Environmental - Seaspan

SUSTAINABILITY-LINKED FINANCING FRAMEWORK

At Seaspan, we are committed to driving environmentally sustainable and climate-resilient development in our industry. To do so, ambitious investments to improve the environmental performance of our fleet are necessary. To showcase our commitment, we have established a Sustainability-Linked Financing Framework (the "Framework") which is aligned with the Sustainability-Linked Financing Principles published by the International Capital Markets Association (ICMA) in June 2020.

The Sustainability-Linked Financing Principles are voluntary guidelines that outline best practices for financial instruments incorporating forward-looking ESG outcomes. These principles also promote integrity in the development of the Sustainability-Linked Financing market by clarifying the approach for issuance of a Sustainability-Linked Financing.

Our Framework is available on our website:
seaspancorp.com/sustainable-financings

Sustainable Financing

Our sustainable financings align our balance sheet with our long-term decarbonization goals, and we continue to make positive progress on the KPIs for each sustainable financing. See Annex 5 for Reporting Requirements.

SUSTAINABLE FINANCING EFFORTS INCLUDE:

$500 million

of sustainability-linked bonds (one of the first such bond issuances in the container shipping industry)

$250 million

Revolving Credit Facility

$750 million

of Blue Transition Bonds using the Sustainability-Linked Bond Framework

$2.5 billion

sustainability-linked portfolio financing program, including $1 billion of private placement notes using the Sustainability-Linked Loan Principles

These financings support Seaspan's sustainability objectives with bespoke structures based on carbon emissions, sustainability-linked charters, and ambitious investment targets for decarbonization.

Seaspan has received several accolades for its industry leading sustainable financings:

- $750 million Blue Transition Bonds was awarded *The Asset Triple A Sustainable Capital Markets Country & Regional Awards 2021 – Best Blue Transition Bond* and *7th Climate Bonds Awards – Largest Transition Bond of the Year in 2021*
- Seaspan's $200 million sustainability-linked portfolio financing loan was awarded *The Asset Triple A Sustainable Capital Markets Regional Awards 2020 – Best Sustainability-Linked Loan.*

Seaspan recognizes the importance of developing and promoting sustainable shipping practices and leveraging its fully integrated operating platform and expertise to address the environmental impacts of its business.

Seaspan's decarbonization strategy is not just about meeting internationally regulated targets, but to actually exceed those targets by a considerable amount.

Our planning and investments today are supporting that vision for the future.

—PETER JACKSON
SENIOR VICE PRESIDENT, ASSETS & TECHNOLOGY

Since its inception, Seaspan has aimed to contribute to environmentally sustainable and climate-resilient developments in the industry, a commitment that goes beyond meeting environmental laws and regulations.

- Seaspan subscribes to the U.S. Department of Justice Voluntary Environmental Compliance Program and participates in enhanced procedures and audits to prevent pollution originating from our operating fleet
- In 2019, Seaspan Ship Management Ltd., a subsidiary of Seaspan Corporation, achieved ISO 14001:2015 certification
- In 2020, Seaspan received an Honorable Mention for the Rear Admiral William M. Benkert, Marine Environmental Protection Award for Excellence from the United States Coast Guard
- Seaspan established a Technology Advisory Council (the "TAC") to address environmental challenges facing Seaspan and the industry, and to identify and access leading technology insights. The TAC advises and guides Seaspan's Board and management on future technology strategies to place the company at the forefront of industry developments
- In 2021, Seaspan joined the Maersk McKinney Moller Centre for Zero Carbon Shipping as a strategic partner, with other large maritime stakeholders, to develop a credible industry transition strategy towards zero carbon shipping
- Seaspan is working to align its sources of capital with its decarbonization goals, through the completion of multiple sustainability-linked financings
- Through Seaspan's SAVER initiative, which has been active for more than a decade, we are investing in R&D with the goal of significantly increasing the proportion of best-in-class, fuel-efficient, low emission ships in its fleet
- Seaspan has developed its decarbonization strategy and is supporting its customers in their own efforts to decarbonize

MATERIAL ASSESSMENT

Seaspan's Materiality Assessment identified the following material environmental topics:

CLIMATE CHANGE AND CO2 EMISSIONS	ECO-SYSTEMS AND BIODIVERSITY	OTHER AIR POLLUTION
The reduction of green-house gas emissions and the ability to meet stricter climate-related regulations	Such as oil spills, loss of containers, reduction of plastic waste and invasive species	Including, but not limited to: nitrogen oxides ("NOx"), sulfur oxides ("SOx"), and Particulate Matter ("PM") emissions

Climate Change and Carbon Dioxide ("CO_2") Emissions

CO_2 is a naturally occurring greenhouse gas ("GHG"), which traps additional heat within our atmosphere as levels rise. Trapped heat leads to climate change, which in turn has significant negative economic and health impacts.

Based on the fourth International Maritime Organization ("IMO") Report, shipping contributes approximately 3% of global anthropogenic carbon dioxide emissions. In 2018, the IMO announced targets to reduce the total annual GHG emissions from the shipping sector by at least 50% by 2050, and achieve zero GHG emissions as soon as possible, in this century. The IMO also set a target to reduce vessel carbon intensity by 40% by 2030, and 70% by 2050.

TO MEET AND EXCEED THE IMO'S GHG REDUCTION TARGETS, SEASPAN HAS DEVELOPED A DECARBONIZATION STRATEGY BASED ON FOUR PILLARS:

CONTINUOUS EFFICIENCY IMPROVEMENT

Seaspan Action for Vessel Energy Reduction or "SAVER", is Seaspan's eco-vessel initiative aimed at improving the overall efficiency of the vessel, reduce fuel consumption and improve cargo loadability.

The result is lower fuel consumption and emissions per unit of cargo carried, which is important considering the expected high cost of alternative fuels and GHG emissions.

