

Environmental, Social & Governance Report

— 2021 —



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Russell Hardy, CEO

We are pleased to present our second Environmental, Social & Governance (ESG) report, which is endorsed by the board. This report begins by giving an overview of our business and our strategy, we then go on to detail how we are addressing the challenges we face across environmental, social and governance issues.

Vitol is one of the largest movers of energy in the world. Last year we delivered a record 510 million mTOE across oil products, gas and LPG. Since our beginnings in Rotterdam in 1966, our business has grown through anticipating change in the evolving environment in which it operates.

Today, our strategy is shaped by the context of the energy transition. The business needs to change to ensure it is well-positioned to navigate the next decade and beyond.

Beyond the headline figure of \$1.3 billion of capital that we have committed to identified renewable investments is a wider expansion of our business scope. We have invested significantly in building capabilities across transitional businesses, such as power and gas, as well as establishing a presence in relatively new areas, such as biogas, renewable natural gas, hydrogen and electric vehicles (EVs).

Our renewable generation pipeline is now 1.2 GW and spread across the Americas, Asia and Europe, with large-scale projects in India. Power demand is expected to grow 3% per annum for the next decade and we will continue to invest in renewables in developed and developing economies to meet increasing demand.

Alongside the renewable power portfolio, we are participating in a range of circular economy solutions including plastic and tyre recycling initiatives, methane capture and hydrogen production.

We continue to progress a large decarbonisation project associated with one of our power plants in the UK. The project, which aims to remove eight million tonnes of carbon dioxide, is being supported financially by the UK government. In a further phase, the project aims to produce hydrogen at commercial scale, ultimately allowing fuel switching, from natural gas to hydrogen, to fully decarbonise our industrial site in the UK.



Our traditional business has given us insights into the transport sector and we see the transition to EVs as an opportunity to leverage our technical skills, financial strength and market understanding. We are developing a multi-faceted EV strategy which will focus initially on vehicle fleets.

Within the transport sector we are invested in a gas-for-transport company offering a low-carbon solution for heavier vehicles. Currently this is LNG-based, but is likely to be replaced by biogas or renewable natural gas in the near term.

Notwithstanding the significant expansion in transitional and sustainable energy, the traditional business of crude oil and products remains the core of our business. We believe oil demand will continue to grow for the next decade as energy demand growth outpaces the development and deployment of alternative energy solutions. The environmental strategy in respect of this business line is twofold: firstly, to identify and reduce emissions in our operations as much as we can and secondly to work with our portfolio companies to ensure they are fit for the energy transition.

A great deal of work has been undertaken to collate and aggregate our emissions data, including that of our investments. We have worked closely with these companies to ensure the accuracy of this data to help them develop plans to address these emissions where possible.

Just as we are considering Vitol's own strategy in the context of the energy transition, so we are challenging the boards of all the companies in which we are invested to develop clear energy transition plans as part of a holistically redefined corporate strategy.

In other areas, we deeply regret that there was one fatality in our operations during 2021. This is simply not acceptable; the circumstances have been carefully reviewed and lessons learnt. We continue to strive for zero fatalities across our business.

We are very mindful of our responsibilities to our people. During the pandemic the welfare of seafarers was put at risk as Covid restrictions impaired normal operations including regular crew changes. The Vitol shipping team worked extremely hard to mitigate these issues and we are pleased that none of the crews on vessels managed by LSC, our technical shipping management company, were onboard for unreasonable lengths of time. This is reflected in the results of the Seafarer Happiness Index which were above the industry average.

Across the business, as our team continues to grow, we are focused on recruiting and developing the best talent. We recognise that a more proactive approach to diversity is required and we are working on embedding relevant measures throughout our recruitment and development process.

This, our second report, is a further step along our ESG journey. We will continue to improve our reporting and, more importantly, will continue to work hard to improve the ESG performance of our business worldwide.

About this report

Reporting standards

This report has been prepared with reference to the relevant parts of the Global Reporting Initiative (GRI) Standards. The Energy Transition portion of the report is structured around the recommendations (governance, strategy, risk management, metrics and targets) of the Task Force on Climate-Related Financial Disclosures (TCFD). We also follow the World Business Council for Sustainable Development (WBCSD) GHG protocol and the International Petroleum Industry Environmental Conservation Association (IPIECA) GHG reporting guidelines as closely as possible. The human rights section has been drafted to include some of the requirements of the UN Guiding Principles Reporting Framework and we will work to include information to meet the required minimum information thresholds in subsequent reports.

Reporting boundaries

Defining consistent boundaries for our ESG reporting can be challenging due to the complexity of our business. We endeavour to be consistent when applying reporting boundaries across our operations and the businesses in which we are invested.

This report includes Environmental and Social (E&S) and greenhouse gas (GHG) emissions key performance indicators (KPIs) for operationally and non-operationally controlled investments. The operationally-controlled scope includes all subsidiaries and consolidated associates, as well as associates and joint ventures where Vitol is the operating company. The non-operationally controlled scope includes associates and other investments in which Vitol holds a non-controlling interest or joint ventures where we are not the operating company. Reporting is consistent with our accounting consolidation methodology. Emissions are reported on an 'operational control basis' according to the WBCSD GHG protocol. Emissions from vessels that we took operational control of part-way through 2021 are also included.

E&S data (excluding GHG's) is reported on a 100% basis for all investments, in which we hold equity. We generally aim to include E&S KPI data from the quarter in which a transaction closes. E&S metrics in 2021 include a broader scope of activities, such as incidents and hours from office-based Vitol employees and contractors and from certain trucking operations.

Incidents on vessels are reported where Vitol is the holder of the International Safety Management Code Document of Compliance (DOC). Exposure hours in relation to shipping are recorded according to the Oil Companies International Marine Forum (OCIMF) "Marine Injury Reporting Guidelines" definition. Work-related criteria for incidents are aligned with the International Association of Oil & Gas Producers (IOGP) safety data reporting user guide.

Restatements and adjustments

Historical data is sometimes adjusted due to, for example, re-classification of incidents after investigations or changes in emissions factors used by authorities or changes in reporting guidelines.

Vitol has a comprehensive GHG restatement policy, which sets out when and how we recalculate our baseline or annual GHG footprint in case of a material change to our business. For the 2020 and 2021 footprints, we have applied restatement rules to include the 'acquired emissions' of companies in which we are invested as of 31 December 2021. For the major investments that were made during 2021 we have therefore restated our 2020 data to take account of the emissions arising from these investments in the preceding year.

Minor changes and or restatements to our 2020 GHG data include: (1) updated emission factors for certain countries, (2) GHG data that was verified in-house or by third parties/regulators after the publication of our 2020 ESG report, (3) inclusion of fugitive emissions data, (4) exclusion of emissions from an upstream investment where hydrocarbons produced were combusted onsite.

Where available, actual emissions data are used to calculate restatement figures. Where no data preceding Vitol's involvement was available, we have estimated emissions based on data from the asset once under Vitol's operational control or under the control of one of the companies in which we are invested.

Minor changes to our 2020 E&S data include: (1) additional hours and incidents from 4 vessels where we held the DOC, (2) two FAC¹'s were reclassified to an MTC² and an RWI³ after our reporting deadline, (3) contractor hours and distance travelled reported by two non-controlled investment companies were found to have been understated once data was audited. The latter resulted in the 2020 TRIR⁴ for all Vitol investments decreasing from 1.21 to 1.18 and the RTIF⁵ decreasing from 0.34 to 0.33.

Emissions factors

Emissions factors used in our GHG calculations come from a range of sources: (1) Shipping and barges from IMO or DEFRA.⁶ (2) DEFRA, the EPA⁷ and other appropriate sources for combustion, electricity, heat, steam and cooling emission factors at investment companies, where site specific or country factors are not available. (3) Business travel (flights and hotel nights) from DEFRA. (4) Rail, truck and pipeline transport, CapEx and OpEx-related emissions, spend-based emission factors from Quantis. (5) EPA factors for the downstream use of produced oil and gas.

¹ First Aid Case.

² Medical Treatment Case.

³ Restricted Work Injury.

⁴ Total Recordable Injury Rate.

⁵ Road Traffic Incident Frequency.

⁶ Department for Environment, Food & Rural Affairs.

⁷ Environmental Protection Agency.

About Vitol

Vitol is a global energy business. Its primary function is the distribution of energy and energy-related solutions. We source from producers, refiners, generators and intermediaries and deliver to refineries, utilities, airlines and retail distribution networks as well as wholesalers and other traders.

Our business involves complex logistical processes to distribute energy safely and efficiently. We manage the physical risk associated with moving energy and understand the associated infrastructure which we also invest in. In addition to physical risks, the business manages financing and other risks. In all instances we seek to manage risk in a measured and careful way.

The company was founded in 1966 to trade oil. Today our business spans the energy sector:

Crude oil and products

- » Trading 8+ mb/d
- » 6,200+ ship journeys a year
- » Producing assets in the US and West Africa
- » 16 m³ storage
- » 6,800+ service stations

Trading is the core of our crude oil and products business. Every day we trade over eight million barrels of crude oil and products, buying from producers and delivering to refiners, wholesalers and distributors worldwide. Our trading business is underpinned by both leased and owned infrastructure, from refineries through to terminals and service stations.

Transitional energy solutions

- » 16.6+ mTOE per annum LNG
- » 12.4 mTOE per annum LPG
- » 93.2 mTOE delivered sales of natural gas a year
- » 3.3 GW thermal generation capacity

Vitol plays a key role in transitional energy markets worldwide. These include energy solutions required in the early stages of the energy transition as well as those which have a place in the long-term energy mix. We are a longstanding participant in power markets, as well as important transitional markets, such as LNG and LPG, which are displacing solid fuels across developing markets and enabling the rollout of renewables. We are invested in a range of infrastructure from storage and transportation to power generation.

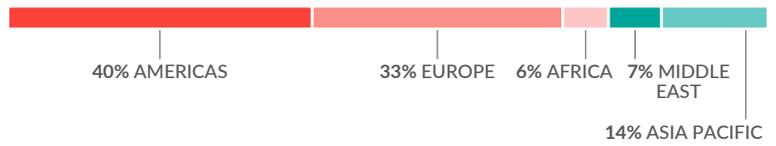
Sustainable energy solutions

- » 1.2 GW renewable generation operational and committed
- » 133 m MT carbon sales

Comprising environmental products, renewable energy and related activities, Vitol is investing in and developing initiatives across a range of sustainable solutions and technologies. We are deploying our balance sheet and expertise to support the deployment of new technologies, new concepts and new markets. We continue to build on our market-leading expertise in environmental products and are actively investing in high quality carbon abatement projects.

