

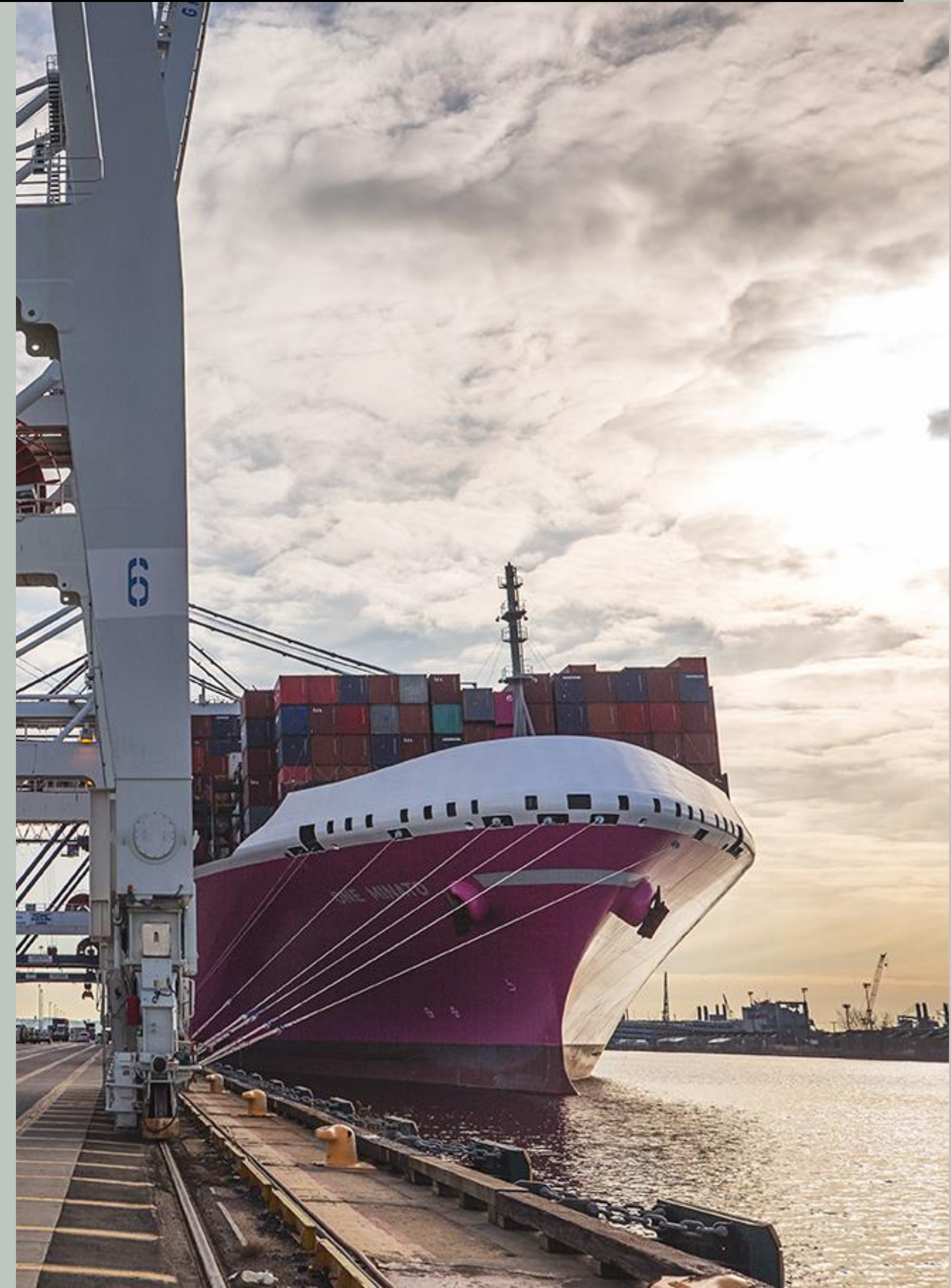
ONE Initiatives

ONE
OCEAN NETWORK EXPRESS

April 30, 2021



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Jeremy Nixon
Chief Executive Officer

The Global Pandemic

The container shipping market has been very challenging this last business plan year for ONE and all industry participants. The Covid induced Asia supply side contraction in April 2020, was then followed by an immediate demand side contraction in non-Asia consumer markets during May-July 2020. Creating huge logistical and organizational challenges for ONE, our business partners and our competitors. Requiring us to drastically reduce our network capacity and move to a 100% “work from home” environment for all onshore staff based in circa. 130 countries. The subsequent ramp back in Asia production and following significant spike in demand for consumer hardware and e-commerce retail items in overseas markets, led to a rapid need to bring our network capacity back on line. This we did as quickly as possible, as well as deploying extra loader services and procuring additional container equipment.

