

Environmental, Social & Governance Disclosure 2020



Introduction

In 2020, the COVID-19 pandemic acutely affected the shipping industry. Nonetheless, when faced with these additional challenges, the team at International Seaways made further progress on our ESG journey by continuing to reduce our environmental footprint, prioritizing the safety of our colleagues, crew, and operations, and being a leading example of good governance and diversity.

In all that we do, safety is our priority. This is embedded in our core principles and is repeatedly reinforced to our colleagues, both shoreside and seafaring. The year 2020 brought with it heightened challenges for safe operations. We met these challenges as we do any uncertain condition: with an abundance of caution, careful forethought, and prudent safeguards.

Our core principles also emphasize continuous improvement, and this report builds on last year's work

in explaining our efforts to support our team. In 2019 we disclosed our inaugural ESG report, including data on emissions. In this report, we further explain how to interpret multi-annual disclosure and targets and provide 2020's metrics. We believe this will assist stakeholders in being better informed and therefore better able to hold us to account.

During this past year, many colleagues replaced in-office hours with remote working. This changing interaction with work duties tested our information systems and procedures. We are, however, pleased that the strong governance principles on which our business has been built remained intact. While managing the uncertainties that arose during 2020, International Seaways remained a leading company in the industry and operated successfully across the globe without delay or disruption.



719
Shipboard Employees
As of 31 Dec 2020
(TR-MT-000.A)



36
Vessels in Fleet
33 Owned
(TR-MT-000.E)



5
Shoreside Locations
Worldwide

A Message from Our CEO



Lois Zabrocky
President/CEO

At International Seaways we are strongly committed to both advocating for and implementing leading environmental, social and governance (ESG) practices. During 2020, we continued to enhance our many ESG-related efforts while simultaneously taking steps to ensure the safety of our employees and the continuity of our operations.

We faced a number of unexpected challenges in 2020 relating to the COVID-19 pandemic. However, our adaptability and our resilience helped us manage these challenges effectively. Throughout the first year of the pandemic, we strove to ensure the continued safety of our employees, both onboard, and on shore.

Our seafarers are critical to our success. I am proud that through hard work and close partnerships with our technical managers we managed to keep our vessels free from infection throughout the entire year.

Crew changes presented another challenge for us. We, like many others in the industry, were required to address disparate and quickly-changing regulations as we sought to bring seafarers on and off of vessels. Our ships are manned by crew from more than seven different countries, all of which had different standards to which we needed to comply, as well as the regulations in force at various embarkation ports. We were able to work with those authorities to minimise the number of seafarers who were expected to serve for unexpectedly long periods of time.

These efforts also highlighted our efforts to build close and cooperative relationships with our key operational stakeholders. Our customers, our suppliers, and the whole seafaring community joined together to emphasise to international governments and regulators the importance of seafarers to the global economy. It was imperative

to ensure that all seafarers, regardless of nationality or employer, were treated justly and that collaborative solutions were found to issues that affect us all.

It is a core part of our culture to treat employees with dignity and respect and to maintain a safe, healthy and secure working environment. The challenges that we faced during the first year of the pandemic were significant, but we continued to meet – and where possible and appropriate, exceed – the regular standards governing our industry. While those standards were in flux throughout the year we did not back down.

At the same time, other ESG-related matters continued to impact our business. We are in the business of transporting crude oil and petroleum products in a maritime industry that is a significant contributor to global emissions. Environmental rules and regulations have been an area of particular focus in recent years, specifically those addressing decarbonization, enhancing vessel fuel efficiency and GHG emission reduction. We continue to believe that the collaborative spirit that enabled us to address various pandemic-related issues is the same spirit that will bring together all stakeholders to help solve the environmental issues we face.

Finally, none of this would be possible without the support of our Board and senior management. As I have said before, our ambition to excel and our commitment to progress in all areas starts at the top. Our board was fully engaged and supportive of our ESG efforts in 2020, and senior management continues to ensure we are open and transparent for the benefit of our investors and other stakeholders.

Prior to the pandemic, I would not have anticipated that our second ESG report would address such a changed world. However, I believe we have met the challenges we faced in 2020 and I look forward to continuing to update you regularly as we build on our progress in 2021 and beyond.



