

CAPITAL

PRODUCT PARTNERS L.P.

2021
ESG
REPORT



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About this report

Capital Product Partners L.P. ESG Report for 2021, is setting out the impacts of our operations on the Environment, our People and the Society. This is done in conjunction with our managers, Capital Executive Ship Management Corp. and Capital Gas Ship Management Corp.*

In this report, the data and information included, demonstrate the performance of our fleet as of December 31st, 2021 consisting of 23 vessels, while the data presented for 2020, for comparative purposes, refer to our last year's fleet of 14 vessels.

This report presents our approach and actual ESG performance on maritime sustainability issues, related to the marine environment, our operational practices and our contribution to the community for the period from January 1st, 2021, to December 31st, 2021.

Capital Product Partners is continuously working toward its commitments to meet industry's goals to reduce Greenhouse Gas emissions by 2050, and to adhere to the United Nations Sustainable Development Goals (UN SDGs).

This report is prepared in accordance with the Global Reporting Initiatives (GRI) Standards Core option, and the Sustainability Accounting Standards Board (SASB) for Marine Transportation and with the Guidance of PwC Greece.

** For the purpose of this report, the terms "we" and "our managers" are used interchangeably*



Message from our CEO

2021 was a transformational year for our organization. Despite persistent operational and market challenges, which included new COVID-19 variants, worldwide supply chain constraints and other geopolitical disruptions, we were able to pursue new business opportunities and deliver solid financial performance.

We are pleased that in the fourth quarter of 2021, we managed to successfully complete our six, latest generation LNG carrier fleet acquisition program, which we set out earlier in the year. As a result of these accretive transactions, we have lowered the average age of our fleet from 10.8 years to 7.4 years and decreased the environmental footprint of the Partnership by introducing LNG as the fuel of choice for certain of our vessels. This marked a significant turning point for the Partnership as we continued to evolve our operations to reflect a modern and technologically equipped fleet that further diversified our revenue sources and customer base, while we established our presence in the LNG market with a sizeable fleet and investment.

At the same time we need to emphasize that we are impressed by the resilience of our Managers amidst the pandemic and we remain thankful for their support and operational performance.

Sustainability is an integral part of our business and the Partnership's commitment to the United Nations Sustainable Development Goals (UN SDGs), as well as to our customers, suppliers, industry partners, employees, and the global community continues unabated.



Jerry Kalogiratos
Director and Chief Executive Officer

Our 2021 report which is prepared based on the Global Reporting Initiatives (GRI) Standards and the Sustainability Accounting Standards Board (SASB) presents recent action taken and underlines progress through further improvement of our existing operations as we remain committed to growing responsibly and profitably in the long term.

This report reflects our ESG performance on maritime sustainability issues, related to the environment, as well as our operational practices and our contribution to the community. It refers to the period from January 1st, 2021, to December 31st, 2021.

We of course strive to improve the performance of the Partnership continuously across ESG metrics and with the help of our stakeholders and our investment plans for 2022, we hope to be able to build upon the successes of 2021 and learn from our failures with the aim of positioning the Partnership for a net zero emissions future with a strong social commitment and governance culture.

Jerry Kalogiratos

2021 Key Highlights



Environment

ZERO
number of spills
to the environment

↓21%
in average fleet EEOI
compared to 2020

↓9%
in average fleet AER
compared to 2020



Social

ZERO
Serious marine
incidents

↓61%
in Lost Time
Injury Frequency

ZERO
PSC detentions



Corporate Governance

ZERO
Violations of our ethical principles &
anti-corruption policy

ZERO
Cyber security
incidents

ABOUT CAPITAL



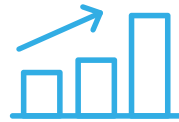
Listed Company: **Nasdaq** | Stock Ticker: **CPLP** | Headquarters: **Athens, Greece**



\$184.7 m ↑31%
Revenue (Fiscal year 2021)



\$98.2 m
Net income



>15 years
Presence in the Shipping industry

OUR PEOPLE*



54
Total employees



1,051
Total seafarers

67%
Male

33%
Female

15
Nationalities

* Includes the employees of Capital-Executive Ship Management Corp. and Capital Gas Ship Management Corp. involved in the management of our vessels.

OPERATIONAL PERFORMANCE



2,167,770 (DWT)
of Deadweight Tonnage

114,778 (TEU)
Twenty-foot equivalent
unit capacity

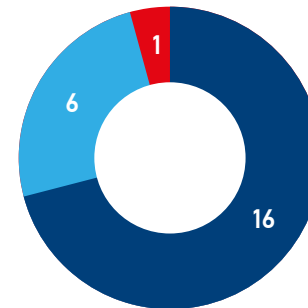
1,044,000 (CBM of LNGs)
Cubic meters capacity

6,413
Operating days

1,286
Port Calls

117
Countries visited

VESSELS: 23*



7.4 years
Average fleet age
as of December 31, 2021

● Container Carrier ● LNG Tankers ● Capesize Bulk Carrier

1. About Capital Product Partners

The Partnership

We are an international owner of ocean-going vessels. Our fleet consists of 16 container carrier vessels (1.5 million dwt and total TEU capacity of 114,778), 6 LNG vessels (total DWT capacity of 548,369 and 1,044,000 CBM) and 1 Capesize bulk carrier (0.2 million dwt), with an average fleet age of approximately 7.4 years as of December 31, 2021.

All of our container vessels and LNG carriers are currently chartered under medium- to long-term charters with reputable charterers, such as CMA CGM, MSC, HMM, ZIM, ONE, Hapag-Lloyd, BP, Cheniere, Engie and Hartree.

Our Business Strategy

Our primary business objective is to increase cash available for distributions to our unitholders, while maintaining a strong financial position. We aim to realize our business objectives through the following strategies:

- **Maintain medium- to long-term fixed charters.** We seek to enter into medium- to long-term, fixed-rate charters for a majority of our fleet in an effort to provide visibility of revenues and cash flows. As our vessels come up for re-chartering, we aim to redeploy them under period contracts that reflect our expectations of prevailing market conditions. In the pursuit of our strategies, we evaluate growth opportunities across all shipping sectors. The average age of our container carriers and dry bulk carrier is 10.2 years as of December 31, 2021, whilst the average age of our LNG carriers is less than one year. We believe that the average age of our fleet along with the high specifications of our vessels, position us favorably to continue to secure medium- to long-term charters for our vessels.
- **Expand our fleet through accretive acquisitions.** Subject to available required financing, we intend to evaluate potential acquisitions of both newbuilds and second-hand vessels across the shipping markets. We also intend to take advantage of opportunities afforded to us by our relationship with our sponsor, Capital Maritime. For future acquisitions, we may consider increases in our overall leverage, provided that we are able to deliver stable distributions to our unitholders and grow our fleet. In addition, we may pursue opportunities for acquisitions of, or combinations with, other shipping businesses.
- **Maintain and build on our ability to meet rigorous industry and regulatory safety standards.** We believe that in order for us to be successful in growing our business, we need to maintain our vessel safety record and further build on our high level of customer service and support. We believe that our Managers have a strong record of vessel safety and compliance with rigorous health, safety and environmental protection standards, and are committed to providing our charterers with a high level of customer service and support.

Our Priorities



Safeguarding Quality, Environment protection and Health & Safety



Customer Satisfaction



Exceeding the needs of interested parties



No Accidents



No harm to people



Energy Conservation

Our Fleet



At the end of 2021, Capital Product Partners operated 23 vessels with per vessel TEU capacity that varies between 5,023 and 10,000 TEU, and between 63,010 and 179,221 DWT.

All our vessels are built at reputable shipyards in South Korea.

While many of our vessels have latest efficient designs, we continuously upgrade our fleet in an effort to comply with regulations and decrease the environmental footprint of our vessels including their carbon intensity.

In 2021, we completed the acquisition of 6 LNG vessels. The fleet expansion with these vessels was an important step towards reducing the environmental footprint of the Partnership and being part of the transition to carbon neutral shipping. Within 2022 the delivery of new vessels is expected, contributing to further reduction of our emissions.

8 Wide beam Eco Design Container

5,023 – 9,288 DWT*

CMA CGM Magdalena (2016)
Akadimos (2015)
Adonis (2015)
Hyundai Prestige (2013)
Hyundai Priviledge (2013)
Hyundai Platinum (2013)
Hyundai Premium (2013)
Hyundai Paramount (2013)

8 Container Carrier

5,089 – 10,000 DWT*

Athenian (2011)
Athos (2011)
Aristomenis (2011)
Agamemnon (2007)
Archimidis (2006)
Long Beach Express (2008)
Seattle Express (2008)
Fos Express (2008)

6 LNG Carrier

82,000 DWT*

Aristos I (2020)
Aristidis I (2021)
Aristarchos (2021)
Attalos (2021)
Adamastos (2021)
Asklipios (2021)

1 Capesize Bulk Carrier

179,221 DWT*

Cape Agamemnon (2010)

* Approx. DWT Capacity

Our Operational performance

Operational overview of our fleet	2021	2020
Dry-docking days	120	267
Operating days	6,413	4,792
Port calls	1,286	892
Countries visited	117	140
Nautical miles travelled	1,692,996	1,184,176
Fleet Utilization rate (%)	99.6%	99.7%
Total transport work (tonnes*nms)	98,126,574	64,444,594

Our operations worldwide

-  LNG Carriers
-  Panamax Carriers
-  Dry Bulk Carrier
-  Post-Panamax Carriers






2021 ESG Performance

* The reported KPIs for 2021 refer to 23 vessels.

** The reported KPIs for 2020 refer to 14 vessels.

*** Waste generated refer to the total amount of garbage.

KPI	2021*	2020**	
 Environment	Weighted Average Energy Efficiency Operation Index (EEOI) (gr CO ₂ / TEU-mile)	10.64	13.45
	Average fleet Annual Efficiency Ratio (AER) (gr CO ₂ / DWT-mile)	6.54	7.17
	CO ₂ emissions (tn)	1,119,392	813,648
	Fuel consumption (tn)	362,238	260,905
	SO _x emissions (tn)	2,783	2,263
	NO _x emissions (tn)	40,059	21,173
	PM10 emissions (tn)	1,863	1,006
	Waste generated (m ³)***	1,193	936.5
	Fleet implementing ballast water exchange / system (%)	87%	79%
	Number and volume of spills and releases to the environment	0	0
 Social	Number of seafarers	1,051	476
	Seafarers' retention rate (%)	96%	98%
	Employees ashore	54	33
	Gender diversity (%) ashore	33% women / 67% men	33% women / 67% men
	% of employees with seagoing experience	31%	15%
	Port state control detentions	0	0
	Port state control deficiencies/inspection	0.9	0.7
	Lost time injury (LTIF) rate per 1.000.000 manhours	0.53	1.35
	Total Recordable Cases Frequencies (TRCF) per 1.000.000 manhours	1.55	1.80
 Governance	Port calls in countries that have the 20 lowest rankings in the CPI (%)	7%	13%
	Amount of legal and regulatory fines associated with bribery or corruption	0	0
	Number of controls tests conducted	259	157
	Number of material weaknesses or deficiencies	0	0

2. Approach to ESG

Capital Product Partners recognizes that sustainable transport is a major challenge during these times. Shipping, while relatively safer compared to other types of commercial transport, imposes still a significant impact on the environment and society at large. Since our Company has a global presence, we have placed a strong focus on incorporating ESG practices within our broader business strategy and objectives.

FOCUS AREAS



Protect the environment, the marine ecosystem & take action on climate change.



Protect the health & safety of our people & operations & support the community.



Maintain highest ethical business conduct & corporate governance standards.

Materiality analysis

Our approach to material ESG issues is based on the identification of the needs and interests of our key stakeholders. We carefully analyze and prioritize material issues and related risks communicated by our stakeholders.

Stakeholder Engagement

Stakeholder engagement helps us understand the impact of our activities, potential risks and opportunities, and is an essential part of the formulation of our ESG strategy.

We carried out an online survey and distributed electronic questionnaires to sample groups of external and internal stakeholders in order to evaluate significant environmental, social and governance issues related to our activities.

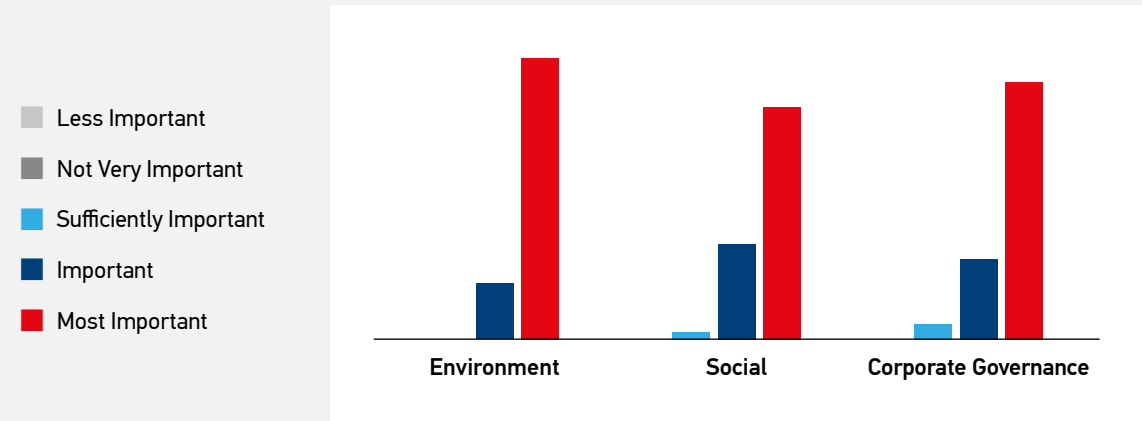
We carefully reviewed, analyzed and prioritized material issues and related risks communicated by our stakeholders, in order to ensure that our business strategy remains aligned with their requirements and expectations.

