

Corporate Responsibility

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.

Key highlights

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 is an equal opportunity employer. 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; continuing education programmes, including tuition assistance; and free onboard WiFi internet access for three hours a day, enabling seafarers to stay in close contact with loved ones.

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 the Seafarers' Bill of Rights of the Maritime Labor 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.

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

SHEQ: Focused on Continuous Improvement

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 and informed approach to safety. That process continued in 2014.

It Starts with Measurement and Analysis

One of the first steps taken in 2013 was the introduction of quarterly reporting across all businesses of key performance indicators (KPIs) focusing on safety, including accidents and serious accidents, near misses with high loss potential, impacts to the environment, and lost work days. While such data had been collected previously on a business-by-business basis, unified reporting provided us with a consistent and comparable picture of safety issues across the entire depth and breadth of SNL's global operations. In 2014, we concentrated on enhancing and refining these KPIs, in order to obtain even better and more useful information. The KPIs we are now generating have been well received by management in both the operating units and at the Corporate/Board level.

As we noted last year, one of our most difficult challenges is prioritising risk. For example, how does one separate minor near miss incidents from serious near miss incidents? A simple qualitative review of circumstances, in fact, is unlikely to reveal the worst-case effects of an incident. In 2014, Stolt Tankers introduced a fleet-wide analytical tool that provides a data-capture framework for identifying near misses with high loss potential. The analyses generated by this new tool are providing valuable input for targeted processes, systems and training to help avoid such situations in the first place.

Elevating Safety Awareness... and Enabling Intervention

It is human nature: if drivers believe that speed limits will not be enforced, chances are that a higher proportion of them will speed. Unfortunately, the same thing is true to some extent when it comes to the enforcement of safety practices. During 2014, a Company-wide Safety Culture Survey was rolled out with the goal of gauging employees' perceptions of the Company's commitment to safety. The survey will be conducted annually. The results of the first survey proved to be encouraging. A substantial majority of the survey respondents held the view that Stolt-Nielsen is serious about its commitment to safety, though some expressed the view that satisfying customer needs, or financial objectives, rivalled safety in importance. This prompted an immediate intervention by the business-unit heads at Stolt Tankers, Stolthaven Terminals, Stolt Tank Containers and Stolt Sea Farm. Company-wide announcements unequivocally stated Stolt-Nielsen's commitment to safety, and were followed up with an ongoing series of employee gatherings and on-site visits led by business-unit heads to carry the message loud-and-clear through each of the operating units. These efforts by the business leaders are not simply window dressing. In 2013, Stolt Tankers joined a programme led by Shell aimed at pulling together leaders from both Shell's supplier firms and the industry at large, with the goal of jointly working to improve both the delivery of services to Shell and the safety performance of the supplier members themselves. Through its own research, Shell had identified the importance of senior management, visibly and actively asserting its commitment to safety.

Similarly, Niels G. Stolt-Nielsen, Chief Executive Officer of Stolt-Nielsen Limited, personally announced the distribution of "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 is reiterated and discussed as part of normal day-to-day operational safety briefings across all divisions.

As industry studies have repeatedly shown, many incidents could have been prevented if individuals 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. 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, and the "Stop Work Authority" cards are aimed specifically at overcoming such potential barriers to safety.

Training: Key to Safety Assurance

In terms of safety assurance, the importance of training cannot be overstated. Training programmes at Stolt Tankers are unquestionably among the best in the industry, as verified by third-party evaluations from DNV GL and others. During 2014, STC implemented a uniform monthly training programme managed from Houston, which ensures that all STC owned and joint venture depots are trained to the same high standards worldwide.

In 2014, SNL undertook efforts to look at training from a Company-wide perspective in the hope of being able to share best practices across all operating units. The objective proved much more challenging than expected, mainly due to variations in training, subject to variations in local requirements across the globe. We have now shifted gears and are in the process of using a number of third-party industry standards to evaluate our training programmes, in the same way that DNV GL looks at Tankers. For example, at Stolthaven, we are leveraging the Marine Terminal Management Self-Assessment (MTMSA) schema developed by the Oil Companies International Marine Forum, and for Stolt Tank Containers, programmes developed by the Chemical Distribution Institute (CDI).

Focusing on Environmental Performance

Improving the environmental performance of all our operating units is a core objective of the Corporate SHEQ initiative. In 2014, Stolt Tankers made significant progress. The deep-sea fleet offloaded ashore 33% more sludge than in 2013, reducing both incinerator emissions and fuel consumption in the process. In addition, in line with the World Ports Climate Initiative and Emission Control Area (ECA) compliance, Stolt Tankers' Energy Efficiency Operational Indicator (EEOI) for the fleet improved to 14.7, from 16.6, reflecting reduced emissions of CO₂ per tonne of cargo carried, driven by improved vessel operating efficiency. All of the ships in the Stolt-Nielsen Inter-Europe Service (SNIES) have now ceased onboard incineration operations and all waste is offloaded ashore, significantly increasing their environmental friendliness.

The environmental concerns of Stolthaven Terminals focus mainly on reducing cargo emissions and wastewater treatment. Products with high vapour pressures are stored in tanks with pressure valves or internal floating roofs to reduce emissions, while emissions from the loading and discharging ships are reduced using vapour-return systems. Flares, vapour scrubbers and active charcoal filters are also used to capture and reduce cargo emissions.

All wastewater generated at Stolthaven's terminals is either treated by certified third-party service providers or by our own personnel. In the U.S., both the Houston and New Orleans terminals have on-site treatment installations that handle the wastewater generated by the terminals themselves, as well as wastewater offloaded by visiting ships. A second wastewater plant now under construction at Stolthaven Houston is expected to come online in 2015.

Handling of wastewater from the cleaning of tank containers is the foremost environmental focus of Stolt Tank Containers. The wastewater treatment systems used by STC's global network of depots meet or exceed environmental regulations globally, with continual testing to ensure compliance.

Thanks to filtering, tests have shown that sea water taken up by Stolt Sea Farm's land-based fish farms is returned to the sea typically cleaner than it was received. At SSF's innovative sole farm in Iceland, the volumes of pure hot and cold water available to the farm – upwards of 3,000 litres per second – mean there is no need to filter and recirculate, as is required on most land-based fish farms. The outflow to the ocean is virtually pristine, given the short time the water spends in the tanks, though Icelandic authorities periodically test the outflow to ensure it meets the nation's strict environmental standards.

In its second year, Stolt-Nielsen Limited's Global SHEQ initiative continued to make strong progress towards its stated goals:

- to create a deeper, hands-on awareness of safety issues at the highest levels of management in the Company;
- to ensure that appropriate resources are provided to support SNL's stated commitment to safety;
- to provide additional assurance of rigorous compliance in a constantly expanding and increasingly complex regulatory environment; and,
- 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.

Patrick J. Russi
Global SHEQ Manager
Stolt-Nielsen Limited
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