

ESG Report 2020/21



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Note for the Reader ([GRI 102-50](#), [GRI 102-52](#))

This biennial report, apart from the years in focus (i.e. two fiscal years from January 1st 2020 to December 31st 2021), covers also the year 2019 in terms of highlights and respective data since no ESG report was published for that particular year due to the covid-19 outbreak.

“Sailing the extra mile for a sustainable future”

Our Company



Message from our CEO (GRI 102-10, GRI 102-14)



Our gratitude is extended to each and every one of them who *keep our ship going* in this yet unfolding storm.

Taking over as the new CEO of Neptune Lines in October 2021, I feel honored to be part of a company that I have long admired for its strong growth trajectory, its high standards and deeply rooted values; a company that cares about its people and its customers and is committed to making a positive impact on society.

In the full spectrum of sustainability, namely *Environmental, Social and Governance (ESG)* – these last three years brought unprecedented challenges to the world.

On the back of climate change and its detrimental effects felt increasingly worldwide, the covid-19 pandemic further changed reality as we knew it, putting people and companies to the test.

The rapid spread of the disease and the stringent control measures applied internationally to contain it, had an apparent impact on labor force and global trade. Being a vital link in the global supply chain, the shipping sector had to confront its own difficulties: outbreak cases on board creating multifaceted complications, nearly impossible crew changes raising concern for seafarers' physical and mental state and the overall ship safety, lack of cargoes to be transported due to production cutdowns and factory closures.

What's more, the automotive industry was especially hit by the unexpected shortage of semiconductors globally, hindering vehicle production with a subsequent ripple effect on finished vehicle transport - including our own company.

Within this turbulent landscape, Neptune Lines managed to demonstrate resilience and maintain business continuity - minimizing the impact for its stakeholders.

After 2019 was marked a new record year with 1,211,000 units transported through our fleet, in 2020 (i.e. the year that covid-19 actually turned into a pandemic causing major business interruption) our vessels transported 1,090,000 units and in 2021, 1,134,000 units which is not an insignificant outcome given the circumstances. Moreover in 2021, looking for ways to better serve our customers, we introduced a new trade line which reinforced our existing routes and expanded our operations to China and South Korea through a deep sea connection used on a spot basis. We also increased our overall capacity with the acquisition of a new vessel that joined our fleet.

All aforementioned milestones would not have materialized if not supported by the dedication and hard work of our people ashore and aboard. Our gratitude is extended to each and every one of them who "keep our ship going" in this yet unfolding storm; with all hands on deck and everyone's personal effort to do their utmost despite challenges, we have

responded so far to this immense crisis with remarkable speed and collaboration.

In return - and always guided by our Mission statement "*...while investing in our most valuable asset, our people*", the company did everything possible to protect employees and their families from the imminent risk of infection. In conformity with government guidelines, we immediately pivoted our work pattern to remote working for all office-based employees. Demonstrating *Flexibility* as one of our core values, and thanks to company's longstanding focus and investment on business systems and I.T assets, we were able to ensure operational continuity from day one and throughout the various phases of social lock downs. Concern for our people extended to all employees working remotely with regular touch points from line managers and HR to ensure that no one felt isolated, even when separated by work location. Retaining at the same time the sense of community, normal celebration of festive events continued virtually allowing the company to share important times together.

As restrictions eased allowing partial return to the office, we implemented a range of preventive and control measures following best practice and the advice of public health authorities. Particular emphasis was given on information sharing and relevant guidance to increase awareness. In this context, the company invited medical professionals to inform on the benefits of vaccination and all employees - both ashore and on board - were encouraged to vaccinate as soon as they were eligible under government schemes.

During this period, the company remained keen on attracting and retaining talent. We were pleased to establish a cooperation with *ReGeneration* youth employability program, recruiting two full time employees and supporting the initiative's vision to alleviate youth unemployment and brain drain. We continued to sponsor our employees engaged in parallel post-graduate studies and ran various training and development courses - whether physical or virtual - to improve expertise & skills of shore-based and seagoing personnel. A brand new HR platform was launched facilitating significantly the recruitment process and on-boarding of new colleagues (particularly within the period of remote working) and improving employee experience through its user-friendly and easily accessible features.

Occupational Health Safety and Wellbeing was a focal point throughout the reporting period. Relevant policies, processes and Management Systems were carefully reviewed and further enhanced towards managing effectively the covid-19 outbreak, as well as, to comply with the requirements of the transition from OHSAS

18001 to ISO 45001. In May 2021, after completing a full year into the pandemic, an anonymous covid-19 survey was conducted for the office personnel to ascertain how safe our people feel with the measures applied by the company. The input gathered was generally very positive providing, at the same time, valuable insight into certain difficulties faced by individuals, all of them considered for further supportive action.

Strongly standing for the wellbeing of seafarers worldwide and their necessary recognition as key workers, Neptune Lines became a signatory to the *Neptune Declaration on Seafarer wellbeing and Crew Change*. With equal care for the wellbeing of people ashore, the company launched a series of first aid training courses for office employees in cooperation with the Hellenic Red Cross and an ongoing blood donation initiative in support of the Hellenic National Blood Transfusion Center (HNBTC) which experienced a 20% decline in blood supplies during the pandemic.

Continuous improvement in overall lost time injury frequency rate (LTIF) was also achieved. Regrettably however, we had a non-work related fatality of a seafarer in 2019; an acute heart attack connected with hereditary heart disease occurred during his resting period on board.

In relation to *Human Rights*, there were no internal or external incidents and we became signatories to the *Diversity Charter for Greek Businesses*, an initiative of the European Commission promoting diversity and inclusion at the workplace.

Corporate Governance, Compliance and Business Ethics activities continued throughout the period, although somewhat impaired due to the impacts of covid-19 with many conferences canceled and internal activities centered towards re-adjusting the business to the significant disruptions experienced. Despite these distractions, the company was able to continue its work towards the MACN principles scoring above the sector's average in 2020 and slightly below in 2021 through self-assessments. Company personnel also participated in webinars to remain abreast of latest developments and updates. Towards the very end of 2021, a new internal governance structure for ESG was prepared and proposed by management to the Board of Directors, subsequently to be ratified in 2022.

Safe & Secure Operations and Business Continuity areas were broad in activity. Important technological upgrades took place for both fleet and office covering cyber security and network monitoring, disaster recovery and back-up systems, data transfer and communications. As a direct result, there were zero breaches of company's security systems throughout the reporting period. Enhanced safety

training on board continued, whenever circumstances allowed, around fire fighting, safe navigation, stability and cargo securing.

Alternative Fuel Vehicles (AFVs) become an increasing focus area for Neptune Lines as we see the increase in AFV's transported by sea and the runway ahead showing a continuous increase in this area as Electric Vehicles' (EVs) global sales reached 6.75 million units by the end of this reporting period. In 2021, we joined the EMSA Working Group to support the development of rules applicable for the safe transportation of AFVs. Increased vigilance in fire detection and fighting methods, emergency procedures and risk assessments remain key issues for the sector and the company continues to actively engage with manufacturers and industry bodies to ensure environmental and cargo safety.

Overall fleet performance in third party audits and inspections was within the targets set and even improved, with the exception of one vessel detained in 2020. Within 2019-2021, three safety-related incidents occurred on board fleet vessels and 7 stowaway incidents at high risk ports. All of them were managed in a timely manner and lessons learned were incorporated in our day-to-day operations.

Service Quality and Customer Focus were at the fore with the pandemic changing not only the way we interacted with our customers, but also the challenges facing them and us - as general volume level fluctuated considerably. With business continuity plans in place, the company maintained required transit times to the fullest and volumes for customers as required. A customer satisfaction survey was distributed to spot clients which showed strong confidence in Neptune Lines, with some minor suggestions for improvements that were taken into consideration. Concerning customer ESG assessment, we were proud to retain our Gold recognition in the *Supplier Corporate Social Responsibility (CSR) Assessment* by *EcoVadis* in 2019, turning successfully into a Platinum Medal in 2021 for our company's exceptional performance clustered among the top 1% of companies assessed.

Community Investment, continued with support across a number of organizations and activities. Various donations were made in the form of charitable giving and volunteer effort to support our main pillars of: Fighting Poverty, Education & Culture, Athletics, Infrastructure Projects and Natural Resources Protection & Ocean Conservation.

Protecting the environment remains at the core of our focus given the impact vessels and shipping have for the oceans and the communities where we are present.

Our overall CO₂ intensity per nm sailed saw an 11.29% improvement at the end of the period compared to base year 2010.

In 2021, Neptune Lines submitted its first online response to the Carbon Disclosure Project (CDP) receiving a 'C' rating that places us at the awareness level. This forms the basis for further work and reporting going forward into the next periods, where we also intend to identify the financial implications of climate change and how we can positively impact further.

We continued to implement all the technical and operational measures within our Emissions Reduction and Energy Efficiency Program, measuring relevant results through telemetry and monitoring systems and making necessary adjustments. To have even better control over progress made, as well as, to evaluate any new energy-related projects and the impact of regulations coming in force, the company created the role of *Energy Efficiency Engineer*. Furthermore, installation of hybrid-ready scrubber technology was completed for all our vessels and several promising projects, currently under study, have been included in the agenda for further reduction of our carbon footprint through alternative fuels and technical enhancements.

As 2022 is already here, and the covid-19 pandemic is still unfolding, the world deeply awaits recovery and better days to come. Believing strongly in the transforming power of collaboration and diversity - proved many times even during the worst hardships - we will continue our remarkable teamwork here at Neptune Lines for the good of our people, our company and stakeholders and the broader community. No matter the challenges yet to come, we have been taught that strength lies in unity.



Craig Jasienski

Chief Executive Officer



Continuing our journey (GRI 102-1, GRI 102-2, GRI 102-5, GRI 102-6)

Neptune Lines Shipping and Managing Enterprises SA is a leading short sea operator engaged in industrial vehicle transportation and logistics services. It is controlled and ultimately owned by the Travlos family.

Among our customers are some of the world's largest automotive manufacturers and our business network is comprised of over 30 agencies - most of them being valuable business partners for many years.

Our service portfolio includes:

- Maritime transportation of:
 - *Finished vehicles of all types:* passenger cars and SUVs, light or heavy commercial vehicles, as well as, buses, coaches and caravans
 - *Rolling cargo* such as tractors, excavators, bulldozers, cranes and other high and heavy cargo
 - *Static cargo* including construction equipment, energy equipment, agricultural and other types of machinery, boats, pipes, mobile homes, freight pallets, boxed cargo and project cargo.
- Ship management
- Supplemental port and logistics operations services
- Agency services.

The journey of our company began with the aspirations and personal effort of Nikolaos Travlos who founded *Neptune Shipping Agencies SA* back in 1975, with the purpose of providing cargo and ship-handling services to all Greek ports.

Soon after its establishment, Neptune Shipping Agencies started representing tramp and tanker owners.

By the early 1980's, the company's activities expanded to include chartering of general cargo and container vessels in the Mediterranean Sea.

In 1986, *Poseidon Shipping and Managing Enterprises SA* was established and following our founder's intuition, the company entered the car-carrier business, operating its first RO/RO vessels.

By the early 1990's, Poseidon Shipping was already enjoying the recognition of major car manufacturers. Within that decade, the company's business activity surged thanks to a momentous upturn in the Greek car market, while the managed fleet further increased to support the ever growing automotive demand.

In 2001, *Neptune Lines Shipping and Managing Enterprises SA* became the new name of the company - a change that signaled a new era of business growth.

The years that followed, were marked by consecutive new building projects and acquisitions that boosted carrying capacity as well as service flexibility and shaped our fleet as it is today.

Neptune Lines cooperates with the most prestigious shipyards and marine technology providers to progressively improve its overall fleet performance and environmental profile - always investing in innovative technologies and solutions for maximum efficiency.

Continuing our journey, we operate by the same principles and high standards to deliver the best of services to our customers, in the most sustainable way.

2001-2002 1st New Building Project

N.Aegli and N.Dynamis - two sister newbuildings were delivered.

- ▶ In Ancient Greek, the word 'Aegli' (Αἴγλη) signified *brightness* or *dazzling light*; in the modern language it is the word used for *glamour*.
- ▶ 'Dynamis' (Δύναμις) stands for '*power*', '*force*', '*might*'.

2005-2006 2nd New Building Project

Two additional sister vessels, N.Thelisis and N.Okeanis were delivered.

- ▶ the greek word 'Thelisis' (Θέλησις) signifies a *strong will*.
- ▶ 'Okeanis' (Οκεανίς) in ancient Greek mythology would be an *oceanid nymph protecting seafarers from storms and other nautical hazards* (i.e. daughter of Oceanus, the great river believed to encircle the entire world).

2009-2010 3rd New Building Project

Four sister vessels were delivered: N.Odyssey, N.Iliad, N.Ithaki and N.Kefalonia

- ▶ 'Odyssey' (Οδύσσεια) and Iliad (Ιλιάδα) are the two major ancient Greek epic poems attributed to Homer. The Odyssey, narrates the adventures of Odysseus, king of Ithaca (Ithaki), in his journey home after the Trojan War, while the Iliad centers the exploits of soldiers and kings during the War itself.
- ▶ 'Kefalonia' (Κεφαλονιά) is the Greek island next to Ithaca.

2014-2015 4th New Building Project & New Acquisitions

Two eco-design sister vessels, N.Galene and N.Thalassa, were built and equipped with latest propulsion and environmental technologies. A year later, the fleet was further expanded with the acquisitions of N.Hellas and N.Horizon.

- ▶ 'Galene' (Γαλήνη) means *serenity, tranquility, calmness* while 'Thalassa' (Θάλασσα) is the Greek word for the *sea*.
- ▶ 'Horizon' in Greek is 'Ορίζοντας' and 'Hellas' (Ελλάς) is the Greek word for *Greece*.

2017-2018 Boost in transported units & Network Expansion

A corporate milestone: our vessels transported more than 1 million units and our service was expanded to North Europe.

2019-2021 Focus on Environmental Compliance & New Acquisition

Hybrid-ready scrubber technology was installed on board our vessels ensuring compliance with SOx global cap regulations. New projects launched for further reduction of our carbon footprint. N.Koper is added to our fleet.

- ▶ The naming of 'Neptune Koper' is a tribute to our longstanding cooperation with the port of Koper in Slovenia and its people.

Following our Moral Compass (GRI 102-16)

Mission

Our mission is to be the most trusted car carrier company in the areas we operate, delivering flexible and tailor-made solutions to our customers - while investing in our most valuable asset, our people.

Vision

Our vision is to maintain our leading position in our target segment, while at the same time, to grow and expand our services in new markets.

Aiming to create enduring value, we focus on performing business sustainably and responsibly.

Values

Ever since the beginning of our journey, eight values have formed the foundation of our company; they have helped us foster strong relationships with our customers and all our stakeholders.

As Neptune Lines grows steadily over the years to a larger corporate structure, these same values will continue to "guide our ship through safe seas":

TRUST

Honoring relationships, old and new.

FLEXIBILITY

Tailoring our services according to our customers' needs.

CONFIDENCE

Providing peace of mind to our customers, year after year.

INTEGRITY

Conducting business according to a strict code of ethics.

PIONEERING

Encouraging and supporting innovative thinking in everything we do.

HUMAN CAPITAL

Investing in —and inspiring— people.

EXCELLENCE

Delivering excellence every day of the week, year-round.

RESPONSIBILITY

Caring for the community and the environment we live and work in.

Policies & Code of Conduct

Together with our Values, our corporate Policies and Code of Conduct set our guiding principles in all business aspects. They demonstrate our unwavering commitment to fair and ethical business practices, good corporate governance, human and labor rights protection and environment action.

They are developed by the Compliance Officer with the support of the ESG Committee and they are approved by the highest governance body. Their revision occurs as appropriate, following internal consultation.

Our policies include:

- Fair Business Practices Policy
- Compliance/Anti-Corruption & Anti-Bribery Policy
- Non-Discrimination, Harassment and Bullying Policy
- Health & Safety Policy (incl. Occupational Health and Safety)
- Environmental Protection & Energy Efficiency Policy
- Quality Policy
- Drug & Alcohol Policy

These policies together with the Code of Conduct express company's bonds, as well as expectations, towards its employees, business cooperators and providers, its customers - and in general all its stakeholders- the environment and society.

They apply across the entire company: the Board of Directors, the Executive Committee and ESG Committee members, all employees (shore-based and seagoing) and all entities working for, or are associated with Neptune Lines.

All employees are signing *Neptune Lines Code of Conduct and Policies acceptance* clause as part of their induction, while senior and middle management are responsible to ensure that its contents are embedded in all company activities and operations.

Company Snapshot (GRI 102-4, GRI 102-6, GRI 102-7, GRI 102-12, GRI 102-13)

Operation in
24 Countries

Vessels



Owned Fleet Characteristics

- Pure Car and Truck Carriers (PCTCs)
- Built in high quality yards of Europe, South Korea and Japan with Advanced Ship Design:
 - ✓ Multiple Thrusters
 - ✓ Multiple ramps of increased strength
 - ✓ Hydraulic hoistable decks (flexibility)
 - ✓ Accommodation of non-standard cargo
 - ✓ Eco-friendly propulsion plant
 - ✓ Hull redesign and advanced anti-fouling
- Smart ship connectivity

Total Car Carrying Capacity:

(Including Chartered Tonnage)

2020: 46,560 standard cars

2021: **49,106** standard cars

Sales per annum

(i.e. refers to "Neptune Holding Overseas SA")

€ 198m

Neptune Lines manages assets of over

€ 380m

(Total capitalization broken down in terms of debt and equity is considered as confidential information and cannot be disclosed.)

408 Employees

(* Headcount on December 31st 2021)

322 Seagoing

(Not including Chartered Vessels)

86 Shore-based

45

Major Customers

Our Customers are all major OEMs & shippers of vehicles and high & heavy cargo, as well as, leading 3PL & 4PL companies.

ESG Assessment Badges



Total Units Transported



Transportation of High & Heavy Cargo



Port Calls (Including Chartered Vessels)



Sailing Miles (Including Chartered Vessels)



Certifications - Accreditations



Memberships of Associations

Neptune Lines is an active member of:

- Hellenic Chamber of Shipping
- Union of Greek Shipowners
- Malta International Shipping Council
- European Community Shipowners' Association (ECSA)
- DNV GL Technical Committee
- Lloyd's Technical Committee
- Marine Technical Managers Association (MARTECMA)
- Baltic and International Maritime Council (BIMCO)
- Hellenic Marine Environment Protection Association (HELMPEPA)
- The Association of European Vehicle Logistics (ECG)

External Initiatives & EU Projects



Our Areas of Operation (GRI 102-3, GRI 102-4, GRI 102-6, GRI 102-10)

Through our fleet and expansive agency network, we provide regular liner services to the automotive industry by calling more than 40 ports in 22 countries across the Atlantic Europe, the Mediterranean and the Black Sea.

Also in 2021, in order to better serve our customers, we expanded our service to include a deep sea connection - on a spot basis - with Shanghai and Busan.



Countries of Significant Operations

Neptune Lines' main office is based in Piraeus, the largest port of Greece. The main countries where the company has significant operations (i.e. determined based on cargo movements) are shown here below.

Top 7 Countries based on 2021 Cargo Movements*

Turkey	Slovenia	Spain	Morocco	France	Greece	Romania
20.9%	13.8%	13.5%	11.1%	10.5%	7.1%	4.9%

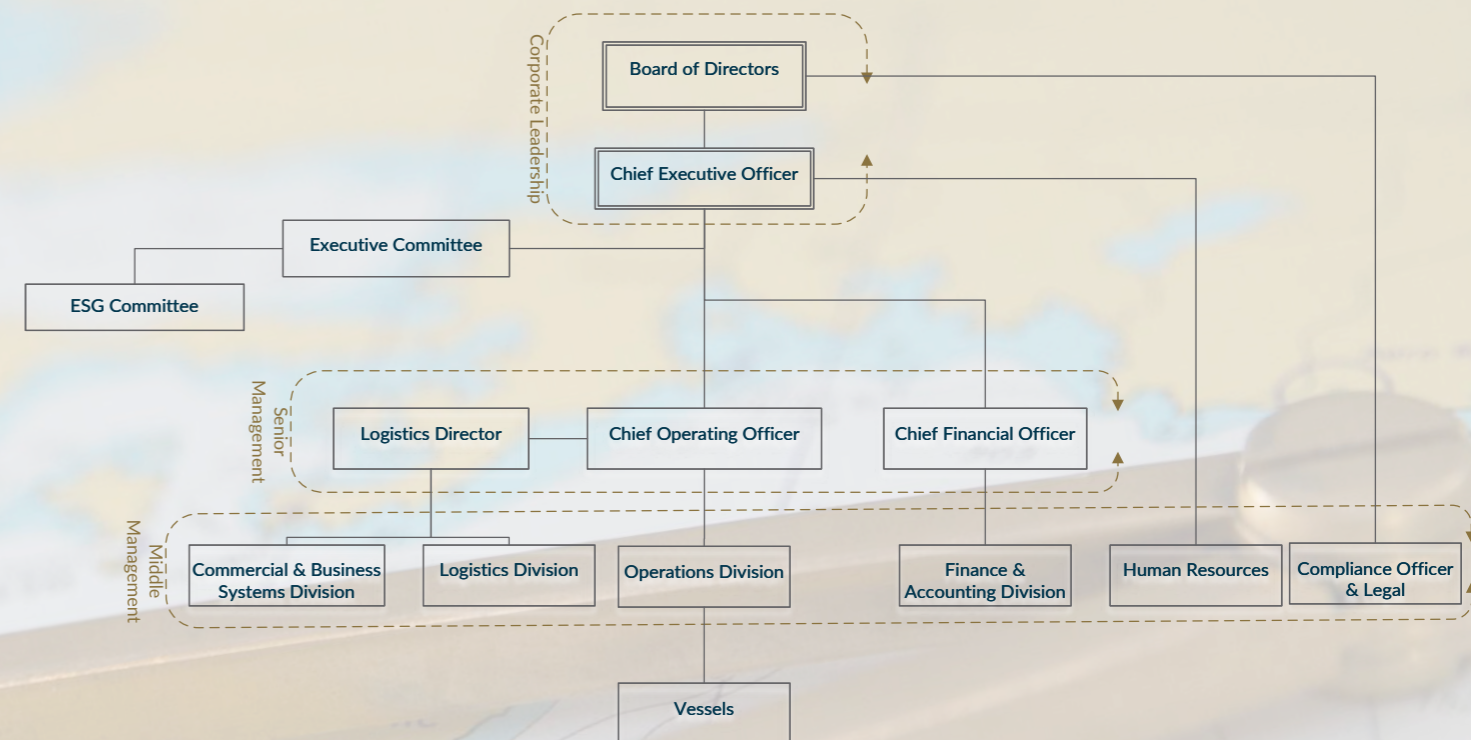
* (i.e. loading and discharging operations at said country's ports)

Our Governance Structure (GRI 102-18)

Neptune Lines' management structure consists of the Board of Directors, the Chief Executive Officer, the Executive Committee and the ESG Committee.

The Board of Directors and the Chief Executive Officer lay down the general business, the management principles, as well as, the overall strategy and the risk policies.

The Executive Committee ensures the proper organization and supervises the performance of the company and its management. It consists of the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Logistics Director and functions as the day-to-day management. Its members are also participating in the ESG Committee.



The ESG Committee consists of the Compliance Officer (who reports directly to the Board of Directors), the members of the Executive Committee and the heads of departments - based on the nature of issue raised (i.e. each department head is involved when the issue raised falls within their area of responsibility).

The other ESG Committee members support the Executive Committee in the decision-making on environmental, social and governance issues.

These two committees agree on the sustainability policies, set the appropriate sustainability strategies and oversee compliance - monitoring, at the same time, the progress on the corporate sustainability projects.

Towards the very end of the reporting period, a new internal governance structure for ESG was prepared and proposed by management to the Board of Directors, subsequently to be ratified in early 2022.

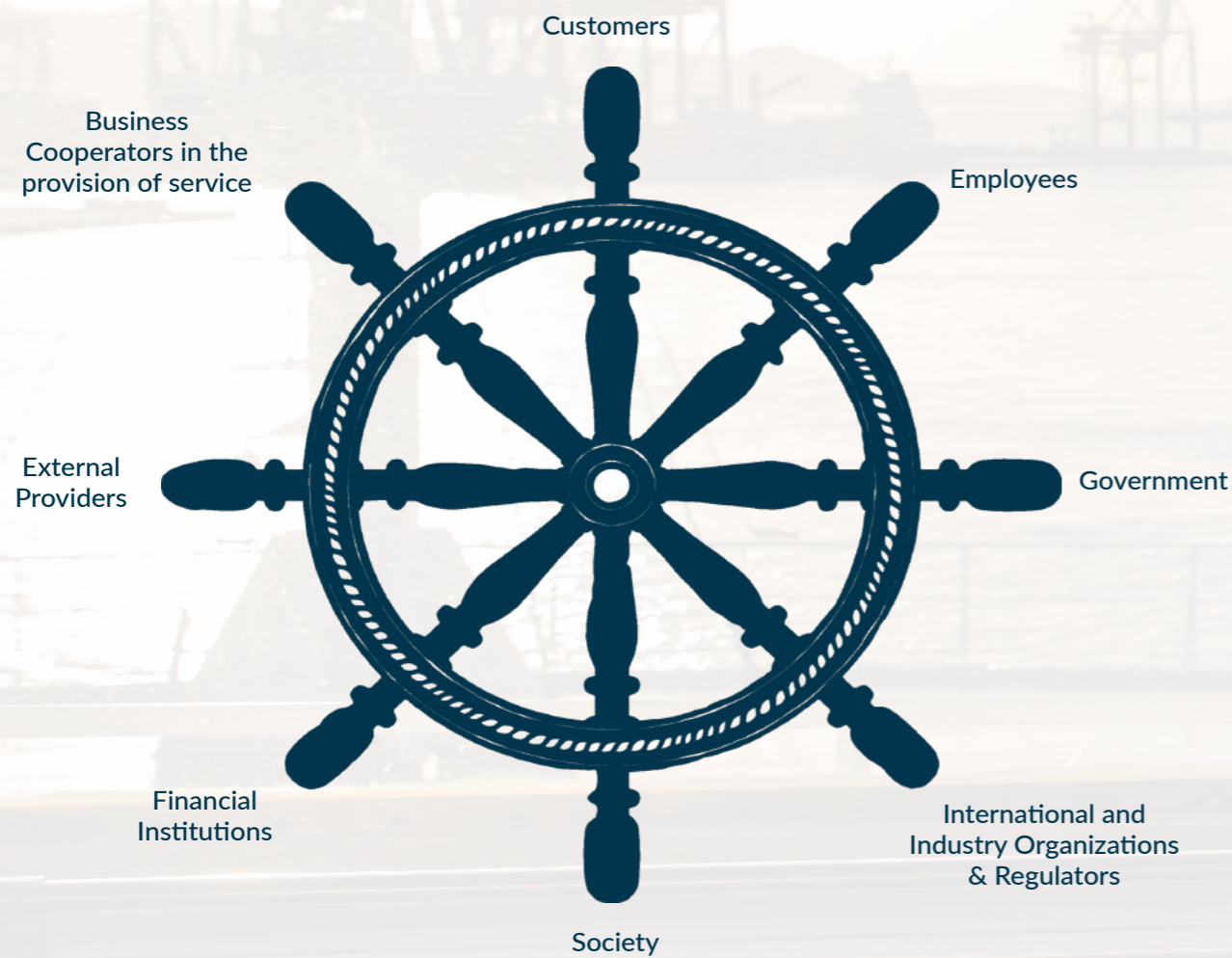
Our Stakeholders (GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44)

Main Stakeholder Groups

Our company has always valued the contribution of its stakeholders to its progress and success. Their needs and expectations are very important to us and set new standards and milestones to achieve.

Our target remains to have as many engagement opportunities with them as possible and join our efforts to make our value chain more sustainable.

Here below are our company's main stakeholder groups.



Stakeholder Engagement Occasions

In the following pages we present the major stakeholder engagement events that took place within 2019-2021 (presented per stakeholder group involved). In 2021, most stakeholder events were either canceled or performed virtually due to covid-19.

Group: *Employees*

Seafarers' Annual Seminar

Each year, Neptune Lines holds a 2-day seminar in Odessa for all its Ukrainian seafarers, who represent the majority of company's crew.

The latest one held in-person was in September, 2019. During its course, important topics were discussed - linked with vessels' operations and the company as a whole (e.g. cyber-security, cargo safety, onboard systems, company policies&priority areas, future plans and objectives etc.). At the same time, guest speakers conducted a live, interactive training in selected topics (media handling and crisis communication, advanced fire fighting techniques, weather forecasting prediction/disaster prevention through specialized software).

In 2020, this event had to be postponed due to increased concern around the spread of covid-19. However, towards the end of 2021, we managed to host it virtually - including among participants our Greek officers. The topics discussed were associated with the pandemic and the safeguards needed to minimize its impact (e.g. crew vaccination, seafarer's mental health etc.), as well as, vessels' safety (e.g. handling of AFVs, safe stowage and stability etc.).



Group: *Business Cooperators in the Provision of Service*

Neptune Lines' Agents Conference

Every two years, Neptune Lines organizes a full-day conference for all port agents within its network. The latest one was held on October 22nd 2019 in Athens, with the participation of more than 50 delegates from our port agencies across 22 countries. Among topics discussed were: customers' satisfaction, new projects and business development opportunities, emergency response to marine accidents, suppliers' code of conduct, environmental aspects of vessels' operations and company's sustainability efforts.

In 2021, taking the wellbeing and safety of the attendees as priority, we decided not to hold this event and wait until the situation with the pandemic took a turn for the better.



Groups: *Business Cooperators in the Provision of Service / International and Industry Organizations & Regulators*

The Association of European Vehicle Logistics (ECG) - Members' Meetings

Neptune Lines is a member of ECG participating in its working groups, members' meetings and board meetings. ECG's mission is to provide a common platform to support the finished vehicle logistics industry in Europe (i.e. through information and awareness, training&education, networking and integration, lobbying, representation and standardization). ECG Members represent 80-85% of the finished vehicle sector in Europe (shipping and logistics companies, automotive companies, Ports etc.). The Association also has numerous partner organizations that are suppliers to the industry.



Here below are the main ECG events in which our company participated within 2019-2021.

ECG Maritime & Ports Working Group

In June 2019, the ECG Maritime & Ports Working Group was held in Piraeus, and was hosted by Neptune Lines and the Piraeus Port Authority (PPA). More than 40 members of the working group participated discussing about local port issues and various topics among which: the 0.5% Global Sulfur Cap and the use of Exhaust Gas Cleaning Systems (EGCS), the port sector's priorities towards the new European Commission and Parliament for the 2019-2024 legislative period, the financial transparency of ports and the provision of an effective and independent complaint mechanism etc.



In 2020, this annual event was postponed due to covid-19. In 2021, it was held as hybrid at the Port of Sète (November 15th-16th). As part of the agenda, our Technical Manager presented on the topics of Cold Ironing and EEXI & CII new regulations.

ECG Conference 2021

Held on October 14th-15th 2021 in Brussels (after being postponed in 2020 due to the pandemic), this conference was the first major physical Finished Vehicle Logistics (FVL) event since the outbreak of covid-19. Its central theme was sustainability and decarbonization, including challenges faced within the automotive supply chain following the pandemic (e.g. the semi-conductor supply shortage etc.). Indicative topics discussed: alternative fuels & new technologies, sustainability in compound operations, emissions reporting, EU Funding opportunities; Among guest speakers was the Policy Officer in the Sustainable and Intelligent Transport Unit of the European Commission's Directorate-General for Mobility and Transport who presented on 'Fit for 55' package of legislative proposals.



Group: *International and Industry Organizations & Regulators*

Certification and Incentive Programs for Sustainable Waterborne Transport

The ECG & Green Award Stakeholders Workshop

Green Award is a voluntary quality assessment certification scheme that inspects and certifies ships going beyond the mandatory industry standards in terms of safety, quality, environmental performance and sustainability in general.

On December 10th 2019, ECG in cooperation with the Green Award Foundation

organized a stakeholders' workshop in Rotterdam to present the Green Award certification program and gather valuable input from those involved in order to further expand its scope to the RoRo-type ships.

Represented by the HSQE Manager, Neptune Lines shared its experience and know-how on targeted topics within the key areas of: safety (e.g. fire safety standards, ship stability, handling of electric vehicles etc.), cargo operations (e.g. cargo securing and maintenance of relevant equipment etc.) and environmental compliance (e.g. noise levels of RoRo ships). The input gathered will be considered by the Green Award Foundation in the compilation of its certification checklist for the RoRo ships.



Groups: *Business Cooperators in the Provision of Service / Government*

Inauguration of New Ro-Ro Berth at Port of Koper

On June 10th 2020, our company had the honor to participate with our vessel 'Neptune Kefalonia' in the opening ceremony for the inauguration of a new Ro-Ro berth at the Port of Koper. This valuable investment will expedite operations in the Car Terminal and contribute to the port's overall development. The event was attended also by the Minister of Infrastructure of Slovenia who expressed support to the current and future projects for the expansion of port areas.



Group: *Customers*

Participation in Exhibitions and Major Events of the Automotive Industry

We seek to participate in major events of our industry in order to engage and communicate in a direct way with our customers, business cooperators or any other stakeholder interested to find out about our company. We value the feedback obtained regarding our services and how to improve them and it's taken into account in our decisions and business strategy. However, these last couple of years, the majority of the events/exhibitions were either postponed or canceled due to the pandemic, while traveling was restricted in many areas making attendance even more difficult. The latest exhibition events in which our company participated were:

Busworld (Istanbul, 5 March 2019)

An opportunity for all those involved in the bus sector to network and discuss any issues related with this particular mode of transport.

Semaine de l' Innovation du Transport et de la Logistique (SITL) (Paris, 26-28 March 2019)

This whole-week event is dedicated to innovative transport, supply chain and supply chain solutions for industry and retail.

Breakbulk Europe (Bremen, 21-23 May 2019)

A leading exhibition focusing on breakbulk, project and out-of-gauge cargo.

Transport Logistik (Munich, 4-7 June 2019)

The world's leading trade fair for logistics, mobility, IT and supply chain management. It was the 1st time that our company participated in the trade fair as an exhibitor

having the opportunity to meet and exchange ideas with existing and potential customers and partners, either through pre-arranged meetings or ad hoc discussions.

Automotive Logistics Europe Conference (Munich, 2-4 July 2019)

This conference focused on the strategies and best practices of Europe's leading vehicle makers and tier suppliers who manage to adapt their operations to meet the global challenges of electrification, digitalization alongside the challenges of sustainability and ongoing tensions in international trade.

World Automotive Conference (WAC) (Istanbul, 17 October 2019)

Once again, the WAC brought together market experts and stakeholders of the automotive industry to discuss emerging trends, new technologies and opportunities for the sector, supply chain and logistics.

Logitrans (Istanbul, 13-15 November 2019 & 10-12 November 2021)

Neptune Lines has been long participating as an exhibitor in this international transport logistics exhibition presenting to its stakeholders its new services and innovative solutions.



MACN Webinar on Sanctions (June 3rd 2021)

The webinar was about the latest trends and updates on sanctions with focus on shipping and trade.

Group: International and Industry Organizations & Regulators / External Providers / Government

Gas and Maritime Transport Decarbonization Workshop

Global Gas Centre (GGC) - Port de Marseille Virtual Workshop (virtually, 26 November 2020)

Liquefied natural gas (LNG) is a sustainable marine fuel option to reduce air pollution in the shipping sector. In cooperation with the Port de Marseille and Lloyd's Register, the Global Gas Centre (GGC) organized an online workshop, with the participation of shipowners and policy-makers, focusing on the utilization and expansion of LNG in maritime transport. Neptune Lines, represented by its COO, was invited to participate in the discussion by sharing thoughts and insights on the use of LNG.

The GGC is a non-profit organization working together with the World Energy Council (WEC) and aligning their activities in a number of areas.

Group: International and Industry Organizations & Regulators

Maritime Anti-Corruption Network (MACN) Members' Meetings

The MACN is an industry-led initiative, aiming to eliminate corruption in the maritime industry. In cooperation with various stakeholders (i.e. shipping companies, governments, embassies, authorities, port agents, international/industry organizations), it runs collective-action country projects. Being a member since 2015, Neptune Lines participates in the network's meetings and initiatives.

MACN Fall 2019 Member Meeting (London, 30-31 October 2019)

Apart from MACN's continuous work in selected areas of focus (e.g. Nigeria) and the progress made, the following topics were discussed: MACN's new 2025 Strategy and increasing further industry awareness, educating members on how to address third party risks internally and implement due diligence programs, the development of the Marine Anti-Corruption Insurance (MACI) concept for the insurance of events such as: bribery demands, commercial retaliation, malicious vessel detention, malicious fines and unsanctioned bribery payments.

MACN Spring Members Conference Calls (virtually, 21-28 April 2020)

Broken into daily sessions held online, the Spring Member Conference included the following topics: MACN's work at the IMO and its response to the covid-19 crisis, the corruption risks that members face in Ukraine even during the pandemic, MACN's new tools (i.e. eLearning, new Global Port Integrity Platform, third party risk management platform);

MACN Fall 2020 Virtual Member Meeting (virtually, 21 October 2020)

Among topics discussed were: MACN's new Help Desk service through which members can seek advice on corruption challenges faced during port calls and the further improvement of the incident reporting system through relevant survey rolled out to members.



Group: Society

Participation in Career Readiness Programs

ReGeneration Academy

On June 16th 2021, Neptune Lines participated in the "ReGeneration Academy on Female IT Career Pathways", a program created jointly by ReGeneration (see Employment section pg.30), INCO Academy-Work in Tech and Google.org aiming at bridging the gender digital divide and advancing equitable access to IT Careers.

The program was designed for young female graduates up to 29 years old, with a degree from any academic background and with 0-3 years of service, wishing to develop I.T. skills, explore new fields and claim a job in the field of interest. Our HR representative participated in the evaluation process (i.e. virtual live assessment center).

Career Paths

On July 16-17th 2021, the Panorama of Entrepreneurship and Career Development - the largest employment conference in Greece - organized the digital event "Career Paths" aiming to help students and graduates in their preparation for their future career.

Represented by its HR Manager, Neptune Lines participated in the Maritime Session of the event. The discussion that took place virtually was attended by executives of companies and organizations that have studies related to the wider shipping field, but have followed different career paths. Each of the panelists presented their own career path contributing valuable insight with regard to what it takes to prepare for a specific career and to be successful in the world of work in general.

