of various scenarios. At the same time, API preparation for online data sharing with clients, is already in place; thus the tool for assisting the decision making process on the optimization path to be followed for each vessel is in place.
Enhanced emissions-reporting obligations	Current Regulation	Transition	Direct operations	About as likely as not	Medium-High	Short-term	Financial impact	Increased direct costs	Danaos has installed and been operating SOx scrubbers on 11 vessels since 2022. This is an action that preserves the balanced commercial-environmental approach, keeping the level of SO_2 within regulatory limits and at the same time, facilitating customers, reducing their OPEX and finding available fuels in specific routes. However, systems are complicated and have to be closely monitored. System's failure might lead to stoppages, high cost and complications with authorities if no proper actions are considered. For this reason Danaos R&D dptm has developed an online monitoring system that supports necessary superintendence and troubleshooting on time. MGO or LSFO costs in case of SOx SCR failure are born directly by the company according to the prevailing charter party agreement.	Danaoss R&D dptm has developed a SOx scrubber online monitoring tool. At same time vessels have onboard the necessary quantity of VLSFO/MGO to reach first convenient por in case of EGCS malfunctiont. Software is in place and "safety" quantities are already onboard, so, there is no pre-calculated extra cost required to mitigate damage. That depends on potential damage extension, port restrictions, distance to be covered etc. In parallel, Technical Dptm has prepared a back-up plan, with spares & service teams, able to solve any problem within Charter Party agreement days. Scrubber monitoring routine has been incorporated in Beyond WAVES platform.
Exposure to litigation	Legal	Transition	Direct operations	Unlikely	Medium	Short-term	Financial impact	Increased indirect (operating) costs	In the event of failure to meet current IMO regulations and/or local regulations, there might be legal consequences that might cause disruptions in ships operations. To avoid such events, Danaos has inhouse legal department fully educated with regulatory requirements, while R&D and SQE departments are on top of following up IMO and local regulatory developments. All company departments meet at least twice a month with the aim to build awareness on regulatory issues and exchange feedback on the operational agenda, decide on necessary actions and shape company's strategy.	Danaos R&D department has proceeded to EEXI Technical files submission earlier than requirement and also devised in situ tools for monitoring fleets' performance in terms of CII well in advance of regulatory enforcement
Unsuccessful investment in new technologies	Technology	Transition	Direct operations	Unlikely	High	Medium-term	Financial impact	Increased capital expenditures	In view of Low Carbon Transition Plan, emerging regulations and new initiatives, Danaos is working new ideas and the investment plan for both retrofits and fleet expansion. However, in the uncertain environment of green technologies development there is always a risk for wrong decisions and unsuccessful investments. To eliminate risks, Danaos considers solutions with alternative options available e.g. new building projects being ECO design, methanol ready, biodiesel ready, or retrofits that have a range of savings and are supplementary to others or existing ones eg propeller and low friction paints etc.	Climate related risks are evaluated from the ESG Working Committee. New technologies are studied by Danaos R&D dptm and outcome is communicated to company's management. With the use of Internal Carbon Pricing, and alternative fuels evaluation routine, an accurate cost benefit analysis is contacted; it is communicated to all concerned parties within company. Final options selected are discussed in many cases with our clients, in the scope invaluable feedback exchange.
EMISSIONS INNOVATION AND MARKETS										
Transitioning to lower emissions technology	Technology	Transition	Direct operations	Unlikely	High	Medium-term	Financial impact	Decreased revenues due to reduced demand for products and services	Despite company's efforts to decarbonize ships, following LCTP, there are the external elements of time and availability. It is true that investment financing is not always available, nor the shipyard slots when required. In order to reduce such possibilities, Danaos R&D dptm works on future scenarios covering multiple options for different time spans. Additionally, feedback received also from technical committees where Danaos Executive Officers have board positions, (Underwritters, Classification Societies, Laboratories, Associations).	In connection to the above mentioned, Commercial, R&D and Operation dptms are working closely with the identification of current trends, popular solutions and effective investments. Scenarios analysis is incorporated in Beyond WAVES emissions related routines.
	Flood Cyclon/Hurricaine	Physical	Direct operations	Unlikely	High	Medium-term	Financial impact	Increased direct costs	Our Head office building is our key land-based asset. This is at low risk for physical impact of climate change and disruption of operations.	A mitigation solution tailored to the scenario of total destruction, which is already in place, is the set-up of a back-up land-based infrastructure which is established in another country, while in case that that the approach to the Head Office premises is blocked by whatever reason remote operation is feasible and well tested during COVID pandemic period.
	Cyclon/Hurricaine/Typhoon	Physical	Direct operations	Unlikely	High	Medium-term	Financial impact	Increased indirect (operating) costs	Our major lubricant and additive suppliers sustained damages due to their hurricane-damaged product berths and the consequent shortage in supply that could result in disruption in vessels operation.	We adapted our consumables management policy by optimizing the supplied quantities to our vessels whilst we devised a smart monitoring and alerting system via our WAVES data analytics platform through which we ensure the necessary quantities are always kept onboard to guarantee vessels' safe operation. On top of the above we have diversified our suppliers and supply ports in order to have alternative supply options. Finally as a measure to deal with prolonged stays at anchorage owed to extreme weather conditions in coastal flood, heavy wind, thunderstorms that may impact port and terminals infrastructure and result in physical climate disruption we have invested in the application of top low friction paints that guarantee longer idling periods while we have adjusted our provisions management policy accordingly.

