

Matson®

2022 SUSTAINABILITY REPORT



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Message From Our Chairman and CEO



Aloha!

Over our 141-year history of serving the Pacific, Matson has adapted and responded to a variety of changes in our world. From Matson's early sailing ships, to the advent of passenger liners, to the conversion of these ships into troop transport vessels in World War II, and to our modern fleet, our company has evolved and grown through both prosperous and challenging times. Last year was no exception.

We started 2022 with very strong demand for all of our services as customers sought expedited delivery solutions. But as the months passed, the economic environment shifted and we began returning to a "new normal." Matson remained well-positioned for success because we stayed focused on our mission: *To move freight better than anyone.*

Doing it right

Our mission may sound simple, but staying true to this commitment takes diligence and hard work. Consistently delivering on time and handling cargo with care are critical to reinforcing the confidence our customers have in Matson as a reliable and resilient partner. We also recognize that earning the trust of our customers and other stakeholders extends beyond just what we do: how we operate and manage the risks and opportunities associated with our business are just as important.

We continue to focus on our environmental, social and governance (ESG) priorities. Among our top ESG priorities are reducing our impact on climate change; cultivating a diverse, equitable and inclusive workplace; providing our employees with opportunities for career growth and development; strengthening Board oversight of our ESG strategy; and maintaining a strong companywide governance structure.

ESG governance

Matson's full Board of Directors is actively engaged in overseeing our ESG strategy. This strategy includes our approach to climate change and climate adaptation planning; workforce management; diversity, equity and inclusion (DE&I); regulatory compliance; health and safety; information security; and community giving. In 2022, ESG topics were presented or discussed at every regularly scheduled Board meeting. Our Board has reviewed and approved Matson's ESG-related disclosures, including this 2022 Sustainability Report.

Consideration of ESG goals is part of Matson's decision-making and capital allocation planning. For example, in approving Matson's recent approximately \$1 billion investment to build three new Aloha Class vessels, it was important that these vessels advance our environmental objectives through state-of-the-art design such as fuel efficient hulls and dual-fuel engines that allow them to run on liquified natural gas (LNG). The fuel tanks in these vessels are also being designed to accommodate future carbon-neutral or renewable fuels. These new ships are expected to be delivered in 2026 and 2027.

Addressing climate change

To help address the urgent problem of climate change, we are making significant investments in green technology and LNG sourcing. The three new LNG-ready Aloha Class vessels, as well as the planned modifications to three existing Matson vessels over the next two years to enable use of LNG, are expected to move us significantly closer to achieving our near-term goal of a 40% reduction in emissions from our owned fleet. Along with preparing for the transition to LNG, we are also taking steps to improve the efficiency of our vessels and reduce fuel consumption.

We recognize that LNG is not the ultimate solution for achieving our long-term goal of net zero Scope 1 greenhouse gas (GHG) emissions for our owned fleet. To get there, we are working collaboratively with industry partners on potential fuel sources of the future. While no easy answers are readily available, we are working to make our transition to a zero-carbon future a reality.

Promoting diversity, equity and inclusion

Matson believes that an inclusive, diverse and equitable work environment is important not only to being a great place to work for everyone, but also contributes to the success of our business. As part of our overall business strategy, we actively promote diversity within our leadership ranks by offering development opportunities for employees of diverse backgrounds. In 2022, more than one-third of internal promotions and new hires into management roles were women and over half were minorities.

We are purposeful about cultivating an inclusive environment consistent with our culture of *aloha*. Annual trainings on DE&I topics have served to deepen our understanding and appreciation of each other and promote the value of inclusion. And our commitment to equal pay for equal work drives periodic assessments that advance equity in our compensation programs.

To help promote diversity in our industry, Matson is investing in scholarship programs and internships to encourage more women and minorities to pursue careers in the maritime and logistics sectors. In 2022, we awarded 20 scholarships to diverse, high-achieving students and we recruited five interns from diverse backgrounds.

Developing our workforce

Matson's workforce is characterized by uniquely skilled, long-tenured employees. To create career pathways for future leaders while planning for the loss of retiring employees, we take a proactive approach to succession and career planning. We focus on providing the next generation of promising talent with the tools they need to build their careers at Matson. In 2022, 44% of our open positions were filled through internal promotions. In addition, Matson provided approximately 3,500 hours

of employee training and professional development opportunities and offered a tuition reimbursement program.

Having a robust strategy for workforce development is essential in today's challenging labor market – and it is important to Matson's long-term success that we continue to attract, retain and engage employees and live up to our vision of being a great place to work for everyone.

Working sustainably

While we began the journey of sustainability reporting in late 2019, our tradition of sustainable business practices has been a part of our company's success for more than a century. Our external reports have formalized our efforts and helped focus our priorities, improving the way we measure progress while elevating our transparency and communications. I'm proud of the progress we've made in three and a half short years and am excited about the work ahead. As our journey continues, Matson will stay on course with the continuing oversight of our Board of Directors and the dedication of our employees.

We invite you to read Matson's 2022 Sustainability Report to get a clearer view of the progress we are making toward a more sustainable future. Feedback is important to us, so please let us know what we are doing well and how we can improve.

Sincerely,



Matt Cox

Chairman and Chief Executive Officer

July 18, 2023



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We also recognize that earning the trust of our customers and other stakeholders extends beyond just what we do: how we operate and manage the risks and opportunities associated with our business are just as important.

Matson's Business

Founded in 1882, Matson (NYSE: MATX) is a leading provider of ocean transportation and logistics services. Matson provides a vital lifeline of ocean freight transportation services to the domestic noncontiguous economies of Hawaii, Alaska and Guam, and to other island economies in Micronesia. Matson also operates premium, expedited services from China to Long Beach, California, provides service to Okinawa, Japan and various islands in the South Pacific, and operates an international export service from ports in Alaska to Asia. The company's fleet of owned and chartered vessels includes containerships, combination container and roll-on/roll-off ships and custom-designed barges.

Matson Logistics, established in 1987, extends the geographic reach of Matson's transportation network throughout North America and Asia. Its integrated, asset-light logistics services include rail intermodal, highway brokerage, warehousing, freight consolidation, supply chain management and freight forwarding to Alaska. Additional information about the company is available at www.matson.com.

*Estimated.

2022 FAST FACTS

\$4.3B

total revenue

\$1.1B

net income

\$209M*

invested in vessel and shoreside operations

20

Matson-owned vessels

6

chartered vessels

440,100

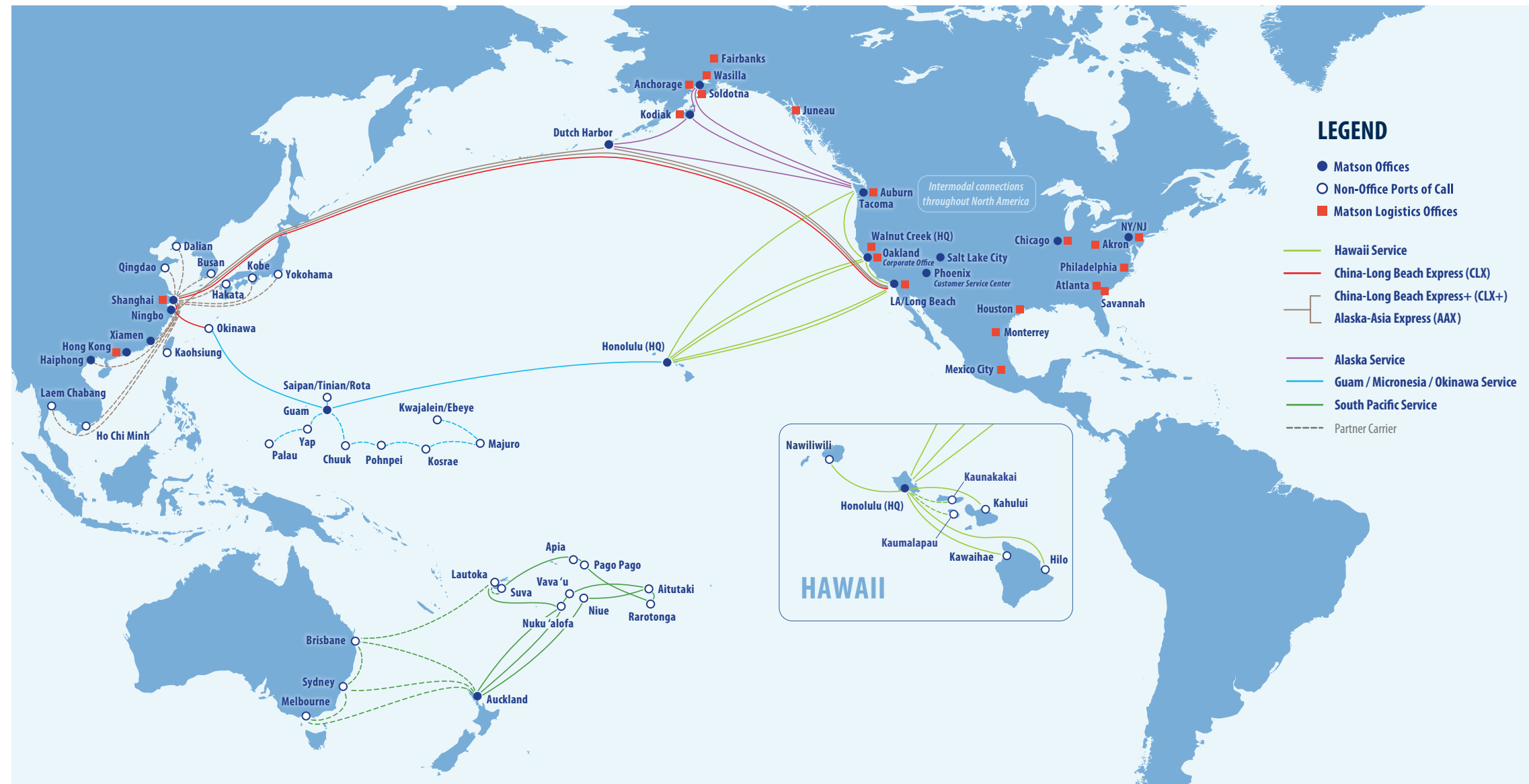
forty-foot equivalents of ocean transportation volume

1.6M

square feet of space in 4 warehouses

6

cross-dock facilities



LEGEND

- Matson Offices
- Non-Office Ports of Call
- Matson Logistics Offices
- Hawaii Service
- China-Long Beach Express (CLX)
- China-Long Beach Express+ (CLX+)
- Alaska-Asia Express (AAX)
- Alaska Service
- Guam / Micronesia / Okinawa Service
- South Pacific Service
- - - Partner Carrier



Matson's Mission, Vision and Values

Mission

To move freight better than anyone

Vision

To create value for our shareholders by:

- Being our customers' first choice,
- Being a great place to work,
- Improving the communities in which we work and live,
- Being an environmental leader in our industry, and
- Leveraging our core strengths to drive growth and increase profitability.

Values

The following principles guide Matson in serving shareholders, customers, employees and communities:



Integrity: We conduct all we do on behalf of Matson with respect, candor and honesty.



Accountability: We strive to fulfill commitments 100% of the time, and when we fall short, we acknowledge, recover and learn from our mistakes.



Teamwork: We leverage our resources and diverse talent to achieve superior results.



Achievement: We promote individual and organizational success.



Innovation: We value creativity, initiative and agility.



Safety: We make workplace safety our highest priority both on land and at sea.



Environment: We are a leader in environmental stewardship and consider the environment in all we do.



Community: We contribute positively to the communities in which we work and live.



Rich History: We have a long, proud history that we honor in all we do.



Matson's Role in Our Communities

Just over 141 years ago, Captain William Matson set sail from San Francisco to bring food and essential supplies to Hawaii for the first time, and we have continued to do so ever since. Over the years, our services have grown in parallel with the growth and development of Hawaii's economy. Today, we also provide similar service to Alaska, Guam and several island nations in the South Pacific. These are places that import most goods and don't have large warehouses or distribution centers like the continental U.S. Instead, they rely on frequent replenishment from Matson's smaller, faster vessels to keep store shelves stocked. We also help support these local economies by transporting what they do export – such as seafood from Alaska.

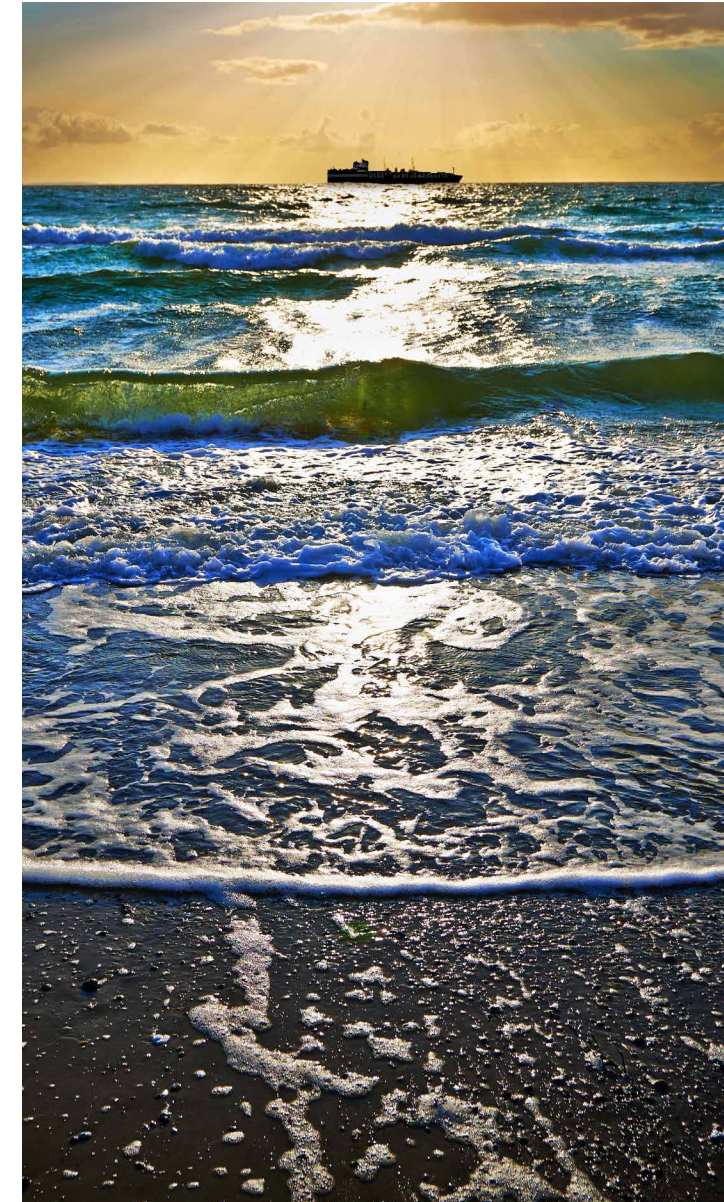
The communities and customers we serve – from small neighborhood grocery stores to local enterprises – count on the timely arrival of Matson's vessels, which are loaded with everything from milk and produce to building materials and vehicles. We serve as a vital lifeline to these remote places, contributing to their economic wellbeing and to the livelihoods of the local people.

This is why we strive to consistently deliver on time and to move freight better than anyone. One of the ways we track our performance is by using the industry standard of a 24-hour window for on-time arrivals. For the communities that are dependent on Matson for shipments of essential goods, our on-time arrivals in 2022 were between 96% to 99%.

MATSON'S 2022 ON-TIME ARRIVALS IN HAWAII, ALASKA AND GUAM

Tradelane	Percentage of on-time vessel arrivals (within 24 hours)
Hawaii	99%
Alaska	98%
Guam	96%

In these places, we also provide well-paying jobs: in 2022, we employed more than 1,350 local residents and paid them approximately \$196 million in total compensation. And we contributed significant monetary and in-kind support to help strengthen local [community safety nets](#) in the places we serve.



Moving ocean freight faster

Speed and reliability are Matson hallmarks. Matson operates the two fastest, most reliable ocean services from China to the U.S. West Coast — the world's largest ocean tradelane — carrying time-sensitive cargo such as garments, e-commerce-related goods, consumer electronics, footwear and other merchandise. We have an unmatched set of destination services through our partnership with SSA Terminals, LLC (SSAT), the best terminal operator on the West Coast. SSAT provides a dedicated terminal at the Port of Long Beach for our China-Long Beach Express (CLX) service, as well as the multi-user Pier A terminal nearby for our China-Long Beach Express Plus (CLX+) service. We offer first-in, first-off loading of customer cargo onto our owned chassis equipment, cargo availability within 24 hours of arrival at berth, and truck turn times that are significantly faster than the competition. These are among the many reasons customers often choose our expedited ocean shipping services as an alternative to air freight.

Materiality and Stakeholder Engagement

In 2020, we conducted our first materiality assessment to identify the ESG issues important to our business and our stakeholders — from our customers, employees and investors to the diverse local communities we serve. We researched topics that could pose significant risks to Matson’s business or present an opportunity to advance sustainability. We also reviewed stakeholders’ interest in these topics. After completing the assessment, we developed a strategic roadmap to guide our reporting journey going forward.

As described in our prior [Sustainability Reports](#), the initial assessment identified 16 ESG focus areas that fall under three main categories: Environmental Stewardship; People and Places; and Corporate Integrity. While these main categories remain, we have since consolidated our focus areas and elevated four as higher priorities: ESG governance; climate change; DE&I; and human capital management.

When we conducted the initial assessment, we gathered direct feedback from customers, research analysts, non-governmental organizations (NGOs) and insurance brokers. Since then, we have continued to engage with our stakeholders at least annually through regular business channels, such as meetings with investors, customer inquiries, discussions with regulators and participation in industry working groups. This ongoing input from stakeholders helps reinforce that we are on the right track and focused on the ESG issues that are most relevant to Matson and our stakeholders.

Matson’s approach to managing the ESG focus areas listed below is specific to each topic and its impacts. Our [ESG governance structure](#) helps us to monitor the effectiveness of actions taken to address these impacts; track progress against our goals; take stock of and incorporate lessons learned; and adjust our management approach as needed.

MATSON’S ESG FOCUS AREAS

CORPORATE INTEGRITY

- **ESG governance**
 - Ethics
 - Cyber and information security

ENVIRONMENTAL STEWARDSHIP

- **Climate change**
 - Air emissions
 - Ocean health
 - Spills
 - Vessel recycling

PEOPLE AND PLACES

- **Diversity, equity & inclusion**
- **Human capital management**
 - Employee health and safety
 - Resilient and safe operations
 - Community impact

Stakeholder engagement

Matson proactively engages with and values the views of our stakeholders. These points of contact help us understand stakeholder priorities and how they may be evolving and adjust our ESG strategy accordingly. We prioritize engagement with stakeholders who may be impacted by our business and operations, such as customers, employees, local communities and industry groups. We also engage regularly with our largest shareholders. The chart below outlines key stakeholder groups and the ways we engage.

During 2022, company leaders met or offered to meet with shareholders who collectively own more than 50% of Matson’s stock. These discussions focused on our business strategy and operations, sustainability, DE&I and human capital topics. We also solicited shareholder feedback on these and other relevant matters.

Through ongoing engagement with our customers, we have seen a growing interest in climate change and understanding the emissions generated from moving cargo. We continue to respond to customer inquiries and share how Matson can be a part of sustainable supply chains and help customers reach their GHG emissions reduction goals.

STAKEHOLDERS	MEANS OF ENGAGEMENT			
	Surveys	Events	Email & direct digital communication	Conversations & meetings
Employees	●	●	●	●
Unions			●	●
Customers	●	●	●	●
Suppliers			●	●
Local communities		●	●	●
Shareholders		●	●	●
Civil society / NGOs		●	●	●
Industry associations	●	●	●	●
Regulators / government			●	●

Matson's ESG Strategy

Matson's ESG strategy is intended to support our business goals and strategic direction. We actively work to define targets, roadmaps and goals that focus on Matson's ESG ambitions and our business as a whole. We continue to work with key internal and external stakeholders to define and revise focus areas and prioritize risks and opportunities that we believe have the potential for the greatest positive impact.

