

Raising the Bar, Addressing Challenges

Safety for people and the environment is the first priority for Stolt-Nielsen Limited (SNL) and its business divisions. In 2016, efforts to enhance the Company's safety, health, environment and quality (SHEQ) performance continued, while also addressing events that merited specific SHEQ attention

SHEQ at Stolt-Nielsen Limited

Stolt-Nielsen Limited has conducted two company-wide Safety Awareness Surveys, the first in 2014 and the second in late 2015—too late for the results to be included in the 2015 annual report. Our objective of these surveys was:

1. to establish a baseline measurement of employees' perceptions of the Company's commitment to safety,
2. to identify and take appropriate actions in response to the survey results, and
3. to monitor and drive progress by conducting follow-up surveys on a periodic basis.

The results of the second Safety Awareness Survey were good, indicating a strong recognition of the importance of safety overall, including training and procedures, as well as an understanding of, and appreciation for, the Company's commitment to safety. Communication regarding safety issues, however, was identified as an area in need of improvement. Respondents indicated that the Company needed to do a better job of sharing safety statistics and trends, as well as acknowledging good safety performance. This resulted in discussions on safety statistics and trends being included in routine safety briefings and meetings company-wide, as well as being posted on the Company's intranet site.

Following the collision of the Stolt Commitment and the multipurpose carrier Thorco Cloud in the Singapore Strait in December of 2015, training focused on navigation was stepped up, including the expansion of the Stolt Tankers' Excellence in Navigation training course. Additional initiatives related to training, situational awareness and behavioural-based safety were included in Stolt Tankers "Roadmap to Safe Operations". Further, to provide added and fully objective perspectives on Stolt Tankers' practices and approaches, a series of third-party navigation audits were conducted on a number of Stolt ships, in order to identify any potential weaknesses in the division's existing internal audit processes. In 2016, navigation audits were

conducted aboard a total of 83 Stolt ships. The process is ongoing.

The acquisition of Jo Tankers in 2016 resulted in the addition of approximately 700 officers and crew members to the Stolt Tankers pool. To ensure proper familiarisation of Stolt Tankers' operational processes, practices and procedures, a **Stolt Tankers Induction Course** was launched. An intensive five-day course for officers focuses on quality assurance, safety standards & tools, cargo and BASSnet, and navigation and maintenance. A three-day course is provided for crew members. The courses are only one part of a comprehensive program aimed at ensuring a smooth integration for former Jo Tankers' personnel into the Stolt Tankers fleet, and thorough familiarisation with "The Stolt Way."

Focusing on Environmental Performance

Improving the environmental performance of all our operating units is a core objective of the Corporate SHEQ initiative. All our major operating units continued to make progress toward this goal in 2016.

SHEQ Division Updates

Increasing fuel efficiency and reducing carbon dioxide (CO₂) emissions is a key objective of **Stolt Tankers**. Achieving and verifying these improvements has been made possible through improved shipboard fuel-consumption data collection, business-intelligence software and dashboards. Technical innovation, voyage planning and optimisation of propulsion and electrical generating plants has resulted in fuel savings of 15% in 2016, compared with 2013. A reduction of 5% has been achieved on sailing distances by utilising weather-routing software. Condition-based hull and propeller cleanings are carried out based on indicators in the fuel dashboards. A performance-based selection process has been used to optimise the choice of anti-fouling paint for specific tradelanes. Many of our ships have the latest cascade frequency drive technology fitted for power optimisation, resulting in significant power savings. A team of energy specialists attend the ships to optimise the engines and install fuel-saving technologies, such as slide valves, or tuning turbochargers to

the engine's required output. Training of the engineering staff is also an important step in keeping machinery maintained to its full efficiency. Several departments participate in energy-saving or waste-reduction projects. Boil-off systems for sludge have been tested and implemented, LED lighting is now in use, and many other projects that reduce total carbon dioxide emissions are planned. Our data-collection process plays a key role in measuring and monitoring the outcome of all initiatives and confirms the return on investment, both financial and environmental.

Stolthaven Terminals implemented the Marine Terminal Management and Self-Assessment (MTMSA) process in 2015. The MTMSA was developed by the OCIMF (Oil Companies International Marine Forum) to help terminal operators better manage both risk assessment and risk management, for berth operations and the ship/shore interface. The tool helps operators ensure that their management systems are effective and promote safety and environmental excellence. Data collected via the MTMSA process, which has been fully rolled out to all wholly-owned Stolthaven terminals, provides ongoing baseline data for actions aimed at continuous improvement in risk assessment and management globally.

During 2016, Stolthaven made good progress with the MTMSA process, continuing to audit and implement actions at its fully owned terminals. The system is one of several methods that Stolthaven Terminals employs to improve its Safe Systems of Work. Thanks to insights gathered from the company-wide Safety Culture Survey, Stolthaven Terminals has focused on safety leadership and employee participation. The result has been an improvement of 81% in near-miss reporting, and a reduction in overall incidents of 8%, compared with 2015. In addition, significant new investments in engineering and mitigation infrastructure—such as the automated firefighting systems commissioned at both Stolthaven Moerdijk and Stolthaven Dagenham—underscore Stolthaven

Terminal's commitment to continuous improvement in safety performance.