Despite these strong efforts, the second half of the year has been mired globally by a significant deterioration in landside productivity at the ports, and in the hampered operations of intermodal road and rail services. As well as difficulties faced by our customers at their storage and production facilities. The dislocation between the velocity of the marine and landside operations, has unfortunately led to multiple enforced vessel “blank sailings” across the industry. This will inevitably continue well into this new financial year, and is not helped by the recent “Suez” six day closure and continuing and dynamic pandemic challenges in many countries. Despite all of these challenges ONE overall generally maintained its operating integrity and managed to experience only a -3.5% drop in overall volumes compared with the previous non-pandemic affected business year.

Sustainability and Decarbonization

The need to significantly reduce green house gases and carbon emissions is a global imperative. So, it is positive to see that the shipping industry is now taking this very seriously, and under the stewardship of the International Maritime Organization (IMO) which is taking a strong lead in setting and developing global targets and policies. As ONE we also take this very seriously and have recently set up a new “green strategy” department within our company to holistically monitor and manage ONE’s carbon intensity and to plan forward how we can further meet and exceed the new IMO 2030 and 2050 emission requirements. We believe this cannot be a solo journey and we need to collaborate with many stakeholders to develop the technology and learning to decarbonize the industry as quickly as possible. Hence ONE have recently become a founding member of the Singapore Decarbonization Centre which will be a new public-private venture to accelerate global maritime research into new fuels, ship designs and carbon abatement technology.

As ONE we will also continue to participate in and develop sustainability policies and solutions with our memberships of the World Shipping Council (WSC), Clean Cargo Working Group (CCWG) and the Getting to Zero (GTZ) industry forums. ONE is also a strong supporter of the International Maritime Research and Development Board (IMRB) proposal which is currently being considered at the IMO, Which would voluntary impose a fuel levy on the whole global shipping industry, to finance future research and development on maritime de-carbonization solutions.



Balance Sheet

In the second half of the year ONE's working cashflow significantly improved, and we were able to fully restore our cash reserves and strengthen our balance sheet. The company continues to have minimal levels of debt compared with its competitors. ONE also made its first new build tonnage order, and will take on six new 24,000 teu ULCS vessels in 2023/4 on long term charter from Shoei Kisen.

Expanding our global footprint

ONE is still a young company and continues to evaluate its market coverage and service offerings to its customers. In 2020 we launched a number of new trade lane services. Including AIM (West Asia / South Africa / West Africa), NEX/NTX (Intra-Europe) and EAF (Asia / East Africa). Next month we will also launch a new Transpacific all-water service (EC6) connecting North East Asia and the US Gulf via Panama.

Accelerating Digitalization

In 2020 we also launched a major enterprise architecture review of ONE systems, data architecture and application development capability. From this we identified specific key areas that we wanted to further enhance to ensure that the company is fully digitalized and able to offer the customer and our partners better connectivity and enhanced service solutions. This has resulted in "multiple" SQUAD application initiatives which we will be rolling out in the coming business plan year. One such example is "ONE QUOTE" which we launched in February and is a new digital quotation platform enabling customers to receive instant quotations and place immediate bookings in real time.

The global pandemic continues to influence and shape our network and business performance. However, a year on and we have so far successfully ridden out this major "black swan event". No doubt further challenges lie ahead, but our experience, strong teamwork and lean and agile approach have served ONE well so far. We must continue to focus on the job at hand to ensure that 2021/2 can still be a good year for our company, as well as move further along with our digitalization and environmental journey.

For "AS ONE, WE CAN.", thank you.

