

Corporate *Responsibility* 2014

www.j-lauritzen.com



Questions regarding this report or J. Lauritzen's corporate responsibility/CSR activities, please contact:

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ABOUT THIS REPORT

This report has been prepared in accordance with the Danish Financial Statements Act (Sec. 99a) and the UN Global Compact's annual requirements for communication on progress. The scope of our reporting is determined by our commitment to the UN Global Compact and an assessment of materiality. The main aim of this report is to give our internal and external stakeholders an overview of our corporate responsibility policies, actions and performance.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact**.

We welcome feedback on its contents.



WRINTED BY:
KLS GRAFISK HUS A/S, DENMARKS MOST GREEN GRAPHIC HOUSE

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CEO *Statement*

More than three years have gone since we signed the UN Global Compact. A commitment that has offered us valuable insights on our business conduct and imposed us on a journey.

Our corporate responsibility efforts continue, also in these challenging times, and we are demonstrating our dedication through our business practices and our continued support for the UN Global Compact's ten principles on responsible business conduct

We have updated and adopted new policies and procedures, implemented a compliance programme, conducted awareness sessions building knowledge and in-house capacity, ensured face-to-face training of key employees, made due diligence of third parties and aligned expectations with selected suppliers.

We are active members of the Maritime Anti-Corruption Network and founding members of IMPA ACT, a programme for responsible supply chain management – efforts that continue and bring value to our business.

We believe that part of a quality service is to conduct business in a responsible manner creating benefits broadly while being open, honest and fair

We achieve this by living up to our policy commitments and promises. We expect our employees to apply our policies in their daily work. We encourage our organisation to identify potential or actual adverse impacts from our services, operations or business relations.

Operating around 150 vessels, we obviously have an impact on the environment. We have implemented an environmental policy including efforts to manage and minimise our environmental footprint – efforts that include implementing initiatives on both technical and operational optimisation.

One of the main themes in 2014 has been the new 0.1% sulphur requirements laid down in the MARPOL Annex and the EU Sulphur Directive. The new requirement came in to force on 1 January, 2015. This new legislation aims at reducing marine sulphur emissions in ECA zones (North and Baltic Sea and the US/Canadian waters).

At J. Lauritzen, we fully support the new requirements for increased utilisation of low sulphur, yet more expensive fuels, but we also recognise the obvious incentives for non-compliance.

To ensure fair competition, the new regulations call for strict enforcement and this led us to become a founding member of the Trident Alliance in 2014

We believe that global regulation, transparency and proper enforcement is the only sustainable road to reducing the foot print of our industry and we will support initiatives that contain all these elements.

I hope that you will find the reading interesting.

Jan Kastrup-Nielsen

President & CEO, J. Lauritzen A/S



Highlights and *Outlook*

Our corporate responsibility efforts are based on our core values and aligned with internationally recognised principles, such as the voluntary UN Global Compact initiative and the UN Guiding Principles on Business and Human Rights.

Policy commitment

Our corporate responsibility policy includes commitments in relation to human rights, labour rights, protection of the environment, anti-corruption and responsible supply chain management.

In 2014, we formalised an overarching policy that summarises our global commitments and existing policies.

Focus areas

In 2014, our main corporate responsibility activities were focused on human rights assessment in relation to our offices, the continued implementation of energy-efficiency projects, compliance sessions as part of the implementation of our anti-corruption programme and dialogue with selected suppliers as part of the implementation of our supplier code of conduct.

Our main achievements and results in 2014 can be summarised as follows:

- Assessment of our potential and actual human rights impacts in relation to our offices
- Continuous implementation of our Energy Efficiency Project enabling a cut in our CO₂ emissions
- Founding member of Trident Alliance
- Anti-corruption training of approximately 75% of our shore-based personnel in Copenhagen, Singapore, Shanghai and Manila
- Launch of anti-corruption training sessions for our senior officers starting in Lauritzen Kosan with approximately 50% trained at year-end
- Engagement with selected suppliers with regard to the implementation of the IMPA ACT programme

In 2015, we plan to take our corporate responsibility efforts to a new phase of integration with our business model and strategy and thus our overall value creation.

Global *Commitments*

We are signatory to and support the UN Global Compact. The initiative is a voluntary commitment to include and integrate ten principles on human rights including labour rights, protection of the environment as well as anti-corruption into our business practices. This work has been structured and conducted since we signed the Global Compact in 2011 and has resulted in the implementation of e.g. our Anti-Corruption Programme, our responsible supply chain management programme (IMPA ACT) and our energy-efficiency programme.

