

Welcome to your CDP Climate Change Questionnaire 2020

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Euronav is an international shipping company storing and transporting crude oil with 72 vessels (with four new VLCC due for delivery in late 2020/early 2021) and a total of 200 full time onshore employees with a further 2,700 contractors (crew) worldwide. Euronav is committed to achieving and maintaining the highest standards of corporate governance, social responsibility and environmental stewardship in the crude oil sector. As a supplier of freighting services, Euronav is strongly affected by the market supply and demand for crude oil, as well as the global availability of crude tankers. As a consequence of significant market competition from other tanker providers in a tight marketplace, Euronav has a strong tradition of maintaining best in class operational performance in its vessels. This focus on fuel efficiency has led Euronav to engage with its supply chain to ensure only the cleanest, most efficient vessels are incorporated into its fleet, and a rigorous maintenance regime implemented to ensure ongoing and improving operational efficiency.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2019	December 31, 2019	No

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Belgium
- China, Hong Kong Special Administrative Region
- Cyprus
- France
- Greece
- Singapore
- United Kingdom of Great Britain and Northern Ireland

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-T00.7/C-TS0.7

(C-T00.7/C-TS0.7) For which transport modes will you be providing data?

Marine

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes.

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Euronav has an ESG & Climate Committee which assists and advises both the Supervisory Board and the Management Board in monitoring the performance, key risks and opportunities that the Company faces in relation to environmental, social and climate matters. It is made up of at least five members from the Supervisory Board or/and the Management Board. In 2019 the ESG & Climate Committee is made up of several XX Supervisory directors, alongside the General Counsel, the Head of Ship Management and the Head of Investor Relations who are all members of the management Board (executive team). It is an important point that ALL decisions regarding the company are taken by the Supervisory Board and/or the management Board in accordance with the new Belgian corporate code (applicable January 2020) and that the General Council, Head of Investor relations and Head of Ship Management sit on that committee as equivalent of C-suite

	<p>executives who also sit on that committee (CEO, COO and CFO).</p> <p>One of our independent directors is a key member of this committee and comes with a highly relevant level of experience with oil companies dealing with climate change directly. From 2002 till 2015 she was a member of the Board of Directors of Statoil ASA. She is presently Deputy Chairman of Orkla ASA and a Board member of Investor AB and Lundin Petroleum AB. In 2009 she was one of the founders of the Norwegian Institute of Directors, of which she continues to be a member of the Board. From 1994 till 2002 she was a Director in Corporate Finance in SEB Enskilda Securities in Oslo.</p> <p>Ludovic Saverys is CFO of CMB shipping – a private shipping company which has undertaken a process whereby it is the first shipping company in the world to completely offset their CO2 emissions with alternative investments and initiatives. CMB.TECH, one of their major division focuses on hydrogen and low carbon technologies, energy saving solutions, digital fleet performance monitoring and weather routing to decrease carbon emissions. Ludovic sits on our ESG and Climate Change committee and has been a non executive director of Euronav NV since 2015.</p>

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding strategy	<p>The purpose of the ESG & Climate Committee is to assist and advise the Boards to monitor the performance as well as key risks and opportunities that the Company faces in relation to environmental, social and climate matters. To this end it is responsible to inform and make recommendations to the Board in any area related to environmental, social and climate matters where action or improvement is needed.</p> <p>Key tasks conducted in relation to the above include drafting and periodically reviewing Euronav’s ESG policy, reviewing developments regarding climate research relevant for the oil tanker shipping industry, setting concrete ESG goals and overseeing the reporting of these goals, and advising the Remuneration Committee</p>

		on ESG-related KPIs that could be included within remuneration performance evaluations.
--	--	---

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Sustainability committee	Both assessing and managing climate-related risks and opportunities	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The ESG & Climate Committee is made up of at least five members of the Supervisory Board and Management Board. Climate-related issues have been assigned to the ESG & Climate Committee, as the committee reports directly to the Supervisory Board and has specifically chosen key individuals from the management board. The individuals include the general manager involved in day to day management of the vessels, head of legal counsel to advise on key legal and regulatory structures and the head of IR who is engaged with shareholder interface and latest ESG/investor trends. The two supervisory board members on the committee have substantial experience in oil & gas sectors and in shipping's efforts in reducing emissions from a regulatory and practical standpoint. The committee meets as often as necessary and at least 4 times per year and provides additional ad hoc updates to the board on Euronav initiatives and wider developments in this space. The conclusions, recommendations and/or proposals of each meeting are communicated to the Supervisory Board on an ongoing basis to ensure the Supervisory Board has insight into all key issues relating to social and environmental matters.

The Committee has the following main tasks and responsibilities:

- Drafting and periodically reviewing Euronav's ESG policy which sets out the standards, policies and conduct of the Company in respect of ESG matters;
- Drafting and periodically reviewing the ESG risk matrix;
- Reviewing developments regarding climate research relevant for the oil tanker shipping industry and the risks of public concern;
- Review the Company's ESG strategy, including its response to climate change issues;
- In light of the ESG strategy, set concrete goals for the company and oversee the reporting of these goals;
- Review the Company's ESG ratings;

- Advise the Remuneration Committee on ESG related KPIs that could be included in remuneration performance evaluations; and
- Review and make recommendations to the Board in relation to the Company's ESG chapters and disclosures in the annual report.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	No, not currently but we plan to introduce them in 2021	The ESG & Climate Committee, created in December 2019, has the responsibility to advise the Remuneration Committee on ESG-related KPIs that will be included in remuneration performance evaluations. It is anticipated that the committee will communicate its remuneration-related findings with the Board during 2020 for application in 2021.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	3	
Long-term	3	20	The lifetime of a ship is 20 years

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Euronav define a substantive financial impact as an impact of over \$5 million. This is based on our comprehensive and robust risk matrix, which defines a broad range of risks in addition to financial and strategic risks. The matrix classifies the following risks from Insignificant to

Extreme: Operational, Health and Safety, Environmental, Reputational, Legal, IT and People. These risks are all assessed in relation to financial impact, environmental impact and operational impact. Risk profiles are updated on a regularly basis in our 20F filings published in April each year with SEC and in interim and annual reports published August and April each year.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Euronav assess risks as part of the ESG and Climate Change Committee, which draft and review the ESG risk matrix. This process involves evaluating all risks to Euronav's direct, upstream and downstream operations. The process comprises of four steps.

- 1) Testing exercise which establishes the context of the analysis for both risks and opportunities using a threshold of substantial financial risk having to total more than USD 5m to qualify for analysis and/or strategic risk or opportunity in the view of the management board. For instance, peak oil demand would qualify on both counts.
- 2) Identification of any existing climate risks to Euronav, by analysing past available records, available data and literature in order providing a baseline against which future risks can be determined.
- 3) Exploration of future risks against specific climate change scenarios for time scales that are relevant to the organisation in terms of maintaining their assets and business operations. For instance regarding Euronav vessels which are depreciated to zero over 20 years a timeframe to 2030 is usually a maximum as the average age of our fleet is less than 10 years old.

4) Evaluation and prioritisation of identified risks in terms of the need for action. For instance, reducing emissions to comply with initiatives like the Poseidon Principles (signed June 2019) with specified reductions in carbon emissions are regarded as necessary.

This risk assessment process considers both physical and transitional risks which affect Euronav. For instance, damage to assets and lost production from increased likelihood and severity of extreme weather events is a persistent physical risk. Cyclones, hurricanes, typhoons, storms and extreme storms can impact shipping routes, efficiency and increase damage to our assets.

