

# ONE Initiatives

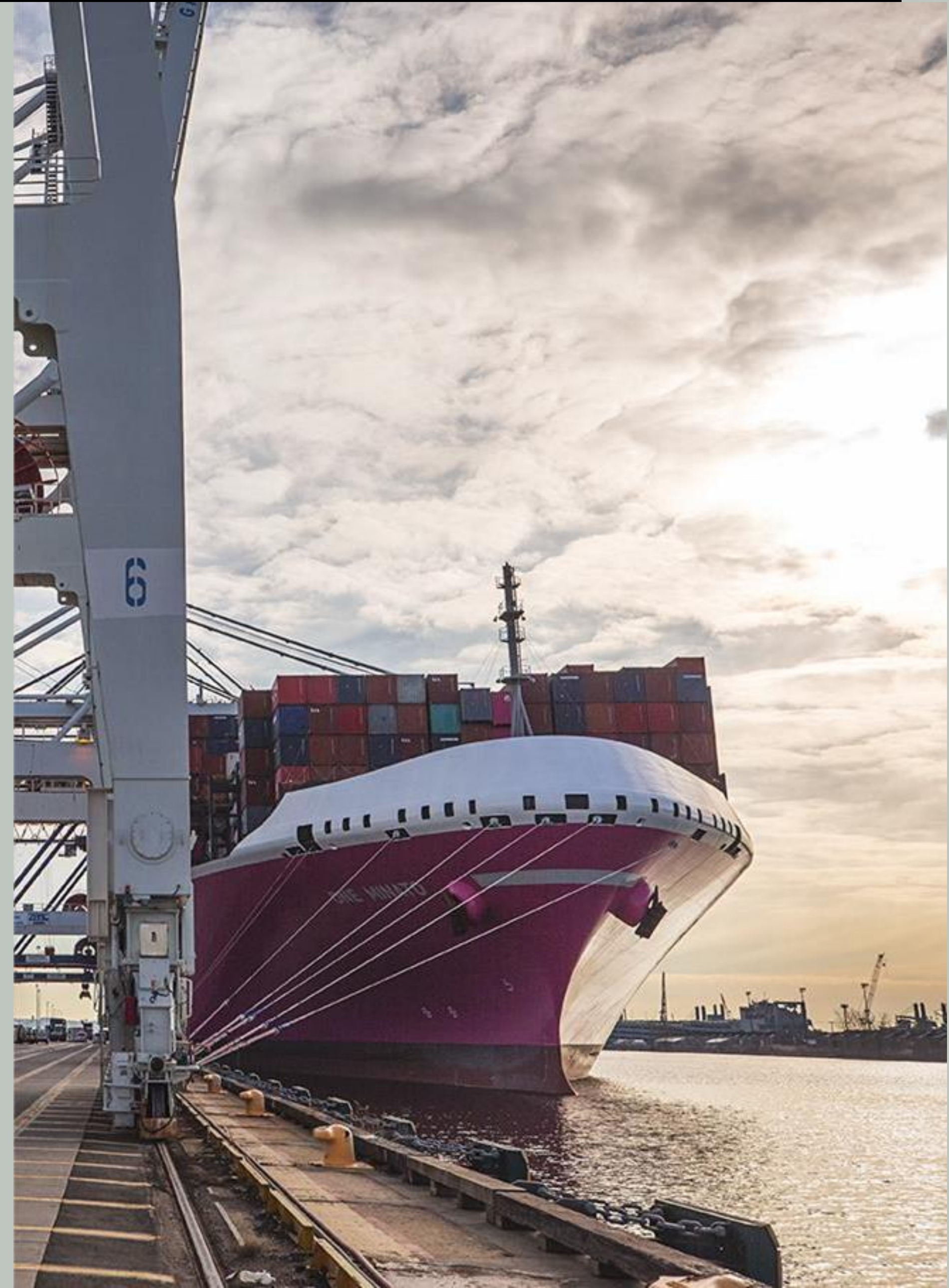
## FY21 Q2



Oct 29<sup>th</sup>, 2021



- 1. CEO MESSAGE**
- 2. ONE's COUNTERMEASURES**



# 1. CEO MESSAGE 1/2



**Jeremy Nixon**  
Chief Executive Officer

## **Stakeholder and Staff Welfare**

We continue to support the welfare of our staff, our customers and business partners where possible. "Working From Home" has its challenges but so far we have managed to fully maintain all our functional business activities in every country location. Where possible, we are starting to re engage with physical meetings, and move to hybrid working where staff can mix between office and home working environments. Meantime our seafarers continue to face challenging conditions due to an overall lack of a coherent international policy to crew changes and vaccination availability.

