REPORT

ENVIRONMENTAL

SOCIAL

GOVERNANCE

2019

THIS REPORT HAS BEEN PREPARED BASED ON THE REQUIREMENTS OF THE SUSTAINABILITY ACCOUNTING STANDARDS BOARD

756 682
DEADWEIGHT TONNAGE

280
NUMBER OF SHIPBOARD EMPLOYEES

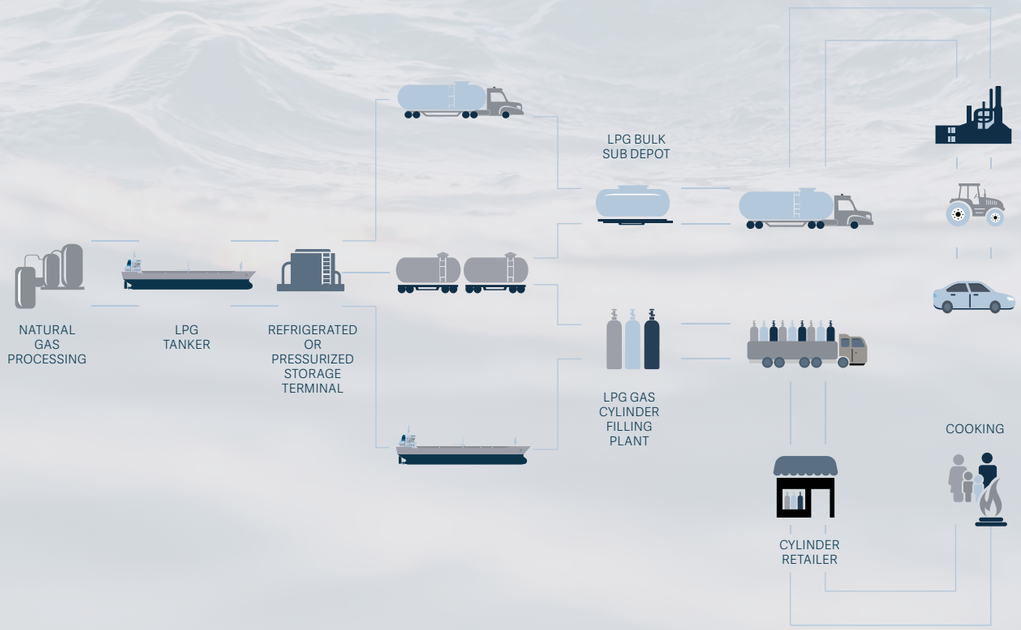
5 059
OPERATING DAYS

14
NUMBER OF VESSELS IN TOTAL SHIPPING FLEET

1 261 560
TOTAL DISTANCE TRAVELLED BY VESSELS

226
NUMBER OF VESSEL PORT CALLS

THE **LPG** VALUE CHAIN



1. INTRODUCTION

Avance Gas Holding Ltd ("Avance Gas") launched its first ESG (Environmental, Social and Governance) report in 2019. ESG reporting is an important component of our sustainability approach, enabling us to communicate with key stakeholders and the market on how Avance Gas manages material ESG issues in the face of increasing expectations and regulations.

Avance Gas is one of the world's leading VLGC ship-owners and operators. Our fleet consists of 14 owned VLGCs transporting Liquified Petroleum Gas (LPG) from the Persian Gulf and the US Gulf Coast to destinations in Europe, South America, India and Asia. Avance Gas was formed in 2007 and is listed on the Oslo Stock Exchange.

Expectations and challenges related to climate change are becoming more pressing. Climate change is intrinsically linked to greenhouse gas (GHG)-emissions, and we anticipate stricter regulation from governments, financial institutions and business partners in the years to come. Avance Gas is determined to be proactive and pull together with the rest of the sector for a sustainable shipping industry, and we are currently working on energy efficiency initiatives on our existing fleet. In 2019 we entered shipbuilding contracts for two LPG Dual-Fuel VLGCs that will significantly lower fuel consumption, reduce fuel costs and reduce emissions compared to any VLGC on water. We are convinced that efforts to increase energy efficiency, in combination with investments in new technology will bring both significant environmental and economic advantages going forward.

Increased focus on the use of greener fuels is a strong driver of demand for LPG. LPG is a multipurpose, low-polluting energy source commonly used for transportation, farming, domestic heating and cooking. By replacing the use of traditional fuels, LPG improves air quality and reduces health risks associated with air pollution. Close to half of the global demand for LPG comes from residential cooking and heating. The International Energy Agency (IEA) recognises LPG as a key factor in addressing negative health impacts and premature deaths associated with the harmful emissions of traditional cooking fuels, in many parts of the world. This has spurred LPG programmes and clean air policies in several countries including China, India and Brazil, thus contributing to further demand for LPG. We believe Avance Gas provides an important contribution by making LPG available to customers all over the world.

