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Navios Maritime Holdings Inc.

# 2020

## Annual Sustainability Report



Navios Maritime Holdings Inc.



New York City • Antwerp • Piraeus • Cayman Islands

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## “NAVIOS IS PLAYING ITS ROLE IN ADDRESSING THE CLIMATE CRISIS.”



Navios has close to a century of success from which its corporate family draws confidence and pride. Navios has weathered storms of every kind, economic or otherwise, and has survived to rise high on swells of financial booms and bullish markets. But to paraphrase Franklin Roosevelt, it is not enough to drift with the current; we must set sail for our destination. Today, we are committed to being a leader in sustainability, which is at the top of our agenda. We support the principles of the U.N. Global Compact, establishing and surpassing objective measures of success and progress. Our stakeholders—not least our investors, customers, and our employees—expect nothing less from Navios. In 2020, we integrated sustainability into our business strategy, and we are accelerating our efforts to decarbonize our fleet and reduce our footprint. Navios is playing its role in addressing the climate crisis

We have also embraced strong corporate governance, the highest ethical standards, and professional oversight of operations. In so doing, we foster a safe and inclusive

work environment that invests in people and promotes advancement, ensuring meaningful and high-quality professional experiences. We understand how our achievements and resilience is due to an amazing team of committed and professional seafarers and shore employees.

In an increasingly interconnected world, we are the backbone transportation system that provides essential supplies of pharmaceuticals, food, clothes, and countless other goods between the various countries. The pandemic severely challenged this global logistics chain. These challenging times have vindicated our principled approach to put human capital first and have strengthened our resolve to stay this course.

**Angeliki Frangou**  
*Chairwoman of the Board & Chief Executive Officer*

# Ensuring a Sustainable Future

This is Navios Maritime Holdings Inc. (Navios Holdings) first annual Sustainability Report and refers to the period 01 January through 31 December 2020, with references to operational and other targets for 2021 and beyond. It conveys the company's approach to Sustainability, broken down into Environmental, Social and Governance ("ESG") fields. The report also tracks performance compared to previous years and industry benchmarks, and it describes the targets that the company has set for its future performance.

The report considers the following standards, goals, and guidelines in compiling and presenting the report's content:

- **United Nations** Sustainable Development Goals (SDGs)
- GRI Standards Core option
- Reporting Requirements of the **Poseidon Principles**
- **New York Stock Exchange** (NYSE) ESG Reporting Guidelines
- Marine Transportation Sustainability Accounting Standards of the **Sustainability Accounting Standards Board (SASB)**

This report provides a transparent account of the company's Sustainability performance, targets and strategy, and applies rigorous global standards for comparability and comprehensiveness.

## THE GLOBAL GOALS For Sustainable Development



# Navios Holdings by the Numbers

## Our global commodity flows



Navios Holdings is a global shipping and logistics company providing worldwide seaborne transportation and transshipment solutions in the dry bulk sector. Our vessels transport major bulks (iron ore, coal, minerals and grain) and minor bulks (soya beans and steel products), and our major subsidiary, Navios South American Logistics Inc. (NSAL), provides storage and marine transportation needs of petroleum, agricultural, and mining customers through our port terminals, river barge, and coastal cabotage operations.

As of 31 December 2020, our fleet of forty-five vessels (Excluding the NSAL fleet) had an aggregate capacity of approximately five million tons deadweight. We have sustainably grown our fleet through timely and selective acquisitions of secondhand and newbuilding vessels, allowing our fleet to comprise of modern, fuel-efficient and high-quality vessels, with an emphasis on the largest eco-type Capesize vessels and Panamax:

**US \$417M** in revenues

**10** offices around the world

**45** vessels as of December 2020

**5 0M** DWT

**8.2 years** average age of fleet

**98.9%** Fleet utilization in 2020

**>64M** metric tonnes of cargo carried

**>900** Seafarers

**>300** office employees

**>60 years** in the Shipping Market

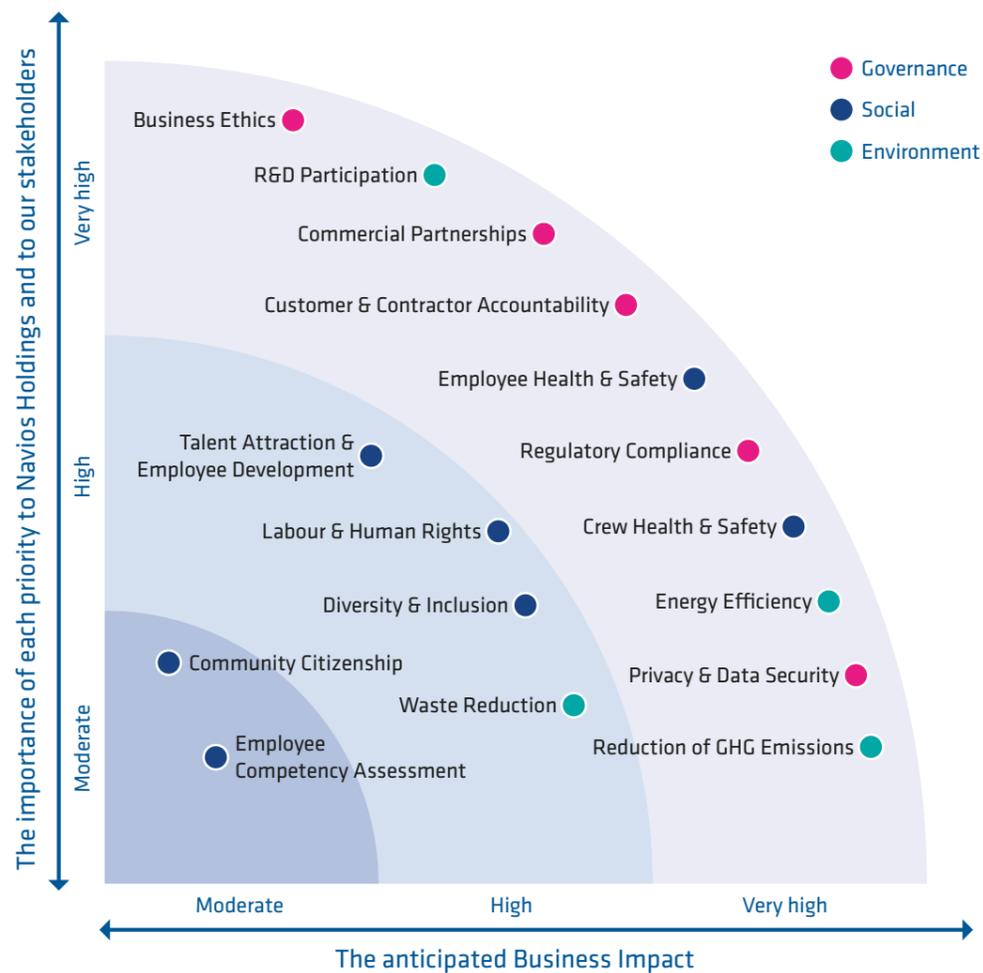
**950** Port calls

# ESG Strategy and Materiality

As part of NAVIOS' aspiration to be a green and sustainable leader in the industry and play our role in leaving a better world for the next generations, we are devoted to investigating and adopting different approaches to reducing our carbon footprint and **environmental** impact; promoting health, safety, and **social** responsibility among our employees and respecting the international communities in which we do business; and adopting **corporate governance** that prioritizes ethics, transparency, and balanced synergy with our business partners.

