

ONE INITIATIVES

FY2021 Q4



28 April, 2022



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

1. CEO's MESSAGE 1/2



Jeremy Nixon
Chief Executive Officer

Ongoing supply chain operational bottlenecks

Ongoing trade developments and recent geo-political events are still creating operational bottlenecks in many parts of the world. ONE is focused on overcoming these challenges wherever possible. Of late the PRC has imposed many local restrictions and measures due to the recurrence of Covid-19. This has impacted on factory production, warehouse, depot, trucking and port operations. We also continue to witness significant congestion in the Northern European hub ports due to sanctions on Russian way-port cargo, whilst North America port and landside logistics still remain heavily congested. Further challenges remain on the US West Coast where collective bargaining negotiations over labour contracts with the International Longshore and Warehouse Union are commencing shortly. All these factors are resulting in ongoing industry delays to vessels and increased schedule voiding and port omissions.

Russia / Ukraine developments

ONE operations in Ukraine and Russia have been significantly impacted due to the ongoing hostilities. We have stopped all bookings via the Baltic and Black Sea gateways to Ukraine and Russia, whilst our Far East Russia services have been very significantly cut back due to the international sanctions. Overall Russia/Ukraine account for less than 1% of ONE's global volumes. However, a number of our customers' supply chains have been temporarily impacted due to sudden changes in their local production and sourcing requirements. We have also witnessed a significant adverse impact on global energy prices, including major increases in bunker fuel costs. Vessel charter hire costs remain at unprecedented high levels.

2021/2022 Financial Performance

ONE closed out its 2021 financial year (ending in March 2022) with a strong and exceptional profit performance. It also built back up its balance sheet and cash reserves to its highest level since its operational launch back in April 2018. Financials were consistently ahead of forecast over the entire year, and this was the third year of consecutive profitability. Earnings Before Interest and Tax (EBIT) margin were also ahead of ONE's competitor industry peer group for the full 2021 calendar year. The outlook for the rest of 2022, however, remains cautious as there are still many trading uncertainties ahead in addition to further expected economic headwinds. Additionally, there is still a strong need for further investment in decarbonisation and digitalisation over the course of 2022 and beyond.

1. CEO's MESSAGE 2/2



Release of ONE Mid Term Plan

ONE's mid-term strategy was unveiled during a well-attended investor relations and media event on 23rd March. The new plan is both clear and decisive and once implemented, will ensure that ONE can retain its capability as a leading innovative and high service global container shipping operator. Specifically, the plan entails a consistent and sustainable US\$ 20 Bn investment programme to ensure that ONE's vessel and equipment fleet, management systems and key terminal operations are fully capable to meet the company's 10% ROE objective over the course of this decade. The focus will not just be about having a more stable core fleet, but also one that ensures that our investments will match ONE's new green environmental strategy, which aims to be far more ambitious than the current IMO 2030 and 2050 carbon emission targets.

Release of ONE Green Strategy

ONE's Green Strategy sits at the heart of our mid and long-term planning. We also hope to take a leading role in accelerating the decarbonisation of global shipping by working with many industry entities and expert groups to fast track technology and best practice adoption. That journey has already started with the publishing of our new strategy, and, provides ONE with a much clearer set of carbon emission reduction targets, as well as the development of processes to monitor and publish our future progress.

The seven key pillars of ONE's strategy are green investment, alternative fuels, carbon management, operational efficiency, community ecosystem building, clean ship recycling and active environmental conservation.