Transitional risks are included as well, such as uncertainty over oil company market value as a result of climate change, which increases the potential risk of stranded assets. Approximately half of the value of companies in the industry lies in the assets they are yet to exploit – their reserves – the value of which is significantly greater than the value of currently productive assets. As a consequence, analysis of the prospective carbon liabilities associated with those future productive reserves is vital to understanding the extent of value at risk through climate and policy related change in coming years. Barring the development of commercially viable technologies able to appreciably reduce the emissions released in the burning of fossil fuels, a transition to a low carbon global economy could require a meaningful reduction in the production of fossil fuels such as crude oil. A reduction in production would imply a reduction in the need for transportation via crude tankers.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Non-compliance environmental fines are included in risk assessments. For example, the IMO 2020 high sulphur fuel ban is an example of a recent regulatory climate-related risk which Euronav have faced. This has been addressed by ensuring compliant fuel was purchased as early as possible, and banning the retrofitting of open-loop scrubbers on-board vessels for which the washed water are discharged overboard...
Emerging regulation	Relevant, always included	Changes in governmental or maritime self-regulatory organisations' rules and regulations or actions taken by regulatory authorities are included in risk assessments. Shipping was not part of the Kyoto or Paris agreements on climate change and therefore there is a risk that without proper engagement and consultation from the shipping sector it could have solutions or legislation related to climate change, such as a

		carbon tax, imposed upon them without having had a role in framing or wording of that regulation.
Technology	Relevant, always included	Competition from, and supply and demand for, alternative sources of energy are considered in risk assessments. For example, the low-carbon transition and new technologies or sources of energy may reduce demand for oil in the long term, which may impact the amount of transportation required.
Legal	Relevant, always included	Environmental and other legal and regulatory developments are considered in risk assessments. For example, the IMO 2020 high sulphur fuel ban is an example of a recent regulatory climate-related risk which Euronav have faced. This has been addressed by ensuring compliant fuel was purchased as early as possible, and banning the retrofitting of open-loop scrubbers on-board vessels.
Market	Relevant, always included	Supply and demand for energy resources and oil and petroleum products are considered in risk assessments. There is a risk of financial regulation as banks and other primary providers of finance to shipping (equity and bond investors) undertaking more stringent assessments of areas like decarbonisation and climate change and adjusting their lending programmes accordingly in order to reduce the risk to the lender.
Reputation	Relevant, always included	Euronav consider the reputation of the firm regarding environmental non-compliance / regulatory breaches in their risk assessments. For instance, non-compliance with the IMO low sulphur legislation may risk Euronav's reputation as a well governed and responsible business.
Acute physical	Relevant, always included	Increased prevalence of extreme weather and natural disasters are considered in risk assessments. More extreme weather patterns as part of climate change will potentially add to the operating costs of a crude tanker business as it will need to potentially re-route given more extreme patterns and locations of weather, for example in the US Gulf coast. Rising sea levels will make certain locations for oil production more hazardous and costly e.g. offshore and unplanned costs required for repairing or relocating facilities during the fallout of extreme weather patterns are another risk.
Chronic physical	Relevant, always included	Chronic environmental risks associated with climate change are considered in risk assessments. For example, because temperature levels are rising, refrigeration costs may increase. Furthermore, harsh conditions like extended periods of severe weather can lead to prolonged travels and less cost-effective shipping routes or even damage the ships if no possibility of re-routing had been found

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Market

Changing customer behavior

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

There is a tangible risk that demand growth for crude oil will turn negative sometime over the next decade. Consensus amongst the major surveys is that oil demand is expected to peak at around 105m bpd in or before 2028. However this is and only then expected to reduce modestly to 100m bpd by 2040 according to respected energy consultant Rystad. This is a risk to Euronav, as its ships are specifically designed to transport crude, and therefore reduced demand for oil could equate to reduced quantities of oil being shipped. Whilst this is a headwind for our business demand is not expected to fall precipitously from this level but rather undergo a sustained period of managed decline over many decades.

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

72,000,000 USD

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

A precise cost or revenue explanation or impact assessment has challenges as historically the tanker business is a very volatile, cyclical and seasonal business with variable revenues as a consequence. Over a prolonged period a fall in demand of say 10% would have a negative impact on our business. However this would be countered by a reduction in fleet supply (as older ships are phased out and fewer newbuilding ships are phased in) being relatively shallow as oil demand is anticipated to remain robust as other alternative sources of energy are phased in to replace crude over time. Crude is still responsible for over 65% of global energy needs today (source: BP annual report 2020).

Also the structure of the oil tanker industry is fragmented so whilst demand may fall it is likely that there will be industrial consolidation of the participants left and also older tonnage is likely to reduce faster in any market downturns reducing fleet supply and thus improving conditions for those remaining. Therefore the impact of falling demand should be mitigated by this.

A reduction of US \$72m is simple straight line reduction of 10% on the average of the past 5 years revenue. As Euronav is essentially a fixed cost business this will in some years have a material impact on profitability as the cost base is anticipated to remain similar or at higher levels compared to history.

Cost of response to risk

10,500,000

Description of response and explanation of cost calculation

There are 3 ways Euronav are trying to reduce the impact of falling demand on its business and also managing climate risk implications.

1) Mitigating impact by focusing on growth markets e.g. US crude exports. This requires additional marketing and “presence costs” e.g. Houston located office in order to ensure Euronav is able to take advantage of where these expanding markets are located including good relationships with key buyers in Far East markets. Additional costs of US location \$1m per annum; marketing and sponsorship \$2-3m.

2) Keeping the average age of our fleet as young as possible, therefore our ships are more efficient and produce lower emissions. This means responsibly selling vessels over 15 years of age which incurs selling costs, including commission and legal costs \$0.5m per vessel x 7 vessels per year = \$3.5m

3) Climate change lobbying on behalf of Euronav and the shipping industry so membership of various bodies like GMF (Global Maritime Forum) and internal costs and staff resources would incur \$3-4m per annum.

Based on these mitigation measures, an estimated upper range of total costs is roughly \$10.5m.

Comment

A fall away in demand for a one product company such as Euronav with operational leverage is something which on initial reading sounds like a highly challenging and troubling prospect. Euronav management do not believe this is the case as such is the fragmentation of our industry that consolidation will have to occur and there are plenty of examples of similarly such cyclical industrial structures which have seen strong business models thrive e.g. tobacco, graphic paper.

The Herfindahl-Hirschman Index (HHI) is a common measure of market concentration and is used to determine market competitiveness, often pre- and post-M&A transactions. The HHI is calculated by squaring the market share of each firm competing in a market and then summing the resulting numbers. It can range from close to zero to 10,000. The U.S. Department of Justice uses the HHI for evaluating potential mergers issues.

To illustrate how concentrated our market is the HHI score for VLCC and Suezmax is around 250 – almost perfect competition so with 100 different owners of the 815 VLCC and 550 Suezmax globally some consolidation is almost certain as and when revenue growth turns negative with a reduction in demand growth for crude oil.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

Company-specific description

There is a tangible concern that regulations will become more assertive and mandatory in nature rather than the current regime of consensus under a global regulator (IMO International Maritime Organisation). The EU in particular have become increasingly focused on shipping as a sector via two channels – scrapping of vessels and including shipping in mandatory targets on emission reductions.

