

Corporate Responsibility

## Growing sustainably



Our commitment to sustainability lies at the heart of our operations – from our health, safety and environmental performance, to our asset management, investment decisions and the way we recruit and develop our people.

## Corporate Responsibility continued

### SUSTAINABLE DEVELOPMENT GOALS



We recognise that our customers, suppliers, investors, employees and local communities are crucial to our long-term success. We maintain ongoing communications with them, through announcements, reports, publications and face-to-face discussions.

Our active membership of trade associations and industry groups, keeps us informed with the most current industry developments. These include the International Chamber of Shipping, INTERTANKO, ITOFF, Koninklijke BLNSchuttevaer, HiLo, the Ship Recycling Transparency Initiative, International Liquid Terminals Association, Tank Storage Association, Bulk Liquids Industry Association Inc, American Fuel & Petrochemical Manufacturers, Singapore Chemical Industry Council, the International Tank Container Organization, the European Petrochemical Association and the Norwegian Seafood Council. By continuously updating our best-practice methodologies, we bring maximum value to our stakeholders and returns to our investors.

The UN Sustainable Development Goals (SDGs) provide a framework for governments, businesses and individuals to work to create a better future for both people and the planet. We have identified three SDGs where Stolt-Nielsen can help.

#### SETTING THE STANDARD

Several external organisations assess our sustainability progress across the Group. During

the year, EcoVadis awarded a silver CSR rating to both Stolt Tankers and Stolt Tank Containers. The assessment is based on indicators including safety and environmental performance, vendor ratings and labour practices. More recently, Stolthaven's Moerdijk Terminal achieved 94% in its Together for Sustainability (Tfs) audit, an initiative created by chemical companies with the goal of assessing, auditing and improving the sustainability practices within their global supply chains. We plan to include more of our terminals in this initiative in the coming year.

During 2019, 86 Stolt Tankers ships which called at US ports, received the CSA Certificate of Environmental Achievement. Stolt Tankers also received the Environmental Green Flag from the Port of Long Beach as part of its Port Vessel speed reduction.

Stolthaven Terminals complies with regulatory requirements across all its operations. Our fully owned terminals at Dagenham, UK and Moerdijk, the Netherlands, meet the requirements of the EU Seveso III Directive. Our Singapore, Australia and New Zealand sites meet similar standards based on the principles of the Directive. In 2018, Stolthaven became the first storage terminal in Singapore to successfully conclude its Safety Case Assessment Conclusion with Singapore's Major Hazard Department.

During the year, Stolt Tank Containers maintained its compliance with various regulations, codes and guidelines, including



VGM (Verified Gross Mass), IMDG (International Maritime Dangerous Goods), ADR (European Agreement Concerning the International Carriage of Dangerous Goods by Road), 49CFR (US Dangerous Goods Carriage), CT-Pat and AEO (Authorised Economic Operator).

It also continued its ongoing programme to ensure compliance with several internationally recognised standards including ISO 9001 (Quality Management) and ISO 22000 (Food Safety Management). STC is also regularly audited by third parties and customers for compliance to standards including CDI-MPC (Chemical Distribution Institute-Marine Packed Cargo) and SQAS (Safety & Quality Assessment System). In 2019 we also increased our CDI score at several of our locations.

Certification is important for Stolt Sea Farm, as it demonstrates its sound practices in critical areas such as food safety and sustainable fish growth. During 2019 it was re-accredited to ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and GLOBALG.A.P. which governs not only food safety but also good aquaculture practices. Accreditation by Friends of the Sea was also renewed.

Also focusing on food safety, at our packing line at Lira, Spain, we revalidated our certification to the IFS International Food Standard, and demonstrated our sustainable practices in aquaculture, with BAP (Best Aquaculture Practices) certification.

#### Stolt Sea Farm

During the year Stolt Sea Farm developed an integrated five-year sustainability strategy that will guide its focus in the medium to long term. The strategy identified six key focus areas that it can contribute to and which have particular relevance for Stolt Sea Farm's stakeholders.

These include:

- employee engagement and retention
- food safety and consumer health
- animal rights and welfare
- impact on local communities
- environmental impacts
- traceability and sustainability of feed ingredients.

In addition to supporting the three UNSDGs identified at a group level SSF believes that it is making a valuable contribution to good health and wellbeing. During 2020, the team will develop a comprehensive action plan and targets for each focus area that will include a monitoring and assessment framework so that progress can be measured.



# Putting safety first

Our first priority is zero harm for people and the environment. Our safety processes are robust, integrating incident management and measurement with training, and underpinned by sound governance.