2016 was yet another year of significant progress in SHEQ at **Stolt Tank Containers**. STC maintained its compliance with various regulations, codes and guidelines, including: VGM (Verified Gross Mass), IMDG (International Maritime Dangerous Goods) and ADR (European Agreement Concerning the International Carriage of Dangerous Goods by Road) revisions; ISO 9001 (Quality Management) standards; CDI-MPC (Chemical Distribution Institute-Marine Packed Cargo) and SQAS (Safety & Quality Assessment System) standards, as well as the Company's own commitments to Corporate Social Responsibility regarding safety and the environment.

STC holds a multi-site ISO 9001 certificates and, according to Lloyds' reports, maintains standards to a high benchmark. STC's CDI-MPC standard improved in 2016, with the average scores of its offices ranging from 85% to 90%, reflecting the division's commitment to international quality and safety standards. During the year, STC's Food-Grade Division was recertified for ISO 22000 (Food Safety Management). The company also holds a "Silver CSR Rating" on the EcoVadis assessment (a key sustainability rating platform used by our main customers), with a score of 57%, compared with an average for comparable enterprises of 39%, based on a range of indicators, including safety performance, vendor ratings, environmental performance and labor practices.

Stolt Sea Farms' land-based farms operate in an environmentally friendly manner. Continual testing shows that sea water taken up by Stolt Sea Farm's land-based farms is actually cleaner when it is returned to the sea, as a result of filtration and other treatments. For SSF's innovative sole farm in Iceland, which has ready access to large volumes of pure hot and cold sea water, there is no need to recirculate and the outflow from the farm in Iceland is virtually pristine, as verified through periodic testing by

Icelandic authorities. During 2016, SSF renewed its ISO 9001 (Quality Management) and ISO 14001 (Environmental Quality Management) certifications for its flatfish operations, in keeping with its Aquaculture Environmental and Quality certification 'Global GAP' (Good Aquaculture Practice).

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

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

Patrick J. Russi

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Stolt-Nielsen Limited

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Statement Regarding Employees and Seafarers

OPERATIONAL EXCELLENCE RESPONSIBLE BEHAVIOUR

Code of conduct

Stolt-Nielsen Limited requires that its business objectives are achieved in an ethical, honest and legal manner. To enforce this, a Code of Business Conduct is maintained, which is reviewed and approved by the Board annually. The Company does not tolerate any breach of the Code and individuals found to be in breach are subject to disciplinary action, up to and including termination of employment. The Code sets out the business conduct principles and rules that apply to all directors, officers, permanent employees, temporary employees, contractors and consultants.

In summary, the Code requires all personnel to comply at all times with all relevant laws, regulations and Company policies and to behave with integrity, maintaining internal and external relationships in a professional manner, avoiding conflicts of interest, bribery and corruption.

In addition, to promote a culture in which employees feel comfortable about raising genuine concerns about potential, suspected or actual breaches of the Code without fear of victimisation, discrimination or disadvantage, Stolt-Nielsen has for many years maintained a whistleblower policy and an online system that enables anyone, internal or external, to report confidentially (anonymous or otherwise) directly to the Chairman of the Audit Committee and our Head of Operational Audit. All reports are taken seriously and investigated appropriately.

Dedicated to the success of our employees and the welfare of our seafarers

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

Programmes offered by the operating units of Stolt-Nielsen Limited include: cross-departmental and cross-business exposure, including transfers, secondments and short-term projects; advanced management training; job and skills training; safety training; continuing education programmes, including tuition assistance; and free onboard Wi-Fi internet access for three hours a day, enabling seafarers to stay in close contact with loved ones.

The fair treatment and welfare of seafarers is a concern of many both inside and outside our industry. All of Stolt-Nielsen's ships operate with valid International Transport Workers' Federation Union (ITF) agreements (Collective Bargaining Agreements) for all seafarers on board. In addition, we operate in conformance with the Seafarers' Bill of Rights of the Maritime Labor Convention (MLC), the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), the International Convention for the Safety of Life at Sea (SOLAS), and the International Convention for the Prevention of Pollution from Ships (MARPOL). Compliance is verified through Port State Control and Flag State inspections. In addition, Stolt Tankers' compliance with MLC standards is fully documented within the division's Ship Management System. Further vetting takes place during routine on-board inspections as part of the Oil Companies International Marine Forum/Chemical

Distribution Institute (OCIMF/CDI) vetting regime and in-office reviews conducted as part of the OCIMF's Tanker Management & Self-Assessment process. Additional vetting takes place during periodic International Safety Management (ISM) audits carried out by DNV-GL, the world's largest ship classification society, on behalf of six flag states.

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

KEY HIGHLIGHTS

- To ensure constant awareness and visibility of the Code, and to underscore Stolt-Nielsen's commitment to it, we also undertake the following:
- Poster-sized copies of the Code are prominently displayed at all of our locations worldwide, and translated into local languages as needed.
- All land-based management must complete an online Code compliance confirmation annually.
- All main agents of the Company are required to confirm compliance with the Code periodically.
- All joint-venture boards are required to confirm compliance annually.

