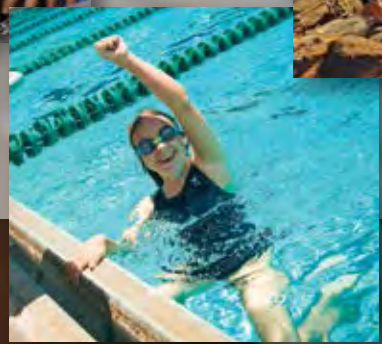


2013

ANNUAL REPORT



Matson[®]
FOUNDATION



M E S S A G E F R O M T H E C E O



One of the top priorities Matson had when it became a stand-alone, publicly traded company in July 2012 was to establish our own corporate giving program through the Matson Foundation. Contributing positively to the communities in which we work and live is one of our core values. Community service is a key component of Matson's corporate culture and all of us demonstrate this commitment in various ways throughout the year, whether it be through cash donations to local non-profits or on-site volunteer work as part of fundraising events.

This first annual report of the Matson Foundation illustrates our broad outreach to organizations that seek to improve the quality of life

in our communities. During our first full year of operation in 2013, the Matson Foundation contributed over \$1.6 million to 456 organizations. As a Hawai'i-based corporation that has served the Islands continuously since 1882, the majority of Matson's corporate giving dollars and community service activities support non-profits in the Islands. Beyond traditional cash grants and in-kind donations, the Matson Foundation also funds two special environmental, community relations programs in Hawai'i and Guam, Ka Ipu 'Aina and Adahi I Tano', respectively. In 2013 alone, several hundred environmental clean-up projects were conducted as a result of the programs, with the non-profits that organized the events receiving a total of nearly \$175,000.

The Matson Foundation's governance is comprised of employees from all of our major geographic locations. This ensures our giving efforts effectively reflect all of the communities in which we do business. Another key part of the governance process involves maximizing our outreach to a broad range of community organizations, supporting everything from the Polynesian Voyaging Society to the American Red Cross to the Special Olympics Hawai'i.

All of us at Matson believe that we are more than just a business. We are an integral part of our communities and collaborate as employees whenever possible to live that commitment in delivering what we know as "service."

A handwritten signature in black ink, appearing to read "M Cox". The signature is stylized and fluid.

Matt Cox
President and CEO

Cover/back cover photo courtesy of Polynesian Voyaging Society

Cover inset photos courtesy of Blood Bank of Hawai'i, Ka Ipu 'Aina and Adahi I Tano', Kupu, Hawai'i Food Bank, Special Olympics Hawai'i, Polynesian Voyaging Society and Easter Seals Hawai'i

Inside cover photo courtesy of Polynesian Voyaging Society

Inside cover inset photos courtesy of Easter Seals Hawai'i, Ka Ipu 'Aina and Adahi I Tano' and Special Olympics Hawai'i

MATSON FOUNDATION



Giving back to the community is a commitment that Matson has maintained over its 130-year history. With some community partnerships running as far back as 1953, Matson and its employees actively contribute to and support the communities where it has close ties.

The Matson Foundation supports a wide range of community needs and makes contributions to qualified organizations that have the greatest opportunity to positively affect the communities Matson serves. The company's community relations footprint extends to every Matson location, including Hawai'i, Guam, California, Arizona, Washington, Illinois and Georgia.

The foundation provides support through corporate contributions or sponsorships, as well as donations made in recognition of employee gifts or their active involvement in community service efforts, either as part of a company team or in their personal time.

Charitable Donations and Sponsorships

The Matson Foundation manages the company's corporate giving programs, primarily the contribution of funds, material goods and services that assist in the development and operation of not-for-profit, charitable and community organizations in the geographic locations where Matson has business operations.

The foundation typically provides support in the areas of arts and culture, civic and community programs, education, health and human services, maritime environment and ocean resource conservation, and youth.

Matching Gifts

The Matching Gifts program enables eligible employees to request a matching financial donation from the Matson Foundation when they make a personal financial gift to a qualifying educational or cultural organization. Donors may make unrestricted gifts or may designate their gifts for specific projects; however, Matson Foundation's matching funds are unrestricted.

