Scorpio Tankers
2023 TCFD Disclosure

Executive Summary

Scorpio Tankers Inc. (NYSE:STNG) ("Scorpio Tankers" or the "Company") is a leading product tanker owner-operator providing marine transportation of refined petroleum products worldwide. With decades of experience serving a diversified blue-chip customer base, Scorpio Tankers is committed to operating at the highest possible standards to create sustainable, long-term value for our stakeholders. As of December 13, 2023, Scorpio Tankers' fleet consists of 111 short-range to long-range vessels that are wholly owned, lease financed, or bareboat chartered-in tankers. Scorpio Tankers plays a critical role in the supply chain of refined petroleum products and recognizes the responsibility to operate safely and efficiently. Scorpio Tankers' sustainability strategy aims to mitigate the physical and transition risks of the business while driving long-term resiliency and profitability.

In 2023, Scorpio Tankers engaged a third-party consultancy to identify the climate-related risks and opportunities that are material to the Company's strategy and performance within the full scope of the value chain. The climate scenario analysis, conducted in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), involved the application of three distinct scenarios: Net Zero by 2050 (1.5ºC), Announced Pledges (1.7 to 2ºC), and Stated Policies (2.5 to 3ºC). These were based on three reputable transition scenarios developed by the International Energy Agency (IEA) and one business-as-usual physical scenario published by the Intergovernmental Panel on Climate Change (IPCC).

An in-person, 3-hour workshop was held at Scorpio Tankers' U.S. office to assess the risks and opportunities identified through the climate-related scenario analysis. Participants included senior representatives from finance, investor relations, and HSQE. The comprehensive list of risks and opportunities were evaluated based on the potential to have a substantive financial or strategic impact on Scorpio Tankers' business.

The workshop identified eight material climate-related risks:

Risk 1: Carbon pricing regulations – Costs of emissions

Risk 2: Carbon pricing regulations – Supply chain costs

Risk 3: Carbon pricing regulations – Investment requirements

Risk 4: Declining demand for oil and gas products

Risk 5: Declining investment in upstream oil and gas

Risk 6: Increased cost of capital and reduced access to capital

Risk 7: Choices and timing of investments in new technologies

Risk 8: Inability to capture sufficient returns from investments which support customers' climate commitments

The workshop identified four material climate-related opportunities:

Opportunity 1: Expand into transportation of low-carbon fuels

Opportunity 2: Optimize fleet energy/fuel efficiencies

Opportunity 3: Use of lower-emission sources of energy

Opportunity 4: Fluctuations in the market due to weather conditions and consolidation of refineries

Additional information on the impact, likelihood, risk mitigation strategies, and plans to realize opportunities are detailed within this disclosure. Information on Scorpio Tankers' governance of climate-related risks and opportunities and the metrics and targets used to monitor them are also included. The results from the climate-related scenario analysis and workshop were presented to Scorpio Tankers' Board of Directors and integrated in the corporate sustainability strategy.

Governance	Disclose the organization's governance around climate-related risks and opportunities.
a. Describe the board's oversight of climate-related risks and opportunities.	Scorpio Tankers' Board of Directors is responsible for oversight of the Company's sustainability strategy and climate-related issues, including risks and opportunities. The Board meets quarterly, with additional meetings as necessary, to assess sustainability performance and monitor climate-related risks. The Company has established a direct line of reporting between the board-level Regulatory and Compliance Committee and the management-level Environmental Compliance, Audit, and Training team (SECAT) to oversee progress. One of the Board's primary functions is to review and guide annual budgets. The Board considers all climate issues when reviewing company-wide budgets to ensure that appropriate funds are allocated to manage climate-related risks. The Board oversees major capital expenditures and assesses potential investments to mitigate climate-related risks or realize opportunities. The Board also reviews and guides the Enterprise Risk Management process and advises management on incorporating climate-related risks.
b. Describe management's role in assessing and managing climate-related risks and opportunities.	Scorpio Tankers' senior executives and functional managers are responsible for assessing and managing the Company's sustainability strategy and climate-related issues, including risks and opportunities. The CEO and COO manage annual budgets and major capital expenditures to ensure sufficient funds are allocated to address climate-related risks and opportunities. The Environmental Compliance, Audit, and Training team (SECAT) evaluates risks and opportunities identified during the climate-related scenario analysis. SECAT implements strategies to mitigate climate risks, realize opportunities, and ensure compliance with environmental regulations. Following the 2023 TCFD scenario analysis and workshop, Scorpio Tankers' management will oversee the integration of climate-related risks and opportunities into the Company's ERM, where appropriate. Management is also responsible for ongoing communication and education with the Board to keep Board members apprised of new information and strategies for climate-related risks and opportunities. Climate-related risks and opportunities will continue to be assessed annually at a high-level and climate-related scenario analyses will be conducted every three to five years.

