

# SUSTAINABILITY

## 2020 REPORT



Teekay Corporation | Teekay LNG Partners L.P. | Teekay Tankers Ltd.

# TEEKAY GROUP | Sustainability Report 2020

## About This Report

This is the 11th annual sustainability report for the Teekay Group and covers global operations for the 2020 calendar year. This report focuses on the environmental, social, and governance (ESG) issues that may significantly affect our business performance and that matter most to our key stakeholders.

Our past sustainability reports provided aggregated data and results for the Teekay Group. In this report, data and results are provided separately for Teekay LNG Partners L.P. (Teekay LNG) and Teekay Tankers Ltd. (Teekay Tankers), along with aggregated group-wide results.

Our past sustainability reports are available at <https://www.teekay.com/about-us/sustainability/>

This report has been prepared using the Global Reporting Initiative (GRI) Guidelines and the Sustainability Accounting Standards Board (SASB) Standards as guidance. Teekay is committed to the United Nations (UN) Global Compact Ten Principles and this report serves as our Communication on Progress.

In this report, the terms sustainability and ESG are used interchangeably.

## Reporting Boundary

Unless otherwise noted, this report includes data from vessels and assets that are operated under Teekay's Health, Safety, Environment, and Quality (HSEQ) management system. Data is excluded from vessels and assets that are technically

managed by another company, such as Teekay LNG vessels managed by Exmar or other third parties, Teekay Tankers vessels managed by third parties, and Teekay Corporation's FPSO units, which are all managed by third parties. Data from vessels and assets managed by Teekay Australia are included.

Teekay closely oversees the operations of our vessels managed by third party companies to ensure performance meets our policies and requirements.

Unless otherwise noted, all reported data is for the calendar year 2020, or as of December 31, 2020.

## Contact Us

We appreciate your comments, feedback or queries on this report and our performance. Please send your feedback to [media@teekay.com](mailto:media@teekay.com)

Read more stories about how Teekay brings energy to the world at [www.teekay.com](http://www.teekay.com)

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COMMUNICATION  
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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# ABOUT TEEKAY





## Teekay is a leading provider of international crude oil and gas marine transportation services.

Established in 1973, Teekay has developed from a regional crude oil shipping company into one of the world's largest marine energy transportation companies. We bring energy to where it is needed—anywhere in the world—to power the global economy and to improve people's lives.

Teekay Corporation (NYSE:TK) provides services primarily through its directly-owned fleet and its controlling ownership interests in Teekay LNG Partners L.P. (NYSE:TGP) and Teekay Tankers Ltd. (NYSE:TNK). The consolidated Teekay entities (Teekay or Teekay Group) manage and operate total assets under management of approximately \$9 billion, comprised of approximately 135 liquefied gas, offshore, and conventional tanker assets. With 13 offices in 10 countries and approximately 5,350 seagoing and shore-based employees, Teekay provides a comprehensive set of marine services to the world's leading oil and gas companies.

In 2019, Teekay Corporation divested its remaining interest in Teekay Offshore Partners L.P. (Teekay Offshore), which subsequently changed its name to Alterra Infrastructure L.P. in March 2020.

## About Teekay LNG

Teekay LNG is one of the world's largest independent owners and operators of LNG carriers, providing LNG and LPG services primarily under long-term, fee-based charter contracts through its interests in 47 LNG carriers, 23

mid-size LPG carriers, and seven multi-gas carriers. Teekay LNG's ownership interest in these vessels range from 20 to 100 percent. In addition, Teekay LNG owns a 30 percent interest in an LNG regasification terminal. Teekay LNG is a publicly-traded master limited partnership formed by Teekay Corporation as part of its strategy to expand its operations in the LNG and LPG shipping sectors.

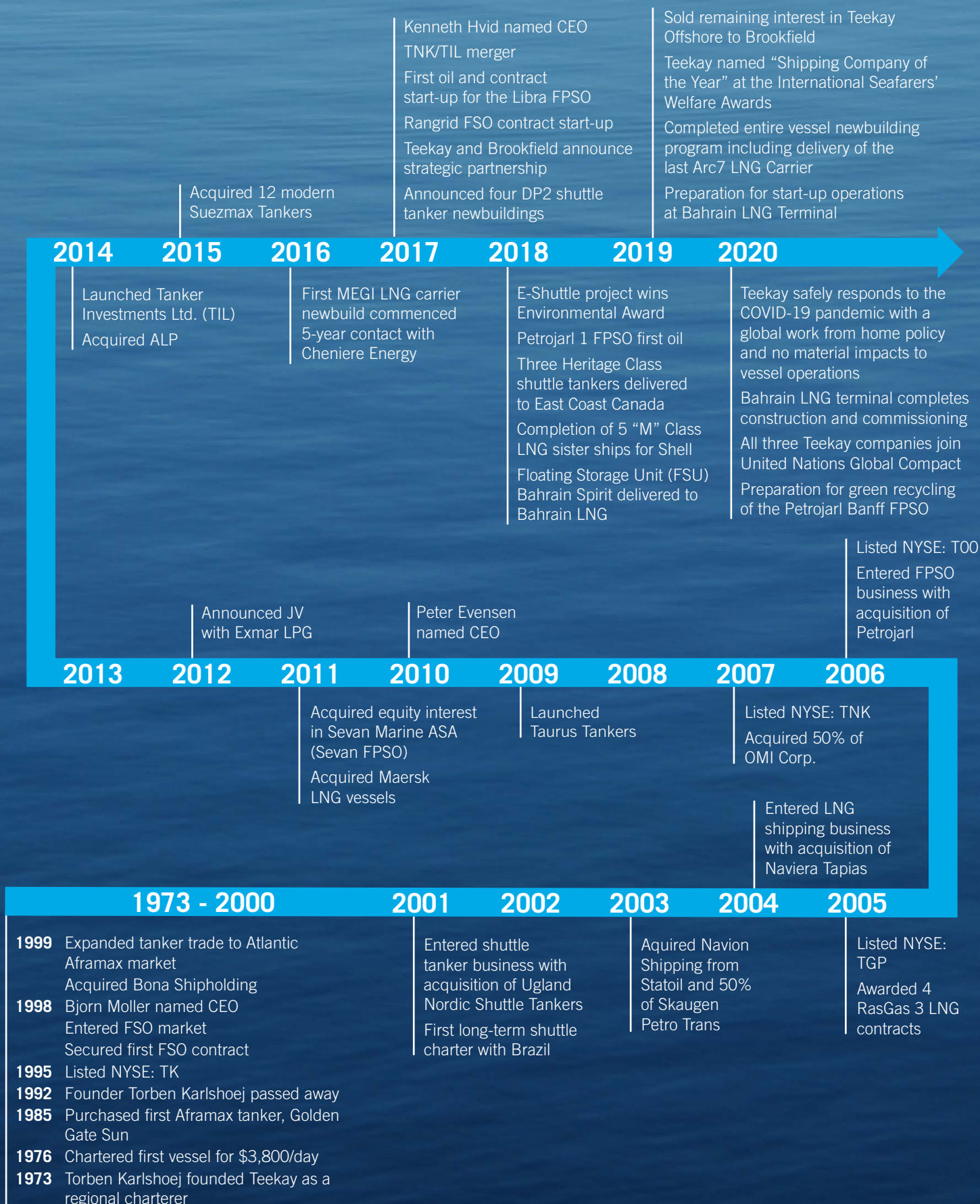
## About Teekay Tankers

Teekay Tankers is one of the world's largest owners and operators of mid-sized crude tankers with 52 double-hull tankers (including 26 Suezmax tankers, 17 Aframax tankers and nine LR2 product tankers), and also has one time chartered-in tanker. Teekay Tankers' vessels are typically employed through a mix of short- or medium-term fixed-rate time charter contracts and spot tanker market trading. In addition, Teekay Tankers also owns a Very Large Crude Carrier (VLCC) through a 50 percent-owned joint venture and a ship-to-ship transfer business that performs full-service lightering and lightering support operations in the U.S. Gulf and Caribbean. Teekay Tankers was formed in December 2007 by Teekay Corporation as part of its strategy to expand its conventional oil tanker business.

Teekay is an active member of the International Association of Independent Tanker Owners (INTERTANKO), the Society of International Gas Tanker and Terminal Operators (SIGTTO), the Maritime Anti-Corruption Network (MACN), and the Ship Recycling Transparency Initiative (SRTI). In 2020, all three Teekay companies collectively joined the United Nations Global Compact (UNGC).



# FACTS & HISTORY





## CEO LETTER

SUSTAINABILITY HAS LONG BEEN A CORE VALUE AT TEEKAY, AND I BELIEVE OUR CULTURE, VALUES, AND POLICIES CREATE A STRONG FOUNDATION FOR THE WORK THAT LIES AHEAD.

—KENNETH HVID

President and Chief Executive Officer, Teekay Corporation

The maritime industry provides essential infrastructure for global trade. For centuries, growing trade and competition have driven the development of ever safer and more efficient ships, resulting in reliable low-cost transportation services that people and modern economies depend on. There is broad recognition in the maritime industry that to remain relevant, we must find new cost-effective solutions to reduce greenhouse gas emissions and address climate change while we continue to serve the world's growing transportation needs. At Teekay, we are committed to this challenge and since 2008, we have significantly reduced the emissions intensity of our fleets and are committed to achieving a 40% reduction in greenhouse gas emissions intensity by 2030. In the Teekay LNG and Teekay Tankers sections of this report, you can learn more about how we continue to invest and improve the performance of our fleets to remain ahead of emissions reduction requirements.

As a leading oil and gas transportation company, we also face the challenge that our business involves transporting commodities that the world is ultimately trying to reduce its dependence on. However, we believe that demand for clean-burning natural gas will continue to grow as LNG and natural gas continues to displace coal, and that significant investments will be needed to expand the global LNG infrastructure. Teekay LNG is a leader in this space and will continue to invest in more efficient vessels. In comparison, while oil continues to make up a large part of the global energy mix, the long-term outlook for oil demand is less certain. We will allocate capital to lower-emitting tanker fleet renewal whilst being mindful of the longer-term supply and demand balance that may not follow the historical oil trade growth trajectory. Teekay has a track record of servicing the needs of an evolving global energy mix, and we remain committed to work with all industry stakeholders to evolve and invest in new technologies and new transportation requirements that will arise out of the global energy transition.

As the industry evolves, one thing that will not change is the importance and dedication of everyone who works at sea. Our seafarers have done a remarkable job of delivering essential

services to a world that has not yet recognized seafarers as essential workers and where they continue to experience the risk of civil unrest and piracy. This past year, we implemented new measures to support crew safety and welfare and we will continue to support initiatives to recognize seafarers as key and essential workers by all governments. We are also dedicated to developing the next generation of industry leaders and in 2021, we will enhance our diversity and inclusion strategy to further promote gender and national diversity across Teekay.

Another area of importance is to continue elevating responsible ship recycling practices. For many years, we have worked with shipyards to improve safety and environmental standards when building and repairing our ships, and it is necessary for the industry to uphold similar standards when recycling ships. To drive this change, we are an early supporter and member of the Ship Recycling Transparency Initiative, and we share its vision of going beyond international conventions and setting a new norm for responsible ship recycling. Although we did not recycle any vessels this past year, in 2021, we will recycle the Petrojarl Banff FPSO at an EU-approved facility in Denmark in full compliance with all regulations and our own vessel recycling policies.

Lastly, we believe that strong ESG commitments and transparency of our performance is critical to maintaining the trust of our stakeholders. To further our commitments, this past year, all three Teekay companies collectively joined the United Nations Global Compact, and we remain committed to the Compact and its principles. We are also further increasing transparency by aligning our ongoing sustainability reporting with globally recognized reporting frameworks.

This past year, we saw a significant increase in ESG awareness and interest within the maritime industry, which we very much welcome as we continue our ESG journey. Sustainability has long been a core value at Teekay, and I believe our culture, values, and policies create a strong foundation for the work that lies ahead.

BRINGING ENERGY TO THE WORLD

# VISION & VALUES

TOGETHER WITH TEEKAY SPIRIT

## **Safety & Sustainability** We put safety first

No compromises. We look after each other and make sure everyone gets home safely. We consider people, planet and performance in all of our decisions and actions. We contribute to a sustainable business, environment and community.

## **Passion** We live our spirit

We bring energy and enthusiasm to our work. We balance hard work and fun and we take pride in doing a job well. We strive to make a difference every day with our colleagues and customers. We care!

## **Integrity** We do what is right

We are open and honest, and lead by example. We build trust with others and are trustworthy. We admit our mistakes and use them as an opportunity to improve our skills and processes.

## **Reliability** We deliver

We do what we say we will do. We have high standards and deliver quality results. We build enduring customer relationships and solutions. We hold each other accountable and follow through on our commitments. We are operational leaders!