For example, the EU have been concerned that voluntary action and compliance with items such as ship recycling via the IMO and the Hong Kong convention (HKC)

(whereby once nations representing 35% of total shipping ratify the HKC then it becomes enforceable and minimum standards of ship recycling are enforced; however until then it is voluntary) have been too slow in getting change. To this end the EU has set up a rival list of approved recycling yards. The concern is the EU will continue to engage in this sort of behaviour going forward leading potentially to a two tier system of regulation for shipping. With most of our fleet currently flagged in EU this is a risk for Euronav.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

5,000,000

Potential financial impact figure – maximum (currency)

10,000,000

Explanation of financial impact figure

Increased stakeholder concern based on more assertive ESG engagement with investors and providers of finance. \$5-10 million direct costs mainly in cost of additional personnel to manage this risk along with additional costs of legal, insurance and engagement - labour \$1m, legal \$2m additional other costs \$2m.

Cost of response to risk

5,000,000

Description of response and explanation of cost calculation

Direct lobbying via shipping channels, banking relationships and directly to bodies themselves is increasing in order to ensure shipping's case is put correctly to bodies such as the EU and via flagstates as a mechanism with the IMO. During 2018/19 Euronav spent £100,000 on lobbying on such matters.

Engagement on ESG related matters we believe has the dual aim of (1) reducing emerging and potential regulatory risk from EU and IMO as company scoring on ESG matters is increasingly being taken into account by such regulatory bodies and (2) having excellent ESG credentials is increasingly necessary in order to secure investment in the company via offering shares and from bank finance.

Higher costs of interest on loans could be mitigated by performance related loans with ESG element with a baseline saving of 5 basis points based on ESG scoring
Climate change lobbying on behalf of Euronav and the shipping industry so membership of various bodies like GMF (Global Maritime Forum) and internal costs and staff resources would incur \$3-4m per annum
Investor relations is likely to take on 1 full time staff member (\$100k pa) and engage with consultants (\$0.5-1m pa) to help shape our focus and messaging on all items ESG where we believe we are ahead of the industry and shipping in general.
Euronav expects to host an ESG investor day showcasing our work in this area during 2020 also costing \$0.2m.

In total, these costs amount to roughly \$5 million in costs to respond to this risk, though there are co-benefits associated with other risks included in this cost estimate.

Comment

ESG is a feature which is to be embraced and is here to stay. Increased costs of regulation tends to be positive for an industry.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation
Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

The green deal is a risk to all shipping not just to Euronav and the crude tanker market. Whilst in a draft, consultation form the deal could have three large impacts on shipping. Firstly it may impose a carbon tax on fuel consumption on shipping companies which could restrict our capability in passing on such a cost to our customers. Secondly the tonnage tax regime for shipping may come under discussion and reform. Finally shipping has historically been exempt from corporate taxation and this may also change under a so called green deal.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

80,000,000

Potential financial impact figure – maximum (currency)

240,000,000

Explanation of financial impact figure

Minimum of \$80 million based on \$25 per tCO₂e carbon tax or \$80 per ton bunker fuel. Maximum of \$240m million based on \$75 per tCO₂e carbon tax or \$240 per ton bunker fuel.

Carbon pricing mechanism; Euronav consumes a little less than 1 million tonnes of bunker fuel in the course of executing its business each year hence cost per ton increase on bunker fuel multiplied by 1 million but this is a PASS THROUGH cost as part of voyage expenses. Source for carbon price - "IMF PAPERS _ Carbon Taxation for International Maritime Fuels: Assessing the Options by Ian Parry, Dirk Heine, Kelley Kizzier, and Tristan Smith 2018"

Cost of response to risk

35,000,000

Description of response and explanation of cost calculation

12-30% of 5 year revenues USD average; however bunker fuel costs are a PASS THROUGH cost borne by the charterer of the vessel, not the ship owner.

Based on carbon tax of US \$50 per ton Euronav footprint is 3.2m tonnes hence a bill of \$175m most of which would be pass through cost. However assuming some levy sticks assuming say 20% at most that would imply \$35m.

Euronav is spending \$0.5m during 2020 on active investigation on the most appropriate carbon tax or climate levy programme for our company and for the large crude tanker industry. We expect this work to be completed by Q4 2020.

Comment

Shipping is viewed as being in a privileged position already in terms of its tax liabilities so planning for any tax exemptions in relation to decarbonisation. However this may change going forward with EU Green tax legislation and a potential carbon tax.

Shipping's perceived 'privileged' tax position is based on tax deferral through tax depreciation on a vessel, low tax on ownership and operation in international waters, employee tax breaks, zero-rated VAT and virtually no taxation on bunker fuel.

However a World Bank report which suggested that: 'Less than 5% of global emissions covered under carbon pricing issues are priced at a level consistent with achieving the goals of the Paris agreement, i.e. US\$40 tCO₂ to US\$80 tCO₂ by 2020.' Indicates the complexity and difficulty of levying a tax effectively.

Also shipping where a company's assets are mobile provides opportunity to move those assets to a place where taxation can be offset with over 45 countries already offering innovation incentives covering tax breaks and reduction.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced direct costs

Company-specific description

New legislation passed by the International Maritime Organisation (IMO) in 2020 has mandates that a 0.5% sulphur limit is put on all fuels used for marine transport, including Euronav. While many other companies have invested in open-loop scrubber technologies to remove sulphur from the high sulphur fuel oil used on ships, Euronav have seen this as an opportunity to reduce costs and decrease emissions, by not opting for a retrofit installation of scrubber units on its ships. While low sulphur fuel oil is more expensive, it is estimated that we saved \$350 million from NOT retrofitting scrubber installation, and the payback period is expected to be 24 months. Our ships are

therefore more efficient and emit less carbon in 2020 due to Euronav realising this opportunity.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

37,500,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The direct potential saving of \$37.5 million comes from the fact that Euronav has around 250,000 tonnes of Very Low Sulphur Fuel Oil (VLSFO) that we purchased during 2019 at an average cost of \$450 per tonne; the average price before the oil price sell off was over \$600 per tonne between October 2019 and March 2020. Euronav has not utilised this inventory since the price fall and the potential gain of \$37.5m comes from VLSFO regaining its price in the future of \$600 per tonne x 250,000 tonnes = \$37.5 million.

Expected that the benefit of the opportunity is \$37.5 million directly and up to \$350 million indirectly.

Cost to realize opportunity

2,000,000

Strategy to realize opportunity and explanation of cost calculation

The cost to realise this opportunity has been relatively small with operational costs of hiring a supply barge, set up a procurement team with trained staff. All in cost \$2m. What is harder to quantify is the opportunity cost saved of NOT retrofitting scrubbers on our entire fleet of 70 vessels - this would have cost around \$5 million per vessel made up of \$2.5m per ship for a scrubber unit plus \$1.5m installation costs plus \$1m in off-hire or lost revenue as a result of the vessel being voluntarily out of the global trading fleet for approximately 45 days x \$25,000 average hire rate per day - 45 days being covered by on average 35 days to install equipment and 10 days to get to the installation location and back again to a cargo.

\$2m figure made up of hiring a bunker barge in Malaysia, some additional operational and fuel costs (lubricants); setting up a dedicated fuel procurement desk with highly skilled employees.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient modes of transport

Primary potential financial impact

Reduced direct costs

Company-specific description

Euronav have identified significant climate-related opportunities which save money and reduce Euronav's impact on the environment. A vast majority of Euronav's operating costs and emissions are from fuel, therefore the drive towards a low-carbon economy also provides significant financial benefits, through reduced fuel use.

Time horizon

Medium-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

25,000,000

Potential financial impact figure – maximum (currency)

50,000,000

Explanation of financial impact figure

The savings identified would all be operational so in terms of the operation of the vessel not the design or build or construction of the vessel where the costs but also savings would be far higher potentially. Euronav has identified 5 key areas of operational cost savings each improving by 1% our consumption of fuel. On average over the past 10 years the equivalent VLSFO fuel price would have been \$517 per ton and Euronav consumes 1 million tonnes per year hence the savings at a maximum would be \$50m.

