



TEEKAY

SUSTAINABILITY

Teekay Corporation | Teekay Tankers Ltd.

2021 Report



TEEKAY GROUP | Sustainability Report 2021

About This Report

This is the 12th annual sustainability report for the Teekay Group and covers global operations for the 2021 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.

Data and results are provided separately for Teekay Tankers Ltd. (Teekay Tankers), along with aggregated group-wide results. In January 2022, Teekay sold its ownership interest in Teekay LNG Partners L.P. (Teekay LNG), which subsequently changed its name to Seapeak LLC. Data and results for Teekay LNG for the calendar year 2021 are included in the aggregated group-wide results, and separately in an appendix to this report.

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 certain of Teekay Tankers’ vessels managed by third parties, and Teekay Corporation’s FPSO units, which are all managed by a third party. Data from vessels 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 2021, or as of December 31, 2021.

Contact Us

We appreciate your comments, feedback or queries on this report and our performance. Please send your feedback to media@teekay.com

Read more stories about how Teekay brings energy to the world at www.teekay.com

Engage With Us

-  www.linkedin.com/company/teekay/
-  www.facebook.com/TeekayCorp/
-  twitter.com/TeekayCorp
-  www.instagram.com/teekaycorp



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.

CONTENTS

About Teekay

Facts and History	6
CEO Letter	8

Strategy

Our ESG Journey	11
Materiality and Stakeholder Engagement	12
Integrity at Teekay	13
Governance	14
Teekay’s Commitment to the UNGC Ten Principles	14

Teekay Tankers

CEO Letter	16
People and Diversity	17
Safety and Security	19
Environment	20

Teekay Australia

People and Diversity	27
Health and Security	27

Group-Wide Initiatives

Our Response to COVID-19	29
People and Diversity	30
Promoting Responsible Ship Recycling	32
Supply Chain Management	33
Cybersecurity @ Teekay	34
Supporting Our Local Communities	35
Summary of Targets and Progress	36
ESG Performance Data – Teekay Group-Wide Consolidated	39

Appendix

Teekay LNG SASB Disclosures	41
SASB Reference Table	42
GRI Content Index	43
Report Definitions and Notes	45

ABOUT TEEKAY

Established in 1973, Teekay is a leading provider of international crude oil and other marine transportation services. Teekay provides a comprehensive set of marine services to the world's leading energy companies.

Teekay Corporation (NYSE:TK) provides these services primarily through its directly-owned fleet and its controlling ownership interest in Teekay Tankers Ltd. (NYSE:TNK). With offices in 8 countries and approximately 2,500 seagoing and shore-based employees, Teekay brings energy where it is needed—anywhere in the world—to power the global economy and to improve people's lives.

In January 2022, Teekay sold its ownership interest in Teekay LNG, which subsequently rebranded as Seapeak.

About Teekay Tankers

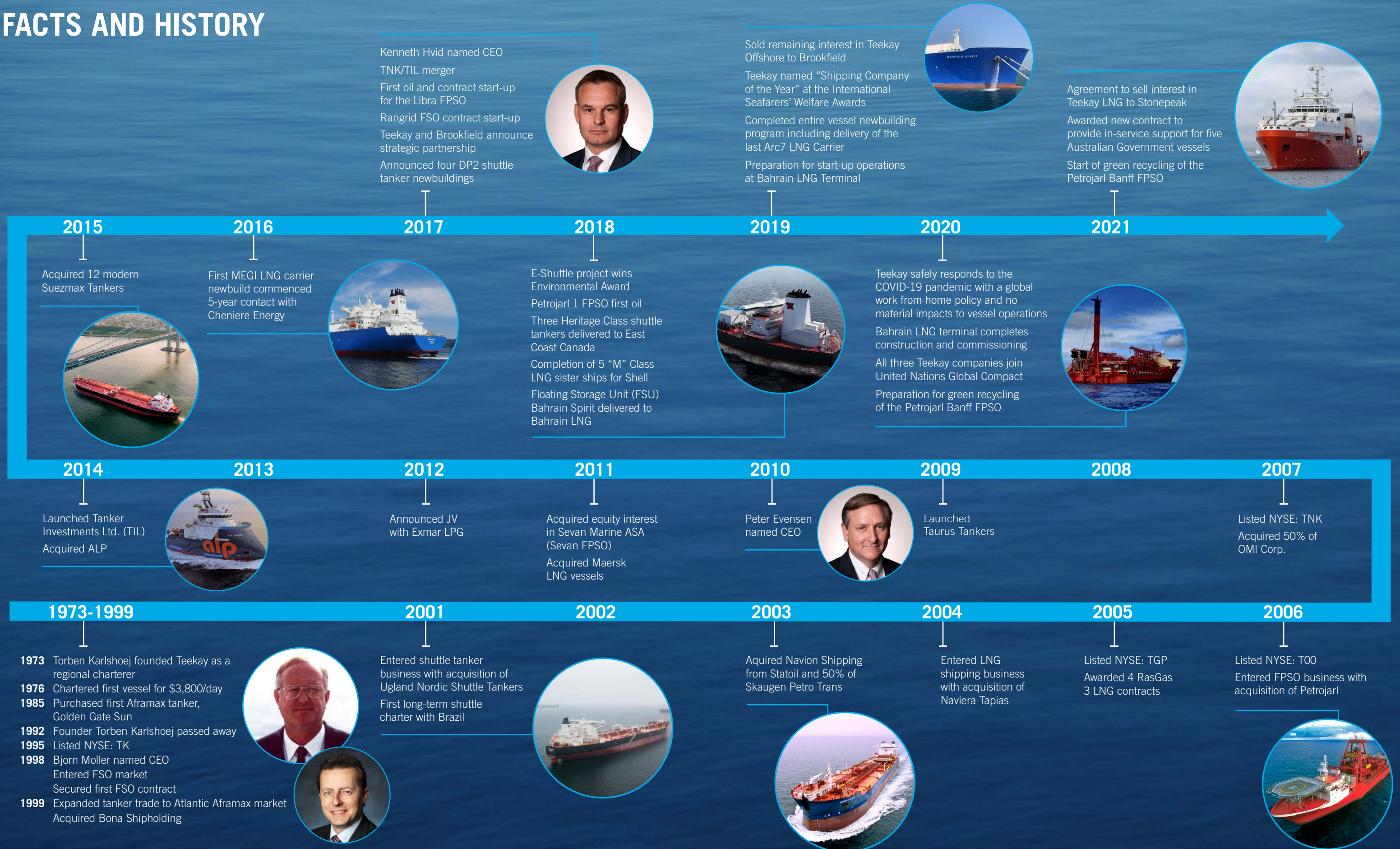
Teekay Tankers is one of the world's largest owners and operators of mid-sized crude tankers with 48 double-hull tankers (including 25 Suezmax tankers, 13 Aframax tankers and nine LR2 product tankers). Teekay Tankers' vessels are typically employed through a mix of short- or medium-term fixed-rate time charter contracts and spot tanker market trading. Teekay Tankers also owns a Very Large Crude Carrier (VLCC) through a 50 percent-owned joint venture. In addition, Teekay Tankers owns 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 Maritime Anti-Corruption Network (MACN), the Ship Recycling Transparency Initiative (SRTI), and the Vancouver Maritime Center for Climate. In 2020, Teekay Corporation and Teekay Tankers joined the United Nations Global Compact (UNGC).



Teekay Around the World

FACTS AND HISTORY





CEO LETTER

WHILE THE AREAS IN WHICH WE INVEST OR OPERATE MAY CHANGE IN THE FUTURE, ONE THING THAT WON'T EVER CHANGE IS OUR COMMITMENT TO OUR CORE VALUES, INCLUDING OUR VALUE OF SAFETY AND SUSTAINABILITY.

—KENNETH HVID

President and Chief Executive Officer, Teekay Corporation

The world depends on reliable access to energy. Global energy demand has increased more than 40% over the last twenty years and may increase by almost another 30% over the next twenty years. This represents an increase in global energy demand over the next two decades by an amount larger than all of North American energy consumption today. Furthermore, almost all of this growth has, and will continue to be, in middle and lower-income countries, where reliable access to energy is a critical prerequisite for ongoing economic growth.

In short, the world needs more energy, and we continue to believe that fossil fuels will remain an important part of the world's energy supply for many years. In fact, after two years of lower consumption due to the global pandemic, global oil consumption is once again expected to exceed 100 mb/d in 2022, and recent high prices illustrate the need for more security of global energy supply.

At the same time, it is clear the environmental and societal risks inherent in fossil fuels necessitate a transition to a low-carbon energy future. Teekay has a long history of adapting to changes in the global energy mix, and we will now focus our efforts on balancing the dual goal of continuing to provide our customers with safe, efficient, and reliable fossil fuel transportation, while also exploring ways to support and drive the global energy transition.

Meeting these goals will require a shift in how we deploy our expertise and capital. In January 2022, we completed the sale of our gas business, which many people in Teekay have been deeply involved in building since we entered the LNG shipping business back in 2004. This was not an easy decision, and as part of the transaction, we also saw many great colleagues move to a new company. While we still believe in the future of natural gas and LNG as a clean and reliable energy source, we also believe this decision was what was needed to allow Teekay to better respond to new opportunities in the future.

The completion of this transaction puts Teekay in a strong financial position, and provides the financial flexibility needed to pursue new opportunities in both the shipping sector and in new solutions enabling a shift to a lower-carbon world.

