



Overseas Shipholding Group, Inc.

2022 Sustainability Report





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A Message from Our Leadership



Samuel H. Norton
President & CEO



Anja Manuel
Chair of the Corporate Governance
and Risk Assessment Committee



The success of Overseas Shipholding Group is measured by more than financial metrics. It is, as importantly, predicated on our determination to improve and evolve – in our operational efficiencies and in the safe and environmentally sensitive execution of the services we provide – and on our commitment to our core values that have driven our past success and will guide us as we face the future.

OSG's primary purpose is simple: to move energy with integrity. Thanks to the dedication and excellence of our mariners, shoreside support, and leadership, we have earned a reputation as one of the most respected energy transportation companies in the world. We aspire to build on this legacy, to adjust to higher standards, and to meet the expectations of our stakeholders.

There is today a global discussion centered on achieving a target of zero emissions for ocean shipping and on new rules intended to transition the maritime industry into a post fossil fuel-dependent world. Succeeding in these efforts will require consensus on viable technologies and practical solutions to apply and measure across the entire supply chain of production and distribution, large capital investments with extended payback periods, and scaled development of effective and widely available alternatives to fossil fuels. During this transition there will be a continued need for transporting conventional fuels and for investing in existing tankers to improve performance and to reduce greenhouse gas emissions as our industry evolves.

OSG's environmental strategy is calculated and practical in this transitory phase. **Incremental and continual improvement are our goals.** OSG is committed to reducing its carbon emissions and has set its own specific targets. We will meet these targets in the short run by improving our operational efficiencies. In the medium term, we are using and participating in the supply chain for alternative fuels, and testing technologies for investment to retrofit existing ships. In the longer term, we are partnering with others to invest in and develop technology and processes necessary to make meaningful reductions to carbon emissions. **Already, as an operator primarily within U.S. waters, our vessels perform under environmental standards that exceed those in international waters.**

The U.S. industry's mariners are among the most credentialed in the world and we understand that they are the key to our success. Amidst an industry-wide seagoing labor shortage, OSG is working with industry partners to attract and retain a larger pool of qualified mariners. We recognize our responsibility to ensure a respectful and inclusive working environment onboard our vessels and to operate to the demanding safety standards of our customers and regulators.

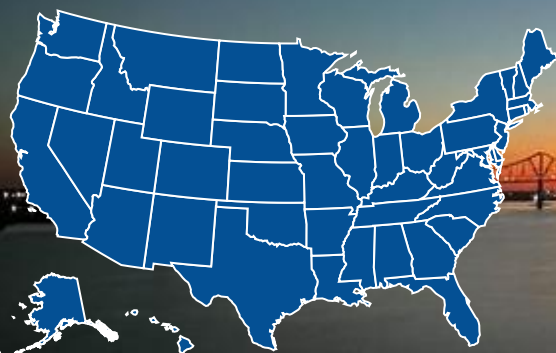
We have a proud tradition of observing high standards of business conduct. **OSG sees many opportunities to act as a change agent and make meaningful improvements to the way in which we conceive of and deliver our transportation services.** With this vision, our commitment, and our dedication, we will remain true to our mission of being a world-class shipper of liquid bulk commodities.

About OSG

Overseas Shipholding Group, Inc. (NYSE: OSG) is a U.S. ship owning and operating company that provides liquid bulk energy transportation services in the U.S. flag tanker market. OSG is a major operator of tankers and articulated tug-barges (ATBs) in the Jones Act industry, a critical component of the United States supply chain and energy infrastructure. OSG's fleet consists entirely of U.S. flag vessels – crude oil tankers doing business in Alaska, MR tankers, shuttle tankers, conventional and lightering ATBs, and non-Jones Act MR tankers which operate internationally and participate in the U.S. Tanker Security Program. Our fleet is managed by our wholly owned subsidiaries - OSG Ship Management, Inc. and Alaska Tanker Company LLC.

American Shipping Industry

- **Over 650,000 jobs**
- **\$150 billion economic impact**
- **Stronger national security**



Our Industry

The transportation of goods over water remains more energy efficient and less impactful on the environment than transporting goods via rail or truck. According to the Bureau of Transportation, the transportation of goods by water accounted for only 2% of total CO2 emissions in the United States transportation sector.¹ Our Jones Act fleet – American built, American owned, and American crewed – is fully equipped to safely and efficiently meet the U.S. coastwise energy transportation needs.

Hurricanes are an example of the importance of the Jones Act fleet in times of need. In the aftermath of Hurricane Ian --- which impacted the east and west coasts of Florida as well as coastal Georgia and South Carolina – OSG ships and other Jones Act vessels provided critical energy needs immediately following the storm, delivering over 90 million gallons of gasoline, diesel, and jet fuel to storm affected areas. It is Americans helping Americans and it is what separates Jones Act carriers from the pack.

OSG is a proud member of both the American Maritime Partnership and the Florida Maritime Partnership, each of which play a critical role in advocating for and supporting the domestic maritime industry and the over half a million jobs that it creates.

