

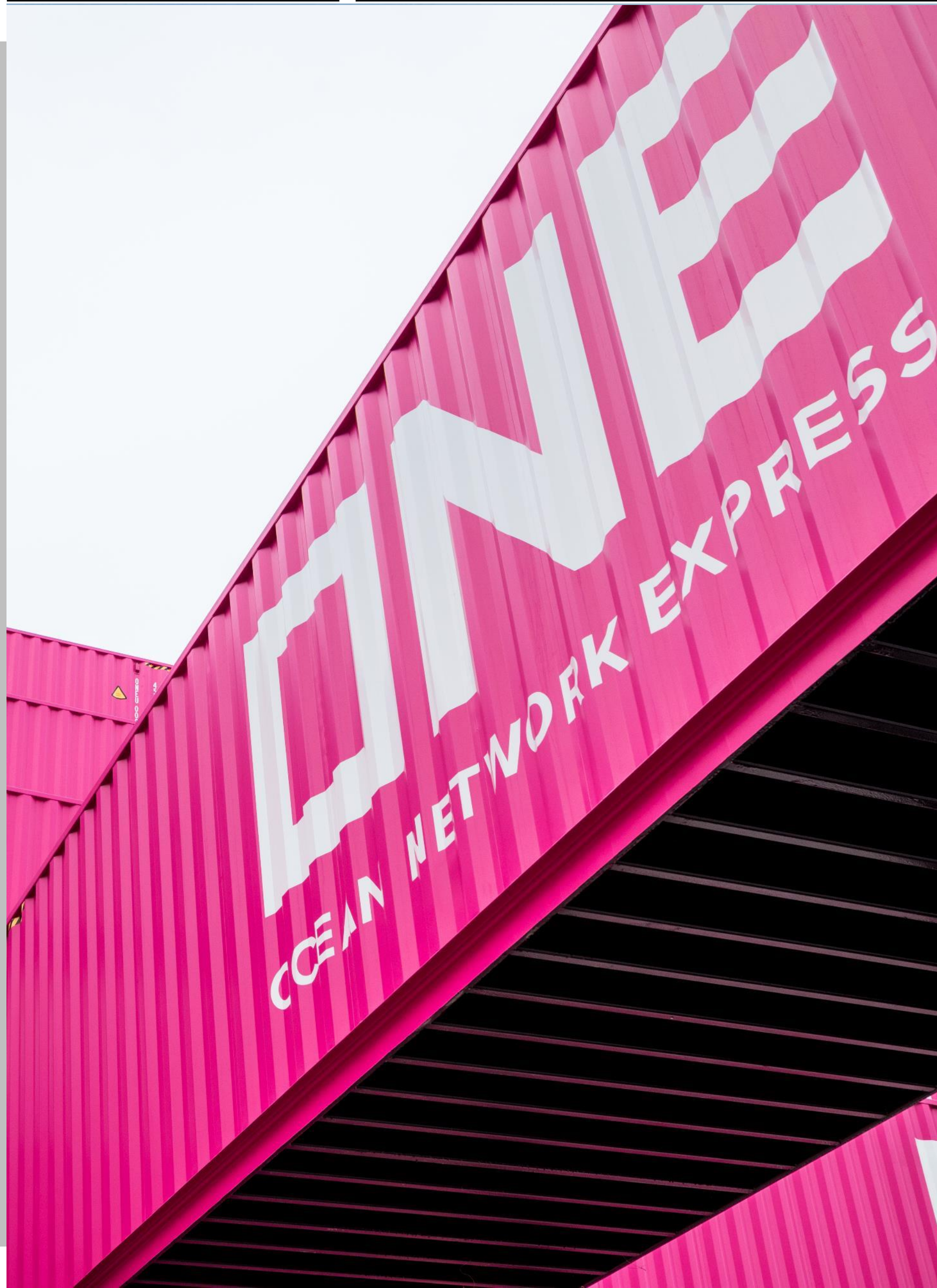
ONE INITIATIVES

FY2022 Q1

ONE
OCEAN NETWORK EXPRESS

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- 1. CEO's MESSAGE**
- 2. Our Initiatives for FY 2022**
- 3. ONE's COUNTERMEASURES**
 - **CUSTOMER SERVICE ORIENTED**
 - **OPERATIONAL EXCELLENCE**
 - **GREEN STRATEGY**
 - **SUSTAINABILITY IN ONE**



