

**Stolt-Nielsen Limited**  
Annual Report 2023





# Annual Report 2023



## Forward-looking Statements

Included in this publication are various 'forward-looking statements', including statements regarding the intent, opinion, belief or current expectations of the Company or its management with respect to, among other things, (i) goals and strategies, (ii) plans for new development, (iii) marketing plans, the Company's target markets, (iv) evaluation of the Company's markets, competition and competitive positions, and (v) trends which may be expressed or implied by financial or other information or statements contained herein. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other facts that may cause the actual results, performance and outcomes to be materially different for any future results, performance or outcomes expressed or implied by such forward-looking statements. These factors include in particular, but are not limited to, the matters described in the Principal Risks section on pages 32 to 35.

Our sustainability report uses qualitative descriptions and quantitative metrics to describe our policies, programs, practices, performance and to set targets. Note that many of the standards and metrics used in preparing this report continue to evolve and are based on management assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees. All forward-looking statements are based on management's knowledge and reasonable expectations at the time of publication, and we assume no duty to update these statements as of any future date.

Outlooks, projections, estimates, goals, descriptions of business and other statements of future events or conditions that are forward-looking statements. Actual future results could differ materially due to several factors. For a full list of these please visit: [www.stolt-nielsen.com/sustainability/sustainability-reports/](http://www.stolt-nielsen.com/sustainability/sustainability-reports/)

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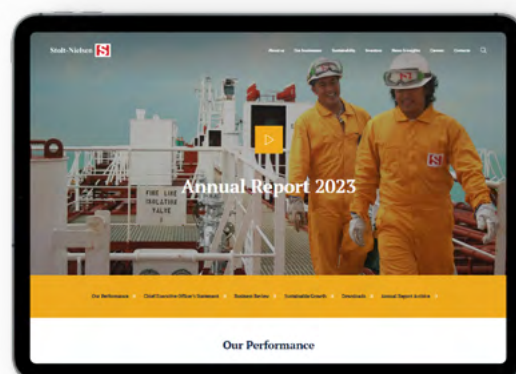
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## Focused on delivering long-term sustainable growth

Stolt-Nielsen is a long-term investor and manager of businesses, creating value from opportunities in liquid logistics and land-based aquaculture.

The Company has world-leading businesses in its markets and invests in opportunities aligned to these.



### Online Annual Report

For a more interactive experience please visit:  
[stolt-nielsen.com/annual-report-2023/](https://stolt-nielsen.com/annual-report-2023/)

# Financial Highlights

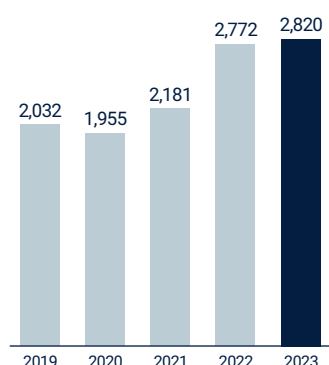
## Our performance

(In US \$ millions, except per share data)

	2023	2022	2021
Operating revenue	2,820.2	2,771.8	2,181.1
Operating profit	419.6	447.5	233.7
Net profit	296.7	280.9	78.8
Net profit per share:			
Basic	\$5.54	\$5.25	\$1.47
Diluted	\$5.54	\$5.25	\$1.47
Weighted average number of Common Shares and Common Share equivalents outstanding:			
Basic	53.5	53.5	53.5
Diluted	53.5	53.5	53.5

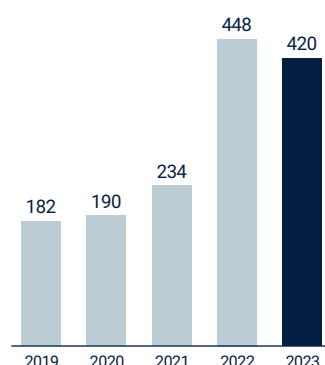
### Operating revenue

**US \$2,820m**



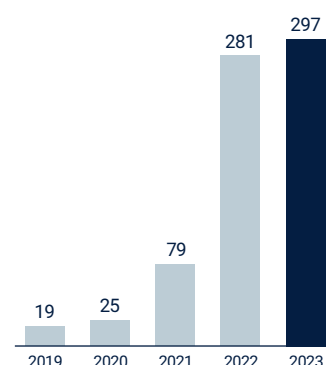
### Operating profit

**US \$420m**

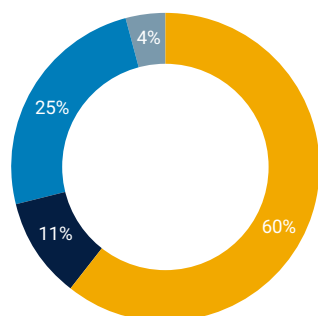


### Net profit

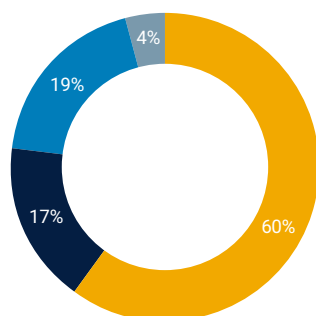
**US \$297m**



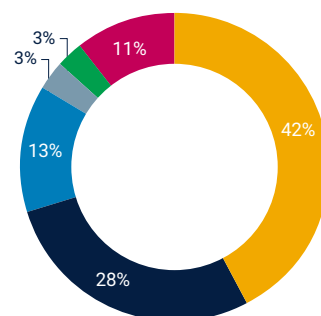
### Operating revenue by business (US \$ millions)



### Operating profit by business<sup>1</sup> (US \$ millions)



### Total assets by business (US \$ millions)



1. Excludes Stolt-Nielsen Gas, Corporate and Other loss of \$42.9 million and \$155.0 million one-off item in Stolt Tank Containers, related to MSC Flaminia legal claim.

# At a Glance<sup>1</sup>



## Stolt Tankers<sup>2</sup>

Stolt Tankers operates the world's largest fleet of parcel tankers, providing safe, reliable and high-quality global transportation services for bulk-liquid chemicals, edible oils, acids and clean petroleum products.

**78** deep-sea chemical tankers  
**84** coastal and inland tankers  
**3m** total deadweight tonnes

See pages 12-13 for more details



## Stolthaven Terminals

Stolthaven Terminals' global terminal network provides safe, high-quality storage and distribution services for chemicals, clean petroleum products, gas, vegetable oils, biofuels and oleochemicals in key markets and hubs worldwide.

**5m** m<sup>3</sup> of storage capacity<sup>3</sup>  
**10** wholly owned terminals  
**4** joint-venture terminals

See pages 14-15 for more details



## Stolt Tank Containers

Stolt Tank Containers is a leading provider of logistics and transportation services for door-to-door shipments of bulk-liquid chemicals and food-grade products.

**50,900** tank containers  
**142,500** shipments  
**21** depots<sup>3</sup>

See pages 16-17 for more details



## Stolt Sea Farm

Stolt Sea Farm is one of the world's most advanced high-tech aquaculture companies, and the premier provider of high-quality turbot and sole in an environmentally sound manner.

**14** land-based farms  
**6,800** tonnes turbot production capacity  
**1,700** tonnes sole production capacity

See pages 18-19 for more details



## Equity Investments

Creates value from investment opportunities in bulk-liquid logistics, distribution, LNG and land-based aquaculture. Stolt-Nielsen holds the following investments:

**47.2%** Avenir LNG  
**2.5%** Golar LNG  
**13.6%** Odfjell SE  
**8.3%** The Kingfish Company  
**8.7%** Ganesh Benzoplast

See page 20 for more details

1. As at the date of this report.  
 2. Includes joint ventures and managed ships.  
 3. Includes joint ventures.

# Chairman's Statement

The year produced another strong performance for the Company, with solid results from our four main divisions. Our 2023 net profit was \$296.7 million, compared with \$280.9 million in 2022. Net profit for 2023 includes a loss provision of \$155.0 million (net profit impact of \$115.0 million) in the second quarter related to the *MSC Flaminia* incident in 2012 and subsequent legal claim. Our strong financial performance meant we were able to maintain our dividend at a good level, standing by our commitment to provide increasing returns to shareholders.

The Board approved an interim dividend of \$1.00 per Common Share to shareholders of record as of November 23, 2023, which was paid out on December 7, 2023. On February 22, 2024, the Board recommended a final dividend of \$1.50 per Common Share, subject to shareholder approval at the company's Annual General Meeting on April 18, 2024. These increased dividend payments reflect our strengthening cash flow and confidence in our future performance.

## Welcome to our new Chief Executive Officer

It was with mixed emotions, that after 23 years as Chief Executive Officer (CEO) of Stolt-Nielsen (SNL) I stepped down from my role on September 1, 2023, and became Chairman of the Board. I enjoyed my time as CEO tremendously. It really has been quite a ride, and there are many memories that I will always treasure. Yet I felt it was the right time for a fresh pair of hands to take the Company forward. The Board and I believe that we have found the right person to do that in our newly appointed CEO, Udo Lange.

Stolt-Nielsen has a successful and resilient foundation to build upon, and in the past year we have delivered an impressive set of underlying results. I am delighted to welcome Udo as our new CEO, who joined SNL in September 2023. He brings a wealth of experience from the logistics industry, combined with a strong focus on strategy and execution to deliver profitable growth. I highly value his passion for people development, digital transformation expertise, commercial insights and talent for building relationships and partnerships.

I am extremely pleased that during his first few months, Udo has taken a measured approach to leading our company. The Board and I are pleased that he has settled in so quickly, already injecting energy and innovative thinking into SNL while respecting the company's 65-year heritage and culture. We have been impressed with the progress he and his leadership team have made to drive a more performance-oriented culture in just a few months.

We are transforming our business at a time when global markets are changing faster than ever before. The accelerating pace of decarbonisation activities and regulation is one example. The EU has adopted a climate law enshrining new climate targets of at least a 55% reduction in greenhouse gas (GHG) emissions by 2030 compared to 1990 levels.

And in the US, the Inflation Reduction Act is offering \$369 billion in subsidies to tackle the climate crisis. Geopolitical tensions seem to be increasing, with the war in Ukraine continuing to affect energy and food prices globally and growing unrest in the Middle East changing trade flows.

We will always follow the markets and the needs of our customers. Our strong relationships together with the quality, reliability and flexibility of our services and products mean I am confident that SNL will continue to grow over the coming years.

I would like to take this opportunity to thank our people across the company who are at the heart of our success. Their hard work and dedication is reflected in our outstanding financial performance this year. It is because of their tireless work that Stolt-Nielsen remains a company with a bright future, enabling our customers to better serve their customers and seamlessly manage their own supply chains.

## Shareholder value

We have a strong foundation in place to support our investment case, underpinned by strong synergies between our logistic businesses and a robust strategy for growth in our seafood division.

We understand how important it is to maximise shareholder value in the liquid logistics businesses and I am sure that we have the right strategy to do so, both in the short and long term. We are continuing to work on driving profitable growth, delivering cost efficiencies, reviewing our portfolio and investing our resources in those areas most likely to have the largest impact.

## Board responsibilities

I believe the role of the Board is twofold: to oversee the management of the company and ensure that we have the right leadership in place to execute the strategy and to deliver sustainable returns to our shareholders. We can see the effectiveness of this approach in the way we navigated various challenges this year, including the smooth transition to a new CEO, the delays in the Suez and Panama canals, the continuing cost-of-living crisis and inflationary pressures.





“It’s a great privilege to be Chairman of Stolt-Nielsen, a company with leading positions in all its markets, and incredibly talented people. Over the past six months, the Board has enjoyed working with Udo and his leadership team as they have injected pace and innovative thinking into the Company’s strategy.”

During 2023, the Board held four scheduled meetings (two in Bermuda, one in Oslo and one virtually) and one ad-hoc meeting. The Audit Committee held eight scheduled meetings (two in Bermuda, one in Oslo and five virtually). Members of the Board and Audit Committee also attended several additional meetings throughout the year, as required by business needs. This year, I became a member of both the Audit and Compensation Committees.

The Directors strive to expand our knowledge of the business and receive quarterly safety data and weekly updates, which provide insight into market trends and each business’ performance and position. To provide effective guidance, and support management with decision-making and act in the company’s best interests, Directors must have an in-depth, up-to-date understanding of the way Stolt-Nielsen operates its businesses. To that end, Directors regularly meet senior management teams and take part in strategic and operational reviews.

### A sustainable business

The Board is committed to sustainable operations. This includes designing, communicating and measuring progress towards improving safety, protecting the environment, ensuring employee wellbeing and implementing effective quality management systems. Stolt-Nielsen is a signatory of the UN Global Compact (UNGC). We have several ambitions for reducing our environmental impact in line with the UN Sustainable Development Goals (SDGs), particularly Climate Action, Life Below Water and Responsible Consumption and Production. In 2023, Stolt-Nielsen continued to enhance its environmental efforts, achieving recognition from external ratings agencies including EcoVadis.

Read more about our 2023 environmental progress on pages 46 to 53 of this report. View the Board’s sustainability pledge at: [stolt-nielsen.com/sustainability/our-commitment/](https://stolt-nielsen.com/sustainability/our-commitment/)

### People and culture

The Board monitors issues related to Stolt-Nielsen’s culture, ensuring that we protect our 65-year heritage while our company develops to reflect the modern world. We are proud of our reputation for upholding the highest ethical standards in everything we do, which makes us a company that people want to work for and do business with. SNL’s Code

of Business Conduct and approach to health and safety are outlined on pages 57, 58 and 40 to 45 of this report and can also be viewed at [stolt-nielsen.com](https://stolt-nielsen.com).

To ensure we continue to have robust policies and practices in place, we will undertake a deeper review of our Code of Business Conduct in 2024. This exercise will ensure that everyone in our company continues to understand what they must do to act ethically and in compliance with the relevant laws, regulations and company policies.

We also have an online platform known as ‘Speak Up’, which anyone internal or external can use to report concerns confidentially (and, where local law permits, anonymously) without fear of retaliation, victimisation, discrimination or disadvantage. These reports are taken seriously and investigated thoroughly by the Head of Internal Audit with oversight from the Audit Committee.

### A clear path to the future

Navigating change is never easy, but Stolt-Nielsen is a resilient company built on market-leading service and products, talented people and great integrity. While we are operating in a challenging global environment, our markets continue to be favourable and our team is executing the Company’s strategy at an extremely high level. These fundamentals along with a renewed strategic focus, led by Udo and his team, give me great confidence that we have an exciting, prosperous future ahead of us. This future is firmly focused on investing in the areas where we have the greatest strength and competitive advantage to support our customers and ensure the security of the global supply chain for the benefit of wider society. The Board and I look forward to supporting Udo and his team in pursuing this future to keep creating value for our shareholders and wider stakeholders.

**Niels G. Stolt-Nielsen**

Chairman  
Stolt-Nielsen Limited  
March 14, 2024

# Chief Executive Officer's Review

2023 delivered another strong set of operating results, which reflect the strength of the company and our diverse portfolio of businesses. The market has continued to work in our favour, yet we believe our solid performance comes down to our growth strategy and the sustained efforts of our people to deliver operational excellence.

This exceptional performance is testament to the hard work and commitment of every employee at Stolt-Nielsen and I would like to thank everyone for their dedication and ongoing passion to keep innovating. It is this amazing team that consistently delivers a high-quality, reliable customer experience centred on flexibility. I'd also like to thank our loyal customers. Without their trust in us to safely handle their business, we would not be able to achieve the results that we have seen.

## Our performance

Our 2023 net profit was \$296.7 million, compared with \$280.9 million in 2022. This includes an incremental loss provision of \$155.0 million (net profit impact of \$115.0 million) in the second quarter related to the *MSC Flaminia* incident in 2012. Stolt-Nielsen's cash flow from operations increased from \$619.8 million in 2022 to \$721.4 million<sup>1</sup> in 2023. Earnings per share were \$5.54 in 2023, compared with \$5.25 in 2022. Net debt reduced from \$2,038.2 million in 2022 to \$1,761.3 million<sup>1</sup> at the end of 2023, bringing debt to tangible net worth down to 1.00 compared to 1.08 a year ago. Shareholders' equity was \$1,906.1 million at year end, compared with \$1,721.7 million a year ago.

Stolt Tankers' (ST) operating revenue ended the year at \$1,709.8 million, up from \$1,497.1 million in 2022. Operating profit also increased to \$371.1 million from \$205.1 million as the positive momentum in the chemical tanker market that we saw in the second half of 2022 continued throughout 2023. A low newbuilding orderbook for chemical tankers combined with stable chemical demand drove continued tightness in the segment. As a result, Stolt Tankers generated a record financial performance underpinned by higher contract freight rate renewals. In November, Stolt Tankers reached an agreement with Wuhu Shipyard in China to build six 38,000 deadweight tonne stainless steel parcel tankers. These sustainable ships will not only help Stolt Tankers in its ambition to reduce its carbon intensity by 50% (relative to the 2008 baseline) by 2030, they will also help reduce customers' Scope 3 emissions.

For 2023, results at Stolthaven Terminals (SHVN) improved slightly in line with expectations. Full-year operating revenue increased to \$299.8 million from \$276.2 million in 2022. Operating profit was \$105.0 million, up from \$89.2 million. We also saw an EBITDA margin improvement, due to our programme to replace lower-margin business with longer-term opportunities at higher rates.

At Stolt Tank Containers (STC), operating revenue decreased to \$699.5 million from \$894.6 million in 2022, with operating profit of \$117.2 million, prior to the *MSC Flaminia* provision of \$155.0 million, down from \$172.7 million. After an unprecedented two years' strong performance for STC, the markets returned to more normalised levels. This was particularly noticeable during the second half of the year. Transportation rates broadly stabilised across most regions and by the end of 2023 we saw a similar impact on demurrage revenues. Our team continued to focus on increasing shipments to compensate for some of the margin lost this year. During the past three years our team has worked on making our digital platform scalable and cost efficient, meaning that the majority of our business can now be conducted digitally. In 2023, we focused on volumes and grew shipments by 10.0%. Our focus on sustainability continued and we have introduced emissions estimates to our online booking system to help our customers manage the carbon footprint of transporting their products with us.

Stolt Sea Farm (SSF) sold a record 6,814 tonnes of turbot in 2023, a 2.5% increase compared to 2022 and sole sales volumes reached a record high of 1,728 tonnes, a 15.4% increase. Steady demand throughout the year for sole allowed for solid price increases. Full-year operating revenue increased to \$110.8 million, compared with \$102.7 million in 2022. Operating profit was \$24.3 million, up from \$19.5 million the previous year, as 2023 benefited from a gain on the fair-value evaluation of biomass of \$3.9 million compared with a fair-value loss of \$1.0 million in 2022. Underlying operating results improved steadily throughout the year.

Stolt-Nielsen holds several minority shareholder investments in companies that align with our expertise. At the date of this report, we held the following positions: 47.2% in Avenir LNG,

1. Excludes cash inflow during the year of \$133.0 million relating to *MSC Flaminia* insurance proceeds.





8.7% in Ganesh Benzoplast, 2.5% in Golar LNG, 8.3% in The Kingfish Company and 13.6% in Odfjell SE. These investments have a total value of \$225.4 million.

To help the investment community understand the true value of our company, we plan to provide full year guidance for 2024 and have committed to hosting a capital markets day.

### Outlook

For our liquid logistic businesses, we expect to see a modest increase in demand for our services as global industrial production picks up. The American Chemistry Council forecasts global chemical production volumes will grow 2.9% as the destocking cycle is largely expected to come to an end. In 2024, we expect to see growth across all regions including a return to growth in Europe, North America and Latin America supported by continued growth in Asia. We will continue to work collaboratively with customers across all three divisions, offering solutions that enhance efficiencies in the liquid logistics supply chain.

We believe Stolt Tankers will continue to operate in an attractive market for the foreseeable future as chemical tanker deliveries remain low and shipyards have limited capacity to build new ships. In addition, swing tonnage in our segment remains low as these ships are currently more profitably employed in their primary trade. In February 2024, together with our joint venture partner NYK Line, we signed an agreement with Nantong Xiangyu Shipyard in China to build six 38,000 deadweight tonne stainless steel chemical tankers for delivery between 2027 and 2029. The ships are designed to maximise fuel efficiency using a wide range of energy savings devices and shore power connection. They can also be retrofitted for methanol propulsion, supporting Stolt Tankers' commitment to the energy transition. This order also reflects our strategy to maintain the scale of our core 38,000 deadweight tonne fleet by adding newbuildings not otherwise available in the second-hand market in a capital efficient way.

Volumes and margins in our Stolt Tank Containers business have returned to pre-Covid levels as bottlenecks within the supply chain have eased. For 2024 we are seeing more tanks in the market, but our global platform, double-digit growth and fleet size gives us a competitive advantage as we can leverage

**"I am impressed with the strength of our businesses and the leading positions we enjoy in our markets. We are relentlessly focused on our robust strategy and its execution. I look forward to building on this positive energy as we drive the company forward."**

our longstanding relationships with freight carriers and position our tanks where customers need them.

High utilisation is expected to continue across the terminals industry during 2024 as safe, reliable storage space continues to be in high demand. We also expect to continue to benefit from the energy transition that is driving higher margins and will continue our programme of replacing lower margin business with longer-term opportunities at higher rates.

At Stolt Sea Farm our team is highly motivated to drive sales and increase volumes sold into 2024. With strong production growth across all our farms, we are also focused on expanding our sales channels and geographical reach to support sales growth and price improvements. Our overall market share in premium fish is relatively small, and this offers huge opportunities for the business to grow both in Europe and further afield.

We will continue to put our strong balance sheet and cash flow generation to work to deliver sustainable shareholder returns. This was reflected in 2023 with our newbuildings order for Stolt Tankers, the addition of 4,000 tanks to the Stolt Tank Containers fleet as well as expansion projects at our terminals in the US and at our sole farm in Cervo, Spain. We are also preparing for the energy transition, making sure that we are ready to support the evolving needs of our customers.

We cannot deliver on our strategy unless we operate safely, therefore protecting people and the planet will remain our priority. The move to a more sustainable future brings many opportunities. And with a positive outlook ahead, the future is very bright for Stolt-Nielsen as we progress into our next chapter.

**Udo Lange**

Chief Executive Officer  
Stolt-Nielsen Limited  
March 14, 2024

# Business Model



## What we do

**Provide growing long-term cash flow to shareholders.**

### Who we are

**We are a long-term manager and investor of businesses, creating value from opportunities in bulk-liquid logistics, distribution and land-based aquaculture.**

Our business model ensures we create value for our stakeholders through innovation, quality, customer excellence and safety for both people and the environment.

Our business model is underpinned by our commitment to our Code of Business Conduct, operating safely and growing sustainably.

### Our business portfolio



**Stolt Tankers**



**Stolthaven Terminals**



**Stolt Tank Containers**



**Stolt Sea Farm**



**Equity Investments**



## How we do it

### 1 Diverse portfolio

Market-leading global liquid logistics businesses, innovative land-based aquaculture and related investments.

### 2 Industry expertise

Operates in industries where Stolt-Nielsen can leverage its knowledge and experience. Facilitates the sharing of industry insights to deliver superior growth and strong cash flow.

### 3 Corporate structure

Cost-efficient financial, strategic and other centralised services. Strong balance sheet and diversified cash flow provide flexibility to deliver returns through organic growth, M&A and strategic partnerships.

## How we create value



### Expert knowledge

A deep understanding of logistics, distribution and aquaculture.



### Innovation and technology

Invented the modern parcel tanker, develops pioneering land-based aquaculture and actively invests in R&D and new technologies. Our culture champions digitalisation, collaboration and continuous improvement.



### Quality and reliability

Safe and reliable operations for employees and external stakeholders while delivering services valued by customers.



### Financial strength

A strong balance sheet and focus on cash-flow generation supports our mission and helps maximise investment opportunities.



# Long-Term Value Generation

Our strategic portfolio...