Eligible educational institutions include pre-schools; elementary and secondary schools; collegiate-level, professional or technical schools; two-year, junior, community and four-year colleges and universities and graduate schools. Gifts to schools operated by religious organizations may be matched provided their primary purpose is educational.

Eligible cultural institutions include recognized cultural organizations and institutions open to and operated for the benefit of the general public, such as museums and centers of art, science and history; public libraries; botanical and zoological societies; public radio and television stations; and community or professional performing arts organizations (including symphony, orchestras, opera, ballet, dance, theaters and choral groups). The Matson Foundation will not match gifts to any organization which discriminates in any way that is inconsistent with its equal opportunity policies.

Volunteer Matching Gifts

The Volunteer Matching Gifts program allows eligible Matson employees to request a donation from the Matson Foundation based on their active involvement in the community. This program was started as a way of showing support for Matson employees who volunteer their personal time and expertise to qualifying organizations for community projects and to encourage other employees to better their communities through volunteer service.

GREEN INITIATIVES

When an eligible employee participates in the program, the Matson Foundation “matches” their volunteer time with qualified charitable organizations with a cash donation. The matching gift from the Foundation is restricted to the club, chapter or affiliate for which the employee has provided volunteer support.

Volunteer Service

The spirit of giving extends to the time and talent of individual Matson employees who actively participate in activities and events that benefit their respective communities.

Matson employees have taken leadership roles in drives for the American Red Cross and for the Hawai'i Foodbank. They spend “days in the community,” helping organizations repair homes, send out medical supplies and feed the homeless.

They have regularly volunteered for or contributed to a number of esteemed organizations in Hawai'i, including the Special Olympics Hawai'i Summer Games since 1988 and the Easter Seals Hawai'i annual Christmas Party for the past 60 years.

Preserving the environment for future generations to enjoy means that many Matson employees also donate time to support green initiatives, such as the Ocean Conservancy's Annual International Coastal Clean-up Day and various clean-up efforts in their communities.



Matson has made making environmentally conscious decisions part of its business practice, namely as a maritime leader with its Zero Solid Waste Discharge program, developed in partnership with the Center for Marine Conservation, now known as the Ocean Conservancy.

Through this program, Matson has reduced the waste discarded at sea to food scraps. All other waste materials are recycled or disposed of carefully at shoreside facilities.

Ka Ipu 'Aina and Adahi I Tano'

On land, the Matson Foundation works with non-profit organizations in Hawai'i and Guam who coordinate environmental clean-up projects to help preserve the natural beauty for island residents and visitors alike.

Non-profit groups on O'ahu, Maui, the Big Island and Kaua'i may apply to participate in Ka Ipu 'Aina while those on Guam may apply to Adahi I Tano', a partnership with the Islandwide Beautification Task Force.

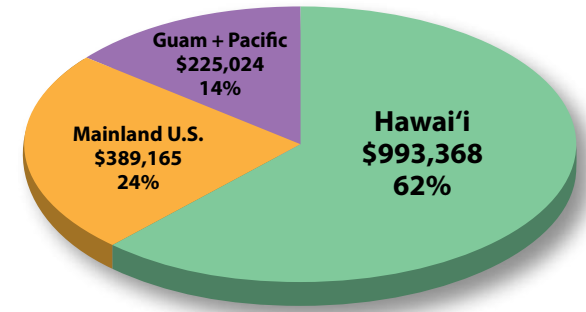
Through both programs, Matson provides the use of container equipment and pays for the trucking expenses for the delivery and pickup of the containers used for the approved clean-up projects, as well as for any disposal fees incurred. The non-profit groups coordinate the clean-up effort and handle the arrangements with a waste facility to dispose of trash collected. Groups who successfully complete their clean-up projects receive a cash contribution from the Matson Foundation.

In 2013, the Matson Foundation donated nearly \$175,000 to non-profits in Hawai'i and Guam for their clean-up efforts through Adahi I Tano' and Ka Ipu 'Aina.