To ensure that our efforts are focused on where they should be and that they are having the impact we intend them to have, we conduct an annual materiality assessment to identify our sustainability priorities to ensure the future growth of the company. Our annual assessments provide insights into the expectations, best practices, and most important considerations among our customers, investors, and the broader societies with which NAVIOS interacts.

## NAVIOS HOLDINGS MANAGEMENT'S 2020 MATERIALITY ASSESMENT RESULTS



Some of the most important ESG topics include:

## 1. Environmental Responsibility & Sustainability:

Compliance and strict adherence to leading sustainability standards and initiatives. Our priorities are decarbonization, energy management & improved efficiency by embracing new technology and waste Reduction.

## 2. Social Responsibility:

Engaging in open, fair, and sustainable trade, as well as preserving and promoting the health and safety of our employees and the individuals with whom they interact by reducing injury-related incidents.

We will continue to encourage diversity in the workplace, gender equality and the behavioral competence and wellbeing of our employees. NAVIOS will also continue to give back to the community.

## 3. Corporate Governance:

Elevating to top-tier corporate policies our commitments to ethical business practices, transparency, and anti-corruption.

# Environmental Responsibility & Sustainability

## Material issues

Reduction of Green House Gas (GHG) Emissions

Energy Efficiency

Research and Development (R&D) Participation

Waste Reduction



In a resurgent, worldwide effort to slow and ultimately reverse the adverse impacts that industry has had on our planet, the International Maritime Organization (IMO) and several other national, supranational, and non-governmental organizations have adopted conventions, regulations, agreements, and standards concerned with preventing, reducing, and controlling pollution from ships.

NAVIOS supports their efforts and envisions a maritime industry that allows for fair and sustainable global trade flow with no harm to the environment.



NAVIOS owned and managed fleet maintains certification consistent with the International Organization for Standardization ("ISO") 14001 for its

offices and ships covering environmental protection. Our commitment to a clean industry and our progress towards that goal are detailed in the following pages, and are made evident through the implementation and on-going improvement of sound environmental measures and practices, including:

Maintaining frequently reviewed and regularly updated environmental policies

Minimizing the adverse environmental impact of vessel operations

Renewing efforts to conserve energy and reduce energy consumption

Reducing harmful greenhouse air emissions and waste generation

Participating in partnerships focused on researching and developing environmentally friendly technologies

## Compared to 2019...

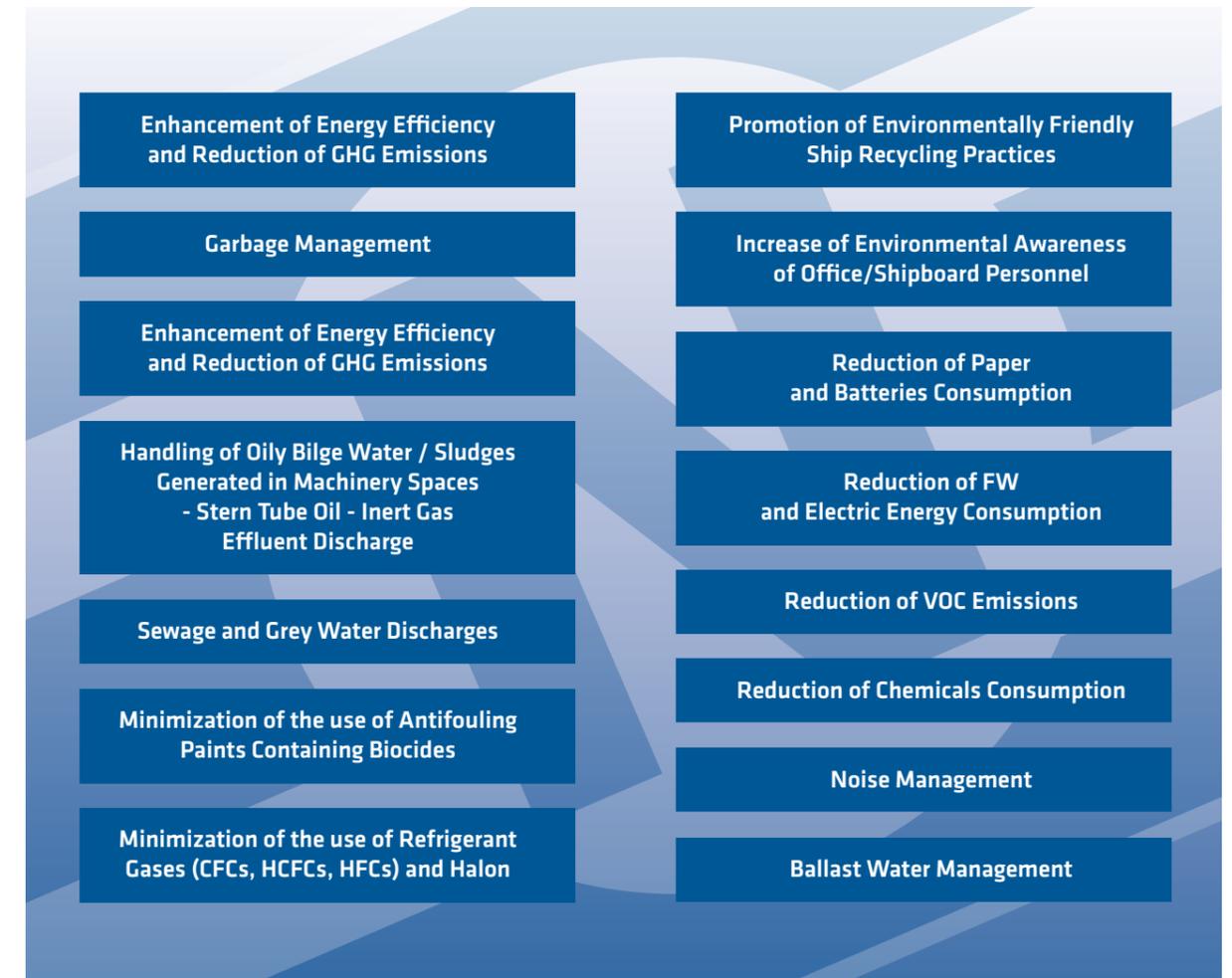
- EEOI decreased by **14.6%** on average
- Total energy consumption in our shoreside offices was reduced by **8Mwh**
- Total SOx emissions were reduced by **82.8%**
- Total NOx emissions decreased by **4.8%**
- PM emissions fell by **77.9%**

# Corporate Environmental Policies

Our Environmental Policies recognize environmental protection and management as one of our highest priorities. They reflect our commitment to environmentally responsible operations and to a cleaner environment. They are regularly reviewed and updated to compel us to constantly strive to meet our goal of reducing our environmental impact to zero. Finally, they are guided by and consistent with upcoming regulations, pushing us to be in a position to achieve compliance well before the anticipated date of enforcement.

Some of our environmental and energy efficiency objectives for 2021 and beyond include the reduction of CO<sub>2</sub>, SO<sub>x</sub>, and NO<sub>x</sub> emissions; sludge and oily bilge production; solid waste and garbage production; onboard usage of freshwater; shoreside electricity consumption; and paper consumption.

