

Evergas sustainability report

Caring for today & tomorrow

2nd Edition



Sustainability policy

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Sustainability Policy

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Glossary of Terms

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Around 90 percent of the world trade is carried by sea. It is by far the most energy-efficient mode of transport. This however, does not exempt us from focusing on minimizing our environmental footprint. As one of the world's leading seaborne transporters of petrochemical gases and natural gas liquids, Evergas recognizes its social and environmental responsibility. We are committed to sustainable thinking as we believe this will unlock growth to the benefit of both Evergas and society. Our efforts in sustainable development are particularly focused on, but not limited to, the following areas: Innovative Technology & the Environment, Health Safety & Security (HSS) & Development of Human Resources, Governance and Standards.

At Evergas we have an innovative mindset – we are constantly developing and adopting new technological advances to improve efficiencies, and to reduce the environmental impact of our operations. We believe that innovative technology is key to sustainable future growth as improved efficiencies are not only good for the environment, but also serves as an important tool in

terms of reducing costs, and creating competitive advantages.

Our eight new Dragon vessels very well illustrate our commitment to innovative technology. They are the most advanced multi-gas vessels in the industry, and the first ships to use the ethane gas, which they are transporting, for propulsion and main power generation. The use of gas as fuel eliminates SOx emissions and reduces carbon dioxide emissions by 25% compared to conventional fuel.

We believe that dedicated and satisfied employees are key assets to our organization. Evergas' company policy is thus to provide healthy and safe working conditions, to provide a learning environment that enables our employees to realize their talent, and to leave room for a healthy work-life balance. We are a global company with far reaching operations, and since our crew at sea often originates from developing countries, we have made it our focus to improve the living standards of our employees, but also the wellbeing of their family.

We strive to deliver premium quality in our services while al-



ways meeting or exceeding all applicable legislative and regulatory requirements. To avoid systemic issues such as corruption, leadership and international collaboration is required. At Evergas we are an engaged member of the Maritime Anti-Corruption Network.

This policy statement is made on the basis of our company values:

Dedication, Experience, Adaptability, Ambition and Uprightness

Steffen Jacobsen, CEO – Evergas

What is **sustainability** and why focus on it?

Why **focus** on sustainability?

Being an ethical and responsible business partner is of utmost importance to us. We believe in acting for the future by caring for today and tomorrow. Our planet faces massive economic, social and environmental challenges. As one of the world's leading seaborne transporters of petrochemical gases and natural gas liquids, we recognize our social and environmental responsibility.

For Evergas, sustainability is not only about responsibility – it is also about business. It is about applying creativity and innovation to manage risks and unlock growth to the benefit of both Evergas and society. By investing more stable and sustainable markets, we create better business opportunities and combat global challenges.

What do we **mean** by sustainability?

For Evergas, sustainability is about:

Competitive edge

By moving cargo in a cost effective and sustainable way, we create a competitive edge.

Positioning

We strive to be recognized as the most reliable partner in the gas shipping sector.

Cost savings

When choosing our focus areas, we choose those that are most material to our core business, and where we have the best opportunities to support our business strategies. By prioritizing these areas, we unlock growth and substantiate Evergas as a responsible business. Thus, we save fuel, reduce our climate impact and avoid non-compliance costs.

Sustainable **development** objectives

We work hard to deliver quality transport solutions to our customers and create genuine value for all our stakeholders. We always seek to combine these ambitions with an inherent sense of responsibility.

Over the years we have made a lot of progress in developing industry leading innovations, creating healthy and safe working conditions to our employees, and ensuring a continuous development of their talent by providing training programs and continuous guidance.

We created this folder to share our developments, while at the same time highlighting the areas for improvement for Evergas to be an even more sustainable business:



HSS and Development of our Employees

- Promoting the health of our employees through sustainable working conditions and providing healthy lifestyle options at work.
- Ensuring a safe and controlled working environment for our employees and those associated with our business.
- Maintaining competitive advantages in the marketplace by recruiting and maintaining some of the most skilled and ambitious employees in the industry.
- Make contributions that provide better living standards for our employees and their families.