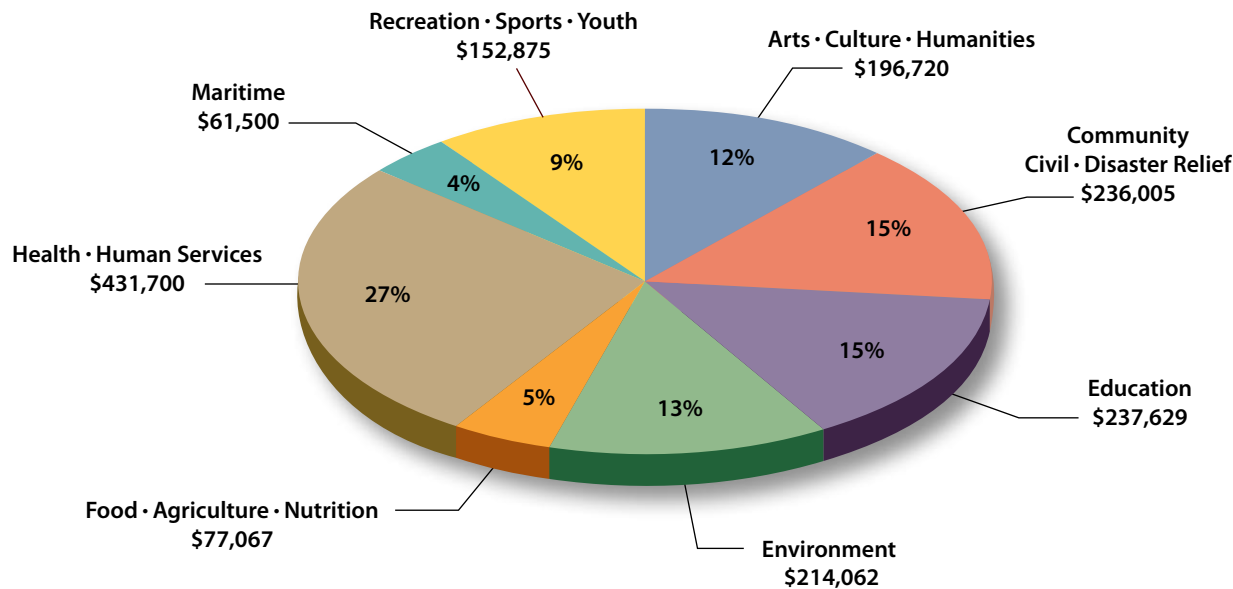
S T A T I S T I C S



In 2013, the Matson Foundation donated more than \$1.6 million to non-profit organizations. As Matson is a Hawai'i-based corporation, 62% of donations were awarded to non-profits in the state. The remaining funds were distributed to programs in communities in the mainland U.S., Guam and in the Pacific, where Matson has close ties or to specific disaster relief-related causes in other parts of the world.



Total 2013 Donations \$1,607,558



Donations in the form of funds, material goods and services were made in eight general categories: arts-culture-humanities, community-civil-disaster relief, education, environment, food-agriculture-nutrition, health-human services, maritime, and recreation-sports-youth.

Contributions from the Matson Foundation typically are in the form of a charitable donation or sponsorship.

A charitable donation may be a cash gift or a purchase of material goods by the foundation for a qualified charity or non-profit community organization. Donations are intended for groups or programs that serve the communities where Matson has a presence, are actively supported by company employees, are cost-effective and more likely to be sustainable, and have plans for measurable results.

Matson Foundation Leadership - 2014



A sponsorship may be monetary or in-kind support for an event, activity or organization in exchange for attendance, participation or associated value. These are intended to benefit a worthy cause with no less than 70% of gross proceeds going to the designated cause.

Donations by the Matson Foundation will not be made to or on behalf of individuals, nor will contributions be made to benefit political organizations. Generally, only one donation will be given in a calendar year to any non-profit organization. Because the Matson Foundation is completely self-funded and does not receive external donations, they have elected not to file as a 501(c)(3).

The Matson Foundation is comprised of two geographically oriented committees, Pacific and Mainland, each considering requests from their respective communities.

The leadership committees for the Matson Foundation take careful consideration of each donation request received so that funds may be distributed throughout the year. Approximately 56% of available funds were granted during the first half of 2013. The majority of funds were disseminated in the first and fourth quarter of the year.