*To this end, we have developed and adopted the following governing corporate policies:*

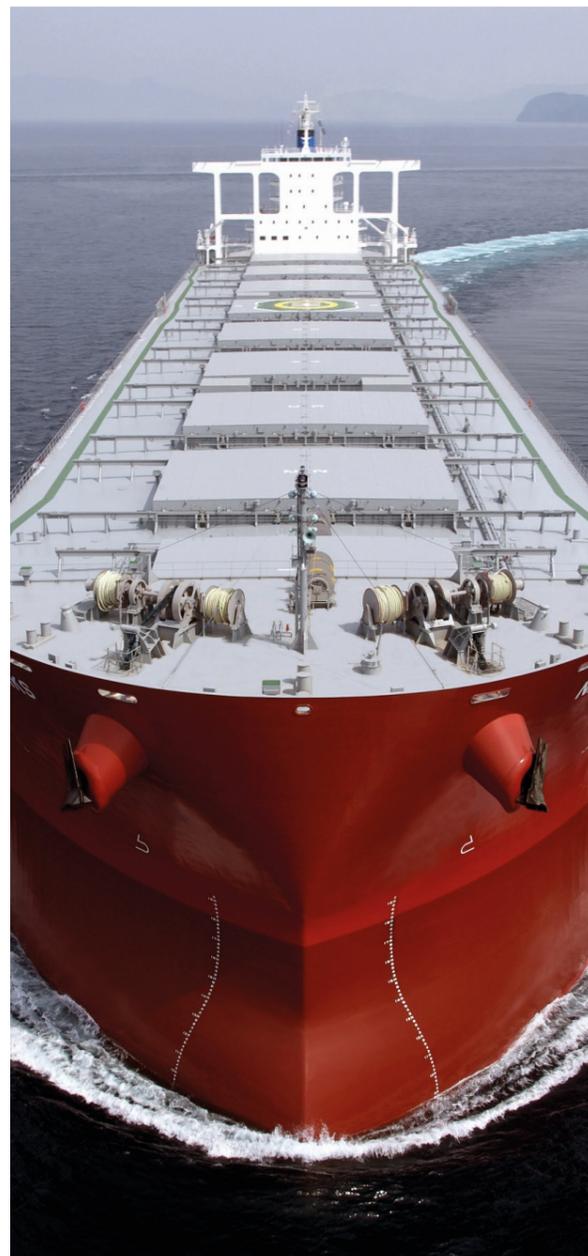


# Environmental Compliance

Discharges of pollutants from vessels are heavily regulated, meticulously measured, and methodically recorded. These regulations and recordkeeping requirements can serve as pitfalls even to the most well-meaning crew members. NAVIOS has voluntarily adopted an Environmental Awareness Campaign (EAC) that is designed to help identify and prevent potential environmental non-compliances. For example, as part of the EAC, seal plans were implemented on each vessel for all sensitive deck and engine room valves; padlocks are required to be placed along the Oily Water Separator (OWS) discharge lines; and checklists with supporting photographs and digital data recorded by vessel equipment are reviewed and collected following each OWS operation.

A four-person, full-time team has been employed to review and follow up on a daily basis the vessel records and EAC forms that are designed to ensure compliance. These include daily reviews of vessels' Oil Record Book entries, digital data recorded by pollution prevention equipment, crew-provided photographs and internal checklists following each OWS operation, tank sounding logs, various EAC forms, and other compliance-ensuring items.

NAVIOS is also planning to roll out customized Electronic Oil Record Book (eORB) software to all vessels. It is anticipated that this fully customized and vessel-specific software will be rolled out to all vessels within 2020 and, after a testing phase, begin to be used as the official vessel record within 2022. The software will allow the shoreside environmental compliance team to track and review eORB entries in real-time.



# Green House Gas (GHG) Emissions

Navios Holdings is committed to reducing man-made carbon emissions from its operations, with the end-goal being to eventually eliminate such emissions altogether, reaching net-zero emissions by 2050. In this way, NAVIOS is fully aligned with the IMO's commitment to reduce CO<sub>2</sub> emissions by at least 40% by 2030 and by at least 70% by 2050.

We are equally committed to reducing all GHG emissions from international shipping by at least 50% by 2050, whilst pursuing efforts towards phasing them out completely consistent with the Paris Agreement temperature goals.

A set of time-specific, measurable, and attainable targets have been established and maintained, which relate to a combination of design optimization, in-service performance monitoring and best-practice operational management processes. These targets relate to:

- 1 Data Monitoring, Verification, and Assessment**
- 2 Improved Fleet Efficiency and Vessel Performance**
- 3 Support and Deployment of Emerging Technologies**
- 4 Development of Sustainable Partnerships**

## 1 Data Monitoring, Verification, and Assessment

We have designed a custom, vessel-data monitoring program that seamlessly connects vessel data with shoreside monitoring software. The program collects accurate and reliable, real-time operational data enabling us to not only accurately and transparently report our carbon footprint, but also to verify and assess our own progress towards achieving our carbon reduction goals.

Additionally, in 2020, we began to expand an online performance software tool that monitors and helps reduce energy consumption and, in turn, carbon emissions. The software is expected to be rolled out to all managed vessels by early 2022.

The software calculates and tracks each vessel's Energy Efficiency Operational Indicator (EEOI) (measured in grams of CO<sub>2</sub> per tonne-mile) in accordance with IMO MEPC.1/Circ.684, entitled "Guidelines for Voluntary Use of the Ship EEOI". The software also calculates the SO<sub>x</sub> Index (measured in grams of SO<sub>x</sub> per tonne-mile), the NO<sub>x</sub> Index (measured in grams of NO<sub>x</sub> per tonne-mile), and the PM Index (measured in grams of particulate matter per tonne-mile).

Through these digital tools, we quantify and monitor GHG emissions in accordance with EU MRV and IMO DCS requirements. Additionally, where appropriate, our vessels participate in RightShip's GHG Emissions Rating scheme. In other words, quantifying and reducing our managed vessels' carbon footprint is not new to us.

# Green House Gas (GHG) Emissions

## 2 Improved Fleet Efficiency and Optimized Vessel Performance

Long-term solutions will enable zero-carbon shipping, but identifying the appropriate mid-term solutions poses a challenge for shipowners and operators. Such mid-term solutions need to enable the global fleet to comply with the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) regulations, to extend the lifespan of existing vessels through retrofits, and to pave the way for adoption of zero-carbon fuels in the future.

NAVIOS has voluntarily and proactively launched an early targeted campaign that seeks to bring its managed fleet into compliance with the proposed MARPOL Annex XI efficiency amendments almost two years before they come into force. Our managed vessels are already beginning to be brought into compliance with IMO-proposed EEXI and CII quotient limits, even though those requirements will not come into force until January 2023 at the earliest.

## 3 Support and Deployment of Emerging Technologies

Navios Holdings has committed to joining the ITOCHU joint study framework, which connects twenty-three expanding global companies in the energy, mining, power utility, chemical, shipping, shipbuilding and manufacturing industries. The purpose of ITOCHU is to bring stakeholders together to discuss common issues regarding ammonia as a viable marine fuel. This is an important step towards establishing a global ammonia supply chain. ITOCHU will accelerate the development of sustainable energy systems through focused initiatives.

## 4 Development of Sustainable Partnerships

Acknowledging the serious social and economic challenges of climate change and the significant value of the transition of shipping to a decarbonized future, NAVIOS has forged strong partnerships and became an active member of a number of initiatives committed to addressing these challenges and protecting the environment.