Our key stakeholder groups are:

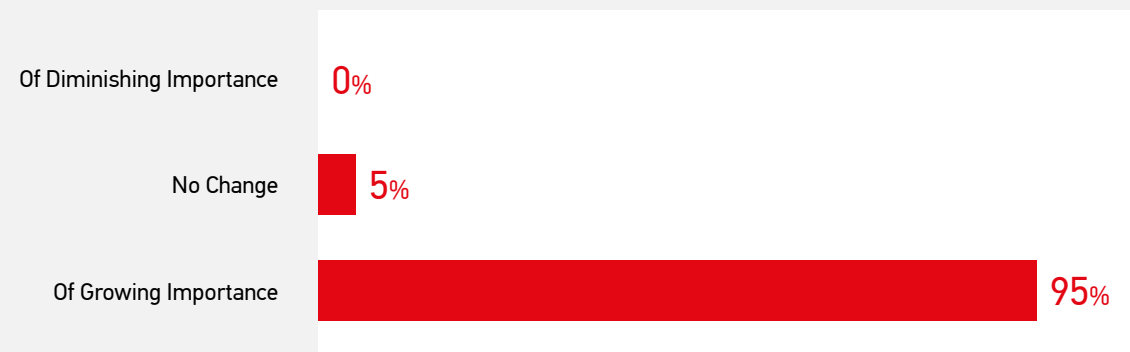
- Charterers
- Shipbrokers
- Shareholders
- Financial institution
- Classification Society
- Flag State
- Port Authority
- International / Industry organization
- Insurer / P&I Club
- Supplier / Business Partner
- Manning Agent
- Academic institution

As part of our stakeholder engagement process, we incorporated two key questions to gain a better understanding of how some of our key internal leaders, business partners, as well as external stakeholders, perceive the overall ESG framework and its importance over the next years.

How would you evaluate the importance of the three broad ESG categories?



How do you expect the importance of ESG to evolve going forward?



The outcome corroborates the importance of ESG in the shipping industry. More specifically, the environmental component of ESG seem to be of prime importance for our stakeholders, while the majority (95%) of them agree on the fact that the overall set of environmental, social and governance issues are of growing importance and will be of growing significance in the future.

Our Material ESG topics

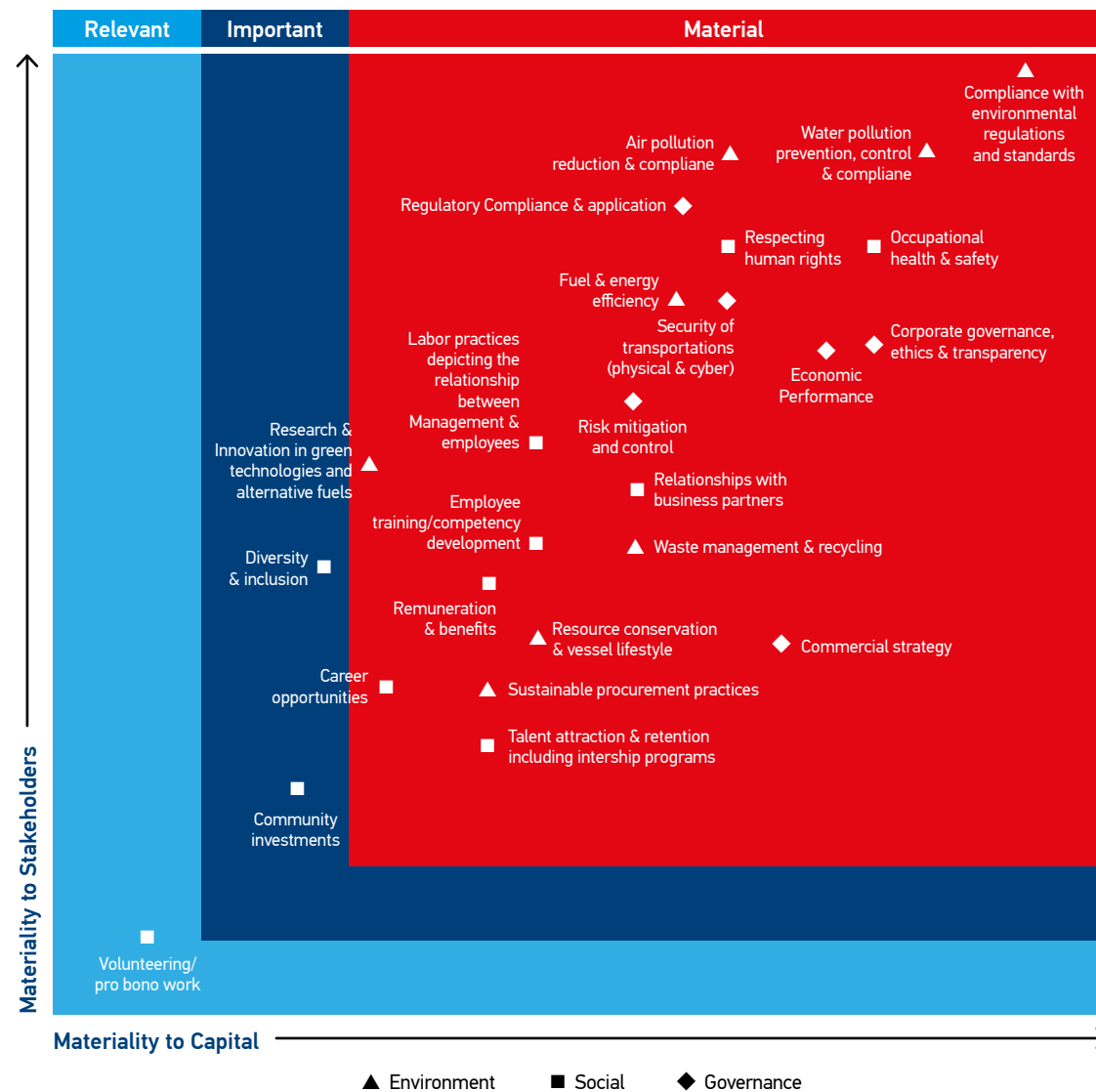
The key material topics identified by our stakeholders are presented in the materiality matrix and are classified in three categories according to their significance both to us and to our stakeholders:

- **Material issues:** issues identified as critical by both our internal and external stakeholders that are considered material to our ESG performance and a top priority to be monitored, reported and emended in our Company's goals.
- **Important issues:** issues identified, on being significant to us and our stakeholders, which we will monitor, manage, and report.
- **Relevant issues:** issues that are identified as relevant to our business which we will engage in the future.

List of most material ESG issues

1. Compliance with environmental regulation and standards
2. Water pollution prevention, control & compliance with respective regulations
3. Occupational health and safety (especially in time of pandemics)
4. Air pollution reduction & compliance with respective regulations
5. Corporate governance, ethics and transparency
6. Economic performance
7. Respecting human rights
8. Regulatory Compliance (general) and application
9. Security of transportations both physical and cyber
10. Fuel and energy efficiency
11. Risk mitigation and control
12. Commercial strategy
13. Relationship with business partners
14. Waste management and recycling
15. Labor practices depicting the relationship between Management and office employees / crew personnel

Our stakeholder questionnaire included 25 issues, 7 of the issues were environmental, 13 of the issues were social and 5 were corporate governance related.



Looking Ahead

Through this extensive materiality analysis, our aim is to identify and understand the relative importance of specific ESG and sustainability topics to our company and ensure that our ESG practices remain in parallel with our most material matters, to drive our long-term business value. Ultimately, through the findings of this analysis we will be able to focus on the ESG issues that matter most to our business and stakeholders.

Alignment with United Nations Sustainable Development Goals

In 2015, the United Nations created 17 Sustainable Development Goals and aimed to achieve them by 2030. All 193 United Nations Member States agreed on these 17 goals to end poverty, ensure prosperity, and protect the planet. The United Nations asks companies not only to rethink strategy and business behavior to align with the goals, but also to assess and evidence their impact and provide a framework to improve their performance on sustainable development.

As the United Nations agency is responsible for developing and adopting measures to improve the safety and security of international shipping and to prevent marine and atmospheric pollution from ships, the International Maritime Organization (IMO) has an integral role in meeting the targets set out and develop a comprehensive regulatory framework to support the UN sustainable development goals.

Capital Product Partners L.P. integrates these ambitious goals in its strategy and is dedicated to promoting sustainable development, while closely cooperating with other stakeholders in the maritime industry.



We meet the IMO's GHG emission reduction targets and the United Nations Sustainable Development Goals, by:

Implementing the best operational practices to optimize our ships, by increasing energy efficiency and reducing carbon footprint, ensuring that we promote marine environmental protection and sustainability.



Encouraging long-term and loyal relationships with our employees and enhancing their environmental awareness (both onboard and ashore), in order to incorporate sustainability in the daily work environment.



Supporting the social prosperity and promoting the sustainability of the container shipping industry.

Ensuring transparent and constructive communications with our key stakeholders, in order to understand their needs, address their concerns, and build long-term relationships to better manage the challenges, and capitalize upon the opportunities of a highly cyclical and volatile market.



3. Environment

Related Sustainable Developments Goals (SDGs)



Our approach towards environmental protection

We conduct our business in a manner that is environmentally responsible and consistent with our goals: aspiring to cause no damage to the environment, participating in reducing global emissions and providing safe and sustainable marine transportation.

We recognize our responsibility to reduce our carbon intensity footprint and our fleet's greenhouse gas emissions, improve our ESG impact on the ecosystem and comply with all environmental regulations and industry's requirements.

During 2021, we had no cases of non-compliance with applicable environmental laws and regulations.

Our energy and environmental policy

We follow an ESG approach fully aligned with the existing environmental regulations in industry's best practices, aiming to monitor and minimize our emissions to the environment. We have an established energy and environmental policy, depicting the way we operate with a focus on increasing energy efficiency and minimizing our environmental footprint.

The key elements of our policy are:

- An Environmental Management Systems (EMS) in accordance with **ISO Standards 14001:2015, 50001:2018, and 45001:2018** and all other applicable requirements by interested parties and rules.
- Reduction of the environmental impact of our operations through the maximization of energy efficiency and minimization of GHG emissions, discharge, and waste and set of specific targets.
- Implementation of control mechanisms aiming at pollution prevention, shown in our comprehensive Environmental Management System.
- Incorporation of methods for reducing waste and decrease utilization of natural resources, which are part of our SEEMP.
- Implementation of a Waste Management system.



Quality certifications

We are accredited with the following ISO standards:

- ISO 9001: 2015 Quality Management Systems
- ISO 14001: 2015 Environmental Management Systems
- ISO 45001: 2018 Health and Safety Management
- ISO 50001: 2018 Energy management systems



Our environmental measures

Onboard

Reduction of fuel oil consumption

- Monitoring of main engine & diesel generator Performance
- Monitoring of speed & daily fuel consumption
- Trim Optimization
- Use of Fuel Additives

Increase of energy efficiency and reduction of energy consumption

- Optimal Voyage Planning & Weather Routing
- Speed reduction / slow steaming
- Use of energy saving devices that enhance the propulsion efficiency
- Monitoring & hull cleaning diagnosis
- Use of eco friendly/energy efficient products
- Monitoring of Electric Loads
- High efficiency coatings
- Use of VDF for sea water pumps and engine room fans
- Operation & Maintenance of all Machinery as per Makers' Recommendations
- Software implementation for performance improvement
- Use of new technology led lighting systems

Reduction of SOx, NOx and PM emissions

- Installation of scrubbers
- R&D projects Biofuels, LNG-as-fuel
- Use of SCR to reduce NOx emissions

Protection of the marine life

- Propeller Polishing
- Installation of ballast water systems
- Air-sealed vessels modification

Control of hazardous materials

- Implementing IHM maintenance procedures

Ashore

Reduction of energy consumption

- Replacement of conventional bulbs with corresponding LED bulbs
- Reducing the power consumption of computers, information systems and their peripheral subsystems.
- Installation of photocells and motion sensors in all facilities
- Use of energy efficient equipment
- Reduction of travel requirements by further utilizing online tools

Reduction of paper consumption

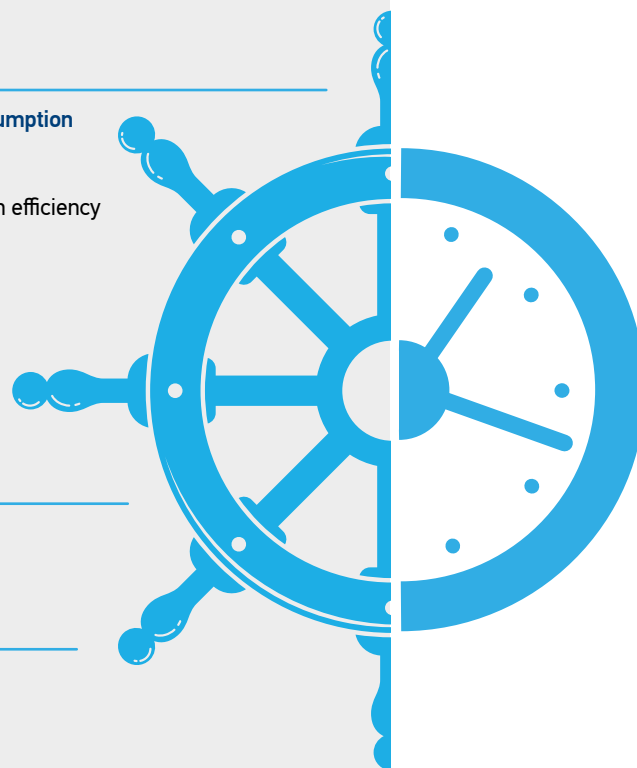
- Application of a fully paperless system, providing high class electronic services to users, vendors, suppliers and seamen

Reduction of fuel oil consumption and carbon footprint

- Participation in R&D programs for alternative fuels (ammonia)

Recycling of materials

- Recycling paper
- Recycling batteries
- Use of recyclable materials



Energy efficiency measures onboard and ashore

We apply a series of technical and operational improvements both onboard our vessels and at shore, to improve our energy performance and reduce our environmental footprint.