## **Innovation** We embrace change

We seek and promote new thinking and ideas. We support change and encourage others to do the same. We look for ways to be ahead of the curve and to create value-added results. We strive to constantly learn and improve.

## **Teamwork** We are team players

We value and respect each other. We work together and promote a spirit of cooperation. We encourage diverse perspectives, and value the opportunity to listen and be listened to. We help others be successful. We celebrate success!



# STRATEGY



# OUR ESG JOURNEY AHEAD

Sustainability has long been a core value at Teekay, and our culture, values, and policies create a strong foundation for the work that lies ahead.

However, we recognize that stakeholder expectations are rapidly increasing. In 2020, we saw a significant increase in social and environmental awareness worldwide, combined with increasing scrutiny of companies' efforts to address environmental and social concerns and uphold business ethics.

We expect that our stakeholders will increasingly evaluate us based on our commitment to and management of a broad range of environmental, social, and governance (ESG) issues.

We also believe that having in place a strong and credible ESG strategy is becoming a competitive differentiator that can positively affect our ongoing access to capital, talent, and business opportunities.

This past year, we created an ESG strategy foundation that will direct our efforts and performance in the years ahead. People from across our global organization contributed to establishing our ESG strategy and goals, and this work was supported by DNV<sup>1</sup> along with participation from our Senior Leadership Team and feedback from our Boards of Directors.

To ensure accountability, executive and employee financial compensation is linked to achieving our annual group-wide shared goals, which includes items related to ESG strategy implementation and performance.

## Our ESG strategy is focused on three broad areas to guide our efforts in the years ahead

### Allocate capital to support the global energy transition



Teekay has a track record of servicing the needs of an evolving global energy mix. Over the past two decades, the Teekay Group has allocated a majority of its capital to the growing LNG sector and has divested its investments related to offshore oil production.

To serve the world's growing demand for energy while also meeting the goals of the Paris Agreement will require a significant increase in global renewable and low-carbon energy. Our strategy will be to use our capital, expertise, reputation, and partnerships to support this global energy transition.

We are currently developing a 2030 strategy for Teekay, and this strategy will include a strong focus on servicing the growing global need for clean and renewable energy.

### Operate our existing fleets as safely and efficiently as possible



Safety and Sustainability is our first core value. We will continue to promote a strong safety culture and adherence to our safety commitments. Also, we continue to invest in increasing the efficiency of our vessels and have been a leader in developing innovative vessel designs to reduce environmental impacts.

Almost 60%<sup>2</sup> of our group-wide fuel consumption is LNG, and we believe that further use of LNG in the maritime industry will support decarbonization. We also recognize that alternative zero-carbon fuels will be needed in the future.

We have made significant progress in reducing the emissions intensity of our fleet, but further efforts will be needed to meet our goals, which are aligned with the IMO 2030 and 2050 ambitions. In the year ahead, we will develop a strategy to achieve our 2030 targets, and plan to increase our involvement in shared industry decarbonization activities.

### Further strengthen our ESG profile



At Teekay, we think long-term, and every day, we continue to strive to be the most trusted name in shipping. Earning and maintaining the trust of all our stakeholders requires transparency about our commitments and performance in managing important environmental, social, and governance issues.

To strengthen our ESG performance and to provide greater transparency, we are committed to:

- Adopting and elevating ESG best practices in the maritime industry
- Setting clear and ambitious goals
- Reporting our progress in line with recognized frameworks
- Strengthening our engagement with stakeholders
- Ensuring Executive accountability and Board oversight of ESG activities

<sup>1</sup> [www.dnv.com](http://www.dnv.com)

<sup>2</sup> By total weight.

# MATERIALITY AND STAKEHOLDER ENGAGEMENT

We prioritize the sustainability opportunities and challenges that matter most to our stakeholders.

In 2020, we surveyed our employees on the ESG issues that matter most to them and received more than 1,700 responses from our staff on shore and at sea. We also worked with DNV to review the sustainability priorities of our customers, financial stakeholders, and other marine transportation companies. Through our daily work, various employees also regularly engage with customers, lenders, investors, NGOs, and government authorities on sustainability topics, and the feedback we receive informs our prioritization of issues.

The topics for this report were selected through management prioritization by considering the current level of stakeholder interest in the topic and the likelihood of the topic affecting our business objectives. Our assessment and selection of material topics is also informed by our Enterprise Risk Management (ERM) process, which assesses the top risks that may impede Teekay from achieving its strategic objectives.

Our ambitions for material issues are outlined below, and actions and progress towards achieving our ambitions are described throughout the report.

## Setting Clear Ambitions for Our Top ESG Issues



**Personal Safety**  
Uphold our core value—Safety First. Make sure everyone gets home safely



**Human Rights**  
Respect and support all internationally-proclaimed human rights



**Workforce Diversity**  
Further increase gender and national diversity within Teekay



**Health and Wellness**  
Provide healthy working conditions and promote well-being



**Security**  
Protect the security of our seafarers, ships, and digital assets



**Business Ethics**  
Manage all our business activities with integrity and do what is right



**Climate Change**  
Reduce GHG emissions 50% by 2050 and support the global energy transition



**Spills and Pollution**  
Zero spills and full compliance with regulations



**Ship Recycling**  
Increase transparency and elevate standards in the ship recycling industry

# INTEGRITY AT TEEKAY

Our compass is to be the most trusted shipping company in the world. Trust and integrity are an essential part of who we are at Teekay and how we make business and operational decisions.

## Our Governance

Teekay's Chief Compliance Officer (CCO), in coordination with Teekay's Vice President of Risk & Audit Services, oversees Teekay's integrity compliance program. Teekay's CCO reports to the Audit Committees of Teekay's Boards of Directors (Boards). Teekay's CCO also works closely with Teekay's Senior Leadership Team to reinforce Teekay's commitments to integrity and doing the right thing.

## Our Policies

Teekay's integrity principles are captured in its Standards of Business Conduct Policy (Standards). Teekay takes a zero-tolerance approach towards any fraud, corruption, breach of sanctions, violation of human rights, or any other violation of its Standards. Teekay also maintains additional policies of importance, which set out Teekay's rules about data privacy, insider trading, gifts and hospitality, competition law, harassment, and third-party due diligence.

## Due Diligence

Teekay recognizes that doing the right thing also means ensuring that our business suppliers and partners do the right thing by sharing our commitment to uphold business ethics. Teekay personnel are required to "onboard" new business partners through Teekay's automated compliance due diligence system. This system, which includes watch-list and media monitoring tools, enables Teekay to identify potential business ethics risks (e.g. corruption, sanctions, other unlawful misconduct) that may impact Teekay and its personnel. It also enables Teekay to implement appropriate follow-up measures. Entities that present an unacceptable integrity risk are rejected as business partners.

## Training

Teekay provides multiple training modules to its personnel. New staff receive induction training that covers Teekay's integrity expectations. Mandatory biennial "Doing Business with Integrity" training is provided to all shore-based

personnel. They also receive mandatory annual online training on Teekay's Standards. Seafarers receive compliance training through Teekay's Quality Assurance Training Officer (QATO) training program. This training is focused on risk-relevant issues such as port-based corruption.

## Risk Assessment & Audit

To properly structure our compliance program and to monitor business ethics risks, Teekay performs regular risk assessments. These risk assessments assist Teekay in identifying existing and emerging risks and prioritizing a proportionate response to these risks.

## Leadership

Teekay recognizes that an effective integrity compliance program requires a healthy corporate culture of active ethics that is supported by a strong tone from the top that resonates throughout the organization. At Teekay, we believe 'Everyone is a Leader'. This means that doing business with integrity is embraced by everyone as a shared leadership responsibility. Part of this responsibility is speaking up when suspected violations of Teekay's Standards occur using, if desired, Teekay's anonymous hotline reporting tool.

## Measuring our Success

We measure and monitor our integrity performance through various key performance indicators, which include:

**Hotline complaints:** Teekay operates a confidential and anonymous reporting tool for suspected violations of Teekay's Standards. In 2020, all reported cases were investigated and resolved or closed within 365 days<sup>3</sup> of being reported in accordance with our objective.

**Training and culture:** Maintaining a strong ethical culture at Teekay is the cornerstone of our compliance efforts. In 2020, 95% of all shore staff scheduled for integrity training received virtual 'Doing Business with Integrity' training in a format allowing for questions and answers. These results were in line with our objective of achieving a 95% completion rate.

In 2019, 90% of Teekay employees who were sampled agreed that Teekay conducts itself, frequently or always, as the most trusted shipping company in the world. Again, these results were consistent with our objective to have 90% or more of our employees reporting that Teekay's management supports integrity.

<sup>3</sup> Starting in 2021, our objective will be to resolve or close all cases within 180 days of being reported.



# GOVERNANCE

We believe good corporate governance is critical to maintaining the trust of our customers, staff, partners, and capital providers, including banks, leasing houses, and credit and equity investors.

Teekay's Boards of Directors oversee our environmental, social, and governance performance. In 2020, the corporate governance guidelines for Teekay Corporation, Teekay

Tankers, and Teekay LNG were updated to clarify and strengthen Board oversight of our sustainability commitments and performance.

The Boards receive regular updates on sustainability matters from senior management and the Director, ESG and Projects. At each meeting, the Boards review and discuss Teekay's health, safety and environmental performance and its performance on its sustainability and diversity efforts.

Board Composition and Committees	Teekay Corporation	Teekay LNG	Teekay Tankers
Total Directors	6	6	5
Independent Directors	4	4	3
Committees	<ul style="list-style-type: none"><li>Audit</li><li>Compensation and Human Resources</li><li>Nominating and Governance</li></ul>	<ul style="list-style-type: none"><li>Audit</li><li>Conflicts</li><li>Corporate Governance</li></ul>	<ul style="list-style-type: none"><li>Audit</li><li>Conflicts</li><li>Nominating and Corporate Governance</li></ul>

## TEEKAY'S COMMITMENT TO THE UNGC TEN PRINCIPLES

This past year, Teekay Corporation, Teekay LNG, and Teekay Tankers collectively joined the United Nations Global Compact, the world's largest corporate sustainability initiative.

We are proud to join the UN Global Compact, reinforcing our group's deep, long-standing commitment to responsible safety and environmental practices. We are fully committed to further advancing sustainability and responsible business practices in order to meet the growing expectations of our stakeholders and global society as a whole. The table link below outlines how we incorporate the UN Global Compact Ten Principles into our group wide policies and procedure.

<https://www.teekay.com/wp-content/uploads/2020/09/Teekays-Committment-to-the-UNGC-Ten-Principles.pdf>

### Environment

**7. Support a precautionary approach to environmental challenges**

We have built our company on a deep commitment to responsible safety and environmental practices. Our HSEQ policy establishes our commitment to meet and exceed all environmental requirements and to operate sustainably by preventing pollution, striving for zero spills, and minimizing emissions that impact the environment. Teekay is accredited to ISO 14001 and we require our contractors and suppliers to implement similar environmental management programs.

Reference: Teekay HSEQ Policy  
Subcontracting with Integrity Policy (Internal)

**8. Promote greater environmental responsibility**

Sustainability is one of our core values and ensures the long-term health and success of our people, our business, and the surroundings we work in.

Since 2010, Teekay has published an annual Sustainability Report that outlines our social, safety and environmental performance. Over the coming years, we intend to further advance our ESG commitment and performance as a leading shipping company.

### Human Rights

**1. Respect human rights**

Our Standards of Business Conduct are an extension of our Core Values and reflect our continued commitment to manage our business activities with integrity. We treat people fairly and respect human rights. We take allegations seriously and address all such concerns that are raised regarding these policies.

Reference: Standard of Business Conduct Policy  
Whistleblowing Reporting Procedure

**2. Not be complicit in human rights abuses**

We recognize that doing the right thing means ensuring that our business suppliers and partners share our commitment to uphold business ethics. Teekay reviews new business partners through a compliance due diligence system and rejects any partners that present an unacceptable risk. We also expect our subcontractors to promote workplaces that are free of human rights violations.

Reference: Third Party Business Ethics Due Diligence Procedure (Internal)  
Subcontracting with Integrity Policy (Internal)

### Labour

**3. Uphold freedom of association and the right to collective bargaining**

We respect the right of employees to join associations and choose representative organizations for the purpose of engaging in collective bargaining in a manner consistent with applicable local laws, rules, and regulations. A significant portion of our seafarers are employed under collective bargaining agreements.

Reference: Standard of Business Conduct Policy  
Global Policy on Discrimination and Harassment (Internal)  
Employee Conduct Policies and Guidelines (Internal)  
Maritime Labour Convention, and Workplace Behavior Standard (Internal)

**4. Eliminate forced labour**

**5. Eliminate child labour**

We have a zero-tolerance approach towards slavery, forced labour, human trafficking, and child labour. We have implemented a program to provide reassurance that modern slavery is not taking place within our company or supply chain.

