



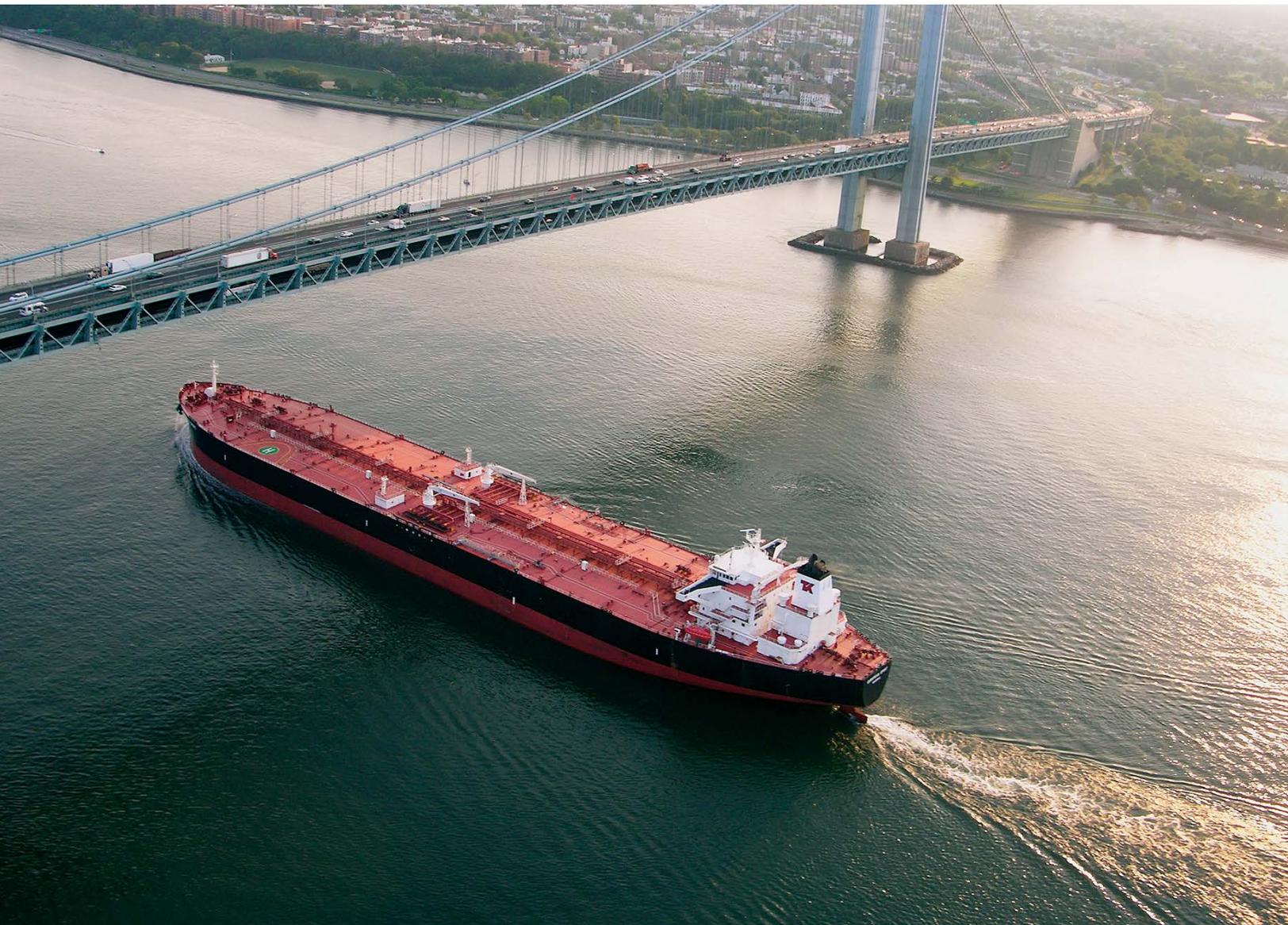
TEEKAY



SUSTAINABILITY

Teekay Corporation | Teekay Tankers Ltd.

2023 Report



TEEKAY GROUP | Sustainability Report 2023

About This Report

This is the 14th annual sustainability report for the Teekay Group and covers global operations for the 2023 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. Our past sustainability reports are available at 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 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, Security, Environment and Quality Assurance (HSSE & QA) management system. Data is excluded from vessels and assets that are technically managed by another company, such as certain Teekay Tankers vessels managed by third parties. Data also excludes time chartered-in vessels. Data from vessels managed by Teekay Australia is 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 2023, or as of December 31, 2023.

Contact Us

We appreciate your comments, feedback or questions on this report and our performance. Please contact us at 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/
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-  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	21

Teekay Australia

People and Diversity	27
Health, Safety, and Security	28

Group-Wide Initiatives

People and Diversity	30
Promoting Responsible Ship Recycling	32
Cyber Security @ Teekay	33
Supporting Our Local Communities	34
Summary of Targets and Progress	35
ESG Performance Data – Teekay Group-Wide Consolidated	38

Appendix

SASB Reference Table	40
GRI Content Index	41
Report Definitions and Notes	43

ABOUT TEEKAY



Established in 1973, Teekay is a leading provider of international crude oil and other marine transportation services. Teekay Corporation (NYSE:TK) provides these services directly and through its controlling ownership interest in Teekay Tankers Ltd. (NYSE:TNK).

The consolidated Teekay entities manage and operate approximately 64 conventional tankers and other marine assets, including vessels operated for the Australian government. With offices in 8 countries and approximately 2,300 seagoing and shore-based employees, Teekay provides a comprehensive set of marine services to the world's leading energy companies.

Teekay celebrated its 50th anniversary in 2023.

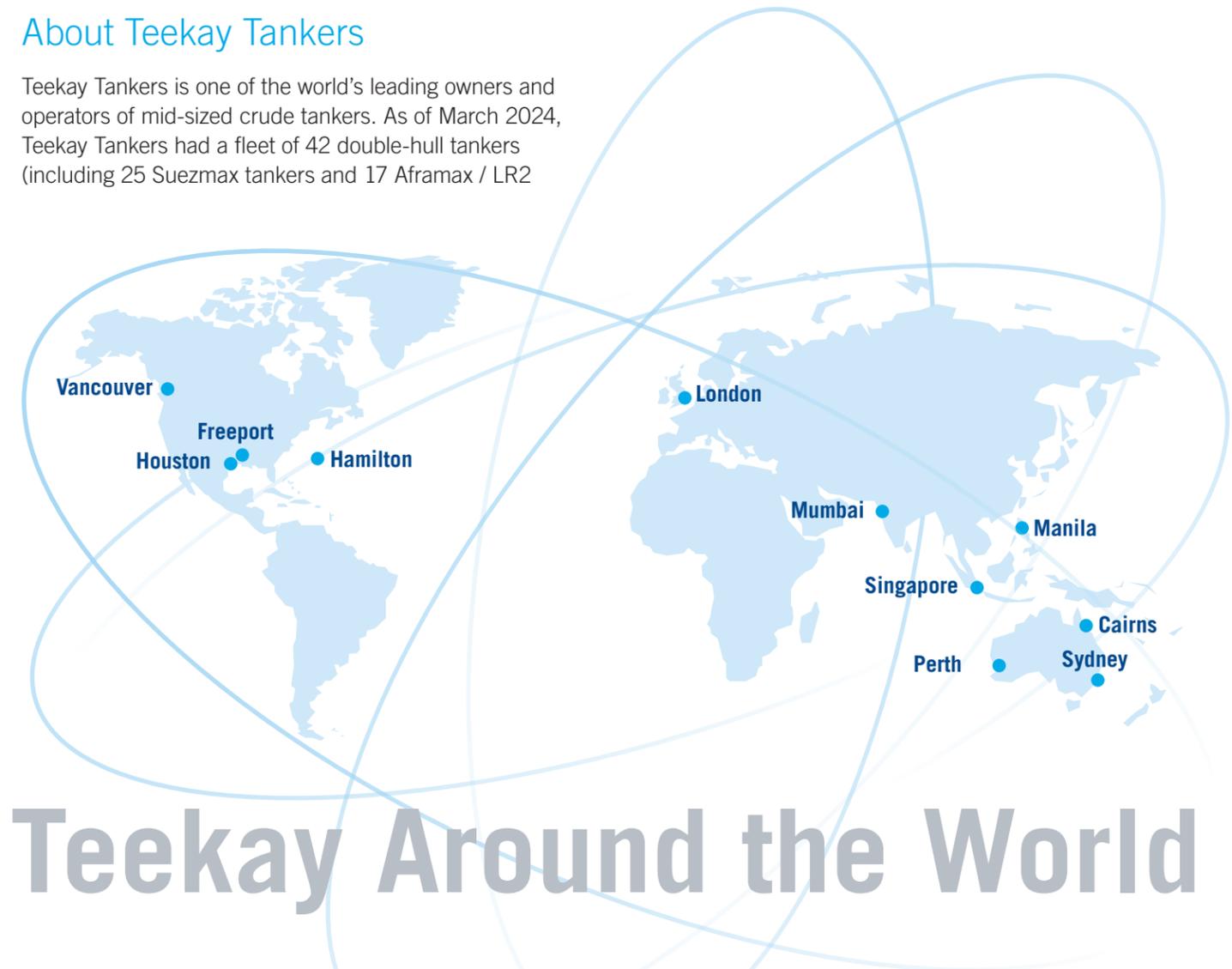
About Teekay Tankers

Teekay Tankers is one of the world's leading owners and operators of mid-sized crude tankers. As of March 2024, Teekay Tankers had a fleet of 42 double-hull tankers (including 25 Suezmax tankers and 17 Aframax / LR2

tankers), and has eight time chartered-in tankers. Teekay Tankers' vessels are typically employed through a mix of spot tanker market trading and short- or medium-term fixed-rate time charter contracts. 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 oil tanker business.