TRANSITION PATHWAYS

Seaspan's CleanBlue initiative researches the viability of low and zero carbon fuels and energy converters, such as battery, wind, heat recovery etc.

Seaspan is building an institutional knowledge vault to add value to discussions with customers and other strategic partners.

FLEET INSIGHTS

Seaspan continues to develop data systems and analytical capability, providing actionable insights and intelligence to be used for decision support and improved operational performance.

MARKET BASED INITIATIVES

Seaspan considers all commercial and financial aspects through the transition, including revenue generation and value preservation of our assets.

These initiatives involve collaboration with customers and industry partners to develop practical solutions and offerings that enhance our value proposition, including work on sustainability-linked charters, carbon credits and taxes, and sustainability-linked financing.

PROGRESS TOWARDS DECARBONIZATION

Seaspan's fleet emissions are determined by several variables, including fleet size, the condition of the hull and machinery, fuel type used, cargo carried, speed and routing of its ships – some of which are not under Seaspan's full control. To reduce emissions from its ships, Seaspan has introduced measures that reduce drag, utilize more fuel-efficient engines, improve cargo-loadability, introduce cleaner-burning fuels such as LNG. We are exploring other low and zero carbon fuels, such as green methanol and ammonia.

ENVIRONMENTAL BENEFITS FROM THE USE OF LNG COMPARED TO HFO

Seaspan has signed an agreement to acquire ten 15,000 TEU and fifteen 7,800 TEU dual fuel LNG container newbuilds to begin deliveries in the first half of 2023. Currently, LNG is the most commercially viable cleaner burning fuel source, and an important step in the transition to low-carbon fuels as they become commercially available for deep sea container shipping. The use of Bio-LNG and e-Methane provide a path for vessels to easily meet the IMO 2050 targets.

REDUCTIONS

- **20%** Approx. CO_2 (Tank to Wake)
- **90%** Approx. Particulate Matter
- **20~30%** Approx. NOx
- **90~99%** Approx. SOx

2022 INITIATIVES

In 2022, Seaspan joined the LR Accelerator Program Methane Abatement in Maritime (MAMII) as a founding member. MAMII was formed in September 2022 to identify, accelerate, and advocate technology solutions for the maritime industry to measure and manage methane emissions activity. In doing so, it aims to minimize the environmental impact of liquefied natural gas (LNG) in shipping, aiding the transition to future fuel solutions.

Members include: LR, Shell, Carnival Corp., MSC, Knutsen Group, Maran Gas, CoolCo, United Overseas Management, Capital Gas, Celsius Tankers, Global Meridian Holdings, Mitsui O.S.K. Lines, and TMS Cardiff Gas.

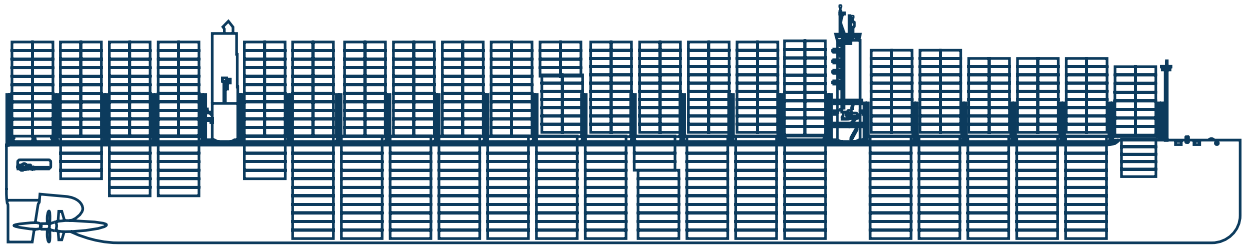
Our team worked with our customers on a plan to upgrade our vessels and at the same time extend the time charters. **In 2023 during routine dockings, Seaspan will spend approximately $27 million to improve the efficiency of our vessels.** Upgrades include optimized bows and propellers, increased scantling draught, as well as anti-fouling coating, engine, auxiliary equipment, and cargo upgrades, resulting in improved fuel consumption, lower emissions, and increased cargo carrying capacity.

AMMONIA POWERED

As part of our strategic partnership with the Maersk McKinney Moller Centre for Zero Carbon Shipping, Seaspan is taking the lead in the development of an ammonia fueled 15,000 TEU DF container vessel. This project helps to develop the necessary knowledge, risk assessments and design considerations in order to safely operate an ammonia fueled ship. We expect to secure Approval in Principle (AiP) for the design from Classification Society ABS in 2023.

FUEL CONVERSION

Seaspan is working with various design companies and classification societies to investigate how we may convert our ships from conventional heavy fuels to methanol fueled, to meet future emission regulations. In 2023, we are aiming to secure Approval in Principle (AiP) from DNV and Lloyd's Register, for the conversion of our SAVER 10,000 TEU and our SAVER 11,800 TEU vessels to methanol fueled vessels. With these learnings, in 2023, we plan to carry out further conversion studies, so we are prepared to convert these vessels to low carbon clean burning fuels when the time is right.