FOCUSING ON AREAS OF GREATEST IMPACT

STRATEGIC PRIORITIES	ASPIRATIONS	GOALS	2022 PROGRESS	BENEFITS TO BUSINESS STRATEGY
ESG governance	Maintain strong Board oversight of ESG and internal governance structure	<ul style="list-style-type: none"> Engage the Board regularly on ESG matters Leverage internal governance structure to drive ESG performance and provide accountability Cultivate relationships with stakeholders, including shareholders Uphold our commitment to transparency by working to improve the data and metrics we disclose 	<ul style="list-style-type: none"> ESG topics were presented or discussed at every regularly scheduled Board meeting Integrated climate risk into enterprise risk management program Engaged investors and facilitated direct conversations between investors and company leaders on ESG matters Expanded disclosures on ESG priority topics to align with updated GRI Standards and continued to improve our Scope 3 emissions data methodology 	Strong governance structures and Board engagement help build long-term shareholder value.
Climate change	Move toward net zero carbon future	<ul style="list-style-type: none"> Reduce Scope 1 GHG fleet emissions by 40% by 2030 using a 2016 baseline Achieve net zero Scope 1 GHG fleet emissions by 2050 	<ul style="list-style-type: none"> 12% decrease in Scope 1 fleet emissions since 2016 Announced ~\$130 million investment to enable <i>Daniel K. Inouye</i>, <i>Manukai</i> and <i>Kaimana Hila</i> to run on LNG Announced ~\$1 billion investment in three new LNG-ready Aloha Class vessels for our CLX service 	Significant investments in our fleet can better position the company for future growth while helping to reduce GHG emissions.
Diversity, equity & inclusion	Promote a diverse workforce and an equitable and inclusive culture	<ul style="list-style-type: none"> Increase diversity of leadership team Build on our culture of inclusion Invest in diverse talent of tomorrow Continue to advance gender and racial pay equity 	<ul style="list-style-type: none"> 41% of promotions and new hires into management roles were women and 57% were minorities Trained more than 1,100 employees in DE&I principles and concepts Established and awarded 20 scholarships to diverse, high-achieving students at higher education institutions and maritime academies Utilized results of pay equity analysis to inform promotions and new hires 	Talent acquisition strategy reflects corporate objective of employing a diverse and engaged workforce that reflects local communities.
Human capital management	Cultivate a skilled, engaged and motivated workforce	<ul style="list-style-type: none"> Create pathways for career development and advancement Provide opportunities to build management and leadership skills 	<ul style="list-style-type: none"> Filled 44% of open positions with internal promotions Supported 21 high-potential employees with additional leadership training 	Attracting, retaining, engaging and developing diverse talent is important for maintaining Matson's competitive edge and supports our vision of being a great place to work for all employees.



Corporate Integrity

Working to uphold high ethical standards

Our approach

ESG Governance

Context

In order to drive strong ESG performance, we believe companies need a robust ESG governance structure. The right ESG governance model involves every layer of the organization – from the Board of Directors to frontline employees – and helps a company integrate ESG considerations into its business strategy, set goals, track progress and incorporate learnings.

As set forth in our [Corporate Governance Guidelines](#), Matson’s Board is responsible for overseeing sustainability matters relevant to Matson’s business, including ESG initiatives. The Board’s role is to set the “tone at the top” and help create an environment of integrity and accountability. It sets expectations designed to cascade down through Matson’s internal ESG governance structure and focus the appropriate levels of our organization on managing important ESG matters. In addition, we’ve integrated relevant ESG considerations into how we identify and stay ahead of enterprise-level risks.

Our goals

Engage Board regularly on ESG matters

Leverage internal governance structure to drive ESG performance and provide accountability

Cultivate relationships with stakeholders, including shareholders

Uphold our commitment to transparency by working to improve the data and metrics we disclose

Our progress in 2022

ESG topics were presented or discussed at every regularly scheduled Board meeting

Integrated climate risk into enterprise risk management program

Engaged investors and facilitated direct conversations between investors and company leaders on ESG matters

Expanded disclosures on ESG priority topics to align with updated GRI Standards and continued to improve our Scope 3 emissions data methodology

Taking a companywide approach to strong ESG governance

Matson’s Board of Directors is responsible for overseeing our ESG strategy, including our approach to climate change and climate adaptation planning; human capital management; DE&I; regulatory compliance; health and safety; cyber and information security; and community giving.

The Board administers its oversight role in part through its committees:

- The **Audit Committee** oversees our Enterprise Risk Management (ERM) program, which includes climate and cyber and information security risks.
- The **Compensation Committee** assesses risks arising from our compensation and benefits programs.
- The **Nominating and Corporate Governance Committee** monitors governance-related risks.

ESG topics are regularly discussed at Board meetings and inform decision-making on the company’s objectives and capital allocation plans. For example, Board decisions approving construction of [three new Aloha Class vessels and the LNG installation projects](#) included consideration of how these investments would help Matson achieve our 2030 GHG emissions reduction goal.

The Board also has oversight of Matson’s risk management process, which includes our approach to identifying, assessing and mitigating significant ESG risks that may affect the company. Risk oversight always plays a role in major Board decisions and the evaluation of key risks is a core part of the Board’s decision-making process.

Matson’s ERM program follows the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and is designed to promote visibility to the Board and management of critical risks and mitigation strategies across short-, medium- and long-term timeframes. Risk mitigation efforts are then integrated into strategic plans and budgets. At least twice per year, management assesses and categorizes

key risks based on their potential impact and the likelihood of the risk occurring. Management regularly updates the entire Board at and between Board meetings on the ERM program and other risk-related matters. Evaluation of ESG risks has been integrated into the ERM program and is elevated to the Board, as appropriate.

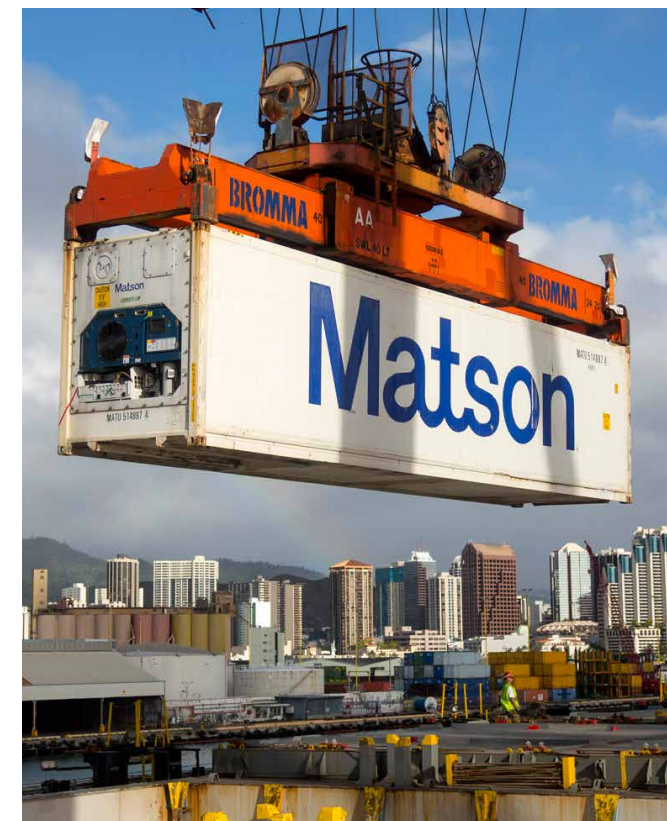
For more information on Matson’s Board governance and composition, please see our [2023 Proxy Statement](#).

43%
of directors are women

9 years
average Board member tenure

71%
of directors identify as racially or ethnically diverse

67 years
average age of Board members



How we govern cyber and information security

Matson’s Audit Committee is responsible for overseeing and reviewing cyber and information security risks, policies and programs. Senior leaders, including Matson’s Chief Information Officer (CIO), brief the full Board on our cybersecurity program at least annually, and the CIO meets with the Audit Committee at least twice per year.

Evaluating climate risks

Addressing climate change is a significant priority for Matson. In early 2022, we published our first report aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). In addition to detailing our climate strategy, governance and goals in the report, we also identified and evaluated potential climate risks that may impact our business. Building on this effort, we subsequently developed a climate-specific risk register similar to those used for other strategic risks. This register includes a qualitative analysis of both physical and transitional climate risks, and risk mitigation strategies across various timeframes, including the short-, medium- and long-term as defined in the report. Examples of our climate risks include the impact of increased vessel decarbonization regulations, accidental release or discharge of pollutants, and vessel casualties from storms. We also integrated climate risks into our ERM program, as appropriate.

For more information, please see [Matson's 2021 TCFD Report](#) and the [TCFD Index](#).



Our **Chairman and CEO** is responsible for the overall performance of the company and is supported by an **executive management team** – all of whom have specific responsibilities on key ESG topics. They provide regular updates to the Board on ESG matters.

Across the company, several working groups and cross-functional teams are accountable for managing initiatives and driving performance aimed at achieving our ESG goals. Some of these include the following:

- The **Safety, Quality and Environment/ISO/ISM Management Review Committee**, comprised of senior management and key business leaders, meets quarterly to discuss International Organization for Standardization (ISO) and International Safety Management (ISM) compliance with environmental and dangerous goods regulations; vessel, terminal and facility safety and security; community outreach programs in Hawaii and Alaska; and insurance claims. Annually, the committee reviews Matson's ISO and ISM performance for the past year and sets companywide goals for the current year.
- The **ESG Working Group**, led by the Vice President of Sustainability and Governance, guides Matson's ESG strategy, reporting and disclosures.
- The **Green Team** is tasked with identifying and helping to implement opportunities to reduce environmental impacts across operations.
- The **Corporate Compliance Committee**, comprised of business unit leaders, oversees and manages Matson's ethics and compliance programs, including the Code of Conduct; reviews results of whistleblower investigations and compliance audits; provides oversight of environmental and security regulatory compliance; oversees cybersecurity initiatives; and reports twice per year to the Audit Committee.

Employees across the company also play an important role in implementing and executing our ESG strategy. Employees' insights and leadership help us to meet goals, revitalize strategies, support data collection efforts and educate each other and our broader communities on ESG matters.

Ethics

Our commitment to operating with integrity starts with our ethics and compliance program. We set high standards of ethical conduct and provide guidance and training to employees so they know what is expected and how to speak up should they encounter inappropriate conduct. The Audit Committee oversees our ethics and compliance programs.

Matson’s Code of Conduct and other policies cover a range of topics, including how to prevent and address instances of corruption; conflicts of interest; fraud; money laundering; violations of antitrust law and anti-competitive practices; as well as guidance on appropriate gifts and travel. We require all employees – including directors, executive officers, contractors and business partners – to adhere to our Code.

Under our policies, we train employees¹ annually on the Code of Conduct, and periodically update the training according to best practices. We provide annual anti-harassment training and we offer specialized trainings on antitrust and anti-bribery topics for employees with relevant job responsibilities.

95%

of required employees¹ and contractors completed Code of Conduct training in 2022

100%

of required employees¹ completed annual workplace anti-harassment training in 2022

If any employee has an ethics concern, we expect them to proactively report it through our confidential, third-party reporting hotline. Under our policies and the Code of Conduct, we review and investigate all the reports made through the hotline. Anyone who makes a report, including through the hotline, is to be protected from retaliation.

In 2022, we updated Matson’s General Policies, which cover many important topics, including antitrust law; conflicts of interest; corruption; political and community contributions; cyber, information and physical security; and contracts and other legal matters. This was part of an ongoing effort to make Matson’s policies clear, concise and easily available to our employees.



¹ Includes international and some union employees.

Creating a safe and supportive vessel culture

Matson's existing, long-standing policies clearly prohibit sexual assault and sexual harassment. In 2021-2022, we reviewed our policies and took steps to increase accountability and preventative measures throughout our organization. These actions included the following:

- Increased crew communication and training, including reminding crewmembers of Matson's zero tolerance harassment policies
- Established direct, 24/7 shoreside communication for crewmembers at sea to report any improper conduct without needing to request special access to communication channels
- Updated company policies to make clearer that any failure to report a violation of Matson's sexual assault, sexual harassment or other harassment policies, or any failure of a supervising person to take timely action when they receive such a report, is subject to discipline up to and including termination
- Updated company policies to make clearer that Matson will immediately report any sexual assault cases or other crimes to law enforcement
- Prohibited alcohol on board vessels
- Updated related procedures in the company's Safety Management System



Beyond our own policies, we also provided input to industry groups and regulators as they were developing new standards on sexual assault and harassment to help support the effectiveness of new regulation, including the “Every Mariner Builds a Respectful Culture” (EMBARC) Standards. EMBARC is now required for all U.S.-flagged vessels participating in Sea Year — a U.S. Merchant Marine Academy program that places cadets on U.S.-flagged vessels for

experiential learning — and goes beyond previous U.S. Coast Guard requirements. The standards are aimed at strengthening a culture of inclusion and support, including the adoption of a zero-tolerance policy for sexual assault and harassment; reducing barriers to reporting; and improving the process for prompt investigations and responding to incidences. As part of implementing EMBARC, we trained approximately 400 Matson crewmembers on the

standards and created and filled a new full-time position with the sole responsibility of managing and overseeing EMBARC and associated programs at Matson.

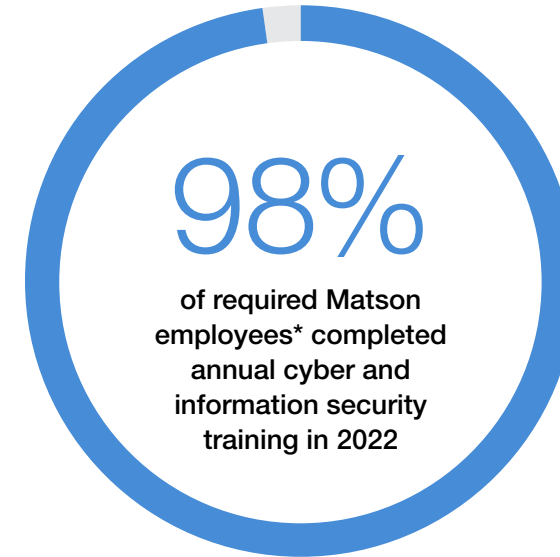
As of January 2023, all vessels in our U.S.-flagged commercial fleet and U.S. Maritime Administration Ready Reserve Fleet were certified compliant with EMBARC.

Cyber and Information Security

Data is an important part of our business – from vessel routing software to logistics brokerage systems. These systems make our business efficient, but they also come with certain risks to vessel and terminal operations. Protecting this proprietary and confidential information and our stakeholders’ trust is paramount. Matson IT, Internal Audit and Risk Management teams help to identify and assess cyber and information security threats and vulnerabilities, and establish the right business systems, preventive controls and risk mitigation strategies.

The main objectives of our approach to security are to protect confidential information while maintaining data integrity and availability; support legal and regulatory

compliance; and prevent disruptions to business operations. We regularly enhance our systems to guard against security breaches and unauthorized access; develop policies for the appropriate handling and protection of sensitive information; and keep incident response and remediation plans in place should an event occur. As part of our approach, we conduct due diligence on our technology vendors, a process we strengthened in 2022. We have designed clear rules regarding the required consent from an individual or entity to share private information. And we utilize annual third-party audits to help spot vulnerabilities and improve our ability to respond to unexpected events.



Training, education and awareness-building are mechanisms we use to embed a strong culture of cyber and information security within our workplace. Our long-term aim is to have a workforce with high-functioning knowledge of cybersecurity. We conduct trainings annually for employees and hold additional trainings for specific topics, such as data security, at least three times per year. For employees with responsibility for particularly sensitive information, we require enhanced training. We also have specific escalation processes for employees to raise a concern should they notice anything suspicious.

Matson did not experience any significant cyber or information security incidents in 2022.

*Includes international and some union employees.



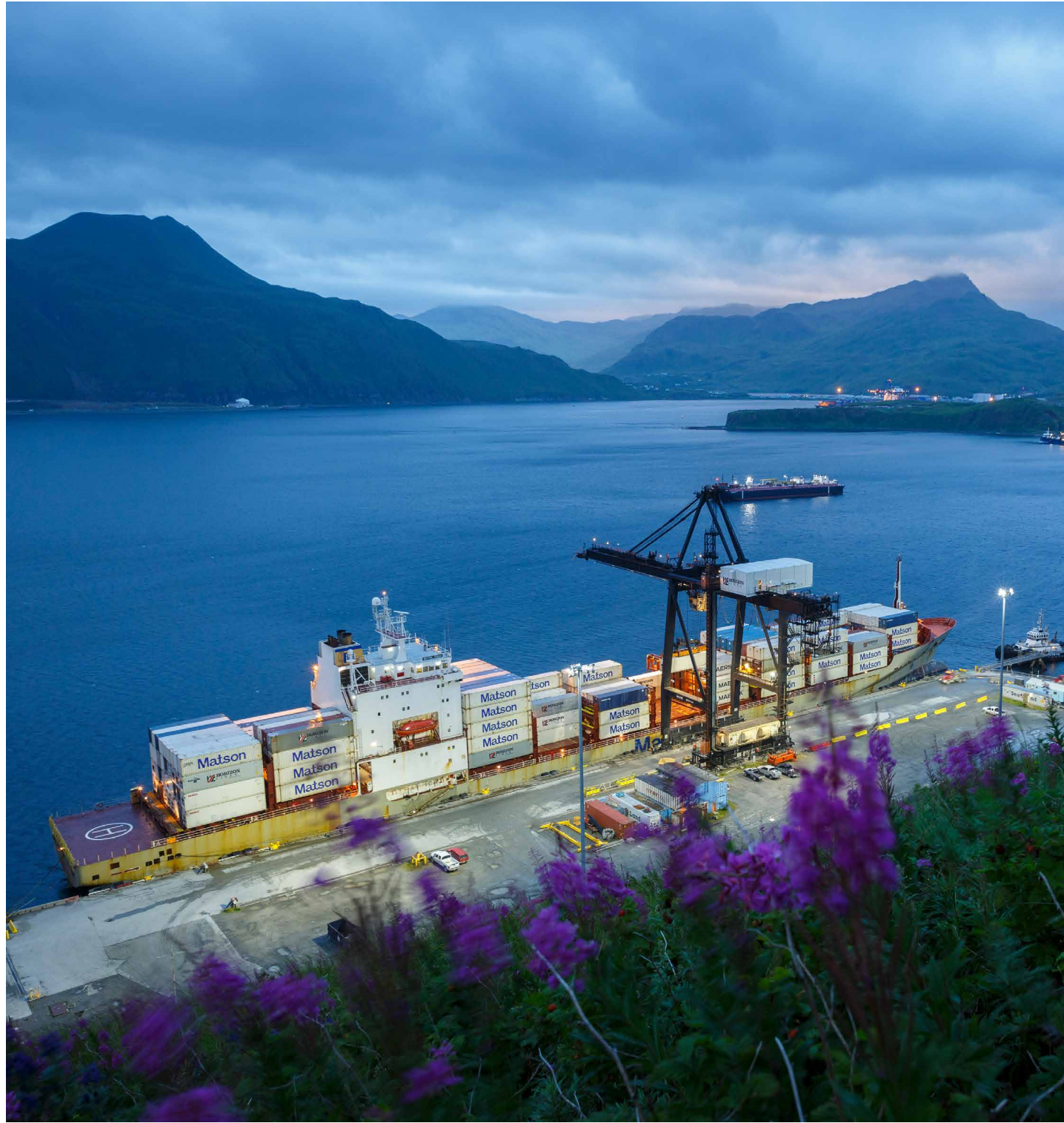
Matson’s vessel and office IT systems are secured in accordance with:

- ISO 27001
- NIST 800-53
- NIST 800-171
- DFARS 252.204-7012

Collaborating with industry on cyber and information security

In 2022, Matson joined the **National Security Administration (NSA)’s Cybersecurity Collaboration Center** and is now sharing threat intelligence with the NSA through our status as a Defense Industrial Base partner. In addition, we participate in the following organizations to better understand and advance best practices:

- **U.S. Cybersecurity and Infrastructure Security Agency’s Critical Partnership** is an information-sharing partnership between the public and private sectors that fosters integrated and collaborative engagement on cyber threats.
- **FBI InfraGard** is a partnership between the Federal Bureau of Investigation and the private sector dedicated to sharing information and intelligence.
- **U.S. Coast Guard Area Maritime Security Committees** provide forums for coordination of security-related issues – including cybersecurity – contingency planning and cooperation among stakeholders in U.S. ports.
- **Cyber-Hawaii** is an information-sharing and analysis nonprofit committed to developing and enhancing Hawaii’s cybersecurity capabilities.
- **Maritime Transportation System Information Sharing and Analysis Center (MTS-ISAC)** promotes and facilitates maritime cybersecurity information sharing, awareness, training and collaboration. Matson serves on its Board.