Strategy	**Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.**
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	In 2023, Scorpio Tankers conducted a TCFD-aligned climate-related scenario analysis to identify the transitional and physical climate-related risks and opportunities material to the Company. Three climate scenarios were developed with short, medium, and long-term time horizons defined as 2025, 2030, and 2050, respectively. Through this assessment, the following climate-related risks and opportunities were determined: **RISKS** **Risk 1: Carbon pricing regulations – Costs of emissions** **Type of Risk** Policy and Legal **Description** The EU Emissions Trading System (ETS) was extended to the maritime industry effective from January 1, 2024. In November 2023, the EU Commission adopted a new implementing regulation to change the compliance responsibility from the Document of Compliance holder to the registered shipowner. This change places the burden of compliance on shipowners, requiring them to report emissions, purchase allowances, and surrender allowances for each metric ton of CO_2e reported to the system. The ETS enforces a maximum limit on the total amount of certain greenhouse gases that shipping entities can emit each year. Shipping companies can trade emission allowances within this limit and must surrender allowances for each metric ton of reported CO_2e emissions. Including shipping in the EU ETS sets a price on carbon within the shipping industry and increases the costs of direct vessel emissions. **Potential Impact** This risk could have a potential impact on Scorpio Tankers' direct costs if fleet-wide emissions do not decrease year-to-year or if there are additional cost implications to ensure compliance. Scorpio Tankers is fully prepared to comply with the ETS directive and has established an allowance fund to mitigate the risk of noncompliance. The increasing cost of compliance still poses a risk. The price of emission allowances will be volatile as the market dynamics take shape with the expectation of a gradual upwards trend. Scorpio Tankers currently operates a fuel-efficient fleet and is continuously pursuing efficiency improvements to reduce greenhouse gas emissions. However, alternative low-carbon solutions are not yet viable or cost-effective for implementation. Without

	these solutions, Scorpio Tankers, and many other shipping companies, could face challenges in reducing fleet-wide emissions and therefore experience higher costs in the EU ETS. This risk is most pertinent in the short to medium-term when shipping is gradually added to the ETS. **Risk 2: Carbon pricing regulations – Supply chain costs** **Type of Risk** Policy and Legal **Description** As various carbon pricing regulations come into effect, entities throughout the shipping value chain will likely pass on related costs to customers to reduce the direct burden of compliance. Mechanisms like the EU Emissions Trading System (ETS), the EU Carbon Border Adjustment Mechanism (CBAM), and the International Maritime Organization's (IMO) proposed carbon tax could have significant cost implications for complying entities. **Potential Impact** Companies within the shipping and O&G supply chains could pass on these compliance costs in downstream goods and services. This risk could have an impact on Scorpio Tankers' indirect or operating costs, such as bunkering, raw materials, and logistics services. Scorpio Tankers may need to reassess upstream suppliers that become too costly or pursue advanced efficiency solutions to cut direct costs. This risk is most relevant in the short to medium-term as supply chain entities begin to react to carbon pricing regulations. **Risk 3: Carbon pricing regulations – Investment requirements** **Type of Risk** Policy and Legal **Description** It is projected that Scorpio's fleet will need capital investments to adhere to upcoming low-carbon regulatory requirements. This could include, for example, investments required to retrofit vessel engines to a dual fuel system or updates to enable the engine to use low carbon fuels. There may also be training requirements for employees who would handle the new fuels which could incur additional costs. **Potential Impact** This will have an impact on the budget and financial planning when this becomes compulsory. The action Scorpio takes will depend on the speed of the regulatory shift and the rate at which low carbon fuels can be adopted at scale. The initial investment that would be required should be seen as a means to an end that prevents additional incurred costs of fines from taking no action.