Savings

- 1 from route optimisation - simply better planning of voyages ensuring lower waiting time and wasted voyages saving
- 2 - cold ironing - this is using onshore connection to power which is cheaper rather than ships fuel when in port
- 3 - trim and draught optimisation ensuring ship goes through sea more efficiently
- 4 speed reduction - again linked to planning to reducing waiting time and going slower on ballast (empty) voyages when Euronav is paying fuel costs directly
- 5 better cargo utilisation - ensuring no unnecessary weight is carried and cargo dedicated space is maximised.

Cost to realize opportunity

1,000,000

Strategy to realize opportunity and explanation of cost calculation

Euronav are investing in energy efficiency projects to help realise the financial and climate-related benefits of this opportunity. An example of one of these efficiency technologies is Artificial Intelligence (AI) to help optimise shipping logistics across Euronav's fleet.

5 different initiatives have been trialled with third parties, two where investment cost \$250k and 3x \$100k. Total investment \$800k with an additional notional cost of senior management time based on consultancy basis of \$200k.

The total costs to implement these savings from operational issues would therefore cost around \$1m in total.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Upstream

Opportunity type

Markets

Primary climate-related opportunity driver

Other, please specify
Access to investment

Primary potential financial impact

Increased access to capital

Company-specific description

Euronav was one of the only two shipping companies in the drafting committee of the Poseidon Principles in 2017. The Poseidon Principles provide a global framework for responsible ship finance, including a focus on the impact of lending decisions on promoting international shipping decarbonisation. The Poseidon Principles founders expects by late 2020 that over 80% of banks lending to shipping companies to be part of the Poseidon principles. This is an opportunity for Euronav to achieve financial benefit through increased access to capital in relation to its peers.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

3,750,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

On average over the past 5 years Euronav had an outstanding bank debt around each year \$1.162bn. The Poseidon Principles and their adoption are giving rise to tangible discussions from Euronav and what others in the shipping sector have announced is savings of 5 basis points or 0.05%.

This is a per annum estimated saving based on 30 basis points on \$1.5bn of debt. (Calculation = 5 basis points saving on \$1.5bn of debt = \$3.75m per year.) 5 basis points is the discount banks will provide for achieving specific climate risk objectives each year.

Therefore, Euronav estimate the financial impact would be roughly \$3,750,000 per year, if Euronav are able to make the most of this opportunity.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

There are no associated costs with this opportunity, as this will be a normal part of our business and discussions with banks. Euronav is concluding a \$713m unsecured financing with Nordea leading a syndicate of international banks whereby if we exceed the Poseidon principles objectives and reduce our carbon footprint by the set factors Euronav will have 5 basis points reduced off its interest charge on that loan. Our strategy to exceed our Poseidon principle objectives is embedded into the company's management, with the set up of our ESG and Climate committee, which helps to set the direction and ensure Euronav is on track in meeting its objectives.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

C3.1c

(C3.1c) Why does your organization not use climate-related scenario analysis to inform its strategy?

The current impact of global legislation affecting shipping is as follows. Currently, the emissions of greenhouse gases from international shipping are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which entered into force in 2005. International negotiations are continuing with respect to a successor to the Kyoto Protocol, and restrictions on shipping emissions may be included in any new treaty. The 2015 United Nations Climate Change Conference in Paris resulted in the Paris Agreement, which entered into force on November 4, 2016 BUT does not directly limit greenhouse gas emissions from vessels.

In accordance with this roadmap, in April 2018, nations at the MEPC 72 adopted an initial strategy to reduce greenhouse gas emissions from vessels. The initial strategy identifies “levels of ambition” to reducing greenhouse gas emissions, including (1) decreasing the carbon intensity from vessels through implementation of further phases of the EEDI for new vessels; (2) reducing carbon dioxide emissions per transport work, as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008 emission levels; and (3) reducing the total annual greenhouse emissions by at least 50% by 2050 compared to 2008 while pursuing efforts towards phasing them out entirely.

Euronav has not yet engaged in climate related scenario analysis as this is a very dynamic area which is constantly changing and our business model is acutely exposed to such change given we are 100% engaged in the transportation of crude oil with no other diversification This is changing rapidly and Euronav recognises its responsibility to move with speed and scale on this key issue which it will do so over the next 18 months. This is therefore a critical issue for the company and one we cannot afford to make mistakes in. we aim to conduct climate scenario analysis on a number of levels engaging our long term partner in climate related actions in EcoAct, our auditors KPMG, our engagements with trade bodies like Intertanko and assessment of best practice in both the shipping and oil related company spectrum to construct a robust and challenging analysis which is also crisply and clearly communicated to our stakeholders.

In mitigation shipping is the most efficient form of mass transportation in terms of emissions. Compared to CO2 grams emitted per metric ton of freight shipping is 87x more efficient than air transport (867g/tkm), 9x more than road transportation or trucking (91g/tkm) and 4x more than rail (41g/tkm) (source <https://timeforchange.org/co2-emissions-for-shipping-of-goods/>). This provides the shipping sector with an outstanding longer term model and vision with which to drive future focus.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Euronav recognises the need for affirmative action on the issue of climate related risk assessment and management and avoidance of “greenwashing”. Therefore, we have been enthusiastic supporters of the Poseidon Principles by being a member of the drafting committee. We believe the PP will materially tighten lending standards and governance for bank lending to shipping operators. Also by adopting the clean shipping index (CSI) in our latest major financing

		<p>(\$713 million) we will look to improve our funding costs incentivised by the CSI to adopt a number of initiatives to reduce our emissions and those reduce interest costs.</p> <p>For example, one opportunity which may impact our strategy for our products and services is to use Hydrogen as a new fuel technology. Euronav has active engagement with a sister company with a live trial over the next 2 years to ascertain the feasibility of Hydrogen fuelled vessels for ocean going voyages. This investment is costing Euronav \$250k for our share over 2 years. Should this be successful it could be material in terms of contribution to Euronav as this fuel could be 20-40% cheaper than conventional fuels and be 70-100% (depending on how it is produced) less emitting than traditional fuels. However it is very unproven as a fuel and especially in the volumes required for a large crude tanker (50 tons per day consumption of fuel oil equivalent). Long term impact uncertain but likely >5-10 years away from feasible use in large tankers; costs uncertain.</p>
<p>Supply chain and/or value chain</p>	<p>Yes</p>	<p>There were multiple reasons why Euronav did NOT join the universal rush to retrofit part or all of their fleet with scrubber technology ahead of the new fuel regulations as part of IMO 2020. The operational risk from bringing washwater into a ship adjacent to the engine and associated power issues were just one area of concern. In addition Scrubber units themselves weigh 40-50 tonnes and require a substantial amount of power to operate to scrub the emissions from a ships funnel in order to dilute the high sulphur fuel oil (HSFO with 3.5% SO2 content) to the required 0.5% sulphur content required from 1 January 2020. One key concern was the additional minimum 3-5 tonnes of fuel per day that a scrubber fitted VLCC or Suezmax requires to power the scrubber unit which is addition to the 40-70 tonnes such a ship would consume on an ordinary voyage per day. Such additional power directly increases the emissions from shipping making it harder to comply with regulations such as the IMO target for 2030.</p> <p>More importantly, as we were not able to assess whether returning the washed waters to the ocean (as is the case for the vast majority of scrubbers) would be detrimental to the environment, we used precaution principle not to do it until we could obtain further evidence that it would not damage the precious sea environment.</p>