Reference: Modern Slavery Act Statement  
Seafarer Minimum Age Policy (Internal)

**6. Prevent workplace discrimination**

We are committed to creating a workplace where everyone is treated with respect and dignity. We do not tolerate discrimination or harassment in the workplace or work-related situations, and we investigate any reported violation of our policy.

Reference: Global Policy on Discrimination and Harassment (Internal)  
Grievance Procedure (Internal)  
Workplace Behavior Standard, and Onboard Complaints (Internal)

### Policies

Logistics. We were the first company to use a carrier and our latest LNG carriers meter of LNG transported compared to other LNG carriers. The majority of our LNG fleet uses scrubbers to comply with the IMO 2020 sulfur cap. In addition to installing scrubbers to comply with the IMO 2020 sulfur cap, we are also installing scrubbers to comply with the IMO 2020 sulfur cap. We are also installing scrubbers to comply with the IMO 2020 sulfur cap.

corruption and are committed to acting in a manner in all our business dealings and is provided to all shore-based personnel through the Teekay Quality Assurance Training Officers (TQATOs) and the Teekay Anti-Corruption Network (TACN).

Teekay (Internal)

# TEEKAY LNG





## CEO LETTER

WHEN CONSIDERING THE OUTLOOK FOR OUR BUSINESS, WE SEE STRONG LONG-TERM DEMAND GROWTH FOR LNG GLOBALLY, AND WE ARE EXCITED ABOUT FUTURE PROJECT OPPORTUNITIES.

—MARK KREMIN

President and Chief Executive Officer, Teekay Gas Group Ltd.

This past year has been both successful and challenging for the entire Teekay LNG team. I would like to start by thanking all our seafarers and shore-based staff for their continued dedication, and I am truly proud of how our global team has continued to respond to COVID restrictions while maintaining consistently safe and efficient operations. We have now relieved all our overdue seafarers and have not experienced any cases of COVID on board. This is no small feat, and I appreciate all the efforts by our shore-based staff and the patience of our colleagues at sea as we worked through the many global logistical challenges over the past year. I am equally proud of our safety and operational performance, having completed a challenging year without any impact on our vessel availability and with zero spills, significant incidents, or loss-time injuries in the Teekay LNG fleet.

Despite these accomplishments, the challenges for our seafarers are ongoing, and our focus remains on the safety and welfare of our crews. This past year, we enhanced our employee assistance programs and increased mental health awareness training, and in 2021, we will work to upgrade gym facilities on board, implement a new permit to work safety system, and maintain the increased onboard internet connectivity that was introduced last year.

Across our fleet, we will also continue to focus on improving vessel efficiency to reduce emissions. Most of our fleet operates on LNG fuel, which produces almost no sulfur emissions and creates fewer greenhouse gas emissions

compared to conventional marine fuels. Since 2008, our fleet-wide emissions intensity has decreased by 21% and in 2021, we are implementing further reduction initiatives such as investing in reliquefaction systems on several vessels and continuing to leverage and expand our digital tools to optimize vessel performance. In the years ahead, we will focus on actions to ensure compliance with upcoming requirements such as the Energy Efficiency Existing Ship Index (EEXI) and will also continue to explore options for dual-fuel vessels that can burn LPG or ammonia in our Exmar joint venture fleet.

When considering the outlook for our business, we see strong long-term demand growth for LNG globally, and we are excited about future project opportunities. Global demand for natural gas is expected to continue growing as a source of cleaner-burning, abundant, and cost-effective energy. To position Teekay LNG for future opportunities, during 2020, we continued to build our financial strength by reducing our proportionate net debt by \$558 million, or over 11%. In addition, in keeping with our commitment to strong governance practices, we also made changes to simplify our corporate structure and create greater alignment between our sponsor and the rest of our common unitholders.

Finally, as one of world's largest independent owners and operators of LNG carriers, we will be guided by our core values and our ongoing commitment to the United Nations Global Compact and its principles related to human rights, environment, and anti-corruption.





## PEOPLE AND DIVERSITY

Since our foundation, we have relied on the integrity and commitment of our people to grow our global organization. We recognize that our employees are the key to our success.

In 2020, we focused on mental health and supporting our colleagues through the challenges presented by the pandemic, but also life in the shipping industry more generally. We re-launched our Employee Assistance Program with the International Seafarers' Welfare and Assistance Network (ISWAN), rolled-out Mental Health Awareness and Stress Management Training to a mix of sea and shore staff, and introduced a mentoring program for Cadets, Juniors and New Entrants, called the Buddy Scheme.

In 2021, we are looking forward to the implementation of a new Human Capital Management (HCM) system for Marine HR and sea-based teams. This new system will support the simplification of processes by enabling the automation of basic and repetitive tasks, enhancing collaboration, optimizing the data we collect and how we use it, and empowering our sea staff to manage their own data. By reducing administrative

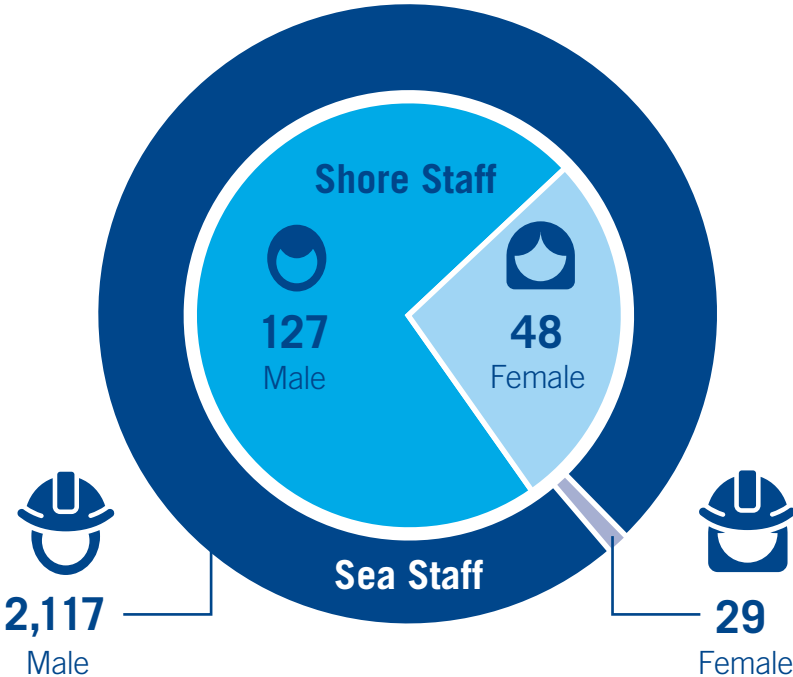
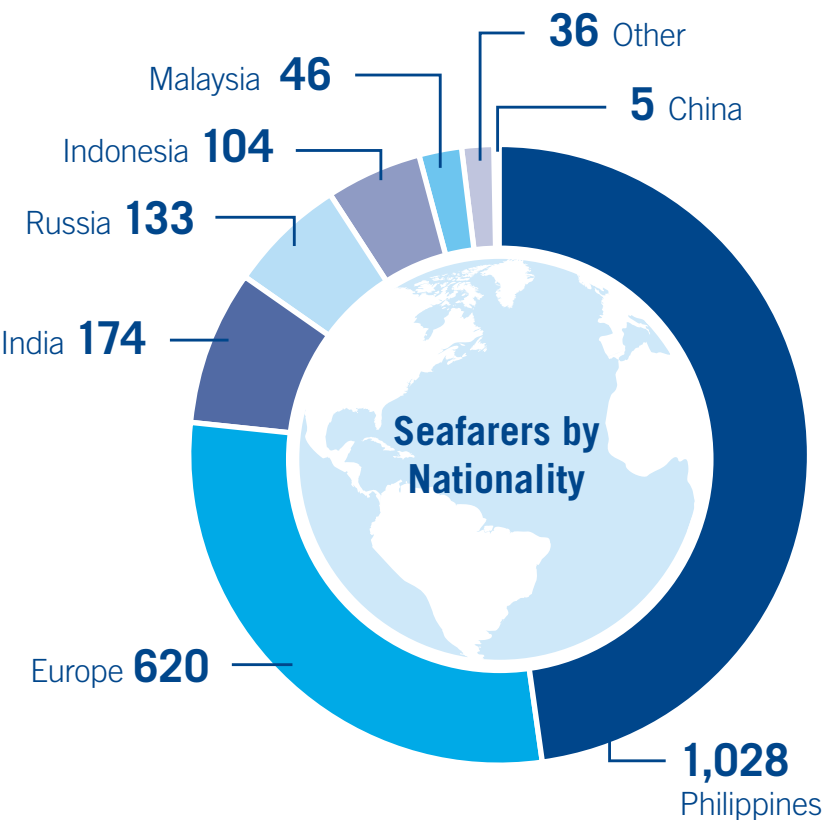
tasks, we hope our colleagues can focus more on improving service delivery, employee engagement, and new project development.

As an international organization, we encourage a diverse workforce and inclusion in the global workplace. We recognize a varied set of experiences, perspectives, cultural backgrounds and are proactive in promoting equal career advancement opportunities for all our employees. Teekay LNG has no tolerance for discrimination and unfair acts, whether on board our ships or in our offices ashore.

While we recognize that our staff composition does not represent a balanced weighting of males and females, we do pride ourselves on having a comparatively good representation of female staff compared to the industry average. Like many ship owners, we are faced with a deficit of female applicants. With this in mind, we have made efforts to attract applicants through presentations to students at various maritime colleges and encourage women to apply for positions in our fleet. In addition, Teekay LNG has a significant social media presence, and we intend to use this more to showcase the experiences of our female seafarers and opportunities for women in the maritime industry.



# Teekay LNG Employee Facts



## Employee Relations:

Sea staff retention

**98.9%** Officers

**99.7%** Ratings

**100%**



Incidents related to labour or human rights investigated and closed within 180 days

**56%**

Sea staff covered by collective bargaining agreements



## Social Diversity:

Women in leadership

**14%** on shore

**2%** at sea



Persons not from high-income countries in leadership at sea

**48%**



# SAFETY AND SECURITY

## Safety

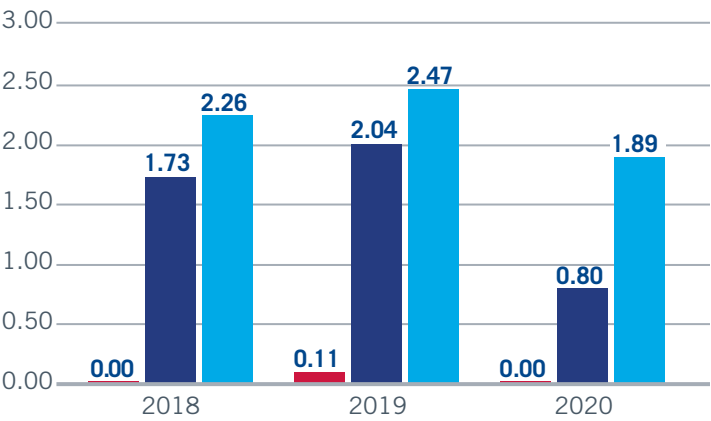
Safety and sustainability form part of our core values and are closely related. Our safety commitments apply to all staff on shore and at sea and compliance against these is monitored. Teekay has an Integrated Safety Management System which complies with ISO9001, ISO14001, ISO45001, MLC, STCW and the ISM code. Efforts continue to be made not only to improve safety statistics, but importantly, to work closely with our seafarers to improve the tools we have in place and the cultural aspects of HSEQ.

Our safety performance is supported by a strong reporting culture. Eight safety incidents<sup>4</sup> occurred and were reported in 2020, which included minor ship damage, observations of fire or smoke, and one man-overboard incident where a crew member fell into the water during a personnel transfer operation and was promptly rescued.

To further strengthen our safety culture and systems, in 2021, we intend to conduct a safety climate survey, and will increase the use of our risk tools and six safety commitments. We will also implement a new electronic permit-to-work system that will simplify and improve work planning and permitting for our staff onboard.

### Health and Safety Performance—Teekay LNG

- LTIF = Lost Time Injury Frequency
- TRCF = Total Recordable Case Frequency
- HRCF = Health Repatriation Case Frequency



### Safety Commitments



<sup>4</sup> Based on SASB definition of reportable marine casualties.

## Security

Over the past five years, the Teekay LNG fleet has grown significantly, and all vessels are in full compliance with the International Ship and Port Facility Security Code (ISPS) and the U.S. Maritime Transportation Security Act of 2002. Teekay LNG's fleet trades worldwide and with the growing threat of maritime piracy, especially in the West African region, our procedures for voyages both in the Gulf of Guinea and Indian Ocean were reviewed and updated in 2020 to safeguard vessel security.

