

# Growing responsibly

At Stolt-Nielsen Limited safety is our first priority. We understand that we have an impact on the world around us and a responsibility to protect the environment. The way we treat our people and work together with our stakeholders reflects our core values of quality, reliability and flexibility.



## Safety matters

At Stolt-Nielsen Limited (SNL), safety for people and the environment is our number-one priority with the goal of zero harm always in mind.

This Company-wide commitment is supported by ongoing efforts to:

- Create a deeper, hands-on awareness of safety issues at the highest levels of management
- Ensure that appropriate resources are provided to support SNL’s stated commitment to safety, including training programmes
- Provide additional assurance of rigorous compliance in a constantly expanding and increasingly complex regulatory environment
- Drive the Company-wide implementation of safety processes and reporting that leverage both SNL’s existing experience and ongoing developments in safety.

While our businesses drive operational safety initiatives, at a corporate level we focus on four key performance indicators. These are reported to our management team quarterly and measure:

- That procedures meet or exceed the latest industry standards
- That training is tracked and provided as scheduled
- That compliance with procedures is monitored and reported
- The trend in the number of serious accidents, incidents and near misses

As a result of these and other measures, the number of serious accidents was zero in 2017.

During the year we ran a number of programmes to increase awareness as to what constitutes an incident or near miss and trained our people on how to report them. We believe our improved reporting contributed to the increase in Total Recordable Case Frequency (TRCF) and Lost Time Injury Frequency (LTIF) rates for Stolt Tank Containers, and an increase in LTIF at Stolt Terminals. The downward trend in our incident and lost time rates continued at Stolt Tankers.

### Stolt Tankers: embedding safety

Understanding the root causes of incidents – and putting in place processes to mitigate those risks – is critical. In addition to non-compliance with procedures, we have found that a high percentage of our accidents and near misses are often attributable to behavioural causes and we are taking steps to address this.

A new safety initiative launched in 2017 was ‘*Make it safe, make it personal, make it back home*’. The Stolt Tankers safety team produced a film that explores behavioural issues with the aim of encouraging open conversations among crew to share examples of their own experiences and alternative actions they would have taken in similar scenarios. The video was supplemented by ‘flash reports’ of recent near misses, which, again, were used to prompt crew members to consider how they would have responded in similar situations. Managers were also involved in these exercises, to help them identify ways of improving their current training programmes.

We understand that to develop a positive safety culture, we must start with our leaders. During the year members of our management team visited 69 of our ships, offering them a unique opportunity to interact with officers and crew in their day-to-day working environment. The aim was for management to be visible safety ambassadors by actively promoting safe behaviours through ownership, engagement and leading by example. Topics covered included resilience, coaching and effective presence and communication.

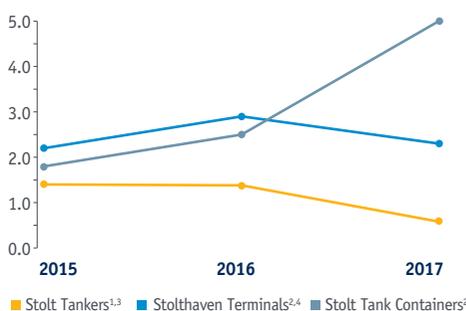
### Stolthaven Terminals: sharing training, sharing knowledge

Sharing lessons learned is one of the most powerful ways to drive continuous improvement in safety. In 2017, Stolthaven Terminals introduced a new lessons-learned system, which provides an analysis of all serious incidents and near misses. This information is then used to facilitate discussions of lessons from those events. The main goal is not only to prevent similar events happening, but to provide related training, including how to make safety-related reports.

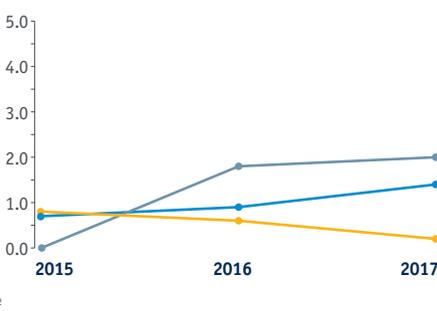
### Stolt Tank Containers: improving safety processes

During 2017, Stolt Tank Containers launched a Global Safety Management System, which consolidated local procedures, guidance and forms for depots into one global standard.