2. GENERAL MARKET CONDITIONS

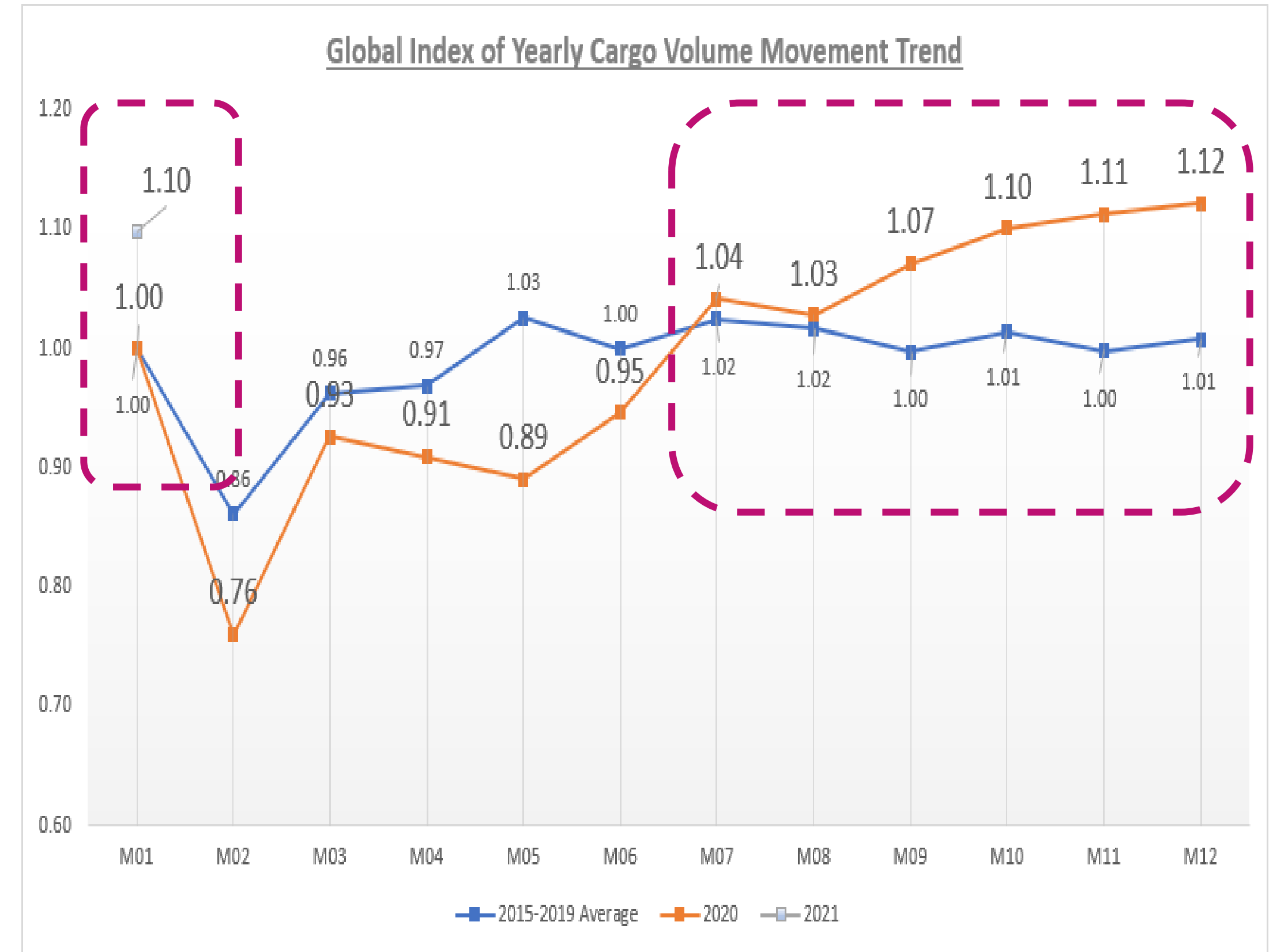


Unprecedented cargo fluctuation and increased demand

- Year 2020, experienced a significant drop in cargo volume in the 1st half due to COVID-19, however entering the 2nd half of year, **a sudden surge in cargo demand occurred**, mainly due to pent-up demand.
- Increased cargo volume continued into Year 2021 Q1.



This unprecedented surge of cargo demand and operational difficulties such as labour shortages caused by Covid-19 are posing various challenges to the industry infrastructure and the supply-chain. (Container equipment shortages, port congestion, schedule delays, longer dwell time at destination etc...)



Setting Jan (M01) as benchmark (Index 1.00), and showing cargo volume fluctuation from Feb (M02) onwards. For Jan 2021, setting Jan 2020 as benchmark. (Source: Seabury)

3. ONE's COUNTERMEASURES

We are embarking on a range of initiatives to accelerate global decarbonisation efforts, help ONE maintain its operational edge, continue to provide world class customer service, and capitalise on our people's knowledge, experience, tenacity and innovative spirit to address any challenges we may face.



Operational excellency

Maximizing empty container availability

Collaborating within and beyond ONE

Reacting swiftly to the abrupt Suez Canal blockage



Customer service oriented

eCom & digital initiatives "ROOT project"

Reinforcing vessel fleet & striving to maintain vessels schedules

Close communication with customers



Quality of employee

Smooth transition to the new working environment

Pandemic doesn't stop our CSR activities



Other Initiatives

Decarbonization efforts in maritime industry



Operational Excellency

Maximizing Empty Container Availability

As ONE we made relentless efforts to safeguard sufficient container supply in Asia, including the stronger demand before Chinese New Year.

Empty Container Positioning

We continue to accelerate the positioning of empty containers by full utilization of our operational capacity, including arrangements of empty sweeper vessels.

Empty Container Procurement

Our equipment team worked very diligently to secure additional containers to meet the pre-Chinese New Year strong demand. For example we procured 17% more TEUs in January than the monthly average in the prior quarter.