R&D Programs, Green Technology, Alternative fuels initiatives & partnerships

Our vessels remain at the forefront of technical research and regulatory developments. We collaborate with classification societies, academic organizations, industry groups, innovative and startup companies to:

- advance environmentally friendly technology
- work on methane slip reduction
- study on Rotors Sails application
- evaluate and execute means to reduce daily fuel oil consumption by retrofitting ships' bow, installing ESD, and applying low friction antifouling
- focus on environmental footprint developing plans to retrofit Tier II vessels to achieve Tier III standards
- reduce further NOx emissions.

During 2021, we participated in several research programs, such as:

- The **ShipFC**, an EU supported and funded research project. The aim of the project is to design a realistic solution which will enable the integration of an electric propulsion system powered by Ammonia Fuel Cells, on large ocean-going ships. Capital-Executive Ship Management has successfully contributed to new realistic designs and options of container vessels that could accommodate the hardware requirements of this project.
- CPLP is a member of Lloyds' Register Gas Technical Committee participating in workshops exploring the application for gas-as-fuel including LNG, Methanol, Ammonia. CPLP is also a SGMF member participating in the development of industry guidelines for the use of gas as fuel and a member of INTERCARGO technical committee.
- The group of leading companies in maritime transportation led by **Bureau Veritas Solutions Marine & Offshore** research project, investigating the technical feasibility and specific safety risks of using ammonia (NH3) as a marine fuel. Currently, aspects of using ammonia are not explicitly covered by the existing regulatory framework- notably IMO's International Code of Safety for Ship Using Gases or Other Low-flashpoint Fuels (the IGF Code) and require specific attention.
- The **ABS 'Smart Bearing'** research project, which was shortlisted for the 2021 Lloyd's List Greek Shipping Technical Award supported by the National Technical University of Athens (NTUA) and Metrisis Ltd., for the development of sensors to measure the force exerted by the main propulsion shafting system onto the vessel bearings. The smart bearing sensor was last installed and tested on board the Capital-Executive Ship Management Corporation Container vessel M/V 'Adonis' (ex "CMA-CGM Uruguay"), IMO 9706310 with excellent results.

Other research projects

- Our ship management executives participate in scientific initiatives, programs and panels such as **Safety4Sea conferences, National Technical University of Athens (NTUA), University of Piraeus, Capital Link conferences, Solent University, Metropolitan College, BCA College, Isalos.net, Technological Academies events** and others, presenting the experience of a modern ship operator facing new challenges.
- Support educational institutes' research programs and initiatives, focusing on environmental protection, innovative technologies, and ship design optimization.
- Participate in career events and support the young graduates during their first steps in the labor market, by conducting interviews and providing them with job opportunities in our company.

Energy efficiency

Energy Efficiency Operational Indicator (EEOI)

In our attempt to monitor and record the energy performance of our ships, separately and as a fleet, and evaluate the effectiveness of the planned energy efficiency measures, we use the IMO Energy Efficiency Operational Indicator (EEOI). EEOI is an indicator reflecting the impact of operational enhancements and technical modifications on fuel efficiency and emissions and measures the fuel efficiency of vessel operations. EEOI is most appropriately expressed as gr CO₂/Tonnes - miles. The average EEOI for our fleet decreased by 21% from 13.45 in 2020 to 10.64 in 2021 (gr CO₂/tonnes - mile).

Average EEOI
of our fleet

10.64

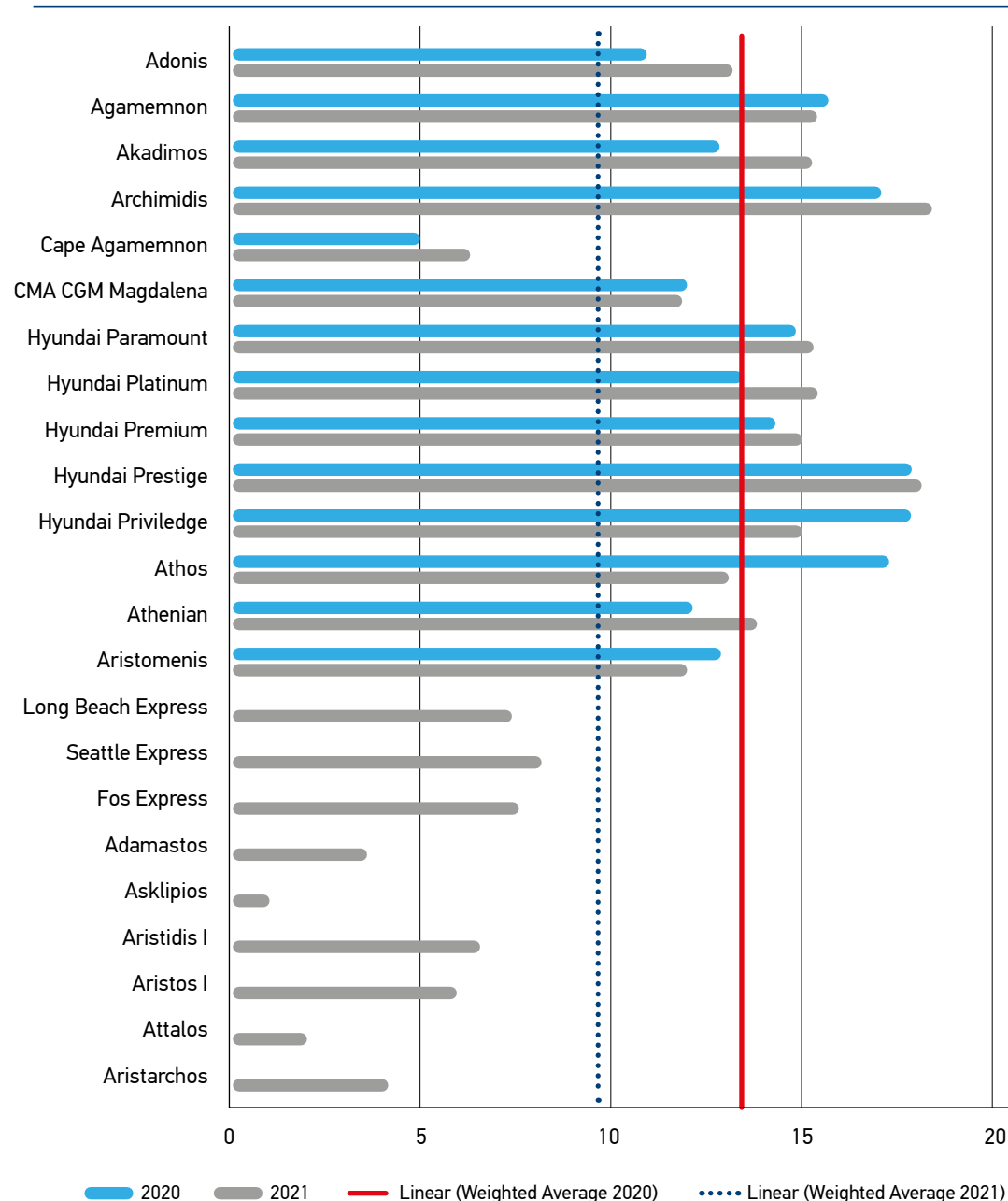
gr CO₂ / tonnes - mile
in 2021

Our average EEOI

↓21%

in 2021 comparing
to 2020

EEOI per vessel (gr CO₂ / tonnes - mile)



Energy efficiency

Annual Efficiency Ratio (AER)

Another metric which is applied for the assessment of the energy performance of our ships, is the Annual Efficiency Ratio (AER). AER is the ratio of the vessel's carbon emissions per distance travelled and design deadweight tonnage. AER is mostly reported in gr CO₂ per DWT - mile.

In 2021, we managed to reduce the average Annual Efficiency Ratio by 9% compared to 2020.

Average AER
of our fleet

6.54

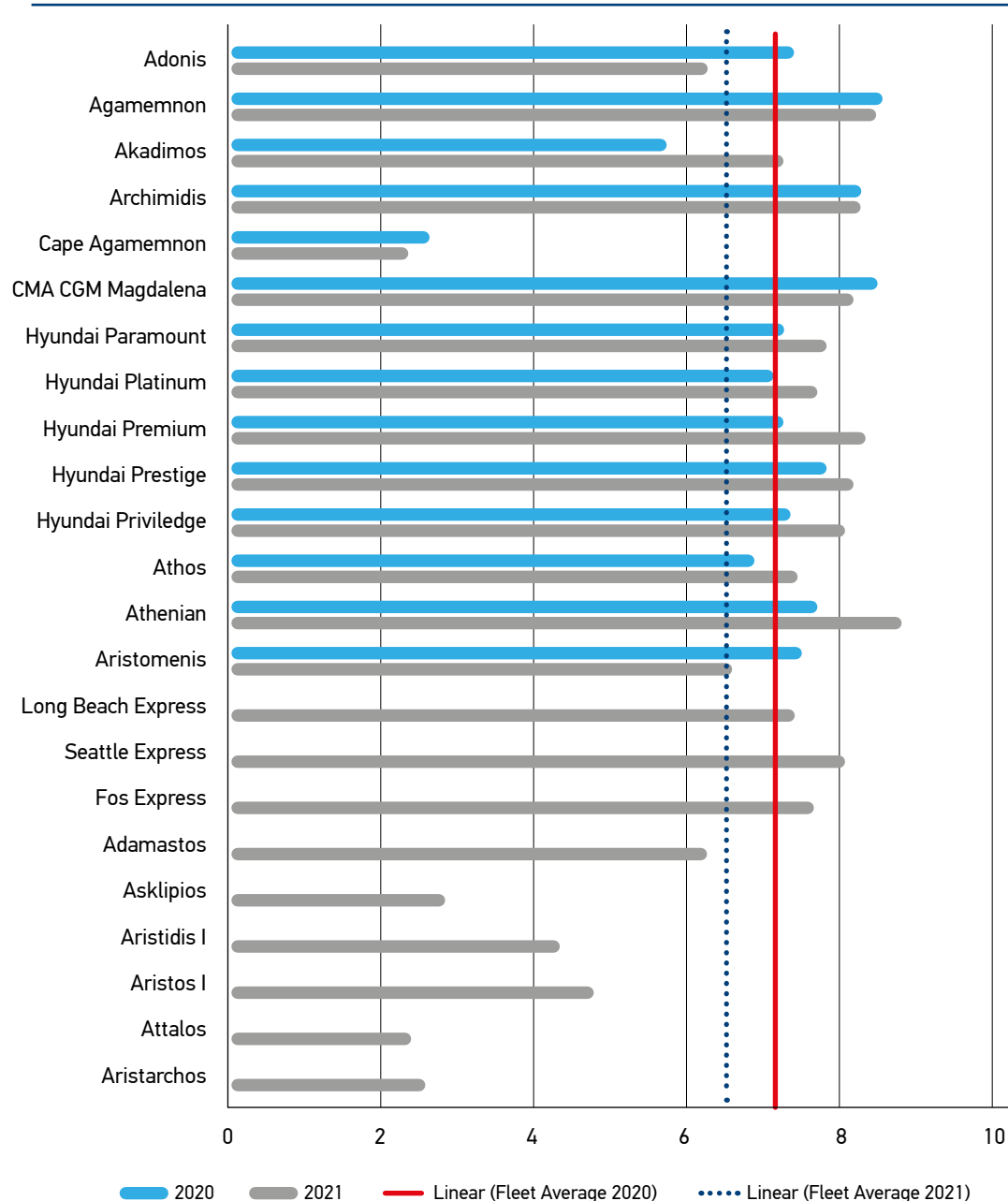
gr CO₂ / DWT - mile
in 2021

Our average AER

↓9%

in 2021 comparing
to 2020

Annual Efficiency Ratio - AER per vessel (gr CO₂ / DWT - mile)