DWT

6,074,686

Deadweight Tonnage
(TR-MT-000.D)



1,946,275

Total Miles Travelled
Owned Vessels
(TR-MT-000.B)



13,041

Operating Days
Owned Vessels or Bareboat
Chartered-in (TR-MT-000.C)

2020 Key Metrics

	Key Metric	SASB Reference	2019 Data	2020 Data
Environmental#	CO ₂ Emissions	[TR-MT-110a.1]	1,192,801 t CO ₂ -e	1,053,451 t CO ₂ -e
	Total Fleet Energy Consumption	[TR-MT-110a.3]	15,975,560 GJ ¹	14,057,887 GJ
	Total Pollutant Emissions	[TR-MT-120a.1]	NO _x : 34,168 mt SO _x : 16,374 mt PM ₁₀ : 2,938 mt	NO _x : 30,053 mt SO _x : 11,347 mt PM ₁₀ : 2,498 mt
	Number and Aggregate Volume of Spills and Releases to the Environment	[TR-MT-160a.3]	Spills: 2 Volume: 1.1 m ³	Spills: 0 Volume: 0 m ³
	% of Fleet using Exhaust Gas Cleaning Systems	Further Disclosure	0%	27%
	% of Fleet using Low-Sulphur Fuel Oil	Further Disclosure	100%	73%
	Fleet AER ²	Further Disclosure	3.12 gCO ₂ /(MT-nm)	3.04 gCO ₂ /(MT-nm)
	Fleet SSI (AER) ³	Further Disclosure	1.02	0.99
	Fleet EEOI	Further Disclosure	6.64 gCO ₂ /(MT-nm)	5.22 gCO ₂ /(MT-nm)
	Fleet SSI (EEOI)	Further Disclosure	1.25	1.18
Social	Lost Time Incident Rate	[TR-MT-320a.1]	0.45	0.45
	Bribery and Corruption Charges	[TR-MT-510a.2]	\$0	\$0
	Total Number of Marine Incidents % Classified as Very Serious	[TR-MT-540a.1]	3 / 0	0 / 0
	Number of Conditions of Class or Recommendations	[TR-MT-540a.2]	0	0
	Number of Port State Control Deficiencies and Detentions	[TR-MT-540a.3]	43 / 1	43 / 0
Governance	Number of Shipboard Employees ⁴	[TR-MT-000.A]	1,623	719
	Number of Shoreside Employees	Further Disclosure	43	45
	Board Makeup (M / F%)	Further Disclosure	78 / 22	78 / 22
	Snr. Management Makeup (M / F%)	Further Disclosure	83 / 17	83 / 17

Emissions data considers only owned vessels.

¹ Because of a calculation error, this number had been previously published as 13,723,272 GJ in the 2019 ESG Report.

² The fleet AER calculation method was adjusted from 2019 to 2020 to align with MEPC Circ. 684. The 2019 Emissions Data Report has a fleet AER of 3.56.

³ Compared to Poseidon Principles V. 3.0: 2019 – 1.06; 2020 – 1.06.

⁴ As of 31 December.

Goals & Ambitions

International Seaways transports energy to customers around the world. Our stakeholders trust us to do this safely and efficiently. The world is entering a phase of energy-source transition – we are proud to play our part as a safe, reputable, and accountable actor throughout this coming period.

As the shipping industry continues down this transition, we believe that it is our duty as an industry leader to demonstrate what is expected of a best-in-class operator and how we can keep improving. Without cooperation among industry participants, no innovation or broad change is likely to be achievable. As members of the shipping industry, we must continue to prove to stakeholders that shipping will play its part, whatever comes next.

We are held to high expectations, and rightly so. Stakeholders expect us to excel. The effort required to continually meet, and often exceed, these expectations is often overlooked: hundreds of highly trained seafarers work onboard our ships to ensure they are navigated

safely, while experts work in our office to efficiently manage our fleet. We are proud of the hard work our colleagues put in and are exceptionally proud of what we do as a team.

Shipping has long been heavily regulated, but wider awareness of our industry's interaction with the world is growing rapidly. With that, expectations of how we operate are fundamentally changing. We will strive to remain an organization that is highly respected by all our stakeholders.

With the publication of our second ESG report, we take this opportunity to reinforce our culture of continuous improvement. We monitor and review our performance on an ongoing basis. We set ourselves ambitious goals and we are not afraid to challenge perceived wisdom, if there is a better way of doing things. We hope that readers of this 2020 report will take to heart how fully we instill this culture of continuous improvement into everything that our company does.



Environmental

International Seaways is committed to environmental stewardship and was proud to be the first NYSE-listed ship owner to include a sustainability-linked pricing mechanism in a credit facility.

We understand that the relationship between the shipping industry and the environment is of critical importance. As the industry works towards decarbonization, there are considerable challenges in understanding the reported values for greenhouse gas (GHG) emissions, how they relate to regulations and industry goals, and how they can be impacted by changes year on year or within a reported fleet. For this report, we present our 2020 environmental data with explanations to give these figures context.