# Energy Efficiency

NAVIOS has established and implemented an Environmental Management System in accordance with ISO 14001, and an Energy Management System in accordance with ISO 50001. Both of these systems are supported by several environmental programs, each with the objective of reducing impact to the environment, increasing energy efficiency, and minimizing energy waste. By implementing an Energy Management System we intend to:

- Make better use of our existing energy consuming assets;
- Promote transparency on management of energy resources;
- Adopt energy management best practices and reinforce good energy management behaviors onboard;
- Evaluate and prioritize the implementation of energy-efficient technologies;
- Provide a framework for promoting energy efficiency throughout the supply chain; and
- Facilitate energy management improvements for GHG emission reduction projects.

We also established and maintain a Ship Energy Efficiency Management Plan (SEEMP), which is regularly reviewed and updated. The SEEMP applies to all fleet vessels and sets out procedures and practices on energy management under the various vessel operational modes.

The efficiency improvement measures of our SEEMP include:

- **Ship Speed Optimization:** Calculating and achieving the speed at which the fuel used per tonne-mile is at a minimum level for each planned voyage.
- **Improved Voyage Planning:** IMO Resolution A.893(21), entitled Guidelines for Voyage Planning, provides guidance to improve efficiency through the careful planning and execution of voyages.
- **Weather Routing:** Our managed vessels are equipped with an accurate and reliable weather routing system that provides timely weather updates, allowing our vessels to avoid adverse conditions.
- **Optimum Trim:** As far as practical, each vessels' trim is adjusted to the optimum value for the planned voyage speed and vessel draft according to the trim tables onboard.
- **Hull Resistance Optimization:** Hull condition is assessed during port stays, and in-water hull cleaning is performed where needed when possible. Additionally, hull resistance is optimized by new technology-coating systems and a silicone-based anti-fouling system.
- **Accommodation Energy Optimization:** Tube fluorescent lamps (TFLs) are used in all accommodation areas instead of incandescent bulbs, and crew are instructed to turn off all appliances when not in use

NAVIOS promotes environmental and energy efficiency awareness through training to shore and sea-going personnel and implementing energy efficiency and environmental protection-related campaigns and other personnel incentive / motivating programs. We monitor and comply with all applicable legal requirements related to ship energy efficiency management, and foster a culture of energy efficiency.

# Research & Development Participation

NAVIOS engaged DNV to conduct a thorough technical assessment of the managed vessel's Energy Efficiency quotient, including an in-depth analysis of the potential carbon-cutting and performance impacts of installing various energy saving devices (ESDs). The assessment included a benchmarking of our vessels' Energy Efficiency quotients against quotients of the same vessel types and similar sized fleets around the world. The assessment was telling, indicating for example, much of our fleet already performs to a superior mark than industry peers.

The assessment gives us the needed visibility to identify proposals and measures that may further improve the Energy Efficiency of our managed vessels, and develop a goal-based Energy Efficiency improvement strategy based on a detailed, per-vessel lifecycle cost analysis, taking

into account each vessel's operational profile, current OPEX, retrofit CAPEX, and additional OPEX. In this way, the most appropriate energy-saving technologies on the market are being considered with an aim to reduce CO<sub>2</sub> emissions.

Additionally, aided by the assessment, in 2020, we began selecting the most appropriate ESDs based on the IMO's anticipated limit. It is expected that all vessels will be in a position to reach the IMO-required efficiency standards within 2021.



# Waste Reduction

Climate change is heating the oceans and altering their chemistry. The health of the ocean is rapidly deteriorating due to acidification, depletion of natural resources, and pollution from land and sea, including from large quantities of improperly disposed plastic waste. Navios Holdings is fully committed to complying with all applicable rules and regulations that safeguard ocean health. This includes, among the many other efforts discussed in this report, managing plastic waste to keep it out of the oceans.

Every day, our seafarers see the growing issue of plastic pollution first-hand. An estimated five trillion pieces of plastic waste are currently littering all major ocean basins, and this problem feels close to home for both our company and our employees.

**In 2022, we aim to minimize our company's plastic consumption by 50% compared to 2018.**

**In 2023, we will participate in the EU Eco-Management and Audit Scheme (EMAS). EMAS is a voluntary environmental management tool for companies and other organizations to evaluate, report, and improve their environmental performance.**

**In 2024, we will invest in the Guatemalan Conservation Coast Project.**



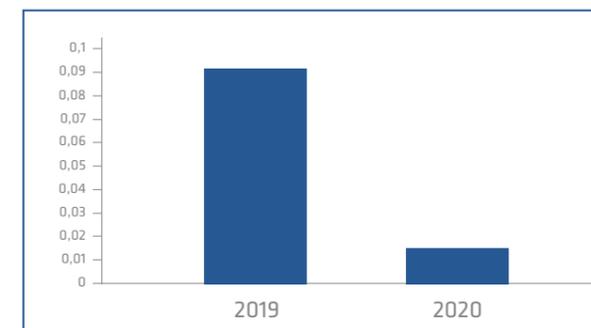
Performance,  
Credibility,  
Transparency

# Our progress

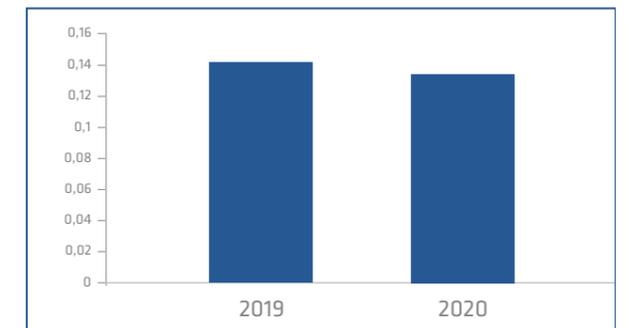
The company's greenhouse gas absolute emissions and emissions intensity (emissions per tonne-mile) improved compared to the previous year. Our vessels' compliance with IMO 2020 resulted in a 77.3% absolute reduction in emissions of sulfur oxides (SOx) and a 70.7% absolute reduction in emissions of particulate matter (PM) emissions. When coupled with the 32.5% increase in tonnes-miles sailed by the fleet this year, the reduction becomes even more pronounced. Navios Holdings vessels that are managed by NAVIOS-affiliated entities reduced

SOx emissions per tonne-mile by 82.8% compared to 2019 and reduced PM emissions per tonne-mile by 77.9%. The absolute and proportional year-on-year increase in laden sailing days within 2020 also resulted in annual emissions intensity reductions of nitrogen oxide (NOx) and carbon dioxide (CO<sub>2</sub>). NOx emissions per tonne-mile were reduced by 4.8%. Meanwhile, CO<sub>2</sub> emissions per tonne-mile were reduced by 14.6%. Weighted average speed increased by 4.3%.

