CSR HIGHLIGHTS 2012

Responsible behavior has always been central to TORM's business and to the mindset of our employees. TORM's approach to CSR is rooted in the values of the Company and is based on our commitment to the UN Global Compact. In the past year TORM has focused on improving safety and environmental performance, while continuing efforts to fight corruption

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

ENVIRONMENT

TORM has set targets to reduce emissions by optimizing the way our vessels operate and our employees act. Significant progress was made due to technology, training, and performance monitoring initiatives.

Target for 2020:
- 20% reduction of CO_2 emissions per vessel compared with 2008
- 25% reduction of CO_2 emissions per employee at company offices compared with 2008

In 2012, TORM has reduced the year-on-year CO_2 emissions from 7.8 to 7.6 g/ton-km. The reduction was primarily driven by speed reductions across the fleet and fuel efficiency initiatives.

The CO_2 emissions from offices were sustained at 2.6 g/ton-km, which is a decrease of more than 10% from 2008. Marine pollution constitutes the largest environmental risk for TORM. The Company exercises constant care in operations to minimize our environmental impact.

In 2012, TORM experienced one oil spill equivalent to one barrel of oil. This was due to a damaged air vent pipe fitted on the overboard discharge line. Additionally, TORM experienced six smaller oil spills amounting to two barrels in total. All incidents were investigated and the procedures have been revised accordingly.

SAFETY

Safe, healthy and secure working conditions are key priorities to TORM. The positive trend in our safety performance continued in 2012.

90% of TORM's personnel work at sea and providing healthy, safe, and secure working conditions for them is an essential part of the business. Lost Time Accident Frequency (LTAF) is an indicator of serious work-related personal injuries that result in more than one day off work.

The definition of LTAF follows standard practice among shipping companies. During 2012, TORM had an LTAF below 1. This is due to continued focus on improving occupational safety on board vessels.

Near-miss reports indicate that the Company is aware of risks and is responding to them. In 2012, TORM exceeded the target of 6.0 near-miss reports per month per vessel on average by reaching 6.2.

"By encouraging near miss reporting we have been able to bring down our LTAF significantly."

This was due to continued focus on raising awareness and increasing training. Near-miss reports provide an opportunity to analyze incidents that may have led to accidents, and this ultimately contributes to the prevention of accidents.

Since 2011, TORM has placed armed guards on vessels trading in High Risk Areas. During 2012, The Company experienced two failed attempts of hijacking and two robberies.

TORM will continue to preempt hijacking by following strict Company security procedures and engage armed guards on all vessels passing through High Risk Areas. The response from our seafarers and their families has been highly positive.

⬛⬛TORM's commitment to security, and having armed guards on board vessels passing through High Risk Areas, makes the crew feel safe and provides comfort, relief and less stress both on and off duty.▶▶

Capt. Angel Abesamis

LABOR

Labor conditions are particularly important for our seafarers because the vessel serves both as their work place and their home.

TORM is in compliance with the ILO's Maritime Labour Convention, an international set of standards pertaining to labor conditions at sea. The convention was ratified by 30 countries in 2012, and all TORM vessels will be certified during 2013.

TORM respects employees' right to associate freely, to join – or not join – unions and to bargain collectively. TORM offers equal opportunities for our employees as stated in TORM's Code of Conduct and Ethics and the newly introduced Business Principles.

ANTI-CORRUPTION

TORM does not accept corrupt business practices. The Company has co-founded the Maritime Anti-Corruption Network (MACN) to take a joint stand in the industry towards the request for facilitation payments, which exists in many parts of the world.

In the network best practices are shared and members align their approach to bringing down payments. The network seeks support among government bodies and international organizations

to eliminate the root causes for corruption. TORM is committed to address corrupt business practices among stakeholders.

In 2012, TORM initiated a pilot project on fighting corruption in Nigeria together with the UN Development Programme (UNDP). West Africa is an increasingly important region in the international shipping industry and avoiding institutionalization of facilitation payments is crucial. The Company has also established process targets for monitoring facilitation payments.