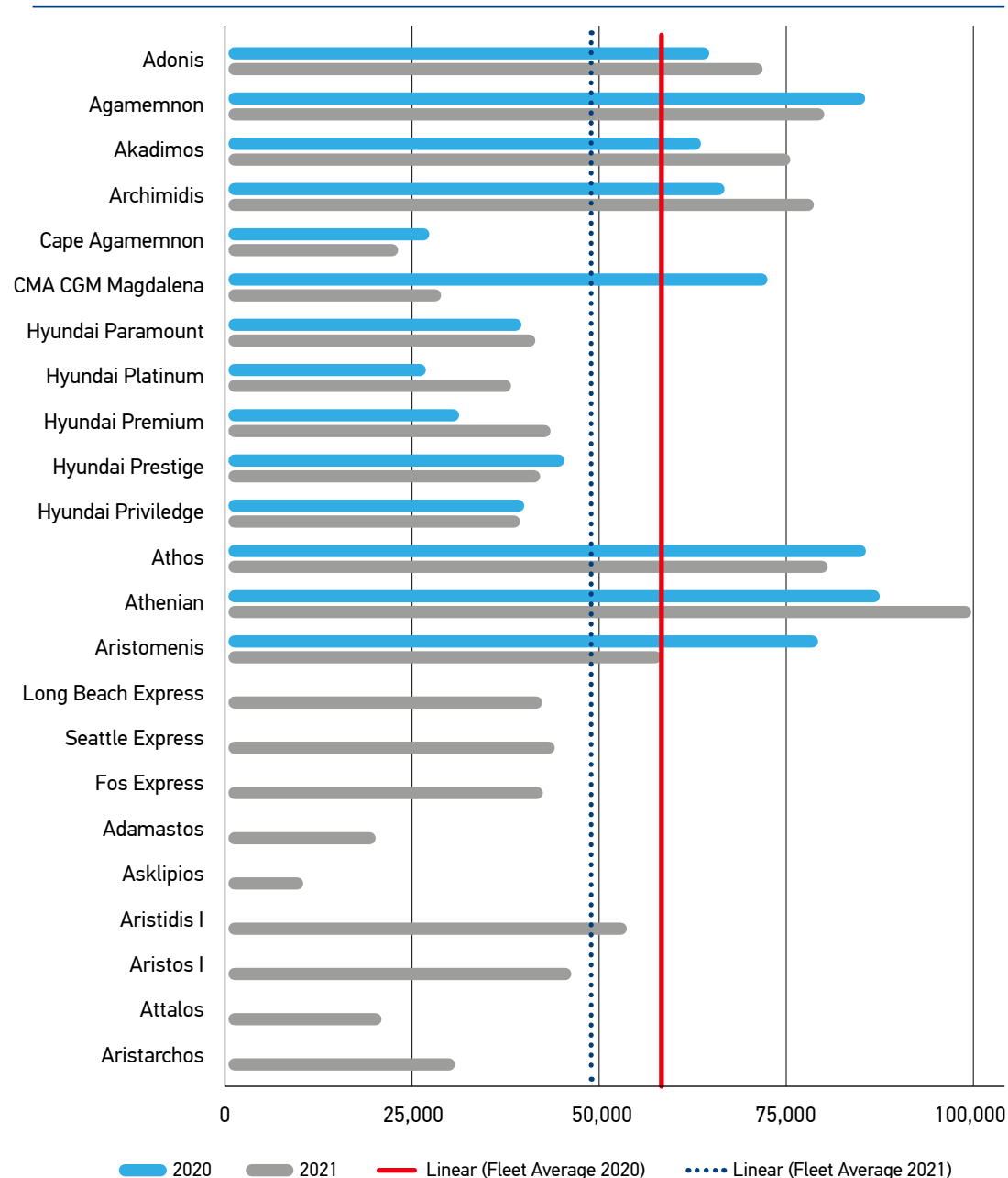
CO₂ Emissions

Providing a quality service, protection of the environment, energy conservation and reduction in our GHG emissions following industry's goals and targets are of fundamental importance for us. Onboard our vessels, we have implemented a variety of energy efficiency measures, initiatives, systems and improvements to reduce their fuel consumption and CO₂ emissions and we are continuously seeking for new opportunities. These measures and initiatives include:

- Energy Saving by changes in ship design or installations
- Energy Saving by vessels' operations.
- Energy Efficiency Management Audits

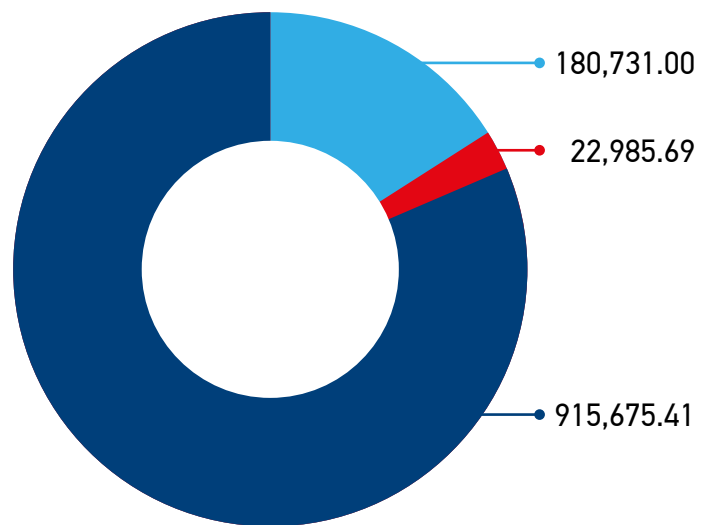
In 2021, our 23 vessels emitted 1,119,392 tonnes of CO₂, while in 2020, our fleet consisted of fewer vessels (14 vessels), the CO₂ emission in total were 813,648 tonnes. Our newbuilding, LNG carriers' total CO₂ emissions are 180,731 tonnes, which represents the 16% of our fleet's total emissions. The introduction of LNG vessels in our fleet contributed to the reduction of CO₂ emissions. More specifically, 16,718 tonnes of CO₂ were saved, by using LNG as a fuel, in comparison to conventional marine fuel oils.

CO₂ emissions (tonnes)



CO₂ Emissions

CO₂ emissions per vessel type in 2021



- Container carriers (16 vessels)
- LNG tankers (6 vessels)
- Bulk carriers (1 vessel)

Total CO₂ emissions of our fleet

1,119,392 tonnes

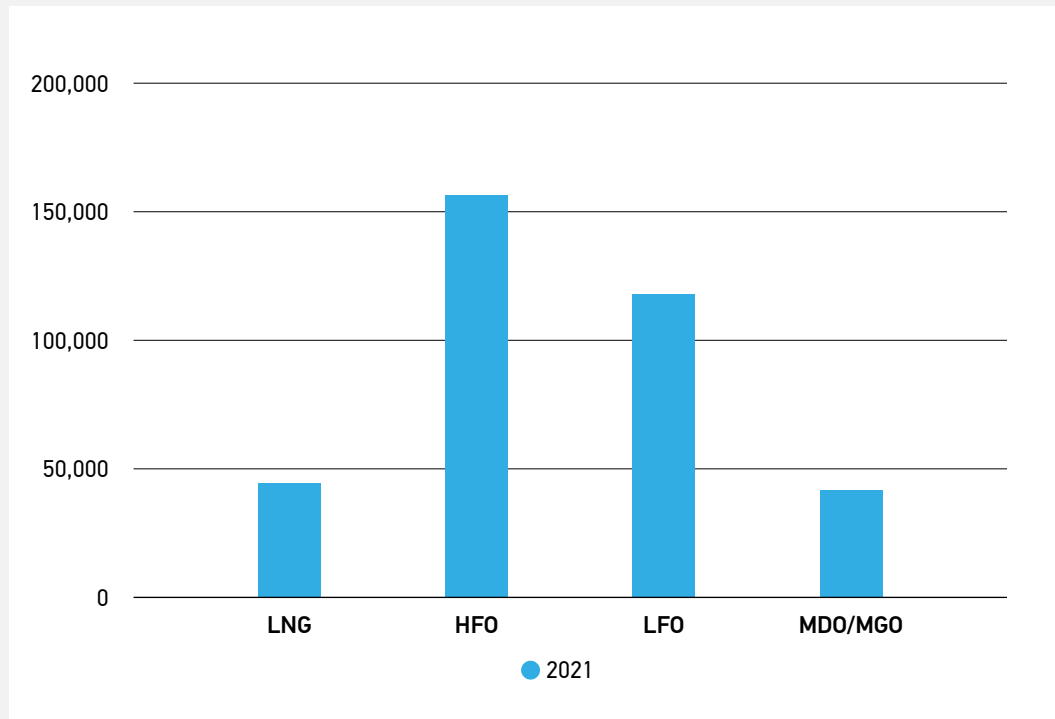
in 2021



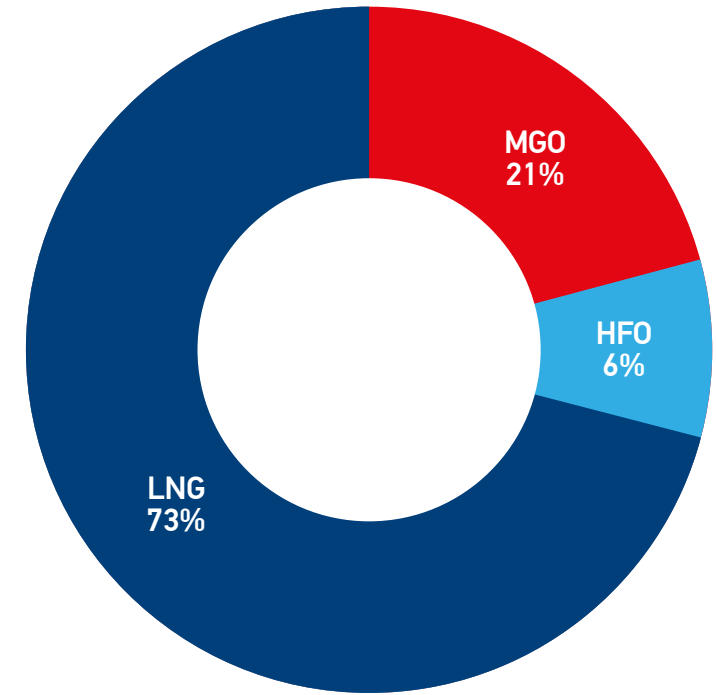
Fuel consumption

During the reported year, our vessels consumed 316,309 tonnes of fuel oil and 45,927.95 tonnes of LNG, resulting in a total of 362,238 tonnes of fuel consumption. More specifically, 73% of fuel used on LNG carriers was Natural Gas and the rest 27% was liquid fuel (MGO and HFO). We monitor the performance and the fuel consumption of our vessels closely, based on the internal procedures in accordance with the ISO 50001 standards.

Fuel consumption per fuel type (tonnes)



Fuel consumption in LNG vessels in 2021



Total fuel consumption of our fleet

362,238 tonnes

in 2021

Total LNG consumption of our fleet

45,928 tonnes

in 2021

Total energy consumption of our fleet

15,031,966 GJ

in 2021

Air emissions

The main pollutants released to the atmosphere by our fleet operation are nitrogen oxides (NOx), Sulphur Oxides (SOx) and Particulate Matter (PM10).

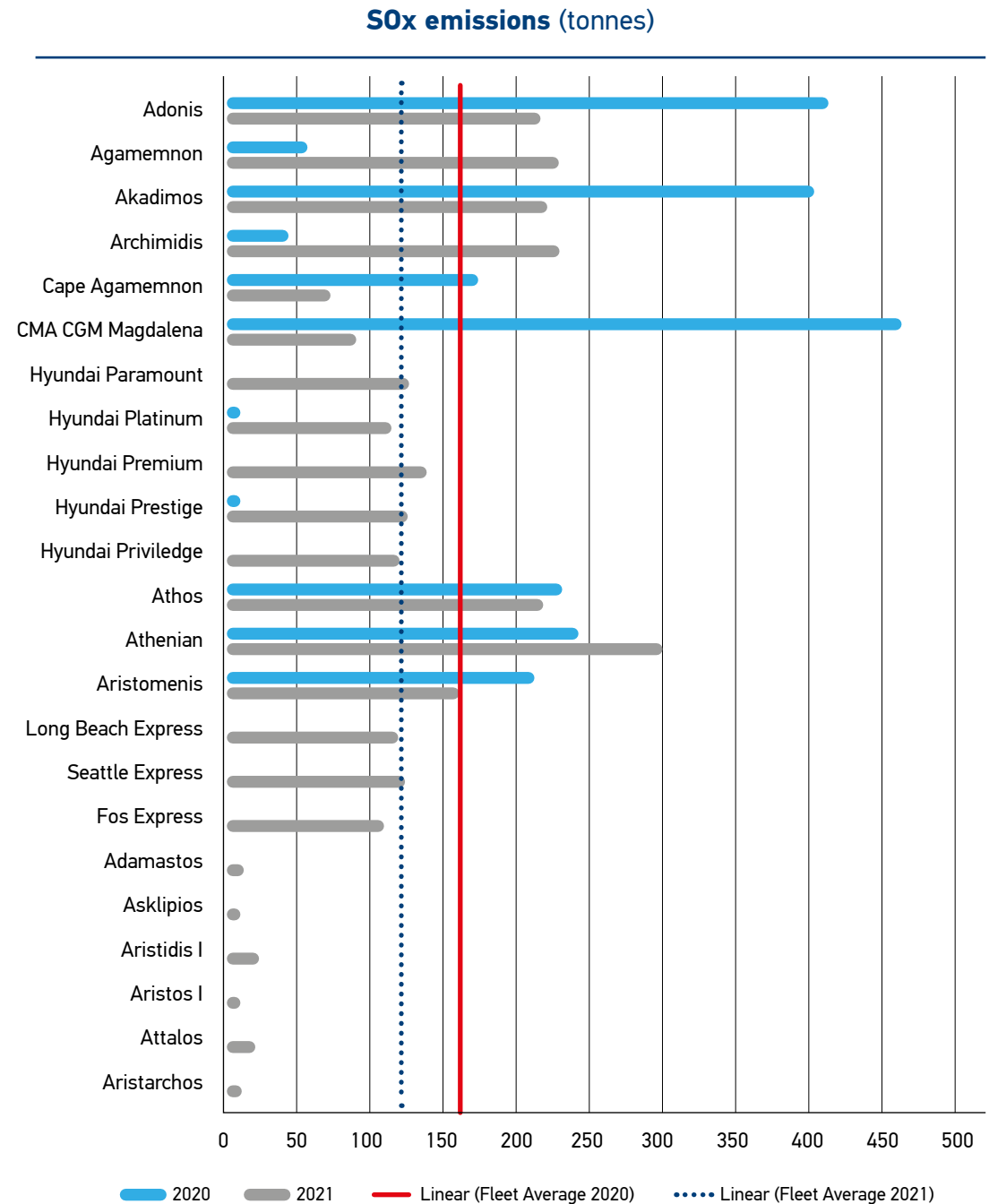
SOx emissions

In response to global Sulphur limit, Capital Product Partners purchases Low-Sulphur fuel (0.5%) in order to reduce the SOx emissions. So far, we have installed Exhaust Gas Cleaning Systems (EGCSs) to 7 out of 17 of our vessels, since our LNG carriers are not obliged to scrubber installation. In 2021, our fleet emitted 2,783 tonnes SOx.

Total SOx emissions of our fleet

2,783 tonnes

in 2021



Air emissions

NOx emissions

NOx emissions released in the air, is caused by the reaction of nitrogen and oxygen gases which takes place during the fuel combustion at high temperatures in vessel's main and auxiliary engines, and boilers. Capital Product Partners continuously monitoring its NOx emissions during ship and equipment upgrades and voyages in order to secure proper emission control and reducing our environmental footprint through our operations.