## Market-leading positions

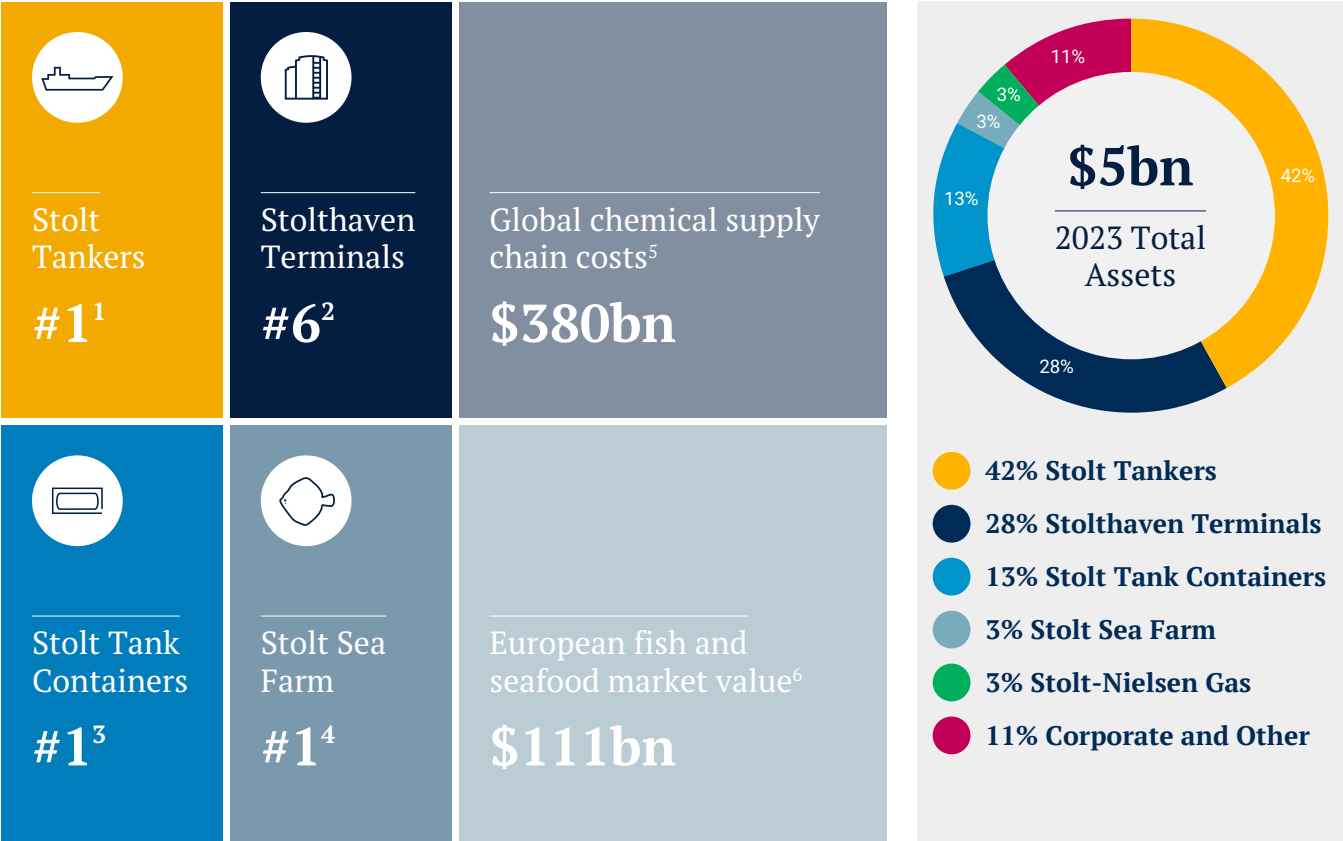
- Businesses with leading global positions and attractive demand fundamentals
- Economies of scale to drive lower costs and offer operational flexibility to our customers

## Serving significant end-markets

- Our logistics businesses store and transport essential feedstocks for the consumer goods, agriculture and chemical/energy industries
- Land-based aquaculture addresses the rapidly growing demand for sustainable seafood

## Diversified portfolio of businesses

- Best-in-class customer service, from singular logistics to integrated product offerings
- Multiple businesses provide flexibility to navigate industry and macro cycles



1. Stainless steel ships >19k DWT (CKB Fleet List, July 2023).  
2. Independent global storage terminals that can hold both chemicals and CPP (TankTerminals.com).  
3. Global tank operators' fleet (ITCO Global Tank Container Fleet Survey 2023).  
4. European farmed and wild catch volumes for turbot and sole (FAO 2023).  
5. Assuming 8-10% of global chemical sales (CEFIC 2023 and EPCA 2004).  
6. European fish and seafood sales 2023 (Statista).

...and financial strength

## Strong cash-flow generation

- Efficient asset utilisation and focus on cost control contribute to strong cash-flow generation

**\$580.2m<sup>1,2</sup>**

2023 Free Cash Flow

**30.7%<sup>3</sup>**

2023 EBITDA Margin (%)

## Disciplined approach to capital allocation

- Leveraging industrial expertise to ensure disciplined capital allocation and prudent risk management
- Focus on providing consistent competitive cash returns to shareholders

**2.5×<sup>2,3</sup>**

2023 Net Debt-to-EBITDA

**\$1.1bn**

Dividends paid since 2005



1. Cash generated from operations less cash used for investing activities.

2. 2023 free cash flow and net debt to EBITDA excludes cash receipts relating to \$133.0 million *MSC Flaminia* insurance proceeds.

3. EBITDA excludes \$155.0 million *MSC Flaminia* legal provision.

# Business Review



## Stolt Tankers

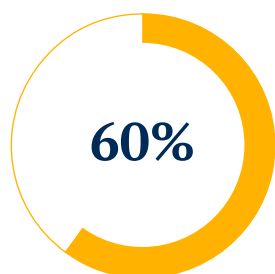


### Performance

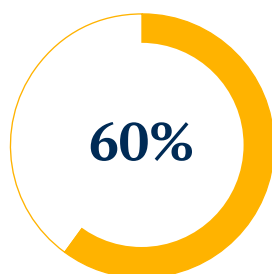
(US \$ millions)	2023	2022	2021
Operating revenue	1,710	1,497	1,166
Operating profit	371	205	69

### Percentage of group total

of total operating revenue



of total operating profit<sup>1</sup>



1. Excluding Stolt-Nielsen Gas, Corporate and Other loss of \$42.9 million and MSC Flaminia legal provision of \$155.0 million.

### Markets

- Stolt Tankers provides safe, reliable, high-quality and flexible transportation services to the world's leading manufacturers and consumers of chemicals, edible oils, acids and other bulk liquids.
- We have the world's largest fleet of parcel tankers and are the only company in our market that has both deep-sea and regional capabilities. Our global deep-sea fleet and integrated regional capabilities in Europe, Asia Pacific, the Caribbean, the US and Latin America provide supply chain efficiencies and added value for our customers.

### Strategy

Stolt Tankers' strategy is focused on creating the world's most efficient bulk liquid shipping platform and providing efficient and sustainable services to our customers. Through our best-in-class platform, our ambition is to achieve a sustainable return on capital employed (ROCE) through the cycle, which will enable us to increase our market share longer term.

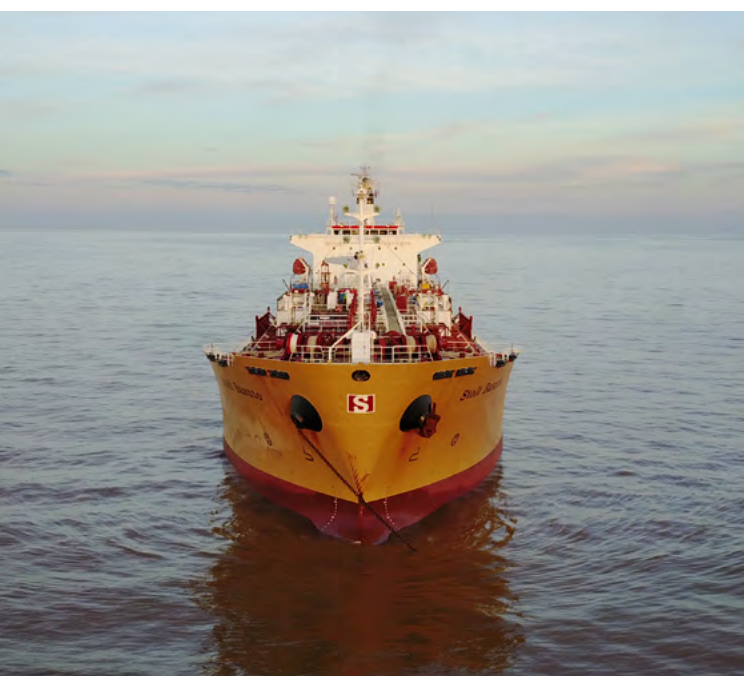
Working collaboratively with customers and our sister divisions, Stolthaven Terminals (SHVN) and Stolt Tank Containers (STC), we offer solutions that enhance efficiencies in the bulk-liquid supply chain.

### 2023 in review

2023 was marked by record high profits for Stolt Tankers. The conflict in Ukraine continued to affect the global supply chain across all products that we carry, keeping swing tonnage out of the chemical trades. Stolt Tankers was well positioned for this increase in demand. Our fleet size enabled us to further increase efficiencies and renew contracts on much-improved rates and terms.

The firm market, together with our ongoing focus on managing costs resulted in an operating profit of \$371.1 million compared to \$205.1 million in 2022. Operating expenses were closely managed as part of our ongoing commercial optimisation and cost-reduction initiatives.

2023 was also an active year for investing in our assets. In March 2023, we acquired two modern 15,000 deadweight tonne parcel tankers for our inter-Caribbean pool. Together with our customer BASF, in May we successfully launched the *Stolt Ludwigshafen*, setting a new standard for low-water capable barges on the River Rhine. We also added six 26,000 deadweight tonne chemical newbuildings to our fleet through long-term time charter and pooling agreements with CMB in





## “This year’s results and progress in our business transformation give me confidence that we are on the right path to achieve sustainable growth.”

June. In November, with our partners NYK and ENEOS Ocean, we launched the Stolt NYK Asia Pacific Services (SNAPS) tanker pool. These additional ships solidified our leading market position and enabled us to fully benefit from the strong market fundamentals.

The other target we set for ourselves in 2023 was a newbuilding order to give us a more standardised, interchangeable and efficient fleet. In December, we reached an agreement with the Wuhu Shipyard to build six 38,000 deadweight tonne stainless steel parcel tankers for delivery from 2027 onwards.

Safety remains our top priority – we cannot run our business successfully without doing everything we can to protect our people and our planet. We continue to focus on reducing our lost-time incident frequency (LTIF), and our 2023 performance of 0.45 is in line with the shipping industry average. Read more on page 42.

We have expanded our successful *Slashed Zero* programme to include sustainability alongside its core focus on safety. As a result, we hold an EcoVadis gold certification. An industry and customer recognised standard in ESG. The strong market required our ships to increase speed and consume more fuel, and ships being rerouted away from the Panama and Suez canals increased sailing times, therefore our Scope 1 emissions increased. However, our Annual Efficiency Ratio (AER) decreased to 10.73, compared with 10.91 in 2022. Read more on page 48.

None of our 2023 successes could have been achieved without the dedication and professionalism of our team. I am immensely thankful to them for everything they do for our customers and stakeholders. Their relentless focus on continuous improvement (CI) means that we are all working towards doing everything ‘just a little’ better, each day. These efforts involve living our *Winning Culture* and continuous learning to become the most efficient and effective platform in the bulk-liquid shipping industry – one that enables suppliers and customers to work with our teams across the globe to optimise the supply chain. Our continuous improvement programme is unique to our business, not only have we introduced Lean Six Sigma principles to our office-based teams, our CI@sea programme also brings Lean Six Sigma to our ships. As a result of all these continued efforts, employee engagement is at a record high, increasing to 87%, putting us in the top tier across all companies.

### Outlook

This year’s results and progress in our business transformation give me confidence that we are on the right path to achieve sustainable growth. We will continue our focus on value pricing, digital transformation, streamlining systems, innovating sustainably and further integrating with customers’ operations. By working closely with customers, we will be able to create a world-class digital supply chain through the Stolt Tankers ship-to-customer platform. We are looking into new opportunities to collaborate with SHVN and STC, which we believe will have a positive impact on our performance in 2024. We are also exploring ways to enhance our daily service delivery, as defined in our value proposition to our customers.

We are optimistic that we will enjoy similarly strong market fundamentals in 2024. The effects of the war in Ukraine on energy markets are expected to linger. Disruptions in the Panama Canal and Red Sea are stretching tanker supply. The adjacent MR product tanker market is still healthy and is keeping swing tonnage out of the chemical tanker segment. Most importantly, the orderbook for chemical tankers remains within range of all-time lows. As a result of these factors, the supply and demand outlook for 2024 is favourable. While we are encouraged by our expectations for a healthy market backdrop in the coming months, we are simultaneously increasing our focus on optimising our cost structure and operating efficiencies to be more effective at serving our customers and delivering value to our shareholders.

We will also push forward with our ambitions to be kinder to the planet by reducing our CO<sub>2</sub> footprint and improving life below water. Finally, in everything we do, we will work to remain an employer of choice by providing a fun, safe, diverse, and inclusive workplace for all our employees.

### Lucas Vos

President  
Stolt Tankers



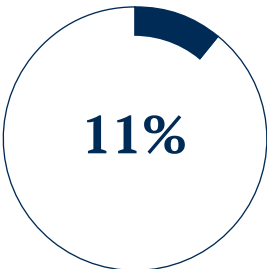
# Stolthaven Terminals

## Performance

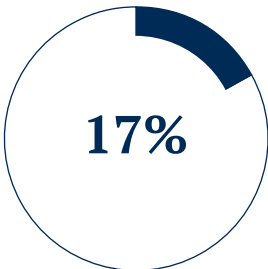
(US \$ millions)	2023	2022	2021
Operating revenue	300	276	244
Operating profit	105	89	62

## Percentage of group total

of total operating revenue



of total operating profit<sup>1</sup>



1. Excluding Stolt-Nielsen Gas, Corporate and Other loss of \$42.9 million and MSC Flaminia legal provision of \$155.0 million.



## Markets

- We provide safe storage and handling for a variety of speciality bulk liquids, such as chemicals, clean petroleum products, liquefied petroleum gases, biofuels, vegetable oils, alternative fuels and feedstocks.
- We have five million m<sup>3</sup> of storage capacity across 10 wholly owned terminals and four joint-venture terminals. This gives customers access to key international shipping and transportation hubs close to their operations.

## Strategy

Our mission is to be the most respected global storage provider. We focus on continuous improvement to deliver safe, high-quality, sustainable storage and handling solutions that help our customers maximise value from their supply chains. By collaborating with Stolt Tankers and Stolt Tank Containers, we provide integrated, end-to-end solutions that deliver further efficiencies to our business and customers.

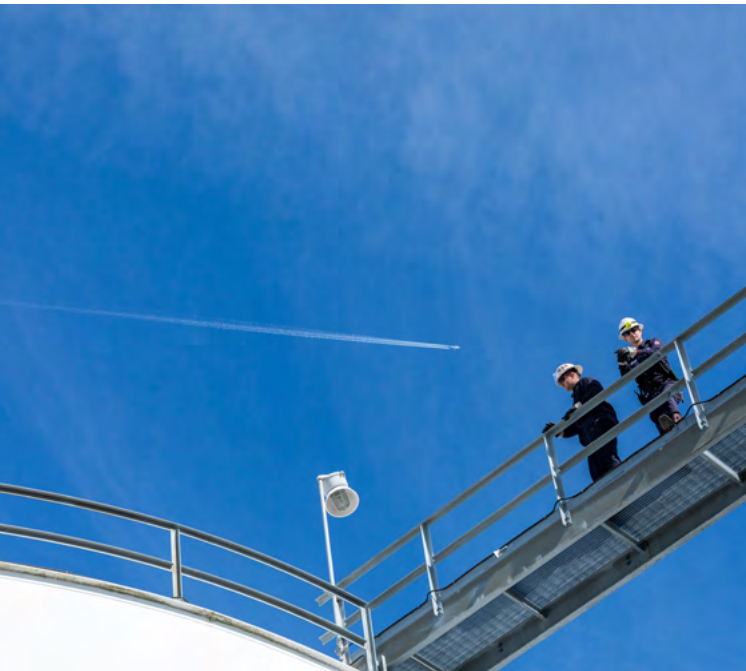
## 2023 in review

Stolthaven Terminals' results improved slightly for 2023, reflecting the continued demand for safe, high-quality storage worldwide and the ability of our people to adapt and continue to deliver great services to our customers. Operating profit for 2023 was \$105.0 million compared to \$89.2 million in 2022. Operating revenue increased 8.5% to \$299.8 million, compared to \$276.2 million in 2022. Utilisation remained high during the year, softening slightly to 96.7% from 97.4% in 2022, as we began a programme to replace lower-margin business with longer-term opportunities at higher rates.

With our global network of 14 terminals, during 2023 we were well positioned to provide flexible and reliable services to customers facing a range of supply chain disruptions, including the ongoing war in Ukraine, drought-related restrictions in the Panama Canal and hostilities affecting ships transiting the Red Sea.

As a result, throughout 2023, Stolthaven Terminals experienced continued strong utilisation and a small improvement in throughput volumes. During the first half of 2023, tightness in the global storage market, for chemicals and speciality liquids including biofuel feedstocks, allowed for higher storage rates and rate increases for contract renewals.

Throughout the year, we remained focused on our strategy of improving profitability through customer centricity, digitalisation, efficiency, safety and sustainability. It was an important year in terms of growth and capacity expansion,



## “Throughout the year, we remained focused on our long-term strategy of improving profitability through customer centricity, digitalisation, efficiency, safety and sustainability.”

all intended to deliver ever-better global supply chain and storage solutions to customers and improved returns to shareholders. We invested in several projects to modernise our assets, continued expansions in Malaysia and New Zealand, gained approval for expansion at both our terminals in the US, and partnered on projects to explore the potential for biofuels, energy storage, and ammonia. We also began construction of our new joint-venture terminal in Taiwan, which will be fully operational in 2024.

Our inventory automation programme and intelligent assets strategy helped us to further embed digitalisation across our terminals, allowing for real-time data exchange between our systems and improving safety for our people and efficiency for our customers. We continued to develop our next-generation *Connected Worker* project, which will move in-field terminal operations and communications online. We also completed the deployment of our Ultimo enterprise asset management system to all our wholly owned sites. Ultimo is helping us standardise equipment maintenance processes to enhance safety and operational efficiency.

Safety remained our priority and our performance continued in a positive direction. Overall, Lost Time Injury Frequency (LTIF) remained stable and Total Recordable Case Frequency (TRCF) fell during the year to 0.82 (2022: 1.05). Read more about our 2023 safety performance on page 43.

We have enhanced our global customer centricity programme, receiving several awards from customers in recognition of our safety performance, service excellence and culture. Stolthaven Houston, US, received a Safety Excellence Award from the International Liquid Terminals Association (ILTA) for the second year in a row and our Singapore facility received Dow Chemicals' 4STAR Logistics Best Service Provider Award for safety, sustainability, social responsibility and customer service for the third consecutive year.

We continued to make progress on our sustainability ambitions. Stolthaven Terminals maintained its EcoVadis silver rating for all wholly owned terminals, improving our score by three points and ranking in the top 3% for sustainability performance in the warehousing and storage industry and in the top 5% for sustainable procurement. Read more about our 2023 environmental initiatives on page 50.

We are actively involved in wider initiatives to explore solutions related to the transition to greener energy alternatives including a partnership in Brazil to look at the potential of ammonia projects in the region. We are also working with XL Batteries

on the development of a flow battery with industrial-scale electricity storage capability to power our terminal operations, support the decarbonisation of the port and shipping sectors and provide shore power for ships.

Our strong performance in 2023 was possible because of the people behind it. We are a diverse global team, and the combination of our different experiences and perspectives along with our shared passion creates our success. We are committed to fostering a positive and supportive work environment and encouraging diversity, equity and inclusion. I am pleased to report that the results of our employee engagement survey improved with a sustainable engagement score of 89%.

### Outlook

Global supply chains will continue to be affected by regional conflicts and geopolitical and macroeconomic challenges in 2024. The storage and distribution industry will remain critical in terms of enabling trade flows and will play an increasingly important role in facilitating the energy transition.

Stolthaven Terminals will continue to pursue our market-driven strategy which is centred around providing agile and reliable services for our customers. Innovation and collaboration will be increasingly important, whether that is harnessing new digital technologies to drive our own safety and sustainability performance and operational efficiency, or working with other industry leaders to deliver increasingly integrated liquid logistics solutions. We will continue to expand our portfolio of value-adding services and strengthen our network with new strategically located facilities so we remain able to respond to customers' needs.

We are continuously building on our knowledge and expertise in the safe storage of a wide range of 'new' fuels as well as serving our customers in the vital chemicals sector. A collaborative, cross-industry approach will be crucial to investigate and put into effect the transition to greener fuel alternatives. We will continue to explore and implement solutions for improving our energy footprint and supporting our customers to reduce their Scope 3 emissions.

### Guy Bessant

President  
Stolthaven Terminals





## Stolt Tank Containers

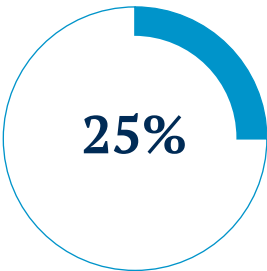
### Performance

(US \$ millions)	2023	2022	2021
Operating revenue	700	895	662
Operating profit <sup>1</sup>	117	173	82

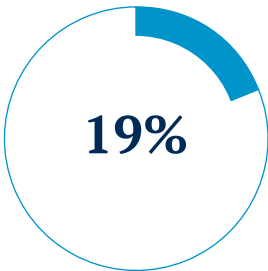
1. Excludes MSC Flaminia legal provision of \$155.0 million.

### Percentage of group total

of total operating revenue



of total operating profit<sup>2</sup>



2. Excluding Stolt-Nielsen Gas, Corporate and Other loss of \$42.9 million and MSC Flaminia legal provision of \$155.0 million.



### Markets

- We are a leading provider of logistics and transportation services for door-to-door shipments of bulk-liquids.
- Our fleet totals 50,900 tank containers, the largest in the industry. Our 21 full-service depots and refurbishing facilities give us direct control over tank handling, cleaning and maintenance. This ensures our fleet and cargo handling operations consistently meet the highest standards for quality, reliability, safety and environmental protection.

### Strategy

Stolt Tank Containers (STC) helps customers minimise costs and increase efficiency across their supply chains. Our strategy focuses on improving customer centricity; maintaining the best fleet, depot and vendor networks; and attracting and retaining the best talent.

We are also contributing to a sustainable future by actively reducing the environmental footprint of our own operations and by helping our customers embrace more sustainable modes of transport. We are also investing in sustainable solutions at our depots including wastewater treatment and water recycling facilities.

### 2023 in review

In the two years since I took the reins of STC, we have been operating in a tough environment, yet the team has pulled together to deliver strong results. I would like to say a huge thank you to all our people for their energy and hard work during this particularly volatile year. They have focused on implementing the first phase of our strategy, achieving far more than I could have predicted. And our people find working with us rewarding too. Our happy and engaged workforce was reflected in another great year for our Employee Engagement Survey results (score of 89%).

I am proud of the fact that we stayed committed to our strategy of growing the company and closed the year with a positive result. We reached an impressive online booking milestone during the year which means the majority of our business can now be conducted digitally. We also grew our key accounts, optimised procurement, streamlined our depot operations and continued to enhance our customer focus. Strengthening our partnerships with key customers has laid the foundations to improve our services further. We are moving to a more sustainable future, prioritising reducing our carbon footprint at depots where we have implemented green energy, designed and implemented solutions to make tank



**“I am proud of the fact that we stayed committed to our strategy of growing the company and closed the year with a positive result.”**

cleaning less energy-intensive, and placed emphasis on circularity.

STC's full year operating loss was \$37.8 million, compared with \$172.7 million profit in 2022. This includes a loss provision of \$155.0 million (net profit impact of \$115.0 million) related to the *MSC Flaminia* incident in 2012. Transportation revenue decreased 25.5% to \$699.5 million having increased 30.8% in the prior year. Transportation revenue was down as rates decreased, although this was slightly offset by an increase in overall volumes. Demurrage revenue decreased in 2023 versus 2022 as supply chain bottlenecks eased and tanks on demurrage declined in the second half of the year. Operating costs were down by 25% as ocean and inland freight costs were also lower during the year. Following the historical highs of the past few years, freight carrier rates have returned to pre-Covid levels.

The container and logistics market remained competitive in 2023. Softer market demand increased competition and put pressure on margins, so we worked on increasing our volumes. To support this, we added 3,900 tanks to our fleet, which increased in size to 50,900 (8.4%). Our team kept our competitive edge by providing best-in-class digital tools and service to our customers. Our focus moving forward is to optimise the way we manage costs and improve efficiencies.

In 2023, we placed even more emphasis on safety and safety culture at all levels of the organisation, both in terms of caring for each other and our customers. We established new baselines for our safety performance to include all contractors and their workable hours. During the year our safety performance progressed, we recorded two lost time incidents (LTIs), an improvement on last year. Read more on page 44.

We produced 13% lower Scope 1 and 33% lower Scope 2 emissions at our own depots compared to last year, demonstrating our steadfast commitment to moving towards a sustainable future. We installed solar panel systems in depots, switched to green electricity or less carbon-intensive heating for cleaning and heating, and gained efficiencies in tank cleaning. We also introduced emissions estimates to our online booking system to help our customers manage the carbon footprint of transporting their products with us. Through our sustainability focus, I am extremely proud that in January 2024, we achieved our first gold rating from EcoVadis. You can read more about our environmental performance on pages 51 and 52.

## Outlook

A softer market in 2024 is expected to influence our revenue and earnings. But we will benefit from ongoing growth and investments in digital infrastructure. We are starting to run higher volumes with more efficiency due to our scalable platform and expect this trend to continue.

No one can predict how long the situation in the Red Sea will last, and our team will continue to work closely with our customers to minimise the impact on their supply chains. Although transit times for certain trade lanes are significantly longer as ships are sailing around the Cape of Good Hope, freight services are now more predictable which helps with planning and inventory management.

Although the short-term outlook is challenging, all that we have achieved in 2023 has laid the foundations for us to deliver another successful year in 2024 with results returning to pre-Covid levels. Working as one team, we can achieve even more for customers and make sure our offering is sustainable in the longer term. We will also look to build on our existing synergies with the company's other liquid logistics businesses to serve customers better. Safety remains our priority and we will continue our efforts to ensure that all employees, in our offices and depots, are always safe and the products that we carry are handled safely.

