COSTAMARE
ESG REPORT 2020

COSTAMARE INC.

Key figures[1]

Number of shipboard personnel

1,704

Distance travelled by vessels (nm)

5,821,994

Number of operating days

24,693

Number of vessels in fleet

76

Number of port calls

5,122

Deadweight tonnage

6,068,206

DWT

Twenty-foot equivalent unit capacity

508,298

TEU

About Costamare

Costamare Inc. is an owner and provider of containerships for charterers, with 47 years of history in the international shipping industry. Our strategy is to time-charter our containerships to a geographically diverse, financially strong and loyal group of leading liner companies. Our aim is to operate our containerships under multi-year time charters which are not subject to the effect of seasonal variations in demand.

Costamare Inc.'s common stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock trade on the New York Stock Exchange under the symbols 'CMRE', 'CMRE PR B', 'CMRE PR C', 'CMRE PR D' and 'CMRE PR E', respectively.

This report and data covers the period from 1 January 2020 to 31 December 2020.

1 As of or for the period ending December 31, 2020

Introduction

The past year was challenging for all of us. Our seafarers have felt the pressure of the pandemic more acutely than most, and I would like to extend our appreciation for their extraordinary efforts during long shifts and challenging new routes onshore. Our company has taken measures to further improve our crew welfare, such as enabling our seafarers to get vaccinated at designated ports, providing them with personal protective equipment and ensuring their timely repatriation. With a resilient governance system in place that protects our employees and our business, we are prepared to handle future shocks.

It has also been a year of contrast. The pandemic has caused some industries to come to a sudden halt, while others have thrived. The supply of containerized goods experienced a rare episode of disruption during a time where there was huge uncertainty about demand. However, accelerated demand due to a combination of protective measures, shifts in consumption patterns and robust economic stimulus highlighted the shipping industry's instrumental role in keeping the world moving under lockdown by delivering essential goods to customers and societies.

This year has also seen an increasing focus on climate change and the environment, with regulatory agencies spurring the transition to a greener economy. Recent initiatives highlight this, such as the initial IMO GHG reduction strategy – which was further enhanced during MEPC 76 in June 2021 with the introduction of emission reduction trajectories (CII ratings) – as well as clearer definitions for sustainable economic activity introduced by the EU Taxonomy. We also noted that the SEC (U.S. Securitites and Exchange Commission) has signalled an increased focus on ESG matters through a series of announcements and steps, including establishing a task force to identify any material gaps or misstatements in issuers' disclosure of climate risks.

The challenges of this year show why ESG is so important, and at Costamare we recognize the need to understand and respond to ESG risks and opportunities in our operations. This is why, during 2020, we took delivery of three newbuilding vessels with scrubbers onboard and installed scrubbers on 10 vessels and Ballast Water Management Systems on 15 vessels. We are also working continuously to modernize our fleet by replacing older vessels with younger, more environmentally friendly ones. In 2020, we replaced five vessels with an average capacity of about 4,500 TEUs and an average age of 22.4 years, with three second-hand vessels with an average capacity of 3,670 TEUs and an average age of 11 years and took delivery of three state of the art, fuel efficient newbuilding vessels with an average capacity of 12,690 TEUs.

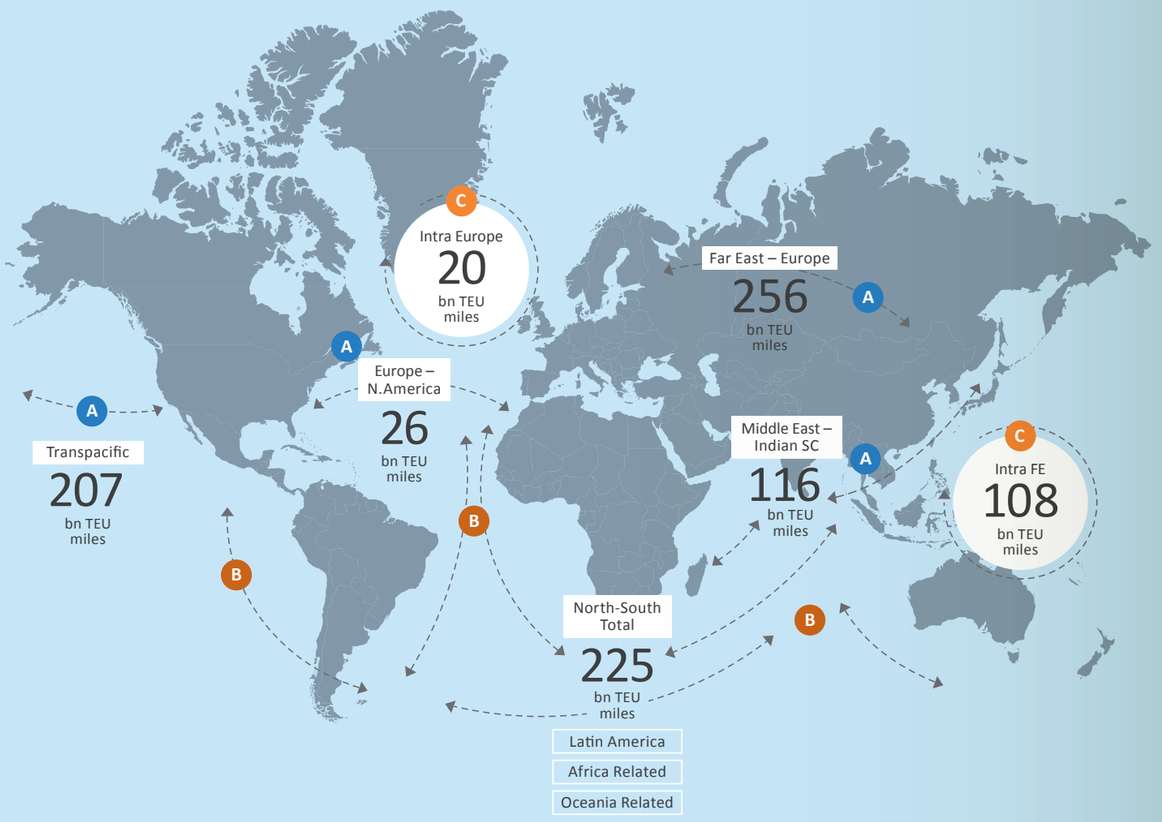
We continuously monitor the landscape for initiatives and memberships in organizations that deal with ESG issues, while maintaining a practical and realistic approach. For example, in 2020, the head manager of our vessels, Costamare Shipping Company S.A., joined the Getting to Zero Coalition. This is a coalition committed to getting commercially viable deep sea zero emission vessels powered by zero emission fuels into operation by 2030.