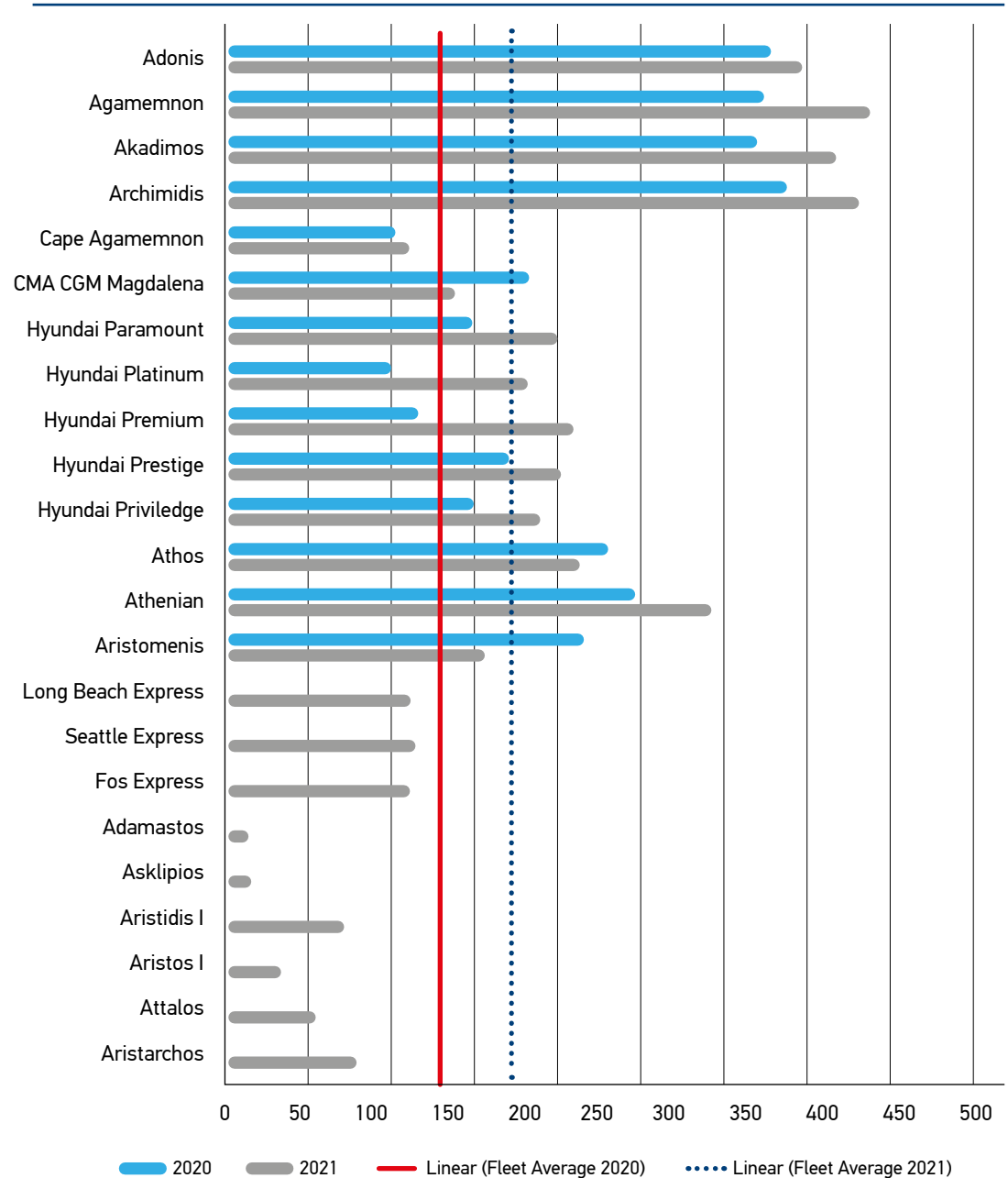
In 2021, our 23 vessels emitted a total of 40,059 tonnes of NOx. The increase compared to 2020, when the NOx emissions were 29,831 tonnes, has mainly occurred due to the increase of our fleet.

Total NOx emissions of our fleet

40,059 tonnes

in 2021

NOx emissions (tonnes)



Air emissions

Particulate Matter emissions

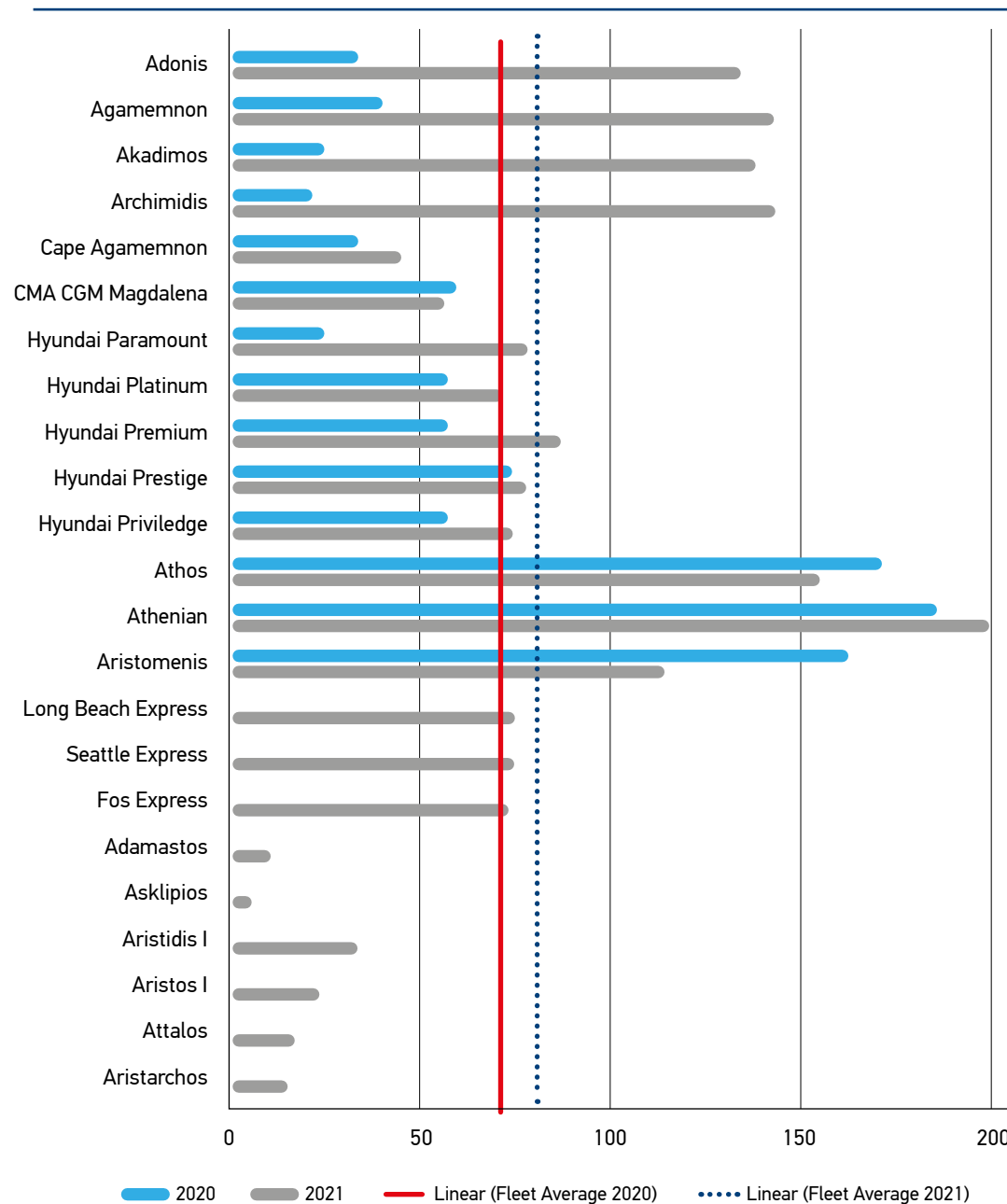
Particulate matter (PM) emissions are related to the fuel used and its relative sulfur content. PM10 emissions are defined as particulate matter with a diameter of 10 micrometers. In 2021, our 23 vessels emitted a total of 1,862.9 tonnes of PM10, while in 2020, the total PM10 emission from our 14 vessels were 1,006 tonnes.

Total PM10 emissions of our fleet

1,863 tonnes

in 2021

PM10 emissions (tonnes)



Water & waste management

Waste management

An essential element of our environmental management system is controlling, managing and safely disposing all types of waste generated onboard our fleet. We implement a comprehensive waste management system across our fleet, in accordance with international and local regulations, governing how all types of waste and sewage must be treated and disposed.

Total Garbage of our fleet

1,193.05 m³

in 2021

Total Sludge of our fleet

4,624.64 m³

in 2021

Total Bilge of our fleet

5,982.46 m³

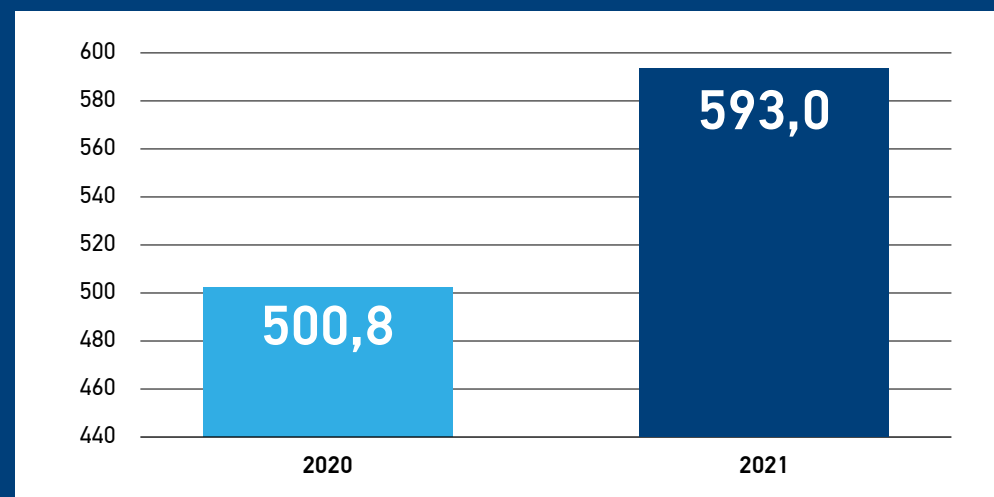
in 2021

Fresh water management

Fresh water is either produced onboard by ships' freshwater generators (from sea water) or supplied from shore-based sources. We are committed to continuous monitoring the consumption control and setting annual reduction targets for freshwater consumption across our fleet. We utilize water evaporators and rainwater collectors (wherever possible) installed onboard our vessels for vessel daily operations.

In comparison with 2020, freshwater consumption increased only by 18% despite the fleet expansion.

Total Water Consumption (m³)



Total Water consumption of our fleet

593 m³

in 2021

Our Total Water consumption

↑18%

in 2021 comparing to 2020

Protection of the marine ecosystem

Exhaust Gas Cleaning Systems (Scrubbers) installations

The use of exhaust gas cleaning systems, also known as scrubbers, on ships as an alternative to switching to cleaner low-sulphur fuel, has accelerated since the adoption of stricter global ship fuel sulphur regulations by the International Maritime Organization (IMO) more than ten years ago. Since 2015, all ships travelling in designated Sulphur Emission Control Areas (SECA) have to comply with a fuel sulphur limit of 0.10 per cent. The SECAs cover two northern European sea areas, the North Sea and the Baltic Sea, as well as the coastal waters (out to 200 nautical miles) of the United States and Canada. As from 1 January 2020, the global sulphur limit has been reduced from 3.5 per cent to 0.50 per cent and will apply to all ships in international trade.

We comply with these guidelines and closely monitor our vessels emissions, with the Emission Monitoring Systems installed. In addition, the LNG used, has lower particulate, sulphur and nitrous emissions and is considerably less greenhouse gas intense than traditional heavy fuel oil and marine diesel oil. All our LNG carriers are in compliance with the relevant regulations and, therefore, there is no need for scrubber installation.

Vessels with Scrubber system

7 vessels

Fleet percentage with Scrubber system

30%

Ballast water management installations

According to IMO Ballast Water Management Convention, it is of high importance for the Shipping Industry to properly manage ballast water in order to protect marine biodiversity.

We adhere to these guidelines and monitor our vessels closely. Ballast Water Treatments Systems (BWTS) are installed to remove and destroy any non-native and inactive biological organisms (zooplankton, algae, bacteria) that can be present in ballast water and could potentially harm the marine environment. In order to contribute to the protection of the environment, we have installed BWTS on 20 vessels.

During 2021, we enhanced our equipment and implemented further measurements in order to improve our performance.

Number of Vessels with BWTS



Vessels with BWTS system

20 vessels

Fleet percentage with BWTS system

87%

Fuel spills release to marine environment

Oil and lubricant spills release at the oceans or harbors render into extreme risk marine life. We strictly follow and comply with local, national and international regulations, as well as procedures and safety and environmental standards with regards to the ISO 14001. We achieved zero spills to marine ecosystem in 2021, in continuation of the excellent performance of the past years. We are responsible and committed to the environment and the continuation of the marine biodiversity and we have an obligation to prevent the release of harmful substances and garbage into our oceans and seas.

We strive to protect both our people as well as our environment by achieving zero spills and incidents.

We are aware of the impact of oil and lubricants spills on the marine environment. We apply strict policies and set specific targets of zero spills to the environment, that comply with the international standards and legislations to protect the marine ecosystem.

Ship recycling

All our vessels comply with the Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships (HKC) and hold an Inventory of Hazardous Materials certificate approved by our classification society. The HKC was adopted in 2009 in China and was further developed with input from IMO member states and other non-government organizations. The aim of the HKC is to ensure that when ships are being recycled once they reach the end of their operational lives, do not jeopardize human health and safety or the environment.