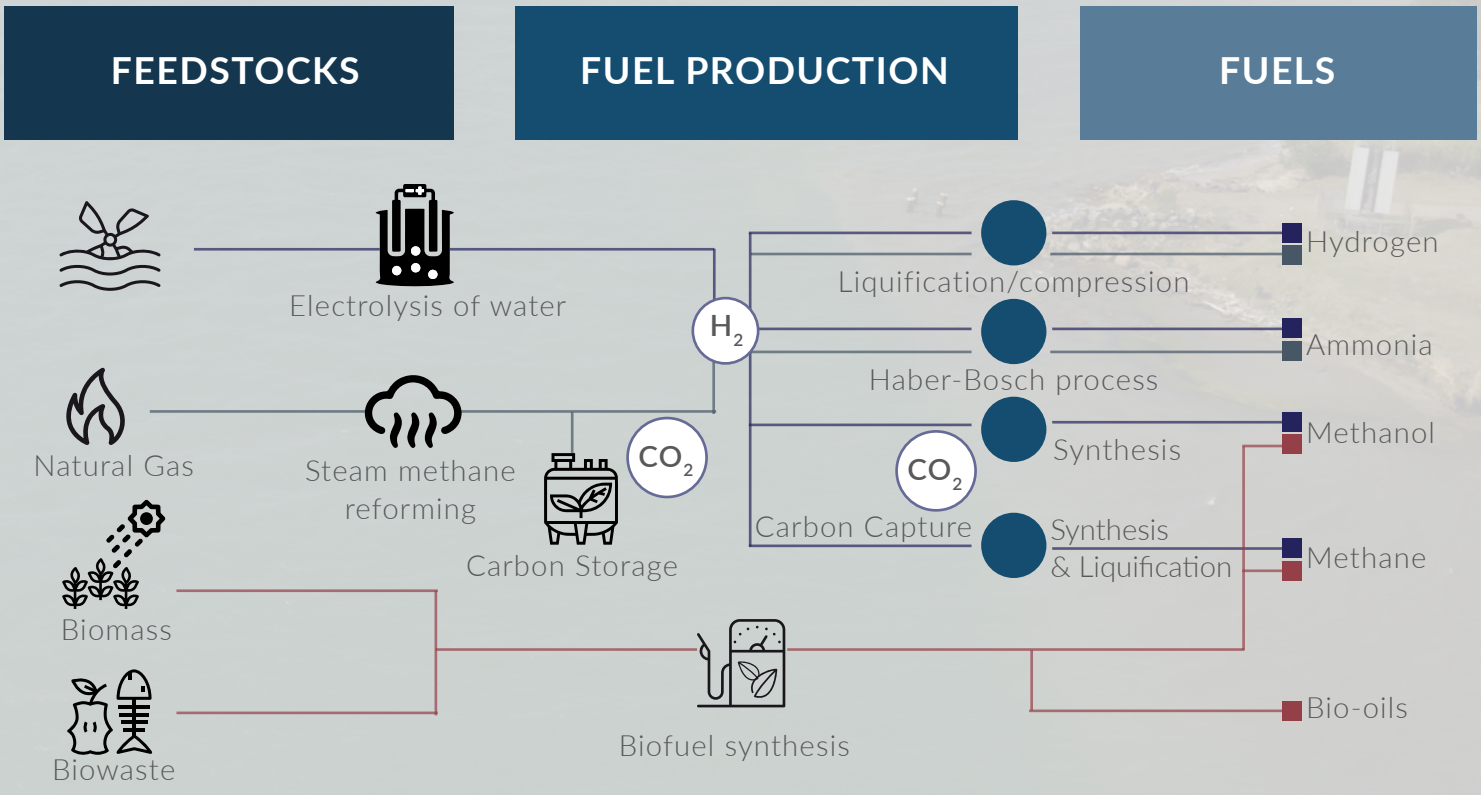


CHASE THE MOLECULE

We recognize that we cannot develop low carbon fueled vessels and offer them to our customers without addressing the availability and cost of these alternative fuels. To address this situation, we have created our Chase the Molecule initiative with the objective of offering vessels along with alternative fuel supply contracts. This means deep diving into the production and supply chains for alternative fuels and developing the required knowledge and relationships. We expect this approach to help our customers gain the confidence and support they need to make the transition.

Seaspan continues to lead the industry in developing new vessels and fuel solutions, supporting the advancement of technology and innovation that will accelerate our transition to a greener shipping industry.

—TORSTEN PEDERSEN, CHIEF OPERATING OFFICER


FEEDSTOCKS
FUEL PRODUCTION
FUELS
Electrolysis of water
Natural Gas
Steam methane reforming
Carbon Storage
Biomass
Biowaste
Biofuel synthesis
H_2
CO_2
CO_2
Carbon Capture
Liquification/compression
Haber-Bosch process
Synthesis
Synthesis & Liquification
Hydrogen
Ammonia
Methanol
Methane
Bio-oils

Energy Efficient Ship Design

The International Maritime Organization (IMO) has introduced two mechanisms to improve the efficiency of ship designs: the Energy Efficiency Design Index ("EEDI") for new ships delivered after 2013 and the Energy Efficiency Existing ship Index ("EEXI") coming into force from January 2023. Both the EEDI and EEXI encourage vessel efficiency improvements and penalize high sailing speeds that require excessive power generation onboard.

FLEET EEDI (ENERGY EFFICIENCY DESIGN INDEX)

SEASPAN MANAGED SHIPS		2018	2019	2020	2021	2022
Number of ships with EEDI		14	14	21	21	28
Total deadweight of ships with EEDI	(M MT)	1.67	1.67	2.65	2.65	3.59
Fleet EEDI	(gCO_2/DWT x NM)	10.31	10.31	9.53	9.53	9.17

In 2022, seven new conventional vessels joined the Seaspan fleet. These new vessels are more efficient, resulting in an improved fleet average EEDI. Due to the EEDI metric itself, the fleet EEDI is also improved when larger ships are introduced into the fleet.