Conducting our business with honesty and integrity is not only the right thing to do but is also critical to the continued success of Costamare. Our 2020 report demonstrates our performance and management approach on material ESG issues. This report is prepared in accordance with the Marine Transportation framework established by the Sustainability Accounting Standards Board (SASB). Furthermore, we have chosen to disclose our fleet average Energy Efficiency Operational Indicator ('EEOI') and Average Efficiency Ratio ('AER'), which are used to assess fleet performance over time.

Konstantinos V. Konstantakopoulos
Chairman and Chief Executive Officer
Costamare Inc.

CONTAINER TRADE HIGHWAY

Our fleet with vessels of various sizes, including feeder, Panamax and post-Panamax container ships, serves the requirements of our charterers on short-, medium- and long-haul routes across all three of the geographical trade route groups.



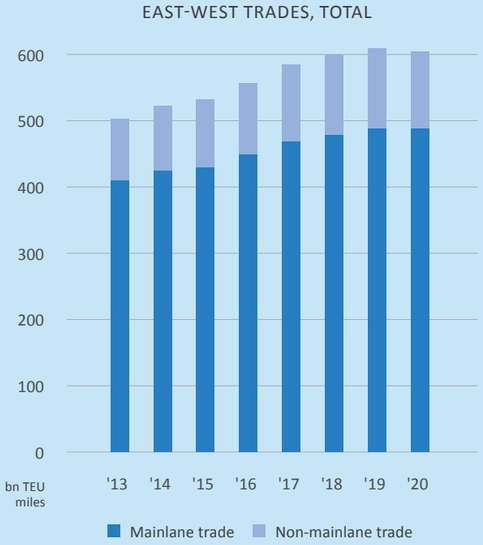
Source: *Clarksons Seaborne Trade Monitor November 2021 / Company estimates*

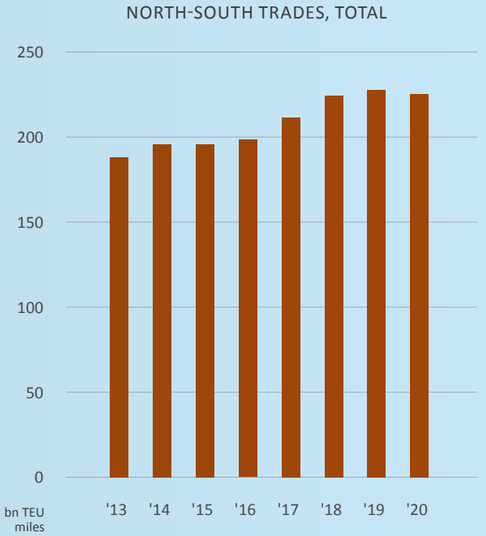
Container value chain

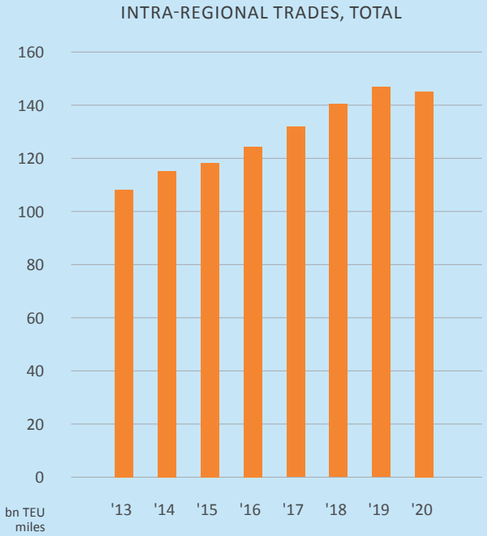
Container shipping routes

Container shipping routes can be divided primarily into three main groups:

- **A** East-West trades, linking major industrial and consumption centres of North America, Europe and Asia.
- **B** North-South trades, linking production and consumption centres of Europe, Asia and North America with developing countries in the Southern Hemisphere.
- **C** Intra-regional trades operating on shorter routes.







Source: *Clarksons Seaborne Trade Monitor November 2021*

Memberships and initiatives

The head manager of our vessels, Costamare Shipping Company Company S.A. (“Costamare Shipping”), is a member of various organizations and industry networks that support our ESG objectives and underline our commitment for responsible corporate behaviour.

These memberships include:

Getting to Zero Coalition

The Getting to Zero Coalition, a partnership between the Global Maritime Forum, the Friends of the Ocean Action, and the World Economic Forum. The Coalition is committed to getting into operation commercially viable deep sea zero emission vessels powered by zero emission fuels by 2030.

•HELMEPA•

The Hellenic Marine Environment Protection Association (HELMEPA), an association set up in Piraeus in 1982 following a commitment by Greek seafarers and ship owners to safeguard the seas from ship-generated pollution under the motto “To Save the Seas”. Our founder, Capt. Vassilis K. Konstantakopoulos, was the chairman of the association for seven years.

MACN

The Maritime Anti-Corruption Network (MACN), a global business network working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large. We believe that Costamare Shipping has adopted and implemented the MACN Anti-Corruption Principles into their policies and procedures in all material respects.

CSSF
CONTAINER SHIP SAFETY FORUM

Costamare Shipping is one of the founding members of **The Container Ship Safety Forum (CSSF)**. The CSSF is a global industry network for improving safety performance and management practices in the container shipping industry.

1 GOVERNANCE AT COSTAMARE

Costamare is committed to a culture of integrity in its business and operations. We recognize that high standards of corporate governance are integral to this goal. Costamare operates in strict compliance with internal governance procedures.

CORPORATE GOVERNANCE GUIDELINES

Our Board of Directors, consisting of five members, meets regularly throughout the year and operates in strict compliance with our corporate governance guidelines, established to safeguard the integrity of the Board’s oversight rule. For instance, the guidelines require that at least two directors will be independent and that the non-management directors will meet without management at regularly scheduled executive sessions.

All members of the Audit Committee are independent directors. The Audit Committee monitors Costamare’s systems of internal controls and compliance procedures and holds meetings as often as necessary, at a minimum of four times a year.

Our Corporate Governance, Nominating and Compensation Committee periodically reviews our corporate governance guidelines and makes appropriate proposals to our Board of Directors.

GOVERNING DOCUMENTS

- ☐ Corporate Governance Guidelines
- ☐ Statement of Significant Corporate Governance Differences

COMMITTEE CHARTERS

- ☐ Audit Committee Charter
- ☐ Corporate Governance, Nominating and Compensation Committee Charter

MANAGING ESG

ESG management and reporting processes are integrated in the Quality, Safety and Environmental Management System (QSEMS) of our head manager, Costamare Shipping and the respective QSEMS of our third-party technical managers. ESG issues are managed and reported on as part of Costamare’s core operations, ensuring that our sustainability policies are an integral part of our operations. In the table on pages 8 and 9, we reference Costamare’s internal governance documents that ensure the proper implementation of international standards covering certain ESG issues material to our business.