<https://data.bts.gov/dataset/Greenhouse-Gas-Emissions-by-Transportation-Mode/vfcx-3yypb>

Military Support & Tanker Security Program

OSG's vessels, the *Overseas Mykonos* and the *Overseas Santorini*, have been participants in the U.S. Department of Defense's Maritime Security Program for many years. These vessels, along with the *Overseas Sun Coast*, have been accepted into the newly created Tanker Security Program (TSP). The TSP reinforces the national interests of the U.S., creates meaningful employment opportunities for American mariners, and bolsters the U.S. presence in international maritime trade. OSG values its role in supporting the U.S. military in performing its important mission.

Fleet Overview

Vessel Name	Year Built	Type	IMO Tier	Miles Run	Cargo Capacity (DWT)	Total Cargo Loaded (MT)	Total Port Calls
ALASKAN EXPLORER	2005	Tanker	Tier 1	70,941	193,050	2,766,937	44
ALASKAN FRONTIER ¹	2004	Tanker	-----	-----	-----	-----	-----
ALASKAN LEGEND	2006	Tanker	Tier 1	66,524	193,048	2,729,838	42
ALASKAN NAVIGATOR	2005	Tanker	Tier 1	73,968	193,048	3,079,413	50
OSG 204/OSG ENDURANCE	2020	ATB	Tier 3/ Tier 2	38,956	27,085.42	1,005,362	50
OSG 205/OSG COURAGEOUS	2020	ATB	Tier 3/ Tier 2	38,544	27,085.82	1,274,096	104
OSG 350/OSG VISION	2010	ATB	Tier 1, Aux Tier 2	15,770	57,167.81	747,563	12
OSG 351/OSG HORIZON	2011	ATB	Tier 1	33,263	58,486.93	3,002,026	40
OVERSEAS ANACORTES	2010	Tanker	Tier 2	62,566	46,597.57	1,313,985	74
OVERSEAS BOSTON	2009	Tanker	Tier 2	56,990	46,803.90	1,066,919	65
OVERSEAS CASCADE	2009	Tanker	Tier 2	28,922	46,228.47	1,216,036	64
OVERSEAS CHINOOK	2010	Tanker	Tier 2	30,059	46,228.47	1,791,761	50
OVERSEAS HOUSTON	2007	Tanker	Tier 1	57,186	46,816.60	706,740	52
OVERSEAS KEY WEST	1999	Tanker	n/a	81,066	45,619.66	319,965	32
OVERSEAS LONG BEACH	2007	Tanker	Tier 1	54,630	46,813.80	648,643	55
OVERSEAS MARTINEZ	2010	Tanker	Tier 2	66,363	46,594.57	853,986	67
OVERSEAS MYKONOS	2010	Tanker	Tier 1	72,645	51,711.00	293,010	37
OVERSEAS NIKISKI	2009	Tanker	Tier 2	54,254	46,665.50	1,115,735	84
OVERSEAS SANTORINI	2010	Tanker	Tier 1	66,072	51,662.00	352,411	48
OVERSEAS SUN COAST	2019	Tanker	Tier 3	59,242	50,332.00	698,630	29
OVERSEAS TAMPA	2011	Tanker	Tier 2	38,229	46,201.20	529,866	48
OVERSEAS LOS ANGELES ²	-----	Tanker	-----	56,116	-----	1,057,913	71
OVERSEAS NEW YORK ²	-----	Tanker	-----	53,200	-----	1,217,541	72
OVERSEAS TEXAS CITY ²	-----	Tanker	-----	33,343	-----	1,469,909	83

¹ Vessel is in cold layup.

²OSG redelivered the Overseas Los Angeles, Overseas New York, and Overseas Texas City in December of 2022. For the purposes of this report, OSG has included environmental and social data from these vessels as of the date of redelivery.

Environment

Identifying Solutions and Implementing Strategies:

We have set a multi-layered strategic approach to accomplish these goals by identifying areas to improve our operational performance by incremental gains, spread over a variety of methods and investments.



Risk Identified	Risk Posed	Current Solutions	Long Term Strategy
Introduction of the Carbon Intensity Indicator (CII) and Energy Efficiency Existing Ship Index (EEXI)	Failure to comply with IMO-imposed regulations can result in unavailability of vessels for service.	<ol style="list-style-type: none"> 1. Introduced SEEMP Part III to better comply with CII solutions to improve energy efficiency. 	<ol style="list-style-type: none"> 1. Optimize operational efficiencies, such as traveling at eco-speed when possible, improved voyage planning, and mechanical enhancements on existing equipment to optimize energy efficiency, reducing carbon emissions. 2. Invest in new equipment and vessels with reduced emissions, once such products become economically viable.
Climate change impact on weather (hurricanes)	Hurricanes pose both a threat offshore to the safety of our vessels and crew, and onshore to operations at OSG's headquarters in Tampa, Florida.	<ol style="list-style-type: none"> 1. Offshore, we utilize weather tracking systems and a commercial approach with an emphasis on safety to avoid severe weather conditions. 2. Onshore, we have shifted to a cloud-based operations model to allow onshore staff to work remotely from anywhere in the world. 3. We utilize live weather data from several sources to actively manage vessel placement and strategize on severe weather avoidance 	<ol style="list-style-type: none"> 1. Our strategy is to continue to invest in technological improvements, wherever possible, to avoid severe weather such as hurricanes. 2. Continue to develop our internal Weather Risk Assessment program to enable faster, more calculated vessel placements to avoid severe weather conditions.
Inconsistencies in data collection and measuring capabilities	Inconsistent data collection and measurements can lead to inaccurate reporting.	<ol style="list-style-type: none"> 1. Implementing a Data Management Policy that creates uniformity in the way we measure and collect fuel consumption and emissions throughout our fleet. 2. Invested in software NavFleet designed to standardize and automate the data gathered. Permits us to self-verify data and monitor and compare operations across our fleet. 3. Analysis of the results allows us to identify areas for improvement as well as high performance, and apply best practices to other vessels. 	<ol style="list-style-type: none"> 1. Continue to invest in new technologies to leverage optimal data collection capabilities. Commit to ongoing review of our data collection and measuring capabilities as an ongoing function of our business.