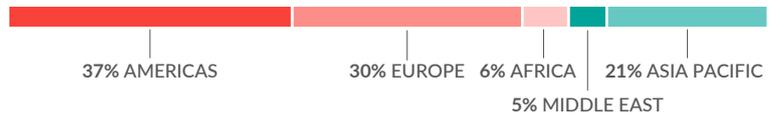
VITOL 3RD PARTY PHYSICAL ENERGY PRODUCT PURCHASES BY REGION

% of TOE



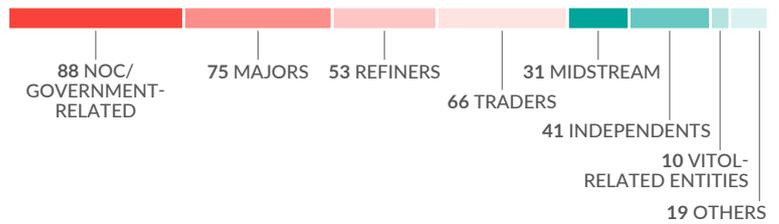
VITOL 3RD PARTY PHYSICAL ENERGY PRODUCT SALES BY REGION

% of TOE



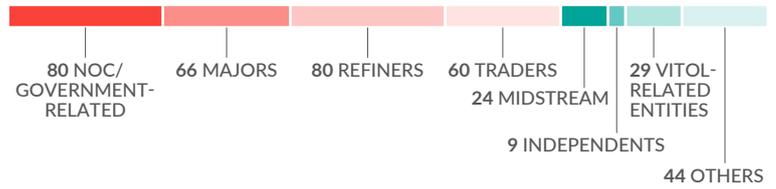
PURCHASES BY COUNTERPART

Crude, oil products, LNG and LPG
m MT



SALES BY COUNTERPART

Crude, oil products, LNG and LPG
m MT



OIL AND PRODUCT VOLUMES BY TYPE

m MT



TRANSITIONAL ENERGY PRODUCT VOLUMES BY TYPE

mTOE



A business in transition

Trading & distribution

Manufacturing

Using our market understanding to enable the efficient flow of energy around the world

Deploying our capital to source and create the energy the world needs

Crude oil and products

Market-leading position in crude oil and products

Strategy: consolidate market share as demand rises for next decade, before beginning to fall. Reduce environmental impact where appropriate through efficient use of vessels and other logistical solutions

Invested in producing assets in Ghana and the Americas

Strategy: capture anticipated near-term increase in oil demand to early 2030s by investing and producing assets. Maintain position as the reliable source of low-cost gas to Ghana

Transitional energy solutions

Growing presence in LNG, gas and LPG

Strategy: consolidate position in gas markets worldwide as natural gas displaces coal and complements deployment of renewables

- » Invest in LPG infrastructure in developing economies to support transition away from solid fuels, such as charcoal and wood, reducing household pollution and empowering women

3.3 GW gas-fired generation

Strategy: deploy generation to complement roll out of renewables. Develop emission mitigation strategies from hydrogen to carbon capture and storage

Sustainable energy solutions

Strong presence in power and carbon markets and supporting development of new markets including biogas and hydrogen. Developing environmental solutions offering

Strategy: to remain market-leading in the movement of energy and associated products

- » Over \$1.3 bn capital committed to renewables
- » 1.2 GW solar and wind operational and committed
- » Implementing carbon capture and storage
- » Developing and deploying hydrogen generation
- » Waste-to-biogas production
- » Circular economy solutions transforming waste-to-feedstock
- » Global carbon mitigation portfolio deployed to deliver offset solutions

Strategy: to evolve portfolio over time to ensure it continues to complement the core trading business in the context of the energy transition

Infrastructure & logistics

Customer facing

A highly specialised, quality network of energy assets evolving to serve new markets

Delivering quality and innovative energy solutions to B2B and B2C customers

500+ kb/d refining capacity and 16 m³ owned storage capacity

Networks totalling 6,800 service stations

Strategy: adapt asset base to transitional and sustainable solutions

Strategy: evolve distribution assets to serve customers through transitional fuels to sustainable solutions

Owned and managed vessels, efficient and lower-emissions

Strategy: adopt cleaner technologies as available and practicable

Dedicated fleet of LPG and LNG vessels and storage

Invested in gas-for-transport

Strategy: supporting the development of these markets with modern and efficient vessels and storage infrastructure

Strategy: support development of gas-for-transport infrastructure with a view to transitioning to sustainable gas solutions

Participating in cleaner shipping initiatives, such as ammonia for fuel

Strategy: adapt to anticipated growth in demand for 'new' products, such as biofuels and hydrogen

Corporates: offering bespoke solutions for businesses seeking to use sustainable power

Communities: working with communities to develop localised solar power solutions
Transport: building gas-for-transport network involved in electric vehicle deployment

- » Municipal transport e-solutions delivered
- » EV fleet solutions in developed markets
- » Battery swapping for two and three-wheeler vehicles in developing markets

Strategy: leverage footprint and market understanding to develop a range of low-carbon solutions

Our stakeholders

Vitol engages directly with all relevant stakeholder groups. We appreciate that our licence to operate is not a given right, but one that must be earned through responsible operations and gaining the trust of all our stakeholders.

Vitol will seek to address any topics or concerns raised by stakeholders. This engagement is undertaken by suitably senior employees, either board members or direct reports of board members. This is intended to ensure that any relevant issues are raised promptly with the board. The engagement is ongoing.

INDIRECT STAKEHOLDERS

Press

We regard a free and independent media to be an important part of society and a key stakeholder for the company. We engage with the media on a regular and ongoing basis.

NGOs

We respect the role of NGOs and engage with these as appropriate.

The public

The public is an important but (mostly) indirect stakeholder of the company. There are mechanisms via our website for any member of the public to raise an issue with us.





DIRECT STAKEHOLDERS

Employees

Our employees are our owners and our most important stakeholder group. We rely on their expertise, commitment and professionalism for the business to function and succeed. As an employee-owned business, there are governance processes in place to ensure appropriate challenge and review of board decisions. We believe this ownership model, unusual in a company of our size, engenders a culture of challenge and constructive criticism.

Insurers

Insurance is key to helping us manage the physical risks of our business and we have longstanding and strong relationships with our insurers.

Customers and counterparts

We have business relationships with the companies that produce, consume and move energy. Our customers include governments, national oil companies, manufacturers, and local and national power grids. We believe in partnership and look to invest in long-term relationships.

Financing banks

We are fortunate to work with over 80 banks worldwide on the financing of our core business and strategic investments.

Regulators

Our business requires us to operate across regulated and unregulated markets worldwide. We seek to have an open and ongoing dialogue with regulators wherever we operate.

Co-investors

We invest in many of our energy assets alongside a select group of investment partners, including private equity, family offices and sovereign wealth funds.

Portfolio companies

Our portfolio companies represent the breadth of the energy sector. As a shareholder, our responsibilities extend to them and their employees.

Governments

We seek to have an open and constructive relationship with governments in every jurisdiction in which we operate.

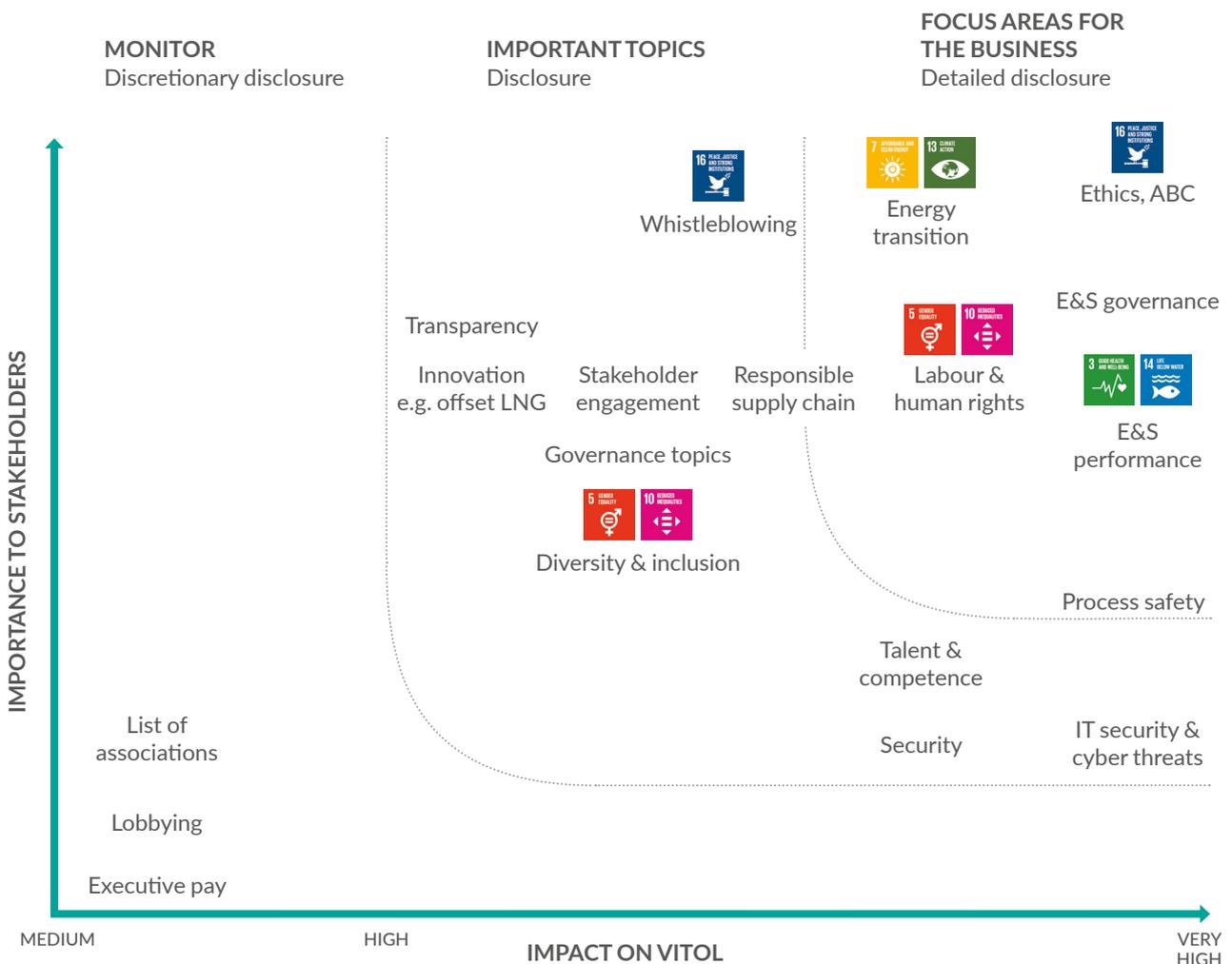
Impacted communities

We seek to develop two-way communication channels with relevant stakeholders to ensure Vitol and local Environmental & Social (E&S) frameworks are understood and implemented. For exploration and production projects, we tailor our approach depending on the type of project, geography and commodity in question, as well as the requirements of local regulations, and our operating and financial partners. As part of any E&S impact assessment, we seek to engage and consult with all relevant impacted stakeholders, including disclosing information to affected communities throughout our operations.

