



TEEKAY



SUSTAINABILITY

Teekay Corporation | Teekay Tankers Ltd.

2022 Report



TEEKAY GROUP | Sustainability Report 2022

About This Report

This is the 13th annual sustainability report for the Teekay Group and covers global operations for the 2022 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. Therefore, data and results presented in this report for the 2022 calendar year do not include Teekay LNG.

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, Environment, and Quality (HSEQ) 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 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 2022, or as of December 31, 2022.

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/

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

We welcome feedback on its contents.

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ABOUT TEEKAY



Established in 1973, Teekay is a leading provider of international crude oil and other marine transportation services. Teekay will celebrate its 50th anniversary in May 2023.

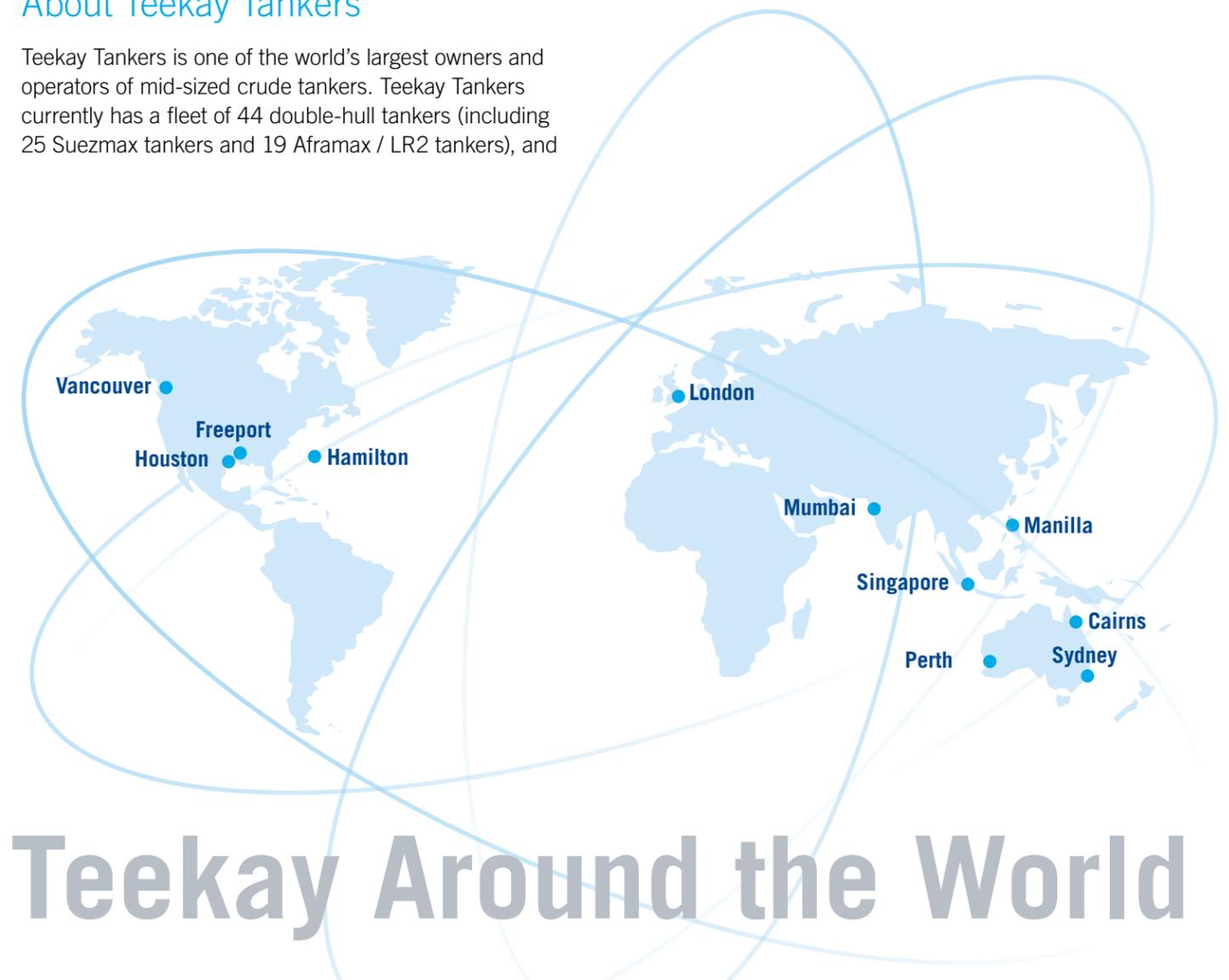
Teekay Corporation (NYSE:TK) provides these services directly and through its controlling ownership interest in Teekay Tankers Ltd. (NYSE:TNK). The consolidated Teekay entities manage and operate approximately 65 conventional tankers and other marine assets, including vessels operated for the Australian 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.

About Teekay Tankers

Teekay Tankers is one of the world's largest owners and operators of mid-sized crude tankers. Teekay Tankers currently has a fleet of 44 double-hull tankers (including 25 Suezmax tankers and 19 Aframax / LR2 tankers), and

also has eight time chartered-in 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 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





CEO LETTER

THIS YEAR MARKS TEEKAY BEING 50 YEARS STRONG. ALTHOUGH MUCH HAS CHANGED THROUGHOUT OUR JOURNEY, THE VALUES TORBEN INSTILLED INTO THE FABRIC OF OUR ORGANIZATION REMAIN TRUE.

—KENNETH HVID
President and Chief Executive Officer, Teekay Corporation

Our business is often shaped by macro events beyond our control. This past year has been no exception. As countries started to transition out of COVID-19, we faced a new economic reality with rising inflation and central banks responding by raising interest rates. This is now having a major impact on businesses and households that had become accustomed to low interest rates over the past decade. In addition, the war in Ukraine has altered our business and the broader energy landscape.

In February 2022, Russia invaded and occupied parts of Ukraine. This invasion, which in addition to having a devastating impact on the people of Ukraine, also acted as a catalyst and amplifier of energy-related and economic factors that will likely cast a shadow for many years to come. Although the global energy transition continues to be a priority, it has become more apparent how vulnerable and dependent the world is on fossil fuels. Specifically, global oil demand further increased this past year, once again reaching 100 mb/d in late 2022. At the same time, the embargo on Russian oil and gas dramatically altered global energy supply dynamics, and resulted in higher commodity prices, higher transportation costs, and a strong increase in tanker tonne-mile demand.

Despite the strong tanker market, there remains many uncertainties related to the future flow of oil, and our expectation is that the events of the past year will further increase the global focus on energy diversification in the near and longer-term. Therefore, Teekay also remains focused on identifying attractive investment opportunities as part of the global energy transition and evolving shipping markets.

Within our own organization, this past year has also seen many changes, and was a year of successful transition. We have now exited the FPSO business with the

commencement of green recycling of our final FPSO unit. In addition, our business in Australia continues to grow, taking on a new government contract, and effectively transforming the business and creating a more valuable platform for future growth. Lastly, following the sale of our gas business, although we are a smaller organization today, our skill sets across the Teekay Group remain strong and our collective horsepower coupled with two strong balance sheets puts us in a great position to continue the evolution of Teekay.

Most proudly, this is an evolution that started many years ago, and this year marks Teekay being 50 years strong. Starting in 1973, under the leadership of Torben Karlshoej, Teekay grew from a small tanker operator into an operational leader and world-leading vessel owner in the conventional shipping market, which has set the foundation for us to become the energy shipping leader we are today. Although much has changed throughout our journey, the values Torben instilled into the fabric of our organization continue to remain true: a focus on the frontline seafarer, a commitment to operational leadership, and a quest for “absolute excellence.” These values are recognized across the Teekay Group and will continue to guide our journey towards a more sustainable company and a more sustainable maritime industry.