This past year, we also engaged an outside party to carry out an independent security assessment, which confirmed that all vessels are in full compliance with the ISPS Code, Best Management Practices to Deter Piracy (BMP5), and BMP West Africa. Our managed LNG vessels are required to embark armed security guards for Indian Ocean High Risk Area transits, which are provided by an approved private security company.

We conduct a fleet-wide annual security drill, and our vessels also regularly participate in security drills with our charterers and joint-venture partners. In addition, nine of our vessels underwent a remote voyage security risk assessment for each nominated voyage to the West Africa or Indian Ocean High Risk Area, or the Southeast Asia region. This assessment included compliance with our charterers' security procedures and all required regulations and practices.

### Security Performance



Number of vessel security-related non-conformances in external audits, or security-related Port State Control (PSC) detentions



# ENVIRONMENT

## Greenhouse Gas Emissions

Across our LNG carrier fleet, we have achieved a 21% reduction in greenhouse gas emissions intensity since 2008. This has largely been achieved through ongoing vessel and voyage optimizations and the addition of fuel-efficient newbuild vessels to our fleet. Our latest LNG carrier newbuildings produce about 50% less CO<sub>2</sub> emissions per cubic meter of LNG transported compared to earlier generations of LNG carriers. In 2020, the average Energy Efficiency Operational Indicator (EEOI) of our fleet and the Annual Efficiency Ratio (AER) of our LNG carriers (< 200,000 cbm) improved by approximately 2%. The improvement this past year would have been larger but was partly offset by the additional voyage activity of our six ARC7 ice-breaking LNG carriers for the Yamal LNG project. These vessels have a higher installed power in order to safely sail in ice conditions through the Northern Sea Route, which is a shorter route to discharge locations in East Asia.

To further improve our performance, in 2021, we are installing reliquefaction systems on several vessels, trialing a new trim and draft optimization tool, and continuing to advance our performance data automation and reporting processes.

## Energy Efficiency Existing Ship Index (EEXI)

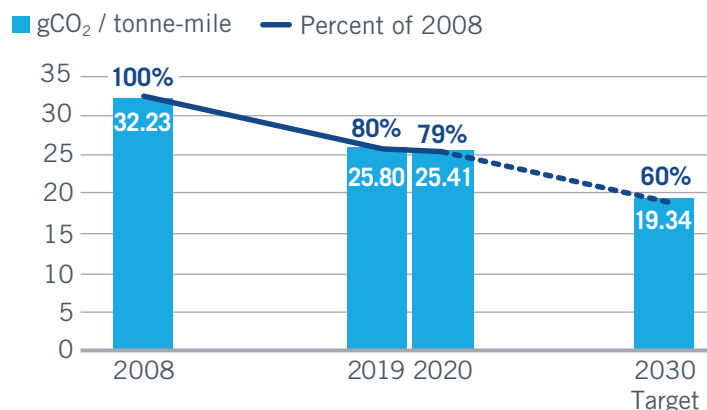
We are preparing to comply with the Energy Efficiency Existing Ship Index (EEXI) coming into force in 2023, which requires a 30% improvement in vessel design efficiency for LNG carriers compared to a baseline introduced in 2013. With the support of Classification Societies, we are performing EEXI calculations based on the current draft guidelines for our LNG carriers in order to assess requirements and begin developing compliance strategies. These guidelines are still under review and will be published later in 2021. Our newest LNG carriers already comply with EEXI requirements without any changes.

## Air Quality

Full compliance with the IMO 2020 requirements has resulted in fleet sulfur oxide (SOx) emissions decreasing by more than 80% in 2020. Our LNG carrier fleet operates mainly on LNG fuel, which contains almost no sulfur. In 2020, the average sulfur content of fuel consumed in our fleet was less than 0.1%, which is significantly below the International Maritime Organization (IMO) limit of 0.5%. In addition, there were zero nitrogen oxide (NOx) non-compliances in our fleet in 2020.



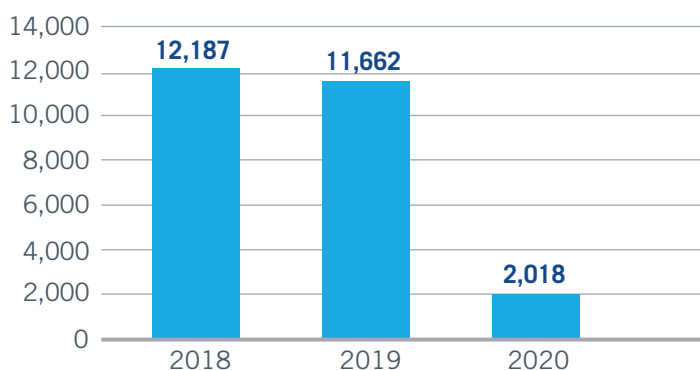
### Gas Fleet Energy Efficiency Operational Indicator (EEOI)



### Average Annual Efficiency Ratio (AER)

LNG CARRIERS	2018	2019	2020
50,000 – 199,999 cbm	11.09	9.95	9.74
200,000+ cbm	10.74	10.46	11.09

### Gas Fleet Sulfur Oxide Emissions (SOx Metric Tons)



## Marine Ecological Impacts

Of the 39 vessels in the Teekay LNG-managed fleet, 24 vessels (62%) currently have ballast water treatment systems (BWTS) installed. Installations on the remaining vessels will be completed at their next scheduled dry dock, with all installations expected to be completed by 2023.

IN 2020, THERE WERE NO SPILLS  
IN THE TEEKAY LNG FLEET.

### Teekay LNG SASB Disclosures

TOPIC	ACCOUNTING METRIC	UNIT	2020 VALUE
Greenhouse Gas Emissions	GHG emissions	Metric tons	3,543,668
	Equity-weighted GHG emissions	Metric tons	2,955,601
	Total energy consumed	Gigajoules (GJ)	58,708,763
	Percentage heavy fuel oil	Percentage	17%
	Percentage renewable fuel	Percentage	0%
	Average EEDI for new ships	Grams CO <sub>2</sub> per ton-nautical mile	No new vessels added in 2020
Air Quality	Nitrogen Oxide (NOx) emissions	Metric tons	67,833
	Sulfur Oxide (SOx) emissions	Metric tons	2,018
Marine Ecological Impacts	Fleet implementing ballast treatment	Percentage	62%
	Number of spills (over 1 barrel)	Number	0
	Total volume of spills (over 1 barrel)	Cubic Meters	0
Safety	Lost Time Injury Frequency (LTIF)	Rate	0
	Marine incidents	Number	8
	Incidents classified as very serious	Percentage	0%
	Conditions of Class	Number	9
	Port state control deficiencies	Number	18
	Port state control detentions	Number	0
Business Ethics	Port calls in 20 lowest ranking countries in Corruption Perception Index	Number	5 calls to Equatorial Guinea
	Monetary losses as a result of legal proceedings associated with bribery or corruption	\$US	\$0
Activity Metrics	Sea staff	Number	2,146
	Vessels in total fleet	Number	77
	Vessels managed by Teekay LNG	Number	39
	Deadweight tonnage	Thousand DWT	3,449
	Total distance traveled by vessels	Nautical miles	4,045,054
	Operating days	Number	14,219
	Vessel port calls	Number	878



# TEEKAY TANKERS





## CEO LETTER

FOR THE TANKER INDUSTRY, AND FOR THE MARITIME INDUSTRY AS A WHOLE, I BELIEVE TWO IMPORTANT ESG ISSUES ARE TO FURTHER THE SUPPORT OF CREW WELFARE AND TO CONTINUE EFFORTS TO REDUCE GREENHOUSE GAS EMISSIONS.

—KEVIN MACKAY

President and Chief Executive Officer, Teekay Tankers Ltd.

For the tanker industry, and for the maritime industry as a whole, I believe two important ESG issues are to further the support of crew welfare and to continue efforts to reduce greenhouse gas emissions. This past year, the COVID pandemic unfortunately highlighted the lack of understanding and appreciation for what seafarers around the world contend with as part of their daily job of ensuring global trade continues without interruption. While this highlights a challenge across the industry, it also emphasizes one of Teekay Tankers' strengths in caring for our seafarers.

During the past year, to support our colleagues when on board, we introduced measures to boost morale and provide financial support for both those unable to sign off on time as well as those unable to rejoin vessels. We rapidly introduced extended service payments and increased the promotion of our Employee Assistance Program and 24-hour Helpline. We also maximized internet service provision to facilitate seamless communications with family and loved ones as well as providing greater flexibility within shipboard food budgets. To facilitate crew changes, we deviated ships on numerous occasions or held ships back in port so that crew changes could be accomplished within the very restrictive immigration and quarantine requirements that most countries instituted at the outbreak of the pandemic. Due to the dedication of our shore teams and the full support and patience of our crews, we have now completed 92% of overdue crew changes, and have done so with little impact on our operations and while maintaining very high staff retention levels compared to the industry. This is a significant accomplishment, and I thank everyone for their support.

To reduce greenhouse gas emissions and improve performance, Teekay Tankers continues to invest in energy efficiency. This past year, we expanded several successful initiatives while also piloting new solutions to further improve the efficiency of our fleet. We also support the IMO's efforts to encourage the use of clean fuels across the maritime industry, and therefore transitioned our fleet to burning 100% low sulfur fuels on January 1, 2020. Our full compliance with IMO 2020 resulted in fleet-wide sulfur emissions decreasing by more than 80% this past year.

While it will be important to further reduce our impacts on the environment, we must also focus on continuous improvements in our safety and operational metrics. I am pleased to highlight that the trajectory of our safety metrics continues to improve year-on-year and in 2021, we will pilot our newly developed Human Element predictive risk tool to further enhance our safety culture and performance.

In the coming years, we also want to focus efforts on maintaining our diverse, multicultural, and global group of experienced seafarers and on-shore maritime leaders while also looking to increase the number of women in Teekay Tankers and throughout the shipping industry.

This past year, Teekay Tankers joined the United Nations Global Compact, and we are pleased to share our progress in ongoing support of the Compact and its principles. I am pleased with the progress we are showing on a variety of ESG metrics presented in this year's report, including safety, crew welfare, business ethics, air quality, and emissions. Despite significant challenges, it has been another good year, which speaks to the ongoing improvements we continue to make across all aspects of our business.





## PEOPLE AND DIVERSITY

At Teekay Tankers, our vision is to be the world's leading tanker brand and we take pride that the Teekay logo on our funnel is an industry-respected symbol of quality.