Stakeholders' materiality assessment

In response to our inaugural ESG report we engaged with a range of stakeholders to seek their feedback; what they would like to see in future reports and the topics they view as important. This included informal and structured interviews, video calls and face-to-face meetings with bankers, portfolio companies, co-investors, employees, peers and third parties. We quantified the topics that came out of these meetings in terms of the importance to stakeholders and the impact on Vitol. The schematic below summarises this output.

MATERIALITY ASSESSMENT FOR ESG DISCLOSURES



Gerard Delsad
CIO and chair of the
ESG committee



Gerard Delsad, CIO and chair of the ESG committee

Talks about Vitol's ESG journey and its
ambitions and plans for the future

What does ESG mean to Vitol?

ESG equates to good business practice. It is good business to ensure that operations are managed safely and responsibly, that our workforce is diverse and that stakeholder views are both canvassed and considered. Increasingly, in the context of the energy transition, it is also good business to think strategically about the implications of the transition on the company and how this will evolve in order to mitigate risks and identify and capture opportunities.

Over the years, we've tackled many of the issues related to ESG in an informal manner and with various degrees of granularity across our business. But as the business evolved it became evident that a more formalised approach was required. Co-ordinating an ESG approach through the ESG committee that we created in 2018 has enabled us to be more strategic and thoughtful, as well as providing the framework for us to ensure ESG is applied in a consistent manner across all our operations, according to best practice.

Why have you only recently started reporting on ESG?

We've always been mindful of ESG considerations and discussed these with key stakeholders, such as our financing banks, co-investors or customers. For us, 2021 was the right time to consolidate our thinking and performance into a formal document. But 2021 was just the start; putting frameworks in place, collating and verifying data all takes time and we intend to build on this year-on-year to provide more transparency about what we are doing and our performance.

What has surprised you the most since you started on this ESG journey?

The internal response. When we began this journey, only a few people were familiar with the concept of ESG. But as we've explained it and as the value has become apparent, the buy-in and genuine interest from employees to participate in this journey has been really appreciated.

How are your ESG efforts structured?

We have a six-pillar strategy covering ESG, human rights, energy transition, education and training, risk management and reporting. We have made some good progress over the last three years under each pillar, but there is still much to do to embed our E&S framework across all of our activities.

Has ESG impacted the way you manage the business?

On the reporting side, the implementation of a more formalised structure has enabled us to monitor performance across the company better, highlighted potential areas of weakness as well as areas where we can improve. The changing energy mix is the greatest challenge the company has faced and is impacting people across multiple functions from finance, through to operations, shipping and trading. What ESG and related reporting guidelines have done is give us a framework to articulate our thinking. Every conversation with stakeholders begins with questions about our approach to ESG!

Where does Vitol have the greatest room for improvement?

Across the board we expect to improve continuously; the goalposts will, quite rightly, keep moving and ever higher standards will be expected of us. More specifically, areas that require a focus in the near term are diversity and human rights.

Regarding diversity, we simply do not have enough women in senior commercial roles. Regrettably, this problem is common across our industry so hiring senior women is not a solution. Instead we are focusing on hiring, developing and nurturing female talent at an earlier stage in their careers.

For human rights we began formalising our approach in 2019. Last year we hired our first human rights manager and we trust this will enable us to improve our approach and reporting around human rights.

Are there any downsides to a more formalised approach to ESG?

Not thus far. I believe the key factor is to make sure that the frameworks are relevant and useful for the business. There is no point in reporting if it is not truly relevant and representative and if it does not have a positive impact on underlying business operations.

What aspects of ESG are you (personally) passionate about?

I care about the business and our role in society. It is imperative that we do not cause harm. On a personal level, I am excited by the potential we have to use our business to improve lives and accelerate the energy transition. The transition will require capital and if we deploy ours wisely, we can build a sustainable future.

ESG progress 2021 and outlook for 2022

Ben Winterton, head of Environmental and Social governance, comments on the company's performance and ambitions

This has been an important year for Vitol in terms of ESG. We rolled out the third year of our six-pillar ESG strategy and supported the business on a number of transactions. We are working with new businesses in which we have equity to embed the relevant parts of our E&S framework. We also assisted a number of matrices during the year to further embed ESG into our activities. For example, we are working with the carbon trading matrix to ensure that E&S governance and human rights risk is well managed within our voluntary carbon projects over and above the required verification processes.

The Covid pandemic posed a number of challenges across the business. Controls, checks and balances continued to be implemented across Vitol and our investment companies to ensure that the health and wellbeing of our employees and contractors was maintained. The pandemic and consequent travel restrictions disrupted the delivery of the 2021 ESG audit schedule, but we will assign additional focus to this in 2022.

The E&S team also grew in 2021, with the addition of a human rights manager to put further focus on this very important topic and continue to roll out our human rights governance and reporting plan.

As a business we made some progress around energy transition, with the development of a proprietary GHG footprint calculation engine within our core trading systems to measure all emissions on an ongoing basis. This engine also includes data for our most material scope 3 categories for the first time, including third party transport. We have framed our approach in the context of the TCFD recommendations as well as highlighting our progress against each of its elements (governance, strategy, risk management and metrics). We have documented a road map for future years and set out our energy transition ambitions in the context of our strategy.

In our last ESG report we set ourselves 21 targets covering a broad range of environmental and social topics. Overall, we made solid progress against these targets, achieving or partially achieving 76% of these. We have included an updated set of E&S targets for 2022.

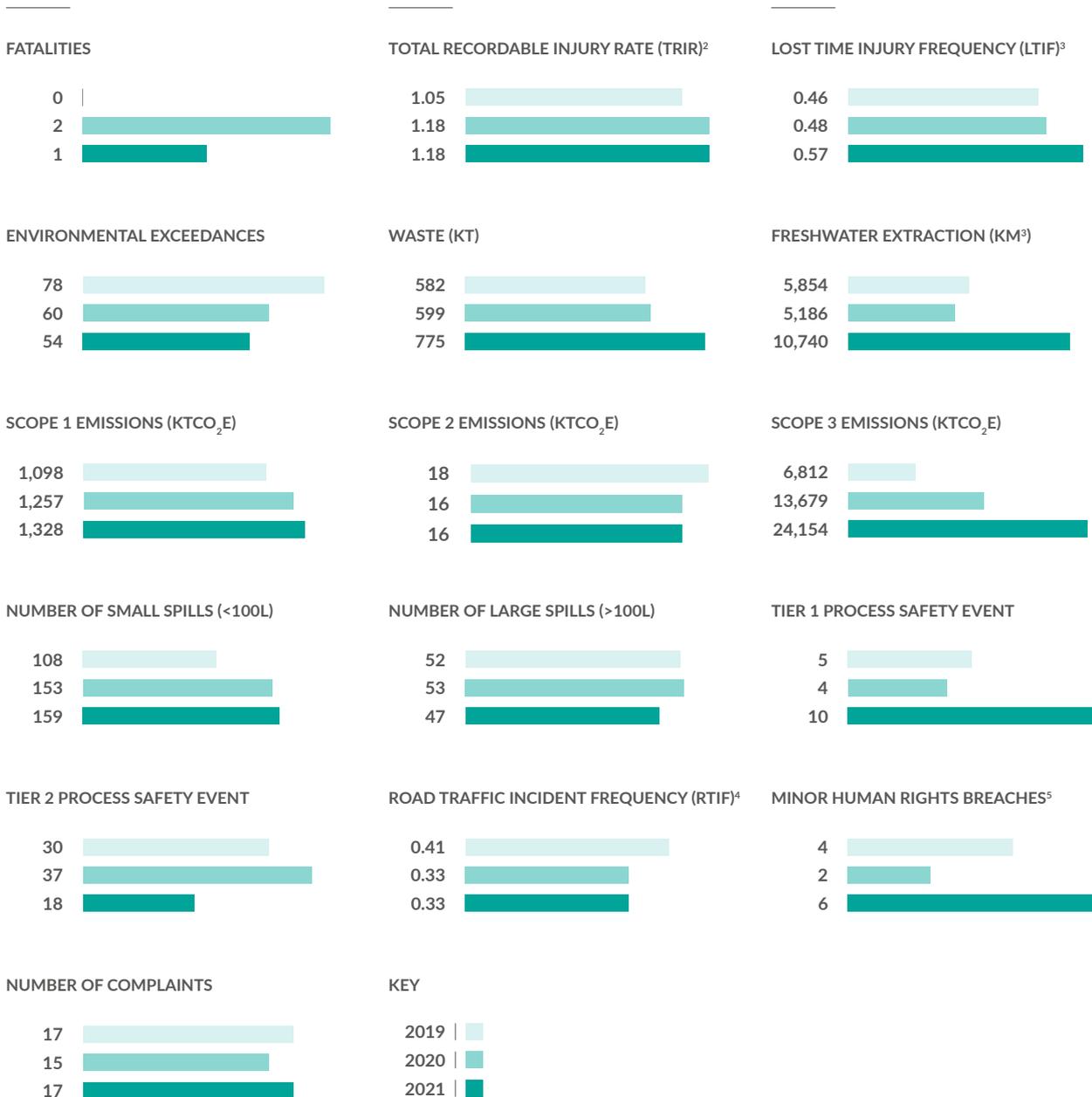
Our KPI performance over the last three years is shown on the page opposite. Our TRIR performance remained constant for 2021 at 1.18, a strong performance compared with our peer group and industry metrics. We thank all of our portfolio companies and business partners for their pragmatic, proactive and continued commitment to ESG matters. We need to retain focus on ESG performance optimisation, continue to work with portfolio companies to manage ESG risk and always ensure that we do not become complacent in terms of these matters.

We still have a lot to accomplish, but are working hard to achieve our goals. We hope you enjoy reading this, our second report and welcome any feedback that you may have.



E&S performance

VITOL¹ KEY PERFORMANCE INDICATORS (KPIs)



¹ See page 5 for reporting boundaries. Data comes from companies in which Vitol is invested, our offices and operations.

² TRIR is the sum of employee and contractor work-related Medical Treatment Cases (MTCs), Restricted Work Injuries (RWIs), Lost Time Injuries (LTIs) and Fatalities, per million-person hours worked.

³ LTIF is the sum of employee and contractor work-related LTIs, excluding fatalities, per million-person hours worked.

⁴ RTIF is the number of road traffic incidents, per million kilometres driven.

⁵ Classified as minor according to Vitol's risk matrix.

CASE STUDY

SUN Mobility

Access to charging facilities is a challenge in many developing countries, SUN Mobility's battery swapping system will facilitate the deployment of electric fleet and livelihood vehicles in developing markets

In late 2021 Vitol invested in SUN Mobility which provides a cost effective and durable solution for the electrification of fleet and livelihood vehicles. This includes three-wheelers, two-wheelers, taxis and cargo vehicles in India, which has over 160 million two and three-wheeler vehicles, and other emerging markets.