Lastly, while external factors have played a significant part in our performance outcome in 2022, our achievements would not have been possible without every member of the Teekay Group continuing to focus on deliverables, working to add value, and always doing the right thing. I would therefore like to thank everyone for their dedication and good work over the past year, and I look forward to working with each of you as we embark on the next 50 years together.

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 2022, we divested our interest in Teekay LNG. This transaction provided 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.

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

Setting Clear Ambitions for Our Top ESG Issues



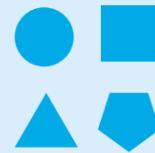
Personal Safety

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

Reduce GHG emissions by 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. 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 Team 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 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, 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 2022, 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 2022, 100% of all shore staff scheduled for integrity training received virtual ethics training. These results were in line with our objective of achieving at least a 95% completion rate.

In 2023, we will continue working with the Maritime Anti-Corruption Network (MACN) to reduce 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 Corporate 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 limited to 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 respect our subcontractors to promote workplaces that are free of human rights violations.
Reference: Third Party Business Ethics Due Diligence Procedure (Internal), Subcontracting with Integrity Policy (Internal)

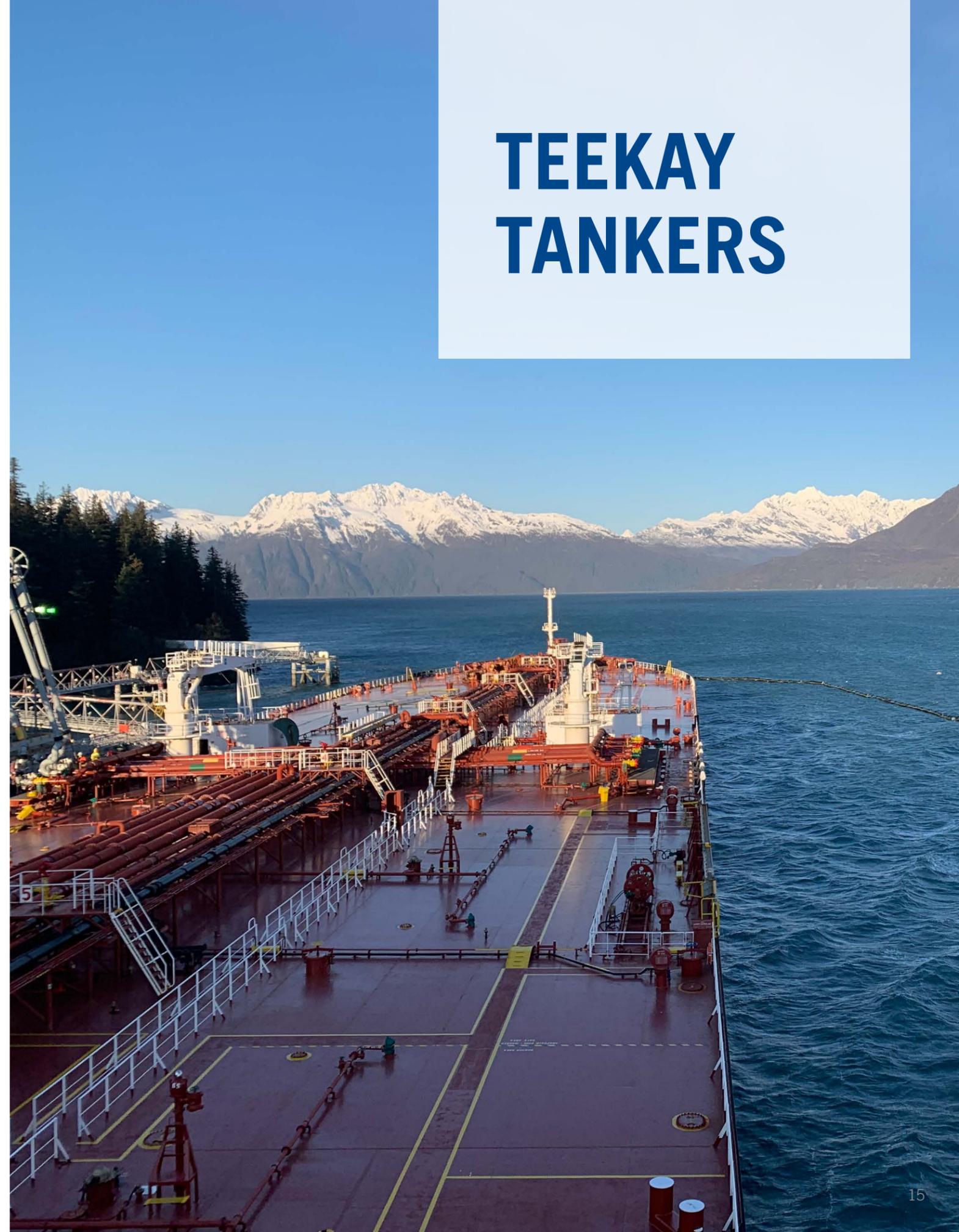
Labour

3. Uphold freedom of association and the right to collective bargaining
We respect the right of employees to join associations and choose representative organizations for the purpose of engaging in collective bargaining in a manner consistent with applicable local laws, rules, and regulations. A significant portion of our seafarers are employed under collective bargaining agreements.
Reference: Standard of Business Conduct Policy, Global Policy on Discrimination and Harassment (Internal), Employee Conduct Policies and Guidelines (Internal), Maritime Labour Convention, and Workplace Behavior Standard (Internal)

4. Eliminate forced labour
5. Eliminate child labour
We have a zero-tolerance approach towards slavery, forced labour, human trafficking, and child labour. We have implemented a program to provide reassurance that modern slavery is not taking place within our company or supply chain.
Reference: Modern Slavery Act Statement, Seafarer Minimum Age Policy (Internal)

6. Prevent workplace discrimination
We are committed to creating a workplace where everyone is treated with respect and dignity. We do not tolerate discrimination or harassment in the workplace or work-related situations, and we investigate any reported violation of our policy.
Reference: Global Policy on Discrimination and Harassment (Internal), Grievance Procedure (Internal), Workplace Behavior Standard, and Onboard Complaints (Internal)

TEEKAY TANKERS





CEO LETTER

OUR JOURNEY TOWARDS OPERATIONAL EXCELLENCE HINGES ON OUR STEADFAST COMMITMENT TO SAFETY.

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

In previous years, I have said that the two most important ESG issues for the tanker and broader maritime industry are to support crew welfare and to continue efforts to reduce greenhouse gas emissions. To this, I would add that vessel owners and operators must remain financially sustainable, in order to provide our customers and the world with reliable access to energy transportation while also providing livelihoods and careers for our employees at sea and on shore. Across Teekay Tankers, we made significant progress on each of these goals this past year, and I'm pleased to share our activities and results in this year's report.

This was also a year in which major and unpredictable events shaped our industry. We entered 2022 with high hopes for a better year for the tanker industry and our company. We assumed that the world would continue to recover from the COVID-19 pandemic, global travel would return, and tankers would recover from the financial challenges endured throughout 2021. However, contrary to our hopes, in the early months of 2022, lockdowns persisted in China, making life a challenge for our Vessel Managers attending to vessel drydockings, travel restrictions still curtailed crew changes in many places, and vessel commercial fixtures remained at levels generally below operating costs.

Then, as is often the case in a cyclical industry, geopolitical events took on a new dimension, and with it came a significant change in trade patterns that upended tanker markets. Rates for mid-sized tankers increased through the rest of the year to unprecedented levels, and in the final quarter of 2022, Teekay Tankers reported its highest ever quarterly adjusted net income. The sharp market improvement in the second half of 2022 enabled us to significantly strengthen our balance sheet, and moving into 2023, we believe Teekay Tankers is ideally positioned to continue benefiting from the strong tanker market, generating significant free cash flow, and creating lasting value for our shareholders.