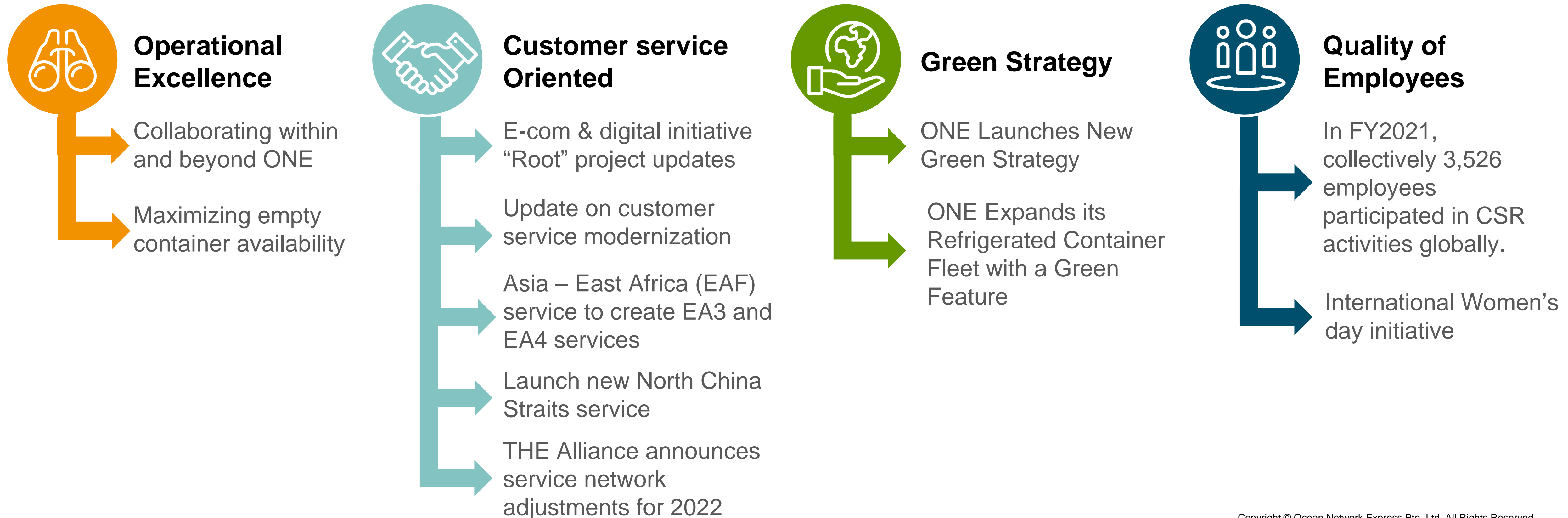
ONE Service Enhancements

ONE continues to focus strongly on the upgrading and development of its enterprise architecture and digital solutions, focused around three key areas of digitalisation development. Channel digitalisation, operational digitalisation, and asset digitalisation. This quarter, ONE relaunched its Mobile App and improved the Track and Trace functionality. There were also further scope enhancements to our ONE QUOTE product as well as the launch internally of our Service Cloud system to improve customer service case handling and response times.

On the network side, there was a restructuring of our Asia – East Africa (EAF) service into two new weekly services EA3 (East Africa 3 (Mombasa) and EA4 (East Africa 4 (Dar Es Salaam). This is in addition to two other existing services, the EA3 with a Mombasa call (including Qingdao) and the EA4's Dar Es Salaam call, providing overall increased frequency and improved schedule reliability. THEA also announced for 2022 the delinking of the FP2 pendulum loop into two separate European and Pacific services, namely FE5: Southeast Asia to Europe and PS7: Southeast Asia and South China to Transpacific West Coast. These changes were introduced to help improve overall schedule reliability due to the challenging port conditions currently being faced in Europe, Asia and North America.

2. ONE's COUNTERMEASURES

Operational and customer service excellence are our key priorities. With the digitalisation and modernisation of our processes, we have maintained a high level of customer service that is evident in our prompt responses in 2022. There is also a significant commitment to strengthening our environmental capabilities and we have expanded it to include our Refrigerated Container Fleet with Green Feature fittings. More than 3,500 employees participated in CSR activities globally to contribute to local societies and, we have recently launched the global #ONE Ocean campaign to tackle the environmental conservation of sea water.





Operational Excellence

Collaborating within and beyond ONE

Operational micro-management

Continuing from the previous quarter, ONE has been facing various operational challenges in the January-March period. Chronic port congestion globally, shortage of land transportation capacity, impaired container yard fluidity, and a reduced workforce due to Covid19 variants, are just some of the challenges ONE is facing.

In this period, we have encountered extraordinary and adverse weather conditions in both the Atlantic and Pacific Ocean. To minimize the impact to our service, ONE has been implementing close weather monitoring, optimal routing, and utilization of extra loaders. Under our lean and agile business formation, Business Collaborative Council, the global ONE team collaborated to mitigate this impact while maximizing the carrying capacity of our network.

Shipowners & crew

We have continued to advance crew change arrangements this quarter, despite the ongoing Covid-19 pandemic and a highly regulated environment in Asia. As a result, a 36% increase in crew change arrangements during this quarter was realised compared to the corresponding period in the previous year.