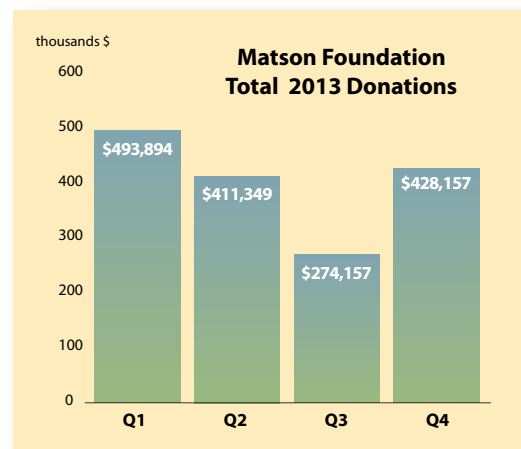


Photo courtesy of Easter Seals Hawai'i

FOUNDATION PRESIDENT

Matt Cox

2014 PACIFIC COMMITTEE

Chair, Gary Nakamatsu
Vice President, Hawai'i Sales

Vic Angoco Jr.
Senior Vice President, Pacific

Russell Chin
District Manager

Jocelyn Chagami
Manager, Industrial Engineering

Matt Cox
President & Chief Executive Officer

Len Isotoff
Director, Pacific Region Sales

Ku'uhaku Park
Vice President, Government & Community Relations

Bernadette Valencia
General Manager, Guam and Micronesia

Staff: **Linda Howe**

2014 MAINLAND COMMITTEE

Chair, David Hoppes
Senior Vice President, Ocean Services

Yolanda Gonzalez
Vice President, Human Resources

Thomas Good
Director, Sales & Marketing, Southwest Region

Paula Strano Isobe
Director, Customer Support Systems & Training

Patrick Ono
Sales Manager, Pacific Northwest

Steven Rusca
Assistant Vice President, Operations, Matson Logistics

Jeffrey Yasuda
Director, Information Technology, Matson Logistics

Staff: **Paul Merwin**

Arts • Culture • Humanities

The Matson Foundation contributed \$196,720, roughly 12% of overall donations in 2013, to organizations representing arts, culture and humanities in Hawai'i, the Pacific and the mainland U.S. Historic presence, cultural identity and cultural/learning centers or libraries fall into this category.

Polynesian Voyaging Society

The Polynesian Voyaging Society (PVS) approached Matson Foundation during its 40th anniversary for underwriting support of Mālama Honua, a four-year, worldwide voyage of the *Hōkūle'a*.

The *Hōkūle'a*, a full-scale replica of a Polynesian double-hulled voyaging canoe, and its support canoe, *Hikianalia*, set sail on

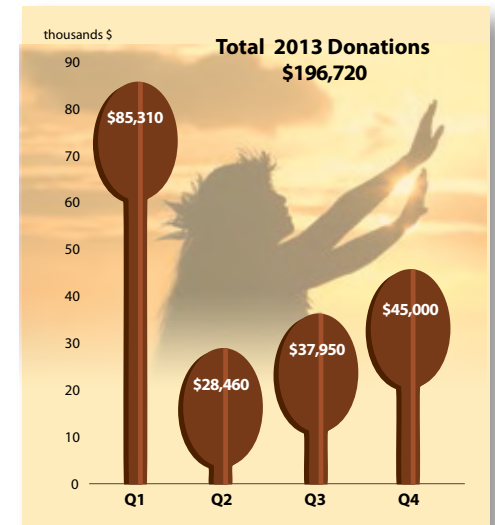
the first leg of Mālama Honua in June 2013, with plans to cover more than 46,000 nautical miles, reaching over 80 ports and 26 countries by the journey's end in 2017. Along the way, crews will connect with classrooms, local communities and indigenous groups, sharing their knowledge of traditional Polynesian voyaging and the spirit of exploration while inspiring the groups to respect and care for themselves, one another and their natural and cultural

environments. Founded in 1973, PVS set to prove the Hawaiian people were skilled explorers and navigators who purposefully voyaged to and settled in Hawai'i. At that time, there were no voyaging canoes or traditional deep-sea navigators in Polynesia.

Hōkūle'a first launched in 1975 and has since sailed more than 100,000 miles, reaching every corner in the Polynesian Triangle and the West Coast of the United States. Today, there are 12 voyaging canoes, at least nine expert navigators, and an estimated 600 deep-sea navigators with varied experience levels who can voyage by traditional celestial navigation.