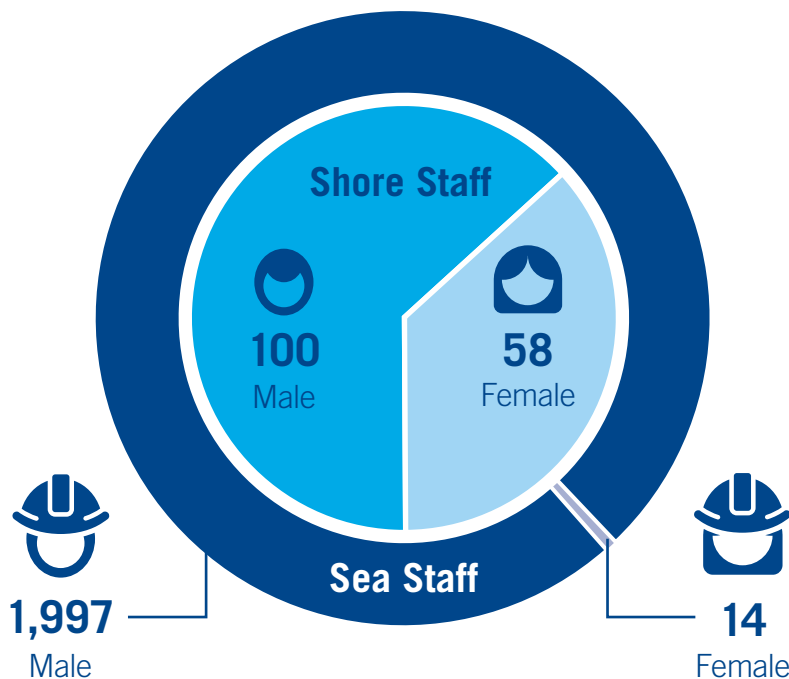
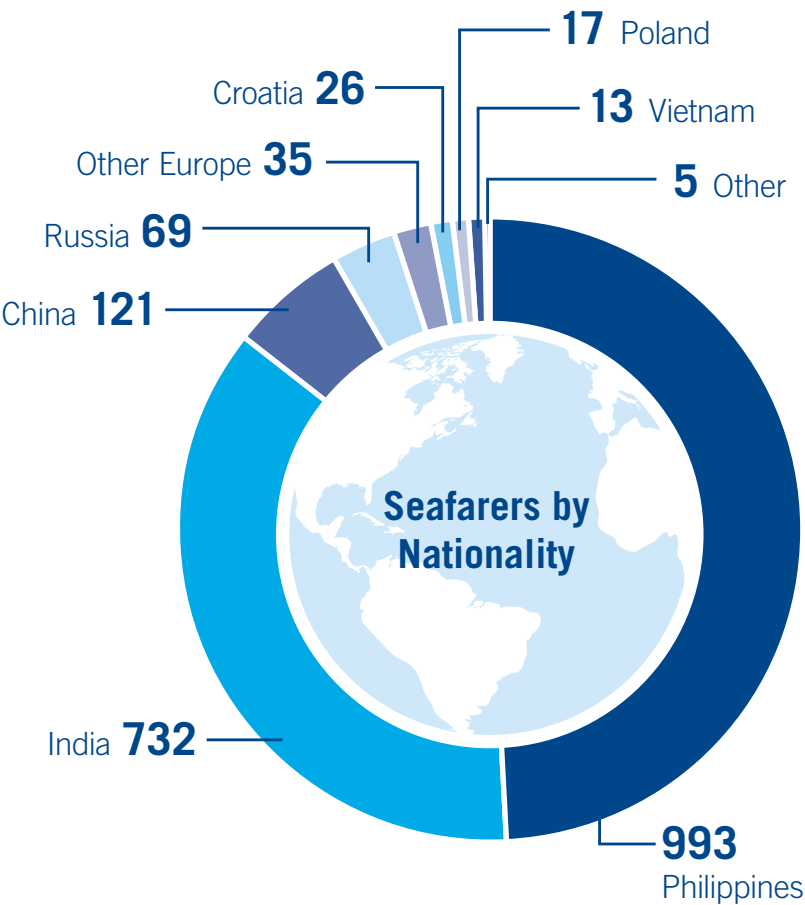
As a true owner, we manage our vessels directly through in-house ship management, employing over 2,000 men and women aboard our fleet.

The commitment and contribution of our staff is pivotal for us to deliver flawless customer service. A clear career path and opportunities in various roles in the organization has resulted in a higher retention rate compared to the industry, and we

are committed to providing equal employment opportunities without any bias. During the selection of cadets or recruitment of officers, it is stressed to all that only qualifications matter.

We have adapted our recruitment strategy in recent years with a focus on female maritime university graduates and sponsorship of government and industry female interns and management trainees. We are also active in both government and industry forums involving employee engagement, flexibility, wellness and gender equality and diversity in shipping. We have sponsored two female leaders in the Maritime and Ports Authority Internship in Singapore and will continue to support this program going forward.

Teekay Tankers Employee Facts



**Employee Relations:**

Sea staff retention

**98.3%** Officers

**98.7%** Ratings

**100%**



Incidents related to labour or human rights investigated and closed within 180 days

**100%**



Sea staff covered by collective bargaining agreements

**10.8** years



Average duration of sea staff employment

**Social Diversity:**

Women in leadership

**11%** on shore

**1%** at sea



Persons not from high-income countries in leadership at sea

**93%**





# SAFETY AND SECURITY

## Safety

This past year, we implemented several initiatives to further strengthen our safety culture and reinforce the correct practices onboard. Our Marine Quality Assurance (MQA) team continues to visit and provide onboard training with an emphasis on Toolbox Talks and effective on-site supervision.

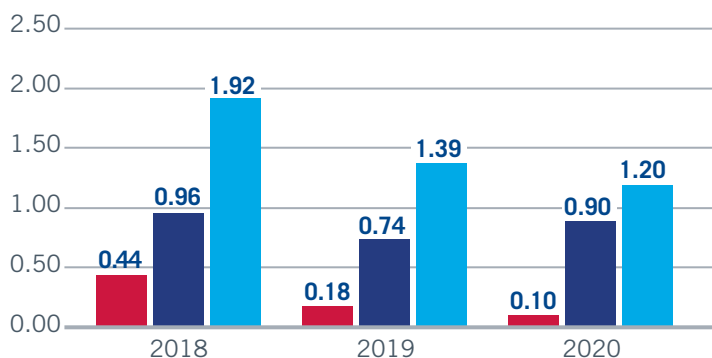
We have also improved electronic hazard reporting, and over the last year or more, we have seen a good improvement in the quality of the reports received. Encouraging increased observations and capture of near misses is another area that we believe can assist in addressing potential safety incidents. Lastly, this past year, we developed a new Human Element risk mapping tool which is in the final stages of completion. This predictive risk tool will help us to build safer and more resilient teams onboard.

In 2020, six safety incidents<sup>5</sup> occurred and were reported in our tanker fleet, which included responses to smoke or fire, minor damage onboard, and one Loss Time Injury (LTI). In each case, the safety incident was thoroughly investigated and the lessons learned from the incident were shared with the rest of the fleet to further enhance the safety culture on board our vessels.

In 2021, we will pilot test our newly-developed Human Element predictive risk tool and continue our focus on increasing the observations and capture of near misses. In addition, we are evaluating virtual reality training to improve the effectiveness of our lock-out-tag-out procedures.

### Health and Safety Performance—Teekay Tankers

- LTIF = Lost Time Injury Frequency
- TRCF = Total Recordable Case Frequency
- HRCF = Health Repatriation Case Frequency



<sup>5</sup> Based on SASB definition of reportable marine casualties.

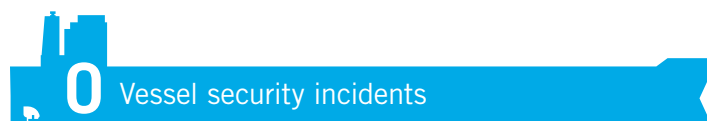
## Security

The International Ship and Port Facility Security (ISPS) Code was adopted by the IMO in December 2002 in the wake of heightened concern over worldwide terrorism. The objective of the ISPS Code is to enhance maritime security by detecting security threats to ships and ports and by requiring the development of security plans and other measures designed to prevent such threats. Each vessel in our fleet currently complies with the requirements of ISPS and the U.S. Maritime Transportation Security Act of 2002.

Continually monitoring global maritime security risks and preparing our vessels and crews to respond effectively to any threat is at the core of our security program. In view of the dynamic global security situation, each vessel in our fleet completed a ship security assessment in 2020. Each Ship Security Plan was also reviewed to ensure it was fit for purpose and aligned with the security assessment. The ever-evolving global security situation is communicated to all vessels through a quarterly security bulletin.

Each year, all our vessels participate in a fleet-wide security exercise based on a realistic scenario for a duration of 72 hours. This exercise was successfully completed in 2020 with the active participation of all vessels. The learnings from this exercise have been shared and will be utilized in case of a real emergency.

### Security Performance



Number of vessel security-related non-conformances in external audits, or security-related Port State Control (PSC) detentions



# ENVIRONMENT

## Greenhouse Gas Emissions

Teekay Tankers continues to invest in energy efficiency. Our entire fleet, except for a few vessels, is now coated with high-performance silicone hull paints and we have installed Mewis Ducts on eight ships, which helps reduce drag and improve propulsion efficiency. Closely monitoring and optimizing vessel efficiency remains a priority. We use Seatrend to monitor hull efficiency with real-time data, and Techomar to monitor and optimize machinery efficiency. In 2020, we successfully piloted an ultrasonic propeller cleaning tool on two vessels, which will now be implemented fleet-wide.

Since 2008, emissions intensity has decreased 17% in our Suezmax fleet, and 10% in our Aframax fleet. The smaller reduction in our Aframax fleet is due to a larger portion of our fleet engaged in ship-to-ship lightering activities in recent years, which results in higher EEOI values compared to conventional trading patterns. The increase in our Suezmax fleet EEOI value in 2020 was due to weak tanker market conditions in the second half of the year, which resulted in more vessel waiting time and fewer tonne-miles. We expect EEOI values to decrease again as the market improves.

To further improve performance in 2021, we will extend ultrasonic propeller cleaning to our entire fleet and will apply high-performance silicone hull coatings to the remainder of the fleet. We will also continue to monitor voyage performance through automated data analysis and are preparing to pilot test a system for improved performance of controllable pitch propellers.

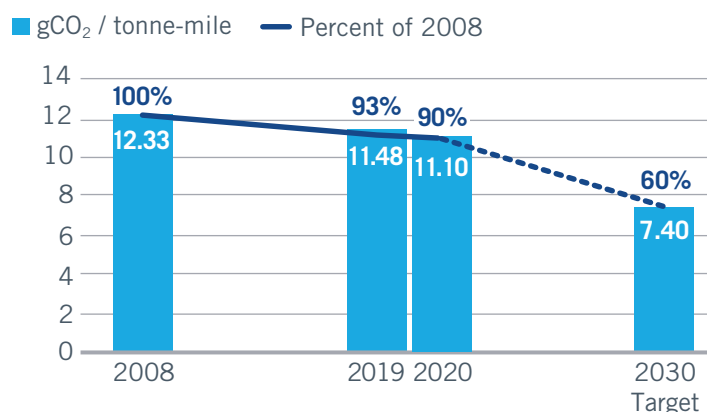
## Energy Efficiency Existing Ship Index

We are preparing to comply with the Energy Efficiency Existing Ship Index (EEXI) coming into force in 2023, which requires a 20% improvement in vessel design efficiency for tankers from the baseline introduced in 2013. We are performing sample EEXI calculations for our fleet with the support of Classification Societies and expect to be able to fully comply through a combination of engine power limitation (EPL) and energy savings devices. We are conducting feasibility studies of further Mewis Duct installations in order to support compliance with the EEXI requirements.

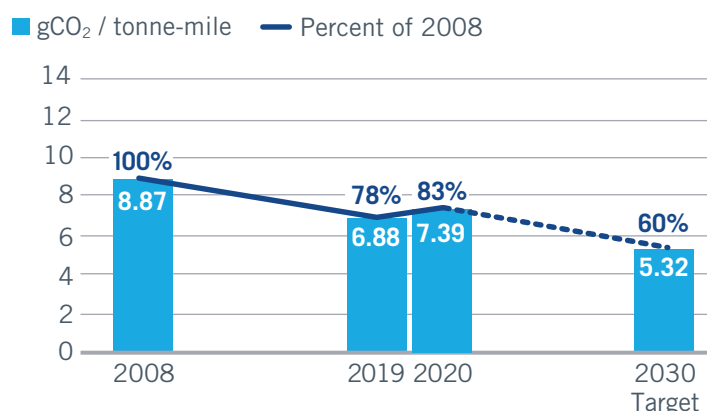
## Air Quality

Full compliance with the IMO 2020 requirements has resulted in fleet sulfur oxide (SOx) emissions decreasing by more than 80%. Teekay Tankers continues to use low-sulfur fuels and has not installed any exhaust gas cleaning systems (scrubbers). In addition, there were zero nitrogen oxide (NOx) non-compliances in our fleet in 2020.

### Energy Efficiency Operational Indicator (EEOI) Aframax Tankers



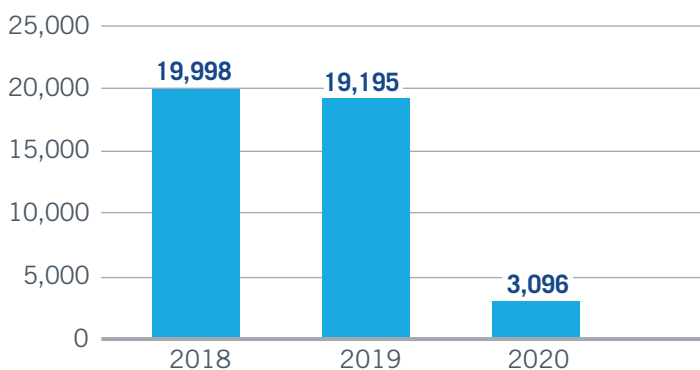
### Energy Efficiency Operational Indicator (EEOI) Suezmax Tankers



### Average Annual Efficiency Ratio (AER)

OIL TANKERS	2018	2019	2020
80,000 - 119,999 DWT	5.64	5.43	5.07
120,000 – 199,999 DWT	4.25	3.42	3.49

### Tanker Fleet Sulfur Oxide Emissions (SOx Metric Tons)



## Marine Ecological Impacts

Ballast water treatment systems have been installed onboard eight vessels, with ten more systems planned for installation in 2021. We anticipate completing our ballast water treatment system installation program in 2023.

IN 2020, THERE WERE NO SPILLS  
IN THE TEEKAY TANKERS FLEET.