In a field that is evolving rapidly it is important to have access to information and to monitor progress. We believe that high quality ESG management strengthens our ability to create and protect value. In 2019, we initiated the process of enhancing our ESG management system by scoping the development of a digital platform that sets out to make monitoring, governing and reporting of ESG issues more efficient and accurate. The development and implementation of the platform will commence in 2020.

This report aims to provide investors, banks and other stakeholders with easy access to extra-financial information. The report has been prepared in accordance with the Marine Transportation framework established by the Sustainability Accounting Standards Board (SASB), incorporating its indicators and related definitions, scope and calculations. This method has enabled us to identify, manage and report on material Environmental, Social and Governance (ESG) factors specific to our industry. Additionally, we have incorporated the principles of the UN Global Compact, and the report is compliant with the Euronext ESG Reporting Guidelines.

The report covers the period 1 January to 31 December 2019.

Ulrik Uhrenfeldt Andersen, CEO

"High quality ESG management strengthens our ability to create and protect value"

2. SUSTAINABILITY ACCOUNTING STANDARDS DISCLOSURES

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2018	DATA 2019	CODE
GREENHOUSE GAS EMISSIONS	**CO_2 EMISSIONS**				
	Gross global Scope 1 emissions: Financial control	Metric tons (t) CO_2-e	469 765	545 904[a]	TR-MT-110a.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	*See page 8*			TR-MT-110a.2
	ENERGY CONSUMED				
	(1) total energy consumed	Gigajoules (GJ), Percentage (%)	6 531 288 100 %	7 591 598 100%[b]	TR-MT-110a.3
	(2) percentage heavy fuel oil	Gigajoules (GJ), Percentage (%)	6 128 741 94 %	7 021 647 92% [b]	
	EEDI				
	Average Energy Efficiency Design Index (EEDI) for new ships	Grammes of CO_2 per ton-nautical mile	N/A	N/A [c]	TR-MT-110a.4
AIR QUALITY	**OTHER EMISSIONS TO AIR**				
	(1) NOx (excluding N2O)	Metric tonnes (t)	13 928	14 722[d]	TR-MT-120a.1
	(2) SOx	Metric tonnes (t)	8 393	8 385[d]	
	(3) particulate matter	Metric tonnes (t)	1 041	1 059[d]	
ECOLOGICAL IMPACTS	**MARINE PROTECTED AREAS**				
	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel dayss	138	*To be published by April 17*	TR-MT-160a.1
	IMPLEMENTED BALLAST WATER				
	(1) exchange	Percentage (%)	100 %	100 %[f]	TR-MT-160a.2
	(2) treatment	Percentage (%)	57 %	57 %[f]	
	SPILLS AND RELEASES TO THE ENVIRONMENT				
	(1) number	Number	0	0[g]	TR-MT-160a.3
	(2) aggregate volume	Cubic meters (m^3)	0	0[g]	

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2018	DATA 2019	CODE
BUSINESS ETHICS	**CORRUPTION INDEX**				
	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	0	9[h]	TR-MT-510a.1
	CORRUPTION				
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	0	TR-MT-510a.2
EMPLOYEE HEALTH & SAFETY	**LOST TIME INCIDENT RATE**				
	Lost time incident rate (LTIR)	Rate	0	0[i]	TR-MT-320a.1
ACCIDENT & SAFETY MANAGEMENT	**MARINE CASUALTIES**				
	Incidents	Number	1	2[j]	TR-MT-540a.1
	Very serious marine casualties	Percentage (%)	0	0[j]	
	CONDITIONS OF CLASS				
	Number of Conditions of Class or Recommendations	Number	0	0[k]	TR-MT-510a.2
	PORT STATE CONTROL[i]				
	(1) deficiences	Rate		0.56[l]	TR-MT-540a.3
	(2) detentions	Number	0	0[l]	

ACTIVITY METRIC	UNIT OF MEASURE	DATA 2018	DATA 2019	CODE
Number of shipboard employees	Number	280	280[m]	TR-MT-000.A
Total distance travelled by vessels	Nautical miles (nm)	1 133 415	1 261 560[n]	TR-MT-000.B
Operating days	Days	4 657	5 059[o]	TR-MT-000.C
Deadweight tonnage	Thousand deadweight tons	756 682	756 682	TR-MT-000.D
Number of vessels in total shipping fleet	Number	14	14[p]	TR-MT-000.E
Number of vessel port calls	Number	445	226	TR-MT-000.F
Twenty-foot equivalent unit (TEU) capacity	TEU	N/A	N/A	TR-MT-000.G