Our Supply Chain (GRI 102-9)

Main External Providers and Business Cooperators

Our main providers in products and services (grouped in broader categories) and business cooperators are shown here below:

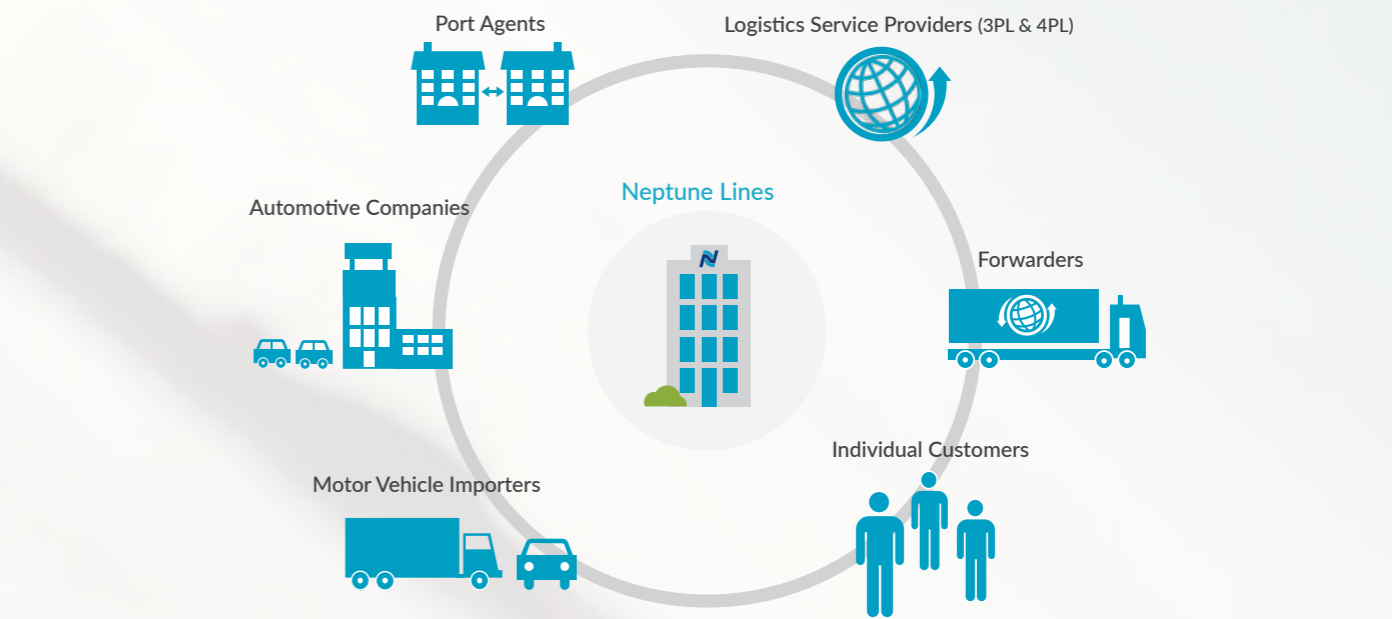


They contribute to our quality service through:

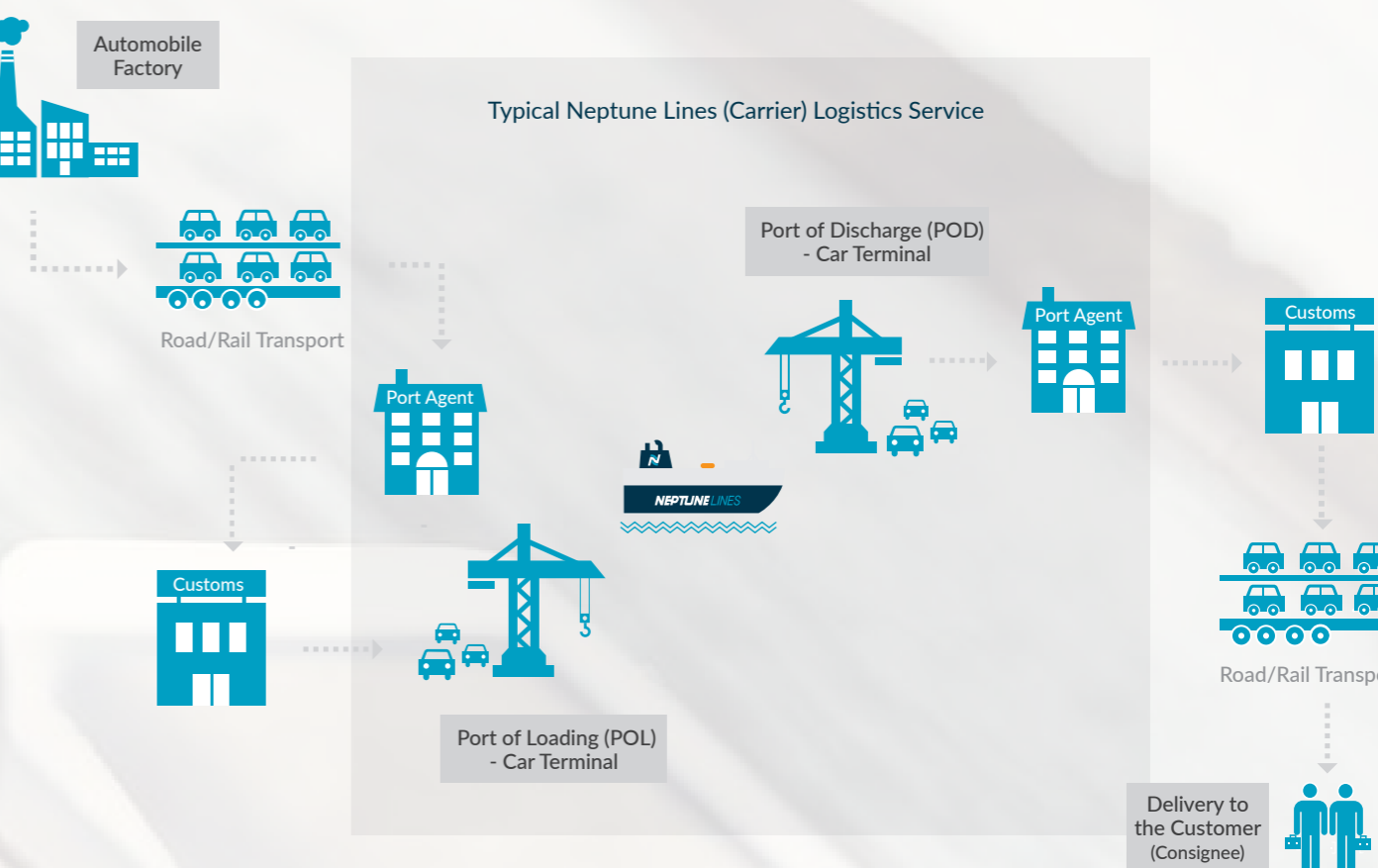
- ⌘ Pilotage, towage, stevedoring, cargo handling and storage, facilities etc. (*Port and Terminal Operators & Port Services Providers*)
- ⌘ Shipbuilding, repairs and drydocking (*Shipyards*)
- ⌘ Acquiring, selling, contracting, chartering or financing vessels, market intelligence and advice (*Ship-brokers*)
- ⌘ Chartered tonnage, service lines (*Shipping Companies*)
- ⌘ Crew recruitment and placement, traveling and health insurance (*Manning Agents-Travel & Crew Insurance Agents*)
- ⌘ Local representation, commercial support and full agency services (e.g. port arrangements, husbandry services, vessel clearance, preparation and submission of documentation, ensuring compliance with local regulations and requirements etc.) (*Port Agents*)
- ⌘ Cargo inspection (*Cargo Surveyors*)
- ⌘ Information systems and information technologies, e-services, networks, internet, communication systems (*IT/IS Providers - Communications Providers*)
- ⌘ Training and consulting, knowledge and expertise, business intelligence (*Training & Consulting Providers*)
- ⌘ Auditing, external assurance, quality testing and control services, certification (*Auditing-Quality Control Providers*)
- ⌘ Provisions, stores, consumables (*Ship Chandlers*)
- ⌘ Bunkers, lubricants, chemicals, paints supply (*Bunkers-Lubs-Chemical Suppliers*)
- ⌘ Spare parts and marine equipment & machinery, marine-type technology, periodic inspections, repairs etc. (*Spares & Marine Equipment or Marine Technology Providers*)
- ⌘ Other specialized products or services which do not fall within the rest of the categories; for example lashing and cargo securing equipment providers (*Other Providers*)

Being Part of the Automotive Supply Chain

Neptune Lines' Customer Service Communication Network (Involved Parties)



Finished Vehicle Delivery Process



People are always a
priority



Employment Material Topic

Why this topic is Material (GRI 103-1)

One of our corporate Values is *Human Capital*. Our employees working ashore and those at sea are the driving force for the company's success. Through their commitment, their skills and hard work, Neptune Lines has achieved many business milestones.

Getting and keeping good people isn't easy; Neptune Lines, though, is particularly proud to have great employees working within the company, most of them for many years.

Our company is committed to respect its people and their contribution to company's success, ensuring at all times that its policies, practices, the way of conducting business and day-to-day operations are in line with this fundamental principle.

Considering employment and all its aspects (i.e. job creation, recruitment, employee engagement and retention, working conditions etc.) material and definitive for company's sustainability and further success, our aim is to provide and sustain a supportive and desirable workplace.

At the same time, acknowledging the significant social impact of youth employability, our company endorses and participates in such initiatives.

How we Manage this topic (GRI 103-2)

JOB CREATION AND RECRUITMENT

Youth Employability

Neptune Lines supports young people and is open to students who want to get familiar with a maritime corporate environment.

Internships

For more than eight consecutive years, we offer internship opportunities to undergraduate university students from shipping and maritime, as well as, other academic fields.

Throughout their internship period, we seek to provide them with practical knowledge, guidance and hands-on experience encouraging them to ask questions and share ideas. Interns can be subsequently hired by our company.

Cadet Training Program

Through our Cadet Training Program we recruit young

seafarers, men and women, from Merchant Marine Academies - offering them the opportunity to complete the period of sea service that they need and gain the experience required to graduate and obtain their professional diploma.

During their period on board, attention is given to their instruction in theoretical and practical level. The knowledge and experience they gain during the program - apart from contributing to their personal development - constitute a solid first step for a further professional relationship with our company.

Supporting Youth Employability Programs

Rising to the challenges of youth unemployment and underemployment, brain drain and a skills gap among young graduates and the job market, Neptune Lines joins efforts with other employers, academic institutions and youth organizations to promote targeted education and youth employability.

Our company fully supports such programs engaging with graduates on various occasions (e.g. consulting with them at career fairs, enabling visits at corporate premises/fleet vessels) and offering job opportunities.

Recruitment Process

Having the right person in the right position is key to unlocking value for the company.

Thanks to a well-established employer brand, Neptune Lines has access to a large, diverse pool of qualified candidates - attracting young talented people, as well as experienced executives.

Our recruitment and selection process, assesses all the relevant attributes such as education, working experience, motivation aspects, competencies and personality traits. Through a multiple-interview process we try to appraise each candidate's skills to find the best possible fit for each position, ensuring at the same time that we are a best fit for them.

Throughout the recruitment process, we use a variety of HR tools. We design in-house and run tailor-made assessment centers focusing both on the hard and soft skills of the candidates (competency-based tools), business simulations, custom-made tests and one-to-one or panel interviews. In the interactive parts of the process different department heads participate to ensure diversity of perspectives.

HUMAN RESOURCES MANAGEMENT SYSTEM

Investing in HR Information Systems (HRIS)

Important steps have been made towards an overall digitalization of the office HR functions (crew functions have been long-monitored through a designated module of our ERP - i.e. seafarers' database with all seafarers' data and documents recorded in their personal card).

According to research, implementing Human Resources Information Systems (HRIS) can enhance a company's long-term productivity and profitability. And, as in all cases where technology next to carefully designed management processes can really boost efficiency, HRIS can completely transform HR management.

Acknowledging these major benefits, Neptune Lines has invested in a modern HR platform that facilitates and adds value to all employment phases.

Recruitment Phase

This new HRIS solution has made the recruitment process faster and more efficient by making candidate application much easier and opening up communication channels that result in an engaging candidate experience (i.e. candidates are informed throughout the hiring process).

It also provides the possibility for assessments and evaluations, enabling central collaboration and interaction among the hiring managers and our HR department.

This significant upgrade of the recruitment process has resulted in better sourcing and identification of the best candidate, as well as, improved screening and selection capabilities that enable HR department to speed up the whole process, saving considerable time for the company and the people involved.

Induction Phase

The onboarding of new office personnel has been made smoother. Through the new system's features (e.g. digital signing and submission of documents) all induction steps take place fast, organized and in an environmentally conscious way, allowing increased interaction between the company and the new employee.

Management of Workforce Data and Records

At the same time, all files, records and documents of existing shore-based personnel are now monitored digitally; employee databases and information are

concentrated in one place, allowing easy, quick and controlled access (GDPR).

The platform can be also accessed remotely through a user-friendly mobile app allowing employees to have instant and secure access to their HR-related data and functions (e.g. request time off etc.) as well as to any company-shared information (e.g. important upcoming events, anniversaries, birthdays etc.) whenever they need it, right on their phones.

EMPLOYEE ENGAGEMENT AND DEVELOPMENT

Apart, from attracting and selecting the right people, retention of existing employees within the company is equally important.

Our company acknowledges that employee engagement and development are main drivers of employee retention and has channeled its efforts towards that end.

Employee Enablement

Valuing the loyalty and commitment of our long-term employees and building on our relationship with newer ones, we aim to maintain an open communication with all of them.

We wish them to feel confident in what they do and we try to give them as much autonomy as possible to monitor their work and how best to get it accomplished. Employees are encouraged to express themselves freely, seeking assistance, raising concerns or suggesting action paths. Based on their particular skills, they can, also, pursue projects they're especially passionate about.

Being a customer-centric company, Neptune Lines encourages its people to be pioneers in what they do and how they do it, giving them the potential to add value to our business and their own development.

Internal Opportunity and Career Advancement

Internal opportunity is fostered within the company through internal mobility and promotions.

Internal mobility can help retain employees by keeping them productive and engaged and facilitating their ability to take on new projects, roles and challenges throughout the company¹.

¹ <https://www.cornerstoneondemand.com/resources/how-tos/ten-ways-to-improve-your-internal-mobility-programs/>

During job openings, our employees have the opportunity to apply for a position in another department or pursue a role that better fits their profile and skills.

At the same time, appreciating the commitment and hard work of competent employees, the company advances them either through vertical or horizontal promotion.

Postgraduate Sponsorship

Recognizing the value of the advanced skills and deeper knowledge earned through a postgraduate-level degree, Neptune Lines sponsors and supports employees' postgraduate studies.

Skills Development and Career-Building Programs

With aim to further invest in the development of our people and enforcement of their capabilities, we look for training opportunities and programs based on identified needs within all company levels.

Particular focus is given to executive development programs and leadership training courses designed to help those in supervisory roles reach their full potential and coach their teams effectively while achieving their own career goals.

Shore-based Personnel Training

We closely monitor training, seeing in practice that it truly develops people's skills set and boosts innovative thinking.

Training opportunities can emerge following a corporate initiative (i.e. through the HR department) or after specific request from employees (i.e. in the context of their work and due to specific requirements of that).

Corporate Training Programs

Corporate training programs are launched according to existing training needs having to do with:

- employees' knowledge, skills and capacity building (e.g. foreign language courses, computer literacy, courses on critical operations, emergency response and crisis communication, courses that further build on employees' knowledge following new or amended regulations coming in force etc.)
- reshaping of business functions (e.g. following a significant change in company's ERP, implementation of new systems etc.).

Ad hoc Training

Office employees can attend ad hoc training courses within their work scope or based on their department's needs. Also, in consultation with their supervisor and HR department they can participate in other seminars of their interest.

Shipboard Personnel Training

Pre-Joining Training and Assessment

Every officer, prior to joining our fleet vessels, passes a pre-joining assessment which, apart from evaluation purposes in the case of newcomers, is used for additional training of hired seafarers.

This assessment, namely 'Crew Evaluation System (CES)' is an online tool to evaluate the background knowledge of seafarers with the objective to identify further training needs. It consists of a question database with over 5,000 multiple choice questions, specific to the knowledge areas defined in maritime codes, rules and regulations (i.e. navigation and watchkeeping, radio communication, emergency preparedness, marine engineering etc.). The level of difficulty is customized based on the rank.

After completion of each section of the assessment, individuals are given their results, along with the correct answers to the questions examined, for their reference and further perusal.

Computer Based Training (CBT)

Computer Based Training (CBT) is implemented on board all fleet vessels. It consists of training modules covering a wide range of advanced training topics on various shipboard operations and management system aspects. These CBT modules consist of:

- e-learning courses with follow-up comprehension tests to be completed by each seafarer on an annual basis while on board the vessel
- maritime training films (DVDs) which can be viewed individually by each seafarer or in groups.

Specialized Training

In cooperation with external training centers and trainers with appropriate expertise, we run a series of specialized training courses for our crew which are focused in the areas of safety and critical operations on board (e.g. the correct operation and maintenance of conventional lifeboats, advanced fire fighting techniques, use of ECDIS, proper lashing of cargo etc.)

These are further described in the sections of *Occupational Health, Safety and Wellbeing* and *Safe & Secure operations and Business Continuity*.

Progress and Performance (GRI 103-3)

JOB CREATION AND RECRUITMENT

Youth Employability

In 2019, the company occupied one intern. Within 2020-2021, a period which passed mainly with remote working due to covid-19, the company did not occupy any interns.

However, and following our newly established collaboration with the ReGeneration youth employability initiative, two full time employees were hired (one in 2020 and the other in 2021).

Internal Mobility-Promotions-Postgraduate Sponsorship

Within the period 2019-2021:

- 6 internal transfers took place (i.e. 2 in 2019, 3 in 2020 and 1 in 2021) and 11 internal promotions (8 in 2020 - 4 of which to a Manager's position- and 3 in 2021, one of which to a Director's position).
- the company sponsored the postgraduate studies of 5 employees (3 in 2020 and 2 in 2021).

(GRI 103-3)

Empowering People Management Mindset

In 2020, we ran a skills development program namely 'Empowering People Management Mindset' for all managerial positions within the company.

Training was led by a well-established consulting company having vast experience and expertise in management development, personal leadership and teams empowerment.

The aim of this program was to support our management level in further developing their leadership and people management skills.

Through a variety of training methods (e.g. games and role-playing, case-studies, discussion sessions etc.) company's Managers and Assistant Managers were able to gain new competencies, practical knowledge and helpful techniques to put in use during their daily responsibilities.

Particular focus was given to:

- Q fulfill their 'people' dimension of their role, provide feedback and coaching, care about people development
- Q explore new (different to them) practices to motivate and engage their teams
- Q be more adaptive to change, be agile
- Q change of mindset to a new direction, succeed in the new reality of the company (i.e. remote working due to covid-19) and the requirements of their role.

The program also included a 360° assessment survey, where each individual had to do a self-evaluation and their subordinates, peers and direct manager provided feedback for them anonymously (except for their direct manager).

The trainings were held through the experts' on-line platform and were divided into multiple sessions allowing participants the flexibility both to focus and commit to the training and dedicate the time needed for their daily tasks.

ReGeneration

The same year, we established a cooperation with ReGeneration - a program challenging brain drain in Greece by fostering youth employability;

Founded by the Global Shapers Athens Hub, an initiative of the World Economic Forum, ReGeneration partners directly with employers and academic institutions, creating work opportunities for young alumni and acting as a bridge between education and the employment sector in a variety of ways (e.g. bridging the skills gap through multi-stakeholder innovation platforms, tailored training and personalized learning opportunities).

In the framework of this cooperation, our company hired two full time employees and existing employees were given free-access to valuable, e-learning courses from Coursera, an online course provider working with universities and other organizations to offer courses, certifications, and degrees in a variety of subjects.



HUMAN RESOURCES MANAGEMENT SYSTEM

HR Information Systems (HRIS)

In 2020 our new HR platform was launched facilitating significantly the recruitment process and the on-boarding of new office employees - especially during the ongoing period of remote working.

Also, all data and records of existing personnel were uploaded in this platform giving our HR the flexibility to access them remotely anytime.

EMPLOYEE ENGAGEMENT AND DEVELOPMENT

Shore-based Personnel Training

Corporate Training Programs

Within the reporting period, and wishing to further advance our business reporting methods, we collaborated with a specialist having expertise in the use of Business Intelligence (BI) tools. A series of in-depth training courses were held within the company for our employees that would use a certain BI tool for reporting of corporate KPIs.

Moreover, extensive training took place company-wide, due to the upgrading of our existing ERP and the implementation of a new one for other business functions.

Other corporate training programs related with specific topics of this report are described in their respective sections (e.g. first-aid training in Occupational Health Safety and Wellbeing Section).

Ad hoc Training

Some indicative titles of the ad hoc trainings that took place during the reporting period are:

- Compliance with New Environmental Regulations (GHG emissions, ship recycling, low-sulfur fuels, scrubbers and ballast water treatment systems)
- Internal Auditor of an Integrated Management System in Maritime (ISO 9001, 14001, 45001)
- Vessel Performance Optimization
- EEXI Compliance and Carbon Intensity Reduction
- Designing the Ship of the Future
- Maximizing the power of wind assisted propulsion
- ABS seminar 'Understanding Where Ammonia Fits In'
- Shipping Decarbonization Landscape
- Learning and Development (Conference)
- Employer Brand / HR trends

- Recruitment & Resourcing (Conference)
- On-boarding Remotely
- Professional Diploma in Digital & Social Media
- Charter Party Clauses
- Loss Prevention and Claims Handling
- Port and Terminal Management

It's worth noting that the new norm of remote working imposed by covid-19, enabled the participation of employees in many webinars and video-conferences organized during that period (i.e. due to their ease of access). However, it was not possible to monitor all of these trainings in order to be inserted in company's training records.

Shipboard Personnel Training

Pre-Joining Training and Assessment

Throughout 2020-2021, the pre-joining training and familiarization was performed mainly online. The seafarers preparing to board our vessels, went through briefing sessions with office personnel from various departments via a video-conference platform.

At the same time, they were trained on the new functionalities and ways of reporting of our upgraded ERP (e.g. electronic handling of documents, forms and records etc.) and were given secure and controlled access to the company's management system (i.e. manuals, processes, circulars etc.).

On board E-learning

Last but not least, some new e-learning courses were included in the onboard training scheme (see *Occupational Health Safety & Wellbeing* pg.42 and *Safe & Secure Operations and Business Continuity* pg.69).

Our performance indicators in terms of employee training (shore-based and shipboard) are demonstrated in the following pages including employee-related data.

Employment Figures (GRI 102-7, GRI 102-8, GRI 102-41, GRI 403-1)

Information on Employees

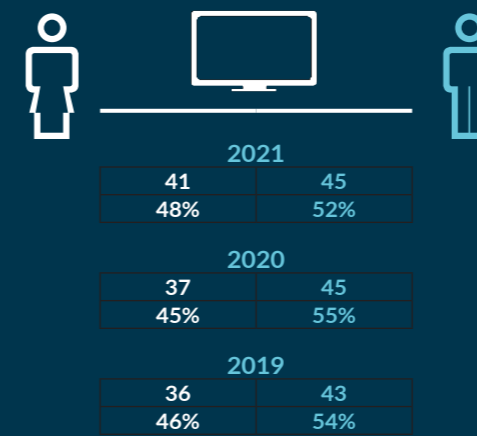
	2019	2020	2021
Total Number of Employees :	375	383	408
Shore-based:	79	82	86
Shipboard:	296	301	322

The data reported for the shore-based employees have been obtained from company's HR dept. and for the shipboard employees from Crewing dept. and the Manning Agent. Our HR and payroll softwares were used for the data gathering. Relevant numbers were collected at the end of each calendar year (i.e. on December 31st of each year). No regional offices exist. No significant variations in the numbers reported in employment due to any reason.

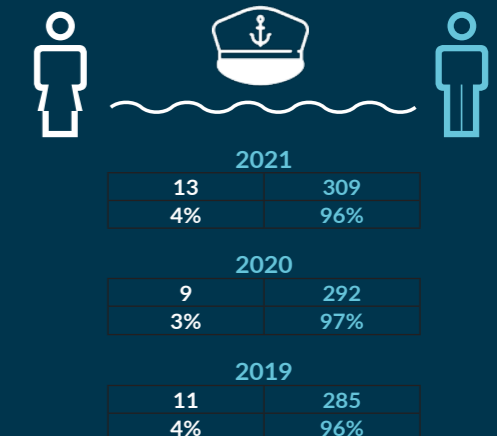
In 2019, two shore-based employees (female) were on fixed term contract - one of which worked on a part-time basis. In 2020, all shore-based employees were on permanent employment contract except for one (female) who was on fixed term (also on a part-time basis); In 2021, one shore-based employee (male) was on fixed term and one (female) on a part-time basis.

Shipboard employees are considered as fixed term since their contract lasts for a specific period. They are all considered full time employees.

Number & Rate of Shore-based Employees by Gender



Number & Rate of Shipboard Employees by Gender

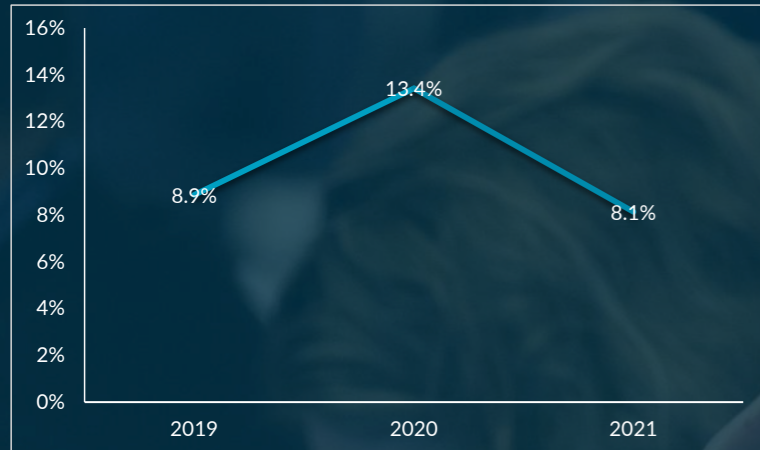


The total (100%) of employees are covered with collective bargaining agreements and possess the right to be involved in trade unions and professional associations, without any limitations.

It should be noted that a considerable portion of company's activities is performed by workers who are not our employees. The scope of their work mainly relates to the operation, maintenance or repair of the vessel -including her technical systems- and the handling of its cargo; their duties may include navigational/formalities' assistance (i.e. pilots, boarding agents etc.), security services (i.e. security guards), technical repairs (i.e. technicians), performance of loading/unloading and cargo-stowage operations, lashing/unlashing of the cargo, cargo-handling on board and ashore (i.e. cargo surveyors, stevedores etc).

Shore-based Personnel (GRI 401-1, GRI 404-1)

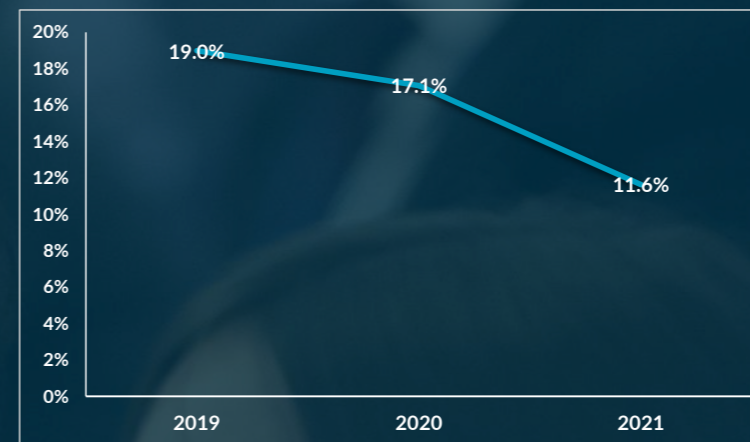
Overall Employee Turnover Rate



Employee Turnover and *New Employee Hires* apply only to our shore-based personnel, since in the case of shipboard personnel the nature of employment is different (i.e. shipboard personnel is on a fixed-term contract instead of a full-time employment); in that case, we monitor the *Crew Retention Rate* (see pg.37).

Employee Turnover: Employees who leave the organization voluntarily or due to dismissal, retirement, or death in service.

Overall New Employee Hire Rate



New employee hires figures can indicate company's strategy and ability to attract diverse, qualified employees, as well as, its efforts to implement inclusive recruitment practices based on age and gender.

Length of Employment



This indicator is used to demonstrate how long our employees have worked at our company.

The clusters in the pie represent the percentage of the total workforce (counted December 31st of 2021). The average length of employment for our shore-based employees is 7 years and 56% of our workforce works at the company for more than 5 years.

Employee Turnover by Age Group and Gender

2021	<30 years old			30-50 years old			>50 years old		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of employees who left during said year	1	0	1	4	0	4	2	0	2
Employee Turnover Rate	2.2%	0%	1.2%	8.9%	0%	4.7%	4.4%	0%	2.3%
Total Employee Turnover: 7 Employees / Turnover Rate all employees: 8.1%									

2020	<30 years old			30-50 years old			>50 years old		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of employees who left during said year	0	2	2	3	5	8	1	0	1
Employee Turnover Rate	0%	5.4%	2.4%	6.7%	13.5%	9.8%	2.2%	0%	1.2%
Total Employee Turnover: 11 Employees / Turnover Rate all employees: 13.4%									

2019	<30 years old			30-50 years old			>50 years old		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of employees who left during said year	0	1	1	3	3	6	0	0	0
Employee Turnover Rate	0%	2.8%	1.3%	7.0%	8.3%	7.6%	0%	0%	0%
Total Employee Turnover: 7 Employees / Turnover Rate all employees: 8.9%									

New Employee Hires by Age Group and Gender

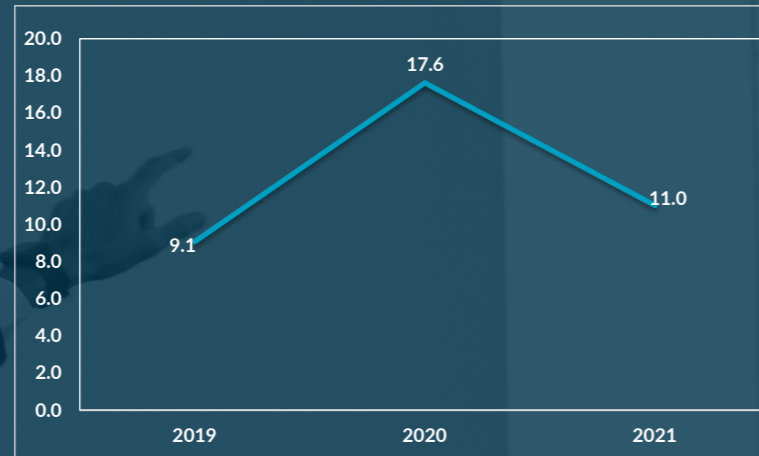
2021	<30 years old			30-50 years old			>50 years old		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of new employee hires during said year	1	1	2	4	3	7	1	0	1
New Employee Hires Rate	2.2%	2.4%	2.3%	8.9%	7.3%	8.1%	2.2%	0%	1.2%
Total New Hires: 10 Employees / New Hires Rate all employees: 11.6%									

2020	<30 years old			30-50 years old			>50 years old		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of new employee hires during said year	2	2	4	3	6	9	1	0	1
New Employee Hires Rate	4.4%	5.4%	4.9%	6.7%	16.2%	11%	2.2%	0%	1.2%
Total New Hires: 14 Employees / New Hires Rate all employees: 17.1%									

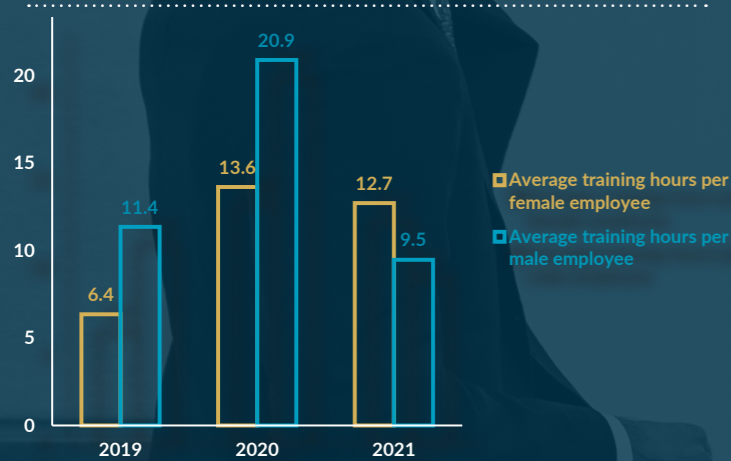
2019	<30 years old			30-50 years old			>50 years old		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of new employee hires during said year	1	5	6	3	6	9	0	0	0
New Employee Hires Rate	2.3%	13.9%	7.6%	7.0%	16.7%	11.4%	0%	0%	0%
Total New Hires: 15 Employees / New Hires Rate all employees: 19.0%									

The *Average Training Hours* apply to our shore-based personnel. In the case of shipboard personnel, we monitor the *Average Training Sessions* which is more relevant to the nature of the onboard training.

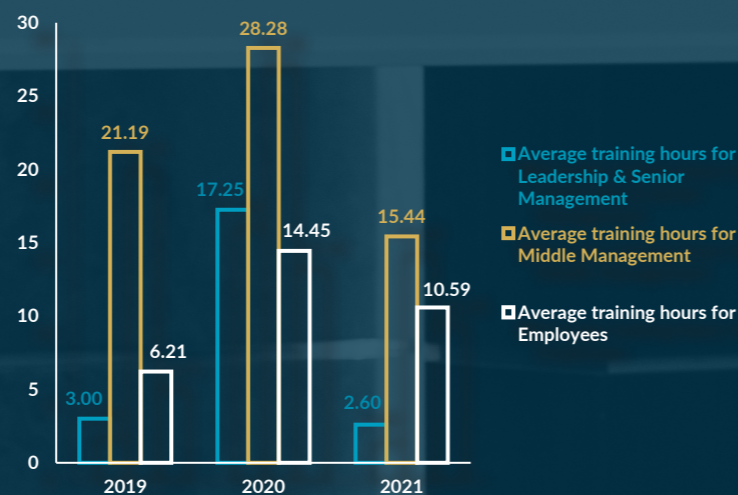
Average Training Hours per Employee



Average Training Hours by Gender



Average Training Hours by Employee Category



Shipboard Personnel (GRI 401-1, GRI 404-1)

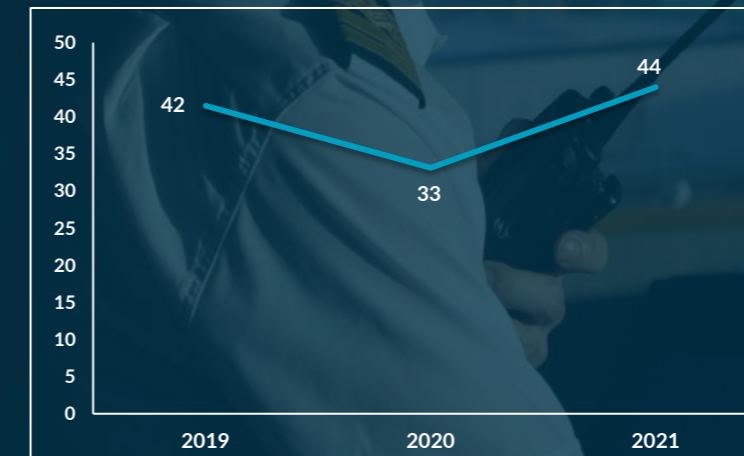
Crew Retention Rate by Ethnicity and Employment Category

This rate expresses the ability to retain shipboard personnel within the company. We monitor our crew retention rates based on rank (i.e. employment category) and ethnicity.

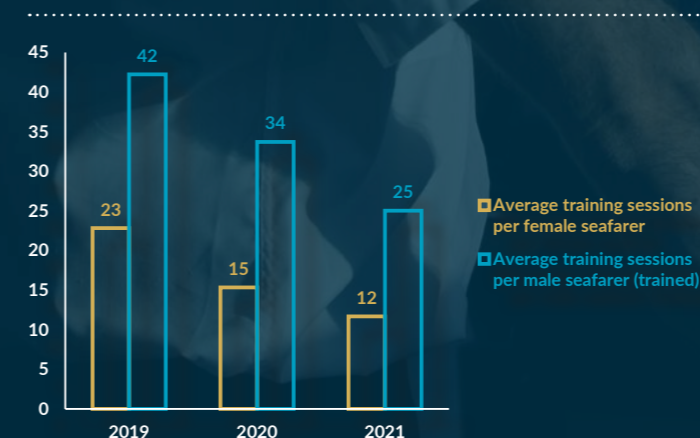
Calculation Method Used: "Intertanko Officer Retention Formula"

Rank	Ethnicity	2019	2020	2021
Masters	US	100%	100%	100%
	Other	100%	100%	100%
Officers	US	97%	96%	100%
	Other	97%	98%	97%
Ratings	US	n/a	n/a	n/a
	Other	95%	92%	89%

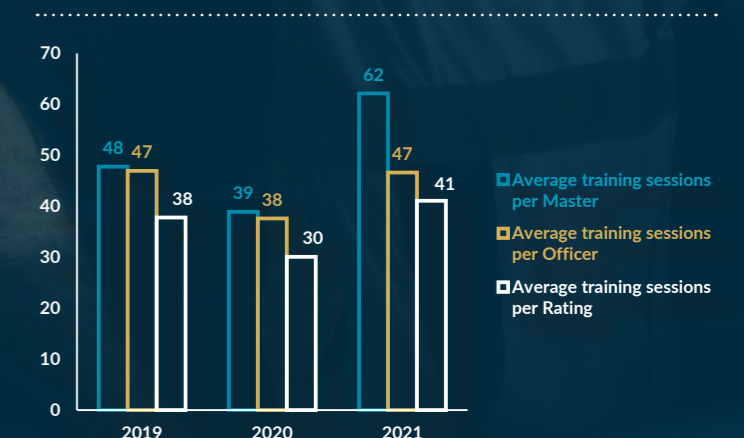
Average Training Sessions per Seafarer (Onboard Computer-Based Training)



Average Training Sessions by Gender



Average Training Sessions by Employee Category



Occupational Health, Safety and Wellbeing Material Topic

Why this topic is Material (GRI 103-1)

Human life is irreplaceable and should always be number one priority.

Occupational health and safety is highly material for the entire company with particular focus, however, on our shipboard employees - since working on board involves many hazards.

As the *International Labor Organization (ILO)* underlines, the maritime working environment comprises physical, ergonomic, chemical, biological, psychological and social elements which could lead to occupational accidents, injuries and diseases. Apart from their exposure to unforeseen dangerous situations (e.g. possible fire on board, adverse weather etc.), seafarers face demanding working conditions, distance from their families and social connections, difficult hours of work and high levels of stress and fatigue. Alcohol and drug abuse, harassment

and infectious diseases are further potential problems threatening the physical and mental health and safety of seafarers¹.

Office personnel on the other hand, though not so much exposed to as many work-related hazards, are confronted with a sedentary work life and workplace stressors which can potentially affect their physical and psychological wellbeing.

Since December 2019, this topic has become even more crucial; the outbreak of covid-19, which rapidly turned into an unprecedented pandemic, has placed Occupational Health, Safety and Wellbeing above all other considerations.

Throughout this challenging period, all shipping companies including our own had to quickly and effectively respond to protect the crew and all shore employees.