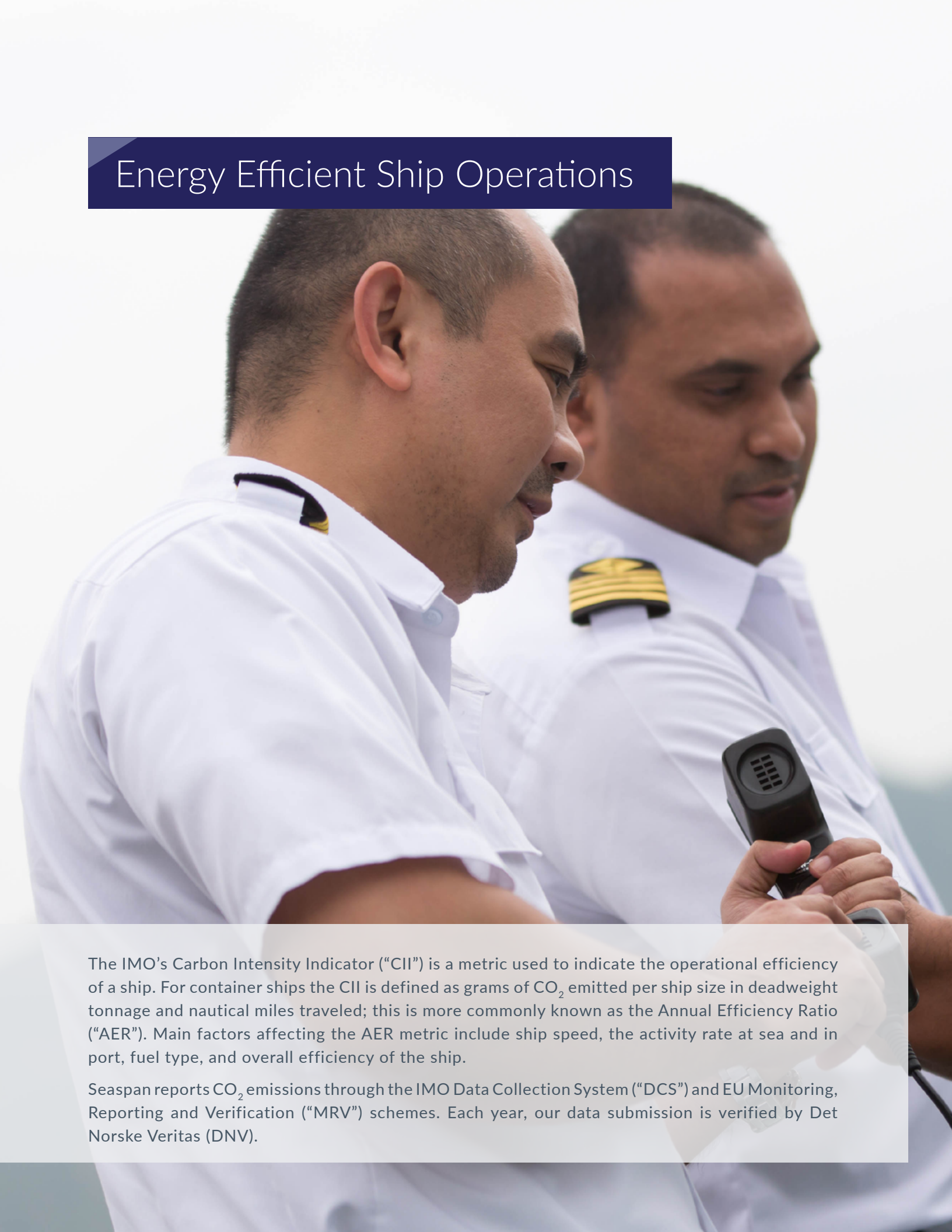
FLEET EEXI (ENERGY EFFICIENCY EXISTING SHIP INDEX)

SEASPAN MANAGED SHIPS		2018	2019	2020	2021	2022
Number of ships with EEXI		91	93	95	98	93
Total deadweight of ships with EEXI	(M MT)	8.07	8.14	8.49	8.75	8.53
Fleet EEXI	(gCO_2/DWT x NM)	13.64	13.68	13.55	13.64	10.72

In 2022, five ships left Seaspan's management, while at the same time all the remaining ships in the fleet received modification plans to make them compliant with the EEXI regulations. All ships will receive the necessary modifications between 2022-2023. The result is a significant improvement in the EEXI metric for our fleet.

EEXI and EEDI are calculated as the weighted average of each ship's EEXI and EEDI in each category by transport work in terms of the product of capacity (DWT) and design speed (Vref).

Energy Efficient Ship Operations



The IMO's Carbon Intensity Indicator ("CII") is a metric used to indicate the operational efficiency of a ship. For container ships the CII is defined as grams of CO_2 emitted per ship size in deadweight tonnage and nautical miles traveled; this is more commonly known as the Annual Efficiency Ratio ("AER"). Main factors affecting the AER metric include ship speed, the activity rate at sea and in port, fuel type, and overall efficiency of the ship.

Seaspan reports CO_2 emissions through the IMO Data Collection System ("DCS") and EU Monitoring, Reporting and Verification ("MRV") schemes. Each year, our data submission is verified by Det Norske Veritas (DNV).

SCOPE 1 GREENHOUSE GAS (GHG) EMISSIONS

Scope 1 GHG emissions are defined as direct emissions from company-owned and controlled resources, for example, emissions generated by onboard engines and auxiliary equipment.

Fleet Size Trend

FLEET SIZE		2018	2019	2020	2021	2022
Number of ships		105	107	116	119	121
Total DWT	(M MT)	9.74	9.80	10.80	11.37	12.10
Total TEU capacity	(M TEU)	0.85	0.86	0.95	1.00	1.08

FLEET AIR EMISSIONS (SCOPE 1)		2018	2019	2020	2021	2022
Carbon Intensity	(g[CO_2]/[DWT x NM])	6.72	6.48	6.66	7.15	6.83
Carbon Intensity (EEOI)	(g[CO_2]/[ton{cargo} x NM])	12.57	11.51	12.03	12.77	12.37
CO_2 Emissions (absolute)	(M tons)	6.50	6.25	6.21	7.00	6.79
CO_2eq Emissions (GWP100)	(M tons)	6.60	6.35	6.31	7.12	6.90

In 2022, we noticed a small improvement in carbon intensity of the fleet verses 2021. This is a result of some older smaller ships leaving the fleet and some newer larger ships joining. However, long idle periods and port congestion, requiring higher sailing speeds than normal, continue to negatively impact our fleet carbon intensity result. The disruptive effects COVID-19 on supply chains is one of the main reasons for this outcome.

