
CSR HIGHLIGHTS 2013

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 CO₂ emissions per vessel compared with 2008 (6.4 g/ton-km).
- 25% reduction of CO₂ emissions per employee at company offices compared with 2008 (2.2 ton-employee).

In 2013, TORM has reduced the year-on-year CO₂ emissions from 7.6 to 7.1 g/ton-km. The reduction was primarily driven by increased cargo load

and fuel efficiency initiatives. The decrease corresponds to an 11% reduction since 2008.

The CO₂ 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 2013, TORM experienced no oil spills larger than one barrel, but five smaller oil spills of less than one barrel of oil in total. All incidents were investigated and procedures revised where required.

SAFETY

Safe, healthy and secure working conditions are key priorities to TORM. The positive trend in our safety performance continued in 2013.

Approximately 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 2013, TORM had an LTAF of 1.26.

Near-miss reports indicate that the Company is aware of risks and is responding to them. A higher number of near-miss reports thereby implies a higher level of safety awareness. In 2013, TORM surpassed the target of 6.0 near-miss reports per month per vessel on average by reaching 6.5.

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 2013 TORM did 302 voyages with armed guards compared to 271 the year before. During 2013, The Company experienced one failed attempt of hijacking and four 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.

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. All vessels under TORM's technical management were audited and certified as required under the

Maritime Labour Convention of 2006 when it came into effect in August 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.

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.

During 2013 TORM began rolling out a revised set of business principles at sea as part of the officer seminars.

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 2013.

[Read more about TORM and our CSR at www.torm.com](http://www.torm.com)

EMISSION AND SAFETY DATA

EMISSION DATA	2013	2012	2008 (baseline year)
Vessels emissions and indicators			
Number of vessels in operation at the end of the year (in technical management)	67.0	69.0	65.0
No of vessel months (one vessel one year equals 12 vessel months)	814.5	839.6	759.0
Usage of oil and the generated CO ₂ emissions			
Used heavy fuel oil (ton)	372,519	413,680	486,222
Used low sulphur heavy fuel oil (ton)	73,946	62,099	91,440
Used marine gas oil (ton)	22,335	23,261	16,376
Used lubricating oil (ton)	4,026	3,916	4,970
Generated CO ₂ emission from vessels (ton)	1,475,292	1,570,424	1,868,680
Nox (ton)	32,347	34,292	43,088
Sox (ton)	22,664	23,927	32,541
Distance and cargo			
Distance sailed in nautical miles	3,788,058	3,880,118	4,279,008
Average cargo onboard (ton)	29,568	28,835	29,498
Ton-km	208,789,844,393	207,207,311,162	233,766,293,535
CO₂ emission in grams per ton-km (one ton of cargo transported one km)	7.1 g/ton-km	7.6 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	1,024,565	1,057,449	1,242,354
District heating in GJ	2,124	2,265	1,616
Use of company cars - kilometres driven (estimated)	435,000	480,000	672,126
Generated CO ₂ emission in ton from office location	710	773	901
Employees			
No. of office employees at the end of the year	276	292	315
CO₂ 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	70,898,025	71,769,255	104,848,069
No of travels	20,696	12,159	14,249
CO ₂ emissions in ton	6,224	6,290	11,412

SAFETY DATA

Safety Indicators	2013	2012	2010
Lost Time Accident Frequency (LTAF) (number of workrelated injuries that result in more than 1 day off work per million hours of work)*	1.26	0.99	1.01
Near-miss reports (number of reports per vessel per month)	6.5	6.2	2.0

*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 2014, TORM had 67 vessels under management. TORM operated approximately a similar number of vessels in 2013.

The report includes emissions from all TORM's offices in Copenhagen, Mumbai, Singapore,

Manila, Brazil and Stamford. 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 2013 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 CO₂ 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

2013 greenhouse gas emissions are calculated for vessels in technical management in TORM, amounting to a total of 815 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.

CO₂ emission per ton-km is the full CO₂ 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 CO₂ emissions from vessels. The methods now used are the IMO CO₂ factors for Heavy Fuel oil (HFO) and Diesel/Gas oil, as described in MEPC.1/ Circ.684.

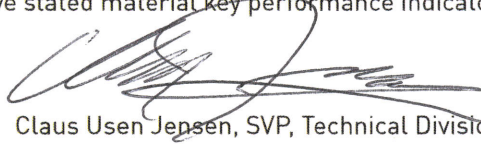
Figures covering years before 2012, in reports from 2012 and on our CSR website, have been recalculated following this new method in order to show comparable figures for our CO₂ emissions. CO₂ emissions have in general changed less than 0.5% due to this.

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



TORM is one of the world's leading carries of refined oil products as well as a player in the dry bulk market. We run a fleet of approximately 100 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.