Please see chapter 7 for assumptions regarding the SASB disclosures and specific comments referred to above

3. ESG GOVERNANCE

The shipping industry carries risks related to emissions, spills, health & safety and corruption. Avance Gas is adamant about complying with all applicable international and local laws and regulations. We have established a set of policies and control processes to safeguard our employees' and partners' diligent management of ESG issues in accordance with these policies. The Board ensures that we have sound internal control and risks management systems in place, which encompass our corporate values and ethical guidelines, including the guidelines for corporate social responsibility.

In accordance with the Oslo Stock Exchange corporate governance code, the Audit Committee is appointed by the Board and tasked with monitoring and following up reports and complaints received by the company relating to internal controls and compliance. Furthermore, the Audit Committee ensures that policies with respect to ethics, risk assessments and risk management are adequate at all times.

We have implemented a continuous surveillance system on our vessels, and a threshold-based reporting framework based on the severity of incidents. All incidents are reported back to the Board in an annual review, but substantial impact cases are reported directly to the Board as instructed in our Code of Conduct. The Code and the corporate governance frameworks are reviewed annually.

The Chief Executive Officer (CEO) carries the responsibility for all activities of Avance Gas, while our technical managers are the first in line to handle incidents. Avance Gas has outsourced technical management of the fleet to Exmar Ship Management NV (Antwerp) and Northern Marine Management Ltd (Glasgow) whose responsibilities include employment of onboard personnel. The technical managers are monitored and assessed in close collaboration with Avance Gas' technical supervisors, Frontline Management Ltd, to ensure compliance with our policies and requirements. Avance Gas has a policy of hosting annual officers' conferences to ensure adequate and continuous training. These conferences are executed in close cooperation with our technical managers.

ESG MANAGEMENT PROGRAMME

In 2019, our technical supervisor initiated the process of enhancing our ESG management system by scoping the development of a digital platform that sets out to make monitoring, management and reporting of ESG issues more efficient and accurate. By the end of 2019, the scope of the platform was defined, and DNV GL was chosen as our partner. The development and implementation of the platform will commence in 2020.

COOPERATION INITIATIVES

Avance Gas believes that many ESG challenges require cooperation among industry players and regulatory authorities. We have therefore joined forces with likeminded partners as a member of the following networks: Maritime Anti-corruption Network and Society of International Gas Tanker and Terminal Operators (SIGTTO).

MACN
Maritime Anti-Corruption Network

SIGTTO

MATERIAL ISSUE	INTERNAL GOVERNANCE DOCUMENTS	INTERNATIONAL STANDARDS AND REFERENCES
Climate change	HSSEQ (SM)	The Paris Agreement The Intergovernmental Panel on Climate Change (IPCC) Initial IMO Strategy on Reduction of GHG Emissions from Ships
Air emissions	HSSEQ (SM)	IMO MARPOL Convention Annex VI EU Sulphur Directive 2016/802 UNCLOS
Ecological impact	HSSEQ (SM)	UN Global Compact IMO MARPOL Convention Annex VI IMO Ballast Water Management Convention IMO MARPOL Convention Annex VI
Anti-Corruption	Corporate Code of Business Conduct Bribery and Facilitations (SM)	UN Global Compact The US Foreign Corrupt Practices Act and the UK Bribery Act
Employee Health & Saftey	Code of Conduct	UN Global Compact ILO Conventions Maritime Labour Convention, 2006 (MLC, 2006) International Management Code for the Safe Operation of Ships and for Pollution Prevention (The ISM Code) Hong Kong Convention Marine Crew Resource Management
Accident & Safety Management	Code of Conduct	International Management Code for the Safe Operation of Ships and for Pollution Prevention (The ISM Code) Marine Crew Resource Management

SUSTAINABLE DEVELOPMENT GOALS

As part of addressing sustainability in a broader perspective we have identified four UN Sustainable Development Goals (SDGs) where we believe Avance Gas can contribute: We have selected SDG 3, 13, 14 and 16 since these goals are closely tied to the industry we are a part of and are material to what we monitor – please see chapter 4 and 6 for more information. Contributing to the broader global agenda of reaching the SDGs is in our interest as the Goals affect our business, customers, suppliers, investors and regulators which we depend on.