Anti-Fouling Measures

Vessel fouling: what is it and why is this important? When marine organisms latch onto hulls of vessels, ecological impacts occur. Fouling introduces invasive species and creates drag. Drag leads to higher engine outputs to maintain speed, resulting in greater fuel consumption and higher GHG emissions. To combat fouling and the consequential negative environmental side-effects, OSG has increased our investments in hull and propeller cleaning and anti-fouling treatments.

Anti Fouling Measures

Robotic Hull Grooming

Studies show that “light slime” (**biofouling**) on the hull can result in negative performance impact. On two of OSG’s vessels, we utilized hull grooming robotics that do not disturb the antifouling paint and a cleaning mechanism that does not release biocide.

RESULT:

Analysis of the actual operating results suggest a **2% to 5% improvement in hull performance**.

Antifouling Coatings

We are analyzing the effectiveness of anti-fouling hull coatings. Case in point: We invested in commercial blasting of the hull of the *Overseas Long Beach* to bare steel to remove layers of accumulated antifouling paint. The fresh application of antifouling paint onto a smoother finish surface reduced hull friction and contributed to a substantial reduction in carbon emissions.

RESULT: The table to the right demonstrates a **reduction of ~ 7% in CO2 emissions** per mile run, comparing 3 months of ship performance *prior* to the application of hull coatings to 5 months of ship performance *after* the application of hull coatings.

Case Study on Anti-Fouling Measures

Months	Total Co2 (MT)	Total Miles	Co2/Mile Run (MT)	% Change
March	2060.85	5986.00	0.3443	-----
April	2471.83	7617.00	0.3245	-----
May	2478.78	8128.30	0.3050	-----
Total	7011.46	21731.30	0.3226	-----
June	Commercial blast and application of new antifouling			
July				
August	1767.37	5598.40	0.3157	2.15%
September	1820.17	6154.70	0.2957	8.34%
October	1747.94	5979.90	0.2923	9.40%
November	1782.98	6169.80	0.2890	10.43%
December	1748.52	5657.50	0.3091	4.21%
Total	8867.00	29560.30	0.3000	7.03%

OSG By the Numbers

Topic	Accounting Metric	2022*	2021*
Greenhouse Gas Emissions	Gross global scope 1 emissions (MT)	477,262 MT	387,277 MT
	Quantity of cargo transported ¹	29,258,287 MT	15,940,249 MT
	(1) percentage of heavy fuel oil (2) percentage renewable	OSG: 4.24% ATC: 0.00%	OSG: 9.80% ATC: 0.00%
	Average EEDI of new ships	3.96 ²	3.97
Air Quality	NOx emissions (excluding N2O)	9,687 MT	7,020 MT
	SOx emissions	23,624 MT	18,594 MT
Ecological Impact	Percentage of fleet implementing ballast water (1) exchange and (2) treatment	Exchange: 10% Treatment: 90%	Exchange: 65% Treatment: 35%
	Number and aggregate volume of spills and releases to environment	0	0

Why SASB?

As more and more industries and companies adapt to the growing demands surrounding sustainability disclosures, OSG recognizes the importance of consistency and applicability. We believe the SASB provides us with the best opportunity to accurately project how OSG is developing a sustainable business model as compared to our peers.

* Figures are rounded to the nearest whole number. For more detailed data on 2022, please refer to page 15.

¹ While not a SASB Accounting Metric, OSG believes the amount of cargo transported provides valuable insight by providing a framework to evaluate the Company's energy efficiency performance.

² In 2021, OSG sold one of our vessels, the "OVERSEAS GULF COAST," which resulted in a change in our EEDI for new ships.

Optimal Performance, Less Emissions

Our Investments

Making environmentally driven investments in our future are a journey of both incremental gains and adaptation. Before solutions can become a reality, we must first understand where improvements can be made and what technological evolutions will be the most effective. We are focusing on investments to retrofit our fleet with eco friendly technology and to accept alternative fuels.

Reducing Fuel Consumption

Simply stated, reducing fuel consumption results in fewer CO2 emissions. Here is what we are doing to make strides:

Voyage Optimization

We have invested in a fleet management digital platform that provides vessel performance metrics that we use to evaluate and improve fleet performance and optimize voyage planning and execution.

RESULT:

Having the data on hand allows us to identify key areas for improvement, allowing us the opportunity to **reduce consumption of fuel** and perform more timely for our customers.