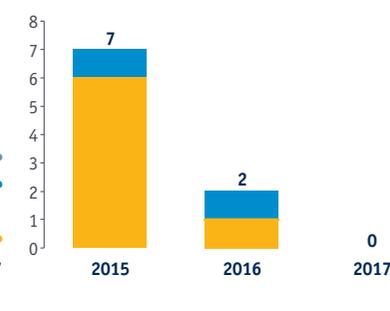
### Total Recordable Case Frequency (TRCF)



### Lost Time Injury Frequency (LTIF)



### Serious accidents



1. Per 1,000,000 hrs exposure 2. Per 200,000 hrs exposure 3. Excludes barging 4. Includes joint ventures

The new system enables safety trends to be analysed across the division and training needs identified. Flexibility built into the system allows for localised procedures within the global framework. Audits of the use of the new system began in 2018.

Stolt Tank Containers further enhanced safety processes at its depots with the introduction of a global reporting system for training. The new system tracks completion of mandatory training for specific job roles and responsibilities, while also allowing for additional, individual training to be tracked as part of an employee's personal development.

### Safety standards and ISO certification

Stolthaven Terminals operates across many different countries, complying with various local requirements. Our fully owned terminals at Dagenham, UK and Moerdijk, the Netherlands meet the requirements of the EU Seveso III Directive. Our Singapore, Australia and New Zealand sites meet similar standards based on the principles of the Directive.

Each of our terminals produces a Safety Document that identifies how possible major incidents might occur; identifies and describes the control measures implemented to prevent such incidents; and includes emergency plans to mitigate the effects of any major incident.

During the year, Stolt Tank Containers maintained its compliance with various regulations, codes and guidelines, including: VGM (Verified Gross Mass), IMDG (International Maritime Dangerous Goods) and ADR (European Agreement Concerning the International Carriage of Dangerous Goods by Road) revisions; ISO 9001 (Quality Management) standards; CDI-MPC (Chemical Distribution Institute-Marine Packed Cargo) and SQAS (Safety & Quality Assessment System) standards.

Stolt Tank Containers holds a multi-site ISO 9001 certificate and, according to Lloyds' reports, maintains standards to a high benchmark. STC's CDI-MPC standard improved in 2016, with the average scores of its European offices ranging from 85% to 90%, reflecting the division's commitment to international quality and safety standards.

During the year, STC's Food-Grade Division was recertified for ISO 22000 (Food Safety Management). The company also holds a Silver CSR Rating on the EcoVadis assessment (a key sustainability rating platform), with a score of 57%, compared with an average for comparable enterprises of 39%, based on a range of indicators, including safety performance, vendor ratings, environmental performance and labour practices.

During 2017, Stolt Sea Farm renewed its ISO 9001 (Quality Management) and ISO 14001 (Environmental Quality Management) certifications for its flatfish operations, in keeping with its Aquaculture Environmental and Quality certification 'Global GAP' (Good Aquaculture Practice).



### The 'Stop Work Authority' Card: It's OK to say "No."

All Stolt-Nielsen employees, contractors and visitors have the authority and obligation to stop work where concerns or questions regarding control of health, safety and environmental risk exist – or when a hazard is identified that presents a danger – with no repercussions to them. Stop Work Authority cards have been distributed to all employees, whether land-based or at sea. These cards are provided in 18 local languages, and their use is encouraged and supported with posters that are displayed prominently in communal areas.

Managers and senior officers are required to ensure that all employees and crew members understand the Stop Work Authority procedure, which is also covered in the Company's safety manuals and introductory materials for new hires. The procedure explains how to stop work and how to initiate a restart of work. No work restarts until all stop work issues and concerns have been adequately addressed. The event is then recorded as part of the Company's standard incident reporting process.

All routine safety meetings and toolbox talks include a review of the Stop Work Authority procedure, to remind employees of their responsibilities should the need arise.

## Meeting the challenges of sustainability

Our success in business depends on our ability to meet a range of environmental challenges. We must operate safely and manage the effect our activities have on the environment, neighbouring communities and society as a whole.

Stolt-Nielsen Limited's commitment to sustainability is driven and impacted by many factors and complex relationships. Efforts to increase fuel efficiency, which also has the environmental benefit of reducing emissions, have increased with rising bunker fuel prices.

Environmental regulations also continued to increase during 2017, the IMO's global sulphur cap on marine fuels which will enforce a reduction to 0.5% starting from January 1, 2020 being of particular note. At the same time, our stakeholders expect us to demonstrate our commitment to sustainability and our responsibility to the environment.

At Stolt-Nielsen the driving force behind all our efforts in this area is quite simple: it's the right thing to do. Highlights of 2017 are outlined below.

### Stolt Tankers

In 2017, Stolt Tankers managed more than 100 ships for a total of 27,587 operating days. Progress against sustainability benchmarks was significant.