At the core of our efforts to reduce our emissions are the day-to-day activities onboard to optimize the ships' systems using performance monitoring tools. We have invested in advanced hull coatings for our largest ships, which reduce hull friction and power required to make speed and accordingly reduce emissions. We have installed wake improvement devices on several ships, which again reduce fuel consumption and emissions. These efforts together with frequent communications to the crews on our ships form our Get to Green program, which works to manage and reduce our environmental impacts throughout the business.

In 2020, International Seaways decreased its absolute emissions and energy consumption metrics. We also improved efficiency metrics across the fleet. We take our relationship with the environment very seriously and are proud that this commitment to decarbonize is being reflected in our metrics.

Our stakeholders should understand the full context of these metrics to make them more meaningful. This follows below, with full explanations as to how we performed.

Measuring Environmental Impact

Over the past few years, the effects of climate change and the need to curb global temperature rise have become increasingly apparent. The Sixth Assessment Report published by the UN Intergovernmental Panel on Climate Change (IPCC) in 2021¹ warns that “immediate, rapid, and large-scale reductions” in emissions are necessary to ensure alignment with the 1.5 degrees Celsius temperature rise goal of the Paris Agreement. The shipping industry plays an important role in global sustainability efforts: estimates indicate that international shipping transports

¹ While this report focuses on 2020 data, it is important to understand the context in which it is written.



PROTECT THE ENVIRONMENT

Paris Agreement – Under the United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement (2015) stated that global warming must be limited to within 1.5 to 2 degrees Celsius above pre-industrial levels. The temperature goals suggest that emissions must be halved by 2030 and that net-zero emissions must be attained by the second half of the 21st century. The UNFCCC mandated countries to develop Nationally Determined Contributions (NDCs) to be submitted as a measure of their steps to reach this goal. While emissions reduction from domestic shipping falls under countries' NDCs, international shipping falls under the purview of the International Maritime Organization (IMO).

IMO – The IMO's 2018 Greenhouse Gas (GHG) Strategy commits to reducing total annual emissions from international shipping by 50% from 2008 levels by 2050 while “pursuing efforts towards phasing them out” within the century. The strategy explicitly states an aim for consistency with the Paris Agreement's temperature-reduction goals. It also states that carbon intensity (CO₂ emissions per transport work) must be reduced by at least 40% by 2030 and 70% by 2050 from 2008. Through meetings of the Marine Environmental Protection Committee (MEPC), various short-term measures towards achieving the IMO's goals have been introduced and are slated to take effect in 2023. These include the Energy Efficiency Design Index for Existing Vessels (EEXI) and the Carbon Intensity Index (CII). The IMO, through the MEPC, is continuing work on developing mid-term (to 2030) and long term (to 2050) goals.

over 90% of world trade, while accounting for nearly three percent of global human-caused emissions. It is important to note that although shipping is an efficient method of transportation, we need to take further steps in carbon-intensity reduction. If no additional measures are taken, emissions from shipping will increase by 90-130% by 2050 from 2008 levels (IMO Fourth GHG Study).

As responsibility falls on everyone to improve their performance and reduce emissions, various climate targets and regulations have been introduced. The IMO’s short-term measures, including the Energy Efficiency Design Index for Existing Vessels (EEXI) and Carbon Intensity Indicator (CII), will come into effect in 2023. Lenders have already set related climate targets through the Poseidon Principles, as have charterers through the Sea Cargo Charter. Both the Poseidon Principles and Sea Cargo Charter were developed from initiatives started by the Global Maritime Forum of which International Seaways is a member. It is important to understand the purpose of each of these targets, as well as what they may indicate about a fleet’s performance and climate alignment.

AER

The Annual Efficiency Ratio, or AER, offers a tool to measure an individual ship’s carbon intensity. The calculation relies on theoretical maximum utilization (DWT), rather than the actual utilization, and therefore produces a less nuanced measure of efficiency than other metrics.

AER is a supply-based operational efficiency metric that measures the theoretical carbon intensity of a ship or fleet. It divides the amount of CO₂ emitted by design cargo-carrying capacity (deadweight), regardless of utilization, and then again by nautical miles the ship traveled in a year. The metric is different for different ship types and sizes, which is why the Poseidon Principles set trajectory values based on ship type and deadweight.

The AER allows vessels of the same type and size to be compared – please note that AER values should not be used to compare vessels across sizes or types, as the metric intrinsically reports more cargo efficient vessels (like VLCCs) with lower values.