Governance and Standards

- Continue to be engaged in international collaborations that create shared value.
- Comply with all known current and future regulations.
- Ensure high vessel acceptability for trading.

Innovative Technology and the Environment

- Continue to be in the forefront of the industry by creating sustainable and pioneering solutions that improve efficiencies and reduce our environmental footprint.
- Continue to use fuel with the lowest environmental footprint when it being economically reasonable

Sustainable development status – what are we already doing

In order to reach our sustainable goals, we need to know where we stand in the process. In the following, we will highlight what contributions we make to a sustainable development in each of our three main areas.

Innovative Technology and the Environment

As one of the world's leading seaborne transporters of petrochemical gases and natural gas liquids, we acknowledge our responsibility to take part in protecting the environment, and thereby reducing our environmental footprint.

The world economy is in constant growth which is driving an everincreasing demand for petrochemical and liquefied gases, and without these our fast-paced and dynamic everyday-life could not function in the way we know.

While alternative sources can contribute significantly, oil and gas remain the world's major energy source. Moreover, natural gases have a rainbow of uses – they are used to cook food, they are crucial element in building cars, homes, textiles, cosmetics, medicine and technical devices. Evergas transports the gas nec-

essary for modern global consumption, and we are committed to make gas transport greener, safer, and more efficient.

We have our eyes on a sustainable future, and we are therefore committed to create vessels that are efficient and environmentally friendly. We build state of the art high-tech vessel solutions fueled by clean, low emissions gas.

Our goal is to provide excellent transportation service for our clients and help them succeed in a responsible and sustainable way.

In 2013 Evergas ordered 8 Dragon series vessels. The Dragon vessels are interesting seen from a sustainable perspective. These vessels are the most advanced multi-gas vessels and the first vessels able to make efficient use of the cargo as fuel.

Evergas was awarded the Lloyd's List Global Innovation Award in 2017 for this innovative technology.



At Evergas we care about protecting marine environment. In the following, we have highlighted some of our environment-friendly vessel solutions:

Environment-friendly vessel solutions	Discription	Dragon	Lion	Tiger
Ballast Water Treatment System	When vessels take in ballast water in one part of the world and discharge it in another, they may disturb the ecological balances in the discharge area. Our ballast water treatment system contributes to protecting the sea water environment.	X	X	X
Biological Sewage Treatment System	A method of purifying domestic sewage.	X	X	X
Green Passport	The passport contains an inventory of all materials potentially hazardous to human health or the environment, used in the construction of a ship. The passport is used to record any changes in the materials. This ensures a safe recycling procedure.	X		
Clean Ship Notation	This notation is assigned to ships designed to control and limit the emission of polluting substances in the sea and air.	X	X	X
No Sox Emission in Gas Mode	There are no sulphur content in methane and ethane gas, therefore no sulphur emission in gas mode.	X		
Dual Fuel Engines	Dual fuel engines take advantage of burning gas.	X		
Fulfill NOx tier III in gas mode	NOx stands for nitrogen oxides (NOx). Nox Tier III is applicable for vessels constructed after 1/1-2016 that are operating within a certain ECA. (Emission control Area).	X		
Fulfill NOx tier II in diesel mode	Nox Tier II is applicable for vessels constructed after 1/1–2011.	X	X	X
EP-D Environmental Passport Design	This passport is a proof of an eco-friendly ship design.	X	X	X

Explanation: The higher the Tier, the lower the NOx emission

Innovative Technology and the Environment Performance

NOx

- NOx reduced more than 80% when changing from LFO to LNG or LEG
- NOx – IMO Tier III compliant in gas mode with either LNG or LEG
- LEG NOx emission ~ 8% lower than LNG thanks to faster heat release

CO2

- 26 % reduction in CO2 emissions when running LNG versus LFO
- 21 % reduction in CO2 emissions when running LEG vs LFO

Particulate

- ~ 67 % reduction in particulates when running LEG/LNG vs LFO
- ~ 90% reduction in particulates LEG/LNG vs HFO