## Hans Augusteijn

President  
Stolt Tank Containers



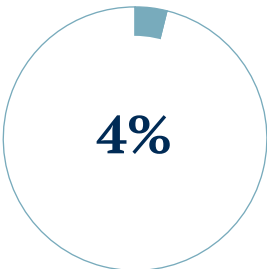
Stolt Sea Farm

Performance

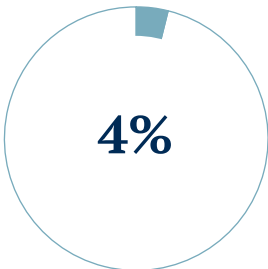
(US \$ millions)	2023	2022	2021
Operating revenue	111	103	108
Operating profit	24	20	24

Percentage of group total

of total operating revenue



of total operating profit<sup>1</sup>



1. Excluding Stolt-Nielsen Gas, Corporate and Other loss of \$42.9 million and MSC Flaminia legal provision of \$155.0 million.



Markets

- Our seafood products feature on restaurant, hotel and foodservice menus as well as on supermarket shelves in more than 30 countries.
- Our annual production capacity totals 6,800 tonnes of turbot and 1,700 tonnes of sole.

Strategy

Stolt Sea Farm is a pioneer in land-based aquaculture, and our purpose is to ensure future generations continue to enjoy wonderful seafood. The business focuses on sustainable growth and building partnerships with customers and communities, while adhering to animal welfare and environmental protection standards.

We are known for our innovation and pioneering technologies, including highly specialised, custom-designed facilities at our 14 farms and two hatcheries. Thanks to more than 50 years of research and development, we are the only aquaculture company that can consistently produce the highest-quality turbot and sole in commercial volumes. Seafood is widely accepted to be one of the most sustainable sources of animal protein, and we pay rigorous attention to ensuring we develop increasingly sustainable production methods.

2023 in review

SSF delivered a strong performance in 2023, from maintaining firm prices and increasing production volumes for both turbot and sole, to delivering significant safety improvements and continuing to build relationships with our local communities.

All this was achieved despite facing several challenges and external pressures. The increased cost of living impacted consumer demand, unseasonally high temperatures affected production volume, and securing and maintaining operations during an earthquake in Iceland were challenges that our people navigated with great skill, agility and commitment. I would like to thank all our employees for their dedication to providing consistently great service and high-quality seafood to our customers in this ever-changing operating environment.

Operating profit was \$24.3 million in 2023, compared to \$19.5 million in 2022, as we benefited from a gain on the fair-value evaluation of biomass of \$3.9 million in 2023, compared with a fair-value loss of \$1.0 million in 2022. In 2023, we sold a record 6,814 tonnes of turbot, a 2.5% increase compared to 2022. Sole sales volumes also reached a record high of 1,728 tonnes, a 15.4% increase from the previous year. This allowed us to continue expanding our market reach



## “Stolt Sea Farm delivered a strong performance in 2023, from maintaining firm prices and increasing production volumes for both turbot and sole, to delivering significant safety improvements.”

and, with consumer demand being favourable for high-value species, we were able to increase sole prices by 18%. Turbot prices decreased by 3.8%.

Sales of our fresh range of value-added products (VAP) grew 9% year-on-year, reflecting growth in consumer demand for convenience, versatility and consistent supply. Our frozen turbot VAP range, launched in 2022, also went from strength to strength, with sales increasing by 21%. We continued our expansion into new markets, including Asia and the US, with turbot volumes sold to these geographies increasing by 3% and sole volumes by 34%.

As part of our growth strategy, we progressed the expansion of our sole broodstock facility to near-completion and began work to expand our sole hatchery in Galicia, Spain. This is already the world's largest flatfish hatchery, and the upgrade will support our plans to double production capacity in the next three years, ensuring SSF is on track to reach our overall annual production target of 23,000 tonnes of turbot and sole by 2035.

We also refreshed our Prodemar™ brand for fresh turbot and sole and continued to diversify our product range as part of our strategic ambition to move to a more customer-facing market position. During the year, we welcomed a significant number of new customers and expanded sales of our Prodemar™ products, especially our sole and frozen ranges, in the Asia and US markets.

Our digitalisation and automation programme also gathered pace. We partnered with Telefónica Tech to develop new digital tools and adopt artificial intelligence to help us to integrate, streamline and automate our operations and use data-led insights to strengthen and build customer relationships and forecasting capabilities. This will help us to better anticipate customer needs and reduce waste.

SSF has long been a pioneer when it comes to sustainability in aquaculture. This year, we established a dedicated fish welfare team to drive our progress and ensure ongoing compliance in this area. One of our sustainability ambitions is to reduce fish products in our ongrowing feed (relative to 2020 levels) by 2030: 65% reduction for sole and 50% reduction for turbot. As part of our ongoing work to achieve this, we continued to work with feed manufacturers and conducted our own research into new formulas and diets with lower fishmeal and fish oil content, thus preserving scarce natural resources. I was extremely proud that SSF was named Company of the Year by the Official College of Biologists

in Galicia in recognition of our commitment to sustainable production processes, animal welfare, and supporting the work and expertise of biologists in the region.

I am also proud of the progress we made in our safety performance. The average number of occupational safety incidents per worker fell to 4.3 in 2023 (2022: 5.3), well below the aquaculture industry average of 5.1. Read more on page 45.

Just as importantly, we continued to engage with the local communities in which we operate, which are home to most of our employees. We did this by sponsoring and attending community events to support the local fishing industry, raise environmental awareness and educate our local communities about sustainable aquaculture.

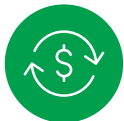
### Outlook

The Christmas 2023 season was the best ever for SSF, with record revenues achieved for both turbot and sole. In 2024, we expect to see continued growth in demand for our products, particularly our VAP offering. We are in a strong position to capitalise on this demand due to our market-leading production capacity and quality, pioneering farming techniques, digital innovations, and strong customer relationships. These strengths will also help SSF mitigate the effects of ongoing inflation including the higher costs of energy and feed.

Our transformation programme will continue as we progress our expansion plans for our recirculation aquaculture systems (RAS) and hatchery facilities in Europe and develop our data capabilities. To help meet our production targets and diversification plans, we will expand our research and development facilities and scope, which will also help ensure we maintain our steadfast commitment to fish welfare and the sustainability of our operations.

### Jordi Trias

President  
Stolt Sea Farm



## Equity Investments

### Cultivating value through diverse investments

Stolt-Nielsen invests in areas that align with our strategy and core competencies. We actively seek investment opportunities in bulk-liquid logistics, distribution, liquefied natural gas (LNG), land-based aquaculture and sustainable technologies. We also identify technology ventures with the potential to improve our operational efficiency, enhance our sustainability, and ultimately deliver superior returns for our shareholders.

### Stolt-Nielsen Gas

Stolt-Nielsen Gas is our investment arm dedicated to investments within LNG. As of November 30, 2023 Stolt-Nielsen Gas held a 47.2% stake in Avenir LNG and a 2.5% stake in Golar LNG. We actively managed the portfolio by monetising our investment in Cool Company Limited for \$11.5 million. This strategic move generated a \$2.3 million gain on sale, which has been transferred from the fair-value reserve to retained earnings.

### Avenir LNG: leading the charge in small-scale LNG

In 2023, Avenir LNG (Avenir) solidified its position as a pioneer in the small-scale LNG space. Its fleet of five modern, small-scale LNG tankers is equipped with bunkering capabilities, making it an innovative player in an evolving market.

Avenir currently has one ship providing strategic bunkering operations in the Baltics and supplying the HIGAS terminal in Sardinia, Italy. The remaining four tankers are secured under long-term contracts, providing stable revenue and cash flows. Looking ahead, Avenir remains committed to its strategy to deliver clean, reliable energy to underserved markets, building on its reputation in both bunkering and supply. During December 2023, Avenir began a cost reduction programme focused on operational excellence and developing a leaner, more commercially orientated organisation and platform for growth.

### Stolt Ventures

Stolt Ventures is Stolt-Nielsen's investment vehicle focused on identifying and investing in sustainable technologies with the potential to contribute to productivity and sustainability improvements within our core operations. As the energy transition gathers pace, we seek to be an active investor in new technologies that will boost our efficiency while reducing our environmental impact. Stolt Ventures made three investments during 2023. Firstly, GIT, a provider of graphene-based sustainable marine coating solutions with superior antifouling and high-performance properties. Secondly, Signal, a behaviour-focused software provider connecting operational users to the direct impact of their actions, motivating them to reduce fuel expenses and save CO<sub>2</sub>. Finally, WaveBL, a blockchain-based platform enabling instant, reliable and secure exchange of trade-related documents including bills of lading.

### Other investments

As of the date of this report, Stolt-Nielsen also holds shares in Odfjell SE (13.6%), The Kingfish Company NV (8.3%) and Ganesh Benzoplast Limited (8.7%).

In July 2023, we participated in a \$35 million equivalent unsecured convertible loan for The Kingfish Company NV. The proceeds will be used to strengthen liquidity and help finance the expansion of production capacity at its facility in Zeeland, the Netherlands. The Kingfish Company NV, listed on Euronext Growth, Oslo, is a market leader in land-based recirculation aquaculture system (RAS) farming of yellowtail. The company provides an interesting opportunity to support and participate in the development of this highly attractive species using RAS technology.

During the year Odfjell SE, a chemical tanker and storage terminal operator listed on the Oslo Stock Exchange, distributed dividends on the back of strong financial results. Ganesh Benzoplast is based in India and listed on the Mumbai Stock Exchange. It provides and operates chemical logistics and storage facilities.

# Financial Review





# Financial Review

## Jens F. Grüner-Hegge

Chief Financial Officer



## Results of operations

Below is a summary of SNL's consolidated financial data for November 30, 2023, and 2022:

(in thousands)	For the years ended November 30,	
	2023	2022
<b>Operating Revenue</b>	<b>\$ 2,820,218</b>	<b>\$ 2,771,843</b>
Operating expenses	(1,745,793)	(1,851,608)
Legal claims provision	(155,000)	–
Depreciation and amortisation	(292,321)	(282,123)
<b>Gross Profit</b>	<b>627,104</b>	<b>638,112</b>
<i>Gross margin</i>	<b>22.2%</b>	23.0%
Share of profit of joint ventures and associates	62,265	53,963
Administrative and general expenses	(273,412)	(249,022)
Gain on disposal of assets, net	3,606	5,562
Other operating income	3,406	4,132
Other operating expense	(3,322)	(5,215)
<b>Operating Profit</b>	<b>419,647</b>	<b>447,532</b>
<i>Operating margin</i>	<b>14.9%</b>	16.1%
Non-operating income (expense):		
Finance expense – finance leases	(11,389)	(10,451)
Finance expense – debt and other	(108,967)	(112,188)
Loss on early extinguishment of debt	–	(11,149)
Finance income	7,742	3,979
Foreign currency exchange loss, net	(5,289)	(9,151)
Other non-operating income, net	7,690	347
<b>Profit before income tax</b>	<b>309,434</b>	<b>308,919</b>
Income tax expense	(12,783)	(28,064)
<b>Net Profit</b>	<b>\$ 296,651</b>	<b>\$ 280,855</b>

(in thousands)	For the years ended November 30,	
	2023	2022
<b>Net profit excluding one-time items</b>	<b>\$ 411,651</b>	<b>\$ 292,004</b>
One-time items:		
Legal claims provision, net of tax expense	(115,000)	–
Loss on early extinguishment of debt	–	(11,149)
<b>Net Profit</b>	<b>\$ 296,651</b>	<b>\$ 280,855</b>

## Consolidated income statement

Net profit of SNL was \$296.7 million for 2023, compared with \$280.9 million in 2022. Excluding the one-time items described in the table, net profit was \$411.7 million for 2023, compared with \$292.0 million in 2022, or a \$119.7 million improvement. The most significant factors affecting SNL's performance in 2023 were:

- Stolt Tankers reported an operating profit of \$371.1 million, an increase of \$166.0 million compared to the prior year's operating profit of \$205.1 million. Deep-sea and regional fleets results improved, primarily driven by favourable freight rates and higher volume.
- Stolthaven Terminals reported an operating profit of \$105.0 million compared to \$89.2 million as a result of rate escalations on new and existing businesses and an increase in ancillary services.
- Stolt Tank Containers (STC) reported an operating loss of \$37.8 million, primarily due to the *MSC Flaminia* provision of \$155.0 million. Excluding this, operating profit would have been \$117.2 million, down from \$172.7 million in 2022, a decrease of \$55.5 million. The lower operating profit was primarily due to the reduction in transportation rates with the reductions in ocean and inland freight costs as the worldwide supply chain congestion eased with the increase in ocean carrier capacity.
- Stolt Sea Farm reported an operating profit of \$24.3 million, compared with an operating profit of \$19.5 million in 2022. Excluding the fair value on the biological assets in both years, operating profit decreased by \$0.1 million, with lower average sales price for turbot partially offset by higher sales prices in sole and an increase in volumes in both species.
- Stolt-Nielsen Gas reported an operating loss of \$10.4 million in 2023 versus a loss of \$3.0 million in 2022. The losses in both years were mainly the result of SNL's share of losses at Avenir LNG Limited (Avenir).
- Corporate and Other operating loss was \$32.5 million, compared to the prior year loss of \$36.0 million. Corporate and Other operating loss primarily comprises profit sharing, director and investor expenses and dividends of certain equity instruments.



## Management's Discussion of Operating Performance

This section discusses Stolt-Nielsen Limited's (SNL) operating results and financial condition for the years ended November 30, 2023, and 2022. This discussion consists of:

- Results of Operations
- Business Segment Information
- Liquidity and Capital Resources
- Critical Accounting Estimates
- Principal Risks
- Treasury Shares
- Going Concern and
- Subsequent Events

### Operating revenue

Operating revenue was \$2,820.2 million in 2023, which was 1.7% higher than in 2022, mainly owing to higher deep-sea freight revenue at Stolt Tankers.

Stolt Tankers' revenue increased by \$212.7 million, mainly due to \$218.7 million higher deep-sea freight revenue from an increase of average freight rates by 17.6% and 2.9% higher volumes. Freight revenue was partially offset by a decrease in deep-sea bunker surcharge revenue of \$61.6 million. The lower bunker surcharge revenue was caused by a 20% decrease in bunker prices from last year.

Stolthaven Terminals' revenue increased by \$23.6 million compared to 2022, an increase of 8.6%. This increase was primarily due to higher operating revenue at all terminals as a result of rate escalations and an increase in ancillary services.

Stolt Tank Containers' revenue decreased by \$195.1 million, or 21.8%, in 2023 largely due to transportation rates returning to normalised levels as ocean freight costs declined. Also impacting revenue was a decrease in demurrage and ancillary revenues of \$19.6 million. This was offset by 10.0% higher shipment levels between the years as space on container ships opened up in 2023.

Stolt Sea Farm's operating revenue was \$110.8 million in 2023, increasing by \$8.1 million, or 7.9%, which was a result of sole sales prices increasing by 18.0% and sales volumes by 15.4%.

### Gross profit

SNL's gross profit increased by \$166.0 million or 1.7%, excluding the \$155.0 *MSC Flaminia* provision in Stolt Tank Container. The increase is due to improved rates in Stolt Tankers.

Stolt Tankers' gross profit increased by \$162.9 million in 2023, to \$423.7 million, as the increase in revenues and lower bunker costs were significant enough to cover higher variable time charter hire expenses (\$62.5 million) and port charges (\$20.3 million).

Gross profit for Stolthaven Terminals was \$128.6 million in 2023, compared with \$107.9 million in 2022, an increase of \$20.7 million. Gross profit increased from the impact of higher operating revenue in 2023 while operating expenses remained stable.

Stolt Tank Containers saw a decrease in gross profit of \$50.3 million, excluding the *MSC Flaminia* provision of \$155.0 million. This decrease is the result of supply chains normalising, bringing margins, demurrage and ancillary revenues down to normalised levels.

Stolt Sea Farm's gross profit increased by \$6.6 million to \$34.9 million from \$28.3 million in 2022. Excluding the fair value of biological assets, gross profit increased \$1.7 million in 2023 as a result of the higher average sales prices from sole together with higher volumes sold from its own farm-raised turbot and sole. Partially offsetting the higher sales were higher labour, feed and energy costs due to inflationary pressures.

### Share of profit of joint ventures and associates

SNL's share of the profits from non-consolidated joint ventures and associates in 2023 was \$62.3 million, up from \$54.0 million in 2022.

Stolt Tankers' share of profit from joint ventures increased by \$14.2 million to \$44.2 million notably owing to the two deep-sea joint ventures, NYK Stolt Tankers S.A. and Hassel Shipping 4 AS, from the improved deep-sea markets.

Stolt-Nielsen Gas' share of losses in Avenir was \$9.9 million in 2023 compared to \$2.6 million in 2022. This is the result of the challenging LNG market.

### Administrative and general expenses

Administrative and general expenses were \$273.4 million in 2023, up from \$249.0 million in 2022, an increase of \$24.4 million. This was largely due to normal inflationary salary increases and higher profit sharing and long-term incentive plan costs as a result of the improvement in results.

### Gain on disposal of assets, net

SNL recorded a net gain on disposal of assets of \$3.6 million in 2023 compared with a gain of \$5.6 million in 2022. In 2023, the gain included amounts related to the sale of the *Stolt Guillemot*. In 2022, the gain included amounts related to the sale of the *Stolt Shearwater* and the recycling of the *Stolt Groenland*.

## Financial Review continued

### Other operating income and other operating expense

Other operating income was \$3.4 million in 2023, compared with \$4.1 million in 2022.

Other operating expense was \$3.3 million in 2023, compared with \$5.2 million in 2022.

### Finance expense

Finance expense was \$120.4 million in 2023, down from \$122.6 million in 2022. Interest on debt decreased by \$3.2 million, owing to lower outstanding debt balances. Interest on leases was \$11.4 million, compared with \$10.5 million in 2022.

### Loss on early extinguishment of debt

In 2022, SNL recorded an accelerated recognition of deferred financing costs and fees of \$11.1 million related to the early repayment of the loan with Export-Import Bank of China and Standard Chartered Bank. The debt was refinanced as part of a sustainability-linked agreement of which \$180.9 million was drawn down to fully repay the above loan.

### Finance income

Finance income was \$7.7 million in 2023, up by \$3.8 million compared with 2022.

### Foreign currency exchange loss

In 2023, SNL had a foreign currency exchange loss of \$5.3 million, compared with a \$9.2 million loss in 2022. The 2023 loss was mainly due to the strengthening of the US dollar against the BRL, NOK and ARS as well as higher realised and unrealised foreign exchange hedging losses.

### Other non-operating income, net

Non-operating income was \$7.7 million in 2023 compared with a non-operating income of \$0.3 million in 2022.

### Income tax expense

Income tax expense was \$12.8 million in 2023, compared to \$28.1 million in 2022. The decrease in income tax expense was the result of the legal claims provision in Stolt Tank Containers, partially offset by increased profits in other business segments.

## Business segment information

This section summarises the operating performance for each of SNL's principal business segments. The Corporate and Other category includes corporate-related expenses and all other operations which are not reportable as separate business segments.

	For the years ended November 30,	
(in thousands)	2023	2022
<b>Operating revenue:</b>		
Stolt Tankers	\$ 1,709,839	\$ 1,497,108
Stolthaven Terminals	299,815	276,177
Stolt Tank Containers	699,504	894,647
Stolt Sea Farm	110,831	102,688
Corporate and Other	229	1,223
<b>Total</b>	<b>\$ 2,820,218</b>	<b>\$ 2,771,843</b>
<b>Operating profit:</b>		
Stolt Tankers	\$ 371,076	\$ 205,124
Stolthaven Terminals	104,968	89,208
Stolt Tank Containers	(37,831)	172,728
Stolt Sea Farm	24,336	19,544
Stolt-Nielsen Gas	(10,396)	(3,028)
Corporate and Other	(32,506)	(36,044)
<b>Total</b>	<b>\$ 419,647</b>	<b>\$ 447,532</b>

## Stolt Tankers

### Operating revenue

Operating revenue increased by \$212.7 million in 2023 versus 2022, with deep-sea revenue increasing by \$182.9 million and regional revenues increasing by \$29.8 million.

Deep-sea revenue increased from a combination of higher freight and demurrage revenue partially offset by lower bunker surcharge revenue. Deep-sea freight revenue increased by \$218.7 million as average freight rates increased by 17.6% between the periods, mainly driven by a 26.3% increase in the rates on COA business, which contributed approximately 51% of total deep-sea freight revenue. Volume also increased by 2.9%. Bunker surcharge revenue decreased by \$61.6 million due to 18.8% lower bunker prices and more spot contracts. Demurrage revenue increased by \$20.6 million mainly due to increased rates and improved terms.

Regional fleet revenue increased by \$29.8 million mainly driven by a \$13.8 million increase on the Caribbean coastal fleet influenced by improved spot rates and more operating days and \$11.8 million from the new Stolt NYK Asia Pacific Services Inc. (SNAPS) Pool which commenced in October.

The time-charter equivalent revenue (revenue less trading expenses) per operating day for the deep-sea fleet for 2023 was \$29,621 versus \$22,804 in 2022, an increase of 29.9%.

As of November 30, 2023, Stolt Tankers owned and/or operated 162 ships and barges, representing 3.00 million deadweight tons (dwt), compared to 165 ships and barges and 3.05 million dwt at the end of 2022.

	Number of ships	Millions of dwt	% of STJS net earnings for the year ended November 30, 2023
<b>Stolt Tankers Joint Service (STJS):</b>			
Stolt Tankers Limited (55 owned ships)	58	1.91	71%
NYK Stolt Tankers S.A.	9	0.27	11%
Hassel Shipping 4 AS	8	0.26	11%
Tufton Investment <sup>1</sup>	1	0.03	6%
CMB Tech Netherlands	2	0.05	1%
<b>Total Stolt Tankers Joint Service</b>	<b>78</b>	<b>2.52</b>	<b>100%</b>
Ships in wholly-owned regional services (26 owned ships)	62	0.28	
Ships in joint venture regional services (20 owned by joint ventures)	22	0.19	
<b>Total</b>	<b>162</b>	<b>3.00</b>	

1. Tufton Investments, which previously had seven ships in the STJS, began exiting in the fourth quarter of 2023.

### Operating profit

Operating profit increased by \$166.0 million, to \$371.1 million in 2023 from \$205.1 million in 2022. This was a result of the \$212.7 million increase in revenues discussed above and \$14.2 million increase in share of profit in joint ventures and associates partially offset by increases in operating expenses.

Operating expenses increased by \$49.8 million as a result of more variable time charter hire expenses (\$62.5 million) and higher port charges (\$20.3 million), partially offset by lower bunker expenses (\$44.5 million). Variable time charter hire expenses increased due to stronger results of the STJS. The average price of very low sulphur fuel (VLSF) and intermediate fuel oil (IFO) consumed in 2023 was \$591 per tonne, down 18.8% from \$728 per tonne in 2022. Ship management costs were \$10.4 million or 4.8% higher than prior year mainly due to increased costs for manning and maintenance and repairs.

Stolt Tankers' share of profit from joint ventures increased by \$14.2 million to \$44.2 million where all joint ventures improved their results, most notably NYK Stolt Tankers S.A. and Hassel Shipping 4 AS from the improved deep-sea markets and SNAPS from a strong regional performance.

## Stolthaven Terminals

### Operating revenue

Stolthaven Terminals' revenue increased by \$23.6 million to \$299.8 million in 2023 from \$276.2 million in 2022. Average storage rates increased by 9.5% which more than offset the effect of a decrease in the average utilisation rate to 96.7% in 2023 from 97.4%. Ancillary revenue, such as nitrogen and rail revenue, also increased by \$4.6 million.

Total available average capacity at the wholly owned terminals decreased to 1,723,720 cubic metres in 2023 from 1,724,619 cubic metres in 2022. This decrease in capacity was a result of recalibration of capacity in Dagenham, UK, where the impact was only partly offset by commissioning one new tank in New Zealand. Product handled increased slightly to 14.2 million tonnes in 2023 from 14.1 million tonnes in 2022.

### Operating profit

Operating profit increased by \$15.8 million to \$105.0 million in 2023 from \$89.2 million in 2022. The revenue increase of \$23.6 million in 2023, discussed above, was partly offset by higher expenses.

Operating expenses increased by \$1.6 million and administrative and general expenses by \$3.5 million from 2022. These increases were driven by normal inflationary personnel costs, higher regulatory costs and movements in environmental provisions.

Share of profit of Stolthaven Terminals' joint ventures and associates increased by \$0.8 million. The increase was due to additional capacity, high utilisation and improved rates at our Asian joint venture terminals.

### Stolt Tank Containers

#### Operating revenue

Stolt Tank Containers' revenue decreased to \$699.5 million in 2023 from \$894.6 million in 2022, a decrease of \$195.1 million or 21.8%. This was primarily due to the impact of decreased freight rates as the supply chain congestion eased and ocean freight costs decreased. Also reducing revenue was a decrease in demurrage and ancillary revenues totalling \$19.6 million which was a result of the previous bottlenecks in the supply chain being cleared.

In 2023, STC handled 142,522 tank container shipments, compared to 129,574 shipments in 2022, which represents a 10.0% increase in volumes due mainly to the easing of supply chain congestion. Average monthly utilisation was 63.9% in 2023, down from 69.0% in 2022, due to shorter length of moves. STC's fleet increased by 8.4% to 50,928 tank containers at the end of 2023 compared to 46,994 tank containers at the end of 2022.

#### Operating profit

Stolt Tank Containers operating profit decreased by \$55.6 million, excluding the \$155.0 million *MSC Flaminia* provision. Ocean freight and other move-related costs decreased by \$151.1 partially offsetting the \$195.1 million revenue decline. Depreciation expense was also \$6.3 million higher due to the acquisition of additional tank containers during the year.