Game changing principles

In 2011, the UN Human Rights Council unanimously endorsed the Guiding Principles on Business and Human Rights. The Guiding Principles and their 'spirit' have been accepted and embedded in guidelines (e.g. the OECD guidelines for multinational enterprises) and legislation (e.g. the Danish Financial Statements Act, S.99a) making them the first universally accepted reference points for managing adverse impacts on human rights including labour rights.

For us, the Guiding Principles provide tools and a description of a process assisting us in our commitment to respect human rights, and thus the translation into practice of the first six principles of our voluntary commitment to the UN Global Compact. Consequently, we have developed an overall corporate responsibility policy commitment that is aligned with the requirements set forth by the UN Guiding Principles.

About us

J. Lauritzen has served the maritime trade world-wide for more than 130 years and has been engaged in a range of different segments of the shipping industry. Today, we are a global provider of marine transportation of dry bulk cargoes, petrochemicals and liquefied petroleum gases. In addition we have investments in the offshore service sector.

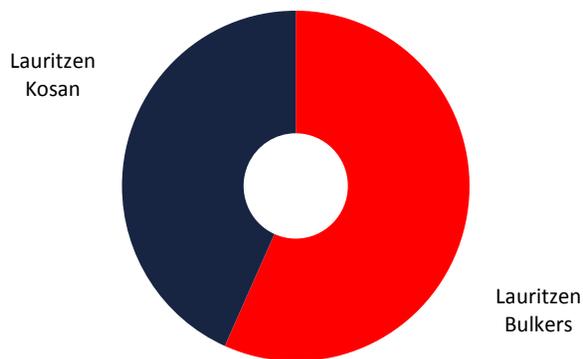
Our business

Lauritzen Bulkercs controls a modern fleet of more than 100 primarily handysize and supramax dry bulk carriers. The handysize operation is our main business activity and is based on a large homogeneous fleet of owned, part-owned and long-term time-chartered vessels, vessels committed by partners as well as a substantial number of short-term time-chartered vessels.

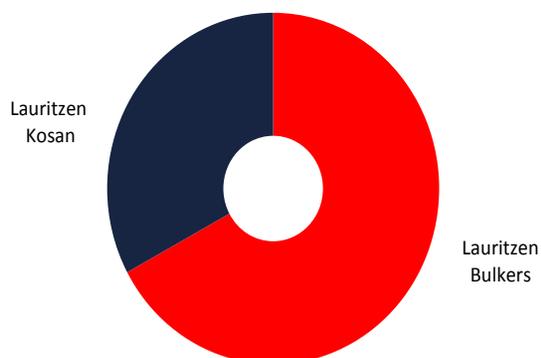
Lauritzen Kosan specialises in carriage of petrochemicals and liquefied petroleum gases - a segment of the shipping industry characterised by technically complex requirements from regulators and clients. Lauritzen Kosan controls a fleet of 39 semi-refrigerated, fully-pressurized and ethylene gas carriers.

In addition to our two main business areas, we have business interests in the offshore service sector through our part-ownership of Axis Offshore Ltd., provider of high specification accommodation units servicing the offshore oil and gas industry.

Business unit's share of invested capital, 2014



Business unit's share of revenues, 2014



J. Lauritzen *at a glance*

- Founded in 1884, Denmark
- Owned by the Lauritzen Foundation. The Lauritzen Foundation is a self-governing institution regulated by the Danish Act on Commercial Foundations. Through its charter, the Foundation is committed to promote and develop the Danish shipping industry in general and support humanitarian work
- Operating world-wide with headquarters in Copenhagen, Denmark
- Overseas offices in Singapore, China, the Philippines, the United States, Switzerland and Spain
- 5,759 port calls in 104 countries during 2014
- 213 employees ashore
- 20 nationalities with a gender distribution of 37% female and 63% male
- 798 seafarers on board owned vessels

Business strategy

During 2013-14, we made wide-ranging adjustments to our business portfolio, and this has allowed us to devote our full attention to the development of Lauritzen Bulkers and Lauritzen Kosan.