SOx

- SOx emissions all but eliminated when running LEG/LNG (too small to measure/quantify)



“ We are very pleased that developing the possibility of running engines on ethane has enabled us to help our customer INEOS to drastically reduce its transportation costs, as running on ethane not only results in a cheaper and greener fuel, while also bringing savings from avoiding deviations and time losses for bunkering. This is a clear industry first in which propulsion makes use of a very cheap and clean feedstock ”

Steffen Jacobsen CEO – Evergas

Targets and Actions Table (Innovative Technology and the Environment)

Objective	Target	Actions
Reduce air emissions	With 2016 as baseline, increase CO ₂ , SO _x and NO _x emissions savings per nautical mile by 100% by the year 2021.	<ul style="list-style-type: none"> - Increased use of ethane for propulsion - Condition based hull cleaning and propeller polishing - Engine tuning - Weather routing - Ballast carriage optimization - Coating maintenance and upgrade during dry-docking of the vessels
Minimize oil pollution	Zero spill to sea.	<ul style="list-style-type: none"> - Bunker audits - EVINCE - Information sharing
Ballast Water Management	Meet local and international requirements.	<ul style="list-style-type: none"> - Use BWTS at least once a quarter - Use deep water ballast water exchange where required
Environmental management and awareness	Meet ISO 14001 standards.	<ul style="list-style-type: none"> - Plan and roll out program
Embrace environmental friendly emerging technology and solutions	On going.	<ul style="list-style-type: none"> - Attend industry conferences - Meet vendors - Stay abreast through networking, magazines and trade journals

The image shows a tablet displaying a performance dashboard. The dashboard is divided into several sections with blue and green headers. The top section is titled 'Key Construction' and includes metrics like 'HSE Incident Rate', 'HSE Lost Time Compensation (LTC)', 'HSE Lost Day Compensation (LDC)', and 'Residential Quality (RQI)'. Below this are sections for 'Technical Excellence', 'Technical Proficiency', and 'Key & Quality'. Each section contains a table with columns for 'Metric', 'Weight', 'Target', 'ESG', 'Result', 'Score', and 'Weighted Score'. The bottom part of the dashboard shows a 'Key Metrics' section with a table including 'HSE Incident Rate', 'HSE Lost Time Compensation (LTC)', 'HSE Lost Day Compensation (LDC)', 'Residential Quality', 'Off-Hour', 'HSE Quality', 'Daily Fuel Cost', 'LTP', 'Fuel Price', and 'Risk Depth Performance'. The data is presented in a clear, structured manner with color-coded cells (green for positive, red for negative).

Performance is at the heart of everything we do. Through vessel **score-cards** we **communicate** our set **objectives** and vessel **performance**. A healthy internal **competition** is propagated by **comparing** vessels of the same series on **indicators** like Safety, Technical **excellence**, Cost and **Energy** conservation while external **benchmarking** keeps us sharp.

HSS and Development of our Employees

Our employees create and shape our company. We therefore recognize the need to retain and maintain talented, dedicated and satisfied employees. The health and safety of our employees have always been integral to the way Evergas conducts business, and we are constantly striving to heighten our stan-

Crew at sea

What do we do for our employees

Safety	Description
Compliance campaigns	Periodic campaigns to reinforce safety consciousness and improve standards.
Near-miss reporting & reward	To encourage detection and elimination of any hazard before it turns into an incident.
PPE policies	To provide safety gear and donning guidelines suited for work in various conditions onboard. The gear protects against injuries and exposure to harmful elements.
Safety training programs	To raise competency and awareness towards safety.

dards. It is very important to us that we provide a safe learning environment that help our employees realize their talent both at sea and ashore. Here are some examples of what we do to ensure safe and satisfying working conditions:



Security	Discription
Armed guards in high risk areas	Offering protection against armed pirates on high seas.
Hardening of the vessel	Adoption of measures recommended in Best Management Practice (BMP) to deter pirates from boarding the vessel.
Drug and alcohol policy	Zero tolerance on use or possession of any un-prescribed drugs and controlled substances.