The AER is also an operational metric: the vessel’s trading profile (days sailing laden, days in ballast, days idle) impacts the calculation. However, because it considers design capacity rather than cargo carried, AER does not accurately capture real-world carbon intensity and is not directly dependent on laden utilization. As the impact of utilization is purely on fuel consumption, the metric tends to favor ballast voyages.

In order to clearly understand a vessel’s decarbonization alignment, the AER should be compared to a decarbonization trajectory profile. We have chosen to use the Poseidon Principles Decarbonization Trajectory: to be aligned we must reduce vessel emissions by about two percent per year, which mirrors the targets set to achieve the goals of the IMO and the Paris Agreement.

A relativity metric can be calculated from this alignment – we call this the Ship Sustainability Index or SSI(AER), which is the ratio of the calculated AER to the Poseidon Principles’ target AER. An output of 1.0 for this metric means a vessel, or fleet, is aligned with the year’s climate targets. If a vessel or fleet maintains a 1.0 output annually, then it is on the trajectory target of decarbonizing at two percent per year.

Ships will each need to lower their AERs by two percent every year to maintain an SSI of 1.0. If no design or operational changes are made to the vessels, their AERs will be unchanged as the trajectories decrease, so their SSIs will increase above 1.0 and become unaligned.

EXAMPLE Vessel Performance, VLCC and MR Tankers

	Unit	Trajectory VLCC	Trajectory MR
Deadweight	tonnes	300,000	50,000
Distance	nautical miles	66,000	50,000
Fuel	tonnes	14,453	5,633
CO ₂ emitted	tonnes	45,540	17,750
AER	g CO ₂ /MT-nm	2.3	7.1
EEOI	g CO ₂ /MT-nm	5.42	12.87

In this example, we can compare two ships, a VLCC (AER=2.3) and an MR tanker (AER=7.1), each of which is performing well in the trade to which it is suited. The difference in AER

Poseidon Principles – Developed by a group of leading ship financing lenders, the Poseidon Principles are “a framework for assessing and disclosing the climate alignment of ship finance portfolios.” The trajectory is based on the 2050 carbon intensity level being 50% less than a 2008 baseline, following the IMO Initial GHG Strategy. The trajectory the Poseidon Principles use is the Annual Efficiency Ratio (AER).

In June 2021, the Poseidon Principles published an updated framework (Version 4.0). The trajectories in Version 4.0, both for past and future years, reflect the findings of the Fourth IMO Greenhouse Gas Study (2020), while previous versions used the Third Study (2014). In this report, we have analyzed the fleet’s 2019 and 2020 alignment to this newer standard and provide results against the older standard in footnotes. The trajectories encompassed in the Poseidon Principles aim to decrease carbon intensity annually at a rate of about two percent to meet the Paris Agreement and IMO ambition goals.

Sea Cargo Charter – The Sea Cargo Charter (SCC), launched in October 2020 by leading charterers and commercial stakeholders, is a “framework for assessing and publishing the climate alignment of chartering activities.” Like the Poseidon Principles, the Sea Cargo Charter outlines trajectories with the intent of achieving a 50% reduction rate in carbon intensity between 2008 and 2050. The trajectory that SCC focuses on is the Energy Efficiency Operational Indicator (EEOI), which decreases annually by about three percent. International Seaways is not a SCC signatory, but their targets help us analyze vessel carbon intensity.

is, however, both clear and yet at the same time could be construed as misleading to the casual reader. The raw numbers might lead one to believe that the MR tanker is performing worse than the VLCC, because it has a higher AER. However, in this example, both ships are performing to the trajectories specific to their size and type, and both are meeting the IMO carbon intensity targets for 2020.

As mentioned above, AER values cannot be effectively compared across ship types or sizes. These AER values only become meaningful when compared to the trajectories set forth by the IMO and Poseidon Principles. In this VLCC and MR example, the SSI(AER) for both ships is 1.0, because their AERs exactly meet the targets for 2020, and both ship types are equally climate-aligned for the year.

The example ships will each need to lower their AERs by two percent every year to maintain an SSI of 1.0. As mentioned earlier, vessels that remain unchanged in design or operation will have increasing SSIs year on year, becoming unaligned with the Poseidon Principles trajectories. If the SSI is below 1.0, then the ships are reducing their carbon intensity faster than the defined trajectories.