Primary climate-related opportunity driver	Opportunity type	Assets or Activities	Probability	Magni-tude	Duration	Accounts Impacted	Company specific description	Strategy to realize opportunity
ENERGY								
Use of lower-emission sources of energy	Energy source	Direct operations	Likely	Medium	Short-term	Reduced indirect (operating) costs	Danaos R&D dptm is working on biodiesel use study, looking into alternative options, investigating other green fuels such as LNG, methanol, ammonia and H_2. Since retrofit to dual fuel type engines is not available for the time being for the older engine types, alternative measures have to be considered. Danaos R&D dptm developed an algorithm in "Beyond WAVES platform" where biodiesel use is examined for various scenarios considering a range of carbon factors. The variety of biodiesel production methods, results to different carbon factors that will be updated when IMO concludes with the life cycle effect assessment of various fuels. Hence, calculation routines are flexible, ready to accommodate any Carbon Factor or biodiesel blending %. Beyond theoretical studies, R&D engineers are in contact with biodiesel producers, keeping the communication channel active. Following 2022, in 2023 also, Danaos vessels participated in testing programs of burning B30 fuel (30% biodiesel), successfully. Waiting for EU ETS in 2024, further discussions have been done with Clients, about submission of RED II certificate of biodiesel, so as to consider 0 CF, since this has been accepted by Flag administrations.	In 2023, Danaos accessed a market of over USD 400 mil, with vessels operating in EU territory. Further improvement of CII and GHG emissions production, could provide competitive advantage and further increase to EU market's pie, in the range of 10 to 20%. We have requested our clients for the supplied biodiesels to comply with MEPC.1/Circ.905 sustainability criteria, that is to have been certified by a sustainability certification scheme (e.g., ISCC or RSB), and to provide a well-to-wake GHG emissions reduction of at least 65% compared to the well-to-wake emissions of fossil MGO of 94 gCO_2e/MJ (i.e., achieving an emissions intensity not exceeding 33 gCO_2e/MJ). Thus, carbon factor could be considered 0 in the scope of EU ETS. R&D dptm through WAVES platform runs scenarios testing the sensitivity of impact of biodiesel on emissions production. The results are communicated to our clients, in order to encourage the supply of sustainable biofuels onboard. Biodiesel impact analysis routine has been incorporated in WAVES platform.
RESOURCES EFFICIENCY								
Use of more efficient modes of transport	Resource efficiency	Direct operations	Likely	High	Short-term	Reduced indirect (operating) costs	Danaos, being in the container business more than 30 years, has collected deep operational and technical knowledge and experience. Investing in R&D, as a key strategic action, Danaos was among the first companies that applied optimizations following the crisis of 2008. Facing new challenges, perhaps more demanding, company is moving a step forward, recalling successful investments proved in past, attempting new solutions and tuning existing arrangements. The new max engine load onboard, as dictated by EEXI requirements, creates opportunities for further tuning and optimization. Danaos the last two years initiated and follows a "Full Blasting-Low Friction Paints" program, having reaped the results of a five years field study on ship roughness and its effect on performance. With lower engine loads there is also space for further propeller improvement and electric power management onboard. With the assistance of a highly sophisticated monitoring tool, and the introduction of the latest available technology advancements, company might identify new opportunities in reducing operating costs and boosting performance. Danaos also invests in three main new approaches for further reduction of GHG emissions: 1. Investment in Carbon Capture system's study: Danaos has invested a great amount of money in a Join Industry Project experimenting on an innovative carbon capture system. 