Our ongoing safety awareness programmes are based around a broad, top-down safety awareness culture from executive level and throughout the organisation. We provide specialist training programmes to achieve Stolt-Nielsen's zero harm commitment and comply with statutory requirements wherever we operate.

At a Group level, safety KPIs are reported to our management team quarterly. They focus upon ensuring that:

- We meet or exceed the latest industry standards.
- We track and deliver our training as scheduled.
- We monitor and report our compliance with established procedures.
- The number of incidents and near misses are measured.

Each of our people plays an important role in maintaining a safe working environment. We aim for a safety culture that goes beyond compliance. Across our logistics businesses we are focused on the responsible and safe transportation and storage of our customers' products, and we operate our aquaculture business with the same emphasis on safety.

## Our Stop Work Authority Programme

We expect everyone working for Stolt-Nielsen to intervene and stop work that appears unsafe. To support this, in 2014 we introduced our 'Stop Work Authority' programme. As part of their induction, both onshore and seafaring staff receive training on when to use this authority. We also issue them with a card detailing the programme. The card is available in 18 local languages and gives employees the authority and obligation to stop work if they have any concerns or questions.

## INCIDENT MANAGEMENT

We take a dual approach to the prevention of incidents – identifying and assessing risks that have the potential to become an incident, then taking definitive steps to mitigate or eliminate them.

We drive safety improvements by investigating any incidents and learning from them. We aim to reduce our incident rates by empowering employees to be proactive in health and safety matters and by sharing lessons from any near misses.

One initiative at Stolthaven Terminals to improve safety communications and learnings from incidents and near misses has yielded positive results – an in-depth, hands-on awareness of safety issues across every level of the workforce, and a company-wide reporting culture.

## SPECIALIST TRAINING

We prepare for, and are ready to respond to, any incidents that do occur. In addition to our in-house training programmes, we routinely undertake large-scale exercises, in partnership with local authorities and response organisations, to practice and improve our response capability. In this way, we create a culture of risk awareness and incident prevention.

At Stolt Tankers, we have continued our efforts to minimise the behavioural risks involved in our operations through our Slashed Zero programme of events. The programme also focuses on reducing the number of personal injuries across our fleet. The valuable lessons learnt at these events resulted in a reduction of personal injury rates towards the end of 2019.

Every employee and contractor at Stolthaven Terminals is expected to meet specified safety standards and requirements, including local safety rules. They receive both classroom and 'on the job' training during daily operations. Training for employees and instructions for contractors are regularly discussed at management meetings, safety days and during leadership training programmes.

At Stolt Tank Containers (STC), every depot employee in the Technical Service Department (TSD) receives monthly training in dangerous goods handling, risk prevention and working

in confined spaces. This has contributed to a significant reduction in STC's Lost Time Incident Frequency (LTIF) to 0.64 for the year (2018 1.26). STC's Total Recordable Case Frequency (TRCF) rate was also lower than the previous year and no serious incidents were recorded.

In 2018, STC implemented its Global Safety Management System (GSMS), through which mandatory safety training for specific job roles and responsibilities can be planned and completion rates recorded. During 2019, 94% of mandatory safety trainings were completed. The GSMS also tracks additional, individual training as part of an employee's personal career development, and STC has consolidated local procedures, guidance and forms for depots into one global standard within the system. It enables safety trends to be analysed across the division and training needs to be identified.

At Stolt Sea Farm (SSF), all new employees receive occupational health and safety plus workplace risk training, including hazard identification and accident prevention. This continues on an ongoing basis – both face-to-face and through the use of online tools. Machinery operators also receive additional training including how to mitigate specific risks.

## INCREASING AWARENESS

To increase awareness and raise standards, Stolt Tankers holds an annual Ship of the Year competition. Ships are assessed on a range of performance criteria covering safety, port state and customer inspections, audit results, off-hire, claims and cost-efficiency. More information is available at: [www.stolt-nielsen.com/en/our-businesses/stolt-tankers/ship-of-the-year/](http://www.stolt-nielsen.com/en/our-businesses/stolt-tankers/ship-of-the-year/)

During 2019, Stolthaven Terminals held a series of safety days covering all levels and job functions. These events focused on improving safety awareness and responsibility towards colleagues, encouraging people to view safety as the most important aspect of their daily duties and highlighting any issues specific to individual terminals.

## Corporate Responsibility continued

Following employee engagement surveys in 2018 and 2019 to better understand safety attitudes, Stolthaven established several working groups. Resulting changes included erecting shelters in work areas where operators can cool down and perform administrative tasks during hot days, and enhanced shift scheduling which improves the work-life balance of operators.