Maximizing empty container availability

Under these challenging circumstances, we continuously managed container box inventories, which were further complicated by disrupted vessel schedules. ONE has kept a reasonable empty container inventory level so as not to disrupt our container box supply.

Empty container procurement

We continue to proceed with necessary empty container procurement based on our market and demand forecast.

In March, ONE has announced an expansion of the reefer container fleet by 6,500 units, including 500 units equipped with advanced Controlled Atmosphere technology, in order to meet the growing demand for refrigerated cargo around the world. ONE continues to demonstrate its strong commitment to meeting the demand for the containerized reefer trade, which is expected to continue growing in 2022.

Empty container repositioning

In addition to our constant policy of full slot utilization for empty repositioning, we managed to arrange empty sweeping operations in spite of the lack of tonnage. The empty sweeper volume in this quarter increased by 5%, compared to the average figures of the first three quarters of FY2021.



Customer Service Oriented (1/4)

E-com & digital initiative “Root” project updates

- In March 2022, we have released the pilot for the improved ONE eCommerce platform. Our redesigned interface aims to enhance the customer journey and support smoother navigation of several new features.
- We have unleashed a fresh look to our Mobile application, with the objective to enhance the overall customer experience. The main improvements were in the Track and Trace function, with focus on the monitoring and management process.
- We continue to offer a further enhanced booking turn around and confirmation process, as part of our new eCommerce platform.
- ONE QUOTE has been enhanced with service scope expansion and functional development. More port pairs have been listed for import to Asia.
- We have extended our online payment options through our e-payment solutions in Indonesia and Thailand and are in the process of reviewing its expansion to other countries including, but not limited to, China and India.

Update on customer service modernization

- We've gone live in selected countries with the pilot implementation of Service Cloud, which is a Salesforce CRM solution. We firmly believe that integrated Sales & Service Cloud implementation will provide 360 degrees visibility of our customers, which will allow ONE to improve our overall level of service.
- We are aligning our service channel strategy and digital solutions to ensure we bring our sales & service teams one step closer to customers.
- We strive towards implementing a consistent experience for our customers approaching us via our established support channels, like Chat, Web, Email or Phone calls.