- Average fuel consumption/operating day/per deep-sea ship decreased by 6.3%, as a result of ongoing fuel-conservation and efficiency efforts,
- The fleet's Energy Efficiency Operational Indicator (EEOI) decreased by 6.7%. The EEOI enables measurement of the fuel efficiency of ships and the ability to gauge the impact of operational changes, such as improved voyage planning and hull/propeller cleaning.
- Stolt Tankers took delivery of 11 newbuildings in 2017. The Energy Efficiency Design Indexes (EEDIs) for the new ships exceeded minimum energy efficiency requirements by 28% to 36%.

- All of the newbuilds were equipped with UV-type ballast water treatment systems to prevent the distribution of invasive species. Four of the newbuilds delivered were equipped with hybrid SOx scrubbers, making them IMO-compliant with 2020 fuel/SOx emissions standards.
- Improved weather routing saved 1,779 metric tonnes of fuel.
- When it comes to ship recycling, Stolt Tankers – and the recycling yards it selects – operate in accordance with the International Maritime Organization's (IMO) Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships, 2009. All ships delivered for recycling hold a inventory of hazardous materials, certified by DNV GL, verifying that the vessel has been properly prepared. Stolt Tankers and the yards it uses are ISO 14001 and ISO 9001 certified for environmental and quality management. During recycling, Stolt Tankers maintains one to three surveyors on-site at the recycling yard, to monitor the process first-hand, from start to finish. Two ships were recycled by Stolt Tankers in 2017.

### Stolt Tank Containers

STC's global network of 21 tank container depots harnesses new technology and innovative thinking to enhance sustainability.

- Membrane bioreactor (MBR) technology is now deployed in the wastewater treatment plants of STC's new depots, producing treated water that is either reused in our cleaning processes or for irrigation purposes. MBR technology generates far less sludge, thus reducing amounts of solid waste.
- The use of LEDs instead of metal halide lamps at our depots reduces both electricity consumption and maintenance costs, while providing better illumination at night.
- Condensate from the steam-heating processes at the depots is now recovered and used to pre-warm cold water to be used for cleaning tanks, thus lowering energy consumption.
- Rigorous maintenance and repair processes mean that STC tank containers are used multiple times, over many years after which more than 90% of each tank is recycled.

### Stolthaven Terminals

Stolthaven's efforts last year focused on wastewater treatment, energy efficiency and emission control.

- At its terminals in Houston and New Orleans, US, Stolthaven now operates its own state-of-the-art wastewater treatment facilities, efficiently serving the needs of both the terminals and third parties on-site.
- A newly built solar energy installation is providing electricity to Stolthaven Singapore, and similar systems are being considered for other terminals.
- Emission-control upgrades at multiple facilities are in place to reduce emissions both from products and utilities.

### Stolt Sea Farm

The sustainability attributes of Stolt Sea Farms' land-based approach to fish farming are outstanding.

- Ongoing monitoring and testing demonstrate that sea water taken up by Stolt Sea Farm's land-based fish farms is cleaner when it is returned to the sea as a result of filtration.
- Organic material filtered from the sea water is used by farmers as fertiliser.
- At SSF's innovative sole farm in Iceland, where large volumes of pure hot and cold sea water are readily available, there is no need to filter and recirculate. The outflow from the farm in Iceland is virtually pristine, as verified by Icelandic authorities.

## Investing in our people

Stolt-Nielsen Limited is full of talented people with a real passion for delivering the highest level of service to our customers around the world. Without them we would not be able to deliver on our promise of quality in all that we do.

The professional development and personal growth of our employees, whether at sea or on shore, is vital to our success. We have in place specific programmes to train and develop them at all levels so that they are equipped with the knowledge and skills that our Company needs and to enable them to reach their full potential.

We pride ourselves on being a company that is large enough to offer a wealth of opportunities for career development, yet our teams are small enough for individuals to make a real difference. New recruits are often pleasantly surprised by how accessible our top people are. For those starting out on their career journey, our collaborative approach means that they can contribute ideas, gain hands-on experience and are given responsibility right from the start.

During the year, we launched a new performance management process which is underpinned by eight key attributes.

We believe that these are essential to help us achieve our business goals:

- Collaborative and builds a network
- Focuses on people
- Embraces change and innovation
- Communicates effectively
- Acts with integrity
- Strives to deliver great results
- Is pragmatic
- Is technically strong

The process ensures our people are given the opportunity to develop whilst also supporting our business goals. In 2017, 100% of eligible employees completed the performance process with their manager.