### MITIGATING RISK THROUGH PROCESS SAFETY

It is critical that our assets are well designed, safely operated and properly maintained to prevent accidents or leaks of hazardous materials. Our structured processes ensure we manage our asset integrity and prevent leaks, spills and any other technical failures or breakdowns.

Process safety starts at the early design phase of building assets and continues throughout their lifecycle. It ensures they operate safely, are well-maintained and inspected regularly to identify and deal with any potential process safety hazards.

We have implemented technology to reduce the time our operators spend in potentially hazardous situations. One example of this is the new automated heating bays at our Stolt Tank Containers depots in Houston, US, Moerdijk, the Netherlands and Zhangjiagang, China. These systems enable our technicians to focus on the safe management of the overall heating process and reduces their direct exposure to potential risks.

### HEALTH AND SAFETY PERFORMANCE

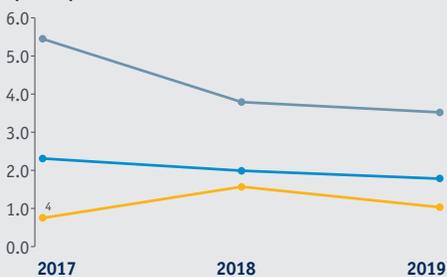
Total Recordable Case Frequency (TRCF) decreased across our logistics businesses during 2019. Lost Time Injury Frequency (LTIF) also decreased significantly at Stolt Tank Containers, and Stolthaven Terminals. However, at Stolt Tankers we were disappointed to see an increase in our LTIF to 0.74 (2018: 0.49). To reverse this trend, we redoubled our training and awareness efforts, and saw measurable improvements towards the end of the year.

We believe that our continued commitment and focus will ensure we meet our long-term ambition of zero harm. The number of serious incidents in 2019 was two (2018: one) and the last fatality in our business occurred in 2018.

Despite efforts to reduce our safety and environmental risks, regrettably in September 2019 *Stolt Groenland* suffered an explosion and fire whilst berthed at Yeompo Quay, South Korea. This resulted in injuries to several workers in the vessel's vicinity and a temporary closure of one of the bridges near the port area. All 25 of *Stolt Groenland's* crew were safely evacuated from the ship, with one minor injury sustained by one of our seafarers. There was no leakage of fuel or cargo and a subsequent dive survey confirmed that the hull of the vessel remained intact.

The exact cause of the incident is as yet unknown and investigations are ongoing. We will review the findings and use them as a learning opportunity – not only to improve the safety of our own operations, but to contribute to the improvement of safety practices across the wider industry.

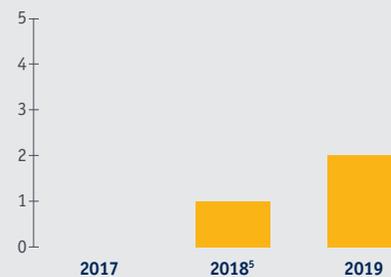
**Total Recordable Case Frequency (TRCF)**



**Lost Time Injury Frequency (LTIF)**



**Serious incidents**



1. Per 1,000,000 hrs exposure 2. Per 200,000 hrs exposure 3. Includes joint ventures 4. Restated to include barging 5. Restated due to actual costs incurred

# Care for the environment

The changing global climate presents challenges to our business, but equally opportunities. Rising water levels and extreme weather events resulting from climate change have the potential to impact our terminals, ships and depots. Clean air legislation continues to emerge as a key global concern. International Maritime Organization (IMO) regulations, reducing allowable sulphur emissions to 0.5%, have impacted businesses like ours across the supply chain. Stolt-Nielsen has a proactive response to these environmental challenges.

## SOUND ENVIRONMENTAL GOVERNANCE

Our policies, processes and systems ensure the highest standards of environmental protection across our assets. As regulations continue to intensify we continuously review our policies to ensure these are being met across the Group.

We regularly review our business contingency plans at each of our sites to ensure that they are robust. At facilities located in areas at risk of extreme weather including hurricanes and flooding, we have processes in place to secure our assets so that we can safely and quickly return to 'business as usual'. Our assets are fully equipped to deal with contamination, spills, leaks, fires or explosions.

We regularly review and test our emergency response plans through safety drills, partnering with local incident response services and regulatory agencies. Drills involve the safe evacuation of our workforce, visitors and all other parties from our ships, terminals, depots, farms and offices.

## CLEAN AIR FOR ALL

Pollution from industry is a key factor in global air quality and governments continue to set tighter limits on emissions. This, together with heightened public awareness, means that the journey towards pollution-free transport and storage is inevitable. We can achieve a lower carbon impact via three main routes: making our operations more energy efficient, generating or purchasing low-carbon fuels and clean energy sources, and reducing the emission of organic compounds from the products we handle.