Environmental Stewardship

Reducing our climate impact and safeguarding our oceans

Our approach

Climate Change

Context

Record-breaking temperatures and an uptick in severe weather events around the world spotlight the threats posed by climate change. Stakeholders, including U.S. and international regulators, providers of capital, employees and customers, are increasingly interested in how companies are reducing their GHG emissions and mitigating their climate-related risks.

As a marine transportation company that relies on fossil fuels to power our vessels, we believe it is important to shift toward lower carbon fuel sources in the near term and to identify commercially viable net zero fuel sources in the future. Matson has developed an integrated business strategy designed to accomplish this.

Our strategy, developed by our executive leadership team and approved by our Board of Directors, is focused on an interim goal of achieving a 40% reduction in Scope 1 fleet emissions by 2030, measured against a 2016 baseline. Our longer term goal is to achieve net zero Scope 1 fleet emissions by 2050. The roadmap over the next few years includes substantial investments in our existing fleet and in new vessels intended to reduce fuel and engine emissions while increasing vessel capacity and strengthening our operational capabilities. We are also working with other organizations to advance the development of new fuels and infrastructure, which will be necessary to achieve our goals while continuing to meet customer expectations for fast and reliable service. Additionally, we [continue to monitor how climate change](#) may impact our business so we can seek to mitigate those risks, as appropriate.

Our goals

Achieve net zero Scope 1 GHG fleet emissions by 2050

Reduce Scope 1 GHG fleet emissions by 40% by 2030, using a 2016 baseline

Our progress in 2022

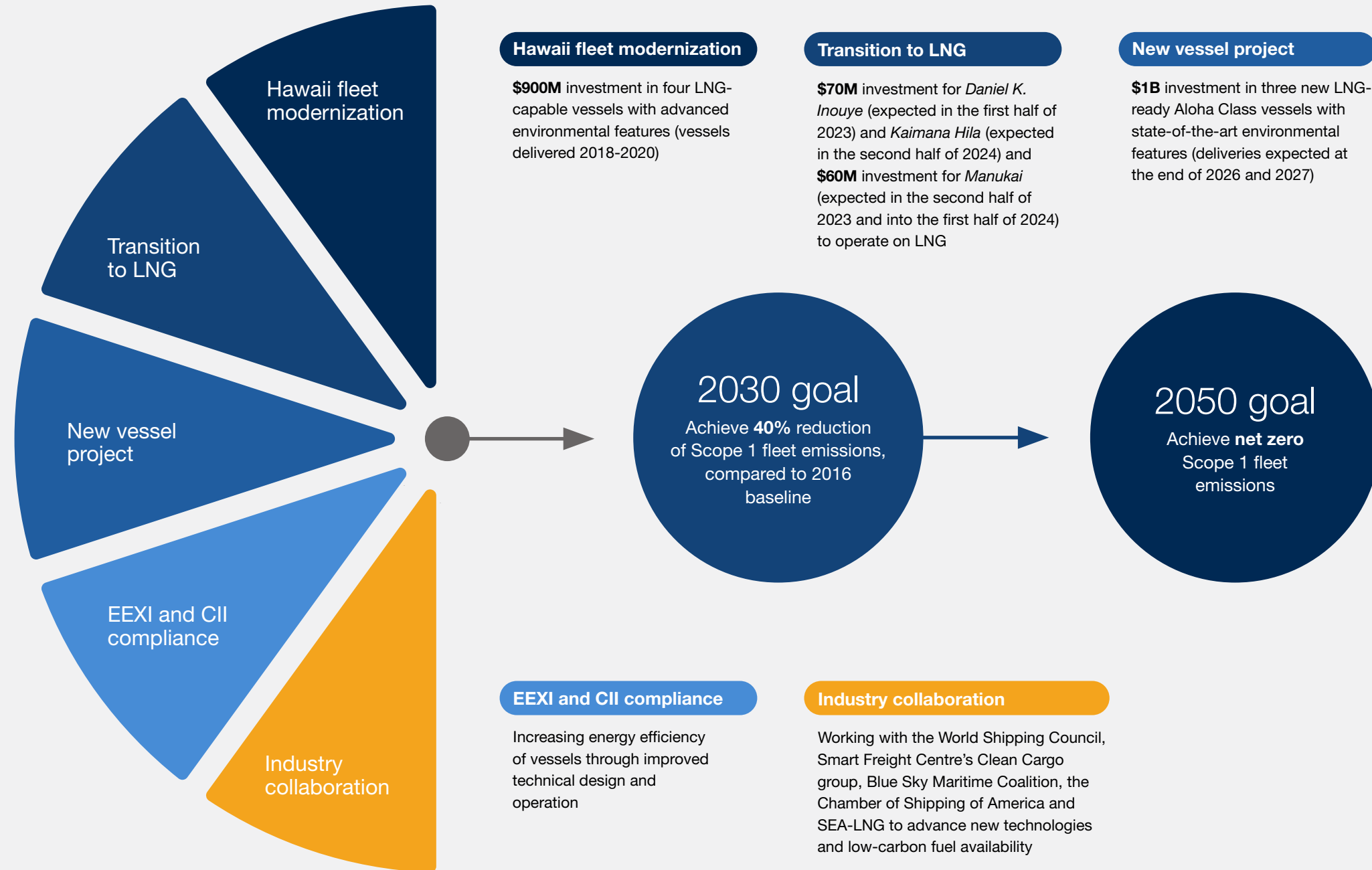
12% decrease in Scope 1 fleet emissions since 2016

Announced ~\$130 million investment to enable *Daniel K. Inouye, Manukai and Kaimana Hila* to run on LNG

Announced ~\$1 billion investment in three new LNG-ready Aloha Class vessels for our CLX service

Moving toward a low-carbon future

Our efforts to meet our 2030 and 2050 climate goals include investing in technology and efficiency upgrades, fleet modernization and new vessels. We are also collaborating with our industry to advance new solutions.



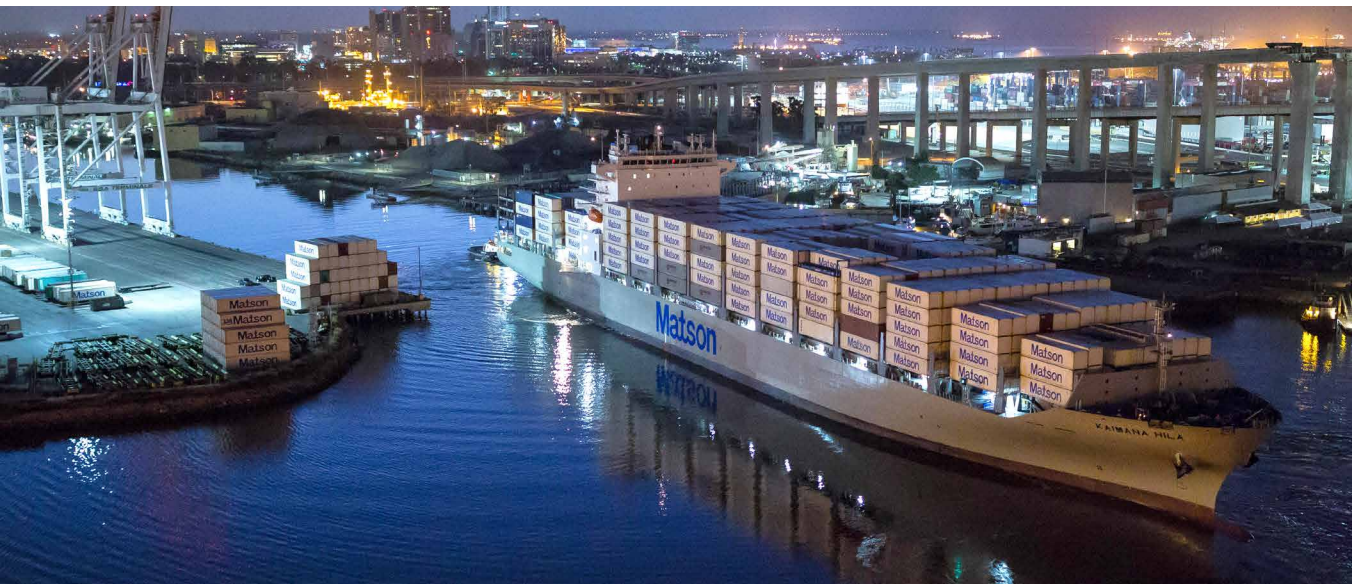
Dollar figures listed above are approximate.

Efforts to reduce Scope 1 emissions

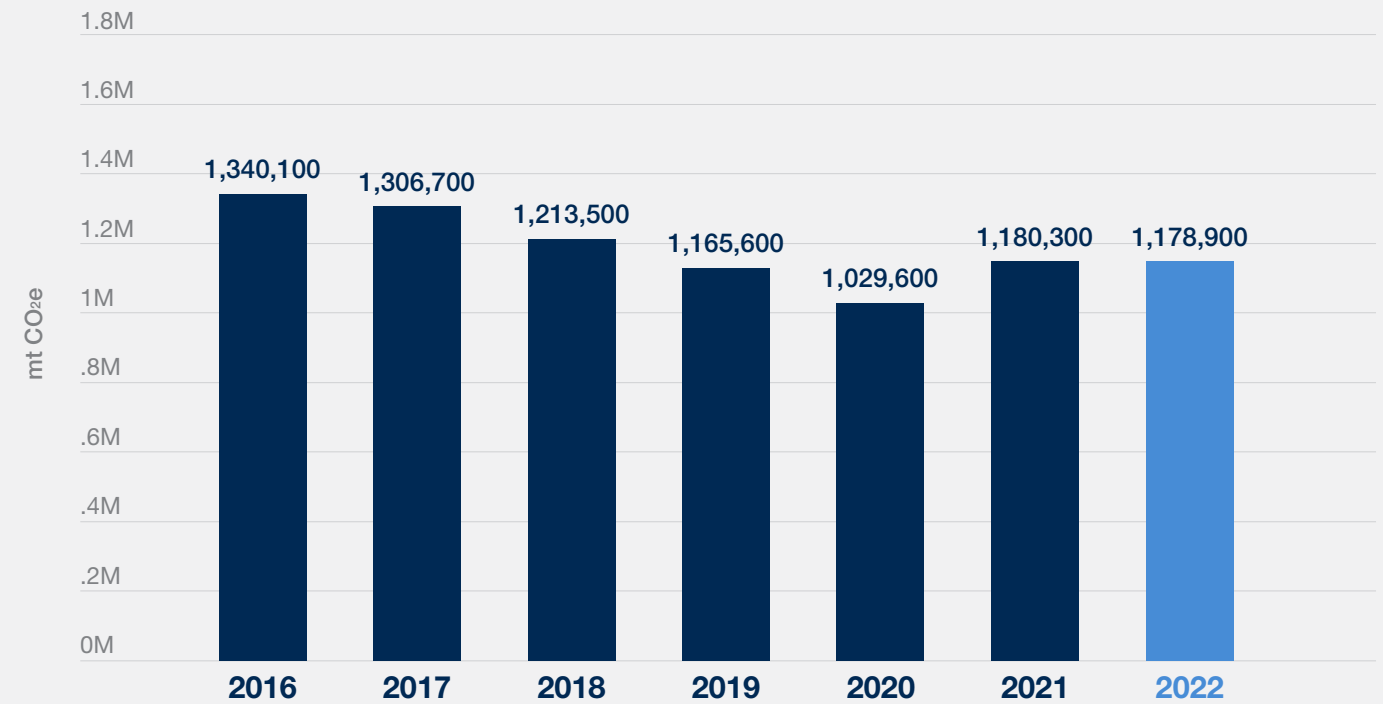
Matson is working to reduce our Scope 1 emissions. We invested in a Hawaii fleet modernization program with four new state-of-the-art Jones Act vessels. We also upgraded other vessels during regular dry dockings, including the application of new hull coatings and updating navigation and engineering systems to improve vessel efficiency. These investments have resulted in an approximately 12% reduction in emissions since 2016.

In 2022, Matson continued to improve the efficiency of fleet operations. Even though Matson had more operating days and miles sailed in 2022 than in previous years, Scope 1 GHG emissions were about the same when compared to 2021. Matson implemented enhanced tracking in 2023 to improve access to real-time data.

Over the next few years, we plan to continue transitioning our fleet to run on lower carbon fuels, starting with LNG, to further reduce our Scope 1 emissions. In preparation, we are investing in LNG installations on several vessels, investing in new LNG-ready vessels and working to secure a steady supply of LNG fuel.



SCOPE 1 GHG EMISSIONS FROM FLEET



All GHG emissions figures have been rounded to the nearest hundred.



Transitioning vessels to LNG

LNG is a cleaner fuel alternative that produces less nitrogen oxides (NO_x) and almost no sulfur oxides and emits approximately 24% less carbon dioxide (CO₂) on a per unit of energy basis than the conventional marine fuels available today. While not a net zero solution, we believe that LNG is a “bridge” fuel that will be instrumental to achieving our 2030 goal as the industry explores other fuel alternatives.

Over the next two years, Matson plans to invest approximately \$130 million in LNG installations on *Daniel K. Inouye* and *Kaimana Hila* and to re-engine *Manukai*. The use of LNG is expected to reduce GHG emissions from these vessels by approximately 24% compared to current emissions. Moreover, the tanks in these vessels are designed to accommodate future carbon-neutral or renewable fuels, increasing operational flexibility and reducing the potential for stranded assets as new fuels become available. In addition, Matson is training ship officers on LNG bunkering and gas engine operations.

When these vessels enter dry dock, Matson also plans to apply high-performance, environmentally approved anti-fouling and/or friction-reducing coatings to the hulls, which are designed to help decrease fuel consumption by reducing drag in the water. Beyond these investments, Matson continues to evaluate LNG installation projects on *Lurline* and *Matsonia* to further our sustainability and fuel efficiency goals.

Building new LNG-ready Aloha Class vessels

In 2022, Matson announced plans to invest approximately \$1 billion to construct three new LNG-ready Aloha Class vessels, which we expect will replace ships used in our CLX service. With anticipated delivery dates at the end of 2026 and in 2027, these new vessels are being designed with state-of-the-art environmental technology features and fuel-efficient hull designs. We expect that these new vessels will improve fleet efficiency and lower our Scope 1 emissions.

Efficiency measures in new Aloha Class vessel design

Tier 3 engines

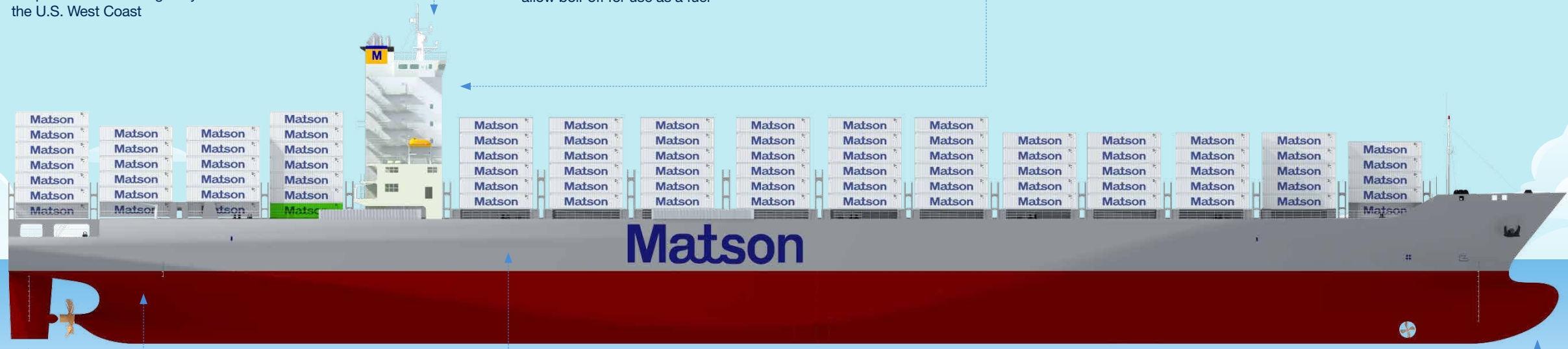
Engines that emit approximately 80% less NO_x emissions annually than Tier 1 engines, making these vessels among the lowest emitting deep sea vessels to regularly call the U.S. West Coast

LNG-ready engine, fuel system and tanks

Dual-fuel engines that can run on both conventional and LNG fuels
Cryogenic equipment and LNG tanks capable of maintaining LNG at approximately -260°F to keep it in liquid form and allow boil-off for use as a fuel

Technology upgrades

New engine monitoring technology to help increase fuel efficiency and provide detailed data to track emissions
Upgraded vessel weather routing services to help reduce fuel consumption



Flap type rudder

Twisted leading-edge rudder with bulb to improve propulsion efficiency

Shaft generator

Generator powered by the main engine propeller shaft to produce electricity – operated instead of one of four service diesel engine-powered generators – which reduces fuel consumption, lowers carbon emissions and produces cleaner electrical power generation during voyages

Battery Energy Storage System (BESS)

1.5 MW peak shaving battery system that kicks in during surges in electrical demand, reducing the need to start an additional diesel-powered generator

Optimized hull form and improved bulbous bow

More streamlined hull from an improved bulbous bow that reduces resistance in the water

Sourcing LNG fuel

Matson is pursuing two LNG sourcing strategies – one for the U.S. West Coast and one for China. This is a complex undertaking as LNG infrastructure to fuel containerships is in the development stage. But together, both strategies are expected to be capable of supporting Matson’s needs.



Engaging our industry on low-carbon fuels

Matson continues to work with industry organizations to advance the transition to LNG and other low-carbon fuels. In 2022, Matson joined SEA-LNG, a multi-sector industry coalition established to demonstrate LNG’s benefits as a viable marine fuel and encourage widespread adoption. Networking with other members has helped Matson better understand the availability of LNG and various avenues for procurement. As a member of the World Shipping Council, Matson also continues to advocate for a new \$5 billion industry-funded research and development program to decarbonize the sector.

Additionally, Matson remains a member of Smart Freight Centre’s Clean Cargo group, Blue Sky Maritime Coalition and the Chamber of Shipping of America. Matson Logistics continues to participate in the EPA SmartWay Transport Partnership, a program focused on improving freight transportation efficiency. Through these forums, Matson is able to share our approach as well as learn from others as we work to transition our fleet, and the sector as a whole, to a net zero future.

Beyond these forums, Matson tracks environmental innovations that could help us reduce our carbon footprint. We regularly meet with companies – from start-ups to global corporations – that are developing potential solutions ranging from new fuels, such as biodiesel blends, to carbon capture. These discussions enable Matson to stay apprised of pioneering technologies and assess opportunities for integration into our operations.