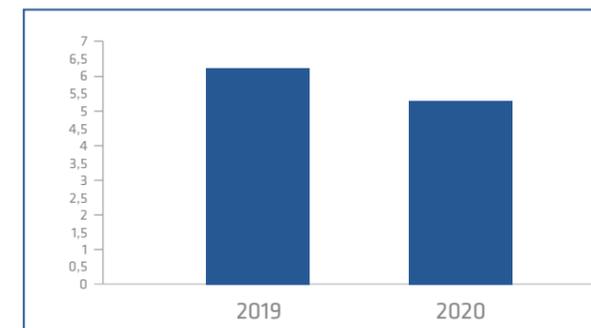
**SOx INDEX ANALYSIS (gr SOx/t.m.)**



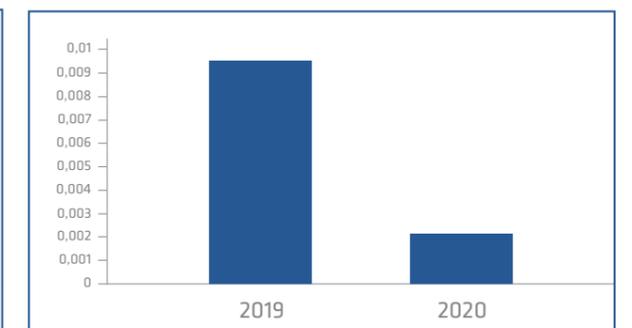
**NOx INDEX ANALYSIS (gr NOx/t.m.)**



**CO<sub>2</sub> INDEX ANALYSIS EEOI (gr/t.m.)**



**PM INDEX ANALYSIS (gr PM/t.m.)**



# Social Responsibility

## Material Issues

- Labor & Human Rights
- Employee Health & Safety
- Employee Competency & Assessment
- Diversity & Inclusion
- Talent Attraction & Employee Development
- Community Citizenship



Our future success depends upon preparing our workforce for an ever-changing market. Key goals involve investing in our people and culture to meet the world's future challenges. We are fully aware that our core competency, our people - both ashore and at sea - can only explore their full potential and enjoy rewarding careers if we provide a safe, healthy and secure work environment.



# Labor & Human Rights



We recognize that our marine personnel work in a highly challenging environment, often separated from their families for long periods with limited leisure activities. We base our practices on MLC guidelines regarding minimum standards for working and resting periods, overtime, meal provision, and shore leave. Our future success depends upon preparing our workforce for an ever-changing market.

We consider mental health to be central in ensuring the safety of our employees, especially our crewmembers. We focus on training our senior officers to ensure that they can efficiently identify fellow seamen who are showing signs of mental stress and be able to intervene accordingly. We encourage immediate and 24/7 communication between the vessels and the office for any reason deemed necessary by our crews.

Through collaboration with other industry partners, such as Shell's Partner in Safety program, we hope to keep our

people safe and protected. We have also invested in a confidential mental health support line for staff in order to have access to mental health expert support whenever they need it.

The wellbeing of our people is of primary importance. Work-life balance of all personnel is promoted both on-shore and on-board. Our vessels have high standard living quarters, recreation facilities, gyms and optimally designed and well-maintained working areas considering all human factors aspects. We invest in top quality provisions & PPE as well as high-speed internet access, so that our crews keep in touch with their families and loved ones. We also strive to maintain the best possible balance between service time and home leave. We consider each of these efforts to be pivotal in our strive to achieve a zero-incident environment.

# Employee Health & Safety

We are committed to preserving and promoting the safety of all our seafarers and have therefore upgraded our occupational health management system to ISO 45001 standard. Our approach in establishing, reviewing, maintaining and expanding our safety management system embraces the following principles:

Comply with all safety-related laws and regulations.

Methodically identify and assess risks to seafarers and communicate them effectively.

Perform annual audits of the Safety Management System to assess its continued effectiveness and plan concrete actions to improve it.

Train supervisors, managers, and office personnel to conduct and participate in audits, self-assessments, and work-related incident investigations.

Invest in technology to promote safe navigation and vessel structural robustness.

In 2020, we experienced no serious accidents, and more generally, injury-related incidents were reduced.

We also reduced the number of deficiencies (safety-related and otherwise) issued by Port State Control (PSC) by nearly 34%.

Overall, despite an increase of approximately 125% in the number of third-party (or external) audits performed, the number of non-conformities identified during such audits were reduced from 0.083 per audit to 0.037.

Our internal auditors reflected similar results. Internal audits—focusing on ISM, ISO, ISPS, and MLC—increased by nearly 50% in 2020 while deficiencies issued decreased by approximately 23.5%.

## Zero-Incident Policy

It is our firm belief that all incidents, accidents, injuries, or job-related illnesses are preventable. We have therefore adopted a 'Zero Incident' policy comprised of:

Global responsibility of all employees to monitor their work environment, identify unsafe practices and risky behaviors, and correct them appropriately.

An embedded safety mentality based on common understanding, open communication, and close collaboration facilitated by cross-cultural communication.

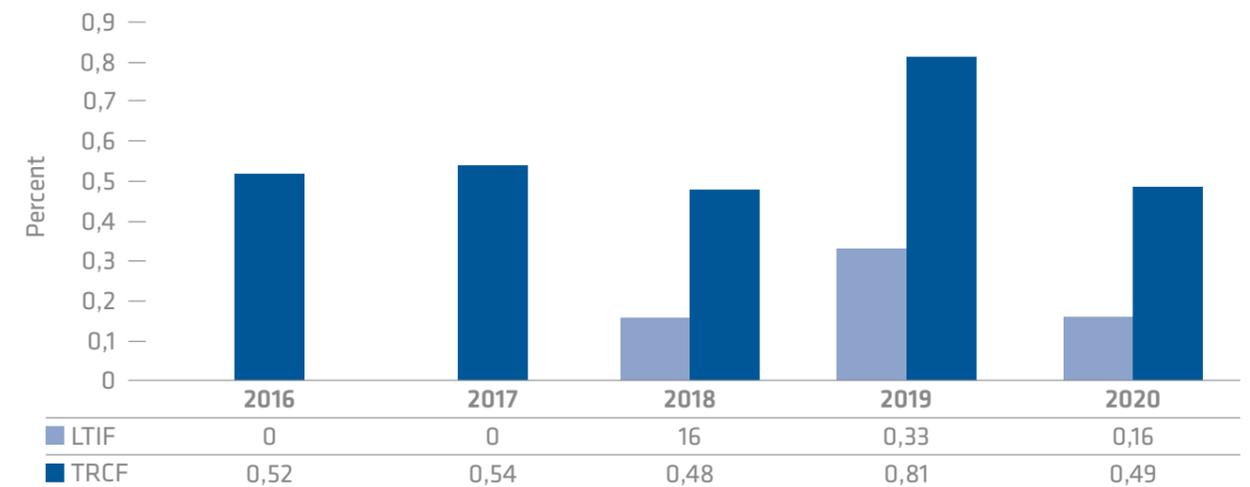
Personal responsibility for individual actions and mutual responsibility for team actions.

# Employee Health & Safety

In 2020, total number of crew hours worked increased by approximately 0.70% (or 9,000 hours) as compared to 2019. Nevertheless, LTIF (Lost Time Incident Frequency)

improved to 0.16 as compared to 0.33 in 2019 and TRCF (Total Recordable Case Frequency) improved to 0.49 as compared to 0.81 in 2019.

## LTIF/TRCF History



# Employee competency & Assessment

NAVIOS<sup>1</sup> has initiated an enhanced Officer/Crew assessment process to improve officer/crew performance in line with IMO/OCIMF Standards for Behavioral Competency Assessment and Verification. The main objective of the assessment system is to form a representative picture of competence for its seafarers, focusing on the behavioral aspects of performance.

1: N Shipmanagement Acquisition Corp ("NAVIOS") owns all entities providing ship management services to Navios Holdings vessels (including technical maintenance, manning, operational performance, health, safety and environmental performance) and employs all associated people for all fleets. All shore employees, therefore, consist one pool and references are made to this collective pool.