Emissions from our operational activities are typically governed by local or international law. The shipping industry has seen ever-tightening legislation in recent years, and Stolt Tankers has developed a multi-pronged approach to meet IMO 2020. We have installed hybrid scrubbers on four newbuildings to evaluate the long-term viability of the technology and the bulk of the fleet has moved to VLSFO (very low sulphur fuel oil). As of 1st January 2020, our fleet is IMO 2020 compliant.

Stolt Tankers will continue to explore ways to reduce its carbon intensity, including innovations in fuel efficiency for newbuildings, regular hull and propeller cleaning and operational measures such as navigation efficiencies achieved through careful weather routing and active voyage management. We expect to see further restrictions in the industry over the coming years. IMO has already stated its goal to reduce CO<sub>2</sub> emissions further by 2030 and has targeted a 50% reduction in greenhouse gas emissions for the industry by 2050.

During 2019, Stolthaven Terminals upgraded its emission-control equipment at several sites to reduce emissions both from products and utilities. It also considers the environmental impact when designing new assets. The newly constructed Jetty 11 in Houston, US provides an extra berth for cargo loading, discharge and preparations as well as waste disposal which reduces waiting times and in-port shifting, resulting in a reduction of emissions.

Stolt Tank Container's global network of depots harness new technology and innovative thinking to enhance sustainability. Since 2018, we have reduced our annual CO<sub>2</sub> emissions by 115 tonnes at our Houston depot, and at Singapore by 163 tonnes. In 2020 we plan to work with our transport suppliers to improve how we track and measure our emissions with a view to reducing our impact.



### Stolt Tankers

**0.5%**

Energy Efficiency Operational Indicator (EEOI) reduction

**104**

oceangoing ships managed for a total of 37,960 operating days

**2,698**

tonnes of fuel saved through improved weather routing

**Silver**

EcoVadis Rating

## Corporate Responsibility continued

### WATER CONSERVATION

Water quality and conservation is crucial for our logistics operations, including tank cleaning, cooling and heating and cleaning of product lines. Quality water is also critical for our aquaculture business. Stolt Sea Farm selects locations for its farms to ensure the highest-quality water is available and invests significantly to improve this. Our farms are designed and managed so that water in the outflow is as clean as at intake.

Protection of the marine environment is key to the sustainability of our business. We are acting responsibly towards Ballast Water Convention D-2 requirements which dictate the maximum levels of viable organisms allowed to be discharged into the sea, including specified microbes harmful to human health. We are installing the most efficient ballast water treatment plants available across the fleet with the goal of covering 100% by 2024. During 2019, we also began a ship-specific biofouling management plan, which aims to reduce the transfer of invasive species through our ships to zero.

Our terminals in Houston and New Orleans, US offer state-of-the-art wastewater treatment facilities, efficiently serving the needs of both the terminals and customers. We recently modernised our facilities, greatly improving treatment efficiency and leading to less residual waste going to landfill.

At terminals and depots, we reduce overall water usage by recirculating the condensate from steam-heating. The process we use requires a smaller footprint than conventional plants and lower infrastructure investment.

### ENERGY CONSUMPTION

In 2019 we reduced electricity consumption and maintenance costs at several depots and terminals by replacing metal halide lamps with LEDs (light emitting diodes). This also improved safety through increased illumination. LEDs have extended our lamp life from 6,000 hours to around 50,000. We are currently installing LEDs at our Zhangjiagang depot.

Variable Frequency Drives (VFDs) regulate and save energy consumption on pumps and mechanical devices. VFDs have been retrofitted extensively across the Stolt Tankers fleet. At our terminals, VFDs comprise most of our new mechanical investments and we are upgrading much of our existing stock.

Our Stolthaven Singapore site has installed 500 solar panels which provide 140 MWh (megawatt hours) per annum of electricity. We are making further investments at our terminals to reduce our energy consumption for steam production. By installing condensate recovery systems and economisers on our boilers, we have reduced energy consumption by 8 to 10%. We are also upgrading the insulation of our pipes and tanks. Similarly, at many of our STC depots we have reduced energy use by recovering condensate from the steam-heating processes to pre-warm cold water for cleaning.

Energy efficiency is essential for Stolt Sea Farm where electricity requirements are relatively high, driven by operations that rely on pumping water from the sea. We focus on maintaining pumps at an optimal level and improving efficiency through new technology to ensure that we can improve efficiency. We currently have a project underway at our farm in Cerro, Spain to install solar panels that will generate 5% of the farm's total energy consumption.



