



ANNUAL REPORT 2018

SUSTAINABILITY



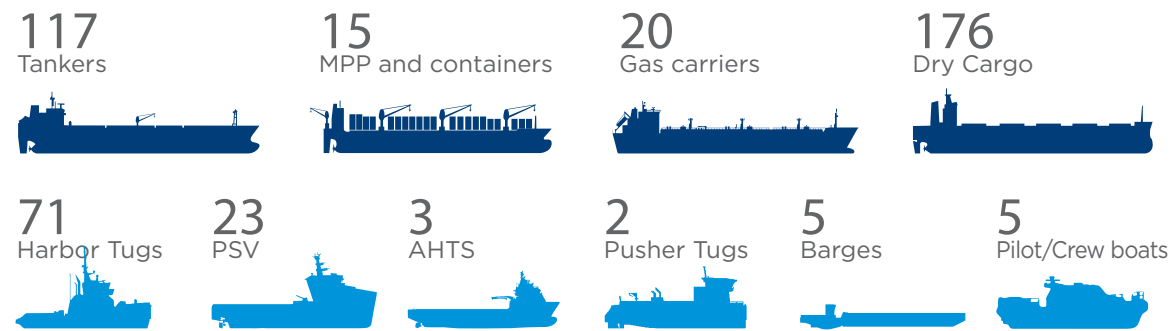
A PARTNER
YOU CAN
TRUST

WHO WE ARE

UltranaV is a privately owned shipping company, headquartered in Santiago, Chile.

We operate in five market segments: Oil, gas, dry bulk, coastal trades, towage and offshore, through nine business units. We operate a fleet of gas and chemical carriers, tankers for crude oil and clean petroleum products, bulk carriers, feeder containers, multipurpose vessels, harbor tugs, OSVs, AHTS, pusher tugs, barges and pilot boats.

Number of vessels and tugs in our fleet | Total: 437



WHO WE ARE MISSION & VALUES

A partner you can trust

Our mission

"We aspire to be a partner you can trust who provides efficient and safe maritime transportation services to the mutual benefit of our customers, employees, communities and the environment".



Our values

Integrity

- We act in an ethical manner, focused on sustainability and safeguarding our reputation.
- We encourage personal and professional development and a fair balance between work and private life.
- We promote team spirit in a multicultural environment, without discrimination of any kind.

Excellence

- We seek to contribute to our customers' competitiveness by anticipating and meeting their needs.
- We encourage creativity and innovation, introducing solutions that are beyond the ordinary.
- We strive to continuously improve the quality and effectiveness of services rendered.

Passion

- We are passionate about our work and our company.
- We believe that personal commitment and work well done makes a difference.
- We challenge ourselves to create value and exceed customers' expectations.

Safety

- We believe that safety is an integral part of our mindset and key to our business success.
- We place safety first, to keep health, life, environment, cargoes and assets free of risks.
- We are committed to developing and stimulating a safe working culture onboard ships and ashore.

Our business principles

Economics and Competition.

Long-term profitability is essential to achieve its business goals and to its continued growth.

Business Integrity and Compliance.

Honesty, integrity and fairness in all aspects of business and the same is expected in all of UltranaV's business relationships.

Workplace and Safety.

Encourages a safe, clean and open working environment.

Protection of the Environment.

Committed to protecting the environment and supporting the precautionary principle of avoiding materials and methods that pose environmental and health risks, as far as reasonably practicable.

SUSTAINABILITY

We are focused on providing efficient, safe and environmentally friendly maritime transportation services to the mutual benefit of our customers, employees and all relevant stakeholders. We aspire to be “A Partner You Can Trust” for all of them.



Business Integrity and Compliance

The General Business Principles were uploaded to the webpages of all Ultrana Business Units, as well as the Whistleblowing Platform and the Anti-Corruption Policy, available to all stakeholders. The Board of Directors formally launched its Compliance Program, and appointed a Compliance Committee responsible for designing, implementing and operating the program.

