
CSR HIGHLIGHTS 2011

Responsible behavior is central to TORM's business. Due to the risks associated with shipping, we maintain high standards in terms of safety awareness and environmental. In recent years, we have increased focus on anti-corruption and supplier dialogue on CSR. In those areas, we find industry collaboration important to create sustainable progress.

We were the first Danish shipping company to sign the UN Global Compact in 2009 and continue our support of the 10 principles.



▀▀ Social and environmental accountability is an important part of being a preferred carrier in our industry. ▀▀

REDUCING ENVIRONMENTAL IMPACT

We have set a target to reduce our emissions significantly by optimizing the way our vessels operate.

Target for 2020:

- 20% reduction of CO₂ emissions per vessel compared with 2008
- 25% reduction of CO₂ emissions per employee at company offices compared with 2008

In 2011, we saw a 4,3% reduction in CO₂ emissions per vessel per ton/km. The reduction was primarily driven by better cargo utilization and low speed. We made significant progress on three planned investments in vessel technology to ensure a total of 5% CO₂ reduction. We saw little change in CO₂

emissions from offices between 2010 and 2011. However, target for 2020 is nearly met.

Marine pollution constitutes the largest environmental risk for TORM. We exercise constant care in our operations to minimize our environmental impact.

In 2011, we had two significant oil spills: 30 m³ waste-water contaminated by engine room oil. 3.9 m³ oil was spilled due to equipment failure when decanting washing water after a tank cleaning operation. We had six smaller oil spills coming to less than a barrel of oil in total. In response to the incidents, equipment has been replaced and our procedures have been revised.

MAINTAINING FOCUS ON SAFETY AWARENESS

Safe, healthy and secure working conditions are key priorities for TORM. The positive trend in our safety performance continued in 2011.

Lost Time Accident Frequency (LTAF) is an indicator of work-related personal injuries. We saw a decrease in LTAF from 2.3 in 2010 to 1.7 in 2011.

The positive trend of near-miss reporting continued in 2011 with an increase from 2.0 per vessel per month in 2010 to 5 per vessel per month in 2011 due to awareness raising and further training. Near-miss reports provide an opportunity to analyze incidents that may have led to accidents, which ultimately contributes to the prevention of accidents.

▀▀ We maintain our focus on safety through training and by sharing best safety practices among vessels. ▀▀

PROVIDING SAFETY FOR SEAFARERS IN PIRACY AREAS

In 2011, we made the decision to place armed guards on-board all vessels trading in the Gulf of Aden.

The decision was first and foremost made to ensure the safety of seafarers and to address

concerns raised by crew members and their families. The decision followed three unsuccessful attacks on TORM vessels in 2010 and 2011 and was based on intelligence showing that to date no guarded vessel has been hijacked. The response from our seafarers has been very positive.

■ ■ We are very comfortable having armed guards on board. TORM is a company which understands its responsibility of caring about the psychology of seafarers in such hostile conditions. ■ ■

Capt. Ajit Narain

FINDING SOLUTIONS THROUGH COLLABORATION

We co-founded the Maritime Anti-Corruption Network (MACN) in 2011 to take a joint stand in the industry towards the request for facilitation payments, which we face in certain parts of the world.

In the network we share best practices and align our approach to anti-corruption. The network seeks support among government bodies and

international organizations to eliminate the root causes for corruption.

TORM was in 2011, one of the drivers behind a proposal for cooperation among major Danish ship owners with regard to CSR audits of repair yards. A pilot study on repair yards in 2012 will explore the implications of the UN Guiding Principles on Business and Human Rights.

PROMOTING RESPONSIBLE BUSINESS

We want to promote responsible practices within our sphere of influence.

We have revised our business principles to better reflect TORM's leadership philosophy and our commitment to the UN Global Compact. The principles will be rolled out throughout the organization in 2012.

We have revised our tender procedure to include a CSR assessment of suppliers.

Read more about TORM and our CSR at www.torm.com/csr



TORM is one of the world's leading carriers of refined oil products as well as a significant player in the dry bulk market. We run a fleet of approximately 165 modern vessels in cooperation with other respected shipping companies sharing TORM's commitment to safety, environmental responsibility and customer service.

TORM was founded in 1889. We conduct business worldwide and are headquartered in Copenhagen, Denmark.