Environmental (ISO 14001:2015) and energy management (ISO 50001:2018) indicators are calculated on a semi-annual basis and distributed by our technical managers to vessels that they manage and to their office staff for performance reviews. The periodical performance reviews are useful and necessary tools assisting our managers in taking corrective measures or replicating existing best practices on board one or more vessels to other vessels in our fleet. Our ultimate objective is to have the best possible operational performance on each individual vessel.

Furthermore, our technical managers discuss operational, environmental, safety and energy considerations with captains and chief engineers before signing on new vessels. During such briefing sessions, individual performances on the previous vessel assignments are reviewed and discussed in order to:

1) enhance officers’ and crew’s learning curve
2) manage the sharing of knowledge and expertise across Costamare
3) maintain the general awareness level of ESG considerations at a consistently high level

Our managers periodically review actual and potential risks, including risks relating to environmental, social or governance issues, and ensure that these are being managed in a prudent and efficient manner.

MATERIAL ESG ISSUES AND PROTOCOLS TO ADDRESS SUCH MATTERS

CLIMATE CHANGE

International standards and references

- Initial IMO GHG Strategy
- The Paris Agreement
- The Intergovernmental Panel on Climate Change (IPCC)

Internal governance[1]

- Governing documents:
  - Energy Management Policy (ISO 50001:2018)
  - Environmental Policy (ISO 14001:2015)
- Management systems:
  - Environmental management system
    - Fuel management plan & fuel sulphur content requirements
    - Energy management

AIR EMISSIONS

International standards and references

- IMO MARPOL Convention Annex VI
- EU Sulphur Directive 2016/802
- The UN Convention for the Law of the Sea (UNCLOS)

Internal governance[1]

- Management systems:
  - Ship Energy Efficiency Management Plan
    - SIP (Ship Implementation Plan) for IMO 2020
    - EU MRV (monitoring plan for carbon dioxide emissions)

ECOLOGICAL IMPACT

International standards and references

- The UN Global Compact
- IMO MARPOL Convention Annex VI
- IMO Ballast Water Management Convention
- EU Ship Recycling Regulation

Internal governance[1]

- Management systems:
  - Shipboard manual, sections:
    - Environmental Protection
    - Sewage Management Plan
    - Bilge Water Management Plan
    - Fuel Management Plan
    - Asbestos Management Plan
  - Water ballast management plan
  - Biofouling Management Plan
  - Environmental Management System

MATERIAL ESG ISSUES AND PROTOCOLS TO ADDRESS SUCH MATTERS

ANTI-CORRUPTION

International standards and references

- The UN Global Compact
- The US Foreign Corrupt Practices Act
- The UK Bribery Act

Internal governance[1]

- Governing documents:
  - Anti-bribery (FCPA) Policy
  - Code of Business Conduct and Ethics
  - Whistleblower Protection Policy
  - Sanctions Policy

EMPLOYEE HEALTH & SAFETY

International standards and references

- The UN Global Compact
- The ILO Conventions
- The Maritime Labour Convention, 2006 (MLC, 2006)
- The ISM Code[2]
- Marine Crew Resource Management

Internal governance[1]

- Management systems:
  - Shipboard manual, sections:
    - Shipboard Personnel
    - Living and Working Safely
    - Medical Treatment
  - Inventory of Hazardous Materials (IHM) as required

ACCIDENT & SAFETY MANAGEMENT

International standards and references

- The ISM Code
- Marine Crew Resource Management
- Maritime Labour Convention 2006

Internal governance[1]

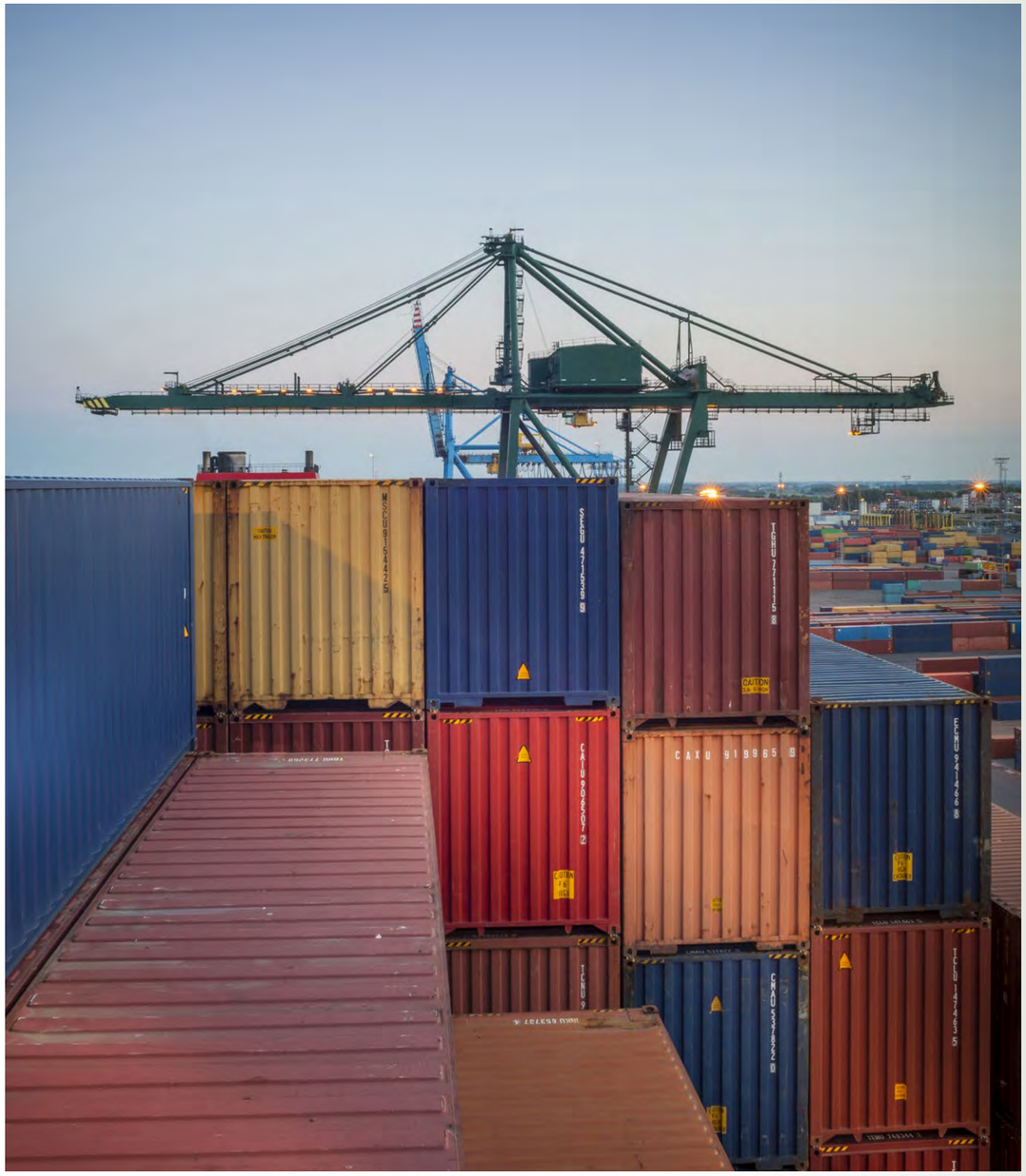
- Management systems:
  - Risk management and assessment
  - Shipboard manual, sections:
    - Reporting & Analysis of Non-Conformity, Accidents,
    - Hazardous Occurrences & Undesirable events