The strategies of Lauritzen Bulkers and Lauritzen Kosan share the objective of creating value to our owner and clients by being reliable and trustworthy providers of marine transportation services on a global scale. Our two business units operate in two distinctly different segments of the shipping industry, and their respective business models differ, yet, they share the following strategic attributes:

- Build and manage long-term relations with clients and stakeholders
- Create insight via building critical mass in selected segments
- Embrace complexity, leverage skills and competencies
- Select and invest in talent

**Who
*we are***

We consider ourselves a value-driven organisation with Accountability, Respect, Competence, Enthusiasm, Entrepreneurship and Team Spirit representing the essence of who and what we are. Our attitudes, decisions and actions always reflect our values.

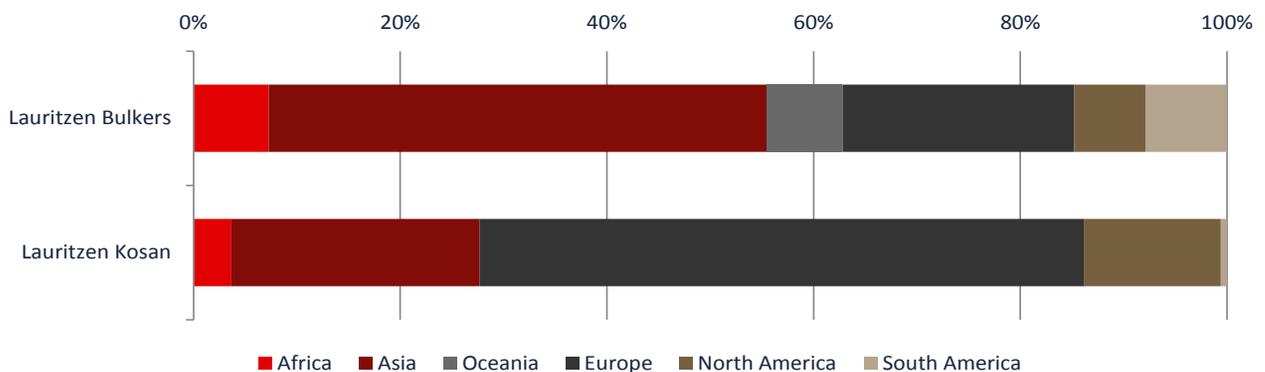
Our value creation is anchored in the ability of our people to build and manage relations with our clients and hereby understand and fulfil efficiently many different types of transportation requirements.

Our aim is to be considered always approachable, always accountable and always looking towards shared value creation.

We can only achieve this by attracting and developing high-calibre talented people, who anchor themselves in our tradition for open communication, in combination with our organisational structure and tools, and who are empowered to develop our business.

We believe that part of a quality service is to conduct business in a responsible manner creating benefits broadly while being open, fair and honest in all our activities.

Geographic distribution of imports, 2014



Human and *Labour Rights*

As a signatory to the UN Global Compact, we support human and labour rights basing ourselves on the UN Guiding Principles on Business and Human Rights.

As shipowner and operator, our operations have human rights impacts ashore as well as at sea

Human rights assessment

In our work to respect human rights, we assess our impacts on rights as they are outlined in the International Bill of Human Rights (IBHR), including the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work (ILOD). Further, we apply the Maritime Labour Convention 2006 (MLC) when assessing impacts related to crews onboard our vessels.

We work to identify potential and actual adverse impacts, to prevent and mitigate these in the best possible way

In 2014, we conducted human rights assessments related to our staff at all our offices. In these, we reviewed the rights outlined in the International Bill of Human Rights and considered each in respect to the particular human rights risks related to our operations.

Through this assessment, we identified gaps in our policy commitments, which has led to a review of the Group's policies, procedures and commitments.

What are *Human Rights*?

Human rights are the rights that all human beings have irrespectively of nationality, place of residence, gender, national or ethnic origin, colour, religion, language, or any other status as outlined in the International Bill of Human Rights. They are all interrelated, interdependent and indivisible and span from the right to life to the right to work.

In corporate language, the right to work means that employees have the right to be trained, have a contract and have a period of notice of termination.

On board all our vessels, our seafarers' right to safe and healthy working conditions is identified as a potential impact. Managing our impact on this right is a vital part of our safety efforts as working aboard any vessel could naturally have a potential negative impact on this right, see page 12 and page 14.



Environment and *Climate*

With a controlled fleet of more than 150 vessels, our operations have environmental impacts and we acknowledge our responsibility in this respect.

Policy commitment

In order to manage and minimise our environmental footprint, we adopted an environmental policy in 2009. The policy is aligned with the Rio Declaration on Environment and Development and reflects our support to the UN Global Compact's environmental principles.

