



# SUSTAINABILITY-LINKED BOND FRAMEWORK

JANUARY 2021

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## ABOUT ATLAS CORP.

Atlas Corp. (NYSE: ATCO) is a leading global asset management company, differentiated by its position as a best-in-class owner and operator with a focus on deploying capital to create sustainable shareholder value. Atlas brings together an experienced asset management team with deep operational and capital allocation experience. The company targets long-term, risk adjusted returns across high quality infrastructure assets in the maritime sector, energy sector and other infrastructure verticals. Our two main portfolio companies, Seaspan and APR are unique, industry-leading operating platforms in the global maritime and energy spaces, respectively.

By leveraging the core strengths of our businesses, Atlas will continue to innovate towards greater operational efficiency to benefit the environment, promote continuous improvement for the health and safety of our employees, and strive for the highest ethical, governance and regulatory standards.



<sup>1</sup> Based on YTD Adjusted EBITDA as of September 30, 2020 on a segmented basis. Adjusted EBITDA is a non-GAAP measure. See Q3 2020 earnings release for non-GAAP reconciliations to nearest GAAP measure

<sup>2</sup> As of September 30, 2020 pro forma for vessels delivered in October and November 2020; excludes newbuild acquisitions announced in December

<sup>3</sup> As of September 30, 2020

## AN INTRODUCTION TO SEASPAN

Seaspan is the largest independent owner and operator of containerships in the world, with an industry-leading, fully-integrated operating platform. We provide many of the world's major shipping lines with alternatives to vessel ownership by offering long-term leases on large, modern containerships combined with industry-leading ship management services. As of January 2021, the fleet is comprised of 127 vessels of varying capacity, facilitating the transportation of goods worldwide.

As the largest independent charter owner and manager of containerships, we are truly a global operation. We employ more than 4,800 people at our offices in Hong Kong, Canada, and India, and onboard our fleet. We oversee and manage every aspect of a vessel's lifecycle through our fully-integrated operating platform, including vessel design, management, operations, and upgrades. This allows for a coordinated, strategic approach for measured and consistent growth, while a strong set of values govern the integrity of our everyday decisions.

Seaspan is well-positioned for sustainable, long-term growth thanks to our resilient business model, attractive fleet, high quality customer base and financial strength, and our emphasis on operational excellence.

**4,800**   
(4,500 Seafarers / 300 Corporate)

**98%**   
Average Utilization Since IPO

**127**   
Total Capacity of Roughly 1,073,000 TEU<sup>1</sup>

**\$4.4bn**  
Contracted Future Revenue<sup>1</sup>

**7 of 8**  
Long-Term Charters With  
7 of 8 Leading Global Liners

**~7 Years**   
Average Vessel Age<sup>2</sup>

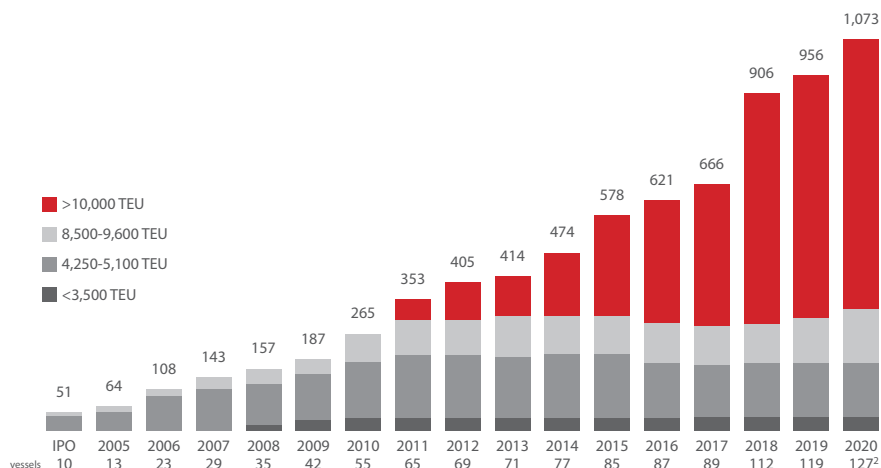
**~4 Years**  
Average Remaining Charter Period<sup>2</sup>