1 References in this table to ISO certificates apply to 86% of our fleet whose technical managers have been certified accordingly.
2 The International Management Code for the Safe Operation of Ships and for Pollution Prevention.

SHIP RECYCLING

During 2020, we sold five of our vessels for demolition, with an average age of 22.4 years. The vessels were recycled at facilities which hold a Statement of Compliance with the Hong Kong Convention (HKC) issued by an IACS member.

2 BUSINESS ETHICS AND ANTI-CORRUPTION



Costamare insists on ethical conduct at all levels of our organization. Costamare's *Code of Business Conduct and Ethics* guides the actions of the Board of Directors, as well as Costamare's employees, directors, officers and agents.

The code covers conflicts of interest, corporate opportunities, confidentiality and privacy, honest and fair dealing, protection and proper use of company assets, compliance with laws, rules and regulations, securities trading, disclosures, directors' duties, procedures regarding waivers and duty to report.

To ensure compliance with the U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act, Costamare has also established an Anti-Bribery Policy. All employees, directors, officers and agents acting on behalf of Costamare are required to uphold the standards outlined in the aforementioned policy. Detecting and addressing potential breaches of procedures or regulations is a priority for Costamare, and we have established an internal whistleblowing mechanism outlined in our Whistleblower Protection Policy. All reports from employees are received and handled in confidence (to the extent possible and allowed by law) and retaliation against an employee who has made such a report in good faith is prohibited.

We have established comprehensive principles to support captains on our ships to reject demands for facilitation payments. For example, our head manager, Costamare Shipping Management, has signed up to the Maritime Anti-Corruption Network (MACN).

MACN and its members (currently more than 140 companies) work towards the elimination of all forms of maritime corruption by: raising awareness of the challenges faced; implementing the MACN Anti-Corruption Principles and co-developing and sharing best practices; collaborating with governments, non-governmental organizations, and civil society to identify and mitigate the root causes of corruption; and creating a culture of integrity within the maritime community.

During 2020, despite having to conduct business in certain countries with a high risk of corruption, Costamare did not experience any losses as a result of legal proceedings associated with bribery, corruption, or other unethical business practices.

GOVERNING DOCUMENTS

- Costamare Inc. Code of Business Conduct and Ethics
- Costamare Inc. Anti-Bribery (FCPA) Policy
- Costamare Inc. Whistleblower Protection Policy
- Costamare Inc. Sanctions Policy

3 ENVIRONMENT

Shipping moves about 85% of world trade and is comparatively far more energy efficient per unit of cargo transported and distance travelled than other modes of transportation. Due to economies of scale and technological innovations, the largest ships today are significantly more carbon efficient than those in operation 30 years ago. By some estimates, shipping contributes to about 3%[1] of global greenhouse gases emitted annually.

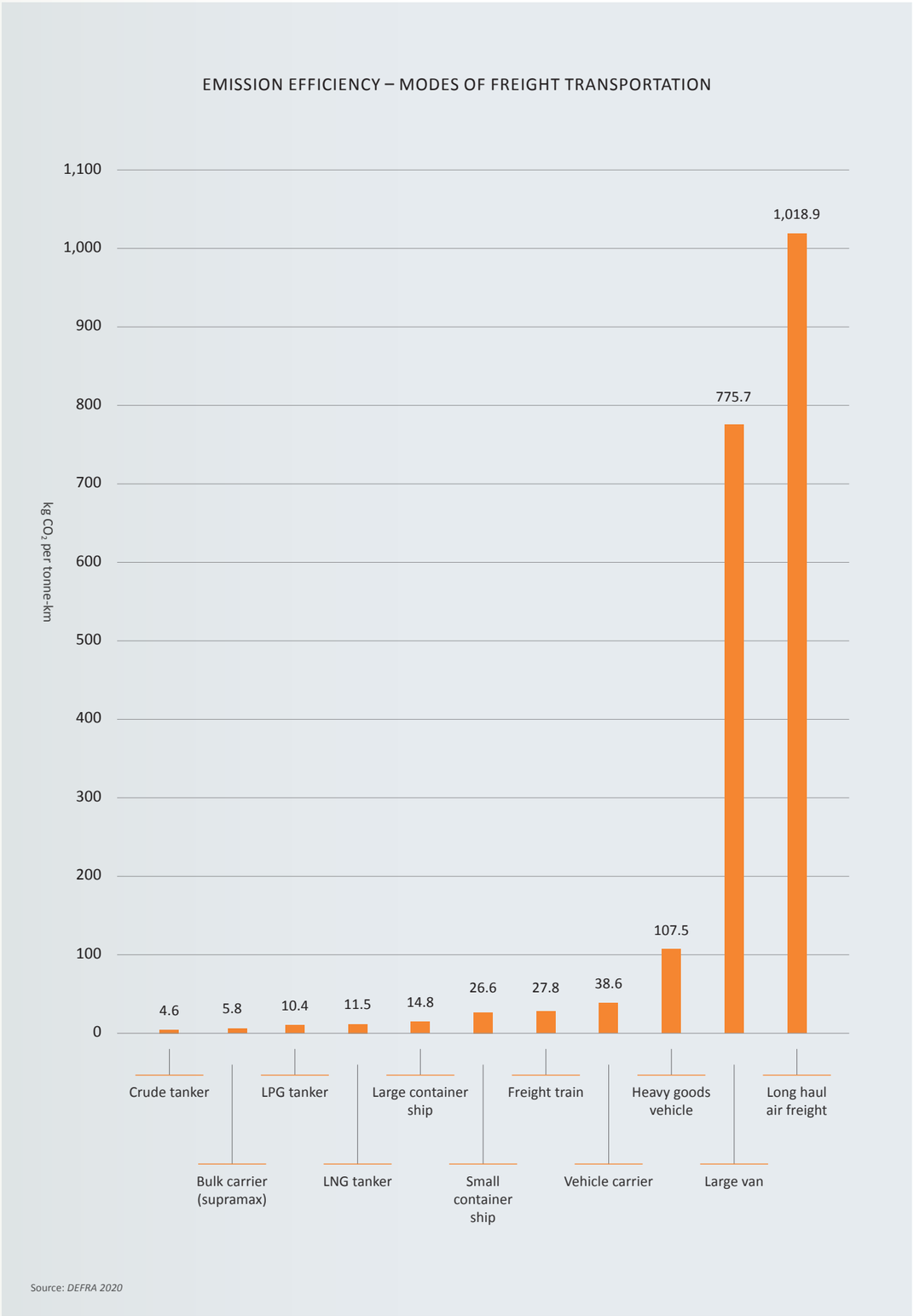
Studies show that in almost all situations, emissions from seaborne transport are lower than other transport modes. These figures mean that short sea shipping could be a viable alternative to more emission-intensive shorter haul transportation options, such as regional trade by large vans, heavy goods vehicles or freight trains.