Reduce Boiler Consumption

Ships use boilers to produce steam for supply of onboard heating. We are reducing or eliminating the use of the boilers by investing in retrofitting with electric jacket water heaters which use less energy to produce the same amount of heat, can be adjusted to provide the needed heat required, and can be installed where the heat is more effective.

RESULT:

By reducing our boiler consumption we are able to reduce overall energy usage and **eliminate previously wasted energy**.

Optimizing Engine Performance

Digital performance monitoring allows for the discovery of engine performance deficiencies and take steps to optimize operations. A key metric analyzed is specific fuel oil consumption (SFOC), a measure of how much fuel is required to produce a unit of power.

RESULT/Case in Point:

The *Overseas Martinez* optimized engine performance to **save over 300 metric tons of fuel** in 2022 – equivalent to reducing nearly 1,000 tons of carbon dioxide or the emissions produced by 200 cars in a year.

New Frontiers: Areas OSG is Exploring

Sustainable Cargos & Fuels

OSG now delivers sustainable energy, delivering renewable diesel and other renewable products. Moving towards a carbon-neutral world requires not only long-term innovations, but the use of short-term, viable fuel alternatives. One of these alternatives is biodeisel, with a quickly expanding market within the United States and globally. Studies have shown that net life cycle, or “well to wake”, emissions can be substantially reduced or even netted to zero.

OSG is also evaluating sustainable alternatives for fuel to power our ships. Biofuels contain renewable/recycled/reusable ingredients, making its carbon footprint more favorable when measuring CO2 reduction on a “well-to-wake” basis. Under current IMO regulations, there is no consideration for the use of biofuels when measuring our vessels’ carbon footprint. OSG is committed to working with industry regulators to revise current calculation methods to account for the use of biofuels and the well-to-wake approach when calculating a vessel’s carbon footprint.

OSG is mindful of unintended consequences when evaluating biofuels and seeks to avoid solving one problem only to create new challenges. Biodiesel derived from feedstocks like palm oil, soybeans, and canola can pose added risks to the local environments and communities where repurposing agricultural land leads to deforestation, a well-known contributor to climate change, or to higher food prices for local communities.

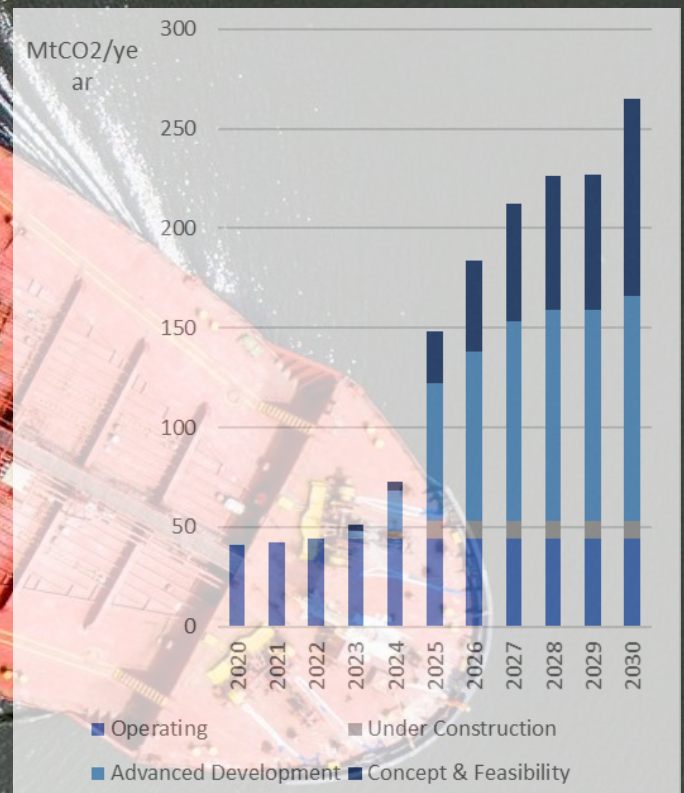
Carbon Capture

OSG is looking beyond the horizon for new opportunities to reduce GHG emissions for both OSG and for the broader global community. Our newly formed subsidiary, Aptamus LLC, is focused on investing in carbon capture, utilization, and storage (CCS) technology and partnering with companies that promote and develop such technologies. With the support of our Board of Directors, we have committed capital dedicated to the evaluation of, and potential investment in, this emerging field.

In evaluating the installation of CCS technologies on a ship, we consider:

- **Space requirements**
- **Energy requirements:** the design must carefully balance the energy requirements of the CCS system with the energy requirements of the ship’s other systems
- **Safety considerations:** operating a CCS system involves the handling and storage of compressed gases, which can pose safety risks
- **Regulatory challenges:** CCS is a relatively new technology, and regulations related to its use are complex and vary by jurisdiction
- **High costs** for design, installation, and specialized equipment

Capacity of large-scale CO2 capture projects, current and planned¹



¹IEA, Capacity of large-scale CO2 capture projects, current and planned vs. the Net Zero Scenario, 2020-2030, IEA, Paris