Comfortable Living Conditions	
High quality vessel design	A high quality vessel design ensures low noise levels, safe, comfortable living and working conditions.
Comfortable living & recreational facilities	Private accommodation with attached bathroom is provided. We offer gymnasium, recreation lounge and internet café onboard. We contribute to ship's club to buy movies, magazines, games etc.

Learning and development	
Crew conferences	A platform for interaction between senior ship board officers and shore based managers & senior management to foster close relationships.
Computer based training	An effective way for learning at own pace using leading industry standard training platform.
Publications	Latest edition of publications for our crew to be aware of regulations and best practices.
Defined career opportunities to the highest position onboard	We provide career opportunities to rise through the ranks to the highest position of Captain for deck officers and Chief Engineer for engineers. Our preference is to promote from our employees in the fleet.
Create future career opportunities ashore	We provide opportunities to our seafarers to join team ashore for management of the vessels.
Language courses	We offer English language courses to our employees who need to improve English language skills.
Promote from own crew	We strengthen our crew's commitment by promoting internally.

Crew ashore

What do we do for our employees

Flexible work arrangements By having flexible work arrangements, we help employees attain work-life balance.

Introduction programs To provide comprehensive introduction at the start of the career in Evergas.

Supporting higher education, relevant courses and leadership training We focus on learning and development by providing the opportunity for employees to help realize their talent.

Seminars and teambuilding events We facilitate seminars and teambuilding events to create a united Evergas team.

Exposure to networking opportunities Our employees are exposed to network opportunities through industry associations such as SIGGTTTO, MACN, Danish Ship Owners' Association, IMEC, SSA.

Health Bi-annual health check for our employees.



Evergas has instituted policies to formalize our direction in the areas of Health, Safety, Security, Quality and Environment. These policies are made available at all the offices and vessels for guidance to our employees.

Health, Safety & Security Performance

KPI – Key Performance Indicators	Performance 2016	Present Target
LTIF – Lost Time Incidents Frequency	0.6	0.5
TRCF – Total Recordable Case Frequency	1.8	2.0
Near Miss Reporting per Vessel per month	6.0	6.0



Targets and Actions Table (HSS and Development of our Employees)

Title	Objective	Targets	Actions
Health and Safety	Ensure a safe and healthy working and living environment for our vessel crews.	Release a Health Campaign.	Campaign to be run onboard focusing on Health issues, management of work & rest, work planning, personal health, fatigue, diet, exercise etc.
Vessel visit	Ensure shore based technical staff are more attuned to issues affecting vessels.	Vessel visits.	Vessel visits twice a year.
Audits by customers	To spot gaps and learn best practices.	Encourage audits by customers (in addition to SIRE) to learn from their experience.	Encourage audits by customer such as Ineos on our vessels.
Near Miss	Encourage near miss.	At least 6 per vessel per month.	Start best near miss of the month award.
Health awareness award	To contribute for maintaining gym equipment.	Keep gym equipment in good shape.	Contribute to club on demand.

Table on Crewing

KPI – Key Performance Indicators	Performance 2016	Present Target
Attrition rate of sea staff	7.5	7.3
Average Appraisal rating of senior officers	3.5	3.75
Back to back crewing for officers	2 vessels	4 vessels
On time relief exceptions	15%	10%
Matrix Compliance	100%	99%
Document compliance error	2%	1%



Targets and Actions Table (HSS and Development of our Employees)

Title	Objective	Targets	Actions
PPE Upgradation	Safe working gear for enhanced safety.	Upgrade PPE onboard.	Supply protective eye glasses, bump caps, finger protection tool, protective gear to rig razor wire, fall arrestors.
PMS	To have a robust PMS for timely maintenance of all equipment.	To have PMS accurately describing vessel condition.	Arrange PMS engineer visit to vessel to do gap analysis and propose corrective actions.
Values	Propagate values to have common shared understanding.	Roll out values throughout organization.	Roll out values, mission and vision in all the offices.
Team Spirit	To foster close relationship	Team building session.	Arrange a team building session in autumn.
Healthy Cooking	To promote healthy diet.	Provide healthy recipes.	Provide cook book with healthy cuisine recipe.