Teekay is a member of the International Association of Independent Tanker Owners (INTERTANKO), the Maritime Anti-Corruption Network (MACN), the Ship Recycling Transparency Initiative (SRTI), and the United Nations Global Compact (UNGC).



Teekay Around the World

FACTS AND HISTORY

1970s	1973 Torben Karlshoej founded Teekay as a regional charterer 	1976 Chartered first vessel for \$3,800/day	1980s	1985 Purchased first Aframax tanker, Golden Gate Sun	1990s	1992 Founder Torben Karlshoej passed away	1995 Listed NYSE: TK	1998 Bjorn Moller named CEO Entered FSO market Secured first FSO contract 	1999 Expanded tanker trade to Atlantic Aframax market Acquired Bona Shipholding
	2001 Entered shuttle tanker business with acquisition of Ugland Nordic Shuttle Tankers First long-term shuttle charter in Brazil	2003 Acquired Navion Shipping from Statoil and 50% of Skaugen Petro Trans 		2004 Entered LNG shipping business with acquisition of Naviera Tapias		2005 Listed NYSE: TGP Awarded 4 RasGas 3 LNG contracts 	2006 Listed NYSE: TOO Entered FPSO business with acquisition of Petrojarl 	2007 Listed NYSE: TNK Acquired 50% of OMI Corp.	2009 Launched Taurus Tankers
2010s	2010 Peter Evensen named CEO 		2011 Acquired equity interest in Sevan Marine ASA (Sevan FPSO) Acquired Maersk LNG vessels 	2012 Announced JV with Exmar LPG	2014 Launched Tanker Investments Ltd. (TIL) Acquired ALP 	2015 Acquired 12 modern Suezmax Tankers 	2016 First MEGI LNG carrier newbuild commenced 5-year contact with Cheniere Energy 	2017 Kenneth Hvid named CEO Announced four DP2 shuttle tanker newbuildings First oil and contract start-up for Libra FPSO TNK/TIL merger Teekay and Brookfield strategic partnership 	2018 E-Shuttle project wins Environmental Award Petrojarl 1 FPSO first oil Three Heritage Class shuttle tankers delivered Completion of 5 "M" Class LNG sister ships Floating Storage Unit (FSU) Bahrain Spirit delivered
	2020s	2020 Teekay safely responds to the COVID-19 pandemic with a global work from home policy and no material impacts to vessel operations Bahrain LNG terminal completes construction and commissioning All three Teekay companies join United Nations Global Compact	2021 Agreement to sell interest in Teekay LNG to Stonepeak Awarded new contract to provide in-service support for five Australian Government vessels Start of green recycling of the Petrojarl Banff FPSO 	2022 Completed sale of Teekay LNG to Stonepeak Completed green recycling of the Petrojarl Banff FPSO and commenced green recycling of the Petrojarl Foinaven FPSO Received several awards, including "Contractor of the Year" at the Santos EHSS Awards and "Outstanding Contribution to Safety at Sea" at the MPA International Safety@Sea Awards	2023 Teekay celebrated its 50th anniversary in May 2023 Teekay receives "Tanker Operator of the Year" award at the 2023 ShipTek International Awards in Singapore Teekay Australia begins operating ADV Guidance for the Royal Australian Navy (RAN) and signs new two-year contract for Ocean Shield 				



CEO LETTER

NOT MANY COMPANIES LAST 50 YEARS IN OUR INDUSTRY. SO, LET'S TAKE A MOMENT TO CELEBRATE, AND THEN GET BACK TO WORK LIVING TORBEN'S MESSAGE OF DOING IT RIGHT.

—KENNETH HVID

President and Chief Executive Officer, Teekay Corporation

In May of 2023, Teekay turned 50. It all started with a dream. Torben Karlshøj had a dream of building the world's leading shipping company, managed to the very highest standards by the most competent people in the industry. This past year, we honored and celebrated everything that Torben stood for. We celebrated our heritage and our values that continue to attract great people from all over the world who are excited to come and work with us. It is fitting that our 50th anniversary year also provided us with many other reasons to celebrate, including strong operational, safety, and financial success across the Teekay Group.

In 2023, Teekay Tankers achieved the best safety record in its history, all while delivering excellent operational performance and continuing to prepare the company for regulatory changes. This also included strengthening our cybersecurity program and keeping our seafarers safe during a year of increasing tensions in the Red Sea, and elsewhere.

Our business in Australia also had a strong year, and successfully secured several new and renewed contracts, thereby growing its fleet under management. Over the past few years, our shore offices in Sydney, Perth, and Cairns have grown significantly, and in looking to the future, Teekay Australia continues to seek out and pursue a diverse range of new business opportunities.

Regarding our financial performance, I have previously said that our business is often shaped by macro events beyond our control, and the external elements that drove a strong tanker market in 2022, including oil demand growth, low fleet growth and an increase in tanker tonne-mile demand, continued through 2023 and into 2024 to-date. As a result, we experienced one of the strongest years for crude tanker spot rates, allowing Teekay Corporation to record our highest

annual adjusted net income in 15 years, and Teekay Tankers to record its highest ever adjusted net income. Furthermore, with Teekay Tankers' spot market exposure and leading position in mid-sized tankers, we believe we are well positioned as a group to continue benefiting from the strong tanker market fundamentals in the coming years.

We are now in a strong financial position for the future. The Teekay Group is in a net cash position for the first time since it became a publicly traded company nearly 30 years ago, and this provides us with the financial flexibility to pursue new opportunities in the shipping and broader maritime sector. We continue to evaluate new investment opportunities and will be patient and selective on future growth. Our fundamental belief remains that, as the world population continues to grow and becomes more affluent, global energy demand will further increase. In addition, we continue to believe that fossil fuels will remain an important part of the world's energy supply for many years. However, Teekay also has a long history of adapting to changes in the global energy mix, and we will continue to focus our efforts on balancing the dual goals 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. This is how we will continue living Torben's dream.

As I reflect on the year, I am reminded that not many companies last 50 years in our industry. So, let's take another moment to celebrate, and then get back to work living Torben's message of doing it right. Thank you to everyone for making this past year a milestone year for the Teekay Group, and I look forward to working with you as we pursue and invest in our future. Here's to another 50 years and beyond.

He called me, and he said, "I'm going to build one of the best shipping companies in the world". And I thought, well do you really know what you're doing? But he did. He believed in his people, and the people that worked in this company were everything to him.

—Axel Karlshøj, Former Chairman Emeritus of Teekay Corporation, and brother of Teekay's founder, Torben Karlshøj

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.

We recognize that stakeholder expectations are increasing. Over the 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 goals, which include items related to ESG performance.

Our ESG strategy is focused on three broad areas to guide our efforts

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.

In 2023, the Teekay Group reached a major milestone of becoming net debt-free, which provides Teekay with greater financial flexibility to pursue new opportunities in the shipping and broader maritime sector serving the growing demand for new transportation solutions.

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.

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 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 our actions and progress towards achieving these ambitions are described throughout this report.

Setting Clear Ambitions for Our Top ESG Issues



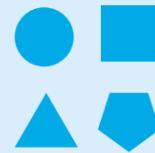
Personal Safety

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

Achieve net-zero GHG emissions 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 ambition is to be the most trusted shipping company. 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 works closely with Teekay’s senior leadership to reinforce Teekay’s commitments to integrity.

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, modern slavery, 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 risk are rejected as business partners.

Training

Teekay provides multiple forms of training to its personnel. New staff receive induction training that covers Teekay’s integrity expectations, including a review and

acknowledgment of Teekay’s Standards. All shore-based personnel also receive mandatory annual online ethics 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, using 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 2023, 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 2023, there was a 100% completion rate for all shore staff required to read Teekay’s Standards. These results were in line with our objective of achieving at least a 95% completion rate.

In 2024, we will continue working with the Maritime Anti-Corruption Network (MACN) to focus on managing port corruption risks.