% Fleet compliance
with IHM

100%

Number of spills
to the environment

ZERO

in 2021

Our ashore environmental impact

In our attempt to minimize our operation's ecological impacts, we are also closely monitoring the emissions of our head office operations. The estimation of our carbon footprint enables us to handle our environmental performance and monitor the effect of our day-to-day business activities.

During 2021, our head office CO₂ emissions were estimated at 1,633.2 tonnes CO₂. The increase in our office emissions was mainly affected by mobility emissions and air travel. Both of them increased due to the reduction in Covid-19 precaution measures within 2021, whereas the calculation of Air Travel emissions includes the seafarers' repatriation.

Head office CO₂ emissions

1,633.2 tonnes

in 2021

Type of emissions (kg CO ₂)	2021	2020
Electricity	104,887	90,000
Mobility	74,949	17,750
Air Travel	1,129,377	9,000
Shipments	324,000	429,000
Total CO₂ emissions (kg CO₂)	1,633,213	545,750

4. Social

Related Sustainable Developments Goals (SDGs)



Our Health & Safety, Environment, & Energy Efficiency (HSEE) system

We have a strong commitment to ensure the health and safety of the people and the protection of the marine environment. We comply with the national and international laws, rules, regulations and industry standards and apply policies to ensure the health and safety of all people associated with our operations.

We consider health and safety an integral part of our operations. We have established a Health and Safety, Environment, and Energy Efficiency (HSEE) System, with specific policies, procedures and controls.

We continuously review and monitor the effectiveness of the established procedures and guidelines, as well as the continuity of the policies suitability and apply additional measures and proceed with necessary adjustments when deemed necessary, in order to ensure that our goals are achieved.

Our system's responsibilities extend throughout the organization from the highest level of Management downwards. All our personnel both ashore and onboard, implement and follow the Company's HSEE detailed procedures and instructions.

We aim to:

- Prevent unsafe acts, personal injury, damage to property and the environment.
- Recognize that health, safety, quality, energy efficiency and environment protection are essential to achieve the Company's goals.
- Increase the sense of personal responsibility and raise awareness for health, safety, energy efficiency and environment protection.
- Ensure that personnel assigned to the various tasks are experienced and have received adequate training.

HSEE Management Team / Occupational Health & Safety Committee

We have established an HSEE Management Team / OHS Committee to be responsible for the effective implementation of the current HSEE policies and activities and HSEE performance improvement initiatives and actions. The Committee consists of the HSEE Representative, the Managing Director, the Chief Technical Officer (acting also as the personnel representative) and the DPA.

Employees' Consultation and Participation

Our employees' opinion is important to us. We provide to our employees clear, comprehensive and relevant information about the HSEE System, adequate training and required resources, while we also encourage them to propose initiatives or submit their complaints. We have adopted a HSEE suggestion and complaint mechanism, through which all employees are able to express a complaint or suggest an idea. Complaints and cases of non-conformity can be reported either anonymously or personally. The HSEE Representative and the HSEE Management Team / OHS Committee investigates the root cause of the complaint / non-conformity / suggestion and proceeds with necessary correction and corrective actions, when deemed necessary.

Health and safety trainings

We are committed in continuously improving the safety management skills of our staff by organizing safety-related trainings on a regular basis.

In order to ensure that all our employees, both ashore and on-board, are aware of our occupational health and safety management system and the possible risks, we conduct a variety of health and safety related trainings, which cover the following areas:

- Workplace health-hygiene-safety
- Risk assessment
- Incident investigation and root cause analysis
- Internal auditor ISM, ISPS, MLC and ISO systems awareness

All our seafarers and the shore-based personnel attend at least annually and even on a monthly basis, dedicated trainings such as Serious Disaster Punishment Act, Health and safety management, Management supervisor, Health and Safety Risk Assessment and Occupational safety and health education.

Additionally, we have implemented a set of voluntary Health Programs aiming to reduce non-work-related health risks.

Coping with the Coronavirus (COVID-19) pandemic

During COVID-19 pandemic, we developed a COVID-19 Management Plan following the guidance provided by the government and the international organizations. Additional measures were also applied, aiming to protect our people onboard and ashore, as well as our customers and partners and continue our operations.

We implement specific procedures and measures, provide guidance and closely monitor their implementation, to minimize the impact of COVID-19 pandemic in our operations.

Our COVID-19 Management Plan is used together with the World Health Organization (WHO) Handbook for "Management of Public Health Events onboard Ships" and International Chamber of Shipping (ICS) Publication "Guidance for the ship operators for the protection of the Health of Seafarers".

Indicative precautionary measures implemented onboard contain:

- Cleaning and disinfection procedures.
- Guidance for suspected cases onboard.
- Suspension of crew changes and motivation of crew members to remain onboard.
- Frequent updates about all relevant precautions through circular letters.
- Medical support 24/7 for all managed vessels.
- Mental health support by specialists.
- COVID – 19 risk assessment prior to entering ports.
- Weekly communication of senior management with fleet.
- Visitation restrictions and strict boarding protocol for visitors.
- Mandatory use of masks, face shields, and protective gloves for all seafarers.
- Daily monitoring of crew members' temperature

We have launched further initiatives to ensure occupational health and safety of our people, with strong emphasis on managing COVID-19-outbreak. As part of the precaution measures, rapid tests were conducted twice a week, the cost of which was covered by the company.

Drug & Alcohol policy

We are highly committed in providing a safe work environment for our crew and in protecting their safety and well-being. Alcohol and drug abuse can impair a person's ability to perform properly and could thus, have serious adverse effects on safety. Management have established a strict Drug & Alcohol Policy which is adhered by all persons onboard our vessels.

We constantly monitor and make sure that the Drug & Alcohol Policy restrictions and policies are followed. Our crew members undertake drug and alcohol testing prior to employment, while at the same time our vessels are provided with approved alcohol testing devices and collection kits for drug testing purposes. We schedule unannounced drug and alcohol testing two or three times per year, with the help of approved shore medical services. Masters, Officers and crew are obliged to provide samples as and when required by shore laboratories and to undergo all testing when requested.

Number of Drug & Alcohol incidents

ZERO

in 2021

Our Health & Safety performance in 2021

Health and Safety onboard our vessel is a fundamental piece of our long-term success and a core value for us. We are dedicated in providing a safe and healthy workplace onboard for our employees and visitors, through the implementation of our Health and Safety, Environment, and Energy Efficiency System (HSEE). We aim to enhance occupational safety, reduce factors that contribute to the occurrence of accidents and prevent human injuries for all seafarers and ashore personnel and visitors onboard our vessels.

Our health and safety performance is driven by our policies, guidance, equipment and training programs. All of our staff, both seafarers and shore-based personnel are covered by our occupational health and safety management system.

Lost Time Injury Frequency

0.53 ↓ 61%

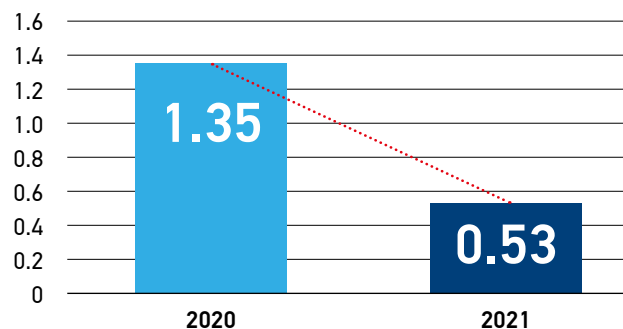
Recordable Cases Frequency

1.55

Serious Marine Incidents

ZERO

Lost Time Injury Frequency (LTIF)



In 2021, we recorded five injuries. The Lost Time Injury Frequency (LTIF) rate was reduced by 61% from 1.35 in 2020 to 0.53 in 2021.

Despite the increased exposure hours of our seafarers during the reporting period, the Total Recordable Cases Frequency (TRCF) rate reduced, from 1.80 in 2020 to 1.55 in 2021.

Additionally, in 2021 we recorded zero cases of recordable work-related ill health and zero fatalities.

Total Injuries (Lost Time injuries)

5 (0)

Fatalities

ZERO

On Board Audits and Port State Controls (PSC)

Our operations are regulated by numerous international conventions, port state and flag state requirements. The effective implementation of our policies, procedures and the guidance provided to our personnel is evident through our records in PSC (port state control) inspection's deficiencies. During the reported year, we recorded zero detentions and seven conditions of class or recommendations across our fleet.

PSC Inspections

36

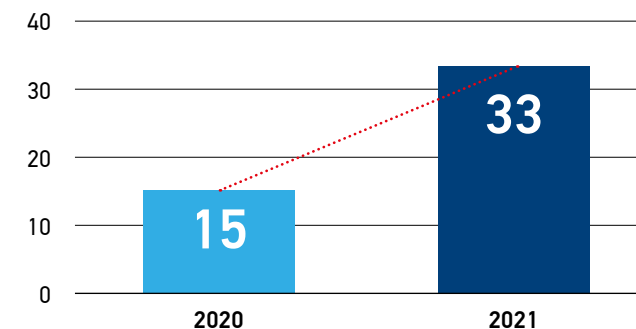
PSC Deficiencies

33

PSC Detentions

ZERO

PSC Total Deficiencies per Year



Internal and external audits are performed onboard our vessels to safeguard that we comply with all regulatory requirements. During 2021, the audits performed resulted in an average of 0.7 nonconformities per audit conducted.

We are close to our seafarers; we physically attend our vessels to support our crew members and ensure that all Company's policies are followed. In 2021, our visits to our vessels were significantly increased. We performed 42 visits onboard, 31 of which were performed by our ashore Superintendents and 11 by Top Management.

Ship visits by Superintendents

31

Ship visits by Top Management

11

Our seafarers onboard

Our seafarers are the driving force of our operations, their safety and welfare are a priority for us.

Pool of seafarers

The total number of seafarers onboard our vessels for 2021, was 1,051 selected from a pool of 2,312 skilled and experienced seafarers.

We are building gender diversity in our vessels. In 2021, two of our seafarers were women and we are aiming in increasing this number in the upcoming years. We also employ seafarers from different cultural backgrounds. From a total of 15 nationalities the majority of our seafarers are Filipinos and Romanians.

Remuneration and benefits

During 2021, we provided increased bonuses and flexible contracts to our seamen and the total amount for crew salaries and bonuses was 26,386,525\$. At Capital, we remunerate our seafarers for their commitment to us and we provide salaries that correspond to their experience and contribution. In 2021, our average crew salary was 318.36% more than the local GDP per capita.

Learning and Development

We, at Capital, invest in our people and promote their development. We are committed in providing equal opportunities to our crew members for career and skills development. Our philosophy is based on keeping our seafarers satisfied at their workplace and maintaining a high retention rate. Trainings are an integral part of our business strategy. We provide our employees with learning and development opportunities that enable them to enrich their capabilities and

implement training programs that aim to assist our staff to achieve their personal goals. Furthermore, all our seafarers participated in the annual performance review process and received feedback.

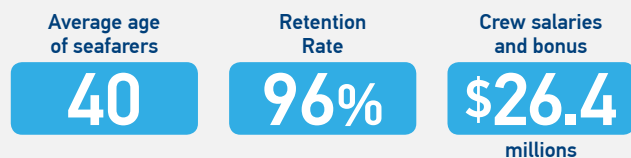
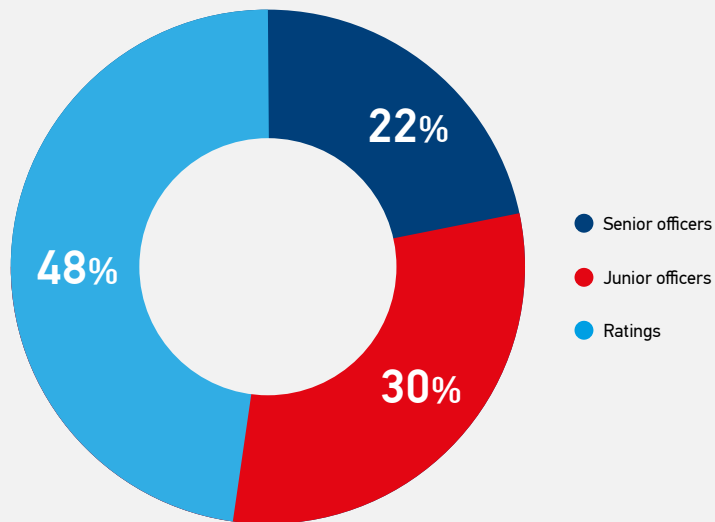
At Capital, the continuous development and upskilling of our crew is of fundamental importance. In 2021, we spent \$1.322.670,33 in training programs and offered a total of 25.203 training hours. More than half of our training expenses were made due to the expansion of our fleet with the newly bought LNG carriers. A dedicated forum was organized from Capital Gas Team for our seafarers, in order to support them in their transfer from company's Tanker Fleet on LNG fleet and to familiarize with company's systems and procedures. Our seafarers also attended a simulator-based course designed for understanding all the cargo operations carried out and the procedures involved on an LNG carrier, in a safe and efficient manner and an advanced training in vessel's Reliquefaction system from the maker.

Additionally, we implemented a wide variety of different programs and provided assistance, upgrading our seafarers' skills, from the total of 1,401 trainings sessions performed. Maneuvering Trainings were provided to our Masters and Chief Officers, aiming in their familiarization with navigation, maneuvering, mooring and compatibility in specific areas, whereas our navigator officers attended Electronic Chart Display and Information System trainings as well. An advanced training was conducted for marine engineers and technical staff involved in operation and supervision of our vessels' engines and our senior officers attended a training to enhance their knowledge. Finally, a set of workshops were conducted on board as per the applicable international laws, flag state regulations and Company's processes.

