CSR HIGHLIGHTS **2015**

TORM regards responsible behavior as a central part of the Company, our business and of the mindset of our people. TORM is committed to the UN Global Compact and our CSR approach is rooted in the values of the Company. In the past year, TORM has implemented a new vessel reporting system to drive energy efficient behavior.

In June 2015, one of the Company's product tankers, TORM Arawa, performed a Search and Rescue Operation in the Mediterranean Sea and assisted in rescuing the lives of more than 200 boat refugees.

> "TORM has implemented a new vessel reporting system to drive energy-efficient behavior "
>
> says Jesper S. Jensen Head of Technical Division.

ENVIRONMENT

In 2015, TORM changed the system used for generating emissions data. This means that some data and calculations for 2015 in this report have been revised compared to previous CSR reporting.

Targets for 2020
- 20% reduction of CO_2 emissions per vessel compared to 2008 (target is 6.4 g/ton-km)
- 25% reduction of CO_2 emissions per employee at company offices compared to 2008 (target is 2.2 ton-employee)

In 2015, TORM has reduced the year-on-year CO_2 emissions from vessels from 7.0 to 4.8 g/ton-km. The CO_2 emissions from offices were 3.0 ton per employee year-on-year.

TORM has implemented a new vessel reporting system to drive energy-efficient behavior. In addition, a department dedicated to monitor fuel consumption and follow up on energy usage works to ensure optimal fuel consumption on board TORM's vessels.

Given that TORM has met its CO_2 emission per vessel target for 2020, the Company will introduce a new target in the 2016 CSR Highlights. Going forward, TORM intends to communicate shorter-term emission targets. As part of the maritime industry, TORM will monitor trends and targets set by the industry and follow these where it is relevant.

In 2015, TORM experienced zero oil spills larger than one barrel, but two smaller oil spills over board of less than barrel in total. All incidents were investigated and procedures revised where required.

SAFETY

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.

Respecting employees' human rights is pivotal to the Company, and policies are outlined in TORM's Business Principles and the commitment to the UN Global Compact. The Company's safety policy is rooted in the rules and regulations issued by the Danish Maritime Occupational Health Service.

In June 2015, one of TORM's product tankers, TORM Arawa, performed a Search and Rescue Operation in the Mediterranean Sea and assisted in rescuing the lives of more than 200 boat refugees. This is part of a trend that has continued since 2014.

A strong safety culture is central to TORM, and the Company has not experienced any work-related fatalities in 2015.

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 2015, TORM had a LTAF of 0.96 (2014: 1.49), which corresponds to four accidents less than the year before.

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 2015, TORM surpassed the target of 6.0 near-miss reports per month per vessel on average by reaching 6.6 (6.8) due to continued focus on this area.

Near-miss reports provide an opportunity to analyze incidents that may have led to accidents, and this ultimately contributes to the prevention of accidents.

In 2015, TORM experienced four robberies and one suspicious approach. The BMP was updated at the end of the year, where the High Risk Area was reduced in size. TORM observed a significant reduction in the number of piracy attacks in the High Risk Area off the African Horn. Piracy activity in the West African region, centered around the Gulf of Guinea, has been monitored thoroughly hroughout the year. The number of piracy attacks in this region remains stable, although a reduction was observed in the beginning of the year. Piracy activity in south-east Asia has been monitored thoroughly throughout the year, as a slight increase in reported robbery attempts has been observed.

The Company will continue to monitor the risk situation and pre-empt hijacking by following Company security procedures. TORM made 264 voyages with armed guards in 2015 against 175 in 2014. The increase is primarily due to changed trading patterns. A decrease from 2015 to 2016 is expected due to the changes in the boundaries of the High Risk Area.

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.

Since 2006, the Board of Directors has, as part of the internal control system, a whistleblower facility with an independent lawyer to detect any violations of laws, regulations or business ethics by TORM representatives.

In 2015, the whistleblower facility received one notification, which was investigated and closed without any critique or requirements for new measures.

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.