Our policy commitment is to mitigate emissions by establishing relevant operational procedures, to demonstrate accountability by reporting our environmental performance and to follow the development of environmental improvement technologies relevant to our business.

Initiatives and actions

During the year, we continued our efforts with our Energy-Efficiency Project. The overarching objective of the project is to enhance fuel-efficiency and cut emissions whilst achieving savings on costs.

Both business units work in a structured manner with their environmental performance, and in 2014 these efforts were further strengthened stimulating a performance-oriented culture.

A focus has been to develop a solid data platform for ongoing monitoring and evaluation of performance, see page 15 for more details.

In 2014, focus was on achieving fuel-savings through technical installations of various equipment as well as scrutinizing savings through our operations

Vessel Energy Renovation Plans (VERP), a fleet performance catalogue covering optimisation of auxiliary machine consumption, including pumps, fans and air conditioning, plus additional initiatives for technical and operational optimisation have been implemented, see page 12 for more details.

Due to the nature of our business, some of the environmental challenges we meet are industry-re-

lated. We engage in and encourage partnerships with different stakeholders, e.g. other shipowners, suppliers, clients, authorities and associations, with the aim of indentifying the most effective solutions.

Emission figures are disclosed in the environmental statements of the individual business units in this report, see p. 13 and 15.

Founding member of *Trident Alliance*

The Trident Alliance is a coalition of ship owners and operators sharing a common interest in robust and transparent enforcement of current and forthcoming marine sulphur regulations.

As a shipping company with focus on our environmental impacts, the enforcement of sulphur regulations is of great importance to J. Lauritzen.

Further, we acknowledge that these regulations are not only for the benefit of the environment, but also for human health and responsible business.

Focus of the alliance is to raise awareness of the issue with poor or insufficient enforcement, which is achieved by members' contributing their reputations, resources, access and competences to drive solution strategies that contribute to the vision of robust enforcement.

Additionally, members share experience on different technologies and methods available in order to foster innovation in enforcement technology.

At year-end 2014, the alliance had grown to 31 members

As founding members of the alliance, we join forces with other shipping companies and various stakeholder groups who share our dedication to the cause.

See www.tridentalliance.org for more information.

Anti-corruption

Our Anti-Corruption Policy provides strict guidance for all managers and employees within the Group and is specified in our compliance programme. The policy is in line with the principles laid out in the United Nation's Convention against Corruption and various national laws.

Focus on training

During 2014, we conducted compliance seminars for relevant employees from our offices in Copenhagen, Singapore, Stamford, Shanghai and Manila. Additionally, compliance seminars took place as part of our officer seminars.

All compliance seminars were conducted by our Group Legal Counsel for both shore and sea based employees

All seminars were face-to-face training sessions with focus on compliance and anti-corruption, and for shore based personnel they also included fraud, anti-trust and related items. The seminars allowed employees to gain knowledge on adequate behaviour and at the same time to engage in discussions on high-risk situations and dilemmas.

Approximately 75% of our shore based personnel have been trained in anti-corruption

Office staff attending the seminars included commercial as well as operational staffs together with staffs from corporate and marine control involved in day-to-day economic transactions. Additionally, we have trained approximately 50% of our senior officers at Lauritzen Kosan.

At the sessions, our new Gift and Hospitality Policy was also introduced. The new policy was developed in 2013 and is part of our overall compliance programme.

New Whistleblower scheme introduced

In 2014, we updated our existing Whistleblower Policy and introduced a whistleblower scheme that includes an online whistleblower portal. The new whistleblower scheme allows employees

and other stakeholders to anonymously report any severe negative impacts our operations may have.

Partnering on Anti-Corruption

We continued our participation in the Maritime Anti-Corruption Network (MACN) in 2014. MACN, a global business network, works towards a vision of a maritime industry free of corruption enabling fair trade to the benefit of the society at large.

Through our participation in MACN, we meet with other representatives from the shipping industry and discuss and share best practices. The network seeks solutions to the root causes of corrupt practices and seeks support from governmental bodies and international organisations to target such practices.

See www.maritime-acn.org for more information.

Facing an Industry Challenge

One of the main challenges facing shipping companies in relation to corruption is demands for facilitation payments. Being part of the global shipping industry, we conduct business worldwide including in countries where demands for such facilitation payments are embedded in the culture.