1.Guidelines for implementing the occupational safety and health provisions of the Maritime Labor Convention, 2006 (ILO Sectoral Activities Department - International Labor Standards Department, Geneva, 2014)



Work-related hazards and high-consequence injuries (GRI 403-9)

Specific inherent hazards have been identified when working on board ships. These are determined in the *ILO Code of Practice Accident prevention on board ship at sea and in port*.

Given that the ship is a "floating steel" construction, with innumerable systems and work stations, almost any work-related hazard can potentially result in a high-consequence injury. Apart from the apparent risk to human life which is associated with the unfolding of a maritime incident (e.g. heavy rolling of vessel during adverse weather conditions, fire, collision etc.), there are other work-related hazards from seafarers' daily routine that may cause a high-consequence injury; these are grouped here below - as obtained from case studies and sectoral analyses.

Hazards related with mooring and unmooring operations

Mooring lines can pose a great danger to the crew if not properly used and their handling has a higher potential accident risk than most other shipboard activities. A significant hazard is snap-back, the sudden release of the energy stored in the tensioned mooring line when it breaks. The ends of the line snap back can strike anything in their path with significant force causing severe and in many cases fatal traumas. (there were two high-consequence injuries of such nature within 2020, further described in [Progress and Performance](#) section)

Enclosed or Confined Spaces Hazards

Entering and working in enclosed or confined spaces (e.g. tanks), poses serious risks to the safety of seafarers. These risks, if not properly assessed to take relevant precautions, may result in sudden fatalities; relevant hazards are the lack of oxygen/ventilation or even the presence of hazardous vapors making the environment in such spaces non-life-supporting; at the same time, the lack of space makes it very hard for a person to be rescued in there.

Hazards of working with electricity/electrical equipment/power tools

Electricity is associated with hazards such as contact with live parts causing electrical shock and burns; fire and explosion hazards.

Struck-by and Crushing Hazards

Struck-by and crushing hazards may be created by moving cargo (vehicles), moving machine parts (mechanical motion), loss of control of handling equipment or other heavy objects, watertight doors, falling objects etc.

Fall Hazards

Falls can range from simple slips, trips and stumbling on obstacles, to falling from height (i.e. while working aloft, over the side, on scaffolds, ladders etc.). Even though slipping and tripping accidents can occur anywhere, usually with minor consequences, in maritime settings the consequences can be much more serious considering ship's construction.

Hazards related with lifeboats, launching appliances and on-load release gear

Accidents that occur during lifeboat drills are related to hazards such as: equipment failures or accidental operation of the release mechanism, unsafe practices followed by the crew, failure to communicate properly from one crew member to another during the drill etc.

How we Manage this topic (GRI 103-2)

ESTABLISHED POLICIES

Company's objective is to ensure the wellbeing of its people and have zero accidents and fatalities.

Our Health & Safety policy sets out the general rules and principles to be followed in order for employees to carry out their work under safe and healthy conditions, with proper concern for safeguarding human life.

The company also has in place a Drug & Alcohol policy, enforcing a clear stance of zero-tolerance for the possession and use of alcohol and drugs, so as to minimize the possibility of having a drug or alcohol abuse incident.

OCCUPATIONAL HEALTH AND SAFETY CERTIFICATION & RELEVANT PROCESSES (GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6)

The occupational health and safety of seafarers is regulated by the ILO mainly through the provisions of the Maritime Labor Convention, 2006 (MLC, 2006).

Apart from the MLC and any other mandatory certification imposed by regulations, our Management System has obtained the OHSAS 18001 voluntary certification for the onboard and ashore (i.e. at its office premises) management of occupational health and safety. Implementation of said standard, was a decision undertaken by our company due to its commitment to high operational standards and people's safety.

By default, the overall aim of OHSAS 18001 is to protect employees and other interested parties¹ who may be exposed to OH&S risks associated with the company's activities. In this respect, our OH&S Management System (i.e. or 'SMS') covers also:

- *Workers* who are not employees but whose workplace is controlled by our company (as these are described on pg. 33 of the *Employment* section). Workplace controlled by our company, in our case, is our office premises and our fleet vessels.
- *Visitors* coming to company's office premises or boarding its fleet vessels (e.g. maritime students boarding vessels for training purposes, family members of our crew who visit them on board while the ship is at port, any person sailing with the vessel who is not a member of the crew or a worker). (GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6)

In addition to the processes and procedures mentioned in the "Safe & Secure Operations" section (i.e. in "Safety Management System (SMS)" paragraph), below apply with regard to occupational health and safety:

- OH&S-related familiarization procedures established on board and ashore (for employees and interested parties), communicating our company's health and safety measures, giving specific guidance and instructions (e.g. on personal safety/use of safety equipment/mustering locations and emergency-evacuation plans, raising awareness on cleanliness and hygiene standards etc.) (GRI 403-3, GRI 403-4, GRI 403-5)
- The company's Health & Safety Policy is posted at conspicuous places on board. (GRI 403-2, GRI 403-4)
- Vessels' reporting of injuries and/or illness -as occurred.
- Recording and monitoring of occupational accidents and work-related injuries; investigation and analysis, as applicable, to prevent recurrence.
- Provision of safety equipment (e.g. personal protective equipment, specialized rescue equipment etc.) as per latest regulations in force and best practice.
- Working and rest hours monitoring (i.e. through specialized software).
- Onboard random drug and alcohol tests conducted by contracted external collection providers at different locations of our operating areas.
- Food and drinking water quality monitoring; Quality of drinking water on board is being monitored through external laboratory analysis by certified providers at six-month intervals. At office premises, we have installed watercooler filters, certified by 3M, and meeting the NSF Standards (USA National Sanitization Foundation - US National Institute of Hygiene), as well as, all the conditions laid down for drinking watercoolers by EPDWA (European Point-of-use Drinking Water Association, European Organization Chiller Drinking Water Faucet). Every six-months, the filters are replaced and sanitization of the cooler takes place. (for food quality monitoring see par. 'Healthy Food' and 'Food & Recreational Facilities' on pg.45-46). (GRI 403-3)
- Health Risk Assessment resources (i.e. obtained from competent organizations, such as the National Travel Health Network and Centre or 'NaTHNaC'), sent to fleet vessels for voyages to destinations with identified health hazards. (GRI 403-4)



- OH&S-related informative material provided occasionally to employees to raise awareness (e.g. on workplace stress, ergonomics, first-aid etc.) (GRI 403-3)
- Access of office employees to occupational physician during their working hours - twice a month. (GRI 403-3)
- Access to quality medical and healthcare services for seagoing and shore-based employees and wellness programs (these are further described in the following pages) (GRI 403-6)

COMMUNICATION/CONSULTATION CHANNELS ON HEALTH AND SAFETY & RELEVANT COMMITTEES (GRI 403-2, GRI 403-4)

All means of communicating health, safety and wellbeing issues (e.g. work-related hazards/hazardous situations) and receiving relevant input from employees can be grouped in two main categories:

- a) through *OH&S related reporting* (e.g. Complaints form, familiarization forms during induction at the office/pre-joining of crew, near-miss/incidents forms, reporting of defects through the PMS, Master's reviews, handover reports and checklists, direct communication through emails, post-service interviews followed by written

comments of the seafarer after their disembarkation, internal reporting process as described on pg.55)

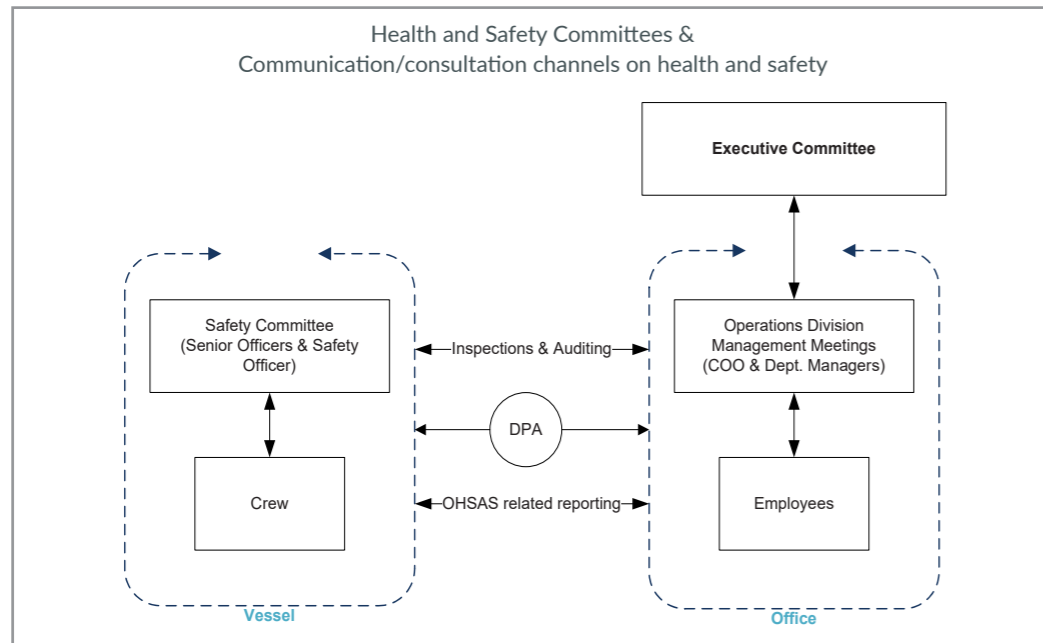
b) through *inspections and auditing* processes and procedures of our Safety Management System (e.g. riding audits/onboard attendances including personal interviews with crew members, office internal audits, third party inspections and auditing etc.).

In both cases, all input is recorded and reviewed. Then, relevant follow-up actions are planned and performed, based on each case.

Relevant committees and specific roles which oversee health and safety matters and compliance are the following:

- The onboard *Safety Committee* (its members represent the crew. They are senior officers from ship's departments, including the Master and the Chief Officer who is also the *Safety Officer and Seafarer's Representative* on board the ship). Twice a month, a *Safety Meeting* is held on board, where the committee with the rest of the crew consult on such issues.
- As required by the ISM Code, there is a *Designated Person Ashore (DPA)*, responsible for ship's safety. By requirement, this role oversees implementation of the SMS and has direct access to the highest level of management - hence creating an important link between the ship and company's management.

¹Interested party: person or group, inside or outside the workplace, concerned with or affected by the OH&S performance of the company (i.e. they can be workers who are not employees but whose work and/or workplace is controlled by the company, visitors etc.).



- The *Operations Division Meetings* ashore (held periodically) where all health and safety issues and topics are presented, thoroughly discussed and decided upon (see also pg.68). The decision making authority within these meetings lies with the COO - and whenever deemed necessary, the Executive Committee is further consulted.

Workers who are not Neptune Lines' employees and/or other interested parties, may report any feedback regarding OH&S issues related with our operations and activities, through their respective contact-points/appointed departments within our company (e.g. stevedores are in contact with our Cargo Quality dept., customers have designated Customer Service Coordinators with whom they consult etc.). Their input will be conveyed through respective department head(s) to the Operations Division Management Meeting - to be further discussed and decided upon. (GRI 403-2, GRI 403-4)

OH&S TRAINING (GRI 403-5)

Computer-based Training

Our onboard training library includes a variety of e-learning modules and maritime films (DVDs) - further expanding our seafarers' knowledge and skills on critical OH&S issues/topics. Some of them are listed here below:

- Medical Care
- Fire fighting
- Recovering of persons from the water
- Occupational Health and Safety Management System and ISO 45001
- Fatigue Management
- Personal safety and survival (i.e. familiarization, survival craft, rescue and abandoning ship etc.)

- Enclosed space entry (i.e. hazard awareness, preparation for entry, entry operation, emergencies and rescue)
- Risk Assessment and Management
- Mooring operations (i.e. risk assessment, safe handling and good practice)
- Permit to work
- First-Aid (i.e. principles of first-aid, causes of unconsciousness, cardiopulmonary resuscitation/CPR, burns, shock, transporting a casualty etc.)
- Inspection and maintenance of safety equipment - personal responsibilities

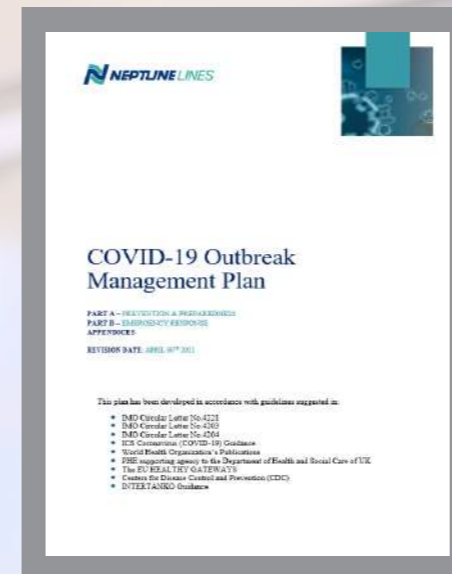
Specialized Hands-On Training: Fire fighting & Lifeboats

High level of onboard safety and prevention of injuries depend considerably on seafarers' skills and knowledge - the quality of which is defined to a large extent by the very quality of the training they've received.

Taking safety very seriously, our company arranges advanced training courses for the crew (and office personnel whose role is highly relevant) which is above and beyond the requirements.

Presently, two of these training courses are hands-on, focusing on two critical operations which involve a high risk of human injury:

1. the maintenance and correct operation of lifeboats (2-day course)
2. fire fighting (5-day course involving advanced techniques tested within a fire training unit replicating the challenges posed with fighting fires in a ship); these are conducted by experts of the field in a controlled environment at their specially designed facilities.



MONITORING THE COVID-19 OUTBREAK (GRI 403-3)

Following the outbreak of covid-19, the company implemented a carefully designed set of preventive and control measures to protect its people and contribute to the global fight of the pandemic. As this public health emergency is still unfolding, these measures are constantly adjusted.

On board Measures

- Implementation of a covid-19 *Outbreak Management Plan*, developed and updated in accordance with international guidelines.
- Covid-19 drill exercises.
- Controlled access to the ship and restriction of shore leaves (i.e. crew visiting shore only in case of a health emergency, no visitors boarding apart from the parties directly involved with ship's operations and after ensuring a safe interface with necessary precautions).
- Provision of sufficient PPE, medical stock (including covid-19 rapid tests on board), hygienic and sanitation supplies.
- Emphasis on safe ventilation and regular cleaning and disinfection of ship's areas.
- Pre-embarkation screening and covid-19 testing of joining crew and shore personnel/technicians sailing with the ship.
- Remote briefing/de-briefings.
- Careful planning of crew changes in coordination with the Manning Agent.
- Crew familiarization with the latest developments and guidelines and supportive communication.

Office Measures

- Detailed instructions and guidelines to office personnel at each stage of the pandemic.
- Reduced headcount at office premises with carefully designed seating plan.
- Permanent 'work from home' for sensitive groups (e.g. elder employees, employees with a health condition, pregnant colleagues) and split-team arrangement for minimal interference of physically attending workforce.
- Resources allocation to support remote working.
- Videoconferencing for internal or external meetings.
- Daily temperature screening prior entering the office.
- Weekly covid-19 testing (rapid and PCR) performed at office premises by contracted medical crew.
- Restrictions in the use of commonly used spaces (e.g. restaurant, floor galleys, meeting rooms, elevator etc.)
- Weekly disinfection of all working areas.
- Increased cleaning shifts.
- Suspension of traveling.
- Cooperation with medical centers allowing company personnel to perform covid-19 diagnostic testing whenever they need (either at no cost or at a preferential price - depending on the agreement with each medical center).



WELLBEING

Despite the fact that the company progressively grows, it maintains a personal approach to its people.

We try to demonstrate our care for our employees and their work life in various ways.

Shore-based Employees

Work Environment

A safe and comfortable workplace and a pleasant work environment can help employees feel positive, more focused and motivated. Neptune Lines places emphasis on these aspects and sets high standards with regard to their implementation.

Company's offices are hosted in a state-of-the-art building having advanced safety and security features (i.e. fire control systems, controlled access etc.).

We pay attention to spacious and clean offices, modern and comfortable furniture, adequate lighting and access to natural daylight, temperature control and quality of air.

Within the company, there are fully equipped spaces for employees to take intermittent breaks during the course of the working day, as well as, a dedicated restaurant area for their lunch break.

I.T/I.S Support and Resources Provided to Employees (GRI 403-3)

A not so obvious driver of employee wellbeing is to have the necessary support and resources from the company to perform one's job seamlessly, without stress caused by unnecessary delays (i.e. deriving from lack of resources and support).

Having the right tools to do their job (in terms of software and hardware) greatly increases the amount of work employees can get done in a given day, as well as, work flexibility; this can lead to a positive a relationship with their work and a better balance between their professional and personal lives.

Starting from their first day at the office, Neptune Lines

employees are given all the tools and resources they need to perform their work effortlessly and efficiently (e.g. laptop, cell phone, keyboard, monitor(s), headsets, office supplies etc.).

I.T assets are monitored by our I.T/I.S department and are carefully selected to make sure they incorporate all the required features that will facilitate, not only the day to day activities, but also the distinctive needs of each business role.

Thanks to our in-house I.T/I.S support, employee requests are handled promptly saving them precious time and effort.

Personal Attention & Support

We believe that family issues faced from employees during the course of their business life need to be fully supported. We value our employees' lives outside work, particularly their family lives, and try to demonstrate this care with discretion in various ways.

This attention to wellbeing is indispensable for Neptune Lines, as there is a direct impact on the overall health of its employees, both mental and physical- as well as their productivity.

Medical & Healthcare Services (GRI 401-2, GRI 403-6)

Apart from the minimum-required social security which is provided, the company has insured all its shore-based employees under a group policy which provides them and their children with various advantages and coverages such as:

- life Insurance
- permanent total disability insurance due to sickness (prior to age 60 years old)
- accidental death - permanent disability insurance due to accident
- major medical insurance (In and Out-of-Hospital) due to accident or sickness
- maternity benefit insurance
- in hospital indemnity insurance due to accident or disease
- surgical benefit insurance due to accident or sickness
- preventive insurance (check-up).

Wellness Initiatives (GRI 403-6)

An advocate of the saying 'healthy mind in a healthy body', Neptune Lines aims to enforce the physical wellbeing of its employees by giving them the opportunity to exercise and participate in athletic events, as well as, by offering healthy food options for their daily meal. Caring equally to create a 'human workplace', the company seeks ways to engage with its people, to instill team spirit and foster connecting with co-workers.

Athletic events & Training sessions

Since 2015, Neptune Lines sponsors the participation of its employees in the Athens Authentic Marathon and Semi-marathon. In this context, but also as part of our wellness program, the company encourages employees to participate and offers outdoor training courses.

Healthy food (GRI 403-3)

Neptune Lines has established cooperation with a catering company in order to provide healthy and balanced meals to employees on a daily basis. The menu is accompanied by nutrition information to facilitate selection. There's also a vending machine at the restaurant area with healthy snacks and refreshments.

Social Activities and Engagement Occasions

The company brings together its people from all company levels on various occasions, allowing them to get to know each other better, interact in a more relaxing atmosphere and have fun.

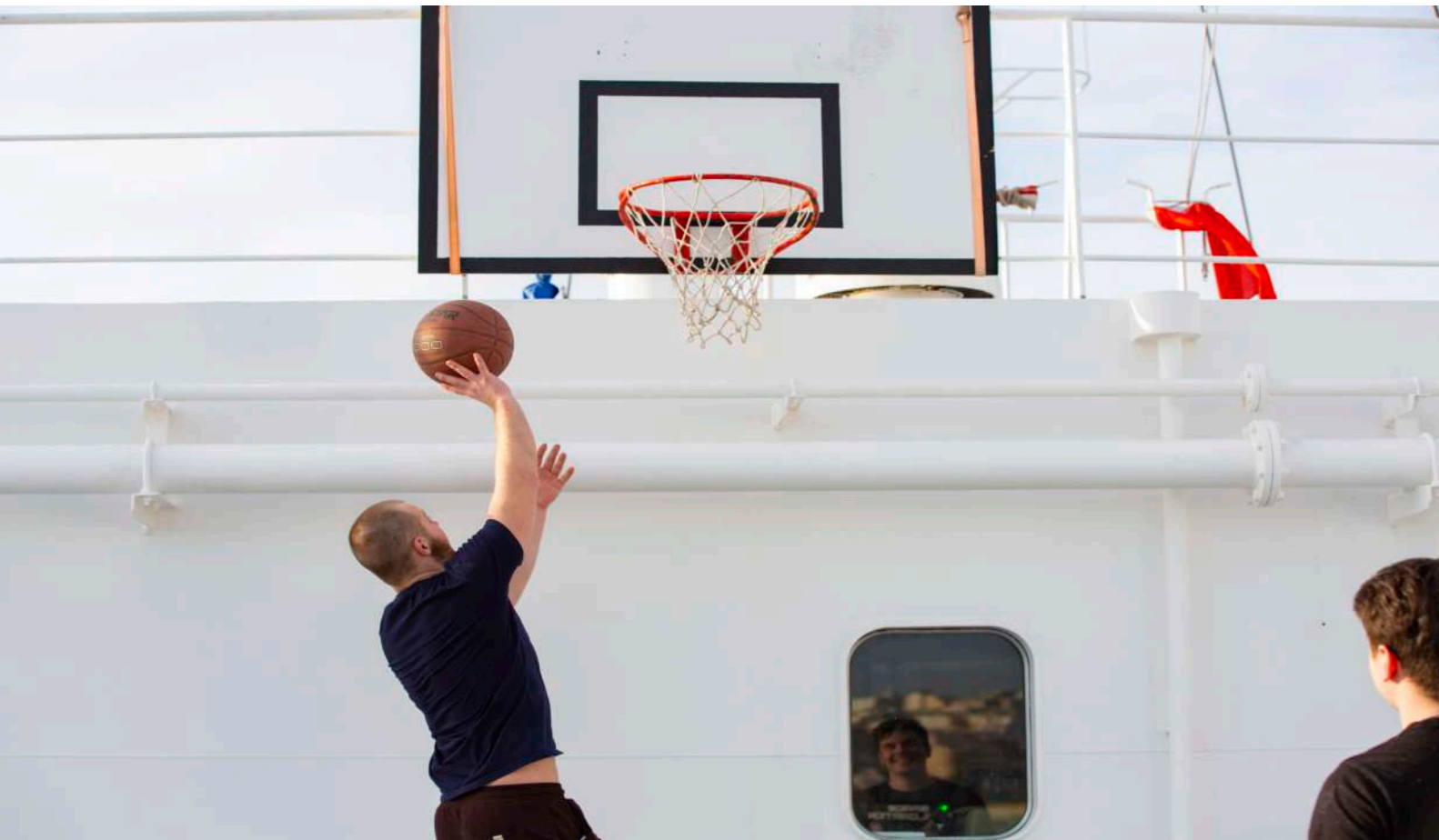
Whether in the context of celebrating holiday seasons, corporate milestones and other events or for outside work hours entertainment and cultural visits - these enjoyable breaks from the work routine have an uplifting effect on everyone.

Shipboard Employees

Crew welfare and wellbeing is regulated under the *Maritime Labor Convention* known also as *MLC 2006*. In the framework of the convention, issues such as work and rest hours, payment of wages, onboard recreational facilities, quality of food and water, protection from abandonment etc. are clearly defined to protect seafarers and their rights.

Neptune Lines aims to meet and where possible, exceed the requirements of the convention for the wellbeing of its seafarers.





Medical & Healthcare Services to Seafarers (GRI 401-2)

Our crew and their 1st degree relatives are insured under a group policy for:

- 24/7 health support communication to health care facilities
- emergency care and urgent hospital assistance coverage
- doctor home visit
- medication support.

Risks covered include: acute illness, exacerbation of a chronic disease, injury, poisoning, accident, other health disorder and/or for prevention purposes.

Food & Recreational Facilities (GRI 403-3)

The company allocates resources to keep up high standards of living and working conditions on board.

Great emphasis is placed in the quantity and quality of provisions and food preparation. Cleanliness of provision rooms, galley and other spaces on board, hygiene standards, Cook's skills and knowledge of various cuisines to satisfy the needs of different-ethnicity crew, are areas of corporate focus and constitute standard items of our on-board inspections.

We also aim at providing our crew with a variety of possibilities for spending their leisure time on board, as well as, for their health and fitness. In this respect, our vessels are equipped with:

- Gym equipment (e.g. weights & weightlifting bench, treadmills, exercise bike, boxing kit etc.)
- Tennis table
- Playstation
- Board games
- Karaoke equipment
- DVD/Video player
- Stereo/CD player
- Digital satellite TV platform (providing access to over 500 TV channels - many of them in Ukrainian and Greek)
- Library (with vocational and other books & magazines)

OH&S IMPACTS LINKED TO OUR OPERATIONS AND SERVICE BY OUR BUSINESS RELATIONSHIPS (GRI 403-7)

Neptune Lines expects from its business cooperators and suppliers to operate in compliance with all occupational health and safety standards applicable to their industry and nature of operations. Through our *Suppliers' Code of Conduct* we communicate our requirements and

expectations from them which can be summarized as follows:

- To provide a safe and healthy working environment and protect their employees from any harm arising from workplace activities.
- To have in place OH&S processes and procedures in accordance with any applicable national and international standards and sector requirements.
- To provide their workers with the required personal protective equipment and training necessary to safely perform their assigned functions.
- To continuously work to reduce and mitigate health and safety hazards and risks in their workplace.
- To exercise due diligence when designing, manufacturing and/or testing products, so as to protect against product defects which could harm the life, health or safety of people likely to be affected by the use of such a product.
- To maintain valid certification for health and safety systems implemented for the execution of their service or for the production of the equipment, as required by law, and provide such certificates (and/or tests, test-results, requested information on origins of materials etc.), upon request.



Progress and Performance (GRI 103-3)

OCCUPATIONAL HEALTH AND SAFETY CERTIFICATION & RELEVANT PROCESSES

Within the last quarter of 2020, our Management System revision was in progress, in order to meet the requirements for the transition from OHSAS 18001 to ISO 45001. Final document review and certification was effected by the Recognized Organization (DNV) in the beginning of 2021.



OH&S TRAINING (GRI 403-5)

Specialized Hands-On Training: Fire fighting & Lifeboats

Within 2019-2021, when the circumstances of the pandemic allowed it, our crew continued the hands-on training in advanced fire fighting and lifeboats with the guidance of specialized instructors.

There were also other trainings taking place related with the overall safety of the ship and its operations which are further analyzed in the *Safe & Secure Operations and Business Continuity* section (i.e. ship-specific fire fighting techniques, use of ECDIS in navigation, ship's stability and cargo lashing).





First Aid Training (GRI 403-3)

Towards the end of 2021, the company launched a 2-day interactive course on first aid for all shore personnel, in collaboration with the Hellenic Red Cross.

The course, which will continue in 2022, covers the below main topics and is followed by relevant certification for all participants:

- Basic First Aid Principles
- Cardiopulmonary Resuscitation (CPR)
- Bleeding and Trauma
- Evaluation of Emergency Cases
- Basic Life Support and use of Automatic External Defibrillator (BLS - AED).

WELLBEING

Shore-based Employees

I.T/I.S Support and Resources Provided to Employees (GRI 403-3)

Being already set in terms of I.T/I.S and allocated resources thanks to the company's longstanding focus on such matters, enabled us to respond timely and effectively to the sudden need for remote working and the additional requirements it brought.

Throughout this difficult period of the pandemic, our I.T/I.S department continued to provide seamless support to employees helping them to cope with this new working reality and smoothing any technical matters.

Medical & Healthcare Services (GRI 401-2, GRI 403-6)

In 2020, further improving the Group Life policy for the office personnel, the company extended the scope of the already offered preventive insurance (i.e. annual check up)

through its collaboration with an additional medical center. In particular, more medical examinations were included in the preventive insurance package, as well as, additional ones - targeted for employees of above 40 years old.

Then, in 2021, the company managed to secure additional benefits for all employees and their family members.

Wellness Initiatives (GRI 403-6)

Athletic events & Training sessions

In 2019, Neptune Lines' employees ran once more in the Athens Authentic Marathon in the 5Km and the 10 Km road races.

Unfortunately, in 2020 and 2021, our participation in this major athletic event, as well as, our corporate training courses had to be suspended due to the covid-19 restrictions being already intensified in our country (with the aim to be resumed once circumstances allow it).

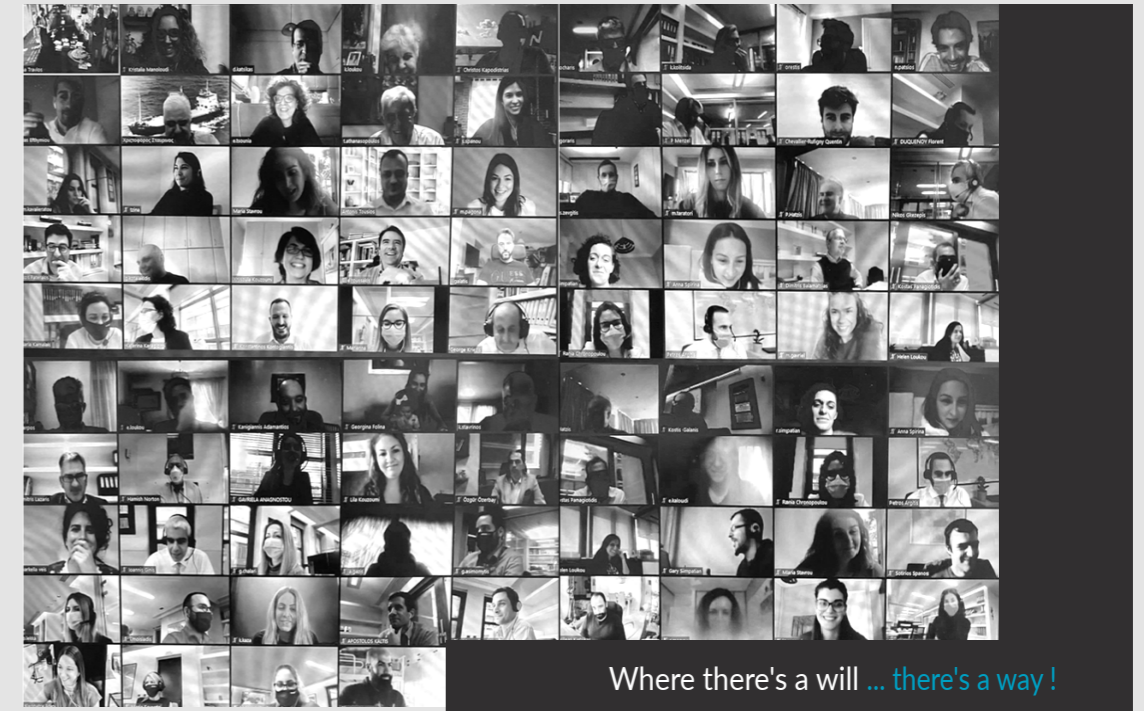
Healthy food (GRI 403-3)

In 2020, our HR department conducted a food satisfaction survey to help improve food offering at our restaurant premises. Employees were encouraged to participate and express any issues or further needs they may have enabling the company to address them.

However, later within that year and for the whole of 2021, company's restaurant area had to close temporarily so as to mitigate the spread of covid-19 and catering services were suspended.

'Neptune Lines Voluntary Blood Donors'

In November 2021, Neptune Lines launched a blood donation initiative ('Neptune Lines Voluntary Blood Donors') in collaboration with the Hellenic National Blood Transfusion Center (HNBTC).



Where there's a will ... there's a way!

The reduction of blood quantities in Greece during this last year due to the pandemic exceeded 20%, raising the concerns of the National Health system.

Aiming to offer its full support, the company gathered volunteers among the office personnel and is further arranging for blood donation events to be held at office premises twice per year.

Feeling safe during covid-19 (Employee Survey) (GRI 403-2, GRI 403-3, GRI 403-4)

In May 2021, after completing a full year into the pandemic, Neptune Lines conducted an anonymous survey among office employees to receive their input on the covid-19 impact and thus assess the effectiveness of measures implemented so far.

Having both multiple-choice and open-ended questions, the survey received a 76.4% response rate and valuable feedback on existing and new measures to be adopted by the company so as to further support its people in terms of physical and mental health - especially during this difficult period.

The main key-points pointed out were:

- the importance of the weekly covid-19 tests conducted at company premises (PCR and rapid) and supporting that they should be continued

- to maintain the existing preventive measures (weekly disinfection at office premises, open windows, masks, split-teams and seating arrangements)
- the importance of vaccination particularly among company's personnel
- proposals for enhanced internal communication
- proposals focusing on physical health (e.g. healthy office snacks, further athletic initiatives)
- proposals focusing on mental health (e.g. professional psychological support from a professional or available helpline)
- arguments supporting remote working.

The input gathered enabled the company to gain better insight into difficulties faced by employees and their further needs so as to find additional supportive solutions.

Social Activities and Engagement Occasions

In 2019, and thanks to our corporate collaboration with the Benaki museum, all employees were invited to join with their family members a series of exclusive tours at special exhibitions of painting and photography - some of which were lead by the artists themselves.

While that year was drawing to an end, and staying faithful to our longstanding tradition of celebrating Christmas and

the upcoming New Year together as a 'broader family', we decorated the Christmas tree at company premises and then enjoyed a festive dinner party at a city restaurant where all office personnel was invited.

In 2020 and 2021, even though the rapidly evolving situation of the pandemic did not allow us to hold this established corporate event through physical presence, we did manage to find a way to see each other (virtually), exchange holiday wishes and enjoy our festive meal through a special lunchbox delivered to all employees, either working from the office or from home!

Shipboard Employees

Recreational Facilities

Gaming is one of the things that can bring seafarers of different ranks to sit together through a few hours and have fun. Aiming to enhance the element of excitement and fun on board, the company arranged for PlayStation sets to be delivered on board its fleet vessels.

Endorsing Seafarers' Wellbeing Initiatives

ISWAN (GRI 403-3)

The International Seafarers' Welfare and Assistance Network (ISWAN) is a membership organization that works to promote and support the welfare of seafarers all over the world.

ISWAN, in partnership with The Shipowners' Club, has launched a mobile app that can be used by seafarers and their families off line (no data usage is needed) to access help, information, and psychological support at any time (i.e. the app provides instant access to 24-hour help and support through ISWAN's free, confidential, international helplines - e.g. *SeafarerHelp*).

The available resources, specifically designed for seafarers, include ISWAN's self-help health material,

guidance on topics such as contract issues, abandonment, bullying and harassment etc. The app also features a blog containing recent articles on seafarers' welfare-related news and topics, which can be refreshed when an internet connection is available.

Neptune Lines encouraged all its crew members to download the application and seek assistance in case of need - having always the support from the company itself.

The Neptune Declaration on Seafarer Wellbeing and Crew Change

Together with more than 700 companies and organizations, Neptune Lines became a signatory to the 'Neptune Declaration on Seafarer Wellbeing and Crew Change', which is an initiative of the Global Maritime Forum.

The pandemic has resulted in numerous seafarers being confined aboard ships for extended periods of time impacting their wellbeing and consequently increasing the risk of maritime incidents.

Dedicated to overcoming the crisis in crew changes and repatriation of crew members at the end of their contracts of service, the Declaration defines four main actions to facilitate crew changes and keep global supply chains functioning:

- recognizing seafarers as key workers and give them priority access to covid-19 vaccines
- establishing and implementing gold-standard health protocols based on existing best practices
- increasing collaboration between ship operators and charterers to facilitate crew changes
- ensuring air connectivity between key maritime hubs or seafarers.

Throughout this global humanitarian challenge, Neptune Lines has intensified its efforts to take action on suggested measures hoping to make a positive impact.

OCCUPATIONAL HEALTH AND SAFETY KPIs

Office Absenteeism



Absenteeism refers to employees missing part or whole days of work due to personal illness, personal business, or other reasons; their absence may be avoidable or unavoidable.

These absences, expressed as *absentee days* (i.e. workdays lost), do not include permitted leave absences (such as holidays, study, maternity or paternity leave, and compassionate leave).

The company monitors office absenteeism by calculating on an annual basis the *absenteeism rate*. This rate is also used as an indirect indicator which may hint underlying workplace problems (such as plummeting morale and dissatisfaction among employees).

Absenteeism rate is a measure of actual absentee days lost within a company. It can be expressed as a proportion of total days lost (the numerator) relative to the total number of days scheduled/supposed to be worked by employees for the same period (the denominator).

The total number of days scheduled/supposed to be worked by company's employees within one calendar year are calculated by multiplying the total number of office employees of said year with that year's working days.

For 2019, the annual office absenteeism rate was 0.0101 (i.e. 1.01% of the total working days of that year were absentee days) and most of the workdays lost were due to illness cases.

For 2020 and 2021, we did not calculate the rate due to covid-19 and work from home being dominant.

Work-Related Injuries (GRI 403-9)



The company monitors and reports on employee injuries.

Possible injuries of other interested parties (i.e. workers who are not our employees and visitors to our office/vessels) in relation to our vessels/work spaces and/or the handling of cargo, are also monitored and handled by our company and its insurance coverage in a rather similar way with employees. There were no injuries of workers who are not our employees or visitors to our office/vessels within the reporting period.

Work-related injuries of office personnel also remain at a zero level.

In 2019, there were 12 recordable injury cases on board, some of them with increased lost days. Hence, the Lost Time Injury Frequency (LTIF) rate of that year was 3.09 incidents per million hours.

Within that year, 1 high-consequence injury occurred during one of our vessels' mooring operations at port (i.e. high-consequence injury is an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months).

In 2020, there were 10 recordable injuries in total and significantly less lost days onboard. As a result, the LTIF for our fleet decreased to 2.65 incidents per million hours.