Although it would be easy to focus only on freight rates, especially when they are at such high levels, I much prefer to focus on the good work put in this past year across the organization to further strengthen our company on several ESG fronts. Our efforts to prepare our fleet for compliance with the new Carbon Intensity Indicator (CII) are well underway,

and we are working to ensure that all our vessels will be fully compliant by the enforcement date at the end of 2023. We are also working with ZeroNorth and DNV to assist in building a CII Predictor Tool that can be used by our commercial teams to position and trade our vessels in an optimal way to enhance our CII ratings. Separately, to reduce our marine environmental impact, we have now installed ballast water treatment systems on 32 vessels in our fleet, and plan to install the remaining systems across our fleet in 2023 and 2024 in full compliance with IMO timelines. In addition, we have continued to make good progress in our ongoing efforts to improve our vessel fuel efficiencies through the adoption of a wide array of energy saving devices and equipment ranging from new lower friction paint treatments to main engine modifications. We have seen good success in piloting several new and exciting projects that will further enhance the fuel economy of our fleet.

I continue to be proud of our ongoing efforts to support employee wellness, equality, and diversity in the shipping industry. In 2021, we participated in the shipping industry Diversity Study Group and have since signed on as members from the beginning of 2022.

Unfortunately, not all performance was acceptable this past year. Two of our colleagues were injured, resulting in two Lost Time Injuries (LTI). Let us not forget that our journey towards operational excellence hinges on our steadfast commitment to safety. To address this, we are leveraging our past experiences and expanding our Fleet Training Officer program to provide enhanced onboard safety training to all our vessels. The program encompasses safety audits and inspections, fostering a stronger safety culture, and scrutinizing the correct usage of personal protective equipment. These measures aim to minimize the risk of injuries and foster a safer and more sustainable work environment for our colleagues at sea.

Finally, as I reflect on the year, I want to thank each and every member of the Teekay Tankers team for putting in another good year and working to make Teekay Tankers a better, stronger and more capable tanker company. I am confident that 2023 will be an even better year for our company, and I look forward to working with you as we continue our Teekay journey into the next 50 years.



PEOPLE AND DIVERSITY

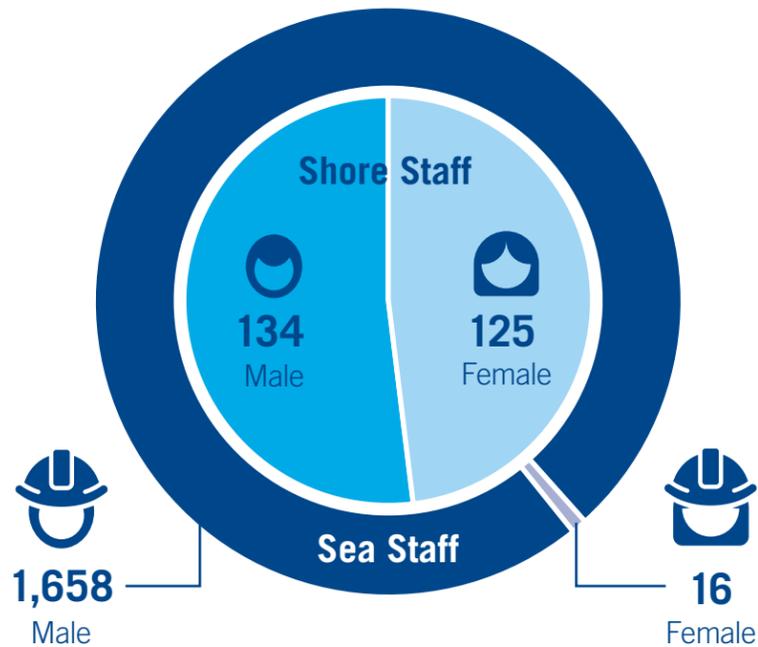
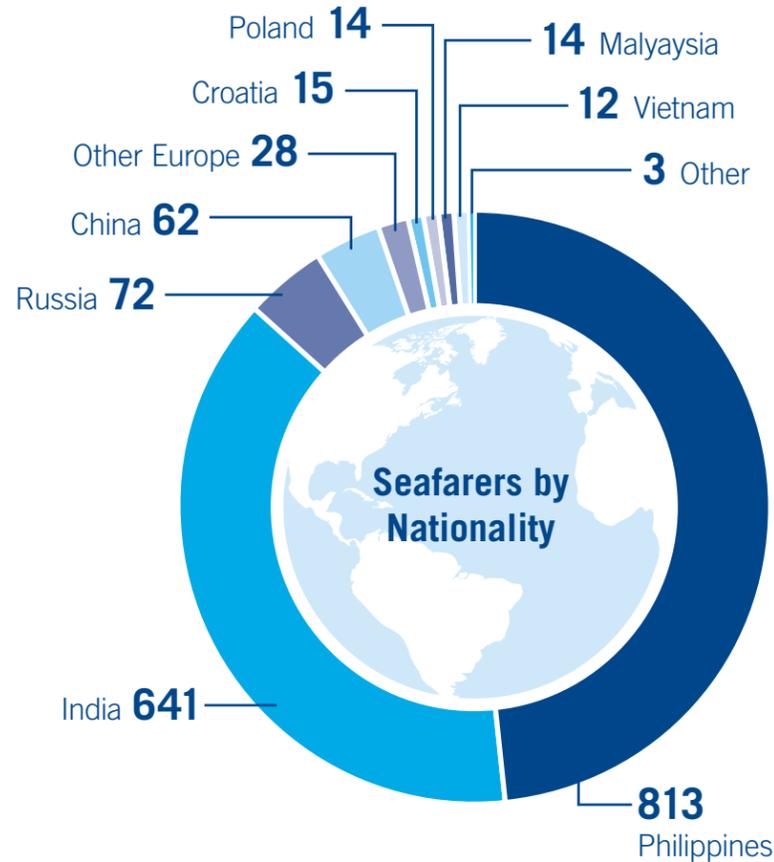
At Teekay Tankers, our vision is to be the world's leading tanker brand and we take pride that the Teekay logo on our funnel is an industry-respected symbol of quality. As a true owner, we manage our vessels directly through in-house ship management, employing over 1,600 men and women aboard our fleet.

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. Since 2021, we have engaged five government sponsored interns (three female and two male) and employed two female maritime studies graduates.

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

2022 Teekay Tankers Employee Facts



¹ Based on the World Bank Country and Lending Groups.

Employee Relations:

Sea staff retention
97.7% Officers
97.1% Ratings

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

100%
 Sea staff covered by collective bargaining agreements

8.7 years
 Average duration of sea staff employment

Social Diversity:

Women in leadership
16% on shore
1.6% at sea

Persons not from high-income countries¹ in leadership at sea

94%

SAFETY AND SECURITY

Safety

In the past year, we made further improvements to our safety management system, such as converting to the Lovoy format for more concise procedures and reducing the size of our system. We also implemented new initiatives like automated management meetings and an integrated audit checklist. We successfully trained our personnel using virtual reality (VR) to improve our lock-out-tag-out procedures.

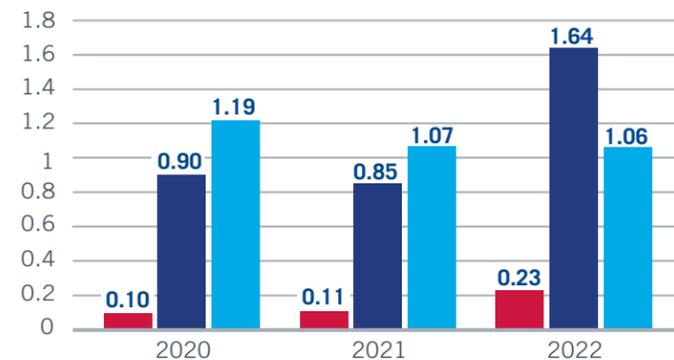
Our Fleet Training Officer program, consisting of three seasoned Masters and two Chief Engineers, remains instrumental in reinforcing onboard training. Our objective is to achieve zero incidents and cultivate an inclusive and empowered team.