GOVERNANCE

We believe good corporate governance is critical to maintaining the trust of our customers, staff, partners, capital providers and 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 reporting on progress in meeting our annual and longer-term ESG targets. At each quarterly 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	6	5
Independent Directors	5	4
Director Diversity. Self-identifies as non-White or LGBTQ+	0	1
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 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 www.teekay.com/about-us/sustainability/

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.
Reference: Sustainability Report that outlines our vision. Over the coming years, we intend to further enhance ESG commitment and performance not traded 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)

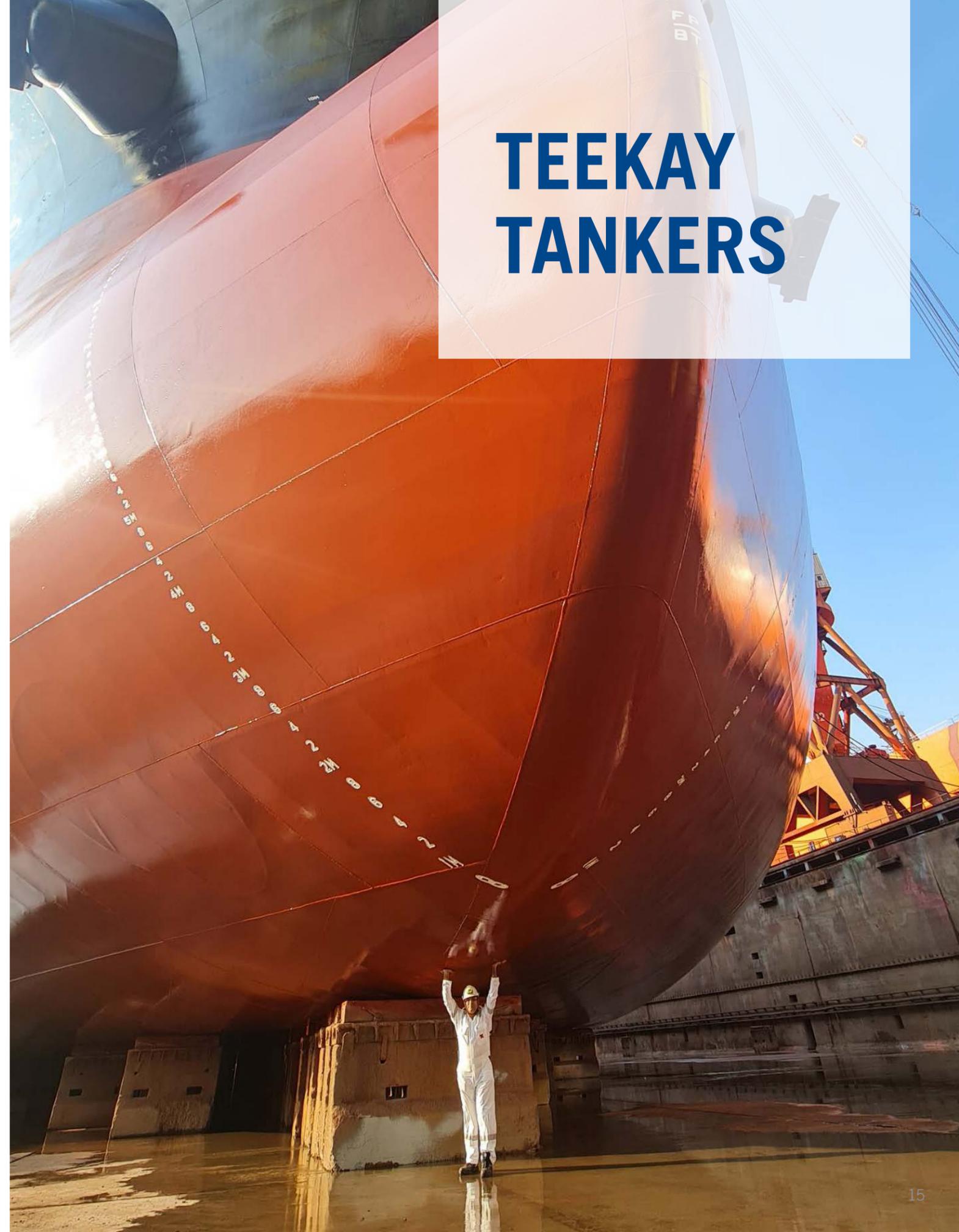
Labour

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 activities, 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)

TEEKAY TANKERS





CEO LETTER

WITH OUR STRONGEST EVER SAFETY AND FINANCIAL PERFORMANCE, 2023 HAS BEEN A RECORD-BREAKING YEAR FOR TEEKAY TANKERS.

—KEVIN MACKAY
President and Chief Executive Officer, Teekay Tankers Ltd.

In recent years, I have said that the most important ESG issues for the tanker industry are to uphold our commitments to the welfare and safety of our crews, and to the protection of our environment through pollution free operations and the pursuit of innovation and improving vessel efficiencies, all while remaining financially sustainable as a company. Therefore, as we entered 2023, we set our priorities to strive for zero injuries while focusing on three R's: regulation, reliability, and revenue. Looking back at the year, we have together made great progress towards delivering on our priorities, and in many cases, exceeding them.

Without question, our most important success this past year was achieving our best safety record in the past decade. A year ago, we embarked on a significant ambition: Goal Zero, which is a commitment to operate safely with zero injuries. Our journey commenced with an intensified focus on shipboard safety throughout the fleet, and with the steadfast dedication of our seafarers, we were able to finish the year without a single Lost Time Injury (LTI) and with more than 70% of the vessels in our fleet reaching the "Goal Zero" milestone. This is a monumental achievement that all officers and crew can take great pride in, and maintaining this injury-free status for years to come will require continued dedication to our operational leadership objectives and our safety commitments.

I am also glad to see the positive results of our ongoing focus on innovation. In 2023, we continued rolling out proven energy efficiency measures across our fleet, while also testing new solutions that can be implemented in the years to come. Overall, these efforts have helped to significantly improve our emissions performance. Since 2008, emissions intensity has decreased 27% in our Suezmax fleet, and 22% in our Aframax fleet.

We are also investing in new innovations to increase ship and shore connectivity. This past year, we commissioned our first Starlink (Low Earth Orbit) communications system. This is a significant milestone for Teekay that can radically increase the speed and performance of ship and shore communication. The learnings from our initial deployment

were so impressive, with some further development and fine tuning of the system, we moved swiftly to roll it out to almost all our vessels by year end. We are really excited about this technology and the doors it will open to exponentially enhance our ship-shore collaborations.

In terms of financial performance, this past year has been historic, with the strength of the underlying tanker market enabling Teekay Tankers to achieve our best financial results in the company's history. In 2023, Teekay Tankers generated over \$500 million of net income, and by the end of the first quarter of 2024, we expect to be fully debt free. Furthermore, over the next few years, tanker demand growth is forecast to outpace fleet supply growth, and therefore we see the potential for an ongoing strong tanker market in the coming years. Our spot market exposure and strong financial position have put us in a very good position, and we intend to maintain our financial strength for future fleet reinvestment while also returning capital to shareholders.

As we look to the year ahead, 2024 will continue to bring changes for our industry in terms of regulations and technology advancements. After receiving inputs from colleagues at sea and on shore, our priorities for 2024 will be: to continue on the journey toward our Goal Zero ambitions for shipboard operations; further develop our work on improving efficiencies for proactive regulatory compliance and exploring new technologies; and to continue investing in our people by focusing on cross functional collaboration and teamwork as well as individual development.

Teekay's culture has always been about working hard and having fun while we're doing it. We should therefore continue to celebrate our successes. But, as we celebrate this past year's accomplishments, we must not forget that our journey towards operational excellence hinges on our steadfast commitment to safety and service reliability to our customers.

I wish to express my sincere gratitude to every member of the organization who contributed to this past year's historic performance. Please continue to have fun and continue your excellent work in the year ahead.