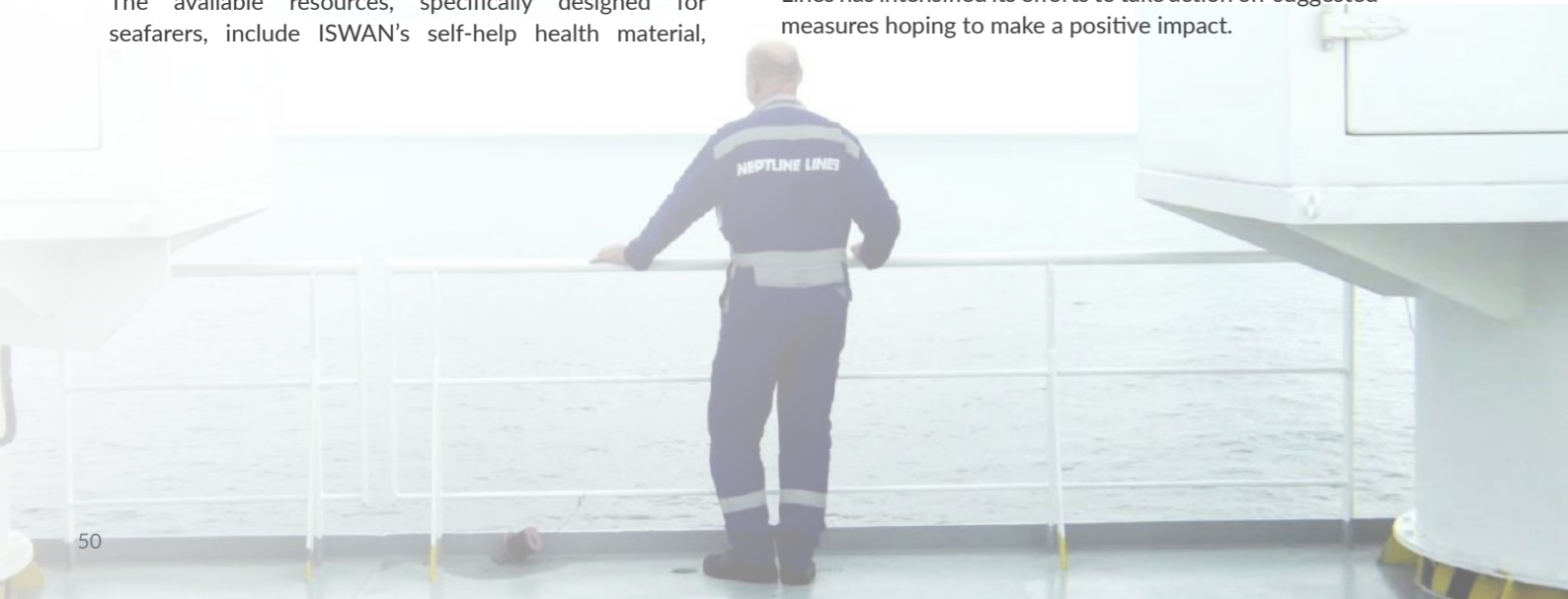
During that year there were 2 high-consequence injuries. One of them occurred, during mooring operations and the other due to the heavy rolling and pitching of one of our vessels during adverse weather conditions (see also *Safe & Secure Operations and Business Continuity* pg.75).

As in all cases of significant crew injury, relevant root cause analysis was performed for each of the aforementioned cases and the Masters of our fleet vessels were instructed to conduct a safety meeting with their crew to thoroughly discuss the risks involved and the additional safety precautions to be taken during mooring operations and cargo patrolling under adverse weather conditions.

In 2021, the recordable injuries decreased to 8 in total and lost days dropped to 21. Hence, the fleet LTIF also dropped significantly to 1.79 incidents per million hours.

There were no high-consequence injuries that year.

Our performance indicators concerning shipboard work-related injuries are demonstrated in the following page.





Work-related Injuries (Seafarers*)

2021 (vs. 2020)

Fatalities (due to work-related injury):

0 (same levels)

High-consequence injuries:

0 (↓ by 2)

Rate: 0.00 (vs. 0.76)

Number of Total Recordable Injuries:

8 (↓ by 2)

Rate: 2.86 (vs. 3.79)

Lost Time Injuries (LTIs):

5 (↓ by 2)

Days off duty due to injury (Lost days):

21 (↓ by 36)

Drug & alcohol incidents:

0 (same levels)

Lost Time Injury Frequency Rate (LTIF)



LTIF = LTIs x 1,000,000 / Total Exposure Hours

Total Exposure Hours



High-consequence injury

Is a work-related injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

Total Recordable Injuries or Total Recordable Cases (TRCs)

The total number of recorded work-related injuries (not including First Aid Cases).

LTIs (Lost Time Injuries)

Lost time injuries are the sum of Fatalities (F), Permanent Total Disabilities (PTDs), Permanent Partial Disabilities (PPDs) and Lost Workday Cases (LWCs). During the reporting period, there were no Fatalities, PTDs or PPDs. There were only LWCs (definitions of LTIs, PTDs, PPDs and LWCs are obtained from the "Marine Injury Reporting Guidelines" of OCIMF, as well as, the 'BIMCO Shipping KPI system').

Days off duty (Lost days)

Number of days lost on board (i.e. that were not worked) due to work-related injuries.

Exposure Hours

In all our calculations in the place of number of hours worked, 'exposure hours' are used - due to the maritime sector's particularity: crew is exposed 24 hours per day while serving on board - even when not on actual duty (therefore injuries during 'off duty' on board are also included in work-related injuries).

All rates have been calculated based on 1,000,000 hours worked.

* Work-related injuries of office personnel remain at a zero level.

Human Rights at Work and within our Supply Chain Material Topic

Why this topic is Material (GRI 103-1)

Neptune Lines respects the uniqueness of each and every individual and aims to treat everyone equally, with dignity and respect.

Wishing to play an active role in protecting human rights in our sphere of influence, we are seeking ways to contribute not only to the elimination of their abuse, but also to their further advancement.

Being a signatory to the United Nations Global Compact (UNGC), our company has embraced its 10 Principles and is committed to demonstrating its efforts and progress with regard to the protection and further support of internationally proclaimed human rights (i.e. as these are expressed in the *International Bill of Human Rights* and the *ILO Core Conventions on Labor Standards*).

Through our community investment programs and variety of actions we support fundamental rights, such as the right to an adequate standard of living and the right to education and self-development (see *Community Investment* section pg. 80).

We also truly value and pursue diversity within the workplace and in our business relations; being a company that cherishes its long-term relationship with business partners from various places in the world and different cultures, Neptune Lines has gained a lot in terms of knowledge, experience and valuable insight thanks to its diversified network.

In the same context, we seek to engage diverse employees that will bring a wealth of different thinking within the company. We believe that diverse personnel plays a critical role in company's ability to adapt, grow and remain sustainable in the modern business landscape.

We also promote gender equality and invest in the potential and skills of female employees, ashore and on board.

How we Manage this topic (GRI 103-2)

COMMITMENT TO HUMAN RIGHTS AND RELATED POLICIES

Our commitment to human rights and relative expectations from our employees, business partners and other parties directly linked to our operations and services, are reflected in our corporate Code of Conduct.

They are also enforced by related corporate policies in place:

- *Non-Discrimination, Harassment and Bullying Policy*: prohibiting discrimination of any kind and protecting the right to respectful treatment and free of hate activity.
- *Health & Safety Policy*: developed to protect the right to safe, healthy and decent working conditions on board and ashore.

It is our goal to gain insight into relevant global guidelines from related institutions and organizations (such as, the 'Guiding Principles on Business and Human Rights' of the United Nations, respective guidelines from the ILO etc.) to further advance our existing policies.

FORCED OR COMPULSORY LABOR

"Forced or compulsory labor is any work or service that is extracted from any person under the menace of any penalty, and for which that person has not offered himself or herself voluntarily" (*ILO Forced Labor Convention, 1930 -No. 29*).

Neptune Lines does not tolerate any form of forced or compulsory labor and degraded treatment of workers.

Work should only be performed as a result of free will, under no threat or physical punishment and employees should be free to leave whenever they wish in accordance with established rules.

All of Neptune Lines' contractors, providers and business cooperators are required to uphold the same standards and give workers, whether local or migrant, the right and the ability to leave employment when they choose.

Where adherence to forced or compulsory labor provisions of national laws and regulations is insufficient, our company takes account of international standards.

According to the ILO" is defined as "work that deprives children (any person under 18 years old) of their childhood, their potential and their dignity, and that is harmful to their physical and/or mental development. It refers to work that:

- is physically, mentally, socially or morally dangerous and harmful to children; and/or
- interferes with their schooling by: depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work."

Neptune Lines does not tolerate in any of its forms and fully supports the fundamental ILO standards that constitute the two legal pillars for the global fight against it (i.e. *ILO Convention No.138 and 182*).

We are committed to make sure that our operations do not contribute in any way (whether directly or indirectly through our business relationships) to violations of children's rights.

DIVERSITY AND NON-DISCRIMINATION

Neptune Lines respects diversity and does not tolerate discrimination, or such behavior in the workplace, on any grounds (e.g. based on gender, race, color, age, origin, beliefs and opinions, preferences, individual disability, family status, or any other protected characteristic/status).

The company is committed to:

- Offer equal employment opportunities, in conformance with all applicable laws and regulations, to individuals who are qualified to perform job requirements.
- Ensure no unlawful discrimination is practiced in any aspect of the employment relationship (i.e. compensation/wages and benefits/remuneration, training and development opportunities, promotion, relocation, termination etc.).
- Provide an inclusive working environment, free from any form of disrespectful treatment and hate activity such as harassment and bullying.
- encourage employees to report any concerns regarding discrimination in the workplace.



Diversity refers to anything that makes us different from each other and unique as individuals; it fosters innovative thinking within the company and its role is key to sound business decision making. Despite our valuable differences, though, we are all completely equal and entitled to the exact same rights.

- protect employees from retaliation for bringing about a complaint or for assisting in an investigation into discriminatory practices.
- investigate any case reported and respond through appropriate and timely action.
- ensure that no discrimination is practiced in the service provided to customers and in the business relationships with business partners.

Gender Equality

Female employees are equally treated, remunerated and promoted within the company, as male employees.

They are offered the same professional development opportunities and have the same access in decision making processes and senior positions.

On board fleet vessels we fully support the employment of female seafarers through our Cadet Program and seek to achieve a balanced overall ratio of men and women.

It is Neptune Lines' goal to further enhance the representation of women throughout the company, as well as, their occupation in challenging assignments.

INTERNAL REPORTING (GRI 403-2, GRI 403-4)

Neptune Lines encourages all employees to report any concerns they may have with regard to their own rights, as well as, possible incidents of discriminatory or other disrespectful behavior such as bullying and harassment.

Ownership of human and labor rights and issues of personnel conduct lies with the Human Resources department and in the case of seafarers, Crewing is primarily involved.

These two departments make sure that employees feel comfortable to report any workplace issue they might be facing or any misconduct that comes to their attention - feeling certain that they will not be penalized or pinpointed for coming forward.

Neptune Lines will protect an employee who reports any concern, from retaliation or reprisal (i.e. relative clause is included in the *Code of Conduct and Company Policies Acceptance* form which is signed by employees) and will act with discretion and due diligence to resolve any issue.

Following adequate investigation, if an actual breach of company's policies and Code of Conduct is identified, then the case will be brought to the attention of the Senior Management who shall decide on the course of action. (GRI 403-2)

AVOIDING COMPLICITY IN HUMAN RIGHTS ABUSES

Assessing human rights impacts is a complex task for any company, especially those with global operations and business relationships, such as our own.

Being part of a rather large supply chain, Neptune Lines faces this major challenge and the risks arising through its many business relationships - both direct (i.e. as in the case of our port agents who are our closest business cooperators) and indirect (i.e. entities where our company has no control over their business and activities, as in the case of authorities).

Presently, the company manages this issue:

- Through explicit clauses in our Suppliers Code of Conduct referring to human rights protection and termination of the business relationship with our company in case of evidenced complicity in any such violation.
- By reminding company departments to be alerted during everyday practices and decision-making (e.g. in selecting providers) and reporting any related concerns.
- Through management meetings (i.e. with the participation of our Senior Management) enabling the identification of such risks and possible impacts arising from our operations or business network.

Despite these efforts, we acknowledge that human rights assessment of our supply chain has space for improvement in order to be more thorough and as comprehensive as possible; it is within our goals to upgrade our existing processes over the next years.

Progress and Performance (GRI 103-3)

HUMAN RIGHTS RECORD (HR-1, GRI 406-1)

Internal Reporting

Within 2019-2021, there were no cases reported by employees regarding human rights issues or discrimination and other unaccepted conduct within the company and on board fleet vessels.

Incidents with regard to Human Rights abuses or complicity in violation

Within 2019-2021, there were no external human-rights related incidents reported or identified in our network of business cooperators and suppliers.

There were also zero legal offenses or accusations of human rights abuse (i.e. including offenses or accusations concerning forced or compulsory labor and/or complicity in such), against our company.

ENDORISING HUMAN RIGHTS INITIATIVES

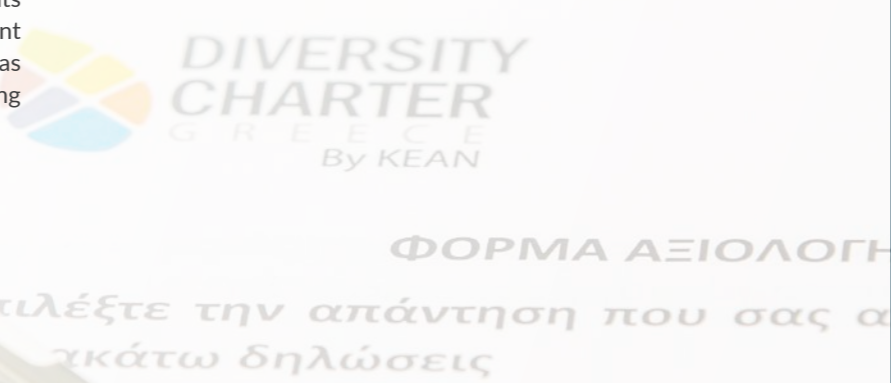
Signing the Greek Diversity Charter

In 2021, Neptune Lines signed the 'Diversity Charter for Greek businesses'.

The Diversity Charter is an initiative of the European Commission for the development of a workplace open to everybody, regardless of their gender, age, ethnic origin, disability, sexual orientation, religious or personal beliefs.

The Greek Diversity Charter, was established in 2019 with the aim to promote diversity in Greek businesses and it is with great pleasure that our company will be participating in this effort.

Our company has made diversity and inclusion an organizational priority, already planning more relevant initiatives so as to further engage our people and diffuse this mentality within all company levels.



Diversity Facts & Figures (GRI 405-1)

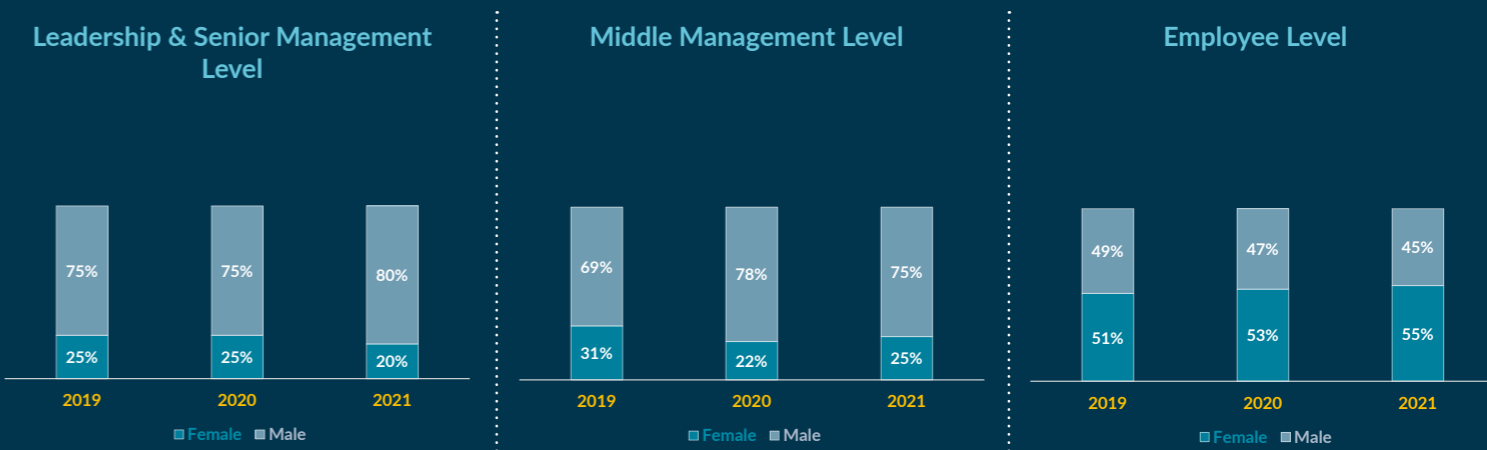
Shore-based Personnel



Number of different Nationalities Employed

5

Number of Employees by Gender and Employee Category



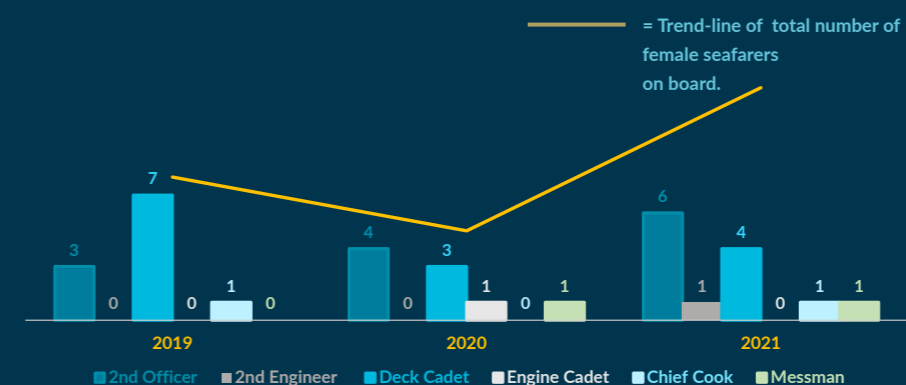
Shipboard Personnel



Number of different Nationalities Employed

2

Number of Female Seafarers by Rank (DE-1)



The chart shows the number per rank of female seafarers who were on board our vessels on December 31st of each year. We chose to use this figure, even though it is not fully indicative of the women representation on board throughout the whole year, so as to be consistent with the rest of the GRI disclosures (i.e. which are based on the number of employees at the end of each calendar year).

Creating Value for the Market & Society



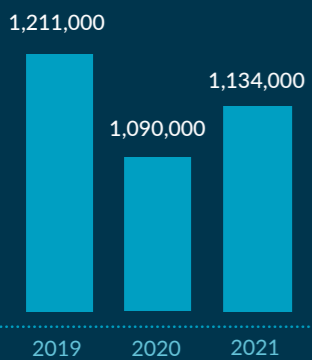
Economic Value Created and Distributed (GRI 102-10)

Facts & Figures



New Port Agents

Units Transported



Local Spending

Leading port: Piraeus, Greece

Despite the challenging market conditions and the impact of covid-19 felt worldwide, our company continued focusing on seamless customer service, as well, as creating and distributing economic value through its operations.

FURTHER ENHANCING OUR SERVICE

As from May 2019, a second 3'800 RT capacity vessel has been introduced in the Biscay, calling at the ports of Santander (Spain), Portbury (UK), Zeebrugge (Belgium), Le Havre (France) and Southampton (UK). The inclusion of Zeebrugge in the North Sea service will provide to our customers located in northern Spain a very short transit time to the northern European markets.

Moreover, in 2021, a new trade line was created reinforcing existing routes. This new service connects directly, on a weekly basis, all major western Mediterranean ports with the ports of Ashdod and Haifa in Israel and Alexandria in Egypt, ensuring faster transit times and quality service covering all cargo segments (passenger cars, high & heavy and out of gauge cargoes).

The same year, the company expanded its operations to China and South Korea establishing a deep sea connection with the ports of Shanghai and Busan on a spot basis.

NEW PORT AGENTS

Neptune Lines appointed new Port Agents for the French and Ukrainian ports. These valued business partners will play a significant role in company's development in their areas of operation.

THE IMPACT OF COVID-19

After 2019 was marked a record year (i.e. with 1,211,000 units transported), there was a drop in the units carried in 2020 since it was the year that covid-19 turned into a pandemic and there was a serious disruption of global trade. The measures applied internationally to limit the propagation of the disease resulted in extensive mobility restrictions with a pronounced impact on most transport modes - including the shipping sector.

Factory closures (resulting in scarcity of cargoes to be transported), limited port labor forces and local restrictions causing delays in vessels' operations, nearly impossible crew changes and outbreak cases on board requiring complex and careful coordination, are some of the main issues faced by all companies of our sector - including our own - all having considerable financial implications.

Despite this difficult operating setup, the company ensured business continuity to the greatest extent possible - minimizing the impact for its customers and employees.

PROCUREMENT PRACTICES

Suppliers Code of Conduct

Through our Suppliers Code of Conduct we aim to communicate our corporate values to our providers and business cooperators and engage them in sharing our commitment to ethical and socially responsible business practices.

We strongly believe that implementing this Code of Conduct will create value for all parties and foster change and improvement in our supply chain. We also see this as an important step to establish a long term sustainable relationship with them and the societies where we all operate.

Contracts Review

Sustainability-related parameters are taken into consideration when evaluating new or existing procurement relationships.

During the review and evaluation of new contracts, as well as, throughout the contract period, providers' standards and practices with regard to quality, environment, human and labor rights, responsible and ethical business conduct, play a decisive role in our business relationship.

Our company is committed to communicate effectively any issues of concern or dissatisfaction that may arise, to related providers.

So far, there have been no incidents of contract breach due to sustainability-related issues.

Purchasing

Neptune Lines focuses on the quality of products and services purchased, as well as, their compliance with regulations and standards.

Certification and proof of compliance are required from providers, so as not to jeopardize the quality of our service or pose a risk to anyone's health and safety; purchasing requirements and quotations are carefully monitored to ensure adherence to agreed terms and clauses.

By return, our company is committed to comply with agreements and contracts and demonstrate responsibility at all times towards providers and business cooperators.

Neptune Lines places particular emphasis on timely payment of its providers, which we believe, demonstrates responsibility in practice. Ever since its establishment, except for extenuating circumstances, our company has managed to be consistent in meeting payment obligations towards its providers.

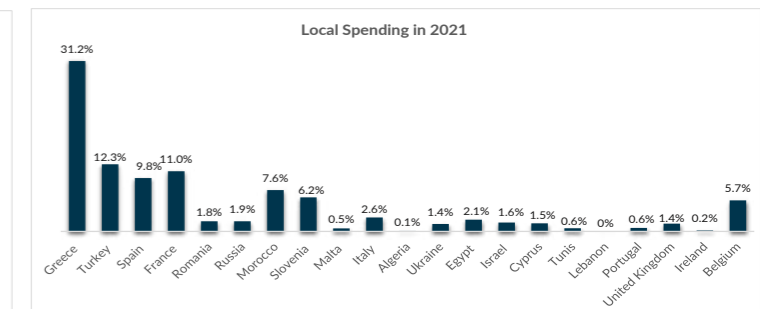
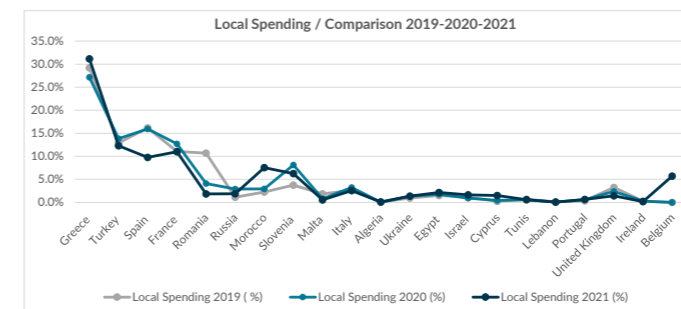
LOCAL SPENDING

Neptune Lines is spending on local providers at significant locations of operation, as these are defined by the frequency of port calls and cargo volumes/movements.

Port call expenses (port dues, tug boats etc.), cargo handling expenses, waste disposal fees and bunker expenses are the driving costs for our fleet vessels.

Looking at the below charts, Greece remains in 2021 the leading country of local spending with next in line, Turkey and then France (though in 2019 and 2020, the second higher percentage of local spending belonged to Spain).

Also, in 2021, there was a notable increase of the local spending in Morocco and Belgium (i.e. through the newly added port of Zeebrugge to our service).



Corporate Governance, Compliance and Business Ethics Material Topic



Why this topic is Material (GRI 103-1)

Neptune Lines is committed to conducting business with integrity and in compliance with all applicable legislation. Our company's history and reputation, as well as, its long-lasting business relationships are based on these values and standards.

Trust is hard to earn and easy to lose. Having gained the trust of our stakeholders - internal and external - throughout these years, our aim is to further secure it and work our best to continue inspiring it.

Likewise, the trust that Neptune Lines has placed in its business relationships, must on no grounds be shattered. Business relationships can include relationships with business partners, entities in our value chain, and any other non-State or State entity directly linked to our business operations and services.

We believe that corporate governance, compliance and business ethics are closely related with company's longevity and that "good business" is always rewarding for the company and those who are associated with it.

In the opposite case, the consequences of an incident of such nature can be serious and far-reaching - ranging from endless legal proceedings to the damage of company's reputation, its relationships, its very own business continuity.

Apart, though, from being material to our own company, this is a critical topic in itself - when it comes to the global agenda - as it can significantly affect the Sustainable Development Goals (SDGs).

Business who operate ethically contribute to the goal of "Promoting, peace, justice and strong institutions" (SDGs Goal 16), including its sub-target "to substantially reduce corruption and bribery in all their forms" (Target 16.5). On the other hand, those who lack compliance and ethical boundaries pose a threat on all the SDGs, since all the goals can be undermined by corruption and ethical lapses.

How we Manage this topic (GRI 103-2)

CODE OF CONDUCT & POLICIES

In addition to the corporate Values, our commitment to ethical conduct is expressed and implemented through our governing Policies and Code of Conduct - applying to all hierarchy levels at Neptune Lines (see also Our Moral Compass section, pg.12-13). These constitute our moral compass which requires all employees (shore-based and seagoing), leadership, as well as, parties that conduct business with or on behalf of Neptune Lines to act lawfully, with fairness and integrity, maintaining high standards of personal and business ethics.

Integrity and Trust are standing Corporate Values. They govern our business functions and decisions since the establishment of our company.

COMMITMENT FROM LEADERSHIP AND SENIOR MANAGEMENT

Tone from the top is essential in developing and maintaining the ethical integrity of the business. Acknowledging this fundamental, our corporate leadership is committed to lead by example, prioritizing compliance and ethical conduct within the company.

Apart from laying down the general structure of corporate governance, their role is to define and communicate consistently *what the company is* and *what it stands for*, setting a clear direction and course of action.

Participating actively in internal consultation and meetings, our Board of Directors and company's CEO seek diversity of perspectives to better handle the complexity involved sometimes in making the right decision.

The tone from the top is conveyed and reinforced within the company through the active and definitive role of the senior management.

Right after corporate leadership, the senior management oversees and monitors compliance, acting as a role model for employees and instilling among them and within all company levels a sense of shared accountability.

INFUSION WITHIN THE COMPANY

The Role of Middle Management

During the selection of individuals to assume a managerial position, particular attention is given to their having the decision-making skills, knowledge, and competencies needed to make ethically sound decisions on a day-to-day basis. Regulatory awareness, ethical mindset and orientation must be part of every manager's profile.

As department heads, they are responsible for:

- underlining the priority of compliance in all business aspects

- helping their teams understand how company's governing principles and Code of Conduct guide the way they work and interact with others
- coaching their subordinates in view of any related concern, addressing same as appropriate.

Internal Awareness and Communication

Besides day-to-day coaching, Neptune Lines seeks to ensure that its ethical behavior requirements are embraced in all company levels through:

Induction and familiarization processes; Every new hire (shore-based and seagoing) receives relevant familiarization regarding the established policies and signs the corporate Code of Conduct. This corporate material can be accessed at any time through the corporate intranet. In the case of seagoing employees who are on fixed-term contracts, prior their re-embarkation they receive familiarization at Neptune Lines' office premises or at the manning agent's office on any latest updates (e.g. regulations coming in force), corporate guidelines and instructions.

Meetings; Concerns and issues linked to corporate governance, business ethics and compliance are thoroughly discussed during internal meetings, with the participation of the senior management and the Compliance Officer.

Internal Reporting (Whistleblowing)

All Neptune employees are encouraged to speak up and report any concerns or alleged incidents regarding compliance and business ethics.

Office employees can address any concerns to their direct manager or Human Resources. Respectively, the seagoing personnel can contact Crewing - as the dedicated department for handling issues of conduct with regard to seafarers - or company's Designated Person Ashore (DPA).

Any reported concern or issue is handled with strict confidentiality. When grounds for violation exist, the Compliance Officer is contacted who further investigates the reported case to define its nature.

The Compliance Officer (person with legal expertise) participates in the ESG Committee and reports to the Board of Directors.

If a violation of ethical nature is identified, the case will be brought to the Executive Committee who further consults in order to decide on the course of actions to be taken - based on the nature and severity of the incident.

RAISING EXTERNAL AWARENESS AND COMMITMENT

External Communication

We expect and encourage our external stakeholders to act in a way that is consistent with our policies and Code of Conduct and we take appropriate actions where we believe they have not met our expectations or their contractual obligations.

External communication refers to communication channels with Neptune Lines' associated parties, as well as, outside their scope i.e. reaching out to the general public.

The main external channels to communicate our policies, and respective measures and updates are:

- our ESG report (uploaded to our website and shared with stakeholders)
- our Communication on Progress (COP) uploaded annually to the UN Global Compact website

External Reporting

Neptune Lines encourages its business cooperators or any other external party associated with the company, to report any concerns or alleged incidents putting at stake company's integrity through our dedicated, confidential communication channel (compliance@neptunelines.com).

FAIR BUSINESS & ANTI-COMPETITIVE BEHAVIOR

Neptune Lines has in place a *Fair Business Practices Policy*, expressing our bond to always engage in transparent business transactions and fair trading (i.e. anti-competitive behavior, fair business practices etc.).

Fair-competition law may on no account be violated. Any such violation may result in substantial fines for our company as well as its employees.

In particular, price-fixing among competitors (verbal,

written or in any other form), market allocation and any other practices which may inhibit free competition, are strictly prohibited.

CONFLICTS OF INTEREST

Neptune Lines is committed to preventing situations of conflict of interest from materializing (i.e. meaning an employee being able to choose a course of action that benefits them to the detriment of the company).

The company encourages employees to report any situation coming to their notice that could influence, or be perceived to influence, their or their colleagues' decisions or actions on behalf of the company.

Despite efforts, if such incidents do occur, the company will seek to take appropriate countermeasures.

COMPLIANCE AND ANTI-CORRUPTION

Zero-Tolerance Policy

Neptune Lines has in place an *Anti-Corruption and Anti-Bribery Policy* explicitly stating company's zero tolerance towards corruption in all its forms - including bribery and extortion.

We are committed to conducting business in compliance with all applicable anti-corruption legislation - including the *UK Bribery Act*¹ *Anti-Corruption Rule* and to take action against any unlawful act - no matter how small in degree or scale (i.e. from the minor use of influence - as in the case of facilitation payments - to institutionalized bribery, fraud, money laundering or abuse etc.).

In the Code of Conduct, it is clearly stated that employees, as well as, representatives and business cooperators of Neptune Lines must not offer, provide, accept, or promise (directly or indirectly) any undue financial or other advantage to a public and/or private official, person or entity for the purpose of obtaining any favorable treatment, business advantage, or for personal gain.

Further Controls

Monitoring of Requisitions, Invoices & Corporate Expenses

All requisitions and incoming invoices are subject to electronic approval work flows, passing through various levels of verification for better control. Moreover, all corporate expenses are closely monitored (extraordinary expenses are reviewed and agreed prior to taking place).

Tender Processing

Tender processing is also implemented for selected categories of materials or service providers.

Screening Tools

We have developed a system of internal controls to address money laundering concerns. The main points of such controls are the following:

- collect KYC information for each new customer/provider
- update such information regularly and carry out screening tests in periodical intervals for existing customers/providers
- maintain documentary evidence of each due diligence action taken
- understand and be able to identify "red flags" and report same as per set procedure
- make and receive payments only from designated banks accounts in the name of contracted vendor and/or purchaser and
- comply with applicable data privacy laws.

Charitable Donations

Our charitable donations and sponsorships are not related to the company's main business operations and are never provided in a cash deposit form, so as to ensure that they are not considered or used as a disguised form of bribery.

Compliance and Anti-Corruption Training

Compliance and business ethics training is provided, so far, on an ad-hoc basis and mainly to the staff whose business role is most relevant (i.e. the Compliance Officer, the DPA, the Human Resources department etc.).

However, as our company progressively grows bigger in size and expands its business network (i.e. hence its risk-exposure) the need to further focus on such training is increasingly essential.

We are currently planning relevant training for governance body members (decision-makers) and employees.

Collective Action - The MACN

Companies are all the more expected to work collectively and join forces to combat corruption in all its aspects.

Neptune Lines is an active member of the Maritime Anti-Corruption Network (MACN) since 2015. The MACN was established in 2011 as an industry-led collective action initiative, to stamp out corruption in the maritime industry

and to promote inclusive trade. Its members (i.e. over 90 members globally) represent a significant percentage of the total global tonnage and play a key role in ocean transport.

In MACN collective action projects, member companies work in partnership with stakeholders including port and customs authorities, NGOs, and local governments, to undertake root cause analyses and then implement a range of realistic "recommended actions" to tackle corruption in ports and across the maritime supply chain.

Through our MACN membership, we gain knowledge from other companies' experience and best practices. We have, also, access to a wide range of useful material (e.g. toolkits, risk assessment tools, methodologies etc.) which we use to support our onboard anti-corruption measures.

MACN's Incident Reporting System

Neptune Lines participates in the MACN's anonymous incident reporting system - developed to collect data of corruption practices. This system enables maritime companies to submit reports on corrupt demands they have faced during port operation.

The accumulated data are analyzed by the MACN in an effort to scope the problem and develop further action plans to eliminate its extent and frequency.

Neptune Lines has provided specific instructions to fleet vessels regarding the reporting of such incidents to the office. Once reported to the office, company's DPA is responsible to submit them to the MACN's database.

Due to legal issues and constraints, we do not report in detail the corrective actions taken in response to these external incidents presented so far. (GRI 205-3)



SAY-NO Campaign

Since 2017, we are enforcing on board a "SAY NO" campaign, to publicly state our company's clear stance towards bribery and our zero tolerance to such practices. The aim of this campaign is to provide guidance to our Masters and crew on how to handle cases of demands of bribery or facilitation payments at calling ports, based on company's anti-corruption and anti-bribery policy.

At a first stage, and in order to ensure a smoother implementation, we launched the campaign at ports belonging to countries with stricter and more structured regulatory controls (i.e. hence, with not so frequent bribery demands) to check its applicability. Under current scope of implementation remain all EU and Turkish ports

¹ UK BRIBERY ACT 2010: The UK Bribery Act has a global jurisdiction. Companies and individuals can be held liable in the UK for acts of corruption committed by employees, agents or Subsidiaries anywhere in the world. The UK Bribery Act does not make any exemptions for facilitation payments.

- with the prospect of expanding it to the ports with loose regulatory control and a more intense presence of corruption incidents. The outcome, so far, has turned out to be very positive.

Moreover, the covid-19 restrictions imposed seem to have contributed to the reduction of such occurrences. [\(GRI 205-3\)](#)

Additional Membership Requirements

Fulfilling our duties as an active member of the MACN, we participate in its biannual members' meetings (see *Our Stakeholders* section, pg.22). We also complete and submit an annual self-assessment. Results of the assessment are shared at the established members meetings and used as a tool to identify topics on which we could work further (with the guidance from MACN) in order to further support our onboard compliance.

COMPLIANCE PROGRAM

Within the previous reporting period, in an effort to upgrade our existing compliance program and further elaborate on our corporate risk exposure, we decided to externally assess our system. For this purpose, we contracted a well-established law firm to review our existing policies and processes and perform a thorough gap-analysis.

Throughout the project, which is currently ongoing, we expect to identify possible blind spots with regard to compliance and business ethics, as well as weaknesses of our program, in order to take appropriate action. The workshops held, so far, were conducted with the full involvement of our leadership and will continue over the following year along with implementation of next steps.

Progress and Performance [\(GRI 103-3\)](#)

COMPLIANCE AND ANTI-CORRUPTION

MACN self-assessment Scorecard

The MACN annual self-assessment measures each member's progress on the implementation of MACN's principles. In 2020, our company scored 86.6% (vs sector's average: 85%) and in 2021, 82% (vs sector's average: 84%) maintaining consistently its good performance record around the same levels.

Compliance and Anti-Corruption Training

The last compliance/anti-corruption-related trainings to

be held in person (in 2019) are shown here below:

- participation of our legal department in the 'World Shipping Law Forum' held in January 2019
- participation of our HSQE Manager/DPA in the two-day seminar and workshops of the Maritime Anti-corruption Network (MACN) in the context of their *Members' Fall Meeting* in October 2019.

Then in 2020, following the outbreak of covid-19, we managed to hold virtually an in-house training on the handling and protection of Confidential Information and the establishment of Non-Disclosure Agreements (led by our Compliance Officer in November).

In June 2021, our HSQE Manager/DPA participated in MACN's webinar concerning the latest trends and updates on sanctions - with focus on shipping and trade.

COMPLIANCE RECORD

Corruption Incidents [\(GRI 205-3\)](#)

There were no corruption incidents during the reporting period, nor any legal actions, sanctions or fines posed against Neptune Lines for corruption or any other form of unethical conduct.

Legal Actions for Anti-Competitive Behavior, Anti-Trust and Monopoly Practices [\(GRI 206-1\)](#)

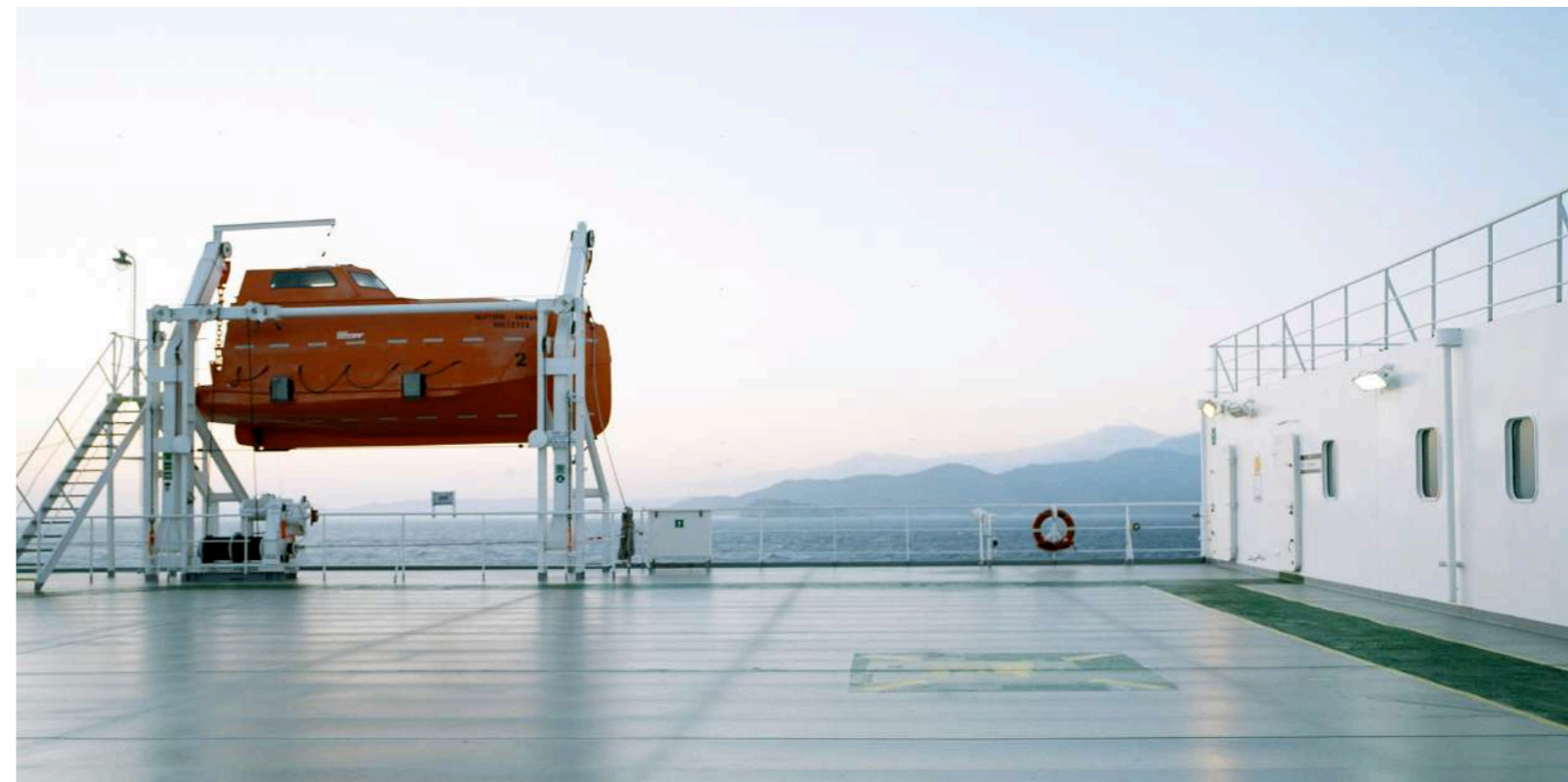
There are no legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which Neptune Lines has been identified as a participant.