One of the main consequences we and other ship-owners and operators experience from facilitation payments is the substantial psychological pressure our crews experience when such demands are accompanied by threats to their physical and personal integrity. Additionally, turning down facilitation payments may result in serious financial consequences when vessels are punished with serious delays due to 'lack of cooperation'.

As corruption remains an industry challenge, we believe that it can only be tackled successfully through joint global action. We are therefore an active member of the Maritime Anti-Corruption Network (MACN), through which we aim to create a level playing field for the entire industry.

Responsible *Supply Chain Management*

We work with Responsible Supply Chain Management through our implementation of the IMPA ACT programme.

By engaging in close dialogue with selected suppliers, we work towards aligning expectations within human and labour rights, environmental performance and anti-corruption. Our expectations are specified in our Supplier Code of Conduct.

Focusing on supplier dialogue

Since 2013, we have engaged in dialogue with 27% of our largest suppliers.

Our goal is to engage with 70% of our selected suppliers by 2016

Being that our responsible supply chain management programme is a rather new initiative, we recognise that sharing knowledge and experience with suppliers about the programme, is an essential part of our initial engagement.

Supplier Code of Conduct

One of the tools in our responsible supply chain management programme is our Supplier Code of Conduct, which builds on the ten principles of the United Nations Global Compact and the UN's Guiding Principles on Business and Human Rights.

The Supplier Code of Conduct sets forth our requirements to suppliers regarding the establishment of internal policies and processes to identify, prevent and mitigate potential impacts on human rights including labour rights, protection of the environment and anti-corruption.

A joint approach *The IMPA ACT*

The IMPA ACT is an international standard that brings together buyers and suppliers in their efforts to achieve responsible supply chains.

This joint approach provides leverage for ensuring that suppliers make actual improvements in the fields of human rights including labour rights, protection of the environment and anti-corruption issues. As actual improvements require time and resources, IMPA ACT is a long-term commitment for both buyers and suppliers.

We are a founding member of IMPA ACT and serve on the programme's Advisory Board.

See www.impa-act.org for more information.



Lauritzen *Bulkers*

Lauritzen Bulkers controls a modern fleet of more than 100 primarily handysize and supramax dry bulk carriers. The handysize operation is our main business activity and is based on a large homogeneous fleet of owned, part-owned and long-term time-chartered vessels, vessels committed by partners as well as a substantial number of short-term time-chartered vessels.

Fleet management

Technical management, including crewing for our owned fleet, is performed by New Century Overseas Management Inc., Manila, and Synergy Maritime Pte., Singapore providing safe, cost-effective and reliable vessel operations controlled and supervised by our in-house technical department.

With ship management outsourced to external service providers, our in-house technical department specifies requirements, aligns expectations and monitors performance on achieving safe, reliable and efficient operations.

Health & Safety

It is part of our safety strategy to build open relations with both our external ship managers and our vessel crews to ensure operational transparency.

As part of these efforts, we benchmark our external ship managers' safety performance through KPIs, regular vessel visits, office audits and other initiatives to ensure an ongoing and open dialogue. In 2014, we conducted 23 vessel visits, five office audits and two officer seminars.

Our vessel visits and office audits are used to assessing and discussing various items including actual safety performance and the level of best practice sharing.

Further, we conducted officer seminars with the purpose of increasing knowledge sharing, improving our seafarers' operations and for us to learn from their experience. In 2014, we used these seminars to share best practice in terms of energy-efficiency, operational excellence and safety.

We find that the seminars support our overall strategy to increase efficiency and reduce risk in our entire value chain

Security

Entering high-risk areas, we follow the Group's overall security guidelines. The guidelines state that before scheduling a voyage into a high-risk area, a risk assessment must be conducted by an independent external party. In 2014, Lauritzen Bulkers had 50 transits in high-risk areas. There were no incidents related to these transits.

Environment

Following fleet expansion and renewal over the past few years, we own and operate a young, modern and energy-efficient fleet comprising of more than 100 vessels with an age profile considerably below the industry average. A continued focus on fuel-savings, energy-efficiency and reduction of our carbon footprint were the key issues for our dry cargo operation during the year, cf. Table 1.

Our technical department implemented Vessel Energy Renovation Plans (VERP) on four vessels during 2014 (three vessels in 2013). VERP is a fleet performance catalogue that covers the optimisation of auxiliary machine consumption, including pumps, fans and air conditioning, plus additional initiatives for technical and operational optimisation.

