

Corporate Responsibility

Ensuring Responsible Business Conduct

Stolt-Nielsen requires that its business objectives are achieved in an ethical, honest and legal manner. To enforce this, a Code of Business Conduct is maintained, which is reviewed and approved by the Board annually. The Company does not tolerate any breach of the Code and individuals found to be in breach are subject to disciplinary action, up to and including termination of employment. The Code sets out the business conduct principles and rules that apply to all directors, officers, permanent employees, temporary employees, contractors and consultants. In summary, the Code requires all personnel to comply with all relevant laws, regulations and Company policies at all times and to behave with integrity, maintaining internal and external relationships in a professional manner, avoiding conflicts of interest, bribery and corruption.

To ensure constant awareness and visibility of the Code, and to underscore Stolt-Nielsen's commitment to it, we also undertake the following:

- Poster-sized copies of the Code are prominently displayed at all of our locations worldwide, and translated into local languages as needed.
- All land-based management must complete an online Code compliance confirmation annually.
- All main agents of the Company are required to confirm compliance with the Code periodically.
- All joint-venture boards are required to confirm compliance annually.

In addition, to promote a culture in which employees feel comfortable about raising genuine concerns about potential, suspected or actual breaches of the Code without fear of victimisation, discrimination or disadvantage, Stolt-Nielsen has for many years maintained a whistleblower

policy and an online system that enables anyone, internal or external, to report confidentially (anonymous or otherwise) directly to the Chairman of the Audit Committee and our Head of Operational Audit. All reports are taken seriously and investigated appropriately.

Dedicated to the Success of Our Employees and the Welfare of Our Seafarers

Stolt-Nielsen Limited provides equal opportunities to all employees regardless of gender, ethnic background, religion or age. The professional development and personal growth of our employees are vital to our success. The company encourages employees to maximise their potential and has in place specific programmes to train and develop employees both ashore and at sea. Our goal is to provide the tools and rewards that inspire employees to continuously improve themselves, our business and the relationships that support it.

Programmes offered by the operating units of Stolt-Nielsen Limited include: cross-departmental and cross-business exposure, including transfers, secondments and short-term projects; advanced management training; job and skills training; safety training; and continuing education programmes, including tuition assistance.

The fair treatment and welfare of seafarers is a concern of many both inside and outside our industry. All of Stolt-Nielsen's ships operate with valid International Transport Workers' Federation Union (ITF) agreements (Collective Bargaining Agreements) for all seafarers on board. In addition, we operate in conformance with all applicable regulations. Compliance is verified thru Port State Control and Flag State inspections. Stolt Tankers' compliance with the Seafarers' Bill of Rights of the Maritime Labor Convention (MLC) standards is fully documented within the division's Ship Management System. Further vetting takes place during routine on-board inspections and in-office audits by third-party vetting institutions and classification societies.

Stolt-Nielsen Limited takes pride in the low turnover and high retention of sea and shore staff, many of whom choose to pursue long-term careers with Stolt, recognizing that we are a safe, reliable and high quality industrial storage and transportation service provider dedicated to meeting the needs of our customers for the long term.

A Global, Integrated Approach to SHEQ

Safety for people and the environment is the first priority for Stolt-Nielsen Limited (SNL) and its business divisions. In 2013, SNL elevated oversight responsibility for safety, health, environment and quality (SHEQ) to the Corporate level, and began the implementation of a global, integrated approach. This was done:

1. to create a deeper, hands-on awareness of safety issues at the highest levels of management in the Company,
2. to ensure that appropriate resources are provided to support SNL's stated commitment to safety,
3. to provide additional assurance of rigorous compliance in a constantly expanding and increasingly complex regulatory environment, and,
4. to drive the Company-wide implementation of safety processes and reporting that leverage both Stolt-Nielsen's existing experience, which is substantial, and ongoing developments in safety.

Raising SHEQ Performance with Better Data

Understanding begins with data collection and measurement. To create a unified picture of safety issues across SNL's global operations, in 2013 we commenced quarterly reporting focused on safety key performance indicators (KPIs), including but not limited to accidents and serious accidents, near misses with high loss potential, impacts to the environment, and lost work days.

For the majority of these safety KPIs, Stolt-Nielsen has accumulated historical data at the division level. Taking a global approach, however, ensures that these KPIs are consistently applied across the Company, thus capturing events and trends and delivering, through a single lens, a unified view of safety performance at SNL.

Niels G. Stolt-Nielsen briefly summed up the purpose behind the safety KPI quarterly reports as being a need to know what is happening with respect to safety, where we may be at risk, and what is being done to control that risk. With the data we are starting to collect and analyse, he as CEO, together with the Board of Directors, are expecting to be in a better position to address potential issues relating to the Company's overall safety performance.

One of the challenges we face is prioritising risk. While it would seem easy to separate minor near miss incidents from potentially serious near miss incidents, it is not. Taken at face value, the worst-case effects of an incident may not be apparent at all. For this reason, we are now developing a data-analysis tool that is specifically designed to identify high-loss-potential near-miss incidents. Identifying and analysing such incidents will substantially increase our ability to implement targeted processes, systems and/or training to help avoid such situations in the future.

Increased Safety Through Awareness and Intervention

In addition to measurement via our safety KPIs, we are also engaged in assessment with the introduction of Safety Culture Awareness Surveys (SCAS). Having conducted similar surveys aboard the ships of the Stolt Tankers fleet for a number of years, we have found that this approach provides valuable insights into difficult questions. What is management's view of our safety culture? What is the view of employees? Are those views divergent and, if so, how? Are there variances in safety culture by division and/or geography? Our Internet-based SCAS survey will help us get to the bottom of such questions and, in doing so, point us towards solutions to the potential problems we discover.