SCOPE 2 GREENHOUSE GAS (GHG) EMISSIONS

Scope 2 GHG emissions are defined as indirect emissions from the generation of purchased energy. Preparations are underway and we aim to report this metric from 2023 onwards.

Other Air Pollution

SO_x (SULFUR OXIDE) EMISSIONS

Sulfur oxides are harmful to human health, causing respiratory, cardiovascular and lung disease. The relationship between particulate matter and the sulfur content of fuel means that reductions in fuel sulfur content also reduce particulate matter in the air, resulting in fewer respiratory health problems. Once released into the atmosphere, SOx can also lead to acid rain, impacting crops; forests; and aquatic species contributing to the acidification of the oceans.

The IMO regulates SOx emissions from ships under Annex VI of the International Convention for the Prevention of Pollution from Ships, also known as the MARPOL Convention. Effective January 1, 2020, MARPOL Annex VI established a global sulfur limit of 0.5%, a significant reduction from the prior limit of 3.5%.

FLEET AIR EMISSIONS		2018	2019	2020	2021	2022
SOx Emissions	(M tons)	0.14	0.12	0.02	0.02	0.02

Seaspan has taken the following steps to decrease its SOx emissions:

SWITCHED TO LOW (0.5%) AND ULTRA-LOW (0.1%) SULFUR FUELS

INSTALLED ALTERNATIVE MARINE POWER (“AMP”) ON 156 SHIPS INCLUDING NEWBUILDS, TO ALLOW SHORE POWER CONNECTION WHEN IN PORT, THEREBY REDUCING PARTICULATE MATTER EMISSIONS

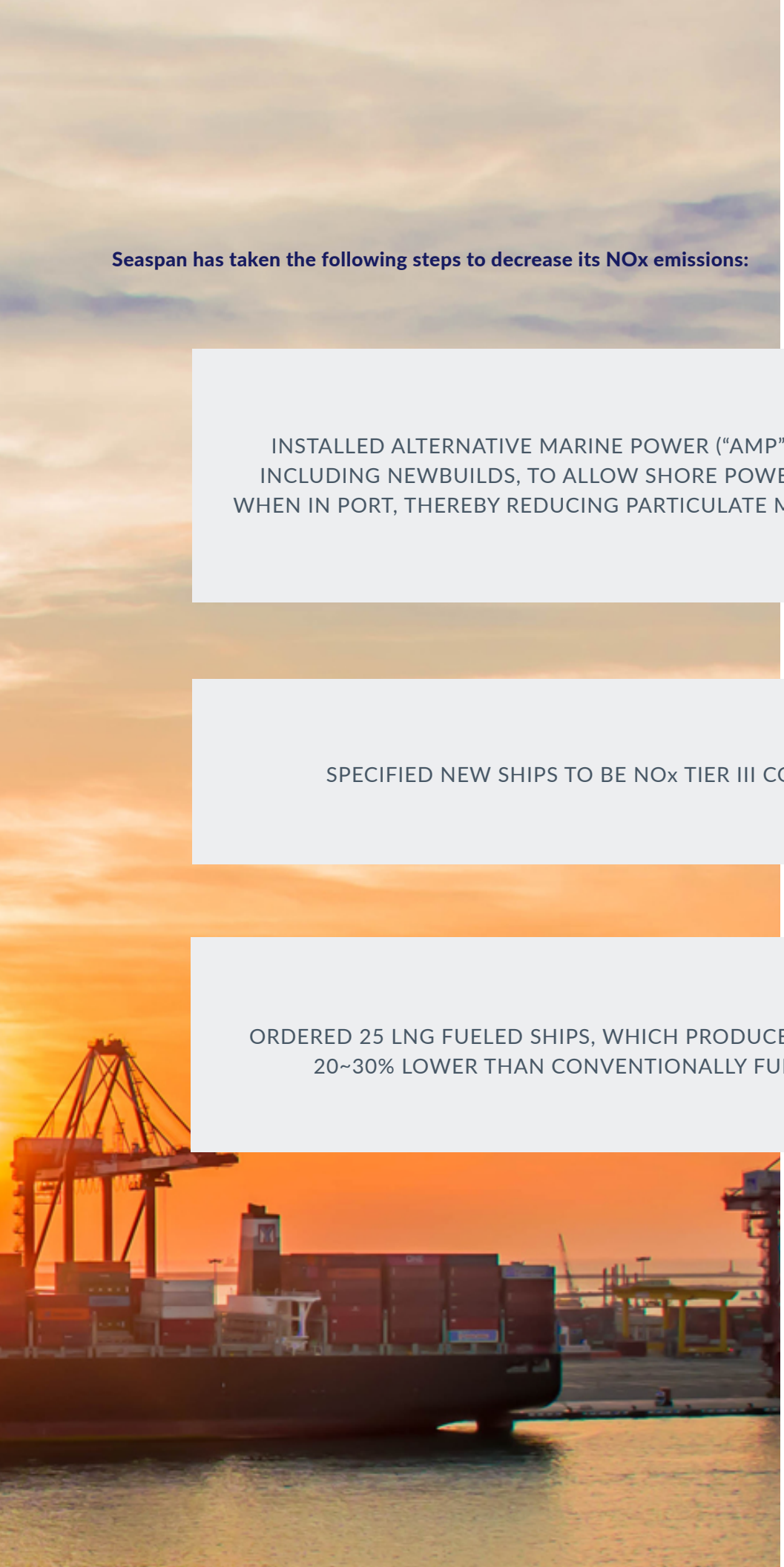
ORDERED 25 LNG FUELED SHIPS, WHICH PRODUCE SULFUR EMISSIONS 90~99% LOWER THAN CONVENTIONALLY FUELED SHIPS

NO_x (NITROGEN OXIDE) EMISSIONS

Nitrogen oxide reacts with other chemicals in the air to form both particulate matter and ozone. Both are harmful to the respiratory system when inhaled. Nitrogen oxides can also interact with water, oxygen and other chemicals in the atmosphere to form acid rain, which can harm sensitive ecosystems. Nitrate particles that result from NOx also make the air hazy and create poor visibility.