<sup>1</sup> As of September 30, adjusted for vessels delivered in October and November 2020; excludes newbuilds announced in December 2020  
<sup>2</sup> As of September 30, TEU-weighted



## OUR FLEET

Seaspan owns and operates a fleet of 127 vessels varying in size from 2,500 to 14,000 TEU<sup>1</sup>, which have different optimal trade routes ranging from intra-regional to global. We are well-positioned to generate strong, stable and visible cash flows throughout shipping cycles due to our strategy of entering into long-term, fixed-rate charters with staggered maturity dates.



## MARINE ENGINEERING

Seaspan has developed and overseen the construction of over 100 container vessels, supported by its in-house engineering and technology team. Our vessel development activities include efficiency improvements, emissions reductions, noise reductions, and bio-fouling reductions. The fully-integrated operating model allows Seaspan to leverage competitive advantage as a best-in-class asset owner and operator. Seaspan also has strong relationships with leading shipyards, and works with only the finest manufacturing partners in the construction of our vessels.

<sup>1</sup> TEU, or twenty-foot equivalent units, are a measure of container capacity

<sup>2</sup> As of September 30, adjusted for vessels delivered in October and November 2020; excludes newbuilds announced in December 2020

## OUR VIEW ON EMISSIONS PERFORMANCE

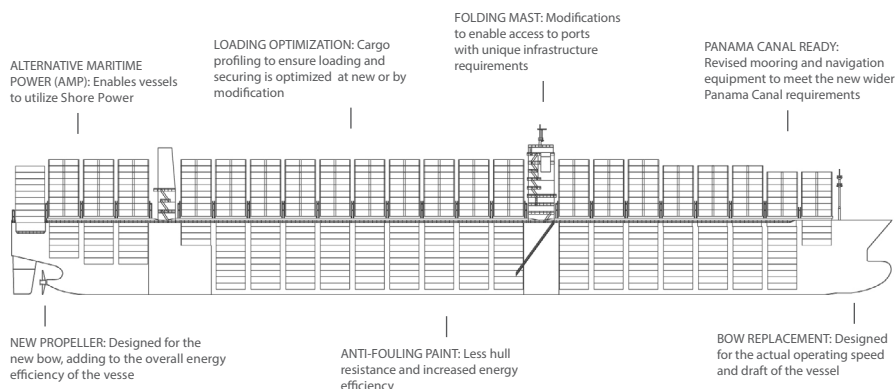
Compared to our liner customers, Seaspac does not control the speed and trade route of its vessels on time charter (speed is a primary driver of emissions). As such, Seaspac's leading emissions performance is driven by the design of our vessels, operational excellence, and continuous updates and modifications through our asset development program. Our sustainability-linked framework is reflective of this position.

**Since its inception in 2012, our SAVER program has reduced our vessels' carbon emissions by 25%, equating to 9.2 million tons of abatement.**

SAVER stands for Seaspac Action for Vessel Energy Reduction, and is Seaspac's eco-vessel initiative geared toward vessel efficiency and optimization through vessel design and equipment enhancements. Some of the enhancements include optimized hull, rudder and propeller designs, efficient engines and auxiliary machinery, and optimized cargo loadability. These all serve to maximize vessel efficiency for our customers, and to minimize our impact on the environment.

Maximizing economies of scale by building larger and more efficient ships has been a key focus area for the container shipping industry over the past several years. Responding to industry demand, our 10,000 and 14,000 TEU SAVER series of vessels incorporate the latest technological and environmental advancements while maintaining our commitment to quality.