Investment in R&D	Yes	<p>Euronav recognises the acute and rapid need to be engaged closely with initiatives in research to better understand and reduce the emissions from shipping. The impact of climate change is an immediate and strategic need for Euronav. Tangible actions reflecting this influence:</p> <p>Euronav committed to the Getting to Zero coalition, which is part of the Global Maritime forum established in Autumn 2018 with the express aim to bring industry players together and actively invest technology, capital and publicity into a vessel with zero emissions by 2030 to prove that shipping could do specific projects on a collective basis. Meetings are held virtually every quarter and Euronav has invested around \$250,000 into the project so far and dedicated shipping expertise to 3 in house projects. the timelines to specific goals are necessarily long term but other initiatives (eg efficiency collaboration project in 2019 between 12 partners) underpin the core goal of 2030 and provide a new voice for shipping players on green issues. This decision was a strategic decision made as a result of our understanding of climate-related risks. While the time horizon for the coalition is 2030, Euronav have already acted on this and invested in projects.</p>
Operations	Yes	<p>The pressing need to reduce emissions is driving the agenda at Euronav in terms of operational improvements to reduce our footprint. For instance by exceeding the Poseidon Principles trajectory on emissions Euronav has de facto targets ranges to reduce its carbon footprint. In addition research has shown cold ironing can reduce CO2 emissions by 3-5% -Cold ironing is using onshore connection to power which is cheaper rather than ships fuel when in port. As a result, Euronav are looking to adopt this operational practice as a climate-related opportunity where possible.</p> <p>Speed reduction improving the CO2 count by 13-24%.</p>

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

Financial planning elements that	Description of influence
----------------------------------	--------------------------

	have been influenced	
Row 1	Direct costs	<p>Indirect costs of \$350 million have been saved by not investing in retrofitting scrubber technology across our fleet (\$5 million per vessel all in cost of \$2.5m scrubber unit; \$1.5m installation cost plus \$1m opportunity cost of voluntarily leaving fleet to retrofit taking 45 days x \$25k lost per day in revenue)</p> <p>In this case, The financial assessment as part of the decision not to invest in scrubbers was specifically made between June and September 2018, though the impacts of this decision will cover the rest of the ships lifetimes, up to 20 years. The cost of a scrubber unit at that time was \$2.8 million for a VLCC and whilst installation was forecast by the main providers at \$400k we believed the sheer difficulty and logistics of fitting such a unit that had to be completely sealed from water once in use (a scrubber uses the equivalent of an Olympic sized swimming pool of salt water every 2 hours then repeats the process) would mean retrofitting would take at least 30-35 days meaning an installation cost of 3x that originally envisaged totalling \$1.2 million. Finally we assessed \$1m cost of having a VLCC voluntarily out of the chartering market and off-hire based in 40 days all in for a break-even VLCC freight rate of \$25k per day. Were this "opportunity cost" of lost revenue to occur when the freight rate market was stronger say \$50k per day then this would need to be added to the cost assessment. This then gave us an all in cost of \$5m to retrofit a scrubber. The work we did in assessing the market for fuel cost differential between the old fuel 3.5% and new fuel 0.5% sulphur content was around \$150 per tonne (today spread is \$60-\$80) with a VLCC consuming around 40 tonnes of fuel per day BUT requiring additional costs with a scrubber as it will need more fuel to power the scrubber and additional man hours to manage it costing c \$2k per day. SO savings would be \$150 per tonne x 40 tonnes x 250 days a year when you could use the scrubber as a lot of locations have banned the use of scrubbers in their waters eg UAE, Singapore, China, the vast majority of ports in Europe,... - so savings would be \$1.5 million per year but offset by \$0.5m additional costs meaning \$1m net savings a year so a payback of investment of 5 years. this was against a depreciated life of the parts of the scrubber being 3 years. we also calculated there would be a fade to the savings over time which would reduce the savings still further. so an investment of \$5m with little prospect of a financial return until at least year 6 and substantial environmental risks and potentially being banned in the meantime globally meant we did not believe this was a worthwhile risk for the return in May 2018 and we went public with this view the next month.</p>

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Being at the forefront to push and help the banks to adopt the Poseidon Principles (PP) is a core example of Euronav assuming binding principles and structures which will reduce our emissions and simultaneously benefit the company in a financial capacity by reducing our interest costs. The PP adopts a trajectory of reduced emissions via a company's AER score or Annual Efficiency Ratio - this measures the companies AER* for VLCC and Suezmax seagoing tankers (excluding the FSOs) falls within the Poseidon Principles trajectory for the years 2020 – 25. The calculation is based on data that are submitted to IMO through the Data Collection System and are verified from third parties (Classification Societies). Euronav needs to reduce its VLCC AER by the following in each year to an AER score of not more than 2020 2.37 AER 2021 2.31 2022 2.25 2023 2.19 2024 2.12 2025 2.06; Suezmax 2020 3.25 2021 3.16 2022 3.08 2023 2.99 2024 2.91 2025 2.82 - currently Euronav VLCC score is 2.15 and Suezmax 3.14. In addition to these emissions benefits by adopting PP our lending structures should over time reduce by 5 to 20 basis points which historically would save the company at least \$581,000 per year in reduced interest costs.

In 2018, we merged with Gener8, another tanker company. They were in financial difficulty because they had ordered too many ships and paid for them with too much debt but they had a modern fleet composed almost exclusively of eco-tankers. The Eco-tankers are a generation of ships which emerged in 2014 and are consuming around 25% less fuel than the older generations, therefore emitting also 25% less CO2 in the atmosphere. Euronav already had many eco-tankers but with that acquisition, the vast majority of our fleet was eco-labelled. The transaction represented an acquisition of about \$1.2B of assets.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

No target.

C4.1c

(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

	Primary reason	Five-year forecast	Please explain
Row 1	We already have targets as part of our compliance with the Poseidon Principles with a baseline from 2020 but are	Emissions are expected to decrease in the next five years. Efficiency measures are central to Euronav's business and profitability and will remain a key consideration. Likely increases in	Fuel consumption is Euronav's largest emissions driver, and fuel efficiency has always been of crucial importance to Euronav, as fuel is one of the main expenses of the business. Euronav do not currently

	<p>planning to introduce more explicit and specific targets target in the next two years</p>	<p>environmental legislation should also drive this change. Based on our historical carbon trajectory, we can expect emissions to decrease by more than 13% therefore exceeding the the Poseidon Principles targets and the trajectory set by the IMO 2030.</p>	<p>have a specific carbon reduction target as fuel efficiency is already a central aspect of Euronav's business strategy., Euronav is looking to set specific targets which are meaningful and represents the ambition of the company. This means going beyond efficiency measures and transitioning to lower / no carbon fuels. As a early supporter of the Poseidon Principles, Euronav has been driving decarbonisation in the maritime sector, and fully support the alignment of emissions reductions to established decarbonisation trajectories. Euronav are currently working on developing precise targets, which should be announced in 2020 and which will be more ambitious than PP.</p>
--	--	---	--

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	4	0N/A as too early to tell
To be implemented*	2	1,624

Implementation commenced*	1	65,000
Implemented*	5	192,819
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings
Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)

5

Scope(s)

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

700

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Initiative category & Initiative type

Energy efficiency in production processes
Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

19,500

Scope(s)

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

2,205,000

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

<1 year

Comment

Voyage execution (weather routing)

Initiative category & Initiative type

Energy efficiency in production processes

Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

26,000

Scope(s)

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

2,940,000

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

<1 year

Comment

Voyage Charter planning

Initiative category & Initiative type

Energy efficiency in production processes
Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

1,600

Scope(s)

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

182,000

Investment required (unit currency – as specified in C0.4)

70,000

Payback period

<1 year

Estimated lifetime of the initiative

<1 year

Comment

Main Engine and Auxiliary Engine Performance (four Pcs)