### Stolthaven Terminals

**278**

tonnes reduction in CO<sub>2</sub> emissions since 2018 from the installation of LED lighting

**500**

solar panels installed at Stolthaven Singapore

## WASTE MANAGEMENT

In 2019, we began to assess our waste generation, including single-use plastics. Onboard our ships we plan to improve our water supply and replace all packaged water by the end of 2020.

When it comes to ship recycling, Stolt Tankers and its preferred recycling yards operate in accordance with the International Maritime Organization's (IMO's) 2009 Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships. All ships delivered for recycling hold an inventory of hazardous materials, certified by accredited auditing body DNV GL, and verifying that the vessel has been properly prepared. Stolt Tankers is certified to international environment and quality standards, ISO 14001 and ISO 9001 respectively – and during recycling it maintains one to three surveyors onsite at the yard, to monitor the process first-hand from start to finish. No ships were sent for recycling during 2019.

Stolt Tankers is a founding member of the SRTI ([www.shiprecyclingtransparency.org](http://www.shiprecyclingtransparency.org)), a 'one-stop-shop' for publishing information on ship recycling against a set of predefined disclosure criteria. This online platform has been jointly developed by key industry stakeholders to encourage shipowners to share their ship recycling policies. It offers stakeholders access to information on different companies' approaches to ship recycling, enabling them to make informed decisions when choosing their shipping partners.

Stolt Tank Containers' rigorous maintenance and repair processes ensure its tank containers are used multiple times over many years. Once they reach the end of their lifecycle and are removed from the fleet, more than 90% of the materials are recycled. Tank containers are a far more sustainable alternative to flexi-bags which are discarded after each shipment, adding considerably to the global single-use plastics burden. It is estimated that on average each flexi-bag adds the equivalent of 7,000 single-use plastic carrier bags to landfill.



### Stolt Tank Containers

**>90%** of tank materials recycled at end of life

**7,000** plastic carrier bags per shipment prevented from going to landfill, compared to single-use flexi-bags

**Silver** EcoVadis Rating

## Corporate Responsibility continued

# Our people

The business environment in which we operate is constantly changing at an increasing speed. To remain industry leaders we understand that we must also change. This year we began our business transformation programme that will harness the talents of our people to ensure we achieve our strategic goals. With a focus on technology, innovation and process and asset optimisation, our 'Going Further' programme is central to the long-term success of our business.

To support Going Further, we developed and communicated our core values of Commit to go Further, Collaborate for Success, Act Pragmatically and Create Solutions. Together, we call these 'The Stolt Way' – which reflects the principles we have committed to since the Company began. Our values, together with our Code of Business Conduct, shape the way we do business. We continue to embed these values into our strategy, business processes and decision-making.

### A GREAT PLACE TO WORK

In a world where population growth is putting increased pressure on resources, we have an exciting story to tell as an employer. Stolt-Nielsen plays an essential part in the global supply chain, meaning our employees are making a real difference – safely getting products to where they are needed and when.

We give our people the responsibility and authority to make decisions within their role. In return for their commitment to Going Further, focusing on innovation and sharing ideas, we offer competitive rewards and company-wide development opportunities. Our proactive development programmes are based around identifying and nurturing future leaders as part of our robust succession planning strategy.

We pride ourselves on being a truly international company that offers a wealth of opportunities for career development. Those new to Stolt are often pleasantly surprised by how accessible our senior people are. And for those starting out in their career, this collaborative approach means that they can contribute ideas, gain hands-on experience and are given responsibility right from the start.

With one of the longest-serving workforces in our industry, both onshore and at sea (2019 average tenure 9.4 years) we are proud to report that our loyalty to our people creates the same loyalty from them in return. During 2019, our voluntary staff turnover remained low at 3.7% (2018: 3.7%<sup>1</sup>), well below the industry average.

### SUPPORTING OUR WIDER BUSINESS GOALS

During 2019, we identified the Group's key business challenges and opportunities. These include but are not limited to: exploring new technologies, navigating market dynamics and streamlining our business processes. In addition, there are several areas which are key to our success such as reducing costs, improving efficiencies and our ability to be agile.

From these findings we developed our Workforce Vision 2021 – a three-year people strategy comprising five defined drivers, each aligned with the needs of the business.

1. Restated to include Stolt Sea Farm



#### 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

## WORKFORCE VISION 2021 STATEMENT

We continuously reinvent ourselves to retain industry leadership in an ever-changing business environment. We are customer-focused and provide best-in-class customer value by leveraging our experience, assets and technology for continuous improvement. We ensure Stolt-Nielsen's success by leading through purpose-driven and meaningful work, fostered by entrepreneurship, innovation and efficiency. Our culture and execution strength lies in our empowered teams and inspiring leaders who enable people to perform at their best.