In 2018, the IMO adopted a climate strategy towards 2050. Compared to 2008, the targets are to reduce the average carbon intensity by 40% in 2030 and 70% in 2050.

As emphasized by the initial IMO strategy on the reduction of GHG emissions from ships, it is imperative that the shipping industry as a whole sets clear reduction targets for its emissions and contributes to the common goal of reducing emissions consistent with the Paris Agreement reduction targets.

Costamare acknowledges these ambitions. However, such a shift will require designing and developing vessels which consume low or zero emission fuels and the adoption of new technologies that our industry is currently lacking. We recognize that this can only be achieved through close collaboration and collective actions of various stakeholders within the maritime industry, and this is why we decided to join the Getting to Zero Coalition, through our head manager, Costamare Shipping. We are monitoring the development and testing of sustainable solutions and are ready to select commercially viable solutions and practices that will help our industry reach these targets.

1 Fourth IMO Greenhouse Gas Study.



Source: *DEFRA 2020*

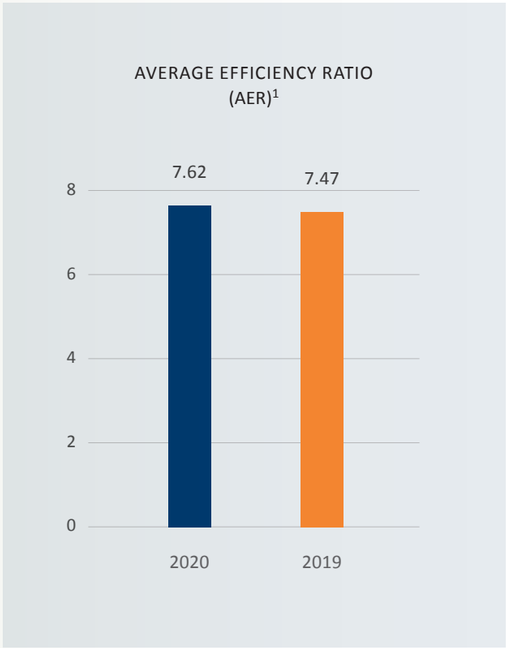
We are committed to protecting the environment as reflected in our Environmental Policy. We seek to minimize the impact of our operations on both air quality and the marine environment. To support our policy, our managers have their respective environmental management systems in place to define objectives, action plans, strategic ambition, and the corresponding deadlines for our work to reduce potential negative impacts.

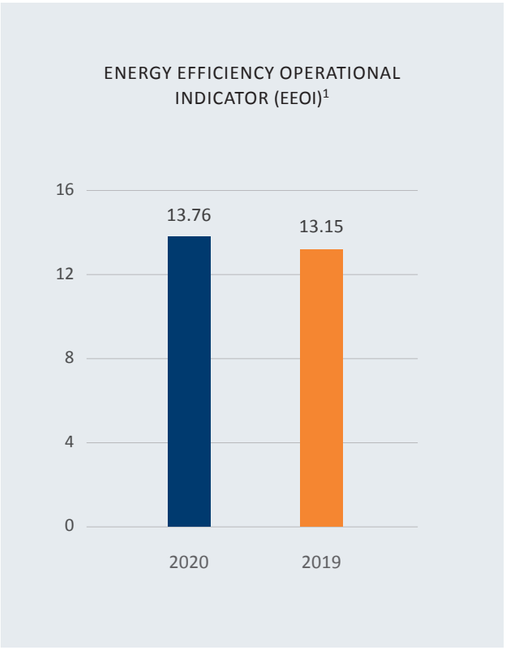
Our business and the operation of our vessels are materially affected by environmental regulations in the form of laws, regulations, conventions, treaties and standards in force in international waters and the countries in which we operate. These include regulations such as governing the management and disposal of hazardous substances and waste, the clean-up of oil spills and other contamination, air emissions, water discharges and ballast water management. We may incur substantial costs in complying with these requirements, including costs for ship modifications and changes in operating procedures. However, it is challenging to accurately predict the ultimate cost of compliance since requirements are often revised.

Environmental risks inherent in the operation of ocean-going vessels that could affect our business and reputation include the possibility of:

- Marine casualties
- Environmental accidents
- Business interruptions caused by sea level changes or more intense weather events
- Environmental regulations and related requirements can potentially affect our business in several ways:
  - reduced resale value or useful lives of our vessels;
  - reduction in cargo capacity, vessel modifications, operational changes or restrictions;
  - decreased availability of, or more costly insurance coverage for, environmental matters;
  - denial of access to certain jurisdictional waters or ports.
- Having to incur significant capital and operational expenditures to keep our containerships in compliance, or even to scrap or sell certain containerships altogether.

Our fleet with vessels of various sizes, including feeder, Panamax and post-Panamax container ships, serves the requirements of our charterers on short-, medium- and long-haul routes across all three of the geographical trade route groups.





1 Weighted average based on DWTnm and cargomiles.

CLIMATE CHANGE AND AIR QUALITY

Shipping is subject to strict standards of environmental protection driven by, among other things, awareness of climate change and other effects of air pollution. For many years, Costamare, its founders and its managers have supported voluntary programmes to protect the marine environment. Throughout 2020, Costamare continued to focus its attention on climate change related to its operations. On a quarterly basis, we review the CO_2 emissions of our fleet and discuss any discrepancies. Managers report any issues to the executive management team, who relay the information to the Board. In 2020, we experienced no discrepancies.