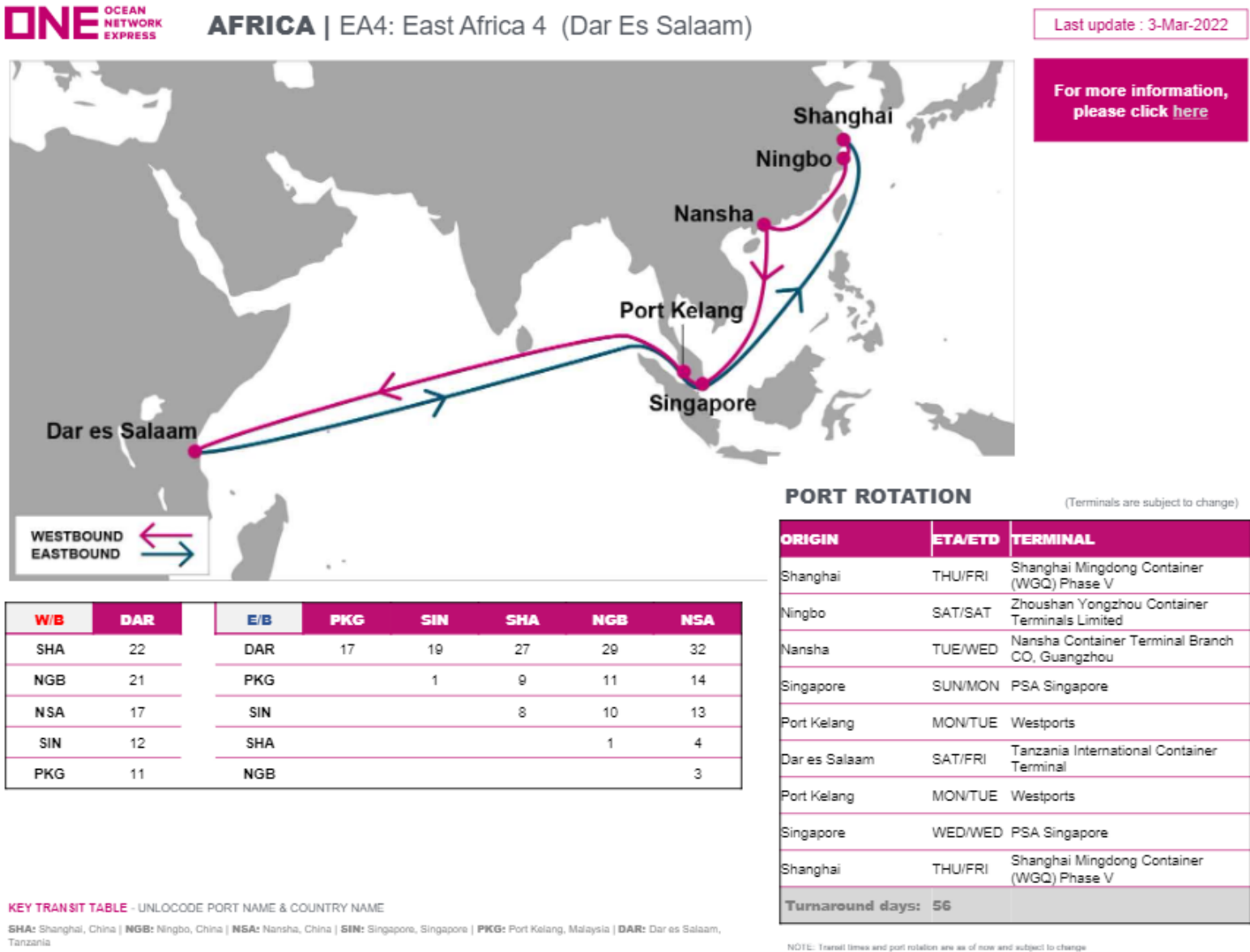
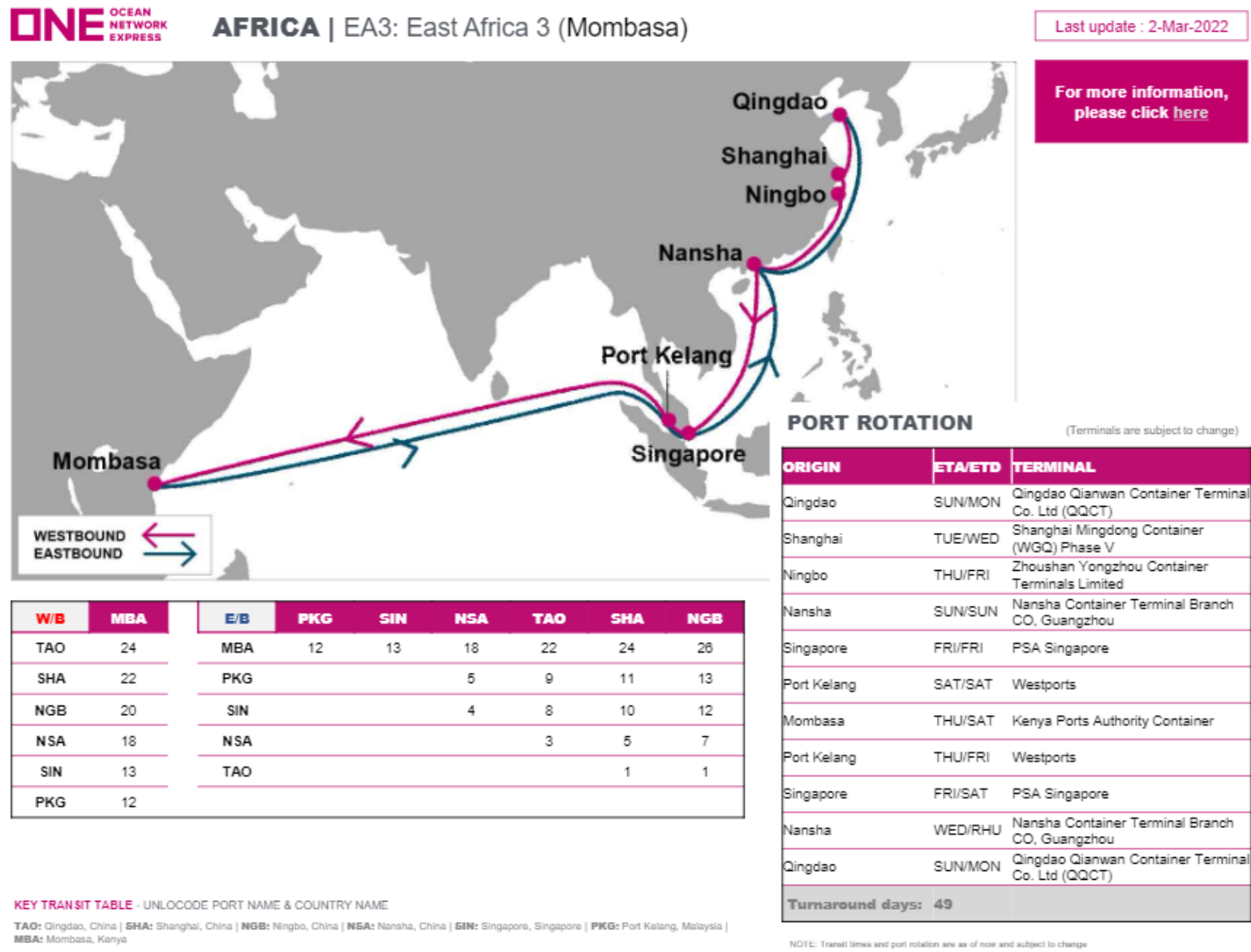