The IMO regulates NOx emissions from ships through the MARPOL Convention. Different levels of control ("Tiers") apply based on the ship construction date and operating area. Tier I and Tier II apply worldwide, while Tier III controls only apply in specified areas. Current NOx Tier III areas are: North America, the United States Caribbean Sea, the Baltic Sea and the North Sea.

FLEET AIR EMISSIONS		2018	2019	2020	2021	2022
NOx Emissions	(M tons)	0.16	0.15	0.15	0.17	0.16



Seaspan has taken the following steps to decrease its NOx emissions:

INSTALLED ALTERNATIVE MARINE POWER (“AMP”) ON 156 SHIPS INCLUDING NEWBUILDS, TO ALLOW SHORE POWER CONNECTION WHEN IN PORT, THEREBY REDUCING PARTICULATE MATTER EMISSIONS

SPECIFIED NEW SHIPS TO BE NOx TIER III COMPLIANT

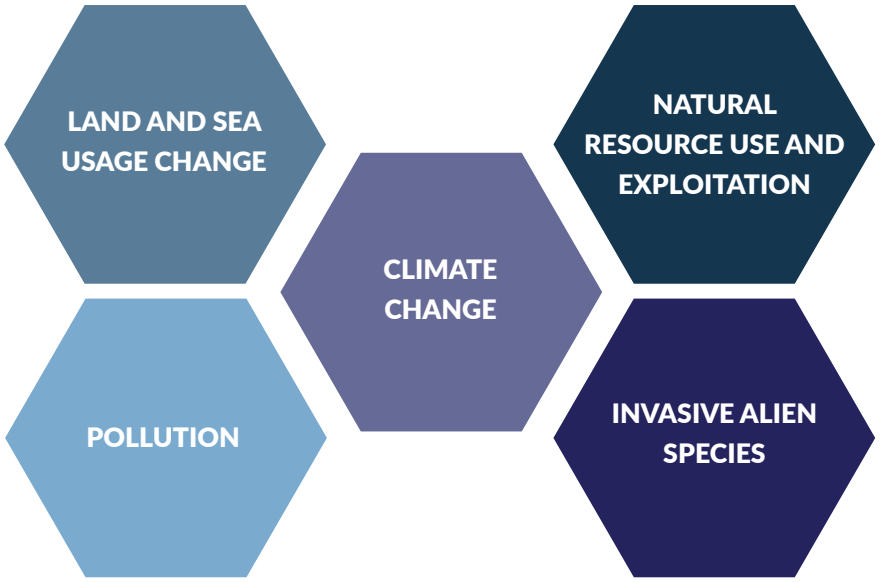
ORDERED 25 LNG FUELED SHIPS, WHICH PRODUCE NOX EMISSIONS 20~30% LOWER THAN CONVENTIONALLY FUELED SHIPS

Ecosystems and Biodiversity

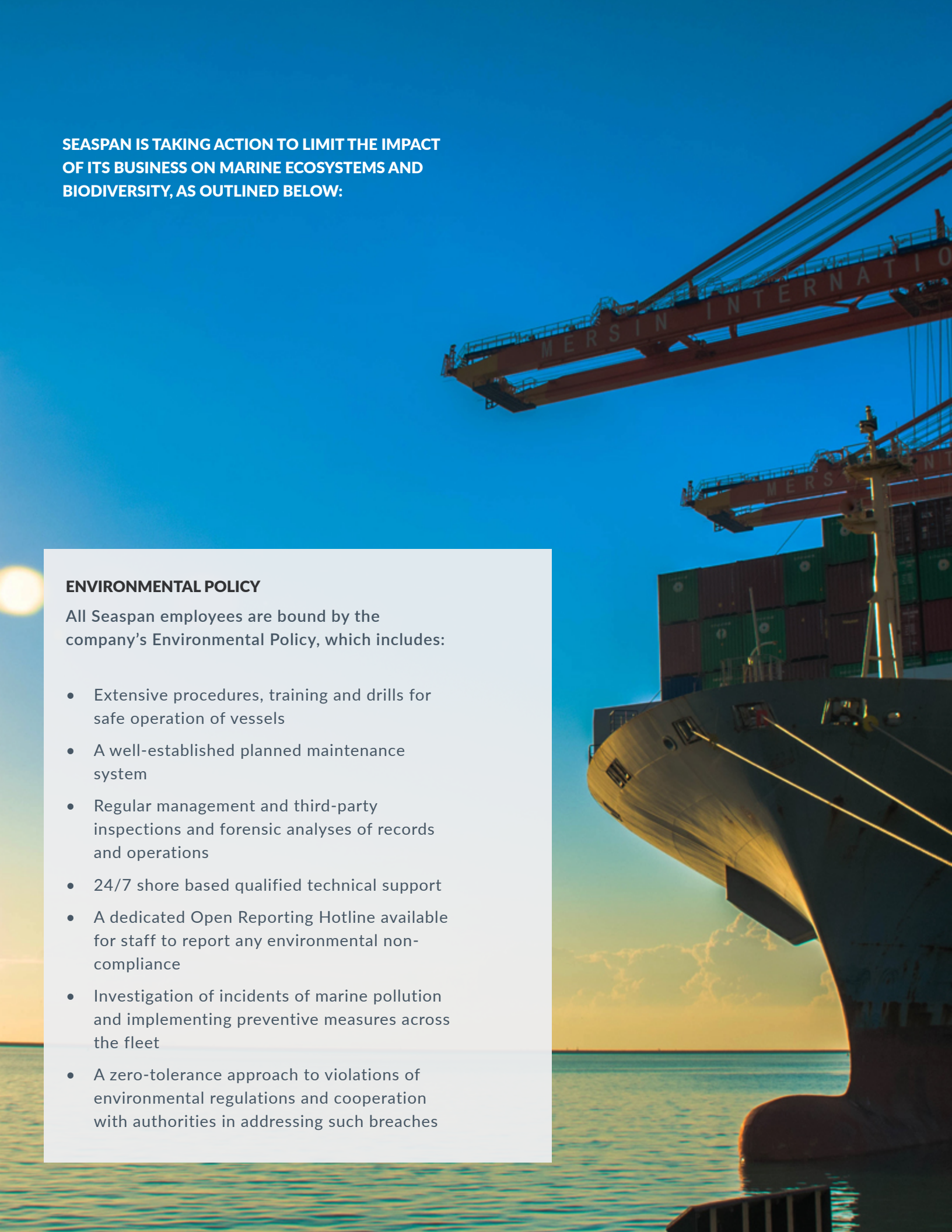
Biodiversity, the variety of flora and animals on our world, is declining quickly which might have long-term detrimental consequences. Biodiversity aids in the maintenance and support of healthy ecosystems of all sizes.

