






Sustainability Update 2020

A sustainable future

About Maersk Tankers

- Operates one of the world's largest fleets of product tankers
- Founded in 1928
- Signatory to the UN Global Compact
- Member of Maritime Anti-Corruption Network (MACN)
- Green Award certified for oil and chemical
- Founding member of High Impact Low Frequency Maritime Risk Management (HiLo MRM)
- Partner in Global Maritime Forum (GMF)

Maersk Core Values

-  **Constant care**
Take care of today, actively prepare for tomorrow
-  **Humbleness**
Listen, learn, share, give space to others
-  **Uprightness**
Our word is our bond
-  **Our employees**
The right environment for the right people
-  **Our name**
The sum of our values, passionately striving higher



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Dear Reader,

We look back on a year defined by a health pandemic that shook all corners of the globe, leaving an indelible mark on people and society.

Throughout the pandemic, we have supported shipowners who have entrusted us with the management of their vessels. During one of the most volatile years in tanker market history, we navigated them through high and low waters, and continued our work to boost the economic and environmental performance of their assets. We did so by utilising our scale, decades-long expertise in shipping and forward-thinking business model, while ensuring operations were carried out safely.

Shipping is increasingly taking action to combat climate change and its effects, and rightly so. With a sizeable carbon footprint, a decades-long investment horizon and key customers having made ambitious pledges to cut emissions, shipping cannot afford to wait.

We help shipowners reduce CO₂ emissions from their vessels in line with current and upcoming regulations, and goals. One of the most prominent of the latter is the International Maritime Organization goal that international shipping must pursue a 70% cut in CO₂ emissions by 2050, compared to 2008.

We have increased our investment in the development and deployment of digital, commercial and technical shipping solutions to spur an environmental shift in the industry. One example is our establishment of the independent digital start-up ZeroNorth, which, with its core solution Optimise, helps operators to cut CO₂ emissions and boost revenue.

Others have followed in our footsteps and Optimise now has the commitment of 1,500 vessels in tramp shipping to use it.

We recognise that substantial work lies ahead, for both Maersk Tankers and the industry, to cut CO₂ emissions further. We are priming ourselves through partnerships with shipowners and organisations such as Getting to Zero Coalition and Global Maritime Forum, and by our unwavering commitment to decarbonise shipping.

At a time where shipping needs to find new solutions to complex problems such as climate change it needs innovation. Increasing diversity and inclusion among our employees is helping to generate innovative thinking, just as it also helps to raise the engagement and performance of each of us. And when we excel, our businesses and industry excel.

While employee diversity is high in certain areas, for example nationality, in shipping, the workforce remains predominantly male - the gender-gap must be closed. To move the needle in this important area, we delivered several strategic initiatives under our diversity and inclusion strategy during 2020. One example was training our leaders to identify and reduce unconscious bias in hiring and promotion. These efforts have led to tangible results, including the hiring of a new female Chief Commercial Officer in 2020 and a new female Chief Human Resources Officer who joined in March 2021. The executive management now consists of two women and four men.

As a Values and purpose-led company, we stand firm in our commitment to the United Nations Global Compact (UNGC) and its principles on human rights, labor, anti-corruption and the environment.

I would like to thank our stakeholders for their continued support in 2020, especially our employees for their extraordinary contribution and results during an unusual year; shipowners and cargo customers for putting their trust and confidence in us; and owners for their stewardship and cooperation.

A handwritten signature in blue ink, reading 'M Ingerslev'.

Christian M. Ingerslev
CEO of Maersk Tankers

Ensuring a sustainable future

We are pleased to present the Maersk Tankers Sustainability Update 2020.

At the start of 2020 we conducted a new materiality assessment which identified the Sustainability Priorities for the period 2020-2022, this being the next step in our sustainability journey.

Our focus has been on the United Nations Sustainable Development Goal (UN SDG) #13 Climate Action, which links directly to the Maersk Tankers’ Shaping the Future strategy. We have set ambitious targets to be ahead of the carbon reduction goals set by the International Maritime Organization because we believe that by leveraging our scale and expertise, we can lead the industry in decarbonization where relevant. Additionally, four other Sustainable Development Goals have been identified which have a potential for linking under our Sustainability agenda;

- #3 Good Health and Well-Being
- #5 Gender Equality
- #16 Peace, Justice and Strong Institutions
- #17 Partnerships for the Goals

Together with the most important initiatives that have been taken in these areas, we have included quantitative metrics to present our progress.