While the areas in which we invest or operate may change in the future, one thing that won't ever change is our commitment to our core values, including our value of Safety and Sustainability. This past year we continued to deliver on our ESG commitments, including green recycling of the Petrojarl Banff FPSO at an EU-approved facility, and maintaining our support for the Ship Recycling Transparency Initiative. We are also proud of the students in the Future Leaders Program (FLP), which saw an important milestone in 2021. The first cohort of students completed their three-year maritime education in 2021, and are now ready for deployment as cadets onboard. Since the start of the FLP program grants in 2018, Teekay and The Teekay Foundation have sponsored a total of forty-two students, which has resulted in eleven female graduates to date. Lastly, as ongoing participants in the United Nations Global Compact, we remain fully committed to the Compact and its principles.

This past year has been a year of significant change for Teekay, and I'd like to thank all our employees, partners, and other stakeholders for their ongoing support as we define a new direction for Teekay. I am convinced that the future is what we set our sights on, which is both daunting and exciting at the same time. The global outlook is different today, but as a company, we are in many ways back to where we were in the early 2000s when we first started to seek out new areas in which to expand and diversify Teekay's business. It is time to raise our sights again, and I look forward to working with all of you as we lead Teekay into the future.

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

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. Over the last few years, we have seen 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 a competitive differentiator that can positively affect our ongoing access to capital, talent, and business opportunities.

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.

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.

Earlier this year, we divested our interest in Teekay LNG. This transaction provides Teekay with greater financial flexibility to pursue new opportunities in both the shipping sector and in adjacent markets serving the growing demand for new transportation solutions enabling the shift to a lower-carbon world.

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.

We have made significant progress in reducing the emissions intensity of our fleet and will make further efforts in the years ahead to meet our long-term goals, which are aligned with the IMO 2030 and 2050 ambitions.

In 2021, Teekay joined the Vancouver Maritime Center for Climate (VMCC), and we plan to continue our involvement in shared industry decarbonization activities.

Further strengthen our ESG profile



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

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 in this year’s report are unchanged from last year. These topics were selected in 2020 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 Director of Risk, Audit and Compliance (RAC) oversees Teekay’s integrity compliance program. The Director of RAC reports to the Audit Committees of Teekay’s Boards of Directors (Boards), and 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, or 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. Our commitment to integrity extends across our fleet, and our vessel Masters receive compliance training 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, through the use of Teekay’s anonymous hotline reporting tool or other means.

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 2021, all reported cases were investigated and resolved or closed within 180 days 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 2021, 100% 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 at least a 95% completion rate.

In 2021, 90% of Teekay employees in our ethical culture survey agreed that Teekay’s management actively support integrity. Again, these results were consistent with our objective to have 90% or more of our employees reporting that Teekay’s management supports integrity.

In 2022, we will continue working with the Maritime Anti-Corruption Network (MACN) to reduce port corruption risks, follow-up on actions from our internal ethics survey, and focus on realigning Teekay’s risk, audit, and compliance services following the sale of Teekay LNG.








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. The corporate governance guidelines for Teekay Corporation and Teekay

Tankers include responsibilities for Board oversight of our sustainability commitments and performance.

The Boards receive regular updates on sustainability matters, including quarterly reporting on progress in meeting our annual and longer-term ESG targets. At each meeting, the Boards review and discuss Teekay's health, safety and environmental performance and its performance on sustainability and diversity efforts.

Board Composition and Committees	Teekay Corporation 	Teekay Tankers 
Total Directors		
Independent Directors		
Director Diversity. Self-identifies as non-White or LGBTQ+		
Committees	<ul style="list-style-type: none"> • Audit • Compensation and Human Resources • Nominating and Governance 	<ul style="list-style-type: none"> • Audit • Conflicts • Nominating and Corporate Governance

TEEKAY'S COMMITMENT TO THE UNGC TEN PRINCIPLES

Teekay Corporation and Teekay Tankers are participants of the United Nations Global Compact, the world's largest corporate sustainability initiative.

We are proud to support 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. To learn more about how we incorporate the UN Global Compact Ten Principles into our group-wide policies and procedures, please visit <https://www.teekay.com/about-us/sustainability/>

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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 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.

7. Sustainably Report that outlines our
8. Over the coming years, we intend to further
performance (ESG) commitment and performance
on related shipping company.

TEEKAY

TEEKAY'S COMMITMENT TO THE UNGC TEN PRINCIPLES

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 parties that present an unacceptable risk. We also expect our contractors to promote workplaces that are free of human rights violations.

Reference: [Third Party Business Ethics Due Diligence Process \(Internal\)](#)

[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 assurance that modern slavery is not taking place in our company or supply chain.

Reference: [Modern Slavery Act Statement](#)

[Seafarers' 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 settings, 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 \(Internal\)](#)

technologies

technologies. We were the first company
also LNG carrier and our latest LNG carriers
cubic meter of LNG transported compared
2 carriers. The majority of our LNG fleet uses
across our crude/product tanker fleet. We
instead of installing scrubbers to comply with
onization in the shipping industry, we are also
use necessary technological developments.

rms

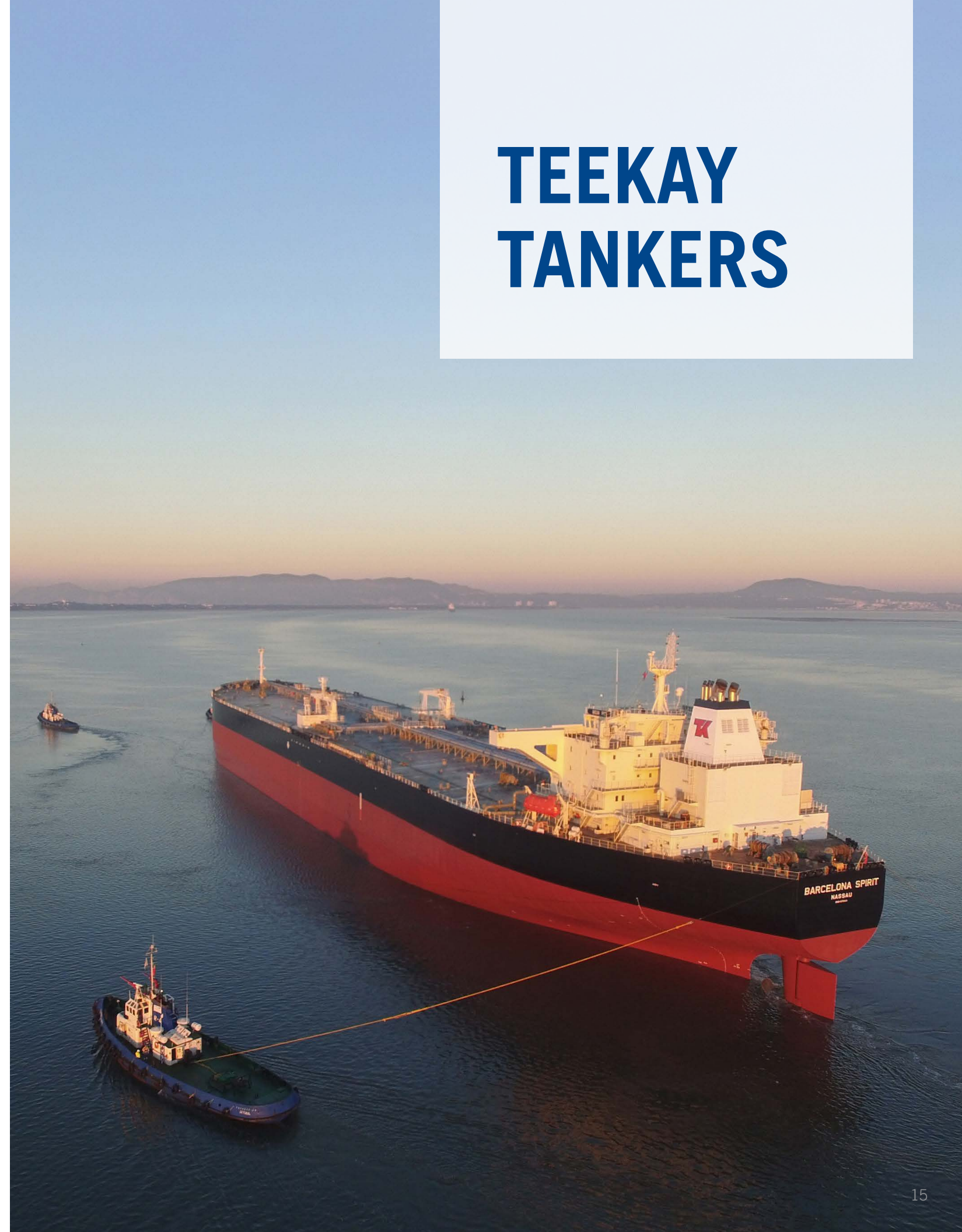
and corruption and are committed to acting
that meet all in our business dealings and
ing is provided to all on-board deployed personnel
in onboard Quality Assurance Training Officers
Maritime Anti-Corruption Network (MACN).

Policy

[Bribe \(Internal\)](#)

United Nations
Global Compact

TEEKAY TANKERS





CEO LETTER

WHILE FURTHER ENVIRONMENTAL PERFORMANCE IMPROVEMENTS WILL REMAIN A TOP PRIORITY, WE MUST ALSO NEVER LOSE FOCUS ON WHAT MATTERS MOST—THE SAFETY AND WELLBEING OF OUR PEOPLE.