For a given vessel over one year,

$$AER = \frac{\text{annual } CO_2 \text{ consumption (g)}}{DWT \times \text{annual distance (MT - nm)}}$$

EEOI

Compared to the supply-based AER, the Energy Efficiency Operational Indicator (EEOI) is a demand-based operational efficiency metric that measures the real-world carbon intensity of the fleet. It estimates how much CO₂ was emitted to transport one tonne of cargo one nautical mile. Like AER, this metric is different for different ship types, so the Sea Cargo Charter (SCC) sets trajectory values by ship type and deadweight. While International Seaways are currently not SCC signatories, this is the only group with EEOI targets.

Using our same VLCC and MR Tanker example, we can calculate the EEOI for each of these ships: 5.42 and 12.87 gCO₂/tonne-nm, respectively. Similar to the calculated AER, these EEOI values cannot be compared across ship types or sizes. They provide no context until they are compared against carbon reduction trajectories. To understand EEOI performance, we compare the values against the EEOI-based trajectories in the SCC. Like before, these are well performing ships and their alignment, or SSI (EEOI), is 1.0.

For a given voyage,

$$EEOI = \frac{CO_2 \text{ consumption (g)}}{\text{cargo mass} \times \text{laden distance (MT - nm)}}$$

EEOI is an operational metric – the operational profile of the vessel impacts the score. Unlike AER, EEOI relies on actual cargo carried rather than design capacity, providing a more realistic view of carbon intensity. Utilization has a correlation: generally, the higher the laden utilization, the lower the EEOI.

SHIP vs FLEET

The MR and VLCC examples above speak to the result for single ships and their performance to the climate trajectories for those individual vessels. With a ship-specific SSI, we can say that a ship did or did not meet its target and determine how we might alter that ship’s design or operating profile to improve its future performance.

We can calculate the AER or EEOI for an entire fleet by aggregating the total CO₂ emitted by the fleet and dividing by both the total miles traveled by the fleet and the total fleet deadweight (in the case of AER) or total cargo carried by the fleet (in the case of EEOI). The result is a single AER and a single EEOI for the whole International Seaways fleet.

Year on year changes in the fleet – buying and selling ships – will change the fleet-wide AER and EEOI. For example, if we consider a sample fleet made up of 10 VLCCs and 20 MR tankers using the same illustrative characteristics of our example ships, the fleet-wide AER is 3.27 gCO₂/tonne-nm. Should we purchase 10 additional on-trajectory MR Tankers, the fleet-wide AER is then 3.62. The impact of this change in fleet composition is not evident from simple comparisons of year-on-year AER (and EEOI).

There is no industry-standard methodology for calculating the performance of a fleet against CO₂ trajectories. In establishing our sustainability-linked financing with a group of leading banks, we faced just this issue – how to consider a mixed fleet of ship sizes and types that changes vessel count over the course of the year as ships are bought and sold. The solution we agreed on with our lenders was to combine the SSI for each ship on a deadweight and days owned weighted average basis. The precise methodology is described in our 2019 Emissions Disclosure.

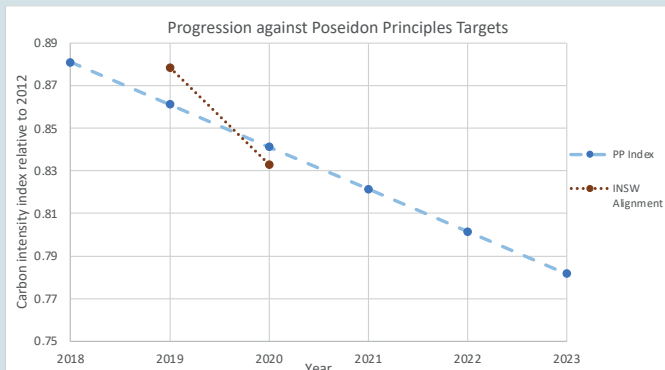
HOW DID WE DO?

In absolute terms, the International Seaways fleet of owned vessels consumed less energy and emitted less CO₂ in 2020 than in 2019.

Our fleet-wide AER and EEOI decreased year on year but for the reasons described above, these need comparison to the carbon intensity trajectories to have meaning and context. Such AER and EEOI data become more useful when placed into context, and we are proud to state that our fleet-wide sustainability indices for both AER and EEOI improved. This demonstrates that our carbon intensity as compared against the accepted targets prescribed in the Poseidon

Principles and Sea Cargo Charter improved at a pace faster than the ambitions in the IMO Initial Greenhouse Gas Strategy.

The graph below displays our improved performance against the Poseidon Principles targets, which tighten by 2% year-on-year. The vertical axis represents the carbon intensity index relative to 2012 levels, the same reference point used by the Poseidon Principles. Our AER trajectory from 2019 and 2020 is steeper than that of the Poseidon Principles targets, indicating that our fleet's improvement occurred at a faster rate than the IMO path. This rate of improvement may not be sustainable, but it is useful as it guides us to where to seek further improvements.