Jeremy Nixon
Chief Executive Officer

Global uncertainty

Rising inflation and a cost-of-living increases, a surging US dollar, high fuel prices and the ongoing Russia-Ukraine conflict play significantly on the confidence of general consumers. The recent collapse of the Sri Lankan government and its economy also serve as a warning to other emerging markets. Will these global difficulties translate into the cancellation of production orders, a rise in inventory levels and a significant reduction in container volumes? Or will pent up demand, an early peak season, the lifting of Chinese restrictions and ongoing US demand for Asian goods see continued strong container demand?

At this stage it is too early to say, but this uncertainty has so far not been reflected in overall ONE first half liftings. However, a combination of China lockdowns and a cancellation of bookings from Russia meant a year-on-year (April-June) decrease of 5%.

Overall freight rates continue to be significantly higher than last year. However, we continue to face higher operational costs, driven by port and inland congestion and global inflation. Labour unrest is contributing to port congestion: in the past few weeks we have seen port strikes in Germany, rail strikes in the United Kingdom and truck strikes in South Korea and the USA. We have increased vessel speeds to maintain schedules, which has increased fuel consumption. We have also seen rising agency and IT expenses as well as increasing taxes. We are committed to significant investments in decarbonisation and digitalisation programmes. This includes the recent placing of a 10-ship vessel order at Japanese and South Korean yards. These vessels will be built to allow them to be retrofit to be powered by ammonia or methanol, as well as offer carbon capture capabilities.

Shanghai lockdowns

Daily operations have now nearly fully recovered at Shanghai terminals following a tightening of Covid-19 restrictions by the Chinese authorities in May. However, trucking and labour shortages remain a challenge and ongoing local lockdowns mean that the threat of future restrictions are still very much present.

With reefer and dangerous goods yards particularly impacted, in April we advised customers to consider change of destinations for time and temperature sensitive commodities and waived change of destination (COD) and cargo retained onboard (ROB) fees. We also offered free cancellation fees for ONE QUOTE shipments exported from Shanghai. We were able to assist reefer customers by holding their containers at transshipment ports before delivering to Shanghai.

We stand ready to make future changes to customer arrangements and support shippers should the situation change significantly again.



ILWU negotiations

Negotiations between the union which represents over 22,000 US West Coast port workers and employers continue. Whilst negotiations are still ongoing, the contract expired 1 July. The Pacific Maritime Association, representing employers, and the International Longshore and Warehouse Union, representing workers, issued a joint statement stating that they were aware of the “strategic importance of the ports to the local, regional and US economies, and are mindful of the need to finalize a new coast-wide contract as soon as possible.”

We have seen cargo shifting between the East and West coasts, possibly driven by shippers’ expectations of the potential for worsening port conditions on the West coast.

Future investments

Investing in a greener future and ensuring a sustainable supply chain for our customers is at the heart of ONE’s long-term strategy. The company has made good progress towards this by ordering new vessels and purchasing 33,000 containers so far this year.

ONE is implementing its ambitious fleet growth programme and in May confirmed a US\$1.6bn order of 10 Very Large Container Ships. Scheduled to be delivered in 2025, the orders will be fulfilled by Japan’s Nihon Shipyard and South Korea’s Hyundai Heavy Industries yards. Each vessel will have a capacity of 13,700 TEU. The move embodies ONE’s Midterm Strategy announced in March, to safeguard a sustainable supply chain for the future and underscores ONE’s green strategy and decarbonization plan.

The vessels are designed with the highest efficiency standards and incorporate a variety of cutting-edge technologies.

Addressing the continued global container shortage, ONE has already purchased 3000 reefer containers and 30,000 dry containers in 2022.

Recognising and reacting to a fast-changing supply-chain situation is critical to our customers’ success. In 2020/21 we were able to increase our fleet capacity by chartering in additional tonnage on a short-term basis. Our recently announced 10-year US\$20bn investment strategy will see us acquire more vessels, agree longer term charters as well as upgrade terminals, our digital infrastructure and acquire more containers.