Good health and well-being of our employees onshore and offshore is always a top priority. The ongoing COVID-19 situation has set a new global challenge in ensuring the safety of all our employees.

Our Leadership Team and COVID-19 Response Committee continues to follow the recommendations of the governments and health authorities at all Maersk Tankers office locations.

We believe that in order to keep our position as a leader, we must leverage the diversity of thought and embrace an inclusive culture. By doing so, we have the potential to create a sustainable and innovative future. We are also intensifying our efforts to attract more women to Maersk Tankers and to the industry at large to ensure a more balanced work culture.

Corruption is one of the biggest obstacles to social and economic development. Thus, we continue working towards SDG #16 Peace, Justice and Strong Institutions by taking a clear stand against it in way of having a zero-tolerance approach towards any form of corruption.

SDG #17 Partnerships for the Goals plays an important role in our actions to cut CO₂ emissions. We are forming partnerships within the industry to share expertise and knowledge. We have rolled out existing technology improvements to a larger proportion of the fleet that we and our partners, Cargill and Mitsui control. We are active members of the Global Maritime Forum and we entered a new partnership with Getting to Zero Coalition and we collaborate with ZeroNorth. We supported the development of an independent research organization, Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping to lead the way for decarbonizing shipping.

As a signatory of the United Nations Global Compact (UNGC), Maersk Tankers reaffirms its support of the Ten Principles of UNGC in the areas of Human Rights, Labour, Environment and Anti-Corruption and to ensure that its operation and goals are aligned with the Sustainable Development Goals.

We remain committed to our Core Values while we explore new possibilities to innovate our industry. Our purpose is to leverage the opportunities that we have as leaders in the shipping industry to drive decarbonization by new digital and technical solutions.

Janus Auken
Head of Marine Standards
Maersk Tankers A/S



Health and Safety

Personal Health and Safety, Operational Safety and Security

Providing a healthy and safe working environment for our people remains a priority. We continue to work towards a goal of zero accidents and incidents.

This means no harm to people, damage to the environment, physical assets or reputation. This will include identifying areas with increased risk and applying targeted interventions and focussed campaigns to reduce the risk level.

Developing a sustainable generative safety culture, where safety is an integral element of all our operations will be a significant aim in establishing the right environment.

Our determination to continuously improve includes participation in and partnerships with Industry bodies, such as Shell’s Maritime Partners in Safety, HiLo Maritime Risk Management and in committees at Danish Shipping.

To ensure we have the necessary tools, we will further develop our primary safety management platform ShipNet, in close collaboration with the service provider to ensure that effective and smart digital solutions are in place.

Recognising the impact that mental and physical well-being has on health and the ability to work safely, a number of activities used to promote resilience and workplace wellbeing are being planned. These will be undertaken with an aim to improve and ensure people are safe, healthy, satisfied and engaged at work.



Safety Performance	2018	2019	2020
LTI Frequency*	0.52	0.28	0.28
TRC Frequency**	1.33	0.71	0.55
Near Misses***	8139	7784	6622

* Lost Time Injuries per one million man-hours. Lost Time Injuries are the sum of Fatalities, Permanent Total Disabilities, Permanent Partial Disabilities and Lost Workday Cases.

** The Total Reportable Case Frequency is the number of Total Reportable Cases per million Exposure Hours worked during the period.

*** An event or sequence of events which did not result in an injury, but which, under slightly different conditions, could have done so.

Environment



Fuel Efficiency and Emissions

As a global leader in the tanker shipping industry, we are aware of our responsibility to build a more sustainable future. Our Shaping the Future strategy commits us to reducing our emissions 30% by 2021, 45% by 2030 and 75% by 2050, compared to a 2008 baseline.

Our emission reduction strategy is based on three pillars:

- **Developing and deploying digital solutions;**
- **Commercial incentives and**
- **New technical solutions, including fuels**

Digital Solutions

This year, Maersk Tankers launched a standalone digital business. ZeroNorth was founded to change the industry approach to climate by optimizing vessel performance and reducing CO₂ emission. The collaboration and knowledge sharing between Maersk Tankers and ZeroNorth further enhances the potential of its new digital product.

Financial Incentives

Maersk Tankers as a pool manager distributes payments to pool partners according to the Bunker Consumption methodology. This calculates the fuel consumption of each vessel in relation to the pool average. Bunker Adjustment rewards good operational performance and offers a healthy return on investment to pool partners that invest in the fuel efficiency of their vessels. The transparent and fair distribution of money is an incentive for pool partners to strive for better fuel efficiency.