2. Company beyond ongoing technical optimizations, decided to establish a demanding and expensive cleaning program of propellers on semi-annual basis and hull cleaning according to performance analysis; data will be shared real time with clients. 3. Last but not least, Danaos ordered 10 new building vessels which are methanol ready and two if them will have in addition to methanol ready also ammonia ready notation.	More than USD 500 mil are to be paid for new building orders placed in 2022, where as remaining actions taken add extra USD 5 to 10 mil. Full blasting and LF paints campaign, is active for 3 years now. Especially during 2023, 18 dry dockings took place with and additional expected cost in the range of USD 6 mil.
Participation in renewable energy programs and adoption of energy-efficiency measures	Resilience	Direct operations	Unlikely	Low	Medium-term	Reduced indirect (operating) costs	Danaos having active presence of more than ten years in the research field, has been intensively involved in a number of renewable energy EU programs. Danaos R&D participates not only in energy efficiciency optimization programs such as Aircoat, Gaters etc but also in alternative fuels use related programs and digitalization initiatives too. The materialization of promising academic ideas and JIP studies into market measures is the ultimate target of this involvement.	Danaos has studied together with Daehan shipyard in Korea, the possibility to apply the revolutionary Gaters (Gate Rudder) system to new building projects in future.
EMISSIONS INNOVATION AND MARKETS								
Development of new products or services through R&D and innovation	Products and services	Direct operations	Very Likely	Medium-low	Short-term	Increased revenues resulting from increased demand for products and services	Danaos is pioneer in data sharing and reporting transparency. Company issues Annual Financial Report since 2006, Environmental Report since 2012, CSR since 2017 and ESG Report since 2020. The "WAVES" platform collects all information related to carbon emissions (submission to IMO DCS and EU MRV), financial impact (incorporating ICP), ships' performance, investment-retrofits evaluation and generates necessary reports addressed to different management levels within the company. The system is flexible and able to be netrfaced with third parties allowing secure and targeted access to the clients. Thus, a new service is available to the clients covering performance and emissions reporting benchmarking and scenarios analysis.	We do not expect additional costs, since system is already active. Clients can have access to data required subject to the availability of a suitable interface. Presently, " WAVES" calculates Scope 1 & 2 emissions, allocated to our clients as their Scope 3 part. Emissions calculation & allocation to our clients, has been incorporated to "WAVES" platform.
OTHERS								
Access to financing	Markets	Direct operations	Likely	Medium-High	Medium-term	Increased access to capital	In the scope of meeting Paris Agreement goals, a number of initiatives have been developed and supported by governmental, financial, social and other bodies, setting new carbon emissions reduction reference lines and trajectories. Danaos joined Poseidon Principles,while we have investigated our enrollment in Gold Standards carbon credit mechanism, meanwhile we are monitoring our alignment with Climate Bonds, and SBTI targets. We expect to see more vigorous actions to be taken from financial institutes in the direction of encouraging green investments.	Ships' performance benchmarking,against Poseidon Principles, Climate Bonds and other initiatives is incorporated in "WAVES" platform while R&D researh is ongoing with the aim to be updated on the initiatives trend and feed in the financial department with info aiming at identifying and taking advantage of green financing opportunities.