### Teekay Tankers SASB Disclosures

TOPIC	ACCOUNTING METRIC	UNIT	2020 VALUE
Greenhouse Gas Emissions	GHG emissions	Metric tons	1,351,023
	Equity-weighted GHG emissions	Metric tons	1,026,418
	Total energy consumed	Gigajoules (GJ)	17,154,608
	Percentage heavy fuel oil	Percentage	78%
	Percentage renewable fuel	Percentage	0%
	Average EEDI for new ships	Grams CO <sub>2</sub> per ton-nautical mile	No new vessels added in 2020
Air Quality	Nitrogen Oxide (NOx) emissions	Metric tons	30,946
	Sulfur Oxide (SOx) emissions	Metric tons	3,096
Marine Ecological Impacts	Fleet implementing ballast treatment	Percentage	15%
	Number of spills (over 1 barrel)	Number	0
	Total volume of spills (over 1 barrel)	Cubic Meters	0
Safety	Lost Time Injury Frequency (LTIF)	Rate	0.1
	Marine incidents	Number	6
	Incidents classified as very serious	Percentage	0%
	Conditions of Class	Number	0
	Port state control deficiencies	Number	10
	Port state control detentions	Number	0
Business Ethics	Port calls in 20 lowest ranking countries in Corruption Perception Index	Number	40 port calls
	Monetary losses as a result of legal proceedings associated with bribery or corruption	\$US	\$0
Activity Metrics	Sea staff	Number	2,011
	Vessels in total fleet	Number	54
	Vessels managed by Teekay Tankers	Number	46
	Deadweight tonnage	Thousand DWT	6,111
	Total distance traveled by vessels	Nautical miles	2,449,506
	Operating days	Number	17,694
	Vessel port calls	Number	2,199

# GROUP-WIDE INITIATIVES





# OUR RESPONSE TO COVID-19

Throughout 2020, the shipping industry faced unique challenges related to the COVID-19 pandemic. Staying true to our SPIRIT values, we placed significant effort in both understanding and addressing the potential impacts to our global employee population and their families.

During the year, all our shore employees transitioned to a global work from home policy with minimal staff attendance in our offices. Ensuring a safe work environment, including implementing a Teekay COVID-19 safety standard and abiding by local government protocols in each office, was our priority. We ensured employees had the resources and support needed to work from home, including upgrading home workstations and correct ergonomic set-up. In addition, across the organization, we accelerated our digital transformation to ensure a seamless transition to working virtually for our entire global shore-based workforce.

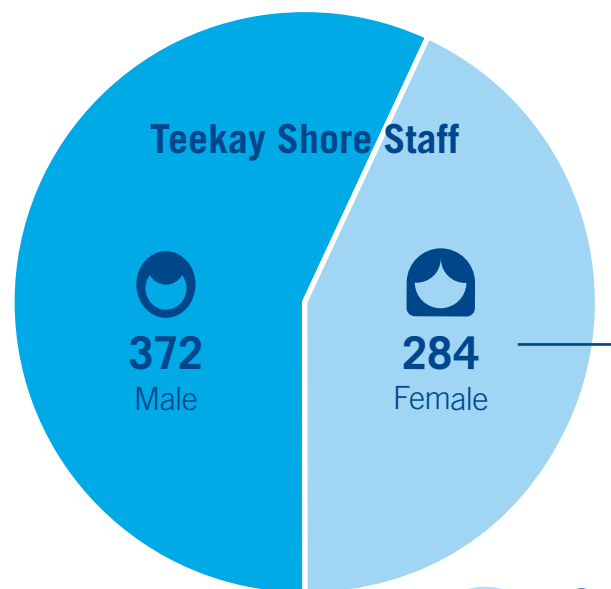
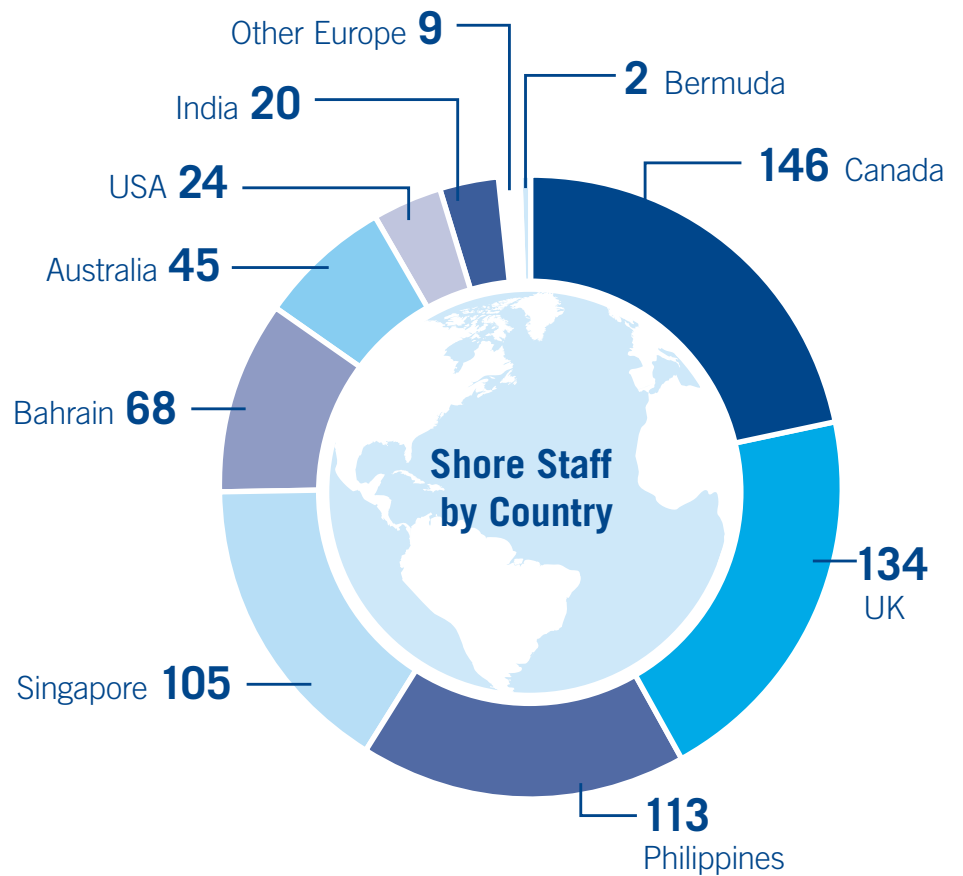
At sea, we put in place robust safety protocols for crew changes and travel, which included regular COVID testing. To facilitate crew changes this past year, we have deviated ships or held them back in port so that crew changes could be accomplished.

To support our colleagues when on board, we introduced measures to boost morale and provided financial support for those unable to join vessels. We also provided increased internet service onboard, extended service payments, more flexible food budgets, and increased the promotion of our Employee Assistance Program and 24-hour Helpline. Thankfully, we have managed without any material impacts to our vessel operations, and as of the end of March 2021, our Marine HR teams had successfully completed 100% of overdue crew changes in Teekay LNG and 92% of overdue crew changes in Teekay Tankers.

However, the challenges for our sea staff are not over. The situation is improving, but the travel difficulties for seafarers continue. We are still faced with challenges related to visa applications, quarantine requirements, testing availability, flight availability and travel restrictions. This is an international concern, and we are committed to working with the industry to ensure that crew changes are given the worldwide attention it deserves. Teekay has joined over 700 organizations as [signatories to the Neptune Declaration](#), an initiative aiming to resolve the seafarer crisis as soon as possible by enabling crew changes and repatriation, and to recognize seafarers as key and essential workers by all governments.



## Teekay Group Employee Facts



**20%**  
Women in  
leadership  
on shore

# PEOPLE AND DIVERSITY

## A Diverse and Inclusive Workforce

As an international organization, Teekay continues to put emphasis on a diverse and inclusive global workforce. We are proud that our long history has represented a varied set of experiences, perspectives, and cultural backgrounds and we are proactive in promoting equal career advancement opportunities for all our employees. We have made progress with our efforts to date and acknowledge that still more can be done.

In 2020, Teekay participated in a pilot program to support the advancement of female leaders. Learning outcomes from this pilot are planned to be implemented more broadly across the organization. In addition, our Teekay Future Leaders Program (FLP) has resulted in nine female graduates to date and continues to support females with their education.

In 2021, we will undertake an initiative to further review and enhance our Diversity and Inclusion strategy and will set goals and key performance indicators (KPIs) across our sea and shore population.

HE BELIEVED STRONGLY IN FAIR PLAY  
AND EQUITABLE EMPLOYMENT. HE  
DIDN'T CARE WHAT PART OF THE  
WORLD THEY CAME FROM. IN THAT  
SENSE, HE WAS TRULY AN EQUAL  
OPPORTUNITY EMPLOYER. IF YOU RUN  
AN INTERNATIONAL TANKER COMPANY,  
YOU DEAL WITH MANY NATIONALITIES,  
CULTURES, AND LANGUAGES.

— AXEL KARLSHOEJ

formerly a Teekay Corporation Board member and  
Chairman Emeritus, speaking about his brother and  
Teekay founder, Torben Karlschoej

## Respecting Labour and Human Rights

At Teekay, we treat people fairly and respect labour and human rights. We ensure that all our business partners and suppliers follow the same principles. We take all labour and human rights allegations seriously and address all such concerns that are raised regarding these policies. In 2020, zero allegations were raised. In 2021, in coordination with our Diversity and Inclusion strategy, we will focus on increasing employee awareness on labour and human rights policies and programs.

## Supporting Health and Well-being

Health and wellbeing continue to be an important focus for Teekay, both for our seafarers and for those employed in our offices globally. The COVID-19 pandemic has called for heightened attention and awareness with programs to support the mental health of our employees.

On shore, throughout 2020, we continued to provide our Employee Assistance Programs across the organization, implemented virtual healthcare applications, delivered health and wellness programs, provided access to on-line wellness resources, and offered flu vaccine clinics in select locations. In addition, added emphasis was placed on frequent check-in calls with shore-based employees to evaluate and address their well-being.

At sea, we have continued to see a reduction in the number of health incidents across the Teekay fleet in 2020. We work closely with our medical service providers to proactively ensure our seafarers are fit prior to joining and to manage seafarers' health on board vessels. Facilities are provided to help seafarers stay mentally and physically healthy and our quarterly HSEQ publication and fleet campaigns contain further guidance and initiatives.

As expected, our seafarer employee assistance provider, ISWAN, experienced a significant increase in support calls this past year, and efforts were made to respond to this increased need. A new website was developed, which included a live chat function, email and call line to allow seafarers to make calls from their cabins using their own cell phones. Guidance was also provided to our seafarers and a new mental health and well-being course was trialed with a mix of ship and shore personnel, with more courses planned in 2021.





The Future Leaders Program (FLP) prepares students for a career in the maritime industry.

## Developing Future Leaders

Teekay is dedicated to developing the next generation of leaders in the maritime industry, and this starts with providing them the skills and education necessary to fulfill a promising career at sea. Teekay, in partnership with The TK Foundation, offers a full scholarship program to support young Filipinos to pursue a career in the maritime industry. The Future Leaders Program (FLP) is a four-year post-secondary education program where students are accredited with a Bachelor of Science in Marine Engineering and Marine Transportation. Students receive insight into many different areas of vessel operations including navigation, cargo handling and stowage, maritime technology, and safety, while also receiving first-hand coaching from current Teekay officers. From enrollment to employment, students are guaranteed a one-year cadetship on board one of Teekay's vessels to acquire hands-on experience operating ships.

Since its inception in 2018, the FLP program has received more than 750 applicants from National High Schools across the Philippines and 27 students are currently enrolled. <https://www.teekay.com/futureleaders/>

## Making Teekay History—Virtually

After spending much of 2020 working apart, an idea emerged for a way to bring our colleagues back together, look towards the future, and re-ignite our #TeekaySpirit at the start of 2021. This idea came to fruition as a virtual summit that would, for the first time, bring together and engage all our colleagues across sea and shore, across all ranks, titles, and fleets, and across the globe—all in one virtual space. Our **'Future Of' Summit** was a three-day virtual experience where we looked ahead at the biggest challenges and opportunities facing our world, our industry, and our organization. Over three days, the 'Future Of' Summit was attended by more than 1,500 colleagues from 43 countries across sea and shore. This is one of the many examples of how Teekay lives our values of teamwork and innovation, together.







In 2021, the Banff FPSO will be recycled at M.A.R.S. Europe's EU-approved facility in the Port of Frederikshavn, Denmark

## PROMOTING RESPONSIBLE SHIP RECYCLING

After decades of sailing the seas, at the end of their life, ships are recycled—the vessel is dismantled, and steel and other valuable materials are recycled. It is the most responsible way of disposing a vessel, since almost every part of the ship is reused.