Environmental Stewardship

Minimizing Our Impact

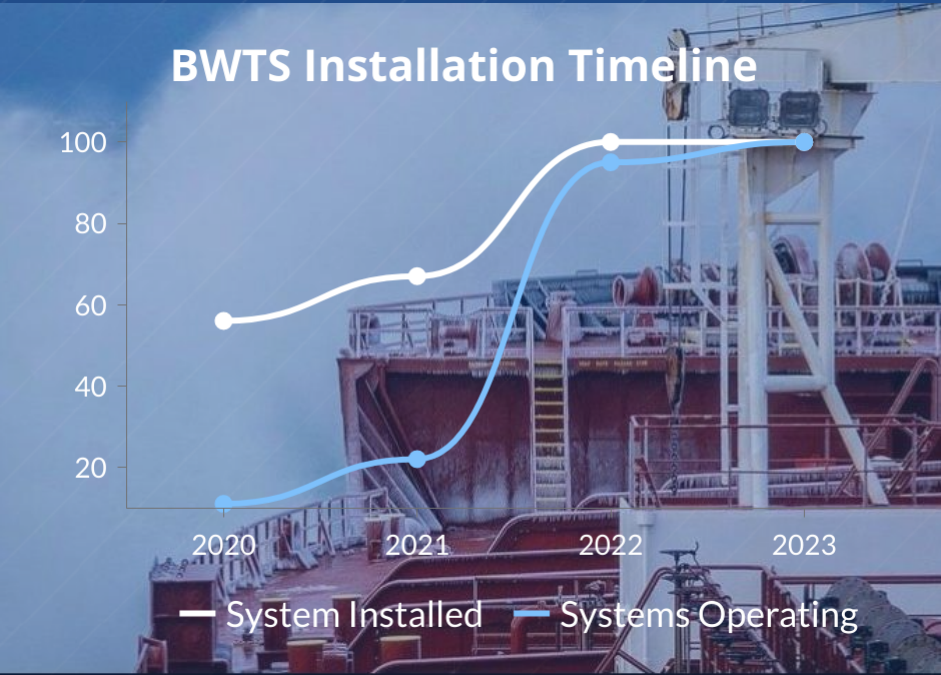
Not One Drop

One of our key measures of safety and environmental stewardship is our prevention of spills to sea. In 2022, OSG collectively transported over one hundred million barrels of cargo, and **we had zero cargo spills to sea.**

We also measure and report non-cargo losses of containment to sea, with only one spill of 0.24 liters of hydraulic oil into the sea in 2022 - the lowest in the last five years.

Ballast Water Treatment

OSG's ongoing commitment to completing our fleet's ballast water treatment systems has come to a successful completion. **We have installed and commissioned ballast water treatment systems for our entire fleet.** The significant capital invested into these systems allows us to minimize our ecological impact on the waters in which our vessels sail.



Use of Ultra-Low Sulfur Fuel

Over 80% of the fuel consumed by OSG's fleet is ultra-low sulfur fuel oil (ULSFO) containing less than 0.10% sulfur. This results in significant reductions in sulfur emissions as compared to vessel operations using very low sulfur fuel oil (VLSFO) containing less than 0.50% sulfur.



Involvement & Advocacy

CII & EEXI

Advocate for Maritime Decarbonization

Changes in the decarbonization landscape and United States taxation legislation are geared towards industrial facilities and onshore infrastructure. We applaud the supportive mechanisms that have been passed and seek for the U.S. flagged maritime industry to be included. We have publicly requested that the term “industrial facilities” referenced in the revised tax code include maritime assets and for the carbon capture thresholds to encompass our fleet carbon dioxide levels.



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As of January 1, 2023, OSG is required to comply with newly adopted CO2 measurement and reporting requirements introduced by the International Maritime Organization (IMO): the Carbon Intensity Indicator (CII) and the Energy Efficiency eXisting Ship Index (EEXI). Both measures are intended to advance the IMO's goals to significantly reduce our industry's CO2 emissions by 2050.

EEXI applies a score to vessels' estimated CO2 emissions on purely design-based parameters, taking out commercial considerations. Conversely, CII measures how efficiently a vessel transports cargo by calculating the actual CO2 emitted per cargo-carrying capacity and nautical mile, taking into account actual trading patterns and voyage orders (e.g. the ports each ship is instructed to trade between and the speed at which they are instructed to make).

OSG joins other ship owners and industry groups in highlighting certain flaws in the CII formula which do not result in an indicative measure of a vessel's true efficiency and advocating for revisions that would present a more accurate measure of CO2 emissions. The current formula illogically rewards longer voyages, which produce more carbon emissions, and penalizes ships which take short voyages, which produce less carbon emissions. The formulas should also consider the “well to wake” impact, and not unfairly penalize operators for waiting time, fuel consumed when cleaning, or performing work while underway.

OSG has made contributions to the ongoing dialogue surrounding the IMO's CII in a co-authored paper published by Blue Sky Maritime Coalition, entitled “A Perspective on IMO Efficiency Measures: Opportunities for Improvement.” By contributing to the important discussion on reducing the maritime industry's carbon footprint, we are actively advocating for the development of sensible and effective measures to meet the ambitions of the industry to ensure that all ships worldwide are measured on a level playing field that incentivizes carbon emissions reduction.

While OSG strives to reduce carbon emissions by promoting certain commercial and operating practices for any given voyage, it is important to note that the most impactful commercial and operating decisions are largely within the purview of the charterers, not with the vessel owners and operators. However, under the current CII regulations, charterers are not incentivized nor held accountable to achieve positive CII ratings, instead leaving the burden of CII compliance solely with the owners and operators.