### Stolt Sea Farm

#### Operating revenue

Stolt Sea Farm's revenue increased by \$8.1 million, or 7.9%, to \$110.8 million in 2023 from \$102.7 million in 2022 due to increasing sole sales prices and higher sales volumes for both species. Turbot sales volume increased by 2.5% while prices decreased by 3.8% between the periods. Sole volumes increased by 15.4% and prices increased by 18.0%.

#### Operating profit

Stolt Sea Farm reported an operating profit including fair value gain (loss) on biological assets of \$24.3 million in 2023 compared to an operating profit of \$19.5 million in 2022, a year-on-year increase of \$4.8 million. Excluding the fair value gain on biological assets of \$3.9 million in 2023 and loss of \$1.0 million in 2022, the decrease in operating profit between the two periods was \$0.1 million. The revenue increase was offset by higher operating expenses due to increased sole volume sold and higher labour, feed, administrative and general expenses and energy costs due to inflationary pressures.

The increase in the fair market value on the biological assets was the result of higher turbot and sole sale prices in November 2023 due to limited availability and high demand.

### Stolt-Nielsen Gas

Stolt-Nielsen Gas is an investment arm of SNL focusing on the LNG segment with holdings in Avenir and Golar LNG Limited (Golar). Avenir's results are reported as a joint venture, while changes in the share price of the Golar investments are reported as Other Comprehensive Income. Stolt-Nielsen Gas reported an operating loss of \$10.4 million in 2023 versus a loss of \$3.0 million in 2022. The underlying losses in both years were mainly attributable to SNL's share of Avenir.

### Corporate and Other

Corporate and Other operating loss was \$32.5 million, compared with the prior year loss of \$36.0 million. The reduction of the loss between years was due to dividends received in certain equity instruments held by SNL.



## Liquidity and capital resources

(in thousands)	For the years ended November 30,	
	2023	2022
<b>Summary Cash Flows</b>		
Net cash provided by operating activities:		
Net profit	\$ 296,651	\$ 280,855
Depreciation and amortisation	292,321	282,123
Share of profit of joint ventures and associates	(62,265)	(53,963)
Finance expense, net of income	112,614	129,809
Income tax expense	12,783	28,064
Fair value (gain) loss on biological assets	(3,914)	974
Other adjustments to reconcile net profit to net cash from operating activities	(5,899)	(3,151)
Changes in working capital assets and liabilities	157,901	59,101
Dividends from joint ventures and associates	43,832	41,060
Insurance proceeds related to <i>MSC Flaminia</i> lawsuit	133,000	–
Other, net	(2,681)	(3,447)
Cash generated from operations	974,343	761,425
Net interest paid, including debt issuance costs	(106,265)	(124,943)
Income taxes paid	(13,682)	(16,673)
<b>Net cash generated from operating activities</b>	<b>\$ 854,396</b>	<b>\$ 619,809</b>
Cash flows from investing activities:		
Capital expenditures	(259,438)	(199,429)
Purchase of intangible assets	(8,538)	(3,959)
Investment in joint venture and associate	(18,175)	(14,314)
Proceeds from sales of assets	6,333	7,934
Sale (purchase) of shares in equity instruments	11,798	(37,291)
Repayment of advances to joint ventures and associates, net	14,595	1,700
Other	(7,727)	420
<b>Net cash used in investing activities</b>	<b>\$ (261,152)</b>	<b>\$ (244,939)</b>
Net cash used for financing activities:		
Decrease in short-term bank loans	–	(40,000)
Repayment of long-term debt	(461,745)	(684,741)
Proceeds from issuance of long-term debt	333,840	484,533
Principal payments on leases	(54,495)	(51,210)
Dividends paid	(120,495)	(53,591)
<b>Net cash used in financing activities</b>	<b>\$ (302,895)</b>	<b>\$ (345,009)</b>
Effect of exchange rate changes on cash	4,025	(1,588)
<b>Net increase in cash and cash equivalents</b>	<b>\$ 294,374</b>	<b>\$ 28,273</b>

## Financial Review continued

### Net cash provided by operating activities

In 2023, SNL generated cash from operating activities of \$854.4 million, compared with \$619.8 million in 2022. This increase was due to \$133.0 million received from insurance underwriters related to the *MSC Flaminia* provision as well as to the improved performance in tankers and improved net working capital inflows.

### Net cash used in investing activities

Net cash used in investing activities was \$261.2 million in 2023, compared with \$244.9 million in 2022. The most significant uses of cash for investing during 2023 were:

- i. capital expenditures of \$259.4 million, \$60.0 million higher than in 2022.
- ii. purchase of computer software of \$8.5 million.
- iii. investment of \$18.2 million in joint ventures, NYK Stolt Tankers S.A, Stolthaven Revivegen Kaohsiung Co., Ltd. (Taiwan) and Ceyhan Terminal Hizmetleri Anonim Sirketu (Turkey).

Offsetting the uses of cash were repayments of advances from joint ventures of \$14.6 million and proceeds from the sale of ships and other assets for \$6.3 million and disposal of shares in Cool Company Limited for \$11.8 million.

Cash capital expenditures by business are summarised below:

(in thousands)	For the years ended November 30	
	2023	2022
Stolt Tankers	\$ 102,920	\$ 94,885
Stolthaven Terminals	71,967	69,015
Stolt Tank Containers	64,972	27,968
Stolt Sea Farm	17,449	5,471
Corporate and Other	2,130	2,090
<b>Total</b>	<b>\$ 259,438</b>	<b>\$ 199,429</b>

Cash spent during the year ended November 30, 2023 primarily reflected:

- i. \$72.6 million on tanker projects, including amounts related to the purchase of two second-hand ships.
- ii. \$30.3 million on drydocking of ships.
- iii. \$72.0 million on terminals expansion and maintenance projects.
- iv. \$65.0 million on the purchase of tank containers and construction at depots.
- v. \$17.4 million on Stolt Sea Farm capital expenditures.

### Net cash used in financing activities

Net cash outflow from financing activities totalled \$302.7 million in 2023, compared with \$345.0 million in 2022.

The significant cash sources from 2023 financing activities were \$333.8 million of debt issuances, compared with \$484.5 million in 2022. The 2023 debt issuances mainly comprised:

- i. \$112.4 million on a placement of senior unsecured five-year NOK bonds, maturing in September 2028.
- ii. \$208.4 million refinancing of the Stolthaven Singapore facility with a term loan. The agreement is with DBS Bank Ltd., ING Bank N.V., KfW IPEX-Bank GmbH and Oversea-Chinese Banking Corporation Limited.
- iii. \$14.3 million from the financing of *Stolt Ludwigshafen*, a newbuilding chemical tanker/barge. The agreement is with KfW IPEX-Bank GmbH.

The principal uses of cash for financing activities in 2023 were:

- i. \$461.7 million in repayment of long-term debt, compared with \$684.8 million in 2022.
- ii. \$54.5 million of principal payments on lease liabilities, compared with \$51.2 million in 2022.
- iii. \$120.5 million in dividend payments, compared with \$53.6 million in 2022.

## Indebtedness

SNL's total consolidated debt, excluding debt issuance costs, was \$2,091.7 million as of November 30, 2023 and \$2,207.8 million as of November 30, 2022, as set out in the table below.

(in thousands)	2023	2022
Long-term debt (including current portion)	\$ 1,853,465	\$ 1,984,221
Long-term lease liabilities (including current maturities)	238,207	223,584
Total debt on Consolidated Financial Statements	2,091,672	2,207,805
Available unused facilities:		
Committed revolving credit line	294,588	320,950
Uncommitted short-term bank lines of credit	84,000	25,000
Total unused facilities	378,588	345,950
Total debt and unused facilities	\$ 2,470,260	\$ 2,553,755

Long-term debt in the table above excludes debt issuance costs of \$16.9 million and \$17.4 million as of November 30, 2023 and 2022, respectively.

### Short-term debt

Short-term debt consists of debt obligations to banks under uncommitted lines of credit and bank overdraft facilities that can be withdrawn by the banks on short notice. SNL had access to \$84.0 million of such facilities, which were unused during the year ended November 30, 2023.

During 2022 and 2023, SNL also had two committed revolving credit lines, totalling \$294.6 million. These were a sustainability-linked revolving credit facility (RCF) secured by 19 ships for \$194.6 million and a \$100.0 million credit line with DNB (UK) Limited secured by SNL's investment in Advorio Stolthaven Antwerp, NV (Secured RCF facility).

Both the Secured RCF facility and the RCF were unused during the year ended November 30, 2023.

## Long-term debt

Long-term debt consists of debt collateralised by mortgages on SNL's ships, tank containers and terminals and unsecured bank loans at Stolt Sea Farm as well as \$193.9 million unsecured bond financing denominated in NOK (\$180.5 million after considering the effect of the cross-currency interest rate swaps). It does not include the off-balance sheet arrangements discussed below. SNL's long-term debt (including debt issuance costs) was \$1,836.6 million and \$1,966.8 million as of November 30, 2023 and 2022, respectively, as set out below:

(in thousands)	2023	2022
Long-term debt	\$ 1,836,601	\$ 1,966,779
Less: Current maturities	(255,109)	(288,958)
	\$ 1,581,492	\$ 1,677,821

## Long-term lease liabilities

IFRS 16, Leases (IFRS 16), requires all but immaterial or short-term leases to be recorded on the balance sheet. As of November 30, 2023, SNL had long-term lease liabilities for ships, terminal facilities and machinery, tank containers, barges, land, permits, computer and office equipment and offices. Certain of the leases contain clauses requiring payments in excess of the base amounts to cover operating expenses related to the leased assets. Such payments are expensed in the period of payment.

### Reconciliation of net cash flows to movement in net debt

SNL had the following changes in net debt, which is defined as short-term loans, long-term debt and lease liabilities, less cash and cash equivalents. Cash and cash equivalents include \$133.0 million received from insurance underwriters to be used to partially settle the *MSC Flaminia* provision in 2024.

(in thousands)	2023	2022
(Increase) decrease in cash and cash equivalents for the year	\$ (294,374)	\$ (28,273)
Cash inflow from increase in debt	333,840	484,533
Cash outflow from repayments of debt	(461,745)	(724,781)
Cash outflow from finance leases	(54,495)	(51,210)
Change in net debt resulting from cash flows	(476,774)	(319,731)
Lease liabilities capitalised, net of retirements	67,938	70,137
Currency movements	(2,463)	(31,728)
Debt issuance costs and other movements	1,370	7,318
Movement in net debt in the year	(409,929)	(274,004)
Opening net debt	2,038,222	2,312,226
Closing net debt	\$ 1,628,293	\$ 2,038,222

During 2023, SNL met its liquidity needs through a combination of cash generated from operations, borrowings from commercial banks and other financial institutions and proceeds from the sale of assets.

Generally, Stolt Tankers was able to operate with a minimum of working capital by tight credit terms to customers, keeping accounts receivable to a minimum, and by obtaining standard credit terms of 30 to 90 days from most suppliers.

For Stolthaven Terminals and Stolt Tank Containers, a normal business operating cycle prevails with balanced credit terms. For Stolt Sea Farm, the production cycle for various farmed fish species is several months to years, requiring a normal level of working capital to finance inventory.

Ships, terminals, tank containers and investments in equity instruments can be an important source of liquidity, as these assets can be used to secure debt or can be sold and, if needed, leased back. SNL realised proceeds from the sale of ships and other assets of \$6.3 million in 2023, compared to \$7.9 million in 2022.

SNL's objectives when managing capital are to safeguard its ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. SNL monitors capital on the basis of the ratio of debt to tangible net worth (shareholders' equity less intangible assets, non-controlling interests and other components of equity). During the year ended November 30, 2023, debt and lease liabilities decreased by \$115.6 million. Tangible net worth increased by \$175.6 million from November 30, 2022. This was primarily due to net profit of \$296.7 million partially offset by declared dividends of \$120.5 million. The debt to tangible net worth ratio was 1.00 at November 30, 2023, an improvement from 1.16 at November 30, 2022. This is below the 2.25 threshold included as a debt covenant in most of SNL's debt agreements.

### Off-balance sheet arrangements

In addition to the obligations recorded on SNL's consolidated balance sheets, certain commitments that will result in future cash outlays are not recorded on the Company's consolidated balance sheets. In addition to long-term debt interest payments, these off-balance sheet arrangements consist of immaterial or short-term leases, committed capital expenditures and the retained and contingent interests discussed in the Significant contractual obligations table below.

### Leases

In accordance with IFRS 16, all leases other than those that are immaterial or less than one year are capitalised. Future commitments for short-term or immaterial leases were \$4.7 million at November 30, 2023, compared with \$3.4 million at November 30, 2022.



## Significant contractual obligations

SNL has various contractual obligations, some of which are required to be recorded as liabilities in the Consolidated Financial Statements. SNL's operating leases, committed capital expenditures, long-term debt and lease liability interest payments and other executory contracts are not required to be recognised as liabilities on the Company's consolidated balance sheets. As of November 30, 2023, SNL's other purchase obligations were not material. The following summarises SNL's significant contractual obligations as of November 30, 2023, including those reported on the Company's consolidated balance sheet and others that are not:

(in thousands)	Total	Less than 1 yr	2-3 yrs.	4-5 yrs.	More than 5 yrs.
<b>Contractual cash obligations:</b>					
Long-term debt <sup>1</sup>	\$ 1,853,465	\$ 258,889	\$ 669,539	\$ 529,957	\$ 395,080
Long-term fixed rate debt interest payments	274,332	68,822	117,714	66,563	21,233
Long-term variable rate debt interest payments <sup>2</sup>	94,344	24,582	37,152	22,098	10,512
Lease principal payments	238,207	55,456	68,490	31,978	82,283
Lease interest payments	105,933	10,958	14,857	9,733	70,385
Operating leases	4,696	3,801	726	169	–
Committed capital expenditures	41,505	41,505	–	–	–
Derivative financial liabilities <sup>2</sup>	21,643	11,732	5,427	3,489	995
Pension and post-retirement benefit obligations <sup>3</sup>	1,944	1,944	–	–	–
<b>Total contractual cash obligations:</b>	<b>\$ 2,636,069</b>	<b>\$ 477,689</b>	<b>\$ 913,905</b>	<b>\$ 663,987</b>	<b>\$ 580,488</b>

1. Excludes debt-issuance cost.

2. Long-term variable rate debt interest payments and derivative financial liabilities are based on the rates in effect at November 30, 2023. Derivative financial liabilities are based on undiscounted cash flows.

3. Pension and post-retirement benefits contributions – SNL includes these amounts based on current estimates of contributions to the pension plans that may be required. The Company has not disclosed possible payments beyond the next 12 months owing to the significant difficulty in forecasting these amounts with any accuracy.

## Financial risk management

SNL is exposed to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on SNL's financial performance. This is covered in more detail in the annual financial statements.

## Critical accounting estimates and judgements

In the preparation of SNL's Financial Statements, there are a number of areas where assumptions have been made about the future, management judgements and estimates. Such areas could experience significantly different outcomes should these assumptions, judgements and estimates differ from actual results.

The key areas where estimates and judgements make significant differences are:

- Voyage revenue and costs
- Depreciation and residual values
- Review of impairment triggers
- Investments in joint ventures and associates
- Claims provisions
- Right-of-use assets and lease liabilities

To obtain a better understanding of SNL's detailed accounting policies in these areas, please see Note 2 to the Financial Statements.

### Principal risks

Each business segment considers strategic, operational and financial risks and identifies actions to mitigate those risks. These risk profiles are updated at least annually. The principal risks and uncertainties for the next financial year are discussed below.

#### Bunker fuel and freight costs

Bunker fuel constitutes one of the major operating costs of the tanker fleet and price changes can have a material impact on SNL's results. Although efforts are made to reduce the impact of price changes by passing bunker fuel costs through to customers or through the Company's bunker hedging programme, a significant portion is incurred solely by the Company. Approximately 51% of Stolt Tankers' STJS revenue in 2023 was derived from COA. Approximately all of these COA had provisions to pass through fluctuations in fuel prices to customers. As a result, the expected cover from COA equals approximately half of the total deep-sea bunker price exposure.

The profitability of spot revenue was directly impacted by changes in fuel prices, subject to the Company's hedging programme. In addition, the bunker surcharge clauses can result in the Company providing customers with rebates in periods of lower bunker prices. SNL's policy is to hedge a minimum of 50% of expected bunker purchases within the next 12 months, through either bunker surcharge clauses included in COA or through financial instruments.

Ships are required to use marine fuels with a sulphur content of no more than 0.50% against the previous limit of 3.50%. Stolt Tankers is taking a multifaceted approach to low-sulphur fuel. Thirteen vessels have been fitted with wet hybrid scrubbers in order to reduce sulphur emission, of which three are still to be certified. The rest of the Stolt Tankers fleet has switched to marine gas oil or alternative fuels, depending on availability, usability and cost efficiency.

The vast majority of the COA now include adapted bunker surcharge clauses to cover the higher fuel prices.

For Stolt Tank Containers, the impact of increased freight costs due to changes in capacity on container ships in select markets, additional surcharges, and fluctuations in fuel prices can result in downward pressure on margins. Cost increases are passed on to customers when possible. Given quoted rate validity periods to customers, there is a negative impact on margins in periods of rising freight costs until rates can be increased.

#### Tanker and tank container industry risk

The tanker industry is cyclical and volatile, which may lead to reductions and/or volatility in freight rates, volumes and ship values. Fluctuations in the rates that Stolt Tankers can charge result from changes in the supply and demand for ship capacity and changes in the supply and demand for the products carried, particularly the bulk liquids, chemicals, edible oils, acids and other specialty liquids that are the majority of the products that the Company transports. Factors influencing demand include supply for products shipped, economic growth, environmental development and the distances that products are moved by sea. Factors influencing supply include the number of new ships and recycling of old ships, changes in regulations, the strength of the clean petroleum products tanker markets and availability of capacity at shipyards.

Stolt Tankers mitigates these risks by actively managing the mix of business between COA and spot and utilises various tools to increase fleet flexibility and decrease risk. Contract business tends to be less volatile in terms of both rates and volumes than spot business. Management endeavours to increase the contract percentage and lengthen contract duration during periods of uncertainty or when management determines that market conditions are likely to deteriorate. In general, Stolt Tankers maintains a relatively high percentage of contract business. Stolt Tankers also actively manages its charter periods to allow a certain number of ships to be redelivered on short notice. Within the owned fleet, Stolt Tankers endeavours to maintain a balanced age profile. Through this technique, fleet size can be managed by early retirement of older ships when demand is soft and life extension of ships during periods of higher demand.

The tank container industry is also cyclical and volatile, which may lead to reductions and/or volatility in freight rates and shipment volumes. Fluctuations in the rates that Stolt Tank Containers can charge its customers result from new competition attempting to aggressively grow market share combined with an oversupply of tank containers in the market. Stolt Tank Containers mitigates this risk by actively managing customer relationships and pricing as well as maintaining a balance of owned and leased tanks. Fleet size can easily be managed by the on-hire and off-hire of leased tanks.

#### Climate change risk

SNL may incur substantial costs as a result of changes in weather patterns due to climate change. Increases in the frequency, severity or duration of severe weather events such as hurricanes, typhoons, low water levels or other severe weather events could result in asset loss, injuries, lost earnings, longer transit times, difficulty in obtaining insurance and higher costs. Changes in sea water temperature can adversely impact growth rates of fish, harm the fish and lead to losses of fish. To counteract future climate changes, there have been increasingly stringent regulations, such as the

requirement to use low sulphur fuels, and violations can lead to significant fines and penalties. Future regulations could result in making SNL assets prematurely obsolete, increase expenses or require costly investments. For example, the EU Emissions Trading System started in 2024 for shipping and requires the purchase of EU allowances equivalent to its carbon emissions. Beginning January 1, 2024, SNL has begun to acquire EU allowances derivatives to offset 40% of carbon emissions used. This cost will drive an increase in the Company's operating expenses and could impact the profitability and cash flow of the Company unless offset by higher revenue. In order to mitigate the cost increase, SNL has included wording in its COAs that either would allow for the recovery of these costs from its customers, or in the absence of such, would allow cancellation of the contracts if no amicable solution is found for the recovery of the added cost. In addition, SNL continues in its efforts to reduce bunker consumption and thereby reduce the anticipated cost of the EU Emissions Trading System regulation. SNL is using its expertise and strong industry relationships to investigate and explore new technologies to enable the move towards a low-carbon future.

### Safety risk

Stolt Tankers, Stolthaven and Stolt Tank Containers are engaged in the worldwide transportation, storage and distribution of bulk liquid chemicals, edible oils, acids and other specialty chemicals, some of which are hazardous if not handled correctly. SNL's assets and procedures are designed to avoid contaminations, spills, leaks, fires and explosions, with safety equipment installed to minimise the impact of such incidents. SNL employees regularly review and test emergency response plans through safety drills, partnering with local incident response services and regulatory agencies. Drills involve the safe evacuation of the workforce, visitors and all other parties from the ships, terminals, depots, farms and offices.

### Newbuilding risk

SNL spends substantial sums during the construction of parcel tanker newbuildings without earning revenue and without assurance that ships will be completed on time or at all.

The risks with respect to newbuildings arise because SNL is typically required to pay substantial amounts as progress payments during construction of a newbuilding but does not derive any revenue from the ship until after its delivery.

SNL's receipt of newbuildings could be delayed temporarily or indefinitely because of:

- Quality or engineering problems
- Work stoppages or other labour disturbances at the shipyard
- Bankruptcy or another financial crisis of the shipbuilder
- A backlog of orders at the shipyard
- SNL requests for changes to the original ship specifications
- Shortages of, or delays in, the receipt of necessary equipment or construction materials, such as steel

If the delivery of a ship is materially delayed or final cost increases, this could adversely affect the business and its results of operations, cash flow and financial condition. SNL manages these risks by agreeing to industry standard provisions dealing with compensation for delays and rights to terminate the newbuilding contract. Any progress or down payments made by the Company under the newbuilding contracts are secured by refund guarantees issued by commercial banks or government institutions to cover the repayment obligation by the shipyards in case of a yard default.

### Political and geopolitical risk

SNL has international operations, and its business, financial condition and results of operations may be adversely affected by changing economic, political and government conditions in the countries and regions where SNL's ships and tank containers are employed, and terminals are located.

SNL is also exposed to geopolitical risks where territorial and other disputes between countries could lead to the outbreak of war or the existence of international hostilities that could damage the world economy, adversely affect the availability of, and demand for, petroleum and chemical products and adversely affect SNL's ability to operate ships, terminals or tank containers. Moreover, SNL operates in a sector of the economy that is likely to be adversely affected by the impact of political instability, terrorist or other attacks and war or international hostilities, for example, the invasion of Ukraine by Russia and the ship attacks in the Red Sea.

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## Financial Review continued

For an effective and competitive global chemical shipping business, managing geopolitical risk is a strategic imperative. Cross-border expansion to facilitate corporate growth is a significant contributor to growth. In some cases, cargoes are located in – or destined for – troubled or developing markets where considerable cultural, infrastructure, security or technology challenges must be met. At the same time, economic and population growth, especially in Asia, is creating new demand for petroleum and chemical products. Sufficient supply must be in place with supporting infrastructure and distribution to meet demand in these high growth markets.

### Project development risks

Stolthaven Terminals is working on various projects at its wholly owned and joint venture terminals. The development of terminal operations and jetties involves significant upfront investment in infrastructure and there are risks inherent in such developments, including political, regulatory, currency exchange, liquidity, financial, contractual and structural risks. The occurrence of one or more of these risk factors could delay the project and result in increased project costs. Different countries carry varying degrees of risk depending on social, cultural, political and financial development and stability. Efforts are made to mitigate these risks by employing local country and regional representatives to act as liaisons with local authorities and to devise appropriate mitigating actions.

### Stolt Sea Farm biological asset inventory price risk

All mature turbot and sole are held at fair value less costs of sale and costs related to harvest. A fair-value adjustment is also made at the point when previously juvenile turbot and sole are considered to become mature, which typically occurs when the fish reach a specified weight. Fair value is determined on the basis of market prices, and gains and losses from changes in fair value are recognised in the income statement.

The fair value of these assets fluctuates significantly based upon the season, competition, market conditions and existing supply. The fair-value adjustment recognised in the current year was a gain of \$3.9 million in operating profit, compared with a \$1.0 million loss in 2022. Fair value adjustments have a direct impact on SNL's income statement and there is a risk that the fair value adjustment recognised in a year could negatively impact SNL's income statement.

### Currency risk

Most of the revenue earned by Stolt Tankers and Stolt Tank Containers is denominated in US dollars, whilst a significant portion of the divisions' operating expenses is incurred in other currencies, primarily the euro, the Singapore dollar, Japanese yen, Philippines peso and the British pound.

When there is a mismatch between revenue and expense currencies, any depreciation of the revenue currency relative to the expense currency will decrease profit margins.

On average in 2023, the US dollar has weakened by approximately 4.6% against the euro, causing a decrease in profit margins. SNL's foreign currency hedging policy is to hedge between 50% and 80% of the Company's expected foreign currency operating exposures over the next 12 months.

### Cyber risk

Our ongoing commitment to digitising our business processes and our digital transformation, coupled with our growing reliance on information technology (IT) systems for our operations, means we rely on secure, cost-effective, and robust IT services.

Our IT and cyber risk profile is influenced by several factors. These include the ever-increasing threat to cyber security, characterised by high volumes of attacks and sophisticated cyber actors that threaten to intentionally harm our systems. These cyber actors target organisations by making bank account changes, intercepting invoice payments and carrying out identity fraud to extract money. Ransomware attacks on corporations are also on the rise. These have the potential to cause breaches and disruptions of our critical IT services.