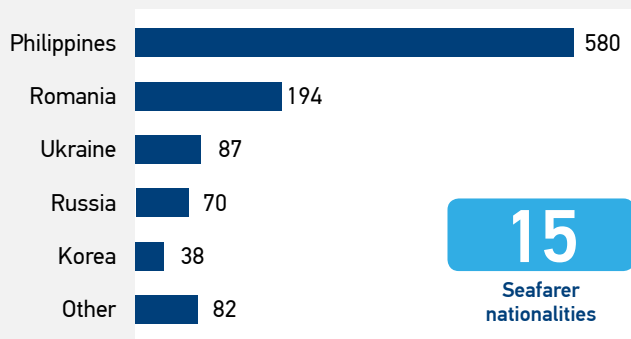


1,051

seafarers onboard as of
December 31st, 2021



Seafarers by Region



Well-being initiatives for our seafarers

One of our Company's priorities is to enhance our seafarers' welfare, physical and mental wellness. Therefore, during 2021, we launched a series of initiatives aiming to support our holistic wellbeing strategy. On a quarterly basis, a health promotion bulletin is circulated to all our vessels while in case of emergency our seafarers can seek advice from experts in person since they are granted with access to National Emergency Management Agency, which provides emergency treatment guidance and medical counseling services in preparation for diseases and accidents at sea. Our Filipino crew and their families are also eligible to health insurance programs.

The mental health of our seafarers is a priority for us, so we maintain a regular interaction between office, vessels, seafarers stranded in transit and expanded our helpline to include families and children. We also support our seafarers ashore, who are unable to re-join the vessels of assignment, by establishing a cash advance system, available upon request, guarantee of reemployment provided through our Crew managers and supporting to their families.

In order to ensure seamless communication with their families, all of our seafarers have free internet access. Our vessels are equipped with fitness machines, TVs, DVD players, videogame consoles with karaoke events to be organized regularly. On a monthly basis a barbeque event takes place on board.

The Neptune Declaration

We are signatories to the Neptune Declaration on Seafarer Wellbeing and Crew Change by the Global Maritime Forum



The Neptune Declaration on Seafarer Wellbeing and Crew Change

Capital-Executive, Capital Ship and Capital Gas joined more than 700 companies and organizations who signed the Neptune Declaration on Seafarer Wellbeing and Crew Change by the Global Maritime Forum outlining the main actions that need to be taken to resolve the current crew change crisis.

Due to the Covid-19 pandemic, hundreds of thousands of seafarers have been stranded working aboard ships beyond the expiry of their contracts and are unable to be relieved since the outbreak of the coronavirus pandemic. Fatigue after long periods at sea has significant consequences on the physical and mental wellbeing of seafarers. It increases the risk of maritime incidents and environmental disasters, and poses a threat to maritime supply chains, which carry 90% of global trade.

At Capital-Executive we strive to protect our people onboard, implementing best practice policies to operate our vessels safely and efficiently. We proceed with crew changes whenever possible to maintain the highest standards for safe disembarkation and travel arrangements and take all necessary steps to enhance seafarers' well-being onboard, maintaining contact with their significant others ashore and obtaining mental and medical assistance 24/7 amongst others.

Our employees ashore

Our people strengthen our operations and are at the forefront of our business philosophy. Our team ashore consists of highly skilled individuals with extensive experience in the shipping operations and industry. We are committed to provide an attractive, rewarding and safe work environment that promotes equality and diversity, cooperation and career development.

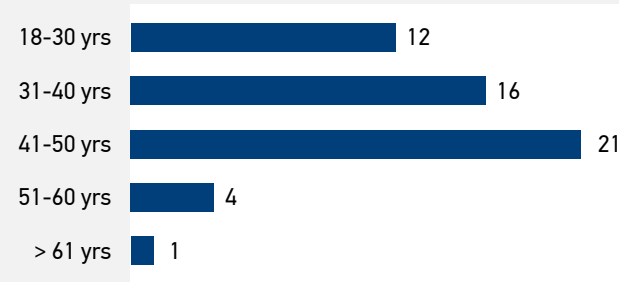
Our employees

In 2021, we employed 54 individuals under full-time contracts, increasing our shore team by 64% since 2020. Regarding the characteristics of our ashore workforce, 33% of our employees represent women, while 91% of our employees belong to the age group of 31-50 years old. In addition, our team has a diverse educational and professional background, while 100% of our employees holding a Bachelor or Postgraduate Degree. Moreover, 31% of our shore-based staff have seagoing experience.

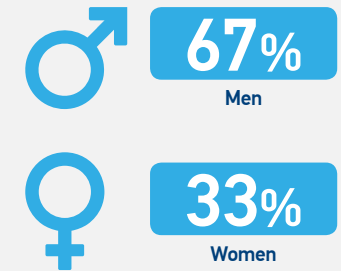
Our employees' retention rate was 70% in 2021, while during the year, we strengthened the headcount of our company significantly with 21 new hires.



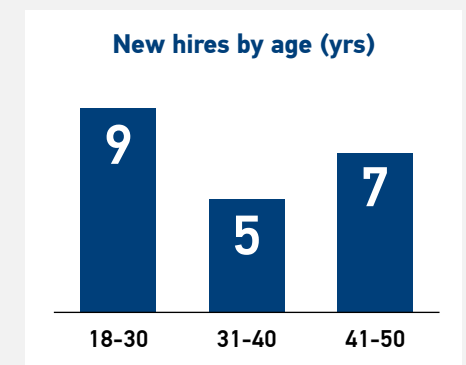
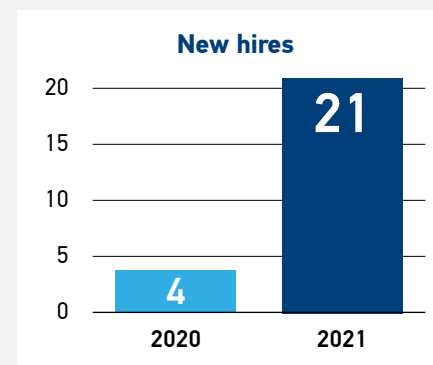
Employee age distribution



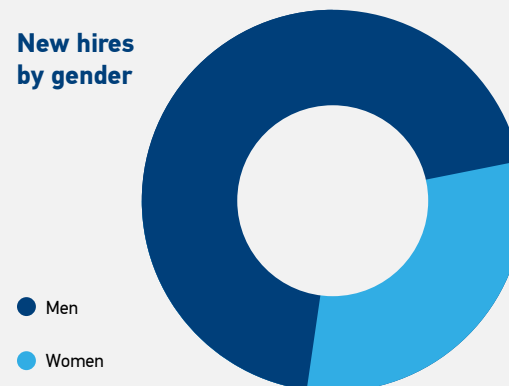
Gender Breakdown



Recruitment & Promotions



New hires by gender



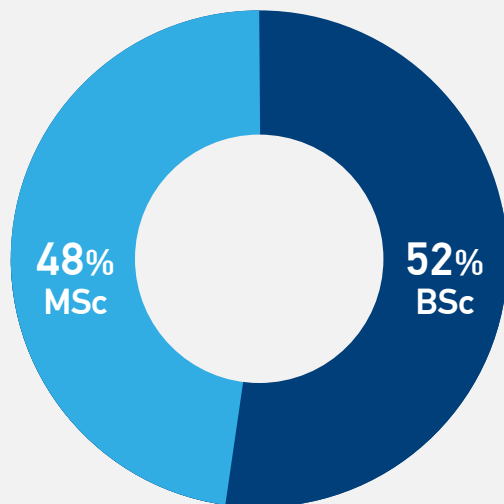


Average training hours in 2021

Men	39
Women	31
Executive Officers	39
Managers	34
Employees	51



Employees educational background



31%

Employees with Seagoing experience

70%

Retention Rate

Learning and Development

We offer equal career growth opportunities and support the educational development of our employees and their constant up-skilling. To motivate our personnel to enhance their skills, we invest in training and development programs which include but are not limited to Leadership, Coaching, Mentoring and other important soft skills. Additionally, we have established an annual performance feedback process, which sets some short-term and long-term goals. In 2021, all employees received a regular performance feedback and conducted a career development discussion with their manager.

Average annual training hours per employee

36.3

Initiatives for our employees ashore

Health and safety of our employees ashore is at the forefront of our company's philosophy. Therefore, we launched additional initiatives in 2021 to ensure occupational health and safety of our people. On a yearly basis, all our employees are entitled to a free check-up. With regards to their wellbeing, healthy choices are available for lunch, on a daily basis.

Supply chain practices

We manage our supply chain in a socially and environmentally responsible manner and collaborate with suppliers that meet our requirements.

We have established an evaluation system through which we evaluate and select the suppliers and/or subcontractors, who supply products or services that directly or indirectly affect the quality of services we provide to our clients. Therefore, in 2021, 100% of our suppliers were evaluated.

During the reporting period, approximately 30% of our supply shipments were consolidated.

N. America
214

Europe
2,890

Asia
1,543

Africa
16

S. America
9

Oceania
6

Total Purchase orders
in 2021

4,678

Our criteria to the supplier's selection and evaluation process are the following:

- Quality of products and services delivered.
- Availability of items and delivery schedule.
- Value of products and services and payment terms.
- Legal compliance of products and services.
- Compliance of products and services to the Company's declared HSEE specifications, e.g. certification of PPEs, energy efficient equipment, certification of chemical substances, environmentally friendly products (e.g., chemicals, products with less package, etc.).
- Historical demonstrated capacity and performance.
- Compliance with HSEE industry standards and certifications such as ISO 9001, ISO 45001, ISO 14001 or ISO 50001.

We collaborate with suppliers worldwide and consider important to consolidate our spare parts shipment and forwarding activities in order to achieve a high level of efficiency and minimize our supply chain carbon footprint. Moreover, we have created a dedicated platform to eliminate paper consumption.

Our contribution to the community

At Capital Product Partners, we believe that we are responsible for supporting and empowering our society. This notion is incorporated in our Company's philosophy and values and drives our daily business conduct. For many years we have been actively supporting a significant number of charitable and cultural causes both in Greece and around the world. Our primary purpose is to contribute meaningfully to the communities in which we work and live.

Cultural Initiatives

In order to preserve access to higher education about Modern Greece abroad, we partly supported the fundraising initiated and completed by Ohio Hellenic Paideia ('OHP', Columbus Ohio, USA) between 2015-2020, in order to safeguard the continuing operation of the Modern Greek Studies Program at The Ohio State University (Columbus Ohio, USA).

Social Initiatives

In 2021, we contributed financially to social initiatives in our hometown, the port city of Piraeus, in collaboration with the Municipality and the Metropolis of Piraeus for school children of all ages summer camps and collect food, dining room equipment and toys for 200 children.

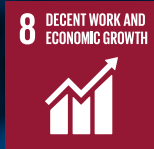
Furthermore, we supported cultural inclusion events, such as the unveiling of the monument to the 'Women of Mani', Kastellorizo Film festival and foreign student visits to Piraeus by the American Hellenic Institute Foreign Policy Trip, as well as athletic events such as the oldest Greek rowing race established in 1885 by 'Omilos Aireton' in Piraeus.



In addition, our Company made a significant contribution to Syn-Enosis, the Greek Shipowners' Social Welfare Company, to strengthen the national health system against the Covid-19 pandemic with necessary medical equipment and other necessities.

5. Corporate Governance

Related Sustainable Developments Goals (SDGs)



Our Board of Directors

Our Governance Framework

Sustainability is rapidly becoming a strategic imperative for Capital. In order to maintain the trust and confidence of our stakeholders, we act responsibly, adhere to the highest standards of ethical conduct and implement a more targeted and integrated approach to reach our sustainability-related objectives. Our governance model is anchored with the Board of Directors and supported by additional committees that ensure alignment across the company.

Through our governance framework, we aim to foster a culture of ethical business, while also following a proper risk management system.



Pursuant to our partnership agreement, our Board of Directors has the authority to oversee and direct our operations, management and policies on an exclusive basis.

Board composition

Directors appointed by our General Partner serve as directors for terms determined by our General Partner and directors elected by our common unitholders are divided into three classes serving staggered three-year terms (“Class I”, “Class II”, and “Class III”).

Our Board of Directors currently consists of seven members, including two members who are designated by our General Partner in its sole discretion and five members who are elected by the common unitholders.

Board Members	Role	Committees
Keith Forman	Chairman of the Board Class III director	Audit committee Conflicts committee Compensation committee
Gerasimos (Jerry) Kalogiratos	Director appointed by our General Partner Chief Executive Officer	
Dimitris P. Christacopoulos	Class II director	Audit committee Conflicts committee Compensation committee
Gurpal Grewal	Director appointed by our General Partner	
Rory Hussey	Class I director	Audit committee Conflicts committee Compensation committee
Abel Rasterhof	Class II director	Audit committee Conflicts committee Compensation committee
Eleni Tsoukala	Class III director	Audit committee Conflicts committee Compensation committee



Board Characteristics

We have formed a diversified governance body that encompasses a wide range of backgrounds, cultures and experience.

1 Ethnic Minority

4 Nationalities

1 Female Director

8.8 yrs

Average Directors' tenure

The Board of Directors is additionally supported by various committees which are summarized below:



Audit Committee

Our Audit Committee of our Board of Directors is composed of three or more independent directors, each of whom must meet the independence standards of the Nasdaq Global Select Market, the SEC and any other applicable laws and regulations governing independence from time to time.

The Audit Committee, among other things,

- (i) reviews our external financial reporting,
- (ii) engages our external auditors and
- (iii) oversees our internal audit activities and procedures and the adequacy of our internal accounting controls.



Conflicts Committee

Our Conflicts Committee of our Board of Directors is composed of three or more independent directors that are not officers or employees of our General Partner or directors, officers or employees of its affiliates, and meet the independence standards established by the Nasdaq Global Select Market to serve on an Audit Committee of a Board of Directors and certain other requirements.