	Risk 4: Declining demand for oil and gas products **Type of Risk** Market **Description** The oil and gas industry could face declining demand or volatile conditions due to the clean energy transition and evolving market dynamics. Demand for oil products varies across the three scenarios. In Net Zero by 2050 (NZE) peak oil would occur before 2025 and fall significantly (by about 75%) to 2050. In Announced Pledges (APS) peak oil would occur in the mid-2020s and gradually decline (by about 40%) to 2050. In Stated Policies (STEPS) peak oil would occur in the late 2020s and decline slightly but reach a plateau to 2050. **Potential Impact** These trends in demand, coupled with less investments upstream, could alter the market dynamics for petroleum products across Scorpio Tankers' value chain. Although market volatility could result in favorable trade and higher prices in the near-term, the overall demand for petroleum products is likely to experience a sustained decline in the long-term. This poses a significant risk to Scorpio Tankers' core business of transporting refined petroleum products and could impact revenues and asset values. **Risk 5: Declining investment in upstream oil and gas** **Type of Risk** Market **Description** In the NZE and APS scenarios, oil demand falls considerably to levels that require little to no investment in new upstream projects, although investment in existing fields continues. Upstream investment would expand to a degree under the STEPS scenario. A decline in upstream investment in oil and gas projects could result in reduced volume production and, consequently, reduced oil transport. **Potential Impact** Declining or fixed investment in upstream oil and gas could have a significant impact on Scorpio Tankers' business, resulting in decreased revenues and lower asset values. This risk is most pertinent in the medium to long-term under the NZE and APS scenarios. Declining investment and changing market dynamics could also prompt further oil refinery consolidation, which could benefit Scorpio Tankers as the consolidated oil flows and trade routes have higher ton-miles. **Risk 6: Increased cost of capital and reduced access to capital**

	Type of Risk Reputation **Description** Banks, insurance providers, and institutional investors are reducing the carbon intensity of their portfolios to align with the Paris Agreement thresholds, sustainable finance regulations, and investor coalition targets. Oil and gas demand is likely to remain strong in the short-term as transitional energy sources, but the public sentiment and reputation of these products is on the decline. With the negative reputation of these energy sources, the entire value chain is exposed uncertain future market dynamics. The tanker industry is already facing increasing scrutiny from investors that are concerned about sustainability and climate-related issues. **Potential Impact** Scorpio Tankers could encounter significant impacts from this risk in the short to medium-term under the NZE scenario. The withdrawal of banks and investors from the oil and gas value chain could reduce access to capital in the tanker industry and increase the cost of debt and equity financing. This may also lead to loss of asset value if investors are no longer interested in traditional petroleum product tankers. It is vital that our business adapt to investors' preferences to maintain access to capital and competitiveness in the tanker market. **Risk 7: Choices and timing of investments in new technologies** **Type of Risk** Technology **Description** Decarbonization in the maritime industry will require significant investments in new technologies, especially in low-carbon and zero-carbon vessels. Many of these vessel types are still developing and are in the early stages of adoption. Emerging technologies like ammonia- and LNG-ready vessels are promising for reducing emissions, but investing in these assets in the short-term runs the risk of acting prematurely before more viable options come to market. For instance, breakthrough technologies like hydrogen-powered vessels have high potential for rapid decarbonization in shipping but are still in early stages of development. **Potential Impact** Investing in advanced technologies and low-carbon vessels will require increased capital expenditures for Scorpio Tankers. Unsuccessful investment in new technologies (i.e., wrong choice or timing) could result in a lower return on investment and decreased asset values. Timing and investment choice are critical to effectively reduce emissions and capture sufficient returns on investments. Scorpio