When the activities undertaken by the organization are not following these rules, all stakeholders are invited to report either directly or through the Whistleblowing Platform found on all the Company’s websites. All information reported is treated in a confidential manner and the Compliance Committee evaluates all incoming reports and addresses issues where necessary and appropriate.

Ultrana joined the MACN (Maritime Anti-Corruption Network), a global business network in March 2016, as its commitment to working towards the vision of a maritime industry free of corruption that facilitates fair trade, to the benefit of society at large.



MACN
Maritime Anti-Corruption Network

Safety

UltraSafe Program

This program has been implemented over the past 2 years in Ultrana’s Business Units with special focus in all shipmanagement activities.

The goals for 2019 are to continue this process by cementing the behaviors achieved into a proactive safety culture and to strengthen the involvement of onshore teams, as everyone in Ultrana is accountable for Safety.

The Safety I’s is a proven concept that constitutes the foundation for a strong and sustainable Safety Culture.

-  **INSIGHT**
Seek and share knowledge and understanding of all safety-related matters at all times.
-  **INNOVATION**
Strive for continuous improvement, go beyond compliance and reach for excellence.
-  **INFLUENCE**
Use your Influence to inspire your colleagues with good safety manners and to create an open and trusting atmosphere.
-  **INTERVENTION**
Be the backup for your colleagues and intervene whenever you see unsafe conditions and acts.
-  **INTEGRATION**
Integrate safety in all work processes, plans and activities.

Safety Delta

The company has engaged in the Safety Delta concept, to ensure continuous improvement of its safety performance and maintain a proactive safety culture.



- The crew conducts a **DIAGNOSIS** by answering a survey about practices on board.
- **DIALOGUE** about the results and improvement opportunities are conducted among crew on board and between ship/shore.
- Specific **DEVELOPMENT** actions are defined, planned and executed on board to improve the safety conditions.

The owned fleet is in the process of implementing the Safety Delta which should lead to noticeable continuous improvements in 2019.

Safety performance

There were no fatalities, nor total or partial disabilities due to accidents in our crews in 2018.

Safety performance within the major oceanic fleet has been steadily improving since 2013 and in 2018 the LTIF fell by 26% compared to the previous year. The LTIF is higher for the Tug fleet and accordingly, the company is focusing on bringing this down.

An important highlight is the achievement of 2 years without any accidents with lost time in WSUT's operation, which represents more than 5 million man-hours.

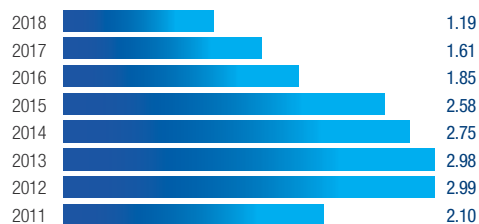
Ultrana maintained its record of no environmental events over the past 4 years and the overall quantity of small vessel incidents reduced by 20% compared to 2017.



LTIF

Major oceanic fleet

1.2 ↓



LTIF

Harbour Tug fleet

4.53 ↑



Training and development – Sea Going Personnel

Ultrana has over 3,100 seafarers and all of them were trained continuously during 2018 under the UltraSafe Program.

This program includes training for crews on all the required IMO certifications related to their positions, and training to operate the various vessels in our fleet, using owned or external training centers and simulators on a wide range of skills and additional certifications.

In this year, 2,647 seafarers were also trained in the following broad areas:

- English language
- Ultrana Culture
- Electrical / Electronic systems
- Navigation
- Security
- Store Handling
- Welding and underwater surveys
- Management systems
- Quality standards
- Gas operations
- Healthcare and First Aids
- Tanker Management Self Assessment
- Deck Operations

Special training and scenario simulations were provided, which was aimed at improving the response to emergencies, particularly oil spills, covering activities on board as well as interaction with the company's Emergency Response Teams ashore.