Photos courtesy of Polynesian Voyaging Society



Community • Civil • Disaster

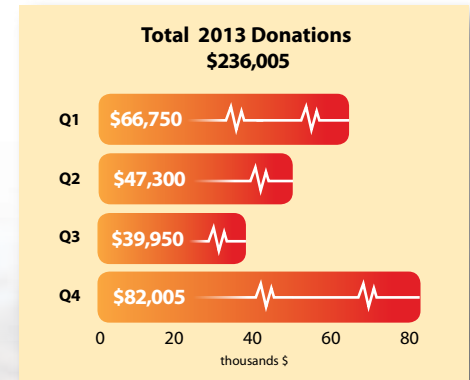
Roughly 15% of overall donations, or \$236,005, were given to community, civil or disaster-related organizations in Hawai'i, the Pacific and the mainland U.S. in 2013 by the Matson Foundation.

American Red Cross

The Hawai'i State Chapter of the American Red Cross approached the Matson Foundation for support for their disaster preparedness and response programs, as well as to provide support or funds for programs or emergency relief efforts in Oklahoma, Northern Marianas, Guam and the Philippines.

The American Red Cross helps to meet the immediate emergency needs such as food, shelter, clothing, mental health counseling and financial assistance, of victims of disaster. General funds support volunteer recruiting, training and mobilizing, and community education in advance of disasters.

The humanitarian work of the Red Cross in Hawai'i began as early as 1898 with the caring for sick and wounded soldiers en route from the Philippines during the Spanish-American War. A Hawai'i chapter of the Red Cross was officially chartered in 1917. Since then, it has played a vital part in the recovery from local disasters including Hurricanes Iniki and Iwa, the Ka Loko dam burst, and Japan tsunami damage in Hawai'i.



Education

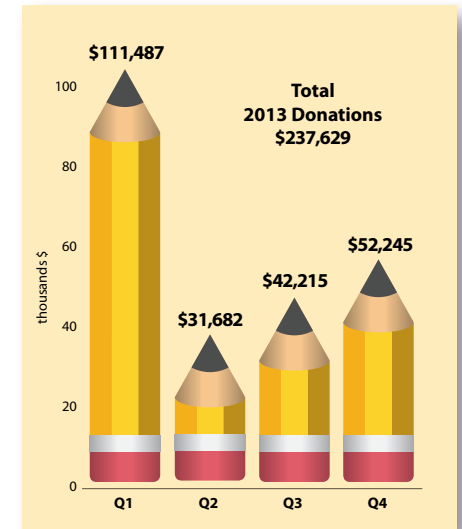


Education-related organizations received \$237,629, roughly 15% of overall donations from the Matson Foundation, in 2013. These groups include early learning centers, primary and secondary schools, colleges and universities, educational foundations and other non-profits with education-related programs or initiatives in Hawai'i, the Pacific and the mainland U.S.

Easter Seals Hawai'i

In 2013, Easter Seals Hawai'i (ESH) and Matson celebrated 60 years of a strong, supportive partnership. This milestone was celebrated during the annual Christmas party for ESH's children participants with disabilities, special needs or developmental delays. Matson has sponsored these Christmas parties for the children and families served by ESH since 1953, originally hosting the party at the dock on the day the first shipment of Christmas trees arrived each year in Hawai'i. Matson employees have continued to support the ESH through donations, volunteerism and participating in signature fundraisers in the past six decades, such as the Annual Golf Classic and the Gingerbread Family Festival.

ESH provides individualized, family-centered services to empower people with disabilities or special needs to achieve their goals and live independent, fulfilling lives. ESH offers the following: autism spectrum disorder services, children's services, adult services, senior services, military and veterans services, employment and training, medical rehabilitation, camping and recreation, and brain health.



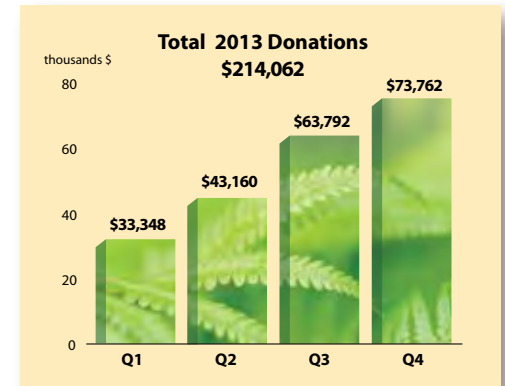
Environment



The Matson Foundation distributed \$214,062, roughly 13% of overall donations in 2013, to environment-related organizations in Hawai'i, the Pacific and the mainland U.S.