### Inspirational leadership



The Company's ambitious vision for transformation will take strong business leaders. People who can lead the business into the future, whilst continuing to deliver today.

Our leadership development programme, which we launched in January 2020, will take 18 months to roll out and represents our ambition to build a strong leadership pipeline across Stolt-Nielsen. The programme will equip our managers with the people and change-management skills to navigate their teams through the transformation of our business and beyond. This in turn will help drive our business performance and growth in line with our business transformation.

### Recruitment and onboarding



In the shorter term, there remains an ongoing demand for hiring to meet immediate business requirements, but at the same time to understand our future workforce requirements, identify and fill gaps in capabilities and anticipate how key roles may shift over time. This forward-thinking strategy for attracting, hiring and onboarding our talent of the future means adopting a solid global recruitment and onboarding process.

As part of our Workforce Vision 2021 we are establishing a global strategy for communications and recruitment. Anticipating our future growth, we will focus on attracting fresh, innovative talent into the organisation with the right skills to fill our future requirements, while retaining, developing and empowering our existing people. To achieve this, our aim by 2023 is to achieve a ratio of 70% of positions filled internally and 30% externally.

### Talent management



The complex nature of Stolt-Nielsen's business operations requires the development of a diverse workforce with defined sets of skills and competencies to meet a broad range of job functions. This is reflected in our comprehensive global performance management system. Our performance management process is designed to meet the diverse needs of the business. But, just as importantly, we must maintain a consistent and fair platform to further develop positive traits and competencies, while addressing areas for improvement within a transparent two-way process.

Our performance management process is designed to give employees the opportunity to continuously improve, while also supporting our wider business goals. Our values guide the behaviours we want to see in our people. They are linked to the attributes we use in our performance management process to ensure that we are rewarding and recognising our role models. In 2019, 100% of eligible employees completed the process with their manager. We will enhance this process so that we can continue to identify talent and support our succession planning through it, while continuing to embed our values across all our people processes during 2020.

### Learning and development



We take a structured and global approach to learning and development. Through strong leadership, we create a supportive culture and environment that stimulates creativity, curiosity and continual improvement.

In the coming year we will launch our online global Learning Management System (LMS), offering easily accessible and tailored training programmes for different employee groups to enhance their own learning, career paths and personal development. The platform will be accessible anywhere, anytime, allowing employees to continuously learn and take more active ownership of their development.

We believe that the best way for our people to learn is through their daily interactions with others; this is supported by more formal training courses for specific skills dependent on an individual's role, responsibilities, location and business.

### Reward strategy



In 2019, we invested US\$348.8 million in employee costs – more than 20% of our operational expenditure. This is a significant investment and we continuously assess how our people policies reward and motivate our employees to give their best each day.

We firmly believe that having the right strategy in place attracts, retains and develops the right people. It is what has brought us to be the company we are today. The wellbeing of employees goes beyond financial reward alone. Some of our operations also offer onsite childcare, exercise facilities, bootcamp classes and health checks.

We approach all our investments strategically and continuously review the Company's profit sharing and long-term incentive plans. We issue total reward statements every two years showing the true value of the benefits that employees receive on top of their base salary. In 2018, 80% of our shore staff received a total reward statement. We regularly compare our reward packages using salary surveys and, when available, with industry-specific surveys.

## Corporate Responsibility continued

### EMPLOYEE ENGAGEMENT

We focus on employee engagement as an integral part of our people strategy. We welcome employee feedback and insights. This year, we launched our transformation programme, Going Further, through 50 interactive sessions across our global operations. We shared our Company values and vision with employees, who had the opportunity to raise any questions or concerns.

Following the launch we surveyed attendees, the results of which provided rich data and highlighted areas where we still have more work to do. These areas vary across our divisions and corporate functions and analysis of the data has enabled us to create action plans to respond to the findings.

Our terminals in Dagenham, UK, New Orleans, US, Santos, Brazil and Singapore identified a number of actions which were viewed as essential following employee surveys carried out in 2018 and 2019. These resulted in the creation of several work groups at each location that are responsible for addressing the survey outcomes. A follow-up survey in New Orleans in January 2020 showed an increase in engagement. This positive change confirms we are focusing on the right things. Improvements were reported in ten out of 11 categories, with the largest gains seen in safety, communication, training and development. We now have benchmarks available for most of our terminals, with a goal to improve these in the coming years.

### DIVERSITY AND INCLUSION

We promote a diverse, inclusive and safe environment. In line with our Equal Opportunities Policy, we recruit, train and develop employees who are best-suited to the requirements of the job regardless of gender, ethnic origin, age, religion or belief, marriage or civil partnership, pregnancy or maternity, sexual orientation, gender identity or disability. Our commitment to building a diverse and inclusive workforce at all levels of the organisation is based on creating fairness and parity.