—KEVIN MACKAY

President and Chief Executive Officer, Teekay Tankers Ltd.

In my letter last year, I said that two important ESG issues for the tanker and broader maritime industry were to support crew welfare and to continue efforts to reduce greenhouse gas emissions. Across Teekay Tankers, we made significant progress on both of these goals this past year, and I'm pleased to share our activities and results in this year's report.

At sea, the situation for our seafarers is improving, although the challenges for our sea staff are not yet over. More countries have now opened to allow crew changes, although some are only allowing transfers for fully vaccinated seafarers. We are continuing all our precautions for seafarers while embarking or disembarking from vessels, including PCR testing prior to joining. In addition, with the increased availability of vaccines, we have encouraged our seafarers to be fully vaccinated prior to joining, and as of December 2021, more than 80% of our seafarers were fully vaccinated. I want to thank everyone at sea and on shore for their dedication and support in managing the ongoing challenges created by the pandemic while ensuring minimal impact on our operations.

This past year, we were also active in testing and implementing several new initiatives to improve the energy efficiency of our fleet and reduce greenhouse gas emissions. Our entire fleet, except for a few vessels, is now coated with high-performance silicone hull paints and we continue to install Mewis Ducts on our ships, which helps reduce drag and improve propulsion efficiency. After successfully pilot testing an ultrasonic propeller cleaning tool in 2020, the system was installed on more than twenty vessels in our fleet in 2021, and we have identified further vessel efficiency upgrades for 2022.

Through these efforts, the emissions performance of our fleet continues to improve, and we expect all our vessels to be fully compliant with the upcoming Energy Efficiency Existing Ship Index (EEXI) requirements starting in 2023.

While further environmental performance improvements will remain a top priority, we must also never lose focus on what matters most—the safety and wellbeing of our people. Therefore, this past year, we made several enhancements to our safety management system, and I am pleased to highlight that the trajectory of our safety metrics continued to improve year-on-year in 2021. To continue this trend, we are planning further safety improvements in 2022, including Virtual Reality (VR) training to increase the effectiveness of our lock-out tag-out procedures, after successfully pilot testing this initiative in 2021.

The future sustainability of the maritime industry also depends on developing the next generation of skilled maritime leaders. To support this, we continue to evolve our recruitment strategy with a focus on maritime university graduates, while also providing sponsorship opportunities for government and industry interns and trainees.

This past year has been another challenging year for our seafarers and for the tanker market. But the outlook for both is improving and I believe Teekay Tankers is well-positioned for the future, with a strong financial position, an industry-leading reputation, and an experienced and dedicated team both at sea and on shore. Thank you again, and I am proud to work together to operate the best ships in the industry.



PEOPLE AND DIVERSITY

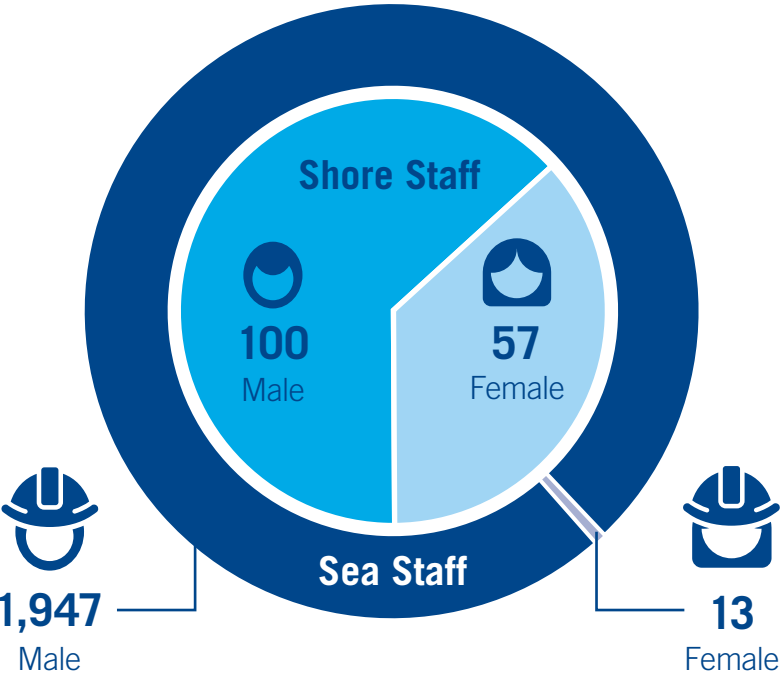
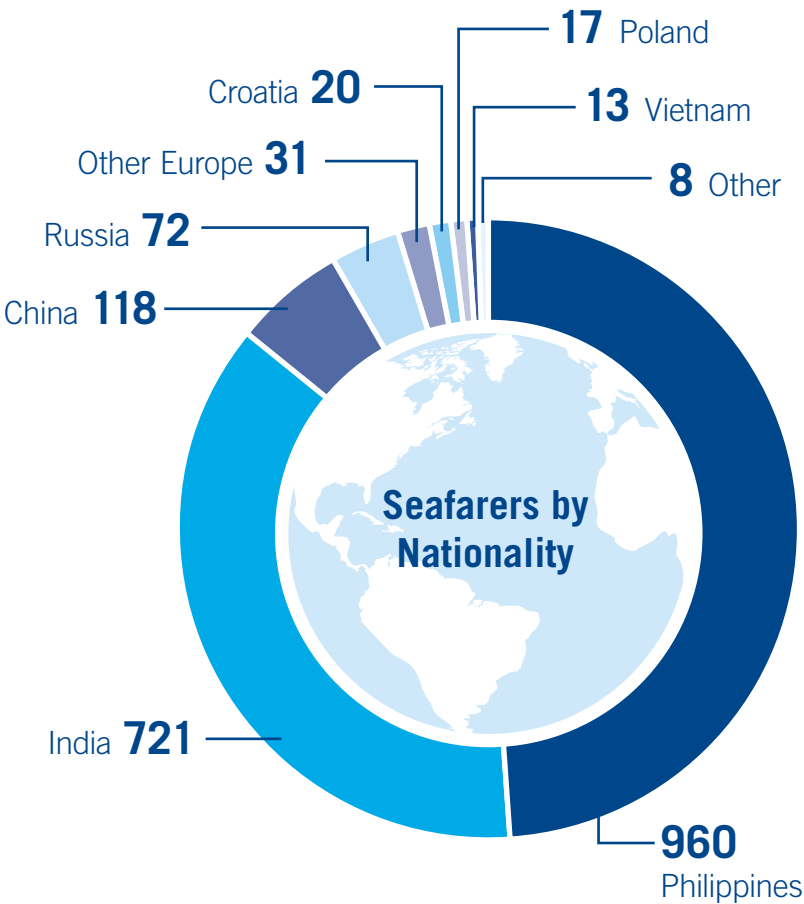
At Teekay Tankers, our vision is to be the world's leading tanker brand and we take pride that the Teekay logo on our funnel is an industry-respected symbol of quality. As a true owner, we manage our vessels directly through in-house ship management, employing over 1,900 men and women aboard our fleet.

Flawless customer service is achieved through the dedicated contribution of our employees. Our focus on the human element has encouraged staff to stay with the company. To promote diversity on shore and at sea, we are committed to offering equal employment opportunities with transparent career paths.

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. In 2021, we engaged three government sponsored interns (two female and one male) and employed two female maritime studies graduates; one in our ship management team and one as a Management Trainee.

We are also active in both government and industry forums involving employee engagement, flexibility, wellness and gender equality and diversity in shipping. In 2021, we participated in the shipping industry Diversity Study Group and have since signed on as a member from the beginning of 2022.

Teekay Tankers Employee Facts



Employee Relations:

Sea staff retention
97.2% Officers
98.3% Ratings

100%
Incidents related to labour or human rights investigated and closed within 180 days

100%
Sea staff covered by collective bargaining agreements

8.2 years
Average duration of sea staff employment

Social Diversity:

Women in leadership
12% on shore
1% at sea

Persons not from high-income countries in leadership at sea
94%

SAFETY AND SECURITY

Safety

During the past year, we made several innovations and enhancements to our safety management system. Converting to the Lovoy format has made our procedures more concise, and thus has led to a reduction in the size of our safety management system. We have also implemented several new initiatives, such as a revised risk assessment form with an embedded database of risks for ease of reference by our seafarers, and an improved semi-automated Permit-To-Work form, which consists of dedicated risk assessments for various types of work onboard.

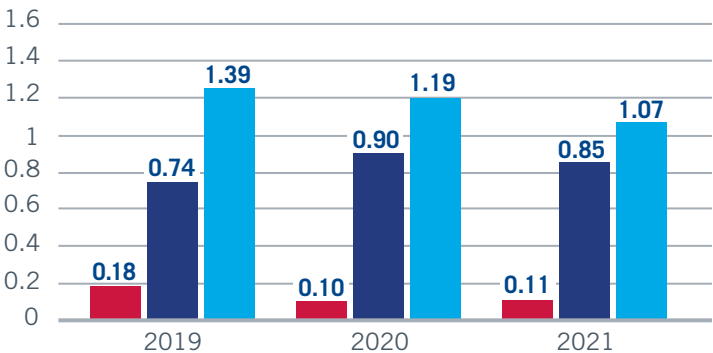
To strengthen our onboard training and audit capacity, this past year we merged our training and internal audit programs into a new Fleet Training Officer (FTO) program. All audits and training for Teekay Tankers' vessels are now being conducted and completed by our dedicated FTOs.