To help support this process and increase operational efficiency throughout the organisation, in 2016 we launched a new, easy to use online HR system through which employees can also manage additional tasks such as timecards and annual leave and review their personal data. There is also an area where they can request feedback from their peers, giving them the opportunity to proactively manage their performance.

### Rewarding performance

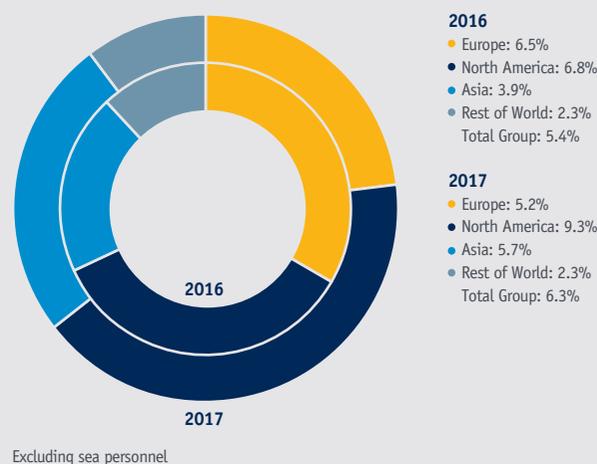
Our reward and benefits arrangements are designed to ensure that each individual's contribution to the Company is fairly rewarded. We believe that they are competitive and we regularly benchmark ourselves against our peers. Our total compensation programme is designed so that employment with us is attractive to new recruits and existing employees with the skills that match the needs of the business. With one of the longest serving workforces in our industry (2017 average tenure 8.6 years) we are incredibly proud to report that this loyalty to our people creates the same loyalty from them in return. Our voluntary staff turnover increased slightly during the year, yet remains significantly below the industry average at 6.3% (2016: 5.4%).

We understand the importance of employee wellbeing that goes beyond financial reward. Many of our operations offer on-site exercise facilities and health checks and complimentary fruit and healthy food is provided in our canteens. Our office in Manila held a series of well-attended lunch and learn workshops covering a broad range of topics including prevention and awareness of HIV/AIDS, tuberculosis and hepatitis.

### Number of people employed

	2016		2017	
	Sea Personnel	Onshore Staff	Sea Personnel	Onshore Staff
Europe	1,182	548	1,152	557
North America	3	559	3	548
Asia	2,496	615	3,384	615
Rest of World	20	171	18	172
Total	3,701	1,893	4,557	1,892
<b>Group totals</b>	<b>5,594</b>		<b>6,449</b>	

### Voluntary employee turnover



Our terminal in Dagenham, UK also ran a health awareness campaign, covering the benefits of good nutrition, exercise and the dangers related to smoking. In the Netherlands and the US we offer regular health checks where employees can seek support and advice from on-site health professionals.

### Supporting a diverse workforce

Ours is a diverse organisation and we believe that by working together this can in turn help us to develop innovative solutions that will benefit our customers. As a company with businesses located across the world our global reach offers a wealth of opportunities for those employees with the skills and attitude to excel. We encourage employees to apply for roles across the Group which expands their experience and develops their skills.