Customer Service Oriented (2/4)

ONE restructures Asia – East Africa (EAF) service to create EA3 and EA4 services

ONE was pleased to announce the restructuring of the Asia – East Africa (EAF) service into two new services EA3 (East Africa 3 (Mombasa)) and EA4 (East Africa 4 (Dar Es Salaam)) [Download Press Release](#) [Service Map](#)



East Africa 3 (Mombasa) (EA3) service & East Africa 4 (Dar Es Salaam) (EA4) service

These two newly created services, the EA3 with a Mombasa loop (including Qingdao) and the EA4's Dar Es Salaam loop, will provide greater frequency and a more stable schedule. This restructure will benefit ONE's customers with a more reliable service.

The EA3 service started from Qingdao on 13th March 2022 and the EA4 service began in Shanghai on 10th March 2022. The services' rotation are as follows:

- (EA3) Qingdao – Shanghai – Ningbo – Nansha – Singapore - Port Kelang – Mombasa – Port Kelang - Singapore – Nansha – Qingdao (Weekly frequency)
- (EA4) Shanghai - Ningbo – Nansha – Singapore – Port Kelang – Dar Es Salaam – Port Kelang – Singapore – Shanghai (Weekly frequency)



Customer Service Oriented (3/4)

ONE to launch new North China Straits service

ONE also unveiled a new additional service, connecting North China and Straits. The new weekly **North China Straits (NCS) Service**, launched on 28th February from (*) Xingang, China, will provide more sailings and greater flexibility to ONE's valued customers.

[Download Press Release](#) [Service Map](#)

ONE OCEAN NETWORK EXPRESS

EAST ASIA | NCS: North China Straits

Last update : 31-Jan-2022

For more information, please click here

S/B	SIN	PKG ¹	PKG ²	SHK	INC
DLC	12	14	15	21	25
TXG	11	13	14	20	24
TAO	8	10	11	17	21
NGB	6	8	9	15	19

N/B	DLC	TXG	TAO	NGB
SIN	14	16	18	20
PKG ¹	12	14	16	18
PKG ²	11	13	15	17
SHK	5	7	9	11
INC	1	3	5	7

KEY TRANSIT TABLE - UNLOCODE PORT NAME & COUNTRY NAME

DLC: Dalian, China | TXG: Xingang, China | TAO: Qingdao, China | NGB: Ningbo, China | SIN: Singapore, Singapore | PKG: Port Kelang, Malaysia | SHK: Shekou, China | INC: Incheon, Korea

NOTE: Transit times and port rotation are as of now and subject to change

North China Straits (NCS) Service

NCS service rotation is as follows:

Dalian - Xingang - Qingdao - Ningbo - Singapore - Port Kelang (West/North) - Shekou - Incheon - Dalian

NCS Effective Vessel Voyage:

SITC SURABAYA / 2202S, ATA (*) Xingang 28 February 2022

(*) the effective vessel omitted Dalian call for schedule recovery



Customer Service Oriented (4/4)

THE Alliance announces service network adjustments for 2022

The setup of THE Alliance's network has been reconfigured to ensure comprehensive port coverage. The enhanced service setup will be effective from spring 2022.

A key change will be delinking the FP2 pendulum loop into two separate services, namely FE5: South East Asia to Europe and PS7: South East Asia and South China to Transpacific West Coast, with the main focus of increasing frequencies by responding to the independent services more quickly and flexibly.