In Teekay Tankers, we pursue safe operations from all aspects, such as maintaining a system that aims for zero incidents, implementing new initiatives and safety campaigns, and fostering our personnel development to continue to build an inclusive and empowered team. As our safety culture evolves, by identifying and resolving unsafe acts and conditions, and by harnessing the potential of advanced tools like information and communication technology, our goal is to break the error chain before an incident ever occurs.

In 2021, three incidents¹ occurred and were reported in our tanker fleet, which included two minor allisions and one Lost Time Injury (LTI). In each case, the incident was thoroughly investigated, and the lessons learned from the incident were shared with all vessels to further enhance the safety culture onboard.

Health and Safety Performance—Teekay Tankers

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



¹ Based on SASB definition of reportable marine casualties.

In 2022, across our fleet, we are planning to implement virtual reality training to improve the effectiveness of our lock-out-tag-out procedures, after successfully piloting the system in 2021. Further steps to strengthen our safety culture will be through sharing of information and best practices in our quarterly Teekay Tankers bulletin, the "TNK SPOT". Lastly, senior leadership engagement with our colleagues on board is vital, and continuing in 2022, we will assure our duty of care for our seafarers and support greater leadership from everyone on board and on shore in Teekay Tankers.

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 2021. 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 weekly security summary, and quarterly through the TNK SPOT 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 2021 with the active participation of all vessels and IFC (Singapore Navy). The learnings from this exercise have been shared and will be utilized in case of a real emergency.

Security Performance



No vessel security incidents
No 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 continue to install Mewis Ducts on our 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 Tekomar to monitor and optimize machinery efficiency.

In 2021, we continued rolling out proven energy efficiency measures across our fleet, while also identifying and successfully pilot-testing new innovations that will be implemented in 2022. Overall, these efforts have helped to significantly improve our emissions performance. Since 2008, emissions intensity has decreased 26% in our Suezmax fleet, and 9% 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.

Our own goals align with the IMO's ambition, which is to reduce the energy intensity of our fleet by at least 40% by 2030. We have made good progress and are well-positioned to comply with the upcoming Energy Efficiency Existing Ship Index (EEXI) requirements in 2023. We also recognize that ongoing efforts will be needed to achieve our 2030 target. In the years ahead, we will continue to test and implement successful energy efficiency initiatives across our fleet and will continue to investigate new technologies to reduce emissions.

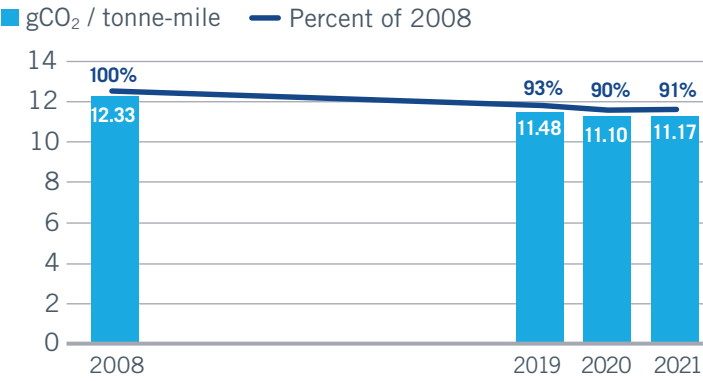
Air Quality

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 2021.

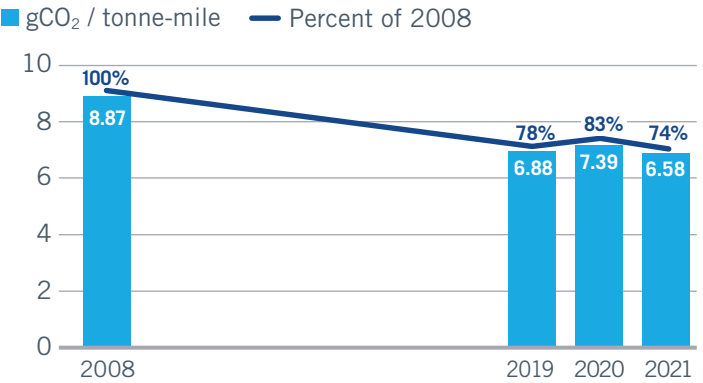
Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII)

In 2021, the IMO Marine Environment Protection Committee (MEPC) published the final requirements for compliance with the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII). The EEXI will require a 20%

Energy Efficiency Operational Indicator (EEOI)
Aframax Tankers



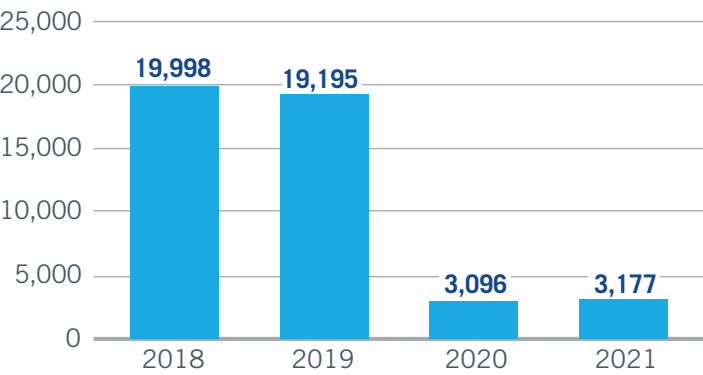
Energy Efficiency Operational Indicator (EEOI)
Suezmax Tankers



Average Annual Efficiency Ratio (AER)

OIL TANKERS	2019	2020	2021
80,000 – 119,999 DWT	5.43	5.07	5.13
120,000 – 199,999 DWT	3.42	3.49	3.49

Tanker Fleet Sulfur Oxide Emissions (SOx Metric Tons)



improvement in vessel design efficiency for tankers from a baseline introduced in 2013. After analysis performed with each of our Classification Societies, we have identified that implementing an engine power limitation (EPL) for our vessels is the most cost-effective manner to achieve these requirements, and we are planning for EPL hardware installations in 2022. The power limitation will have a negligible impact on the speed of our vessels and will still allow for maximum engine power to be used in case of an emergency. We expect all our vessels will be fully compliant by the required enforcement date in 2023.

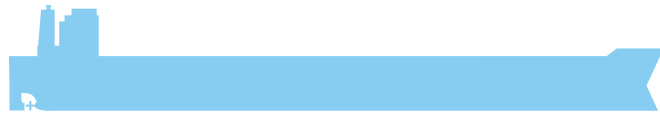
Separately, discussions are ongoing at the IMO for the adoption of several CII correction factors to account for certain unique tanker operations that necessarily increase fuel consumption, such as cargo heating and ship-to-ship (STS) operations. We believe that the application of suitable correction factors will reduce recorded tanker emissions by about 5%, and further reductions in our vessels' emissions can be achieved through proper operational planning, usage, and vessel positioning.

We are working on various energy saving devices that can assist Teekay Tankers to save fuel and are also working to build a CII Predictor Tool that can be used by our chartering and commercial teams to position and trade our vessels to ensure acceptable CII ratings.

Marine Ecological Impacts

We have installed Ballast Water Treatment Systems (BWTS) on 22 vessels in our fleet. In the fourth quarter of 2021, we completed BWTS installations on Garibaldi Spirit and Whistler Spirit in afloat condition alongside in a Turkish yard. We have also started installations of a “single skid” system, the first of this series in our fleet. In 2022, we plan to complete up to 12 more BWTS installations in our fleet, with installations distributed between Turkish and Chinese yards. We are also studying various filterless BWTS options available in the market. Overall, we anticipate completing our ballast water treatment system installation program in 2023.

TANKER FLEET ENERGY EFFICIENCY INITIATIVES IN 2021-2022		EXPECTED SAVINGS PER VESSEL
Mewis Ducts	The pre-swirl duct, which helps to improve propeller thrust, was tested in 2021 and will be installed on five more vessels in 2022.	5-7%
FuelOpt	The system assists to automatically optimize fuel consumption by maintaining a steady shaft power. A successful pilot test was conducted in 2021 and the system will be installed on three more vessels in 2022.	3-5%
Ultrasonic Cleaning	An ultrasonic propeller cleaning tool is now installed on 24 vessels, which helps to keep the propeller blade surface free of fouling.	1.5%
ShipShave	A semi-autonomous hull cleaning tool that can be used during sea passages to keep a silicone-coated hull free of fouling.	3-5%
Variable Frequency Device	VFDs reduce the operating power and electrical load of onboard machinery. Installation is now complete on 27 vessels.	Up to 1%
Silicone Hull Coatings	In 2021, a study with DNV was undertaken to estimate the benefits of low-friction silicone hull coatings compared to traditional anti-fouling.	2% over 5 years
Main Engine Autotuning	Upgrades planned for Rio Spirit to improve main engine efficiency by maintaining balanced cylinder pressures across the engine.	2%
Low Leakage Valves	Installation of low leakage valves will reduce steam consumption in port, and will be installed on five vessels during their drydocking in 2022.	2% in port
Boiler Optimization	In 2021, we identified a vessel to pilot test continuous low load operation of the auxiliary boiler, which will save fuel by avoiding frequent boiler start-stops.	To be confirmed
SeaTrend	The SeaTrend hull and propeller performance monitoring and management tool is now in use on 47 vessels.	Improved monitoring
Digital Flowmeters	Digital Flowmeters have been installed on 24 vessels and will be installed on 40 vessels in total by early 2022.	Improved monitoring