⬛⬛We cooperate with other shipping companies and business partners to improve our own performance and contribute to sustainable business practices in the shipping industry.▶▶

HUMAN RIGHTS

TORM has revised our Business Principles to better reflect TORM's Leadership Philosophy and our commitment to the UN Global Compact, particularly in regards to human rights.

The revised Business Principles has been introduced in 2012, and will be further implemented during 2013.

We enforce a work environment free of harassment and discrimination, as stated in TORM's Code of Conduct and Ethics.

No claims or offenses have been reported in regards to human rights in 2012.

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

MANAGEMENT SIGNATORIES

TORM management is committed to responsible behavior and continues its supports of the principles of the UNGC. Our CSR performance is important to our stakeholders and our company. We confirm the performance illustrated by the above stated material key performance indicators.

Jacob Meldgaard, CEO

Claus Usen Jensen, SVP, Technical Division

EMISSION AND SAFETY DATA

EMISSION DATA **Vessels emissions and indicators**	**2012**	2011	2008 (baseline year)
Number of vessels in operation at the end of the year (in technical management)	69.0	69.0	65.0
No of vessel months (one vessel one year equals 12 vessel months)	839.6	854.6	759.0
Usage of oil and the generated CO_2 emissions			
Used heavy fuel oil (ton)	413,680	450,650	486,222
Used low sulphur heavy fuel oil (ton)	62,099	63,099	91,440
Used marine gas oil (ton)	23,261	23,558	16,376
Used lubricating oil (ton)	3,916	3,929	4,970
Generated CO_2 emission from vessels (ton)	1,570,424	1,690,753	1,868,680
Nox (ton)	34,292	36,872	43,088
Sox (ton)	23,927	25,485	32,541
Distance and cargo			
Distance sailed in nautical miles	3,880,118	3,986,524	4,279,008
Average cargo onboard (ton)	28,835	29,335	29,498
Ton-km	207,207,311,162	216,579,183,755	233,766,293,535
CO_2 **emission in grams per ton-km (one ton of cargo transported one km)**	**7.6 g/ton-km**	**7.8 g/ton-km**	**8.0 g/ton-km**
Target to reach in 2020 after a 20% reduction		6.4 g/ton-km	

Office emissions and indicators			
Electricity and heating and other office related activity			
Electricity used in kWh all office locations	1,057,449	1,036,581	1,242,354
District heating in Gj	2,265	3,168	1,616
Use of company cars - kilometres driven (estimated)	480,000	414,740	672,126
Generated CO_2 emission in ton from office location	773	834	901
Employees			
No. of office employees in average during the year	305	332	315
CO_2 **emission per employee (ton)**	**2.6**	**2.6**	**2.9**
Target to reach in 2020 after a 25% reduction		2.1 ton CO_2 per employee	

Flight emissions and indicator			
Air travels			
Air mileage in kilometre	71,769,255	78,278,401	104,848,069
No of travels	12,159	12,553	14,249
CO_2 emissions in ton	6,290	7,222	11,412
CO_2 emissions in ton per vessel month	7.5	8.5	15

SAFETY DATA

Safety Indicators	**2012**	**2011**	**2010**
Lost Time Accident Frequency (LTAF) (number of workrelated injuries that result in more than 1 day off work per million hours of work)*	0.99	0.67	1.01
Near-miss reports (number of reports per vessel per month)	6.2	5	2

*The definition of LTAF was changed during 2012 to follow industry standard. Data from previous years have been re-calculated following this definition.

REPORTING SCOPE

Environmental and social data is based on all vessels under TORM A/S' technical management. Having the technical management of a vessel implies having control over the vessel in terms of environmental performance and crew.

As of 1 January 2013, TORM had 69 vessels under management. TORM operated approximately a similar number of vessels in 2012, over which the Company did not have technical management. These are not included in this report.

The report includes emissions from all TORM's offices in Copenhagen, Mumbai, Singapore, Manila, Brazil and Stamford (covering 305 employees). Emissions from air travel are included for all office staff and all crews.