However, if not done responsibly, the process can be dangerous for people and damaging to the environment. Therefore, in 2009, the IMO adopted the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, which ensures that health, safety, and environmental risks are minimized as much as possible throughout every part of the recycling process.

Not only do we support the Hong Kong Convention—but we believe more can be done.

We have developed and adopted a stringent process for ship recycling that goes above and beyond the Hong Kong Convention, and by being directly involved on-the-ground, we ensure this standard is met when recycling our vessels. To

drive change, we are also an early supporter and member of the Ship Recycling Transparency Initiative (SRTI). We were the eighth leading ship owner to join the SRTI.

We are currently preparing for the upcoming green recycling of the Petrojarl Banff FPSO. In 2021, the Banff FPSO will be recycled at M.A.R.S. Europe's EU-approved facility in the Port of Frederikshavn, Denmark. Before selecting the M.A.R.S. facility, Teekay conducted a competitive tender process involving several recycling facilities that met our stringent yard requirements. Additionally, Teekay engaged DNV to carry out an independent assessment of the facility against the requirements of the EU Ship Recycling Regulation and the Hong Kong Convention. M.A.R.S. has the necessary permits and sub-contracts in place to manage all hazardous materials, including naturally occurring radioactive material (NORM), which may be encountered on board the FPSO during the recycling process.

The recycling process is expected to take approximately 12 months, during which time Teekay will have representatives on-site to ensure the unit is recycled in compliance with all regulations as well as our own vessel recycling policies.





## SUPPLY CHAIN MANAGEMENT

As a company that firmly believes in good ethical practices and doing business with integrity, it is important for Teekay to conduct the necessary due diligence to ensure we work with like-minded companies and in a manner that contributes to society and the environment we work in.

In support of these beliefs, we set a goal of directing at least 70% of operations-related procurement spending towards our contracted suppliers. During 2020, we achieved a rate of 77% and for 2021 our goal is 80%.

Our procedures relating to Vendor Onboarding and Vendor Evaluation have been updated to incorporate our automated third-party due diligence system, Securimate. In particular,

this allows us to screen for business ethics compliance risks, such as sanctions, bribery and human rights violations. Since the launch of this system, approximately 7,000 third parties have been successfully approved. In addition, our vendor performance group conducts periodic re-evaluations of critical suppliers and during 2020, we completed 124 such re-evaluations.

In 2020, we also implemented a three-year audit plan concentrating initially on critical high value suppliers. The target was to audit ten suppliers each year with a particular focus on sustainability, supply chain control, and compliance with appropriate legislation. Unfortunately, due to the COVID-19 pandemic, we only completed six audits this past year. In 2021, we will continue with our initial audit plan; however, progress may continue to be affected by the limitations of the ongoing pandemic.

# CYBERSECURITY @ TEEKAY

We manage cybersecurity risk by focusing on the cornerstones of People, Process and Technology, and the application of best practices to each. These pillars define the core of our cybersecurity program.

To further enhance our cybersecurity program, Teekay adopted the National Institute of Standards & Technology (NIST) framework that helps Teekay to incorporate cyber best practices to manage risk. Teekay has implemented a “defense in depth” approach to ensure we are not relying on any single mitigation of an identified risk.

In 2020, we continued our organization-wide rollout of our Cybersecurity Awareness program. The goal of this program is to reduce risks at the last line of defense, through education and awareness, which includes regular phishing exercises, awareness posters, and Cyber101 live-streams. In addition, this past year, we engaged a third-party to conduct

a comprehensive and advanced cyber risk assessment and penetration testing, and conducted cyber response exercises for both shore and vessels.

In 2021, we intend to further enhance our cybersecurity awareness program and implement the recommendations from the most recent cybersecurity assessment.



National Institute of Standards & Technology (NIST) framework

## Cornerstones of our Cybersecurity Program

### People

- Cyber hygiene
- Training and awareness
- Professional skills & qualifications
- Written procedures
- Authorization control
- Physical security



### Process

- Management systems
- Policies, procedures
- Handling of vendor/third parties
- Drills & audit regimes

### Technology

- Antivirus
- Firewalls
- Intrusion detection systems
- SW update, patches
- Test
  - Functional testing
  - Vulnerability scanning
  - Penetration testing



# SUPPORTING OUR LOCAL COMMUNITIES

We benefit in many ways from the communities in which we live and work, and we consider it our responsibility to help strengthen and give back to our communities.

We partner with charitable organizations that embody Teekay's SPIRIT values and we encourage our employees to become directly involved. All shore employees are provided with up to three paid volunteering days each year to support local community and charitable activities.

In 2020, through various efforts in each of our offices, we supported more than 40 charities and community organizations around the world. Our sea staff are an important part of our charity program and last year, we received more than 700 responses and suggestions from our sea staff on the charities they value and would like to support.



## Community Partners Supported in 2020

### People and Families in Need



- Madrid Food Bank
- Trussel Trust Foodbank
- Macmillan Cancer Support
- Dignity Kitchen
- Children's Wishing Well
- Humanitarian Organization for Migration
- Food from the Heart
- Home for all Migrants
- Tan Tock Seng Community Fund
- Race Against Cancer
- Coast Guard Foundation
- Gawad Kalinga Community Foundation
- PM Cares Fund India
- Maharashtra Chief Minister's Relief Fund

- Sail & Adventure Australia
- No Limits Perth
- Junior Achievement
- Science World
- Dress for Success
- Variety
- Covenant House
- Aboriginal Friendship Centre
- Australian Red Cross

### Seafarer Support



- Mission to Seafarers Vancouver
- Mission to Seafarers Global
- Seafarers' Welfare and Assistance Network
- Seafarers UK
- Seaman's Mission Bermuda

### Marine Environment



- Vancouver Maritime Museum
- Plastic Oceans
- Clean Ocean Australia
- Tangaroa Blue Foundation
- Nature Trust of BC
- Sea Smart School

### COVID-19 Response



- The British Red Cross
- Save the Children Yemen
- Philippine General Hospital Medical Foundation
- TATA Trust – One Against COVID
- Akshay Patra Foundation
- Centre Against Abuse
- Age Concern
- Greater Vancouver Food Bank



# SUMMARY OF TARGETS AND PROGRESS

This table provides an overview of our group-wide ESG ambitions, targets, results in 2020, and planned actions in 2021.

## SOCIAL AND GOVERNANCE

### Teekay's Ambition: Personal Safety

Uphold our core value—Safety First.  
Look after each other and make sure everyone gets home safely



#### Targets

- Zero fatalities
- Total Recordable Case Frequency (TRCF) < 1.0
- Safety performance within the top quartile of industry benchmarks

#### Results in 2020

- All targets achieved in 2020
- Zero fatalities, and TRCF of 0.86

#### Actions for 2021—Teekay LNG

- Conduct a safety climate survey
- Increase use of risk tools and six safety commitments
- Enhance proactive risk management
- Implement electronic permit-to-work system

#### Actions for 2021—Teekay Tankers

- Implement pilot test of Human Element predictive risk tool
- Lock-out-tag-out VR training
- Increase observations and capture of near misses

### Teekay's Ambition: Human and Labour Rights

Respect and support all internationally-proclaimed human rights



#### Targets

- 100% of reported incidents related to labour or human rights are investigated and closed within 180 days
- >97% staff retention at sea
- >90% staff retention on shore

#### Results in 2020

- All targets achieved in 2020
- 100% of reported incidents were investigated and closed
- Sea staff retention of 98.7%
- Shore staff retention of 91.5%

#### Actions for 2021—Group-Wide

- Offer employee training opportunities related to human rights
- Strengthen support for human rights in Standards of Business Conduct Policy

### Teekay's Ambition: Workforce Diversity

Further increase gender and national diversity within Teekay



#### Targets

- Develop a diversity strategy and target in 2021 to further promote gender and national diversity within Teekay

#### Results in 2020

- Participated in a pilot program to support the advancement of female leaders
- Teekay Future Leaders (TLF) program has resulted in nine female graduates to date
- We recognize that further efforts are needed in 2021 to develop our group-wide diversity strategy and targets

#### Actions for 2021—Group-Wide

- Trial launch of women's development program
- Develop a diversity strategy
- Demonstrate how we ensure pay equity
- Offer employee training opportunities related to diversity and workplace conduct

### Teekay's Ambition: Health and Wellness

Provide healthy working conditions that promote well-being for employees



#### Targets

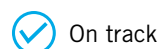
- Health repatriation case frequency (HRCF) for sea-staff ≤1.8

#### Results in 2020

- Target achieved in 2020
- Group-wide HRCF of 1.67

#### Actions for 2021—Group-Wide

- Offer training on identifying mental health risks
- Develop a mental health program based on Mentally Healthy Ships guide
- Implement a new flexible workplace policy
- Human Capital Management (HCM) system roll-out
- Develop a monitoring indicator for shore employee health in 2021



On track



Needs attention

## SOCIAL AND GOVERNANCE

### Teekay's Ambition: Vessel and Cyber Security

Protect the security of our seafarers, ships, and digital assets



#### Targets

- Zero vessel security incidents
- Zero vessel security related non-conformances in external audits and zero security-related Port State Control (PSC) detentions
- Zero vessel cyber security incidents

#### Results in 2020

- All targets achieved in 2020
- There were no vessel security or vessel cybersecurity incidents in 2020

#### Actions for 2021—Ship Security

- 24/7 monitoring of security risk situation and guidance to vessels and crew
- Continue participation in Intertanko Security Committee

#### Actions for 2021—Cyber Security

- Table-top cyber security response exercise
- Mobile device management for Teekay managed devices
- Enhance Cyber Safe Culture Program on shore and at sea

### Teekay's Ambition: Business Ethics

Manage all our business activities with integrity and do what is right



#### Targets

- 100% of business ethics breaches are investigated and closed within 180 days
- ≥95% invited shore-based employees attend online delivery of 'Doing Business with Integrity' presentation
- ≥90% of survey respondents agreeing that management actively supports integrity objectives

#### Results in 2020

- All targets achieved in 2020

#### Actions for 2021—Group-Wide

- Increase usage of third-party due diligence checks on Teekay Group suppliers
- Continue to develop our partnership with Marine Anti-Corruption Network to focus on managing port corruption risks
- Conduct an independent survey of our business ethics culture
- Migrate to a new business ethics training and case management provider



On track



Needs attention

## ENVIRONMENT

### Teekay's Ambition: Climate Change

Achieve the IMO greenhouse gas ambitions and support the global energy transition



#### Targets

- 40% reduction in fleet-wide greenhouse gas emissions per tonne-mile by 2030 compared to 2008
- 50% reduction in total fleet greenhouse gas emissions by 2050

#### Results in 2020

- Supported the decarbonICE maritime carbon capture and storage project
- Emissions intensity has decreased by 21%, 17%, and 10%, respectively, in the LNG, Suezmax, and Aframax fleets since 2008
- We recognize that further efforts will be needed to achieve our 2030 target

#### Actions for 2021—Fleet-Wide

- Develop a strategy to achieve the 2030 targets in our fleets
- Continue environmental data collection automation
- Prepare fleets for EEXI compliance
- Engage in industry decarbonization efforts

#### Actions for 2021—Teekay LNG

- Air Liquide reliquefaction project
- Trial of trim and draft optimization tool
- Continue partnership with Nautilus Labs for high frequency data logging for better fuel and voyage optimization
- Leverage in-house developed tools using Power BI and PI Vision for improved vessel data management and visualization
- Generator and voyage RPM optimization
- Hull and propeller condition monitoring, and hull coating efficacy analysis

#### Actions for 2021—Teekay Tankers

- Continue to monitor performance through automated data analysis
- Extend ultrasonic propeller cleaning to all fleet
- Complete silicone hull coating implementation
- Conduct feasibility studies for further Mewis Duct installations
- Integrate Seatrend datalogger to optimise voyage performance
- Pilot test of FuelOpt system

### Teekay's Ambition: Spills and Pollution

Zero spills and full compliance with regulations



#### Targets

- Zero spills greater than one barrel
- Zero ballast non-compliances
- Zero SOx and NOx non-compliances
- 50% reduction in single-use plastic water bottle consumption onboard and eliminated in Teekay offices by 2023

#### Results in 2020

- All annual targets achieved in 2020
- Tracking of onboard plastic reductions will begin in 2021

#### Actions for 2021—Fleet-Wide

- Continue ballast water treatment system installation program
- Launch a plastics and waste reduction campaign

### Teekay's Ambition: Ship Recycling

Increase transparency and elevate standards in the ship recycling industry



#### Targets

- Zero regulatory non-compliances
- At least one on-site inspection per month of any active ship recycling facilities