## **Pandemic Recovery and Global Supply Bottlenecks**

Unfortunately we still continue to witness significant bottleneck constraints across the international supply chain, as a result of landside labour shortages and high demand for consumer and industrial products. Hundreds of ships waiting around the world at anchor is the "effect" (and not the "cause") of such inland logistics bottlenecks backing up into the port infrastructure. The landside supply chain challenges appear to be somewhat universal, but North America and Europe seem to be the most significantly impacted. Meantime Chinese New Year is early this year (1st February 2022) and so, it is likely that we can expect the strong-booking demand in Asia to continue until at least then.

## **Network Capacity and Void Sailing Management**

On a container volume comparison basis, 1H/2021 was better than 2H/2020, largely due to the timing of the original Asia "supply shock" hit in April-July last year. Like our industry competitors, we could have carried even more freight in 1H/2021 had we not been forced to blank so many Asia sailings due to gaps in the schedule resulting from heavily delayed vessels returning from overseas destinations. As things stand in Q3/2021 we see no major improvement in the current situation so far, particularly in North America.



## **Asset Constraints**

The charter market for container vessels is sold out, and so the ability to augment our core fleet in the immediate short term is constrained. Likewise with container equipment. Hence, we continue to focus on minimising vessel and equipment waiting wherever possible to "recycle" our assets as quickly as possible. At the same time, we are still trying to maintain our commercial "account plan" commitments to our customers where possible, but with the current high vessel voiding ratios this remains very challenging.

## **Inflationary Forces and Pass Throughs**

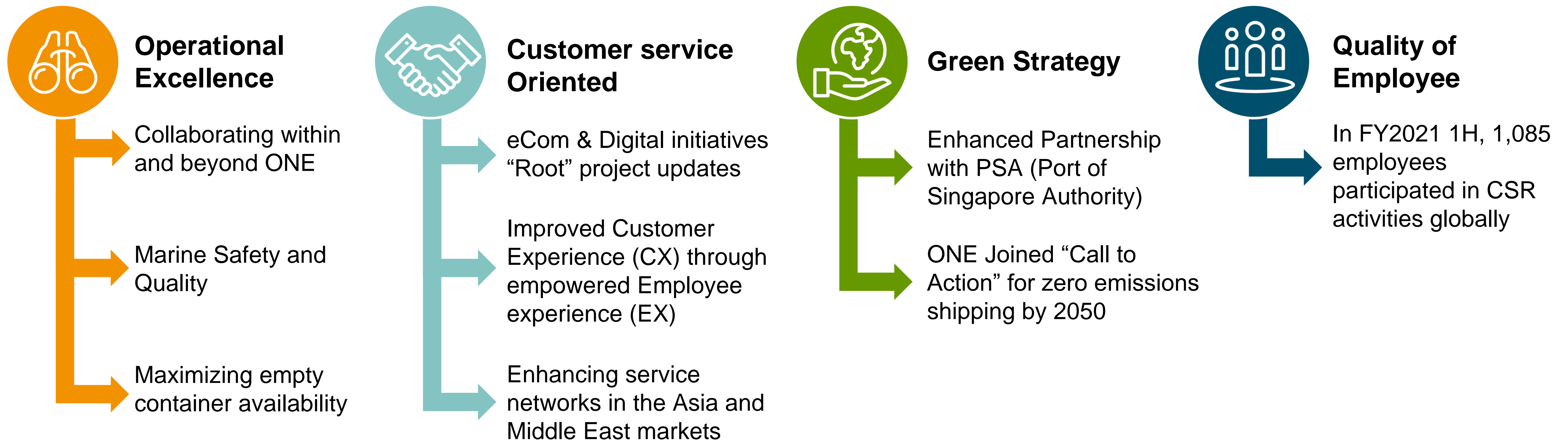
We have witnessed a strong increase recently in industry fuel prices and chartering, as well as cost push throughs on feedering and landside trucking services. Where possible, we try to ensure that any cost increases we incur in moving freight is recovered ultimately from the end customer. This is also true where containers under import load are taking longer to be returned.