As an industry leader in vessel operation and maritime technology, Seaspac continues to research alternative fuel sources and decarbonization pathways. While there are incremental costs to develop and build vessels that better position Seaspac on its path to decarbonization, Seaspac is constantly engaging with its global customers to evaluate these ambitious, eco-friendly newbuilding opportunities. Seaspac has invested in R&D with the goal of significantly increasing the proportion of best-in-class, fuel-efficient, low emission ships for our fleet, as well as supporting our customers' path to decarbonization. The Sustainability-Linked Bond Framework described in this report defines and captures these ambitions.



# SUSTAINABILITY AND CONTAINER SHIPPING

## ENVIRONMENTAL ISSUES THAT SEASpan FOCUSES ON ADDRESSING

Although shipping represents the most emissions-efficient mode of transportation, Seaspan is focused on leveraging its fully-integrated operating platform and expertise to address the following:

- **Emissions & Energy Reduction** – green-house gas (“GHG”) emissions and the ability to meet stricter climate-related regulations, as well as other polluting emissions from ships, such as NOX, SOX, PM
- **Biodiversity / Marine Pollution** - transfer of invasive species through ballast water, and poor waste management
- **Ship Recycling** - considerations surrounding the health, safety, and environment at ship recycling facilities
- **Accidental Spills** - large-scale environmental damage from accidental spills not properly managed or contained

At Seaspan, we aim to contribute to environmentally sustainable and climate-resilient development in our industry, and this commitment goes beyond meeting environmental laws and regulations. In order to address the environmental challenges of our industry and to identify and access the necessary technology, we have established a Technology Advisory Council (the “Committee”), comprised of senior members from leading industrial companies with expertise in areas such as fuel development, machinery design and development, and regulatory bodies. The Committee will advise and guide Seaspan’s management on future technology strategies and help ensure that we stay at the forefront of industry developments.

Seaspan’s sustainability position is predicated on the vessels we lease to our customers. As such, maritime technology and operational excellence are our core focus as we adapt to meet our sustainability goals. This is primarily through newbuilding (committing investments to build vessels with efficient designs and low carbon fuel sources), retrofitting (investing in upgrades that improve fuel efficiency and use lower carbon fuel sources), or vessel maintenance (maintaining the quality and efficiency of our fleet).

We pride ourselves on our partnerships with our customers and are proud of the economic and environmental advances we have achieved working closely with them. The container shipping industry will remain a vital part of the solution to the world’s environmental challenges.



## KEY FOCUS AREAS

To steer our ambitions going forward, we have identified the following:

Area Of Focus	Path to Success
Develop new and innovative ecofriendly vessels	Leverage leading in-house engineering and technology teams to design, build, and retrofit alternative fueled vessels.
CO <sub>2</sub> Emission Reduction Using Low Carbon Fuel	In conjunction with the shipping industry's efforts to decarbonize, we will investigate commercially viable options to meet the IMO's GHG emissions targets. We will discuss with our customers the use of low carbon fuels on vessels.
EEDI and EEOI	As part of the SAVER initiative, we will continue to pursue vessel efficiency measures to improve metrics such as the EEDI (Energy Efficiency Design Index) for new vessels and the EEOI (Energy Efficiency Operational Index) for vessels currently in operation.
Reduce Emissions at Port	Installing Alternative Maritime Power connections on our fleet helps reduce emissions from idling vessels by connecting them to shore power while at berth. Seaspan is enabling AMP connections on our existing fleet and have integrated the capability into newbuilding designs.
Ballast Water Treatment System Installations	Installing Ballast Water Treatment Systems on our fleet reduces the volume of untreated ballast water discharged into the ocean. Seaspan is fitting BWTS on our existing fleet and it is a standard feature of our newbuilding designs.
Plastic Waste Reduction	A fleet survey concluded that drinking water bottles and plastic packaging are the top forms of plastic waste generated. Seaspan has initiated a project to supply vessels with alternate methods of drinking water and will approach vendors for reusable and sustainable packaging.
Oil Spill Incidents	We aim to achieve zero incidents with spillage over 1 cubic meter through stringent adherence to our company procedures.





## SUSTAINABILITY-LINKED BOND FRAMEWORK

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

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

Our Framework is aligned with the following five core components of the Sustainability-Linked Bond Principles, and are further described on the following pages.