Our approach to safe operations encompasses all aspects, including maintaining a system aimed at zero incidents, introducing new safety initiatives and campaigns, and fostering personnel development. By continuously addressing unsafe acts and conditions through our electronic hazard reporting program, we are leveraging technology to break the error chain before an incident occurs.

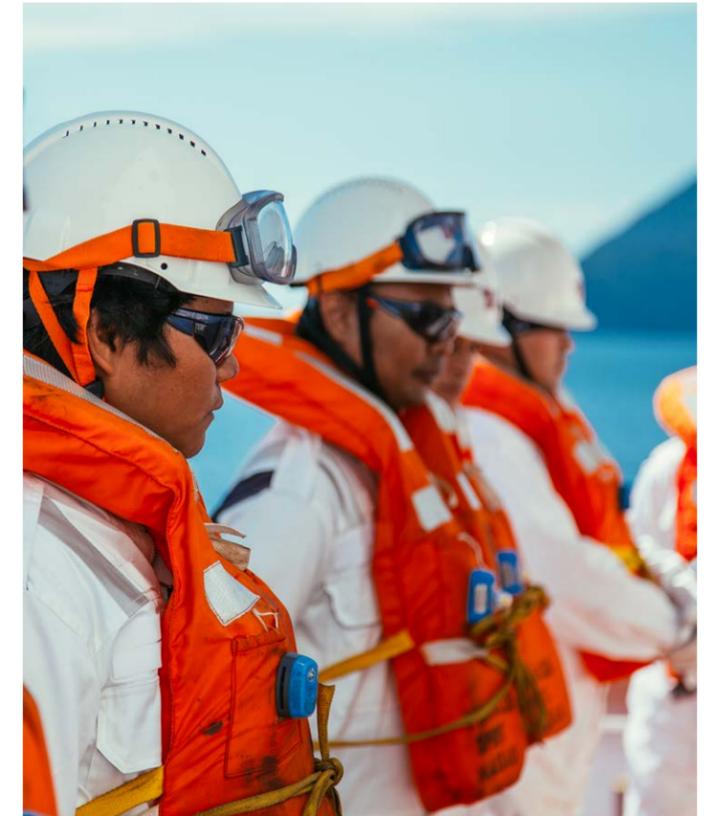
In 2022, four navigational incidents² occurred and were reported in our tanker fleet, which included three minor allisions and one soft-bottom contact. Two further Lost Time Injuries (LTI) were reported. In each case, the incident was thoroughly investigated. The lessons learned from incidents have been incorporated into our safety management procedures, and crews have received comprehensive training to ensure their understanding and implementation of the procedures.

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.



To further address safety, we are leveraging our past experiences and increasing our Fleet Training Officer program to provide onboard safety training to all our vessels. The program encompasses safety audits and inspections, fostering a safety culture, scrutinizing the correct usage of personal protective equipment, and regular updates of our safety policies and procedures to ensure their relevance. These measures aim to minimize the risk of injuries and foster a safer and more sustainable work environment for our colleagues at sea.

In 2023, we are also planning to implement electronic logbooks across the fleet following a successful pilot project. Further steps to strengthen our safety culture will be communicated through sharing of information and best practices in our quarterly Teekay Tankers bulletin, the "TNK SPOT". Lastly, senior leadership engagement with our colleagues onboard is vital, and continuing in 2023, we will ensure fulfillment of our duty of care for our seafarers and support greater leadership from everyone onboard and on shore in Teekay Tankers.



Security

The International Ship and Port Facility Security (ISPS) Code was instituted by the IMO in December 2002 due 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 global security landscape, each vessel in our fleet underwent a comprehensive ship security assessment in 2022 and Ship Security Plans were evaluated to ensure they were 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.

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 2022 with the active participation of all vessels and the IFC (Singapore Navy). The lessons learned from this exercise have been shared and will be utilized in the event of a real emergency.

Security Performance

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

ENVIRONMENT

Greenhouse Gas Emissions

Teekay Tankers continues to invest in energy efficiency. Our entire fleet 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.

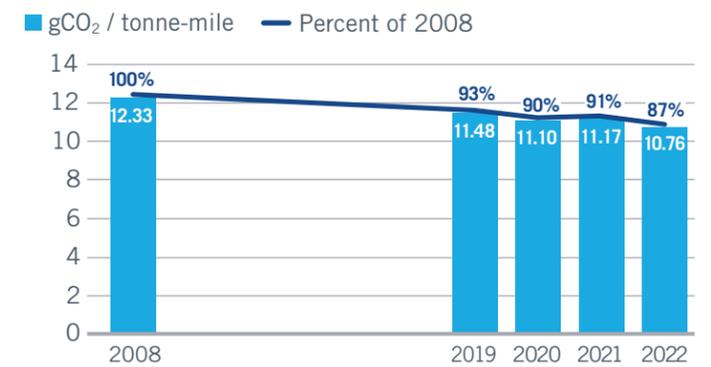
In 2022, we continued rolling out proven energy efficiency measures across our fleet, while also identifying and successfully pilot-testing new innovations that will be implemented in 2023. Overall, these efforts have helped to significantly improve our emissions performance. Since 2008, emissions intensity has decreased 26% in our Suezmax fleet, and 13% in our Aframax fleet. The smaller reduction in our Aframax fleet is due to a larger portion of our Aframax fleet engaged in ship-to-ship lightering services in recent years, which results in higher EEOI values compared to conventional trading patterns.

Teekay Tankers' 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 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.

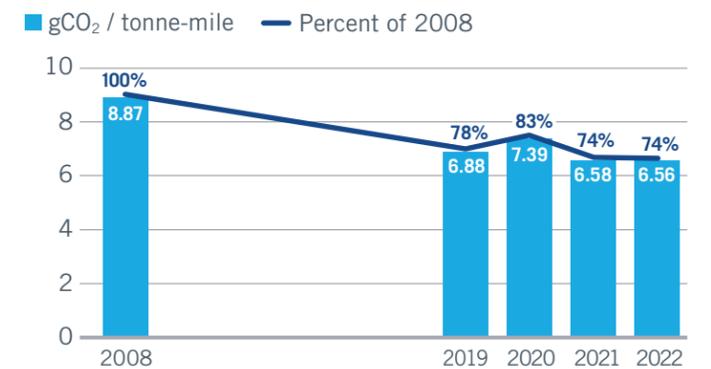
Air Quality

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 2022. 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 International Maritime Organization emissions reduction standards.

Energy Efficiency Operational Indicator (EEOI) Aframax Tankers



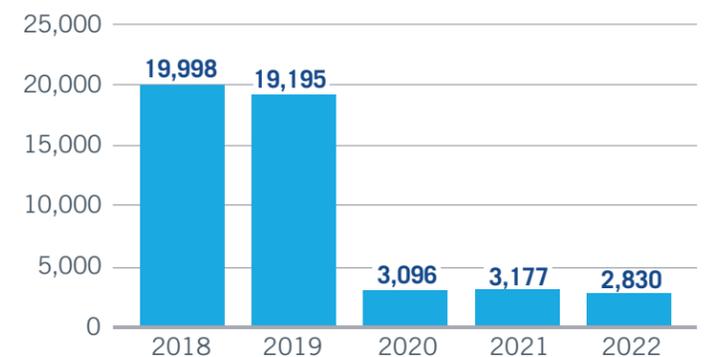
Energy Efficiency Operational Indicator (EEOI) Suezmax Tankers



Average Annual Efficiency Ratio (AER)

| OIL TANKERS | 2020 | 2021 | 2022 |
|-------------|------|------|------|
| Aframax | 5.07 | 5.13 | 5.20 |
| Suezmax | 3.49 | 3.49 | 3.42 |

Tanker Fleet Sulfur Oxide Emissions (SOx Metric Tons)



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 the Carbon Intensity Indicator (CII). The EEXI will require a 20% 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 2023. 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. All documentation pertaining to EEXI / CII and EPL applications has been completed with Class Approvals. The onboard EPL application will be applied and inspected by Class bodies during the vessels' next class surveys. We are working to ensure that all our vessels will be fully compliant by the required enforcement date at the end of 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 also working with ZeroNorth and DNV to assist in building 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 32 vessels in our fleet and the transition to ballast treatment has been effective, without any major issues or concerns during installation or operations. We plan to install treatment systems on another five vessels in 2023 and approximately seven vessels in 2024, which will complete the installation of treatment systems across our fleet in full compliance with IMO required timelines.