Company superintendents undergo third-party Crew Assessment training, making them stakeholders in monitoring and improving overall crew performance.

The Crew Assessment Tool breaks behavioral competencies down into elements, each of which is accompanied by a description of specific behaviors that act as indicators of competence. A dedicated assessment form and handbook help superintendents objectively quantify behaviors and competencies relating to teamwork, communication, situational awareness, decision-making, leadership, management, and result focus.

# Diversity & Inclusion

We promote diversity and equal opportunities in the workplace. We strive to offer all our people a workplace in which they are treated fairly and are able to perform to the best of their abilities.

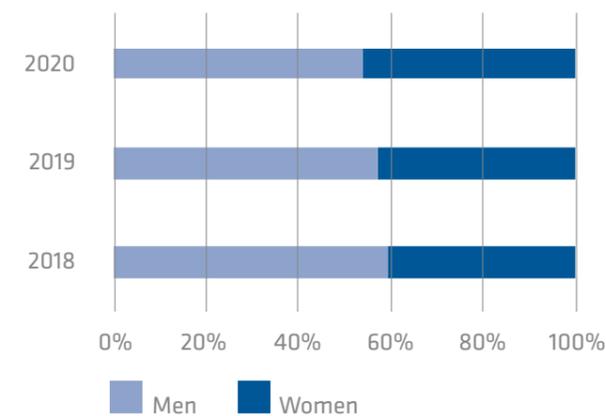
Our shore team comes from a diverse educational and professional background and we are proud that we actively contribute in changing a traditionally male-dominated industry. We are among the top shipping companies that invest in gender diversity in our shore and seagoing personnel, while we also make efforts to provide a working environment at sea which encourages a more diverse set of officers and crew.

We do not tolerate any act of discrimination against any of our people or collaborating partners. We are determined

to protect our people against any maltreatment, and we strive to keep them informed about their rights.

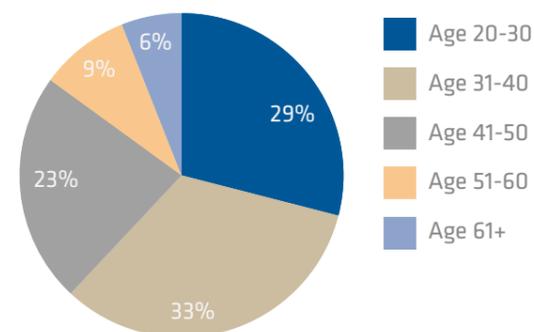
For Navios Holdings, commitment to gender equality is a strong pillar of our culture. We believe that gender equality is the stepping stone on which a sustainable future may be built on. It is for this reason that our company gives special attention on recruiting and retaining female employees and managers, because we recognize the value that they can bring to the work environment. We have established and implemented policies and strategies to increase the number of women at senior levels. The proportion of females in our workplace increased by 4% in 2020. Overall, women make up 45.87% of our workforce and 30.77% of our Management and Board/ Executives<sup>1</sup>

## NAVIOS SHORE STAFF



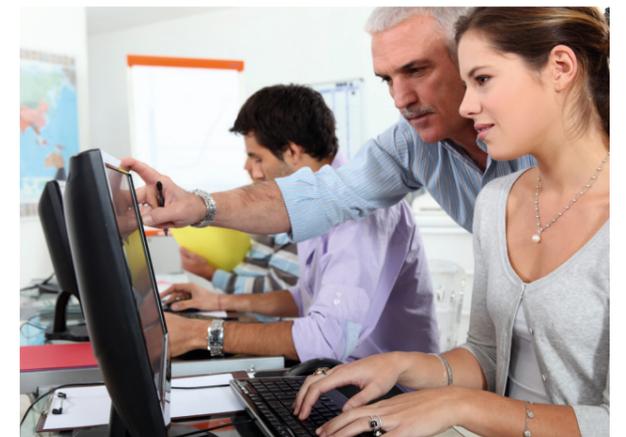
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## NAVIOS SHORE PERSONNEL AGE DISTRIBUTION



# Talent Attraction & Employee Development

We believe and invest in the recruitment, retention, and growth of qualified employees and crews. We have an increased the size of the pool of seafarers with whom we work to 900. Our seafarers come from eleven countries, and their average age is 41.5 years old. Our retention rate is very high among our crews at 99.75%. We attribute this impressive retention rate, in part, to the opportunities our crew have to grow within the company. Although impacted by the pandemic (reduced by ten percent), we made 169 crew promotions within 2020. We received no MLC complaints within the year and employed no temporary third-party at-sea employees.



1

We offer competitive employee benefits, support programmes for young professionals, and measures to reconcile career and family life.

2

In 2020, €181.000 was dedicated to the Employee Health Plan (up 14.5% from 2019). It is for these reasons, we believe, that our retention rates are extremely high (above 97% on average).

3

Each year, shore-based personnel have a structured discussion with their supervisors on performance, development goals, and suitable opportunities for further education. These dialogues show that there is a particularly high demand in terms of professional development for subject-specific topics, languages, and soft skills.

4

Through our long-term collaboration and engagement with academic institutions, we have offered internship opportunities to students, providing them with valuable experience and tools for their future, many of which have resulted in permanent hires.

5

Throughout the years, we have increased our intern intakes and maintained a steady post-internship hiring rate. Our plan is to offer an international development programme tailored to management staff working on land. Earmarked to begin within 2021 and to last three years, it will focus on a different core area every year: Self-reflection and resulting skill sets; leadership skills; and entrepreneurial strategy and actions.

6

We also started implementing an onboard expertise management system. Management personnel discuss with more junior crew their individual development goals, and suitable training measures are agreed on.