Governance and Standards

SIRE

Ship Inspection Report Programme (SIRE) is a safety initiative by OCIMF, first launched in 1993. The programme aims to eradicate sub-standard shipping, raise industry standards and offer risk assessment tools to charterers, ship operators, terminals and government bodies to assess the level of safety and compliance onboard ship. The ship is inspected by OCIMF accredited inspector once every 4 to 6 months and the report is submitted to a common database accessible to members of OCIMF.

The report is downloaded by interested parties while evaluating the suitability of the vessel for its service.

Since its introduction, the tanker industry has seen a steady rise in the standards, which is evident from reducing number of incidents. Evergas supports the OCIMF SIRE programme and regularly invites members of OCIMF to inspect the ship. The observations received are thoroughly analyzed and used for continuous improvement of the procedures and practices.

SIRE Performance Targets and Actions Table (Vetting)

Title	Objective	Targets	Actions
Vetting Excellence	Always approved for business.	Focus on good SIRE, PSC and CDI inspections.	<ul style="list-style-type: none"> - EVINCE for inspections - Proactive preparation - Knowledge sharing of the observations - Take robust preventive actions
Vetting Analytics	To analyse SIRE results to reach to root cause.	Analyse once every quarter.	Carry out analysis of SIRE observations with respect to obs, frequency, risk.
Weekly Telephone	Foster closer relationship.	Create a close link between vessel and shore.	Have at least once in a week phone call with vessel management.
Training of Suptd	Suptd going onboard is qualified to carry out inspections and audits.	Train Suptd in auditing technique.	Send Suptd for ISM, ISPS and MLC audit.

SIRE and Governance performance

KPI – Key Performance Indicators	Performance 2016	Present Target
Observation per SIRE	4.0	4.0
Rejections per vessel per year	0.2	0.2
PSC – Detention	0.0	0.0
PSC – Def per inspection	1.0	1.0
CDI obs per inspection	4.6	6.0
Vessel inspection frequency	2.0	2.0

International Collaboration

At Evergas we are members of the following associations to get a collective voice, raise standards, get commercial tradability, ensure compliance, training standards, and share best practice:

- Green Ship of the Future
- Maritime Anti-Corruption Network
- Tankers Safety Forum
- ITOSF
- SIGTTO
- Danish Shipping



MACN
Maritime Anti-Corruption Network



Recycling Policy

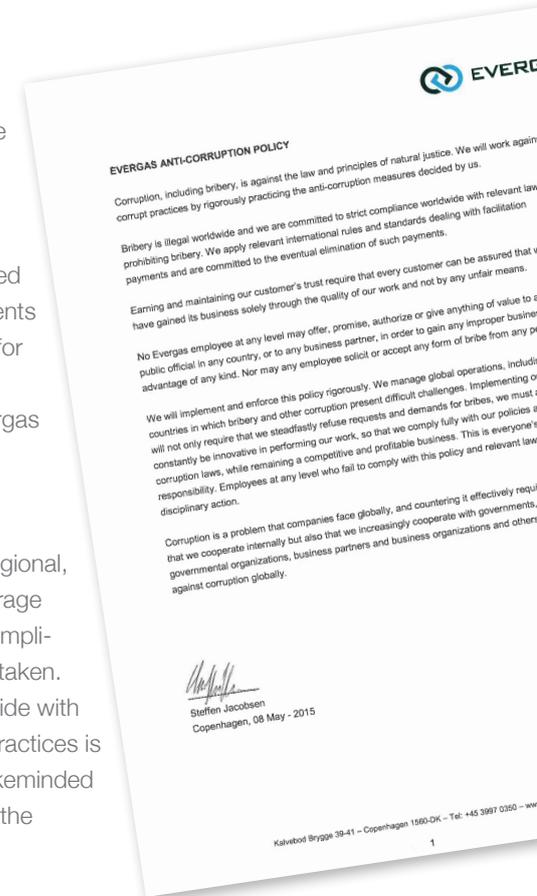
It is Evergas policy to recycle ships in a responsible manner, so as not to pose any unnecessary risk to human health and safety or to the environment.