Socioeconomic Compliance (e.g. accounting fraud, corruption, provision of service and labor-related laws and regulations) [\(GRI 419-1\)](#)

Socioeconomic compliance includes our company's overall compliance record, as well as compliance with specific laws or regulations in the social and economic area. Compliance can relate to accounting and tax fraud, corruption, bribery, competition, the provision of products and services, or labor issues, such as workplace discrimination, among others. This includes compliance with international declarations, conventions, and treaties, as well as national, sub-national, regional, and local regulations.

There were not any fines or non-monetary sanctions under laws or regulations imposed against Neptune Lines within 2020-2021 (in 2019, there was only a minor oil spill that occurred; this is mentioned for reporting consistency purposes in the environmental section of this report).

Safe & Secure Operations and Business Continuity Material Topic



Why this topic is Material [\(GRI 103-1, GRI 403-7\)](#)

Safe and Secure Operations and Business Continuity is one of the most material topics for our company and our stakeholders.

The nature of shipping operations and the severity of the impacts associated with maritime safety and security incidents make this topic by default an absolute priority, as well as, the most regulated imperative in our industry.

Operating at sea involves numerous safety and security risks that must be continuously and effectively managed to safeguard the people, the vessel, the cargo and the environment (e.g. navigational risks, weather-related, sudden failure of critical machinery/systems, environmental accidents, risks imposed by the nature of the cargo carried, criminal intent and intentional acts such as piracy, drug smuggling, cyber attacks etc.).

Committed to this challenging task, our company operates by the principle of ongoing due-diligence and continuous improvement. Our aspiration is to have zero accidents and

security incidents as well as business interruptions; this is the base of all our related policies and our certified Safety Management System (SMS). [\(GRI 403-1\)](#)

However, despite every effort, there is always a possibility for something to go wrong. Human error, technical failures and above all, external, unforeseen risks and uncontrolled parameters will never cease to exist; the outbreak of covid-19 that marked this period and put the whole world in a state of emergency utterly confirms this fact.

Being always prepared for emergencies, having a carefully planned response and regularly putting it at test is, therefore, crucial.

Efficient tackling can be achieved by clear and adequate emergency procedures, continuous training and well-established ship-to-shore communication.

Intrinsically linked with safe and secure operations and emergency response, *business continuity* encompasses a set of activities which are intended to ensure that an organization's critical business functions will either

continue to operate despite events that might otherwise have completely interrupted them, or will be recovered to an operational state within a reasonably short period.

Business interruption can be physical, virtual, reputational and always financial with implications for the company, its customers and stakeholders that highly depend on it.

Having effective contingency and recovery plans in place, along with the necessary resources to support them, can truly save the business.

How we Manage this topic (GRI 103-2, GRI 403-7)

SAFETY & SECURITY MANAGEMENT SYSTEM (SMS) (GRI 403-1, GRI 403-2, GRI 403-4)

Our SMS implements the provisions of all mandatory shipping conventions, regulations and codes (i.e. SOLAS, MARPOL, STCW, ISM Code, ISPS Code, Maritime Labor Convention, 2006, Cyber Security etc.) and is certified under ISO 9001 and OHSAS 18001 (also ISO 14001 - as mentioned in the *Environmental Compliance* section). It is subject to periodical verification through accredited bodies.

Results of the verification process along with internal findings are discussed in Management Review Meetings and included in a relevant report which is shared with fleet vessels, company departments and Management for further elaboration and improvement.

The SMS includes, but is not limited to, the following:

- Vessels' reporting of near-miss cases (encouraged on a monthly basis) and incidents - as occurred; follow-up root-cause analysis is conducted in each case.
- Periodical execution of safety and security drills and ship-to-shore exercises and evaluation of performance.
- Emergency preparedness processes and procedures - as described in corporate manuals and plans.
- Risk assessment (e.g. performed before proceeding to high-risk activities).
- Dedicated Safety & Security Committees on board.
- Safety and security meetings where relevant topics and instructions are discussed (performed twice a month on board each ship).
- Masters' review and evaluation of the SMS and relevant processes.

- Established communication lines between office and shipboard personnel, while on board and post-service (i.e. during debriefing); our crew is encouraged to report all possible unsafe and unhealthy conditions or operations on board.
- Riding audits and onboard attendances by office personnel that focus on implementation of management system requirements; respective findings are recorded and monitored.
- Training and familiarization (i.e. through familiarization forms, training courses, computer-based training modules, DVDs etc.).
- Circulation of safety and security bulletins, informative material, regulatory updates and further specific instructions.
- Monitoring (through our Planned Maintenance System, onboard attendances and day-to-day communication with the vessels) of:
 - vessels' maintenance (for shore facilities systems, see par. 'Work Environment' pg.44).
 - safety and security systems on board to ensure that they are in good operational order.
- Office internal audits.
- Annual review of objectives and targets through established Key Performance Indicators (KPIs).
- Monitoring of existing processes and procedures to ensure they are effective and up-to-date.

OPERATIONS DIVISION MANAGEMENT MEETINGS (GRI 403-2)

To better control all important issues connected to vessels' operations, our Management has established periodical meetings, where such issues are thoroughly discussed and actions are planned and monitored.

All department heads linked to vessels' operations with the COO participate in these *Operations Division Management Meetings* and, depending on the topics under discussion, the CEO may also join.

SYSTEMS AND RESOURCES TO SUPPORT SAFE & SECURE OPERATIONS AND BUSINESS CONTINUITY

We strongly believe that safe and secure operations require investing in systems and no sparing of resources.

In this respect, Neptune Lines aims at providing what is best for the protection of the crew, the ship and the cargo - including systems and software that help reduce the amount of any unnecessary workload which may derail focus and effort that should be directed on safety.

With equal concern for business continuity and cyber security we seek to implement the latest technologies available.

HSQE Electronic Module

Safety and security issues are monitored by company's HSQE Department through a specially designed module covering all functions of HSQE (i.e. electronic management of: documentation, monitoring of incidents, near misses, Master's reviews, handover reports, drills, internal/external inspections and audits and electronic forms).

Crew Rest Hours Software

Fatigue is seen as a significant contributory factor to many maritime incidents and injuries. Effective monitoring of crew working and rest hours is a crucial task; yet, not an easy one due its complexity.

To support our crew in record-keeping and monitoring of their working and rest hours we have provided on board a specialized software with user-friendly interface and easy-to-use functions.

Business Continuity and Cyber Security Systems

Virtualization

Our IT infrastructure is based on virtualization for both office headquarters and vessels.

Virtualization provides redundancy and high availability for our systems and services. Backup procedures exist in both cases.

Disaster Recovery (DR) Site

Neptune Lines maintains a fully operational disaster recovery site. A dedicated computer room, installed on privately owned offices, holds all critical data from office and is ready to take on full functionality - should it be deemed necessary. Our data replication is on line with a recovery point objective of 1 hour for all servers.

Cyber Security

Taking seriously the increasing cyber security threats, the company is continuously updating its policies and systems with the latest software and hardware (i.e. that includes firewalls, intrusion detection and prevention, secure VPN access with the use of tokens etc, software that includes advanced monitoring, anti-malware, data encryption.)

SAFETY, SECURITY AND BUSINESS CONTINUITY TRAINING (SBC-3, GRI 403-5)

Computer-based training

In addition to the e-learning modules and maritime films (DVDs) mentioned in the interrelated section of Occupational Health Safety and Wellbeing (pg. 42) below topics are included in the training library on board which are linked to safe and secure operations and business continuity:

- Port state control inspections
- Stability II, damage stability
- Crisis management
- International collision regulations
- ECDIS system and chart types
- Heavy weather navigation
- Bridge watch handover
- Incident investigation (Cause and effect, Investigation Techniques)
- RoRo cargo operations safety
- RoRo watertight integrity
- RoRo cargo lashing
- Vehicle deck fire safety
- SOPEP (Shipboard Oil Pollution Emergency Plan)
- Fuel oil bunkering (best practices)
- Search techniques - ship and stowaway searches
- Gangway security
- Migrants and refugees
- Cyber Security

Specialized Training on Important Vessel Operations

As part of our specialized training scheme, apart from the advanced fire-fighting and lifeboats courses mentioned in the *Occupational Health Safety and Wellbeing* section (pg. 42), extra training is provided on various important operations taking place on board, such as the use of ECDIS and ship's stability.

Emergency Exercises

In an effort to simulate real emergency conditions, annual tabletop exercises are conducted with the active participation of:

- the Office Emergency Team (OET)
- the Master and crew of the selected vessel
- the *Emergency Response Service (ERS)* team of vessel's classification society.

During the exercise, all involved parties are in contact, simulating the conditions for various emergency scenarios (e.g. collision incident combined with flooding and oil spill) and responding accordingly based on parameters provided by experts within the ERS team.

Upon completion of the exercise, relevant improvement areas are noted for further consideration and follow-up actions.

Crisis Communications and Media Response

Neptune Lines has contracted a reputable provider with expertise in maritime incidents and handling of the media to support our company in the preparation and actual response to an incident attracting publicity.

In that light, once a year, we organize familiarization training for all company levels regarding media awareness and communication techniques so as to be prepared to respond to possible media pressure, to handle carefully social media posts and support the company's spokespersons in case of a crisis.

INCIDENT INVESTIGATION (GRI 403-2)

In the case of a real incident, the incident investigation process is activated.

Incident investigation refers mainly to incidents involving our fleet vessels and rarely our office premises.

Vessels' incident investigation is headed by the DPA who reports directly to the Executive Committee for the progress of the investigation.

During the course of the investigation, the DPA may form an investigation team (always independent from the areas of investigation) and also seek expertise guidance for specific areas under investigation. Planning is a vital part of the investigation process, in order to set up the roadmap for a positive outcome.

The first step taken during the investigation process is to collect and secure as much as possible information is available, even at the early stages of the incident (e.g. voyage data recorder etc.), which will assist the investigators during the root-cause analysis phase. During this phase, on site visits will be performed in order to obtain statements from involved personnel and inspect/audit the scene of the incident.

Following the data collection, the sequence of events needs to be understood before identifying why the incident happened (root cause analysis). Specific methodologies may also be used for the root-cause analysis (MSCAT, DNV). Root causes will lead us to the description of the corrective actions to be taken.

A final report will be compiled and submitted from DPA to the Executive Committee and then a follow up action

plan will be issued in order the responsible department to ensure that all corrective actions will be timely implemented. Follow up on the progress of the corrective actions is further presented/discussed during ad-hoc internal meetings.

CARGO SAFETY

Neptune Lines places great emphasis on the strict application of safety and quality standards as these are set by sector guidelines, such as the CSS Code (Code of Safe Practice for Cargo Stowage and Securing), as well as, company specific requirements and customers' instructions.

Cargo safety is managed through various processes and measures in place. These include:

- Scrutinizing all cargo-related information.
- Careful planning and continuous monitoring of proper stowage and securing operations by competent personnel.
- Continuous training/tailor-made courses.
- Crew evaluation based on cargo handling skills and performance.
- Internal audits conducted on board to ensure that requirements are fulfilled.
- Onboard attendances of qualified and experienced personnel in cases of extraordinary cargo loading/difficult cargo.
- Proper maintenance of lashing equipment.
- Collaboration with independent certified surveyors on ports of operation.
- Evaluation and upgrading of existing cargo handling and securing procedures with the assistance of experts of the field (see also par. 'Cargo Quality' on pg. 76).

SHIP SECURITY MEASURES

Ships can be the vector for, or target of, attacks. Common security incidents include stowaways hiding away in the ship, thefts from cargo/vessel, attacks by armed gangs of pirates at high-risk sea areas. To enhance the security standards of ships and ports, the International Maritime Organization (IMO) has established the *International Ship and Port Facility Security (ISPS) Code* - the provisions of which are mandatory and their implementation is audited by Recognized Organizations (ROs).

Neptune Lines complies with the requirements of the ISPS Code and respective processes and procedures are included in each ship's specific Ship Security Plan (SSP) - approved by its classification society and reviewed periodically by vessels' Masters and Company's Security Officer (CSO).

Regular security drills and security checks are conducted by crew members and - depending of the security level of each port - additional measures are taken.

Progress and Performance (GRI 103-3, GRI 403-7)

SYSTEMS AND RESOURCES TO SUPPORT SAFE & SECURE OPERATIONS

HSQE Electronic Module and ERP Upgrade

Within 2019-2021, our new electronic module for all functions of the HSQE department was successfully implemented at the office and onboard fleet vessels. This addition to our ERP will contribute significantly to our health, safety and security KPIs monitoring, as well as, to a much more accurate reporting.

During this period, our company had also a major upgrade of its broader ERP and a migration from the previously-used version to the latest one was completed for all company departments - hence enabling better control and sharing of the available information within the company and fleet vessels.

Business Continuity and Cyber Security Systems

During the reporting period, cyber security on the vessels was fundamentally changed. New firewalls were introduced and the latest technologies of protection were adopted.

A live/24hr cyber security monitoring has been implemented and a full Voice over IP solution for vessels' communications was established. With respect to the office premises, further enhancements were materialized in various areas.

Moreover, further to the introduction of new security measures of the IMO Resolution on Maritime Cyber Risk Management that came in force on January 1st,2021 (IMO, MSC.428(98) & MSC-FAL.1/Circ.3), our company further enhanced all security safeguards for both office and vessels, adopting a series of measures in line with safety and security management requirements:

- Security live monitoring for vessels
- Upgrade of the office firewall in order to cope with the increased remote teleworking load
- Intrusions detection and prevention
- Content filtering
- Application control
- Central anti-virus scanning
- Web filtering
- Remote monitoring and control is scheduled to be introduced within 2022.

Vessels

Within these last 3 years, the company invested heavily on vessels' infrastructure covering one major pillar: the redesign of how vessels handle and transact data, the security measures, the policies and the technologies used to govern them.

Neptune Lines started developing and testing its own communication box solution in order to assess the possibility of discarding the generic and ready-made solutions of the market. Following extensive tests we have managed to come up with a solution that provided us the



following tools on vessels communications:

- Satellite access management and failover
- Firewalling
- Intrusion detection and prevention
- Email Anti-spam engines
- Front end anti-malware scanning
- Application control
- Content filtering
- Web filtering
- Synchronize security(end point control and monitoring)
- Device control
- Data loss prevention
- Live incident monitoring
- Reporting

Our I.T department presently has full visibility of any incident or event that may occur on our vessels.

Office

From the office side, the following projects took place:

- Our Disaster Recovery site was upgraded with increased performance, storage capacity and higher transfer data rates.
- Various upgrades took place on our headquarters' infrastructure.
- Network monitoring systems were developed and implemented that provide alert notifications of any critical incident.
- Discussions and workshops started in order to assess a replacement software for our front end system.
- Data Loss prevention monitoring system (both vessels and office).
- Mobile devices monitoring tools project in progress, and shall be available within 2022.
- RAS server in place, in order to assist remote working and remote training for office employees and crew.

As of January 2021, we have also integrated a backup to cloud solution as an additional recover mechanism in case of growing malware and ransom-ware attacks.

SAFETY, SECURITY AND BUSINESS CONTINUITY TRAINING (GRI 403-5)

Specialized Training on Important Vessel Operations

Within 2019-2020, the company made every possible effort to hold all scheduled trainings focusing on overall ship safety and important vessel operations (these are

in addition to the hands-on trainings mentioned in the Occupational Health Safety and Wellbeing section) - on board its fleet vessels and in the designated training centers.

However, the desired regularity and frequency could not be maintained due to the exponential spreading of covid-19. In this respect, some of them had to seize for a period of time. In 2021, though, all of the trainings were gradually resumed and are currently ongoing. These are further described here below.

Ship-specific fire fighting techniques

Placing additional focus on safeguarding the vessel and cargo in the event of a fire, the company expanded the advanced fire fighting training taking place ashore (*Occupational Health Safety and Wellbeing* section pg.42) to its fleet vessels.

In particular, the fire fighting instructors from our contracted training center started boarding our ships in order to obtain a complete view of each vessel's specific fire fighting requirements and train the crew based on a ship-specific training scheme.

Moreover, to further enhance vessels' fire fighting equipment, the company arranged for the purchase of *fire blankets*, in view of the increase in transportation of electric vehicles (i.e. these are used to deal at the very first stage of the fire).

Use of ECDIS in navigation

Ship-specific training took place on some of our vessels for the use of ECDIS. A special trainer was contracted by our company who instructed our crew on the correct use of the specific type of ECDIS installed on their ship.

Ship stability, cargo lashing and handling of H&H vehicles

In 2021, our ongoing ship stability training program was complemented by an online course on cargo lashing and handling of high and heavy vehicles and special cargoes - customized for our company.

The course was designed by experts of the field to meet our company's particular requirements and safety standards. Both shore staff and crew received a two-day distance training comprising lectures, discussions and group exercises.

Ad hoc Safety-Related Trainings

In 2021, members from our shore personnel and crew attended the below safety trainings organized remotely by Helmepea (Hellenic Marine Environment Protection Association):

- *Ship Handling in Rough Seas* (tactics to avoid heavy weather and for encountering heavy seas)
- *PSC Inspections: New and Enduring Challenges* (long-standing and new issues requiring caution in the effort to comply with the requirements of safety and pollution prevention regulations and avoid complications during inspections).
- *Emergency Preparedness and Response* (with enriched content on drills, search and rescue operations, and the prevention of/response to as well as the consequences of pollution incidents).

Crisis Communication and Media Response Training

In 2019, this ongoing training program was introduced for the first time to our seagoing personnel in the context of the company's annual seafarers' seminar held in Odessa (see also par. 'Stakeholder Engagement Occasions' pg. 19).

IMDG Training

The International Maritime Dangerous Goods Code (IMDG Code) contains provisions for the safe carriage of dangerous goods by sea. The successful application of said Code is greatly dependent on all persons concerned appreciating the risks involved and having an appropriate understanding of the requirements. This can only be achieved by appropriate training for all relevant personnel.

Wishing to further enhance the knowledge of our shore staff who would be involved in the process of booking and stowing of cargo classified under IMDG, Neptune Lines arranged for their participation in an advanced e-learning course, developed by a specialized training provider in collaboration with the International Maritime Organization (IMO).

CARGO SAFETY

Alternative Fuel Vehicles (AFVs)

An emerging safety issue for vehicle carriers is the increasing number of alternative fuel vehicles (AFVs) becoming all the more a considerable portion of the cargo carried.

While keeping a close watch on industry developments, Neptune Lines' personnel participates actively in sectoral discussions about the safe handling and stowage of these vehicles and the company is exploring all possible means to protect the cargo and the vessel from a possible fire on board caused by this type of vehicle.

In 2021, we started our participation in the EMSA WG to opine on the high level structure of rules applicable for the

safe transportation of AFVs. Relevant company personnel is assisting in the preparation of the EU guidelines to be published for the transportation of AFVs - elaborating on safety measures (e.g. immediate use of fixed fire fighting systems, use of available or additional fire fighting means such as fire blankets), risk assessment, emergency procedures and any other necessary external assistance.

THIRD-PARTY INSPECTIONS (SBC-1, GRI 403-1)

Compliance with safety and security regulations, including proper implementation of all functions and elements of the Management System, are being verified through authorized third-party inspections established by international regulations of the industry. These are Port State Control (PSC) and Flag State Inspections (FSI) performed by competent authorities at ports of call and periodic external audits conducted by a Recognized Organization (which, in all of our cases, is the Classification Society). (GRI 403-2)

As indicators to monitor performance in all third party inspections, we use the number of *flawless inspections* (i.e. without any deficiencies or observations issued) expressed as a percentage of the total inspections performed. Another indicator is the *number of deficiencies or observations/inspection*.

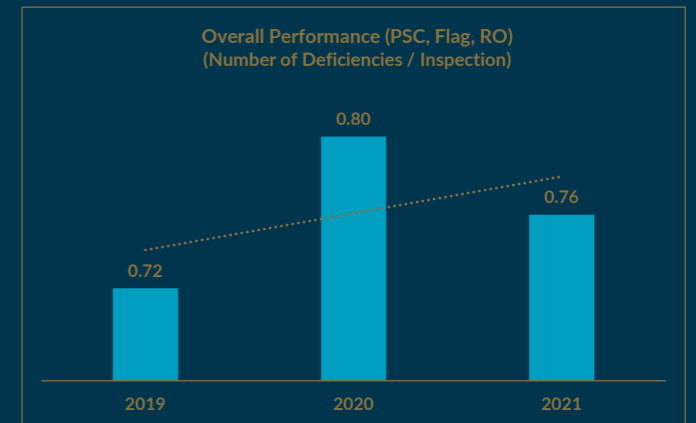
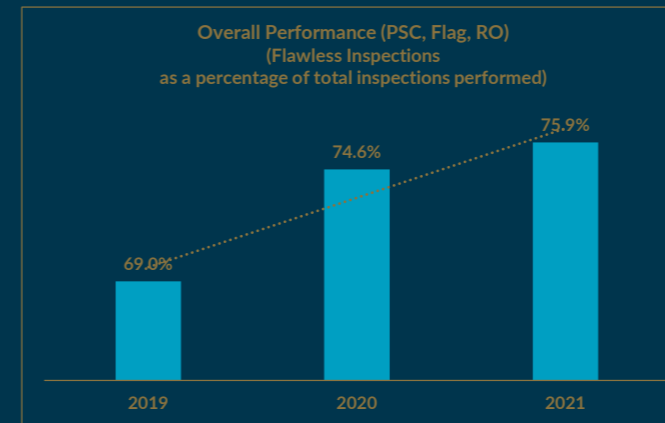
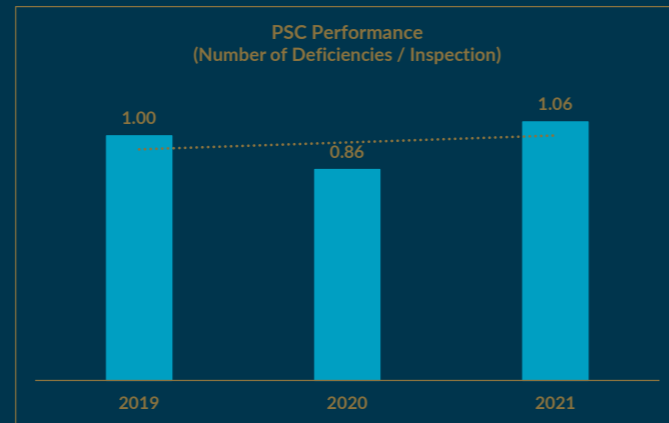
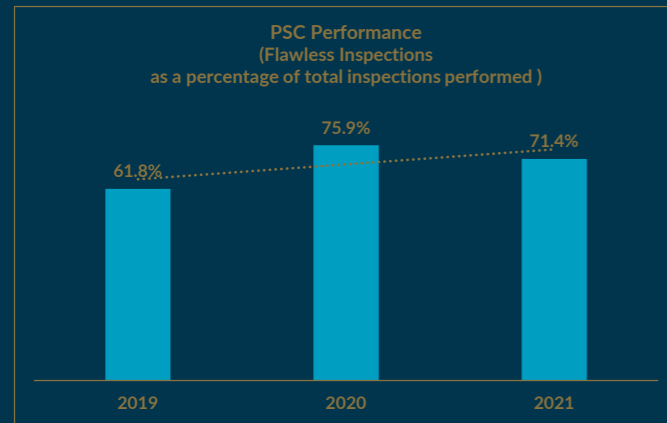
Port State Control (PSC) Inspections

In total, 34 PSC inspections were conducted on board our vessels in 2019, 29 in 2020 and 35 in 2021.

Comparing these three years in terms of fleet performance, 2020 had the highest percentage of flawless inspections (i.e. 75.9% of the PSC inspections were without any deficiencies or observations). However, that year there was also 1 detention.

The detention was imposed at the port of Novorossiysk, Russia. Specifically, 7 deficiencies were issued, out of which 1 was detainable. Action for immediate rectification was taken for all deficiencies issued, re-inspection was held and the vessel was released on the same day.

A corrective action plan was timely submitted to the Flag Administration and a description of the deficiencies issued was forwarded to the rest of the fleet in order to confirm that no similar issues exist on other vessels. However, an appeal was raised to Novorossiysk port authority, as the decision to detain the vessel was considered to be on the extreme side. It should be noted that a 64% of the total deficiencies raised during PSC inspections within 2020 and a 90% respectively in 2021, were recorded only in Black Sea MoU ports.



Our target to achieve less than 1.5 deficiencies per PSC inspection was achieved all three years and the target of zero detentions was achieved in 2019 and 2021.

Flag State Inspections

In 2019, 11 flag inspections were performed in total with only 1 observation raised; so there was an average of 0.09 observation/inspection.

In 2020, 4 flag inspections were performed with 10 observations raised in total; hence, the average number of observations increased to 2.50 observations/inspection. All 10 observations were noted during a Malta flag inspection at the port of Barcelona. A corrective action plan was developed which was communicated to and accepted by the Flag Administration. The deficiencies and relevant corrective action plan were also forwarded to all fleet vessels to ensure compliance.

In 2021, 2 flag inspections were performed with no observations. Hence, the average number of observations decreased to zero (0) observations/inspection.

External Audits

External audits are conducted periodically on board each vessel.

During 2019, there were 13 external audits (i.e. covering all scopes ISM, ISPS, ISO 9001, ISO 14001, OHSAS 18001 and MLC 2006), with an average number of 0.54 observations/audit. No non-conformities were issued.

In 2020, more external audits were performed (i.e. 26), corresponding to an average of 0.42 observations-non-conformities/audit. A total of 9 observations and 2 non-conformities were issued.

In 2021 there were 17 external audits carried out with an average number of 0.24 observations/audit. In total, 3 non-conformities & 1 observation were issued.

For all issued non-conformities necessary corrective actions were taken and reported to the Recognized Organization (DNV).

Our target remains to maintain zero non-conformities at all audits, and less than 3 observations per audit (observations are of less serious nature than non-conformities).

SAFETY, SECURITY AND BUSINESS CONTINUITY INCIDENTS (SBC-2)

Under this indicator fall the incidents whose impact is significant enough (whether on a corporate level, environmental or social) to trigger company's investigation, emergency response or business continuity processes. These can involve reporting to authorities and/or other third parties.

Safety Incidents

Apart from the overall handling and monitoring of the covid-19 outbreak - which by default triggered company's emergency response and business continuity processes (on board and ashore), below-mentioned incidents occurred within the period 2019-2021.

The first one, in 2019, was the sudden death of a crew member on board. After not reporting present to assume his duties, the crew member was found in an unconscious state in his cabin. Unfortunately, even though all the necessary first aid was provided according to specialized instructions received from the Medical Advice Center in Greece, he never regained consciousness. Further forensics examination showed that the cause of death was acute heart attack, caused by a hereditary heart defect.

The second incident also occurred within 2019. While opening the stern ramp, a high pressure pipe burst from starboard-side ramp hook, and about 3ltrs of hydraulic oil spilled from aft side to the sea. Oil leakage was immediately stopped and the burst high pressure pipe was replaced. The small oil spill was cleaned by the port antipollution

team, relevant environmental penalty was raised and settled prior vessel's departure from the port.

The third incident occurred within 2020. During particularly adverse weather conditions, one of our vessels started to heavily roll and pitch, leading to cargo shifting and cargo damages.

And last, in 2021, as one of our vessels was sailing from the port of Valencia, she came in contact with 2 other berthed vessels and the berth. Damages were assessed by the classification society and were duly repaired.

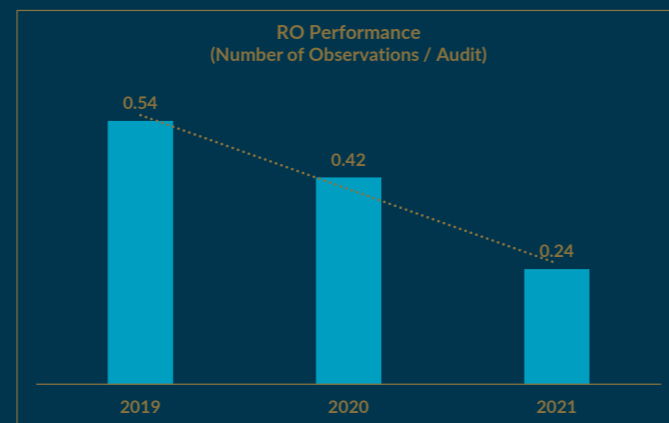
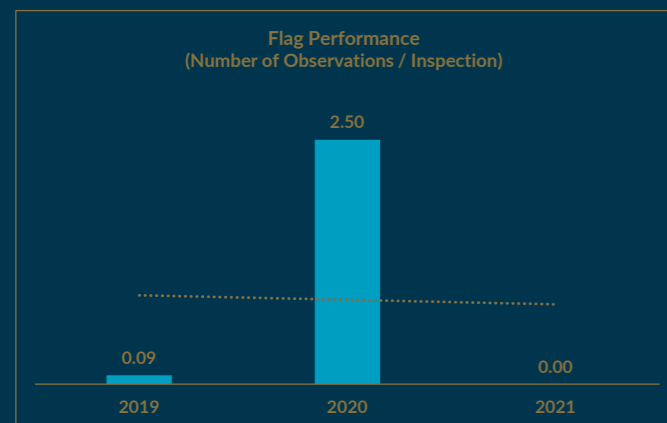
Security Incidents

In 2019, 4 stowaway-related incidents occurred on board, and then 2 in 2020 and 1 in 2021- all of them at high-risk ports, where high numbers of stowaway attempts are constantly reported.

Their occurrence can be attributed to a combination of factors such as port security measures and covid-19 related restrictions allowing stowaways to take advantage of the situation. For this reason, vessels are frequently reminded of the necessary additional security instructions to be enforced during their stay at high-risk ports.

Cyber Security Incidents

There were zero cyber security incidents within 2019-2021 (i.e. zero breaches of company's security systems).



Service Quality and Customer Focus Material Topic

Why this topic is Material (GRI 103-1)

Service quality and customer focus are key components for the company's growth and prosperity.

Ever since its establishment, Neptune Lines has focused on offering outstanding services to its customers, tailored to their particular needs.

Our customers are leading automotive manufacturers and shippers requiring the highest standards in quality and value, under great flexibility. In this context, our main driver in excellence is not only to fulfill their requirements, but to further support them through forward-thinking and active problem solving.

Staying true to these principles throughout the years and with commitment to hard work and personal attention to all those who entrust us with their cargoes, we have managed to establish long-lasting business relationships.

Taking seriously our partners' priorities and the ever-present global trends and changes affecting our business, including the covid-19 pandemic, we constantly seek ways to shield our valued collaboration so as to continue to evolve alongside, despite challenges.

How we Manage this topic (GRI 103-2)

FOCUS ON SERVICE QUALITY

Neptune Lines is certified under ISO 9001 for its Quality Management.

To provide the best possible service, we concentrate on:

- Maximizing vessel operational performance to ensure tonnage availability and reduced lead times.
- Cargo safety and minimizing cargo damages (cargo quality) and accidents.
- Offering professional and supportive customer service to both prospective and existing customers.

Fleet Planning

Through our COOP (COmmercial-OPerations) meetings we elaborate on vessels' schedule so as to maximize utilization and conform to our contractual terms for on-time delivery and frequency of port calls.

Vessel rotation plans are monitored closely to meet customers' requirements and adjusted accordingly to respond to last-minute changes and unforeseen events (e.g. port closures due to adverse weather).

Cargo Quality

Apart from timely delivery and consistency in the frequency of service, another important aspect of service quality is the achievement of a low damage ratio on transported vehicles.

To maintain customers' loyalty, we constantly have to walk a fine line between tight KPIs for swift, flexible service and the flawless handling of the cargo.

In case of cargo damage, considerable time can be absorbed in the process of restoration, therefore delaying the delivery of the vehicles to our customers and eventually, to their final consumers.

In order to keep a low damage ratio (i.e. monitored on a monthly basis), we emphasize on the strict application of the quality standards set by each automotive company - including our own policies - and continuous training and retention of our experienced crew (see also par. 'Cargo Safety' on pg. 70).

Neptune Lines has appointed independent certified surveyors at ports of operation to inspect all vehicles prior loading and classify the defects/damages noted based on each customer's standards.

The established processes contribute significantly to our company's performance - as reflected through our overall damage ratio - which is among the lowest in the industry (i.e. <0.3 % - i.e. about 3 damaged vehicles over 1,000 vehicles transported).

Cargo Bookings

Commercial and logistics departments coordinate cargo bookings with their respective counter parties (customers,



port agents, freight forwarders etc.). They manage and communicate possible changes and provide alternative solutions if required.

Upon receipt of a booking request, efforts are made to keep response times as short as possible.

Any particular feedback received during the booking stage regarding the nature of the cargo and its transportation is forwarded to the relevant department for further analysis and action.

CUSTOMER FOCUS

Personalized Customer Service

The philosophy of our company is customer-oriented, from top management to every level.

Regardless of business size, whether long-standing or a new one, each customer is important for us. In every case, we try to uphold the same professional service and communication throughout our commercial exchanges.

Each customer is assigned to a dedicated Customer Service Coordinator (CSC) ensuring personalized attention, timely

handling of requests and continuity of service. This working scheme helps acquire deeper customer knowledge which is highly beneficial for both parties.

Feedback obtained from the CSCs is carefully considered enabling us to better understand the particular needs and expectations of each customer and support them in their endeavors by customizing accordingly our strategy and services.

This brings us to the "tailored" part of our service offering; As a company we have long believed that there shouldn't be a "one solution fits all" approach to our customers.

In their effort to link various production sites with end markets, our partners seek not only an efficient service but, at the same time, one that allows for adaptation to the commercially complex, ever-changing market. Our role is to facilitate this adaptation by gaining insight that is valuable to them and come up with innovative solutions.

Customer Satisfaction

Customer satisfaction is closely monitored for our regular customers. Our CSCs collect relative feedback through regular meetings and daily contact. Complaints are reported and handled systematically and customers' recommendations are taken into consideration in the

restructure and development of existing and new services. KPI's are discussed and agreed upon and a monitoring process is put into action.

Customers' ESG Assessments

With our customers we share the same commitment to conduct business responsibly and contribute towards a sustainable future.

Since 2012, our company has been successfully participating in customers' ESG assessments thereby submitting comprehensive questionnaires and documented evidence for its sustainability efforts and performance.

The results of these assessments play an important role in customers' suppliers selection process and are among the prerequisites for the award of contract.

Customer Data Protection (GRI 418-1)

Protection of customer data and handling of customer requests and information with confidentiality, is critical in our business.

The company's investment in internal and external data security, an integral part of customer focus, aims to protect the reputation, business interests and any other information that each customer entrusts to our company.

Progress and Performance (GRI 103-3)

FOCUS ON SERVICE QUALITY

Cargo Quality

Observing the increased demand for transportation of high & heavy vehicles (HH) and out of gauge cargoes (OOG), in 2020 the company decided to further delve into the special handling of such cargo and further enhance Operations' department capacity in this area. The role of *Cargo Handling Specialist* was created assuming such accountabilities, to further support our vessels in the handling of these types of cargoes.

Cargo Bookings

To make the bookings process even more efficient, Neptune Lines decided to invest on a well-established ERP solution and appoint an in-house project team for the customizations needed and progress monitoring.

The new ERP will combine a wide range of commercial (quotations, contracts, bookings, etc.), accounting/ financial (disbursement data, tariffs, voyage calculation

etc.) and operational functions (i.e. voyage reporting) and will streamline our processes.

Within 2020-2021, a part of these modules was developed targeting to go live on 2022.

CUSTOMER FOCUS

Servicing our Customers during Covid-19

As the situation with covid-19 was deteriorating and relevant restrictions were getting stricter, Neptune Lines sought ways to service its customers and demonstrate agility to the existing and upcoming conditions.

Since the outbreak of the pandemic, the company activated its business continuity systems - as described in the previous section - and tried to keep very close communication with customers, informing them for difficulties faced and working together to find the best possible solutions.

Despite this challenging operating setup, the company managed to achieve transit times to the fullest, keeping business interruption to the minimum.

Customer Satisfaction

In 2020, we rolled out a customer satisfaction survey for our spot (i.e. occasional) customers measuring a variety of customer service aspects (pricing, response time, communication, service quality). The input received was insightful and mostly favorable for our offered services. Areas of further improvement identified were presented to our management and taken into consideration.

Customers' ESG Assessments

In 2019, our company retained its Gold recognition (received ever since its very first evaluation) in the *Supplier Corporate Social Responsibility (CSR) Assessment* performed by EcoVadis - a global business sustainability assessor - on behalf of some of our major customers.

In our next assessment in 2021, we were awarded the Platinum EcoVadis Medal for exceptional corporate performance on sustainability practices. This result places Neptune Lines among the top 1% percent of companies assessed by EcoVadis.

Customer Data Protection (GRI 418-1)

Within the reporting period, there were not any complaints received concerning breaches of confidentiality, customer privacy or losses of customer data.