OSG is actively advocating to incentivize its charterers to work in partnership with owners to make decisions on weather routing and vessel speed, and to minimize time at anchor to reduce the burning of fuel while idle and to reduce in-port emissions. These steps will result in more efficient fuel consumption and better CII ratings.

Owners and charterers can also cooperate in other ways to reduce CO2. As vessels become more digitally enabled with position tracking, electronic logbooks, engine room and hull sensors, accurate fuel flow meters, etc., data for more accurately tracking and evaluating performance will be available. We support of this shared objective of auditable data and for “over performing” owners to be able to gain benefit from their efforts. We believe creating the incentives for owners and their seafarers to seek out and deliver efficiency will reap the greatest results.

Social Responsibility

Creating a culture of safety, respect, and inclusion



Safety

Paramount at OSG is a culture of safety. There are many aspects of our operational practices that impact the health and safety of our mariners. We set high standards, identify areas of risk, measure our performance, and discuss these quarterly with our Board of Directors. Our safety management system is updated regularly and our each of our vessels conduct daily safety meetings. Our leadership encourages open and honest reporting and a commitment to continuously be safer at sea, and makes the wellbeing of our seafarers a priority above all else.

Safety Recognition Program

In an industry that is distinguished by the inherent risks of the seas, it is important that we celebrate achievements in improving our best practices in safety. Our Safety Recognition Program is designed to increase safety awareness and incentivize best safety practices.

Key features include:

- achievement awards for zero incidents of lost-time injuries, spills to sea, and losses of containment over one barrel
- Individual awards for identifying potential hazards
- safety awards to mariners with best practices fleet-wide

Understanding Metrics

Using the SASB standards as a reporting method, we share some performance metrics and a comparison between 2021 and 2022. Within the industry, the lost time incident rate is used as an indication of safety performance. Notable is that the number of mariners serving on OSG's vessels increased, but our lost time incident rate decreased. During 2022, as we continued our close management of COVID-19 cases, the number of COVID-19 cases increased in 2022 due to the increase in our mariners as we brought 7 vessels out of layup and back into full operation. All of these cases, thankfully, resulted in full recoveries.

OSG: By the Numbers

Accounting Metric	2022	2021
Operations		
Number of shipboard employees	945	877
Lost Time Incident Rate (LTIR)	1.28	1.84
Number of shipboard COVID-19 Cases, Percent Recovered	20 Cases, 100% Recovered	1 Case, 100% Recovered
Accidents & Safety		
Number of Marine Casualties	0	0
Percentage of LTIs considered very serious	0%	0%
Number of port state control detentions	1	0
Business Ethics		
Number of calls at ports in countries that have the 20 lowest rankings in Corruption Perception Index	0	0
Ethics and Corruption Fines	0 Fines	0 Fines

Enhancing Safety with Digital Solutions

Safe Navigation

We aim to conduct business and navigate our vessels as safely as possible. A recent example is the redesign of OSG's ship handling training course, providing our crew members with ship handling skills. During three full days of classroom learning combined with simulations, participants practice mooring and undocking a vessel under various time and weather conditions. Scenarios are designed to place students in difficult real-time situations, such as equipment failures. By undergoing these simulations in controlled environments, our crew is better prepared to handle real-world emergency situations more effectively.

Assisted by our shoreside support team, our seafarers utilize multiple resources to create more efficient voyage planning. Paper navigational charts have been replaced with electronic chart display and information systems, better known as ECDIS, and are used in conjunction with advanced integrated passage planning tools. ECDIS units incorporate a variety of measurements and geographical data to provide real-time information necessary to safely navigate a vessel by providing quick, efficient data and reducing manual effort and human error. This information is particularly useful when traversing through shallow bodies of water, where the margin for error becomes slim. The ECDIS units:

- Monitor the ship's position continuously
- Sound alarms of potential hazards

Adverse Weather Avoidance

Our weather tracking capabilities allow us to manage the risk of adverse weather, with our mariners' and the environment's safety in mind. We source data from multiple sources, such as the National Hurricane Center, and analyze the potential effects on each vessel for each storm or weather system, communicating to customers and to local governments our strategies to guide our fleet towards safer passage and make fuel available to areas in need.

SASH

OSG has zero tolerance for sexual harassment and sexual assault ("SASH") both in the office and on our vessels. The safety and security of our seafarers and shoreside staff are always of top concern for our Company, and we believe no person at OSG should have to face harassment or feel unsafe in the workplace.

In the wake of disclosures of sexual assault by Midshipman-X, ship owners and operators throughout the maritime industry were faced a simple question:

Are we doing enough to protect our seafarers from SASH? Congress, the Maritime Administration, the Department of Transportation, the U.S. Coast Guard, unions, maritime academies, and industry leaders including OSG, recognized the need to improve safety standards onboard U.S. flagged ships. OSG has been an active participant in finding solutions to prevent acts of sexual harassment and sexual assault. In December 2022, the Safer Seas Act was passed, a legislation aimed at changing the culture by removing barriers to reporting SASH incidents and increasing accountability. OSG is committed to making cultural impacts that will result in meaningful improvements.