Initiative category & Initiative type

Energy efficiency in production processes
Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

15,690

Scope(s)

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

1,750,000

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

<1 year

Comment

Auxiliary Engine Load Optimization

Initiative category & Initiative type

Energy efficiency in production processes
Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

65,000

Scope(s)

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

7,350,000

Investment required (unit currency – as specified in C0.4)

123,000

Payback period

<1 year

Estimated lifetime of the initiative

<1 year

Comment

QUAD

Initiative category & Initiative type

Energy efficiency in production processes
Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

65,000

Scope(s)

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

7,350,000

Investment required (unit currency – as specified in C0.4)

168,000

Payback period

<1 year

Estimated lifetime of the initiative

<1 year

Comment

FPM

Initiative category & Initiative type

Energy efficiency in production processes
Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)

24

Scope(s)

Scope 1

Voluntary/Mandatory

Mandatory

Annual monetary savings (unit currency – as specified in C0.4)

2,700

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

<1 year

Comment

Low Energy BWTS

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	On January 2020 a reduction of SO2 concentration of Marine fuel oil was imposed. Euronav decided to use compliant fuel instead to install scrubbers considering that such a decision is more beneficial to the environment
Lower return on investment (ROI) specification	For each one of the investments that company examines a favourable (ROI) is required. This ROI depends on the amount of the investment.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

3,280,230.05

Comment

Scope 2 (location-based)

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

399.68

Comment

Scope 2 (market-based)

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO₂e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

3,129,605

Comment

This figure was calculated in line with the Greenhouse Gas Protocol, and includes both marine and office-based emissions sources.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Our electricity consumption is not a material part of Euronav's operations. In 2019, no supplier specific tariffs or REGO backed purchases were made to cover this consumption. Therefore, market-based emissions factors are currently not relevant for Euronav's emissions accounting, however these have been calculated with residual factors for transparency.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

430.47

Scope 2, market-based (if applicable)

498.47

Comment

This figure includes all consumption from our offices except one-man offices located in Hong Kong and Qatar.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

One-person operational offices in Hong Kong and Doha

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

Emissions from these one-person offices are extremely immaterial in comparison to Euronav's Scope 1 and 2 emissions. Total office emissions make up 0.029% of Euronav's emissions, therefore these sources have no discernible impact on the final figures, and are not relevant to Euronav's emissions disclosure.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, explanation provided

Please explain

The vast majority of purchased goods and services for Euronav is fuel, which is accounted for in 'Fuel and energy related activities'.

Capital goods

Evaluation status

Relevant, not yet calculated

Please explain

Euronav own 72 ships, production of which is not currently accounted for relating to emissions. This is something which Euronav are working on.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

613,773.11

Emissions calculation methodology

Using the activity data from our Scope 1 and 2 emissions, we applied relevant emissions factors from the latest conversion factor datasets available to calculate the emissions generated upstream through Well-to-Tank production, processing and delivery of fuel and Transmission and Distribution losses of electricity. To calculate the indirect emissions of our fuel consumption and business travel, we applied emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2019, published by DEFRA (Department for Environment, Food and Rural Affairs of UK). Upstream emissions arising from electricity consumption were calculated using country-specific DEFRA 2019 emission factors for the Well-to-Tank emissions and Well-to-Tank emissions associated with the Transmission and Distribution losses of getting electricity to the end user. The country breakdown of emissions factors for Transmission

and Distribution losses is not calculated by DEFRA, therefore we used the 2019 IEA (International Energy Agency) emission factors to calculate T&D losses on a country level.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Euronav are a large consumer of fuel, and therefore emissions from upstream processing is calculated and disclosed under Scope 3.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

Euronav are a transport service provider, therefore no additional transportation or distribution is relevant for Euronav's emissions portfolio.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Please explain

This is immaterial in relation to Euronav's other Scope 3 emissions.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

11,070.65

Emissions calculation methodology

Using invoices from flights with departure dates in 2019, we identified the total km travelled by each invoiced journey. Emission were calculated by multiplying the DEFRA 2019 emission factors for short, medium and long-haul flights broken down by the haulage class.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Euronav calculate emissions for flights taken as part of operations.

Employee commuting

Evaluation status

Not relevant, explanation provided

Please explain

This is immaterial in relation to Euronav's other Scope 3 emissions.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Euronav do not own any upstream leased assets.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

Euronav are a transport service provider, therefore no additional transportation or distribution is relevant for Euronav's emissions portfolio.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Euronav are a transport service provider, therefore there is no processing of sold products relevant.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Euronav are a transport service provider, therefore use of sold products is not relevant.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Euronav are a transport service provider, therefore end of life treatment of sold products is not relevant.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

Euronav do not own any downstream leased assets

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

Euronav do not have any franchises

Investments

Evaluation status

Not relevant, explanation provided

Please explain

Euronav do not have any investments apart from capital goods investments

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

There are no other relevant upstream Scope 3 emissions.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

There are no other relevant downstream Scope 3 emissions.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.003357049

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

3,130,035.2

Metric denominator

unit total revenue

Metric denominator: Unit total

932,377,000

Scope 2 figure used

Location-based

% change from previous year

46

Direction of change

Increased

Reason for change

Increased business activity has lead to an increase in fuel consumption and consequently, higher emissions year on year.

C-TS6.15

(C-TS6.15) What are your primary intensity (activity-based) metrics that are appropriate to your emissions from transport activities in Scope 1, 2, and 3?

Marine

Scopes used for calculation of intensities

Report Scope 1 + 2 + 3 (category 4)

Intensity figure

0.000003

Metric numerator: emissions in metric tons CO₂e

3,129,277.53

Metric denominator: unit

t.km

Metric denominator: unit total

1,118,001,011.89

% change from previous year

9

Please explain any exclusions in your coverage of transport emissions in selected category, and reasons for change in emissions intensity.

The figure reported includes all fuel consumption and refrigerants associated with the operation of our marine vessels. This has increased due to changes in operational conditions, affecting our load capacity. The International Maritime Organisation (IMO) use the Annual Efficiency Ratio (AER), metric: CO₂ per year/ (dwt*distance sailed in a year) for cargo carriers. Euronav have decreased their emissions intensity from 2.37 to 2.36 from 2018 to 2019.

Note - Denominator value provided is in thousands of tonne.km due to the value not fitting within the CDP range provided.

ALL

Scopes used for calculation of intensities

Report Scope 1 + 2 + 3 (category 4)

Intensity figure

0.000002

Metric numerator: emissions in metric tons CO₂e

3,129,277.53

Metric denominator: unit

t.km

Metric denominator: unit total

1,118,001,011.89

% change from previous year

9

Please explain any exclusions in your coverage of transport emissions in selected category, and reasons for change in emissions intensity.

The figure reported includes all fuel consumption and refrigerants associated with the operation of our marine vessels. This has increased due to changes in operational conditions, affecting our load capacity. The International Maritime Organisation (IMO) use the Annual Efficiency Ratio (AER), metric: CO₂ per year/ (dwt*distance sailed in a year) for cargo carriers. Euronav have decreased their emissions intensity from 2.37 to 2.36 from 2018 to 2019.

Note - Denominator value is in thousands of tonne.km due to the value not fitting within the CDP range provided.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	3,078,673	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	1,230	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	43,608	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	6,102	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Belgium	104,360.67
France	0.24
Greece	2,260,895.29
United Kingdom of Great Britain and Northern Ireland	334,012.31
China, Hong Kong Special Administrative Region	423,032.69
Cyprus	7,303.77

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Euronav Ship Management (Hellas)	2,260,895
Euronav Ship Management SAS (Antwerp)	104,361
Northern Marine Management Limited	334,012
Anglo Eastern Tanker Management (Hong Kong)	423,033
Columbia	7,304

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Ships	3,129,278
Offices	150
Company Cars	177

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Comment
Transport services activities	3,129,278	The reported figure includes all Direct Scope 1 emissions directly related to the operation of our vessels. This includes all fuel and sludge combusted, as well as refrigerant loss.