The Conflicts Committee

- (i) reviews specific matters that the board believes may involve conflicts of interest and
- (ii) determines if the resolution of the conflict of interest is fair and reasonable to us.



Compensation Committee

Our Compensation Committee of our Board of Directors is composed solely of independent directors, those directors who neither are officers or employees of the General Partner or its affiliates nor have a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and who are otherwise independent under the rules of the Nasdaq Global Select Market as they apply to compensation committee members.

The Compensation Committee

- (i) reviews compensation of the members of the Board of Directors and
- (ii) has overall responsibility for approving and evaluating our compensation plans, policies and programs, but not the compensation of the executive officers of the General Partner of the Partnership and related executive service agreements.

Our Ethical Principles

We are dedicated in creating an ethical and trustworthy working environment. Thus, all our employees and business partners are required to strictly follow our Code of Business Conduct and Ethics. Our Code sets out the principles and values we follow, which guide all our actions and decisions.

The key areas covered by the Code are the following:

- Compliance with applicable Laws, Rules and Regulations
- Compliance with anti-trust laws
- Application to third parties
- Zero tolerance on retaliation
- Dissemination and amendment
- Waivers
- Operational conduct
- Personal conduct in the Company
- Personal relationships
- Confidential information
- Company property
- Anti-bribery and corruption
- Records and accounts
- Reporting and compliance procedures
- Training and review procedures

All of our employees, directors and officers, agents and persons performing similar functions, officers or directors of our manager wherever located, as well as all of our subsidiaries and other business entities, are obliged to follow our Code of Ethics. Any violation of this Code may result in disciplinary action, including suspension and/or termination of employment.

Third- Party ethics training

Our aim is to collaborate with third parties, either entities or individuals, whose principles and morals are aligned with our business conduct. Thus, in order to ensure that all employees and third parties act in accordance with the Code, the Company regularly provides a series of appropriate trainings aiming at enhancing ethical awareness across all business parts.

Our anti-bribery and corruption policy

We are committed to carrying out our business fairly, honestly and openly. It is our policy to maintain the highest standards of ethical conduct and to comply fully with all applicable laws and regulations, including anti-bribery legislation such as the U.S. Foreign Corrupt Practices Act ("FCPA") and the UK Bribery Act 2010 ("Bribery Act"), in every jurisdiction in which we do business. We do not engage in bribery or corruption in any form, whether in the private or public sector, while compliance with anti-bribery legislation is an ongoing responsibility of each employee.

Induction and Refreshers

The Company is providing a comprehensive induction procedure for all new employees with emphasis on Ethics training while it also provides all employees with refresher courses on the Code of Ethics. In 2021, we recorded:

Bribery & fraud incidents

ZERO

Violations of our ethical principles & anti-corruption policy

ZERO

Corporate culture

We are a prominent company with global exposure and thus, we are committed to upholding the highest standard of ethical business. We aim to sustain a corporate culture that promotes fair activities, prohibits and reports any forms of conflict and/ or suspicious behavior, respects human rights and diversity, and enhances a safe and healthy working environment.

Reporting violations of Business Conduct and Ethics

Company's Employee should notify immediately our Independent Legal Consultant at any incident of bribe, facilitation payment or kickback that has been, or will be, paid or offered to or from an employee. Any issues reported to our Independent Legal Consultant are treated confidentially or in anonymous basis.

Transparency International Corruption Perception Index

Our fleet's vessels operate across the globe and thus, geography is highly significant to our exposure to corruption related risks. In 2021, we achieved a significant decrease of 44% compared to 2020, since only 7.33% of our vessels port calls, were in countries in the 20 lowest rankings of Transparency International's Corruption Perception Index (CPI).

Port calls in countries with the 20 lowest rankings in CPI in 2021

7.33%

of our total port calls

Risk Management

We have established an Internal Audit department that provides independent and objective assurance to our activities, and adds value to the improvement of our operations. Our Internal Audit department brings a disciplined approach to evaluate and improve the effectiveness of the organisation's operations, governance, risk management and internal control mechanisms. The Internal Audit department is responsible to assess and evaluate whether existing practices and policies are adequate and effective, and meet our targets and objectives. During the fiscal year 2021, the Internal Audit department conducted 259 tests of controls in 17 processes with no material weaknesses or control deficiencies identified.



Number of controls tests conducted in 2021

259



Material weaknesses or control deficiencies identified

ZERO

To ensure the efficiency in our operations and the continuity of our business activities, we constantly monitor, assess and evaluate the risks associated with our operations and industry, and take immediate action and implement required measures.

Our top risks for 2021

- Partnership's business affairs to be conducted in an ethical and legal manner.
- The management structure to be adequate and efficient.
- The business risks (across all levels of the entity) are adequately considered and evaluated.
- To successfully grow the Partnership's business together with its capacity to manage its expanding business.
- To maintain and operate a high quality, modern fleet with high fleet utilization rates.
- To attract and retain qualified and competent personnel.
- To maintain a culture of honesty and opposition to fraud and corruption through adherence to entity's policies and procedures.
- To identify information technology risks and protect information technology from information security risks.
- To maintain a well-established internal controls system which is properly monitored by Management.

Enhancing Digital Security

We recognize the risks arising from cyber security incidents and we have established a Cyber Security policy, that aims to safeguard and protect the Company's information assets from any potential internal or external, deliberate or accidental threat and to ensure business continuity by reducing damages and increasing investment return and relevant industry opportunities.

Our approach to Cyber Security:

1. We have established a Policy to safeguard that information and systems identified as vulnerable to Cyber-attacks are protected from a loss of confidentiality, integrity and availability and that all regulatory and legislative requirements are met. All breaches of information security, actual or suspected, are immediately reported and investigated.
2. We have developed Cyber Security Contingency Plans and provided Cyber Security training to all staff.
3. We have drafted specific guidance and procedures to support our policy, including incident handling, information backup, system access, virus controls, passwords and encryption processes.
4. We have appointed a Security Manager who is responsible of the information security, advice and guidance on Cyber Security Policy implementation.
5. Our Managers are directly responsible for implementing the Policy within their departments.
6. Each employee and crew member is responsible to adhere to Company's Cyber Security Policy.

We have designed and implemented a disaster recovery plan that aims to address significant disruptions in case of threats and risk conditions or other highly unusual events, that might affect our day to day operations.

Our disaster recovery plan supports the Company through the following actions:

- a. Identification of the requirements and needs for continuity of our operations in case of threats and risk conditions, and the development of plans against those risks.
- b. Planning of the resources, disaster recovery capabilities and actions, to ensure continuity of business when responding to risk conditions.
- c. Periodic table-top exercises that allow for revision of disaster plans, and training for new and for experienced personnel.
- d. Ensuring that the security architecture that protects the existing systems, facilities, personnel, and assets, is adequately implemented in all Company's functions during a disaster recovery scenario.

We have applied specific measures to mitigate all threats onboard and ashore:

- i. We actively promote cyber security awareness among all our employees with regular seminars conducted by a third party
- ii. All employees responsible for security, are adequately trained in order to support company's activities.
- iii. Vessels are provided with enhanced security and monitoring equipment (established CCTV on main office and some vessels and two satellite communication systems, apart from Inmarsat-C).
- iv. We are involved in the testing and implementation of innovative security technology and systems (i.e. upgrade of all vessels to Fleet Xpress and Darktrace testing).
- v. Regular penetration test conducted by third party with Gap analysis for further cybersecurity improvement

To ensure the identification of potential risks in our cybersecurity system and act promptly to mitigate them, we have conducted 1 penetration test within 2021. During the reported year, we had no complaints concerning breaches of customer privacy and losses of customer data.

Cyber security incidents in 2021

ZERO

Complaints concerning customer data breaches in 2021

ZERO

Appendices



Key environmental regulations

We comply with all the applicable environmental regulations.

Regulation / Initiative	Description	Our response
1. Inventory of Hazardous Materials (IHM) requirements for a structured system to control hazardous materials	A regulation which controls hazardous materials onboard and aims to Safe and Environmentally Sound Recycling of Vessels. Any vessel of 500 GT and/or over, requires a valid and certified IHM onboard if calling at an EU port or anchorage. Non-EU flagged vessels can also be certified against EU SRR by complying with the HKC IHM requirements. Entry into force: 31 December 2020	All our vessels comply with the IHM regulation and relevant certificates are issued for each vessel.
2. MARPOL Annex VI 0,50% Sulphur limit	A regulation which aims to minimize the amount of sulphur oxide emissions from vessels - either by adopting alternate fuels or installing Exhaust Gas Cleaning Systems (EGCS / scrubbers), or by using fuel oil with a Sulphur content of no more than 0.50% m/m (mass by mass). Entry into force: 1 January 2020	7 of our vessels have already installed Scrubbers . Our 6 LNG carriers comply with the relevant regulations and are not required to be equipped with scrubbers.
3. IMO Strategy on reduction of GHG emissions from ships	Reduction of total GHG emissions from international shipping by at least by at least 50% by 2050 and a reduction in carbon intensity of 40% by 2030, and 70% by 2050. (compared to 2008). Entry into force: October 2018.	We are committed to reduce our carbon intensity and meet the IMO's 2030 and 2050 targets.
4. IMO Ballast Water Management Convention	Sets standards for proper management of ballast water and sediments to prevent the spread of harmful marine species. Entry into force: 8 Sep 2017.	18 of our vessels comply already with the IMO Ballast Water Management regulation.
5. Energy Efficiency Existing Ship Index - (EEXI) and Carbon Intensity Indicator (CII)	The latest MARPOL Convention amendments mandate that all vessels above 400 GT in size are required to comply and combine technical and operational measures to reduce their carbon footprint. Entry into force: 1 Jan 2023.	All our vessels are in progress to complete all the required preparation in order to comply. The methodology used for the calculation and reporting of the CCI as well as the annual operational CII will be included in the revised Ship Energy Efficiency Management Plan (SEEMP) for each vessel.

Management and impact of material issues

The following tables presents the most important material issues and the stakeholder groups affected by each issue.

	Material issue	Boundaries / Stakeholders affected
Environment	Compliance with environmental regulation & standards	Seafarers and office employees, Charterers / Brokers, Suppliers / Business Partners, Financial institutions, Investors, Flag States, International / Industry organisations, Port Authorities, Insurers / P&I Clubs, Classification Societies
	Water pollution prevention, control & compliance with respective regulations	Seafarers and office employees, Charterers / Brokers, Financial institutions, Investors, Flag States, International / Industry organisations, Port Authorities, Insurers / P&I Clubs, Classification Societies
	Air pollution reduction & compliance with respective regulations	Seafarers and office employees, Charterers /Brokers, Financial institutions, Investors, Flag States, International / Industry organisations, Port Authorities, Classification Societies
	Fuel and energy efficiency	Seafarers and office employees, Charterers /Brokers, Financial institutions, Flag States, International / Industry organisations, Port Authorities, Classification Societies
	Waste management and recycling	Seafarers and office employees, Charterers / Brokers, Suppliers / Business Partners, Flag States, International / Industry organisations, Port Authorities, Classification Societies
Social	Occupational health and safety	Seafarers and office employees, Charterers / Brokers, Suppliers / Business Partners, Financial institutions, Flag States, International / Industry organisations, Port Authorities, Insurers / P&I Clubs, Classification Societies
	Respecting human rights	Seafarers and office employees, Charterers / Brokers, Suppliers / Business Partners, Investors, International / Industry organisations
	Relationship with business partners	Seafarers and office employees, Charterers / Brokers, Suppliers / Business Partners
	Labour practices depicting the relationship between Management and office employees / crew personnel	Seafarers and office employees, International / Industry organisations
Governance	Corporate governance, ethics and transparency	Seafarers and office employees, Charterers / Brokers, Suppliers / Business Partners, Financial institutions, Investors, International / Industry organisations
	Economic performance	Seafarers and office employees, Charterers / Brokers, Suppliers / Business Partners, Financial institutions, Investors
	Regulatory Compliance and application	Seafarers and office employees, Charterers / Brokers, Suppliers / Business Partners, Financial institutions, Investors, Flag States, International / Industry organisations, Port Authorities, Classification Societies
	Risk mitigation and control	Seafarers and office employees, Charterers / Brokers, Suppliers / Business Partners, Financial institutions, Investors, Port Authorities, Insurers / P&I Clubs, Classification Societies
	Security of transportation both physical and cyber security	Seafarers and office employees, Charterers / Brokers, Suppliers / Business Partners, Financial institutions, Investors, Flag States, International / Industry organisations, Port Authorities, Insurers / P&I Clubs, Classification Societies
	Commercial Strategy	Seafarers and office employees, Charterers / Brokers, Suppliers / Business Partners, Financial institutions, Investors

Appendix 1:

SASB marine transportation material issues



Category	Disclosure topic	Code	Page reference
GHG emissions	Gross global Scope 1 emissions	TR0301-01	21-22
	Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	TR0301-02	-
	Total energy consumed, percentage from heavy fuel oil, percentage from renewables	TR0301-03	23
	Energy Efficiency Design Index (EEDI) for new ships	TR0301-05	-
Air Quality	Air emissions for the following pollutants: NOx, SOx, and particulate matter (PM)	TR0301-04	24-26
Ecological impacts	Shipping duration in marine protected areas and areas of protected conservation status	TR0301-06	-
	Percentage of fleet implementing (1) ballast water exchange and (2) ballast water treatment	TR0301-07	28
	Number and aggregate volume of spills and releases to the environment	TR0301-08	29
Employee health and safety	Lost time injury rate (LTIR)	TR0301-12	34
Business ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	TR0301-09	44
	Amount of legal and regulatory fines and settlements associated with bribery or corruption	TR0301-10	44
Accident & safety management	Number of serious marine incidents	TR0301-11	34
	Number of Conditions of Class or Recommendations	TR0301-13	34
	Number of port state control (1) deficiencies and (2) detentions	TR0301-14	34

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