In comparing the year-on-year decrease in absolute emissions between 2019 and 2020, we note that the fleet reduced in number, from 36 vessels in December 2019 to

33 in December 2020. One LR1, the Seaways Guayaquil, was delivered to the fleet in 2020, and four larger ships with higher fuel consumption and emissions left the fleet and were not contributing to our GHG emissions during portions of 2020 – two Aframax ships and two VLCCs.

The challenging freight market in the second half of 2020 also compelled ships to operate at slower speeds. We saw this speed reduction primarily in our VLCC and Panamax segments; these two groups represent 75% of our overall emissions. Ships trading at even slightly reduced speeds will reduce their fuel consumption and emissions significantly, and with increasing deadweight, changes in emissions become more sensitive to changes in speed.

The utilization of the vessels also impacts the emissions metrics: the average fleet-wide utilization (days laden versus total operating days), weighted by deadweight, decreased by about 10% from 2019 to 2020. More time spent in ballast generally means lower annual fuel consumption and emissions. Recalling that AER considers only the full cargo capacity of the ship in the denominator, this greater time in ballast reduces AER (lower emissions, constant deadweight, similar miles traveled) For EEOI, which considers the actual cargo carried, the value increases (lower emissions, cargo carried reduced, similar miles traveled).

Note that the metrics below speak only to the owned fleet, and that chartered-in tonnage is not included.

	Key Metric	SASB Reference	2019 Data	2020 Data
Environmental#	CO ₂ Emissions	[TR-MT-110a.1]	1,192,801 t CO ₂ -e	1,053,451 t CO ₂ -e
	Total Fleet Energy Consumption	[TR-MT-110a.3]	15,975,560 GJ ¹	14,057,887 GJ
	Total Pollutant Emissions	[TR-MT-120a.1]	NO _x : 34,168 mt SO _x : 16,374 mt PM ₁₀ : 2,938 mt	NO _x : 30,053 mt SO _x : 11,347 mt PM ₁₀ : 2,498 mt
	Number and Aggregate Volume of Spills and Releases to the Environment	[TR-MT-160a.3]	Spills: 2 Aggregate: 1.1 m ³	Spills: 0 Aggregate: 0 m ³
	% of Fleet using Exhaust Gas Cleaning Systems	Further Disclosure	0%	27%
	% of Fleet using Low-Sulphur Fuel Oil	Further Disclosure	100%	73%
	Fleet AER ²	Further Disclosure	3.12 gCO ₂ /(MT-nm)	3.04 gCO ₂ /(MT-nm)
	Fleet SSI (AER) ³	Further Disclosure	1.02	0.99
	Fleet EEOI	Further Disclosure	6.64 gCO ₂ /(MT-nm)	5.22 gCO ₂ /(MT-nm)
Fleet SSI (EEOI)	Further Disclosure	1.25	1.18	

Emissions data considers only owned vessels.

¹ Because of a calculation error, this number had been previously published as 13,723,272 GJ in the 2019 ESG Report.

² The fleet AER calculation method was adjusted from 2019 to 2020 to align with MEPC Circ. 684. The 2019 Emissions Data Report has a fleet AER of 3.56.

³ Compared to Poseidon Principles V. 3.0: 2019 – 1.06; 2020 – 1.06.

Social

Onshore and at sea, International Seaways puts safety at the forefront of all we do. The continued COVID-19 pandemic has only intensified this commitment.

In 2020, the World Health Organization declared the COVID-19 public health emergency a pandemic. This brought unprecedented travel bans and shortages of medical materials and equipment as well as basic food and living supplies. Global supply chains were heavily disrupted.

At Sea

Like all other operators in the industry, our seafarers carried a heavy load in 2020. The crew change crisis was perhaps one of the most significant issues that the pandemic created but was one that rarely received much attention. Typically, officers and crew spend four to eight months aboard a vessel and then return to their loved ones. During the pandemic this proved a challenging schedule to meet.

Our crew are sourced from around the world – the Philippines, India, China, Eastern Europe, Russia – and join our vessels in distant ports to relieve counterparts of their duties. Due to COVID restrictions this normal practice was made virtually impossible.

Travel bans eliminated flights. Uncertainty regarding virus transmission paths, a lack of testing protocols, and inconsistent and rapidly changing quarantine requirements around the world, made it nearly impossible to return seafarers to their homes. Time onboard stretched to ten, twelve, or fourteen months, well past the term of the seafarers’ employment contracts.