Our cyber security programme is based on proactively identifying risks and risk assessments. We have integrated cyber security capabilities into our IT systems, which are further safeguarded by various technologies and controls for protection, detection and response. Our processes include identification and assessment capabilities aligned with industry best practices to measure and improve our cyber security capabilities. In addition, our external IT service providers are assessed and selected on their cyber security maturity through formal supplier assurance reports and contractual clauses.

We actively monitor identified threats so that we can assess the potential risk and have processes in place so that we can respond effectively to resolve and investigate any security incidents. Additional risk control measures are also in place to facilitate recovery in the event of cyber risks. These include business continuity management and disaster recovery plans that are regularly reviewed and updated.

### Disease outbreaks and pandemic risks

SNL's operations are global in nature and rely on a significant number of operational staff and third-party suppliers to run smoothly. As has been evidenced by the Covid-19 pandemic, disease outbreaks can put significant restrictions on the movement of people and their ability to get to their place of work as well as restrictions on the operations of our assets.

If the movement of people and transport operations are restricted, this could limit SNL's ability to meet commitments to customers and could impact financial results. Likewise, any outbreak on-board our ships or at one of our terminals could impact operations of individual assets. The severity of the impact of such disruptions would depend on the spread and duration of the disease. To the extent possible, business continuity plans have been updated and implemented to mitigate any negative impact on the businesses from a wide-spread and long-lasting disease of the coronavirus type.

### Financing risk

SNL's businesses are capital intensive and, to the extent the Company does not generate sufficient cash from operations, the Company may need to raise additional funds through public or private debt to fund capital expenditures and to refinance maturing debt instruments. Adequate sources of capital may not be available when needed or may not be available at favourable terms. The Company's ability to obtain financing is dependent on various factors, such as financial market conditions for unsecured debt and financial institutions' appetite for secured ship, tank container or terminal financing.

SNL has a diversified debt structure and has access to a wide range of funding sources from banks, leasing companies and the Nordic bond market. The Company also maintains significant availability under its committed credit facilities, as well as cash on hand, to mitigate the risk of short-term interruptions to the financial markets.

### Treasury shares

At November 30, 2023 and 2022, SNL held 5,000,000 Treasury Shares. See Note 30 in the Financial Statements.

### Going concern

The annual Financial Statements have been prepared under the going concern assumption.

### Subsequent events

See Note 33 in the Consolidated Financial Statements for significant events occurring after November 30, 2023.



**Udo Lange**

Chief Executive Officer Stolt-Nielsen Limited



**Jens F. Grüner-Hegge**

Chief Financial Officer Stolt-Nielsen Limited  
March 14, 2024

# Sustainability



37 Sustainable Growth  
40 Health and Safety  
46 Environment  
54 People





## Sustainable Growth

### Acting sustainably in everything we do

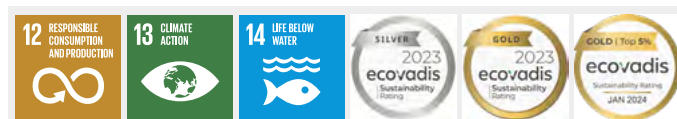
Our operations span the globe – with 7,000 people in more than 30 countries, we support our customers in many ways. As a global leader in the transportation and storage of products that touch every aspect of modern life and a producer of sustainable seafood, we take our role as an essential part of a sustainable global supply chain seriously. This includes managing the impact that our operations have on the environment, our colleagues and wider society. Sustainability and safety are, therefore, the foundations of our strategy and are integral to everything we do. This year our commitment to sustainability was recognised through a gold EcoVadis rating for Stolt Tankers and silver rating for Stolt-Nielsen. In January 2024, we were pleased that Stolt Tank Containers also received a gold rating.

### Supporting the UN Sustainable Development Goals

As a signatory of the UN Global Compact, Stolt-Nielsen is working to reduce its environmental impact in line with the following UN Sustainable Development Goals (SDGs): Responsible Consumption and Production, Climate Action and Life Below Water.

We believe that partnerships are central to reaching our sustainability ambitions. By working together with our customers, suppliers, investors, employees, industry groups and communities we can make the greatest contribution to safeguarding our shared future.

You can find a full list of our memberships and trade associations at: [stolt-nielsen.com/sustainability](https://stolt-nielsen.com/sustainability)



### Committed to strong governance

Our focus on building a sustainable business is driven by the commitment of our Board of Directors. Each member has pledged their full commitment in areas ranging from health and safety to emissions reduction, water conservation and employee wellbeing. We also have longstanding safety, quality, environmental and compliance management systems in place to ensure sustainability is embedded throughout our culture, operations and approach to risk management.

### Read more

For more information on our sustainability policies and progress, please visit: [stolt-nielsen.com/sustainability](https://stolt-nielsen.com/sustainability)

### Working towards the Corporate Sustainability Reporting Directive

This year, we began our journey to ensure that we meet the upcoming EU regulatory requirements of the Corporate Sustainability Reporting Directive (CSRD). In partnership with an independent third party, we completed an initial double materiality assessment involving internal stakeholders to identify the material impacts, risks and opportunities for Stolt-Nielsen. This will ensure that our sustainability strategy and ambitions are focused both on our biggest impacts and those areas of most importance to our stakeholders.

During 2024, we will validate our materiality assessment with external stakeholders. We also plan to review our current sustainability ambitions to align them more closely with our material topics, relevant industry ESG standards, legislation requirements and industry peers.





# Sustainability continued

## Material Topics 2023

For this annual report, we are continuing to report our progress against separate materiality assessments for each of our businesses. These were completed during 2022. Stolt Tankers', Stolthaven Terminals' and Stolt Tank Containers' material topics were rated one to ten, with one being not at all important and ten being very important. At Stolt Sea Farm each topic was ranked from 1 to 16 in order of perceived importance. These results are used to drive relevant goal setting in conjunction with the Sustainable Development Goals (SDGs). Our reporting at Stolt Tankers was prepared with reference to the Sustainability Accounting Standards Board (SASB) topics for marine transportation and at Stolt Tank Containers we reference topics from the SASB air freight and logistics standard.



## Stolt Tankers

Materiality Assessment

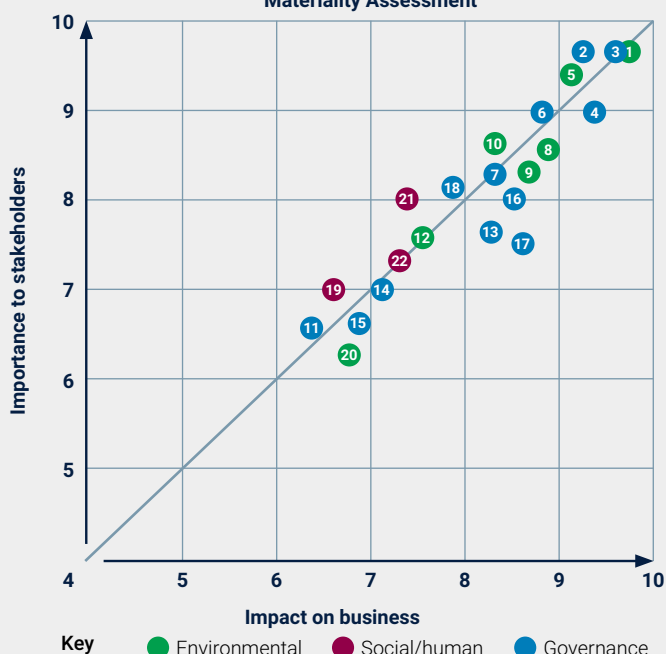


Material Topics	Topic Number
Global health crisis	1
Community engagement	2
Human rights	3
Diversity, inclusion and gender equality	4
Labour conditions	5
Maritime security	6
Talent development	7
Child labour, forced labour	8
Health and safety	9
Lobbying	10
Responsible procurement	11
Cyber security	12
Reporting and transparency	13
Business ethics, integrity and competitive behaviour	14
Anti-bribery, anti-corruption	15
Legal, regulatory and compliance	16
Waste	17
Lifecycle planning	18
Ocean impact	19
Emissions to air	20
Innovation and collaboration	21



## Stolthaven Terminals

Materiality Assessment



Material Topics	Topic Number
Air quality: VOC and other air emissions	1
Process safety	2
Health and safety	3
Business ethics and compliance	4
Water and soil pollution	5
Business strategy and financial performance	6
Digital and technology	7
Waste management	8
Climate change risk	9
CO <sub>2</sub> emissions and energy use	10
Customer experience	11
Water use	12
Innovation	13
Application of best practices	14
Training and development	15
Cyber security	16
Taxation	17
Recruitment and retention	18
Community impact and engagement	19
Biodiversity	20
Diversity and inclusion	21
Human rights	22



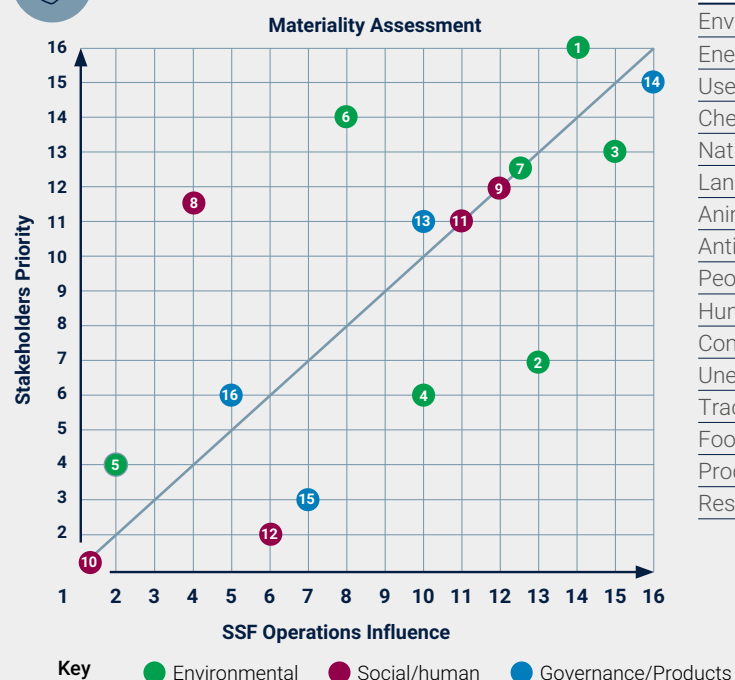
## Stolt Tank Containers



Material Topics	Topic Number
Employee safety and employee stop-work rule	1
Chemical leak/fire in transit or explosion at a depot	2
Depots: wastewater release/other waste containment loss	3
Reduction in GHG footprint (primarily through Scope 3 reduction)	4
Waste: management of five Rs: refuse, reduce, reuse, repurpose, recycle	5
Employee wellbeing and work-life balance	6
Working conditions for employees in offices and depots	7
Human rights, child labour and modern slavery	8
Employee rewards and recognition	9
Talent development, training and career planning	10
Compliance with local regulations for operation of all depots	11
Viable business continuity plan	12
Cyber security, data security and privacy laws	13
Develop and deliver solid ESG strategies and results	14
Accurate and transparent reporting of financials and metrics	15



## Stolt Sea Farm



Material Topics	Topic Number
Environmental impacts	1
Energy use and efficiency	2
Use of natural and limited resources	3
Chemicals of concern	4
Nature and biodiversity	5
Land use and landscape impact	6
Animal welfare	7
Antibiotics use and resistance	8
People practices in the workplace	9
Human rights	10
Community impacts	11
Unethical practices	12
Traceability to origin	13
Food safety and consumer health	14
Product innovation and development	15
Responsible marketing and labelling	16



## Health and Safety

Our ability to grow sustainably and deliver the high-quality, flexible products and services that our customers expect depends upon the safety of our operations. Our safety culture is driven from the top, where our management teams empower employees to act if they feel that any working conditions are unsafe. The Board of Directors ensures that robust governance is in place and sufficient resources are available to assure that processes, specialist training and reporting systems are readily available to help improve safety performance. The Board receives quarterly safety performance reports to regularly monitor safety performance.

Indicator	Stolt Tankers <sup>1</sup>	Stolthaven Terminals	Stolt Tank Containers	Indicator	Stolt Sea Farm
Total Recordable Case Frequency (TRCF)	<b>0.70<sup>2</sup></b> ↑ (2022: 0.68 <sup>2</sup> )	<b>0.82<sup>3</sup></b> ↓ (2022: 1.05 <sup>3,5</sup> )	<b>1.24<sup>3,4</sup></b> ↓ (2022: 2.40 <sup>3,6</sup> )	Average number of occupational safety incidents per 100 workers	<b>4.3</b> ↓ (2022: 5.3)
Lost Time Injury Frequency (LTIF)	<b>0.45<sup>2</sup></b> ↑ (2022: 0.38 <sup>2</sup> )	<b>0.48<sup>3</sup></b> ↑ (2022: 0.42 <sup>3,5</sup> )	<b>0.31<sup>3,4</sup></b> ↓ (2022: 0.80 <sup>3,6</sup> )	Average number of occupational safety incidents per 100 workers in the aquaculture industry	<b>5.1</b> ↓ (2022: 5.4)
Serious Incidents	<b>5</b> ↑ (2022: 1)	<b>0</b> ↓ (2022: 3 <sup>7</sup> )	<b>1</b> ↔ (2022: 1 <sup>7</sup> )	Serious Incidents	<b>0</b> ↔ (2022: 0)

### Performance key

↑ Increase from prior year      ↓ Decrease from prior year      ↔ No change from prior year

1. Excludes barging.
2. Per 1,000,000 hours' exposure.
3. Per 200,000 hours' exposure.
4. New baseline established to include all contractors and their workable hours.
5. Restated due to inclusion of all incidents at our terminals involving contractors.
6. Restated in line with new baseline to include all contractors and their workable hours.
7. Stolthaven Terminals and Stolt Tank Containers both reported the same serious incident for 2022. This was a single event caused by a leak at a plant next to our terminal and depot in Moerdijk, the Netherlands. The incident directly affected five of our employees.

## Keeping people safe

Everyone at Stolt-Nielsen has a role to play in keeping themselves and each other safe. Ensuring our people work safely and return home well to their families is our number one priority. The processes and policies we have in place are one part of our approach, and we are also improving our insights and the tools we provide our people so that they can contribute to our safety culture every day.

At a group level, we ensure that we are:

- Meeting or exceeding the latest industry standards
- Measuring the number of incidents and near misses
- Monitoring and reporting in line with established procedures and compliance requirements
- Tracking and delivering training as scheduled

At the same time, our culture emphasises personal responsibility to mitigate risks, protect colleagues and drive continuous improvement across all processes and operations. As part of our focus on simplification, we continued embedding the new digital tools we introduced in 2022. These are streamlining existing processes and enabling a more data-led approach.

Each of our businesses has robust governance and training programmes tailored to its specific risks. Our three logistics businesses continued to work together to share their expertise. During monthly meetings they discuss lessons learned and best practices that can help everyone improve their safety performance. During these sessions 11 key areas including policies and standards, emergency management and business continuity were identified where we can collaborate to strengthen our performance.

## Our safety performance

During the year, Total Recordable Case Frequency (TRCF) fell at Stolthaven Terminals while Stolt Tankers' already low TRCF was stable. Lost Time Injury Frequency (LTIF) slightly increased at both Stolt Tankers and Stolthaven Terminals. Stolt Tank Containers established new safety baselines during the year to include all contractors and their related working hours. There were six serious incidents recorded during the year (2022: 5). Serious incidents are defined as those having a 'high severity' according to the company's incident severity matrix. The last fatality of an employee or contractor was in 2018.

## Safety in our hands

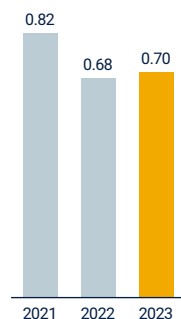
Our *Stop Work Authority* programme has been in place since 2014. It empowers everyone at Stolt-Nielsen to intervene and halt any work that appears unsafe. Onshore and seafaring staff receive training on using this authority. They also receive a handy card (available in 18 languages) reminding them of the processes for acting and raising concerns.



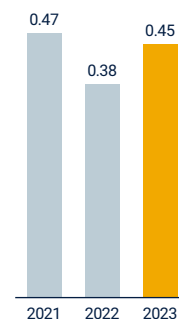




### Total Recordable Case Frequency (TRCF)<sup>1</sup>



### Lost Time Injury Frequency (LTIF)<sup>1</sup>



1. Per 1,000,000 hours' exposure.

### Safety performance

During the first 11 months of 2023 both TRCF and LTIF fell at Stolt Tankers. Regrettably, we saw a rise in finger injuries during the year which meant we ended the year with slight increases in both TRCF and LTIF. We plan to mitigate this increase with a series of focused campaigns. Following a collision of one of our ships with a smaller fishing boat, we redoubled our efforts in safe navigation. We launched a programme to retrain the crew of all our ships to help them to identify potential risks and to improve behaviour in navigational safety. In 2023 78% (2022: 82%) of our ships, excluding those in joint ventures, were accident-free and 87% (2022: 85%) were injury-free.

### A strong safety culture, underpinned by robust processes

*Slashed Zero* has been the foundation of our safety programmes since its launch in 2018 and each year we explore ways to enhance it. During 2023, we focused on two areas of employee wellbeing: mental health and respect in the workplace. We also expanded our *Slashed Zero* programme to include care for our planet as well as for people – effectively turning *Slashed Zero* green! We are using the lessons learned through our behavioural change programmes on personal safety to reduce our impact on the planet. This was the logical next step in achieving our sustainability ambitions.

Stolt Tankers holds an annual Team of the Year competition to increase health and safety awareness and raise standards. Our fleet is judged on criteria that cover safety, port state and customer inspections, audit results, off-hire, claims and cost efficiency. In 2023, *Stolt Sagaland* was named Team of the Year. Learn more about the competition at [stolt-nielsen.com/our-businesses/stolt-tankers/team-of-the-year/](https://stolt-nielsen.com/our-businesses/stolt-tankers/team-of-the-year/)

### Enhanced health and safety training

We continue to train our crew using *360 Movies*. This online platform allows people to learn at their own pace, in their preferred style, with content tailored to individual roles and working environments. The real-time training scenarios also allow for immediate feedback, so staff can make corrections as they learn. We also launched a new training programme, designed to upskill our superintendents in two critical areas: salvage handling and behaviour-based safety.

During 2022, our people told us that one key reason for accidents was perceived commercial pressure. To counteract this, in 2023 we challenged our seafarers to rethink how they reacted to, and handled, this pressure. We produced a movie together with some of our ships and commercial team, which allowed them to work together to create solutions to some of the everyday challenges they face. The process of co-writing the movie script allowed our team to be more open and transparent about these pressures and their causes. In the coming year we plan to hold two seminars for managers on successfully managing commercial pressures.

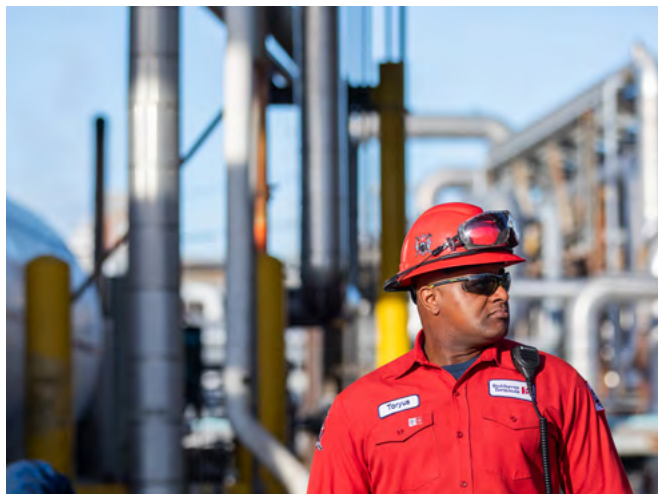
When we took a closer look at the type of injuries suffered by our people, many were minor injuries to hands and fingers. To combat this, we designed a new campaign to reduce these, highlighting the correct safety measures to have in place when completing work that poses a risk of this type of injury.

### Awards

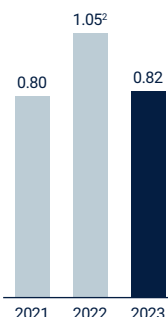
This year, 60 of our ships that called at US ports received Jones F Devlin Awards for safety from the Chamber of Shipping of America.



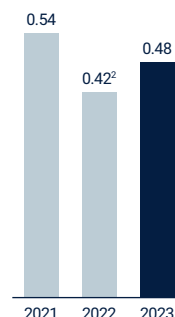
## Stolthaven Terminals



### Total Recordable Case Frequency (TRCF)<sup>1</sup>



### Lost Time Injury Frequency (LTIF)<sup>1</sup>



1. Per 200,000 hours' exposure.

2. Restated due to inclusion of all incidents at our terminals involving contractors.

### Positive trends continue

During 2023, Lost Time Injury Frequency (LTIF) increased slightly and Total Recordable Case Frequency (TRCF) fell. Our team focused on training, raising awareness and improving safety management processes. During the year, several sites achieved new records for the number of days without lost time injuries (LTI) and, at Houston, US, we marked six years without a single LTI. There were no serious incidents during the year.

### Recording and recognition make a positive difference

Stolthaven Terminals manages safety events via *ecoPortal*, a digital safety management system. Trends can be identified and acted on quickly – driving a key element of our continuous efforts to achieve safety excellence. We share lessons learned with all terminals to increase awareness. Because it provides a global overview, *ecoPortal* helps us focus on areas that require more training. During 2024 we will explore how we can expand our use of *ecoPortal* to other safety management processes. In 2023, we also continued to develop our global safety and operations standards. New standards for truck operations, drumming operations and change management were developed and communicated across the business.

We are a signatory of the Tank Storage Association (TSA) Charter, which ensures we maintain our leadership in major hazard best practices. We focus on making safety everyone's responsibility. Our annual employee engagement survey on safety attitudes helps us design initiatives that improve employee welfare, communication and participation. We introduced 'Bonusly' in Houston and New Orleans, US, which rewards employees for demonstrating safety-positive behaviours. Employees earn points that can be exchanged for rewards ranging from gift cards to meals out.

### Reducing risk through technology

We continued to develop *Connected Worker*, our programme to digitalise processes, expanding its trial to our terminals in Santos, Brazil and Singapore. We plan to roll it out further

during 2024. Our focus on automation and technology helps to reduce the risk of injury to employees as they do not have to work as close to operations and safety barriers are automated.

### Inclusive safety training

From e-learnings and classroom lessons to on-the-job training, we focus on everyone understanding the importance of working safely. We launched a new behaviour-based safety campaign consisting of various training materials that could be tailored by individual terminals to address their local challenges. We also held regular cross-terminal training sessions in the US so that teams based in Houston and New Orleans could share their experiences and together develop solutions. In 2023, each terminal held a safety day for staff and vendors. Dedicating a specific day to safety across the whole organisation helps focus everyone's minds on safety.

These popular events combine interactive experiences, contests and opportunities for everyone to learn more about safety processes and technologies and provide site managers with insights into overcoming common barriers to workplace safety. They are also a chance to recognise those who go the extra mile to make our workplaces safe. The global event is bolstered by local tailored events. At Dagenham, UK, a specialist police team trained our people on 'Action Counters Terrorism' and in Moerdijk, the Netherlands, we hosted a multi-day emergency response exercise to aid the local emergency services in their training efforts.

### Rewarding safety excellence

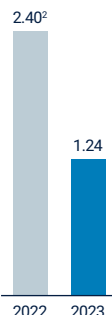
Our team in Houston, US, received a Safety Excellence Award from the International Liquid Terminals Association (ILTA) for the second year in a row. Santos, Brazil, received the Dow GOL Award 2023, and Singapore was awarded the Dow S4TAR Logistics Best Service Provider for terminals for the third successive year. We maintained our silver EcoVadis rating, increasing our overall score. This was mainly driven by improvements in labour and human rights.



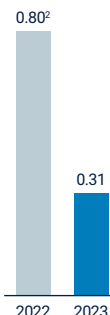
## Stolt Tank Containers



### Total Recordable Case Frequency (TRCF)<sup>1</sup>



### Lost Time Injury Frequency (LTIF)<sup>1</sup>



1. Per 200,000 hours' exposure.

2. Restated in line with new baseline to include all contractors and their workable hours.

### Improving performance

Stolt Tank Containers calculated a new baseline for TRCF and LTIF at its depots this year to include all contractors and their workable hours. TRCF was 1.24 and LTIF was 0.31, with 21 of our depots reporting zero lost time incidents (LTI). We achieved a milestone at our Zhangjiagang depot, achieving 2,500 days without a LTI. Our depots in Kaohsiung, Taiwan and Zhangjiagang and Tianjin, China have not recorded a single LTI since 2014.

For 2023 our safety approach focused on accurately assessing the risks related to safety and acting accordingly. We introduced a set of new process safety indicators including recording the validity of valid/recent safety data sheets, inhibitor effectiveness information, and incidents where tanks have been incorrectly loaded. We update the STC leadership team on safety matters weekly so that actions to mitigate risks can be quickly agreed and to closely monitor our progress. We plan to expand our key performance indicators during 2024 as well as continuing to develop our behaviour-based safety culture.

### Behaviour-based safety culture

Following feedback from our annual employee engagement survey, we increased communication across the organisation on safety issues. This included more regular global town halls from leadership, and management briefings that feature safety topics. Both received positive feedback. These efforts improved collaboration across our global team and inspired people to develop local action plans for identifying and mitigating near misses. In 2023, we also created a clearer management structure for our owned and joint venture depots and started the process to renew our global safety standards. In 2024, we will further strengthen our global safety awareness programme and safety management system with a focus on process safety and safe working conditions.