At the end of its operational life, ships shall only be sent to yards for recycling, which have been certified by any of the IACS member to meet the requirements of the IMO's Hong Kong International Convention for safe and environmentally sound recycling of ships. The chosen yard shall be audited on behalf of Evergas to verify HSSEQ compliance standards.

International Compliance

At Evergas, we abide by all known International, regional, national and local laws and regulations. We encourage feedback from our staff and visitors on any non-compliance, which is investigated and corrective actions taken.

We are committed to strict compliance worldwide with laws prohibiting bribery. Working against corrupt practices is very important to us. We have joined forces with likeminded industry peers and for that reason, we have made the following Anti-Corruption Policy.



Future sustainability plans

Although we are doing a lot already, we acknowledge that we can do even better. What is meant by “doing even better” is that even with limited resources, it is possible for Evergas to make even more ambitious sustainable development plans that will unlock even more growth. We are currently considering how our business activities may contribute to achieving some of the UN Sustainable Goals.

However, being a small-medium sized company with limited global influence and resources, we have to be realistic in our future sustainability plans. We have therefore chosen to focus on certain UN sustainable goals that are relevant to our industry. With inspiration from the SDG Industry Matrix from the transportation sector, we are considering how the following goals and targets could fit into Evergas’ future sustainable plans:



- Good quality food and water onboard
- Culinary training to cooks
- Guide to healthy eating
- Facilities for exercise and recreation



- Invest in future talent by allowing berths onboard
- Encourage employees to take higher education
- Encourage employees to attend seminars, conferences, exhibitions



- No discrimination in the opportunities offered onboard and ashore
- Zero tolerance towards misconduct and exploitation
- Family friendly work arrangements



- Adopt emerging technologies for cleaner energy
- Enhanced energy efficiency by improved designs and fittings
- Optimum operation of machinery



- Comply with international rules and best practices against marine pollution
- Adopt Ballast water management principles to minimise impact of harmful species



- Be at forefront of anti-corruption and bribery
- Discourage any type of discrimination
- Provide input to regulatory bodies to strengthen the legislations

Glossary of Terms

Accidents – An undesired event, or series of events, that results in injury or illness to people.

Audit – A systematic and independent examination to determine whether activities and related results comply with the Management System and whether the system arrangements are suitably implemented, and documented to achieve the desired objectives.

Fatality – A death directly resulting from a work related injury regardless of time between the injury and death.

HSS – Health, Safety and Security

Incident – An undesired event that results in harm to personnel (injury or illness), environmental damage, property damage/loss, or business interruption (loss of process) that may have an adverse impact on Evergas

Incident Frequency – cases multiplied by 1 million, and divided by the number of exposure hours.

Allows for comparable measuring of incident types.

Eg: $LTIF = \frac{\text{Number of LTIs} \times 1,000,000}{\text{Exposure hours}}$

KPI – Key Performance Indicator.

LEG – Liquefied ethylene gas

Lost Time Injury (LTI) – Any work related injury other than a fatal injury which results in a person being unfit for work for a period of 24 continuous hours immediately after the occurrence of the incident. This period includes rest hours, discharge and sign-off days, weekend days, public holidays or days after ceasing employment.

Near Miss – An event or sequence of events which under slightly different circumstances could have resulted in harm to personnel.

Personal Protective Equipment (PPE) – All equipment and clothing intended to be utilized, which affords protection against one or more risks to health and safety. This includes protection against adverse weather conditions.

Sustainability – Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. In essence we should manage our resources efficiently to ensure future prospects.

OCIMF – Oil Companies International Marine Forum

ITOSF – Informal Tanker Operator's Safety Forum

SIGTTO – Society of International Gas Tanker and Terminal Operators



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