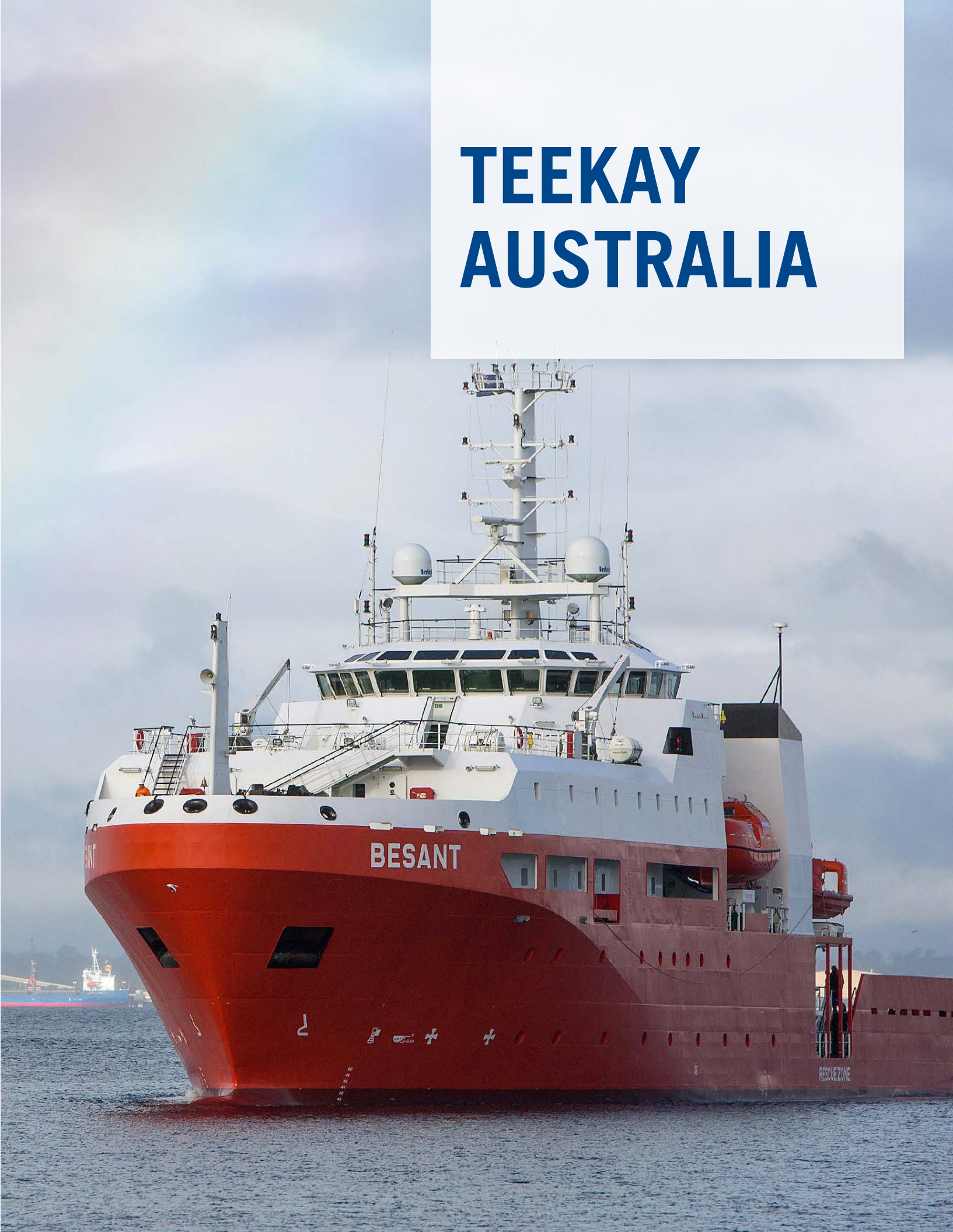
IN 2021, THERE WERE NO OIL SPILLS
IN THE TEEKAY TANKERS FLEET.

Teekay Tankers SASB Disclosures

TOPIC	ACCOUNTING METRIC	UNIT	2021	2020
Greenhouse Gas Emissions	GHG emissions	Metric tons	1,206,936	1,351,023
	Equity-weighted GHG emissions	Metric tons	1,026,678	1,026,418
	Total energy consumed	Gigajoules (GJ)	15,292,619	17,154,608
	Percentage heavy fuel oil	Percentage	77%	78%
	Percentage renewable fuel	Percentage	0%	0%
	Average EEDI for new ships	Grams CO ₂ per ton-nautical mile	No new vessels added in 2021	No new vessels added in 2020
Air Quality	Nitrogen Oxide (NOx) emissions	Metric tons	30,951 ²	30,946
	Sulfur Oxide (SOx) emissions	Metric tons	3,177 ²	3,096
	Particulate Matter (PM) emissions	Metric tons	1,400	Not available
Marine Ecological Impacts	Fleet implementing ballast treatment	Percentage	52%	15%
	Number of spills (over 1 barrel)	Number	0	0
	Total volume of spills (over 1 barrel)	Cubic Meters	0	0
Safety	Lost Time Injury Frequency (LTIF)	Rate	0.11	0.10
	Marine incidents	Number	3	6
	Incidents classified as very serious	Percentage	0%	0%
	Conditions of class	Number	2	0
	Port state control deficiencies	Number	13	10
	Port state control detentions	Number	0	0
Business Ethics	Port calls in 20 lowest ranking countries in Corruption Perception Index	Number	36 port calls	40 port calls
	Monetary losses as a result of legal proceedings associated with bribery or corruption	\$US	\$0	\$0
Activity Metrics	Sea staff	Number	1,960	2,011
	Vessels in total fleet	Number	48	54
	Vessels managed by Teekay Tankers	Number	41	46
	Deadweight tonnage	Thousand DWT	5,675	6,111
	Total distance traveled by vessels	Nautical miles	2,179,847	2,449,506
	Operating days	Number	16,684	17,694
	Vessel port calls	Number	2,093	2,199

² For 2021, NOx and SOx emissions are estimated using improved methods outlined in the Fourth IMO GHG Study and are therefore not directly comparable to estimates in 2020.

TEEKAY
AUSTRALIA



Vessels Managed by Teekay Australia

Coral Knight

Coral Knight is an emergency towage vessel (ETV), and the only ETV of its type in Australia. It operates in the Particularly Sensitive Sea Areas (PSSA) of the northern Great Barrier Reef and Torres Strait and is equipped to respond to maritime incidents such as search and rescue or oil pollution response as a first strike vessel.



MV Besant

Besant is an Escape Gear Ship (EGS). The primary purpose of the vessel is to deploy specialist onboard equipment used to locate disabled submarines, establish the condition of submerged vessels, and facilitate preparations for an underwater evacuation.



MV Sycamore

Sycamore is a multi-role aviation training vessel (MATV), and its primary role is to support maritime aviation training for helicopters used by the Australian Defence Force. Its further capabilities are torpedo and mine recovery, dive support, target towing, consort duties, and unmanned aerial vehicle support.

MV Stoker

Stoker is a Rescue Gear Ship (RGS). The vessel's primary role is to provide a continuously available and sustainable capability to rescue personnel in the event of a submarine becoming distressed or sinking. The ship is designed to rescue submariners using submersible equipment and providing initial medical treatment.



ADV Ocean Protector

Ocean Protector is operated under the Royal Australian Naval Flag by a civilian Teekay crew. The vessel provides support to Australia's civil maritime border operation – 'Operation Sovereign Borders'. The vessel carries an interagency Mission Crew, which may consist of members of the Australian Defence Forces (ADF), Australian Border Force (ABF), and Australian Government Officials.



MV Mercator 1

Mercator 1 is a modified Pacific Class patrol boat based in Sydney. Its primary role is to support Sydney-based navigational training in conjunction with the RAN Navigation faculty. As a smaller coastal vessel, the Mercator 1 plays a key role in training RAN sailors in coastal navigation, ship handling and watch keeping procedures.



Teekay Australia is a pre-eminent marine services company. Our key capabilities are marine operations, supply and maintenance support, engineering support, asset management, drydocking, and Australian crewing and training. Today, Teekay Australia forms an integral part of the global Teekay operations in the Asia Pacific region.

Teekay Australia was established in 1997, when Teekay acquired Australian Tankships and began owning and managing four tanker vessels on the Australian coast. Over the last 24 years, operating in the Australian maritime environment, Teekay Australia has grown to provide a range of marine services and has developed a significant level of expertise and experience to support the requirements of various clients, including the Commonwealth of Australia.

In 2021, Teekay Australia was awarded an Australian government contract called the 'Defence Marine Services

Support Program (DMSSP) – Service Package 2' to manage five defence support vessels. The vessels managed through this contract are the Ocean Protector, Sycamore, Besant, Stoker and Mercator 1.