In 2020, Costamare emitted 3,872,348 tons CO_2-e, which represents a decrease of 7.5% from 4,190,006 tons CO_2-e in 2019. Similarly, total energy consumption in 2020 was 50,590,754 GJ, down from 54,679,699 in 2019. The reduction in emissions is largely a consequence of Covid-19 related disruptions in global trade, and the time spent at port or in anchorage, which increased from 35% during 2019 to 41% during 2020.

The Energy Efficiency Operational Indicator (EEOI) is total carbon emission per ton-miles. In 2020, our EEOI was 13.76, which represents an increase of 4.6% from 13.15 in 2019. Even though the vessels were idle for longer periods, they still had to burn fuel while at port, causing the EEOI to slightly deteriorate in 2020 as compared to 2019 as the vessels travelled shorter distances during 2020. In addition, during the first half of 2020, when vessels were deployed they carried less cargo than in 2019. At the same time, the average speed for the fleet, a variable from which CO_2 emissions and bunkers consumption derive from, remained almost identical to the previous year.

Our energy management system outlines our objectives, targets and action plans, which aim to continuously improve our energy efficiency and to minimize waste during energy consumption. The measures used to improve our overall energy efficiency are a combination of sale and purchase selection, asset design optimization, performance monitoring and best practice operational management. For example, all the vessels we sold during 2020 had an EEOI above the fleet average, and the newbuildings delivered during 2020 were significantly below average. We have also doubled the amount of hull cleanings and propeller polishing operations carried out from 2019 to 2020 in order to reduce vessel friction and thereby improve energy efficiency.

Increasing environmental concerns have created a demand for vessels that conform to the strictest environmental standards. In order to remain attractive and competitive, we are continuously working towards improving the environmental performance of our fleet. The newest additions to the fleet are designed for high levels of efficiency in operation. In 2020, we continued to modernize our fleet by replacing five vessels with six new vessels, three of which were newbuildings.

All of our newbuildings incorporate the latest CO_2 reducing technologies, including:

- Modern electronically controlled ultra-long-stroke engines with significant fuel and CO_2 reductions allowing the use of larger and more efficient propellers;
- Optimized hulls with energy saving devices (rudder bulb, propeller boss cap fin, innovative asymmetric profile rudders);
- Integrated control and monitoring systems;
- Alternative marine power systems allowing vessels to cold iron at port;
- Real-time performance monitoring for optimal and transparent operations;
- Automatic logging of service data and transmission ashore; and
- Frequency-controlled cooling and air conditioning systems.

We are also focused on the environmental performance of our existing fleet. All vessels built after 2013 meet high standards of environmentally friendly design, are assigned voluntary class notations (EP-D by DNV GL, ENVIRO by ABS) and attain EEDI that fulfils Phase 3 requirements. Costamare has implemented a retrofit program to reduce emissions and achieve fuel consumption savings for vessels originally designed to operate at high speed. This includes investments in the propeller exchange, bulbous bow retrofit and cold ironing (shore-based power) of 9 large vessels. More than a third of the fleet (27 vessels) are equipped to receive shore-based power, thereby reducing pollution while in port.

In 2020, our vessels were provided with shore-based power during at least 35 port calls. Limited global infrastructure for shore-based power supply makes expanding the use of cold-ironing difficult, but we are continuously monitoring the landscape to ensure that we can improve in this area.

We have completed the EEXI calculations for all owned container vessels during 2021 and aim to be compliant with new regulations well in advance of the January 2023 deadline.

On 1 January 2020, the emissions standard under Annex VI to MARPOL for the reduction of sulphur oxides came into effect. Compliance with this emissions standard requires either the installation of exhaust gas scrubbers – allowing the vessel to use the existing, less expensive, high sulphur content fuel – or fuel system modification and tank cleaning – allowing the use of more expensive, low sulphur fuel.

In 2020, Costamare acquired three newbuildings with scrubbers and installed scrubbers on 10 of its second-hand vessels. As of the day of this report a total of 15 containerships have scrubbers installed. The remaining vessels use low sulphur content fuel.

ECOLOGICAL IMPACT

Shipping is associated with risks to the surrounding environment, including through discharges and potential oil spills. Costamare's ability to manage these risks is critical to the surrounding environment, but also for our ability to create long-term value.

Costamare has implemented a ballast management plan to ensure efficient and safe management of ballast water. To date, all our containerships have either ballast water management systems or ballast management treatment systems ensuring the protection of the marine ecosystem.

As of year-end 2020, 57% of our vessels were equipped with approved ballast water treatment systems and fully met Ballast Water Performance Standard D-2, whereas 43% of the fleet implemented ballast water operations in compliance with Performance Standard D-1 (exchange).

Oil spills have the potential to cause serious and long-lasting negative impacts on the marine ecosystem. Costamare has preventative measures in place to reduce the risk of spills. During 2020, Costamare experienced zero oil spills.

FACTS ABOUT BALLAST WATER MANAGEMENT

Under the Ballast Water Management Convention (entered into force in 2017), all ships in international traffic are required to manage their ballast water and sediments to a certain standard, according to a ship-specific ballast water management plan.

Ballast water reduces stress on the vessel's hull and substitutes weight lost when carrying less cargo. Ballast water contributes to improved maneuverability, including propeller immersion, and reduces vibrations.

A ballast water **exchange system** involves the substitution of water in a ship's ballast tanks using either a sequential, flow-through, dilution or other exchange method which is recommended or made obligatory by the IMO.

A variety of technologies are used for **ballast water treatment**: these include i.e. filtration (physical), chemical disinfection (oxidizing and non-oxidizing biocides); ultra-violet treatment; deoxygenation treatment; heat (thermal treatment) and magnetic field treatment.

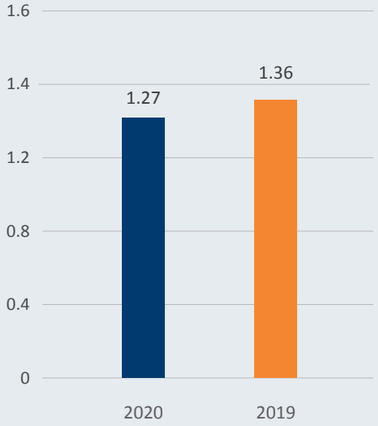
4 SAFETY, LABOUR CONDITIONS AND HUMAN RIGHTS

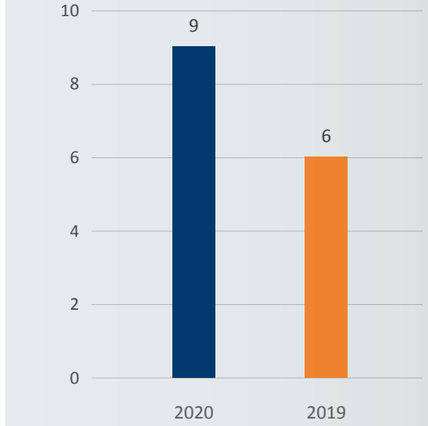
Within the marine transportation sector, workers are exposed to various safety concerns, including those associated with shifting weather conditions, large machinery, and heavy cargo. Costamare and our managers have an excellent track record with respect to the safety of our operations.