#### Results in 2020

- No vessels were recycled in 2020
- The Petrojarl Banff FPSO will be recycled at an EU-approved facility in 2021

#### Actions for 2021—Group-Wide

- Prepare for and demonstrate responsible ship recycling practices during Banff FPSO decommissioning and recycling
- Continue our support and engagement on the Ship Recycling Transparency Initiative (SRTI) Steering Committee



On track



Needs attention



## ESG Performance Data – Teekay Group Consolidated<sup>6,7</sup>

TOPIC	ACCOUNTING METRIC	UNIT	2020	2019	2018
Greenhouse Gas Emissions	GHG emissions	Metric tons	4,931,052	5,225,313	5,279,233
	Total energy consumed	Gigajoules (GJ)	76,333,279	77,680,303	77,841,764
	Percentage heavy fuel oil	Percentage	33%	40%	42%
	Percentage renewable fuel	Percentage	0%	0%	0%
	Average EEDI for new ships <sup>9</sup>	Grams CO <sub>2</sub> per ton-nautical mile	No new vessels added in 2020	4.78	5.34
Air Quality	Nitrogen Oxide (NOx) emissions	Metric tons	99,569	103,733	104,665
	Sulfur Oxide (Sox) emissions	Metric tons	5,144	32,822	35,904
Marine Ecological Impacts	Fleet implementing ballast water treatment <sup>9</sup>	Percentage	35%	15%	5%
	Number of spills (over 1 barrel)	Number	0	1	1
	Total volume of spills (over 1 barrel)	Cubic Meters	0	0.5 <sup>8</sup>	0.6
Waste	Total Vessel Waste Generated	Cubic Meters	10,573	14,112	13,336
	> Disposed to shore facilities	Cubic Meters	7,374	10,130	9,404
	> Incinerated onboard	Cubic Meters	2,718	3,475	3,366
	> Disposed at sea <sup>10</sup>	Cubic Meters	480	507	566
Safety	Total Recordable Case Frequency	Rate	0.86	1.38	1.24
	Lost Time Injury Frequency	Rate	0.05	0.23	0.34
	Fatalities	Number	0	0	0
	Marine incidents	Number	14	20	26
	Incidents classified as very serious	Percentage	0%	0%	0%
	Conditions of Class <sup>9</sup>	Number	9	22	12
	Port state control deficiencies	Number	29	72	57
	Port state control detentions	Number	0	0	0
Business Ethics	Port calls in 20 lowest ranking countries in Corruption Perception Index <sup>9</sup>	Number	45	68	94
	Monetary losses as a result of legal proceedings associated with bribery or corruption	\$US	\$0	\$0	\$0
Activity Metrics	Shore staff	Number	666	736	1,150
	Sea staff	Number	4,719	4,759	6,591
	Vessels in total fleet	Number	133	140	206
	Vessels managed by Teekay	Number	92	116	119
	Deadweight tonnage <sup>9</sup>	Thousand DWT	9,891	10,370	9,876
	Total distance traveled by vessels <sup>9</sup>	Nautical miles	6,494,560	6,264,922	5,495,891
	Operating days <sup>9</sup>	Number	31,913	32,081	30,245
	Vessel port calls <sup>9</sup>	Number	3,077	2,967	3,010

<sup>6</sup> Includes data from Teekay LNG, Teekay Tankers, and Teekay Australia, therefore data may not sum from previous sections.

<sup>7</sup> Data is included for seven vessels managed by Teekay Australia. Historical data for 2018 and 2019 also include shuttle tanker vessels that were formerly part of the Teekay Offshore fleet, except where otherwise noted. Data does not include Teekay Corporation's FPSO units, which are all managed by third parties.

<sup>8</sup> Non-tanker related spill.

<sup>9</sup> Historical data does not include vessels that were formerly part of the Teekay Offshore fleet.

<sup>10</sup> Food waste and bulk cargo residues non-hazardous to marine environment.

# APPENDIX



## SASB Reference Table

TOPIC	ACCOUNTING METRIC	REPORT SECTION(S) AND NOTES
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Greenhouse Gas Emissions, ESG Performance Data
	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	Our ESG Journey Ahead, Greenhouse Gas Emissions, Summary of Targets and Progress
	Total energy consumed, percentage heavy fuel oil, percentage renewable	Teekay LNG SASB Disclosures, Teekay Tankers SASB Disclosures, ESG Performance Data
	Average Energy Efficiency Design Index (EEDI) for new ships	ESG Performance Data
Air Quality	Air emissions of the following pollutants: NOx (excluding N <sub>2</sub> O), SOx, and particulate matter (PM10)	Air Quality, ESG Performance Data. Particulate matter emissions are not reported due to the uncertainty of estimation methods
Ecological Impacts	Shipping duration in marine protected areas or areas of protected conservation status	Not reported due to data unavailability
	Percentage of fleet implementing ballast water exchange and treatment	Teekay LNG SASB Disclosures, Teekay Tankers SASB Disclosures, ESG Performance Data. Vessels not implementing treatment are implementing exchange
	Number and aggregate volume of spills and releases to the environment	Teekay LNG SASB Disclosures, Teekay Tankers SASB Disclosures, ESG Performance Data
Employee Health & Safety	Lost time incident rate (LTIR)	Safety and Security, ESG Performance Data
Business Ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Teekay LNG SASB Disclosures, Teekay Tankers SASB Disclosures, ESG Performance Data
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Teekay LNG SASB Disclosures, Teekay Tankers SASB Disclosures, ESG Performance Data
Accident & Safety Management	Number of marine casualties, percentage classified as very serious	Safety and Security, ESG Performance Data
	Number of Conditions of Class or Recommendations	Teekay LNG SASB Disclosures, Teekay Tankers SASB Disclosures, ESG Performance Data. Reported data includes only Conditions of Class and does not include Class Recommendations
	Number of port state control deficiencies and detentions	As above
Activity Metrics	Number of shipboard employees	As above
	Total distance traveled by vessels	As above
	Operating days	As above
	Deadweight tonnage	As above
	Number of vessels in total shipping fleet	As above
	Number of vessel port calls	As above
	Twenty-foot equivalent unit (TEU) capacity	Not applicable



## GRI Content Index

TOPIC	GRI INDICATOR	DESCRIPTION	REPORT SECTION(S) AND NOTES
Organization Profile	102-1	Name of the organization	About Teekay
	102-2	Activities, brands, products, and services	About Teekay
	102-3	Location of headquarters	Teekay Corporation and Teekay Tankers are Marshall Islands corporations, and Teekay LNG is a Marshall Islands limited partnership, each with headquarters located at: Fourth Floor, Belvedere Building, 69 Pitts Bay Road, Hamilton HM08, Bermuda
	102-4	Location of operations	About Teekay
	102-5	Ownership and legal form	About Teekay
	102-6	Markets served	About Teekay
	102-7	Scale of the organization	ESG Performance Data. For financial data, see the Investors section of our website at <a href="http://www.teekay.com">www.teekay.com</a>
	102-8	Information on employees and other workers	ESG Performance Data, Definitions and Notes
	102-9	Supply chain	Most of our fleet has been built at leading shipyards in Korea and China. For more information, see <a href="http://www.teekay.com/about-us/fleet/">www.teekay.com/about-us/fleet/</a>
	102-10	Significant changes to the organization and its supply chain	About Teekay
	102-11	Precautionary Principle approach	Materiality and Stakeholder Engagement
	102-12	External initiatives	About Teekay
	102-13	Membership of associations	About Teekay
Strategy	102-14	Statement from Senior decision-maker	CEO Letter
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	Vision and Values, Integrity at Teekay, Teekay's Commitment to the UNGC Ten Principles
Governance	102-18	Governance structure	Governance
Stakeholder Engagement	102-40	List of stakeholder groups	Materiality and Stakeholder Engagement
	102-41	Collective bargaining agreements	People and Diversity. Teekay Corporation has entered into a Collective Bargaining Agreement with the Philippine Seafarers' Union, an affiliate of the International Transport Workers' Federation (or ITF), and a Special Agreement with ITF London, which cover substantially all of the officers and seafarers that operate our Bahamian-flagged vessels. We are also party to collective bargaining agreements with various Australian maritime unions that cover officers and seafarers employed through our Australian operations. Our officers and seafarers for our Spanish-flagged vessels are covered by a collective bargaining agreement with Spain's Union General de Trabajadores and Comisiones Obreras.

Stakeholder Engagement	102-42	Identifying and selecting stakeholders	Materiality and Stakeholder Engagement
	102-43	Approach to stakeholder engagement	Materiality and Stakeholder Engagement
	102-44	Key topics and concerns raised	Materiality and Stakeholder Engagement
	102-45	Entities included in the consolidated financial statements	See the annual Form 20-F reports available on the Investors section of our website at <a href="http://www.teekay.com">www.teekay.com</a>
	102-46	Defining report content and topic boundaries	Materiality and Stakeholder Engagement
	102-47	List of material topics	Materiality and Stakeholder Engagement
	102-48	Restatements of information	Some data was corrected and re-stated as described on page 26 of our 2019 Teekay Group Sustainability Report available at <a href="http://www.teekay.com/about-us/sustainability/">www.teekay.com/about-us/sustainability/</a>
	102-49	Changes in reporting	Material topics in this 2020 Teekay Group Sustainability Report have been changed from previous years based on our materiality exercise undertaken in 2020
	102-50	Reporting period	2020 calendar year
	102-51	Date of most recent report	April 15, 2020
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	<a href="mailto:media@teekay.com">media@teekay.com</a>
	102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared using the Consolidated Set of GRI Sustainability Reporting Standards (2019) as guidance
	102-55	GRI Content Index	This GRI Reference Table
	102-56	External assurance	This report has not been externally assured and the Teekay Group currently has no specific policy regarding external assurance of our annual Sustainability Reports
Anti-Corruption	205-1	Operations assessed for risks related to corruption	Integrity at Teekay
	205-2	Communication and training about anti-corruption policies and procedures	Integrity at Teekay
	205-3	Confirmed incidents of corruption and actions taken	Integrity at Teekay
Emissions	305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions, ESG Performance Data
	305-2	Energy indirect (Scope 2) emissions	Not reported. Less than 0.1% of our total GHG emissions
	305-3	Other indirect (Scope 3) emissions	Not reported
	305-4	GHG emissions intensity	Greenhouse Gas Emissions
	305-5	Reduction of GHG emissions	Greenhouse Gas Emissions
	305-6	Emissions of ozone-depleting substances (ODS)	None in 2020
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Quality

Occupational Health and Safety	403-1	Workers representation in formal joint management-worker health and safety committees	Teekay offices have health and safety committees comprised of management and workers. All ship staff participate in a monthly shipboard HSEQ meeting
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of worker-related fatalities	Safety and Security, ESG Performance Data
	403-3	Workers with high incidence or high risk of diseases related to their profession	There is some evidence that rates of obesity, Metabolic Syndrome, and infectious disease are higher for seafarers. See for example Drylli et al. (2020). Seafarers' health problems, emergencies, diseases and risk factors. A systematic review of the literature. International Journal of Medical and Health Research. 6. 43-48.
	403-4	Health and safety topics covered in formal agreements with trade unions	Collective Bargaining Agreements with our seafarers cover health and safety requirements

## Report Definitions and Notes

- Corruption Perception Index. Transparency International Corruption Perceptions Index.
- GHG emissions. Data includes only CO<sub>2</sub> emissions, which equates to approximately 99% of our Scope 1 GHG emissions.
- Equity-weighted GHG emissions. Data includes emissions from all vessels in the fleet, both managed and not managed by Teekay, weighted by our percentage ownership of each vessel.
- Fatalities. Safety related fatalities.
- Incidents classified as very serious. Based on SASB definition of very serious marine casualties.
- Lost Time Injury Frequency. Sum of fatalities, permanent total disabilities, permanent partial disabilities, and lost workday cases per unit of exposure hours. This unit used is one million-man hours.
- Persons not from high-income countries in leadership at sea. Based on the World Bank Country and Lending Groups available at <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>
- Safety incidents. Based on SASB definition of reportable marine casualties.
- Seafarers. All permanent, active seafarers employed by Teekay, not including contractors or riding crew.
- Staff retention at sea. Based on the Intertanko retention formula.
- Staff retention on shore. Based on percentage of voluntary resignations.
- Total Recordable Case Frequency. Sum of lost time injuries, restricted work cases, and medical treatment cases per unit of exposure hours. This unit used is one million-man hours.
- Women in leadership on shore. Percentage of leadership positions (Manager, Director, Vice President, and Executive) held by women.
- Women in leadership at sea. Percentage of leadership positions (Junior and Senior Officer) held by women.



BRINGING ENERGY TO THE WORLD WITH TEEKAY SPIRIT