Its battery swapping system allows for a lower total cost of ownership relative to combustion engine and fixed battery alternatives. Its solution is not reliant on grid infrastructure, public fast charging availability or access to dedicated parking and is particularly well suited to price sensitive and challenging conditions. It has successfully deployed its offering across 15 cities in its core market of India and we will look to expand into other fast-growing markets and sectors, including last-mile delivery in OECD markets.



SUN Mobility
battery swap point, India

The Energy Outlook

Electric vehicle
charge point

THE ENERGY OUTLOOK

Giovanni Serio, global head of research

Our research approach, like much of our business, is bottom up. We look at demand by product in each market and combine these to reach our regional and global figures.

We have always supplemented this approach by overlaying macro trends. This is becoming more important as we take into account the impact of the energy transition.

However, by combining expert opinion on transitional trends with our detailed understanding of local energy markets, we hope to be able to monitor the on-the-ground impact of the transition on demand.

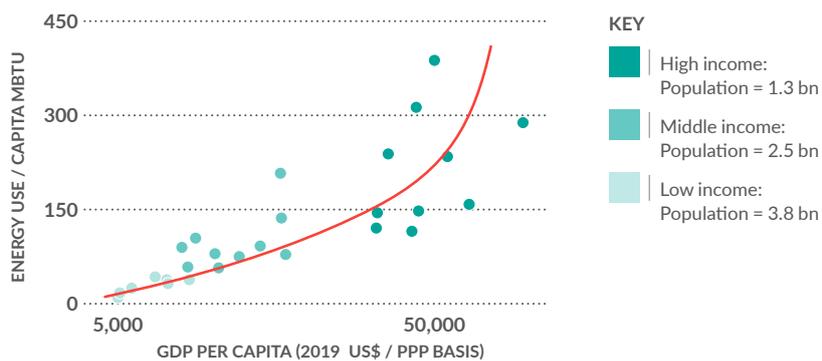
Our outlook

For a number of years we have held the view that oil demand will peak between 2030 and 2035. Notwithstanding the stated ambitions of many, and as recent price volatility illustrates, we do not believe the global economy can be transitioned from crude oil and products, let alone natural gas, for some time and for a variety of reasons.

Demand pull

Wealthier countries consume more energy per capita. As individuals become wealthier they replicate the lifestyle of the OECD. They build larger houses which need to be heated and cooled. They drive cars and take flights. Economic growth across the developing world is expected to continue, underpinning energy and, hence, oil demand growth. Renewables are being deployed at scale, but their growth is not expected to keep pace with the anticipated growth in overall energy demand. Nor is the energy infrastructure in all countries sufficiently resilient to deal with either the intermittency of renewables or the growth in power demand that a shift to electric mobility would entail.

ECONOMIC DEVELOPMENT & ENERGY USE





Limited penetration of EVs

The transport sector accounts for 58% of global oil consumption, with road transport consuming 46.5 million barrels a day.

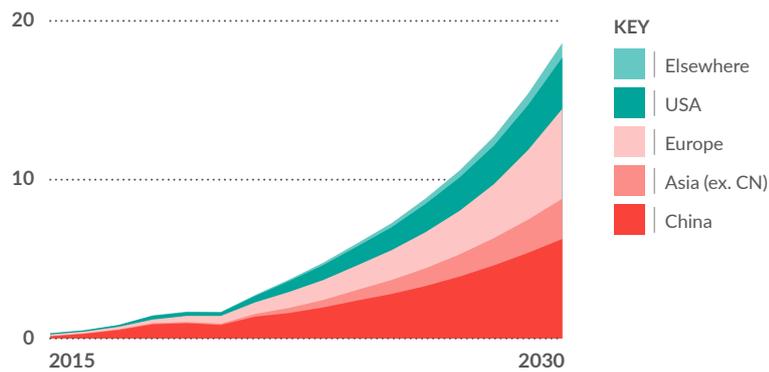
We anticipate EV sales globally to accelerate sharply over the coming years to almost 25 million units a year by 2030, with China maintaining its position as the largest market for EVs. By 2030 we expect the global fleet of EVs to be almost 120 million and a slightly smaller fleet of 80 million plug in hybrid electric vehicles (PHEV) or hybrids. As a proportion of the global car fleet, however, this will only equate to 6.9% and 5.1% respectively.

That said, certain segments of the road transportation market are particularly well suited to a swift adoption of electrification, notably fleet vehicles, including municipal transport, such as urban buses and local delivery vans.

Heavier goods vehicles and those that travel longer distances are likely to reduce emissions through the use of gas as a fuel. Initially this may be LNG and, longer term, renewable natural gas (RNG) and hydrogen.

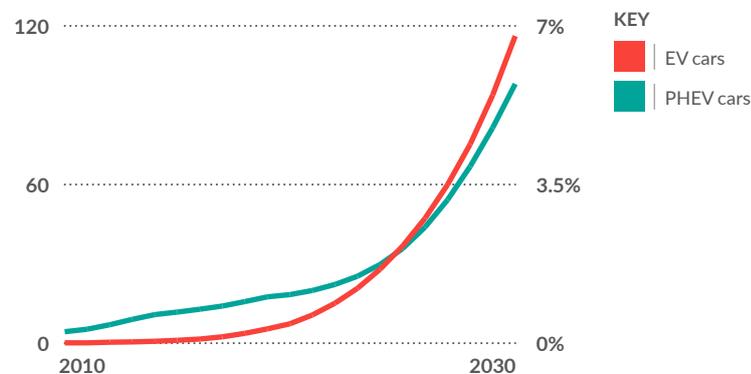
EV ANNUAL CAR SALES

Million units



GLOBAL ELECTRIC CAR FLEET

Million units | % car fleet

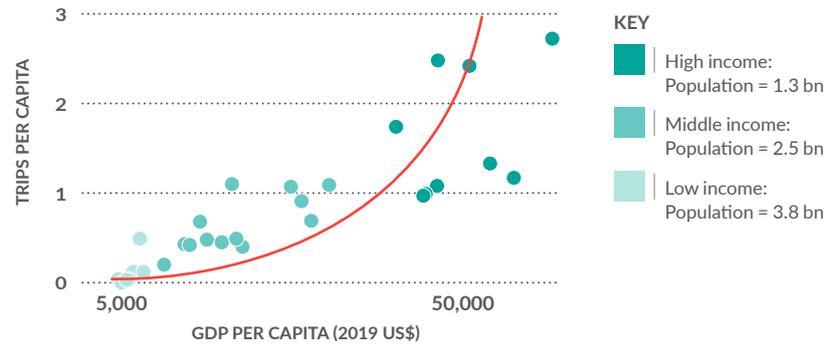


Resurgence in air travel

Today aviation accounts for 5.2% of oil demand, down from 7.2% in 2019. We see this rising sharply in the short term as travel rebounds after Covid, and in the medium term as incomes rise and people travel more in developing markets.

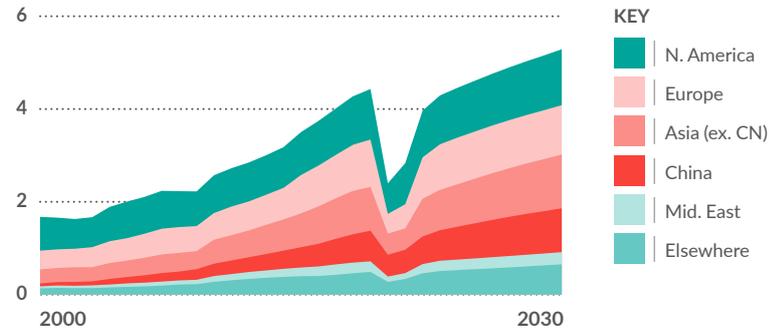
Key to decarbonising air travel will be the deployment of sustainable aviation fuel, which is likely to be challenging. It will compete for feedstock with hydrogenated vegetable oil (HVO), used in road fuels and heavily subsidised in many markets.

INCOME & PASSENGER AIR TRAVEL



AIR PASSENGER TAKE-OFFS

Billion

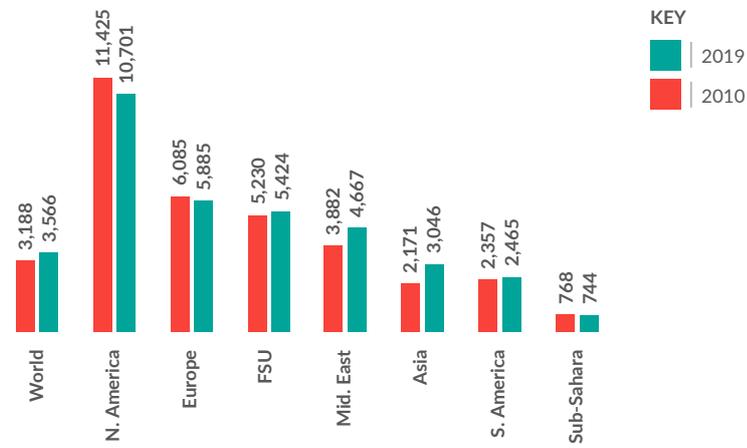


A power-driven future

Power demand is set to accelerate as transportation moves away from hydrocarbons and towards electrons. As highly populated developing economies increase energy consumption per capita, power demand will surge. To capture the environmental benefits of EVs it will be necessary for power to be generated with lower emissions. OECD economies are already wrestling with the challenges of renewable generation, and many developing economies will also have to turn to complementary fuels, such as natural gas.

UTILITY GENERATION PER CAPITA

KWh / annum



CASE STUDY

Big Sky Wind

“Vitol is committed to building its portfolio of renewable assets. Our strategy is to invest where we can add value, hence a focus on development opportunities. Repowering Big Sky Wind will make it a significant renewable asset for the future.”

R. Andrew de Pass, head of renewables, Vitol Inc.

Big Sky Wind is a 240 MW wind farm in central Illinois in the US. Vitol acquired the wind farm in 2021 and is investing over \$270 million to repower it. The existing turbines will be replaced with the latest technology. This will increase the lifespan of the project and improve the efficiency of the wind farm. Upgrading the turbines will increase the project’s annual production by more than 60% by year end 2022. This is enough energy to power 112,000 homes.

The project will provide up to 200 construction-related jobs during the repowering. Once completed and in operation, Big Sky Wind will displace 621,000 tons of CO₂ emissions and avoid carbon emissions equivalent to 135,000 passenger cars each year.



Big Sky Wind, Illinois,
United States

Natural gas as a transition fuel

We believe natural gas and LPG have a necessary role to play in the near and medium term. LNG use will increase 4.4% per annum (p.a.) over the next decade.

Alternative generation is set to grow 15-20%. At present, battery capacity across the grid in developed economies is insufficient to manage the intermittent nature of renewable generation so supplementary forms of generation are necessary. This dependency on gas has been highlighted by the extraordinary price volatility seen in European gas markets in the winter of 21/22, where prices responded to supply and weather concerns increasing at times by 600%.

