

Acting Responsibly

Safety for people and the environment is our first priority...

The divisions of Stolt-Nielsen Limited continued to focus in 2011 on a process of continuous improvement that is aimed at enhancing the Company's safety performance and awareness on an ongoing basis.

Acting Responsibly

Stolt-Nielsen Limited considers the safety of people and the environment as its first priority. William Pfisterer, Superintendent for Safety/Emergency Response/Quality at Stolthaven Houston and a Stolt employee with more than 33 years of experience, says it as well as anyone: "Safety must come first because it leads to everything else being done right. It's our job to protect people, the environment and the assets of our customers and the Company."

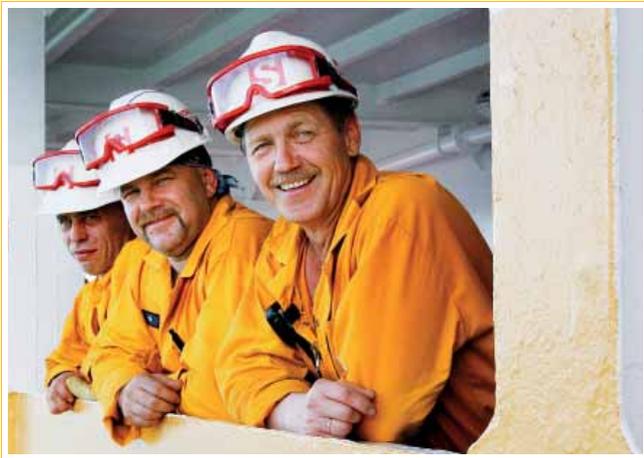
While it is the responsibility of SNL corporate management to ensure that safety is a 24-7 priority Company-wide, each of the business divisions pursues programmes that are optimised for their respective operations. This decentralised approach recognises that the safety requirements and issues faced by the Company's operating units are quite different, despite the fact that the Company's three largest divisions – Stolt Tankers, Stolthaven Terminals and Stolt Tank Containers – may handle and/or transport many of the same bulk liquids.

Yet, while the specific approaches may vary, the goal is the same: to meet or exceed all applicable safety and environmental requirements and regulations, while pursuing a process of continuous improvement that is aimed at enhancing the Company's safety performance on a sustained basis in the future.



At Stolt Tankers, 2011 marked the division's first full year as an ISO 14001-certified business. As noted in the Stolt Tankers Environmental Report for 2010/11 (available at www.stolt-nielsen.com), "ISO 14001 gives Stolt Tankers a framework – one that can be objectively audited – for driving continual improvements in our environmental performance. It ensures a culture of sustained improvement rather than merely a culture of regulatory compliance." ISO 14001 has already had an impact in both large and small ways. Aboard our ships, efforts are underway to reduce our use of incinerators, to add trash compactors for better waste handling, to reduce the use of plastic, to increase the use of recyclable containers, and to effectively address waste such as residual cleaning materials, oily water and sludge. To help make sure our commitments are clear, our officers' conferences now include a MARPOL (International Convention for the Prevention of Pollution from Ships) refresher course plus a half-day session focusing exclusively on ISO 14001.

During 2011, Stolt Tankers was awarded "2010 Carrier of the Year", Global Category, by Shell Chemicals, based on its performance in four key areas: HSSE (health, safety, security, environment), Operational Performance, Customer Service and Equipment Suitability. In November of 2011, the Chamber of Shipping of America awarded certificates of Environmental Performance to 44 Stolt ships. *Stolt Vinland* was cited for 17 consecutive years of outstanding environmental performance, with eight other Stolt ships achieving 10 or more years of sustained environmental excellence.



At Stolthaven Terminals, the application of consistent approaches to safety, quality and efficiency ensures that every terminal in Stolthaven's network operates to the same high standards, and benefits from both internally and externally developed best practices. Stolthaven's wholly owned terminals are ISO 9001 certified. Stolthaven Santos is also ISO 14000 and 18000 certified, integrating environmental and safety guidelines into the quality management system. The division's newer facilities are in the process of obtaining ISO certifications. To maintain their ISO certifications, the terminal's processes are audited twice annually through both internal and external audits. In addition, ISO procedures have specific guidelines for incident management/investigation, vendor non-conformance, and employee participation for continuous process improvement.

Stolthaven's strong safety culture is supported by a network-wide system of Employee Safety Committees, which utilise a Behaviour-Based Observation Programme to enhance safety awareness and adherence to procedures. Each Stolthaven terminal also develops and maintains Waste Minimisation Plans, with annual goals and action plans aimed at reducing waste generated by our terminals and minimising wastewater treatment and raw material use.

Current and prospective customers are invited to audit our terminals and frequently do so, rigorously inspecting all aspects of our operations and ensuring our compliance with the most demanding HSE&Q (health, safety, environment and quality) standards.

Stolt Tank Containers provides a genuinely sustainable solution for bulk-liquid transportation. Tank containers are reusable. As a door-to-door solution, they load once and discharge once, thus minimising the handling of cargo in transit. Sophisticated logistics systems ensure the efficient movement of tank containers. Finally, once a tank container reaches the end of its operational lifespan, its components are readily recycled, or even remanufactured to like-new specifications. (For more information about the sustainability of tank containers, please see "Tank Containers: A Sustainable Solution for Bulk Liquid Transportation" at www.itco.org, the website of the International Tank Container Organisation.)

While all operators of tank containers realise these benefits, STC is unique in that it operates its own growing network of 14 depots. This network not only gives STC more control over the maintenance and cleaning of the tanks in its fleet, but ensures that the handling of waste is conducted in accordance with STC's high and uniform global standards.

During 2011, STC rededicated itself to a business model focused exclusively on tank containers, by choosing to shut down its flexitank operations. Having experimented with flexitanks for five years, STC made a decision to exit the business, concluding that the reliability of that mode did not meet STC's performance standards.



Stolt Sea Farm's land-based fish farms are both efficient and environmentally friendly. SSF has earned *Friend of The Sea* certification for its sustainable practices, and holds ISO 9001 quality management certification for both production and commercialisation, as well as ISO 14001 certification for environmental management. In 2011, SSF made plans to apply its industry-leading expertise to an exciting new venture: a sole farm in Iceland. HS Orka, a geothermal energy company in southwest Iceland, will provide electricity and hot water to the farm, the latter being essential as raw seawater in Iceland is too cold to farm sole. The arrangement enables Iceland's geothermal heat to be used for a new application – fish farming – while also allowing the power plant to sell excess electric capacity to the farm. SSF's new facility is expected to directly employ approximately 50 people, with roughly 75 additional jobs created as an indirect result of the venture. Obtaining good farming sites is a challenging endeavor for SSF, and Iceland and HS Orka have proven to be welcoming partners in a venture that will produce wholesome, fresh seafood using that country's abundant and sustainable geothermal energy resources.