Tanker Fleet Energy Efficiency Initiatives in 2022-2023

| INITIATIVES | | EXPECTED SAVINGS PER VESSEL |
|--|---|------------------------------|
| Mewis Ducts | A pre-swirl duct, installed on the majority of our vessels, helps to significantly reduce emissions. | 5 – 7% |
| FuelOpt | The system assists to automatically optimize fuel consumption by maintaining a steady shaft power. Following successful testing on four vessels in 2022, the system is planned to be installed on 15 vessels in 2023. | 3-5% |
| Ultrasonic Cleaning | An ultrasonic propeller cleaning tool has now been 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. Following our successful testing in coordination with Hempel Paint, the tool will be installed on another four vessels in 2023. | 3-5% |
| Variable Frequency Device | VFDs reduce the operating power and electrical load of onboard machinery. Installation is now complete on 27 vessels. No further installations are planned due to the age of remaining vessels. | Up to 1% |
| Silicon 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. Currently all Teekay Tankers vessels have been coated with low-friction silicone paints. | 2% over 5-year docking cycle |
| Main Engine Autotuning | Following the successful upgrades on Rio Spirit to improve main engine efficiency, the project has been extended to one more ship in 2023. | 2% |
| Low Leakages Valves | Installation of low leakage valves in the main engine cooling water system reduces steam consumption in port and will be extended to five vessels during their drydocking in 2023. | 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. | 1% fuel savings in port |
| SeaTrend | The SeaTrend hull and propeller performance monitoring and management tool is now in use on 44 vessels. | Improved monitoring |
| Digital Flowmeters | Digital flowmeter installation has been completed on 43 vessels. | Improved monitoring |
| Voyage, Route and Weather optimization | Work is in progress for testing a suitable platform that would enable further voyage, route, and weather optimizations for our vessels. | 5 to 7% savings |



Teekay Tankers SASB Disclosures

| TOPIC | ACCOUNTING METRIC | UNIT | 2022 | 2021 | 2020 |
|---------------------------|--|---|---------------------|----------------|----------------|
| Greenhouse Gas Emissions | GHG emissions | Metric tons | 1,149,929 | 1,206,936 | 1,351,023 |
| | Total energy consumed | Gigajoules (GJ) | 14,608,731 | 15,292,619 | 17,154,608 |
| | Percentage heavy fuel oil ³ | Percentage | 77% | 77% | 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 | 22,048 ⁴ | 30,951 | 30,946 |
| | Sulfur Oxide (SOx) emissions | Metric tons | 2,830 | 3,177 | 3,096 |
| | Particulate Matter (PM) emissions | Metric tons | 1,163 | 1,400 | Not available |
| Marine Ecological Impacts | Fleet implementing ballast treatment | Percentage | 80% | 52% | 15% |
| | 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 | 0.23 | 0.11 | 0.10 |
| | Marine incidents | Number | 6 | 3 | 6 |
| | Incidents classified as very serious | Percentage | 0% | 0% | 0% |
| | Conditions of class | Number | 3 | 2 | 0 |
| | Port state control deficiencies | Number | 12 | 13 | 10 |
| | Port state control detentions | Number | 0 | 0 | 0 |
| Business Ethics | Port calls in 20 lowest ranking countries in Corruption Perception Index | Number | 37 | 36 | 40 |
| | Monetary losses as a result of legal proceedings associated with bribery or corruption | \$US | \$0 | \$0 | \$0 |
| Activity Metrics | Sea staff | Number | 1,674 | 1,960 | 2,011 |
| | Vessels in total fleet | Number | 45 | 48 | 54 |
| | Vessels managed by Teekay Tankers | Number | 40 | 41 | 46 |
| | Deadweight tonnage | Thousand DWT | 5,433 | 5,675 | 6,111 |
| | Total distance traveled by vessels | Nautical miles | 2,081,789 | 2,179,847 | 2,449,506 |
| | Operating days | Number | 15,394 | 16,684 | 17,694 |
| | Vessel port calls | Number | 1,947 | 2,093 | 2,199 |

³Heavy Fuel Oil and Light Fuel Oil

⁴For 2022, 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.



TEEKAY AUSTRALIA

Vessels Supported 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 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.



ADV Ocean Protector

Ocean Protector is operated under the Royal Australian Naval (RAN) Flag (White Ensign) 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 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.



ABFC Ocean Shield

Ocean Shield became the first RAN vessel with a full civilian crew and technical management by Teekay in Australia. Ocean Shield operates in the Border Force fleet to carry out maritime enforcement activities and counter civil maritime security threats in the northern waters and Southern Ocean around Australia. Teekay provides various operational and Australian crewing services for the vessel.



ADV Reliant

The ADV Reliant is operated under RAN Flag (White Ensign) by a civilian Teekay crew. The vessel provides support to Australia's Pacific nation partners in conjunction with direction from Australia's International Policy division of the Australian government. The main role of the vessel is to provide support to Australia's Humanitarian Assistance and Disaster Response efforts in the Southwest Pacific.



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.



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.



FPSO Ningaloo Vision

Teekay Australia provides an Australian crew for the operation and maintenance of the Ningaloo Vision Floating Production Storage and Offloading (FPSO) vessel. In 2022, at Santos Directors' Environment, Health, Safety, and Sustainability (EHSS) Awards, Teekay Australia was honored with the Contractor of the Year award.



ABF Bay Class Patrol Vessels

Teekay provides in-service support for maintenance of two Australian Border Force Bay Class Cutters called the Roebuck Bay and Storm Bay out of the Norship yard in Cairns, Queensland, Australia. Through the provision of these services, Teekay has greatly enhanced the operational availability of both assets.

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.

In 2022, Teekay Australia celebrated 25 years operating in the Australian maritime environment. During this time, 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. In 2022, the vessel Reliant was added to this contract and into Teekay Australia's management.

In 2022, Teekay Australia launched its new three-year HSSE and QA strategy with key focus areas and strategic objectives. Each objective is underpinned by annual focus areas and associated initiatives, which are implemented annually through the Balanced Score Card via our operational KPIs.



Other notable activities and accomplishments in 2022 include:

- A helicopter winching exercise and towing exercise by Coral Knight in the Torres Strait area
- Renewal of the contract with Santos to provide operation and maintenance crewing services for the FPSO Ningaloo Vision, which Teekay has been providing since 2012
- Relocating the Teekay Sydney office closer to the central business district and our clients, after more than 20 years at our previous location
- Completing five drydockings and a number of extended maintenance periods
- Being awarded Contractor of the Year at the 2022 Santos Directors' Environment, Health, Safety and Sustainability Awards, for crewing work on the Ningaloo Vision FPSO

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.