Reacting Swiftly to Abrupt Suez Canal Blockage

We stepped up empty return efforts in those non-dominant areas which did not require Suez routing. We duly decided to re-route 6 THEA ships (3 each on head haul and back haul) via the Cape of Good Hope to avoid long delays soon after the Suez Canal Blockage began.

Collaborating Within and Beyond ONE

Operational Micro-Management

We saw many operational challenges stemming from factors other than the terminal congestions caused by Covid-19, including weather, major festivals, etc. Our global operations team spared no efforts and worked 24/7 to ensure we continued to be a consistent part of the global supply chain providing industry leading services, whilst the Covid-19 Contingency Working Group remained focused on orchestrating internal efforts to make sure that ONE remained on top of situational developments globally.

Terminal Operators

Continuing to defy various adversities caused by the Covid-19 pandemic, our Terminal Partnership Project team expanded our outreach to more terminals in North America and Central America, while leveraging the strategic partnership that we have already forged.

Ship Owners & Crew

ONE continued our coordination with ship owners to facilitate more crew changes in difficult circumstances due to the travel restrictions imposed by Covid 19. In comparison to FY2020 Q3, we managed nearly 40% more crew changes in FY2020 Q4.



Customer service oriented

eCom & Digital initiatives “ROOT project”

ONE is focused on providing an excellent customer experience and through the digitalization of processes, ONE's end to end solution was enabled to streamline Pre-booking, Booking and Post-booking processes, with the enhanced eCommerce platform to accelerate booking confirmations.

RPA BOTS were deployed to: process Shipping instructions towards faster B/L turnaround times; automate SWB releases to customers; provide alerts on vessel events; and improve accuracy and turnaround times for Contract rates. ONE's Live Chat service was also expanded to strengthen effective and efficient communication with customers.

EAF Service Launch

A new addition to our extensive service network connecting Asia and East Africa was launched. The new EAF service will complement our existing Asia-East Africa services (EA1/EA2), and provide a direct service to Kenya and Tanzania, giving customers additional service options and greater flexibility in this growing market.

Striving to Maintain Vessel Schedule

Facing the inevitable vessel schedule delays caused by obstacles spanning across operational segments, we have been diligently looking to the charter market for additional hires, adding 3 more ships in FY2020 Q4, as well as 5 new charters in FY2020 Q3. Along with nimble vessel deployment and operational micro-management, we will continue to commit ourselves to offset any negative impact to our vessel schedules.

Close communications with customer

In spite of the ongoing challenges, ONE's key objective was to ensure timely & accurate customer communications. ONE's frontline sales teams have actively communicated with customers about the ever changing operational situation to maximize the limited resources in the market. ONE took actions from the customer engagement survey findings and initiated customer driven activities through virtual webinars. In tandem, ONE embarked on an initiative to hear the voices of customers in the eCommerce usage area to improve user experience.



Quality of employee

Launched Green Strategy Department

A new Green Strategy Department was launched under the organization's Product and Network Division on April 1st. This new department is staffed with both dedicated and double-capped employees who are specialists in the relevant business fields. The newly created Green Strategy Department will drive ONE's environmental sustainability endeavours through the close collaboration with various internal and external stakeholders, building better synergies together. This new department will be designing and implementing strategies so that ONE continues to meet the relevant industrial and international standards at the same time as ensuring that ONE is at the forefront of green thinking in the shipping and logistics industry and ultimately become a lead player in the industry.

627 employees participated in CSR activities globally during FY2020 Q4

Examples of our Activities:

ONE BRAZIL – Charity event by employees and donation to NGO that offers support to children in a situation of high social risk

ONE Chile – Charity event by employees and donations for a Childrens rehabilitation center

Singapore GHQ – Donation to “Mission to Seafarers” Flying Angel Campaign as a Gold sponsor

ONE Hong Kong – Care packages donated and packed by employees to a local elderly center

ONE Poland – Charity event held by employees with a donation to an Animal Shelter

ONE Lanka – Tree planting event by employees

ONE Pakistan – Donation to local care center

ONE Thailand – Donation of N95 respirator to Leam Chabang hospital

ONE Japan – Charity event and donation to the Ashinaga Foundation





Other initiative: Environment

ONE Joins Collaborations with Partners to Advance Decarbonization Efforts in Maritime Industry

ONE together with BW Group, Sembcorp Marine, Eastern Pacific Shipping, Foundation Det Norske Veritas and BHP signed a memorandum of cooperation (MoC) with the Maritime and Port Authority of Singapore (MPA) to establish a fund for a maritime decarbonization center to be set up in Singapore. This follows the release of a recommendation by the International Advisory Panel1 on Maritime Decarbonization (IAP) to set up a maritime decarbonization center in Singapore.

Under the MoC, each private sector partner will contribute S\$10 million to support the establishment of the center, fund maritime-decarbonization-related research and technology development projects and collaborate with institutes of higher learning and research institutes.





Thank you.

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