PEOPLE AND DIVERSITY

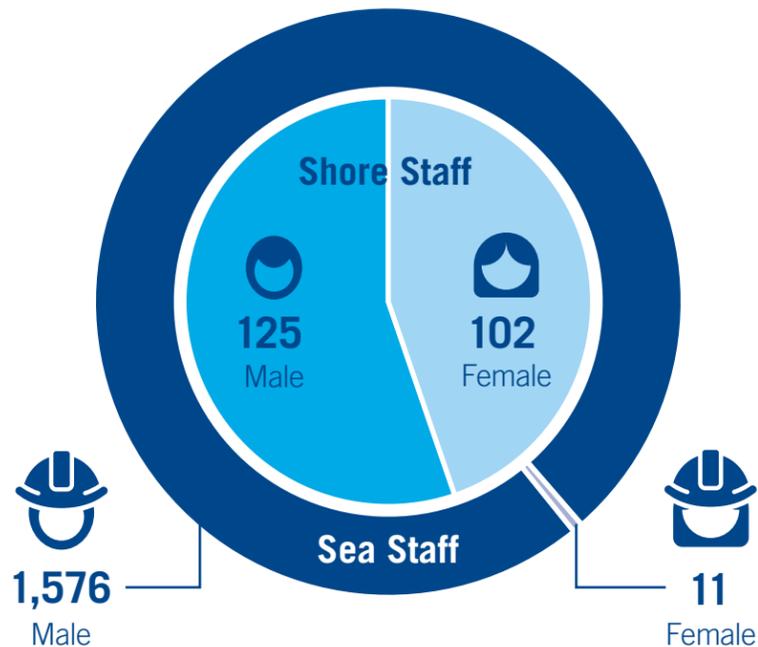
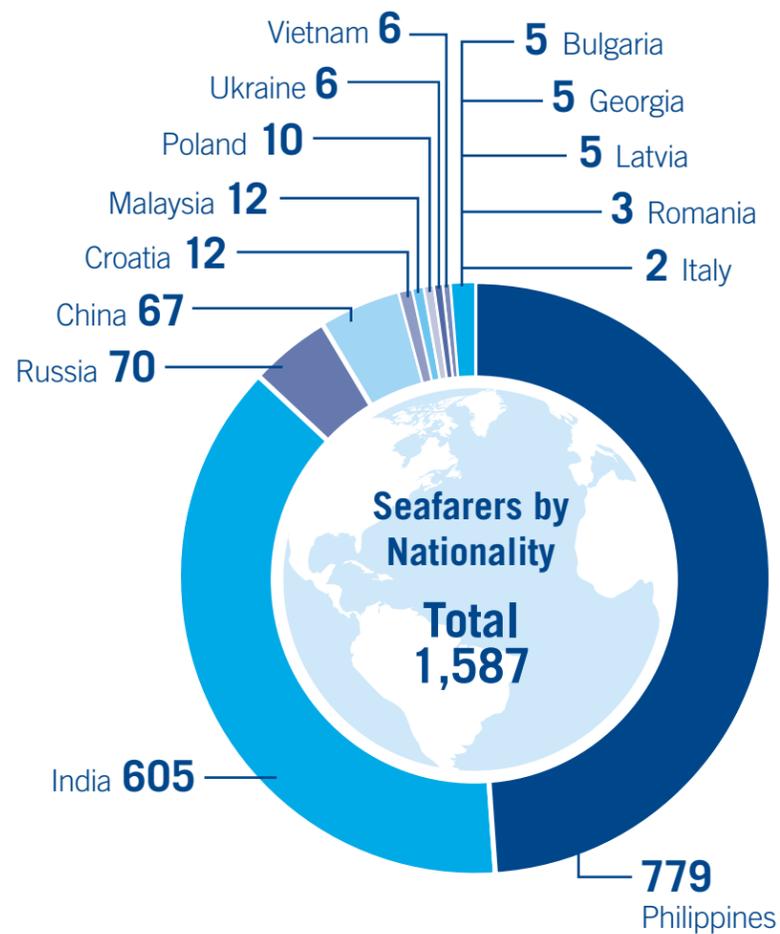
At Teekay Tankers, we are one of the world's leading operators of mid-sized tankers and we take pride that the Teekay logo on our funnel is an industry-respected symbol of quality. As a true owner, we manage our vessels directly through in-house ship management, employing over 1,500 men and women aboard 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 an inclusive recruitment strategy with a focus on female maritime university graduates and sponsorship of government and industry interns and management trainees.

We are also active in government and industry forums involving employee engagement, flexibility, wellness, gender equality and diversity, and equity and inclusion in shipping. Teekay Tankers has been a member of the shipping industry Diversity Study Group since 2022.

2023 Teekay Tankers Employee Facts



Employee Relations:

Sea staff retention

97% Officers

98% Ratings

100%

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

100%

Sea staff covered by collective bargaining agreements

9.3 years

Average duration of sea staff employment

Social Diversity:

Women in leadership

8% on shore

1% at sea

Persons not from high-income countries¹ in leadership at sea

96%

SAFETY AND SECURITY

Safety

In 2023, we embarked on a significant ambition: Goal ZERO, committing to operate safely with zero injuries. Our journey towards Goal ZERO commenced with an intensified focus on onsite safety and the dissemination of this vision throughout our fleet. Our approach to safe operations encompasses maintaining a system aimed at zero incidents, introducing new safety initiatives and campaigns, and fostering personnel development. By leveraging technology through our electronic hazard reporting program, we continuously address unsafe acts and conditions, breaking the error chain before an incident occurs.

In 2023, we achieved our best safety record in two decades, finishing the year without a single Lost Time Injury (LTI). By the end of 2023, 30 vessels (77% of our fleet) reached the “Goal Zero” milestone, with seven vessels injury-free for over three years, and four vessels injury-free for over five years.

Our effective Fleet Training Officer (FTO) initiative, comprising four experienced Masters and one Chief Engineer, continues to play a vital role in bolstering onboard training. In our ongoing commitment to safety, we drew from our past learnings to elevate the Fleet Training Officer program, extending onboard safety training to all vessels. Our FTOs completed training onboard all fleet vessels in 2023. This comprehensive program includes safety audits, fostering a safety culture, ensuring proper utilization of personal protective equipment, and regularly providing feedback on safety policies and procedures to maintain their relevance. These efforts are aimed at reducing the risk of



injuries and cultivating a safer and more sustainable working environment for our colleagues at sea.

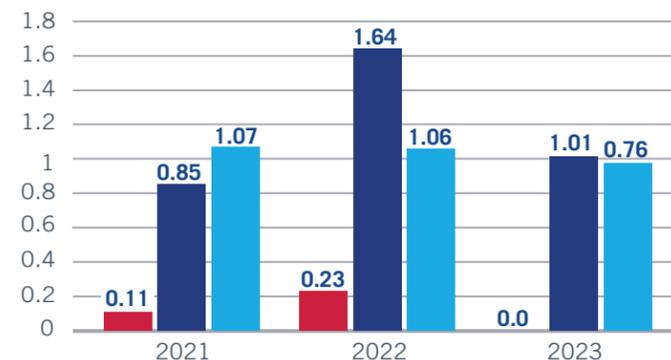
We further improved our safety management system by simplifying procedures, converting to the Lovoy format, and reducing the size of the management system by over 30% in the past five years. In addition, new initiatives, such as converting essential forms into semi-automated Excel formats were implemented in 2023 to minimize user errors.

In 2023, one significant technical incident² occurred and was reported in our tanker fleet, which resulted in main engine repairs to one of our vessels. In addition, one navigational incident occurred, which consisted of an unexpected rudder offset and signs of contact on the lower portion of the rudder. The lessons learned from these incidents have been incorporated into our safety management procedures, and crews have received comprehensive training to ensure their understanding and implementation of the procedures.

Strengthening our safety culture involves sharing information and best practices through our quarterly bulletin, the “TNK SPOT”, and ensuring regular senior leadership engagement with colleagues onboard and onshore. At Teekay Tankers, we remain committed to fulfilling our duty of care to our seafarers and fostering leadership for a safer and more sustainable work environment.

Health and Safety Performance—Teekay Tankers

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



² Based on SASB definition of reportable marine casualties.

¹ Based on the World Bank Country and Lending Groups.



Security

The International Ship and Port Facility Security (ISPS) Code was instituted by the International Maritime Organization (IMO) in December 2002 in response to increasing global concerns regarding terrorism. The aim of the ISPS Code is to bolster maritime security by detecting security risks to ships and ports, and by requiring the development of security plans and other measures to prevent such threats. Our fleet currently adheres to the requirements of both the ISPS Code and the U.S. Maritime Transportation Security Act of 2002.

At the heart of our security program is a commitment to constantly monitor global maritime security risks and prepare our vessels and crews to effectively respond to any potential threat. Due to the ever-changing geopolitical and global security landscape, each vessel in our fleet underwent a comprehensive ship security assessment in 2023, and Ship Security Plans were evaluated to ensure they are suitable and aligned with the assessments. Global security updates are communicated to all vessels through weekly security summaries, and on a quarterly basis through the TNK SPOT bulletin.

In 2023, one vessel security incident was reported in our tanker fleet, which consisted of the theft of two mooring tails by armed robbers while at anchorage in Peru. The lessons learned from the incident have been incorporated into our safety management procedures, and crews have been consistently made aware to ensure their understanding and implementation of the procedures.

The Information Fusion Centre (IFC) hosted a Maritime Information Sharing Exercise (MARISX) in May 2023. The event brought together maritime practitioners, navies, coastguards, maritime law enforcement agencies, and the shipping industry to promote information-sharing processes and share best practices. Teekay's cyber incident response capabilities were showcased during the exercise and impressed the audience with the coordinated efforts of our team onboard the *Cascade Spirit* and our onshore teams. Our team's flawless execution garnered the appreciation of the naval authorities who attended from over 37 countries.

As part of our commitment to security, all vessels in our fleet participate in an annual, fleet-wide security exercise, which involves a realistic scenario that occurs over a 96-hour period. This exercise was successfully executed in 2023 with the active participation of all vessels and the IFC. The lessons learned from this exercise have been shared and will be utilized in the event of a real emergency.

Security Performance

	2021	2022	2023
Vessel Security Incidents	0	0	1
Vessel security-related non-conformances in external audits, or security-related Port State Control (PSC) detentions	0	0	0

ENVIRONMENT

Greenhouse Gas Emissions

Teekay Tankers continues to invest in energy efficiency, and we have a clear greenhouse gas emissions strategy for addressing climate change. All shipboard emissions data are assessed and validated, enabling us to understand the sources and quantities of greenhouse gases in our fleet.