In emerging markets, gas is often displacing more polluting fuels. In power generation the trend has been to replace coal and fuel oil with gas. However, the high prices seen last winter have reversed this process with some generators switching away from gas as prices spiked to unaffordable levels for developing nations.

LPG is also displacing more polluting fuels in developing economies, most notably for domestic cooking. Around 2.6 billion people globally cook using polluting open fires or simple stoves fuelled primarily by biomass and coal. This leads to 3.8 million deaths worldwide and widespread deforestation. International institutions, such as the World Health Organisation (WHO) and the World Bank, are focused on improving household air quality and we expect a short to medium-term focus on LPG as a low-carbon cooking solution for much of the world. In this context we expect LPG demand to grow by a third to 16 million barrels a day over the next decade.

Renewable gas solutions

Alongside the continued use of natural gas and LPG we anticipate a sharp increase in renewable natural gas or biogas, hydrogen and ethanol. For biogas, in addition to established methods of production from agricultural feedstock, we are seeing the deployment of innovative technologies, for example the capture of methane from landfill emissions. Given the focus on sustainable energy solutions and the strong regulatory support in both the US and Europe, we expect this market to grow from 175 TWh p.a. today to 400+ TWh p.a. by 2030 in Europe and over 293 TWh by 2030 in the US.

Hydrogen is increasingly a focus of energy policy. For countries with a high reliance on natural gas for domestic use it is seen as a logical transition fuel. Globally, its potential as a fuel for generation is considerable in the medium to long-term, but as many projects remain at the proof-of-concept stage, at present it is difficult to form a view as to how quickly the technology and consequently the fuel will be adopted.

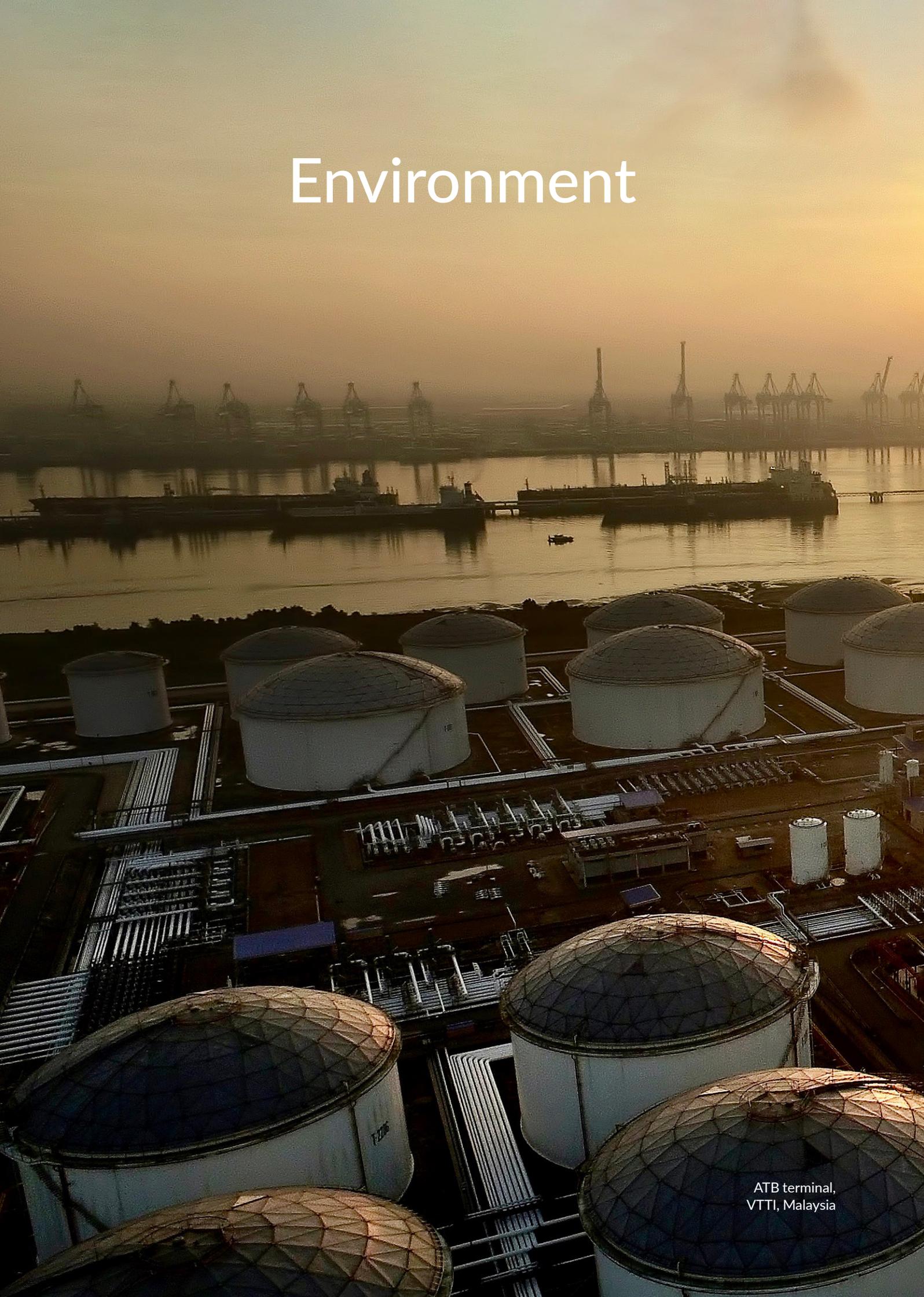
Circular economy solutions

At the margin we expect circular economy solutions such as the recycling of hydrocarbons from waste plastic or tyres to grow as nascent technologies move from proof-of-concept to industrial scale.

Carbon markets

By 2030 it is estimated that the market for carbon credits could be worth around \$50 billion. Carbon credits have a key role to play in shaping behaviour and allocating resources through the energy transition. In addition to traditional offsetting projects, carbon markets have the potential to direct investment into CO₂ abatement, reduction, avoidance and sequestration.

Environment



ATB terminal,
VTTI, Malaysia

ENVIRONMENTAL PERFORMANCE 2021

2021 targets

2021 performance

GHG STRATEGY MEASUREMENT AND REPORTING

Implement a Vitol GHG Measurement and Reporting Standard across all Vitol investments, based on the WBCSD GHG Protocol and the IPIECA reporting guidelines	✔ Achieved The Standard was rolled out to all relevant companies in which Vitol is invested
Implement a calculation tool to allow Vitol to measure the GHG footprints of its investments based on the WBCSD GHG Protocol and IPIECA reporting guidelines	✔ Achieved The tool was rolled out to all relevant companies in which Vitol is invested
Ensure all investments are measuring and reporting emissions to Vitol by 31.12.2021	✔ Achieved¹
Report all material scope 3 categories in the 2021 ESG report	✔ Achieved See Vitol's response to the energy transition
Further formalise the Vitol GHG strategy and publish this in the 2021 ESG report	✔ Achieved See Vitol's response to the energy transition

ENVIRONMENTAL REPORTING

Ensure all Vitol investments are reporting freshwater extraction data by 31.12.2021	✔ Achieved All relevant companies in which Vitol is invested are reporting this
All relevant investments to be reporting SO _x (sulphur oxides) and NO _x (nitrogen oxides) data by 31.12.2021	✔ Achieved All relevant companies in which Vitol is invested are reporting this
Ensure all Vitol investments are reporting waste figures by 31.12.2021	✔ Achieved All relevant companies in which Vitol is invested are reporting this
All investments to report quantity and type of substance spilled	✔ Achieved All companies in which Vitol is invested are reporting quantity and type of substance spilled

PERFORMANCE

Implement ISO50001:2018 Energy Management standard onboard ships under LSC management by 31.12.2021	⊖ Partially achieved by year end Full certification was delayed due to Covid and not achieved at year end, but achieved in January 2022
A 10% reduction in environmental exceedances in 2021, with a longer-term aim of zero	✔ Achieved There was a 10% reduction in environmental exceedances in 2021 compared with 2020
Zero prosecutions or enforcement actions by environmental regulatory authorities in relation to Vitol investments	✘ Not achieved Companies in which Vitol is invested experienced one repeat enforcement action that arose in 2020 and four additional actions in 2021

¹ Investments reporting emissions data in line with Vitol carbon accounting methodology and restatement policy.

2022 targets

.....

A 10% reduction in the total volume of substances arising from large spills in 2022 compared with 2021

A 10% reduction in the total number of large spills in 2022 compared with 2021

.....

.....

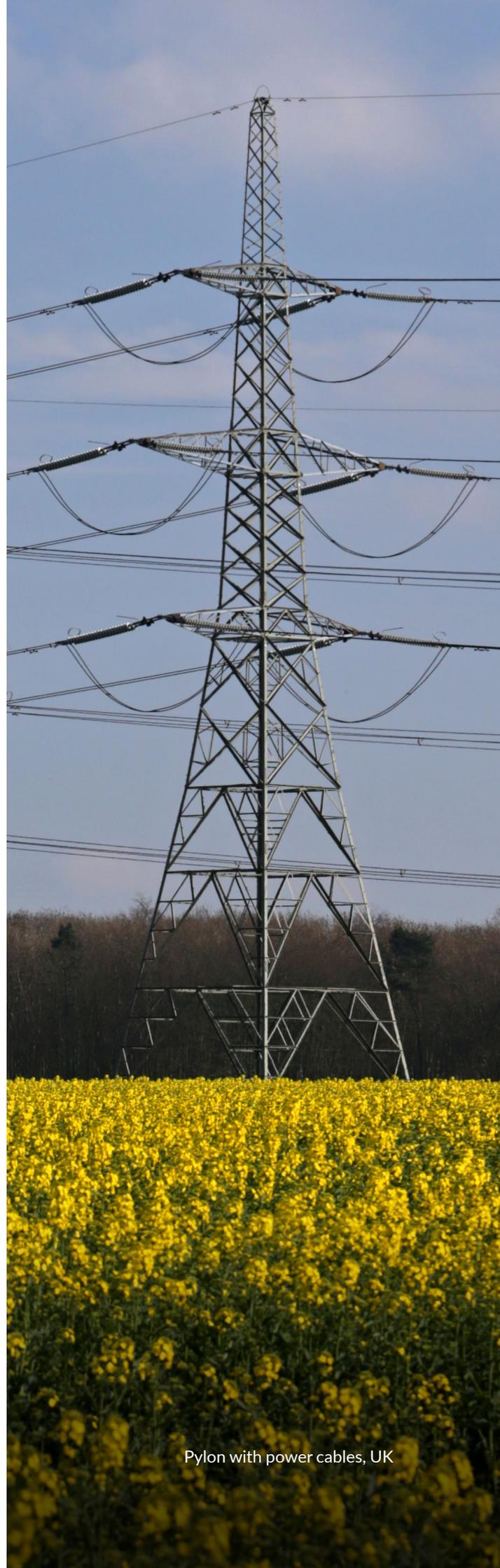
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A 10% reduction in environmental exceedances in 2022 compared with 2021, with a longer-term aim of zero

.....