Kupu

One of the organizations to receive support from the Matson Foundation in 2013 was Kupu, a non-profit group focused on empowering youth to serve their communities through character-building, service-learning, and environmental stewardship opportunities that encourage integrity with God, self and others. Kupu is helping to train the next generation in natural resource management, renewable energy, energy conservation and other green job skill sets.



Through Kupu's programs, participating youth learn vital work skills, as well as leadership, responsibility and serving the community through incorporation of vocational training, educational degree achievement and service learning. Kupu provides hundreds of paid internships, engages up to 17,000 volunteers, and provides more than \$9 million in benefits to Hawai'i through its programs each year, including more than 230,000 service hours and close to a half million dollars in college and continued education funds to Hawai'i's youth.



Food • Agriculture • Nutrition



The Matson Foundation provided \$77,067, roughly 5% of overall donations in 2013, to food, agriculture and nutrition-related organizations in Hawai'i, the Pacific and the mainland U.S.

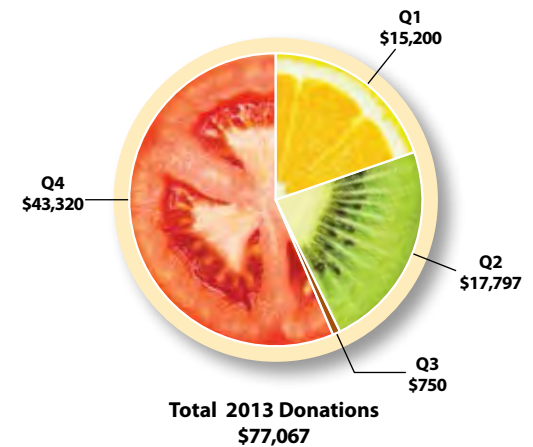
Hawai'i Foodbank

The Hawai'i Foodbank approached the Matson Foundation in 2013 to support its network of four food banks – The Hawai'i Foodbank on O'ahu, The Food Basket on the Big Island, The Maui Food Bank and the Hawai'i Foodbank – Kaua'i Branch. These four are the only food banks in Hawai'i certified by Feeding America, the nation's food bank network.

The Hawai'i Foodbank is the only non-profit 501(c)3 agency in the state that collects, warehouses and distributes mass quantities of both perishable and non-perishable food to 250 member agencies, as well as food banks on the Big Island, Maui and Kaua'i. Each year, the Hawai'i Foodbank 'Ohana Produce Plus program distributes more than 3.7 million pounds of fresh produce and 3.7 million pounds of assorted food to 19 communities on O'ahu.



Photos courtesy of Hawai'i Food Bank



Health • Human Services

In 2013, the Matson Foundation contributed \$431,700, roughly 27% of overall donations, to health and human services related organizations in Hawai'i, the Pacific and the mainland U.S.

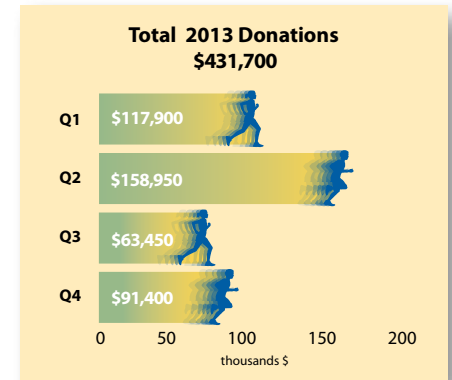
Special Olympics Hawai'i

Special Olympics Hawai'i (SOHI) is one of Matson's most enduring charitable and volunteer partnerships with a relationship dating back more than 25 years.

