






Sustainability Update 2021

A sustainable future

About Maersk Tankers

- A service company with the commercial management of vessels at its core
- Operates one of the world's largest fleets of product tankers
- Founded in 1928
- Signatory to the UN Global Compact and the Sea Cargo Charter
- 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, and 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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CEO's statement

Dear Reader,

As 2021 draws to a close, we reflect on a milestone year for the tanker industry and Maersk Tankers.

The global pandemic continued to challenge shipowners, cargo customers and the market, reducing demand and disrupting supply chains. Despite these challenges, we have seen the shipping industry come together and take action to create a greener and more sustainable future.

As for Maersk Tankers, we enter 2022 as a service company with commercial management at our core.

We have been through a four-year transformation, where a recent and significant step saw Synergy Group take over our technical management business, which meant that close to 3,300 people became part of Synergy Group.

As a commercial manager, we manage shipowners' vessels. The trust they place in us is a great responsibility and one that we take seriously. That is also why we are advocating on their behalf on issues that are pivotal to create sustained value. The urgent need to decarbonise shipping is such one and affects the entire industry.

Cutting shipping's emissions

Shipping transports about 90% of world trade and accounts for nearly 3% of the world's CO₂ emissions. While the International Maritime Organization (IMO) has set industry-wide goals to cut emissions, these are not ambitious enough. We need zero-emission vessels on the oceans, which means private companies and governments must act now.

We joined forces with more than 230 industry leaders and organisations to back the Call to Action for Shipping Decarbonization, urging world leaders to align shipping with the Paris Agreement temperature goal and deliver the policies to support shipping's green transition. We have been at the forefront of demands for an immediate implementation of regulations, including a carbon tax that will close the competitiveness gap between zero-emission and conventional fuels.

As the manager of 220 ships on behalf of 49 owners, we will continue to advocate for change, while developing and deploying solutions that help shipowners cut the emissions of vessels in our pools.

We advise shipowners on how their vessels can perform at an optimal level, using ZeroNorth's digital solution Optimise across the entire fleet and by tracking emission data and turning it into actionable insight. As a signatory of the Sea Cargo Charter, we actively support the industry's drive towards more transparency by working on emission reporting.

During the year, we further matured our green tech. solution Njord where we together with Cargill and Mitsui & Co. assess vessels' fuel optimisation potential and retrofit the necessary energy-saving devices on-board along with offering attractive financing to shipowners.

We have also tested the use of biofuel-blended marine fuel in product tankers in partnership with bp this year. The trial demonstrated that sustainable biofuels can be used as a marine 'drop-in fuel' to reduce carbon emissions, and we are now exploring a potential further use of biofuels on more voyages.

Diversity, equity, and inclusion

Shipping needs to innovate to decarbonise and become more efficient. To foster innovation and to enable people to thrive, we are building a diverse and inclusive culture that provides equal opportunities.

We are a diverse company with colleagues of 28 nationalities, different educational backgrounds, and job experience.

We have put a special emphasis on gender diversity, which continues to be a challenge in shipping and in Maersk Tankers. We work strategically with this, which entails involving our leaders in creating the necessary cultural change. Some of the initiatives we have taken are training them in inclusive leadership and recognising bias, as well as creating greater awareness of and preventing sexist behaviour.

These and other initiatives have led to an increase in female representation across all organisational levels and we will continue to take measures to improve gender diversity further.

Standing firm on our commitment to sustainability

As a values-led company with a clear purpose, we are committed to the United Nations Global Compact (UNGC) and its principles on human rights, labour, anti-corruption, and the environment. The health and safety of our employees, as well as the safety of the vessels and cargoes we manage, continue to be of the highest priority.

I want to thank our stakeholders for their continued support. I would especially like to thank our partners and customers for putting their trust and confidence in us during this year. We look forward to serving them in 2022. I would also like to thank our employees for their extraordinary efforts and contributions during a year that has seen Maersk Tankers evolve significantly.



Christian M. Ingerslev
CEO of Maersk Tankers

Ensuring a sustainable future

We are pleased to present the Maersk Tankers Sustainability update for 2021. Maersk Tankers has continued to build upon our sustainability priorities set during the Materiality Assessment conducted in 2020. This is the second sustainability update in the current assessment period 2020-2022.

This year has been a transformational one for Maersk Tankers. The technical organisation became a standalone entity under the name Synergy Denmark A/S, which in turn was taken over by the Synergy Group in late 2021.

Due to the transfer of vessel technical management to Synergy Denmark A/S, the data presented in this report for the fleet has been provided by Synergy Denmark while data pertaining to shore functions has been provided by Maersk Tankers.

We have included quantitative metrics to present our progress. Our focus has been the following United Nations Sustainability Development Goals (UN SGD's).

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

For Maersk Tankers, partnerships play an important role in meeting all our objectives to decarbonise, promote diversity and equity, while forming the backbone of our sustainability agenda. In close co-operation with our new strategic partner Synergy Denmark A/S, we have rolled out technological improvements to our fleet, and that of our partners through a new green tech. solution called Njord. 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.

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.

With 2021 in our wake, we look ahead to 2022 and beyond. We remain committed to our Core Values of Constant Care, Humbleness, Uprightness, Our Employees, and our Name.



Health and Safety

To be successful in our strategic ambitions and achieve our vision we rely on the commitment and engagement of our people. It is our obligation to ensure our employees return home safe and healthy at the end of every working day. Therefore, Health and Safety remains a key priority for us.

We continue to collaborate across the industry to identify health and safety improvement opportunities.

The leadership across our organisation is dedicated to driving safety performance in all areas thus, reflecting their commitment to our Core Values.

The proactive approach to health and safety includes building resilience into the organisation. This provides us with the capability to manage external challenges, such as the recent global pandemic or difficulties faced through internal operations.