Another important change is the deployment of larger ships for the most frequent services. The introduction of a modern series of fuel efficient 11,000 TEU vessels will replace older tonnage, and reflect THE Alliance's continued commitment to lower its carbon footprint.

The members of THE Alliance have recognized that the disruptions and bottlenecks in key ports worldwide are causing delays to the supply chains. Hence, they will continuously apply great effort to ensure flexible and robust recovery measures for a quicker turnaround of sailings.

[Download Press Release](#)





Green Strategy (1/2)

ONE Launches New Green Strategy

In March 2022, ONE has announced a new Green Strategy, placing ONE at the forefront in the decarbonization of the shipping industry. This includes the following ambitious targets for decarbonization.

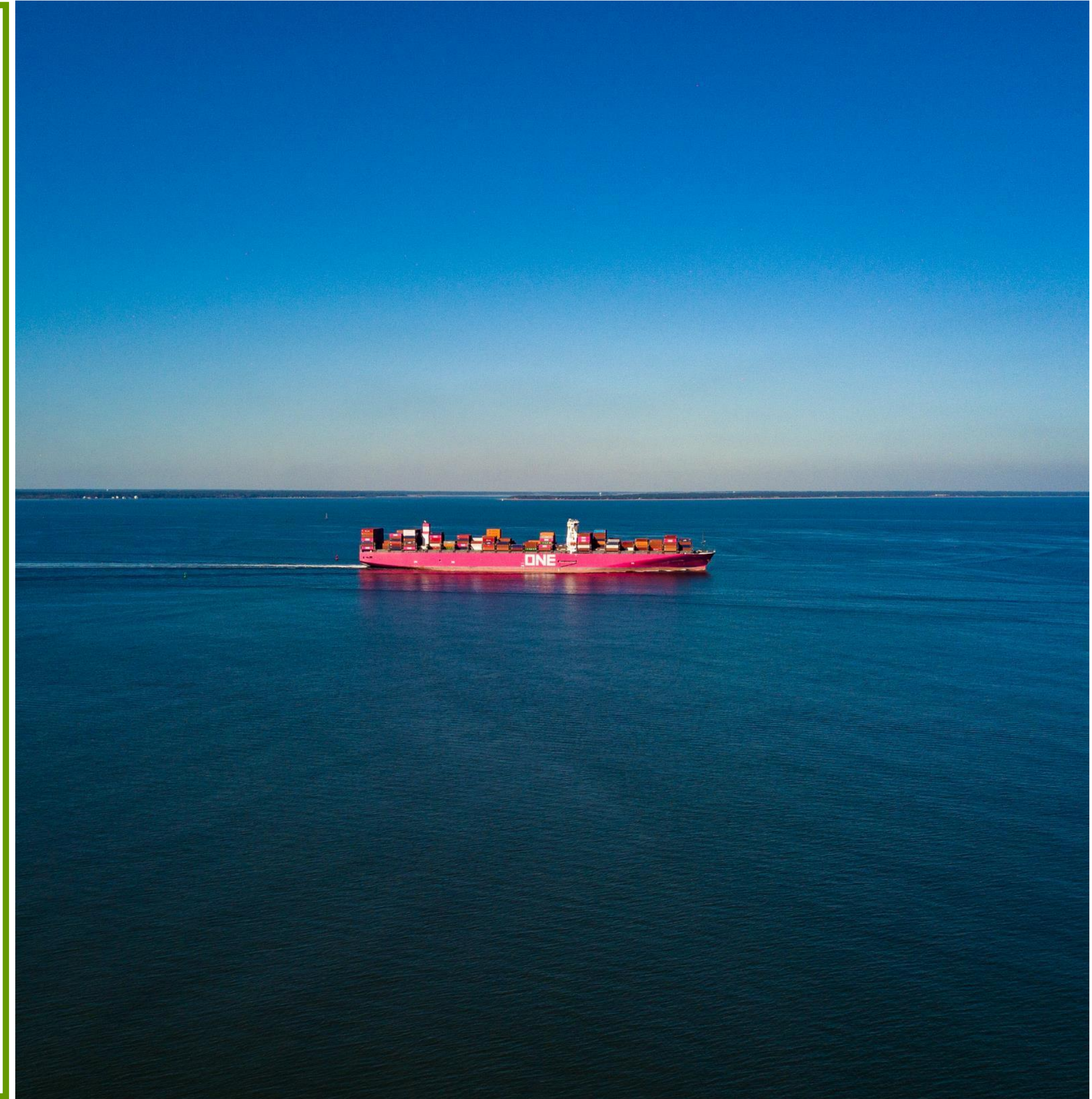
Emissions Intensity: To Reduce "scope 1" GHG emissions by **70%** per TEU km by **2030**

Absolute Emissions: Achieve **net-zero** GHG emissions (including "scope 2 & 3") by **2050**

ONE's new commitments touches on the following key points.