This record is attributed to the quality of our management systems, the awareness and education of our employees, the accomplishments of crew and shore-based staff, and the high standards of the Costamare fleet. Costamare, through its managers, abides by the Maritime Labour Convention (MLC) 2006. Our head manager has adopted MLC requirements in its Quality, Safety and Environmental Management Systems.

The past year has been challenging due to the ongoing Covid-19 pandemic. While the pandemic has impacted the daily lives and mental and physical wellbeing of everyone, it continues to have a severe impact on the lives of seafarers in unprecedented ways. Varied regulations and procedures across countries has made crew changes difficult, leaving many seafarers working beyond the expiry of their contracts. Our main focus has been on the health and well-being of our seafarers, with our initial response to the outbreak of Covid-19 including:

- An immediate work at home policy for our onshore employees
- Specific roles assigned to Department heads for monitoring of the situation on a daily basis
- Restricted corporate travel unless necessary
- No visitors policy at our headquarters
- Scenario analysis on the impact of Covid-19 to our financials





Our response to Covid-19 has included efforts such as the development and implementation on board our vessels of Covid-19 prevention and response protocols and the introduction of Covid-19 prevention policies within our offices as per the guidance of the World Health Organization. We also arranged for our seafarers to be provided with access to free vaccines, in several ports in the US and Europe which offer such vaccination programmes.

Furthermore, the introduction of remote working for office employees was combined with the enhancement of IT security protocols with the implementation of two-factor authentication procedures, the outsourcing of IT security to a 24-hour managed security operation center and the improvement in the perimeter and internal firewall systems.

Our experience with responding to the pandemic means that we are now in a better position to respond to future shocks. We have implemented policies that have improved our resiliency, the flexibility of our employees and improved employee awareness of potential risks that may occur during a crisis.

Costamare's managers have systems which ensure compliance with the requirements of the International Safety Management (ISM) Code for the Safe Operation of Ships and for Pollution Prevention and, for managers who operate 65 of our vessels, such a system is compliant with ISO 9001:2015 quality management and ISO 14001:2015 environmental management standards. By implementing detailed and tailored management systems, consistent approaches to safe and sound operations are safeguarded.

LABOUR CONDITIONS

Teamwork between shipboard and shore-based personnel is strongly encouraged by our managers and promoted through a culture of cooperation and team spirit.

Costamare abides by the Maritime Labour Convention (MLC) 2006 and our technical managers have adopted its requirements. We have a commitment to offer above standard living and working conditions for our seafarers. The Maritime Labour Convention of 2006 aims to:

- ensure worldwide safeguard of the rights of seafarers
- establish a level playing field for countries and shipowners dedicated to providing decent working and living conditions for seafarers.

We are proud that approximately 95% of the Masters and Chief Engineers employed by Costamare Shipping – our head manager that is also the technical manager for 23 of our vessels – have been promoted from within the company to the highest ranks. This highlights the value we place on professional development, evidenced by the high standards we have for our working environment, as well as the rigorous evaluation procedures we have in place.

SAFETY

Costamare places great importance on providing a safe working environment for all shipboard personnel. Our fleet and managers have implemented operating procedures which meet strict internal and third-party safety criteria.

Safety on board is ensured through training, investments in safety features on board our ships, continuous monitoring, and proper maintenance of our fleet. Our managers have a pool of highly qualified, experienced and trained seafarers.

Costamare is committed to promoting safety at sea through the prevention of human injury and damage to or loss of property. These approaches are embedded in our safety management objectives. We continuously refresh our safety management skills, assess risks and establish corresponding safeguards, as well as prepare for emergencies related to safety and environmental protection.

The safety management system, along with corresponding procedures, defines in detail how the objectives of Costamare's safety policy will be met. The management team is responsible for ensuring that the safety policy and its associated procedures and controls are understood, implemented and maintained at all levels of our organization.

All employees, both shore-based and shipboard, are encouraged to participate in the evaluation and improvement process of procedures and controls related to safety. Costamare monitors and reviews its safety policy regularly to ensure its relevance and effectiveness.

TRAINING CENTRE

Costamare Maritime Training Services S.A. (CMTS), an affiliate of Costamare, is a company incorporated in 2012 which offers high quality professional maritime education and training services both to ship officers (deck and engine departments) and onshore personnel. CMTS has set up and operates a state-of-the-art bridge and main engine simulator which is used for the continuing training, certification and re-certification of our seafarers. Since inception, CMTS has educated and trained more than 1,900 of Costamare's seafarers and more than 2,550 seafarers employed in other shipping companies.

THE CAPTAIN VASSILIS & CARMEN CONSTANTAKOPOULOS FOUNDATION

Costamare's wider efforts for improvement in the ESG landscape are not confined within the boundaries of the shipping sector. They are complemented with initiatives and sponsor programmes developed by the *Captain Vassilis and Carmen Constantakopoulos* Foundation, set up in 2011 by Costamare's founder Captain Vassilis Constantakopoulos.

The Foundation is a charitable non-profit organization with the aim to support and promote projects for sustainable development and social support mainly in Greece. Our Chairman and CEO serves as the Vice-President of the Foundation.