We understand the advantages of a diverse workforce in bringing together different ideas, perspectives and experiences. The diverse and global nature of our organisation is key to developing innovative solutions that benefit our customers. We are proud to support a workforce representing more than 50 nationalities around the globe.

As a company with a truly global reach we offer a wealth of opportunities for those employees with the skills and attitude to excel. We encourage employees to apply for roles across the Group, which enhances their experience, increases their knowledge and expands our own opportunities as a company.

### PROTECTING HUMAN RIGHTS

We 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.

As a global company operating in countries where there are high risks of human rights, environmental or business ethics abuses, we also monitor these across our supply chain. During 2019 we received no human rights violation reports against Stolt-Nielsen.

As mentioned earlier, when we recycle our ships, we only select those yards which operate in accordance with the International Maritime Organization's (IMO's) 2009 Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships. During recycling, Stolt Tankers maintains one to three surveyors onsite at the recycling yard, to monitor the process first-hand from start to finish. This ensures that workers' conditions are checked and validated throughout.

In response to GDPR (General Data Protection Regulation), the European Union's (EU's) recent data protection law designed to protect the personal data and privacy of EU citizens, we updated our policies and processes under a global programme to meet requirements under the new legislation.

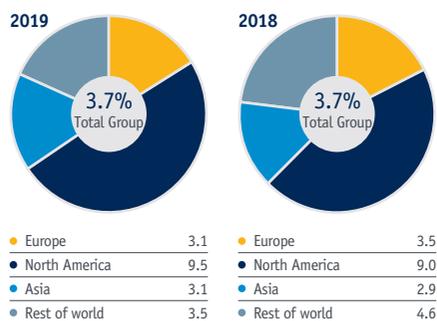
#### Number of people employed<sup>1</sup>

Region	2019			2018		
	Sea Personnel	Onshore staff	Total	Sea Personnel	Onshore staff <sup>2</sup>	Total <sup>2</sup>
Europe	1,078	937	2,015	1,091	939	2,030
North America	2	541	543	3	561	564
Asia	3,101	634	3,735	3,301	617	3,918
Rest of World	15	205	220	18	219	237
<b>Total group</b>	<b>4,196</b>	<b>2,317</b>	<b>6,513</b>	<b>4,413</b>	<b>2,336</b>	<b>6,749</b>

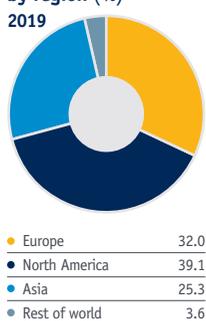
1. 1st January to 31st December 2019

2. Restated to include Stolt Sea Farm

**Voluntary employee turnover (%)**



**New employees by region (%)**



**Employee turnover by region**

Region	2019			2018		
	Voluntary leavers	Voluntary employee turnover %	Total employee turnover <sup>1</sup> %	Voluntary leavers	Voluntary employee turnover %	Total employee turnover <sup>1</sup> %
Europe	63	3.1%	7.2%	71	3.5%	10.9%
North America	52	9.5%	15.7%	52	9.0%	13.1%
Asia	115	3.1%	10.1%	114	2.9%	7.7%
Rest of World	8	3.5%	6.6%	11	4.6%	8.4%
<b>Total group</b>	<b>238</b>	<b>3.7%</b>	<b>9.5%</b>	<b>248</b>	<b>3.7%</b>	<b>9.6%</b>

1. Excluding retirees, deaths and employee attrition

**ACTING WITH INTEGRITY**

We are committed to operating in an ethical, honest and legal way. By eliminating ethical lapses and breaches of compliance, we maintain our reputation as an organisation that does the right thing and retain our strategic advantage in being a company that customers want to work with.

Our global Code of Business Conduct is central to the way we act as a company and is reviewed and approved by the Board annually. It sets out the business conduct principles and rules that apply to all directors, officers, permanent employees, temporary employees, contractors and consultants. It is displayed at all our sites and available in local languages.

The Code requires all our people to act ethically and comply with relevant laws, regulations and Company policies. It mandates that they behave with integrity, maintain their internal and external relationships in a professional manner, and avoid conflicts of interest, bribery and corruption. We view any breach very seriously. Individuals found to be in breach are subject to disciplinary action, up to and including the termination of their employment.

We require our shore-based staff to confirm each year that they will work in accordance with the Code. During 2019, 100% of those required to do so successfully completed an online anti-bribery and corruption awareness module.