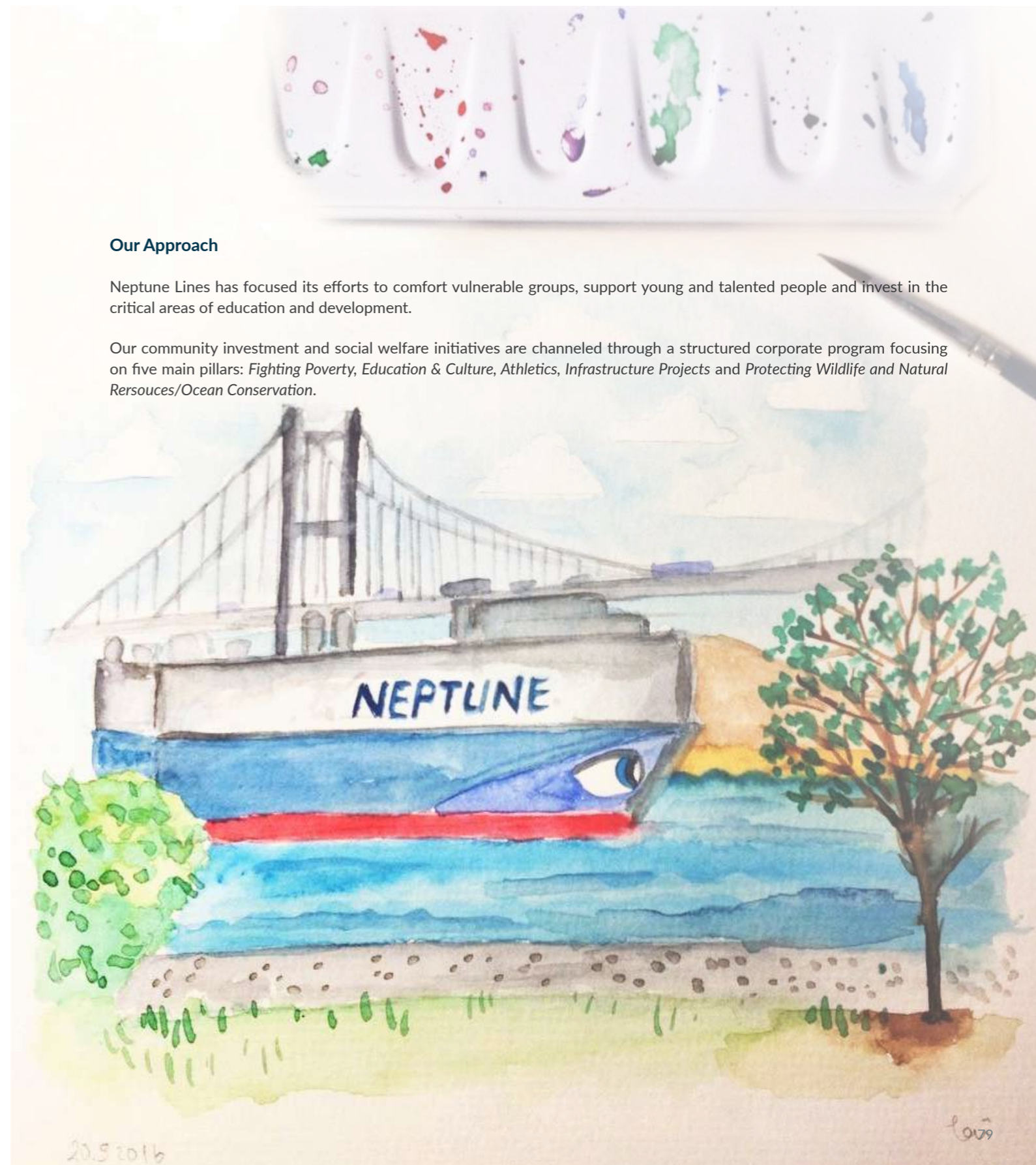
Community Investment

"We make a living by what we get; but we make a life by [what we give](#)." - Winston Churchill

Our Approach

Neptune Lines has focused its efforts to comfort vulnerable groups, support young and talented people and invest in the critical areas of education and development.

Our community investment and social welfare initiatives are channeled through a structured corporate program focusing on five main pillars: *Fighting Poverty, Education & Culture, Athletics, Infrastructure Projects and Protecting Wildlife and Natural Resources/Ocean Conservation.*



Voluntary actions to support and further advance human rights

Linking our community investment corporate pillars with internationally-proclaimed Human Rights, our initiatives and actions can be grouped in the areas of concern presented here below.



Improving the Life of Communities

(Related Corporate Pillars: *Fighting Poverty / Education / Infrastructure Projects*)

"Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing and medical care and necessary social services {...}" (Art.25.1 of the Universal Declaration of Human Rights).

In order to make a difference and significantly contribute to resolving major social problems such as poverty, we need to be a part of collective action.

Neptune Lines is an active member of collective-action initiatives providing substantial help and support to communities through numerous aspects of social welfare.



Supporting Youth and the Right to Self-Development

(Related Corporate Pillars: *Athletics / Education*)

The right to self-development belongs to everyone (Declaration on the Right to Development - United Nations General Assembly) and matters even more, when it comes to youth.

Many young people are missing out on the opportunity to develop, build on their skills and competencies. Others may need additional support next to their own effort.

Investing in youth and development is investing in the future. Believing that business must take an active role in tackling this challenge, Neptune Lines supports the endeavors of talented young people and hardworking individuals.



Contributing to Child Welfare

(Related Corporate Pillars: *Fighting Poverty / Education / Infrastructure Projects*)

In the Vienna Declaration and Program of Action (1993), "the World Conference on Human Rights reiterates the principle of First Call for Children and, in this respect, underlines the importance of major national and international efforts for promoting the rights of the child to protection, development and participation".

Our company, being particularly sensitive over child welfare, pays special attention to initiatives that strive to protect children and improve their living conditions, education and development.



Enforcing the Right to Cultural Life

(Related Corporate Pillar: *Culture*)

"Culture, as a product of all human beings and a common heritage of mankind, enables all of us to affirm that we are born equal in dignity and rights, as well as, recognize that we should respect the right of all groups to their own identity and the development of their distinctive cultural life" (Art.5 of the Declaration on Race and Racial Prejudice-General Conference of the United Nations Educational, Scientific and Cultural Organization, 1978).

Enforcing the enjoyment of this right and aiming to contribute to the raising of the general level of life-long education, Neptune Lines has been supporting various culture-related projects and institutions.



Community Engagement for a more Sustainable Environment

(Related Corporate Pillar: *Protecting Wildlife and Natural Resources / Ocean Conservation*)

The enjoyment of a healthy, well-preserved environment and the conservation of its natural life and resources, is everyone's right, as well as, responsibility.

Acknowledging this fundamental truth, Neptune Lines seeks to support relevant initiatives.

Improving the Life of Communities

(Related Corporate Pillars: *Fighting Poverty / Culture & Education / Infrastructure Projects*)

Either through independent initiative or as part of collective action, Neptune Lines aims to contribute to the global goals of fighting poverty, ending hunger and improving the life quality of disadvantaged groups and communities (in terms of living conditions, health and well-being, education, infrastructure etc.). Apart from our company's surrounding local community (i.e. the port and municipality of Piraeus, as well as, the wider Attiki region), we have engaged to assist communities beyond local borders in alleviating difficulties and meeting crucial needs.

Independent Initiative

Through independent initiative, Neptune Lines supports various charities and institutions. Within 2019-2021 our company:

- Continued to support households and families under the auspices of local churches - such as the *Holy Metropolises of Nikaia suburb and Syros island*. These religious institutions offer social welfare programs providing goods and services, with the aim to combat poverty and improve the living conditions of parishioners and residents in need.
- Provided various equipment and supplies to the *Hellenic Police* - based on their needs (e.g. office supplies, tactical equipment etc.).
- Provided financial support to the *Foundation for Economic & Industrial Research (IOBE)*, a private, non-profit, public-benefit research organization with the purpose of promoting research on current problems and prospects of the Greek economy and its sectors.
- Donated nursery equipment and furniture to the *2nd Nursery School of Ermioni*, a small port town in Peloponnese, Greece.
- Donated mooring bollards to the port of Kimolos.
- Contributed financially to the below humanitarian initiatives of one of its customers:

1. The "Restaurants from the Heart"

Created by French comedian Coluche in 1985, '*Les Restaurants du Coeur*' provides free meals and assistance in many forms to people in need to combat poverty and social exclusion. Neptune Lines' donation helped to buy a 3.5 tons refrigerated truck to cover their needs.

2. The "Women's Palace"

Founded in 1926 by the Salvation Army, '*Le Palais de la Femme*' provides support to women and migrants to prevent social exclusion, through emergency shelter, longer-term housing and assistance for entering the workplace. The beneficiaries may be students, employees, job seekers and/or victims of family breakdowns. With Neptune Lines' donation, '*Women's Palace*' purchased 48 baby cradles and nursery equipment.



Improving the Life of Communities (continued)

(Related Corporate Pillars: [Fighting Poverty](#) / [Culture & Education](#) / [Infrastructure Projects](#))

Collective Action

Neptune Lines participates in the following collective-action initiatives and development projects with the belief that joint, organized efforts can truly make a difference.

SYN-ENOSIS

In 2016, the members of the Union of Greek Shipowners established a social welfare company named 'SYN-ENOSIS'.

Neptune Lines supports SYN-ENOSIS since its establishment. Through our corporate membership we contribute to its multifaceted actions that bring effective aid to those in need throughout Greece. These actions fall within the below main pillars:

Food Aid

Providing for disadvantaged families monthly support packages with basic standardized food and personal hygiene items.

Health

Supporting and funding activities related to health of vulnerable populations groups in cooperation with medical care organizations mainly in regions where access of medical services is difficult or limited.

Social Care

Supporting organizations devoted in addressing the needs for vulnerable social groups through provision of special equipment, covering heating needs and other selected actions.

Education

General Education

Provision of equipment and support to the educational goals of schools and institutions.

Maritime Education

Contributing to the upgrade of the infrastructure and technological equipment of the Merchant Marine Academies and effectively supporting maritime education with the means to improve the standards of cadet training.

Scholarships

Granting scholarships for one-year postgraduate studies of a pre-doctorate level in fields related to shipping in universities in Greece and abroad.



Projects of Public Interest

Focusing on projects of public benefit and thus supporting organizations of broader public interest.

Crisis Management

Responding to sudden incidents that strike the country and handling emergency crises (e.g. earthquakes, wildfires etc.).

Specific actions and projects undertaken within 2019-2021 collectively by SYN-ENOSIS' members - including our company - can be found on the website: www.syn-enosis.gr

AXION HELLAS

Since 2017, Neptune Lines supports Axion Hellas, an initiative based on collective action with the aim to support society and especially communities in remote and inaccessible areas of Greek islands and the mainland; it is a non-profit, non-governmental organization funded exclusively by its members, the participants in its actions and missions, and through donations from companies and individuals.

The work of Axion Hellas focuses on actions of material, as well as, moral support and protection - and in general on the improvement of living conditions of vulnerable groups of the population living in remote areas. Its aim is:

- to provide preventive, as well as, specialized medical care for patients of all ages living in remote areas of Greece with no access to these services.
- to improve existing infrastructure for local society. Infrastructure projects may include medical facilities, cultural centers, sports facilities, playgrounds, school supplies, etc.
- to educate and train local communities and especially children, in order to familiarize themselves with new technologies and methods of communication; to contribute to their personal development as well as that of their local natural heritage - stimulating, hence, local economy.

In 2019, through Neptune Lines' donation, a new children's playground was inaugurated at the easternmost Greek island of Kastelorizo.

Then in 2021, our company undertook to cover the energy upgrade cost of the Ithaca Senior High School, with the supply and installation of a heat pump for the heating and air conditioning of the school.

Additional information can be found on the website: www.axionhellas.gr



Supporting Youth and the Right to Self-Development

(Related Corporate Pillars: Education & Athletics)

SUPPORTING STUDENTS

Scholarship

Since 2015, our company provides a scholarship for postgraduate studies abroad in shipping-related fields. It was established in memory of Neptune Lines' founder Nikolaos Travlos and is granted each academic year for studies of a pre-doctorate level in universities of the European Union.

"Forma't al Port"

Neptune Lines is a sponsoring company of *Forma't al Port* (translated as "Get trained in the Port"). This project aims to bring the Port of Barcelona and the port community closer to vocational training students allowing them to explore the different kinds of jobs existing in the logistics sector and in the maritime and international transport, in general. The knowledge and experience gained throughout their participation helps them acquire better technical skills, resulting in better employability conditions.

The training offered has a clear orientation towards the improvement of logistics chains ensuring their continued sustainability through the dissemination of the European Union's policy on the transport of goods and the environment.

www.escolaeuropea.eu/courses/format-al-port

Students' Visits Onboard

Neptune Lines supports maritime students in their quest for practical knowledge, by hosting educational visits on board its fleet vessels. During their visit on board, students are accompanied by experienced members of the crew on a physical tour to vessel compartments of particular interest. They are familiarized with ship's functions and operations and are encouraged to ask questions and benefit from the real-life maritime experience of our seafarers.

ADOPT a SHIP Initiative

In 2021, our company participated in the *Adopt a Ship* program which connects primary and junior high school students with seafarers, aiming to educate youngsters on the seafaring profession and the maritime sector. This innovative program involves the adoption of a vessel by a primary school class for one academic year. Throughout this period, the students communicate with the crew weekly and gain first-hand knowledge of life at sea by sharing their experiences. They get the opportunity to "travel" with the ship by tracking her voyage on a world map and engaging in interactive learning activities (i.e. about the life onboard, cargoes carried, trading patterns, geography etc.). <https://www.project-connect.gr/projects/adopt-a-ship/>

SUPPORTING YOUNG ATHLETES

Neptune Lines supports athletics and sponsors young and talented athletes such as the pole vaulter Emmanuel Karalis and the shot putter Maria Magkoulia.



Contributing to Child Welfare

(Related Corporate Pillars: Fighting Poverty / Education / Infrastructure Projects)

FRIENDS OF THE CHILD

Being particularly sensitive over child welfare, Neptune Lines supports the non-profit association *Friends of the Child*.

Founded in 1987, the association provides social and health services to low-income families, unwed mothers and children living in institutions. In 2007, they founded a nursery school - while it is within their plans to open, also, a Youth Center.

The association's goal is to support and secure all the required monthly needs for children until their adulthood, whose families (single-parent or nuclear families) face financial and social problems.

Specifically, Friends of the Child covers food, clothing, rents and bills for families in housing risk, psychological and counseling support (i.e. to the children and their parents), entertainment, and medical care. Children with health problems are a high priority within their social program.

Since 2007, they operate their proprietary daycare center, situated in Kerameikos region. 30 children from families in need participate every year in the daily educational activities. The nursery covers complete feeding, clothing, personal hygiene, medical care and the parental educational level improvement.

Fully trained and experienced staff from different specialty professions offer their services to the children and their parents and contribute, through their knowledge and experience, to this place of physical and mental development.

Through proper guidance, well-structured programs and care the aim is to help the children realize human relations and escape from domestic violence, neglect and growth failure.

The association's financial resources come exclusively from by private initiative, donations and members' fees. There is no government grant.

Neptune Lines continues to cover the children's monthly needs in food, as well as, the expenses of the position of a special education teacher.

For more information one may visit the association's website: www.filoitoupediou.gr



Enforcing the Right to Cultural Life

(Related Corporate Pillar: Culture & Education)

BENAKI MUSEUM

Treasuring the rich culture and history of our country, as well as, that of other civilizations, we support since 2015 the operation of the 'Benaki Museum' which is situated in Athens.

The 'Benaki Museum', established and endowed in 1930 by Antonis Benakis in memory of his father Emmanuel Benakis, houses many Greek works of art and historical findings from the prehistorical to the modern times, as well as, an extensive collection of Asian and Islamic art. It also hosts periodic exhibitions, educational programs and maintains a state-of-the-art restoration and conservation workshop.

Its re-opening in 2000, following the building's restoration and renovation after its damage during an earthquake, led to the creation of satellite museums in various locations that focused on specific collections.

What is unique about the Benaki museum is that while it promotes the national culture and heritage, at the same time, it values and exhibits the importance and influence of foreign cultures.

Since 2017, Neptune Lines has been participating in the 'Adoption' program - a sponsoring opportunity to cover the costs of a Curatorial, Managerial or other position of the museum on an annual basis.

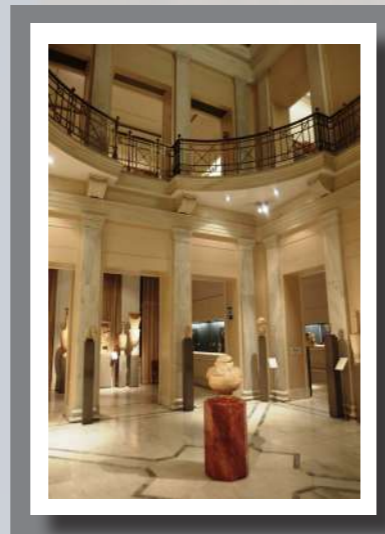
Our company adopted the Byzantine and Post-Byzantine Collection Curator, providing for the expenses of this position with a 5-year commitment.

Last but not least, thanks to our corporate membership, all Neptune Lines' shore personnel are entitled to free entrance for themselves, their families and friends in exhibitions and tour programs of the museum (see pg.46 "Social Activities and Engagement Occasions")

Benaki Museum website: www.benaki.org



BENAKI MUSEUM



Community Engagement for a more Sustainable Environment

(Related Corporate Pillar: Protecting Wildlife and Natural Resources / Ocean Conservation)

MARINE LIFE

Back in 2017, we started our collaboration with *MARINE life*, a UK-based charity whose aim is to contribute to the conservation of the wildlife of oceans and coasts through scientific investigation and educational activities (most of their projects focus on global cetaceans and seabirds).

Since 1995, they have been carrying out work as a scientific data-recording organization in the areas of the English Channel, North Sea and the Bay of Biscay; their work is currently focused in the European Atlantic region. Their researchers board various ships departing from UK ports on a return sailing, and during their time on board they watch and record from the bridge any marine mammals and seabirds seen.

Since Neptune Lines started operating sailings from Portbury to Santander and a circular route to Santander from Southampton, we thought it would be a great opportunity to support this initiative which is basically based on the efforts and the environmental sensibility and dedication of its members and volunteers.

Within 2019, we provided *MARINE life* researchers with 4 sailings (i.e. round-trips with an average duration of 7 days) using 2 of our vessels which are dedicated for these routes. During their trips, they recorded numerous different species of seabirds and marine mammals such as whales, dolphins, porpoises and seals. Unfortunately, in 2020 and 2021, we had to restrict vessels' contacts due to the pandemic - hence putting on hold our cooperation with *Marine life* until conditions returned to normal.

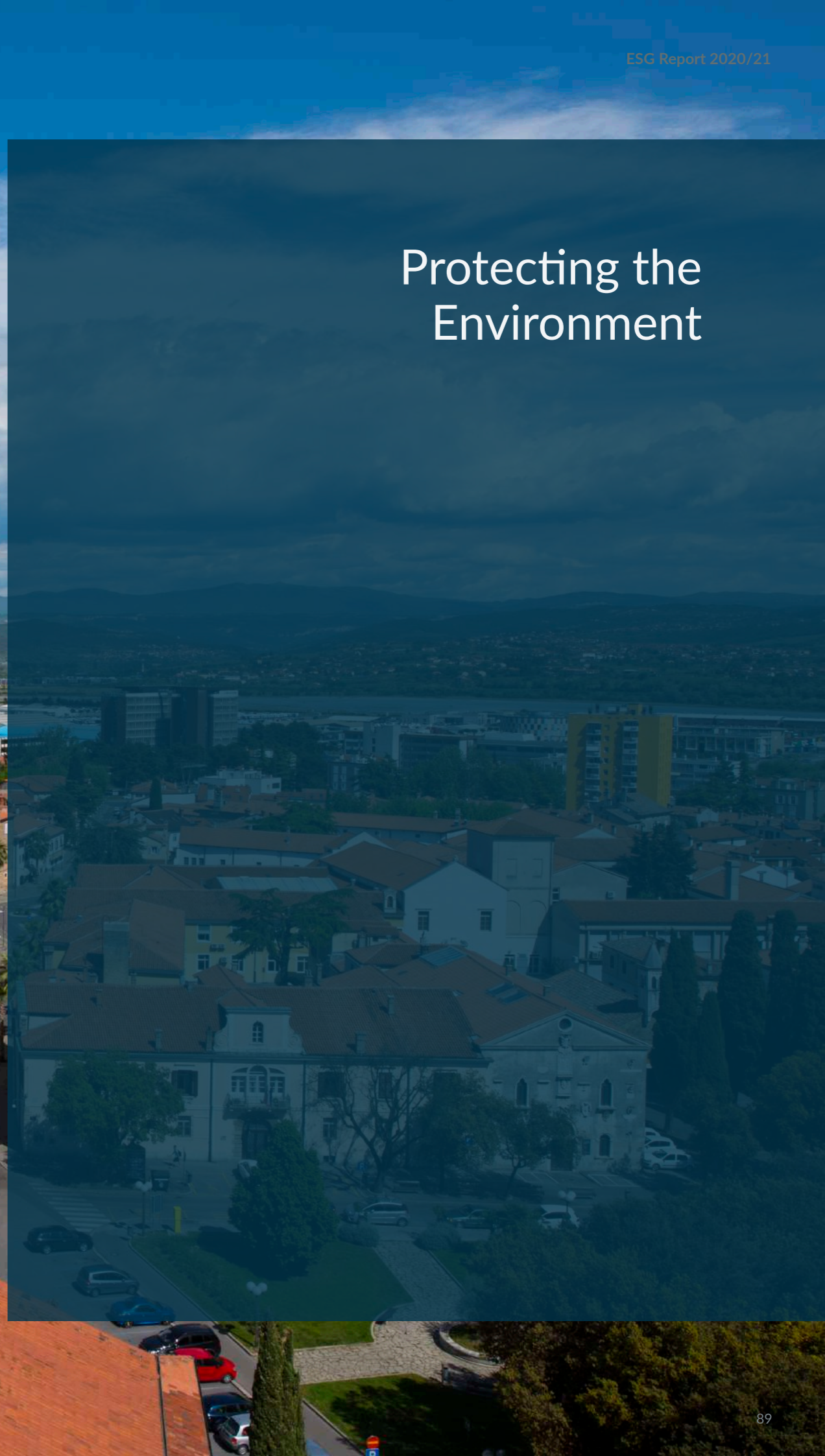
All survey reports from their sailings and more information on their actions can be found on *Marine life's* website: www.marine-life.org.uk

WILDFIRES IN GREECE

Following the multiple wildfires burning in Greece in August 2021 as a result of the fierce heatwaves recorded that period, Neptune Lines donated essential personal protective equipment to support the *Hellenic Volunteer Firefighters Association* in performing their duties.

Their extraordinary efforts and sacrifices to protect the communities and the surrounding forests are not only touching, but a bright example worth-following.





Protecting the Environment

Environment (GRI 103-2)



Overview (GRI 103-1)

The risks and impacts of shipping to the environment and human health are mainly associated with vessels':

- accidental spills (i.e. oil spills, hazardous materials etc.)
- discharges (i.e. effluents, drains, waste etc.)
- hull fouling and ballasting/de-ballasting process (i.e. bringing invasive species to locations where there use to be none)
- emissions (i.e. CO₂, SOx, NOx, Particulate Matter).

There are environmental impacts from shore-based facilities as well - however, not as significant.

Mitigating these risks is critical in order to avoid further harm and preserve existing resources.

Neptune Lines is committed to work continually to ensure environmental compliance and play its part in achieving both the Sustainable Development Goals relevant for

environmental issues, as well as the sector specific environmental goals which are imposed in a regulatory way in the shipping industry.

Neptune Lines' commitment and environmental responsibility road map is set out in our *Environmental Protection and Energy Efficiency* policies and procedures.

These policies and procedures are expressed through specific measures, processes and initiatives which are the driving forces for achieving the targets set.

In general, our management approach to safeguarding the environment focuses on:

- Compliance with all applicable environmental rules and regulations and international or national legislation of countries in which the company operates.
- Compliance with all mandatory requirements related to ship energy management.

- Record-keeping, measuring (i.e. through established KPIs) and closely monitoring of our environmental impacts in order to mitigate them; monitoring data from vessels to ensure optimal performance and energy efficiency.
- Further reducing the environmental footprint deriving from our operations and business activities.
- Obtaining and maintaining all permits and approvals required for our business and the proper handling, storage and disposal of materials.
- Continual assessment of all identified environmental risks that emerge within Neptune Lines' sphere of influence or through its business activities.
- Preparedness for and on-time response to pollution incidents.
- Considering environmental parameters and criteria (e.g. CO₂ emissions, CII, fuel efficiency) in chartering decisions.
- Investing in environmental technology (i.e. new buildings and retrofitting in existing vessel technology).
- Undertaking and promoting initiatives and programs within environmental focus areas.
- Continually improving the environmental awareness and responsible conduct of onshore and seagoing personnel through training, familiarization and written instructions.
- Communication with stakeholders regarding the development and progress of environmental measures, initiatives and programs.

Neptune Lines requires from its providers, subcontractors and business cooperators to abide by all legislation and regulations related to the protection of the environment and the handling of dangerous and hazardous materials or substances.

Implementation and Evaluation

ENVIRONMENTAL MANAGEMENT SYSTEM

Neptune Lines' Environmental Management System complies with all applicable regulations and conventions

1. i.e. Organizations which are recognized by a Flag Administration in accordance with IMO resolutions A.739(18) and A.789(19) and are authorized to act on behalf of it.

of our sector for the protection of the environment, with the major one being the *International Convention for the Prevention of Pollution from Ships*, also known as *MARPOL*.

Neptune Lines' Management System is certified under ISO14001 and is subject to periodic evaluation and verification by the appointed Recognized Organizations¹.

Committed to the standard's principle of 'continual improvement', we constantly monitor and evaluate our system's effectiveness through internal processes (e.g. management review meetings) and when needed, take appropriate action to improve.

Any updates, amendments or revisions of the system, as well as, results from environmental audits, environmental objectives and targets are communicated throughout the company (including fleet vessels) through our annual Management System Review report or circular instructions and safety bulletins.

Evaluation of our performance within the reporting period will be demonstrated respectively in each one of the environmental sections that follow. [\(GRI 103-3\)](#)

ENVIRONMENTAL COMPLIANCE ON BOARD

Environmental compliance on board fleet vessels is ensured through:

- Established audited processes and plans (i.e. Ship Energy Efficiency Management Plan Part I and Part II, Ballast Water Management plan, Garbage Management Plan etc.).
- Vessels' reporting on environmental indicators (i.e. periodical reports on CO₂ emissions and fuel consumption metrics, chemicals consumption, waste disposal, incineration process etc.) followed by performance monitoring from the office.
- Drills (e.g. oil-spill drills) and ship-to-shore simulation exercises with the participation of the Office Emergency Team and emergency response experts.
- Seafarers' familiarization with environmental measures and expected actions upon embarkation.
- Safety meetings - during which, relevant topics and instructions are discussed to enforce knowledge and understanding.

- Internal audits performed by shore auditing team to assess environmental awareness of crew and ensure compliance through existing procedures on board.
- On board Computer Based Training (CBT) modules.
- External auditing by Recognized Organizations (ROs).
- Ongoing programs and specific measures related with our *Emissions Reduction and Energy Efficiency Program*, effluents and waste measures and related procedures. These will be presented in detail in the section of each environmental topic.

IMPLEMENTING THE PRECAUTIONARY PRINCIPLE (GRI 102-11)

Apart from the measures described previously to safeguard the environment, Neptune Lines implements the *precautionary principle* as an integral part of its environmental safety culture and decision making processes.

This principle states: "*Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.*" With regard to its implementation, Neptune Lines:

- Seeks to use the best available technology and environmental practices where technically and economically feasible (i.e. technology approved by legislators or regulators for meeting output standards).
- Seeks to obtain any additional information necessary for a more objective assessment of the risk to the environment.
- Performs post-decision monitoring.
- Tries to communicate effectively and cooperate with all involved parties to minimize any possible risk to the environment (i.e. providers, charterers, vessels, recognized organizations and regulatory bodies etc.).

Finally, our company is represented in various stakeholder working groups of the shipping sector that play an active role in shaping the regulatory scheme.

Through consultation, technical committee experts, shipping companies and other maritime stakeholders share their experience and knowledge and provide feedback to regulatory bodies that carve sectoral strategies and regulatory frameworks. This collective brainstorming and action, assists in overcoming environmental challenges in the most effective manner and casts light on the existing objective evidence, the gaps in knowledge and the scientific uncertainties.

COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS (GRI 103-3, GRI 307-1)

One minor environmental incident took place in 2019, prior starting of cargo operations at port and while opening the stern ramp, a high-pressure pipe burst from starboard-side ramp hook, and about 3 ltrs of hydraulic oil spilled from aft side to the sea. Oil leakage was immediately stopped and the burst high-pressure pipe was replaced. The small oil spill was cleaned by the port antipollution team, relevant environmental penalty was raised and settled prior vessel's departure from the port.

Regarding the alleged environmental claim for the use of non-compliant fuel in that occurred during the previous reporting period (i.e. higher sulfur values were found during lab testing compared with the values described in BDN's), the investigation is still ongoing in cooperation with the competent authorities.

No other environmental compliance issues occurred within 2019-2021.

Emissions Material Topic



Why this topic is Material (GRI 103-1)

Neptune Lines is committed to the sustainable development goal of 'taking urgent action to combat climate change and its impacts' (SDG 13: Climate Action).

Being part of the transport sector supply chain, our company inevitably contributes through the operation of its fleet vessels to the overall greenhouse gas emissions - which are the cause of global warming and climate change.

On the other hand, as a shipping company, we are also directly and significantly affected by the impacts and potential threats of climate change due to vessels' complete exposure to weather conditions (see *Climate Change* section).

It is Neptune Lines' aim to continually work towards further reducing emissions from its operations and increasing energy efficiency, so as to contribute to the achievement of this critical global goal.

How we Manage this topic (GRI 103-2)

INNOVATIVE TECHNOLOGIES AND FLEET ECO-DESIGN

Our company has invested in a young and modern fleet, equipped with some of the latest advances in technology.

Its newer ships, have been assigned with CLEAN notations from their classification societies meeting the requirements set for reducing the environmental impact from emissions to air, discharges to sea and deliveries to shore from vessels.

These technologically advanced vessels result in a 20% improvement in fuel consumption and CO₂ emissions, compared to the previous generation of vessels.

EMISSIONS REDUCTION AND ENERGY EFFICIENCY MEASURES

To further reduce emissions and operate with energy efficiency, the company has in place various measures - technical and operational - as applicable for each vessel's type (i.e. design, specifications, machinery and equipment).

The reduction and efficiency potential is determined to a great extent by vessel's design, its hull and machinery condition, any retrofit technology applied and how the vessel is actually operated in terms of speed, draft and trim (i.e. due to the effect of these operational parameters on fuel consumption).

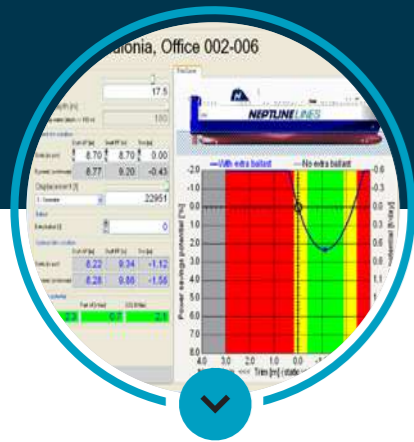
Neptune Lines is monitoring on a monthly basis all these parameters in order to achieve the best possible combination of given measures - based on each vessel's specifications and requirements.

Progress and Performance (GRI 103-3)

Progress made throughout the reporting period and performance on applied measures, is presented hereinafter.

EMISSIONS REDUCTION AND ENERGY EFFICIENCY MEASURES

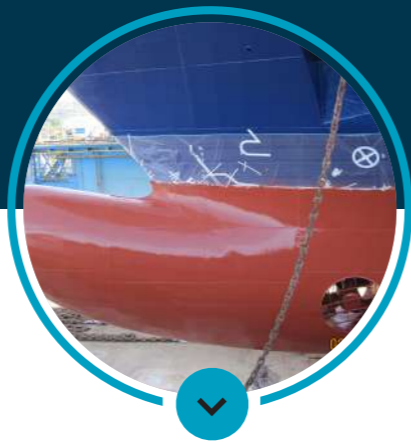
Trim Optimization and Ballast Control



Scrubbers usage and optimization



Advanced Anti-Fouling (A/F) Coatings to Reduce Fuel Consumption



Propeller Polishing



Operational measures Speed optimization/Ship efficiency/E-Course Pilot



Lean Marine System & FuelOpt - Speed Optimization



Trim optimization and ballast control is applied to 12 vessels in the fleet.

Using the specific software, the ships are able to minimize the ballast and optimize the trim upon departure from a port. Optimizing the use of ballast (i.e. reducing its amount as much as possible without affecting vessel's safety) and properly adjusting vessel's trim, helps minimize hull resistance and fuel consumption resulting to emissions.

These tools use 3D modelling software and computational fluid dynamics (CFD) for a variety of operating conditions; their results are based on high-end calculations for each vessel.

Said software supports our crew in minimizing the ballast and optimizing the trim upon departure from a port.

As from Jan 01st 2020 (IMO 2020), all ships are using fuel with a sulfur content of no more than 0.5% against the previous limit of 3.5% in an effort to reduce the amount of sulfur oxide. However, the use of high sulfur fuels is still allowed basis that exhaust gas cleaning technologies (scrubbers) are installed to the vessels.

Within 2019-2020, scrubber installation was completed in 10 of our vessels (i.e. 7 vessels were completed in 2019 and 3 in 2020). All systems are approved and working successfully. The reduction in sulfur is higher than mandated by the IMO 2020 regulations as the ships operate the scrubbers with resulting sulfur % less than mandated by the rules of 0.5% in non-ECA areas and 0.1% in ECA areas and EU ports.

To further optimize scrubber usage, in 2021, software update was applied in all 10 vessels which will minimize the water flow needed in the scrubber tower. As variable frequency drives (VFDs) are fitted in all scrubber pumps, we expect this to reduce power consumption, thus CO₂ emitted from diesel generators.

We continue to monitor the performance of fleet vessels coated with silicon and advanced anti-fouling observing significant improvement in their fuel consumption.

The performance of each vessel, based on the type of A/F applied, is recorded, monitored and benchmarked against that of other fleet vessels on an annual basis.

Within 2019-2021, the majority of the fleet applied advanced anti-fouling during their drydocking (i.e. 6 vessels in 2019, 5 in 2020 and 1 in 2021).

The aim of polishing a propeller underwater is to reduce the surface roughness caused by the build-up of marine fouling. A smooth propeller surface is inhospitable to marine organisms and enhances the efficiency of the propeller (i.e. through the lower engine load that is achieved, which results in lower fuel consumption).

All fleet vessels undergo propeller polishing on an annual basis.

We continue in our policy of using the constant RPM mode. If the speed is above or equal to 16 knots the vessels continue to use the constant RPM mode and if the speed is less than 16 knots the combinator mode is used. The trade-off is between usage of the shaft generator and saving fuel in the propeller.

The performance of the fleet in 2020-2021 was improved compared to the performance in 2018-2019 thanks to the many drydocks and hull coating improvements.

Moreover, in 2021, we installed the E-Course Pilot (ECOP) on board one of our fleet vessels to evaluate its benefits. ECOP measures XTD (Cross Track Distance) generated by the sea current or wind, produces a virtual course line, and controls the vessel to follow on that line.

E-Course Pilot reduces a 'stray' off from the track, and helps the vessel to arrive the destination with shorter track distance. Compared to the Track Control System (TCS) rudder to steer is kept small and infrequent. This contributes to fuel saving effect.

We have installed the Lean Marine system in 2 vessels of our fleet.

The system automatically optimizes propeller pitch and engine RPM according to current sea conditions, resulting in a CO₂ reduction of about 2%. It also reduces power variation in the main engine and allows for better speed optimization by keeping constant consumption or constant voyage speed.

Trials were performed with the system on board both vessels to verify the results and justify further investments in the technology.

What is FuelOpt:

With FuelOpt, the vessel is always run with optimized fuel economy.

FuelOpt controls the main engine and propeller to the actual environment and loading conditions. It reduces fuel consumption by making sure the propulsive power is always optimized by automatically controlling the pitch and RPM based on the direct commands from the bridge.

EMISSIONS REDUCTION AND ENERGY EFFICIENCY MEASURES (continued)

Telemetry systems



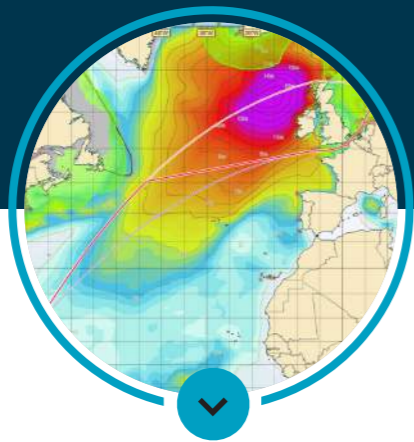
We have installed telemetry systems in 12 vessels of our fleet after a major investment in the METIS technology in 2020.

All 12 vessels have a METIS telemetry installation of varying levels of sophistication and in addition we have two ships with MARORKA to monitor real time 24 parameters of the ship from ship performance to energy consumption.

METIS cyber technology is specializing in integrating IoT and NLP technologies with regards to vessel log and data collected from various vessel's systems; data collected is thereafter processed from METIS and forwarded to office.

Data gathered and forwarded can be used to analyze voyage performance (e.g. against weather conditions, a previous voyage of the same service line etc.); they can also assist in predicting vessel's future behavior (voyage performance) by analyzing information available from past voyages.

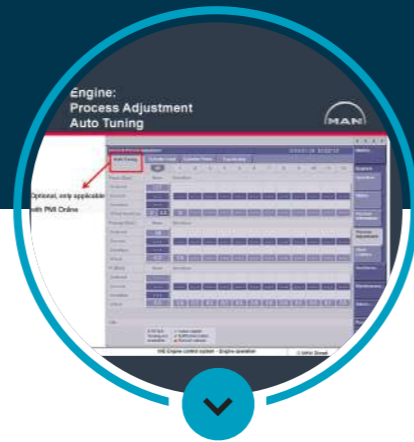
Weather Routing



All fleet vessels use weather routing services assisting them in planning and determining the safest, most fuel-efficient route to follow taking into account weather patterns, forecasts, currents and numerous other operational and environmental factors.

Additionally, in collaboration with METIS, a project regarding a weather alerting tool is in progress. This tool will be based on custom weather thresholds for the upcoming sea legs, and weather conditions at the pilot stations for each port (thresholds over which we know that pilots most probably will not embark/port is closed). This will enable our Operations dept. to timely take any necessary countermeasures (e.g. change of vessel's rotation etc.).

Auto-tuning for M/E



In 2019, the auto-tuning system from MAN diesel was installed on one of our vessels. This allows operation of the main engine with balanced cylinders and improves fuel efficiency.

In 2020-2021 due to covid-19 restrictions the same system was not installed to more vessels as initially planned but will be installed as soon as the situation improves.

PROJECTS UNDER STUDY

New building project - Dual Fuel PCTC (new high-efficiency vessels)

The company is in the process of designing its new generation of vessels.

The uptake of LNG has been very strong in recent years, especially in new buildings. We are currently examining the construction of Dual Fuel PCTC's over the next years taking into consideration the final formulation of the regulations.

Use of Bio-fuels

Neptune lines investigates the viability of bio-fuels, considering availability and costs which are typically higher but result in significant reductions on CO₂ emissions when compared with traditional fuels.

Rotor Sails Retrofit Study

A study is conducted for retrofitting rotor sails on vessels trading on a specific trade line.

Rotor sails harness power from the wind to propel the ship. This results in improved vessel efficiency and reduces the fuel consumption and release of harmful emissions into the atmosphere. Project is under research and evaluation.