Long periods at sea can result in mental fatigue, increased stress levels, loss of focus, and diminished wellbeing. International Seaways undertook initiatives to repatriate the seafarers with all possible speed, as well as providing support to our much-valued crew members at sea, including:

- Seeking every opportunity for repatriation, including diverting numerous ships to Manila Bay and Subic Bay to facilitate crew changes, despite incurring additional out-of-service time
- With our ship managers, establishing quarantine and testing protocols exceeding local and international requirements, including taking over a local hotel in the Philippines to serve as an outbound quarantine facility
- Working with other owners and ship managers to charter dedicated flights
- Taking strong steps to reduce the risk of infection onboard, including precautions for crew travel and managing third party access to the ships
- Providing outreach services, remote counseling, and resilience training for the seafarers
- Undertaking efforts with other industry organizations to have seafarers designated as “Key Workers,” including signing the Neptune Declaration on ‘Seafarer Wellbeing and Crew Change’ on January 26, 2021

Our seafarers had one overarching concern during this time away from home: they wanted to know that their loved ones were safe. We responded by removing all data limits onboard vessels, allowing the men and women aboard more frequent and easier communications with those at home. Furthermore, we took steps to increase health and medical benefits to the extended families of all nationalities onboard. We know that this remains a physically and mentally hard time for our colleagues, and we want to help where we can in ensuring any family member can receive medical assistance if needed.

	Key Metric	SASB Reference	2019 Data	2020 Data
Social	Lost Time Incident Rate	[TR-MT-320a.1]	0.45	0.45
	Bribery and Corruption Charges	[TR-MT-510a.2]	\$0	\$0
	Total Number of Marine Incidents % Classified as Very Serious	[TR-MT-540a.1]	3 / 0	0 / 0
	Number of Conditions of Class or Recommendations	[TR-MT-540a.2]	0	0
	Number of Port State Control Deficiencies and Detentions	[TR-MT-540a.3]	43 / 1	43 / 0

On Shore

As we received increased information on COVID-19 and transmissibility, we made plans for alternate working arrangements for our shoreside colleagues, emphasizing limited in-office presence. With case numbers rising around the world, on March 15, 2020 our CEO Lois Zabrocky sent a message to all hands stating that shoreside employees would work fully remote from home. Ultimately this was a prudent measure, particularly in light of the various work-from-home restrictions imposed by local and national agencies. Given that most International Seaways employees travelled to work via mass transit, there was no other way to protect the health and well-being of the employees and their families.

As at sea, the physical and mental wellbeing of our shore staff was a critical business concern in 2020. A number of steps were undertaken to support our team:

- In the early days of lockdown, we held a series of social hours to stay in touch with one another and share stories and experiences. We continue to hold weekly Town Halls.
- With the implementation of Microsoft Teams came the establishment of an “All Hands” channel, allowing us

to share stories, jokes, photos, and news. Especially delightful were the Halloween photos of the staff’s children. We encouraged the use of web cameras to help maintain closer relationships.

- We established a program to provide more ergonomic working furniture and equipment for employees.
- We began a program of wellness activities including participating as “Team Seaways” in the virtual JP Morgan Corporate Challenge run/walk. In January 2021, a “Wellness Month” that included exercise, nutrition, rest, and hydration activities, featured an hour-long session on “Cultivating Optimism” by Deena Kastor, an Olympic medalist and holder of the American record in the marathon.

Remote working continued for the remainder of 2020. We are proud to say that there was no significant business interruption. The ships continued to sail and trade safely. The Company maintained its focus on compliant operations in all aspects of our business and met all our financial reporting deadlines.



Governance

Our proactive focus on good governance and abiding by strong ethical standards enhances our ability to deliver on long-term growth.

We are committed to transparency, accountability, reducing risk, and building trust with our shareholders and other stakeholders.

As a public company, we uphold the highest governance standards, and we are kept accountable both to our investors and the wider public. We have Corporate Governance Guidelines that reflect best practices in matters such as the powers and responsibilities of the Board and its committees, review of potential related party transactions, the methods of choosing and evaluating those who serve as directors, and the relationship between the Board and management.

The strength of our corporate governance program has been recognized by the industry. In 2018, 2019, and 2020, we were the highest-rated tanker company (and the second of 56 rated shipping companies overall) by Webber Research (and the predecessor rankings by Wells Fargo) for ESG/corporate governance.

We believe we foster an environment where colleagues are empowered. Diversity in the boardroom and throughout the organization brings in fresh and challenging points of view, and all members of International Seaways are encouraged to speak with confidence, knowing they will be supported in all they do.