Zero prosecutions or enforcement actions by environmental regulatory authorities in relation to Vitol investments

.....



Pylon with power cables, UK

Vitol's response to the energy transition

The speed and effectiveness of the energy transition will shape the context in which our business operates.

As societies, economies and the climate adjust to new and evolving circumstances our business will face significant risks, as well as opportunities.

As a major participant in energy markets worldwide Vitol is mindful both of the need to realign its business and of the important role it can play as part of this change, whilst meeting the energy needs of our customers. Our expertise and global presence should enable us to identify and develop opportunities, and to continue to develop a long-term and sustainable business for our shareholders, customers and society.

Vitol recognises the recommendations of the Financial Stability Board's TCFD which enables our stakeholders to understand the potential impacts of climate-related risks and opportunities on our business.

We appreciate that stakeholders expect transparency and disclosure, but the complexity and uncertainty associated with climate change makes it difficult to pinpoint exactly where and when specific items could affect Vitol. The TCFD acknowledges that implementation of its recommendations will take time. Our TCFD roadmap sets out our own pathway whilst recognising that this is an ongoing process where we will build upon each element of governance, strategy and risk management in addition to metrics and targets over the years to come.

VITOL TCFD ROADMAP

1. GOVERNANCE	2. STRATEGY	3. RISK MANAGEMENT	4. METRICS AND TARGETS
<p>Disclosure a) Board's oversight of climate-related risks and opportunities</p> <ul style="list-style-type: none"> » Strategy & business plans » Processes around climate-risk » Frequency of discussion » Performance objectives » CapEx, M&A, divestures » Monitoring performance <p>21</p>	<p>Disclosure a) Describe climate-related risks & opportunities identified over the short-, medium-, long-term</p> <ul style="list-style-type: none"> » Description by sector and geography <p>21</p>	<p>Disclosure a) Process to identify & assess climate risk</p> <ul style="list-style-type: none"> » Describe process » Assess materiality & include emerging risks <p>21</p>	<p>Disclosure a) Key metrics to measure & manage CR & ops.</p> <ul style="list-style-type: none"> » Trend analysis » Internal carbon pricing <p>23</p>
<p>Disclosure b) Management's role in managing & assessing climate risk & opportunities</p> <ul style="list-style-type: none"> » Climate-related responsibilities » Reporting lines of individuals » Committees created » Organisational structure » Process description » Monitoring <p>21</p>	<p>Disclosure b) Describe impact on business, strategy & financial planning</p> <ul style="list-style-type: none"> » Products, trading, demand » Macrotrends, investment decisions, access to capital, CapEx <p>23</p>	<p>Disclosure b) Describe risk management processes</p> <ul style="list-style-type: none"> » Mitigation, transfer, accept, control » Policy, technology, market, » Reputation (acute and chronic) <p>23</p>	<p>Supplemental disclosure b) Key metrics to measure & manage climate risks & opportunities</p> <ul style="list-style-type: none"> » Provide business segment splits <p>23</p>
	<p>Supplemental disclosure b) Climate risk integration into:</p> <ul style="list-style-type: none"> » Decision making & strategy » Legacy assets <p>24</p>	<p>Disclosure c) Describe how climate risk identification, assessment and management is integrated into company processes</p> <p>22</p>	<p>Supplemental b) for energy group</p> <ul style="list-style-type: none"> » Physical & transition impacts » Energy group specific metrics <p>22</p>
	<p>Disclosure c) Resilience of strategy in context of 2°C or lower scenario:</p> <ul style="list-style-type: none"> » Impact on strategy of climate risk » Possible adaptations <p>24</p>		<p>Supplemental b) for transportation groups</p> <ul style="list-style-type: none"> » Split for shipping, rail, trucks » Operational, technical, dual fuels » Regulation / reporting <p>22</p>
	<p>Supplemental disclosure c) Robust scenario analysis:</p> <ul style="list-style-type: none"> » 2°C or lower scenario » Assessing physical climate risk » Policy, energy pathways, regulation <p>24</p>		<p>Disclosure b) Emissions disclosure</p> <ul style="list-style-type: none"> » Scope 1,2,3 in line with GHG protocol » Historical data to allow for trend analysis <p>21</p>
			<p>Disclosure c) Describe targets</p> <ul style="list-style-type: none"> » Absolute or intensity metrics » Other relevant KPIs » Timeframes and baseline year <p>22</p>

- KEY**
- 21 Completed 2021
 - 22 To be completed 2022
 - 23 To be completed 2023
 - 24 To be completed post 2024
 - Guidance for all sectors
 - Guidance for non-financial groups
 - Guidance for energy groups
 - Guidance for transportation groups

Climate risk governance

Vitol has a solid climate risk governance framework with effective and robust controls commensurate to the nature, scale and complexity of the risks we face through our investments and as part of our operations and trading activities.

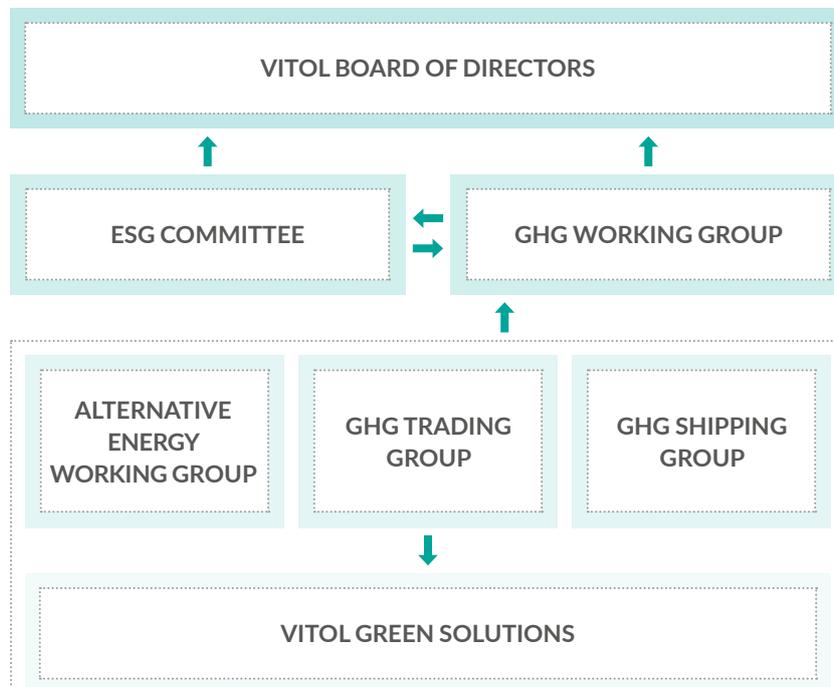
This section details the board's oversight and management's role in managing and assessing climate-related risks and opportunities as well as describing Vitol's Energy Transition Initiative (VETI).

The remit and role of the key committees and working groups that comprise Vitol's governance in relation to climate change are explained below. The diagram on page 33 shows how it all fits together.

- » **The board:** has oversight of climate risk management and makes all material decisions in relation to the energy transition. During 2021, four formal board meetings were held. ESG and energy transition topics were presented at each board meeting. Topics discussed included: a status update of VETI workstream deliverables, as well as reviewing the Vitol investment portfolio. Two additional bespoke meetings were also held. First, to discuss and understand carbon accounting methodologies, Vitol's footprint and work undertaken in relation to GHG measurement and target setting. Secondly, to discuss Vitol's inaugural ESG report.
- » **ESG committee:** has defined terms of reference. Its mandate is to assist the board in defining and reviewing Vitol's strategy relating to ESG matters and to evaluate the effectiveness of Vitol ESG practices and systems for identifying and mitigating ESG risks, ensuring they remain effective, up-to-date and consistent with good industry practice. Climate change topics form part of this. The members of the committee are included in the governance section. The committee meets every 5-6 weeks.
- » **GHG working group:** oversees the output from the VETI, including the alternative energy working group, the GHG trading group and the GHG shipping group and makes recommendations to the board. The group is comprised of 1 board member and 12 senior managers from different departments (power trading, E&S, research, origination, Humber Zero, environmental products trading, shipping and treasury) across Europe, the Americas and Asia. The group meets virtually as needed.
- » **Alternative energy working group:** discusses the project pipeline for sustainable investments such as solar farms or wind assets and shares knowledge and best practice across different regions. It also discusses market opportunities and trends. It is comprised of 40 employees across different offices and functions such as investment, origination and trading. The board member for utilities leads this group, which meets monthly.

- » **GHG trading group:** the purpose of this group is to review our core trading activities. This consists of crude oil and products, transitional and sustainable energy. The group looks to understand where Vitol can decarbonise energy markets, enter into new regions to generate additional P&L, diversify its trading activities and position Vitol for a low-carbon future. Output from this group is included in quarterly VETI board updates. This group is comprised of approximately 20 commercial employees. The board member for utilities leads this group, which meets monthly.
- » **Vitol Green Solutions:** focuses primarily on Vitol's crude oil and products and transition-related trading activities. This group looks to provide new services and products that contribute to decarbonising or offsetting/removing emissions associated with the products that Vitol supplies to our customers, whilst generating additional benefits. Output from this group is included in quarterly VETI board updates. The group is comprised of 10 front office personnel and meets monthly.
- » **GHG shipping group:** the group reviews the operational performance and carbon-intensity of Vitol's owned and chartered vessels, keeps abreast of carbon-related activities in the market and oversees the results from operational, technical and fuel-based trials across our fleet, as well as the results from joint studies such as the use of ammonia as a marine fuel. Recommendations from this group are included in quarterly VETI board updates. This group is comprised of five technical and commercial shipping experts and meets approximately every three months.

VITOL'S CLIMATE CHANGE MANAGEMENT



The structure outlined in this section allows ESG and climate-related information to flow across the organisation and between teams involved in making business decisions. This includes trading and investments teams. Cross department collaboration supports the integration of climate change issues into governance and risk management processes. On the ground and strategic consequences of climate-related risks and opportunities are therefore integrated into company-wide decision making. Functions involved in this decision making include: business process improvement, communications, E&S, finance, investments, IT, origination, research and the trading teams.

Director climate roles and responsibilities

The Vitol CEO is accountable for strategy development and execution, including that relating to ESG and the energy transition, in consultation and collaboration with the board.

The chairman of the ESG committee is a member of the board and is responsible for ensuring that the ESG committee terms of reference are followed. The remit of the committee also includes climate change-related topics.

The head of E&S is responsible for ensuring processes are in place to manage and mitigate risks relating to health, safety, environment, human rights & communities, including climate-related topics. This role reports to the board.

Climate-related training

In 2021 we continued developing the skills of the board and our people with respect to climate considerations. We delivered tailored training around ESG, the energy transition, carbon accounting methodologies and our carbon footprint to Vitol front office personnel, the EMEA origination team, the US crude team, Vitol Green Solutions group and the VARO Energy extended leadership team, amongst others.