Engagement with our staff is important in living up to our core value of Teamwork. To support this, Teekay Australia held its 2022 Seafarer Leadership Conference, attended by sea staff of various ranks, as well as some office staff. Due to COVID-19, it had been three years since our last face-to-face conference, and in that time, Teekay Australia's business had changed significantly. Enhancing Operational Leadership was the main focus of the conference, and it was great to see the positive energy that the attendees demonstrated throughout the conference.

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 & Conflict Management training was rolled-out in 2022 to all shore staff, and we also started the rollout to our ships.

In the past year, our shore offices in Sydney, Perth, and Cairns have grown significantly. We currently employ 62 shore employees, a 35% increase from 2021. We also employ 227 permanent Australian seafarers.

HEALTH AND SECURITY

Health and Well-being

Teekay Australia 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 in 2022 we partnered with gyms near our offices to trial physical wellness programs. In 2023, we have several programs planned for both our on 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.

While COVID-19 restrictions have eased over 2022, we acknowledge the continued strain it has put on our employees and their families. 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.

Teekay Australia HSSE & QA Strategy

Health

A mentally and physically healthy workforce

- Psychologically safe workplace
- Mental and physical well-being



Safety

Zero harm

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



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



Security

Protect people, information, and assets

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



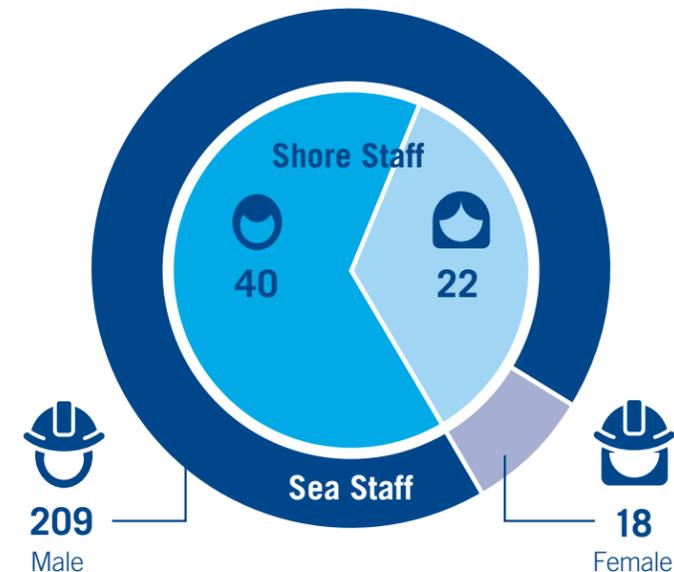
Environment

Prevent pollution and reduce environmental impacts

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



Teekay Australia Employee Facts



GROUP-WIDE INITIATIVES



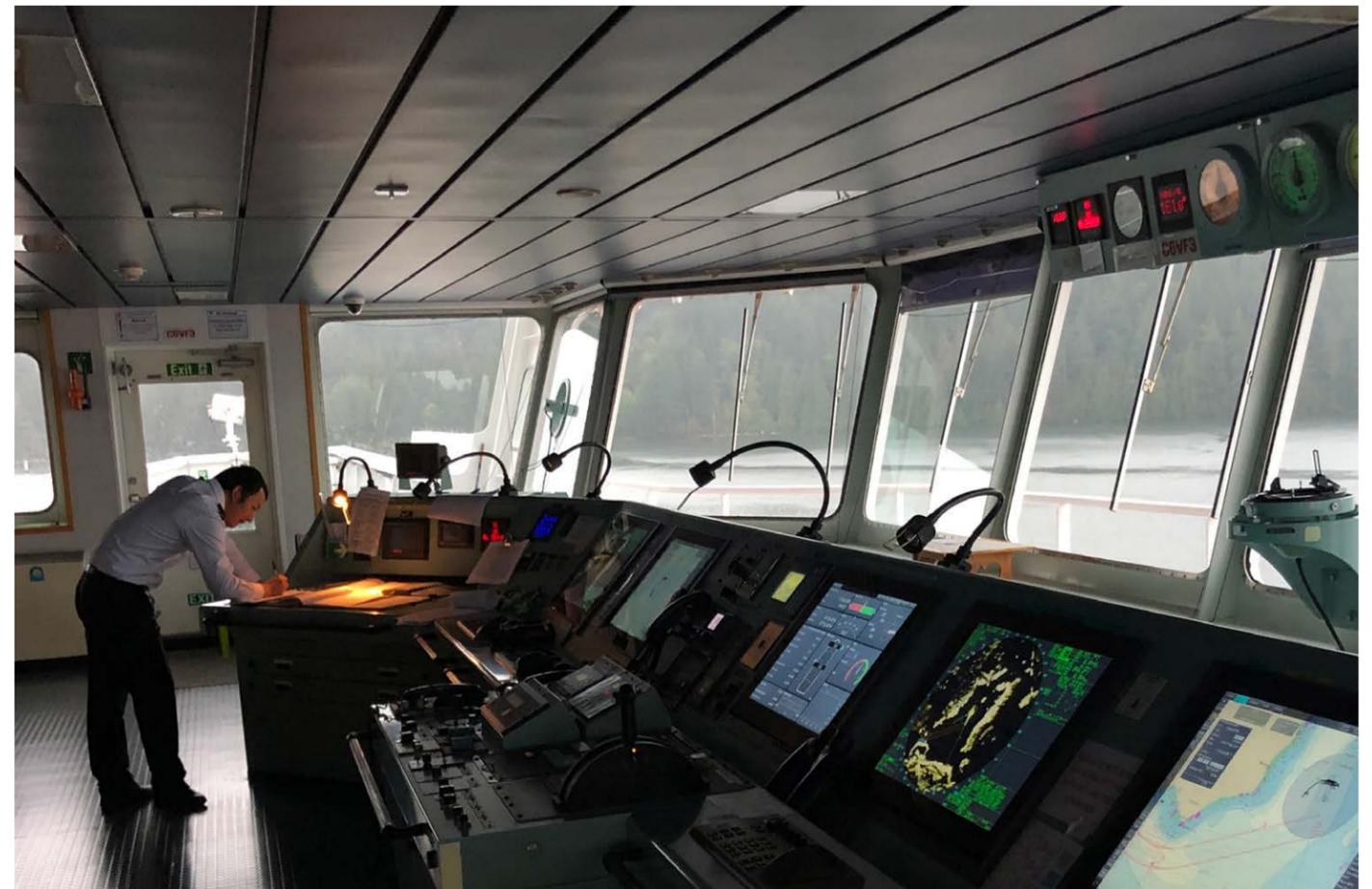
OUR RESPONSE TO COVID-19

Throughout 2022, 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 onboard and ashore.

Most of the COVID-19 restrictions around the world have eased. However, the risk of infection remains, and therefore we continue to implement various precautions, including pre-joining testing.

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 2022, 100% of our seafarers are fully vaccinated with two doses or more.

On shore, Teekay implemented a global hybrid work model to support employee flexibility that allows working both from home and in the office. To support the success of the new model, local workplace flexibility guidelines were implemented. While working in the office, our priority is 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.



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. Over the past few years, we have gained valuable insights on our continued journey to promote a diverse and inclusive workplace. We believe that improving gender balance at the leadership level facilitates better decision making, increases innovation, and improves overall productivity. We continue to see women from our advancement of female leaders pilot program accept increased responsibilities in their respective roles.

In 2023, 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

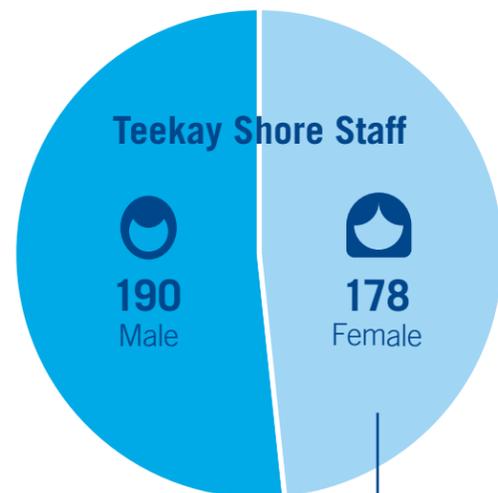
At Teekay, we treat people fairly and respect labour and human rights. We ensure that all our business partners and suppliers follow the same principles. We take all labour and human rights allegations seriously and address all such concerns that are raised regarding our policies.