We continue to work towards a goal of zero accidents and incidents. This includes assessing and targeting risks that may impact safe operations, including personal injuries and operational incidents.

Our determination to explore digital transformations include health and safety initiatives. We continuously seek opportunities to develop or employ innovative tools that improve health, safety, and well-being across the company.

Zero health and safety incidents are embedded in our mindset. Over the years, a steady reduction in personal injuries including First Aid Cases (FACs) reveals our deep commitment towards *Zero Harm* vision.



Safety Performance	2018	2019	2020	2021
LTI Frequency*	0.52	0.28	0.28	0,42
TRC Frequency**	1.33	0.71	0.55	0,56
Near Misses***	8139	7784	6622	5963

* 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 commercial manager, operating one of the largest tanker fleets in the world, we are aware of our responsibility to build a more sustainable future. Maersk Tankers is developing and deploying solutions that help shipowners boost the economic and environmental performance of their vessels. Through its pools and industry-wide collaboration, the company is working in partnerships to contribute to a more sustainable future for the industry. Our emission reduction strategy under Shaping the Future is based on three pillars:

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

Biofuels

With support from the Danish Maritime Authority and BP Shipping, Maersk Tankers successfully completed trials using biofuel-blended marine fuel in a couple of product tankers. The trials were conducted on Maersk Cirrus and Maersk Navigator, both product tankers on time-charter to BP. Each vessel was supplied with BP Marine B30 biofuel, consisting of 30% fatty acid methyl esters (FAME) blended with very low sulfur fuel oil (VLSFO). The trials were successful and demonstrated that sustainable biofuels can be used as a marine ‘drop-in fuel’ to help reduce carbon emissions in shipping.

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.

Njord

Together with Cargill International S.A. and Mitsui & Co, Maersk Tankers developed a new green tech. solution called Njord. Njord aims to reduce carbon emissions by retrofitting existing ships with a wide combination of Energy Savings Devices (ESDs). Njord brings to market the combined expertise of the three parties, while offering shipowners to fund their ESD installations through Njord. In 2021, more than 50 vessels were screened for potential, and 3 owners partnered with Njord to explore opportunities for vessels in their fleets.

Environmental Performance	2018	2019	2020	2021
EEOI*	12.92	13.18	12.79	12,78
CO ₂ reduction **	27.94%	26.48%	28.7%	28.7%

* Energy Efficiency Operational Indicator; g CO₂ per Ton Cargo Carried per nm sailed.
** Basis 2008 baseline

Human Rights and Labour

Diversity, Equity, and Inclusion

The shipping industry has complex problems to solve. At the core of this is the green transition. As an industry, we need to develop and deploy solutions that reduce the environmental impact of shipping. We need to be innovative – and diversity is an important catalyst for innovation.

Diversity thrives in many forms in the shipping industry – be it in nationality, education, background or in other areas. This is the same in Maersk Tankers, where we employ 300 employees from 28 different nationalities.

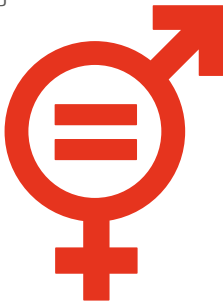
We recognise there is more work to do and are taking strategic action to improve gender diversity in an industry where the workforce remains predominantly male.

Working strategically with this entails involving leaders in creating the necessary cultural change. Some of the initiatives include training them in inclusive leadership and recognising bias, as well as creating greater awareness of and preventing sexist behaviour.

In moving the needle on gender diversity, we executed several strategic initiatives during 2021: the launch of a new Diversity, Equity, and Inclusion (DEI) strategy, a continued focus on hiring for gender diversity with a target of 50% female hires; building a diverse talent pipeline specifically for charterers and operators; and continuing to make the need for gender diversity visible externally.

As a result of these initiatives, we increased the proportion of women employed in the offices from 30.5% in 2020 to 35% in 2021, thereby achieving our 2023-target two years ahead of time. Our targeted and strategic effort led to 55% of all hires in 2021 being women. This included progress on all levels of the organisation. The executive management team now consists of two women and three men, and the number of female leaders rose from 18% in 2020 to 25% in 2021, with a target of 35% by the end of 2023. Maersk Tankers’ Board of Directors has two female directors among its six members. We will continue to take measures to improve gender diversity across all levels.

In addition, 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.



Female Employees	2018	2019	2020	2021
Onshore	27%	29%	30%	35%
Offshore	0.92%	1.03%	1.55%	2,06%
MTL*	0	0	17%	40%
ELT**	8%	8%	12%	20%
Board	20%	20%	20%	33%

* Executive Management
** Extended Leadership

Anti-Corruption

At Maersk Tankers, we stand firm in our commitment to battling the issues faced by the maritime industry in terms of corruption around the globe.

We have a zero tolerance towards facilitation payments.

Even though our vessels have been targeted by local authorities, in way of harbour and port inspections in certain trade routes, the masters on our vessels have acted firmly and in accordance with our Anti-Corruption Policy. This, while always ensuring the safety of the crew and vessel. These challenges have been escalated to the highest local authorities as well as communicated to relevant stakeholders. The improvement in Anti-Corruption performance on a year-to-year basis can be clearly seen in the summary table and indicates strict adherence to the policy laid out by the organisation.

Through internal measures and participation in networks such as the Maritime Anti-Corruption Network (MACN), we work towards eliminating all forms of maritime corruption to achieve the goal of a more sustainable shipping environment.



Anti-Corruption Performance	2018	2019	2020*	2021
Facilitation Payment (USD)	1421	224	126	0
Hospitality (USD)	23788	27786	20156	17261

* 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.

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.

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.

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.

Corruption impacts the most vulnerable.