- ONE's Green Strategy sits at the top of our management agenda, as does our commitment to achieving carbon neutrality by 2050, thereby playing an important role in global environmental conservation.
- ONE will make continuous investments in greener assets & technologies whilst also taking all appropriate actions to achieve our green targets.
- ONE will engage in open collaboration with industry stakeholders to realize the goals in the Decarbonization of Shipping.

The strategy also highlights ONE's commitment to green investment on various projects including but not limited to, studies on alternative fuel, carbon management, and environmental initiatives such as clean ship recycling, and so on. These projects will accelerate ONE's and the entire industry's goals towards decarbonization.





Green Strategy (2/2)

ONE Expands its Refrigerated Container Fleet with a Green Feature

ONE has announced the expansion of its current reefer fleet by adding another 6,500 new units to meet the growing demand for refrigerated cargo around the world. The new units will be applied with waterborne paint instead of traditional solvent-borne paint, which reflects ONE's commitment to protecting the environment and human health.

The use of solvent-borne paint is known to release volatile organic compounds (VOC) which can pollute the environment and cause smog that impacts air quality and visibility. The use of water-borne paint will help to reduce VOC emissions by 80-90%, yet it retains a similar quality to solvent-borne paint in terms of durability and anti-corrosion capabilities.

Expanding our reefer fleet will allow us to meet the growing needs of our customers in the transport of perishables. Additionally, the 500 units equipped with Controlled Atmosphere technology, will enhance the customer experience in managing longer dwell times at ports- keeping food and medicines safer for much longer.

[Download Press Release](#)





Quality of Employee (CSR)

In FY2021, a total of 3,526 employees participated in CSR activities globally to get connected and contribute to local societies.

#OneOcean project - With a commitment to life under water, we are enhancing ocean conservation programs in Singapore and globally as well. ONE GHQ organized beach cleaning in Singapore participated by 20 managers(?) including the CEO and C&I MD. They also organized a site visit and participated in a Coral Reef Conservation program at St. John's Island with the National Parks Board. Mangrove planting was conducted in Sri Lanka and beach conservation by eggshell is ongoing in Mexico.

Scholarship and funding to National University of Singapore - Lee Kuan Yew School of Public Policy – As a commitment to Singapore's leadership in the region and a better world, ONE donated a seat for scholarship and sponsorship to social mobility funds.

Platinum Supporter of Mission to Seafarers(MTS) –We are proud to be a platinum supporter as a result of our continuous commitment to MTS, respecting and supporting seafarers who are crucial to keeping the global supply chain in motion.

International Women's day initiative

For 2022, ONE embarked on an International Women's Day (IWD) campaign to celebrate International Women's Day (March 8th) and raise awareness on-Diversity & Inclusion within the organization. In conjunction with IWD's 2022 campaign theme “#BreakTheBias”, global ONE employees are encouraged to strike the #BreakTheBias pose and share the images on ONE's internal communication platform. About 80 photos were submitted and shared on ONE's social media channels and IWD's website. In addition, a series of #ONEWomenSpeak internal videos were produced, where female management members from GHQ and Regions, shared their views on diversity and inclusion as well as their own experience as a female management member in the shipping industry. This series is an initial step in raising awareness on Diversity and Inclusion and aims to inspire our employees that being a female leader at ONE is attainable.

CSR activities from global

ONE Hong Kong – Free transportation with Crossroads Foundation, from Hong Kong to Ivory Coast delivering baby clothes and essential goods.

ONE India - Donation of sanitary goods to hospitals at various locations such as Bangalore, Cochin and so on.

ONE Manila - Donation to Typhoon Odette.

ONE Nederland - Donation Christmas Campaign Sophia Children's Hospital.

ONE Spain - Food bank activity in Barcelona and Valencia.

ONE Brazil - Donation to Teatro Cego and Cebelegria, promoting social inclusion and health awareness.

[and many more.](#)





Thank you

www.one-line.com