More than half of global Gross Domestic Product (GDP) is reportedly dependent on a functioning biodiversity and ecosystem. A decline in biodiversity due to collapsing ecosystems would threaten economies around the world. It is estimated that a fifth of countries globally (20%) are at risk.

THERE ARE FIVE DIRECT FACTORS DRIVING 90% OF THIS THREAT:



SEASPAN IS TAKING ACTION TO LIMIT THE IMPACT OF ITS BUSINESS ON MARINE ECOSYSTEMS AND BIODIVERSITY, AS OUTLINED BELOW:



ENVIRONMENTAL POLICY

All Seaspan employees are bound by the company's Environmental Policy, which includes:

- Extensive procedures, training and drills for safe operation of vessels
- A well-established planned maintenance system
- Regular management and third-party inspections and forensic analyses of records and operations
- 24/7 shore based qualified technical support
- A dedicated Open Reporting Hotline available for staff to report any environmental non-compliance
- Investigation of incidents of marine pollution and implementing preventive measures across the fleet
- A zero-tolerance approach to violations of environmental regulations and cooperation with authorities in addressing such breaches

WASTE MANAGEMENT

Garbage

Garbage from ships can be just as hazardous to marine life as oil and chemicals. Seaspan provides training and resources to ship and shore staff to ensure strict compliance with ANNEX V of MARPOL. Seaspan has implemented a Garbage Management Plan and vessels have been equipped with garbage compactor and comminutors. Shore facilities are used for disposal and recycling where available and permitted as per local regulations.

Seaspan encourages reporting of violations via open reporting hotline to support timely corrective action.

Plastic Waste

Plastic waste, which can float for decades, is one of the greatest threats to marine ecosystems. Fish and marine mammals can sometimes confuse plastics for food and become entangled in plastic ropes, nets, bags, and other items, including seemingly harmless items such as the plastic rings used to hold beer and soft drink cans together.

In response to this growing concern, Seaspan has taken the following actions to reduce plastic waste:

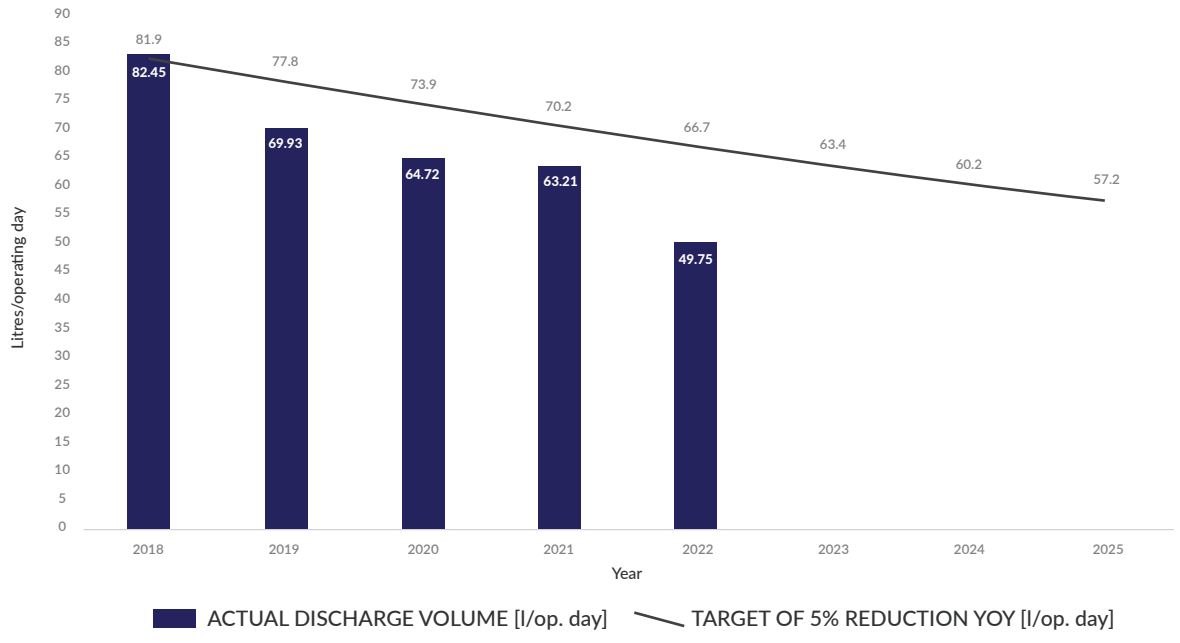
- Reduced the dependency on plastic bottled drinking water by supplying water filtration units onboard and personal stainless steel water bottles for crew members. Potable water testing is part of planned maintenance to ensure the water is safe to drink.
- New vendors are vetted for their policy on plastic packaging materials and discouraged from supplying it onboard the ships. Crew members are encouraged to return plastic packaging materials to suppliers for recycling.
- Encourage ship staff to accurately report volumes of plastic discharged
- A ban on single use plastics imposed by various states, extending to vessels calling on ports in those jurisdictions, has further discouraged the use of such materials on board vessels. These actions and increased awareness have resulted in a gradual behavior shift among Seaspan seafarers, resulting in a reduction in the quantity of plastic waste disposed from our ships.