## **Unprecedented Return on Investment**

For decades, Liner shipping has endured the challenge of trying to cover its cost of capital expenditure. Since 2019 that situation has started to change, with a much stronger focus on yield management and digitalisation. A profitable liner industry that is capable of meeting the future investment requirements of decarbonisation is essential for global trade. As governments head now to COP26, they should be mindful that if we can decarbonise shipping then, we can decarbonise the whole world at the same time.

## 2. ONE's COUNTERMEASURES

As part of our “Green Strategy” and our ongoing commitment to decarbonisation, we’ve strengthened crucial industry alliances and partnerships to push for sustainable maritime transport. Our operational teams have been working relentlessly to mitigate the impact of supply chain congestions happening across the world right now. To further enhance our customer service levels, we’ve launched two new services in the Asia and Middle East markets, increasing connectivity to meet global demands.





## Operational Excellence

### Collaborating within and beyond ONE

#### Operational micro-management

During the July-September period, ONE continued to meet various challenges that have been stubbornly persistent, including chronic port congestions spanning from USWC to Europe and to Asia, shortage of land transportation capacity, impaired container yard fluidity, reduced manpower due to seasonal factors like summer vacation and so on. The impact of intensive typhoons such as, In-Fa, Cempaka and Omais, as well as Covid-triggered abrupt port closure in Ningbo-Zhoushan added more acute stress on top of the already stretched operational resources in South Korea, China, Vietnam, etc. Consequently, we have been fighting against evolving and fluctuating adversities as well as their ripple effects. Under our new operations-safeguarding formation Business Collaborative Council, the entire global ONE team has worked relentlessly, either directly or indirectly, to mitigate the impact and maximize the carrying capacity in our network.

#### Shipowners & crew

We have continued to advance crew change arrangements in this quarter, despite the ongoing Covid-19 pandemic and highly regulated environment in Asia. These efforts have paid off and, we have seen another 18% increase in crew change arrangements during this quarter than in the previous three months.

### Marine Safety and Quality

ONE has launched its Marine Safety and Quality Campaign on August 1 to further elevate marine navigation safety practices. The campaign is focused on three main areas: Cargo Stowage & Securing (Heavy Weather), Collision/Contact, and PSC Inspections & Fire.

### Maximizing empty container availability

In correspondence with the existing and new obstacles faced in our vessel operations, we have also witnessed mounting pressure on our container box inventory, which was further complicated by challenged vessel schedules. Against all odds, ONE has managed to ensure our container box supply has not been disrupted.

#### Empty container procurement

Our forward-looking strategy of empty box procurement, among other concerted efforts, has helped to manage the unexpected surge in demand for 40HC containers.

#### Empty container repositioning

In addition to our constant policy of full slot utilization for empty repositioning, we have also increased our micromanagement, prioritising those type/size of containers which are in strong demand. Notwithstanding the lack of tonnage availability, we managed to arrange almost six times the capacity of empty sweeping operations in this quarter compared to the previous quarter.



## Customer Service Oriented (1/2)

### eCom & Digital initiatives “Root” project updates

ONE is actively collaborating with technology partners to enhance our speed-to-market in customer interaction areas, technology integration, and customer service modernization projects. Some key project updates are listed below.

- We are reengineering our ONE eCommerce solution to provide an end-to-end, convenient, and straightforward platform to customers with minimal effort and enhanced response time.
- We have worked with several rate agreement/contract integration platforms to reduce manual work for customers focussing on reflecting negotiated contract rates via application programming interfaces (APIs).
- We have worked with several eBL and ePayment partners to formulate a strategic eBL and ePayment solution with the objective to strengthen ONE's overall eCommerce services that help cut administrative costs for customers.
- The new release of the ONE Mobile app includes 'Chat integration' and the advanced 'Track and Trace' of shipment information which focuses on providing quick and accurate information to our customers on the go.
- ONE QUOTE is a new implemented product which enables the customer to get a quotation and make a booking on the platform anytime and anywhere.

### Improved CX through empowered EX

For an impactful and consistent global customer experience (CX), we greatly believe in enhanced Employee experience (EX).

- We have successfully rolled out globally our ONE Force (SalesForce) based CRM Solution to improve our overall customer management, performance and visibility, propelling us towards a more solution-based methodology of handling customer service requirements. [Press release](#)
- As a significant step towards modernising our support channels, we are progressing positively towards ONE Force (CRM) based service Cloud implementation. We will integrate our Live Chat with Case management for enhanced visibility on customer escalations within ONE.