1. **Selection of Key Performance Indicators (KPIs)**
2. **Calibration of Sustainable Performance Targets (SPTs)**
3. **Bond Characteristics**
4. **Reporting**
5. **Verification**

## 1. SELECTION OF KEY PERFORMANCE INDICATOR

To reduce the environmental impact of our operations, we aim to improve the environmental performance of our fleet. Vessel emissions performance depends on many factors such as speed, design and, of most importance, the choice of fuel.

Several of the primary factors, including speed, are solely under the control of our charterers. However, through continuous dialogue with the charterers we aim to collaborate to find optimal sustainability solutions. Seaspans primary means of improving the environmental performance of our overall fleet is the design and construction of new vessels, as well as upgrading existing ones, aimed at ensuring the lowest possible environmental footprint.

For our Sustainability-Linked Bond we have therefore chosen the following Key Performance Indicator:

The aggregate financial value of binding commitments towards vessel acquisitions, newbuildings, and vessel retrofits, which can be powered by Alternative Fuel Sources (as defined below).

A vessel with an alternative and/or low-carbon emission fuel source ("Alternative Fuel Source") is defined as a fuel source that emits less CO<sub>2</sub> than a conventional fuel vessel. This includes the use of LNG, bio- or electro-methane, hydrogen, bio-diesel, LPG, and ammonia.

Our fleet consists of 127 vessels, with none using Alternative Fuel Sources as defined above as of January 2021. Currently, LNG is the most commercially viable Alternative Fuel Source and we see the use of LNG as an important part of the transition to more low-emission fuel sources as they become commercially available in the future.

This KPI represents a direct and meaningful financial commitment, directing Seaspans path towards decarbonization. We consider it to be central and material to our overall business and of high strategic importance for our current and future operations. Reducing the environmental impact of our fleet is critical to our strategy, both in terms of attaining and exceeding environmental regulations, as well as meeting increasing demands and expectations from our customers. In addition, as the world's largest independent tonnage provider in the containership industry, we believe our choices and actions also have the ability to influence industry peers, promoting sustainable development throughout our industry and the movement of the global containership fleet towards meeting and exceeding the IMO's 2050 targets.



## 2. CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGET

As mentioned, the design and construction of new vessels and the upgrading of our existing vessels is Seaspan's primary means to improve the environmental performance of our overall fleet. We are therefore define the following Sustainability Performance Target (SPT) as follows:

A total aggregate value of binding commitments towards vessel acquisitions, newbuildings, and vessel retrofits, which can be powered by Alternative Fuel Sources (as previously defined), of at least USD 200 million.

## 3. BOND CHARACTERISTICS

The Sustainability-Linked Bond will contain all the conventional terms of a regular bond, together with the provisions below that regulate the effect of not achieving the expected SPT, and not achieving relevant reporting requirements and external verification.

If Seaspan fails to meet the SPT, the amount payable by the Company on the Maturity Date will increase by 50bps based on a par value of 100% (i.e. 100.5%).





## 4. REPORTING

Annually, Seaspan will publish, keeping readily available and easily accessible on our website, a Sustainability-Linked Bond Report, including:

- i. Up-to-date information on the performance of the selected KPI;
- ii. A verification assurance report relative to the SPT outlining the performance against the SPT;
- iii. Any relevant information enabling investors to monitor the progress of the SPT.

Information may also include (if applicable) and if feasible and possible:

- i. A qualitative or quantitative explanation of the contribution of the main factors, including acquisition activities, behind the evolution of the KPI performance;
- ii. An illustration of the positive sustainability impact of the performance improvements.

## 5. VERIFICATION

Seaspan will annually seek independent and external verification of our performance level against the SPT for the stated KPI by a qualified external reviewer with relevant expertise. The verification of the performance against the SPT will be made publicly available on Seaspan's website, together with the Sustainability-Linked Bond Report.