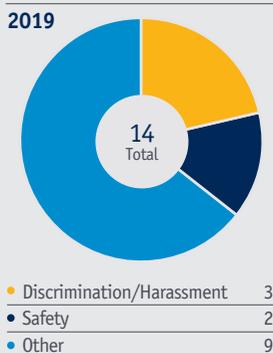
**OUR SPEAK UP CULTURE**

We encourage employees to raise their concerns about potential, suspected or actual breaches of our Code of Business Conduct through their local management, HR or legal representatives without fear of victimisation, discrimination or disadvantage. Together with these internal routes for raising concerns, Stolt-Nielsen has an additional online platform in place. Anyone, internal or external, can access our 'Speak Up' system to report confidentially (and where local law permits, anonymously) directly to the Audit Committee Chairman and our Head of Operational Audit. All reports are taken seriously and investigated thoroughly.

**SPEAK UP REPORTS**

During 2019, 14 'speak ups' were received and investigated.

The relatively high number in the 'other' category related to broad employee relations issues which were subsequently addressed.



## Corporate Responsibility continued

### WELFARE OF SEAFARERS

Stolt Tanker's commitment to the fair treatment and welfare of its seafarers is supported by compliance with mandated standards from several international agreements, conventions and processes. We also provide our seafarers with benefits, resources and support that make service aboard our ships both attractive and valued by our officers and crew.

These include:

- medical insurance for all first-degree family members
- exercise equipment or gyms on all ships
- daily internet access for all seafarers
- engagement and development of outstanding cadets for life-long careers at Stolt-Nielsen
- career counselling, guidance and management, emphasising continuous employment to ensure high levels of expertise
- state-of-the-art and focused safety and operational training programmes
- empowerment of Ship Management Teams (SMTs) to drive pride of ownership.

We recently launched a digital app, that crew can download onto their mobile devices, giving them an easy and straightforward way to stay in touch with family and loved ones. Through the app, we can communicate with staff about matters specific to them, as well as keeping

them up-to-date with what is happening in the wider business. It also allows us to update and manage personal information such as contact details, certifications and training records.

### SUPPORTING GOOD MENTAL HEALTH

The mental health of seafarers is a particular concern within the shipping industry. At Stolt Tankers we have been raising awareness among our people and encouraging them to talk more openly about their experiences. We understand that the our industry can be physically and mentally demanding. We also have a male-dominated workforce for whom talking about their feelings can be difficult.

We are committed to working together to remove the stigma around mental health and creating a climate of greater openness, as well as providing practical support to anyone who needs it. If a crew member wants to raise a concern about themselves or a colleague, they are encouraged to speak to their department head, or the ship's captain. If the concern is related to matters they feel cannot be resolved onboard, they can contact their designated person ashore directly. All crew receive these contact details upon joining and they are also available on our Stolt Tankers Management System. We also have a policy of keeping crews together where possible to build strong support networks.

As part of our Slashed Zero programme we include resilience training, designed to help

individuals manage stress, at work and at home. We are exploring ways to improve our training to further support the wellbeing of our crew.

### RIGOROUS COMPLIANCE

Stolt Tankers' ships operate with valid International Transport Workers' Federation Union (ITF) agreements (collective bargaining agreements) for all seafarers onboard. We also operate in conformance with the Seafarers' Bill of Rights of the Maritime Labour Convention (MLC), the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), the International Convention for the Safety of Life at Sea (SOLAS), and the International Convention for the Prevention of Pollution from Ships (MARPOL). Compliance is verified through Port State Control and Flag State Inspections.

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

### DEVELOPING OUR SEAFARERS

During 2020, we will launch our 'Career Management System' platform for sea personnel to house all our tailored training materials. It will provide fast access to a wide range of e-learning tools and enable them to track their career progress. It will also contain the feedback they receive each time they complete a voyage with us, so that specific training needs can be identified at an individual level.

Our Slashed Zero training programme combines all our in-house safety-related training modules and those delivered by our expert industry partners, such as Maritime Partners in Safety which delivers courses on behalf of Royal Dutch Shell. Slashed Zero also covers our regular week-long training events where teams have the opportunity to meet with other officers and ratings and discuss a wide range of safety topics. In 2019 we held six events for officers and two for ratings, attended by some 500 sea personnel. Our aim is for every one of our crew to attend one of these face-to-face sessions at least every four years.

We engage with leading companies from different industries so we can identify and mutually learn best practices in leadership and innovation. This year we worked with research platform iDeals to empower our seafarers to share their ideas and collaborate to make continuous improvements across the fleet.

We also hold a Master's Club. Open to all our captains to attend on a voluntary basis, it is held three times a year and each captain is invited to attend every three years. This year, 75 captains attended to share their experiences and to discuss topics such as health and safety, innovation and career development for both officers and crew.