In the shorter term we have implemented operational changes such as increasing vessel speeds and allocating vessels to key trade lanes as quickly as possible. This is helping to eliminate the problem of unloaded cargo caused by port delays and cargo volume increases. Ensuring rapid container recirculation is also vital and we continue to work with and incentivise terminals and customers to return containers as quickly as possible.

Whilst the situation of ship crews being unable to disembark due to local Covid-19 restrictions has improved, there are still locations where changeovers are subject to screening and approval from the local authorities. Working in close collaboration with the owners of our ships, we continue to make temporary port calls as needed to allow for seafarer changeovers.

INITIATIVES FOR FY2022

Strategy & Direction

Steadily execute business in accordance with the Midterm Strategy and Green Strategy announced in March 2022.

- As a container shipping company that supports the supply chain, ONE will steadily make investments and continuously provide high-quality, safe global transportation services.
- ONE has positioned green strategies as its top management priority and will continue to address industry challenges, including decarbonization.
- The company will further enhance digitalization, operational efficiency, and risk management to further increase industry-leading profitability and safety.

Progress

Investment:

- ONE has signed ship building contracts with both Hyundai Heavy Industries Co. Ltd. and Nihon Shipyard Co., Ltd. to construct 5 vessels each with a capacity of over 13,700TEU, adding a total of ten modern Very Large Container Ships (VLCS) to ONE's fleet, to be delivered in 2025.
- Two newly built 12,000TEU (long-term chartered vessel) have been delivered as planned and deployed to the West Coast of North America service.
- The new MIM (Mozambique - India - Middle East) service which is a unique product directly connecting Jebel Ali, Mundra and Maputo has launched. The service will provide a new gateway option to hinterland markets in South Africa, Swaziland and Zimbabwe.

Environment:

- The 13,700TEU vessels are designed with the highest efficiency standards as well as a variety of cutting-edge technology to reduce navigational impacts to the environment and are planned for the "Ready notation*" or "AiP (Approval in Principle)" of Ammonia and Methanol as fuel, CCS(Carbon Capture and Storage)**.
- (*)Ready notation ; A code given by the classification society to ships that meet requirements for basic designs of systems which are anticipated to be used in the future.
- (**)CCS (Carbon Capture Storage) ; CO2 capture and storage technology. CO2 contained in the combustion exhaust gas is recovered and temporarily stored on board.
- PSA Corporation Ltd(PSA) & ONE announced the successful use of reclaimed refrigerant gas from reefer containers, as part of green supply chains.
- ONE conducted a successful third trial of biofuel to support decarbonization in the shipping sector.