	Tankers must consider near-term investments in readily available, cost-effective technologies while also planning for future investments in advanced, zero-carbon assets. **Risk 8: Inability to capture sufficient returns from investments which support customers' climate commitments** **Type of Risk** Technology **Description** Oil and gas companies have certain climate commitments that may require supply chain entities, including tanker companies, to reduce emissions or adapt to alternative products. For instance, if demand for refined petroleum products decreases, oil companies may pursue production and distribution of low-carbon fuel sources. **Potential Impact** Scorpio Tankers may be required or pressured to invest in operational changes or vessel retrofits to support customers' climate strategies. These investments may generate lower than average returns from the industry, depending on the relative bargaining power between Scorpio Tankers and its customers and the degree of similar investments within the tanker market. **<u>OPPORTUNITIES</u>** **Opportunity 1: Expand into transportation of low-carbon fuels** **Type of Opportunity** Products and Services **Description** Demand for low-emission fuels will increase as various industries accelerate their decarbonization strategies. Low-emission fuel demand grows significantly in the NZE scenario due to more rapid decarbonization and enhanced regulation. Demand in APS has a delayed start, beginning after 2030, and demand in STEPS is relatively low as oil remains the dominant energy source for the global transport sector. Companies in the tanker industry can capture this emerging demand under NZE and APS scenarios by expanding their services to include transportation of low-carbon fuels, such as biofuels, green methanol, ammonia, and liquified natural gas (LNG). **Potential Impact** Scorpio Tankers has the opportunity to differentiate itself in the market and meet future demand by providing transportation of current and emerging low-carbon fuels. Not only would this enable the Company to attract new customers and diversify its services, but it would also

	improve talent acquisition and investor attraction, as more stakeholders prefer companies with low-carbon services. This opportunity is most beneficial in the medium to long-term under NZE and APS scenarios. **Opportunity 2: Optimize fleet energy/fuel efficiency** **Type of Opportunity** Resource Efficiencies **Description** Optimizing fleet energy performance and fuel efficiencies provides a valuable opportunity to reduce operating costs. Shipping companies that implement such measures not only achieve fuel savings, but also capture a competitive advantage in the market as an eco-efficient transport business. This is an especially profitable opportunity for Scorpio Tankers, which already utilizes modern, efficient vessels in its fleet. **Potential Impact** The primary financial impact of this opportunity for Scorpio Tankers is reduced operating costs. Energy-efficient vessels use less fuel, generating savings in the procurement and operating budgets. In addition, resource efficiencies improve competitiveness in the tanker industry, as many shipping companies can attract more customers and investors with lower emissions transport. This opportunity would generate value in medium to long-term across all three applied scenarios. **Opportunity 3: Use of lower-emission sources of energy** **Type of Opportunity** Energy Sources **Description** As the maritime industry continues to adopt stricter regulations and targets for emissions reduction, it will be vital to transition to low- and zero-carbon sources of energy. Energy and fuel efficiency measures alone cannot achieve decarbonization. Current bunker fuels, especially those with high contents of heavy fuel oil, will need to be phased out in exchange for alternative fuels or sources of energy. There is a positive potential impact of transitioning to lower-emission energy sources as soon as they are viable and cost-effective. Lower-emission assets, like retrofitted vessels or dual-fuel vessels, are likely to increase in value over the long-term. However, choice and timing are critical to attaining the best returns on investment. **Potential Impact** Focusing on the use of new and emerging sustainable fuels can create opportunities for Scorpio Tankers to compete in jurisdictions that may

	require certain proportions of sustainable fuel use per vessel. In addition, this could reduce Scorpio Tankers' risk exposure to carbon taxes and other carbon pricing mechanisms. This opportunity is most beneficial in the medium to long-term under the NZE and APS scenarios. **Opportunity 4: Fluctuations in the market due to weather conditions and consolidation of refineries** **Type of Opportunity** Resilience **Description** Across all applied scenarios (NZE, APS, and STEPS), the frequency of extreme weather events is projected to increase, leading to more frequent disruptions of oil production and refinery processes. This could result in higher market volatility and sharp spikes in demand, which allows for the opportunity to increase prices of petroleum transport services. Commercial models can consider climate change impacts, such as evolving weather patterns, to better position vessels to have a competitive advantage. **Potential Impact** This could be a valuable opportunity for Scorpio Tankers, which plans to maintain ownership of tanker assets to continue operating in the traditional refined product market. The primary financial impact is increased revenues to increased demand for product tanker services. Scorpio Tankers could also realize benefits resulting from a competitive advantage and increased market share. This would be especially favorable if competitors exit the refined product market completely in favor of alternative fuels, allowing Scorpio Tankers to charge higher prices for its transport services. Since extreme weather will increase to an extent across all scenarios, this opportunity is available in the short to medium-term in all scenarios.
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Scorpio Tankers is committed to the strategic management of climate-related risks and opportunities to achieve long-term resilience and create stakeholder value. Scorpio Tankers' business is potentially vulnerable to transitional impacts of climate change and therefore evaluates these risks with respect to the Company's business model, strategy, and financial planning. The eight identified risks have operational, strategic, and financial implications for Scorpio Tankers' business. Policy and legal risks related to carbon pricing regulations (Risks 1-3) could impact Scorpio Tankers both directly and indirectly. Carbon pricing mechanisms like the EU ETS, EU CBAM, and proposed IMO carbon tax would have cost implications for entities throughout Scorpio Tankers' value chain. Although certain industry peers and suppliers may choose to burden the full costs of compliance, it is expected that these costs will be passed