Our culture of integrity and ethical behavior begins at the top and reaches down to the deck plates. Meeting, and where possible exceeding, regulatory compliance requirements drives our decision-making process.

Risk Management

Taking a measured approach to managing and mitigating risk is a fundamental part of our business. The Board of Directors' Governance Committee regularly reviews and reports on the Company's assessment of and steps to address various risks that may impact the organization. Discussions include market risks, commercial risks,



counterparty risks, cyber risks, regulatory matters, and insurance.

- Safety of operations is always our priority – it isn't only restricted to seafaring activities. As the pandemic escalated during the first quarter of 2020, we preemptively drew up contingency plans to ensure business as normal operations could take place: A COVID response team was formed to understand the changing risk issues and make pre-emptive plans for business continuity and employee safety.
- Primary and secondary responsible persons for critical business processes were separated into "Port" and "Starboard" working arrangements with plans to keep one half of shore staff working remotely on any given day.
- Disaster recovery and business continuity plans for potential loss of office location were reviewed and tested.
- Remote working capabilities were verified for all employees and necessary equipment checks/updates/replacements were conducted. Additional accessories like webcams and headphones were procured and distributed to employees.
- Employees were trained to use remote collaboration tools like Microsoft Teams.
- Remote-working-related documentation was reviewed and circulated to all employees.

Thanks to these proactive steps and the continual resilience of our colleagues, we are proud to say that there was no significant business interruption once we began to work fully remote from home. Our ships continued to provide our customers with safe and efficient transportation of energy.

All employees started performing their duties from home by connecting securely to our information systems over

the internet. All business meetings and other collaborative efforts between employees and external stakeholders continued utilizing tools like Microsoft Teams and Zoom. The Company stayed the course for compliant operations in every area of our business and met all the necessary deadlines.

Remote working for all employees continued for the remainder of 2020. With remote access now being a key pillar in continued successful business operations, we ensured that our cyber-security systems were upgraded to necessary levels. A 70% increase in cybercrime has been reported in 2020, with criminals targeting remote working setups. The following additional steps were taken:

- Remote management and additional monitoring of user computers
- Routine user awareness trainings and exercises focusing on newer threats
- Implementation of additional tools on user computers for protection in potentially unsecured setup
- Remote backups of user computers to prevent data loss
- Virtual cyber incident response drills involving all stakeholders to check readiness in case of a potential incident

Our culture of strong corporate governance and risk management practices allowed us to operate on a business-as-usual basis while working remotely to protect our employees in the middle of a global health pandemic, and we have continued to do so into the pandemic's second year. Following our disaster recovery and business continuity plans, we were able to meet our day-to-day operational objectives, while continuing to focus on our strategic objectives and fulfill our financial reporting requirements as a public company.

	Key Metric	SASB Reference	2019 Data	2020 Data
Governance	Number of Shipboard Employees ¹	[TR-MT-000.A]	1,623	719
	Number of Shoreside Employees	Further Disclosure	43	45
	Board Makeup (M / F%)	Further Disclosure	78 / 22	78 / 22
	Snr. Management Makeup (M / F%)	Further Disclosure	83 / 17	83 / 17

¹ As of 31 December.

Disclaimer

In this report, the Company may make forward-looking statements or provide forward-looking information. All statements other than statements of historical facts should be considered forward-looking statements. Although such statements reflect the Company's current expectations, these statements are not guarantees of future performance, but involve risks, uncertainties, and assumptions which are difficult to predict. You should read the Company's Annual Report on Form 10-K, its Quarterly Reports on Form 10-Q, and other documents the Company has filed with the U.S. Securities and Exchange Commission for additional information regarding the Company, its operations and the risks and uncertainties it faces.

You may obtain these documents from the Company's website at www.intlseas.com. The Company does not undertake to update any forward-looking statements as a result of future developments, new information or otherwise.

This report is informed by metrics defined by the Sustainability Accounting Standards Board's (SASB) MARINE TRANSPORTATION: Sustainability Accounting Standard Sustainable Industry Classification System® (SICS®) TR-MT Prepared by the Sustainability Accounting Standards Board (October 2018), as well as taking into account relevant disclosure metrics set out by "Reporting for Signatories, United Nations: Principles for Responsible Investing (PRI) 2020." Supplementary disclosure metrics designed by Infrastructure Technical International Ltd (ITI).

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All information is assumed to be correct at time of publication. Some metrics have been calculated through engineering calculations. ITI Network accepts no responsibility for the truthfulness, or validity of the reported metrics.

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