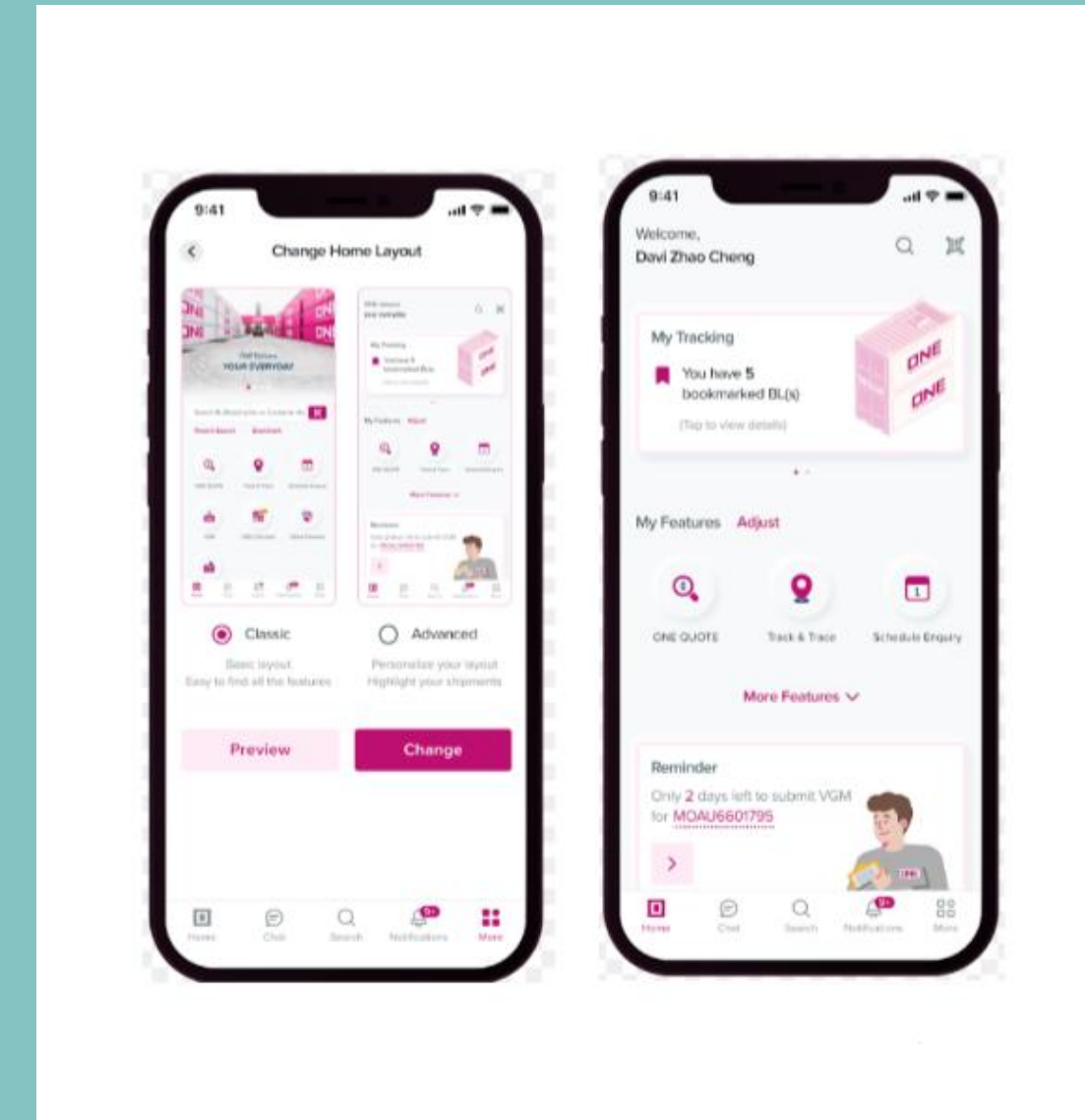
Digital:

- ONE has announced the launch of its refreshed eCommerce platform, which has been developed to enhance the customer's journey with a more personalized and engaging user experience.
- Customer information stored in the cloud is now shared among offices around the world and used to strengthen customer relationships by providing optimal services to customers.



ONE Mobile App

- We will enhance the homepage of Mobile App to have a centralized search that will be linked to different features of the Application for the Customer convenience. In line with our commitment to improve Customer experience using the App, this one time search will link to all other features in the App that use either B/L or Container number as a criteria for search.
- We will also launch a customizable screen layout in our Mobile App. Based on individual preference users can choose to display or hide certain Mobile App features.