Complying with IMO Requirements

The International Maritime Organization (IMO) has adopted new regulations intended to reduce the carbon intensity of vessels. As of January 1, 2023, all containerships that trade internationally with more than 10,000 dead weight tons must meet specified Energy Efficiency Existing Ship Index (EEXI) levels at the time of International Air Pollution Prevention (IAPP) certificate renewal. EEXI is a one-time certification measuring a ship’s theoretical CO₂ emissions per transport work based on its design parameters. Containerships that trade internationally with over 5,000 gross tonnage are also required to meet annual Carbon Intensity Indicator (CII) requirements. CII measures how efficiently a ship transports goods and uses its actual CO₂ emissions data to determine an annual rating from A (best) to E (worst).

Matson’s efforts to improve vessel efficiency include:

- Transitioning certain vessels to run on LNG
- Applying low friction anti-fouling coatings to vessel hulls to reduce drag
- Deploying new engine monitoring technology to help increase fuel efficiency
- Adopting technology upgrades to our vessel weather routing services to help reduce fuel consumption
- Lowering vessel speed, where possible, throughout our network

To help manage compliance, Matson has invested in and installed a new software system that provides on-demand emissions calculations for each vessel based on fuel consumption data. This information should allow us to adjust vessel operations in real time to achieve required efficiency improvements.

Monitoring Scope 2 and 3 emissions

While we are making significant investments to improve the efficiency of our fleet, we are also mindful of the GHG emissions associated with our electricity use (Scope 2) and our value chain (Scope 3). Because electrification is a key component in reducing criteria pollutants and emissions, we are seeking ways to replace fossil fuel use with electricity while our vessels are in port and for other shoreside activities. Within our value chain, we are continuing to refine our methodologies for calculating our Scope 3 emissions.

Scope 2 emissions

In California ports, Matson takes advantage of alternative maritime power (AMP), or shoreside electricity, rather than running auxiliary engines while at berth. All of Matson’s owned vessels regularly calling California ports have AMP capability. Of the five chartered vessels currently operating in the CLX+ service, one came with AMP equipment and Matson installed AMP equipment on a second vessel. We plan to install this equipment on a third vessel in 2023. Matson also uses vessel emissions control barges when available.

The Pacific Merchant Shipping Association (PMSA) purchases renewable energy credits (RECs) on our behalf to offset some of our electricity usage in these ports.

Beyond AMP usage, we continue to explore electric equipment options for our terminal operations in Hawaii and Alaska in an effort to reduce energy consumption from nonrenewable sources. In recent years, we have added more centralized battery banks to improve resiliency at our Sand Island Terminal. We also continued to explore the viability of on-site solar power generation. In addition, we employ energy efficiency measures and programs in our offices and warehouses to reduce electricity use.

Value chain emissions

Our Scope 3 emissions¹ are generated predominantly upstream. This includes emissions from:

- Transportation services purchased or brokered by Matson (Matson does not own or operate any of these modes of transport)
- Fuel used by our chartered CLX+ vessels
- Production and distribution of the fuels we use
- Purchased goods and services not otherwise included in other Scope 3 categories

In 2022, with the help of external consultants, we refined the methodology for collecting data used to calculate the upstream transportation and distribution impacts from our Logistics brokerage business and the purchase of capital goods. We believe the enhanced approach provides a better estimate centered on carbon-generating activity. As a result, we have restated 2021 Scope 3 emissions, and the updated figure is approximately 11% less than what was reported for Scope 3 in our 2021 Sustainability Report.

Matson's estimate of Scope 3 emissions includes our joint venture investment in SSAT. SSAT currently provides terminal and stevedoring services at eight terminal facilities on the U.S. West Coast, including three facilities dedicated for Matson’s use. Although not a historically large part of Matson’s footprint, SSAT has made strides in reducing emissions from terminal operations. It has completed an activity-based Scope 1 inventory for criteria air pollutants and GHG emissions in 2018 and 2021, as well as a low- and zero emissions roadmap and tool for cargo handling equipment. SSAT also completed 2021 baseline inventories for Scope 2 GHG emissions, municipal water use and waste generation. More broadly, SSAT is working to finalize the Carrix Sustainability Strategy 2030.

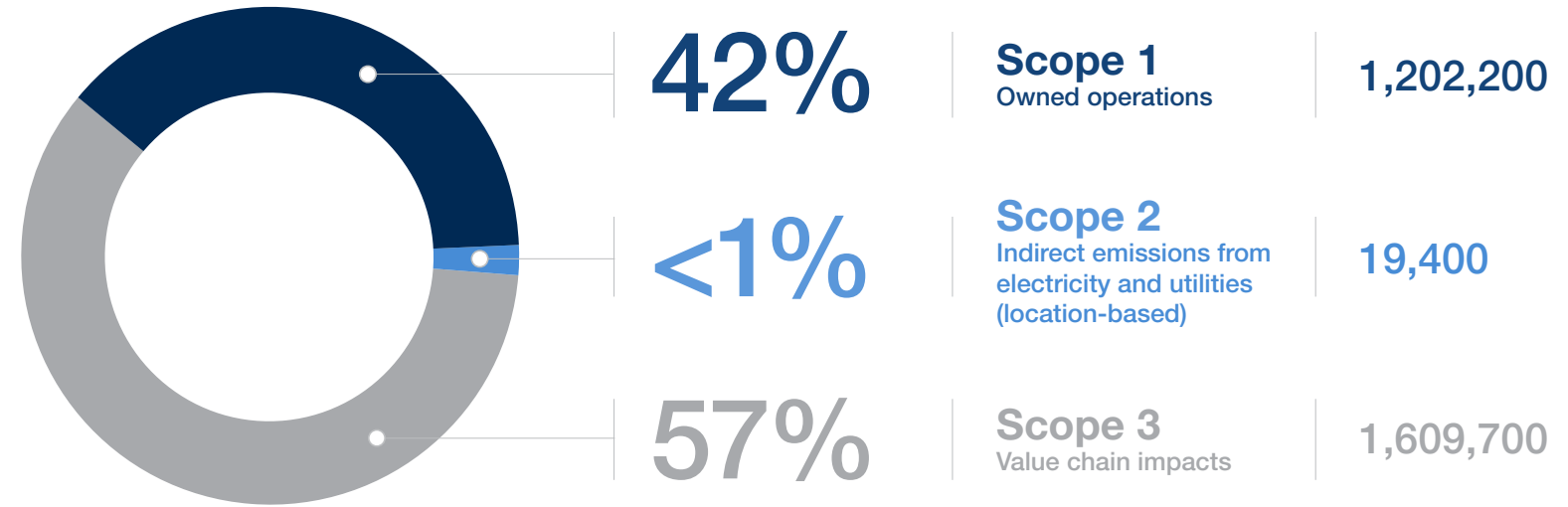
SSAT has long been a leader in testing and implementing technologies and solutions to reduce emissions at terminals, including using renewable diesel and electric yard trucks at Matson-dedicated terminals in the Port of Long Beach and Port of Oakland. Recently, SSAT completed its first Green Marine terminal certification for the Port of Long Beach C60 facility. It was also awarded a grant from the San Pedro Bay Ports Technology Advancement Program to develop and test two hydrogen-powered top picks at the C60 facility with Taylor Machine Works. These efforts are expected to help reduce GHG emissions and emissions of air pollutants at ports up and down the U.S. West Coast.



¹ The methodology for measuring our Scope 3 emissions includes a number of estimates and assumptions, incorporates data from third parties that Matson may not be in a position to verify, and reflects the action and operations of companies outside of Matson’s control. Determination of Scope 3 emissions is an evolving area and as guidance and data improve, results are likely to be adjusted in the future. Accordingly, Matson makes no representation or warranty regarding such information.



2022 Matson emissions by scope



SCOPE 1 BREAKDOWN	MT CO ₂ E	% OF TOTAL
Offshore operations	1,178,900	98%
Shoreside operations	23,300	2%

SCOPE 2 BREAKDOWN	MT CO ₂ E	% OF TOTAL
Shore power	1,800	9%
Other shoreside operations	17,600	91%

SCOPE 3 BREAKDOWN	MT CO ₂ E	% OF TOTAL
Upstream transportation and distribution (category 4)	541,200	34%
Upstream leased assets, including CLX+ (category 8)	428,900	27%
Fuel and energy-related activities (category 3)	380,800	24%
Purchased goods and services (category 1)	148,900	9%
All other categories*	109,900	7%

*Includes capital goods, waste generated in operations, business travel, employee commuting, use of sold products, end-of-life treatment of sold products and investments. All GHG emissions figures have been rounded to the nearest hundred.

Air Emissions

Matson works to minimize emissions of air pollutants that can negatively impact human health and the environment. We installed Tier 3 engines on *Lurline* and *Matsonia*, which emit approximately 80% less NO_x emissions compared to Tier 1 engines. We plan to install Tier 3 engines on the three new Aloha Class vessels. AMP and low-sulfur fuels are used to reduce air emissions while in California ports. And our vessels are designed to operate in compliance with IMO Emission Control Area regulations as applicable, helping to improve air quality in these locations.

To meet 2020 IMO regulations aimed at reducing SO_x emissions, Matson installed exhaust gas cleaning systems, or “scrubbers,” on 10 vessels powered by diesel engines in our Alaska and Hawaii services and began using low-sulfur fuels on all of Matson’s other vessels. The scrubbers also reduce black carbon emissions and eliminate over 80% of particulate matter (PM) emissions.

AIR EMISSIONS (MT)

	2020	2021	2022	% CHANGE FROM 2021-2022
NO _x (excluding N ₂ O)	26,700	30,100	30,500	1%
SO _x	2,000	1,500	1,300	-13%
PM ₁₀	900	900	800	-11%
VOCs	1,000	1,100	1,100	0%
Black carbon	90	100	100	0%

Data in 2021 and 2022 includes Scope 1 air emissions from vessels and shoreside operations. Data from 2020 includes air emissions from vessels only. For most figures, data rounded to the nearest hundred.

In November 2021, Matson received a Notice of Violation from the California Air Resources Board (CARB) alleging that in 2020, Matson did not meet the 80% threshold of plugging in to shore power during visits to the Port of Long Beach. The violations were alleged to have been incurred by chartered vessels used in the CLX+ service, none of which were then outfitted with AMP capability. On April 14, 2023, Matson entered into a settlement agreement with CARB, agreeing to pay approximately \$2.2 million in civil penalties for 2020, 2021 and 2022 violations.

Matson vessels receive Environmental Achievement Awards from the Chamber of Shipping of America

Established in 2004, the Chamber of Shipping of America (CSA) Environmental Achievement Award recognizes vessels that meet all international, national and local environmental requirements for at least a two-year period. To be eligible, a vessel must have:

In 2022, CSA recognized 13 vessels in Matson’s owned fleet, including *Manoa*, *Manulani* and *Manukai*, which have received this award for 26, 22 and 19 consecutive years, respectively.



No reportable spills



No U.S. Coast Guard citations for violations of the International Convention for the Prevention of Pollution from Ships (MARPOL)



No port state citations for violations of MARPOL



No violations of state/local pollutions regulations

VESSEL	CONSECUTIVE YEARS RECEIVING AWARD
<i>Daniel K. Inouye</i> *	2
<i>Kaimana Hila</i> *	2
<i>Kamokuiki</i>	4
<i>Lurline</i> *	2
<i>Mahimahi</i>	9
<i>Manoa</i>	26
<i>Manukai</i>	19
<i>Manulani</i>	22
<i>Matson Tacoma</i>	11
<i>Matsonia</i> *	2
<i>Maunawili</i>	17
<i>Mokihana</i>	4

*Received award every year since being put into service.

Ocean Health

Our oceans are a vital natural and economic resource. They are home to millions of diverse species; support the livelihoods of billions of people; play a critical role in the carbon cycle; and regulate global climate. We strive to minimize our impacts on the marine environment and to safeguard our oceans for all who depend on them.

Spills

We maintain a stringent program that encompasses written procedures, trainings and proactive maintenance of vessels and equipment in order to prevent spills both at sea and on land. In the rare occurrence a spill does occur, we have response plans in place designed to limit the impact and remediate any resulting environmental damage. Each vessel is equipped with a Vessel Response Plan, Shipboard Oil Pollution Emergency Plan and Shipboard Marine Pollution Emergency Plan, all of which have been reviewed by the U.S. Coast Guard. Similar plans are maintained for terminal operations. Our goal is zero significant spills, defined as more than one barrel of oil or other hazardous substances.

In 2022, we did not experience any significant spills. However, *Maunalei* experienced a small leak of a biodegradable lubricant resulting from a controllable pitch propeller casualty that occurred when it was en route to Anchorage, Alaska.

Bilge water

While at sea, ocean water and rainwater runoff can accumulate in a ship’s bilge, the lowest point in the inner hull. Matson vessels are equipped with oil-water separators and oil content meters designed to control bilge water discharges at sea to comply with IMO and U.S. Coast Guard regulations. In addition, Matson policy prohibits discharges in the Matson Environmental Protection Zone, which extends 50 miles from land, even if regulations allow discharges closer to shore. In Alaska, where marine corridors are narrower, Matson policy prohibits discharges within 20 miles of shore to protect the local ecosystem.

Ballast water

Ballast tanks help balance a ship’s weight and improve stability and maneuverability at sea. If ballast tanks are filled with seawater, ships can inadvertently spread invasive species to new bodies of water when the seawater is discharged. To help prevent this, Matson employs ballast water management plans and has installed ballast water management systems on all Matson-owned vessels that are designed to treat ballast water before it is discharged back to the ocean.



Practicing how to respond to a crisis

Crisis trainings are regularly conducted at Matson terminals and facilities to help prepare employees in case of an emergency. In fall 2022, Incident Management Teams from Anchorage, Kodiak and Unalaska participated in an oil spill prevention and response training. Along with classroom instruction, the three-day training included a tabletop exercise in which a fictional ship struck an unidentified object and began leaking fuel as it approached the Port of Alaska. The situation was simulated in real time, beginning with the staged incident at 06:51 am and ending with a mock press conference at 1:00 pm.

As part of the training, teams from each terminal were required to establish an initial incident management team; define criteria for standing up an emergency response; clarify first actions and critical communications; and assign roles and accountabilities for the initial response. The simulation included participation by regional response partners including Port of Alaska personnel. The drill was followed by a “hotwash” review where participants conducted a self-evaluation and discussed takeaways, best practices and ways to improve.

Matson supports ocean clean-ups

According to the IUCN, at least 14 million tons of plastic ends up in the ocean every year, comprising 80% of all marine litter.* Much of this plastic ends up in current-driven concentrations called gyres, and one of the largest is located in an area regularly crossed by Matson vessels known as the North Pacific Subtropical Convergence Zone. In recent years, Matson has supported annual clean-up missions in the North Pacific gyre and elsewhere in the Pacific in partnership with Ocean Voyages Institute, contributing funding, operational support and in-kind transportation services.

In 2022, we pledged \$500,000 to Ocean Voyages Institute's capital campaign for the construction of two new sailing ships purpose-built for ocean clean-up missions. Matson contributed \$300,000 in December 2022, with plans to contribute \$100,000 per year in 2023 and 2024.



Helping to study and protect our marine environment

Matson serves on the Advisory Board of the Smithsonian Environmental Research Center (SERC), an organization that provides science-based knowledge to meet today's environmental challenges and leads research on coastal ecosystems to inform policy and business practices. SERC runs the Tiburon Laboratory on the San Francisco Bay that tracks growth of non-native species in estuaries and coastlines along the Pacific Coast of North America, including ports where Matson vessels call. SERC also operates the National Ballast Water Information Clearinghouse, which collects and analyzes all ballast water management reporting forms submitted to the U.S. Coast Guard from commercial vessels. This effort allows for patterns and trends to be identified regarding ballast water delivery and management, helping to prevent the introduction of non-native species in marine environments in the U.S.

Waste management

Matson employs a number of methods to reduce waste in our operations. Portside, Matson works to reduce excessive use of dunnage, the material used to brace and stabilize cargo inside containers. This helps eliminate the transport of unnecessary materials and reduces the amount of dunnage that requires disposal upon delivery. In Alaska, where there is a lack of recycling infrastructure, we also backhaul certain types of dunnage for proper recycling and disposal in the continental U.S.

In 1993, Matson became the first container vessel operator to adopt a zero solid waste discharge policy after launching a pilot program with the Center for Marine Conservation (now the Ocean Conservancy). Matson policy prohibits all solid waste, except food waste, from being discharged at sea. Instead, it is collected and stored in a "greentainer" on each vessel. After the vessel returns to port, these materials are disposed of at appropriate recycling, waste-to-energy or other waste management facilities.

All of our offices maintain recycling programs and some sites also compost food waste. Many employees participate in Matson sponsored litter clean-ups and beautification programs in their local communities.



*International Union for Conservation of Nature, Issues Brief: Marine Plastic Pollution, November, 2021.

Vessel recycling

Matson is committed to responsibly recycling end-of-life vessels and requires that retired vessels are recycled only in facilities that meet U.S. and international environmental and safety standards. In 2022, *Haleakala*, a crane barge, was decommissioned and sold to a recycler in Texas.

Marine life

Matson has been a longtime supporter of and participant in programs that encourage ships to reduce speeds in certain corridors to protect marine animals. On the Pacific coast, Matson participates in voluntary speed reduction programs covering conservation zones approaching and exiting San Francisco Bay and the Los Angeles/Long Beach port complexes in California, as well as Puget Sound, Washington. We also adhere to speed restrictions when approaching the Port of Auckland, New Zealand.

Beyond speed reduction initiatives, we participate in a program overseen by the PMSA and National Oceanic and Atmospheric Administration (NOAA) to report whale sightings. This program helps mariners become better at spotting and avoiding collisions with whales and improves scientific understanding of whale migration patterns.



Environmental conservation and education

As part of our long history of supporting local conservation and environmental education programs, Matson provided more than \$1.3 million in grants and in-kind support to nearly 40 regional environmental projects in 2022. See [Community Impact](#) for more on Matson's approach to supporting our communities.



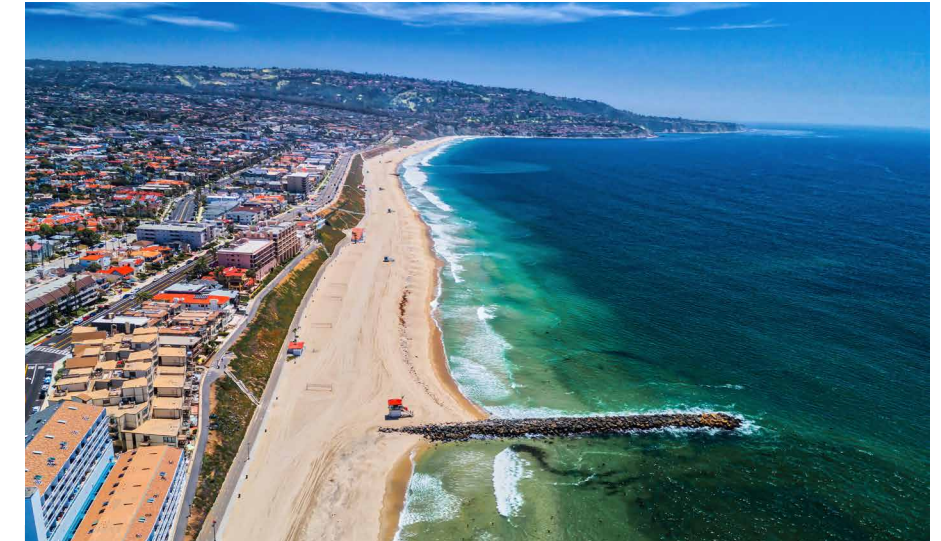
Alaska

Matson expanded our **Caring for Alaska** program, which awards grants to eligible nonprofits that arrange and carry out clean-up, rehabilitation and infrastructure improvement projects in Anchorage, Kodiak and Unalaska. In its second year, the program awarded grants to 16 organizations, up from 11 in 2021. Matson also continued to support **Backhaul Alaska**, which collects and recycles hard-to-manage materials, such as electronic scrap and fluorescent lamps from rural communities, and then transports them to proper disposal and recycling sites. In 2022, eight 40-foot containers with approximately 197,000 pounds of recyclables were backhauled to qualified recycling facilities in the lower 48.