## Customer Service Oriented (2/2)

### Enhancing ONE's service network in the Asia and Middle East markets

- ONE will launch the new **Korea China Straits (KCS)** service in October 2021 connecting Korea and Central/South China to the Malacca Straits. [Download Press Release](#)



#### Korea China Straits (KCS) service

Launching on the 30th October from Pusan, the new weekly Korea-China-Straits Service will enhance the coverage of the Intra Asia market, bringing more options and greater flexibility to ONE's valued customers. This is ONE's very first dedicated Korea and Central/South China to the Malacca Straits service which provides a competitive transit time in this growing market. The Pasir Gudang call can provide our customers with the advantage of a unique direct service to the Thailand market via the port of Laem Chabang.

#### The KCS service rotation is as follows:

Pusan - Shanghai - Xiamen - Singapore - Port Kelang - Pasir Gudang - Laem Chabang - Shekou - Pusan



Asia Gulf Express 4 (AG4) service

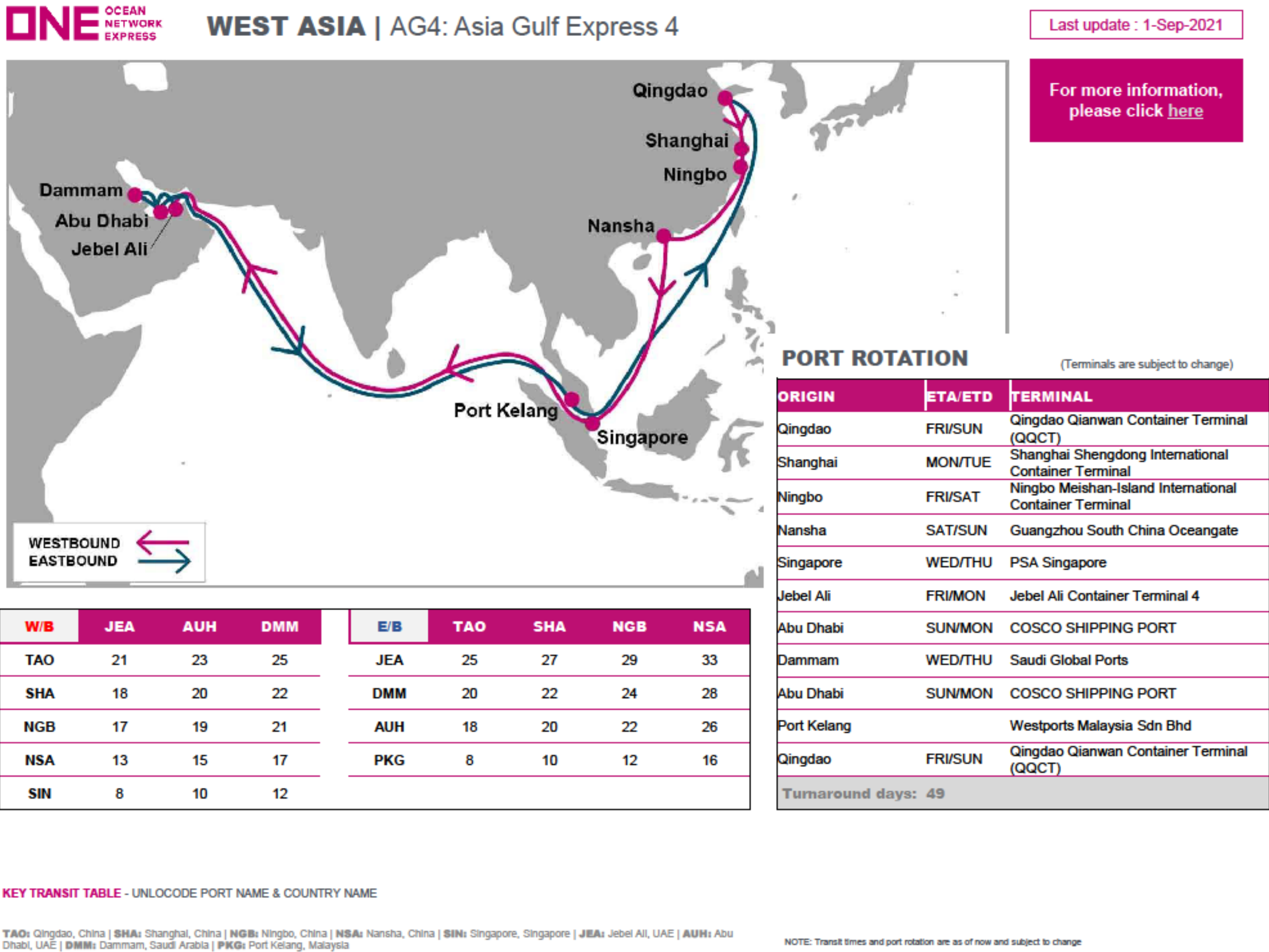
ONE has also revised its Asia to Middle East Asia services with the **Asia Gulf Express 4 (AG4)** service replacing the Asia Gulf Express (AGX) service [Download Press Release](#) [Service Map](#)