Our entire fleet is now coated with high-performance silicone hull paints, and closely monitoring and optimizing vessel efficiency remains a priority. We monitor both the hull efficiency and machinery performance using digital flow meters and torque meters, which provide real-time data into our analytics portal.

In 2023, we continued rolling out proven energy efficiency measures across our fleet, while also identifying, studying, and successfully pilot-testing new innovations. Overall, these efforts have helped to significantly improve our emissions performance. Since 2008, emissions intensity has decreased 27% in our Suezmax fleet, and 22% in our Aframax fleet. Emissions intensity improved in our Aframax fleet in 2023 partly due to an increase in average laden distances.

Teekay Tankers' own goals align with the IMO's ambitions, which are to reduce the energy intensity of our fleet by at least 40% by 2030, and to reach net-zero GHG emissions by 2050. We have made good progress and are well-positioned to comply with the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) requirements for 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.

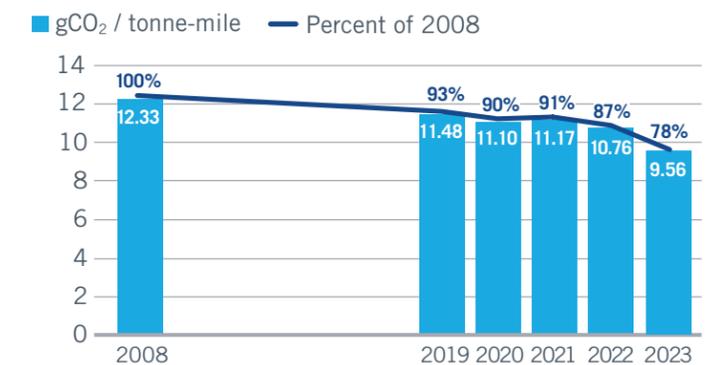


Air Quality

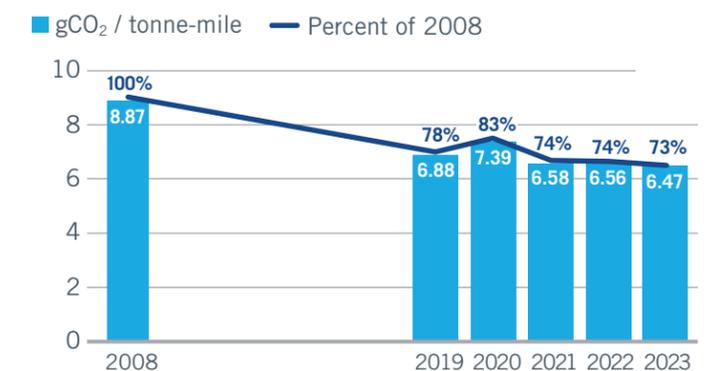
Full compliance with the IMO 2020 requirements has resulted in fleet sulfur oxide (SOx) emissions decreasing by more than 80%. Teekay Tankers continues to use low-sulfur fuels and has not installed any exhaust gas cleaning systems (scrubbers).

We have also partnered with ESI Group (Environmental Ship Index) and are submitting our emission data for industry benchmarking as well as monitoring our vessels to ensure they exceed current IMO emissions reduction standards. In addition, in 2023, Teekay Tankers successfully piloted electronic record books and will begin full implementation in 2024.

Energy Efficiency Operational Indicator (EEOI) Aframax Tankers



Energy Efficiency Operational Indicator (EEOI) Suezmax Tankers



Average Annual Efficiency Ratio (AER)³

OIL TANKERS	2022	2023
Aframax	4.30	4.00
Suezmax	3.17	3.02

³ The recently adopted IMO correction factors and voyage adjustments for CII calculations are now included in our reported AER values for 2022 and 2023, and therefore values are not directly comparable to earlier estimates.

Tanker Fleet Energy Efficiency Initiatives in 2023-2024

INITIATIVES		EXPECTED SAVINGS PER VESSEL
Hull Flow Optimization	All Teekay ships have been equipped with either a pre-swirl or a post-swirl device to assist in improving the wake flow characteristics of the hull and to reduce emissions by increasing propeller efficiency	5 - 7%
FuelOpt System	The system assists to automatically optimize main engine fuel consumption by maintaining a steady shaft power. The system will be installed on a total of 29 ships in the fleet by the end of 2024	3 - 5%
Graphene Propeller Coatings	The coating improves propulsion efficiency while keeping the propeller surface smooth and free from biofouling, which results in reduced fuel consumption and emissions. In addition, the coating reduces propeller underwater noise.	3%
Variable Frequency Device (VFD)	VFDs reduce the operating power and electrical load of onboard machinery. In 2024, another four ships will be equipped, thus completing our installation of VFDs on all vessels in our fleet.	Up to 1% fuel savings
Low Friction Hull Coatings	Currently all Teekay Tankers vessels have been coated with low-friction silicone paints for improved hull performance. This also allows for longer anchorage stays without negatively impacting vessel fuel consumption.	4 - 5% over 5-year docking cycle
Main Engine Modifications	Following the successful upgrades on <i>Rio Spirit</i> to improve main engine efficiency, the project has been extended to <i>Atlanta Spirit</i> in 2024. The main engine will be equipped with additional equipment to ensure optimal cylinder combustion pressure, and to optimize exhaust valve operations for improved fuel efficiency.	5 - 6% fuel savings
Low Leakage Valves	Installation of low leakage valves in the main engine cooling water system and the main engine jacket water pre-heater unit reduces steam consumption in port and will be extended to all vessels during their drydocking in 2024.	1% in port
Boiler Optimization	Following the successful pilot test of low-load operational modifications for the auxiliary boiler, the project has been extended to another five ships in 2024. The modifications help vessels save fuel by avoiding frequent boiler start-stops.	3% fuel savings in port
Performance Portals	Teekay has invested in a performance portal for voyage and route optimization based on weather updates, and to optimize hull and machinery performance. The performance monitoring and management tool is now in use on all Teekay vessels	Improved monitoring with 5 - 7% savings
Fuel Additives	After trials on a few vessels, all Teekay vessels have now been instructed to use suitable fuel additives to optimize and improve combustion performance. This also helps reduce particulate matter emissions.	3% fuel savings

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

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 requirements. In compliance with vessel Class surveys, we expect to complete all EPL installations in our fleet within the first quarter of 2024. The resulting power limitation will have a negligible impact on the speed of our vessels, due to the use of low-friction hull coatings.

After FuelOpt installations are completed, engine power limitation will be switched to the Shaft Power Limitation (ShaPoLi) functionality, with all Class approvals. We expect that approximately 29 of our vessels will shift over to ShaPoLi in the first quarter of 2024.

Fleet emissions for 2023 have been validated internally and submitted to DNV for final review. Based on internal review, we have identified only one vessel with a 'D' rating, due to operating in the lightering trade. All other vessels in our fleet are within the A/B/C ratings range, as expected, due to our investment in various energy saving devices (ESD), and through the proper training and support from our ship staff.

European Union Emissions Trading System (EU ETS)

In January 2024, the EU Emissions Trading System was extended to cover greenhouse gas emissions from all ships above 5,000 gross tonnage (GT) calling EU ports. To comply, shipping companies are required to purchase emissions allowances (permits) for 100% of total vessel emissions on voyages between two EU ports, and for 50% of total vessel emissions on voyages starting or ending in an EU port. Compliance obligations will be phased in over a three-year period for the shipping industry.

Throughout 2023, we prepared for the new regulations, and in January 2024, we acquired our first lot of emissions allowances.

Teekay also continues to monitor development of the FuelEU Maritime regulation, which is proposed to enter into force in January 2025, and which will require ships to use fuels below a certain carbon-intensity when trading in the EU, or on voyages into or out of the EU.

Ballast Water Management

Installations of ballast water treatment systems (BWTS) have been planned and will be completed on the last four vessels in the Teekay Tankers fleet in the second quarter of 2024.



Teekay Tankers SASB Disclosures

TOPIC	ACCOUNTING METRIC	UNIT	2021	2022	2023
Greenhouse Gas Emissions	GHG emissions	Metric tons	1,206,936	1,149,929	1,143,497
	Total energy consumed	Gigajoules (GJ)	15,292,619	14,608,731	14,481,841
	Percentage heavy fuel oil ⁴	Percentage	77%	77%	80%
	Percentage renewable fuel	Percentage	0%	0%	0%
	Average EEDI for new ships	Grams CO ₂ per ton-nautical mile	No new vessels	No new vessels	No new vessels
Air Quality	Nitrogen Oxide (NOx) emissions ⁵	Metric tons	30,951	22,048	22,211
	Sulfur Oxide (SOx) emissions	Metric tons	3,177	2,830	2,837
	Particulate Matter (PM) emissions	Metric tons	1,400	1,163	1,239
Marine Ecological Impacts	Fleet implementing ballast treatment	Percentage	52%	80%	90%
	Number of spills (over 1 barrel)	Number	0	0	0
	Total volume of spills (over 1 barrel)	Cubic Meters	0	0	0
Safety	Lost Time Injury Frequency (LTIF)	Rate	0.11	0.23	0.0
	Marine incidents	Number	3	6	2
	Incidents classified as very serious	Percentage	0%	0%	0%
	Conditions of class	Number	2	3	1
	Port state control deficiencies	Number	13	12	21
	Port state control detentions	Number	0	0	0
Business Ethics	Port calls in 20 lowest ranking countries in Corruption Perception Index	Number	36	37	48
	Monetary losses as a result of legal proceedings associated with bribery or corruption	\$US	\$0	\$0	\$0
Activity Metrics	Sea staff	Number	1,960	1,674	1,587
	Vessels in total fleet	Number	48	45	53 ⁶
	Vessels managed by Teekay Tankers	Number	41	40	41
	Deadweight tonnage	Thousand DWT	5,675	5,433	5,538
	Total distance traveled by vessels	Nautical miles	2,179,847	2,081,789	2,286,233
	Operating days	Number	16,684	15,394	14,895
	Vessel port calls	Number	2,093	1,947	1,869

⁴ VLSFO

⁵ For 2022 and 2023, NOx and SOx emissions are estimated using improved methods outlined in the Fourth IMO GHG Study and are therefore not directly comparable to earlier estimates.