EMBARC

In 2022, in conjunction with the United States Merchant Maritime Academy and the Maritime Administration, we developed policies and procedures in line with the standards of "Every Mariner Builds A Respectful Culture (EMBARC)". EMBARC seeks to enhance shipboard standards and to create a culture of inclusivity, safety, and transparency. The core tenets of EMBARC align with OSG's principles, including zero tolerance for SASH and harassment, supporting survivors and bystanders who report SASH incidents, and maintaining a shipboard culture of inclusion and respect. Some of the practices and policies in place at OSG include:

- Designation of a trained shoreside SASH contact
- Enhanced communication and involvement between our SASH contact, cadets and seagoing employee
- Increased training and awareness for all employees on SASH prevention

A Focus on People

Women & Diversity

OSG believes that diversity within the industry will enhance our culture. Maritime employment has traditionally been a male dominated industry and there is a need for industry wide action to achieve a better balance of diversity.

OSG is partnering with the State University of New York (SUNY) and its Women of Maritime with a multi-year financial and resource commitment focusing on women and diversity in the maritime industry. This partnership includes scholarships, mentoring programs, and sponsorships to support travel costs for women cadets to events and conferences focused on women's issues.

OSG is also partnering with the Women Offshore Foundation, providing scholarships for women to receive sea term training, and mentoring. We are cooperating with union halls to develop a strategy to increase diversity and seeking feedback from women crewmembers on the on-board culture within the Jones Act industry.

Internally, OSG supports advancement of women's voices in the maritime industry. We have appointed a woman to represent our company on the Seafarers International Union (SIU) of North America Board of Trustees, the Marine Engineers' Beneficial Association Board of trustees, and as a Director for the American Maritime Association.

Labor Shortage

One of the greatest risks the maritime industry is currently facing is a shortage of qualified labor. OSG is taking proactive steps to attract quality individuals to join our Company.

Labor Solutions include:

- Partnering with maritime academies to recruit individuals into the industry
- Increasing recruitment efforts within OSG
- Internal promotions
- Discussions and coordination with unions to increase the attractiveness of our industry
- Reducing barriers to entry with scholarships and simplifying credentialing
- Participating in the Military to Maritime program
- Promoting American Maritime Voices, which gives individual mariners a platform to use their voice to fight for a strong future for our industry
- Actively protecting the Jones Act and the U.S. jobs it creates
- Utilizing social media as a way to connect with our employees and raise awareness of our industry

Getting Social

We are continuously seeking ways to develop the bridge of communication and trust with our stakeholders. OSG recognizes the power of social media to make connections. We launched our social media presence on Instagram, Facebook, and LinkedIn. From deep dives into industry trends by Sam Norton, our CEO, to photo contests displaying the amazing journeys our seagoing staff experience, we welcome you to follow our social media accounts!

Click on the icons below to access our Instagram, Facebook, and LinkedIn pages:



Governance

Policy & Practice

We observe high standards of business conduct abiding by a Code of Business Conduct and Ethics that encompasses a wide range of business practices and procedures, such as the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other local laws prohibiting corrupt payments to government officials, anti-money laundering laws, and anti-competition regulations. We regularly review and, where improvements are possible, enhance these policies.

Our annual compliance program requires training and certifications for our employees and our Board of Directors across a wide spectrum of our policies and practices. We widely post all mechanisms for reporting suspected violations of our policies onboard and shoreside.

Culture & Principles

OSG's culture is infused with compliance and high ethics – these are core elements of our reputation, the success of our business, and the safety and welfare of our mariners and the environment. Our culture is based on principles of fairness and accountability, and on open and transparent reporting without fear of retribution. These principles are embedded in our practices and policies and are endorsed and enforced at the topmost levels of the Company.

Governance Structures

Our corporate governance system integrates sustainability into our business model. Our Board of Directors evaluates the risks and opportunities as a whole and sets our long-term strategies and vision and direction. Our sustainability strategies and oversight lie with the Corporate Governance and Risk Assessment Committee ("Governance and Risk Committee") and the Executive Leadership Team which drive sustainability strategies and priorities into our planning and risk management structure. Operational safety and environmental performance KPIs are monitored and reported quarterly to the Governance and Risk Committee. Financial risks and internal controls are overseen by the Audit Committee and compensation risks are within the purview of the Human Resources and Compensation Committee.

Roles and Responsibilities of Our Board of Directors

Board of Directors

- Plays a central role in the design and functioning of the internal control and risk management system
- Integrates strategy, evolution of the business and other sustainability-related matters
- Approves compensation for Directors
- Performs succession planning
- Defines the corporate governance structure, including evaluating risks and opportunities
- Ensures Directors are educated on sustainability and strategic matters
- Approves financial and non-financial reporting
- Sets the strategic direction and objectives

Committees

Governance & Risk

- Closely monitors the risks inherent in operations each quarter, including ESG risks
- Oversees the long-term strategy for sustainability
- Performs evaluations on the effectiveness of the Board
- Assesses director qualifications and recommends director nominees

Audit

- Oversees internal controls over our financial statements
- Conducts quarterly reviews of financial performance
- Approves the issuance of quarterly financial reports
- Engages the independent external auditing firm

Compensation

- Establishes a compensation philosophy
- Approves annual and long-term incentive systems, defines objectives
- Sets stock ownership guidelines
- Approves compensation elements of the Proxy Statement
- Designs a compensation program that mitigates risks

Digital Safety:

Preventing Cyberattacks While Leveraging Technology Advancements

As today's digital age continues to evolve, cybersecurity has become increasingly important for businesses, particularly for those in the business of transporting resources. As OSG continues to leverage technologic advances, we must be mindful of the risks of cyber attacks and data breaches, which could lead to loss of valuable information, financial loss, and damage to the company's reputation. A strong cybersecurity strategy demonstrating a commitment to protecting OSG and our stakeholders has become a critical component of our success.