	on to downstream customers. Scorpio Tankers could face direct costs related to vessel emissions and compliance investments and indirect costs related to higher fuel, materials, and logistics pricing. Scorpio Tankers is prepared to address these risks and has adjusted financial plans to provide sufficient funds for emission allowances and other compliance measures. The Company will also continue an emissions reduction strategy to maximize vessels' fuel efficiency and gradually transition the fleet to low-carbon fuels when feasible. Market risks related to changing market dynamics and declining upstream investment in oil and gas (Risks 4-5) could impact Scorpio Tankers' revenues and asset values. Although declining consumer demand and upstream investment varies across the applied scenarios, it is expected that the tanker industry could face periods of reduced trade of refined petroleum products. To mitigate these risks, Scorpio Tankers has planned strategies for various scenarios of market volatility and persistent declines in demand. The Company intends to gradually diversify our fleet by retrofitting current vessels or investing in new vessels that are designed to transport alternative fuel sources. Offering transport services for low-carbon fuels prepares Scorpio Tankers to capture returns from the alternative fuels market and remain resilient against uncertain market conditions. Reputation risks (Risk 6) influence traditional sources of financing in the product tanker industry and impose challenges to attracting investment, especially as more stringent climate regulations go into effect. In order to remain attractive to potential investors, Scorpio Tankers will continue complying with environmental regulations and pursue strategies to reduce emissions according to legal requirements. The Company also operates and discloses information in alignment with the Poseidon Principles to capture financing from its signatories. Technology risks related to choice, timing, and supporting customer commitments (Risks 7-8) would primarily impact Scorpio Tankers' returns on investment. Scorpio Tankers is currently taking into consideration the additional CapEx requirements for low-carbon technologies and will continue to adjust CapEx planning and budgeting as these technologies come to market. The Company will also take advantage of financial incentives or sustainability-linked loans, when appropriate, to fund low-carbon technologies. The long-term strategy is to maintain a diverse fleet that is both technologically advanced with low emissions and capable of transporting different fuel types. The four identified opportunities present viable pathways to mitigate the associated risks and leverage Scorpio Tankers' industry expertise to maintain a competitive advantage. These opportunities have been incorporated into Scorpio Tankers' long-term strategy to maximize energy efficiency and offer services for low-carbon products while maintaining its core business as a leading product tanker. To realize the products and services opportunity (Opportunity 1), the Company will continue to monitor market trends in emerging low-carbon fuels to anticipate potential winners. Through ongoing research and analysis, Scorpio Tankers will also better understand the requirements and capabilities of its fleet to transport alternative fuels. Once this assessment is complete in the short to medium-term, Scorpio Tankers

	will begin to retrofit or acquire vessels and expand into new product offerings in the medium to long-term. Regarding resource efficiencies (Opportunity 2), Scorpio Tankers is already taking advantage of this opportunity by maintaining a modern, fuel-efficient fleet. The Company utilizes tools such as route planning software, real-time monitoring systems, weather routing optimization, and aerodynamic enhancements to maximize overall voyage efficiency. Going forward, the strategy is to invest in new technologies with advanced efficiency capabilities and continue to optimize trim resistance, speed, hull design, and more. The energy source opportunity (Opportunity 3) is highly dependent on technological and economic developments in the maritime industry. Many of the low-emission energy sources currently available for shipping companies are not yet cost-effective or scalable. In addition, investing in certain energy sources or low-carbon vessels too soon could potentially hinder future investment in more viable, zero-carbon solutions. With these considerations in mind, Scorpio Tankers' strategy is to first engage with industry partners in the short-term to support research and development of preferred fuels. Once a viable option is identified, the Company will take immediate action to retrofit owned vessels, acquire built vessels, and/or commission newbuilds. This second phase of the strategy would begin in the medium-term and continue through the long-term as technologies and market conditions continue to evolve. The opportunity to capitalize on market volatility to improve resilience (Opportunity 4) has influenced Scorpio Tankers' long-term strategy. To realize this opportunity, Scorpio Tankers plans to adapt our fleet and offering to position ourselves as the preferred tanker company for the dominant routes to which refined products will consolidate in the long-term. This approach includes continuous monitoring and assessment of global climate change and weather events to better forecast potential market volatility. Scorpio Tankers will then take advantage of these events by strategically placing our ships near areas of consolidation.
c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2ºC or lower scenario.	In June 2023, Scorpio Tankers conducted a climate-related scenario analysis in line with the TCFD recommendations to assess identified risks and opportunities and their potential impacts on the resilience of the Company's business strategy. Three distinct climate scenarios were applied to the analysis based on publicly available scenarios and data. The primary sources included the International Energy Agency (IEA) 2022 World Energy Outlook and its extended data set and the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6). Since the conclusion of Scorpio Tankers' climate scenario workshop, the IEA published its 2023 World Energy Outlook with updates to the three scenarios and improved projections of economic trends in the oil and gas industry. Scorpio Tankers has reviewed these updates and incorporated relevant information in the material risks and opportunities to ensure they remain consistent with the IEA's in-depth analyses. The