4. ENVIRONMENT

Avance Gas' dedication to safe ships, clean seas and commercial reliability reflects our unwavering commitment to operating in a manner that is safe for people and minimises our impact on the environment. Our experienced and highly trained officers and crew members operate in strict compliance with local, national, global and industry requirements, regulations and certifications. All ships in the Avance Gas fleet operate in accordance with the ISO 14001 standard for Environmental Management.

Avance Gas' policy on Environmental Protection defines our commitment to environmental due diligence and how spills and operational emissions of sulphur oxides (SOx), nitrogen oxides (NOx), waste and other discharges are to be managed. We also work diligently with our Ship Energy Efficiency Management Plan (SEEMP) and have established a comprehensive system for incident reporting.

To enhance our ESG management, we will implement a digital platform to track vessel fuel efficiency in 2020. First-hand tracking of each of our vessel's emissions and energy consumption will be essential in monitoring energy efficiency and emissions in accordance with regulations and company targets going forward.

GREENHOUSE GAS EMISSIONS AND AIR QUALITY

Shipping is by far the most energy efficient means of global transportation of goods. However, as international trade increases, so do emissions, and regulations are becoming more stringent.

The IMO International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI limits the main air pollutants originating from ships' exhaust gas, including sulphur oxides (SOx) and nitrous oxides (NOx). By the end of 2019, Avance Gas had invested in 6 scrubbers that will decrease SOx emissions to levels within the limits set by the IMO. In addition, we started running our vessels partly on Very Low Sulphur Fuel Oil (VLSFO). These efforts have equipped us to be fully compliant with the new IMO sulphur emission cap regulation[1], which came into effect 1 January 2020. As a result, while consuming 15 percent more energy in 2020 compared to 2019, our total SOx emissions were marginally lower due to the use of VLSFO.

There is an increasing focus on CO2 emissions and its related effects on climate change. The IMO has set out a 2030 strategy in line with the Paris Agreement, outlining CO2-emission reductions per transport work by at least 40 percent by 2030 and 70 percent by 2050, compared to 2008 levels.

In 2019, we entered shipbuilding contracts for two LPG Dual-Fuel VLGCs. These vessels will, based on estimates, emit 97to100 percent less SOx, have 90 percent less particulate pollution and significantly lower CO2 emissions compared to modern conventional VLGC tonnage.

To support the IMO 2030 strategy, Avance Gas is looking into alternative investments to further enhance our vessels energy efficiency and reduce emissions. We view compliance with the IMO 2030 strategy as a necessity to stay at the forefront of our industry in the decades to come, and our energy efficiency initiatives and new builds are in accordance with the 2030 target.

The shipping sector is moving fast, but the technical route is not yet clear. We will continue to work on new solutions and take active measures that will increase our energy efficiency and reduce our emissions. In 2020, we will continue mapping areas for improvement, start defining targets and consider strategies for how Avance Gas can further contribute to the IMO 2030 strategy. Through our efforts to lower our fleet's CO2 emissions by increasing efficiency and upgrading engine technology, Avance supports UN SDG 13 – targeting the global fight against climate change - in compliance with IMO's strategy towards 2030.

ECOLOGICAL IMPACTS

Marine transportation carries environmental risks through discharges and potential spills. Avance Gas' efforts and ability to manage such risks are critical for protecting the environment, the sector, our customers and our own business. We have monitoring and management tools in place to minimise the environmental impact of Avance Gas' activities:

- Our HQ has full overview of our ships to ensure compliance with international and local regulations.
- Our crew members are trained in and must follow our stringent rules for avoiding spills at any time.

Ballast water is essential for safe and efficient modern shipping operations; however, it may also represent serious ecological, economic and health risks due to the multitude of marine species carried in the ships' ballast water. The handling of ballast water is regulated by the International Convention for the Control and Management of Ships' Ballast Water and Sediments. We take ecological risks seriously and all our vessels have ballast water exchange systems installed and 57 percent of the fleet has treatment technology in place.

Avance Gas is conscious that larger volumes of oil spills have long-lasting adverse impacts on ecosystems, and incidents will cause serious impact on people and the environment. Reputational damage, as well as financial loss due to fines and recovery efforts, are some of the consequences of spills that would directly affect our business. The highest likelihood of spills occurs in fuel transfer operations, but the highest risk arises from potential ship collisions. No oil spills or other types of spills to the environment were reported in 2019.

Ships represent hazardous waste which must be recycled under safe conditions with respect for human health, safety and environment. The Hong Kong Convention aims to ensure that ships, when recycled after reaching the end of their operational lives, do not pose a risk to safety of workers or to the environment. In 2019, we started working on a Ship Recycling Policy to ensure that future recycling of ships may only take place at yards compliant with the Hong Kong Convention and in alignment with the 10 UN Global Compact principles. The policy will be implemented in 2020.