In 2013, SOHI approached the Matson Foundation for a \$25,000 contribution toward a \$10 million campaign creating a Sports and Wellness Center in Kapolei. This facility will serve as a multi-purpose sports, education, fitness and wellness facility available for use by the entire community, but with an emphasis on providing accessible facilities to persons with intellectual disabilities (ID). The Sports and Wellness Center will provide specific health services to these athletes, helping meet their special needs, including physical exams, oral health screening, vision testing, sports skills assessments and other sports medicine needs. Plans include facilities to conduct training and competitions, as well as for meetings, seminars and trainings.

The Hawai'i chapter of Special Olympics was established in 1968. Funds raised by the chapter remain in Hawai'i supporting thousands of youth and adult athletes with ID. Through year-round sports programs and outreach, SOHI works to address inactivity, injustice, intolerance and social isolation by encouraging and empowering people with ID and to foster better understanding and a more inclusive society.

The foundation also provides support for SOHI sister chapters based in areas where Matson currently has business interests.



Maritime



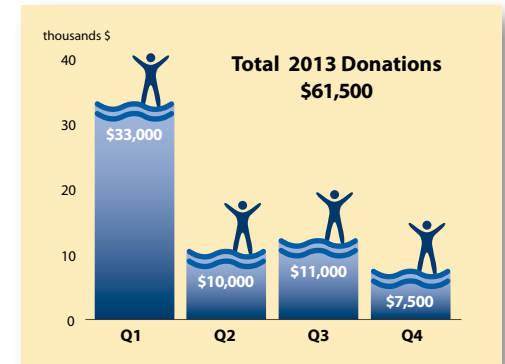
In 2013, the Matson Foundation contributed more than \$61,500, roughly 4% of overall donations, to maritime organizations in Hawai'i, the Pacific and the mainland U.S.

Coast Guard Foundation

Recipients included the Coast Guard Foundation, founded more than 40 years ago, a national non-profit organization dedicated to enhancing the lives of men and women of the Coast Guard and their families. The foundation has provided support for education and morale projects in the Fourteenth District, which includes Hawai'i, American Samoa and Guam. Education grants were awarded to enlisted members pursuing higher education and technical degrees.



Morale projects through the foundation included mountain bikes to the crew of Station Maui, treadmills to Sector Honolulu, stand-up paddle boards and long boards for Coast Guard Cutter Ahi, and an overhaul of the work-out facility at Base Honolulu. Elsewhere in the Pacific, the Coast Guard Foundation provided treadmills and fitness equipment for the Marine Safety Detachment in Pago Pago, American Samoa, fishing rods and paddle boards for cutter crews stationed in Guam, and a barbecue smoker for the crew at Station Apra Harbor, Guam for weekend picnics and family gatherings.



Recreation • Sports • Youth



Ten percent, or \$152,875, of overall donations by the Matson Foundation went to recreation, sports and youth organizations in Hawai'i, the Pacific and the mainland U.S in 2013.

The Ka Ipu 'Aina program in Hawai'i and the Adahi I Tano' program in Guam were leading donation sources for the use of environmental and youth focused non-profits through the foundation. Both programs represent Matson's ongoing efforts to encourage non-profit organizations to organize clean-up efforts to preserve their island's natural beauty for future generations.

Ka Ipu 'Āina

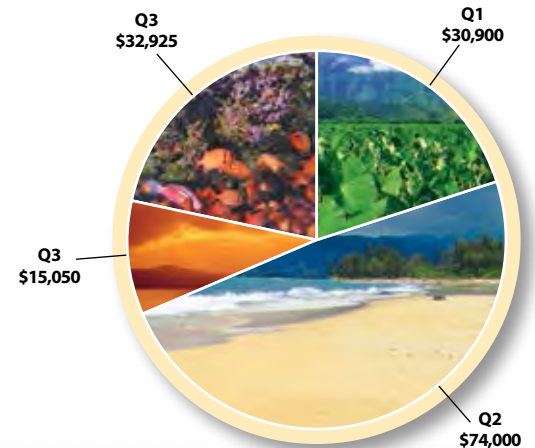
In 2013, 120 groups generated funds through Ka Ipu 'Āina, which donates the use of container equipment for environmental clean-up projects in the state of Hawai'i.

A few of the non-profit groups who participated in the program include: August Ahrens Elementary School, Imi Hoola, KIA Trinity Christian School, the Makakilo Knights basketball team, Na Keiko Mauloa and the Spike and Serve Volleyball Club.