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based	Scope 2, market-based	Purchased and consumed electricity, heat,	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in
----------------	-------------------------	-----------------------	---	--

	(metric tons CO2e)	(metric tons CO2e)	steam or cooling (MWh)	Scope 2 market-based approach (MWh)
Greece	186.2	254.35	365.45	0
France	0.66	0.72	13.51	0
Singapore	4.34	4.34	11.22	0
Belgium	219.8	210.03	1,111.25	0
United Kingdom of Great Britain and Northern Ireland	19.47	29.03	76.18	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

By facility

By activity

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Euronav Ship Management (Hellas)	186.2	254.35
Euronav Ship Management SAS (Antwerp)	219.8	210.03
Euronav Ship Management SAS France	0.66	0.72
Euronav Singapore Pte	4.34	4.34
Euronav (UK) Agencies (London)	19.47	29.03

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Athens	186.2	254.35
Nantes	0.66	0.72

Singapore	4.34	4.34
Antwerp	219.8	210.03
London	19.47	29.03

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Offices	430.47	498.47

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Transport services activities	0	0	Euronav's Scope 2 emissions come entirely from offices. Therefore, no Scope 2 emissions are specifically relevant to shipping as a high-intensity sector.

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
--	--	---------------------	------------------------------	----------------------------

Change in renewable energy consumption	0	No change	0	No change
Other emissions reduction activities	0	No change	0	No change can be attributed to this, though emissions reduction activities were present.
Divestment	0	No change	0	No change
Acquisitions	0	No change	0	No change
Mergers	0	No change	0	No change
Change in output	0	No change	0	Increased business activity, therefore higher fuel consumption.
Change in methodology	0	No change	0	No change
Change in boundary	0	No change	0	No change
Change in physical operating conditions	0	No change	0	No change
Unidentified	0	No change	0	No change
Other	0	No change	0	No change

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 95% but less than or equal to 100%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	11,036,303.38	11,036,303.38
Consumption of purchased or acquired electricity		0	1,577.6	1,577.6
Total energy consumption		0	11,037,880.98	11,037,880.98

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No

Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Heavy Gas Oil

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

9,751,455.71

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Emission factor

3,159.55

Unit

kg CO2e per metric ton

Emissions factor source

DEFRA (2019), Fuels, Marine Fuel Oil (tonnes)

Comment

In order to calculate carbon dioxide equivalent, we have used DEFRA's Marine Fuel Oil to include both heavy and light fuel oil.

Fuels (excluding feedstocks)

Other, please specify

Light Fuel Oil

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

265,690.22

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Emission factor

3,250.08

Unit

kg CO₂e per metric ton

Emissions factor source

DEFRA (2019), Fuels, Marine Gas Oil (tonnes)

Comment

In order to calculate carbon dioxide equivalent, we have used DEFRA's Marine Fuel Oil to include both heavy and light fuel oil.

Fuels (excluding feedstocks)

Marine Gas Oil

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

1,014,875.97

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Emission factor

3,250.08

Unit

kg CO₂e per metric ton

Emissions factor source

DEFRA (2019), Fuels, Marine Gas Oil (tonnes)

Comment

Fuels (excluding feedstocks)

Waste Oils

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

4,281.48

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

Emission factor

3,225.02

Unit

kg CO₂e per metric ton

Emissions factor source

DEFRA (2019), Fuels, Waste Oils (tonnes)

Comment

Marine Sludge

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

None (no purchases of low-carbon electricity, heat, steam or cooling)

Low-carbon technology type

Country/region of consumption of low-carbon electricity, heat, steam or cooling

MWh consumed accounted for at a zero emission factor

Comment

C-TS8.5

(C-TS8.5) Provide any efficiency metrics that are appropriate for your organization's transport products and/or services.

Activity

Marine

Metric figure

0.000028

Metric numerator

Other, please specify
CO2 emissions from Fleet

Metric denominator

t.km

Metric numerator: Unit total

3,129,277.53

Metric denominator: Unit total

11,180,010,118.92

% change from last year

-0.4

Please explain

The figure reported includes all fuel consumption and refrigerants associated with the operation of our marine vessels. This has increased due to changes in operational conditions, affecting our load capacity. The International Maritime Organisation (IMO) use the Annual Efficiency Ratio (AER), metric: CO2 per year/ (dwt*distance sailed in a year) for cargo carriers. Euronav have decreased their emissions intensity from 2.37 to 2.36 from 2018 to 2019.

Note: reported denominator in thousands of t.km due to the figure being too large for the cell.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-TO9.3/C-TS9.3

(C-TO9.3/C-TS9.3) Provide tracking metrics for the implementation of low-carbon transport technology over the reporting year.

Activity

Marine

Metric

Fleet adoption

Technology

Other, please specify

LNG Dual Fuelled tankers both VLCC and Suezmax

Metric figure

0

Metric unit

Other, please specify

% of fleet

Explanation

CO2 emissions may or may not be reduced by up to 25% from adopting dual fuelled LNG tankers but it is unproven in terms of gains when considering methane leakage as well - also this involves an upfront capital investment of \$10-15m per VLCC without visibility of an economic or environmental gain or return.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	No	Euronav does invest in R&D in an operational sense looking at shipping efficiency techniques and also looking at benefits from increased technology spending in areas like AI assisting in us being more efficient for our business (therefore generating better returns on capital employed) AND more efficient in reducing our emissions and reducing our impact as part of climate change.

		<p>For instance. Applying better use of technology into how voyage patterns based on historical weather patterns, port waiting times and fuel consumption we could reduce materially the times we are not sailing at optimal speed and hence reduce our carbon footprint and emissions of CO2. This investment is relatively modest in the context of the company size and revenues.</p> <p>However as the example illustrates this is an operational improvement not a capital investment one or one from research and development in our fleet or equipment which directly makes use more efficient in emissions or climate change. The reason for that is that our business “equipment” of ships are commoditised and manufactured by a specialist number of providers in only 3 nations (South Korea, China or Japan) and there are only around 7 companies capable of making VLCC or Suezmaxes to our specification. Therefore the R&D benefit rests with them primarily as constructors rather than Euronav as operators.</p>
--	--	---

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	
Scope 3	No third-party verification or assurance

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Our strategy for complying with our current system of regulation is as follows; Capital markets compliance is via the regulators of NYSE and Euronext stock exchanges. In addition we look to follow best practice as investors and participate in multiple conferences and engagement with investors. We comply with IMO our global regulator via the Belgian flag and attend multiple conferences and meetings with the IMO. Financially we are regulated via commercial relationships with our banks and increasingly getting to zero and Poseidon principles as umbrella organisations providing guidance for these bodies. Trade bodies like Intertanko, national shipping association, International chamber of shipping (ICS) and ITOPF (International Tanker Owners Pollution Federation- www.itopf.org)

ITOPF is the leading, not-for-profit marine ship pollution response advisers providing impartial advice worldwide on effective response to spills of oil & chemicals) Provide practitioner assistance and regulation for us as shipowners. We anticipate that these sources of this regulation will become more structured and regular going forward with likely increased statements of compliance required as standard. Our strategy for complying with this regulation will take a similar approach.