Vitol Energy Transition Initiative (VETI)

During 2020 the GHG working group developed the VETI to facilitate our ambition to decarbonise energy markets and our business. Our approach is centred on four core objectives, with 11 associated workstreams. The diagram on page 37 sets out the progress we have made under each workstream during 2021. The deliverables from the workstreams have been built into our approach to strategy, risk management, metrics and targets.

Vitol's strategic approach to the energy transition

Vitol is a substantial trader of energy. Our business is built on an in-depth understanding of energy markets, complemented by a global network of energy infrastructure.

Crude oil and products are the foundation of our business but the breadth of energy products we trade has expanded and in the last few years we have invested significantly in building transitional and renewable businesses. Climate change poses a financial risk to a large part of our business in the medium to long-term, but the transition also provides opportunities. Our ambition is to play an active role in delivering the energy transition, alongside our participation in crude oil and product markets. This is based on our view of the evolution of energy demand, including the growing uptake of EVs, projected increase in air travel, and other macroeconomic trends and scenarios detailed in our energy outlook.

Our overarching business strategy is underpinned by the 11 workstreams contained within the VETI. Three key workstreams relate to:

1. Decarbonising our investments
2. Addressing sustainability across our business
3. Environmental products trading

Decarbonising our investments

Decarbonisation focuses on reducing our absolute GHG emissions across our investments, transport and offices.

Vitol investments

We use our influence as an investor and a shareholder to integrate low-carbon thinking into decision making processes. During 2021, Vitol engaged with all its investments either through board participation or via peer-to-peer knowledge sessions and meetings. The primary focus for 2021 was to support investments to enable them to measure their GHG emissions accurately by providing them with appropriate tools to do this. GHG measurement maturity across Vitol's investment companies varies from company to company. Some have been measuring their GHG footprints for many years and reporting under regulatory regimes such as the EU ETS (Emissions Trading Scheme) or similar. For those that were not, Vitol created and rolled out a GHG measurement and reporting standard and a GHG footprint calculation tool based on the WBCSD GHG Protocol and IPIECA reporting guidelines. At the end of 2021 all relevant investments were reporting emissions data to Vitol.

We engaged the investment companies contributing most to Vitol's scope 1, 2 and 3 emissions via our board participation. Vitol held structured discussions with seven major investment companies using a tailored questionnaire covering energy transition topics including stakeholder expectations, strategy, measurement, target setting, decarbonisation projects, regulatory regimes, offsetting and reporting. The aim of this process was to stimulate debate, understand thinking around energy transition and ensure that important topics were tabled at board meetings. Tangible achievements have been made at a number of our investments, for example VTTI, VPI Immingham and VPR.

Transportation

Our strongest focus continues to be on shipping, since this is the largest contributor to Vitol's direct emissions and a sizeable contributor to our indirect emissions. Our scope 1 shipping emissions for 2021 are 1,015 KtCO₂e and our scope 3 shipping emissions are 8,807 KtCO₂e. At a global level shipping contributes approximately 3% to global GHG emissions each year.

In this section we set out the regulatory and reporting frameworks that we adhere to, the performance of our owned vessels and our achievements, as well as our approach to managing and optimising our owned vessels. We also explain how we perform against a number of internationally recognised benchmarks.

We engaged DNV Maritime Advisory to verify our scope 1 CO₂ shipping emissions data for 2021 and all of the calculations underpinning this which support the conclusions described in this report.

Vitol-owned and operationally controlled vessels

The IMO GHG strategy 2050 includes a goal to reduce carbon intensity (CI) of shipping by 40% and 70% by 2030 and 2050 respectively and to reduce absolute emissions by 50% by 2050 compared with a 2008 baseline. Short, mid and long-term measures have been identified by the IMO to achieve these targets.

As a sizeable owner, with 64 vessels of varying sizes and types deemed operationally controlled (scope 1 emissions), we must ensure that we comply with all legal requirements as a minimum.

Energy Efficiency Design Index (EEDI)

The EEDI provides a newbuild standard that ensures a ship design achieves a certain level of efficiency and carbon emission performance. The EEDI is mandatory for newbuilds above 400 GT and shipbuilders are responsible for the calculation of the EEDI, which is then verified by classification societies.

Vitol will continue to ensure full compliance with EEDI when procuring relevant newbuilds.

The following IMO short-term measures cover both technical and operational parameters and are due to come into force on 1 November 2022.

Energy Efficiency Existing Ship Index (EEXI)

During Marine Environment Protection Committee (MEPC) 76, the IMO adopted an EEXI for existing ships, which covers all vessels above 400 GT. The EEXI is a one off certification targeting design parameters, not an operational index. The EEXI determines the standardised CO₂ emissions related to installed engine power, transport capacity and ship speed (i.e. measures the CO₂ emissions per dead-weight ton and mile).

Vitol will ensure full compliance with the EEXI and we are planning to implement engine power limitations (EPL) on part of our fleet before 1 November 2022.

VITOL'S ENERGY TRANSITION INITIATIVE (VETI) 2021 ACHIEVEMENTS

Core objectives	Workstreams	Achievements
Measure GHG footprint & devise incentives	GHG measurement systems	All material scope 3 categories measured or reliably estimated. GHG engine developed within Vitol trading systems, which provides a robust and accurate calculation of scope 1, 2 and 3 emissions
	Internal carbon incentive mechanisms	Carbon incentive proposals being investigated for certain business segments, to be considered further in 2022 and beyond
Reduce current footprint	Current investments	Engagement with boards of the larger companies in which Vitol is invested to support and drive change. Improved emissions reporting by providing measurement tools to smaller companies in which we are invested
	Transportation	Achieved ISO50001 (Energy Management) certification for LSC fleet, participation in joint studies into alternative fuels, DNV maritime advisory verified our scope 1 CO ₂ emissions. Vitol 2021 own fleet AER ¹ and EEOI ² performance on average already exceeds the Poseidon Principles and Sea Cargo Charter 2030 targets
	Offices	25 green champions appointed, energy audits rolled out across largest offices with associated efficiency gains, focus on waste management practices and single-use plastic removed in most offices
	Acquisitions & venture capital	\$1.3 bn committed to sustainable solutions. 105% year-on-year growth in gross ³ renewables portfolio to 327 MW solar and 240 MW ⁴ wind generation capacity. 1.2 GW renewables capacity (operational and committed pipeline)
Grow low-carbon opportunities	Trading opportunities	Developed Vitol Green Solutions group to develop innovative solutions for our customers. Transitional share of traded volumes reached 26% in 2021
	Offsetting & removals	Increased volumes of carbon traded versus previous years, developing a range of carbon offset and removal projects with a range of co-benefits for local communities to help businesses achieve their climate ambitions
Report & communicate	Market context & decarbonisation plan	The output from the VETI workstreams has enabled Vitol to further formalise our energy transition plan in the context of our energy outlook
	Internal reporting & communications	GHG report and GHG shipping report are in place. Quarterly reporting process to the board now includes the balance sheet organised by business segment and workstream deliverable updates
	External communications	ESG report 2021 published including a more formal strategy around the energy transition

¹ Annual Efficiency Ratio.

² Energy Efficient Operational Indicator.

³ Capacity of assets/projects shown 'gross' basis, irrespective of Vitol ownership.

⁴ MW is operational capacity, all in AC delivered into the grid.

CASE STUDY

VTTI targets net-zero operations by 2050

In 2021 our investment VTTI set itself the objective of planning its path to sustainability. It carried out a thorough assessment of GHG emissions to better understand the sources of emissions and which could be addressed most effectively.

Typically, terminals use electricity for base operations, occasionally supplemented by fuel consumption (natural gas or diesel). However VTTI has two assets with significant refining capacity which consistently consume fuel and contribute to the proportionally higher scope 1 emissions as seen in the graph opposite.

Based on collated footprint information, a 45% reduction target in operational emissions by 2030 (from a 2019 baseline) was agreed with the VTTI board, with the aim of becoming net-zero by 2050. This has led to the development of energy management and GHG reduction plans for each terminal.



Achieving this target will require a more efficient use of energy, as well as sourcing decarbonised power and fuel. This project was carried out collaboratively with the terminals. Key priorities that arose during the consultation process were:

- » Growing our business sustainably
- » Ensuring a future-proof licence to operate
- » Being a trustworthy business partner
- » Being an inclusive corporate citizen

More specifically, VTTI will deploy its net-zero strategy to new acquisitions and new business opportunities, whilst constantly reviewing its skillset to ensure it can meet these targets successfully.

VTTI SCOPE 1 AND 2 EMISSIONS
KT



Carbon Intensity Indicator (CII)

The CII requirements cover all vessels above 5,000 GT. The indicator measures how efficiently a vessel transports goods in grams of CO₂ emitted per deadweight capacity and nautical mile, i.e. considering the actual fuel consumption and distance travelled for each individual vessel. Each vessel would receive an annual rating from A to E, based on its operational performance. Vessels need to achieve a C rating or better, otherwise bespoke plans must be developed and implemented to get to that level. The thresholds to achieve these ratings become increasingly stringent towards 2030 in line with the IMO target of 40% reduction in carbon intensity. The Annual Efficiency Ratio (AER) underpins the calculations.

The CII ratings will likely be issued for the first time by May 2024 based on performance in 2023 and every year thereafter based on the performance in the preceding year. If we review our 2021 performance in the context of the 2023 CII requirements, due to specific trade patterns of vessels, exacerbated by the Covid pandemic, six of our vessels do not meet the required C rating. Our target is to ensure that all vessels maintain a C rating or better.

Achievements and performance – owned vessels

In addition to the above, there are also a range of mandatory and voluntary emissions reporting frameworks in place, as well as those specific to financial institutions and charterers.

EU Monitoring, Reporting and Verification (EU MRV) and IMO Data Collection System (DCS)

Both the **EU MRV**, a regional requirement, and **IMO DCS**, a global requirement, have been mandatory since 2017 and 2018 respectively, and are the first step in a larger process to collect and analyse shipping emissions data. Both provide the underpinning data needed to decarbonise the shipping industry.

Vitol has complied and continues to fully comply with these reporting requirements since their inception.

Poseidon Principles (PP)

The **Poseidon Principles** are specific to financial institutions and banks. They are intended to decarbonise shipping finance by aligning vessel portfolio performance with the IMO 2050 absolute target. The AER underpins the calculation.

Due to specific trading anomalies in 2021, a small number of our vessels were not in compliance with the individual PP targets for 2021. However, from a fleet alignment perspective the average performance was 22.8% below the PP target. This is a strong performance. By extrapolating forward our 2021 fleet AER performance, we already exceed the PP target for 2030.

Sea Cargo Charter (SCC)

The **Sea Cargo Charter** is intended to decarbonise chartering activities by aligning chartering activity performance with the IMO 2050 absolute target. It is also aligned with the PP, but the Energy Efficiency Operational Indicator (EEOI) methodology feeds the calculation.