Avance Gas has identified SDG 14 – Life below water – as relevant for our operations, and target 14.C is aimed at enhancing the conservation and sustainable use of oceans and their resources by implementing international law.

[1] From [1] January [2020], the limit for sulphur in fuel oil used on board ships operating outside designated emission control areas is reduced to [0.50]% m/m [(mass by mass)]. http://www.imo.org/en/MediaCentre/HotTopics/Pages/Sulphur-[2020].aspx

ACCOUNTING METRIC	UNIT OF MEASURE	DATA
CO_2 EMISSIONS		
Gross global Scope 1 emissions	Metric tonnes (t) CO_2-e	545 904
ENERGY CONSUMED		
(1) total energy consumed	Gigajoules (GJ), Percentage (%)	7 591 598, 100 %
(2) percentage heavy fuel oil	Gigajoules (GJ), Percentage (%)	7 021 647 92 %
EEDI		
Average Energy Efficiency Design Index (EEDI) for new ships	Grammes of CO_2 per ton-nautical mile	N/A
OTHER EMISSIONS TO AIR		
(1) NO_X (excluding N2O)	Metric tonnes (t)	14 722
(2) SO_X	Metric tonnes (t)	8 385
(3) particulate matter	Metric tonnes (t)	1 059
MARINE PROTECTED AREAS		
Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	*To be published by April 17*
IMPLEMENTED BALLAST WATER		
(1) exchange	Percentage (%)	100 %
(2) treatment	Percentage (%)	57 %
SPILLS AND RELEASES TO THE ENVIRONMENT		
(1) number	Number	0
(1) aggregate volume	Cubic meters (m^3)	0

5. SAFETY, LABOUR CONDITIONS AND HUMAN RIGHTS

HEALTH, SAFETY AND ENVIRONMENT

Ensuring safe working conditions is always our primary focus, and the health and safety of our personnel are prioritised in every aspect of our operations. At Avance Gas we believe that a strong health and safety focus, both onshore and offshore, will positively affect the long-term performance of our company. The IMO rigorously regulates safety onboard and has recently strengthened requirements under the International Management Code for the Safe Operation of Ships and for Pollution Prevention ("ISM Code") issued under SOLAS. All Company employees, shore based and seafarers are required to comply with the applicable standards and with the ship's occupational health and safety policy and program.

We have a zero-accident ambition and we operate by the principle that no serious injury or environmental incident is acceptable. All onboard personnel are appropriately trained, and a formal onboard training program includes both computer-based training and periodic scheduled and unscheduled drills. All officers and crew members are required to report near misses and incidents. The data from these reports are tracked, tabulated and used to drive continuous improvement in Avance Gas' safety culture. Lost Time Incident Rate (LTIR) remained unchanged from last year, at zero, with zero lost work days in 2019. This is a track record we aim to maintain.

Avance Gas' technical managers utilise structured safety campaigns to enhance safety performance and awareness. Our main HSEQ objectives are inter alia to grow the culture of on-board awareness on environmental compliance, to improve the on-board safety culture and to have increased focus on our safety campaign on learning from industry incidents relating to launch and recovery failure of life/rescue boats. As part of these efforts we hold annual officer conferences where we highlight specific topics and hold drills and training sessions with the technical managers. Each quarter new "Safety Drivers" are defined. Safety drivers are safety themes that we specifically focus on. The themes are derived from internal lessons learned and incidents in the industry.

We had two incidents involving two of our vessels in 2019. In October 2019, one of our vessels made contact with a jetty fender at a discharge terminal in Spain. The incident happened during departure in heavy winds, when the rope from the supporting tugboat snapped. The Master and the crew on board took all necessary measures required and performed an incident report of the event in line with company policy and procedures. There were no injuries to crew or officers, and no spill or pollution to sea or air were reported in relation to the incident.

In December 2019, one of our vessels had an allision with a loading terminal in the United States. The vessel reported minor damage to the vessel's hull, to the mooring dolphin and berth structure. The port authorities were informed, the coast guard was on board, and a third-party investigation and analysis was performed shortly after the allision. The incident caused no injuries to crew or officers, and no spill or pollution to sea or air were reported.

A detailed analysis of accidents and incidents for the entire fleet is prepared for Avance Gas by technical managers in accordance with the Oil Companies International Marine Forum's guidelines on Lost Time Injuries (LTIs) and Total Recordable Cases and Frequency (TRC and TRCF). The reports allow us to identify the root causes of any reported incidents, and the reports are thus a tool for future improvement of our safety policy. All accidents, incidents and near misses shall be reported, and proactive measures are taken to ensure that we encourage our crew to report these with no hesitation and with support of their managers.