Asia Gulf Express 4 (AG4) service

On September 21st we launched the AG4 service connecting the Asia and the Middle East markets. The service will provide new options for our customers, offering greater flexibility to efficiently streamline their supply chains. With the commencement of the AG4 service, we have suspended the participation in the Asia Gulf Express (AGX) Service.

The AG4 service rotation is as follows:

Qingdao – Shanghai – Ningbo – Nansha – Singapore – Jebel Ali – Abu Dhabi – Dammam – Abu Dhabi – Port Kelang – Qingdao





### Green Strategy

#### Enhanced partnership with PSA

In late July, ONE and the Port of Singapore Authority (PSA) signed a memorandum of understanding, aiming to work in tandem and take the lead on proactive environmental stewardship by advancing sustainable green solutions, supporting industry-wide efforts toward decarbonisation and pushing for sustainable maritime transport.



#### ONE Joined "Call to Action" for zero emissions shipping by 2050

In late September, ONE endorsed the Call to Action for Shipping Decarbonization by joining the "Getting to Zero Coalition", an alliance of more than 150 companies within the maritime, energy, infrastructure and finance sectors that aims to decarbonize shipping. ONE and the "Getting to Zero Coalition" expect governments to deliver policies that will supercharge the transition and enable full decarbonization of international shipping by 2050.





## Quality of Employee (CSR)

**In FY2021 1H, 1,085 employees participated in CSR activities globally to get connected and to contribute to local societies.**

**World Clean Up Day** - 240 employees in 15 countries; Egypt, Germany, Turkey, France, Italy, Ivory Coast, Portugal, South Africa, The Netherlands, the UK, Denmark, Poland, Sweden, Pakistan, Nigeria over 85 hours. Employees engaged in harbour, beach, river and street cleaning, as well as tree planting. ONE also donated EUR 5,000 in support of this initiative.

**ONE Japan** – Free transportation to South Africa to deliver textbooks

**ONE India** – Free transportation China to India to deliver oxygen cylinders

**ONE Vietnam** – Donated to the COVID-19 Vaccine fund.

**ONE Korea** – Mask Donations

**ONE France** – Participated in a Charity Run & Walk for Breast Cancer Awareness

**ONE Germany** – Donation of 2 x 20'DRY to NGO after the flood disaster in the Rhineland and surrounding areas

**ONE Turkey** – Donated 2,000 saplings to NGO for reforestation after the disastrous forest fires

**ONE Brazil** – Donated and provided volunteers to NGO supporting vulnerable people

**ONE Japan** – Educational booth at Yokohama Ocean Hub Sea Expo

**ONE Poland** – Supported and took part in a Terminal run and gave a donation in aid of children's hospice

**ONE North America** – Cleaned up the James river walking trail

**ONE Hong Kong** – Participated in "Flag Day" a charity supporting children's hospice.

**ONE Singapore** – Donated food etc, and volunteered with distribution.

**ONE Mexico** – Raised funds for children with cancer.

**ONE UAE** – Collaborated with Green Box Initiative for recycling



An aerial photograph of a large container ship, the ONE COMMITMENT, docked at a port. The ship is red and white, with the word 'ONE' visible on its side. It is surrounded by numerous colorful shipping containers. In the background, a large mountain with a snow-capped peak is visible under a twilight sky. The port area is illuminated by lights, and a city skyline is visible in the distance.

# Thank you.

[www.one-line.com](http://www.one-line.com)