Training and development - Shore Based Personnel

During 2018, various training activities were held based on a combination of internal and external training resources in all Ultrana Business Units with similar programs. It included a new version of a 4 month Training Program in Operations and Chartering for young professionals. The program covered shipping economics, operations, chartering, legal aspects of shipping, insurance, safety and shipmanagement. The teachers were experienced and specialized managers from Ultrana.

Another successful program on communications, negotiation skills and customer orientation was also included with external experts on a 5 month program.

Trainee programs also took place in each of the companies with recent graduates from business schools on a one year basis, including assignments to other related companies.

Furthermore, over the years Ultrana has developed and fine-tuned its intensive two-year trainee program consisting of theoretical studies at the Danish Shipping Academy and hands-on training in various departments.

A competencies assessment (360 degree evaluation) was implemented in Ultrana for senior positions. This program aims to determine the maturity of certain leadership competencies that have been defined as key for the company.

Workplace Diversity

Ultrana staff are comprised of numerous nationalities, cultures and age groups.



Employees (Land & Sea)
4,010



Seafarers
3,196



33%
Women of the staff ashore

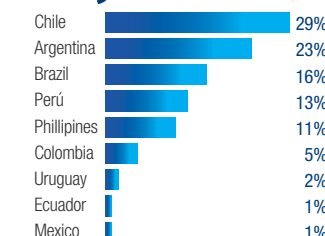


67%
Men of the staff ashore

Land
814



Sea
3,196





Contributions to the community

UltrNAV supports charities and non-profit organizations in various ways working on the well-being and health of children. The charity initiatives are primarily focused on South America.

Navitranso supports the quality of education in Peru through the "Wiese Foundation", which works on improving 14 of the most vulnerable schools in the peripheral southern area of Lima. The company also participates in the "Da un Chance" (Give a Chance) Foundation, a comprehensive scholarship program for talented students in vulnerable situations. The scholarship includes admission fees, annual enrollment, monthly tuition fees, annual medical insurance, books and school supplies.

Antares continues to work in Argentina in conjunction with Cimientos (Grounds) Foundation, to provide support for 100 students within local communities to complete their education. Besides, many parts of the country are currently facing poverty, so the company has joined various supporters of the Banco de Alimentos (Food Bank) Foundation, to help with nutritional improvements. It collaborates by providing food to over 140,000 people in the Buenos Aires Metropolitan Area. Finally, Antares maintains its collaboration with the community through various projects that are being developed by NGOs such as Educar (Educate) 2050, Vida Sin Violencia (Life without Violence), Mensajeros de la Paz (Peace Messengers) and En Buenas Manos (In Good Hands).

UltrNAV in Chile supports the People Help People Foundation, a charitable corporation that aims to give better opportunities to young Chileans, helping them develop into adults who are conscious of their freedom and actively engaged with their own life projects. Over 1,000 students are supported in three owned schools, one farm and one hotel to allow students to qualify in a



wide range of technical skills. The foundation started in 1985 and since then these schools have been awarded several times for the high standard reached by the students in various national educational evaluations and certifications.

WSUT participates in Brazil in a social program in the city of Rio de Janeiro in social and cultural projects that benefit poor communities. It also participates in a program called 'Estudio Escola Animação' (Graphic Animation Studio), which is a 5 month course to teach computer graphics animation to young people.

UltrNAV Crewing Philippines, in cooperation with NAESS Shipping Philippines, donated school supplies and two water containers to Magilipit Elementary School in Rodriguez. In collaboration with Jollibee it gave donations to the Magilipit and Batulao Elementary schools last December. The company also participated in a Tree Planting Activity at La Mesa Water Shed Reservation in 2018 in the Philippines. The activity hopes to strengthen the rainforest and to ensure clean water for current and future generations.

Protection of the Environment

In order to mitigate our footprint on the environment, UltrNAV operations are conducted with strict adherence to all relevant and applicable international and local regulations.