Data from vessels are collected according to a specific reporting routine, mainly on a monthly basis but for certain data at a lower frequency. Other environmental data are collected on an annual basis. Safety data is based on reporting made to TORM's Safety, Quality and Environmental Department whenever an incident occurs.

REPORTING GUIDELINES

The 2012 greenhouse gas emissions reporting covers scope 1 (direct emissions from own production) and scope 2 (emissions from own production but others' emissions) of the Greenhouse Gas Protocol except for the activities listed below, as well as selected scope 3 (other's production and emissions– services) activities. TORM will continue to align reporting structure and content to the requirements of the Carbon Disclosure Project.

Scope 1
• Consumption of bunker oil has been calculated to CO_2 emissions using IMO's factors for Heavy Fuel Oil and Marine Gas Oil. SO_x and NO_x emissions is calculated using the Danish ministry of Transport's research in emissions (TEMA 200). Emissions are calculated for each single vessel and consolidated.
• Emissions from company cars are based on number of cars, where all cars at each office are made equal in distance and consumption. (Copenhagen 25,000 km, Singapore 7,800km and Manila 15,000 km, distances are estimated based on an average expected usage per country, efficiency is set to 12 km/litre.)
• Numbers under scope 1 data sheet have been collected on board the vessels or at the offices. The collection is based on actual usage or disposals.

Scope 2
• Emissions from electricity consumption in offices are calculated by using local authority information from Denmark, the USA and Singapore, and for India and the Philippines, the World Resources Institute (www.wri.org) and Environmental Protection Agency (epa.gov).
• Emissions from heating (district heating) in the Copenhagen offices are calculated by using Dan-

ish emissions factors (www.energinet.dk).
Scope 3
• Emissions from plane travel are provided by travel agent Instone.

Other Principles
2012 greenhouse gas emissions are calculated for vessels in technical management in TORM, amounting to a total of 840 vessel months of operation.

Ton-km is calculated by use of actual cargo times the distance with actual cargo, thus a ballast voyage will give 0 (zero) in ton-km.

CO_2 emission per ton-km is the full CO_2 emissions on board all vessels divided by the ton-km for all voyages, thus it includes emissions from ballast voyages, electricity production, inerting, cargo operations, etc.

LTAF: Number of workrelated injuries that result in more than 1 day off work per million hours of work.

Note: From 2012, TORM has changed the method for calculating CO_2 emissions from vessels. The methods now used are the IMO CO_2 factors for Heavy Fuel oil (HFO) and Diesel/Gas oil, as described in MEPC.1/ Circ.684.

Figures covering years before 2012, in reports from 2012 and on our CSR website, have been recalculated following this new method in order to show comparable figures for our CO_2 emissions. CO_2 emissions have in general changed less than 0.5% due to this.

INDEPENDENT AUDITOR'S REPORT ON TORM A/S HSE DATA 2012

To the Management of TORM A/S (TORM)

According to agreement we have reviewed the reporting "CSR Highlights 2012" (hereinafter referred to as "the reporting") of TORM for purposes of issuing a report in this respect.

TORM's Management is responsible for the reporting.

Our responsibility is to express a conclusion on the review of the reporting based on our review.

Scope of work

We have conducted our work in accordance with International Standards on Auditing governing Other Assurance Engagements and additional requirements under Danish audit regulation to obtain limited assurance about our conclusion.

We have obtained limited assurance because, compared to a reasonable assurance engagement, our work has been limited primarily to inquiries of company personnel as well as analytical procedures.

The purpose has been to obtain limited assurance that the data presented in the reporting at company level are in accordance with the reporting practice described and the information reported by the sites and vessels included.

As agreed, we have not reviewed the data on the sites/vessels.

Our review is based on an assessment of risk of misstatements. The review is limited firstly to inquiries of company personnel as well as analytical procedures.

We believe that our work conducted provides a reasonable basis for our conclusion.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the reporting for 2012 at company level has not been in accordance with the reporting practice described and the information reported by sites and vessels.

Copenhagen, 28 February 2013

Deloitte
Statsautoriseret Revisionspartnerselskab

Henrik Kjelgaard
State Authorised Public Accountant