⁶ Includes 8 in-chartered tankers and 4 third-party managed tankers not included in reported totals.

TEEKAY AUSTRALIA





Teekay Australia is a pre-eminent marine services company. Our key capabilities are marine operations, supply, maintenance and 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 has been operating in the Australian maritime environment for more than 25 years, and during this time, it has grown to provide a range of marine services to support the requirements of various clients, including the Commonwealth of Australia.

In 2021, Teekay was awarded an Australian government contract called the 'Defence Marine Services Support Program (DMSSP) – Service Package 2' to manage five defence support vessels. In 2022, the vessel *Reliant* was added to this contract and into Teekay Australia's management, and in 2023, the vessel *Guidance* was added.

Other notable activities and accomplishments in 2023 include:

- Opening Teekay Australia's new Sydney office, which is closer to the central business district and to our clients

- Shifting to a new warehouse in Sydney
- Renewal of Teekay's contract to provide vessel operational services for *Ocean Shield*
- Completion of the docking and operational takeover of the Australian Defence Vessel (ADV) *Guidance*



PEOPLE AND DIVERSITY

Teekay Australia celebrates diversity. As such, we endeavor to foster a workplace environment which is inclusive, respectful, and empowering to all. Our hiring and promotion practices are designed to ensure equal opportunities and fairness. By embracing diversity, we believe that we can drive innovation, promote collaboration, and deliver the highest level of service to our customers. Our staff behavior goes to the core of our SPIRIT values of Respect and Teamwork. To support our team to achieve these fundamental values, Teekay has invested in training that will help our staff demonstrate these behaviors at work every day. Respectful Workplace Behaviors and Conflict Management training continues to be provided to staff on shore and at sea.

Engagement with our sea staff remains important in living up to our core value of Teamwork. To support this, Teekay Australia held its 2023 sea staff conference, attended by sea staff of various ranks, as well as some office staff. Caring for colleagues was the focus of this year's conference, and it was great to see the positive energy levels that the attendees demonstrated throughout the conference.

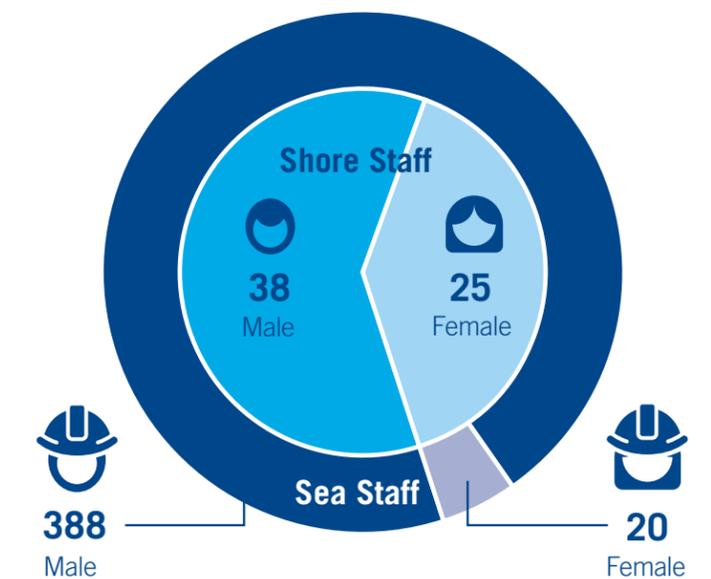
OVER THE PAST FEW YEARS, OUR SHORE OFFICES IN SYDNEY, PERTH, AND CAIRNS HAVE GROWN SIGNIFICANTLY. WE CURRENTLY EMPLOY 63 SHORE EMPLOYEES, WHICH IS MORE THAN A 50% INCREASE FROM 2021.

We also employ 408 Australian seafarers. This past year, the Australian maritime industry experienced a significant shortage of certified marine crews. Data from the Australian Maritime Safety Authority (AMSA) indicates that from 2018 to 2023, there was a 37% reduction in overall AMSA certified seafarers, and a 60% reduction in Integrated Rating Certificates of Competence. This reduction, combined with a recent increase in offshore oil and gas activity in Australia, resulted in a decrease in Teekay Australia's sea staff retention rate in 2023. Although this trend exists industry wide, Teekay has taken several steps to



address this challenge, including significantly increasing the number of trainees. In 2023, Teekay Australia engaged eight Trainee Integrated Ratings, three Deck Officer Trainees, three Engineer Trainees, and one Electro Technical Trainee. Teekay also embarked on several other retention and recruitment initiatives and is a member of the Industry Skills Australia Maritime Strategic Workforce Planning Committee.

Teekay Australia Employee Facts





HEALTH, SAFETY, AND SECURITY

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. Teekay Australia's HSSE and QA strategy is underpinned by annual focus areas and associated initiatives, which are implemented annually through the Balanced Score Card via our operational KPIs. Regrettably, one Lost Time Injury occurred in the fleet in 2023. The incident was thoroughly investigated, and corrective actions were taken. In addition, the lessons learned were shared, including at interactive sessions held at our sea staff conference to further raise awareness.

Teekay Australia also recognizes that our success is directly tied to the well-being of our employees. Teekay is committed to addressing the physical, mental, and emotional health needs of its employees and to provide them with the resources they need to effectively manage workplace challenges and pressures.

We recognize the strong relationship between physical and mental health, which is why we partnered with gyms near our offices to trial physical wellness programs. Last year, we launched several programs for both shore and offshore employees, including a pilot physical wellness program on the *Stoker* aimed to promote wellness and create healthy competition and excitement surrounding health and fitness.

Teekay Australia provides an 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.

Teekay Australia HSSE & QA Strategy



Health

A mentally and physically healthy workforce

- Psychologically safe workplace
- Mental and physical well-being



Security

Protect people, information, and assets

- Personnel security
- Improved cyber security training and tracking
- Safeguard information and assets



Safety

Zero harm

- Reduction in recordable personal incidents
- Safer operations
- Enhanced warehouse safety
- Safety through leadership



Environment

Prevent pollution and reduce environmental impacts

- Strive for zero environmental incidents
- Minimize environmental impacts
- Demonstrate our commitment to sustainability



Quality Assurance

User-friendly systems and effective governance aiding in operational excellence

- Raise management system compliance through training and raising awareness
- Ensure assurance program sustainability and suitability as business needs change
- Process simplification and improvements

GROUP-WIDE INITIATIVES



PEOPLE AND DIVERSITY

A Diverse and Inclusive Workplace

We are proud that our long history has represented a varied set of experiences, perspectives, and backgrounds and we are proactive in promoting equal career development and advancement opportunities for all our employees. We aspire to foster a diverse, equitable and inclusive workplace at Teekay, and over the past few years, we have gained valuable insights on our continued journey to do so. We believe that improving diversity and gender balance and supporting an environment of inclusivity at all levels across the organization facilitates better decision-making, increases innovation, and improves overall productivity.

In 2023, as we celebrated our 50th anniversary, we also celebrated our history, our culture and the talented and diverse people and experiences unique to Teekay. We delivered leadership and culture training with a focus on our values, and our shared leadership and workplace behaviours.

In 2024, we will continue to ensure employees feel part of an organization that welcomes differences, provides equal opportunities, and fosters a sense of belonging for everyone.

Respecting Labour and Human Rights

At Teekay, we treat people fairly and respect and support 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 our policies.

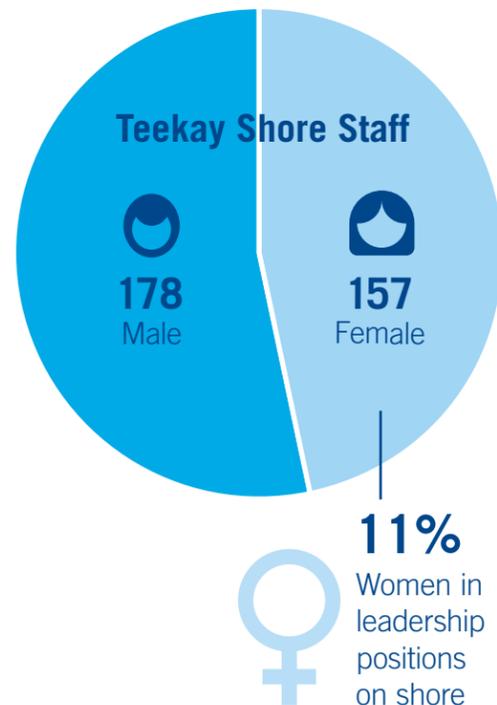
In 2023, zero allegations were raised. In 2024, we will focus on ensuring employee awareness of labour and human rights policies and programs.