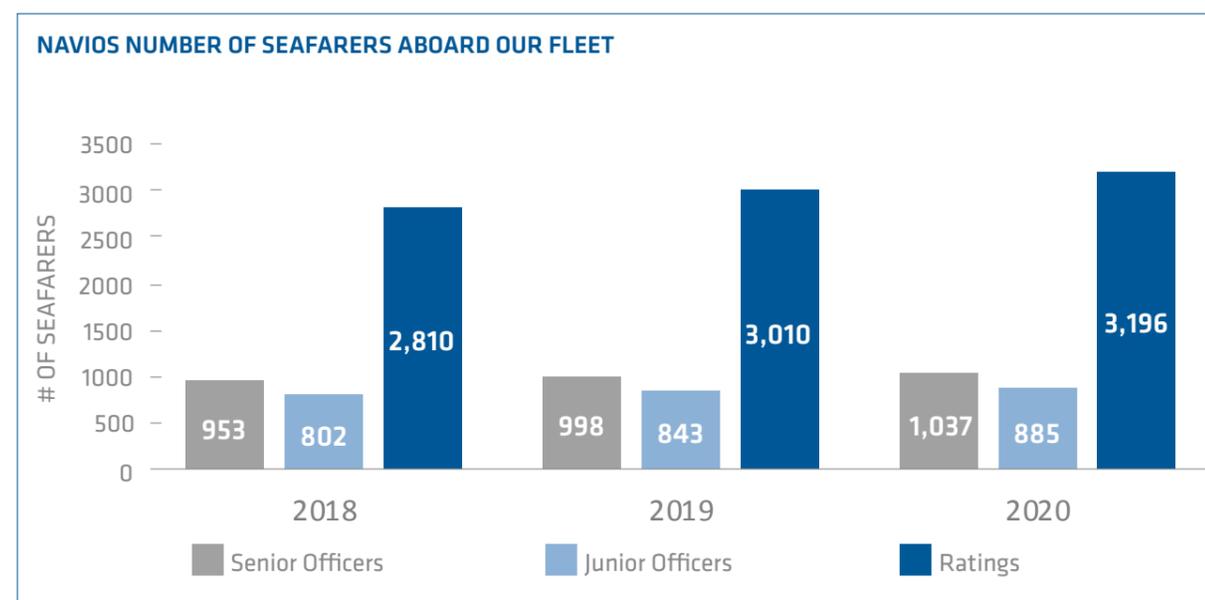
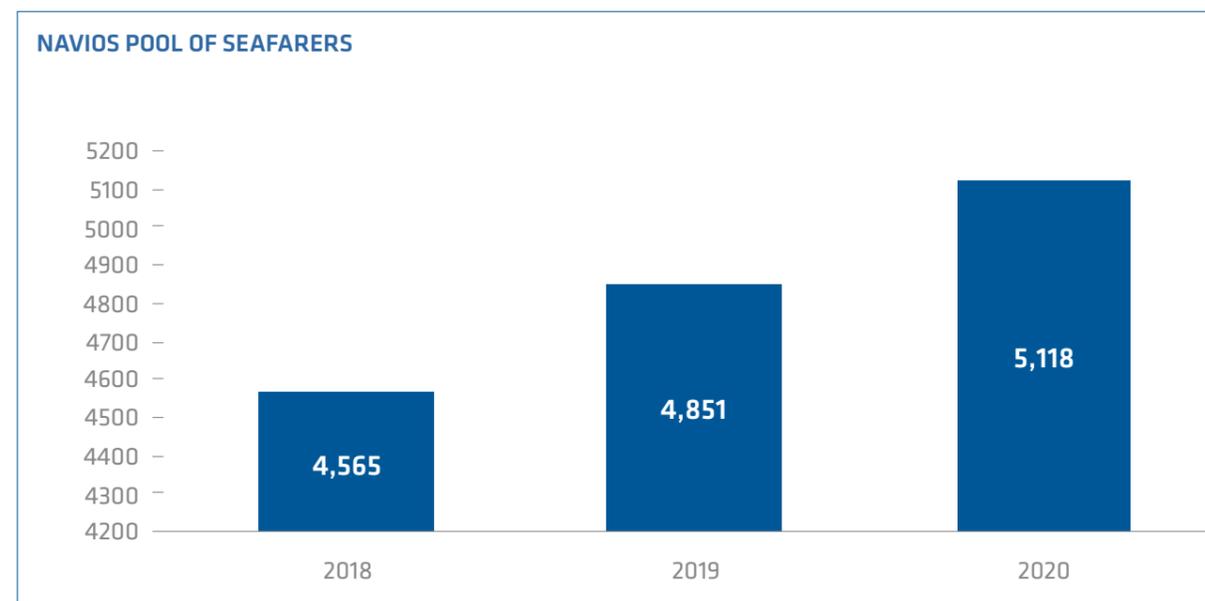
7

A total of 111 trainings were conducted in 2020, of which 90 in-house were completed in 2020. 41,400 hours were dedicated to non-STCW statutory training in 2020. While this is a significant reduction from pre-pandemic levels, we anticipate restoring and augmenting trainings once conditions allow.

# Investing in our people

The Human Resources departments for shore-based and marine personnel work together closely. We want our shore-based and marine personnel to foster good relationships with one another, and we promote this with a shared starter week for apprentices.

Select Senior officers were invited to work from the office for several months to not only expose the Senior Officers to the shore-based aspects of the shipping industry, but also to give shore-based personnel a clear view of the perspectives of those who sail our managed vessels.



# Community Citizenship

Navios Holdings is committed to giving back to our communities. We make charitable donations where we believe we can make a tangible improvement to sections of society with which we engage. This is a dynamic area, and we are constantly assessing the efficacy and focus of our charitable efforts.<sup>2</sup> Overall, the company has contributed over €630.000 to philanthropic non-profits, and our employees have dedicated over 1,450 volunteer hours to various initiatives.

These are some of the ways we are giving back:

## Promoting Healthy Communities

Currently, we are supporting the in-vitro and clinical research of scientific institutions combatting neurodegenerative diseases. We also support the humanitarian efforts of local churches, which during the COVID-19 pandemic, distributed food, hygienic supplies, and PPE. Our employees demonstrated personal commitment by packing and distributing the food. Ms. Frangou, the Navios Holdings CEO, co-funded a new, state-of-the-art ICU wing located at the General State Hospital of Nikea, in the southwest part of the greater Athens area near the port city of Piraeus.

## Promoting Clean Communities

Navios Holdings contributes to The Ocean Cleanup, a non-profit organization aiming to develop technologies to rid the world's oceans of harmful plastic. The mission began in 2018 with the development of the clean-up system for the Great Pacific Garbage Patch, and it has since expanded, aiming to help save our oceans and their rich biodiversity.

<sup>2</sup> As a policy, we do not contribute to political parties, and we have zero tolerance for any of our employees, officials, managers, or third-party partners making any improper payment or promise to pay anything of value in order to unduly influence any foreign official in any jurisdiction.

## Promoting Educated Communities

Navios Holdings finances two research scholarships awarded by the Greek universities. The scholarships allow recipients to explore the topics of digitalization, sustainability, and value creation in the shipping industry.

## Promoting the Future of Our Communities

Navios Holdings is a proud contributor to SOS Children's Villages. Since 1949, SOS Children's Villages has been striving to meet the needs and protect the interests and rights of children. The organization's work focuses on abandoned, destitute, and orphaned children requiring family-based childcare.



# Corporate Governance

## Material Issues

### Business Ethics

### Privacy & Data Security

### Regulatory Compliance



Corporate success is based on our stakeholders' trust, and we reinforce this trust through responsible corporate governance, adoption of best practices, and strict adherence to all applicable laws, standards, and requirements.

Throughout its history, Navios Holdings has built a reputation for innovation in dry bulk cargo transportation. Today, Navios continues to innovate in maritime finance, mergers & acquisitions, and risk management.

Navios Holdings has a reputation for innovation in the transportation and logistics of dry bulk cargo movements.

This is based on a history of successfully pioneering new and challenging trades throughout the world.

Today, Navios Holdings continues to innovate in all areas of its business. Sophisticated management expertise in freight, currency and fuel derivatives, mergers & acquisitions, structured and corporate finance, hedging and risk management, and physical and intangible asset management all contribute to Navios Holdings preeminent position as a global maritime enterprise.

# Business Ethics

Our Code of Corporate Conduct & Ethics and top-tier corporate policies are our professional moral beacons. The Code of Corporate Conduct & Ethics has been formally adopted by the Board of Directors and applies to all employees—shore staff and seagoing personnel—setting out the minimum requirements expected of them.

The Code, among other things, requires compliance with all laws applicable to the company or its business; advises avoidance of conflicts of interest; prohibits acceptance of improper payments, as well payments or gifts to government officials; promotes fair dealing; forbids insider trading; advises on retention of certain documents, as

required; and perhaps most importantly, rules out any retaliation, reprisal, or adverse action to be taken against any employee for reporting a suspected violation, issue, or concern arising under the Code.