Avance Gas is also a member of SIGTTO, which is an international body established by the industry to facilitate the exchange of technical information and experience about safety and operational reliability of gas tankers and terminals.

HUMAN RESOURCES AND DIVERSITY

All seagoing crew are under employment contracts with our technical managers and hired in close collaboration with Avance Gas. Our technical managers have in place cadet programmes to ensure a healthy growth in the next generation of qualified sea farers.

Avance Gas is an equal opportunity employer. All qualified applicants and employees are treated without regard to gender, nationality, disability, religion, race or colour. The professional development and personal growth of our employees are vital to the success of our company. Our technical managers take pride in the low turnover and high retention of Avance Gas' sea staff, who recognise that the Company is a safe, reliable and high-quality industrial shipper dedicated to safely and reliably meeting the needs of its customers worldwide.

It is our ambition to create a good working environment, offering challenging and motivating work tasks and equal development opportunities to all employees. Women make up 38 percent of the onshore workforce. The absence rate due to sickness for onshore employees was zero percent in 2019.

EMPLOYEE HEALTH & SAFETY	UNIT OF MEASURE	DATA
LOST TIME INCIDENT RATE		
Lost time incident rate (LTIR)	Rate	0
MARINE CASUALTIES		
Incidents	Number	2
Very serious marine casualties	Percentage (%)	0
CONDITIONS OF CLASS		
Number of Conditions of Class or Recommendations	Number	0
PORT STATE CONTROL		
(1) deficiencies	Rate	0.56
(2) detentions	Number	0

6. ANTI-CORRUPTION AND BUSINESS ETHICS

Corruption has far-reaching consequences and can have damaging impact on trade and investment, which in turn can have a negative effect on social and economic development. For businesses in the shipping industry, corruption poses legal and reputational risks. Moreover, it represents a potential threat to the safety of the crew and is associated with increased costs of doing business.

Avance Gas has a zero-tolerance policy towards bribery as stated in our Code of Conduct, which applies to all entities controlled by our company and officers, directors, employees as well as workers and third-party consultants acting on behalf of the company, wherever they are located. Assessing and monitoring business processes, training and controls are fundamental tools in implementing our anti-corruption policy.

Our implemented enterprise-wide anti-corruption and money laundering policies among our seagoing staff is modelled on the UK Bribery Act and US Foreign Corrupt Practices Act (FCPA). Together with our technical managers we closely monitor and educate all staff on the policies and consequences of a breach of these policies. Our onshore staff members follow our strict internal policies and an assessment of internal control policies are part of the annual audit procedure as well as ongoing monitoring by the audit committee.

As part of our compliance procedures, appropriate risk-based communication and training is provided to employees and business partners as part of their on-boarding and ongoing development. Any suspected deviation from our policy is to be reported to the closest manager or by submitting a complaint through our "speak out" function on our website.

To monitor and address the threat of corruption, Avance Gas also tracks the positions of our ships, and we keep a record of ships having visited harbors of the countries rated with the highest corruption risks according to Transparency International. Avance Gas was not involved in any legal proceedings associated with bribery, corruption or anti-competition in 2019.