### Health and safety training for all

STC continued to use its global safety management system to plan and monitor training, with 100% of staff completing their statutory and STC-required sessions on inhibited cargo handling during the year.

All depot employees received monthly training in topics such as the safe handling of dangerous goods, working at heights, working in confined spaces and reducing risk during operations. We also introduced new training modules on the safe handling of inhibited products and sustainability. We updated and standardised onboarding for new employees, aligning this with the International Maritime Dangerous Goods (IMDG) guidelines. Dangerous goods awareness and training on the safe handling of inhibited products is now mandatory for all new employees.

This year, we continued the pilot of our behaviour-based safety programme at our depot in Moerdijk, the Netherlands. All operational staff received mentoring to identify improvement areas, set individual safety goals and monitor progress. We plan to roll this out further during 2024.

### Going for gold

During the year we retained our certifications for ISO 9001 quality and ISO 22000 food safety for our global offices and our ISO 9001 quality, ISO 14001 environment and ISO 45001 occupational safety and health administration certifications for our operations in Shanghai, China. We also received two new certifications: ISO 45001 occupational safety and health administration for our depot in Singapore and ISO 9001 quality for our offices in China.

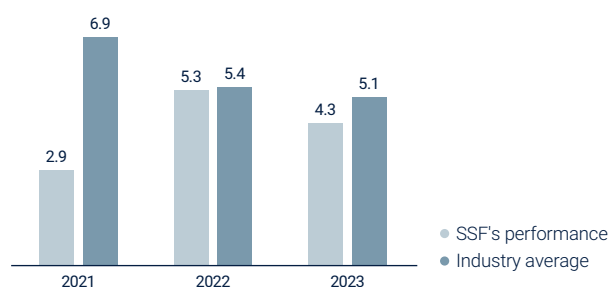
We are delighted to report that in January 2024, we received a gold EcoVadis rating, increasing our score to 74 and placing us in the top 5% of companies within our industry. We improved our scores by 10 points in every category. Of note was the 20-point increase in our labour and human rights score, which includes elements of health and safety.



## Stolt Sea Farm



### Average number of occupational safety incidents per 100 workers



### Safety performance

Stolt Sea Farm's operations are significantly different from our logistics businesses, so we use different safety benchmarks. We measure safety performance using the index for incidents in the fisheries and aquaculture sector from Spain's Ministry of Labour and Social Economy. This calculates the average number of occupational safety incidents per 100 workers. We were pleased to see a significant reduction in recorded incidents to 4.3 in 2023 (2022: 5.3), well below the aquaculture industry average of 5.1 (2022: 5.4).

At the beginning of each year, we conduct external audits of at least three farms to assess changes to our health and safety risks. During 2023, we audited four farms, including the completion of a tailored safety audit for our fish processing plant. This helps us to mitigate any risks and helps to ensure safer working conditions for our employees.

To reduce our accident rate further, at our site with the highest rate of incidents we have implemented a health and safety improvement plan (ENTRASS). Early indications are very positive, and we have seen a 50% reduction in accidents since implementing it nine months ago. This is notable as both employee numbers and total hours worked have increased since 2022. The ENTRASS plan was developed in collaboration with frontline workers who suggested 29 improvement actions, all of which have been implemented. We also invited a physiotherapist to assess workers at our fish processing plant and make recommendations for promoting healthy working practices when working in this area of our farm.

### Improving culture and processes

Throughout 2023, we continued to meet regularly with employee representatives to discuss health and safety matters, review accidents and audit results, and agree improvement actions. These meetings also give employees an opportunity to contribute ideas for ways to drive continuous improvement.

Our health and safety team plays a key role in developing new facilities and designing and commissioning new equipment. This ensures we work safely and comply with legal requirements. We started a project at three of our facilities to improve safety during the use, maintenance, cleaning and repair of our more complicated equipment and plan to roll this out across all facilities by 2025. Work to improve safety conditions in the safe handling of products used to clean and sanitise our facilities continued. New employees are provided with free health screenings, and these are offered annually. We also installed 18 new fume hoods across all our R&D facilities.

We updated our emergency plans during the year and conducted emergency training sessions on how to respond to incidents such as a fire or chemical spill and how to administer first aid. These classroom training sessions were supported by onsite emergency drills.

Security staff at our facilities often work independently, so we provide each of them with a personal security device that connects directly to the local emergency services. The devices can also detect falls or if an employee is immobilised due to fainting or an accident.

### Focused training for employees

All new employees receive training in occupational health and safety, occupational hazards, hazard identification and accident prevention, and we improved our onboarding process during the year to ensure that relevant safety training takes place within days of new employees joining us.

We also updated our practical and theoretical training programme for those employees responsible for operating our forklift trucks, overhead cranes and people-lifting platforms.





## Environment

Stolt-Nielsen is committed to minimising the impact our operations have on the environment. We also understand that our customers, business partners, employees and the communities in which we operate expect us to demonstrate our commitment to protecting our planet.

We have several environmental ambitions across our operations, and we have defined these in line with our three priority UN Sustainable Development Goals (SDGs) – Climate Action, Life Below Water and Responsible Consumption and Production. Together, they guide our efforts and progress towards achieving our environmental ambitions.

Indicator	Stolt Tankers	Stolthaven Terminals <sup>1</sup>	Stolt Tank Containers <sup>2,3</sup>
GHG Emissions Scope 1	<b>4.9%</b> ↑ 2023: 1,607,205 MT 2022: 1,531,884 MT <sup>4</sup>	<b>21.0%</b> ↓ 2023: 30,541 MT 2022: 38,649 MT	<b>12.9%</b> ↓ 2023: 7,018 MT 2022: 8,054 MT
GHG Emissions Scope 2	<b>3.6%</b> ↑ 2023: 242,326 MT 2022: 233,892 MT	<b>22.0%</b> ↓ 2023: 10,321 MT 2022: 13,228 MT	<b>32.7%</b> ↓ 2023: 1,446 MT 2022: 2,150 MT
GHG Emissions Scope 3	<b>3.2%</b> ↑ 2023: 25,822 MT <sup>5</sup> 2022: 25,011 MT <sup>5</sup>	—	<b>13.2%</b> ↑ 2023: 312,180 MT <sup>6</sup> 2022: 275,708 MT <sup>6</sup>
GHG Emission Intensity (AER) <sup>7</sup>	<b>1.7%</b> ↓ 2023: 10.73 2022: 10.91	—	—
Sulphur Oxide Emissions	<b>7.4%</b> ↑ 2023: 2,078 MT 2022: 1,934 MT	—	<b>16.7%</b> ↑ 2023: 1,370 MT <sup>6</sup> 2022: 1,174 MT <sup>6</sup>
Nitrogen Oxide Emissions	<b>3.6%</b> ↑ 2023: 46,244 MT 2022: 44,647 MT	—	<b>15.1%</b> ↑ 2023: 4,408 MT <sup>6</sup> 2022: 3,830 MT <sup>6</sup>

### Performance key

↑ Increase from prior year      ↓ Decrease from prior year

1. Includes wholly owned terminals only.

2. Includes wholly owned depots only.

3. Data is calculated using EcoTansIT data measurement tools, which follow the international accepted GLEC framework, ISO 14083 & EN16258 emission calculation standards.  
4. Including Scope 1 GHG emissions from Stolt Tankers' ships that are part of E&S Tankers' fleet. The total number of ships included in the calculation increased from 103 ships in 2022 to 108 ships in 2023.

5. Includes emissions as defined in categories 3, 4, 6, 7 and 9 of the GHG Protocol.

6. Includes emissions from transporting tank containers by sea, road, river and rail covering Scope 3 category 9 of downstream transportation and distribution as defined by the GHG Protocol.

7. Stolt Tankers uses the Annual Efficiency Ratio (AER) to measure the intensity of its carbon emissions. This measures carbon emissions relative to a ship's capacity and distance travelled.

### Global goals, local impact

Stolt-Nielsen has developed strong governance frameworks, processes and standards that align with several UN SDGs and support our ambition to reduce the impact of our operations on the environment. We continually review our approach based on changing regulations and actively engage with regulatory bodies and industry experts to incorporate evolving best practices. Each of our logistics businesses measures progress towards their sustainability ambitions using the Greenhouse Gas Protocol, which sets global standardised frameworks to measure and manage GHG emissions.

In 2023, we continued to focus on establishing baselines and improving the collection of our environmental data to expand our benchmarking and reporting capabilities – for example, to meet the upcoming European Union reporting requirements for Scope 3 emissions and the Corporate Sustainability Reporting Directive (CSRD).

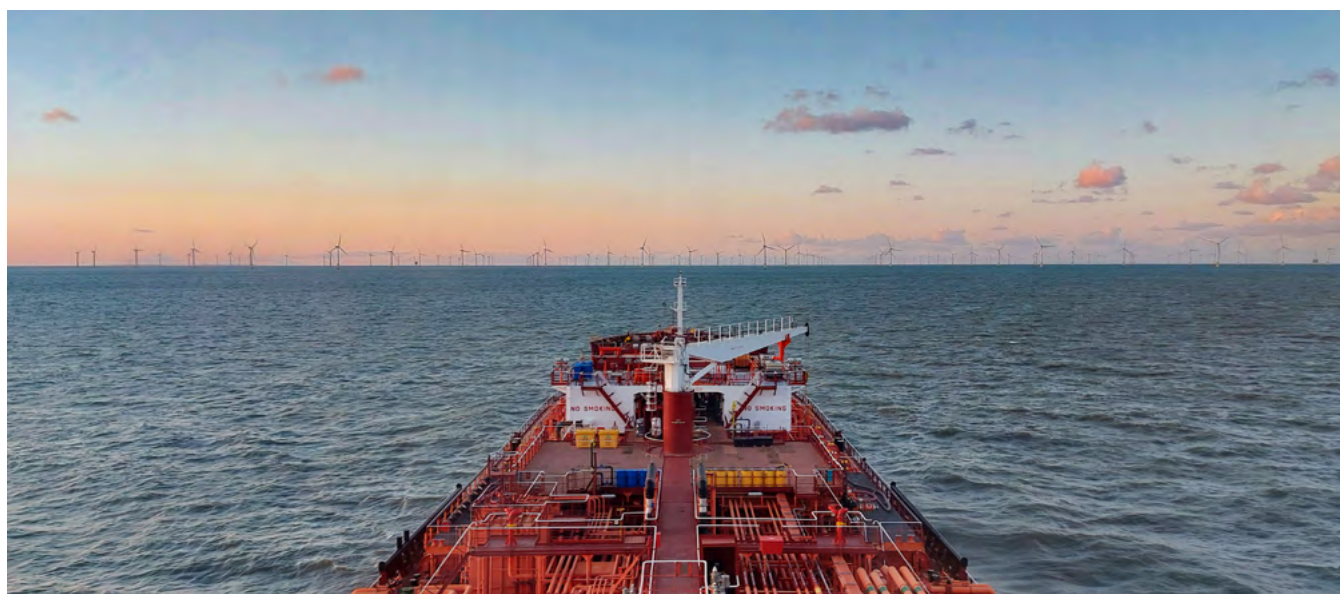
Our support for the wider communities in which we operate includes several environmental projects and initiatives. You can read more about these projects on page 58.

### Emergency preparation and training

To ensure our teams are fully equipped and prepared to manage potential incidents that may harm the environment, we regularly test and update business contingency and emergency response plans for all our sites and across our fleet.

For land-based facilities located in areas that are vulnerable to extreme weather events such as flooding or hurricanes, we have developed contingency plans to minimise the impact on our facilities and ensure that operations can return to normal quickly and safely. We regularly test these plans, including conducting drills in partnership with customers, local emergency response teams, and local authorities. These drills allow our teams to share lessons learned across different locations, refine their plans, and develop strong working relationships with stakeholders.

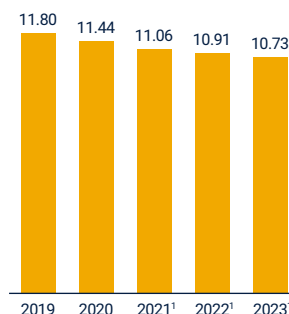
In addition, our facilities and ships use robust management systems to report all incidents that have the potential to impact the environment. We classify a spill as significant if it involves a release of materials that poses a major health and safety risk to people or damages the environment. There were no significant spills in 2023.





### Annual Efficiency Ratio (AER)

Gram CO<sub>2</sub> emitted per deadweight tonne of capacity and distance travelled



1. Includes Stolt Tankers' ships that are part of the E&S Tankers fleet.

### Sustainability ambitions

**Reduce carbon intensity by 50% (relative to 2008 levels) by 2030**

**Have the equivalent of one carbon-neutral ship by 2030**

**Run a carbon-neutral business by 2050**

For 2023, two of the UN's Sustainable Development Goals (SDGs) remained central to Stolt Tankers' sustainability programmes: Climate Action and Life Below Water. These are the areas where we can have the greatest impact. Stolt Tankers has also joined the Science Based Targets initiative (SBTi), confirming our commitment to develop science-based targets to help achieve net zero in the maritime sector.

Stolt Tankers has a dedicated sustainability team that ensures environmental considerations are integrated into business processes and that we actively contribute to industry discussions and sustainability regulations and innovations. We have specific working groups for several regulations – including the CSRD, the Energy Efficiency Index for Existing Ships (EEXI), the Carbon Intensity Index (CII), and Europe's Fit for 55 package. These groups ensure that we are taking the right steps for our fleet to be compliant with all relevant environmental regulations.

Stolt Tankers' efforts received positive recognition during the year. We hold a gold EcoVadis rating, which places us in the 95<sup>th</sup> percentile. We also improved our Carbon Disclosure Project (CDP) rating, receiving a B-. Fourteen of our ships were awarded the CSA Certificate of Environmental Achievement and 42 of our ships that called at US ports during the past three years became eligible for the US Coast Guard's QUALSHIP 21 certification, with three ships receiving additional E-Zero recognition for meeting specific

environmental compliance standards. Ninety-six of our ships also received environmental excellence awards from the Chamber of Shipping of America.

Within Stolt-Nielsen, Stolt Tankers' operations emit by far the largest amount of greenhouse gases. We are focused on achieving our ambition to reduce our emissions by 50% by 2030 (relative to 2008 levels). The key indicator used for measuring our progress is the Annual Efficiency Ratio (AER), in 2008 our baseline AER was 15.68. The AER calculates carbon intensity across the fleet in line with International Maritime Organization (IMO) and shipping industry reporting. The strong tanker market required our ships to increase speed and consume more fuel, and ships being rerouted away from the Panama and Suez canals increased sailing times, therefore, our Scope 1 emissions for 2023 increased by 4.92%. However, AER decreased to 10.73, compared with 10.91 in 2022. 100% of our fleet's voyages were verified by the world's leading maritime classification society, DNV, via their online Veracity platform.

### Innovation drives emissions reduction

In addition to our established processes for measuring Scope 1 and Scope 2 emissions across the fleet and Scope 2 emissions for our four largest offices in Houston, the US, Singapore, Rotterdam, the Netherlands and Manila, the Philippines. We expanded our capabilities for measuring carbon emissions using the Sea Cargo Charter framework to help customers better understand the sustainability of their supply chains.

We continued our efforts to reduce Scope 1 emissions through the deployment of innovative energy-efficient technologies, sustainable fuels and optimising voyages. For example, during 2023 we used more than 8,500 tonnes of waste-based biodiesel on ships traveling between Europe and the US, lowering CO<sub>2</sub> emissions on these voyages by 25,500 tonnes.

We also became the first chemical tanker operator to apply a graphene-based marine coating to our propellers and hulls to reduce marine growth on our ships, improve propulsion and fuel efficiency and reduce ship-related noise disturbance for marine wildlife. Twenty-five of our ships have now received the propeller coating, and the hull of one ship has been coated, with plans to coat 24 more propellers during 2024. In Houston, US, three barges were used to offload cargo while ships were at anchor, reducing the average duration ships stay in port by three days and fuel consumption, including the barges, in port by an average 1.7%.

In November 2023, we reached an agreement with Wuhu Shipyard to build six 38,000 deadweight tonne stainless steel parcel tankers. These are designed to maximise fuel efficiency using modern engine design, hull form optimisation, a wide range of energy savings devices, and shore power connection, with the additional benefit that they can also be converted for future methanol propulsion.

This year we were also awarded the International Energy Management System Standard ISO 50001 which is designed to improve quality and environmental management. This globally recognised certification is a voluntary standard that is awarded when a company shows that it has an effective energy management system in place. It is aimed at businesses who have committed to making better use of energy-intensive assets by improving their energy performance. This isn't restricted to reducing fuel consumption – it's about using energy in the most efficient way so that we use less resources to achieve the same result.

### Protecting marine biodiversity

We understand our responsibility to protect the biodiversity of the wider marine ecosystem and Stolt Tankers complies with Ballast Water Convention D-2 requirements, which dictate the maximum levels of viable organisms allowed to be discharged into the ocean.

In 2023, we installed a microplastics filter on the *Stolt Sagaland* to remove microplastics present in the ballast water, leaving water returned to the ocean cleaner than when it was extracted. The filter collects particles between 800 micron (mesh size) and five millimetres, and we are looking to expand the trial in 2024. We also plan to include similar installations on our engine cooling water systems. We continued to work with Stolthaven Terminals in Houston, US, treating wastewater shoreside. 11,046 m<sup>3</sup> of tank wash water was voluntarily directed to our onsite wastewater treatment plant, rather than being disposed of at sea, and initial layby tank cleaning saved 413 tonnes of fuel (compared with 11,899m<sup>3</sup> and 246 tonnes in 2022).

In 2023, Stolt Tankers and its partners NYK Line, Tufton, and Farvatn Capital donated a total of \$100,000 to two non-profit organisations. Coastruction designs, produces and installs 3D-printed artificial ocean reefs to support the regeneration of damaged reef systems, and One Tree Planted focuses

on reforestation, carbon absorption and environmental impact projects. We also established the Jacob Stolt-Nielsen Mangrove Forest, dedicated to the memory of our founder, in Guimaras, the Philippines. Our local team has planted 12,000 mangrove saplings, which act as a natural barrier against coastal erosion, storms and tsunamis and are effective at removing CO<sub>2</sub> from the atmosphere.

### Waste management

All waste from ships – including hazardous waste – is disposed of in line with the International Convention for the Prevention of Pollution from Ships (MARPOL). During 2023, waste to landfill from Stolt Tankers' shipping operations was 4,367m<sup>3</sup> (2022: 5,968m<sup>3</sup>), and we are working on eliminating single-use plastic water bottles onboard by improving potable water facilities on our ships.

Stolt Tankers and its preferred recycling yards operate in accordance with the IMO 2009 Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships. Stolt Tankers has a Director on the ITOPF Board, an organisation that specialises in preparedness for, and response to, accidental marine spills. We are also a founding member of the Ship Recycling Transparency Initiative: [shiprecyclingtransparency.org](https://shiprecyclingtransparency.org), an online platform reporting ship recycling practices against a set of predefined criteria.

When our ships arrive for recycling, they hold an inventory of hazardous materials, and an accredited auditor verifies that each ship has been properly prepared before issuing a Certificate Ready to Recycle. Weekly reports track the entire recycling process, including all required environmental permits and waste management. No ships were sold for recycling in 2023.

To learn more about sustainability at Stolt Tankers, please visit: [stolt-nielsen.com/our-businesses/stolt-tankers/sustainability](https://stolt-nielsen.com/our-businesses/stolt-tankers/sustainability)





### Stolthaven Terminals



#### **Sustainability ambition**

**Primary activities, including the storage and handling of products, to be carbon neutral by 2040**

Stolthaven Terminals is committed to reducing our environmental footprint across all our operations and creating a sustainable organisation with the ambition to make our primary activities carbon neutral by 2040. During 2023, we completed a gap analysis as part of our preparation to seek full validation of the GHG Protocol in 2024. Our global sustainability team includes at least one lead responsible for driving and measuring initiatives at each of our wholly owned terminals.

During 2023, we expanded our wastewater treatment operations in the US, and our Singapore terminal repurposed a decommissioned ISO tank to collect and store rainwater for use onsite. Six of our terminals purchase their electricity from renewable sources. Stolthaven Terminals maintained our EcoVadis silver rating for our wholly owned terminals, improving our score by three points and ranking in the top 3% for sustainability performance in the warehousing and storage industry. Our terminal in Dagenham, UK received International Sustainability and Carbon Certification (ISCC) and CAT-3 certification, confirming it safely and sustainably stores and handles products containing animal by-products, which are a source of biofuel. The same certifications were obtained by our site in Moerdijk, the Netherlands, in 2022.

#### **Investing in emissions reduction**

Stolthaven Terminals' carbon emissions are relatively low, but we continued our ongoing reduction initiatives in line with our commitment to the Climate Action SDG, and our decarbonisation strategy, which is focused on supporting the energy transition, investments in new technology and supporting our terminals to develop their own decarbonisation journeys. We continued our programme to install energy-

efficient LED lighting across all sites. Our terminal in New Orleans, US redesigned a steam trap fitting to heat railcars more efficiently, which has reduced the steam used per railcar by approximately 75%. This in turn reduces the fuel consumption of boilers, lowering emissions. At our terminal in Santos, Brazil the installation of an economiser in the boiler has increased the thermal efficiency of its steam generation system and is expected to reduce the annual consumption of fuel by approximately 3% annually.

Some products stored at our terminals can emit vapours, and we use several techniques to prevent these from entering the atmosphere, including vapour recovery systems, scrubbers, flares, internal floating roofs and nitrogen blankets. Our new tank designs feature higher design pressure, which further reduces emissions as more vapour is retained in the tank. During 2023, we completed the conversion of two flares at our Houston, US, terminal into vapour combustor units to reduce volatile organic compound (VOC) emissions.

At our terminal in New Orleans, US, the pressure/vacuum relief valves and nitrogen regulators on 52 of 91 tanks were removed, recalibrated, and recertified or replaced, and a thermal oxidising unit is now being used for octane gas freeing, exceeding the regulatory requirements to reduce VOCs and flammability.

In addition to driving our own transition to greener energy, Stolthaven Terminals is working with customers and the wider storage industry to explore sustainable alternative energies. In 2023, we joined the Ammonia Energy Association (AEA), a global non-profit industry association that promotes the responsible use of ammonia as part of a sustainable energy economy. We also signed a joint Memorandum of Understanding in Australia to explore the commercial feasibility of establishing a green methanol bunkering hub at the Port of Melbourne.

#### **Caring for the local environment**

All our terminals support their local communities and carefully manage the impact of operations on their local environments. Employees at our Singapore terminal spent a day collecting litter and debris that had washed up on the shoreline, bagging 120 kg of rubbish. In New Orleans, US, employees joined a coastal restoration event, gathering more than 12 tonnes of used oyster shells for a reef reconstruction project to help preserve the local coastline.

To learn more about sustainability at Stolthaven Terminals please visit: [stolt-nielsen.com/our-businesses/stolthaven-terminals/sustainability](https://stolt-nielsen.com/our-businesses/stolthaven-terminals/sustainability)



## Stolt Tank Containers



### Sustainability ambitions

**50% renewable energy consumption at wholly owned depots by 2030**

**40% reduction in our transportation partners' carbon footprint (relative to 2008 levels) by 2030**

Stolt Tank Containers is committed to reducing greenhouse gas emissions across our operations. This includes testing and implementing new systems and more sustainable fuels and modes of transport and working with customers and external stakeholders on specific projects to help reduce emissions. In 2023, our sustainability team progressed its *Moving towards a Sustainable Future* programme, which focuses on three of the UN Sustainable Development Goals: Climate Action, Clean Water and Sanitation, and Responsible Consumption and Production.

In addition to the GHG Protocol, we use the Global Logistics Emissions Council (GLEC) framework, the EN16258 European standard for calculating and declaring energy consumption and GHG emissions and the ISO 14083 framework for quantifying and reporting our emissions.

The transport of products for our customers is by far the largest contributor to our emissions. Stolt Tank Containers measures the intensity of its Scope 3 emissions in terms of CO<sub>2</sub>e grams per tonne km (CO<sub>2</sub>e g/tkm). These are the emissions generated by the combustion of fuel used to power vehicles during transportation. In 2023, although overall Scope 3 emissions increased, emission intensity fell slightly from 9.1 CO<sub>2</sub>e/tkm in 2022 to 9.0 CO<sub>2</sub>e/tkm as customers moved to more sustainable transport options, while the overall number of shipments increased.

Our focus on supporting customers to reduce their Scope 3 emissions while transporting products continued. Using real-time calculations from EcoTansIT, we launched an option

on our online 'MySTC' booking platform that gives customers the ability to choose the mode of transport based on several criteria including potential emissions.

We continued to improve our measuring and reporting capabilities for energy, waste management, and Scope 1 and 2 emissions at our wholly owned depots (using BearingPoint's Emissions Calculator). Our emissions dashboard helps us to identify areas where we can further reduce our impact on the environment.

We are the only tank container operator that is a member of the Clean Cargo Working Group, which is dedicated to reducing the environmental impact of global goods transportation and promoting responsible shipping. As such we have used the Smart Freight Centre guidelines to develop and include sustainability requirements in our ocean freight and trucking tenders.

We constantly improve our maintenance and repair processes to ensure tank containers can be used safely and sustainably over many years. Unlike flexibags, which are discarded after each shipment, the average lifespan of our tank containers is around 20 years and at the end of their lifecycle we recycle more than 90% of the materials. In comparison, on average, each flexibag adds the equivalent of 7,500 single-use plastic carrier bags to landfill.