Onboard Carbon Capture and Storage (OCCS)

Neptune Lines currently explores the potential of Onboard Carbon Capture and Storage (OCCS) technology. Carbon capture and storage has been used in shore installations for decades and is now being explored as a possible solution for the decarbonization of shipping.

In very simple terms, a post-combustion carbon capture system will block CO₂ from reaching the atmosphere. The system traps CO₂ at the emission source and transfers it to an isolated storage location.

For a system fitted on board a vessel, the CO₂ is extracted from the exhaust gases either through scrubbing or by bubbling the gas through an absorber column packed with liquid solvents. Once the CO₂ has been captured, it is compressed into liquid state. The liquid will then be stored on board in cryogenic storage tanks until the vessel reaches a port connected to a suitable transfer and storage infrastructure. From there, underground geological formations may be used for storage and isolation from the atmosphere.¹

Cold Ironing

Cold ironing is the process of providing shore-side electrical power to a ship at berth, while its main and auxiliary engines are turned off.

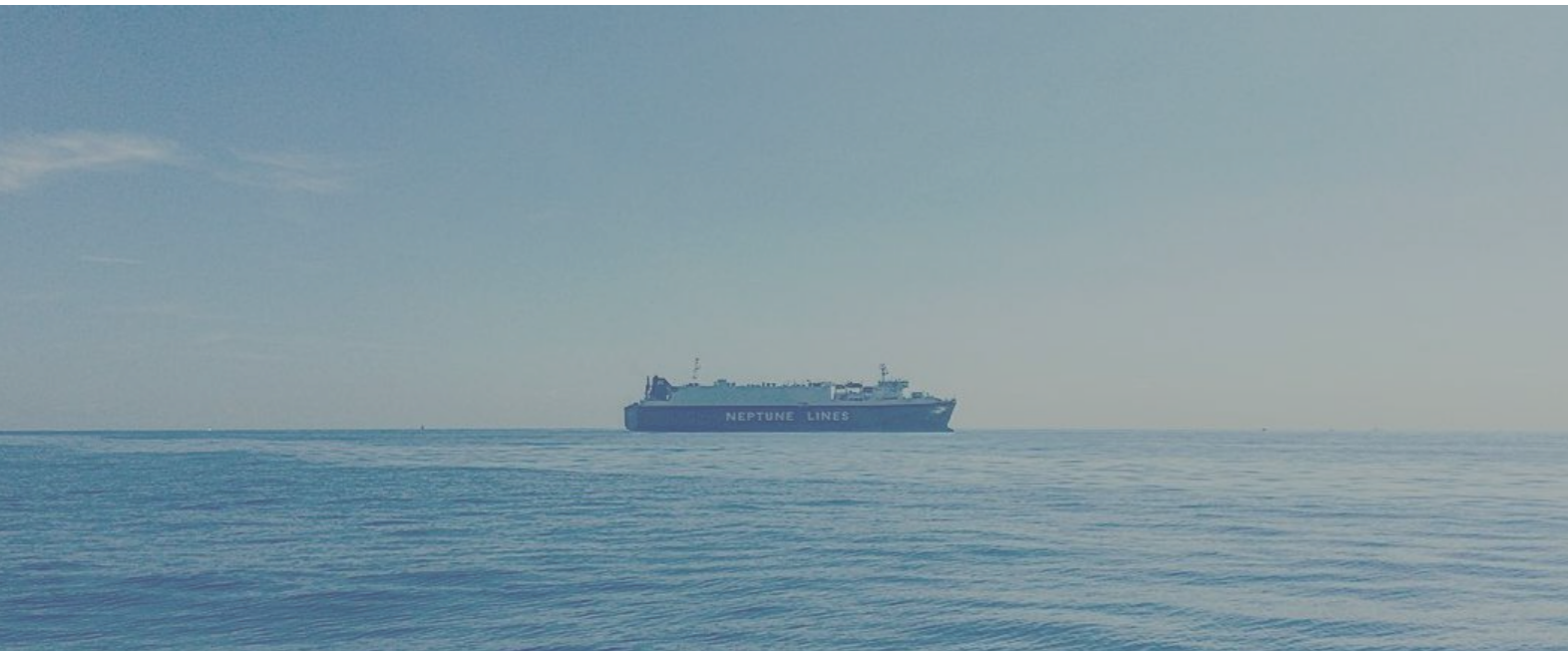
This technology is basically an anti-pollution measure, to reduce air pollution produced from diesel generators, through the use of shore electric power as an alternative.

During cold ironing, the ship turns off its engines while berthed and plugs into an onshore power source. The ship's power load is then transferred to the shore-side power supply without disrupting onboard services. With this process, emergency equipment, refrigeration, cooling, heating, lighting, and other equipment are still able to receive continuous electrical power, while the ship loads or unloads its cargo.²

Neptune Lines participates currently in a trial program with the port of Sete in France providing one of its fleet vessels to be equipped with the necessary technology to receive shore to ship power from the port.

¹ North "Capturing carbon on board" (October 25th 2021)

² SAFETY 4SEA "Cold Ironing: The role of ports in reducing shipping emissions" (March 18th 2019)



FLEET VESSELS
Scope 1 Emissions

	Intensity Metrics		Absolute
	EEOI ⁽¹⁾ (gr CO ₂ / t nm)	CII (cgDIST) ⁽²⁾ (gr CO ₂ / gt nm)	CO ₂ mt ⁽³⁾ (mt)
2019	137.33	8.11	2019 346.712
2020	128.48	8.04	2020 295.641
2021	133.38	7.59	2021 345.085 ⁽⁴⁾

(1) EEOI: Emissions calculated only for owned fleet vessels
 (2) CII (cgDIST): Emissions calculated for owned and chartered vessels.
 (3) CO₂ mt: Absolute numbers of CO₂ emissions in metric tonnes for owned and chartered vessels
 (4) The increase in the absolute numbers of CO₂ emissions is attributed in the increase on the number of vessels operated.

EMISSIONS AND ENERGY EFFICIENCY INDICATORS
(GRI 305-4)

Calculation Method up to 2018

Neptune Lines monitors CO₂ emissions in absolute and intensity numbers since 2010. Up to 2018, the emissions reporting was not regulated in the shipping sector.

The primary indicator used since 2010 to monitor and report our direct (Scope 1) fleet emissions, is the *intensity ratio of CO₂ mass emitted (in metric tonnes) per nautical mile sailed*. This calculation method is based on the IMO Resolution MEPC.1/Circ.684 issued on August 17th 2009 without considering the transport work in the denominator.

The data for the distance traveled and fuel consumed were obtained from vessels' monthly and daily position reports. Emissions calculations include only the vessels managed from Neptune Lines. Chartered vessels are excluded. The distance traveled includes also all pilotage miles, deviations due to weather, vessels' drifting etc.

Graph 'A' in the next page indicates Neptune Lines' CO₂ emissions as from 2019 till 2021, having 2010 as the baseline year, without taking into consideration the cargo carried and excluding chartered vessels.

As from 2019 till 2021 (2019 to 2020 and 2020 to 2021) we achieved our target for 0.5% reduction on annual basis reducing our overall consumptions by 1.47% and 0.95% respectively.

Reviewing our reduction progress since 2010 we have managed to achieve an overall reduction of 11.29% using that specific calculation method.

Emissions calculation onwards, according to IMO-DCS and GHG Emission Strategy

As from 2018, we are calculating and reporting the direct (Scope 1) absolute and intensity fleet emissions in accordance with the *IMO Data Collection System (DCS - CII)* and *European Union (EU) Monitoring Reporting & Verification (MRV)* regulatory regimes, as well as, *IMO Resolution MEPC 281(70)* as amended.

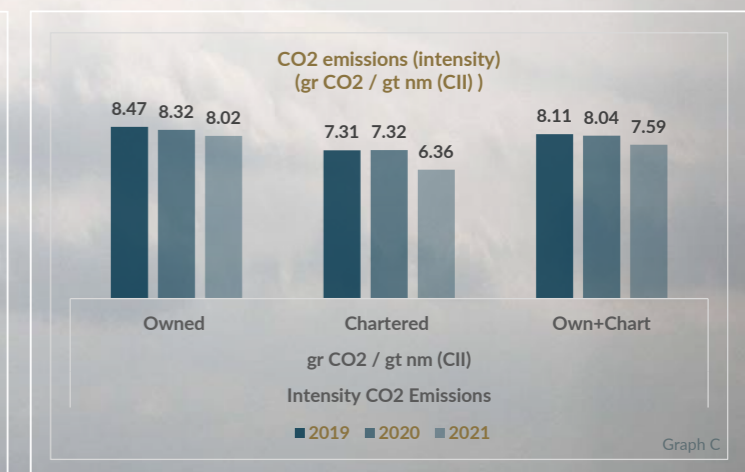
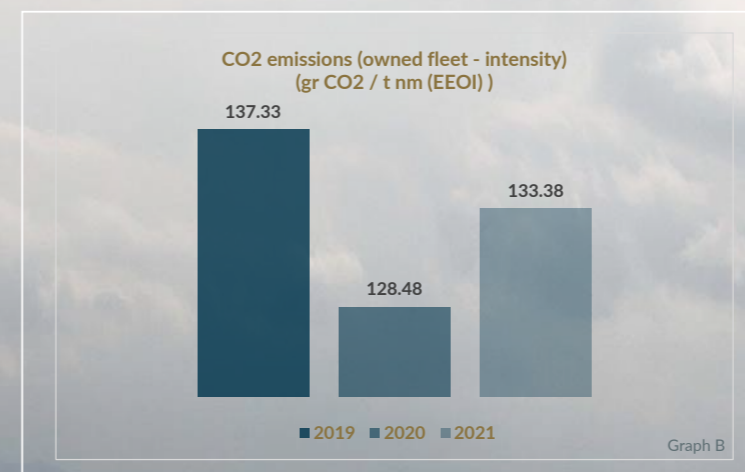
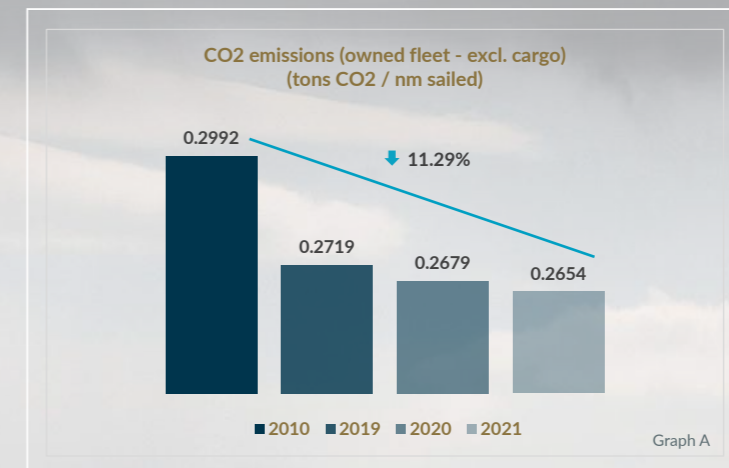
Indirect (Scope 2) emissions produced from purchased electricity, heat and cooling, are related only with our shore-based facilities since vessels are producing electricity from the onboard auxiliary engines powered by fuel.

At the end of each reporting cycle - defined as one calendar year - all voyage data are aggregated, quality-checked and submitted for verification to accredited bodies (DNV).

Using the IMO DCS voyage data, we are calculating our CO₂ emissions in absolute and intensity metrics.

While absolute numbers are calculated and monitored on a total fleet CO₂ emissions number, the intensity metrics are calculated using the *Carbon Intensity Indicator (CII)* and *Energy Efficiency Operational Indicator (EEOI)* metrics.

CII transport work (denominator) is calculated using vessels' gross tonnage (GT) while the EEOI transport work is calculated using the mass of the cargo carried.



Energy Efficiency Material Topic



Why this topic is Material (GRI 103-1)

Using energy more efficiently is essential for reducing our company's overall environmental footprint and play our part in achieving the Sustainable Development Goal 7 (i.e. sustainable energy) and 13 (i.e. combating climate change).

The energy used for our shipboard and onshore operations comes exclusively from non-renewable sources. Consuming non-renewable fuels is usually the main contributor to direct GHG emissions.

The types of energy used within our company (i.e. office premises and vessels) are:

- electricity (i.e. self-generated in the case of vessels and purchased for shore premises)
- fuel oil (vessels)
- natural gas (office premises).

Energy management and implementation of energy efficiency measures plays an important part in reducing fuel consumption and subsequently emissions - resulting, at the same time, in significant financial savings; and even

though, the yield of each individual energy efficiency measure may be rather small, the collective effect can be significant.

How we Manage this topic (GRI 103-2)

ON BOARD

Energy efficiency in shipping can be addressed at many different levels.

Improvement of the energy efficiency is often discussed in terms of performance of technical and operational measures (e.g. related to operational speed and voyage planning, technologies applied on board, propulsion and hydrodynamic efficiency etc.), as well as, better management practices that result in energy savings (e.g. replacement of conventional light sources with LED).

Some of the main technical and operational measures applied by our company to improve the energy efficiency of its fleet vessels were analyzed in the previous section.

Monitoring and evaluating the performance of these measures is an ongoing task; each measure can be effective under certain circumstances and most of the times is affected by the rest of the measures applied.

Hence, a technical solution optimized for a specific trade and operational pattern will most probably not be optimal if the trading pattern is changed - for instance by changing operational area, speed or cargoes.

The company closely monitors and evaluates the performance of its energy efficiency measures through:

- the expertise of its onshore technical management,
- the use of Performance Monitoring Systems (PMS) (e.g. Telemetry System providing real time feedback from vessels), that serve as decision-support tools,
- effective and transparent communication between the office, vessel, port and port agents - all of which play an important role in obtaining accurate and holistic reporting input.

Performance indicators are analyzed taking into consideration the particulars and the different operation

circumstances of each vessel and compared for sister vessels to track any differences.

Performance results are then communicated within the company on a monthly basis and relevant circulars are sent to vessels, enclosing further guidance when needed.

Two other important aspects considered when it comes to energy efficiency are voyage planning and port efficiency so as to minimize the waste of energy due to unproductive time spent by the vessels while drifting at port waiting to operate (e.g. in cases of congestion).

Vessels' voyage planning and on-time arrival is closely monitored. However, it is not always possible to avoid waiting at port. Increasingly deteriorating weather conditions, reduced port productivity in terms of working hours and availability of gangs for loading/unloading, as well as, the nature of car-carriers' trade (e.g. with last-minute changes in vessels' cargoes and schedule), make it difficult sometimes to ensure just-in-time arrival and operation.

Despite difficulties faced in practice, energy efficiency is indeed a continuous goal within the company.

For this reason, Neptune Lines invests in:

- new innovative technologies and newbuilding designs
- shore personnel training, experience exchange and best practices sharing
- increasing crew awareness, motivation and personal engagement during their contract on board fleet vessels
- collective-action projects - through its participation at relevant European Union (EU) funded initiatives.

ASHORE

The energy consumed at office premises (i.e. electricity, heating and cooling) is purchased from external sources. For heating and cooling we use natural gas. Even though it is a non-renewable energy source, it is less harmful than fuel oil causing less damage to the environment.

Ongoing energy-saving measures implemented at office premises include:

- controlled printing and printer adjustments for more efficient printing
- optimization of energy settings on users' computers
- hibernation of computers, screens and printers when not used for a prolonged time
- temperature adjustment in the heating/cooling system to avoid misuse
- replacement of fluorescent tubes with LED
- adjustment of lighting self-closing time limits to minimize unnecessary use.

Progress and Performance (GRI 103-3, GRI 302-1)

PERFORMANCE MONITORING

To gain even more insight on progress made through all measures applied, as well as, to evaluate any new energy-related projects and the impact of relevant regulations coming in force, in 2021 the company created the role of *Energy Efficiency Engineer*.

ENERGY CONSUMPTION

Energy consumption for shipboard operations is calculated separately from shore-based facilities.

Calculation of vessels' energy consumption is based on fuel oil consumption and the lower calorific value for each one of the fuels consumed. Calculation of the shore-based energy consumption is based on the consumption of electricity and natural gas.

Fleet Vessels

Energy Performance

The onboard energy performance is measured as the total fuel consumption of owned fleet vessels coming from non-renewable sources in Giga joules using the *Lower Calorific Value (LCV)* of Heavy Fuel Oil (HFO), Light Fuel Oil (LFO) and Marine Gas Oil (MGO) as per IMO resolution MEPC.281 (70) as amended.

In 2021, although the average speed remained in the levels of 2020 (+0.5%), the activity increased +16% reaching 62.3% so distance traveled increased +16.5% exceeding 1 million nautical miles.

Total consumption per nautical mile (nm) reduced marginally by -0.7%. November, December and January were the months with the highest fuel consumption due to adverse weather conditions.

Lighting Management

Turning off the car deck lights during sailing and leaving on only vessel's emergency lights, is one of the ongoing energy saving measures on board. Monitoring results within the reporting period, we noticed significant savings on our vessels' auxiliary engine consumption.

LED Lights

Within 2019-2020 we continued with further replacements of vessels' fluorescent tubes with equivalent LED. In 2021, the project was completed in 12 vessels and underway in the newly acquired vessel (Neptune Koper).

Office Premises

Energy Performance

Compared to 2019, the energy consumption for 2021 was improved by 8.0%.

A significant decrease was noted in electricity consumption at office premises due to remote working policies applied following covid-19 while an increase was noted in the natural gas consumption - again due to covid-19 measures since natural ventilation protocols were enforced (i.e. open windows) during winter time.

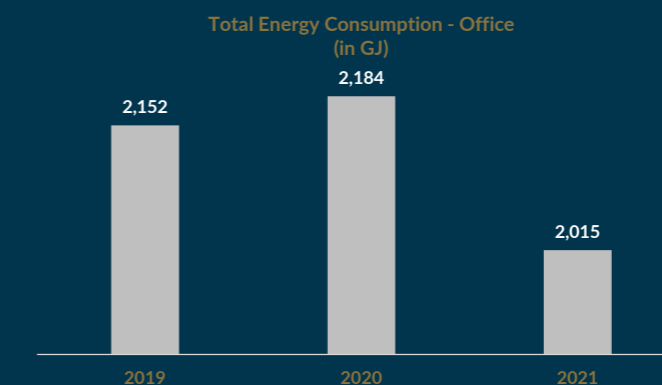
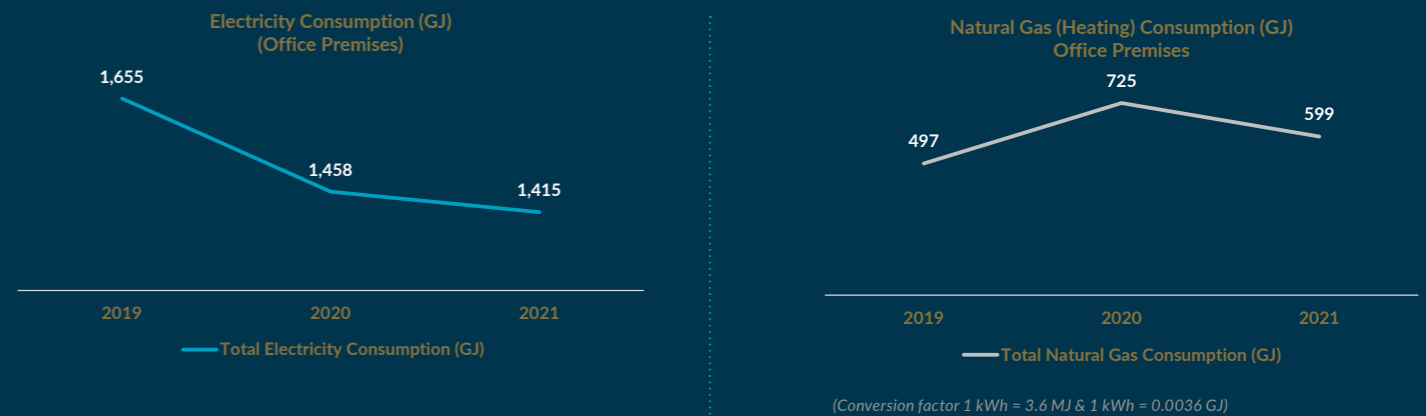
FLEET VESSELS

	Bunkers									Total	Giga Joules**
	HFO			LFO			MGO				
	tons	LCV	Mega Joules*	tons	LCV	Mega Joules	tons	LCV	Mega Joules	Mega Joules	
2019	70,953	40.2	2,852,298,138	717.6	41.2	29,565,120	8,499	42.7	362,926,942	3,244,790,200	32,447,902
2020	45,858	40.2	1,843,475,922	17,422	41.2	717,786,400	6,705	42.7	286,304,354	2,847,566,676	28,475,667
2021	49,564	40.2	1,992,466,368	29,197	41.2	1,202,916,400	7,392	42.7	315,634,557	3,511,017,325	35,110,173

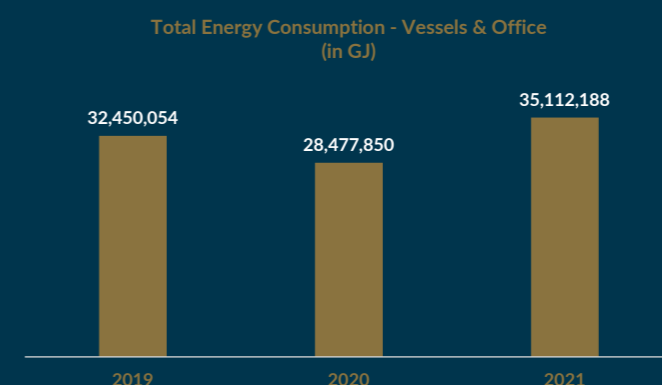
* [Mega joules calculation = (tons fuel to kg fuel) * Calorific Value (CV)]

** [Conversion factor MJ to GJ = 1 MJ = 0,01 GJ]

OFFICE PREMISES



VESSELS & OFFICE (TOTAL)



Climate Change Material Topic

PARTICIPATION IN PROJECTS AND WORKING GROUPS INVOLVING COLLECTIVE ACTION FOR EMISSIONS REDUCTION AND ENERGY EFFICIENCY (GRI 102-12)

CarEsmatic

CarEsmatic is a Connecting Europe Facility (CEF) co-financed Action. Its implementation started in March 2016.

It aims at increasing the use of *Motorways of the Sea* services for transport of cars (versus road transport which is a bigger emitter when talking about air pollution in cities) in the Mediterranean, by improving the infrastructure for direct land and sea access to the ports of Koper and Barcelona.

CarEsmatic is supporting also the take-off of electro-mobility in the EU and mainly in the Mediterranean area. Project participants seek to increase knowledge on the needs of electric vehicles during their distribution from the production facility to the retailer. In such a way, CarEsmatic aims also at supporting Mediterranean ports to cope with future developments in relation to the automotive industry.

Neptune Lines' participation involves the study and installation of charging stations on board the vessels to allow transportation of electric cars without any problems. In 2021, the project for the installation of EV chargers was concluded. After relevant market-evaluation of portable charging solutions, our company purchased three portable chargers and tested them on board two of its vessels. The results were shared with the rest of the participants in this project.



POSEIDON MED Part II- LNG

POSEIDON MED Part II- LNG is an EU-sponsored program that aims at promoting the adoption of LNG as marine fuel in the Eastern Mediterranean Sea, while making Greece an international marine bunkering and distribution hub for LNG in South-Eastern Europe.

Our company provides design information and operational data for one of its fleet vessels.

In 2021, our Technical Manager participated in the closing conference of the project amongst top-level stakeholders mainly from shipping and energy industry, sharing differing perspectives about the LNG and discussing the LNG roadmap towards a future establishment of an ECA zone in Mediterranean Sea.



CLEAN CARGO WORKING GROUP (CGWG)

In 2020, we participated in the Clean Cargo Working Group to opine on the discussion that takes place regarding CO₂ emissions calculation methodology in the logistics chain. This discussion takes place amongst OEMs and LSPs dedicated to reducing the environmental impact of global goods transportation and promoting responsible shipping.



Why this topic is Material (GRI 103-1, GRI 201-2)

The impacts of Climate Change can range from minor problems in operations and human health, to severe situations, major damages, losses and casualties.

Sudden and extreme changes of weather, out-of-season storms, rise in temperature, as well as, increasingly high winds and abnormal sea-waves raising to unexpected heights, tend to be all the more frequent - rendering our crew's working and living conditions more difficult as the years go by.

During the reporting period, our seafarers experienced difficult navigation situations quite a few times due to adverse weather conditions (see also par. 'Safety Incidents', pg. 75). And even though weather-forecast software is provided on board to assist the crew, one cannot be completely prepared for such sudden and intense weather changes.

Climate related risks can have significant financial, reputational and business continuity impacts on our company, either in a *direct* or *indirect* way:

- **Direct:** affecting directly the company itself (e.g. losing customers due to disruptions/delays in service, damage to corporate assets, injury or loss of life in extreme weather conditions);
- **Indirect:** affecting its customers (e.g. decarbonization of car industry), business cooperators & providers (e.g. the port terminal, port agents, stevedores, travel agents, stores & spares providers etc.) - hence affecting subsequently the company itself.

(GRI 201-2)

How we Manage this topic (GRI 103-2, GRI 201-2)

Climate Change poses various risks but also opportunities to our company and stakeholders. To better identify and analyze our company's climate related risks and opportunities, we use the *Task force on Climate-related Financial Disclosures (TCFD)* framework.

RISKS POSED FROM CLIMATE CHANGE

According to the TCFD, climate related risks are divided into two major categories:

- Physical Risks: risks related to the physical impacts of climate change;
- Transition Risks: risks related to the transition to a lower-carbon economy;

Physical Risks

Physical risks are either *acute* or *chronic*:

- Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods;
- Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

Neptune Lines' direct operations as well as its customers' (downstream value chain) and service providers' operations (upstream value chain) may be severely affected from the acute physical risks, such as the severe and frequent extreme weather events (i.e. cyclones, hurricanes, floods).

For the direct vessel operations, the existence of such weather phenomena may lead to human injury or loss of life, property (vessel/cargo) damage or loss and marine pollution incidents.

To deal with such extreme phenomena, our company implements a number of measures which include:

- advanced weather routing and forecasting services able to monitor the weather conditions for the intended voyage;
- enforcement of special cargo securing arrangements when heavy weather conditions are expected to minimize the possibility of cargo damages;
- implementation of onboard crew training programs and emergency response plans to respond efficiently to critical situations identifying the corrective actions to be taken on each case (step by step approach);

- post incident investigation analysis allowing to identify possible areas of improvement;

Except from the impact on direct vessel operations, the acute physical risks may significantly affect Neptune Lines' business cooperators/providers (*upstream value chain*) - such as the port operators, who may face significant infrastructure damages/port closures due to extreme weather conditions. This will increase the operating costs of our company due to the prolonged stay of vessels at ports, subsequently deranging vessels' schedule.

The acute physical risks may also affect our customers (*downstream value chain*) since factory production may eventually be reduced, or even stopped, as a result of infrastructure damages or reduced sales.

In order to minimize these impacts inherited from its business cooperators/providers and its customers, the company monitors very closely vessels' rotation schedules and in cooperation with all relevant parties, makes appropriate changes and adjustments.

Transition Risks

Transition risks are associated with:

- current and emerging regulations;
- emerging technologies supporting the transition to a lower-carbon, energy efficient economic system;
- legal implications through climate related litigation claims;
- market changes due to shifts in supply and demand for certain services;
- reputation impacts related with shifts in consumer preferences, negative feedback or sector stigmatization;

Neptune Lines identifies transition risks in its direct operations through the current and emerging regulations related with the carbon pricing mechanisms and the enhanced emissions reductions and reporting obligations.

Carbon pricing mechanisms may potentially increase the direct costs through the possible establishment of a carbon market - while the even more demanding emissions reduction obligations may decrease the asset value or assets' useful life leading to write offs, asset impairment or early retirement of existing assets.

The company sets action plans to respond effectively in the above-mentioned transition risks by:

- setting up an internal carbon pricing policy;
- monitoring closely the performance of existing fleet using also AI-driven optimization tools (see also

ongoing measures within our *Emissions Reduction and Energy Efficiency Program* as outlined in the *Emissions* section);

- exploring low-carbon and alternative zero-emissions technologies for our existing vessels and those in the design phase (e.g. alternative fuels and biofuels, rotor sails, hydrogen, ammonia, synthetic fuels etc.);
- considering to up-size or replace tonnage;
- working with customers and providers to optimize supply chain design from an emission-efficiency standpoint;
- exploring possibilities to invest in carbon capture and sequestration equipment;
- exploring other offsetting actions for the unavoidable emissions;
- optimizing vessels' speed and on-time arrival using advanced applications and weather routing services;
- optimizing vessels' rotation plans considering the cargo capacity utilization figures.

CLIMATE RELATED OPPORTUNITIES

According to the TCFD, efforts to mitigate and adapt to climate change also presents *opportunities* for companies.

Climate related opportunities are associated with:

- Improved efficiency throughout operations (i.e. in relation to energy but also including broader materials, water usage, waste management and recycling etc.) and direct cost savings/reduced operating costs resulting from that.
- The shift towards low emission energy sources and potential savings on annual energy costs.
- Participation in carbon markets.
- New and/or improved products and services through the development and expansion of low emission goods and services as a result of R&D processes; shifts to consumer preferences towards 'greener' service offerings creating competitive advantage and reputational benefits for companies with such orientation.
- Access to new markets.
- Building resilience through:
 - participation in renewable energy programs and 'green' projects,
 - timely adoption of energy efficiency measures
 - strategic partnerships within the supply chain (e.g. involving business partners in technology investments and sharing the costs of innovation in order to reduce environmental footprint of operations).



Neptune Lines has acknowledged the opportunities that low-carbon transition offers for efficiency, innovation and growth and undertakes various corresponding actions (in addition to those mentioned in the previous paragraph):

- consults with specialized ship design houses to find the most suitable solutions in terms of new technologies and advanced ship design to increase efficiency and reduce the overall emission footprint;
- carefully follows industry updates and relevant input expressed by its leading organizations;
- participates in sector discussions/working groups, as well as international projects;
- promotes Short Sea Shipping (SSS) in international discussions, as a vital and distinctive sector of the EU carrying goods and people across Europe and to its closest neighbors with a significantly lower carbon footprint than road transport;
- Monitors closely consumer preferences and trends with regard to the demand for low or zero carbon vehicles (i.e. subsequently increasing the sales on alternative fueled vehicles and, hence, respective business opportunities for our company).

MONITORING FINANCIAL IMPLICATIONS OF CLIMATE CHANGE

There are various costs and expenses rising from climate change risks and impacts. These range from smaller or *medium-scale costs* such as:

- investments in emergency response and weather routing training & systems for weather-forecasting;
- costs from minor vessel damages or minor injuries;
- costs of tug-boats assisting the vessels in heavy weather during port arrival and departure;
- fuel consumption costs due to the fact vessels consume more fuel in bad weather;
- costs created due to disruptions and delays (e.g. in vessel operations, flights of crew members or technicians joining the vessels, maintenance and dry dock works etc.);

to *greater-scale costs* and implications such as:

- insurance costs;
- claims from external parties (e.g. due damages to customers' cargo, costs arising from vessels' deviation and delays due to weather etc.);

- costs due to vessels' structural damage;
- costs deriving from a casualty.

Progress and Performance (GRI 103-3, GRI 201-2)

REPORTING ON CLIMATE CHANGE IMPACTS, RISKS AND OPPORTUNITIES

The Carbon Disclosure Project (CDP)

The Carbon Disclosure Project (CDP) aims to improve environmental awareness, transparency and accountability through measurement and disclosure of environmental information in order to effectively manage carbon and climate change risk.

The CDP runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts with particular focus on climate change risks and opportunities.

CDP has the largest TCFD-aligned environmental database in the world, and its scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy.¹

Neptune Lines submitted its first online response in 2021 becoming officially a 'CDP discloser'. The 'C' rating received sets the company on the 'awareness' level, enabling to progress towards environmental stewardship through benchmarking and comparison with peers.

MONITORING FINANCIAL IMPLICATIONS OF CLIMATE CHANGE

Neptune Lines does not have yet a system in place to calculate the financial implications and costs rising from climate change risks or opportunities, nor makes revenue projections of same.

However, since company ERPs and data collection systems are currently under re-construction, we believe that monitoring relevant data to reveal the financial side of climate change will be feasible in the near future.

Effluents, Waste and Materials Used Material Topic



Why this topic is Material (GRI 103-1)

Oil and chemical spills, non-compliant discharges of ballast water, cargo residues, routine discharges of oily bilge and pollution from non-biodegradable solid waste (e.g. plastics), have severe negative impacts on the marine environment and, in many cases, the nearby communities.

Also, marine accidents involving ship grounding or sinking and ship breaking activities performed without due diligence, have cumulatively led to the contamination of the ocean's sediment.

Managing the risks and impacts of marine pollution effectively, is of critical importance for Neptune Lines due to the environmental orientation of our company and, above all, due to the profound and far-reaching implications associated with a possible miss in this area (i.e. environmental damage, legal implications, economic losses that tend to be enormous in such cases etc.).

Apart from our company, this topic is critical to our industry and to the rest of our stakeholders since an environmental accident more or less impacts the wider shipping sector and ripples up to the broader society.

This is why we believe that compliance procedures to prevent environmental harm, as well as, carefully designed responsive measures to mitigate the impacts of a possible incident, need to be rigorously monitored and constantly assessed to ensure effectiveness at all times.

While working towards proper implementation of our sector's stringent requirements and safeguards, we also expect those who conduct business with us to follow the required procedures for using, storing, labeling, transporting and disposing of materials that are harmful to the environment.

This topic is closely linked to the Sustainable Development Goal 14 *Life Below Water* and its sub-target to "prevent and significantly reduce marine pollution of all kinds (...)".

How we Manage this topic (GRI 103-2, GRI 306-1, GRI 306-2)

WASTE MANAGEMENT POLICIES & PROCEDURES

Our waste management policies and procedures focus on:

- the elimination of non-hazardous waste disposal at sea (e.g. comminuted food waste) - despite being allowed by regulations,
- the environmentally friendly handling of waste disposal (i.e. proper segregation, reuse, recycling, onboard processing/treatment etc.; recycling of paper, batteries, lamps, electric and electronic devices is performed at office premises and on board fleet vessels).
- reduction at the source (i.e. minimization of generated waste and packaging materials, use of materials with increased service life).

¹ CDP Website: How CDP is aligned to the TCFD

Specific procedures for the monitoring and disposal of generated effluents and waste - including those followed in emergency cases (accidental marine pollution) are laid out in respective company manuals - approved according to established regulations (e.g. Shipboard Oil Pollution Emergency Plan, Garbage Management Plan, Sewage, Bilge Water & Refrigerant Systems Management Plan, Ballast Water Management Plan etc.).

Furthermore, the company is taking steps to minimize the taking aboard of potential garbage, in cooperation with its providers, encouraging them to consider their products in terms of the garbage they generate.

Environmental Officers and staff being in direct contact with the local providers and having a clear picture of materials delivered to the vessel, ensure that unnecessary and/or undesired items/packages are not to be taken on board (See also *Environment: Our Management Approach section*).

ENVIRONMENTAL NOTATION VESSELS

Four of our fleet vessels have "CLEAN" notation, an environmental notation given by the Classification Society for voluntary compliance with additional pollution prevention measures.

Clean notation shows compliance with all mandatory MARPOL requirements, regardless of exemptions

1. "Environmental Class Notations" by DNV-GL
 2. SAFETY4SEA: BWM Convention: Discharge standard D-2 in full force (August 26, 2019)

that may be granted by flag state administrations. It contains additional requirements to prevent oil pollution and requires a vessel to have improved technical and management procedures to reduce discharges to sea and emissions to air¹.

Moreover, all fleet vessels are fitted with a fuel oil overflow tank, minimizing the risk of an overboard fuel oil spill.

Progress and Performance (GRI 103-3, GRI 306-3)

REGULATORY COMPLIANCE

Ballast Water Management Convention (BWMC)

Between the 8th of September 2019 and September 2024, the BWM Convention will reach the second phase of its implementation where all ships will have to conform to the D-2 standard.

In other words, after 15 years, the BWM Convention is coming into full effect since all ships must be fitted with D-2-compliant ballast water treatment system by the next IOPP renewal survey but not later than 8 September 2024².

Two of our fleet vessels are fitted by design with an approved ballast water treatment system. Within 2019-2021, 8 vessels completed their retrofitting and the remaining 4 are scheduled for 2022.

Relevant certificates were issued addressing the procedures for ballast water exchange and ballast water treatment and approved technical documentation for the ballast water treatment system installation became available onboard vessels.

Relevant training was also performed to our crew for the proper use of the system.

EU Ship Recycling Regulation and Inventory of Hazardous Materials (IHM)

The *EU Ship Recycling Regulation* came into force on December 31st 2020 and effects any in-service ship of 500 GT or over calling at any EU¹ port or anchorage (regardless of flag). It requires that vessels hold a valid and certified Inventory of Hazardous Materials (IHM) on board which will be subject to Port State Control inspections.

IHM is a structured system to control hazardous materials onboard ships and achieve compliance with both the EU Ship Recycling Regulation (EU SRR) and the Hong Kong Convention (HKC) for the safe and environmentally sound recycling of ships.

Despite the restrictions imposed due to covid-19 causing many difficulties in carrying out the IHM surveys/verification onboard by HazMat experts, the whole process was well-coordinated and completed successfully for all fleet vessels within the globally agreed deadlines.

WASTE MANAGEMENT POLICIES & PROCEDURES

Garbage (Solid Waste)

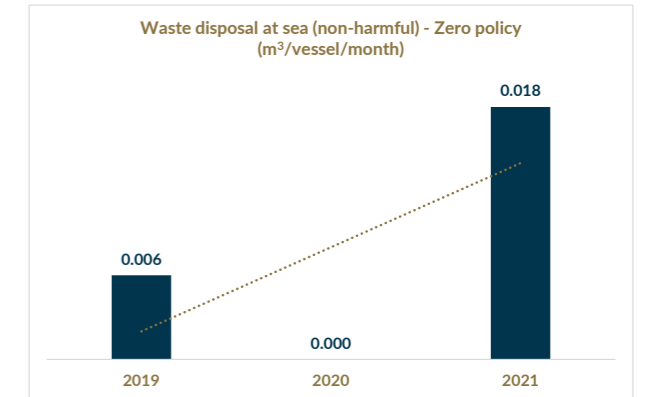
Zero waste disposal at sea

According to regulations in force, the only garbage type allowed to be disposed at sea -under certain conditions - is food waste (i.e. the only solid waste that is not harmful to the marine environment). The rest are to be discharged ashore at appropriate reception facilities.

Despite the fact that disposal of food waste at sea is permitted by regulations, Neptune Lines implements a zero-disposal policy.

In 2019, the total amount of comminuted food waste discharged at sea was 0.006 m³/vessel/month and in 2020 it reached the target of 0 m³/vessel/month. However in 2021, there was a minor increase (0.018 m³/vessel/month) due to changes in the trading routes of the vessels with long ocean-going passages.