Supporting Health and Well-being

Health and well-being continue to be an important focus area for Teekay, both for our seafarers and for those employed in our offices globally. We have a hybrid work environment which allows for greater workplace flexibility and work-life balance in support of employee well-being.

Throughout 2023, we provided shore employees with several programs, educational resources, and service offerings to support their well-being, including physical, mental, social, and financial wellness. In 2024, we will

Teekay Group Employee Facts



continue to prioritize our social wellness support and offerings for employees including participation in community and charitable events and global networking opportunities for colleagues at sea and shore.

Developing Future Leaders

Teekay and the TK Foundation have sponsored 72 students since grants started in 2018.

Of the 72 students, 52 were Cadets under the Future Leaders Program, and 15 were from the Ratings Pipeline Program. Our first cohort of students has completed their shipboard cadetship training, and most are now preparing for their theoretical exam and other requirements for their next rank. One deck cadet has passed the theoretical exam and is now applying for promotion.

Our second cohort of 12 students has completed their first phase onboard. Most of them are in the second phase of their training and have acquired learning and hands-on experience on their assigned ships. Some have seen great

success and received recommendations and evaluations from their respective vessels.

Our third and fourth cohort of students are in college, the former in their senior year and the latter in their first year. They have been immersed in activities that enhance their learning experience, such as sailing, coastal clean-up, community extended activities, school publications, leadership, soft skills training, physical fitness, and curricular and extracurricular activities.

Remarkably, this year held the successful recruitment of the rating program's first and cadetship's fourth cohorts. Our rating trainees successfully onboarded on Teekay Tankers vessels and started their first international career voyage.

In partnership with Teekay and the TK Foundation, our core values and Teekay SPIRIT have been instrumental in supporting disadvantaged youths and training them to become competent officers and future leaders in the maritime industry.





PROMOTING RESPONSIBLE SHIP RECYCLING

In 2009, the IMO adopted the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (Hong Kong Convention), 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 shipowner to join the SRTI.

In 2022, our final FPSO unit, the *Petrojarl Foinaven*, commenced green recycling at M.A.R.S. Europe’s EU-approved facility in the Port of Frederikshavn, Denmark. This facility was chosen based on the results of an independent assessment of the facility against the requirements of the EU Ship Recycling Regulation and the Hong Kong Convention, in addition to our successful experience recycling the *Petrojarl Banff* FPSO unit at this site.

To ensure our standards are met, Teekay’s representatives visit the recycling facility regularly to engage with M.A.R.S., and to monitor health, safety, and environmental performance. To date, recycling has progressed in full compliance with all requirements, and without any significant incidents. Green recycling of the *Petrojarl Foinaven* has progressed on schedule and is expected to be fully completed in the first quarter of 2024.

CYBER SECURITY @ TEEKAY

We manage cyber security 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 cyber security program.

To further enhance our cyber security 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 2023, we continued our organization-wide cyber security 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 cyber security newsletter delivered to all employees.

In 2024, we will further enhance our cyber security awareness program and roll out new solutions in our cyber security roadmap.



National Institute of Standards and Technology (NIST) framework

Cornerstones of our Cyber Security Program

People

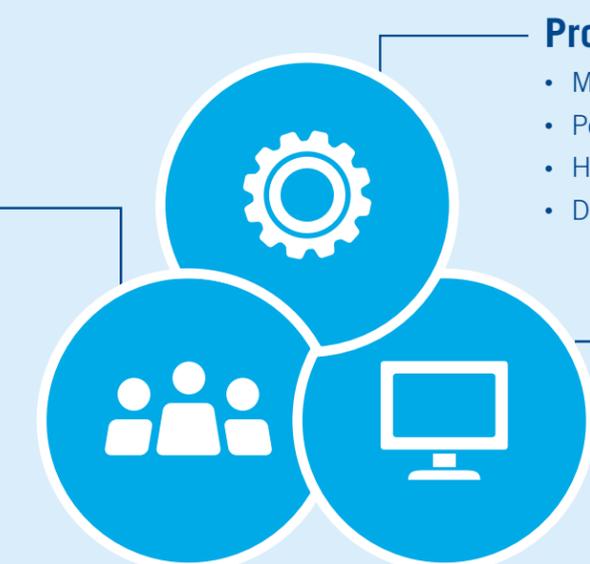
- Cyber hygiene
- Training and awareness
- Professional skills and qualifications
- Written procedures
- Authorization control
- Physical security

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 2023, through various efforts in each of our offices, we supported more than 40 charities and community organizations around the world.

Community Partners Supported in 2023

People and Families in Need

- Movember
- The Trussel Trust Food Bank
- Singapore Breast Cancer Foundation
- Let's Take a Walk
- Epworth Community Services
- Singapore Cancer Society
- Dignity Mama
- Cerebral Palsy Alliance
- Children's Charities Association of Singapore
- Children's Cancer Foundation
- Willing Hearts
- Guide Dogs Singapore
- Darul Ihsan Orphanage
- Houston Food Bank
- Swenke Elementary School
- Brazoria County Dream Center
- Histiocytosis Association
- Batang Sidewalk Ministries
- Philippine Red Cross
- Arunodaya Mitra Mandal
- Young Diggers
- Vision Bermuda
- Elize DoLittle Society
- Friends of Hope Academy
- Bermuda Sloop Foundation
- Greater Vancouver Food Bank
- Variety BC
- Covenant House
- Canadian Guide Dogs for the Blind
- Cat Therapy & Rescue Society
- City2Surf

Seafarer Support

- Singapore MaritimeONE Scholarship
- Seamen's Church Institute
- US Coast Guard Foundation
- Maine Maritime Academy
- Alma Doepel Fund
- Royal Institute of Naval Architects
- The Mission to Seafarers
- International Sailor's Society Canada

Marine Environment

- WWF-Singapore
- Tangaroa Blue Foundation
- Nature Trust of BC
- Vancouver Maritime Museum
- UN Global Compact

SUMMARY OF TARGETS AND PROGRESS

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 2023

- Zero fatalities. One LTI in Teekay Australia fleet.
- TRCF of 1.76 in 2023. Target not met.

Actions for 2024

- Implement electronic record-keeping logbooks across the fleet
- Invest in our people, pursue Goal Zero, and enhance learning and skills
- Promote inclusive collaboration by recognition and appreciation

Teekay's Ambition: Workforce Diversity

Further increase gender and national diversity within Teekay



Targets

- Build awareness to ensure employees feel part of an organization that welcomes differences, provides equal opportunities, and fosters a sense of belonging for everyone.

Results in 2023

- Leadership and culture training focused on values, shared leadership language, and inclusive workplace behaviour
- The Teekay Future Leaders (TFL) program has resulted in 17 female graduates to-date

Actions for 2024

- Continue to build awareness to ensure employees feel part of an organization that welcomes differences, provides equal opportunities, and fosters a sense of belonging
- Deliver Diversity, Equity & Inclusion Education Training to global shore employees

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 2023

- 100% of reported incidents were investigated and closed within 180 days
- Shore staff retention rate of 91%
- Group wide sea staff retention rate of 95%, slightly below target due to Australian seafarer shortage
- Pay equity efforts are ongoing. Pay equity and fairness are evaluated with all compensation-related processes and decisions, and honored by legislation, where required.

Actions for 2024

- Ensure employee awareness of labour and human rights policies and programs
- Train additional Ratings in Teekay Australia to mitigate sea staff shortages

Teekay's Ambition: Health and Wellness

Provide healthy working conditions that promote well-being for employees



Targets

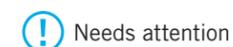
- Health repatriation case frequency (HRCF) for sea-staff ≤1.8

Results in 2023

- Target achieved in 2023. Group-wide HRCF of 1.55
- Wellness Days for shore-based employees in select locations

Actions for 2024

- Continue to support, communicate, and educate on employee health and wellness programs



SUMMARY OF TARGETS AND PROGRESS

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 cyber security breaches

Results in 2023

- Target not met. One vessel security incident was recorded in 2023. Zero cyber security breaches occurred.

Actions for 2024—Ship Security

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

Actions for 2024—Cyber Security

- Further strengthen cyber safe culture 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 ethics training
- 100% of new vendors pre-approved through third-party due diligence process

Results in 2023

- All targets achieved in 2023

Actions for 2024

- Ethics training for shore staff
- Continue to develop our partnership with the Maritime Anti-Corruption Network to focus on managing port corruption risks

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, and achieve net-zero GHG emissions by 2050

Results in 2023

- Emissions intensity has decreased by 27% and 22%, respectively, in the Suezmax and Aframax fleets since 2008. We recognize that ongoing efforts will be needed to achieve our 2030 target.