The is bolstered, supported, and expanded by top-tier corporate policies, including the Economic Sanctions Compliance Policy; the Anti-Bribery & Anti-Corruption Policy; the Employee Internet Use Monitoring & Filtering Policy; the Information Technology Security and Password Policies, as well as the accompanying Code of Conduct; the Insider Trading Policy; and the Employee Confidentiality, Non-Compete & Non-Solicitation Agreement.

## Privacy & Data Security

The protection of personal and company data is a high priority. We safeguard sensitive data by implementing best practices in line with BIMCO recommendations and by utilizing high-quality operating systems. The cybersecurity stakes were raised in 2020, when the pandemic forced much of the work that was occurring in person onto cloud-based platforms.

Our Information Technology Department was charged with upgrading our data protection and cybersecurity protocols.

As a Europe-headquartered company, we are fully compliant with the E.U. General Data Protection Regulation (GDPR).



# Regulatory Compliance

NAVIOS conforms to the highest standards of ethical conduct. All employees, at all corporate levels, comply fully with all applicable laws and regulations, including, among others, the OECD Convention, the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, all U.S. Securities and Exchange Commission (SEC) requirements, and applicable tax laws of the countries in which we have a relevant business presence.

## Anti-Bribery & Anti-Facilitation Payment Compliance

All acts of bribery or corruption in any jurisdiction are strictly prohibited. The company has adopted a zero-tolerance policy against any actual or attempted act of bribery or corruption in any jurisdiction by any level employee.

NAVIOS has implemented detailed internal accounting and recordkeeping procedures that are capable of detecting and preventing improper payments, to ensure continued compliance. The procedures require that all significant expenditures come with reasonable assurances that (i) payments and transactions are executed appropriate authorization; (ii) are accompanied by adequate detail and information; and (iii) are accurately recorded in conformity with U.S. or other applicable GAAP. These expenditures are regularly audited by internal and external auditors.

## Sanctions Compliance & Counterparty Accountability

NAVIOS is committed to compliance with certain national and supranational legal regimes that govern economic sanctions against certain countries, entities, groups, individuals, and designated vessels. In this respect, we are guided by and fully compliant with U.S., EU, and UN sanctions regimes. What's more, we ensure that our commercial partners—including contractors, vendors, and customers—observe similar compliance standards. Accordingly, we have adopted thorough and granular due diligence measures designed to prevent not only intentional, but also unintentional, sanctions violations. A custom risk-assessment matrix was prepared for the purpose of monitoring and screening all our at-risk operations, including supply sourcing, port operations, third-party business transactions, and vessel sales and purchases.

We also devote significant resources to ensuring that the cargoes loaded onboard our vessels are sanctions-compliant. Our vessels do not trade in sanctioned regions; our charterparties contain air-tight sanctions compliance clauses; and, out of an abundance of caution, we check and verify relevant counterparties against sanctions databases, track AIS transmission data, screen cargo origins and destinations, and employ vessel tracking software to verify past trading.

# Regulatory Compliance

## Compliance Training

All the corporate codes, policies, and procedures in the world will do nothing to ensure a safe or compliant work environment if all stakeholders are not aware of what is expected of them and are not impressed with the core tenets and values of the company. It is for this reason that Navios Holdings' policies are living, breathing documents—reviewed continually, amended as needed, and imparted on stakeholders regularly and effectively.

Each policy is given to all new employees in hardcopy format and reviewed one-on-one with a Human Resources (HR) representative along with a Human Resources Manual. Office-wide and department-specific refresher trainings in the appropriate policies are offered several times throughout the year as both a means of reminding staff of their importance and an opportunity to raise questions and concerns.

For crew, NAVIOS closely engages with local agents in the jurisdictions from which crew members are sourced in order to impart similar policy training as that received by shore staff. NAVIOS staff audit these local agents and trainings at least annually. To ensure that the trainings are not conducted once and forgotten, NAVIOS also hosts fleet-wide crew forums for officers and ratings at least twice a year in the countries from which we draw the majority of our seafarers. The pandemic has forced us to move temporarily to virtual forums, but the topics of discussion remain the same. Each forum reviews topical and timely issues facing seafarers, but office representatives also impart on the attendees at each forum the company's tenets of compliance:

The company expects full compliance with all applicable laws, rules, and regulations at all times; any suspected or possible violation of any applicable law, rule, regulation or company policy must be timely reported to the shoreside office; and the company has established several different means for crew members to raise their concerns anonymously and without fear of reprisal.

## Whistleblowing Policy

Open reporting, free from any concern that the company will take any adverse action for a report or inquiry submitted timely and in good faith, is embedded in our governance scheme. For all employees, it is set forth in the Code of Corporate Conduct & Ethics, and for shipboard personnel, it is set out in a standalone policy prominently placed in common areas onboard each vessel and reinforced at fleet-wide crew forums held around the world at regular intervals.

The respective policies provide instructions and means for reporting concerns, anonymously or otherwise, to appropriate personnel, a dedicated email address, or, for crew, an open reporting hotline. All means of reporting are constantly monitored, and all reports received are fully investigated, with outcomes of such investigations shared with the reporting individual, as appropriate.

# Our Committees, Directors and Management

	Audit Committee	Compensation Committee	Nominating and Governance Committee
<b>Efstathios Loizos</b>	<b>Chair</b> Audit Committee	<b>Chair</b> Compensation Committee	
<b>Spyridon Magoulas</b>	Audit Committee	Compensation Committee	Nominating and Governance Committee
<b>George Malanga</b>	Audit Committee		Nominating and Governance Committee
<b>John Stratakis</b>		Compensation Committee	<b>Chair</b> Nominating and Governance Committee

## Audit Committee

The Audit Committee is responsible for (i) reviewing the Company's controls over financial reporting, (ii) making recommendations to the BoD on the engagement of the Company's auditors, (iii) reviewing all related party transactions for potential conflicts of interest.

## Compensation Committee

The Compensation Committee is mainly responsible for recommending to the BoD, the Company's senior executive officers' compensation and benefits.

## Nominating & Governance Committee

The Committee is responsible for (i) recommending to the Board of Directors nominees for Director or Committees of the BoD, (ii) advising the BoD about corporate governance best practices.

## BOARD OF DIRECTORS

for the year ended 2020

### Angeliki Frangou

Chairman of the Board and Chief Executive Officer

### Efstathios Loizos

Director

### Spyridon Magoulas

Director

### George Malanga

Director

### Vasiliki Papaefthymiou

Director

### Michael Pearson

Director

### John Stratakis

Director

### Shunji Sasada

Director

## EXECUTIVE OFFICERS

for the year ended 2020

### Angeliki Frangou

Chairman of the Board and Chief Executive Officer

### George Achniotis

Chief Financial Officer

### Ted C. Petrone

Vice Chairman – Navios Corporation

### Vasiliki Papaefthymiou

Executive Vice President, Legal and Director

### Anna Kalathakis

Chief Legal Risk Officer

### Shunji Sasada

President – Navios Corporation

### Jeremy Bryan

Chief Operating Officer – Navios Corporation

### Leonidas Korres

Senior Vice President, Business Development

### Efstathios Desypris

Chief Financial Controller

### Ioannis Karyotis

Senior Vice President, Strategic Planning

### Erifili Tsironi

Senior Vice President, Credit Management