EMISSION AND SAFETY DATA

EMISSION DATA Vessel emissions and indicators	2015	2014	2008 (baseline year)
Number of vessels in operation at the end of the year (in technical management)	72.0	67.0	65
No. of vessel months (one vessel one year equals 12 vessel months)	813	804	759
Usage of oil and the generated CO_2 emissions			
Used heavy fuel oil (ton)	343,785	320,063	486,222
Used low sulphur heavy fuel oil (ton)	9,579	83,352	91,440
Used marine gas oil (ton)	50,704	21,993	16,376
Used lubricating oil (ton)	4,357	3,693	4,970
Generated CO_2 emission from vessels (ton)	1,262,933	1,338,847	1,868,680
Nox (ton)	30,227	29,066	43,088
Sox (ton)	17,477	19,871	32,541
Distance and cargo			
Distance sailed in nautical miles	3,214,943	3,503,214	4,279,008
Average cargo on board (ton)	39,117	29,539	29,498
Ton-km	263,691,358,733	191,648,442,731	233,766,293,535
CO_2 emission in grams per ton-km (one ton of cargo transported one km)	**4.8 g/ton-km***	**7.0 g/ton-km**	**8.0 g/ton-km**
Target to reach in 2020 after a 20% reduction		6.4 g/ton-km	

*) This figure has been revised compared to previous CSR reporting because TORM has changed the system used for generating emissions data in 2015.

Office emissions and indicators			
Electricity and heating and other office related activity			
Electricity used in kWh all office locations	1,099,823	959,749	1,242,354
District heating in Gj	4,678	1,315	1,616
Use of company cars - kilometres driven (estimated)	310,655	370,000	672,126
Generated CO_2 emission in ton from office location	808	646	901
Employees			
No. of office employees at the end of the year	271	278	315
CO_2 emission per employee (ton)	**3.0**	**2.3**	**2.9**
Target to reach in 2020 after a 25% reduction		2.2 ton CO_2 per employee	

Flight emissions and indicators			
Air travels			
Air mileage in kilometres	68,523,791	71,770,179	104,848,069
No. of travels	12,725	12,163	14,249
CO_2 emissions in ton	6,069	6,188	11,412

SAFETY DATA

Safety Indicators	2015	2014	2010
Lost Time Accident Frequency (LTAF) (number of work-related injuries that result in more than one day off work per million hours of work)	0.96	1.49	1.01
Near-miss reports (number of reports per vessel per month)	6.6	6.8	2.0

HUMAN RIGHTS

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

TORM has implemented a revised set of business principles at sea as part of the Officer seminars.

No claims or offenses have been reported regarding human rights in 2015.

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

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 2016, TORM had 73 vessels under management compared to 67 vessels as of 1 January 2015.

The report includes emissions from all TORM's offices in Copenhagen, Mumbai, Singapore, Manila, Stamford and Houston. Emissions from air travel are included for all office staff and all crew.

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 2015 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 third IMO GHG Study from 2014. Emissions are calculated for each single vessel and consolidated.
• Emissions from cars are the accurate numbers from manufacturers and reported mileage. If no numbers are available, 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, Manila 15,000 km, Mumbai 3,800 km and Singapore 7,800km, 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 heating (district heating) in the Copenhagen and USA offices are calculated using Danish and World Resources Institute emission factors.

Scope 3
• Emissions from plane travel are provided by travel agent Instone (ATPI).

Other Principles
2015 greenhouse gas emissions are calculated for vessels in technical management in TORM, amounting to a total of 813 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 work-related injuries that result in more than one day off work per million hours of work.

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/Executive Director   Jesper S. Jensen, Head of Technical Division

TORM is one of the world's leading carries of refined oil products. The Company operates a fleet of approximately 80 modern vessels with a strong commitment to safety, environmetal responibility and customer service. TORM was founded in 1889. The Company conducts business worldwide and has offices in Copenhagen, Houston, London, Manila, Mumbai and Singapore. TORM's shares are listed on Nasdaq Copenhagen (ticker: TRMD A). For further information, please visit www.torm.com.