### Creating a more sustainable future

For 2023 our primary focus for targeted Scope 1 and 2 emission-reduction initiatives was on incorporating greener fuel sources at our wholly owned depots. Switching to biofuel and renewable energy led to a 12.7% decrease in Scope 1 emissions. Adding solar panels and renewable energy sources saw a 32.8% reduction in Scope 2 emissions. In January 2023, our depot in Kaohsiung, Taiwan became the first to install solar panels, followed by our depot in Mumbai, India in May 2023. This reduced average monthly emissions by 87.0% in Kaohsiung and 49.3% in Mumbai.

At our depots in Moerdijk, the Netherlands, and Houston, US, we successfully recycled 44% of our wastewater. We also installed a heat exchange system that uses the heat that is produced for heating potable water to simultaneously heat wastewater for cleaning operations. This helps reduce emissions related to burning gas for heating. The water-recycling trial in Moerdijk is expected to reduce the intake of mains water at the depot by around 21,000m<sup>3</sup> per year and decrease the discharge of wastewater into the public sewer by around 70% per year. By cleaning and reusing manlid gaskets we reduced the amount of plastic sent to landfill and helped ensure compliance with forthcoming perfluorooctane sulfonate (PFOS) legislation.

In 2023, Stolt-Nielsen's new Supplier Code of Conduct was introduced as a minimum requirement for our procurement contracts. You can view the code here: [stolt-nielsen.com/investors/suppliers-code-of-conduct/](https://stolt-nielsen.com/investors/suppliers-code-of-conduct/)



## Sustainability continued

### A year of achievements

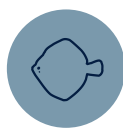
In 2023, all employees received training on sustainability and STC's ambitions and related initiatives to ensure that everyone understands them and can continue to contribute to them by fostering a sustainable culture.

To support improvements in the sustainability of our industry, we shared our sustainability efforts with the International Tank Container Organisation (ITCO). ITCO supports technological and business development to aid quality, health, safety, environment, and corporate responsibility improvements in the tank container industry. We are also a member of the European Chemical Transport Association (ECTA), which aims to improve standards in efficiency, safety and quality and reduce the environmental and social impact of the transport and logistics of chemical goods in Europe.

STC achieved an EcoVadis gold rating for 2023, placing us in the top 5% of companies in the supply chain industry for overall sustainability performance. We retained our ISO 14001 Environmental Management Systems certificate for our logistics company in Shanghai, China. We also received a local energy-saving award from our local energy supplier for reducing our winter energy usage by 25% in our office in France.

To learn more about sustainability at Stolt Tank Containers please visit: [stolttankcontainers.com/sustainability](https://stolttankcontainers.com/sustainability)





## Stolt Sea Farm



### Sustainability ambitions

**Zero waste to landfill by 2030, focusing on recycling and energy recovery**

**Reduction of fish products in our on-growing feed (relative to 2019 levels) by 2030: 65% reduction for sole and 50% reduction for turbot**

At Stolt Sea Farm (SSF) sustainability is fundamental to our strategy and operations. Our business strategy is underpinned by a commitment to taking special care of the environment and the communities in which we operate. We have identified five UN Sustainable Development Goals (SDGs) to which we can contribute most: Climate Action, Life Below Water, Responsible Consumption and Production, Good Health and Wellbeing, and Sustainable Cities and Communities.

In 2023, to support our ongoing efforts to achieve zero waste to landfill by 2030, we established a baseline for measuring environmental performance for our operations in Iceland. This follows those we established for Norway in 2022 and France, Spain and Portugal in 2021.

This year, we renewed Global GAP certifications for all operations and renewed our internationally recognised standard ISO 9001 for Quality Management Systems and ISO 14001 Environmental Management Systems certifications for France, Spain, Portugal and Norway. We also renewed our International Featured Standards and Specific Self-inspection Systems food safety certifications at our processing plant in Lira, Spain.

### Low-carbon food production

Our commitment to the Climate Action SDG drives us in our efforts to minimise emissions as much as possible across our operations and supply chain. Seafood has one of the lowest carbon footprints of all animal-based protein sources, but we are not complacent and continually seek areas to make further reductions. In 2023, we installed solar panels at our sole farm in Tocha, Portugal. This follows previous installations of panels at our farms in Cervo and Quilmas, Spain. 100% of electricity used in our Iceland operations is also certified renewable.

SSF currently measures total energy and fuel consumption, and we closely monitor and manage the use of these resources, as energy forms a large part of our operational costs. During 2023 energy consumption at SSF's operations was 56,363 MWh, and energy consumption per kilogramme of fish produced was 6.95 kWh.

### Fish welfare and responsible farming

SSF is committed to responsible farming and transparency as part of our wider commitment to the Responsible Consumption and Production SDG. We closely manage and monitor fish welfare, submitting our production processes to rigorous external and internal controls. This year, we set up a dedicated fish welfare team to drive our progress and ensure continued compliance in this area.

Several of our farms are located on conservation areas or in natural reserves, demonstrating the rigorous attention we pay to ensuring our business operations are environmentally sound. Our Lira farm in Spain sources water from the Os Miñarzos marine reserve, which is used in our turbot farm before being returned to the ocean.

In 2023, we continued to support local fishing associations to develop a shared understanding of how we must use the same resources responsibly and support each other's activities. We also sponsored the annual Catraia community event in Tocha, Portugal – where one of our farms is located – which aims to increase environmental awareness, and a healthy lifestyle.

Our wide-ranging efforts were recognised by the Official College of Biologists in Galicia, Spain (COBGA), which named us Company of the Year for our investment in biological research and development and our commitment to sustainable production processes and animal welfare.

To learn more about sustainability at Stolt Sea Farm please visit: [stoltseafarm.com/sustainability](https://stoltseafarm.com/sustainability)





## People

Our people drive the success of our company and deliver Stolt-Nielsen's world-leading services and products across our four divisions. Every one of our employees – which number almost 7,000 – plays an important role in helping us achieve our purpose, lead in our markets, realise new opportunities and perform at our best, every day.

Indicator	Group	Stolt Tankers	Stolthaven Terminals	Stolt Tank Containers	Stolt Sea Farm	Corporate
Number of People Employed	<b>6,849</b> (2022: 6,775 <sup>1</sup> )	<b>4,688</b> (2022: 4,647)	<b>538</b> (2022: 540)	<b>742</b> (2022: 739)	<b>467</b> (2022: 443 <sup>1</sup> )	<b>414</b> (2022: 406)
Voluntary Employee Turnover	<b>4.1% ↓</b> (2022: 5.6%)	<b>2.2% ↓</b> (2022: 2.9%)	<b>9.5% ↓</b> (2022: 14.4%)	<b>10.3% ↓</b> (2022: 11.5%)	<b>1.0% ↔</b> (2022: 1.0%)	<b>12.1% ↓</b> (2022: 19.8%)
Sustainable Engagement Score	<b>86% ↓</b> (2022: 87%)	<b>87%<sup>2</sup> ↑</b> (2022: 84% <sup>2</sup> )	<b>89% ↑</b> (2022: 87%)	<b>89% ↑</b> (2022: 88%)	<b>77%</b> (2022: N/A)	<b>90% ↑</b> (2022: 88%)
Employees by Gender <sup>3</sup>	<b>66.3% ↓</b> Male (2022: 67.9%)	<b>67.1% ↓</b> Male (2022: 67.9%)	<b>85.9% ↓</b> Male (2022: 86.8%)	<b>62.7% ↓</b> Male (2022: 64.0%)	<b>70.0% ↓</b> Male (2022: 75.5%)	<b>42.0% ↔</b> Male (2022: 42.2%)
	<b>33.7% ↑</b> Female (2022: 32.1%)	<b>32.9% ↑</b> Female (2022: 32.1%)	<b>14.1% ↑</b> Female (2022: 13.2%)	<b>37.3% ↑</b> Female (2022: 36.0%)	<b>30.0% ↑</b> Female (2022: 24.5%)	<b>58.0% ↔</b> Female (2022: 57.8%)
Speak Up Reports <sup>4</sup>	<b>30 ↓</b> (2022: 41)	<b>6 ↔</b> (2022: 6)	<b>9 ↓</b> (2022: 11)	<b>5 ↓</b> (2022: 7)	<b>0 ↔</b> (2022: 0)	<b>7 ↓</b> (2022: 16)

### Performance key

↑ Increase from prior year      ↓ Decrease from prior year      ↔ No change from prior year

1. Restated to reflect a small correction to the Stolt Sea Farm data.

2. Excluding seafarers.

3. Excluding seafarers. Shipping is a very male-dominated industry with limited female entrants. 0.6% of our seafarer population are female.

4. Function/division not specified for three Speak Up reports in 2023 and one in 2022.

### A great place to work and grow

We pride ourselves on being a great place to work. Our ambition is to be an employer of choice in our industries, with competitive benefits and fair remuneration and a supportive and respectful culture.

Stolt-Nielsen (SNL) compensates employees through salaries and incentive plans comprising cash rewards and benefits. In February 2023, our profit-sharing and performance incentive plans made payments of \$32.2 million.

Ongoing employee engagement is central to our success. In 2023, we completed our global annual employee engagement survey to measure engagement levels across our organisation. This gives us important insights into how our employees are feeling and what issues are important to them. This year, we were pleased to see that the sustainable engagement score for our three logistics businesses and corporate functions increased. Colleagues at Stolt Sea Farm completed the survey for the first time, resulting in a lower score which is a trend often seen for organisations during the initial year. The overall engagement score for the company was steady at 86% (2022: 87%). Our voluntary turnover remains lower than comparable industry average benchmarks at 4.1% (2022: 5.6%).

To help strengthen relationships with managers and ensure people feel their successes are recognised, we aim to make performance conversations positive and collaborative experiences with 360-degree feedback. In 2023, 100% of those eligible received a performance review.

After a successful trial period and positive feedback from employees, in October 2023 our work-from-home policy became permanent, giving office-based employees the opportunity to work from home two days a week.

### Supporting our people through change

In September 2023, our new Chief Executive Officer, Udo Lange, joined the company and we helped our people manage this change via a planned programme of communications and in-person introductions. This included virtual and in-person town halls and Q&A sessions; a dedicated intranet page for CEO updates; a four-week Big Listen campaign to gain employees' insights on the company's approach to managing people, customers and strategic objectives; and meet-and-greets hosted by Udo with employees in the UK, the Netherlands, Spain, Singapore, the Philippines, South Korea, China, and the US.

### Developing our people and our future leaders

Attracting top talent is becoming increasingly competitive and in 2023, our people strategy focused on positioning Stolt-Nielsen as an employer of choice in our industries.

In 2023, we launched a leadership academy with training to support and develop current and future leaders to manage people effectively and empower them to deliver the Company's strategic objectives. And we continued to digitalise our processes, including updating our online employee portal to provide all employees with a more user-friendly platform from which to access learning tools and resources to help them work more efficiently and reach their full potential. We believe that our direct line managers have an essential role to play in delivering quality and excellence to our customers. To ensure line managers can keep their teams up-to-date on the company's progress, we launched a company-wide, weekly Managers' Briefing that provides useful information and learning opportunities.

We also conducted our annual talent review which reviews the skills and performance of employees to ensure our talent is aligned with our business strategy.



# The Stolt Way

The Stolt Way reflects the principles we have been committed to since the company began.

These four values shape the way we do business and how we interact with each other and our customers. They are underpinned by our steadfast commitment to safety, and to working sustainably in everything we do.

By living our values, we can achieve our safety and sustainability ambitions and create a culture in which people feel valued, empowered and committed to go further, for themselves and our company.



## Commit to go further

We always look to do better and achieve more



## Collaborate for success

Working together we are stronger



## Act pragmatically

We are clear and straightforward in everything we do



## Create solutions

We find new ideas and make them work

## Supporting seafarer welfare

We offer seafarers a range of support to promote wellbeing and improve recruitment and retention. Support includes:

- Medical insurance for all immediate family members
- Onboard exercise equipment
- Daily, free-of-charge internet access for all seafarers
- Career counselling, guidance and management, emphasising continuous employment to ensure high levels of expertise and to develop outstanding cadets for life-long careers
- Cutting-edge training programmes covering safety and operational requirements, as well as mental health
- Dedicated helpline for accessing professional mental health support, anonymously if desired
- Onboard social events
- Empowerment of ship management teams, which helps to drive pride of ownership

## A diverse team and inclusive culture

We understand that fostering diversity and an inclusive culture is essential for creating a positive workplace and growing a successful business. Our people represent more than 50 nationalities, and we are proud of the diverse skills and perspectives they bring to our operations. We remain committed to fostering a respectful and safe environment that celebrates differences. We do this by:

- Encouraging people to share their ideas and experiences
- Listening to and respecting the views of others
- Supporting actions that help to make a difference
- Understanding our own unconscious biases
- Continuing to recruit and promote talent – wherever we find it
- Providing training that promotes mutual respect and an inclusive culture

Employee gender by seniority <sup>1</sup>	Male	Female
Executive management team	91.7%	8.3%
Senior managers	79.1%	20.9%
Middle managers/Senior professionals	72.1%	27.9%
Supervisors/Professionals	39.1%	60.9%
Blue collar	87.9%	12.1%
<b>Grand total</b>	<b>66.3%</b>	<b>33.7%</b>

1. Excluding seafarers. Shipping is a very male-dominated industry with limited female entrants. 0.6% of our seafarer population is female.

Equal opportunities

During the year, we updated our global hiring and employment policy to include a clearer statement on our commitment to providing equal opportunities. Stolt-Nielsen recruits, trains and develops people who are best suited to the requirements of each role, regardless of gender, ethnic origin, age, religion or belief, marriage or civil partnership, nationality, national origin, pregnancy or parenthood, sexual orientation, gender identity or disability.

Our commitment to ethics and compliance

Stolt-Nielsen's reputation as a company that people want to work for and do business with is underpinned by our commitment to upholding the highest ethical standards in everything we do.

Our Code of Business Conduct provides a global framework that defines our behaviour and ensures our business objectives are achieved in an ethical, honest and legal manner. It applies to everyone who works with and for us – from Directors and officers to staff, contractors and consultants – and is displayed at all our sites in local languages.

The Code requires everyone to act ethically, with integrity and in accordance with relevant laws, regulations and company policies. It also sets standards for maintaining professional relationships and avoiding conflicts of interest, bribery and corruption. Anyone who breaches the Code is subject to disciplinary action, up to and including employment termination.

Each year, the Code is reviewed by the Board of Directors, through its Audit Committee, to ensure it remains relevant and up to date with the needs of our business and wider society. We require all office-based staff to reconfirm compliance with the Code on an annual basis, and those with access to our online learning platform must complete an online training module to maintain their awareness and understanding of anti-bribery and corruption measures. For 2023, 100% of those required to do so successfully completed the module.

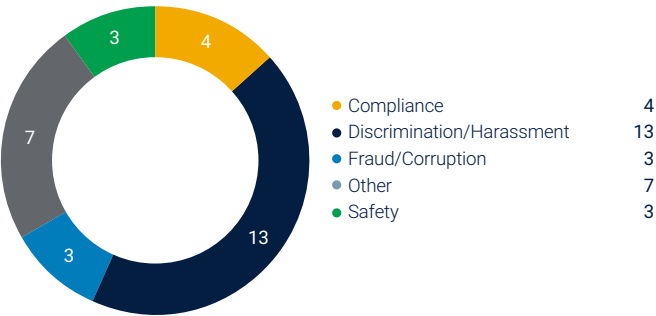
You can find our Code of Business Conduct online at: [stolt-nielsen.com/investors/code-of-business-conduct](http://stolt-nielsen.com/investors/code-of-business-conduct)

We also introduced our Suppliers' Code of Conduct in 2023. The business conduct principles and rules set out in this code are intended to ensure that all suppliers performing services on behalf of the company conduct their business and achieve their targets in an ethical, honest and legal manner.

You can find our Suppliers' Code of Conduct online at: [stolt-nielsen.com/investors/suppliers-code-of-conduct/](http://stolt-nielsen.com/investors/suppliers-code-of-conduct/)

So that we continue to have robust policies and practices in place, during 2024 we will undertake a deeper review of our Code of Business Conduct, to ensure everyone continues to understand what they must do to act ethically and in compliance with the relevant laws, regulations and company policies.

Speak Up reports by type



Encouraging people to 'speak up'

We promote a culture where employees feel comfortable raising concerns about unethical behaviour and potential, suspected or actual breaches of the Code without fear of retaliation, victimisation, discrimination or disadvantage.

We encourage people to raise concerns with their local manager, HR or legal representatives, or via our online 'Speak Up' platform. This platform allows anyone, internal or external, to report confidentially (anonymous or otherwise) directly to the Chairman of the Audit Committee and our Head of Internal Audit. All reports are taken seriously and investigated thoroughly.

In 2023, 30 Speak Up reports (2022: 41) were received. All three speak ups relating to allegations of fraud/corruption have been investigated and found to be unsubstantiated. The reports themselves are also included as part of our ongoing internal audit fraud risk assessment.

Concerns can be reported online here: [report.whistleb.com/en/stolt-nielsen](http://report.whistleb.com/en/stolt-nielsen)

Protecting human rights

Our commitment to human rights extends across every level of our businesses and our supply chains. Many of the countries in which we operate have a high risk of human rights, environmental or business ethics abuses, and we closely monitor these areas.

As a signatory to the UN Global Compact (UNGC), we are committed to continuing to align our business approach with all its principles and to ensuring that these are firmly embedded within our businesses. We also support the principles set out in the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the International Labour Organization Core Conventions. Stolt Tankers is a member of IMPA ACT and supports its Code of Conduct relating to labour and human rights. Stolthaven Terminals' and Stolt Tank Containers' sustainability policies also include commitments to upholding internationally proclaimed human rights and to preventing child labour.



## Sustainability continued

For ship recycling, Stolt Tankers only selects yards that operate in accordance with the International Maritime Organization's (IMO) 2009 Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships (HKC). The HKC was fully ratified in 2023 and will come into full force on June 26, 2025. During the recycling of a vessel, Stolt Tankers rigorously enforces health and safety protocols to protect workers. The entire process is monitored from start to finish by an onsite surveyor who ensures workers' rights and conditions are protected and all compliance standards are upheld. Stolt Tankers also randomly validates the status, permits, salary (where allowed, in line with local privacy regulations) and insurance for five workers each month to mitigate against human rights breaches.

In 2023, we received no human rights or child labour grievance reports against Stolt-Nielsen. You can find our Modern Slavery and Human Trafficking Statement 2023 at: [stolt-nielsen.com/sustainability/modern-slavery-and-human-trafficking-statement-2023](https://stolt-nielsen.com/sustainability/modern-slavery-and-human-trafficking-statement-2023)

### Compliance and ethical conduct at sea

Our commitment to the welfare of seafarers and ethical conduct at sea is supported by our compliance with mandated standards from several international agreements, conventions and processes. This includes the Maritime Labour Convention (MLC) Seafarers' Bill of Rights; 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). And all Stolt Tankers' ships operate with valid International Transport Workers' Federation (ITF) union agreements on collective bargaining for all seafarers onboard.

Our compliance with these conventions is vetted and verified in several ways: by port state control and flag state inspections; during routine onboard inspections as part of the Oil Companies International Marine Forum/Chemical Distribution Institute (OCIMF/CDI) tanker management and self-assessment process; and through periodic International Safety Management (ISM) audits, which are carried out on behalf of flag states by DNV, the world's largest ship classification society. We also document MLC compliance within our ship management system.

In 2023, Stolt Tankers was pleased to reinforce its commitment to ensuring compliance at sea by joining the Maritime Anti-Corruption Network (MACN), which is working to create a maritime industry free of corruption and foster a culture of integrity.

### Caring for people and the planet

Our support for the wider communities in which we operate goes beyond the financial to include active involvement in local programmes and fundraising initiatives that support

our stakeholders. We contribute both as an employer and as a purchaser of goods and services from local businesses. We hire locally and train people for rewarding careers. And our teams organise and engage in projects related to the environment, education and social and economic development.

In 2023, Stolt Tankers and its partners NYK Line, Tufton, and Farvatn Capital donated a total of \$100,000 to two non-profit organisations. Coastruction designs, produces and installs 3D-printed artificial ocean reefs to support the regeneration of damaged reef systems, and One Tree Planted focuses on reforestation, carbon absorption and environmental impact projects. Members of our Manila team also spent time volunteering for the International Institute for Rural Reconstruction (IIRR). The Philippines is home for many of our seafarers and during 2023 the Stolt Tankers team in Manila, received a local award for Best Environmental Sustainability Project in recognition of its extensive work to rejuvenate local mangrove forests, which are highly effective at absorbing carbon from the atmosphere. During the year 119 of our employees including management helped to plant mangroves in five provinces. We also established the Jacob Stolt-Nielsen Mangrove Forest in Guimaras, dedicated to the memory of our founder. Our local team has planted 12,000 mangrove saplings in total, which act as a natural barrier against coastal erosion, storms and tsunamis and are effective at removing CO<sub>2</sub> from the atmosphere.

Employees at Stolt Haven Terminals' site in New Orleans, US, participated in a coastal restoration event to gather more than 12 tonnes of used oyster shells for a reef reconstruction project to preserve the local coastline. The team in Houston, US planted more than 500 native grasses and flowering plants to help restore approximately one acre of coastal wetland prairie. And in Santos, Brazil, Stolt Haven Terminals employees donated Christmas packages of clothing and toys to disadvantaged children via local charity, Grupo de Apoio à Inclusão Social e Profissional.

Stolt Tank Containers donated several decommissioned tanks to the earthquake recovery efforts in Turkey to transport and store freshwater in affected areas and the team in Mumbai, India donated and delivered school supplies to students at the local village school near the depot. And for the fifth consecutive year, Stolt Sea Farm sponsored a marine-education programme for students in Galicia, Spain. The business was also named Company of the Year by the Official College of Biologists in Galicia in recognition of its commitment to sustainable production processes, animal welfare, and supporting the work and expertise of biologists in the region. We also sponsored the annual Catraia community event in Tocha, Portugal which aims to increase environmental awareness, and a healthy lifestyle. You can find more stories about our community activities in the news section of [stolt-nielsen.com](https://stolt-nielsen.com)

# Corporate Governance



60 Board of Directors  
62 Corporate Governance Report



Board of Directors

1.

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2.

A C



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A C



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5.



6.



7.



■ Committee Chair

A Audit Committee

C Compensation Committee

Tenure				
4				1–10 years
1				11–20 years
2				21+ years

**1. Niels G. Stolt-Nielsen**  
**Director and Chairman of the Board**  
Mr Niels G. Stolt-Nielsen became Chairman of the Board in September 2023, and is a member of the Audit and Compensation Committees. He has been a Director of Stolt-Nielsen Limited since 1996.

**Experience**  
Mr Stolt-Nielsen joined Stolt Tankers in 1990 in Greenwich, Connecticut, US. In 1994 he relocated to China to open and head Stolt-Nielsen Limited’s representative office in Shanghai. He was the President of Stolt Sea Farm from 1996 until 2000 when he became Chief Executive Officer of Stolt-Nielsen Limited, serving in this role until 2023. From September 2002 until March 2003, he also served as Interim Chief Executive Officer of Stolt Offshore S.A. Mr Stolt-Nielsen graduated from Hofstra University in 1990 with a BS degree in Business and Finance. He is a Norwegian citizen.

**Other appointments**  
Mr Stolt-Nielsen is the Chairman of the Board of Avenir LNG and a Director of Golar LNG Ltd.

**2. Samuel Cooperman**  
**Independent Director**  
Mr Samuel Cooperman is an independent Board member. He served as Chairman of the Board of Directors from 2016 to September 2023. He has been a Director of Stolt-Nielsen Limited since 2008 and Chairman of the Audit Committee since 2009. He became the Chairman of the Compensation Committee in 2022.

**Experience**  
Mr Cooperman joined Stolt-Nielsen in 1974 and held a number of senior management positions, including Chairman and Chief Executive Officer of Stolt-Nielsen Transportation Group, before retiring from the Company in 2003. Mr Cooperman was a member of the Executive Committee of the International Chamber of Shipping until May 2010, and also served as Vice-Chairman for two years. He holds BS and MS degrees in Electrical Engineering from Columbia University and from the Graduate School at the University of Pennsylvania, respectively, and an MBA from Temple University. Mr Cooperman is a US citizen.

**Other appointments**  
Mr Cooperman is the Chief Executive Officer of Cooperman Weiss Consulting LLC.

**3. Janet Ashdown**  
**Independent Director**  
Ms Janet Ashdown is an independent Board member and was appointed as a Director of Stolt-Nielsen Limited in April 2021. She is a member of the Audit and Compensation Committees.

**Experience**  
Ms Ashdown is a highly experienced Independent Director and has served on the boards of four FTSE 250 companies.

She joined BP plc in 1980 and led several large businesses as a senior executive during her 30 years with the company. In her last role with BP, Ms Ashdown was responsible for a £20bn network of fuel outlets across the UK. With experience of managing complex supply chain operations, Ms Ashdown also has a deep understanding of industrial distribution businesses and a strong interest in the energy transition, hydrogen and carbon capture, and the broader ESG agenda. Ms Ashdown holds a BSc in Engineering from Swansea University, UK and is a British citizen.