Hawaii

Matson restarted the **Ka Ipu 'Aina** program, which provides grants to eligible nonprofits that organize trash removal on the islands of Maui, Kauai and Hawaii. After a temporary suspension due to COVID-19-related restrictions on public gatherings, the program resumed in 2022 with the award of four grants. To support each clean-up, Matson donated container equipment and paid for trucking and debris disposal expenses.



Mainland U.S.

We launched several new programs focused on combatting climate change in 2022. These included a \$10,000 grant to support K-12 environmental ocean education with the **Aquarium of the Pacific** in California and the **Tybee Island Marine Science Foundation** in Georgia. We also gave an additional \$20,000 to support green space protection with the **Arizona Community Tree Council** and the **Washington Trails Association**, green job creation and training with **Oakland's Civicorps**, and clean-ups of illegal dumping with **Keep Oakland Beautiful**.



People and Places

Supporting people's livelihoods, opportunities and wellbeing

Our approach

Diversity, Equity & Inclusion and Human Capital Management

Context

As our world becomes increasingly interconnected, we believe it is important that companies reflect the diversity of their customers and the communities they serve. Businesses should create an equitable and inclusive culture that values and supports all employees, regardless of their background or identity. This type of workplace culture tends to attract talent and fosters a sense of connection and belonging that can lead to longer retention. Employees also want to be respected, to know the company cares about their wellbeing, and be given opportunities to build skills and develop their careers. There is also growing interest among investors about companies' DE&I initiatives and their management of human capital.

At Matson, we strive to reflect the diversity of the communities in which we live and work and foster a culture of empathy, respect and inclusion at all levels of our organization. We recognize the value of diverse voices and the importance of inclusion in the success of our business. Ultimately, we believe DE&I is integral to our vision of being a great place to work. We seek to provide our employees with meaningful opportunities that help them build the skills and expertise needed for long, fulfilling careers with the company. At the same time, we are working to advance DE&I within the broader maritime and logistics industries.

Our goals

Increase diversity of leadership team

Build on our culture of inclusion

Invest in diversifying the talent of tomorrow

Continue to advance gender and racial pay equity

Create pathways for career development and advancement

Provide opportunities to build management and leadership skills

Our progress in 2022

Among promotions and new hires into management roles, **41%** were women and **57%** were minorities

Trained more than **1,100** employees in DE&I principles and concepts

Established and awarded **20** scholarships to diverse, high-achieving students at higher education institutions and maritime academies

Utilized results of pay equity analysis to inform promotions and new hires

Filled **44%** of open positions with internal promotions

Supported **21** high-potential employees with additional leadership training

Cultivating a great place to work for everyone

One of Matson’s main objectives is to foster an inclusive culture and create a work environment where all employees feel they can achieve their goals and share a sense of pride in being part of Matson. Other priorities are developing diverse talent, promoting internal candidates into leadership positions and providing equitable pay. Beyond our own workplace, we are helping to change the status quo of our industry’s workforce – which is predominantly white and male – through community investments, scholarships and engaging employees to serve as mentors and ambassadors.

Advancing our commitment to Diversity, Equity & Inclusion

In 2022, we continued to work with hiring managers to broaden candidate pools and increase the number of diverse leaders at Matson. As a result, among promotions and new hires into management roles, approximately 41% identified as women and 57% identified as minorities. Today, we are thinking longer-term about the importance of building opportunity within Matson as we cultivate the future leaders of our company. Approximately one-third of the leaders identified in Matson’s 2022 succession plan are women and one-third are minorities.



Fostering an inclusive culture

Building on our efforts to promote a better understanding of social equity issues, in 2022, we launched “Diversity, Inclusion and Sensitivity,” a new course for employees that focuses on core concepts related to DE&I and the role of workplace sensitivity and civility in promoting a respectful culture. We also continued to offer a DE&I course on general principles of respectful social interaction, in which 93% of eligible employees participated. More than 1,100 employees took part in our DE&I trainings in 2022.

In 2022, we held four “Listening Tour” sessions where employees were encouraged to share their experiences at Matson. At the “Women in Leadership and Career Advancement” session, we hosted an external speaker who offered perspective on the ways in which women can face – and overcome – certain barriers in the workplace. As part of these events, we encouraged discussion around opportunities for improvement, and much of the feedback we received helped inform the development of our 2023 DE&I priorities.

Matson’s 2023 DE&I priorities



Promote greater diversity at Matson and in our industry through continuing scholarship, ambassador and internship programs



Continue employee education through trainings, listening tours, community volunteering and cultural celebrations



Increase employee support by exploring ways to foster connection, such as employee resource, affinity and belonging groups



Continue to advance pay equity by conducting periodic reviews to identify and address any discrepancies correlating to race or gender

Promoting diversity in our industry

Beyond DE&I efforts within our own workforce, Matson is investing in a more diverse and inclusive future for our industry. By encouraging more women and minorities to pursue careers in the maritime and logistics sectors – and by creating opportunities for them to do so – we hope to help increase the diversity of tomorrow’s leaders.

Matson’s annual Leadership Diversity Scholarship Program supports female and minority students at 17 of the leading higher education institutions in our local communities, including all six U.S. maritime academies, and through the Thurgood Marshall College Fund. Complementing this program, we match experienced Matson employee ambassadors with each institution – in many cases, their alma mater – to help shepherd the program, act as a liaison with the school and connect with the students. In parallel, we are working to recruit candidates for our internship program through our partner schools and hope to welcome more interns as we increase our office presence in 2023. Our aim is to further integrate all three programs in 2023 to provide a meaningful pathway for diverse leaders of tomorrow to gain the necessary professional experience to advance their careers toward positions of leadership in our industry.

20

scholarships awarded to diverse, high-achieving students at higher education institutions and maritime academies

12

Matson employees served as ambassadors to our partner schools

5

interns from diverse backgrounds gained experience at Matson



“ Sharing our stories with minority students and serving as a resource as they begin to navigate their careers is an honor. More importantly, ensuring that students of all backgrounds have a support system that cultivates opportunities for success helps to increase the number of minorities in our industry.”

Kam Chun

Terminal facilities manager, Honolulu, and participant in the Matson ambassador program



“ I am thrilled with everything I have accomplished and hope that with the help of this scholarship, I will achieve my goals so I can make my family and all those who have believed in me proud.”

Denise Llamas De La Cruz

Student in Maritime Business Administration Texas A&M University, College Station

2022 Diversity at Matson¹

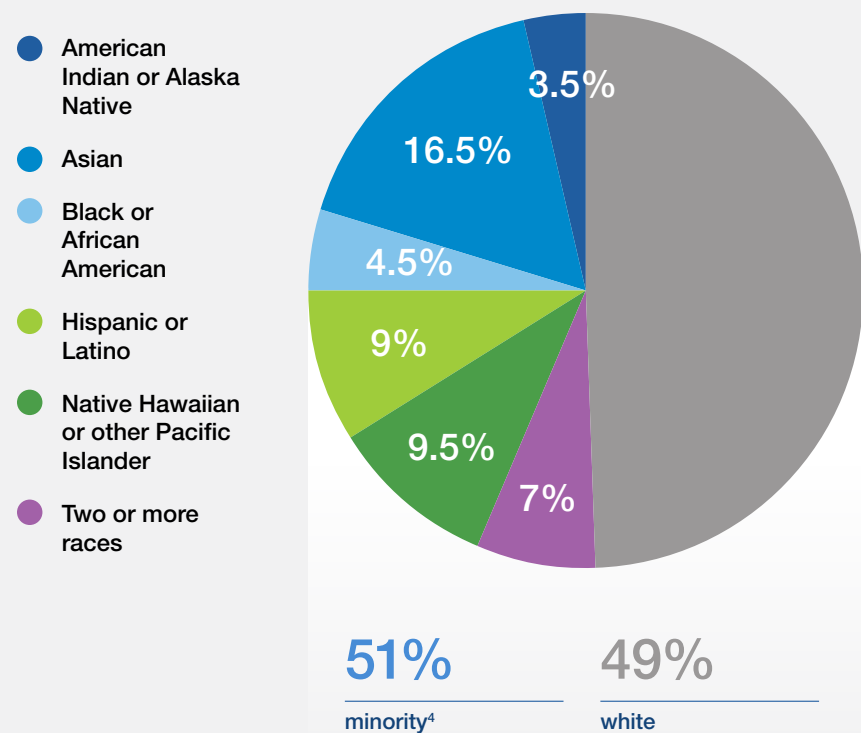
In 2022, Matson increased gender and racial diversity among U.S. shoreside employees³ and management compared to 2021.

4,288
global employees²

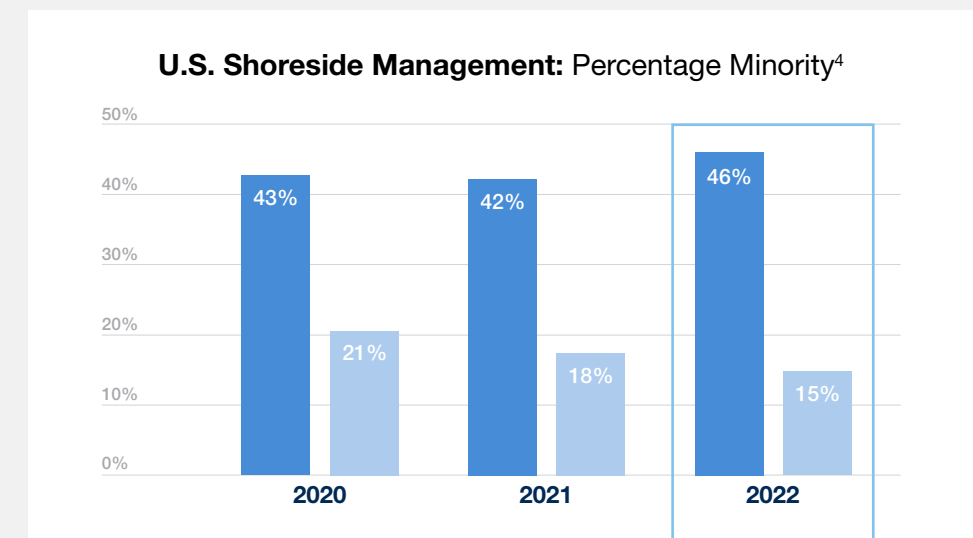
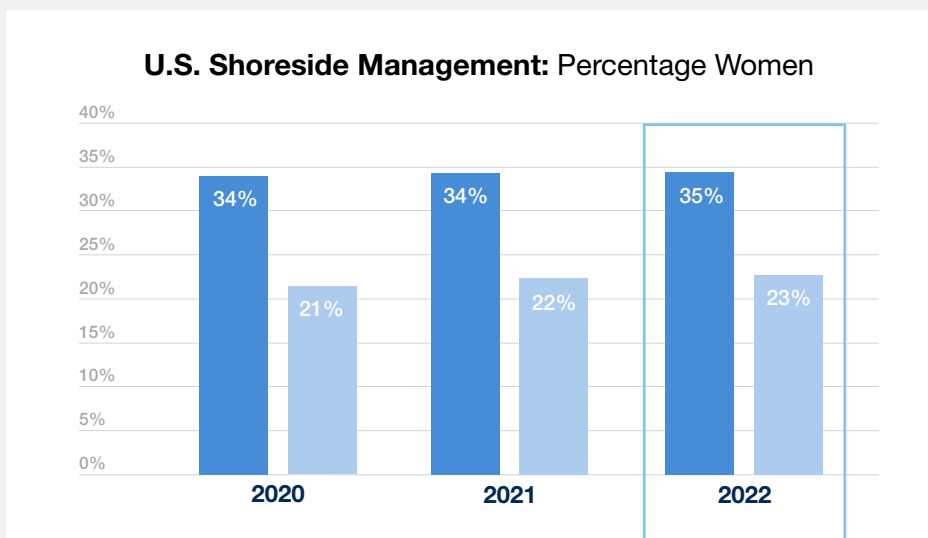
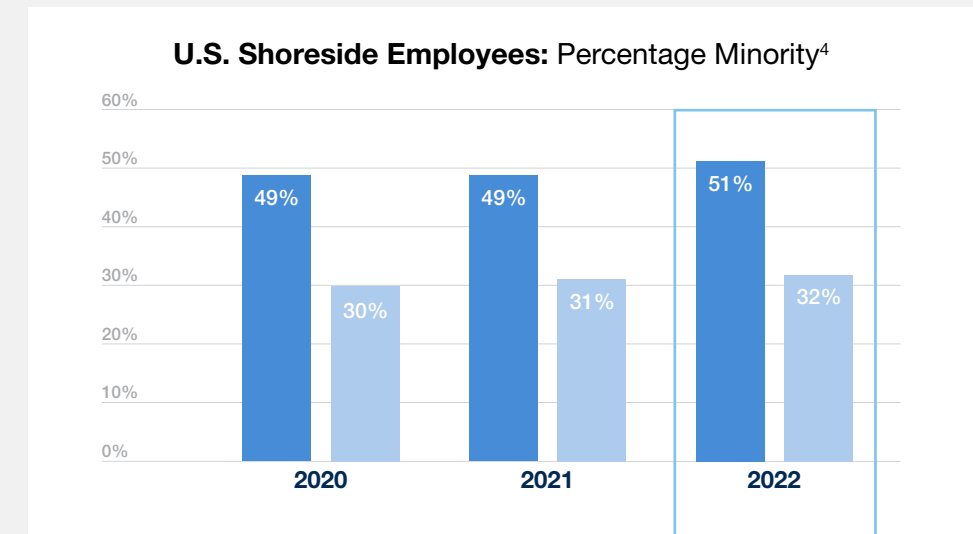
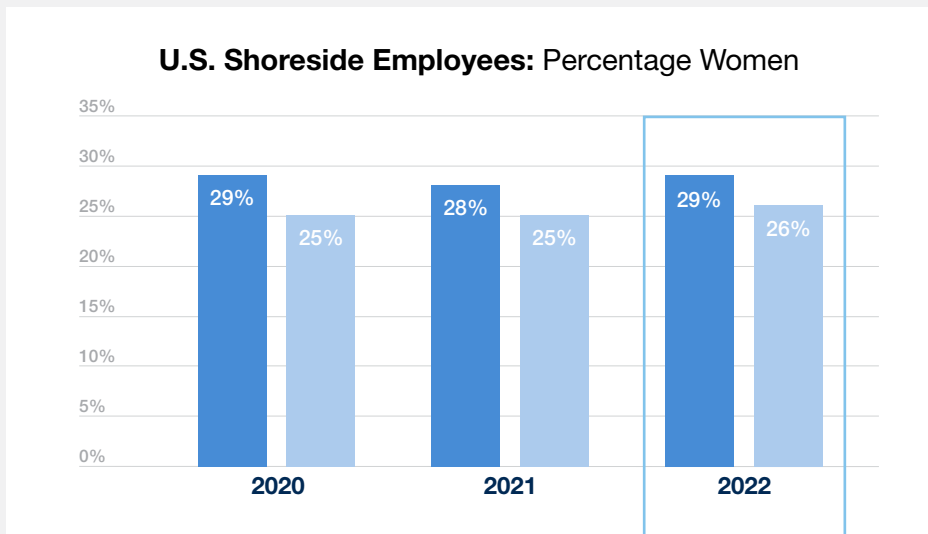
70%
union

96%
U.S.-based

U.S. Shoreside Employee³ Breakdown by Race / Ethnicity



● Matson ● Industry Average⁵



¹ As of July 2023, the U.S. Equal Employment Opportunity Commission has indicated that the 2022 EEO-1 component data collection will not open until Fall 2023. Because of the delayed federal filing timeline, we plan to publish our 2022 EEO-1 data separate from this Report but until such time, please refer to our prior EEO-1 reports available on our website.
² Includes international, union and offshore employees.

³ Includes union employees.
⁴ "Minority" in the charts and graphs above refers to any employee who self-identifies as such under the categories established by the Equal Employment Opportunity Commission.
⁵ Industry averages on these charts and graphs are drawn from the U.S. Bureau of Labor and Statistics.

Building an engaging and rewarding workplace

In 2022, we deepened our people manager and individual contributor professional development programs, adding classes on giving and receiving feedback; fostering respect and dignity; and improving self-development. These programs are designed to deliver necessary technical skills for being an effective contributor at Matson, as well as highlight the soft skills needed to build a culture of respect and inclusion.

7,100+

hours of training and professional development opportunities provided to employees in 2022*

47%

of eligible employees participated in individual contributor training

49%

of eligible managers participated in people management training



27 employees received Matson’s Presidential Award in 2022, the company’s highest honor, in recognition of exceptional performance

2022 participation in employee development courses

540+

employees completed *Becoming an Effective Team Member*

470+

employees took *Trust-Building through Effective Communication*

400+

employees completed *Gaining a Positive Perspective on Feedback*

*Includes compliance trainings.

Employees participate in a performance management and career development process via conversations with their managers. As part of our succession planning, we try to identify employees with the potential to grow into leadership roles and look for opportunities to encourage diverse individuals where possible. Once hired, many of our employees tend to stay with the company for a long tenure. The average age for our U.S. shoreside workforce is 48 years. We are actively working to create opportunities that prepare the next generation to take the reins and help them build the skills needed to do so. We plan to continue developing opportunities for both our long-tenured employees and those coming up the ranks.

Matson offers a total rewards program that includes competitive salaries; cash and equity incentive opportunities; recognition awards; health and welfare benefits; and employee- and employer-funded retirement plans. In order to maintain a highly competitive total rewards program, we conduct annual benchmark analyses comparing our program elements to our industry and local job market rates.

Given Matson's extraordinary financial results in 2022, we took the opportunity to reward more than 700 employees with a one-time discretionary bonus in 2023. These employees, who are not typically eligible to participate in Matson's cash incentive plans, were able to share in the company's success and be acknowledged for their contributions.

11 years

average employee tenure, compared to an industry average of just over 3 years

11%

average turnover

44%

of open positions filled with internal promotions



Investing in tomorrow's leaders

In 2022, we launched two new development programs to support high-potential Matson employees in broadening their skills. One program was facilitated through a partnership with the University of California, Berkeley and focused on developing leadership skills and presence. The second program was facilitated through Dale Carnegie and focused on building stronger, effective relationships and aligning personal development goals to business goals. We were able to support 21 employees through these programs in 2022 and plan to offer similar opportunities in the future.

Figures above are approximate.