It means a full compliance with the relevant regulations as dictated by MARPOL and implementation of EU MRV, IMO data collection, certification to ISO 14001 and the upcoming regulations of the Sulphur Cap. These provide a strong basis for reducing the company's footprint.

Whilst this is fundamental, it is never enough and UltrNAV has engaged with industry partners in different initiatives.

In accordance with the Paris Agreement, the IMO has defined its ambition of reducing greenhouse gas emissions (GHG) by at least 50% by 2050 compared to 2008. Several developments should support this ambition, giving even more importance to keeping track of GHG performance.

As such, UltrNAV has joined the Global Maritime Forum initiative in support of its "Call to Action" on the importance of a urgent need to advance in shipping's decarbonization.

CO2 Emissions and alternative energy sources

The total figure shown here is all direct CO2 emissions (scope 1 according to Global Reporting Initiative's Sustainability guidelines), including all of UltrNAV's owned vessels, all operated vessels, being chartered in, chartered out and pool operated. Although this is 26% lower than the latest IMO CO2 calculator based on the Third IMO Greenhouse Gas Study, continuous efforts should reduce this even further.

Multi-Segments	CO2 emissions tons
Gas Tankers	
Ultragas	133,200
Navitranso	15,728
Tankers	
Ultratank	1,537,808
Antares	44,029
Navitranso	88,187
Dry Bulk	
Ultrabulk	1,512,163
Horizon	481,455
Naviera Los Inmigrantes	35,957
MPP	
Transmares	32,447
Harbour towage	
Ultratug	51,067
TOTAL	3,932,042 tonnes of CO2

Conscious care of the environment starts by managing its immediate operational impact and therefore UltrNAV strives towards having the smallest effect possible on the environment. These were key initiatives in 2018 in this respect:

Weather routing and trim studies

Reliable and precise geographical weather information allows our crews to sail the safest route in the most economic manner. Emission Control Areas are taken into account to optimize routes. UltrNAV has been taking part in the Green Flag Program at the port of Long Beach for many years, where emissions are reduced through speed reduction.

Vessel trim is the difference between the aft and fore draft of the vessel and can be controlled by carefully distributing weight along the vessel. Several BU's have been monitoring these initiatives for several years, and now UltrNAV has commenced trim studies that should lead to savings of between 1-4% in fuel consumption. The gas carrier fleet is continuously monitored and voyages are optimized using online performance tools and decision support software that optimizes vessel trim and installed Mewis duct propeller.

Hull cleaning and improved paint systems

Vessel performance is monitored closely and hull cleaning scheduling is based on the IMO guideline MEPC .207 (62) Annex 26 for the control and management of ships' bio fouling.

UltrNAV invests in high quality anti fouling coatings. This allows higher speeds, lower fuel consumption and fewer hull cleanings. All coatings comply with the International Convention on the Control of Harmful Antifouling Systems on Ships as adopted by IMO October 2001 (IMO document AFS/CONF/26).

Cargo Heating

Specific heating strategy for each voyage along with the benchmarking methodology of the American Productivity & Quality Center has significantly reduced the fleet energy consumption. This initiative has resulted in improved overall heating performance and saved 4,011 MT of fuel in the UltrNAV fleet.

Variable Frequency Drives (VFD)

VFDs allow fine tuning of pumps which in turn improves flow balance. UltrNAV has installed frequency driven cooling pumps on nine vessels to limit cooling pump energy requirements by 50-60%.

Bunker monitoring & IMO 2020 Sulphur cap

During 2018 bunker initiatives have had a high priority in order to efficiently use bunker fuels. Over one million tons of bunker fuel is consumed by Ultrana's business units and this focused monitoring has produced not only a clear environmental contribution, but also significant savings. Third party surveyors oversee critical bunkering operations including bunker sampling and quantity checking. Specifications are strictly validated based on ISO standards.