#### Other appointments

Ms Ashdown is Non-Executive Director and Chair of the Corporate Sustainability Committee and Remuneration Committee at RHI Magnesita N.V, Non-Executive Director and Chair of the Remuneration Committee at Victrex plc, and Senior Independent Director and Chair of the Sustainability and Governance Committee Nuclear Decommissioning Authority at the Department for Energy Security and Net Zero, UK.

#### 4. Jan Chr. Engelhardtson

##### Independent Director

Mr Jan Chr. Engelhardtson is an independent Board member, having been appointed to the Board of Directors in March 2018. He is also a member of the Audit Committee.

##### Experience

Mr Engelhardtson served as Chief Financial Officer of Stolt-Nielsen Limited for 26 years. He held several key positions during his career with the company, including President of Stolt Tank Containers, which saw him play an important role in our entry into this sector and in setting the foundation for what is a very successful business today.

Mr Engelhardtson also served as President of Stolthaven Terminals, Chief Financial Officer of Stolt Offshore S.A., and President and General Manager of Stolt-Nielsen Singapore Pte. Mr. Engelhardtson holds an MBA from the Sloan School of Management at the Massachusetts Institute of Technology, as well as undergraduate degrees in Business Administration and Finance. He has dual citizenship of Norway and the US.

##### Other appointments

Mr Engelhardtson is a Director of New York Cruise Lines, Inc.

#### 5. Rolf Habben Jansen

##### Independent Director

Mr Rolf Habben Jansen is an independent Board member and has served as a Director of Stolt-Nielsen Limited since December 2015.

##### Experience

Mr Habben Jansen began his career at Royal Nedlloyd before joining Danzas, the Swiss logistics firm, which merged with DHL in 1999. He was Head of Global Customer Solutions at DHL from 2006 until joining Damco as Chief Executive Officer in 2009, leaving in 2014 to join Hapag-Lloyd. He is a Dutch citizen and graduated from Rotterdam's Erasmus University in 1991 with a degree in Economics.

##### Other appointments

Mr Habben Jansen is Chief Executive Officer of Hapag-Lloyd AG and Co-Chairman of the World Shipping Council.

#### 6. Jacob B. Stolt-Nielsen

##### Director

Mr Jacob B. Stolt-Nielsen has served as a Director of Stolt-Nielsen Limited since 1995.

##### Experience

Mr Stolt-Nielsen joined the company in 1987 and served in various positions in Oslo, Singapore, Greenwich, Connecticut, Houston, Texas and London. He was President of Stolthaven Terminals from 1992 until 2000, when he founded and served as Chief Executive Officer of SeaSupplier Ltd. Mr Stolt-Nielsen was Executive Vice President of Stolt-Nielsen Limited from 2003 to 2005 and in 2012 founded Norterminal AS. He is also a founder of Hydrogen Source AS and Narvik Batteri AS. Mr Stolt-Nielsen graduated from Babson College in 1987 with a BS degree in Finance and Entrepreneurial studies. He is a Norwegian citizen.

##### Other appointments

Mr Stolt-Nielsen is Chief Executive Officer of Norterminal AS and is a board member of Stolt-Nielsen Holdings AS, SN Terminal AS, Hydrogen Source AS, New York Cruise Lines, Inc and Narvik Batteri AS.

#### 7. Tor Olav Trøim

##### Independent Director

Mr Tor Olav Trøim is an independent Board member and has served as a Director of Stolt-Nielsen Limited since April 2016.

##### Experience

Mr Trøim was an equity portfolio manager with Storebrand ASA and Chief Executive Officer for the Norwegian Oil Company DNO AS until 1995. He was employed by Seatankers Management Co. from 1995 to 2014. During this period he was also, at various times, Chief Executive Officer of a number of related public companies, including Frontline Limited, Golar LNG Ltd, Ship Finance Ltd. and Seadrill Ltd. He has served as a Director on the boards of Frontline, Marine Harvest ASA, Golden Ocean Group Limited, Seadrill Ltd, Archer Limited and Aktiv Kapital ASA, among others. In 2014, Mr Trøim established Magni Partners UK, which focuses on research and consultancy in the energy industry. He graduated as M.Sc. Naval Architect from the University of Trondheim, Norway in 1985 and is a Norwegian citizen.

##### Other appointments

Mr Trøim is Chairman of Golar LNG Ltd and Borr Drilling Ltd, Director at Vaalerenga Fotball AS and owner of Magni Sport and Magni Partners UK, where he is also Managing Partner.



# Corporate Governance Report

## Relevant Legislation and Codes of Practice for Corporate Governance

Stolt-Nielsen Limited's ('SNL' or the 'Company') Corporate Governance addresses the division of roles between SNL's shareholders, Board of Directors, and executive management.

SNL is a company incorporated in Bermuda with Norway as its home state in the European Economic Area. The Companies Act 1981 of Bermuda (the 'Bermuda Companies Act') governs the incorporation, organisation and executive management of SNL. As a company listed on Oslo Børs, SNL is also subject to certain obligations set out in Euronext Rule Book I and Oslo Børs Rulebook II and, in addition, certain provisions of the Norwegian Securities Trading Act and other relevant Norwegian rules and regulations, including certain provisions of the Norwegian Securities Trading Regulations.

According to the Oslo Børs Rulebook II, the Norwegian Code of Practice for Corporate Governance (the 'Norwegian Code of Practice') also applies to the Company as no such code has been implemented in Bermuda. Adherence to the Norwegian Code of Practice is based on a 'comply or explain' principle, whereby companies are expected to either comply with its principles and recommendations, or explain the deviation and what alternative solutions it has selected.

Pursuant to the Norwegian Accounting Act and the Oslo Børs Rulebook II, the Company has summarised any expansions or deviations in the SNL Bye-Laws from the provisions of Chapter 5 of the Norwegian Public Limited Liability Companies Act (dealing with General Meetings of Shareholders). This summary, together with the Company's Bye-Laws, are available at [www.stolt-nielsen.com/en/investors/governance/](http://www.stolt-nielsen.com/en/investors/governance/). The Norwegian Code of Practice is available at [www.nues.no/English](http://www.nues.no/English).

## 1. Implementation and Reporting on Corporate Governance

SNL has a Code of Business Conduct which applies to all directors, officers, employees, contractors and consultants of the Group. The Code of Business Conduct is reviewed annually by the Audit Committee and approved by the Board of Directors. The Company's overarching business conduct guidelines, including ethical and social responsibility guidance, are set out in its Code of Business Conduct and, where appropriate, more specific policies have been developed to provide more detailed guidance.

*The reasons for the deviations from the principles and recommendations of the Norwegian Code of Practice and the solutions the Company has selected are explained throughout this Corporate Governance Report.*

## 2. Business

In compliance with the Bermuda Companies Act and common practice for Bermuda companies, SNL's Memorandum of Association describes its objectives and purposes as 'unrestricted'.

The Board of Directors sets, evaluates, and regularly reviews the Group's objectives, overall strategy and principal risks, taking into account sustainability, including how matters relating to the environment, social issues, the working environment, equality and non-discrimination are integrated into the value creation. This is further described in the Business Review and Sustainability sections of this annual report.

*Deviation from the Norwegian Code of Practice: the Company's objects are unrestricted under the SNL Bye-Laws, which is customary for a Bermuda company, but publicly disclosed in a manner that enables SNL's shareholders to anticipate its activities.*

## 3. Equity and Dividends

The Board of Directors is of the opinion that the Company currently has a suitable capital structure to meet its objectives, strategy and risk profile. The authorised share capital of SNL is US\$65,016,250, divided into 65,000,000 Common Shares, each with a par value of US\$1.00, and 16,250,000 Founder's Shares, each with a par value of US\$0.001. As of November 30, 2023, 58,523,796 Common Shares and 14,630,949 Founder's Shares were issued, and 53,523,796 Common Shares and 13,380,949 Founder's Shares were outstanding. In accordance with provisions of the SNL Bye-Laws, the authorised share capital of SNL may only be increased, reduced or otherwise altered by resolution of the shareholders. The Board of Directors, subject to any shareholder resolution to the contrary, has the power to issue any unissued shares of the Company within the limits of the authorised capital.

In accordance with the provisions of the SNL Bye-Laws and the Bermuda Companies Act, the Company may purchase its own shares for cancellation or acquire such shares as treasury shares on such terms as the Board of Directors shall think fit. Historically, the Annual General Meeting of Shareholders of SNL has authorised the Company, or any wholly owned subsidiary, to purchase Common Shares of the Company from time to time in the open market, subject to certain conditions and in conformity with applicable laws and standards. The Board of Directors has resolved to continue share purchases, if any, on the terms approved at the Annual General Meeting.

The Board of Directors has established a dividend policy that is available on the SNL website ([stolt-nielsen.com/investors/dividends/](http://stolt-nielsen.com/investors/dividends/)). Under Bermuda law, a company's Board of Directors may not declare or pay dividends if there are reasonable grounds for believing that the company is, or would after the payment, be unable to pay its liabilities as they become due or that the realisable value of its assets would thereby be less than its liabilities.

*Deviation from the Norwegian Code of Practice: none.*

#### 4. Equal Treatment of Shareholders

SNL has two classes of shares, Common Shares and Founder's Shares, which carry rights as set forth in the SNL Bye-Laws. Subject to such rights, the Company treats shareholders within each class equally, in accordance with the Norwegian Code of Practice and the Norwegian Securities Trading Act. Only the Common Shares are listed on Oslo Børs. You can find the list of our major shareholders at [stolt-nielsen.com/investors/shareholder-information/](http://stolt-nielsen.com/investors/shareholder-information/), and the SNL Bye-Laws at [stolt-nielsen.com/investors/governance/](http://stolt-nielsen.com/investors/governance/).

Any transactions SNL carries out in its own shares are carried out either through Oslo Børs or at prevailing stock exchange prices if carried out in any other way.

*Deviation from the Norwegian Code of Practice: none.*

#### 5. Shares and Negotiability

Only the SNL Common Shares are listed on Oslo Børs. The SNL Bye-Laws limit individual shareholdings of the Company's shares to 20% of the issued and outstanding shares (unless such ownership shall have been approved in advance by the Board of Directors), single US person shareholdings to 9.9% and shareholders of any single country in aggregate to 49.9%. However, these restrictions do not apply to any person who was a shareholder of Stolt-Nielsen S.A. (which amalgamated with the Company on 18 November 2010) as of 31 August 1987 or any Affiliate or Associate (as such terms are defined in the SNL Bye-laws) of such person, except in certain circumstances as outlined in Bye-law 74 of the SNL Bye-laws, which are available at [stolt-nielsen.com/investors/governance/](http://stolt-nielsen.com/investors/governance/).

According to the SNL Bye-Laws, the Board of Directors is authorised to further restrict, reduce or prevent the ownership of shares if it appears to the Board of Directors that such ownership may threaten SNL with adverse consequences, including but not limited to adverse tax consequences, hostile takeover attempts or adverse governmental sanctions. The Board of Directors has to date not made use of its authority and will not use its authority unless the transfer will have sufficient adverse consequences for the Company and in no event if the exercise of such rights may cause disturbances in the market or would be in conflict with mandatory laws or regulations. Please also refer to Section 14. below for an explanation of the Board's approach to takeovers.

*Deviation from the Norwegian Code of Practice: a summary of provisions of Chapter 5 of the Norwegian Public Limited Liability Companies Act where the SNL Bye-Laws expand or deviate from the provisions of such Act can also be found on the Company's website at [stolt-nielsen.com/investors/governance/](http://stolt-nielsen.com/investors/governance/).*

#### 6. General Meetings

The Board of Directors or the Chairman are responsible for calling both Annual and Special General Meetings of Shareholders. At any General Meeting, two or more persons present in person throughout the meeting and representing in person or by proxy issued voting shares in the Company shall form a quorum for the transaction of business, except for those matters under the Bermuda Companies Act for which a specified super majority vote is required, in which case a quorum representing one-third of the issued and outstanding shares entitled to vote is required.

The Company is obligated to hold an Annual General Meeting every year at such time and place as the Board of Directors or Chairman shall designate.

A shareholder or group of shareholders representing at least one-tenth of the outstanding voting shares may request a Special General Meeting in writing indicating the agenda thereof. The Board of Directors will be obligated to convene the meeting forthwith.

Notices for both Annual and Special General Meetings shall be sent by mail (or by such other method pursuant to the SNL Bye-laws) to all holders entitled to attend and vote no later than 21 days before the date set for the General Meeting. Notices shall provide sufficiently detailed, comprehensive, and specific information on all matters to be considered at the General Meeting, voting instructions and the opportunity to vote by proxy. Matters at the General Meetings are restricted to those set forth in the agenda.

The foregoing provisions relating to the holding of, and conduct at, General Meetings are set forth in the SNL Bye-Laws, as well as in relevant provisions of the Bermuda Companies Act.

SNL is under the majority control of Fiducia Ltd, a company owned by a trust established for the benefit of the Stolt-Nielsen family. As of November 30, 2023, Fiducia Ltd. controls 64.82% of the outstanding shares of SNL entitled to vote generally on matters brought to a vote of the shareholders of SNL. When the shares held by trusts established for the benefit of members of the Stolt-Nielsen family together with shares held by individual members of the Stolt-Nielsen family are taken into account, the combined shareholdings total 66.28% of the outstanding shares of SNL entitled to vote generally on matters brought to a vote of the shareholders of SNL.

*Deviation from the Norwegian Code of Practice: General Meetings are typically held by shareholders granting proxies, with voting instructions being given to such proxies ahead of the General Meeting. As such, the Chairman or the full Board of Directors may, but do not always, attend General Meetings.*

### 7. Nomination Committee

Neither Bermuda law nor the SNL Bye-Laws require that a nomination committee be established. Consequently, SNL has not established a nomination committee. Members of the Board of Directors identify and evaluate proposed candidates for nomination to the Board of Directors based on merit. Individuals are selected for nomination to the Board of Directors because of their business or professional experience, and their array of talents and perspectives, to promote a culture that generates the diversity of thought, approach and ideas needed to further the Company's strategic objectives.

The Board of Directors regularly reviews its composition, to ensure that it can attend to the common interests of all shareholders and meet the Company's need for expertise, capability, diversity and independence. The Board of Directors also monitors that its members have sufficient capacity to carry out their duties. Directors' external commitments are described earlier in this Corporate Governance Report.

*Deviation from the Norwegian Code of Practice: the Company does not have a Nomination Committee, but the Board of Directors has put processes in place to review its performance and composition on an ongoing basis, as described above.*

### 8. Board of Directors: Composition and Independence

The business affairs of SNL are managed under the direction of the Board of Directors. The Board of Directors may delegate authority to the Chairman, specified committees of the Board of Directors, or to SNL's executive management. SNL does not have a corporate assembly as this is not required under Bermuda law.

As provided in the SNL Bye-Laws, the Board of Directors shall be composed of at least three and not more than nine Directors. The Board of Directors believes that the optimal size for the Board of Directors should be six to eight Directors. The Board of Directors' size is flexible depending on the circumstances and the qualifications of proposed candidates.

Directors are elected at the Annual General Meeting. Directors shall hold office for such term as decided by the General Meeting, or in the absence of such determination, until the next Annual General Meeting or until their successors are elected or appointed or their office is otherwise vacated. Directors may be removed only for cause by a vote at a Special General Meeting held for that purpose. In the event of a vacancy on the Board of Directors, the remaining members of the Board of Directors may fill such vacancy and appoint a member to act until the next General Meeting at which the Directors are re-elected. The foregoing provisions relating to the election, removal and replacement of Directors are set forth in the SNL Bye-Laws.

Five of the current seven SNL Directors, Samuel Cooperman, Janet Ashdown, Rolf Habben Jansen, Tor Olav Trøim and Jan Chr. Engelhardtson, are considered to be independent from the Company's major shareholders, the executive management, and the Company's main business associates according to the Norwegian Code of Practice. In the view of the Board of Directors, the composition of the Board of Directors and Board Committees ensures continuity and experience and is suitable to represent the interests of the minority shareholders.

The Chairman of the Board of Directors is elected by the Annual General Meeting.

Information on the members of the Board of Directors can be found earlier in this Corporate Governance Report, and an up-to-date composition of the Board of Directors is maintained and available on the Company's website at [stolt-nielsen.com/about-us/leadership-team](https://stolt-nielsen.com/about-us/leadership-team).

*Deviation from the Norwegian Code of Practice: none.*

## 9. The Work of the Board of Directors

### Board Meetings

The Board of Directors, acting as a collegiate body, has the ultimate responsibility for the management of the Company. The Board of Directors holds at least four regularly scheduled meetings a year, as well as ad-hoc meetings when required. Meeting schedules are approved annually by all members of the Board of Directors. The Board of Directors may appoint a Board Secretary who does not need to be a member of the Board of Directors.

Decisions of the Board of Directors shall be taken by a majority of the votes cast by the Directors present and represented at such meeting provided a quorum is present. A majority of the Directors then in office shall constitute a quorum. The Board of Directors may also act by unanimous written consent.

The Audit Committee has established processes to monitor all transactions which may give rise to conflict or potential conflict of interest. Members of the Board of Directors and executive management must notify the Audit Committee and Board of Directors if they have any material direct or indirect interest in any proposed transaction to be entered into by SNL. Following such notification, and unless disqualified by the Chair of the relevant Audit Committee or Board of Directors meeting, a Director may vote in respect of any such matter and may be counted in the quorum for such meeting.

### Board Meetings – Executive Sessions

Executive management is available to discuss matters of concern to the Board of Directors, and the Board of Directors has regular access to executive management. The basic duties and responsibilities of the Directors include attending Board of Directors' meetings, preparing for meetings by advance review of any meeting materials and actively participating in the Board of Directors' discussions. Directors are also expected to make themselves available outside scheduled meetings for advice and consultation.

The Board of Directors ensures that SNL has effective internal controls in accordance with the regulations that apply to its activities, including SNL's corporate values and ethical guidelines.

### Board Committees

The Board of Directors has established an Audit Committee and a Compensation Committee. The Board of Directors periodically reviews the size, structure and function of the Board Committees. The Audit Committee and Compensation Committee have written terms of reference, which are reviewed and reassessed by the relevant Committee and approved by the Board of Directors on an annual basis.

The Audit Committee is composed of not less than two members, a majority of whom should normally qualify as independent pursuant to all applicable regulatory requirements.

The Audit Committee has overall responsibility for overseeing the accounting and financial reporting processes of the Company, the audits of the Company's Financial Statements, and the work of the Company's external auditor and Internal Audit department. The Audit Committee also recommends the external auditor's appointment, compensation and retention. Under Bermuda law the appointment of the external auditor has to be made by shareholders in a General Meeting, but the approval of the external auditor's compensation may be delegated by the shareholders to the Board of Directors.

The Compensation Committee is composed of not less than two members, at least one of whom should normally qualify as independent pursuant to all applicable regulatory requirements.

The Compensation Committee is responsible for compensation strategy, overall salary reviews and awards under its compensation programmes. It reviews and approves all aspects of senior executive management compensation, including performance incentive and equity-based compensation plans.

Each Committee has a Chair who reports on the activities of such Committee at each meeting of the full Board of Directors.

The members of the Committees are set out earlier in this Corporate Governance Report, and an up-to-date list is also maintained on the Company's website at [stolt-nielsen.com/about-us/leadership-team](http://stolt-nielsen.com/about-us/leadership-team).

### Agreements with Related Parties

The Board of Directors reviews, at least annually, the financial and other relationships between each Director and SNL. Through the Audit Committee, the Board of Directors has adopted guidelines and procedures to ensure that, should any transaction involving related parties be considered, such transaction be appropriately reviewed for potential conflict of interest situations, with the aim of preventing value from being transferred to related parties. Any such transactions would require approval from the Audit Committee or Board of Directors and be disclosed in the Notes to the Financial Statements of this annual report.

*Deviation from the Norwegian Code of Practice: none.*



### 10. Risk Management and Internal Control

The Board of Directors is ultimately responsible for SNL's system of internal control, which covers financial, operational and compliance controls as well as risk management processes. SNL's system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and provide reasonable assurance that SNL is operating legally, ethically and within approved financial and operational policies and procedures with sufficient safeguards against material financial misstatements or loss of assets.

The main elements of the Company's system of internal control over financial reporting include the Code of Business Conduct and other corporate governance and compliance policies, global accounting policies and procedures, financial reporting risk assessments, annual budgets, authorisation limits, periodic reporting and evaluation of budgeted versus actual results. The different layers of control allow for a greater probability that errors in the financial reporting are identified early and corrected.

SNL's business heads conduct an annual review of SNL's most significant areas of exposure to risk, which are detailed in the Directors' Report of this Annual Report. The Internal Audit department provides assurance that the Company has appropriate internal control, risk management and related corporate governance systems in place throughout the organisation, performs regular independent audit reviews of these systems to assure adherence and recommend improvements, and reports to the Audit Committee accordingly.

The Board of Directors, through the Audit Committee, oversees the monitoring of compliance with the system of internal control over financial reporting. At its quarterly meeting the Audit Committee reviews and discusses results of internal audits performed by the Internal Audit department. This also includes matters of an ethical nature. All employees, customers, suppliers and other parties have direct access to the Audit Committee, through the Company's whistleblowing system, to report any potential illegal or unethical matters. This confidential system can be accessed on the Company's website at [report.whistleb.com/en/stolt-nielsen/](http://report.whistleb.com/en/stolt-nielsen/).

*Deviation from the Norwegian Code of Practice: none.*

### 11. Remuneration of the Board of Directors

The Board of Directors reviews the Directors' compensation periodically. The review includes a comparison of the Company's compensation practices against the practices of comparable US and European companies. The remuneration of the Board of Directors reflects its responsibility, expertise, time commitment and the complexity of SNL's activities. The remuneration is not linked to the performance of the Company.

Members of the Board of Directors and/or companies with which they are associated shall not in principle take on specific assignments for SNL in addition to their appointment as a member of the Board of Directors. If they do nonetheless take on such assignments this shall be disclosed to and receive prior approval from the full Board of Directors. The remuneration for such additional duties shall be approved by the Board of Directors.

The remuneration awarded to the Board of Directors for their service as Directors is disclosed in aggregate in this Annual Report. Any remuneration in addition to normal directors' fees is specifically identified.

*Deviations from the Norwegian Code of Practice: none.*

### 12. Salary and Other Remuneration for Executive Management

The Compensation Committee of SNL is responsible for compensation strategy, overall salary reviews and awards under its compensation programmes. It reviews and approves all aspects of executive management compensation, including performance incentive compensation plans to ensure that such plans are linked to long-term value creation for the shareholders or the Company's earnings performance over time.

The Company has in place an annual and a long-term incentive plan aimed at tying executive management's compensation with the performance of the Company. All performance related compensation is capped at a maximum percentage of the salary of the executive management.

*Deviation from the Norwegian Code of Practice: Bermuda law does not require guidelines for the remuneration of executive personnel to be communicated to the Annual General Meeting, but the Compensation Committee carefully evaluates executive management's salary and other remuneration based on the key principles described above.*

### 13. Information and Communications

All information distributed to SNL shareholders is published on SNL's website. SNL promptly submits all press releases to Oslo Børs, and disseminates such press releases through an approved news wire service that provides simultaneous and broad distribution.

Copies of audited Financial Statements of SNL are distributed to shareholders prior to the Annual General Meeting and filed with Oslo Børs in accordance with its requirements. SNL publishes each year the dates for major events such as its Annual General Meeting, publication of interim reports, public presentations and dividend payment date if appropriate. These dates are available on SNL's website at [stolt-nielsen.com/investors/financial-calendar/](http://stolt-nielsen.com/investors/financial-calendar/).

After each quarterly earnings release, SNL holds a conference call to discuss the results and respond to investor and analyst questions. The conference call is open to all those who wish to participate. Twice per year, executive management endeavours to hold the results conference call in front of a live audience. All conference calls have a telephone dial-in and are webcast with playback options available.

*Deviation from the Norwegian Code of Practice: none.*

### 14. Takeovers

The Board of Directors will publicly disclose any serious offer for SNL, or a substantial portion of the assets of SNL, and will to the extent applicable follow the Norwegian Securities Trading Act and the recommendation in the Norwegian Code of Practice, and act in the best interests of the Company, if any serious offer is received.

In most of SNL's financing agreements the Company has certain change of control provisions that would trigger a default in the event of a takeover, unless waivers were obtained from lenders.

Fiducia Ltd. currently has an ownership interest in the Company which may deter a third party from attempting to take control of SNL.

*Deviation from the Norwegian Code of Practice: none.*

### 15. Independent Auditor

The Audit Committee is responsible for the oversight of the work of the Company's Independent Auditor, and for recommending the Independent Auditor's appointment. The Audit Committee has established guidelines in respect of the use of the Independent Auditor by the Company's executive management for services other than the audit, which should be approved in advance. The Audit Committee shall receive annual written confirmation from the Independent Auditor that such firm continues to satisfy all applicable requirements for independence. In addition, the Independent Auditor shall provide the Audit Committee with a summary of all services in addition to audit work that has been undertaken for the Company. The Independent Auditor shall submit the main features of the plan for the audit of SNL to the Audit Committee annually.

The Independent Auditor shall participate in meetings of the Audit Committee that deal with the annual Financial Statements and half-year results. At these meetings, the Independent Auditor shall comment on any material changes in the Company's accounting principles and material management estimates and judgements, and report all matters on which there have been disagreements between the firm and the executive management of the Company, if any.

The Independent Auditor shall at least once a year present to the Audit Committee commentary on any significant internal control findings arising during the audit.

The Audit Committee shall hold a meeting with the Independent Auditor at least once a year at which no member of the executive management is present.

*Deviation from the Norwegian Code of Practice: none.*