Industry studies have shown, for example, that many incidents could have been prevented if individuals present at the time of the incident had acted to stop a colleague whose actions they knew to be unsafe. Studies also have demonstrated that cultural factors sometimes play a role in the reluctance of individuals to challenge either their coworkers or superiors. Clearly, effective communication and training programmes are key to eliminating culturally related barriers. And yet, simple empowerment can also have a dramatic impact. We are currently in the process of introducing "Stop Work Authority" cards to all operational employees and contractors. The cards bear the signature of the CEO and explicitly state that the holder is "responsible and authorised to stop any work that does not comply" with 10 Principles of Operation reproduced on the reverse of the card, and without the risk of repercussions. The purpose of the cards will be routinely reiterated and discussed as part of normal day-to-day operational safety briefings across all divisions. While culturally ingrained behaviour involving etiquette and/or deference to superiors or elders is often strong, so too is the recognition of authority and leadership.

Training: Key to Safety Assurance

Training is unquestionably the single most important factor in safety assurance. At Stolt Tankers, relatively recent improvements have enhanced the effectiveness of our already strong training programmes, which are among the very best in the industry, as reported by third-party evaluations from Det Norske Veritas and others. Yet, until now, we have never looked at training from a cross-divisional perspective. Are we capitalising on our training strengths at Stolt Tankers for the benefit of our other divisions? Can that experience and those skills be leveraged to enhance training at, say, Stolthaven Terminals and Stolt Tank Containers, and vice versa? In fact, we are confident that they can. We are working on implementing processes and practices to ensure the sharing of safety training best practices across all divisions.

Driving Continuous Improvement in Environmental Performance

Raising our environmental performance is a key and ongoing objective of our Corporate SHEQ initiative. At Stolt Tankers, we are now working closely with INTERTANKO, the industry association focused on safe, environmentally sound and efficient seaborne transportation of oil, gas and chemical products. Since 2011, we have been calculating annual emissions indices for each class of ship in the Stolt Tankers fleet. Going forward, these data will enable us to measure effectively the impact of actions aimed at reducing SO_x, NO_x and CO₂ emissions.

In addition, for each ship in the Stolt Tankers fleet, we are creating an Energy Efficiency Operating Index (EEOI) that correlates CO₂ emissions with tons of cargo carried. These indices will provide the benchmarks against which actions to reduce emissions will be measured. For example, we have launched a Sludge

Management programme that is aimed at eliminating incineration of shipboard sludge by offloading ashore. In 2013, we succeeded in increasing the amount of sludge landed by 44%, compared with 2012, and we expect continued significant progress in 2014 toward our ultimate goal of eliminating sludge incineration aboard our ships, which in turn will drive down gaseous emissions.

At Stolthaven, our environmental efforts are focused on reducing cargo emissions and improving energy conservation and wastewater treatment. For example, products with high vapour pressures are stored in tanks with pressure valves or internal floating roofs to reduce emissions, while emissions from loading and discharging ships are reduced by using vapour-return systems. Flares, vapour scrubbers and active charcoal filters are being used to reduce cargo emissions from potential cargo evaporation.

To reduce energy consumption at our terminals, we have implemented a global programme to replace existing boilers with new energy efficient boilers, which is reducing energy consumption and emissions by burning less and cleaner fuels. In Houston, for example, we have installed two new low-emission steam generators that use pipeline-quality natural gas as fuel, resulting in a reduction of combustion by-product emissions of more than 80% over historical levels. Technologies proven to be successful at Stolthaven Houston are being implemented at other terminals worldwide.

Wastewater treatment is another focal point at Stolthaven. All wastewater generated at our terminals is either treated by certified third-party service companies or by our own personnel on location at our own terminals. Both of our terminals in the U.S.—Houston and New Orleans—have on-site wastewater treatment installations, where most of the wastewater generated by the terminals and visiting ships is effectively treated. In Stolthaven Houston, a second wastewater treatment plant will be built in 2014, to enhance our existing on-site treatment capabilities.

At Stolt Tank Containers, one of our main environmental challenges is the handling of wastewater generated by tank cleaning worldwide. STC is constantly investing in its treatment systems to ensure strict conformance with environmental regulations globally. Our network of 14 depots gives us significant direct control over our tank-cleaning needs, and wastewater at our depots is thoroughly treated and tested to ensure regulations are met or exceeded. When third-party depots are utilised, only fully vetted facilities whose operational standards meet both regulations and STC's criteria are selected. From an emissions standpoint, tank containers themselves do not generate emissions, but the ships and trucks that carry them do. In an effort to reduce our global environmental impact, STC strives to use only ocean carriers and truckers whose equipment meets or exceeds environmental regulations.

Stolt Sea Farm, of course, has long been recognised for its environmentally friendly operations. As part of its land-based operations, SSF takes large amounts of sea water. When the water is returned to the sea, the water doesn't show any sign of deterioration or contamination.

The first year of Stolt-Nielsen Limited's Global SHEQ initiative resulted in very good progress. It was a year in which we focused not only on specific targeted goals, but on building a strong foundation to drive future and continual improvements in our safety and environmental performance.

Patrick J. Russi
Global SHEQ Manager
Stolt-Nielsen Limited