Our Cyber Security Plan mitigates and detects our exposures to cybersecurity attacks. We have in place multi-factor authentication (MFA), network segmentation, and updated operating systems and software. To ensure that we meet our cybersecurity standards, OSG regularly evaluates our Cyber Security Plan. The Plan addresses malware protection and access controls to ensure that only authorized Company personnel have access to OSG's information and operating technology. Included in the Cyber Security Plan are training tools that help our employees identify and report suspicious activity, such as phishing and spam, which are among the most wide-spread cybersecurity threats today.

Across the industry and in cooperation with U.S. regulators - Cybersecurity and Infrastructure Security Agency (CISA), Federal Bureau of Investigation (FBI) and the National Security Agency (NSA) - we mitigate our exposures to cyber threats.



Importance	Long-Term Vision	Short-Term Targets	Progress
Identifying cybersecurity threats and protecting operations are critical to our operations Digitalization results in efficiencies and risk reduction	Digital transformation with a constant focus on cybersecurity makes our operations more efficient and more secure	Increasingly utilize the data collected to enhance operational safety and efficiency	Numerous technologies have been deployed. Continuous participation with the Maritime Sector Security Council and U.S. regulators on cybersecurity issues

SASB Disclosures

Topic	Accounting Metric	Category	Unit of Measure	2022 OSG
Greenhouse Gas Emissions	Gross Global Scope-1 Emissions	Quantitative	Metric tons (t) CO ₂ -e	477,261.54 MT
	Average EEDI for new vessels	Quantitative	Grams of CO ₂ per ton-nautical mile	3.96
	(1) Total energy consumed, (2) percentage of heavy fuel oil, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	(1) Not Measured (2) 4.94% (3) 0.00%
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	Discussion & Analysis	N/A	See Environment
Air Quality	NOx (excluding N ₂ O)	Quantitative	Metric tons (t)	9,686.91 MT
	SOx	Quantitative	Metric tons (t)	23,624.43 MT
Ecological Impacts	Percentage of ballast water (1) exchange and (2) treatment	Quantitative	Percentage (%)	(1) 10% (2) 90%
	(1) Number and (2) aggregate volume of spills and releases to the environment ¹	Quantitative	Number, Cubic meters (m ³)	0
Employee Health & Safety	Lost time incident rate (LTIR)	Quantitative	Rate	1.28
Business Ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	Number	0
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	Reporting Currency	0
Accident & Safety Management	Number of marine casualties, percentage classified as very serious ²	Quantitative	Number, Percentage (%)	0
	Number of port state control (1) deficiencies and (2) detentions ³	Quantitative	Number	1 detention

OSG selected certain accounting metrics within SASB's framework based on the Company's ability to produce accurate and factual information, given the data that the Company had available at the time the report was made and the relevancy of the accounting metrics to OSG's core business. As a result, certain accounting metrics listed have been adjusted by OSG to produce the most relevant information relating to the Company.

¹ In this table, only cargo spills to seas are reported as they are of paramount concern. On page 8 of this report, OSG discloses non-cargo spills for full transparency.

² In considering the purpose of this metric, OSG has defined "Marine Casualties" as those incidents that result in property damage in excess of \$100,000. "Very serious" Marine Casualties are those incidents that involve total loss of the vessel, per SASB standards. Injuries to crew members on board are considered separately under "Lost Time Incident Rate."

³ In 2022, one of our vessels was detained due to an issue associated with the condition of the vessel. OSG took action as quickly as possible to rectify the issue on the vessel. No other vessels in the Company's fleet were noted to have a deficiency, nor were any further vessels were detained.

Forward Looking Statements & Disclaimers

This Sustainability Report for the year ended December 31, 2022 contains certain statements that may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts should be considered forward-looking statements. Forward looking statements are based on our current plans, estimates and projections, and are subject to change based on a number of factors. Investors should carefully consider the risk factors outlined in detail in our Annual Report on Form 10-K and in similar sections of other filings we make with the SEC from time to time. Forward-looking statements are qualified in their entirety by the cautionary statements contained in reports filed by us with the SEC.

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Disclaimers

This report was prepared by the Company, using a variety of reporting standards available and predominantly Sustainability Accounting Standards Board (SASB) accounting metrics. In addition to the SASB metrics, OSG has utilized the Task Force on Climate-related Financial Disclosures (TCFD) to better provide a narrative behind OSG's environmental, social, and governance strategies. The information provided herein is based on the best data available to OSG at the time the report was issued. OSG has generated all data within this report internally. In circumstances where actual figures were not available, informed estimates were provided.