In order to comply with the international Sulphur cap coming into place in 2020, all vessels are going to run on compliant fuels. Some vessels will be outfitted with scrubbers. Ultrabulk has ordered six scrubbers; four to be installed in new builds and two retrofits. Ultragas has ordered four scrubbers for retrofitting and Ultratank ordered two scrubbers for retrofitting.

Ultratank, Ultrabulk and Ultragas are members of the Trident Alliance, a network of shipping companies and other stakeholders with a shared interest in robust and transparent enforcement of environmental regulations for Sulphur emissions.

Responsible management of waste, vessel discharges and slops monitoring

Garbage from vessels is sorted and disposed of in accordance with international regulations and local legislation at host ports. Ultrana has strict requirements for sorting, recycling and disposing of waste. It also endeavors to land garbage ashore in ports for recycling, wherever reasonable facilities are available and in compliance with local regulations.

Ballast water treatment

Stringent regulations for ballast water treatment have required a complete implementation of ballast water treatment management plans, to adhere to the Ballast Water Management Convention.

Responsible vessel scrapping

The company is strictly following the Hong Kong Convention and other applicable regulations in relation to health, safety and environmental issues when it comes to ship recycling. Recycling facilities have been audited in order to verify proper compliance. UltraShip/ Ultragas has delivered two vessels for recycling in 2018, in adherence to the Hong Kong Convention.

IT initiatives & Cyber Security

During 2018 the Financial Accounting system was placed in the related companies in Colombia and Mexico, and the Maintenance System is used by the tugboat fleet in Mexico, which secures standardized processes for all the companies involved.

The migration to cloud infrastructure and communications was completed, which also resulted in a recognition by Microsoft for the excellent implementation of Office365.

Additionally, a digital transformation process took place using a series of initiatives covering technological trends such as Business Intelligence, automation of processes through Robotics, and Data Analytics. Robots were developed to automate routine processes, as well as training in new technologies such as Blockchain, Internet of Things, and other technologies. Furthermore, the strategic plan for 2019 includes more than 30 initiatives related to technology and digitalization, which will cover many requirements emanating from Ultrana's businesses.

Specific Business Units IT initiatives include Ultrabulk's increased priority for business related processes. These include a new software robot that was initiated and tested to potentially automate the payment process. Tests also took place of a new product to handle increasing volumes of incoming emails. It is anticipated that these tests will be completed in early 2019 and thereafter fully implemented. Ultrabulk additionally focused on introducing new technologies to improve operational margins for the benefit of its customers and partners. Antares Naviera completed the installation of CCTV cameras on all its vessels to record and remotely monitor all critical areas on board. Additionally, cyber-security procedures were developed and enforced for its vessels to comply with OCIMF TMSA 3 rules.

Naviera Transoceanica in Peru has also implemented several initiatives aimed at digitally transforming the company. The most relevant is Cyber Security; where training programs were implemented for all employees on very detailed procedures and tools that reinforce the physical security of information. The implementation of Web Services functionality of the Sertica shipmanagement system generated significant savings for the company.

WSUT implemented a third party service suppliers documentation system to streamline and increase the efficiency of the selection, evaluation and recruitment of third party personnel to work for the company on board and ashore. Another important initiative for WSUT was a system to assist officers and safety technicians to grant working permits.

FLEET LIST SUMMARY

The Ultrana Group has built up a fleet of owned and chartered vessels which totaled 437 vessels, at the end of 2018. Fleet composition is diversified in terms of both type and size and adjusted on a current basis in order to meet trades and partners' ever changing requirements. The Group presently has one MR Product tanker and seven bulk carriers under construction.