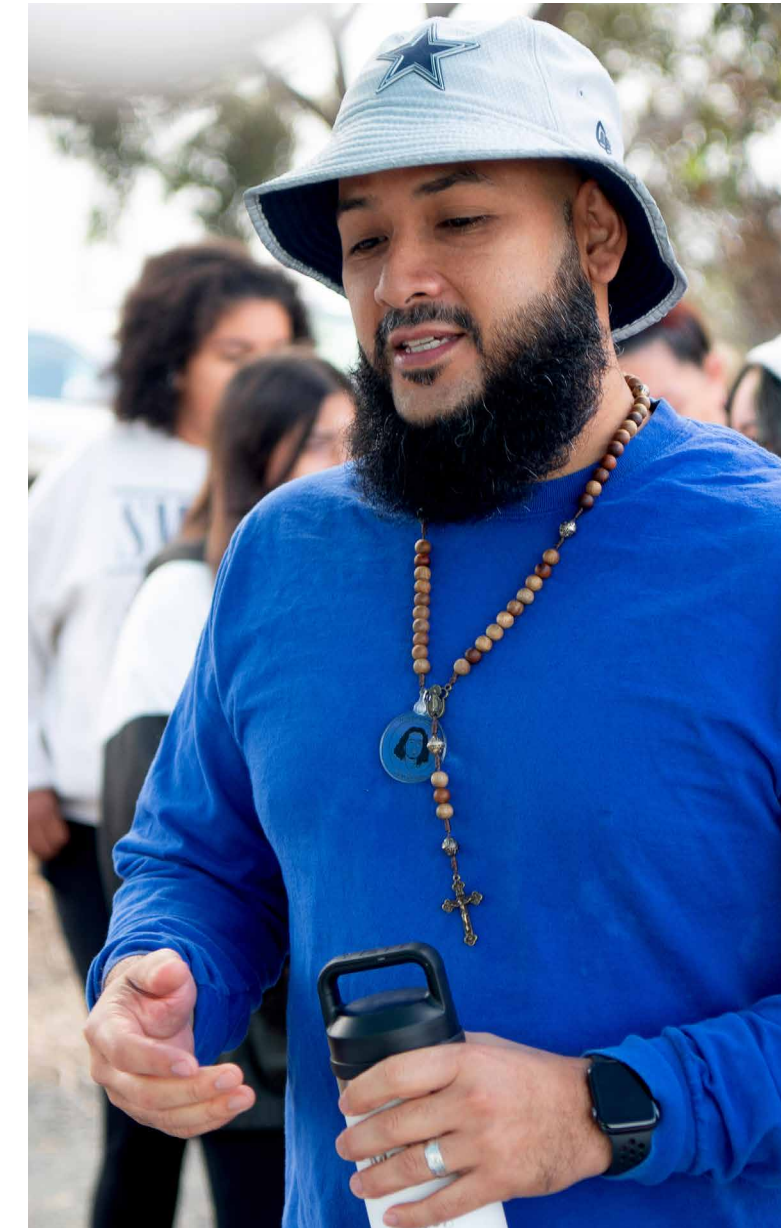
Learning from and acting on employee feedback

We believe it is important to seek input from our employees and then act on the feedback they provide. Some employee feedback is gathered through direct manager conversations. Matson's enterprise-wide All Hands Town Hall meetings provide another opportunity to hear what's on the minds of employees. We also conduct an employee survey on a regular basis to formally capture employee input. We use employee feedback to help inform the evolution of our human capital management strategy and enhance the employee experience.

Our last employee survey was conducted in late 2020, and the results were finalized in 2021. In preparing for the next employee survey, we are evaluating survey options for increasing actionable feedback to further strengthen our workplace culture. This can enable us to better follow up on key insights and trends and build on feedback we have already received.

HEARING FROM EMPLOYEES

OPPORTUNITIES IDENTIFIED IN 2021 SURVEY RESULTS	ACTIONS TAKEN IN 2021	ACTIONS TAKEN IN 2022
Continue to improve employee recognition	Encouraged use of <i>Matson Celebrates</i> — a peer-to-peer recognition platform — and trained managers on the importance of formal and informal recognition	Over 13,000 peer recognitions sent via <i>Matson Celebrates</i> .
Clarify career pathway and promotion options	Began planning for the restructuring of Matson's annual performance review process to improve frequency of communication and transparency	Redefined performance review objectives to increase transparency and improve career development conversations. The new system will be used in the 2023 review cycle and is designed to include more frequent progress discussions and provide updated guidance for managers on employee career development.
Improve manager-employee relationships, including communication, coaching and respect	Enhanced manager training programs to include workshops on respectful communication	Further updated professional development training programs to incorporate the key topic of fostering dignity and respect in the workplace. New performance review process developed to improve manager-employee communications.
Increase internal communication	Increased frequency of communications through company updates and weekly bulletins, monthly/bi-monthly Town Hall meetings and bi-monthly newsletters	Reinstated more frequent departmental meetings and on-site visits as employees returned to the office. DE&I Listening Tour meetings provided a forum for employees to share their feedback.



Safety

Building a safety culture

As a provider of ocean transportation and logistics services, Matson recognizes that there are inherent safety risks in our operations. Therefore, we work diligently to reduce the likelihood of known risks occurring in order to provide a safe and secure working environment for all employees. Our goal is to prevent any incidents, injuries and fatalities on our vessels and in our shoreside terminal and warehouse operations.

A key component to reducing risk is to instill a companywide safety culture where our employees and contractors feel empowered to speak up, feel confident their concerns will be heard, know the right actions to take and are incentivized to improve. Part of how we foster this culture is through training and awareness. For example, in 2022, we provided over 14,000 hours of safety training to shoreside personnel and crewmembers. Monthly vessel safety meetings are held to keep crews up-to-date on safety risks and best practices. Quarterly communication campaigns focus on topics raised through near miss reporting so that vessel crews are informed of current potential hazards. In 2022, we also addressed several potential hazards, including slips, trips and falls; lifting and pulling injuries; firefighting; and hazards associated with improper use or storage of lithium batteries. Terminal workers are required to participate in gangway safety briefings before loading and unloading every vessel, which serves to remind everyone of safe operating procedures.

In 2022, we began hosting monthly meetings with individual shoreside locations to address ISO audit findings, update procedures and track other ISO-required reporting. The meetings help teams to follow up on previously submitted corrective actions and share best management practices on a consistent and frequent basis, driving improved overall performance and quicker response times. We also use the monthly meetings to track topics outside of ISO compliance, such as required reporting for chemical emergencies and the best use of our safety management software.

Matson's Marine Safety Committee (MSC) – which comprises senior leadership for vessel operations – meets monthly to review the effectiveness of the Safety Management System and overall safety throughout the fleet. The Shoreside Safety Committee is the terminal and warehouse counterpart to the MSC and meets monthly to review Occupational Safety and Health Administration (OSHA) compliance and overall safety ashore.

Our safety program is based on international best practices following the International Safety Management Code, as required by the IMO. This includes the Safety Management System we have in place for all vessels, as required by the IMO and certified by the American Bureau of Shipping, and includes internal and external audits that assess the effects and risks related to health, safety and human rights.



Matson crewmembers celebrated for safety achievements

The crew of *Maunawili* was presented with the Annual Matson Vessel Safety Award in 2022 for top performance in low incident rates, incident investigation and near misses, onboard processes, safety meetings, replicable safety innovations, audit results and crew engagement. Vessels in our fleet are evaluated on safety on a quarterly basis and by tradelane annually. Winners are celebrated with a cash award and a trophy is carried by the vessel with the overall top safety performance across the fleet.

In 2022, nine Matson vessels were recognized with the Chamber of Shipping of America's Jones F. Devlin Safety Award, which honors merchant vessels that have operated for two or more consecutive years without a crewmember losing a full turn at watch because of an injury. Of these vessels, *Maunalei*, *Manukai*, *Kamokuiki* and *Matson Anchorage* have earned this award for at least four or more consecutive years.

Tracking and auditing workplace safety performance

Tracking and auditing workplace safety incidents allow us to better understand both our successes and opportunities for improvement. The most common injury our vessel crews experienced in 2022 was related to lifting and pulling. Accordingly, we focused our second quarter communications campaign on this topic, and launched an interactive computer-based training system that has the potential to deliver more comprehensive and relevant content than the previous video training course.

Near miss tracking and reporting focuses on avoided accidents and is one of the best ways to understand potential risks, identify trends and prevent future injuries. The information in these reports is used to develop monthly vessel safety meeting agendas and quarterly vessel communication campaigns. For example, in the third quarter of 2022, near miss reporting identified mooring line handling as a concern.

As a result, we were able to raise additional awareness about the topic and prompted chief mates to discuss the appropriate safety procedures for mooring line handling at a later safety meeting.

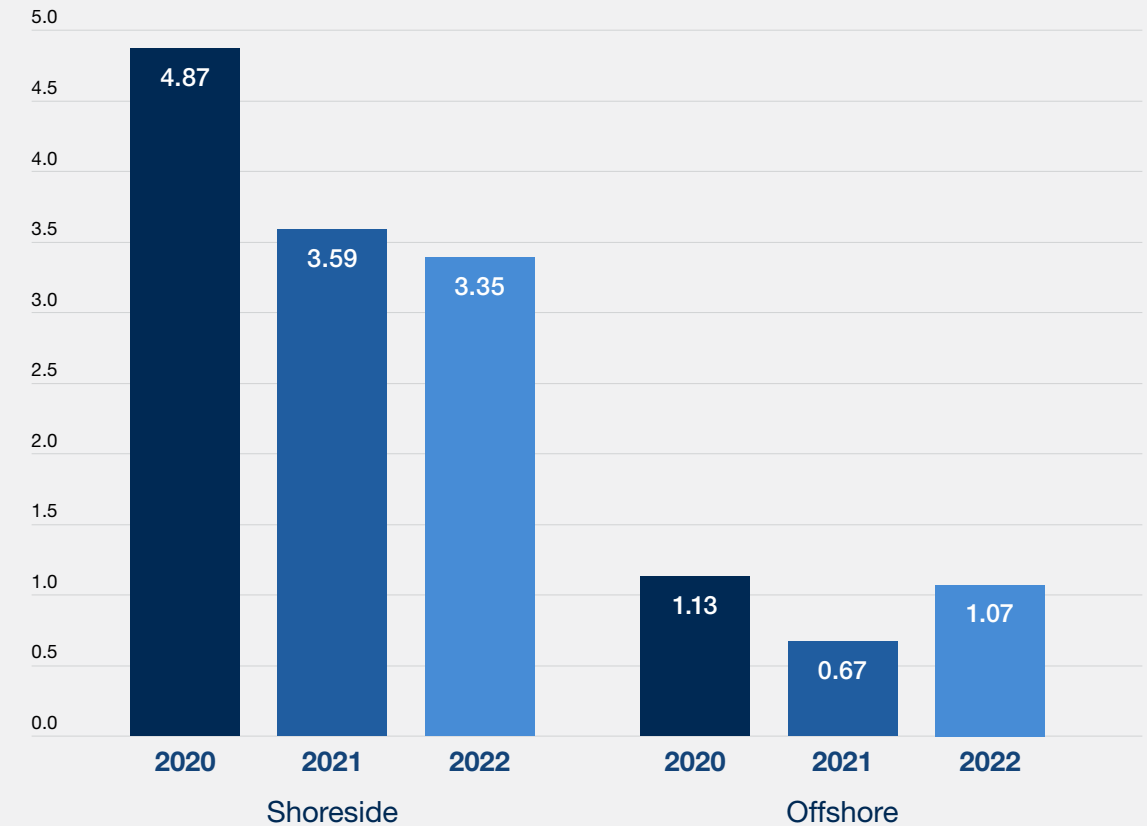
Under our policies, we conduct vessel audits regularly as required by the International Safety Management code. As needed, we are also to conduct specific audits related to key operations or systems, both afloat and ashore. In 2022, we conducted an audit of our Alaska operations, part of which included working with an industrial hygienist to assess respiratory and hearing protections and compliance. While none of the audits in 2022 revealed significant issues, they did highlight areas for incremental improvement. Similarly in Tacoma, Anchorage, Kodiak and Dutch Harbor, Matson engaged with an expert on Federal Motor Carrier Safety Administration regulations to review our site-specific and companywide policies and procedures to further improve the safety of our trucking operations.

Improving safety data and analysis

Responding to safety data requires an effective management system to collect and analyze information from across the company. In 2022, we launched a new software program that integrates shoreside safety data into one dashboard. This system gives us more visibility into trends happening across operations so we can quickly identify opportunities for improvement. The system can be leveraged via a mobile app that shoreside employees and contractors can use to report what is happening on-the-ground, rather than waiting to log a hazard or incident hours later. The app allows photos to be uploaded and information to be updated in real time. Overall, we believe this new system will help us gather better quality data and gain more actionable insights.

WORKPLACE SAFETY PERFORMANCE

Lost time incident rate, per 200,000 hours worked*



FATALITIES

Shoreside: 0

Offshore: 0

* Includes union employees.

Resilient and safe operations

Our unwavering commitment to the communities we serve is measured by our ability to consistently deliver. Investing in the safety, security and resiliency of our vessels and operational infrastructure is essential.

O

serious marine incidents involving vessels or infrastructure in 2022

Improving and upgrading our Sand Island terminal in Honolulu Harbor is a priority. Matson completed the first phase of its program to modernize and renovate the Sand Island facility, and is progressing on the second phase. As part of this program, Matson completed the installation of three new 65 long-ton capacity gantry cranes, upgraded and renovated three existing cranes, demolished four outdated cranes and installed upgrades to the electrical infrastructure at the terminal. In addition, Matson completed the installation, energization and transition to a new redundant main switchgear. Additional projects for the second phase relate to improvements to the terminal's existing backup power generators, installation of new above-ground fuel storage tanks, a battery energy storage system and other upgrades at the terminal, which are expected to be completed within the next three years.

In Anchorage, we have served as an advocate and leader in supporting the Port of Alaska Modernization Program so the Port can continue to serve the state for decades to come. In 2022, we advised on the design of the cargo docks and crane power consumption.

Matson vessels and Matson-operated terminals comply with the requirements of the Maritime Transportation Security Act (MTSA) of 2002, which includes U.S. Coast Guard-approved vessel and facility security plans that are audited regularly.

Cargo security

Matson has policies to safeguard and track the goods we carry on behalf of our customers. Our employees are regularly trained on the importance of these best practices — including how to handle dangerous and hazardous goods — and work with customers on their implementation. We have policies and practices in place designed to comply with relevant regulations and laws on transporting hazardous materials. In 2022, our terminals and shoreside operations implemented new standards and updated procedures for the reporting and safe handling of hazardous materials and waste.

We voluntarily take part in the U.S. Customs and Border Protection's Customs Trade Partnership Against Terrorism (CTPAT) program, which helps to strengthen security and the chain of custody with international supply chains. For cargo that we move on behalf of the U.S. Department of Defense, Matson participates in the National Industrial Security Program (NISP).

Business continuity planning

Building upon previous systems outage and IT disaster recovery planning, Matson launched a Business Continuity Office (BCO) in 2022 to develop a broader and more centralized approach to prepare for unexpected business disruptions. The BCO is a dedicated management team responsible for responding to any disruptive events across our operations and helping business units prepare for these events as well. The team has developed a framework for our mission-critical and disaster-related responsibilities designed so that we can continue operations even if a key system or operation is offline. They are also in the process of assessing Matson's existing crisis management and disaster recovery programs and identifying areas in which we can improve. A multi-year roadmap was adopted in 2022, setting the stage for continued improvement.

As a first step in the roadmap, on-site assessments and tabletop drills were conducted in 2022 at certain locations with high operational risk. During these drills, business units practiced how to respond in the event of a disruption and identified gaps where improvement is needed. Going forward, the BCO plans to conduct similar exercises at all key Matson locations and develop specific business continuity plans for each functional area and key market.

Safely transporting lithium-ion batteries

Lithium-ion batteries are ubiquitous in today's modern world – from laptops and mobile phones to electric cars and massive battery energy storage systems. These batteries can be found in the everyday cargo we ship across the Pacific. Despite the significant and well-known fire danger they present when damaged or overheated, our industry has yet to fully define safety regulations specific to lithium-ion batteries.

Therefore, we are proactively working with regulators, the American Bureau of Shipping, battery manufacturers, battery recycling experts, local fire departments and other firefighting experts to create safe handling procedures for lithium-ion batteries on Matson vessels and at Matson-operated terminals. In 2022, we updated Matson's vessel firefighting measures to include specific approaches for lithium-ion batteries and installed new firefighting equipment. We trained employees and customers in Tacoma, Honolulu, Long Beach and Oakland, and provided specific hazardous goods training to Oakland Terminal customers and employees.

Community Impact

We take seriously our role as a lifeline business for the many remote communities we serve. To us, this means providing timely and reliable service and helping those most in need. Matson has a long history of giving back to our communities across the Pacific – from Hawaii and Alaska to Guam and many small island nations. We also invest in supporting our communities throughout the continental U.S.

In 2022, we provided \$5.9 million in cash and in-kind services to almost 700 nonprofits, representing a 40% increase since 2021. Our in-kind donations were valued at \$2.6 million, benefiting approximately 75 charities that received shipping services as well as donated and loaned containers. In light of the lingering impact of COVID-19 on our communities, we renewed our commitment to support foodbanks, meal programs and local agriculture, providing over \$180,000 in cash and in-kind giving toward these efforts, with Matson’s employee matching program generating additional funds of approximately \$13,500.

In March 2023, Matson made a commitment to provide approximately \$5 million in cash and in-kind services to support foodbank and meal programs in communities across our network through 2026. This builds on our earlier \$5 million commitment from 2020, which included in-kind shipping to assist foodbanks and meal programs through 2023. In 2022, we donated \$1.17 million in shipping services toward this effort.

Another important priority is to support social equity initiatives, which complements other Matson efforts to promote DE&I in our company and industry. Employees have been a driving force behind directing funds toward these programs and selecting specific organizations as partners. We gave approximately \$534,000 in 2022 to organizations focused on social equity in our communities, including programs provided by organizations such as the Boys and Girls Clubs of Alaska, the Community Resource Center in Encinitas, California, and Aloha United Way.

We also support various [environmental conservation and education initiatives as well as climate change adaptation work](#).



Matson donated over \$1 million in shipping services for the **Hawaii Foodbank** in 2022, significantly increasing the amount of fresh, healthy and nutritious foods made available to people in need throughout Hawaii.



In partnership with the Port of Oakland, East Bay Regional Parks and the East Bay Municipal Utility District, Matson again participated in the annual **Coastal Cleanup Day** in September 2022. More than 60 Matson employees and their families from the greater Bay Area removed trash and debris from a portion of the Martin Luther King Jr. Regional Shoreline in Oakland.



Matson’s **Caring for Alaska** program supports projects that contribute to a cleaner, healthier environment throughout the state. In 2022, we more than doubled the number of grants made to organizations and volunteered our time in support of trash clean-ups, parks maintenance and waterway restoration efforts.

