

Sustainability Update 2018






Sustainability in action



About Maersk Tankers

- Operates one of the world's largest fleets of product tankers
- Founded in 1928
- Signatory to the UN Global Compact
- Member of the Maritime Anti-Corruption Network (MACN)
- Green Award certified for oil and chemical
- Founding member of the High Impact Low Frequency Maritime Risk Management (HiLo MRM)

Maersk Core Values

-  **Constant care**
Take care of today, actively prepare for tomorrow
-  **Humbleness**
Listen, learn, share, give space to others
-  **Uprightness**
Our word is our bond
-  **Our employees**
The right environment for the right people
-  **Our name**
The sum of our values, passionately striving higher

For more information:
www.maersktankers.com

Sustainability contact:
sustainability@maersktankers.com

Sustainability Priorities 2017-2019

Summary of Priorities



Safety

We ensure the safety of our employees and contractors, assets and protection of the environment.

Why this matters:

Safety relates to personal safety, operational safety and security, and we are responsible for carrying out our business efficiently and incident free.



Regulatory

We are exploring technology and fuel options to ensure a costeffective compliance.

Why this matters:

Compliance with regulations requires investment and commitment, which should be shared equitably between all stakeholders in the industry.



Environment

We reduce the environmental impact of our operations by reducing CO2 and other harmful emissions.

Why this matters:

Climate change affects everyone, and we have a part to play by doing business in a way that minimizes our environmental impact.



Responsible Business

We uphold our values and protect our name. Responsible business relates to anti-corruption, responsible procurement and respect for labour and human rights.

Why this matters:

This benefits the environment and the social fabric of society.

Safety

Personal Safety, Operational Safety and Security
We are committed to achieving excellence in health, safety, security and environmental (HSSE) performance. This means achieving our goals of zero accidents and incidents and ensuring that safety remains a top priority for Maersk Tankers.

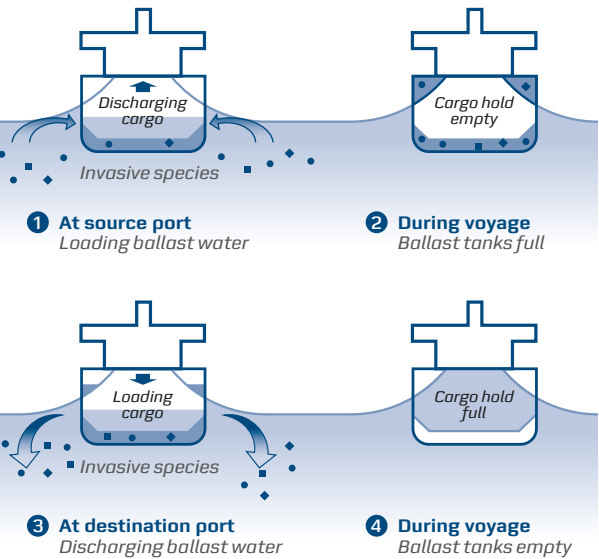
We encourage an open dialogue and proactive feedback throughout the company in all HSSE matters, which includes promotion of innovative solutions to traditional safety issues. In this regard, we will continue to develop our digital capabilities and our involvement in data sharing projects. These initiatives will create leading indicator tools that supplement our current safety tools.

All Maersk Tankers employees are empowered to intervene to prevent hazardous situations from developing. It is our responsibility to protect ourselves and our colleagues from harm.

Safety underpins our overall company strategy; keeping people, assets and cargoes safe.

Utilizing
Power BI
for trending and analysis

Regulatory



Spread of harmful aquatic (invasive) organisms

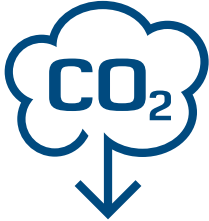
Rules and Regulations
The Ballast Water Management Convention, which entered into force on 8th September 2017, sets out the regulations which vessel operators must follow to prevent the spread of harmful aquatic organisms from one region to another. In accordance with the Convention, Maersk Tankers is in the process of ensuring its vessels are equipped with the necessary equipment to meet the standard. Retrofitting the vessels with the equipment will commence in 2019.

The Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships and the EU Ship Recycling Regulation both require that an inventory of hazardous material is maintained on board vessels. Whilst the Convention has not yet been ratified, the EU compliance deadline is set for the 31st of December 2020. Maersk Tankers has proactively begun work on ensuring the vessels comply with both regulations prior to the EU compliance deadline.

Environment

Fuel Efficiency and Emissions
Maersk Tankers continuously seeks to improve vessel efficiency, while reducing cost as well as CO2 emissions. Backed by a new way of using data we are optimising vessel fuel consumption and hull cleaning, amongst other initiatives. Additionally, linking market rates, bunker prices and weather conditions helps to determine the right speed for the vessels, which will also have a positive CO2 impact.

The vessels in our newbuilding programme will see further efficiency improvements, e.g. optimisation of the auxiliary engine consumption. For this, we have received the Maritime Singapore Green Ship Award. Further, Maersk Tankers, along with partners Norsepower, ETI and Shell, has installed two 30-metre tall rotor sails on an LR2 product tanker vessel, targeting a reduction in fuel consumption and associated emissions of 7-10% on typical global shipping routes. Testing has commenced.



Environmental Compliance
Maersk Tankers persists in reiterating and enforcing its compliance culture amongst its employees, both at sea and shore. The above is crucial as Maersk Tankers continues to advocate for a level playing field amongst relevant stakeholders.

An example is a push from the industry (via IMO) for the ban on the carriage of non-compliant fuel (unless the vessel uses alternate means to comply) by vessels once the 0.50% global sulphur cap comes into effect on 01 January 2020. This, for ease of enforcement and to ensure compliance by all parties. This proposal is on its way to becoming a requirement.

Responsible Business

Anti-Corruption
Maersk Tankers has a zero-tolerance policy towards corruption and demonstrates this through its membership of the Maritime Anti-Corruption Network (MACN), which works towards eliminating corruption and enabling fair trade in the maritime industry. To that end, we have implemented a Zero Facilitation Payment (FP) Policy on 1 October 2017. Due to the tremendous efforts of our vessel Masters, the number of facilitation payments has been significantly reduced since the policy was introduced.

Any demands, harassment or suspicion for bribes or facilitation payments will continue to be escalated and reported to appropriate authorities and industry bodies.

Responsible Procurement
Maersk Tankers works with in a large and complex network of suppliers world-wide. We ensure direct and indirect suppliers take a responsible approach towards people, environment and assets, in accordance with our own and international standards.

In 2018, the priority is to revise the existing responsible procurement programme to further identify improvements and ways to strengthen the engagement with suppliers. This includes reviewing and confirming high-risk categories and respective approaches, while exploring higher internal involvement for on-site audits.

Labour and Human Rights
Maersk Tankers complies with the Maritime Labour Convention and Principles of Global Labour Relations.

Whilst supporting the basic principles of the International Labour Organisation (ILO), we are working to integrate the principles in the supply chain by providing policies and guidance to strategic suppliers.

Seeking sustainable solutions



Our commitment to sustainable and responsible business remains steadfast. In accordance with our policy, our implementation of Zero Facilitation Payments is well underway thanks to a tremendous effort by the sea and shore staff.

We will continue to unlock growth for societies and our business through facilitating the trade of energy. In this, we are continuously exploring and developing new ways that can help us conduct our operations in a sustainable and responsible manner.

Christian M. Ingerslev
CEO of Maersk Tankers

Dear Reader,

The 2018 Maersk Tankers Sustainability Update comes at a time when the shipping industry must find solutions to large and complex environmental challenges such as how to limit CO2 emissions and deal with new sulphur regulations. We welcome these proposed changes and believe that a global set of rules will provide a level playing field for us as vessel operators.

For example, the 2020 Global Sulphur Cap will impact the cost of bunkers substantially. We are evaluating options to mitigate this cost while remaining committed to the environmental benefit this will bring. The way forward will be an effective and consistent enforcement of the regulations across the industry.

The safety of people, environment and assets continue to be at the forefront of our operations. Therefore, we will also continue to demand the highest standards for safety to continuously strengthen our own and the industry's safety performance.