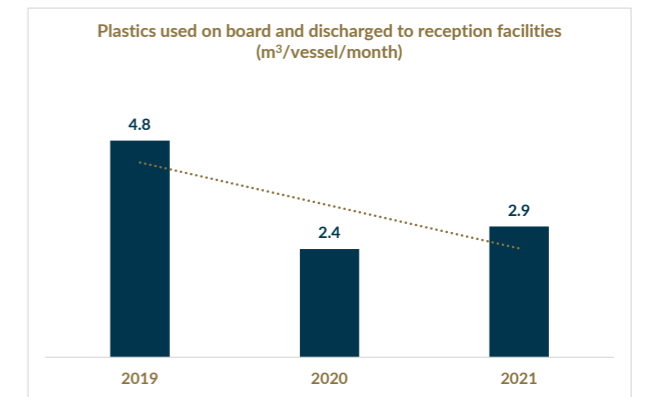
1. In the context of EU SRR this also includes European Economic Area members - Norway, Iceland and Liechtenstein



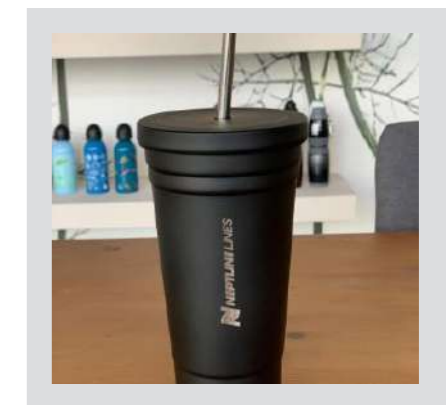
Plastics

Neptune Lines aims to minimize the usage of plastics on board and ashore.

In 2021, the volume of plastics used onboard slightly increased to 2.9 m³/vessel/month from 2.4 in 2020.



In an effort to further reduce plastics consumption at office premises, the company has provided all employees with stainless steel thermos coffee mugs that are used for their daily beverages, instead of the single-use coffee cups provided by the nearby coffee shops.

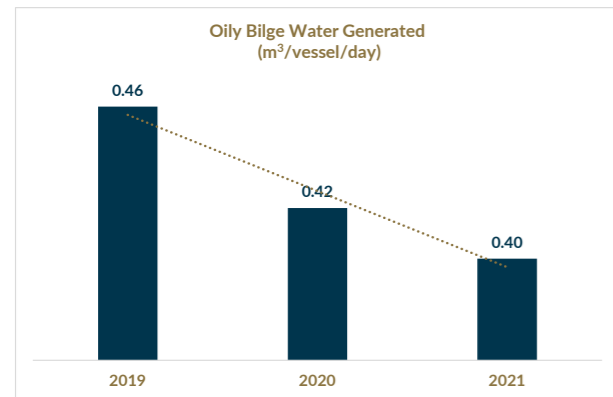


Oily bilge water & Oil residues (Sludge)

Oily bilge water means water which may be contaminated by oil¹ resulting from things such as a leakage or maintenance work in machinery spaces.

Oil residue or 'sludge' means the residual waste oil products generated during the normal operation of a ship (i.e. such as those resulting from the purification of fuel or lubricating oil, separated waste oil from oil filtering equipment, waste oil collected in drip trays etc.).

Oily bilge water cannot be discharged at sea. It has to be processed/filtered through an Oily Water Separator (OWS) - ensuring oil content of 15 ppm (i.e. parts of oil per million parts of water by volume) or less. The processed water of 15 ppm/less can be discharged at sea as per regulation specifications, while the remaining oil residue (sludge) is kept on board with the rest of sludges - for incineration or further discharging at shore facilities.

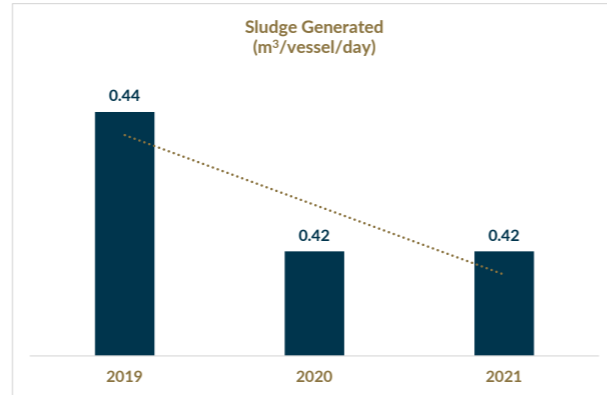


The graph *Oily Bilge Water Generated* contains both the processed/filtered water that is discharged at sea and the remaining oil residue/sludge which is either incinerated or discharged at shore facilities.

In 2021, oily bilge water generation on board decreased (0.40 m³/vessel/day) in comparison with 2020 (0.42 m³/vessel/day), achieving the target of less than 0.50 m³/day.

Sludge generated for 2021 (0.42 m³/vessel/day) was maintained at the same levels with 2020.

The environmental character of our HMD vessels (8 vessels) does not allow any drains (all engine room drains plus air condition condensed water, CO₂ room drains etc.) to be directed overboard but on the contrary to be collected in oily water tank and further processed through 15 ppm or discharged at dedicated shore facilities.

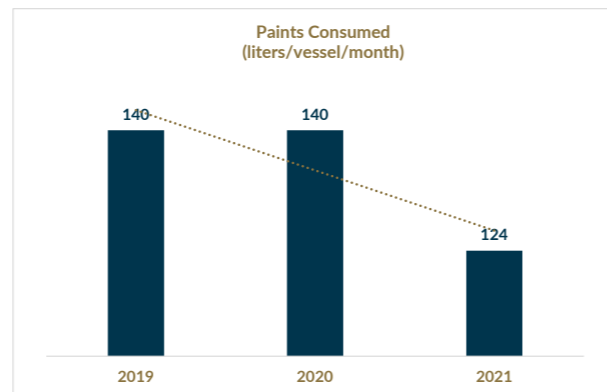


Paints and Chemicals Consumption

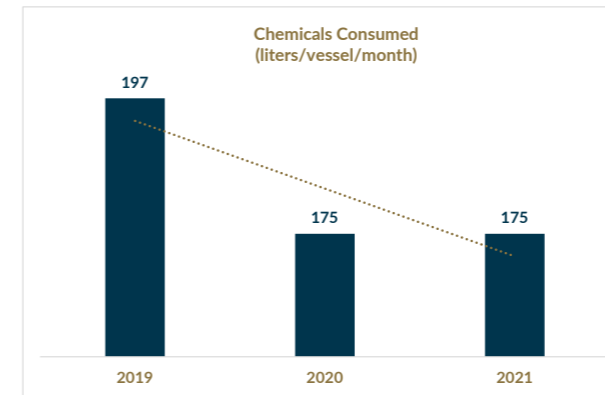
Neptune Lines puts emphasis on the use of premium quality paints and chemicals for the maintenance and needs of its fleet vessels. Their use, however, is based on a 'need to have' basis aiming, through careful planning, in order to minimize their consumption.

Paints are supplied considering the stock available on board and each vessel's actual maintenance and cosmetic needs, while chemicals also serve as fuel additives.

Monthly paints consumption per vessel decreased in 2021, in comparison with 2020, from 140 to 124 liters/vessel/month. Dry docking of fleet vessels within 2019 and 2020, was a contributory factor to the previously increased consumptions.

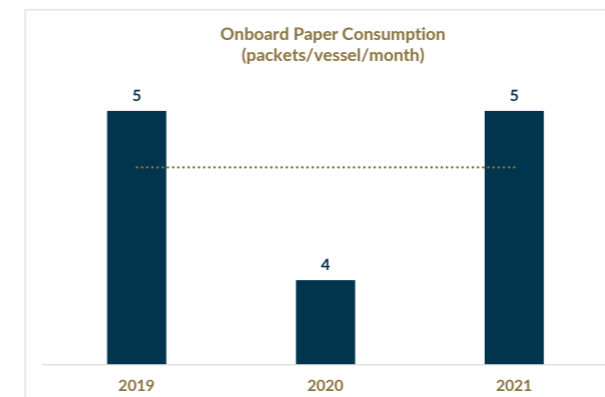


Chemicals consumption was maintained at the same levels with 2020.



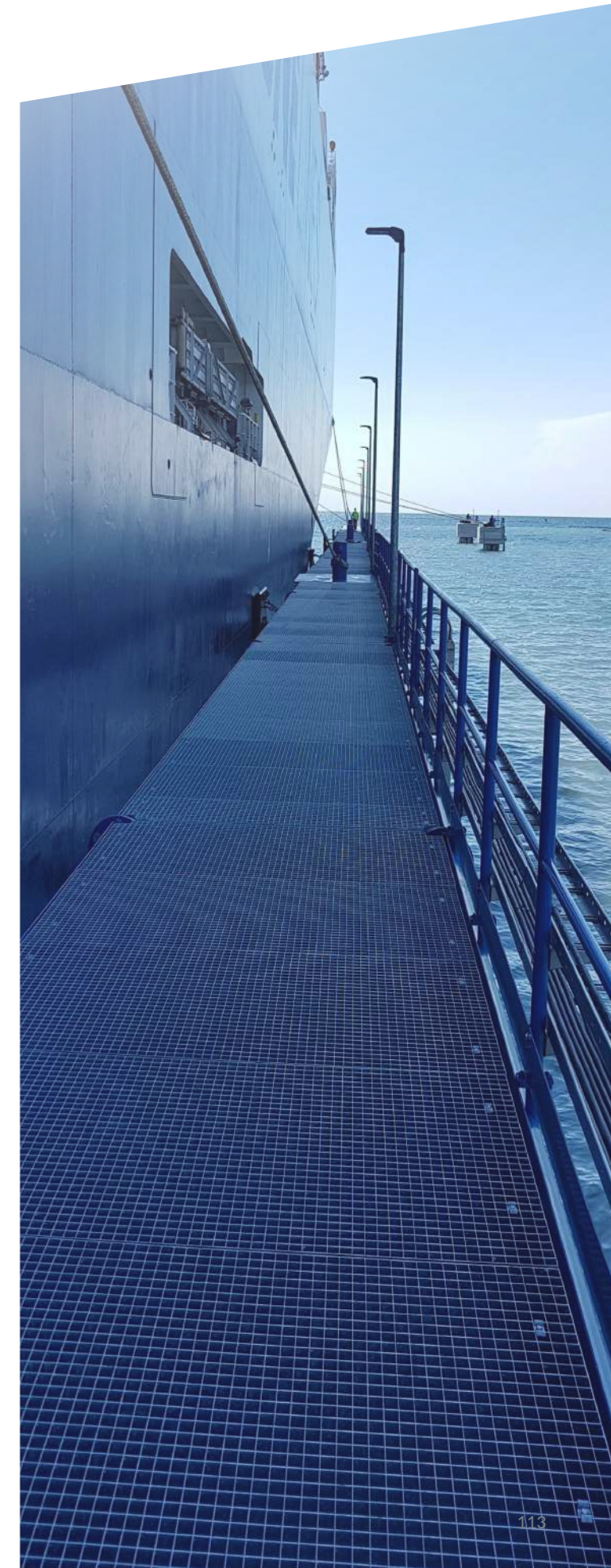
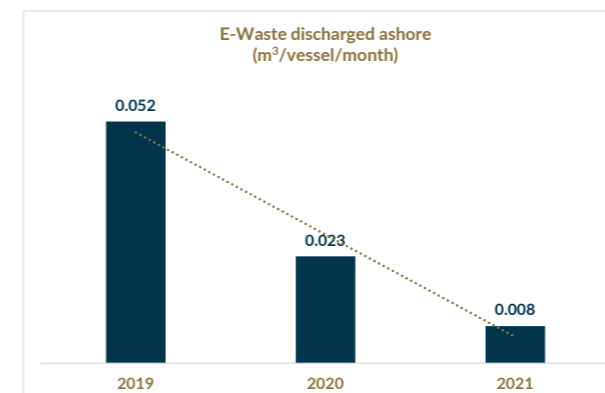
Paper Consumption

Vessel paper consumption was maintained within target levels - slightly increasing in 2021 in comparison with 2020.



E-Waste Generation

For 2021, the quantity of electronic devices discharged at shore facilities decreased from 0.023 m³/vessel/month within 2020, to 0.008 m³/vessel/month.



¹ Oil means petroleum in any form including crude oil, fuel oil, sludge, oil refuse and refined products and substances listed in MARPOL Annex I - appendix I.

 NEPTUNE LINES

Reporting Requirements

Materiality Analysis (GRI 102-46, GRI 102-47, GRI 102-49)

Process Overview

For this report, the *GRI Standards* and the United Nations' *Sustainable Development Goals (SDGs)* were used as frameworks to report and present our company's impacts.

By the term *impacts* we refer to the effects that our company has on the economy, the environment and society which, in turn, can indicate its contribution (positive or negative) to sustainable development and the globally agreed goals.

Due to the outbreak of covid-19 and its worldwide impact, a new materiality¹ analysis had to be performed for this reporting period to identify possible new areas of focus and/or topics of highest priority.

MATERIALITY PHASES

Phase I: Topics Identification

In order to come up with an initial list of topics, our sustainability team did some brainstorming and reseach. During this phase, the GRI Principles of Sustainability Context and Stakeholder Inclusiveness were applied.

Below sources were reviewed:

Internal:

- Our last sustainability report.
- Updated corporate material, processes and documents, with focus on those related with strategic direction, SWOT/risks and impacts and feedback from stakeholders (i.e. Code of Conduct and Company Policies, Annual Management Review Reports, meetings' minutes, corporate news and press clippings, corporate presentations, surveys, topics discussed from stakeholders' engagement events etc.).

External:

- Online media (focusing on worldwide trends and changes but also from within our sector).
- Training material (e.g. material from webinars, expert reports etc.).
- Peer review (i.e. sustainability-related information, initiatives and ESG reports of other companies of our sector).

The topics identified, based on the above process, were the following:

1. Corporate Governance, Compliance and Business Ethics
2. Safe&Secure operations and Business Continuity
3. Employment
4. Occupational Health, Safety and Wellbeing
5. Emissions-Energy Efficiency and Climate Change
6. Economic Value Created and Distributed
7. Human Rights at Work and within our Supply Chain
8. Community Investment
9. Suppliers' Management and Assessment
10. Effluents, Waste and Materials Used
11. Service Quality and Customer Focus

Phase II: Topics Prioritization

The identified topics were further discussed and prioritized by the top management during an internal workshop on our ESG strategy and focus areas.

The GRI Principles of *Materiality* and *Stakeholder Inclusiveness* were considered during this phase.

Having sufficient knowledge and understanding of the materiality concept, the needs and expectations of our stakeholders (as conveyed through company departments), as well as, the significance of the economic, social and environmental impacts, each member of the top management prioritized the topics (i.e. 1=crucial, 2=important but not crucial).

Internal and external criteria were also considered:

- *internal criteria:* e.g. influence of each topic on our company's business model, its reputation, its ability to achieve its objectives, the degree to which it constitutes a core competency or priority for Neptune Lines.
- *external criteria:* e.g. the broader economic, social, and environmental changes and trends.

During the workshop, there were three additional topics suggested: *Innovation, Digitation, Risk Management*. However, it was agreed that the first two are more like 'means' to achieve company's goals (i.e. a way of implementing the material topics) and not material topics themselves, while 'Risk Management' will be kept in the agenda for future consideration.

Final list of Material Topics

All 11 topics are mapped (see radar chart below) according to their score (i.e. the sum of all responses provided by the 5 members of the top management); The lower the score (i.e. 5 is the minimum score and 10 the highest), the more crucial a topic is.

After internal consultation, it was decided that the material topics for our company are the 8 topics at the center of the radar chart (i.e. these topics were rated as '1=crucial' by all members of the top management - and the sustainability officer).

Compared to our last sustainability report, the material topics were more or less the same - with minor adjustments either in terms of renaming or grouping into a broader topic. For example, some environment-related previous topics were grouped into one topic (i.e. Emissions-Energy Efficiency and Climate Change).

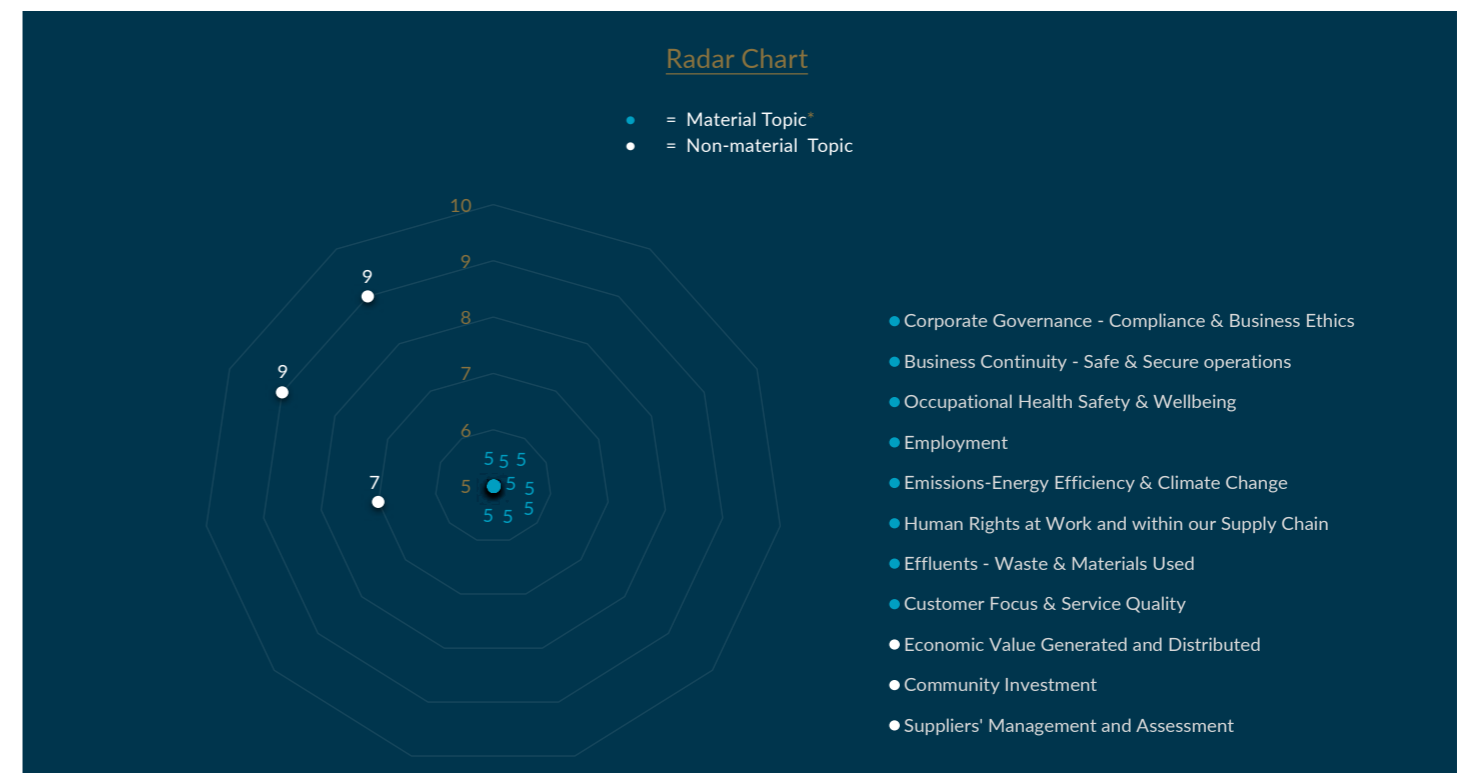
'Human Rights, Diversity&Equal Opportunities' was renamed into 'Human Rights at Work and within our Supply Chain' (covering also diversity and equal opportunities) and 'Compliance and Business Ethics' was named 'Corporate Governance, Compliance and Business Ethics'.

Last but not least, there was one completely new material topic, namely 'Service Quality and Customer Focus' which made it also to the final list of material topics.

Phase III: Topics Validation

In the final phase of the materiality process, our sustainability team validated the results of Phase II with company's corporate leadership (i.e. BoD and CEO) and the ESG Committee. During this phase, the GRI Principles of *Completeness* and *Stakeholder Inclusiveness* were implemented to avoid omission of any topic(s) that should merit inclusion in the report (i.e. all 11 topics were reconsidered to determine whether they are *sufficient* to reflect Neptune Lines' economic -environmental and/or social impacts.)

It was finally decided, that the 8 topics at the center of the radar chart (i.e. with 5 as score) would be the company's material topics for the reporting period and hence presented accordingly in the report. The rest (i.e. *Community Investment, Economic Value Created and Distributed*) would be described more briefly and not included in the external assurance scope.



* (i.e. these topics were rated as '1=crucial' by all 4 members of the top management, as well as, the sustainability officer. Therefore, with '5' as their score, they are the topics that are considered material for the company.)

1. Materiality is the principle that determines which sustainability-related topics are sufficiently important that it is essential for our company to report on them.



GRI Content Index (GRI 102-55)

Important Note: In the report, when the [GRI disclosure labels](#) are placed at the top or bottom of a page, they refer to the entirety of the page contents. When they are placed next to a section, they refer to the entire section - including sub-sections (if any).

"For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report."

GRI Standard	Disclosure	Page number(s), URL(s) and/or Direct Statements	Omission	External assurance
GRI 101: Foundation 2016				
General Disclosures				
GRI 102: General Disclosures 2016	Organizational profile			
	102-1 Name of the organization	pg.10	-	Yes
	102-2 Activities, brands, products, and services	pg.10	-	Yes
	102-3 Location of headquarters	pg.16	-	Yes
	102-4 Location of operations	pg.14, 16	-	Yes
	102-5 Ownership and legal form	pg.10	-	Yes
	102-6 Markets served	pg.10,14,16	-	Yes
	102-7 Scale of the organization	pg.14, 33	-	Yes
	102-8 Information on employees and other workers	pg.33	-	Yes
	102-9 Supply chain	pg.24	-	Yes
	102-10 Significant changes to the organization and its supply chain	pg.6, 16, 60	-	Yes
	102-11 Precautionary Principle or approach	pg.92	-	Yes
	102-12 External initiatives	pg.14,104 Neptune Lines is also a Signatory of the UN Global Compact.	-	Yes
	102-13 Membership of associations	pg.14	-	Yes
Strategy				
102-14 Statement from senior decision-maker	pg.6	-	Yes	
Ethics and integrity				
102-16 Values, principles, standards, and norms of behavior	pg.12	-	Yes	
Governance				
102-18 Governance structure	pg.17	-	Yes	
Stakeholder engagement				
102-40 List of stakeholder groups	pg.18	-	Yes	
102-41 Collective bargaining agreements	pg.33	-	Yes	
102-42 Identifying and selecting stakeholders	Neptune Lines Sustainability Report 2014-2015 (pg.18, 29)	-	Yes	
102-43 Approach to stakeholder engagement	pg.18 and Neptune Lines Sustainability Report 2014-2015 (pg.18)	-	Yes	
102-44 Key topics and concerns raised	pg.18 and Neptune Lines Sustainability Report 2017-2018 (pg.18)	-	Yes	

GRI Standard	Disclosure	Page number(s), URL(s) and/or Direct Statements	Omission	External assurance
General Disclosures				
GRI 102: General Disclosures 2016	Reporting practice			
	102-45 Entities included in the consolidated financial statements	This report is about <i>Neptune Lines Shipping and Managing Enterprises SA</i> who is a subsidiary of <i>Neptune Holding Overseas SA</i> and has no consolidated financial statements.	-	Yes
	102-46 Defining report content and topic Boundaries	pg.116	-	Yes
	102-47 List of material topics	pg.116	-	Yes
	102-48 Restatements of information	There are no restatements of information.	-	Yes
	102-49 Changes in reporting	pg.116	-	Yes
	102-50 Reporting period	pg.3	-	Yes
	102-51 Date of most recent report	Neptune Lines Sustainability Report 2017-2018 (Sept.2019)	-	Yes
	102-52 Reporting cycle	pg.3	-	Yes
	102-53 Contact point for questions regarding the report	Health-Safety-Quality-Environmental Department: Email: hsqe@neptunelines.com Phone: +30 210 4557700	-	Yes
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.	-	Yes
	102-55 GRI content index	pg.118	-	Yes
	102-56 External assurance	a) Neptune Lines sought limited external assurance from an independent third party to further enhance report transparency and credibility. b) pg.127	-	Yes

GRI Standard	Disclosure	Page number(s), URL(s) and/or Direct Statements	Omission	External assurance
Material Topics				
Employment				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	pg.28	-	Yes
	103-2 The management approach and its components	pg.28	-	Yes
	103-3 Evaluation of the management approach	pg.30,31	-	Yes
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	pg.34 & pg.37 (i.e. Crew Retention Rate per Ethnicity and Employment Category)	-	Yes
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	pg.44,46,48	-	No
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	pg.34,37	-	No
Occupational Health, Safety and Wellbeing				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	pg.38	-	Yes
	103-2 The management approach and its components	pg.40	-	Yes
	103-3 Evaluation of the management approach	pg.47	-	Yes
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	pg.33, 40, 67, 68, 73	-	Yes
	403-2 Hazard identification, risk assessment, and incident investigation	pg.40,41,42,49,55,56,68 70,73 and Neptune Lines Sustainability Report 2017-2018 (pg.33 par. "On board Risk Assessment")	-	Yes
	403-3 Occupational health services	pg.40,41,43,44,46,48,49,50	-	Yes
	403-4 Worker participation, consultation, and communication on occupational health and safety	pg.40,41,42,49,55,68 and Neptune Lines Sustainability Report 2017-2018 (pg.33 par. "On board Risk Assessment")	-	Yes
	403-5 Worker training on occupational health and safety	pg.40,42,47,69,72	-	Yes
	403-6 Promotion of worker health	pg.40,41,44,45,48	Workers who are not employees of Neptune Lines are excluded from the scope of the non-occupational medical/healthcare services and voluntary health promotion services offered by our company.	Yes
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	pg.46,67,68,71	-	Yes
	403-9 Work-related injuries	pg.39,51	-	Yes

GRI Standard	Disclosure	Page number(s), URL(s) and/or Direct Statements	Omission	External assurance
Material Topics				
Human Rights at Work and within our Supply Chain				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	pg.53	-	Yes
	103-2 The management approach and its components	pg.54	-	Yes
	103-3 Evaluation of the management approach	pg.56	-	Yes
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	pg.57	-	No
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	pg.56	-	Yes
Non-GRI disclosures (company-specific)	DE-1 Number of female seafarers	pg.57	-	No
	HR-1 Incidents related to human rights and corrective actions taken	pg.56	-	No
Corporate Governance, Compliance and Business Ethics				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	pg.62	-	Yes
	103-2 The management approach and its components	pg.62	-	Yes
	103-3 Evaluation of the management approach	pg.66	-	Yes
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	pg.65,66	-	Yes
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	pg.66	-	No
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	pg.92	-	Yes
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	pg.66	-	No
Safe&Secure Operations and Business Continuity (SBC)				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	pg.67	-	Yes
	103-2 The management approach and its components	pg.68	-	Yes
	103-3 Evaluation of the management approach	pg.71	-	Yes
Non-GRI disclosures (company-specific)	SBC-1 Third-party inspections and audits performance	pg.73	-	No
	SBC-2 Safety& Security - Business continuity incidents	pg.75	-	Yes
	SBC-3 Business continuity and emergency preparedness training	pg.69	-	No

GRI Standard	Disclosure	Page number(s), URL(s) and/or Direct Statements	Omission	External assurance
Material Topics				
Service Quality and Customer Focus				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	pg.76	-	Yes
	103-2 The management approach and its components	pg.76	-	Yes
	103-3 Evaluation of the management approach	pg.78	-	Yes
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	pg.78		Yes
Emissions				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	pg.93	-	Yes
	103-2 The management approach and its components	pg.93	-	Yes
	103-3 Evaluation of the management approach	pg.93	-	Yes
GRI 305: Emissions 2016	305-4 GHG emissions intensity	pg.98	-	Yes
Energy Efficiency				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	pg.100	-	Yes
	103-2 The management approach and its components	pg.100	-	Yes
	103-3 Evaluation of the management approach	pg.102	-	Yes
GRI 302: Energy 2016	302-1 Energy consumption within the organization	pg.102	-	Yes
Climate Change				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	pg.105	-	No
	103-2 The management approach and its components	pg.106	-	No
	103-3 Evaluation of the management approach	pg.108	-	No
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	pg.105,106,108	Neptune Lines does not have yet a system in place to calculate the financial implications and costs rising from climate change risks or opportunities, nor makes revenue projections of same.	No

GRI Standard	Disclosure	Page number(s), URL(s) and/or Direct Statements	Omission	External assurance
Material Topics				
Effluents, Waste and Materials Used				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	pg.109	-	Yes
	103-2 The management approach and its components	pg.109	-	Yes
	103-3 Evaluation of the management approach	pg.110	-	Yes
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	pg.109	-	Yes
	306-2 Management of significant waste-related impacts	pg.109	-	Yes
	306-3 Waste generated	pg.110	During the reporting period the total weight of solid waste was not available in metric tons (other unit of measurement is used).	Yes

Sustainable Development Goals (SDGs)

"Sustainable development associates three key elements, which are interlinked and interdependent: economic growth, social inclusion and environmental protection. Based on this, world leaders adopted a set of **17 Sustainable Development Goals (SDGs)** during the United Nations Sustainable Development Summit in September 2015. These goals constitute the core of the Agenda for Sustainable Development to be accomplished by 2030. The SDGs, also known as the *Global Goals*, came into force on January 1st, 2016. They define global sustainable development priorities and aspirations for 2030 and seek to mobilize global efforts around a common set of goals and targets." (*Decent Work and the Sustainable Development Goals: A Guidebook on SDG Labor Market Indicators*, Department of Statistics (STATISTICS), Geneva: ILO, 2018)

Aligning our sustainability strategy with the 2030 Agenda, we demonstrate in this report the contribution of our business activities to the achievement of the SDGs, by reporting on our company's related impacts (i.e. positive and negative).

In the following table, we have made the connection between our material topics (as derived from our materiality analysis) and their related SDGs. We have also included those topics that were not identified as material by the materiality analysis, however, they are equally important to our company.

Sustainable Development Goals (SDGs) related with our business activities and impacts	Report section(s) where relevant information can be found/page number(s)	Related GRI disclosure number(s)
Goal 1 End poverty in all its forms everywhere 	-Community Investment (pg.79-83 and 85)	-
Goal 3 Ensure healthy lives and promote wellbeing for all at all ages 	-Community Investment (pg.79-83 and 85-86) -Occupational, Health, Safety and Wellbeing (pg.38-52) -Safe&Secure Operations and Business Continuity (pg.67-75)	401-2, 403-6, 403-9
Goal 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all 	-Community Investment (pg.79-86) -Employment (pg.28-37)	404-1
Goal 5 Achieve gender equality and empower all women and girls 	-Our Stakeholders (pg.23: "Participation in Career Readiness Programs" paragraph) -Employment (pg.28: "Cadet Training Program" paragraph and pg.33-37) -Occupational, Health, Safety and Wellbeing (pg.44,46,48) -Human Rights at Work and within our Supply Chain (pg.51-57)	401-1,401-2, 404-1, 405-1, 406-1
Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all 	-Emissions (pg.93-99) -Energy Efficiency (pg.100-104)	302-1, 302-3

Goal 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all 	-Corporate Governance, Compliance & Business Ethics (pg.66 : see "Socioeconomic Compliance" paragraph) -Safe&Secure Operations and Business Continuity (pg.67-75) -Employment (pg.28-37) -Occupational, Health, Safety & Wellbeing (pg.38-52) -Human Rights at Work and within our Supply Chain (pg.53-57)	102-8, 102-41, 401-1, 401-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7 403-9, 404-1, 405-1, 406-1, 419-1
Goal 11 Make cities and human settlements inclusive, safe, resilient and sustainable 	-Community Investment (pg.79-87)	-
Goal 12 Ensure sustainable consumption and production patterns 	-Economic Value Created and Distributed (pg.61) -Corporate Governance, Compliance & Business Ethics (pg.66: "Socioeconomic Compliance" paragraph) -Environment - Our Approach (pg.92 "Compliance with environmental laws and regulations" paragraph) -Effluents, Waste and Materials Used (pg.109-113) -Also, same reference as in Goal 7	204-1, 302-1, 302-3, 306-3, 307-1, 419-1
Goal 13 Take urgent action to combat climate change and its impacts 	-Environment - Our Approach (pg.90-92) -Emissions (pg.93-99) -Energy Efficiency (pg.100-104) -Climate Change (pg.105-108)	201-2, 302-1, 302-3, 305-4, 307-1
Goal 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development 	- Safe&Secure Operations and Business Continuity (pg.67-75) -Community Investment (pg.79-80 and 87) -Environment - Our Approach (pg.90-92) -Emissions (pg.93-99) -Effluents, Waste and Materials Used (pg.109-113)	305-4, 306-3, 307-1
Goal 16 Promote peaceful and inclusive societies for sustainable development; provide access to justice for all and build effective, accountable and inclusive institutions at all levels 	-Following our Moral Compass (pg.12-13) -Corporate Governance, Compliance & Business Ethics (pg.62-66) -Safe&Secure Operations and Business Continuity (pg.67-75) -Environment - Our Approach (pg.54 "Compliance with environmental laws and regulations" paragraph) -Occupational Health, Safety and Wellbeing (pg.38-52) -Human Rights at Work and within our Supply Chain (pg.53-57) -Service Quality and Customer Focus (pg.:77-78)	102-16, 205-3, 206-1, 307-1, 403-4, 403-7, 406-1, 418-1, 419-1
Goal 17 Strengthen the means of implementation and revitalize the global partnership for sustainable development 	-Company Snapshot (pg.:14-15 "External Initiatives & EU Projects") -Our Stakeholders (pg.18-23) -Corporate Governance, Compliance & Business Ethics (pg.:65 "Collective Action - The MACN") -Energy Efficiency (pg.104: participation in the Poseidon Med LNG II and CarEsmatic R&D projects)	102-12

UNGC 10 Principles

As a UNGC signatory, Neptune Lines submits this report to the United Nations Global Compact (UNGC) as its Communication on Progress (CoP) - stating the company's progress with regard to the UNGC Ten Principles (as demonstrated in the below table).

Description		Reference on report section(s) & Page numbers
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	-Community Investment (pg.79-87) -Employment (pg.28-37) -Occupational Health,Safety and Wellbeing (pg.38-52) -Human Rights at Work and within our Supply Chain (pg.53-57) -Service Quality and Customer Focus (pg.77-78)
Principle 2	Businesses should make sure that they are not complicit in human rights abuses	-Human Rights at Work and within our Supply Chain (pg.56)
Labor		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	-Employment (pg.33)
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor	-Human Rights at Work and within our Supply Chain (pg.53-56)
Principle 5	Businesses should uphold the effective abolition of child labor	-Human Rights at Work and within our Supply Chain (pg.53-56)
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	-Following our Moral Compass (pg.12-13) -Employment (pg.28 and 33-37) -Corporate Governance,Compliance and Business Ethics (pg.66) -Human Rights at Work and within our Supply Chain (pg.53-57)
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges	-Environment - Our Management Approach (pg.92)
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	-Environment - Our Management Approach (pg.90-92) -Emissions (pg.93-99) -Energy Efficiency (pg.100-104) -Climate Change (pg.105-108) -Effluents, Waste & Materials Used (pg.109-113) -Community Investment (pg.79-80, 87)
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	Same as stated in Principle 8
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	-Following our Moral Compass (pg.12-13) -Corporate Governance, Compliance and Business Ethics (pg.62-66)




UN GLOBAL COMPACT

COMMUNICATION ON PROGRESS

This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.

We welcome feedback on its contents.

Limited External Assurance (GRI 102-56)



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Building a better working world

Independent accountant's assurance report

To the management of Neptune Lines Shipping and Managing Enterprises S.A

Scope
We have been engaged by Neptune Lines Shipping and Managing Enterprises S.A. (hereafter "Neptune Lines") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, hereafter referred to as the engagement, to report on the following in relation to 2020-2021 Neptune Lines Shipping and Managing Enterprises S.A. ESG Report (hereafter the "Subject Matter"):

1. Accuracy and completeness of quantitative data and plausibility of qualitative information related to the GRI General Disclosures that are required as a minimum prerequisite for the "in accordance: Core option", according to GRI Standard 102
2. Accuracy and completeness of quantitative data and plausibility of qualitative information related to ten (10) GRI topic specific Disclosures for the years 2020 and 2021 (indicated in the assurance column of the GRI Content Index, pp. 118-123 of the Report).
3. The Management Approach (GRI Standard 103) related to the material topics with which the above-mentioned GRI topic specific Disclosures are associated, as those resulted from the Neptune Lines materiality analysis.

2020-2021 Neptune Lines ESG Report covers the financial years 2020-2021 (1 January 2020 – 31 December 2020 and 1 January 2021 – 31 December 2021 respectively).

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the 2020-2021 Neptune Lines ESG Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Neptune Lines
In preparing the Subject Matter, Neptune Lines applied the GRI Standards (2016) including the GRI reporting principles for report quality; accuracy, balance, clarity, comparability, reliability, and timeliness and the criteria set in the GRI standard 101 for "in accordance: Core option".

Neptune Lines responsibilities
Neptune Lines management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities
Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000' (revised)). Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature,

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Limited External Assurance (continued)



timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

1. Reviewed information in order to substantiate data and statements regarding Neptune Lines sustainable development performance - within our scope of work- as these are presented in the Report.
2. Interviewed executives responsible for managing, collecting and processing data related to -within our scope of work- the GRI General and Specific Disclosures (as indicated in the column External Assurance of the GRI Content Index found on pages 118-123) for purposes of both internal information and for reference purposes to third parties.
3. Reviewed relevant documentation, systems and report procedures, including, among others, data collection tools, standards and work instructions.
4. Reviewed the Report for the appropriate transposition and presentation of the -under the scope of our assurance engagement- sustainability data linked to the GRI General and Specific Disclosures (as indicated in the column External Assurance of the GRI Content Index found on pages 118-123), including limitations and assumptions relating to how these data are presented within the Report.

We also performed such other procedures as we considered necessary in the circumstances.

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Limitation of our Review

- Our review was limited to the English version of the Report for the years 2020-2021. In the event on any inconsistency in translation between the English and other (if any) versions, as far as our conclusions are concerned, the English version of the Report prevails.
- Our work did not cover activities performed by third parties or the performance of any third parties, not our involvement in stakeholder engagement activities. In addition, it did not include any review of the accuracy of survey results assigned to third parties, nor Information Technology systems used by third parties, but was instead limited to the proper transposition of the final results -within the scope of our engagement- to the Report.
- Our review did not include financial data and the corresponding narrative text in the Report, nor the Information Technology systems used or upon which the collection and aggregation of data was based by the Company.
- We do not provide any assurance relating to future information such as estimates, expectations or targets, or their achievability.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to Subject Matter in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of Neptune Lines in accordance with the terms of reference agreed between us and is not intended to be and should not be used by anyone other than Neptune Lines.

Athens, 23 September 2022

For and on behalf of

ERNST & YOUNG (HELLAS)

Certified Auditors Accountants S.A.

Yannis Pierros



Special thanks:

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