Some other notable activities and accomplishments in 2021 include:

- The completion of the FPSO Ningaloo Vision dry docking
- The completion of sea trials and the delivery voyage from Spain to Australia of the new Navy Auxiliary Oiler Replenishment vessel, the HMAS Stalwart
- Supporting tests of submarine rescue capability during the exercise 'Black Carillion' by Besant and Stoker
- A helicopter winching exercise by Coral Knight in the Torres Strait area
- A towing exercise by Coral Knight in the Torres Strait area

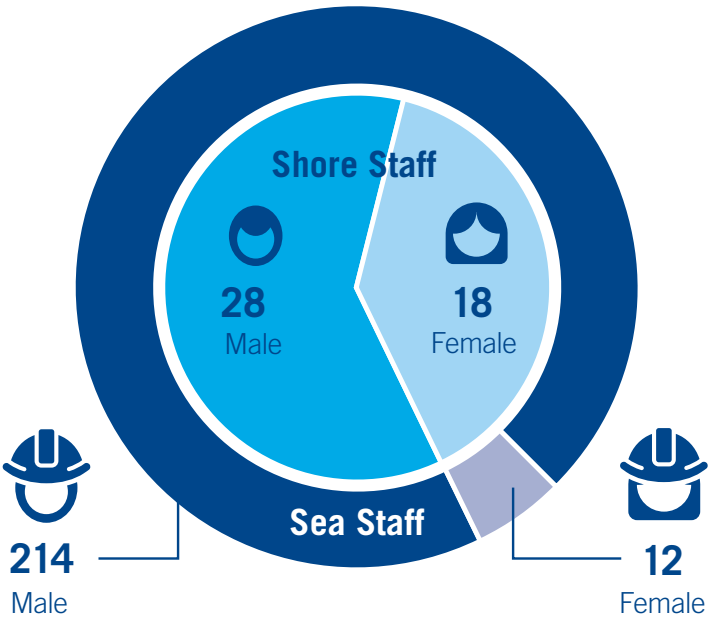
Despite all the challenges presented by COVID-19, there were no stoppages or complaints about manning, and in 2021, Teekay Australia had a fleet availability of 100%.

PEOPLE AND DIVERSITY

Managing such a varied fleet means that a one-size-fits-all approach is rarely suitable and therefore each aspect of ship management needs to be evaluated, risk-assessed and managed individually to suit the vessel's unique profile. Teekay Australia continues to grow the organizational capabilities and maturity to meet customer requirements underpinned by the Operational Excellence philosophy in everything we do.

From three offices located in Sydney, Perth, and Cairns, we employ a total of 46 shore employees, with one person of indigenous origin and 226 permanent Australian seafarers. Teekay Australia celebrates its diversity and the benefits it brings to our work culture. Teekay Australia is committed to offering fair and equal employment opportunities.

Teekay Australia Employee Facts



HEALTH AND SECURITY

Health and Well-being

COVID-19 is an unprecedented situation in our lifetimes, and we acknowledge the stress and strain this is placing on individuals and their families. To support our staff, Teekay Australia took every opportunity to highlight the availability of our Employee Assistance Program (EAP) to all staff and their immediate families. Teekay Australia's EAP is a free and confidential helpline available to all Teekay Australia staff 24/7, 365 days a year.

Security

Serving the Commonwealth of Australia as our client means that we must comply with several defence security requirements that are over-and-above regular security measures on merchant vessels. Teekay Australia manages this through establishing necessary processes and controls for document handling, by raising staff security awareness through regular training, and by holding security risk management workshops and cybersecurity awareness campaigns.

GROUP-WIDE INITIATIVES



OUR RESPONSE TO COVID-19

Throughout 2021, the shipping industry continued to face unique challenges related to the ongoing COVID-19 pandemic. Staying true to our SPIRIT values, we placed significant effort in understanding and addressing the potential impacts to our global employee population and their families, and our business continuity plans remain firmly in place to minimize the risk of infection on board and ashore.

At sea, the situation is improving, although the challenges for our sea staff are not over. More countries have now opened to allow crew changes, although some are only allowing transfers for fully vaccinated seafarers. The new variant has spread fast, and many seafarers tested positive while at home even though they were asymptomatic. We are continuing all our precautions for seafarers while embarking or disembarking from vessels, including PCR testing prior to joining a vessel.

With the increased availability of vaccines, we have encouraged our seafarers to be fully vaccinated prior to joining a ship. Some seafarers have also now received booster doses. As of December 2021, more than 80% of our seafarers were fully vaccinated. The vaccination rates for our Indian and Filipino seafarers, which make up most of our shipboard staff, stands at 87% and 80%, respectively.

On shore, Teekay implemented a global hybrid work model to support employee flexibility with working both from home and in the office. To support the success of the new working model, local workplace flexibility guidelines were implemented. While working in the office, our priority was ensuring a safe working environment for all employees. COVID-19 protocols and workplace safety standards were adopted in all offices,



and regularly updated to meet the changing local government legislation and guidance. In addition, we provided support to employees for vaccinations, testing, and virtual healthcare.

To further support the transition to a hybrid work environment, we hosted a virtual event for global sea and shore employees to connect and collaborate through the Teekay 'Future of' Summit. Shore employees also had access to various social activities and learning through digital platforms.

PEOPLE AND DIVERSITY

A Diverse and Inclusive 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. Our pilot program in 2020 to support the advancement of female leaders offered valuable insights on our continued journey to promote a diverse and inclusive workplace. We believe improving gender balance at the leadership level facilitates better decision making, increases innovation, and overall productivity. We were proud to see women in our pilot program accept increased responsibilities in their respective roles.

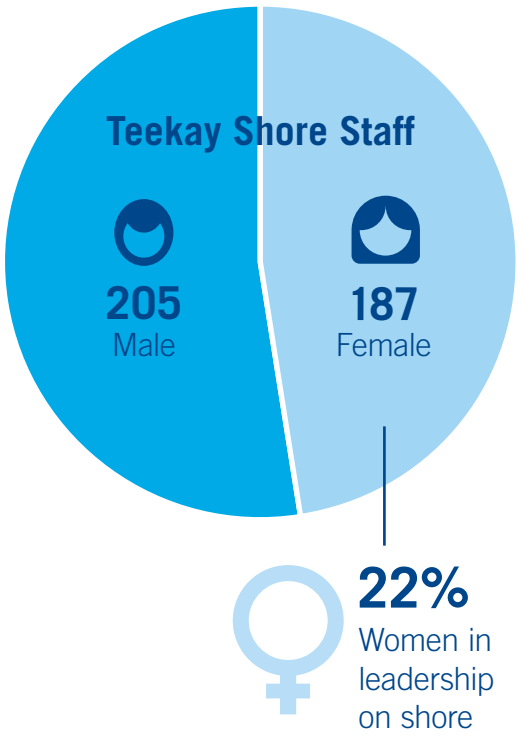
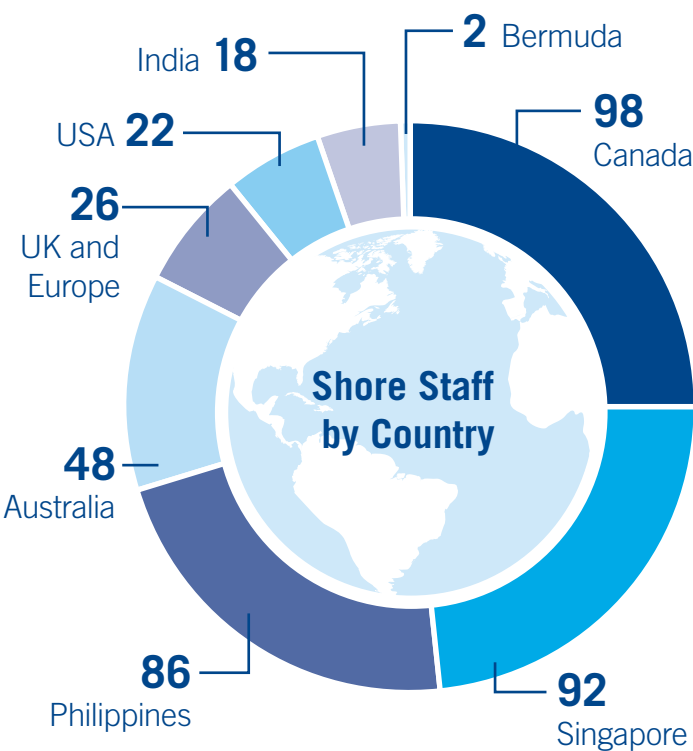
In 2022, our learnings from the gender balance research will be further explored across other demographics as we continue to proceed with launching our Diversity and Inclusion strategy for our sea and shore staff.

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 2021, zero allegations were raised. In 2022, in coordination with the development of our Diversity and Inclusion strategy, we will focus on increasing employee awareness on labour and human rights policies and programs.



Teekay Group Employee Facts



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

Supporting Health and Well-being

Health and well-being 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, and we have responded with programs to support health and well-being, including the mental health of our employees.

Throughout 2021, we provided shore employees with Employee Assistance Programs, delivered health and wellness programs, educational resources, and supported and implemented additional virtual healthcare services. We also offered flu vaccine clinics in selected locations.

In addition, an added emphasis was placed on the mental health of our shore-based employees. We hosted webinars, ran awareness campaigns, and provided on-line resources to support with identifying and addressing mental health concerns.

Developing Future Leaders

Our first cohort of fifteen students completed their three-year maritime education in 2021 and are now ready for deployment as cadets for shipboard training onboard Teekay, Altera Infrastructure, and Seapeak vessels starting in 2022.