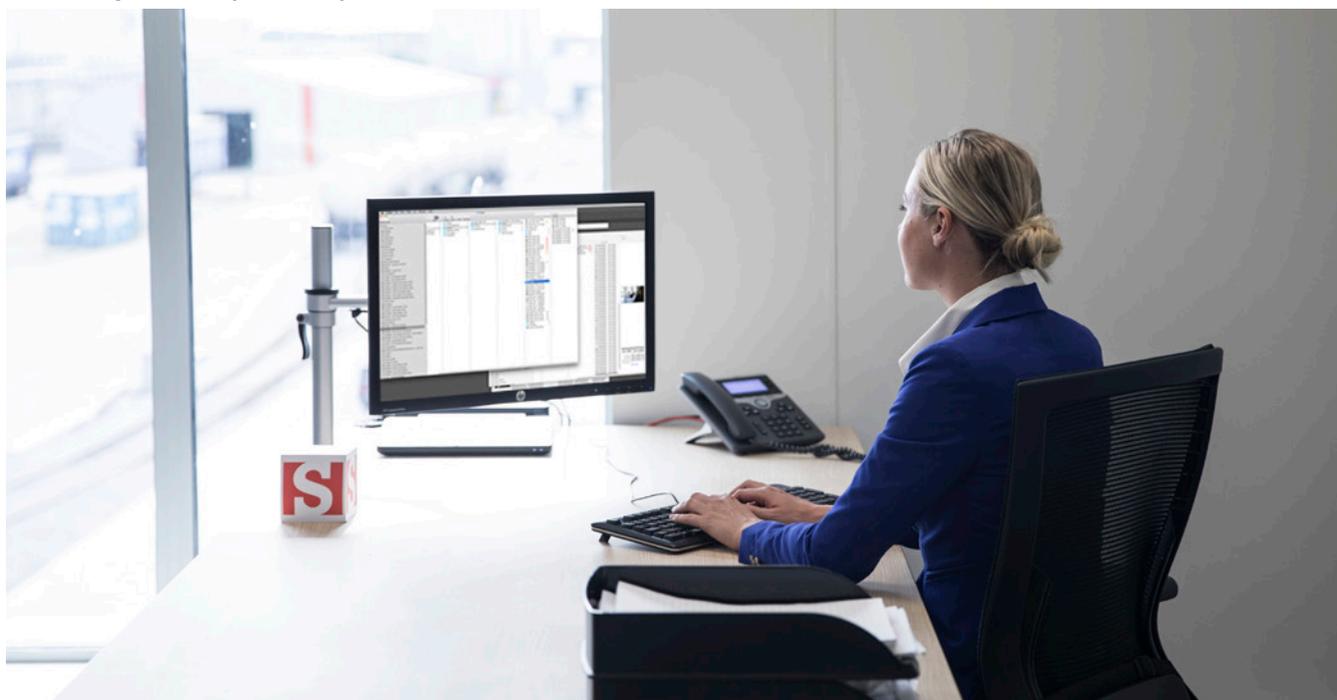
Stolt-Nielsen Limited is an equal opportunity employer and we recruit, train and develop our employees regardless of gender, ethnic origin, age, religion or belief, marriage or civil partnership, pregnancy or maternity, sexual orientation, gender identity or disability.

### Supporting responsible behaviour

We are committed to operating in an ethical, honest and legal way. To support this, we ensure that our Code of Business Conduct is reviewed and approved by the Board annually. It is clearly displayed at all our sites and is available in local languages. Any breach of the Code is viewed as a serious matter 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.

The Code requires all personnel to act ethically in complying with relevant laws, regulations and Company policies and to behave with integrity, maintaining internal and external relationships in a professional manner, avoiding conflicts of interest, bribery and corruption.

We promote a culture which encourages employees to raise their concerns about potential, suspected or actual breaches of the Code without fear of victimisation, discrimination or disadvantage. Together with internal routes for raising concerns, Stolt-Nielsen has in place a whistleblower policy and anyone, internal or external, can access our online system to report confidentially and (where local law permits anonymously) directly to the Chairman of the Audit Committee and our Head of Operational Audit. All reports are taken seriously and investigated appropriately.



## Committed to the welfare and wellbeing of our seafarers

Stolt-Nielsen Limited's commitment to the fair treatment and welfare of its seafarers is underscored by our compliance with standards mandated by multiple international agreements, conventions and processes. We also strive to provide our seafarers with benefits, resources and support that make service aboard our ships both attractive and valued by our officers and crew. These include:

- Medical insurance for all first-degree family members
- Exercise equipment or gyms on all ships
- Daily internet access for all seafarers
- Engagement and development of outstanding cadets for life-long careers at SNL
- Career counselling, guidance and management, emphasising permanent employment to ensure high experience levels
- State-of-the-art and focused safety and operational training programmes
- Empowerment of Ship Management Teams (SMTs) to drive pride of ownership

Thanks to these and other ongoing efforts, Stolt Tankers' turnover rates are among the industry's lowest, with a high proportion of sea staff choosing to pursue long-term careers aboard our ships. The experience of our sea staff is what enables Stolt Tankers to deliver the quality, reliability and flexibility for which we are known worldwide.

### Rigorous compliance

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 the Seafarers' Bill of Rights of the Maritime Labour Convention (MLC), the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), the International Convention for the Safety of Life at Sea (SOLAS), and the International Convention for the Prevention of Pollution from Ships (MARPOL). Compliance is verified through port state control

and flag state inspections. In addition, Stolt Tankers' compliance with MLC standards is fully documented within the division's Ship Management System. Further vetting takes place during routine on-board inspections as part of the Oil Companies International Marine Forum/ Chemical Distribution Institute (OCIMF/CDI) vetting regime and in-office reviews conducted as part of the OCIMF's Tanker Management & Self-Assessment process. Additional vetting takes place during periodic International Safety Management (ISM) audits carried out by DNV-GL, the world's largest ship classification society, on behalf of six flag states.