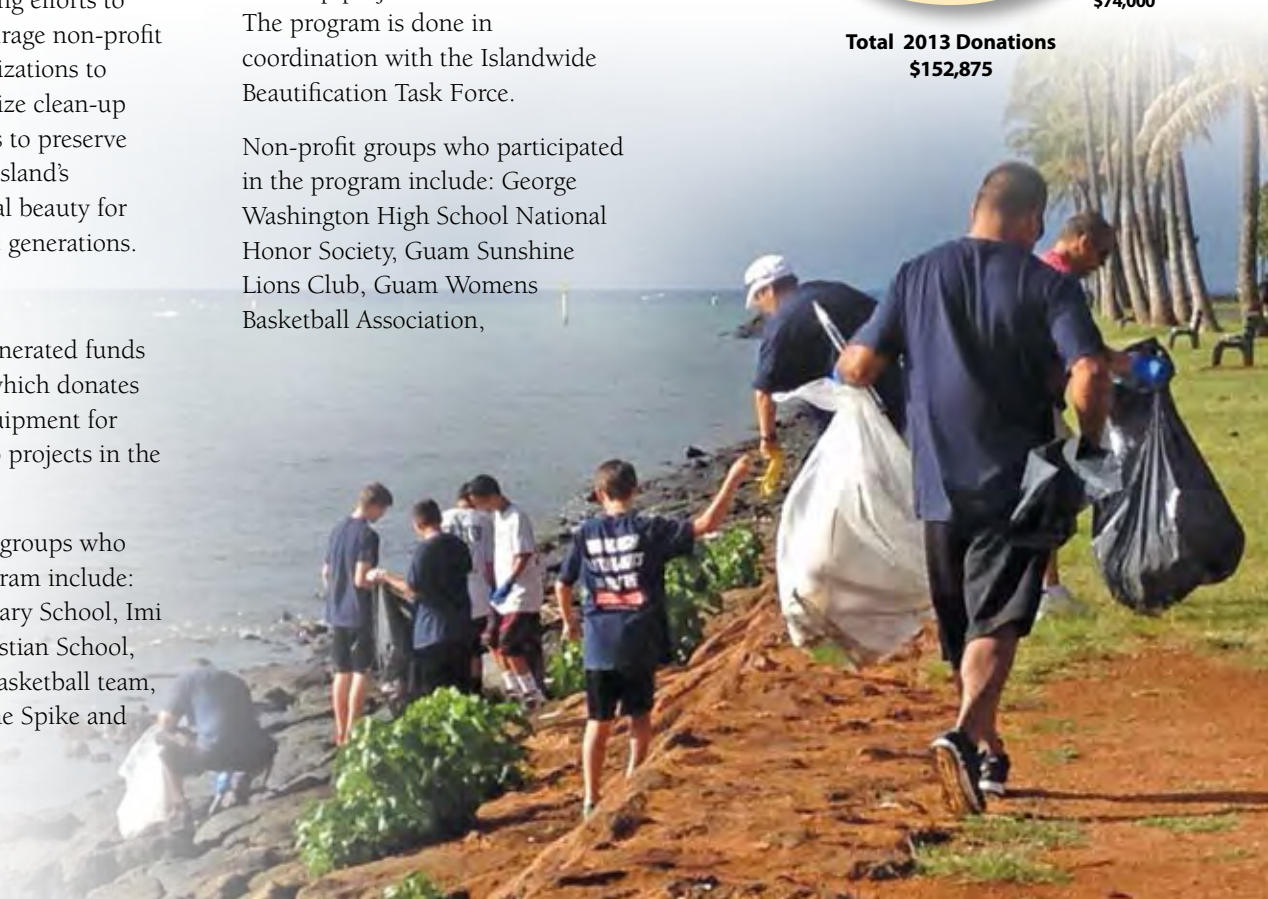
Adahi I Tano'

In Guam, 27 groups generated funds through Adahi I Tano', which donates the use of container equipment for environmental clean-up projects on the island. The program is done in coordination with the Islandwide Beautification Task Force.

Non-profit groups who participated in the program include: George Washington High School National Honor Society, Guam Sunshine Lions Club, Guam Womens Basketball Association,



Total 2013 Donations
\$152,875





Matson[®]
FOUNDATION

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