We anticipate being regulated increasingly more by the EU given we are Belgian domiciled company with most of our vessels flagged and registered in Greece, Belgium or France. This poses a substantial change to our risk profile. We anticipate in the next 12 months the EU will impose directly a carbon tax on shipping which will be an additional cost for us as shipowners. In 12-24 months we anticipate mandatory application of laws surrounding the disposal or break up of tankers to be applied to EU based shipping companies meaning when scrapping a ship we will only be allowed to do so in an approved (largely EU based) shipyard which will increase the cost of ship disposal. During year 3 in 24 -36 months time we anticipate that shipping companies based in EU could become subject to corporation tax as opposed to the current tonnage tax regime. This will allow shipping companies to access tax losses (currently unavailable) to be used in future years but also likely mean far higher rates of tax during profitable years.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

No, we do not engage

C12.1e

(C12.1e) Why do you not engage with any elements of your value chain on climate-related issues, and what are your plans to do so in the future?

Historically Euronav has not specifically engaged with its value chain on climate related issues for three reasons:

- (1) our supply chain is overwhelmingly private and often small family operated corporations who have had historically little engagement themselves or awareness of climate related issues
- (2) on a practical level it has been very difficult to engage and generate systematic change in suppliers climate related behaviour and also highly costly both in monetary and management time terms and
- (3) Euronav has largely had a relatively small interface with its supply chain given our size (on average 30 vessels over past 10 years) and we have largely been fully integrated only requiring supply chain assistance for ship supplies (foodstuffs, parts etc) and bunker fuel.

There are plans to radically overhaul our approach in the future as Euronav has recognised that:

- (1) Our supply chain can have a huge impact on our climate change emissions e.g. supply chain emissions are 5.5 times more than a company's direct operations on average (source CDP) and as we have grown (we now have over 70 vessels) that we have considerably more purchasing power than before and a responsibility to utilise this effectively.
- (2) On a practical level some suppliers especially in the bunker fuel world post regulations around IMO 2020 have become more aware of the climate change responsibilities and the need to share them as have senior management at Euronav and we have moved more directly into utilising our scale not just from a dollar perspective but also in using logistics to apply pressure on the supply chain (e.g. playing different geographical locations against one another based on climate related issues scores in their value chain) and
- (3) Our customer base (Oil companies) have pushed further pressure down the supply chain and Euronav itself has outsourced more of our integrated approach to third parties allowing us to assess how best to measure, change and alter our interface on climate related issues to better fit with a more responsible value chain.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations
Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Clean energy generation	Support with minor exceptions	The IMO launched regulations for high sulphur fuels to be banned in 2020, though combustion of high sulphur fuels is still allowed if the ship is fitted with a scrubber. Euronav management represented by our General Manager and CEO directly attended policy meetings in London during 2018 and 2019 on these issues. Scrubbers are costly and can be more damaging to the environment as scrubbed pollutants are often dumped in the sea. Euronav's stance is against retrofitting open-loop scrubbers, and only compliant fuel is used which does not need scrubbers. We were in direct engagement re scrubbers in past year with IMO and we go through our national flags to IMO on all other issues including our COO being physically present at their meetings = x2 per year. We also presented to the EU commissioner directly and in person last year on emissions and scrubbers outlining our concerns.	While Euronav support legislation for cleaner fuels, we do not support the retrofit of scrubbers to comply with this legislation.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Union of Greek Shipowners

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Shipowners are the primary method to gain entry and platform to the IMO and its twice yearly committees on emissions issues. Greek and Belgian shipowners are consistent in wanting a consistent global framework for the reduction in shipping emissions.

How have you influenced, or are you attempting to influence their position?

Regular representations to country officials and attendance of all IMO meetings in personal capacity with senior executive.

Trade association

Belgian Shipowners association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

Shipowners are the primary method to gain entry and platform to the IMO and its twice yearly committees on emissions issues. Greek and Belgian shipowners are consistent in wanting a consistent global framework for the reduction in shipping emissions.

How have you influenced, or are you attempting to influence their position?

Regular representations to country officials and attendance of all IMO meetings in personal capacity with senior executive.

Trade association

European Union

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

EU historically have been supportive of IMO but are putting pressure on IMO via green deal and an approved list of scrapyards.

How have you influenced, or are you attempting to influence their position?

Representations via Belgian network to key officials on bespoke basis

Trade association

IMO – International Maritime Organisation

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

IMO has the advantage of being a truly global regulatory body but needs to move quicker given the speed and scale of changing emissions issues and standards.

How have you influenced, or are you attempting to influence their position?

Trade association

GMF – Global Maritime Forum

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

GMF is responsible for launching the Poseidon Principles and the "getting to Zero" coalition trying to get a ship on the water by 2030 with zero emissions.

How have you influenced, or are you attempting to influence their position?

Euronav was core founder of this forum and regularly leads discussion.

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

In June 2019 Euronav became one of the only two maritime companies to be part of the drafting of the Poseidon Principles. The Poseidon Principles are a global framework for assessing and disclosing the climate alignment of financial institutions' shipping portfolios. The Principles establish a common baseline to quantitatively assess and disclose whether financial institutions' lending portfolios are in line with adopted climate goals. They are consistent with the policies and ambitions of the Initial Greenhouse Gas (GHG) Strategy adopted in April 2018 by member states of the International Maritime Organization (IMO). The strategy prescribes that GHG emissions from international shipping must peak as soon as possible and that the industry must reduce total annual GHG emissions by at least 50% of 2008 levels by 2050, with a strong emphasis on zero emissions.

Euronav has been increasing the number of dedicated slides in our core company investor presentation to our ESG and the sectors emission credentials. This includes a dedicated presentation to the CDP team at an investor presentation for stewardship and governance fund managers in London in November 2019. Euronav anticipate undertaking more of this activity including a dedicated ESG related presentation by senior management and the board to investors and the media in 2020.

Euronav is a founding partner of the Global Maritime Forum which was launched in 2017 with the aim of providing a platform for shipowners to push shipping and freight issues along with emission and governance standards to a wider investment, capital market and media audience. As part of this forum Euronav is also a key player in the Getting to Zero coalition which is dedicated expertise, capital and co-ordinated knowledge in building a zero emission vessel by 2030.

Euronav with our sister company has invested in research on the development of hydrogen and ammonia technology as a fuel in small scale vessels in Antwerp, Belgium. Euronav has also continue to use its annual report to pen thought leadership pieces on emission and financing issues within shipping with 2019 annual report also providing a report on how capital can help drive the emission reduction agenda in shipping both today and going forward.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Processes in place to ensure consistency are three fold:

1. Auditor KPMG has specific oversight via the Belgian office to ensure stated policies and objectives are being adhered to according to our quarterly reports.
2. Management committee – has oversight to ensure on a day to day basis this is being carried out properly
3. ESG and Climate Change committee –have ultimate responsibility to ensure the way we manage our business directly and indirectly is consistent with our stated aims of the committee

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

 euronav-annual-report-2019-version-20-april.pdf

Page/Section reference

80-91

Content elements

Governance
Strategy
Emissions figures
Other metrics

Comment

Euronav has a bespoke ESG section in its annual report for 2019 for the first time. Euronav has consistently scored a position in the top quartile of shipping companies on a range of governance and ESG issues. By being vertically integrated and having its own ship management practise (including the crewing of its ships) – as opposed to outsourcing this activity – Euronav has always placed a major focus on its people and their well-being especially onboard its ships.

We have consistently pushed our ESG and emission disclosure credentials to the trade press and financial media.

Euronav intend to have an ESG investor day in Q3 2020 to illustrate and showcase the progress the company has made but also indicate crude tankers have an active role to play in this field.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response		Public

Please confirm below