Lauritzen Bulkers *Major Disaster Fund*

In 2013, the Philippines were hit by the devastating Typhoon Yolanda, which killed thousands of people and injured many more. Due to our close relations to the Philippines, J. Lauritzen made an immediate donation of USD 40,000 to the international medical organisation Médecins Sans Frontières and their work in the affected areas.

The typhoon also caused severe property damage and made hundreds of thousands of people homeless, which in 2014 led to the establishment of the Lauritzen Bulkers Major Disaster Fund. The fund was set up to provide our seafarers with financial aid in case of property damage caused by Yolanda and in order to provide some economic cover in case of future natural disasters.

In 2014, a total of 83 seafarers have received donations from the fund, amounting to approximately USD 23,300.

**Vessel Energy Renovation Plans
have been implemented on
seven vessels over the last two
years realising fuel-savings
of approximately 7%**

A performance desk was established during 2014 to strengthen our efforts within energy-efficiency and increased fleet performance. This new function is establishing a Key Performance Indicator system for all performance-related data as a tool to streamline efficiency and at the same time stimulate a performance-oriented culture.

During 2014, our operations department began utilising the Optimum Ship Routing (OSR) platform provided by WNI Weathernews International, enabling us to work in an even more structured way with day-to-day performance analysis, projected fuel consumption and routing recommendations.

Table 1: Emissions pr segment G/ton-miles

Segment	Emission	2014	2013	2012
Total fleet				
	CO ₂	6,68	7,82	8,03
	SO _x	0,12	0,14	0,14
	NO _x	0,17	0,20	0,21
Capesize				
	CO ₂	4,29	5,26	5,53
	SO _x	0,08	0,09	0,10
	NO _x	0,11	0,14	0,14
Handymax				
	CO ₂	6,13	6,51	8,59
	SO _x	0,11	0,12	0,15
	NO _x	0,16	0,17	0,22
Handysize				
	CO ₂	10,09	12,32	12,54
	SO _x	0,18	0,21	0,22
	NO _x	0,26	0,32	0,32

Emissions note

Emission figures are reported per segment and based on actual consumption, oil quality and engine emission factors and are calculated in accordance with IMO's guidelines, MEPC.1/Circ. 684. The Greenhouse Gas Protocol (GHGP) is used as the overall Greenhouse Gas accounting system. We have applied the financial control approach as defined in the GHGP, because we seek to create a direct link between our economic bottom-line and our emissions. The reported emissions are scope 1 emissions and include owned vessels.



Lauritzen *Kosan*

Lauritzen Kosan specialises in carriage of petrochemicals and liquefied petroleum gases - a segment of the shipping industry characterised by technically complex requirements from regulators and clients. Lauritzen Kosan controls a fleet of 39 semi-refrigerated, fully-pressurized and ethylene gas carriers.

Fleet Management

Our in-house Fleet Management department focuses on high performance and safe operations that devote top priority to the health and safety of our seafarers and to protection of the environment as well as our clients' cargo.

The ever-changing regulatory agenda is setting an increasingly demanding scene for ship management in terms of both complexity and costs. However, we see increased complexity as an opportunity. Working proactively with regulators and increased demands are embedded in our business model. We continuously monitor new demands and we prepare and invest to meet future demands from regulators and clients always focusing on competitive ship management and pushing the boundaries of best practice.

Health & Safety

We are committed to providing safe and healthy working conditions in an environment sometimes characterised by demanding circumstances. Safeguarding our people, the environment and our clients' cargoes is the crux of our health and safety efforts and improving the safety culture for all employees is always on top of our agenda.

All crew members are introduced to Lauritzen Kosan at a Safety Culture Awareness course and on the basis of this our senior officers are enrolled in the Lauritzen Kosan Leadership and Management course, empowering leaders on board our vessels with our management culture and tools.

Lost Time Injury Frequency was 0.5 in 2014

While the human element is one of many factors we work with, we also include IT and business intelligence as part of our efforts. In 2014, we continued to work with identifying trends and patterns to improve our performance. Combining our experienced seafarers, our company culture and IT tools form the basis of our strategic work to create value and increase safety performance.

Our seafarers

Our skilled seagoing personnel is recruited from the Philippines, Spain and Cuba. Respect and tolerance for individuals and understanding national and cultural differences are some of the key issues which enable us to understand each other and work efficiently together.

Biannual crew seminars are used to communicate specific topics and provide dialogue and discussions.