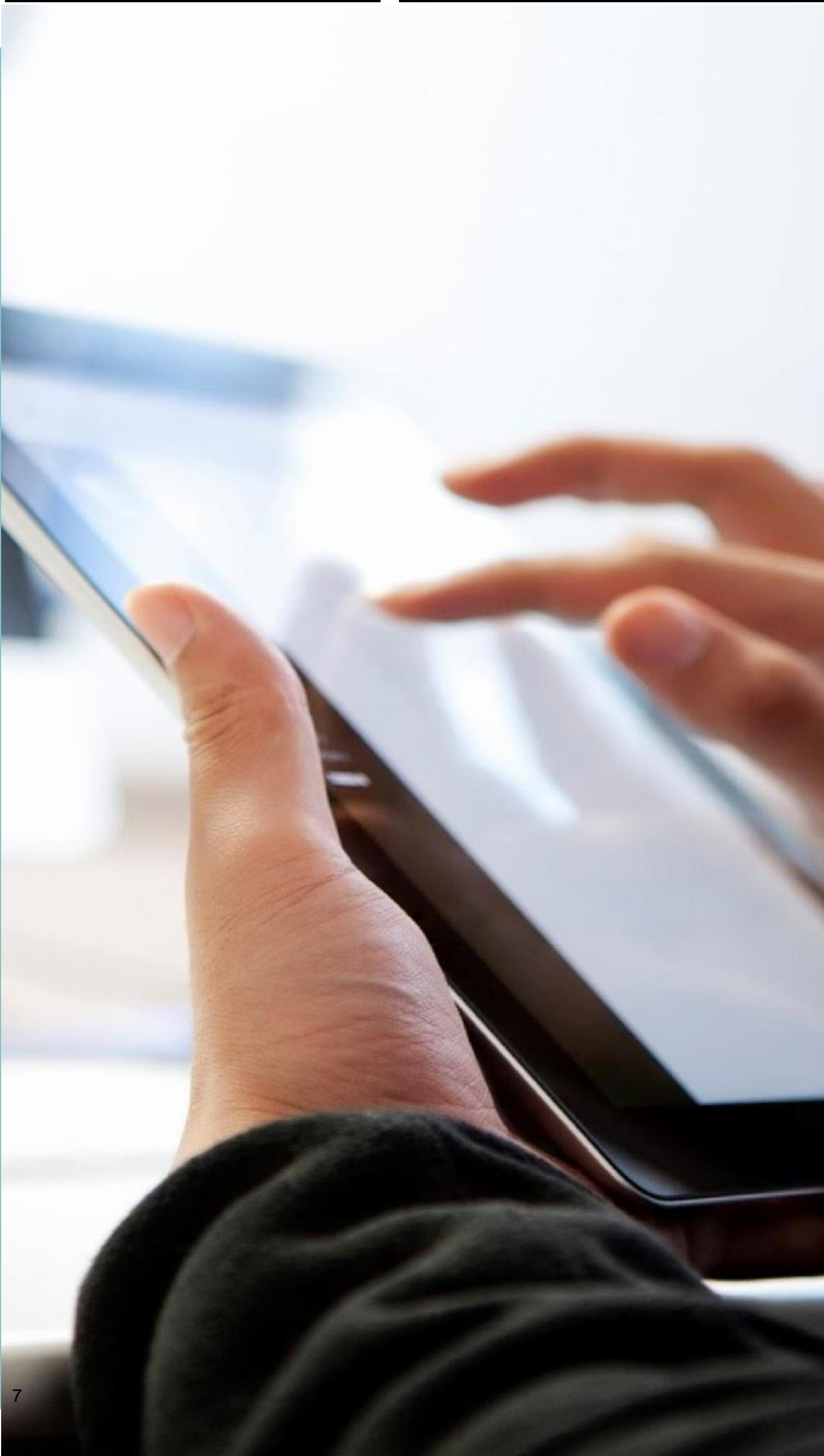


Process improvements in Customer touchpoints

- We continue to offer a further enhanced booking turn around and confirmation process, as part of our new eCommerce platform.
- We have extended our online payment options through our e-payment solutions in Indonesia and Thailand and are currently reviewing an expansion to other countries including but not limited to China and India.

Service Enhancement

- We have gone live in selected countries with a pilot implementation of Service Cloud, a Salesforce CRM solution. An integrated Sales & Service Cloud implementation will provide 360 degrees visibility of our customers, which will allow ONE to improve its 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 to provide a consistently positive experience for our customers who contact us via our established support channels, including Chat, Web, Email or Phone.





Newbuild Order of 10 Very Large Container Ships

ONE has signed ship building contracts with Hyundai Heavy Industries Co. Ltd. and Nihon Shipyard Co., Ltd. to construct five vessels each, adding a total of ten modern Very Large Container Ships to ONE's fleet. These ships have a nominal capacity of more than 13,700TEU and are to be delivered in 2025.