GRI Content Index

GRI Content Index

Statement of use	Danaos has reported in accordance with the GRI Standards for the period from January 1st, 2024, to December 31st, 2024, with an annual frequency.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	There is no applicable sector standard.

GRI Standard	Disclosure	Location	Linkage with SDGs	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
GRI 2: General Disclosures 2021	2-1 Organisation details	p. 9, 14-15		A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	2-2 Entities included in the organization's sustainability reporting	p. 9				
	2-3 Reporting period, frequency and contact point	p. 16, 123				
	2-4 Restatements of information	There is no restatement of information in the current report				
	2-5 External assurance	p. 104-107				
	2-6 Activities, value chain and other business relationships	p. 9-10				
	2-7 Employees	p. 11, 76-77	8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES			
	2-8 Workers who are not employees	p. 11	8 DECENT WORK AND ECONOMIC GROWTH			
	2-9 Governance structure and composition	p. 94-95	5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS			
	2-10 Nomination and selection of the highest governance body	p. 95	5 GENDER EQUALITY; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS			
	2-11 Chair of the highest governance body	p. 96	16 PEACE, JUSTICE AND STRONG INSTITUTIONS			
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 98				
	2-13 Delegation of responsibility for managing impacts	p. 98				
	2-14 Role of the highest governance body in sustainability reporting	p. 96				
	2-15 Conflicts of interest	p. 96	16 PEACE, JUSTICE AND STRONG INSTITUTIONS			

GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	p. 96					
	2-17 Collective knowledge of the highest governance body		Report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development	Not available information	Not available information		
	2-18 Evaluation of the performance of the highest governance body		a. Describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people; b. Report whether the evaluations are independent or not, and the frequency of the evaluations; c. describe actions taken in response to the evaluations, including changes to the composition of he highest governance body and organizational practices.	Not available information	Not available information		
	2-19 Remuneration policies	p. 95 More information about the remuneration policies, procedures and figures are provided in Danaos annual report for 2024.					
	2-20 Process to determine remuneration	p. 95 More information about the remuneration policies, procedures and figures are provided in Danaos annual report for 2024.					
	2-21 Annual total compensation ratio				a. Ratio of the annual total compensation for the organization's highest-paid indivi-dual to the median annual total compensation for all employees (excluding the highest-paid individual) b. Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) c. Contextual information necessary to understand the data and how the data has been compiled	Confidentiality constraints	More information about the remu-neration policies, procedures and figures are provided in Danaos annual report for 2024.
	2-22 Statement on sustainable development strategy	p. 16-17					
	2-23 Policy commitments	p. 22-25					
	2-24 Embedding policy commitments	p. 22-25					
	2-25 Processes to remediate negative impacts	p. 26					
	2-26 Mechanisms for seeking advice and raising concerns	p. 95, 97-98					
	2-27 Compliance with laws and regulations	p. 11, 48, 55, 98					
	2-28 Membership associations	p. 30					
	2-29 Approach to stakeholder engagement	p. 28-29					
	2-30 Collective bargaining agreements	p. 73					
MATERIAL TOPICS							
GRI 3: Material topics 2021	3-1 Process to determine material topics	p. 18					A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.
	3-2 List of material available.	p. 19					

ANTI-CORRUPTION					
GRI 3: Material topics 2021	3-3 Management of material topics	p. 25, 96-97			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	p. 99			
	205-2 Communication and training about anti-corruption policies and procedures	p. 93, 96-97			
	205-3 Confirmed incidents of corruption and actions taken	p. 11, 97			
ENERGY					
GRI 3: Material topics 2021	3-3 Management of material topics	p. 45-46			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p. 46			
	302-2 Energy consumption outside of the organization	p. 45			
	302-3 Energy intensity		a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; d. Whether the ratio uses energy consumption within the organization, outside of it, or both.	Not available information	Not available information
	302-4 Reduction of energy consumption	p. 45			
	302-5 Reductions in energy requirements of products and services	p. 45-46			

WATER AND EFFLUENTS		
GRI 3: Material topics 2021	3-3 Management of material topics	p. 55-58
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	p. 56-57
	303-2 Management of water dischargerelated impacts	p. 55-57
	303-3 Water Withdrawal	p. 57-58
	303-4 Water discharge	p. 55-57
	303-5 Water consumption	p. 58
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