CO₂ Program

In 2020 Maersk Tankers has established a CO₂ program to move towards achieving its short, medium and long-term CO₂ reduction targets. The purpose of the program is to coordinate between departments to better manage initiatives across the organization and leverage the potential of the diversity of the work group to identify new areas that are aimed at reducing CO₂ emissions.

Environmental Performance	2018	2019	2020
EEOI*	12.92	13.18	12.79
CO ₂ reduction basis 2008 baseline	27.94%	26.48%	28.7%

* Energy Efficiency Operational Indicator: g CO₂ per Ton Cargo Carried per nm sailed.

Human Rights and Labour

Diversity

Diversity of thought and an inclusive workplace culture are prerequisites for creating innovation and greater opportunities for employees and companies. During Rainbow Week, we celebrated and explored the many facets of diversity and inclusion. We ran a series of events around the globe, both onshore and offshore, online and offline, with initiatives such as webinars on LGBTQ+, cross-culture dynamics, inclusiveness and more. We believe that fostering a culture where colleagues can be their best selves at work will raise the engagement and performance levels of each of us. Maersk Tankers has signed The ABC of Diversity and Inclusion pledge and we believe that when we excel, our business and industry will excel.

Gender Equality

We are in collaboration with Women in Shipping, Denmark to build a more diverse and inclusive shipping industry and remain committed to encouraging more women to choose a career within the maritime field.

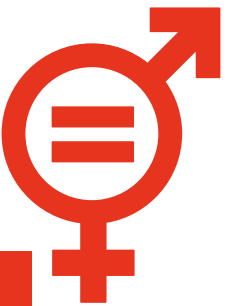
Parental Leave

Our parental leave policy gives new on shore fathers four weeks paid paternity leave across all locations. Maersk Tankers is thus increasing paternity leave by two weeks in Denmark, Singapore and the US, and by three weeks in Romania and India. Encouraging new fathers to take leave will support families after childbirth or adoption, and at the same time, contribute to a more equal distribution of leave between mothers and fathers. In the long-term, increasing parental leave is contributing towards the goal of a more gender balanced workforce. Maersk Tankers also offers a Return to Work programme which gives onshore employees returning from parental leave of more than 18 weeks, the opportunity to work 20% fewer hours at full contractual pay for up to 26 weeks. This programme can be used during the first year after childbirth or adoption.

Female Employees	2018	2019	2020
Onshore	27%	29%	30%
Offshore	0.92%	1.03%	1.55%
MTL*	0	0	17%
ELT**	8%	8%	12%
Board	20%	20%	20%

* Executive Management

** Extended Leadership



Anti-Corruption

Bribery and Facilitation Payments

Maersk Tankers has completed three years since the implementation of its Zero Facilitation Payment approach under the MT Anti-Corruption Policy.

Even though our vessels have been targeted by local authorities, in way of harbour and port inspections in certain trade routes, our masters have acted firmly and in accordance with our Anti-Corruption Policy. This, while ensuring the safety of the crew and vessel at all times. These challenges have been escalated to the highest local authorities as well as communicated to relevant stakeholders. We are working together to ensure that non-discriminatory policies are followed.

Despite the challenges faced, organizationally we remain strongly committed and resolute to ensure a corruption free work environment. We will continue to collaborate with responsible authorities internationally to achieve this goal.

To reiterate, any demands, harassment or suspicion for bribes or facilitation payments and apparent attempts at extortion will continue to be escalated and reported to appropriate authorities and industry bodies.



Anti-Corruption Performance	2018	2019	2020*
Facilitation Payment (USD)	1421	224	126
Hospitality (USD)	23788	27786	20156

* Based on 9 months data only (September through November 2020 missing owing to change in reporting tool).

Summary of Priorities

Health and Safety

We actively promote incident free operations as well as the health and safety of our employees and encourage the same of our contractors.

Why this matters:

Increased health and safety results in reduced operational incidents and personal injuries, thereby boosting productivity, protecting our assets and the environment.

Environment

We reduce the environmental impact of our operations by reducing CO₂ and other harmful emissions.

Why this matters:

Climate change affects everyone and we have a part to play by doing business in a way that minimizes our environmental impact.

Human Rights and Labour

We ensure a respectful workplace by endorsing human rights, encouraging diversity and promoting gender equality.

Why this matters:

This benefits the social fabric of society.

Anti-Corruption

We uphold our values and protect our name by having a zero tolerance for any form of bribery or corruption.

Why this matters:

Corruption impacts the most vulnerable.