	IEA's updates did not alter the likelihood, financial impact, or time horizon for any of the material risks and opportunities. For the purpose of this recommended disclosure, the scenarios outlined below represent the original scenarios used during Scorpio Tankers' workshop in June 2023. The scenarios covered three temperature pathways: Net Zero by 2050 (1.5ºC), Announced Pledges (1.7-2ºC), and Stated Policies (2.5-3ºC): • The **Net Zero by 2050** scenario is an ambitious scenario that limits global warming to 1.5ºC through stringent climate policies and the deployment of a wide portfolio of low-emission technologies to reach net-zero CO_2 emissions by 2050. Oil demand was projected to peak by 2019 (updated to 2025 in the new WEO) and emissions in advanced economies fall to net-zero by 2045. This scenario tests for immediate transition risk and low physical risk. This scenario is based on the IEA's Net Zero Emissions by 2050 Scenario (NZE). • The **Announced Pledges** scenario (1.7-2ºC) assumes that governments meet all the climate-related commitments that have been announced in full and on time, including net-zero targets, but with lower global policy coordination. Oil demand peaks by 2025 and global emissions fall by two-thirds by 2050. This is a more disorderly transition with a risk of volatility in the energy sector due to lack of policy coordination. The scenario is based on the IEA's Announced Pledges Scenario (APS). • The **Stated Policies** scenario (2.5-3ºC) assumes that only policies that are backed by robust implementation legislation or regulatory measures are preserved, leading to high physical risks. Oil demand peaks by 2035, but developing economies take longer to decarbonize. Temperatures exceed 2ºC around 2060 and continue rising to near 3ºC by 2100 with severe consequences for global ecosystems and human wellbeing. This scenario is based on the IEA's Stated Policies Scenario (STEPS) and supplemented with greater-than-2ºC physical climate data from the IPCC. The scenarios consider the full value chain of Scorpio Tankers' operations to best assess the Company's resilience. This includes upstream oil and gas production and financing, downstream consumer demand, and broader economic trends. The future of the oil and gas industry varies across the applied scenarios and the findings have informed our corporate strategy to continue business in refined product transportation in the short to medium-term and seek to diversify our services in the long-term. Since oil maintains demand in STEPS and has a slower decline in APS, it is beneficial to Scorpio Tankers to stay in the refined product market and capture a large market share as a modern and fuel-efficient shipping company. Scorpio Tankers will also monitor alternative markets, like LNG and sustainable biofuels, and prepare the fleet's capability to transport a variety of fuels in the long-term. These strategies for diversification will allow Scorpio Tankers' business to remain resilient across all three scenarios.

Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.
a. Describe the organization's processes for identifying and assessing climate-related risks.	In June 2023, a third-party consultancy led Scorpio Tankers through a workshop to present and analyze three climate scenarios and identify climate-related risks and opportunities. Prior to the workshop, a long list of risks and opportunities was developed based on Scorpio Tankers' current operations and peer benchmarking of climate-related risk disclosures within Scorpio Tankers' value chain. During the workshop, participants voted on each risk using a 5-point scale for the likelihood of the risk occurring and the magnitude of its financial impact on Scorpio Tankers' business. Opportunities were assessed on a 5-point scale for the likelihood of realizing the opportunity and the magnitude of its financial benefit for Scorpio Tankers' business. The outcome was a short list of material climate-related risks and opportunities. The identified risks and opportunities will be reviewed annually, and a revised climate-scenario workshop will take place every 3-5 years to account for significant shifts in market dynamics.
b. Describe the organization's processes for managing climate-related risks.	Scorpio Tankers' senior executives and functional managers are responsible for assessing and managing the Company's sustainability strategy and climate-related issues, including risks and opportunities. The CEO and COO manage annual budgets and major capital expenditures to ensure sufficient funds are allocated to address climate-related risks and opportunities. The Environmental Compliance, Audit, and Training team (SECAT) evaluates risks and opportunities identified during the climate-related scenario analysis. SECAT implements strategies to mitigate climate risks, realize opportunities, and ensure compliance with environmental regulations.
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Scorpio Tankers employs an Enterprise Risk Management system to define, identify, and mitigate substantive financial and strategic impacts. Risks are continuously monitored to ensure proper mitigation and adaptation strategies are in place. Management regularly reviews climate-related risks and opportunities, on an ongoing basis, as part of its responsibility for Enterprise Risk Management. Following the 2023 climate scenario analysis and workshop, identified risks will be incorporated into the Enterprise Risk Management system, where appropriate, and will continue to be reviewed and updated annually. Management develops work programs to address specific climate-related risks and opportunities, including creating specialized management roles with responsibility for delivering those critical work

	programs. Management regularly engages with industry experts in developing recommendations for the Board on climate-related risks and opportunities.

Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Scorpio Tankers uses the following metrics to assess climate-related risks and opportunities in line with the Company's sustainability strategy, risk management, and IMO compliance: **Greenhouse Gas Emissions (metric tons CO_2e)** • Scope 1 • Scope 2 **Other Air Emissions (metric tons)** • Nitrogen oxides (NO_x), excluding N_2O • Sulfur oxides (SO_x) • Particulate matter (PM) **Energy Consumption (GJ)** • Total energy consumed • Percentage heavy fuel oil **Intensity (grams CO_2 per tonne-nautical mile)** • Average Efficiency Ratio (AER) per vessel size • Average Energy Efficiency Design Index (EEDI) for new ships **Ecological Impacts** • Number of travel days in marine protected areas • Percentage implemented ballast water treatment • Number and volume of spills and releases to the environment
b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	**2022 GHG emissions data:** Scope 1 emissions: 2,329,945 mt CO_2e Scope 2 emissions: 481 mt CO_2e **2023 GHG emissions data:** Scope 1 emissions: 2,362,449 metric tons CO_2e Scope 2 emissions: 386metric tons CO_2e The primary risks related to Scorpio Tankers' greenhouse gas emissions are those focused on carbon pricing regulations, identified as Risks 1, 2, and 3 in this disclosure. Under Risk 1, carbon pricing mechanisms such as the EU ETS will increase the costs of direct emissions if fleet-wide emissions do not decrease year-to-year or if there are additional cost implications to ensure compliance. Under Risk 2, carbon pricing mechanisms increase costs in the supply chain due to higher energy prices costs related to raw materials. Suppliers may choose to pass on these costs to downstream consumers like Scorpio

	Tankers. Under Risk 3, emissions regulations could necessitate costly investments in low-carbon technologies, operational changes, business planning, and compliance processes.
c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	As a leading product tanker fleet and responsible maritime company, Scorpio Tankers is committed to reducing emissions in line with the industry targets established by the International Maritime Organization (IMO). In July 2023, the Marine Environment Protection Committee (MEPC) 80 session adopted the 2023 IMO Strategy on Reduction of GHG Emissions from Ships. This revised strategy aims to achieve net-zero GHG emissions from international shipping by or near 2050, ensure uptake of alternative zero and low-carbon fuels by 2030, and provide interim reduction targets for 2030 and 2040. However, despite the positive direction of this strategy, it lacks sufficient measures for shipping companies to implement and achieve emissions reduction targets in the near term. The Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII) are meant to be temporary compliance measures until the IMO can develop more stringent standards. Therefore, Scorpio Tankers is focusing on continued collaboration and optimizing vessel efficiency until the IMO gives direction on how to achieve the short and medium-term emissions reduction targets.