The Foundation's main pillars of activities include:

- **A** Sustainable Agricultural Development
- **B** Education, Culture and Development
- **C** Social Welfare

The Foundation has sponsored numerous projects/initiatives, a sample of which is listed below:

- **A** Plan for sustainable rural development in Messinia (south-western part of mainland Greece)
- **B** Study of short food supply chains in economic crisis in cooperation with the University of Rennes in France
- **C** Modern forms of agri-food entrepreneurship
- **D** Funding of research and educational needs for the 1st Intensive Care Clinic for the Department of Medicine of the National and Kapodistrian University of Athens
- **E** Eurobird Watch 2017 – Clean-up of the Gialova Lagoon area
- **F** Support to the Association of Naval Parents of Children with Special Needs 'ARGO' and to the Center for Individuals with Special Needs 'HARA'

SASB data disclosures

GREENHOUSE GAS EMISSIONS

Accounting metric	Unit of measure	Data 2020	Data 2019	Code
CO_2 emissions				
Gross global Scope 1 emissions: Financial control approach [A]	Metric tons CO_2-e	**3,872,348**	4,190,006	TR-MT-110a.1
Discussion 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	Qualitative description	**Please refer to section 3**	Please refer to Section 3 in our ESG report for 2019	TR-MT-110a.2
Energy consumed				
(1) Total energy consumed [B]	Gigajoules (GJ)	**50,590,754**	54,679,699	TR-MT-110a.3
	Percentage (%)	**100**	100	
(2) Percentage heavy fuel oil [B]	Gigajoules (GJ)	**47,780,323**	51,209,025	
	Percentage (%)	**94**	94	
EEDI				
Average Energy Efficiency Design Index (EEDI) for new ships [C]	Grams of CO_2 per ton-nautical mile	**8.06**	N/A	TR-MT-110a.4
EEOI & AER				
Fleet average Energy Efficiency Operational Indicator (EEOI): weighted average (MTcargo*nm) [D]	Grams of CO_2 per cargo ton-nautical mile	**13.76**	13.15	Additional
Average efficiency ratio (AER): weighted average (DWT*nm) [E]	Grams of CO_2 per deadweight ton-nautical mile	**7.62**	7.47	Additional

Accounting metric	Unit of measure	Data 2020	Data 2019	Code

AIR QUALITY

Other emissions to air				
(1) NO_X (excluding N_2O) [F]	Metric tons	**89,391**	114,842	TR-MT-120a.1
(2) SO_X [F]	Metric tons	**10,634**	45,444	
(3) Particulate matter [F]	Metric tons	**144**	6,245	

ECOLOGICAL IMPACTS

Marine protected areas				
Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	**994**	N/A	TR-MT-160a.1
Implemented ballast water				
(1) Exchange	Percentage (%)	**43**	57	TR-MT-160a.2
(2) Treatment	Percentage (%)	**57**	43	
Spills and releases to the environment				
(1) Number	Number	**0**	1	TR-MT-160a.3
(2) Aggregate volume	Cubic metres (m^3)	**0**	0.1	

BUSINESS ETHICS

Corruption index				
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index [G]	Number	**497**	465	TR-MT-510a.1
Corruption				
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	**0**	0	TR-MT-510a.2

Accounting metric	Unit of measure	Data 2020	Data 2019	Code

EMPLOYEE HEALTH & SAFETY

Lost time incident rate				
Lost time incident rate (LTIR) [H]	Rate	**1.27**	1.36	TR-MT-320a.1

ACCIDENT & SAFETY MANAGEMENT

Marine casualties				
Incidents [I]	Number	**9**	6	TR-MT-540a.1
Very serious marine casualties [I]	Percentage (%)	**0**	0	

Conditions of class				
Conditions of class	Number	**0**	0	TR-MT-540a.2
Recommendations	Number	**39**	37	

Port state control				
(1) Deficiencies [J]	Rate	**0.66**	0.54	TR-MT-540a.3
(2) Detentions [J]	Number	**0**	0	

OUR OPERATIONS IN NUMBERS

Activity metric	Unit of measure	Data 2020	Data 2019	Code
Number of shipboard personnel	Number	**1,704**	Approx 1,700	TR-MT-000.A
Total distance travelled by vessels	Nautical miles (nm)	**5,821,994**	6,362,223	TR-MT-000.B
Operating days	Days	**24,693**	25,549	TR-MT-000.C
Deadweight tonnage [K]	Deadweight tons	**6,068,206**	5,814,591	TR-MT-000.D
Number of vessels in fleet [L]	Number	**76**	76	TR-MT-000.E
Number of vessel port calls	Number	**5,122**	6,265	TR-MT-000.F
Twenty-foot equivalent unit (TEU) capacity [K]	TEU	**508,298**	462,513	TR-MT-000.G

Disclaimer and assumptions

Data estimates provided in this report are based on the assumptions outlined in detail below.

A **CO_2 emissions:** Calculations are based on IMO emission factors and fuel consumed for the reporting period. The financial control approach has been applied for Scope 1, which represents vessels owned by Costamare Inc. (including ships owned through JVs).

B **Energy consumption:** Calculations are based on tonnes fuel oil, using DEFRA conversion factors (2021) to calculate energy consumed in gigajoules (GJ, NET CV).

C **Energy Efficiency Design Index (EEDI):** The average is based on three vessels procured during the reporting year (Yang Ming Triumph, Yang Ming Truth and Yang Ming Totality), which were all built in 2020.

D **Energy Efficiency Operational Indicator (EEOI):** The EEOI measures the fuel efficiency of a ship in operation and is estimated based on fuel, cargo carried, and distance travelled (nm).

E **Average efficiency ratio (AER):** carbon intensity metric estimated based on fuel, distance travelled (nm), and deadweight tonnage (DWT).

F **Other emissions to air (NO_x, excluding N_2O, SO_x and particulate matter):** Costamare has adopted the recommendations of the IMO's Fourth GHG Study for estimating emissions of CO_2, NO_x, SO_x, and PM from ships. In cases where Costamare chooses to deviate from the approach outlined in the IMO's Fourth GHG Study, these deviations have been documented. It is expected that the IMO will continue to update its emissions estimate calculation recommendations over time and Costamare may modify its approach accordingly. In cases where details are not available, a specific set of assumptions are used to estimate emissions as follows: 80% of total HFO and MDO assumed to be main engine consumption; 20% of total HFO and MDO consumed by auxiliary engine; auxiliary engine is assumed to be rated 900 rpm. For more information on the formulas applied, please see the IMO's Fourth GHG Study, pp. 21-24.

G **Corruption index:** Number of port calls disclosed covers port calls to all countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index for 2020. Where more than one country received the same ranking, all countries have been included. In 2019 62 countries were included and in 2020, 66 countries.

H **Lost time incident rate (LTIR):** The rate is calculated based on (lost time incidents) / (1,000,000 hours worked), and includes incidents resulting in absence from work beyond the date or shift when they occurred.

I **Marine casualties:** The definition of a marine casualty is based on the United Nations International Maritime Organization (IMO)'s Code of International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident Resolution MSC 255(84), paragraph 2.9, chapter 2 of the General Provisions.

J **Port state control:** Deficiency rate is calculated using the number of deficiencies it received from regional port state control (PSC) divided by total number of port state control inspections.

K **Figure represents** Costamare fleet as of year end.

L **The figures include** all vessels employed by Costamare throughout the reporting year.

Photos: Gettyimages (cover, p.10) fasett

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