To support our actions, we have set ourselves a target of a 5% annual reduction in plastic waste discharged from our ships, in comparison to 2018.

24.5%
DECREASE
IN PLASTIC WASTE OUTPUT COMPARED TO 2021

2021	2022
63.6 kg plastic waste output per day/per vessel	**48 kg** plastic waste output per day/per vessel

Plastic waste landed per vessel operating day



OIL POLLUTION

Oil spills are one of the most well-known environmental catastrophes and can result in the physical and chemical modification of natural habitats and have a substantial influence on fauna and flora.

Due to marine pollution's negative impact on the environment, the maritime sector has consistently adapted and improved rules regarding design, operation, effluent limitations, liability, and crew training.

Seaspan participates in the Voluntary Environmental Compliance Program (VECP) in order to improve its Environmental Management System (EMS), MARPOL compliance, and other regulatory requirements. During the year, extensive ship and shore training sessions are conducted to increase knowledge and comprehension of VECP program requirements. Physical VECP checks of 25 vessels are scheduled to ensure compliance with the standards.

Seaspan crew members have access to an anonymous reporting hotline for reporting noncompliance to shore management.

To support our actions, we have set ourselves a target of zero incidents of significant non-contained oil spills (significant non-contained oil spills = 5m3)

In 2022 there were NIL incidents of oil spill overboard. Minor operational spillages reported were contained within the ship, either on deck or in the engine room.

CONTAINER LOSS OVERBOARD

Container loss overboard a ship presents a unique marine pollution hazard. The nature and extent of marine pollution from lost containers at sea varies according to their contents. In addition to the threat of contamination posed by the contents of a container, the body and coatings of the container also pose an environmental hazard.

To address this issue, Seaspan brings together several programs and systems, including:

- application of best management practices and procedures
- regular crew training
- up-to-date lashing software
- onboard maintenance regimes
- third-party inspections

Seaspan ensures that all our container-securing software is class-approved and examined annually. This is not a statutory or class requirement, but a voluntary, extraordinary effort to ensure that the vessel is equipped to operate safely. Additionally, we implement additional checks in our container securing software to identify and prohibit high-risk container stack configurations (e.g. stacks with excessive heavy over light arrangements). Because of our proactive approach to container safety, we have an exemplary track record.

To support our actions, we have set ourselves a target of zero containers lost overboard.

In 2022, there was one incident that resulted in the loss of four containers overboard.

Onboard two of our ships (13,000 and 14,000 TEU), a successful trial of Lash Force Monitoring system was completed. Lash Force Monitor measures current lash forces depending on the vessel's measured motion. The device gives a visual and audible warning when lashing forces exceed the preset limitations, as well as a warning if the vessel's current design or critical rolling angle is exceeded. In the event of severe weather, operational advice provides the vessel crew with decision-making support about the vessel's course and speed to prevent a detrimental influence on the lashing, ensuring the integrity of the container stack. Seaspan is currently deploying Lash Force Monitor on 27 newbuild vessels.

In 2022, Seaspan vessels safely transported over 33 million TEU from/to 238 unique ports worldwide including more than 205,000 units of dangerous goods.

BALLAST WATER MANAGEMENT

Ballast water refers to seawater that is taken onboard to improve a ship's structural balance and strength, ensuring its safe operation. It is often loaded to counter changes in weather conditions as well as the ship's load, fuel carried, and route taken.

Ballast water is an important environmental concern due to the possibility of transporting invasive aquatic species into local marine ecosystems. The IMO's Ballast Water Management Convention requires ships to manage their ballast water in such a way that aquatic organisms and pathogens are removed or rendered harmless before discharging the water.

Seaspan's vessels are fitted with Ballast Water Treatment System compliant with both IMO and U.S. Ballast Water discharge standards. Thanks to in-house training for seafarers, an internal compliance and verification program, and early adoption of ballast water treatment technology, Seaspan's crew and management are well prepared and trained in the treatment of ballast water onboard its ships.

SHIP RECYCLING

Seaspan is committed to safe, sustainable, socially responsible recycling of ships and strives to ensure that such recycling is performed at shipyards that do not present any unnecessary risk to human health, safety, or the environment.

The ship recycling industry supports some developing countries' economies and is a contributor to sustainability efforts through its role in recycling metals and other components. However, ship recycling must be performed according to strict standards that protect human health, safety, and the environment. Every year, hundreds of ships are dismantled in poor environmental and social conditions by workers receiving low pay, often with inadequate tools and little protection. Without rigorous processes and strong governance, the process can cause significant safety risk, death, and pollution, offsetting the environmental benefits of ship recycling.

The IMO's Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, introduced in 2009 (the "Hong Kong Convention"), aims to protect workers and the environment during the ship recycling process. Seaspan's newbuild vessels are designed and constructed in conformity with requirements of the Hong Kong Convention.

Seaspan has taken the following actions to manage the responsible recycling of its ships:

- Implemented its Ship Recycling Policy in 2020
- All vessels maintain certification required under the Hong Kong Convention
- Seaspan's procurement process ensures that hazardous materials noted in the governing legislation are properly identified and declared, and an accurate inventory of hazardous materials is maintained
- In 2022, Seaspan became a signatory of the Ship Recycling Transparency Initiative. This is an online platform that allows shipowners to publicly disclose their ship recycling policies, practice and progress, thereby taking accountability before key stakeholders including customers, financial stakeholders, governments, NGOs and wider public
- No ships came available for recycling in 2022