This past year, the Teekay Foundation added another fifteen disadvantaged youth to the program, who successfully passed the scholarship for 2021. These cadets attended classes and training while adhering to all government pandemic health and safety requirements.

Cadets completed their practical training through a combination of simulators and school laboratories with hybrid online learning and mentoring to address gaps in their in-person lessons. Cadets were able to attend school extra-curricular activities, sailings, coastal clean-ups, community extension activities, and soft skills enhancement training. The cadets have completed their full vaccinations and have also participated in the school's mental health webinars.

Teekay and The Teekay Foundation have sponsored a total of forty-two students since the grants started in 2018. Fifteen cadets have now completed their academic requirements with outstanding grades, while another twelve cadets are currently in their third year, and fifteen are in their first year.



Green recycling of the Petrojarl Banff FPSO at M.A.R.S. Europe in Denmark

PROMOTING RESPONSIBLE SHIP RECYCLING

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.

In 2021, the Petrojarl Banff FPSO commenced green recycling 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 FPSOs during the recycling process.

The Petrojarl Banff berthed at the M.A.R.S. facility in May 2021. Detailed mapping was performed to identify the location of all potentially hazardous materials and substances onboard, and intensive cleaning of the installation was completed by qualified contractors to make it ready for recycling. As of March 2022, the recycling process was approximately 80% complete and is expected to be fully completed in 2022.

To ensure our standards are met, Teekay had permanent representative onsite from May to December 2021 to actively engage with M.A.R.S. and monitor health, safety, and environmental performance during the recycling process. To date, recycling has progressed in full compliance with all requirements, and since January 2022, our representatives continue to visit the facility each month to monitor performance and adherence to Teekay's standards.

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 80% of operations-related procurement spending towards our contracted suppliers. During 2021, we achieved this goal with 82% of spending directed to contracted suppliers.

In recent years, our procedures relating to vendor onboarding and evaluation were updated to incorporate our automated third-party due diligence system, Securimate, which 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 suppliers and during 2021, we completed over 240 vendor re-evaluations.

In 2021, 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 ongoing COVID-19 pandemic, we only completed five audits this past year. In 2022, we will continue with our initial audit plan to audit ten critical high-value suppliers.



CYBERSECURITY @ TEEKAY

We manage cybersecurity risks 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 and Technology (NIST) framework that helps us incorporate 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 2021, 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, and an in-house cybersecurity newsletter. In addition, this past year, we engaged a third-party to conduct a comprehensive

and advanced cyber risk assessment and penetration test, and conducted cyber response exercises for both vessels and shore.

In 2022, we intend to further enhance our cybersecurity awareness program and roll out new solutions in our cyber security roadmap.

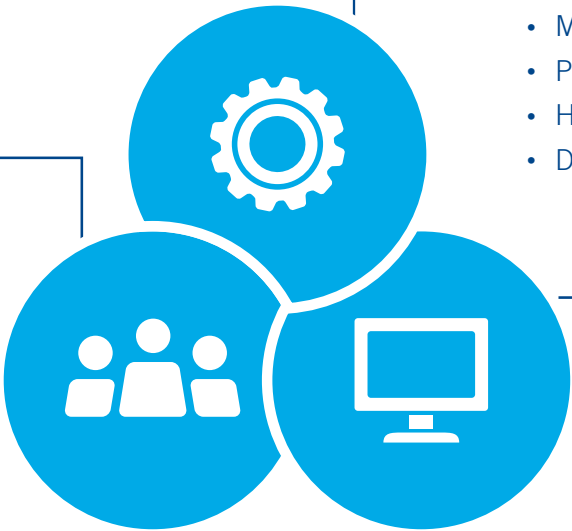


National Institute of Standards and Technology (NIST) framework

Cornerstones of our Cybersecurity Program

People

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



Process

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

Technology

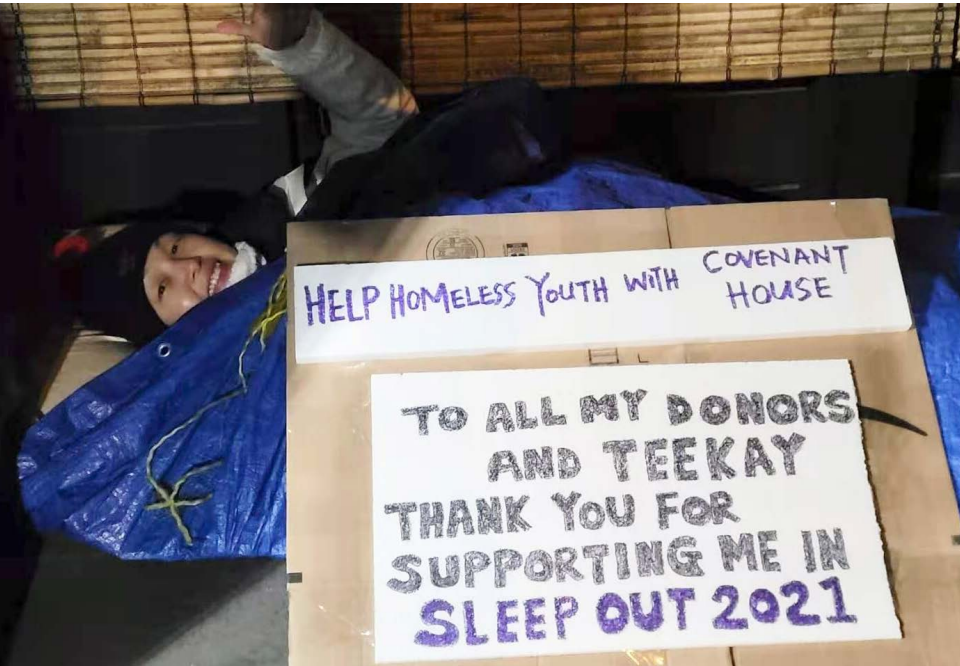
- Antivirus
- Firewalls
- Intrusion detection systems
- Software updates and patches
- Testing
 - Functional testing
 - Vulnerability scanning
 - Penetration testing

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 2021, through various efforts in each of our offices, we supported more than 30 charities and community organizations around the world.



Community Partners Supported in 2021

People and Families in Need

- Variety
- Covenant House
- Houston Food Bank
- Greater Vancouver Food Bank
- Women’s Center of East Texas
- Histiocytosis Association
- Glasgow Southeast Foodbank
- Glasgow Association for Mental Health
- Canadian Red Cross
- Heart and Stroke Foundation of Canada
- Philippine Red Cross
- Singapore Breast Cancer Foundation
- Alliance of Guest Workers Outreach
- Race Against Cancer
- Lions Befrienders
- Muscular Dystrophy Association
- Virlande Foundation
- Tahanang Walang Hagdanan
- Cancer Treatment and Support Foundation
- Trek4Kidz
- Southbank Victoria
- Eliza Dolittle Society
- Age Concern



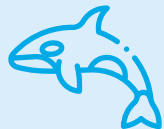
Seafarer Support

- Seafarers’ Welfare and Assistance Network
- Mission to Seafarers
- The Coast Guard Foundation
- The Scottish Shipping Benevolent Association
- Seamen’s Church Institute



Marine Environment

- Nature Trust of BC
- Plastic Oceans
- Vancouver Maritime Museum
- Foundation for the Global Compact
- Royal Institution of Naval Architects



SUMMARY OF TARGETS AND PROGRESS³

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 2021

- Zero fatalities
- TRCF of 1.21 in 2021. Target not met. Twelve recordable cases occurred in 2021, compared to our target of ten cases or fewer

Actions for 2022

- Implement virtual reality training for lock-out-tag-out procedures
- Publish alerts and best practices in the TNK SPOT bulletin
- Ensure senior leadership engagement with our seafarers

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 2021

- All targets achieved in 2021
- 100% of reported incidents were investigated and closed
- Sea staff retention of 97.0%
- Shore staff retention of 92.5%

Actions for 2022

- Increase employee awareness of labour and human rights policies and programs
- Conduct a global pay equity review and demonstrate how we ensure pay equity

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 2021

- Due to organizational changes, Teekay's diversity strategy was not released in 2021 as planned
- Future Leaders Program (FLP) has resulted in eleven female graduates to date
- Teekay Tankers engaged two female interns and employed two female maritime studies graduates

Actions for 2022

- Develop a global Diversity and Inclusion Strategy
- Continue to support and sponsor female maritime university graduates and interns

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 2021

- Target achieved in 2021. Group-wide HRCF of 1.21
- Flexible workplace policies established and rolled out
- Human Capital Management (HCM) system rollout completed
- Mental health support and education provided to employees for identifying and addressing mental health risks and concerns

Actions for 2022

- Develop a monitoring indicator for shore employee wellness
- Continue and expand employee health and wellness support programs

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 2021

- All targets achieved in 2021
- There were no vessel security or vessel cybersecurity incidents in 2021

Actions for 2022—Ship Security

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

Actions for 2022—Cyber Security

- Further enhance our cybersecurity awareness program
- Roll out new solutions in our cyber security roadmap

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% of invited shore-based employees attend 'Doing Business with Integrity' training
- ≥90% of survey respondents agree that management actively supports integrity objectives