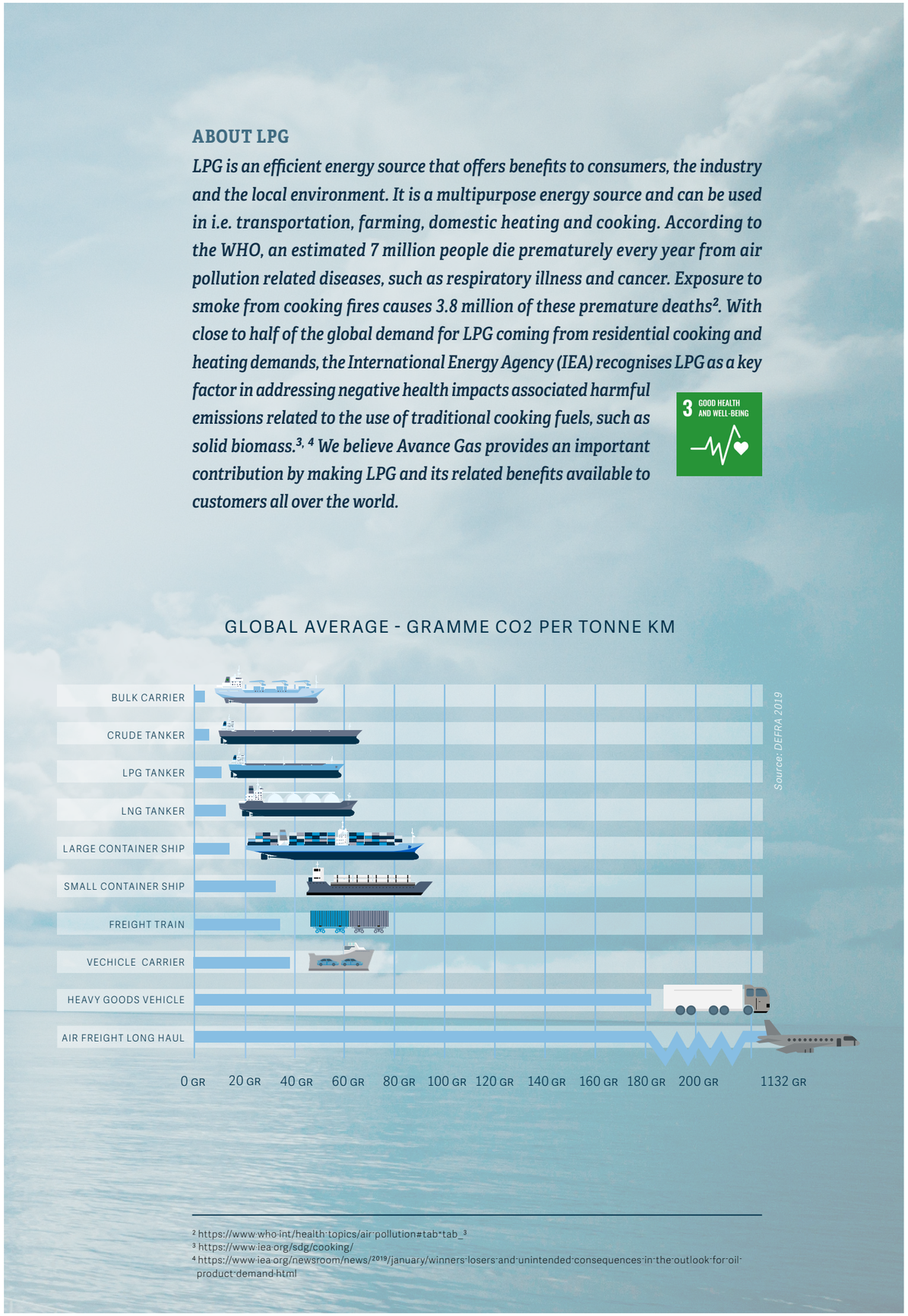
Tackling systemic integrity challenges requires collective action. Avance Gas has therefore joined forces with other members of the shipping industry to share information and approaches, as well as engaging with authorities and civil society. The Marine Anti-Corruption Network (MACN) is a global business network working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large. Established in 2011, MACN has grown to include more than 100 members globally and has become one of the pre-eminent examples of collective action to tackle corruption. As a member of MACN, we support collective action to reduce corruption and bribery in all forms.

SDG target 16.5 aims at substantially reducing corruption and bribery in all their forms. As a member of MACN, and through our own diligent anti-corruption procedures, we support collective action to reduce corruption and bribery in all their forms.

BUSINESS ETHICS	UNIT OF MEASURE	DATA
CORRUPTION INDEX		
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	9
CORRUPTION		
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0

ABOUT LPG

LPG is an efficient energy source that offers benefits to consumers, the industry and the local environment. It is a multipurpose energy source and can be used in i.e. transportation, farming, domestic heating and cooking. According to the WHO, an estimated 7 million people die prematurely every year from air pollution related diseases, such as respiratory illness and cancer. Exposure to smoke from cooking fires causes 3.8 million of these premature deaths[2]. With close to half of the global demand for LPG coming from residential cooking and heating demands, the International Energy Agency (IEA) recognises LPG as a key factor in addressing negative health impacts associated harmful emissions related to the use of traditional cooking fuels, such as solid biomass.[3, 4] We believe Avance Gas provides an important contribution by making LPG and its related benefits available to customers all over the world.



[2] https://www.who.int/health-topics/air-pollution#tab=tab_3
[3] https://www.iea.org/sdg/cooking/
[4] https://www.iea.org/newsroom/news/2019/january/winners-losers-and-unintended-consequences-in-the-outlook-for-oil-product-demand.html

7. DISCLAIMER AND ASSUMPTIONS FOR THE SASB REPORTING

The information provided is based on the best data available at the time of reporting. The ESG disclosures should be used to understand the overall risk management of sustainability related issues, however, in some areas data are based on estimates, please see comments below.