This investment embodies ONE's Midterm Strategy announced in March, which outlines an overall investment plan of total US\$20billion by 2030. This includes, but is not limited to, continuous investment related to upgrading ONE's fleet. This is part of ONE's green strategy and our commitment to accelerate decarbonization efforts.

The vessels are designed with the highest efficiency standards as well as a variety of cutting-edge technologies to reduce their impact on the environment. The vessels will be planned for either a "ready notation" or "AiP (Approval in Principle)" to be powered by Ammonia and Methanol, as well as offer Carbon Capture and Storage capabilities. This fleet will enable ONE to broaden the exploration of long-term alternative fuels and decarbonization technologies in the future.



ONE Opens a New Green Office

ONE has opened a new Green Office in Singapore. The office is designed to be an educational, interactive space for green initiatives.

The space will be used as a collaboration hub with various important industry partners. ONE is committed to fast-tracking environmental activities through an open community ecosystem.

The new office will be an extension of ONE's Global Headquarters, hosting a number of GHQ functions including departments supporting ONE's Green Strategy, as well as our South Asia RHQ team which oversees 27 countries regionally.



Disclosure of Scope 1 and 2 Emissions

ONE has released its 2021 emissions results. ONE reports emissions for both Scope 1, which are direct emissions mainly generated from fuel combustion through operational activities, and Scope 2 indirect emissions, which through come from the consumption of purchased energy in our offices. Cold ironing, whereby a vessel shuts down its generator engines when berthed and connects to an onshore power supply, are also included.

Emissions Category	2021
Scope 1 Emissions Intensity	44.81 gCO2E/TEU-KM
Scope 1 Emissions from Fuel Consumption	10,927,754 tCO2
Scope 2 Emissions (Market-based)	10,215.85 tCO2
Scope 2 Emissions (Location-based)	10,265.57 tCO2

ONE's result for Scope 1 Emissions Intensity in 2021 was 44.81 gCO2E/TEU-KM. This is a slight rise from the previous year and due to a range of operational difficulties including heavy port congestion around the world.

We will continue our efforts to improve our emissions intensity levels through an increasingly efficient and upgraded fleet, as well as implementing operational improvements: conditions across the global supply chain are normalizing and will make this possible.



SUSTAINABILITY REPORT 2022



Global initiatives

- ONE published its Sustainability Report 2022 showcasing our decarbonization actions as well as operational excellency initiatives to achieve highly value-added service through safety, efficiency and digitalization. ([For more information](#))
- Ecovadis – ONE was awarded the Silver Medal 2022 as a recognition of EcoVadis sustainability rating.
- #ONEOcean – In May, our CEO, MDs, South Asia Region Head and GHQ members participated in a tree planting initiative in Punggol Park in Singapore. In May and June, GHQ organized an eco-awareness tour to St John's Island, located 7km from Magenta Singapore Terminal, with 35 participants from GHQ. 5 further tours are planned in 2022. We will be responsible for improving bio-diversity in Singaporean waters.
- #ONEPinkRibbon – ONE GHQ & NA (USA) released 3 containers for shipment by our customer Evermark, and collaborated in a breast cancer awareness initiative and jointly made a donation to the Breast Cancer Research Federation.

CSR activities from global

ONE has participated in many CSR initiatives around the world since we started operations in 2018 and we continue to contribute to local society as a responsible and sustainable global company. Between April and June 2022, 1,430 employees participated in various worthwhile causes.

- ONE Japan - Collaborated with MOL delivered children's shoes from Japan to Zambia.
- ONE India - Education support with "Future Hope India" in Kolkata, Disaster relief with GOONJ in Mumbai, 10,000 tree plantings nationwide.
- ONE East Asia (Hong Kong) – Donated emergency kits with HandsOn Hong Kong.
- One Ghana – Donated 55 trees to the World Water Day event at Kotoso.
- ONE UAE – Mangrove tree planting at Al Zorah Nature Reserve.
- ONE Spain – Book donation and copyright awareness event with AIDA.
- GHQ (Singapore) - Maritime class donation to the Japanese School Singapore Clementi Campus.
- ONE Thailand – Trial of environmentally friendly product at Lat Krabang and recycling campaign in Bangkok.





Thank you

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