Matson Giving in 2022

\$5.9M

total giving (cash and in-kind)

\$3.3M

cash contributions

700

community organizations supported

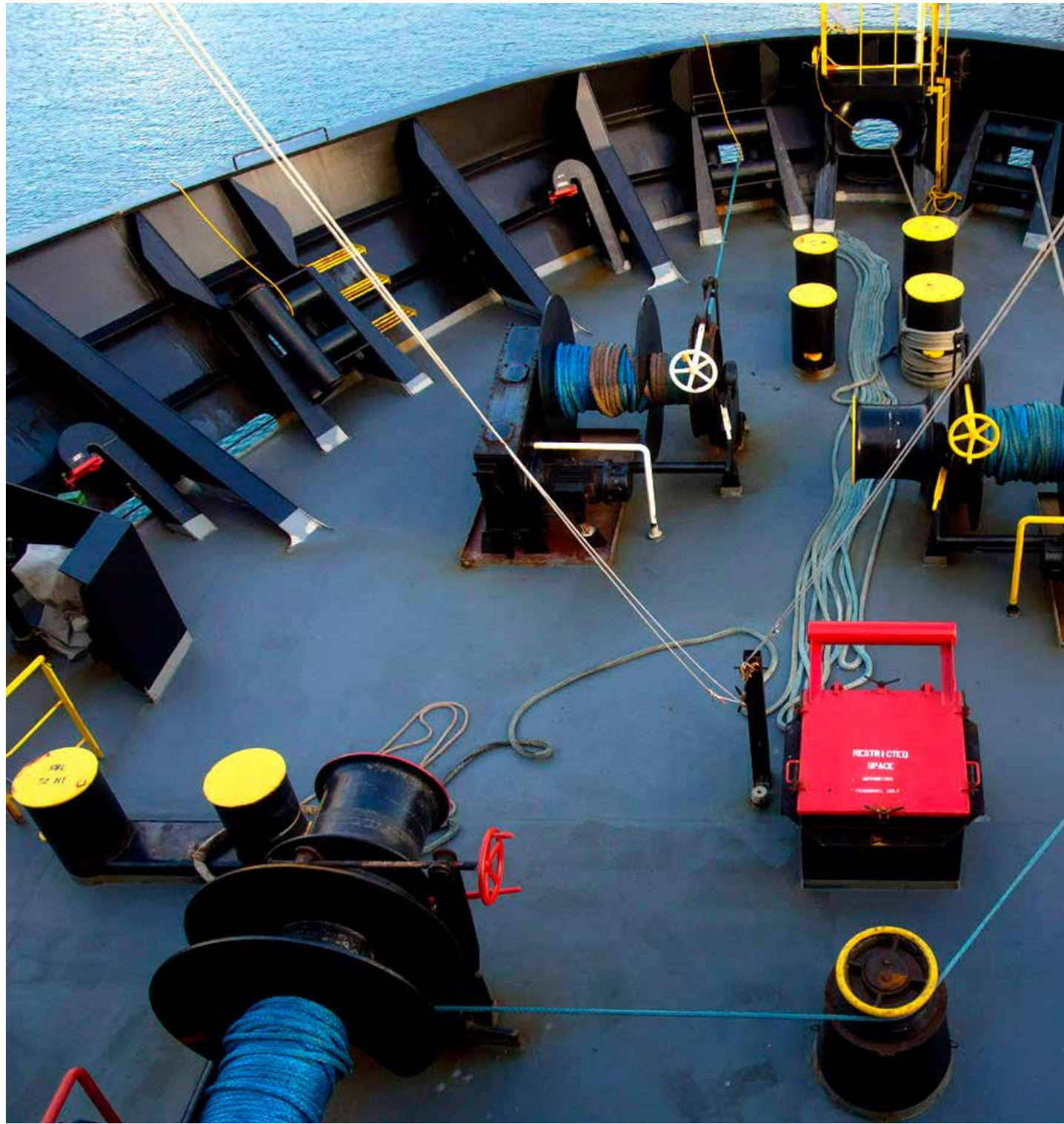
\$200,000+

given through employee matching

Giving by program area



All dollar figures above are rounded.



Appendix

About this Report

Key data summary

UN SDGs

SASB Index

GRI Index

TCFD Index

About this Report

Matson’s 2022 Sustainability Report covers company performance and data for fiscal year 2022 (January 1 – December 31, 2022). Some activities that occurred in early 2023 are also included, where indicated.

This Report was produced in accordance with the Global Reporting Initiative (GRI) Standards (2021) and is aligned with the Sustainability Accounting Standards Board (SASB) Marine Transportation Sustainability Accounting Standard. Disclosures aligned with both of these frameworks – as well as a reference index for Matson’s disclosures aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) – can be found within this Appendix.

Matson is responsible for the preparation and integrity of the information in this Report. The subject matter experts who contributed to the Report, as well as company leadership and the Board of Directors, have reviewed and approved the Report’s content and data.

Report scope and boundaries

Unless otherwise noted, this Report includes activities and performance data for Matson, Inc. and our subsidiaries, but excludes SSA Terminals, LLC, a joint venture between Matson Ventures, Inc., a wholly owned subsidiary of Matson, and SSA Ventures, Inc., a subsidiary of Carrix, Inc.

Matson contracts with union labor. As these employees are subject to separate union contracts, employee figures in this Report only reflect non-bargaining, U.S.-based employees, unless otherwise noted. Employee data presented in this Report – including percentages and figures – are rounded.

We welcome feedback on our ESG performance, and the contents covered in this Report. Please send questions or comments to ESG@matson.com.

Additional information on our ESG initiatives can be found at www.matson.com/sustainability.



Forward-Looking Statements and other important legal information

This document contains statements reflecting our views about our future performance that are aspirational or reflective of management’s views and constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as “anticipate,” “aim,” “believe,” “commit,” “estimate,” “expect,” “goal,” “may,” “plan,” “commit,” “target,” “should,” “may,” “can,” “intend,” “endeavor,” “seek,” “strive,” “work,” and “will,” or similar statements or variations of such terms and other similar expressions. The forward-looking statements in this document concern the company’s aspirations, commitments, intentions, targets, goals, progress or expectations, policies, procurement and value chain, business investments, strategy, and risks and opportunities, with respect to corporate responsibility or “ESG” matters, including sustainability, philanthropy and community giving, legal and regulatory developments, human capital management, diversity, equity, and inclusion, employees, environmental and climate matters, and data privacy and information security, among other topics. Forward-looking statements inherently involve known and unknown risks, assumptions, and uncertainties that are often beyond our control and difficult to predict and could cause actual results to differ materially from those predicted in such statements, such as the availability and cost of low-carbon or carbon-neutral fuels and technologies, the evolution of applicable laws and regulations, stakeholder engagement, energy prices, climate conditions or events, and the ability of our suppliers and partners to meet our sustainability standards, among others. Forward-looking statements are also aspirational and not guarantees or promises that any such aspirations, commitments, intentions, goals, expectations, or targets will be met. For example, these statements reflect our current business plans, and our ability to achieve our goals and targets may be impacted by changes in demand for our services or, in some cases, we may determine to adjust our goals and targets or establish new ones to reflect changes in our business or regulatory environment. The company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events, past practice or otherwise. In addition, historical, current and forward-looking sustainability-related statements may be based on current or historical goals, targets, aspirations, commitments or estimates; standards for measuring progress that are still developing; diligence, internal controls and processes that continue to evolve; data collected, calculated, or provided by third parties; and assumptions that are subject to change in the future.

Issues identified as material, significant, key or priority for purposes of, and information otherwise included in, this document may not be considered material for Securities and Exchange Commission (SEC) reporting purposes. The term “material” used in the context of this document is distinct from, and should not be confused with, such term as used in the context of our SEC reporting.

Key Data Summary

Key Data Summary

TOPIC	METRIC / KPI	2020	2021	2022
Business figures	Revenue	\$2.4B	\$3.9B	\$4.3B
	Matson-owned vessels	18	20	20
	Chartered vessels	6	8	6
	Warehouses	4	4	4
	Cross-dock facilities	6	6	6
	Total employees ¹	4,149	4,259	4,288
	% of employee unionized ²	71%	71%	70%
Customers	On-time performance by tradelane (arrival within 24 hours of scheduled time) ³	Hawaii: 98%	Hawaii: 99%	Hawaii: 99%
		Alaska: 97%	Alaska: 96%	Alaska: 98%
		Guam: 92%	Guam: 98%	Guam: 96%
		CLX: 90%	CLX: 89%	CLX: 89%
		Okinawa: 88%	CLX+: 72%	CLX+: 75%
			CCX: 100% ⁴	CCX: 95%
Employee health and safety	Lost-time incident rate (per 200,000 hours worked)	Shoreside: 4.87	Shoreside: 3.59	Shoreside: 3.35
		Offshore: 1.13	Offshore: 0.67	Offshore: 1.07
	Fatalities	1	0	0
Employee development	% of open positions filled by internal promotion	53%	46%	44%
	Average total turnover	8%	12%	11%
	Average tenure (in years)	12	11	11
Diversity, equity and inclusion	Average employee age	48	48	48
	U.S. Shoreside Employees: ⁵ % women	29%	28%	29%
	U.S. Shoreside Employees: ⁵ % minority	49%	49%	51%
	U.S. Shoreside Management: ⁵ % women	34%	34%	35%
	U.S. Shoreside Management: ⁵ % minority	43%	42%	46%

(continued)

¹ Includes international, union and offshore employees.

² Matson previously reported employee percentage data to the 10th decimal place. Figures for previous years were rounded to be consistent with Matson's reporting practices going forward.

³ Late arrivals in 2022 were mostly due to necessary vessel maintenance, unexpected weather and/or delays from terminal operations.

⁴ CCX on-time arrivals were not previously reported in the 2021 Sustainability Report, but have been included here. CCX was a temporary service introduced in July 2021 and discontinued in September 2022, so figures do not represent a full year of performance data.

⁵ Includes union employees.

Key Data Summary

TOPIC	METRIC / KPI	2020	2021	2022
Local economic impact	Number of shoreside employees in Hawaii, Alaska and Guam	1,279	1,315	1,353
	Total annual compensation for shoreside employees in Hawaii, Alaska and Guam	\$166M	\$176M	\$196M
	Matson's CEO to median employee pay ratio	47:1	64:1	62:1
Community impact	Total cash and in-kind giving	\$3.52M	\$4.2M	\$5.9M
Climate change⁶	Scope 1 GHG emissions from fleet (mt CO ₂ e)	1,029,600	1,180,300	1,178,900
	Scope 1 GHG emissions (total) (mt CO ₂ e)	N/A	1,201,200	1,202,200
	Scope 2 GHG emissions (mt CO ₂ e)	800	14,900	19,400
	Scope 3 GHG emissions (mt CO ₂ e)	N/A	1,689,600 ⁷	1,609,700
	Energy use (GJ) ⁸	13,250,000	15,556,200	15,633,700
Air emissions (mt)⁹	NO _x (excluding N ₂ O)	26,700	30,100	30,500
	SO _x	2,000	1,500	1,300
	PM ₁₀	900	900	800
	VOCs	1,000	1,100	1,100
	Black carbon	90	100	100
Spills	Significant spills	0	0	0
Vessel recycling	# of vessels responsibly recycled	2	2	1
Ocean health	# of vessels with active ballast water management systems	13	19	20
Ethics	% of employees ¹⁰ and contractors trained on Code of Conduct	N/A ¹¹	99%	95%
Cyber and information security	% of employees ¹⁰ trained on cyber and information security	N/A ¹¹	97%	98%
	# of significant leaks, thefts or losses of customer data or any substantiated complaints concerning breaches of customer privacy	N/A ¹¹	0	0
Safe operations	# of serious marine incidents involving vessels or marine infrastructure	0	0	0
Board governance	% of directors identifying as racially or ethnically diverse	71%	71%	71%
	% of women directors	43%	43%	43%
	% of directors who are independent	86%	86%	86%
	Average director tenure (in years)	6.7	8	9
	Average director age	65	66	67

⁶ Total GHG emissions in 2020 includes only Scope 1 emissions from Matson's owned fleet and Scope 2 emissions from vessel shore power. In 2021, the GHG inventory was expanded to include Scope 1 and 2 emissions from shoreside operations and Scope 3 emissions. All GHG emissions data is rounded to the nearest hundred.

⁷ This number has been restated from what was reported in the 2021 Sustainability Report.

⁸ Energy use in 2021 includes only energy use from Matson's owned fleet and shore power.

⁹ Data in 2021 and 2022 includes Scope 1 air emissions from vessels and shoreside operations. Data from 2020 includes air emissions from vessels only.

¹⁰ Includes international and some union employees.

¹¹ Matson published a 2020 Sustainability Report supplement rather than a full Sustainability Report and did not disclose these metrics.

Aligning with the UN Sustainable Development Goals

The United Nations (UN) Sustainable Development Goals (SDGs) are part of the 2030 Agenda for Sustainable Development, which was adopted by the UN in 2015 as a global guide to encourage societal and environmental progress. The 17 goals articulate key focus areas, targets and indicators across a range of pressing global issues. The SDGs identified below align with Matson’s ESG priorities as reflected in the following chart.

UN SDG	TARGETS	MATSON'S ESG PRIORITIES	MATSON 2022 PROGRESS
	2.1	<ul style="list-style-type: none"> Invest in strengthening communities through food bank and hunger relief programs 	Page 40
	3.9	<ul style="list-style-type: none"> Improve air quality 	Page 24
	4.4	<ul style="list-style-type: none"> Cultivate a skilled and engaged workforce 	Pages 34-36
	5.1, 5.5	<ul style="list-style-type: none"> Promote a diverse workforce and an equitable and inclusive culture Cultivate a diverse Board 	Pages 30-33, page 10 and pages 40-41
	10.2, 10.3, 10.4	<ul style="list-style-type: none"> Invest in strengthening communities through social equity organizations 	

(continued)

UN SDG	TARGETS	MATSON'S ESG PRIORITIES	MATSON 2022 PROGRESS
	8.2, 8.3, 8.5, 8.8	<ul style="list-style-type: none"> • Foster a safe and healthy workplace and culture • Cultivate a skilled and engaged workforce with pathways for success • Foster positive relationships with our workforce • Enable community prosperity through consistent, lifeline service • Create positive local economic impact 	Pages 37-38, page 34 and page 5
	11.2, 11.5	<ul style="list-style-type: none"> • Support safe and resilient operations • Invest in strengthening communities through disaster relief 	Pages 39-40
	12.4, 12.5	<ul style="list-style-type: none"> • Improve air quality • Recycle ships responsibly 	Page 24 and page 27
	13.1, 13.2	<ul style="list-style-type: none"> • Reduce GHG emissions and our impact on climate change 	Pages 16-23
	14.1, 14.2, 14.5	<ul style="list-style-type: none"> • Protect ocean health and biodiversity • Record zero significant spills annually • Invest in strengthening communities through ocean conservation organizations 	Pages 25-28
	16.5, 16.6	<ul style="list-style-type: none"> • Conduct business with the highest level of integrity 	Page 5, pages 12-13

Sustainability Accounting Standards Board Index: Marine Transportation Standard

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
Greenhouse gas emissions	TR-MT-110a.1	Gross global Scope 1 emissions	2022 Matson Emissions by Scope, page 23.
	TR-MT-110a.2	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	Climate Change, pages 16-21.
	TR-MT-110a.3	(1) Total energy consumed (2) Percentage heavy fuel oil (3) Percentage renewable	Total energy consumed (GJ): 15,633,700 Heavy fuel oil: 79% Percentage renewable: 0.1%
	TR-MT-110a.4	Average Energy Efficiency Design Index (EEDI) for new ships	<i>Daniel K. Inouye</i> : Attained EEDI is 18.4 grams-CO ₂ /tonne-mile <i>Kaimana Hila</i> : Attained EEDI is 17.0 grams-CO ₂ /tonne-mile
Air quality	TR-MT.120a.1	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O) (2) SO _x (3) Particulate matter (PM ₁₀)	Air Emissions, page 24.
Ecological impacts	TR-MT-160a.1	Shipping duration in marine protected areas or areas of protected conservation status	Ocean Health, page 25. In certain geographies, Matson’s ships sail through or adjacent to U.S. Marine Protected Areas. This includes waters along the West Coast from Oakland to Long Beach, off the coast of Washington, areas outside of Anchorage, and occasionally, areas west of Hawaii. Matson does not track time spent in these areas.
	TR-MT-160a.2	Percentage of fleet implementing ballast water (1) exchange and (2) treatment	All of Matson’s owned vessels have ballast water treatment systems installed. See Ballast Water, page 25.
	TR-MT-160a.3	(1) Number and (2) aggregate volume of spills and releases to the environment	Spills, page 25.
Employee health & safety	TR-MT-320a.1	Lost time incident rate (LTIR)	Workplace Safety Performance, page 38.
Business ethics	TR-MT-510a.1	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index	Matson did not call in any of the countries with the 20 lowest rankings.
	TR-MT-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Matson had no legal proceedings related to bribery or corruption and thus sustained no monetary losses.
Accident & safety management	TR-MT-540a.1	Number of marine casualties, percentage classified as very serious	Matson experienced no serious marine incidents – as defined by the U.S. Coast Guard – involving vessels or marine infrastructure.
	TR-MT-540a.2	Number of Conditions of Class or Recommendations	Matson does not disclose Conditions of Class or Recommendations.
	TR-MT-540a.3	Number of port state control (1) deficiencies and (2) detentions	Matson does not disclose deficiencies or detentions.

For SASB Activity Metrics, please see [Matson’s 2022 Form 10-K.](#)

Global Reporting Initiative Content Index

STATEMENT OF USE	Matson has reported in accordance with the GRI standards for the period January 1, 2022 – December 31, 2022.
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD(S)	Currently, there are no applicable Sector Standards for Matson’s industry.

GRI STANDARD	DISCLOSURE	RESPONSE
GRI 2: GENERAL DISCLOSURES 2021		
The organization and its reporting practices	2-1 Organizational details	Matson, Inc. is a publicly traded company and is listed on the NYSE under the ticker symbol “MATX.” Matson’s headquarters are in Honolulu, Hawaii. The countries Matson services are shown on the map on page 3 .
	2-2 Entities included in the organization’s sustainability reporting	Matson’s financial statements include information for all of our subsidiaries on an aggregate basis. With the exception of SSA Terminals, LLC, these entities are also covered in this Report. See more on page 43 .
	2-3 Reporting period, frequency and contact point	Matson typically issues a Sustainability Report on an annual basis, and our reporting period is the calendar year, which aligns with our financial reporting period. This Report covers activities that occurred in 2022 and early 2023 and was published on July 18, 2023. Any questions or feedback can be directed to: ESG@matson.com .
	2-4 Restatements of information	Value Chain Emissions, page 22 .
	2-5 External assurance	This Report was not externally assured, and currently there are no plans to seek external assurance.
Activities and workers	2-6 Activities, value chain and other business relationships	Matson's Business, page 3 and Matson's Role in Our Communities, page 5 . Matson’s most significant supply chain input is the purchasing of fuel to operate our vessels. Matson has a joint venture investment in SSA Terminals, LLC, which provides terminal and stevedoring services to various carriers at eight terminals along the U.S. West Coast, three of which are dedicated for Matson’s use. Matson relies on unions to provide credentialed seafaring and terminal personnel like many companies in our industry.
	2-7 Employees	There were 4,288 employees at Matson in 2022. For gender information, see 2022 Diversity at Matson, page 33 . Matson uses agents, temporary workers and contractors across our operations, often to support the business during busier seasons. In addition, Matson’s fleet of active vessels require 331 billets. Each billet corresponds to a position on a vessel that typically is filled by two or more employees because seagoing personnel rotate between active sea duty and time ashore. For Matson’s foreign flagged chartered vessels, the vessel owner is responsible for our seagoing personnel. Matson’s vessel management services also employed personnel in 32 billets to manage three U.S. government vessels. Matson’s human resources and operations departments collect and record workforce data on an ongoing basis.
	2-8 Workers who are not employees	Matson tracks contractors and temporary workers on a monthly basis and does not compile an annual figure. Contractors can vary significantly from month-to-month depending on business needs.