[a] **CO2 emissions** (Metric tons (t) CO_2-e): Based on IMO emission factors. The "financial control" approach defined by the GHG Protocol has been applied. Scope 1: Owned vessels, based on fuel consumption for the year.

[b] **Total energy consumption (TJ):** Calculated based available data on fuel purchases by using the fuel properties defined by DEFRA, Conversion factors, 2019.

[c] **Average Energy Efficiency Design Index (EEDI) for new ships:** As no new vessels entered the fleet in 2019, EEDI is currently reported as N/A.

[d] **Particulate matter (PM), NOx, SOx emissions (Metric tonnes):** NOx and SOx emissions from the combustion of fuels from owned vessels have been calculated based on the tool established by Danish Shipping and distance travelled.

[e] **Shipping duration in marine protected areas or areas of protected conservation status:** A marine protected area as defined by the International Union for Conservation of Nature (IUCN): Any area of intertidal or sub-tidal terrain, together with its overlying water and associated flora, fauna, historical and cultural features, which has been reserved by law or other effective means to protect part or all of the enclosed environment, listed in the World Database of Protected Areas (WDPA) and mapped on Protected Planet. Protected Planet is the most up to date and complete source of information on protected areas, updated monthly with submissions from governments, non-governmental organizations, landowners and communities. It is managed by the United Nations Environment World Conservation Monitoring Centre. However, the reported number does not necessarily include all Marine protected areas internationally established and regulated in International the Marine Organization (IMO) Conventions and areas established nationally by member states. The data on shipping duration in Marine Protected Areas has been obtained through our tracking system (IHS).

[f] **Percentage of fleet implementing ballast water exchange and treatment**: Only ships performing ballast water exchange with an efficiency of at least 95 percent volumetric exchange of ballast water have been included. When it comes to treatment, approved systems must discharge (a) less than 10 viable organisms per cubic meter that are greater than or equal to 50 micrometres in minimum dimension and (b) less than 10 viable organisms per millilitre that are less than 50 micrometres in minimum dimension and greater than or equal to 10 micrometres in minimum dimension.

[g] **Spills and releases to the environment (Number, Cubic meters (m^3)):** Any overboard spills and releases – intentional or accidental – shall be reported, even if the quantity is low and i.e. only causes a thin film or slight sheen upon or discoloration of the surface of the water.

[h] **Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index (CPI):** In the event that two or more countries share the 20th lowest ranking, all have been included in the scope of disclosure. The list is based on the CPI for 2019.

[i] **Lost time incident rate (LTIR):** A lost time incident is an incident that results in absence from work beyond the date or shift when it occurred. The rate is based on: (lost time incidents) / (1,000,000 hours worked).

[j] **Marine Casualties:** Regarding SASB TR-MT-540a.1, the reporting is in accordance with the standard, however injuries to personnel as described in point 1.1.1 is reported as part of Health & Safety statistics (LTIR). The threshold for reporting on material damages as outlined in 1.1.4 and 1.1.6 is defined as USD 1,000,000.

[k] **Number of Conditions of Class or Recommendations:** The practice of issuing conditions/recommendations of class does not follow an entirely harmonized reporting methodology making it less useful for reporting purposes without further explanations, hence we do not disclose these numbers. We may consider disclosing information on this in the future if the methodology becomes standardised. Currently our scope of disclosure only includes Conditions of Class that resulted in withdrawal, suspension, or invalidation of a vessel's Class certificate.

[l] **Port State Control:** Number of port state control (1) deficiencies and (2) detentions. Practices of port state controls reporting on deficiencies do not follow an entirely harmonized methodology making it less useful for reporting purposes without further explanations, hence we have chosen to report this number as a rate: number of deficiencies per Port State Control Inspection. Detentions are reported in number of actual cases. A detention is defined as an intervention action by the port state, taken when the condition of a ship or its crew does not correspond substantially with the applicable conventions and that a ship represent an unreasonable threat of harm to the marine environment etc.

[m] **Number of shipboard employees:** Only the number of employees on board ships at any time are recorded, this does not reflect the aggregate number of shipboard employees during the year.

[n] **Total distance travelled by vessels:** The distance (in nautical miles) travelled by all vessels during the calendar year.

[o] **Operating days:** Operating days are calculated as the number of calender days in a reporting period minus the aggregate number of days that the vessels are off-hire (i.e., a measure of days in a reporting period during which vessels actually generate revenue).

[p] **Number of vessels in total shipping fleet:** This includes the complete fleet – as per December 31 in the financial year.

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