In 2022, zero allegations were raised. In 2023, we will focus on increasing employee awareness on labour and human rights policies and programs.

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. Throughout 2022, we provided shore employees with several programs, educational resources, and service offerings to support their holistic well-being including physical, mental, social, and financial wellness. In addition, we continue to operate in a hybrid work environment which allows for greater workplace flexibility and work-life balance in support of employee well-being.

Teekay Group Employee Facts



19%
Women in leadership positions on shore



Developing Future Leaders

Teekay and the Teekay Foundation have sponsored 42 students since grants started in 2018.

Our first cohort of 15 students has started to embark on their shipboard cadetship journey. 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 have achieved recognition at their respective companies during their first onboard phase.

Our second cohort of 12 students have completed their three-year academic requirements, which included practical training through a combination of simulators, laboratories, and mentoring to enhance their knowledge and address in-person lessons. They are now ready for deployment as cadets for shipboard training onboard Teekay and our affiliated companies' vessels for shipboard contracts.

Finally, our third cohort of 15 sophomores are proactive in their school's academic and co-curricular activities. They are immersed in activities that enhance them holistically such as sailing, coastal clean-up, community extended activities, school publications, leadership, soft skills enhancement training, physical fitness, and mental health webinars.

In partnership with Teekay and the Teekay 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, 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 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 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. In November 2022, M.A.R.S. completed the successful recycling of the Petrojarl Banff FPSO.

Our final FPSO, the Petrojarl Foinaven, was towed to the M.A.R.S. facility in October 2022 to commence green recycling. Detailed mapping and cleaning of the installation is in progress and recycling is expected to be completed in early 2024.

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.



SUPPLY CHAIN MANAGEMENT

As an organization 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 2022, we achieved this goal with 80% 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 we completed over 240 vendor re-evaluations during 2022.

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. In 2022, we met our goal, having completed 11 audits.

CYBER SECURITY @ TEEKAY

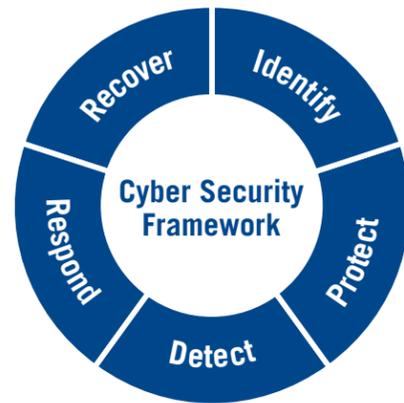
We manage cyber security risks by focusing on the cornerstones of People, Process and Technology, and the application of best practices to each. These pillars define the core of our cyber security program.

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 2022, 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. In addition, this past year, we engaged a third-party to conduct a comprehensive

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

In 2023, 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 2022, through various efforts in each of our offices, we supported more than 30 charities and community organizations around the world.



Community Partners Supported in 2022

People and Families in Need

- Save the Children
- Dignity Mama
- Race Against Cancer
- Breast Cancer Foundation
- Hope Initiative Alliance - Migrant Workers
- Epworth Community Services
- Cerebral Palsy Alliance Singapore
- Let’s Take a Walk - Raleigh Singapore
- Houston Food Bank
- Women’s Center of East Texas
- Muscular Dystrophy Association
- Young Focus Philippines
- Back to School Community Outreach
- Trek4Kidz
- Alma Doepel Foundation
- Young Diggers
- Lady Cubitt Compassionate Association
- Variety - the Children’s Charity
- Covenant House
- Greater Vancouver Food Bank
- Canadian Red Cross Ukraine Relief
- Canadian Red Cross BC Flood Response
- Backpack Buddies
- Trussell Trust Food Bank
- Histiocytosis Association
- Eliza DoLittle Society



Seafarer Support

- Seamen’s Church Institute
- Bermuda Sloop Foundation
- Mission to Seafarers
- Coast Guard Foundation



Marine Environment

- Waterways Watch Society
- Tangaroa Blue Foundation
- Nature Trust of British Columbia
- Vancouver Maritime Museum
- Foundation for the Global Compact
- Royal Institution of Naval Architects
- Clear Seas Indigenous Internship



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 2022

- Zero fatalities
- TRCF of 2.52 in 2022. Target not met. Twenty-four recordable cases occurred in 2022, compared to our target of ten cases or fewer

Actions for 2023

- Implement electronic record-keeping logbooks across the fleet
- Promote the vision to achieve “Goal Zero”
- 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 2022

- 100% of reported incidents were investigated and closed within 180 days
- Sea staff retention of 97.4%
- Shore staff retention target not met. Retention dropped to 85%, due to employee resignations following organizational changes and a more competitive job market
- Pay equity efforts are ongoing. Annual compensation reviews include internal and external equity evaluations

Actions for 2023

- Ensure employee awareness of labour and human rights policies and programs
- Continue ongoing pay equity efforts through internal and external equity evaluations

Teekay's Ambition: Workforce Diversity

Further increase gender and national diversity within Teekay



Targets

- Develop a diversity strategy and target in 2022 to further promote gender and national diversity within Teekay

Results in 2022

- Due to organizational changes, Teekay's diversity strategy was not developed as planned in 2022. Instead, our goal in 2023 is to continue building awareness to ensure employees feel part of an organization that supports diversity.
- The Teekay Future Leaders (TFL) program has resulted in 11 female graduates to-date
- Teekay Tankers engaged one female and one male intern in 2022

Actions for 2023

- Build awareness to ensure employees feel part of an organization that welcomes differences, provides equal opportunities, and fosters a sense of belonging for everyone.
- 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 2022

- Target achieved in 2022. Group-wide HRCF of 1.05
- Launched Wellness Days for shore-based employees in select locations

Actions for 2023

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



On track



Needs attention

SOCIAL AND GOVERNANCE

Teekay's Ambition: Vessel and Cyber Security

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



Targets

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

Results in 2022

- All targets achieved in 2022
- There were no vessel security or cyber security incidents in 2022

Actions for 2023—Ship Security

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

Actions for 2023—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 2022

- All targets achieved in 2022

Actions for 2023

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



On track



Needs attention

SUMMARY OF TARGETS AND PROGRESS

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 2022

- Emissions intensity has decreased by 26% and 13%, respectively, in the Suezmax and Aframax fleets since 2008
- Further installation of Mewis Ducts, low leakage valves, and FuelOpt system
- Successful test of ShipShave hull cleaning tool

Actions for 2023

- Continue application of low-friction hull paints for all docking vessels
- Further installations of Mewis Ducts, FuelOpt system, and low leakage valves
- Installation of ShipShave hull cleaning tool
- Auto-pilot system modifications to reduce fuel consumption
- Testing platform for improved voyage, route, and weather optimizations

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 2022

- All targets achieved
- Onboard consumption of single use plastic drinking bottles was reduced by 84% in 2022, and usage in Teekay offices has been eliminated.