Actions for 2024

- Continue application of low-friction hull paints for all docking vessels
- Continue installations of FuelOpt system, low leakage valves, low-load boiler operations equipment, and other energy savings devices
- Train ship staff for managing EU ETS and FuelEU Maritime regulations

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
- Continue reducing single-use plastic water bottle consumption onboard

Results in 2023

- All targets achieved.
- Onboard consumption of single-use plastic drinking bottles has been reduced >80% since 2021

Actions for 2024

- Continue ballast water treatment system installation program

Teekay's Ambition: Ship Recycling

Increase transparency and elevate standards in the ship recycling industry



Targets

- Zero regulatory non-compliances
- Regular on-site inspections at any active ship recycling facilities

Results in 2023

- All targets achieved

Actions for 2024

- Complete green recycling of the *Petrojarl Foinaven*
- Continue our support of the Ship Recycling Transparency Initiative (SRTI)



On track



Needs attention



On track



Needs attention

ESG Performance Data – Teekay Group-Wide Consolidated^{7,8}

TOPIC	ACCOUNTING METRIC	UNIT	2021	2022	2023
Greenhouse Gas Emissions	GHG emissions	Metric tons	4,779,487	1,166,344	1,176,254
	Total energy consumed	Gigajoules (GJ)	74,105,536	14,903,181	14,916,591
	Percentage heavy fuel oil	Percentage	32%	76%	78%
	Percentage renewable fuel	Percentage	0%	0%	0%
	Average EEDI for new ships	Grams CO ₂ per ton-nautical mile	No new vessels	No new vessels	No new vessels
Air Quality	Nitrogen Oxide (NOx) emissions	Metric tons	66,173	22,733 ⁹	23,067
	Sulfur Oxide (SOx) emissions	Metric tons	5,515	2,846	3,064
	Particulate Matter (PM) emissions	Metric tons	2,366	1,171	1,249
Marine Ecological Impacts	Fleet implementing ballast water treatment	Percentage	60%	80%	90%
	Number of spills (over 1 barrel)	Number	0	0	0
	Total volume of spills (over 1 barrel)	Cubic Meters	0	0	0
Waste	Total Vessel Waste Generated	Cubic Meters	10,312	3,665	3,610
	> Disposed to shore facilities	Cubic Meters	7,165	2,705	2,533
	> Incinerated onboard	Cubic Meters	2,676	802	896
	> Disposed at sea ¹⁰	Cubic Meters	472	159	181
Safety	Total Recordable Case Frequency	Rate	1.86	2.52	1.76
	Lost Time Injury Frequency	Rate	0.15	0.32	0.11
	Fatalities	Number	0	0	0
	Marine incidents	Number	9	7	3
	Incidents classified as very serious	Percentage	0%	0%	0%
	Conditions of Class	Number	9	4	6
	Port state control deficiencies	Number	32	12	21
	Port state control detentions	Number	0	0	0
Business Ethics	Port calls in 20 lowest ranking countries in Corruption Perception Index	Number	38	37	48
	Monetary losses as a result of legal proceedings associated with bribery or corruption	\$US	\$0	\$0	\$0
Activity Metrics	Shore staff	Number	646	368	335
	Sea staff	Number	4,156	1,901	1,995
	Vessels in total fleet	Number	124	45	53
	Vessels managed by Teekay	Number	86	47	49 ¹¹
	Deadweight tonnage	Thousand DWT	9,135	5,444	5,559
	Total distance traveled by vessels	Nautical miles	6,378,429	2,116,340	2,390,744
	Operating days	Number	32,203	17,862	17,786
	Vessel port calls	Number	3,011	1,947	1,869

⁷ Consolidated data in 2023 includes Teekay Tankers and Teekay Australia, and therefore results may differ from those presented elsewhere in this report.

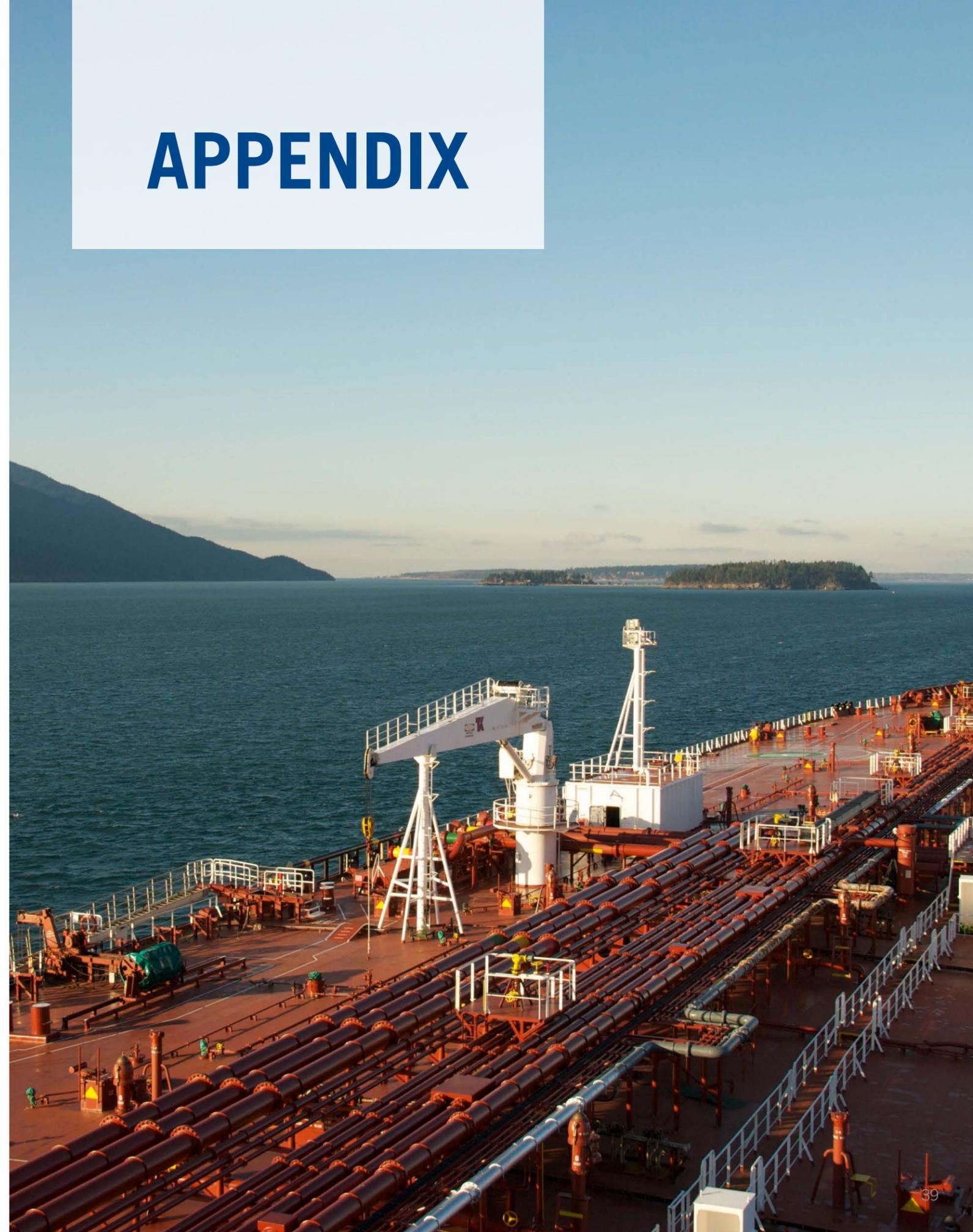
⁸ Historical data for 2021 includes LNG carriers that were formerly part of Teekay LNG (now Seapeak LLC), which was sold in January 2022. Data does not include Teekay Corporation's FPSO units, which were all managed by a third party.

⁹ For 2022 and 2023, NOx and SOx emissions are estimated using improved methods outlined in the Fourth IMO GHG Study and are therefore not directly comparable to earlier estimates.

¹⁰ Food waste and bulk cargo residues which are non-hazardous to the marine environment.

¹¹ Includes eight vessels technically managed by Teekay Australia. Remaining vessels in Teekay Australia are excluded since they are not operated under Teekay's management system.

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, Greenhouse Gas Emissions, Summary of Targets and Progress
	Total energy consumed, percentage heavy fuel oil, percentage renewable	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 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 unavailability of data
	Percentage of fleet implementing ballast water exchange and treatment	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 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 Tankers SASB Disclosures, ESG Performance Data
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	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 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	Teekay Tankers SASB Disclosures, ESG Performance Data
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	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 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)

TOPIC	GRI INDICATOR	DESCRIPTION	REPORT SECTION(S) AND NOTES
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 2022 Teekay Group Sustainability Report
	102-49	Changes in reporting	No change
	102-50	Reporting period	2023 calendar year
	102-51	Date of most recent report	April 11, 2023
	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 Report
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 2023
	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.
- 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 one million-man hours.
- 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 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 Officers) held by women.

BRINGING ENERGY TO THE WORLD WITH TEEKAY SPIRIT