## EXTERNAL REVIEW

Seaspan has obtained a Second Party Opinion from Sustainalytics to confirm the transparency of this Framework and its alignment with the ICMA Sustainability-Linked Bond Principles. This Second Party Opinion will be made available on our website together with this Framework.



# DISCLAIMER

This Sustainability-Linked Bond Framework (the “Framework”) does not constitute an offer to sell or the solicitation of an offer to buy any securities of Atlas Corp. (“Atlas”), Seaspan Corporation (“Seaspan”) or any of their affiliates. Neither this Framework nor any copy of it may be taken or transmitted into or distributed in any jurisdiction which prohibits the same except in compliance with applicable laws; any failure to comply with this restriction may constitute a violation of applicable securities law. Recipients are required to inform themselves of, and comply with, all such restrictions or prohibitions and neither Atlas nor Seaspan accepts liability to any person in relation thereto. The Sustainability-Linked Bonds discussed in the Framework have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States or to U.S. persons unless the securities are registered under the Securities Act or an applicable exemption from the registration requirements of the Securities Act is available. No public offering of the securities will be made in the United States of America.

Forward-looking statements (including statements regarding our plans aimed at reducing emissions through improved vessel efficiency and other means, reducing waste and driving environmentally sustainable and climate-resilient development in the container shipping industry) contained in the Framework are based on a variety of estimates and assumptions that management considers to be reasonable, based on information available. These estimates and assumptions are inherently uncertain and are subject to risks that are outside of our control and can vary over time. These risks, uncertainties and other factors include, but are not limited to, those set forth in “Item 3. Key Information—D. Risk Factors” in Atlas’s 2019 Annual Report on Form 20-F and the Risk Factor Update in Atlas’s Report on Form 6-K for the quarter ended September 30, 2020. When used in the Framework, the words “will,” “may,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” “plan” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. There can be no assurance that the assumptions made in connection with forward-looking statements will prove accurate, and actual results may differ materially. The inclusion of forward-looking statements herein should not be regarded as an indication that Atlas or Seaspan considers the projections to be a reliable prediction of future events and the projections should not be relied upon as such. Neither Atlas nor Seaspan makes any representation or warranty, express or implied, as to the accuracy or complete-ness of the information contained herein, and nothing contained herein is, or shall be relied upon as a promise or representation, whether as to the past or the future. No representation is made as to the suitability of the Sustainability-Linked Bonds to fulfil environmental and sustainability criteria required by prospective investors.

To the full extent permitted by law, in no circumstance will Atlas, Seaspan or any of their respective subsidiaries, stockholders, affiliates, representatives, directors, officers, employees, advisors or agents be liable in any manner for loss, damage or injury resulting from the inaccuracy of the information and materials contained here in or reliance thereon or on opinions communicated in relation thereto or otherwise arising in connection therewith. None of Atlas, Seaspan or nor any of their respective subsidiaries, stockholders, affiliates, representatives, directors, officers, employees, advisors or agents has made any representation to any person regarding forward-looking statements and does not intend to update or otherwise revise forward-looking statements to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying the forward-looking statements are later shown to be in error.

You may not rely on the Framework as the basis upon which to make an investment decision. To the extent that you rely on the Framework, you do so at your own risk.

Information regarding market and industry statistics contained in the Framework has been obtained from third-party industry publications and sources as well as from research reports prepared for other purposes. Neither Atlas nor Seaspan has independently verified the accuracy or completeness of any such third-party information.

The Framework contains trademarks, service marks, trade names and copyrights of other companies, which are the property of their respective owners. The Framework includes certain non-GAAP financial measures, including Adjusted EBITDA. While Atlas believes that these non-GAAP financial measures provide useful information to management and investors regarding certain financial and business trends related to the financial condition of Atlas, results of operations and other matters, they are not presented in accordance with GAAP. Adjusted EBITDA should not be considered as an alternative to net earnings attributable to shareholders or any other indicator of the Company’s performance required to be reported by GAAP. In addition, this measure may not be comparable to similar measures presented by other companies.