Actions for 2023

- 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
- At least one on-site inspection per month of any active ship recycling facilities

Results in 2022

- All targets achieved in 2022

Actions for 2023

- Continue engagement with M.A.R.S facility for the green recycling of the Petrojarl Foinaven FPSO
- Continue our support and engagement on the Ship Recycling Transparency Initiative (SRTI) Steering Committee



On track



Needs attention

ESG Performance Data – Teekay Group-Wide Consolidated^{5,6}

| TOPIC | ACCOUNTING METRIC | UNIT | 2022 | 2021 | 2020 |
|---------------------------|--|---|---------------------|----------------|----------------|
| Greenhouse Gas Emissions | GHG emissions | Metric tons | 1,166,344 | 4,779,487 | 4,931,052 |
| | Total energy consumed | Gigajoules (GJ) | 14,903,181 | 74,105,536 | 76,333,279 |
| | Percentage heavy fuel oil | Percentage | 76% | 32% | 33% |
| | 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 | 22,733 ⁷ | 66,173 | 99,569 |
| | Sulfur Oxide (SOx) emissions | Metric tons | 2,846 | 5,515 | 5,144 |
| | Particulate Matter (PM) emissions | Metric tons | 1,171 | 2,366 | Not available |
| Marine Ecological Impacts | Fleet implementing ballast water treatment | Percentage | 80% | 60% | 35% |
| | 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 | 3,665 | 10,312 | 10,573 |
| | > Disposed to shore facilities | Cubic Meters | 2,705 | 7,165 | 7,374 |
| | > Incinerated onboard | Cubic Meters | 802 | 2,676 | 2,718 |
| | > Disposed at sea ⁸ | Cubic Meters | 159 | 472 | 480 |
| Safety | Total Recordable Case Frequency | Rate | 2.52 | 1.86 | 0.86 |
| | Lost Time Injury Frequency | Rate | 0.32 | 0.15 | 0.05 |
| | Fatalities | Number | 0 | 0 | 0 |
| | Marine incidents | Number | 7 | 9 | 14 |
| | Incidents classified as very serious | Percentage | 0% | 0% | 0% |
| | Conditions of Class | Number | 4 | 9 | 9 |
| | Port state control deficiencies | Number | 12 | 32 | 29 |
| | Port state control detentions | Number | 0 | 0 | 0 |
| Business Ethics | Port calls in 20 lowest ranking countries in Corruption Perception Index | Number | 37 | 38 | 45 |
| | Monetary losses as a result of legal proceedings associated with bribery or corruption | \$US | \$0 | \$0 | \$0 |
| Activity Metrics | Shore staff | Number | 368 | 646 | 666 |
| | Sea staff | Number | 1,901 | 4,156 | 4,719 |
| | Vessels in total fleet | Number | 45 | 124 | 133 |
| | Vessels managed by Teekay | Number | 47 ⁹ | 86 | 92 |
| | Deadweight tonnage | Thousand DWT | 5,444 | 9,135 | 9,891 |
| | Total distance traveled by vessels | Nautical miles | 2,116,340 | 6,378,429 | 6,494,560 |
| | Operating days | Number | 17,862 | 32,203 | 31,913 |
| | Vessel port calls | Number | 1,947 | 3,011 | 3,077 |

⁵ Consolidated data in 2022 includes Teekay Tankers and Teekay Australia, and therefore results may differ from those presented elsewhere in this report.

⁶ Historical data for 2021 and 2020 includes 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 were all managed by a third party.

⁷ For 2022, NOx, SOx, and PM emissions are estimated using improved methods outlined in the Fourth IMO GHG Study and therefore are not directly comparable to earlier estimates.

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

⁹ Includes seven vessels technically managed by Teekay Australia. Remaining vessels in Teekay Australia are excluded since they are not operated under Teekay's HSEQ 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

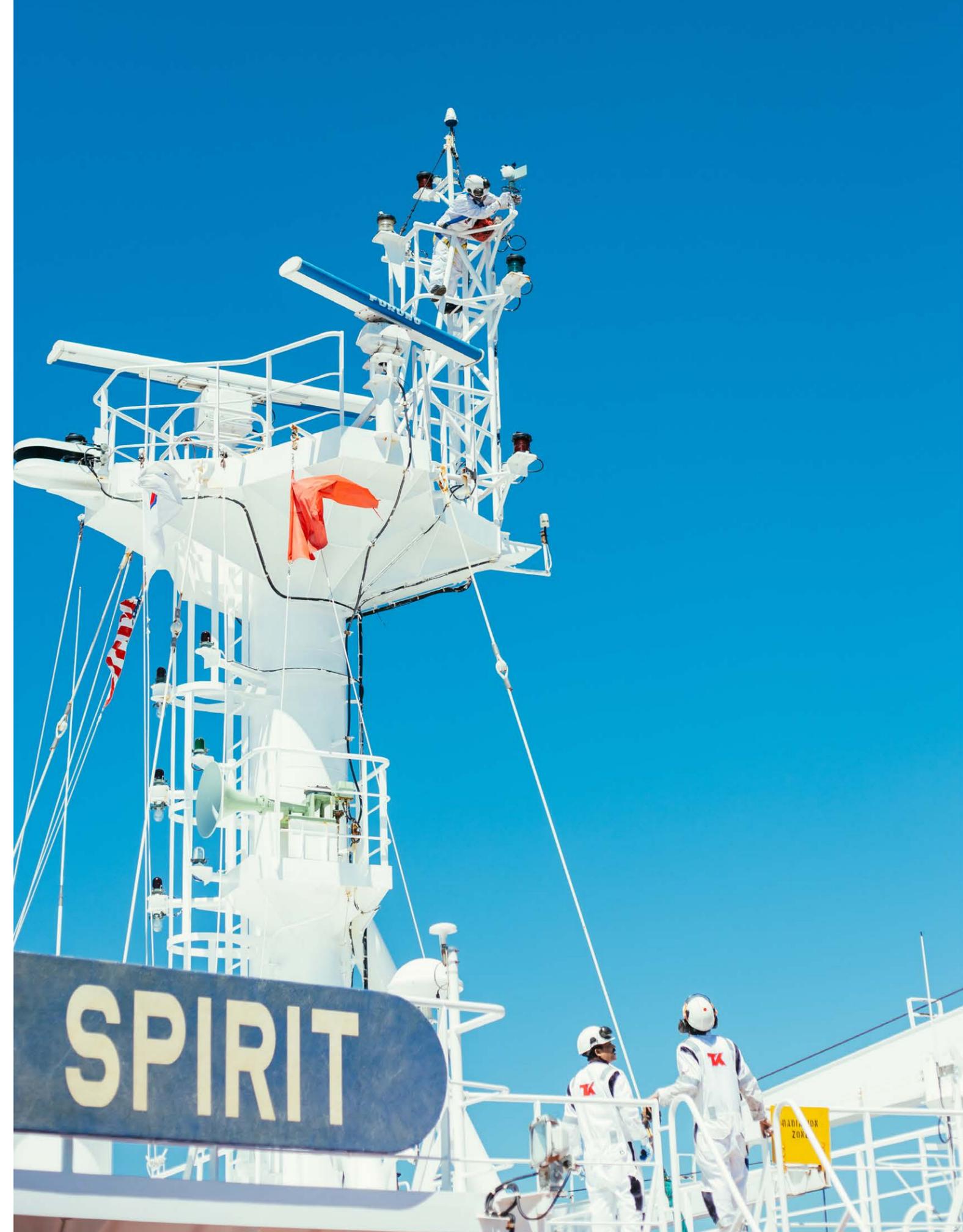
| TOPIC | GRI INDICATOR | DESCRIPTION | REPORT SECTION(S) AND NOTES |
|------------------------|---------------|--|--|
| Organization Profile | 102-1 | Name of the organization | About Teekay |
| | 102-2 | Activities, brands, products, and services | About Teekay |
| | 102-3 | Location of headquarters | 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)

| | | | |
|------------------------|-----------------|---|--|
| 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 2021 Teekay Group Sustainability Report |
| | 102-49 | Changes in reporting | No change |
| | 102-50 | Reporting period | 2022 calendar year |
| | 102-51 | Date of most recent report | April 6, 2022 |
| | 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 |
| 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 2022 |
| | 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