A fair and reasonable relationship between hours of rest and hours of work on board the vessels is vital. Our seafarers serve on board our vessels for many consecutive weeks and as we acknowledge fatigue and exhaustion as the main causes leading to accidents, we have strict rules and policies to ensure that our seafarers are well-rested and in fit condition.

In 2014, alternative watch routines have been developed and campaigns focusing on our ways of utilising our planning tools have been launched. Further, our policies ensure compensated rest whenever a rest hour violation is identified e.g. in connection with operational urgencies or emergencies.

The aftermath of *Typhoon Yolanda*

In November 2013, the Philippines were hit by the devastating typhoon Yolanda, which killed thousands of people, injured many more and left hundreds of thousands of people homeless.

Due to our strong relations to the Philippines through our significant number of Filipino crews, we have obviously followed the situation closely. Luckily, none of our seafarers or their families were reported missing. However, several experienced great damages to their houses.

To help our seafarers recover from the typhoon and rebuild their homes, a disaster relief fund was established between J. Lauritzen and the Lauritzen Foundation. From this, 55 Lauritzen Kosan seafarers and their families have received donations amounting to a total of approximately USD 140,000.

Intensified focus from external parties such as flag state administrations and port state authorities throughout 2014 followed by the implementation of the Maritime Labour Convention 2006 in 2013 have enabled us to benchmark our internal efforts with our external performance.

In 2014, a total of 62 Port State Control inspections were conducted on board our vessels. On average, only one port state deficiency were raised during a port state inspection.

Security

A significant part of the liquefied and petrochemical gases carried on our vessels is transported through some of the high-risk regions of the world. The risk to our crews and clients' cargo due to piracy or violent crime-related activity in certain parts of the world has our strictest attention.

To mitigate exposure to these risks, our anti-piracy counter-measures include close internal dialogue, monitoring risk patterns, using external experts' risk assessments and the employment of professional armed guards when transiting high-risk areas.

In 2014, Lauritzen Kosan had 32 transits in high-risk areas and there were no incidents relating to these transits.

Environment

We are strongly committed to minimising the environmental footprint of our global operations and our fleet utilisation and operational profiles are continuously scrutinised for optimised potential, cf. Table 2.

Our performance management department monitors, develops and implements energy-efficiency initiatives as part of our REJUICE programme, a systematic approach to assessing and achieving fuel-savings.

Since 2012, our energy-efficiency related to transport work has improved by more than 15% across our owned fleet

Our initial focus has been to develop a solid data platform for ongoing monitoring and evaluation of performance. Enhanced data collection through auto-logging and KPI tracking has been added to the traditional daily reports to form the basis for an automated reporting system that provides us with a reliable and current overview of the performance of our fleet.

In 2014, focus on optimising trim and ballasting, as well as limiting the hull and propeller fouling, contributed with approximately 6% fuel savings.

Looking into 2015, further improvements are expected as we introduce enhanced weather routing and initiatives to increase crew awareness on energy-efficiency. The implementation of an enhanced KPI structure will support and motivate energy-efficiency efforts onboard our owned vessels.

Seven external shipboard audits were conducted in 2014, to ensure compliance with the environmental standard ISO14001.

Table 2: Emissions pr segment G/ton-miles

Segment	Emission	2014	2013	2012
Total fleet				
	CO ₂	90,58	99,64	106,28
	SO _x	1,40	1,58	1,65
	NO _x	2,32	2,55	2,72
Ethylene				
	CO ₂	92,62	96,57	100,12
	SO _x	1,61	1,66	1,73
	NO _x	2,38	2,48	2,57
F/P				
	CO ₂	108,33	112,87	134,90
	SO _x	1,49	1,69	1,86
	NO _x	2,76	2,89	3,44
S/R				
	CO ₂	74,61	92,91	88,63
	SO _x	1,09	1,39	1,32
	NO _x	1,91	2,38	2,27

Emissions note

Emission figures are reported per segment and based on actual consumption, oil quality and engine emission factors and are calculated in accordance with IMO's guidelines, MEPC.1/Circ. 684. The Greenhouse Gas Protocol (GHGP) is used as the overall Greenhouse Gas accounting system. We have applied the financial control approach as defined in the GHGP, because we seek to create a direct link between our economic bottom-line and our emissions. The reported emissions are scope 1 emissions and include owned vessels.

FINANCIAL YEAR:

1 January – 31 December

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