Deep sea fleet	Owned	Time Charter > 1 year	Time Charter < 1 year	Pool	Total	NB Owned	NB Time Charter	Brand / Company
Gas Tankers	20	-	-	-	20	-	-	
LPG Smallsize / 4,000-12,000 cbm	10	-	-	-	10	-	-	Ultragas / Navitranso
LPG Handysize / 15,000-36,000 cbm	10	-	-	-	10	-	-	
Tankers	41	24	12	40	117	-	1	
Chemical / 14,000-35,000 DWT	5	16	-	-	21	-	-	
Product Handy / 5,000-45,000 DWT	12	-	-	-	12	-	-	Ultratank / Antares / Navitranso / Ultrana Chile
Product MR / 45,000-55,000 DWT	9	2	3	13	27	-	1	
Crude Oil Panamax / 65,000-80,000 DWT	11	4	7	22	44	-	-	
Crude Oil Aframax / 100,000-120,000 DWT	4	2	2	5	13	-	-	
Dry Bulk	11	56	109	-	176	1	6	
Handymax / 25,000-45,000 DWT	5	16	47	-	68	-	-	Ultrabulk / Horizon / Ultrana Chile
Supramax / 45,000-65,000 DWT	3	31	45	-	79	1	3	
Panamax / 65,000-85,000 DWT	3	9	17	-	29	-	3	
MPP / 8,000-17,000 DWT	7	3	5	-	15	-	-	Ultrana Chile / Ultrabulk
Total Fleet	79	83	126	40	328	1	7	

Towage & Offshore

	Owned	Time Charter > 1 year	Total
Towage & Offshore	108	1	109
Harbor Towage	70	1	71
Offshore	3	-	3
PSV	23	-	23
Pilot Boats	5	-	5
Pushertugs & Barges	7	-	7
Total Vessels	108	1	109



ULTRANAV COMPANIES



Ultrabulk is a dry bulk operator and owner with an industrial focus.
www.ultrabulk.com



Ultratank operates a balanced mix of chemical, CPP and crude oil / DPP tankers.
www.ultratank.com



Antares Naviera is an Argentinean shipowner and operator providing regional transportation services for crude oil and by-products.
www.antaresnaviera.com



Ultrana Chile integrates various business units involved in Chilean cabotage and regional trades.



Transmares is a container, break bulk and project cargo specialist, serving Chile, Peru and Mexico.
www.transmares.cl



Panamax International (PI) is a joint venture, operating a modern fleet of double-hull Panamax / LRI tankers.
www.panamaxinternational.com



Naviera Transoceánica (Navitranso) is a Peruvian coastal cabotage market player, specializing in carriage of hydrocarbon fuels, sulphuric acid and LPG.
www.navitranso.com



Horizon is a leading bulk dry cargo operator in the WCSA, specializing in transporting concentrates, such as copper and zinc.
www.horizonshippingpanama.com



Alliance (CPTA) is an alliance operating medium range product tankers.
www.cptalliance.com



Ultragas operates a broad range of specialized gas carriers, through two operating entities, Unigas and Ultragas ApS.
www.ultragas.dk



Naviera Los Inmigrantes is a dry bulk ship owner, focused on Chilean coal cabotage trade.



Cape Tankers manages Panamax International and Andes Tankers operations.
www.panamaxinternational.com



Andes Tankers (AT) is an alliance operating Aframax vessels between 100,000 and 120,000 DWT in the Pacific Americas.



Ultratug operates offshore vessels, harbor & LNG terminal tugs & pilot boats, servicing the majority of ports along the Chilean, Peruvian, Ecuadorian & Colombian coasts in the Pacific, along the Argentine, Uruguay and Brazilian coast in the Atlantic, as well as in Mexico.
www.ultratug.com



Wilson Sons Ultratug Offshore has one of the largest and most modern offshore support vessel fleets in Brazil. It offers Maritime support to oil and gas extraction and production platforms, transporting equipment to platforms located throughout the Brazilian coastline.
www.wsutoffshore.com.br



Humboldt Shipmanagement provides shipmanagement services to related companies including ship inspections, newbuilding supervision and crewing.
www.humboldt.cl

Related Company



Ultramar is one of the leading providers of integrated port services and cargo logistic solutions in the Americas. Ultramar's activities include agency services, container depots, stevedoring and port operations.
www.ultramar.cl



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