Results in 2021

- All targets achieved in 2021

Actions for 2022

- Continue to develop our partnership with the Marine Anti-Corruption Network to focus on managing port corruption risks
- Follow-up on actions from our internal ethics survey
- Realign Teekay's risk, audit, and compliance services following the sale of Teekay LNG

³ Results exclude Teekay LNG



On track



Needs attention



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 2021

- Emissions intensity has decreased by 26% and 9%, respectively, in the Suezmax and Aframax fleets since 2008
- SeaTrend data logger now installed on 47 vessels and ultrasonic propeller cleaning installed on 24 vessels
- Mewis duct pilot installation showed 5-7% fuel savings
- FuelOpt trials showed 3-5% fuel savings
- Variable Frequency Devices (VFD) installed on 27 vessels

Actions for 2022

- Digital flowmeters to be installed on 40 vessels by the end of 2022
- Mewis ducts to be installed on five more vessels
- FuelOpt system to be installed on three more vessels
- Test new energy savings initiatives identified in 2021
- Continue preparing vessels for EEXI compliance

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 2021

- All annual targets achieved in 2021
- Onboard consumption of single-use plastic drinking bottles was reduced 55% in 2021, and usage in Teekay offices has been eliminated

Actions for 2022

- Continue ballast water treatment system installation program
- Continue plastics 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 2021

- All targets achieved in 2021

Actions for 2022

- Prepare for expected future green recycling of the Petrojarl Foinaven FPSO
- Continue our support and engagement on the Ship Recycling Transparency Initiative (SRTI) Steering Committee

ESG Performance Data – Teekay Group-Wide Consolidated^{4,5}

TOPIC	ACCOUNTING METRIC	UNIT	2021	2020	2019
Greenhouse Gas Emissions	GHG emissions	Metric tons	4,779,487	4,931,052	5,225,313
	Total energy consumed	Gigajoules (GJ)	74,105,536	76,333,279	77,680,303
	Percentage heavy fuel oil	Percentage	32%	33%	40%
	Percentage renewable fuel	Percentage	0%	0%	0%
	Average EEDI for new ships	Grams CO ₂ per ton-nautical mile	No new vessels added	No new vessels added	4.78
Air Quality	Nitrogen Oxide (NOx) emissions	Metric tons	66,173 ⁶	99,569	103,733
	Sulfur Oxide (SOx) emissions	Metric tons	5,515 ⁶	5,144	32,822
	Particulate Matter (PM) emissions	Metric tons	2,366	Not available	Not available
Marine Ecological Impacts	Fleet implementing ballast water treatment	Percentage	60%	35%	15%
	Number of spills (over 1 barrel)	Number	0	0	1
	Total volume of spills (over 1 barrel)	Cubic Meters	0	0	0.5 ⁷
Waste	Total Vessel Waste Generated	Cubic Meters	10,312	10,573	14,112
	> Disposed to shore facilities	Cubic Meters	7,165	7,374	10,130
	> Incinerated onboard	Cubic Meters	2,676	2,718	3,475
	> Disposed at sea ⁸	Cubic Meters	472	480	507
Safety	Total Recordable Case Frequency	Rate	1.86	0.86	1.38
	Lost Time Injury Frequency	Rate	0.15	0.05	0.23
	Fatalities	Number	0	0	0
	Marine incidents	Number	9	14	20
	Incidents classified as very serious	Percentage	0%	0%	0%
	Conditions of Class	Number	9	9	22
	Port state control deficiencies	Number	32	29	72
	Port state control detentions	Number	0	0	0
Business Ethics	Port calls in 20 lowest ranking countries in Corruption Perception Index	Number	38 ⁹	45	68
	Monetary losses as a result of legal proceedings associated with bribery or corruption	\$US	\$0	\$0	\$0
Activity Metrics	Shore staff	Number	646	666	736
	Sea staff	Number	4,156	4,719	4,759
	Vessels in total fleet	Number	124 ¹⁰	133	140
	Vessels managed by Teekay	Number	86 ¹¹	92	116
	Deadweight tonnage	Thousand DWT	9,135	9,891	10,370
	Total distance traveled by vessels	Nautical miles	6,378,429	6,494,560	6,264,922
	Operating days	Number	32,203	31,913	32,081
	Vessel port calls	Number	3,011	3,077	2,967

⁴ Consolidated data in 2021 includes Teekay Tankers, Teekay Australia, and Teekay LNG, and therefore results may differ from those presented elsewhere in this report.

⁵ Historical data for 2020 and 2019 also include LNG carriers that were formerly part of the Teekay LNG fleet, and shuttle tanker vessels that were formerly part of the Teekay Offshore fleet. Data does not include Teekay Corporation's FPSO units, which are all managed by a third party.

⁶ For 2021, NOx and SOx emissions are estimated using improved methods outlined in the Fourth IMO GHG Study and are therefore not directly comparable to estimates in 2020.

⁷ Non-tanker related spill.

⁸ Food waste and bulk cargo residues non-hazardous to the marine environment.

⁹ Port calls to Comoros, Republic of the Congo, Equatorial Guinea, Libya, and Yemen

¹⁰ Includes Teekay Tankers, Teekay LNG, and two Teekay Corporation FPSOs

¹¹ Includes vessels managed by Teekay Australia



On track



Needs attention

APPENDIX

Teekay LNG SASB Disclosures

TOPIC	ACCOUNTING METRIC	UNIT	2021	2020
Greenhouse Gas Emissions	GHG emissions	Metric tons	3,555,820	3,543,668
	Total energy consumed	Gigajoules (GJ)	58,590,604	58,708,763
	Percentage heavy fuel oil	Percentage	18%	17%
	Percentage renewable fuel	Percentage	0%	0%
	Average EEDI for new ships	Grams CO ₂ per ton-nautical mile	No new vessels added in 2021	No new vessels added in 2020
Air Quality	Nitrogen Oxide (NOx) emissions ¹²	Metric tons	34,755 ¹³	67,833
	Sulfur Oxide (SOx) emissions	Metric tons	2,285 ¹³	2,018
	Particulate Matter (PM) emissions	Metric tons	960	Not available
Marine Ecological Impacts	Fleet implementing ballast treatment	Percentage	69%	62%
	Number of spills (over 1 barrel)	Number	0	0
	Total volume of spills (over 1 barrel)	Cubic Meters	0	0
Safety	Lost Time Injury Frequency (LTIF)	Rate	0.20	0
	Marine incidents	Number	6	8
	Incidents classified as very serious	Percentage	0%	0%
	Conditions of Class	Number	5	9
	Port state control deficiencies	Number	19	18
	Port state control detentions	Number	0	0
Business Ethics	Port calls in 20 lowest ranking countries in Corruption Perception Index ¹⁴	Number	2	5
	Monetary losses as a result of legal proceedings associated with bribery or corruption	\$US	\$0	\$0
Activity Metrics	Sea staff	Number	1,970	2,146
	Vessels in total fleet	Number	74	77
	Vessels managed by Teekay LNG	Number	39	39
	Deadweight tonnage	Thousand DWT	3,449	3,449
	Total distance traveled by vessels	Nautical miles	4,198,582	4,045,054
	Operating days	Number	14,126	14,219
	Vessel port calls	Number	918	878

¹² Total NOx emissions are overstated since estimates do not account for lower NOx emissions when Tier 3 vessels are in NOx Emissions Control Areas (ECA).

¹³ For 2021, NOx and SOx emissions are estimated using improved methods outlined in the Fourth IMO GHG Study and are therefore not directly comparable to estimates in 2020.

¹⁴ Port calls to Equatorial Guinea.

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, Greenhouse Gas Emissions, Summary of Targets and Progress
	Total energy consumed, percentage heavy fuel oil, percentage renewable	Teekay Tankers SASB Disclosures, ESG Performance Data, Teekay LNG SASB Disclosures
	Average Energy Efficiency Design Index (EEDI) for new ships	ESG Performance Data
Air Quality	Air emissions of the following pollutants: NOx (excluding N ₂ O), SOx, and particulate matter (PM10)	Air Quality, ESG Performance Data
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 Tankers SASB Disclosures, ESG Performance Data, Teekay LNG SASB Disclosures. Vessels not implementing treatment are implementing exchange
	Number and aggregate volume of spills and releases to the environment	Teekay Tankers SASB Disclosures, ESG Performance Data, Teekay LNG SASB Disclosures
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 Tankers SASB Disclosures, ESG Performance Data, Teekay LNG SASB Disclosures
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Teekay Tankers SASB Disclosures, ESG Performance Data, Teekay LNG SASB Disclosures
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 Tankers SASB Disclosures, ESG Performance Data, Teekay LNG SASB Disclosures. Reported data includes only Conditions of Class and does not include Class Recommendations
	Number of port state control deficiencies and detentions	Teekay Tankers SASB Disclosures, ESG Performance Data, Teekay LNG SASB Disclosures
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, 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 www.teekay.com
	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 www.teekay.com/about-us/fleet/
	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	
	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 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.

GRI Content Index (continued)

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 www.teekay.com
	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	No restatements to our 2020 Teekay Group Sustainability Report
	102-49	Changes in reporting	No change
	102-50	Reporting period	2021 calendar year
	102-51	Date of most recent report	April 12, 2021
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	media@teekay.com
	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 2021
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Quality

Report Definitions and Notes

- Corruption Perception Index. Transparency International Corruption Perceptions Index.
- GHG emissions. Data includes only CO₂ 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