(continued)

GRI STANDARD	DISCLOSURE	RESPONSE
GRI 2: GENERAL DISCLOSURES 2021 (cont.)		
Governance	2-9 Governance structure and composition	ESG Governance, pages 9-11. Matson's Proxy Statement, pages 2-11.
	2-10 Nomination and selection of the highest governance body	Matson's Proxy Statement, pages 2-11.
	2-11 Chair of the highest governance body	Matson's Proxy Statement, pages 7-8.
	2-12 Role of the highest governance body in overseeing management of impacts	ESG Governance, pages 9-11.
	2-13 Delegation of responsibility for managing impacts	ESG Governance, pages 9-11.
	2-14 Role of the highest governance body in sustainability reporting	Matson's Board reviews and approves our Sustainability Report before publication. See Matson's Proxy Statement, page 12.
	2-15 Conflicts of interest	Matson's Proxy Statement: Director Independence, page 7, and Certain Relationships and Transactions, pages 16-17.
	2-16 Communication of critical concerns	Ethics, page 12. Matson maintains a confidential, third-party reporting hotline for employees to raise ethics concerns. Under our policies, we review all reports made through the hotline and investigate them. Similarly, employees are encouraged to bring any concern regarding ESG issues forward to their managers or directly to members of the Compliance Committee. More serious allegations brought forward through any of these channels are reported to our Compliance Committee, which in turn brings concerns to the Audit Committee of the Board of Directors. Matson does not disclose the number of concerns brought to the Board. This is confidential.
	2-17 Collective knowledge of the highest governance body	ESG Governance, pages 9-11. Matson is actively engaged in bringing ESG topics to our Board, including updating them on stakeholder concerns, advancing knowledge on environmental topics and regulation, and discussing how ESG will continue to evolve. ESG topics were presented or discussed at every regular Board meeting in 2022.
	2-18 Evaluation of the performance of the highest governance body	Matson's Proxy Statement: As part of Matson's Board evaluations process, we evaluate the areas of the Board's oversight, including ESG, page 8.
	2-19 Remuneration policies	Matson's Proxy Statement: Compensation of Directors, pages 13-14, and Executive Compensation, pages 20-52.
2-20 Process to determine remuneration	Matson's Proxy Statement: Compensation of Directors, pages 13-14, and Executive Compensation, pages 20-52.	
2-21 Annual total compensation ratio	Matson's 2022 CEO to median employee pay ratio was 62:1. Matson's Proxy Statement, pages 32-33	

(continued)

GRI STANDARD	DISCLOSURE	RESPONSE
GRI 2: GENERAL DISCLOSURES 2021 (cont.)		
Strategies, policies and practices	2-22 Statement on sustainable development strategy	Message From Our Chairman and CEO, pages 1-2.
	2-23 Policy commitments	Ethics, page 12. Matson has not formally adopted the Precautionary Principle, but we do have standards of conduct that inform due diligence, integrity and ethical standards. Many of these commitments can be found in our Code of Conduct , Code of Ethics and Code of Conduct for Contractors . Other standards are further clarified for employees in our internal policies (see page 12). These expectations apply across our organization, including our Board of Directors.
	2-24 Embedding policy commitments	Ethics, page 12 and ESG Governance, pages 9-11 . See also Matson's Proxy Statement: Corporate Governance, pages 7-12 .
	2-25 Processes to remediate negative impacts	Ethics, page 12 , ESG Governance, pages 9-11 and Stakeholder Engagement, page 6 .
	2-26 Mechanisms for seeking advice and raising concerns	Ethics, page 12 . More information can also be found in Matson's Code of Conduct .
	2-27 Compliance with laws and regulations	Matson experienced no significant instances of non-compliance during the reporting period.
	2-28 Membership associations	Blue Sky Maritime Coalition Chamber of Shipping of America North American Marine Environment Protection Association Pacific Merchant Marine Association (PMSA) SEA-LNG Smart Freight Centre's Clean Cargo Group Smithsonian Environmental Research Center U.S. Environmental Protection Agency's SmartWay Partnership World Shipping Council See also Cyber and Information Security, page 14 .
Stakeholder engagement	2-29 Approach to stakeholder engagement	Materiality and Stakeholder Engagement, page 6 .
	2-30 Collective bargaining agreements	Like many companies in our industry, Matson relies on unions to provide credentialed seafaring and terminal personnel. We respect our employees' rights to freedom of association and collective bargaining. In 2022, 70% of our workforce was covered by a collective bargaining agreement. See Matson's 2022 Form 10-K, Bargaining Agreements, page 13 .
GRI 3: MATERIAL TOPICS 2021		
3 Material Topics 2021	3-1 Process to determine material topics	Materiality and Stakeholder Engagement, page 6 .
	3-2 List of material topics	Matson's ESG Focus Areas, page 6 .
AIR EMISSIONS		
3 Material Topics 2021	3-3 Management of material topics	Air Emissions, page 24 . Materiality and Stakeholder Engagement, page 6 .
	305 Emissions 2016	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions Air Emissions, page 24 .

(continued)

GRI STANDARD	DISCLOSURE	RESPONSE
GRI 3: MATERIAL TOPICS 2021 (cont.)		
CLIMATE CHANGE		
3 Material Topics 2021	3-3 Management of material topics	Climate Change, pages 16-23. Materiality and Stakeholder Engagement, page 6.
302 Energy 2016	302-1 Energy consumption within the organization (in GJ)	Total energy consumed within the organization: 15,633,700 <ul style="list-style-type: none"> • Total fuel consumed from non-renewable sources: 15,613,000 • Total fuel consumed from renewable sources: 20,700 • Electricity use: 140,500
	302-2 Energy consumption outside of the organization	Matson does not collect information on energy consumption outside of the organization.
	302-3 Energy intensity	Matson does not report energy intensity.
	302-4 Reduction of energy consumption	Climate Change, pages 16-23.
	302-5 Reduction in energy requirements of products and services	Climate Change, pages 16-23.
201 Economic Performance 2016	201-2 Financial implications and other risks and opportunities for the organization's activities due to climate change	Matson 2021 TCFD Report, page 8. Evaluating Climate Risks, page 11.
305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2022 Matson Emissions by Scope, page 23.
	305-2 Energy indirect (Scope 2) GHG emissions	2022 Matson Emissions by Scope, page 23.
	305-3 Other indirect (Scope 3) GHG emissions	2022 Matson Emissions by Scope, page 23.
	305-4 GHG emissions intensity	Matson does not currently report GHG emissions intensity.
	305-5 Reduction of GHG emissions	Scope 1 GHG Emissions from Fleet, page 18.
COMMUNITY IMPACT		
3 Material Topics 2021	3-3 Management of material topics	Community Impact, page 40. Materiality and Stakeholder Engagement, page 6.
413 Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Matson implements community support, engagement and development programs addressing local needs in our areas of operation in the Pacific, Alaska and the continental U.S. See Community Impact, page 40.
203 Indirect Economic Impacts 2016	203-1 Infrastructure investments and services support	Community Impact, page 40. Matson's Role in Our Communities, page 5.

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GRI STANDARD	DISCLOSURE	RESPONSE
GRI 3: MATERIAL TOPICS 2021 (cont.)		
COMMUNITY IMPACT (cont.)		
202 Market Presence 2016	202-1 Ratio of standard entry level wage by gender compared to local minimum wage	Matson's Role in Our Communities, page 5 . Matson considers itself a “lifeline business” in Hawaii, Alaska and Guam due to our position as a valuable local employer and the economic impact we create through providing critical supply chain transport services. As such, we consider these markets “significant areas of operation.” Matson’s entry-level pay in Alaska, Hawaii and Guam is significantly higher than the respective local minimum wage. On average, we pay about twice as much as local minimum wage for entry-level jobs.
	202-2 Proportion of senior management hired from the local community	Matson's Role in Our Communities, page 5 . Matson considers itself a “lifeline business” in Hawaii, Alaska and Guam due to our position as a valuable local employer and the economic impact we create through providing critical supply chain transport services. As such, we consider these markets “significant areas of operation.” Candidates for senior positions in Alaska, Hawaii and Guam are typically from those local communities or are individuals who have worked for Matson in other locations.
CYBER AND INFORMATION SECURITY		
3 Material Topics 2021	3-3 Management of material topics	Cyber and Information Security, page 14 . Materiality and Stakeholder Engagement, page 6 .
418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cyber and Information Security, page 14 . Matson had no significant leaks, thefts or losses of customer data nor identified any substantiated complaints concerning breaches of customer privacy in 2022.
DIVERSITY, EQUITY AND INCLUSION		
3 Material Topics 2021	3-3 Management of material topics	Advancing our Commitment to Diversity, Equity and Inclusion, pages 30-33 . Materiality and Stakeholder Engagement, page 6 .
405 Diversity and Equal Opportunity 2016	405-1 Diversity of employees	2022 Diversity at Matson, page 33 . Matson reports only an average employee age. Board diversity figures can be found on page 10 .
	405-1 Ratio of basic salary and remuneration of women to men	Matson considers this information confidential, however we conduct a gender and racial pay equity analysis on an annual basis and consider any necessary adjustments. See more on page 31 .
406 Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Matson did not identify any confirmed incidents of discrimination in 2022.

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GRI STANDARD	DISCLOSURE	RESPONSE
GRI 3: MATERIAL TOPICS 2021 (cont.)		
EMPLOYEE HEALTH AND SAFETY		
3 Material Topics 2021	3-3 Management of material topics	Safety, pages 37-39. Materiality and Stakeholder Engagement, page 6.
403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Safety, pages 37-39. Matson’s occupational health and safety management system is designed to meet legal requirements (set by regulators such as OSHA and the U.S. Coast Guard) and address recognized risks in our operations. This system is intended to cover all workers, activities and workplaces.
	403-2 Hazard identification, risk assessment and incident investigation	Safety, pages 37-39.
	403-3 Occupational health services	Safety, pages 37-39. Matson’s Shoreside Safety and Marine Safety Committees meet on a monthly basis to support the effectiveness of safety programs and to address specific risks identified by workers.
	403-4 Worker participation, consultation, and communication on occupational health and safety	Safety, pages 37-39.
	403-5 Worker training on occupational health and safety	Safety, pages 37-39.
	403-6 Promotion of worker health	Matson provides employees medical, dental and vision insurance, short- and long-term disability insurance, flexible spending accounts for medical and childcare expenses, parental leave and an employee assistance program that among other topics, provides support for counseling and therapy. The Matson Life digital platform provides a range of resources and support on employee well-being including mental, physical and financial health.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety, pages 37-39. Matson makes efforts to prevent and mitigate negative occupational health and safety impacts in contracted or brokered operations. We work to confirm that motor carriers adhere to applicable safety regulations and standards and to prevent incidents from risks like fatigue and inadequate truck maintenance. We also work to minimize risks due to handling hazardous goods or injuries from improper loading that can occur in leased distribution centers and warehouses.
	403-8 Workers covered by an occupational health and safety management system	Safety, pages 37-39. Matson’s occupational safety program, including our health and safety policies, applies to all of our employees, crewmembers and contractors. Not all health benefits are provided to all employees (see GRI 401-2). Matson’s safety program is internally and externally audited.
	403-9 Work-related injuries	Workplace Safety Performance, page 38. Note, Matson calculates the LTIR per 200,000 hours worked for shoreside and offshore workers.
ESG GOVERNANCE		
3 Material Topics 2021	3-3 Management of material topics	ESG Governance, page 10. Materiality and Stakeholder Engagement, page 6.
405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies	ESG Governance, pages 10. Matson’s Proxy Statement, pages 2-6.

(continued)

GRI STANDARD	DISCLOSURE	RESPONSE
GRI 3: MATERIAL TOPICS 2021 (cont.)		
ETHICS		
3 Material Topics 2021	3-3 Management of material topics	Ethics, page 12. Materiality and Stakeholder Engagement, page 6.
205 Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Ethics, page 12. Matson endeavors to remain vigilant in assessing risks related to corruption and adhering to all regulations throughout all of our operations – in both domestic and international locations.
	205-2 Communication and training about anti-corruption policies and procedures	Ethics, page 12. Under our policies, employees in international locations receive targeted training on anti-corruption. Executive-level employees and employees in the U.S. with responsibility for international locations also receive training every year. Anti-corruption policies and procedures are part of our Code of Conduct and ethics training for all employees. Board members receive communication about our Code of Conduct. Our long-term contractors also receive Code of Conduct training.
	205-3 Confirmed incidents of corruption and actions taken	Matson had no confirmed incidents of corruption in 2022.
HUMAN CAPITAL MANAGEMENT		
3 Material Topics 2021	3-3 Management of material topics	Building an Engaging and Rewarding Workplace, pages 34-35. Learning From and Acting on Employee Feedback, page 36. Materiality and Stakeholder Engagement, page 6.
401 Employment 2016	401-1 New employee hires and employee turnover	Building an Engaging and Rewarding Workplace, pages 34-35. Matson had 11% average annual turnover in 2022. Matson hired 407 new employees in 2022 (39% union and 61% non-union).
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Building an Engaging and Rewarding Workplace, pages 34-35. Matson provides industry-competitive benefits, including medical, dental and vision insurance; optional legal and identify theft protection insurance; an employee assistance program; parental leave, fertility benefits and adoption assistance; back-up child and adult dependent care; and retirement plans, including 401(k), profit sharing and pension plans. All full-time non-union employees are eligible to receive these benefits, although part-time non-union employees do have some benefits depending on their total hours, location and business unit. Union benefits are stipulated by the relevant collective bargaining agreement but are competitive and comprehensive.
	401-3 Parental leave	100% of full-time employees are entitled to parental leave. Additional employees who meet the hourly requirements in our collective bargaining agreements and/or state/federal leave laws were also eligible to take parental leave in 2022. Number of people who took parental leave in 2022: 15 <ul style="list-style-type: none"> • Male: 6 • Female: 9 Number of people who returned to work after taking parental leave in 2022: 13 <ul style="list-style-type: none"> • Male: 6 • Female: 7 Return-to-work rate in 2022: 87% <ul style="list-style-type: none"> • Male: 100% • Female: 78%

(continued)

GRI STANDARD	DISCLOSURE	RESPONSE
GRI 3: MATERIAL TOPICS 2021 (cont.)		
HUMAN CAPITAL MANAGEMENT (cont.)		
404 Training and Education 2016	404-1 Average hours of training per year per employee	Building an Engaging and Rewarding Workplace, pages 34-35 . Matson provided approximately 3,500 hours of training in 2022, or approximately 3 hours per person to U.S. non-union employees. Matson does not break down training hours by gender or employee category.
	404-2 Programs for upgrading employee skills and transition assistance programs	Building an Engaging and Rewarding Workplace, pages 34-35 . Matson believes that the ongoing professional development and growth of our employees is important to the success of our company. We offer online training programs to enhance professional development including managerial skills. We provide employees with opportunities to attend conferences and outside classes to develop knowledge and skills relevant to their position and department. Additionally, we have a tuition reimbursement program for eligible employees who want to obtain a degree or certification.
	404-3 Percentage of employees receiving regular performance and career development reviews	Building an Engaging and Rewarding Workplace, pages 34-35 . 100% of eligible non-union employees and new hires hired before October 1, 2022.
402 Labor Management Relations 2016	402-1 Minimum notice periods regarding operational changes	<p>Like many companies in our industry, Matson relies on unions to provide credentialed seafaring and terminal personnel. We respect our employees' rights to freedom of association and collective bargaining. In 2022, 70% of our workforce was covered by a collective bargaining agreement.</p> <p>Effective, positive and stable relationships with our union partners is in the best interest of our union employees and our operations. Our approach to maintaining positive relationships is open engagement and proactive dialogue with union representatives. This approach applies enterprise-wide. We believe proactive engagement leads to mutually agreeable contracts and constructive relationships.</p> <p>Minimum notice related to operational changes is specified in and varies based on the relevant collective bargaining agreement and nature of the operational change. Matson strives to provide unions with adequate notice prior to any significant operational changes being implemented to give time for union and employee discussion and consultation.</p>
OCEAN HEALTH		
3 Material Topics 2021	3-3 Management of material topics	<p>Ocean Health, pages 25-27.</p> <p>Materiality and Stakeholder Engagement, page 6.</p>
304 Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Matson does not own, lease or manage sites in U.S. Marine Protected Areas (MPA).
	304-2 Significant impacts of activities, products and services on biodiversity	Climate Change, pages 16-23 , Air Emissions, page 24 and Ocean Health, pages 25-27 . In certain geographies, Matson ships sail through or adjacent to U.S. Marine Protected Areas. This includes waters along the West Coast from Oakland to Long Beach, off the coast of Washington, areas outside of Anchorage, and occasionally, areas west of Hawaii. Matson does not track time spent in these areas.
	304-3 Habitats protected or restored	Ocean Health, pages 25-27 and Environmental Conservation and Education, page 28 . Matson supports habitat restoration and clean-up projects in partnership with numerous nonprofit organizations. We do not track size and location of habitats protected.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Ocean Health, page 25-27 . Matson traverses waters that are frequented by a number of IUCN Red List species including blue (EN), fin (VU), humpback (LC), gray (LC) and minke (LC) whales as well as other sea life.

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GRI STANDARD	DISCLOSURE	RESPONSE
GRI 3: MATERIAL TOPICS 2021 (cont.)		
OCEAN HEALTH (cont.)		
303 Water and Effluents 2018	303-1 Management of water discharge-related impacts	Bilge Water and Ballast Water, page 25.
	303-4 Water discharge	Ocean Health, page 25. Matson does not track volume of discharges for ballast or bilge water at the corporate level.
306 Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, page 26.
	306-2 Management of significant waste-related impacts	Waste Management, page 26.
	306-3 Waste generated	Waste Management, page 26 and Cargo Security, page 39. Matson does not track weight of materials by disposal method. Matson tracks individual shipments of hazardous waste in compliance with regulations. However, at the corporate level, Matson does not compile the weight of hazardous materials transported, imported, exported, treated or shipped internationally.
OPERATIONAL SAFETY		
3 Material Topics 2021	3-3 Management of material topics	Resilient and Safe Operations, page 39. Materiality and Stakeholder Engagement, page 6.
203 Indirect Economic Impacts 2016	203-1 Infrastructure investments and services support	Resilient and Safe Operations, page 39.
VESSEL RECYCLING		
3 Material Topics 2021	3-3 Management of material topics	Vessel Recycling, page 27. Materiality and Stakeholder Engagement, page 6.
306 Waste 2020	306-1 Waste generation and significant waste-related impacts	Vessel Recycling, page 27. Ocean going vessels are massive structures, containing thousands of tons of metal and components, some of which are deemed hazardous materials. When it is time to retire a vessel, how it is disposed of can have potentially negative impacts for the workers that dismantle it and the surrounding environment. Common practice in our industry is for carriers to sell retiring vessels to third-party recyclers.
	306-2 Management of significant waste-related impacts	Vessel Recycling, page 27. Matson’s policy is to protect worker safety and the environment by requiring that all our U.S.-flagged ships be recycled in facilities that meet stringent U.S. regulatory standards or similar standards set forth in international conventions approved by Matson designated executives. Matson policies provide for inspections of each facility prior to awarding a contract to assess that it meets requirements and then to monitor recycling progress on a weekly basis. Matson does not track weight of materials by disposal method for recycled vessels; this is handled by the recycler.
	306-3 Waste generated	Vessel Recycling, page 27.
	306-4 Waste diverted from disposal	Vessel Recycling, page 27.
SPIILLS		
3 Material Topics 2021	3-3 Management of material topics	Spills, page 25. Materiality and Stakeholder Engagement, page 6.
306 Effluents and Waste 2016	306-3 Significant spills	Spills, page 25.

Reference index for disclosures aligned with the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD)

SECTION	RECOMMENDED DISCLOSURES	RESPONSE
Governance	a. Describe the board’s oversight of climate-related risks and opportunities	ESG Governance, pages 9-11. Evaluating Climate Risks, page 11. 2021 TCFD Report, page 4.
	b. Describe management’s role in assessing and managing climate-related risks and opportunities.	ESG Governance, pages 9-11. Evaluating Climate Risks, page 11. 2021 TCFD Report, page 5.
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2021 TCFD Report, pages 8-10.
	b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	2021 TCFD Report, pages 8-10.
	c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2021 TCFD Report, pages 8-10.
Risk management	a. Describe the organization’s processes for identifying and assessing climate-related risks.	ESG Governance, pages 9-11. Evaluating Climate Risks, page 11. 2021 TCFD Report, pages 8-10.
	b. Describe the organization’s processes for managing climate-related risks.	ESG Governance, pages 9-11. Evaluating Climate Risks, page 11. 2021 TCFD Report, pages 11-14.
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	ESG Governance, pages 9-11. Evaluating Climate Risks, page 11. 2021 TCFD Report, pages 8-10.
Metrics and targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Climate Change, pages 16-23.
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Scope 1 GHG Emissions from Fleet, page 18. 2022 Matson Emissions by Scope, page 23.
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Climate Change, pages 16-23. Scope 1 GHG Emissions from Fleet, page 18.

The image features the Matson logo in white, centered on a dark blue background. The background is decorated with a subtle, light blue topographic map pattern, consisting of various contour lines and dashed lines. The logo itself is a bold, sans-serif font with a registered trademark symbol (®) at the end.

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