Although Vitol is not a signatory to the SCC we have undertaken the analysis in-house to ascertain how we performed against the SCC trajectory. Due to specific trading anomalies in 2021, a small number of vessels do not comply with the SCC targets on an individual basis for 2021. However, when applying the fleet alignment calculations, our owned vessels are on average 26.6% below the SCC target for 2021. The fleet alignment calculation for 2030 shows an average of 6.2% below this level, which indicates that if the entire fleet carries on business as usual, we would remain in compliance with SCC target to 2030 (although some vessels would not comply individually). Based on the 2021 EEOI calculation the Vitol fleet complies with the SCC 2030 target. **It is our clear intention to continue to improve on these targets.**

Performance against IMO targets

We have assessed our fleet performance against the 2030 IMO 40% CI reduction target trajectory. In doing so we have assumed the most ambitious scenario of 21.5% reduction required (supply-based measurement) from the 2019 reference line to 2030 (although IMO has not yet finalised the trajectory beyond 2026). We have developed a methodology that does not take an average fleet deadweight (dwt) since our fleet comprises different categories of vessels such as gas carriers and tankers. Our methodology treats each vessel dwt independently and weighted with the CO₂ performance of each. In applying this methodology (which is more stringent than the average dwt method) to our owned fleet, we conclude that the Vitol fleet is already complying with the 2027 target at the end of 2021. Our ambition for the owned fleet is to comply with the 2030 IMO 40% CI reduction by the end of 2024.

A summary of our achievements:

- » **Poseidon Principles:** Vitol 2021 own fleet AER performance on average already exceeds the 2030 PP target
- » **Sea Cargo Charter:** Vitol 2021 own fleet EEOI performance on average already exceeds the 2030 SCC target
- » **IMO 40% CI reduction target:** Vitol fleet is on average already complying with the IMO CI 2027 target

Optimising our fleet

The vast majority of Vitol-owned vessels are managed by our technical manager, LSC, which brings a number of benefits from an ESG perspective.

LSC successfully received ISO50001 certification for energy management across our owned vessels in January 2022. This supplements the ISO9001 (quality), ISO14001 (environment) and ISO45001 (health and safety) certifications already in place. LSC is likely to be the only technical manager to have achieved this in Europe.

Vitol continues to actively engage and review solutions to improve the carbon intensity of our existing fleet. We have identified and continue to assess a number of technical measures to mitigate emissions across our owned fleet including energy efficiency upgrades, specialist paints, sail technology, battery technology and biofuels. LSC and Vitol are actively studying future fuels including e-methanol, ammonia and hydrogen.

We are also assessing some operational options such as general reductions of speed and better management of chartering & operational activities. As a last resort we could also consider divesting some of our less efficient vessels. Any new vessels procured will be of eco-vessel standards.

More significant reductions over time will require changes to fuel usage and type, investments into new and emerging technologies and supportive policies to drive change. To that end we became a member of the ITOCHU Joint Study Framework on Ammonia as an Alternative Marine Fuel and are also investigating a range of other solutions.

Third party vessels – spot and time charter

Capturing all emissions relating to third party shipping is key to understanding and developing our approach to managing scope 3 emissions. We engaged a third party to support us with this and implemented a robust process at the start of 2021. We have included all of this data in our GHG footprint. Going forward we will analyse this data to provide information on our scope 3 carbon intensity.

Offices

The scope 2 emissions from our offices are not material in the context of our overall GHG footprint, but we recognise efforts, however small, contribute to an improved environmental footprint. We have appointed approximately 25 'green champions' and have rolled out our environmental policy across our main offices. Other achievements include:

- » **Energy audits:** energy audits were undertaken in our largest offices. Singapore received an Eco-Office Certification. Energy audits in Geneva resulted in moving to 100% sustainable energy supply and an average of 15% energy saving per month compared with 2020 due to the changes implemented.
- » **Waste management:** we measure waste generated in our main offices. Most offices have recycling systems in place and some have made huge improvements. For example, our Bahrain office went from 0% recycled waste to approximately 35% per week.
- » **Plastic:** we are removing single-use plastic (such as water bottles and plastic cups) and replacing with long-term solutions such as water coolers and crockery or biodegradable items in most offices.

Addressing sustainability across our business

We already have a significant low-carbon asset platform and have committed to spending \$1.3 billion in this space. We are cognisant of the sustainability (and resulting financial) risks inherent in traditional carbon-heavy energy infrastructure. However we also believe that the world will use conventional energy sources for some time. We will continue to selectively invest in certain hydrocarbon or transitional asset classes such as our upstream investment in the US and our UK gas-fired power generation investment. Vitol believes that a flexible and pragmatic strategy, is the optimal way to manage the changing realities of the energy transition.

Our approach to energy trading and investing can be split into three core pillars: (1) crude oil and products, (2) transitional energy solutions (3) sustainable energy solutions.

1. **Crude oil and products:** this includes crude oil, gasoline, naphtha, distillates, fuel oil and bitumen. This business line will continue to grow modestly until the early 2030s and will still be part of the energy mix in the long term. We aim to achieve the following:
 - » Minimise emissions related to trading activity e.g. shipping and support infrastructure
 - » Review the performance of our investments in traditional energy infrastructure
 - » Invest to maximise efficiency and minimise emissions
 - » Remain opportunistic and deploy capital to fill near-term supply gaps e.g. our upstream investment via Vencer Energy
2. **Transitional energy solutions:** covering a range of energy solutions from those required in the early stages of the transition to those which have a place in the long-term energy mix. Transitioning to more sustainable forms of energy will take time due to challenges in advancing and deploying new technologies and infrastructure at scale.

CASE STUDY

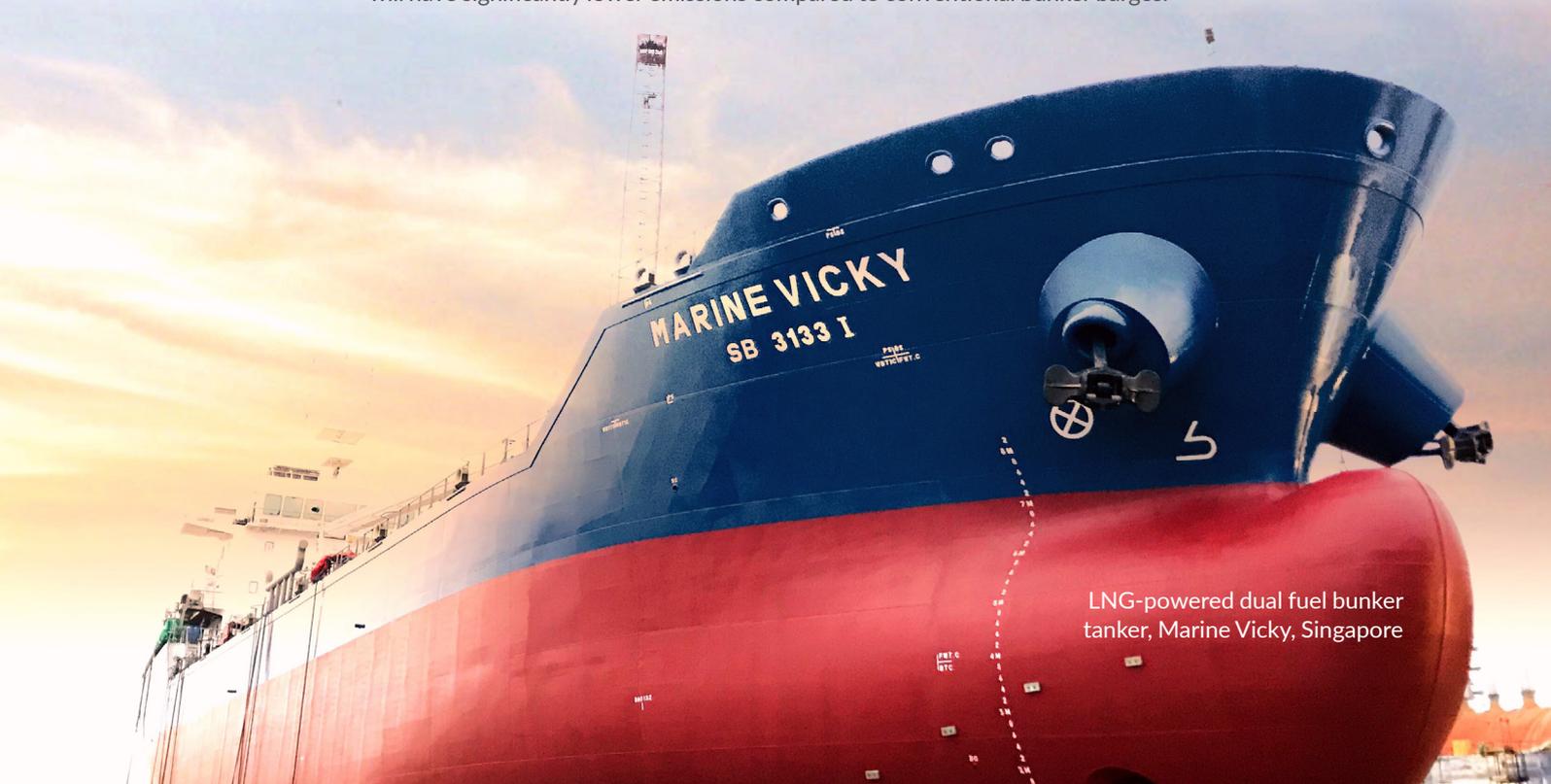
Vitol Bunkers: decarbonising shipping

‘Decarbonising the shipping industry will be key to achieving global net zero targets. Vitol Bunkers recognises the need to explore multiple decarbonisation pathways and seeks to offer a growing range of low-carbon options. This strategy is underpinned by a commitment to invest in emissions-reducing technology and associated infrastructure’ Mike Muller, head of Vitol Asia

The IMO has laid out targets to reduce total emissions by 50% and carbon intensity by 70% by 2050, and entirely eliminate emissions by the end of this century. The EU has also set its own targets of a 55% reduction in emissions by 2030 and carbon neutrality by 2050. In support of these targets and in response to increasing interest from shipowners, Vitol Bunkers will provide a choice of low-carbon options to help our customers reduce their emissions. These offerings can include carbon offsetting whereby VERs from Vitol’s portfolio of high-quality carbon offset projects are retired.

Vitol Bunkers has also started delivering bio-fuel blended VLSFO to customers in Singapore. These bespoke blended bunker deliveries contain a material portion of renewable energy. Vitol Bunkers is also in dialogue with maritime stakeholders to explore methanol, ammonia and hydrogen-based decarbonisation solutions.

Our Singaporean bunkers operations company, V-Bunkers, has been recognised for its sustainability, with 5 of its 20-strong fleet of bunker barges receiving green ship awards from the Maritime Port Authority. V-Bunkers is building electric-hybrid notation bunker barges for deployment in Singapore next year. These will have significantly lower emissions compared to conventional bunker barges.



LNG-powered dual fuel bunker tanker, Marine Vicky, Singapore

We anticipate that traditional forms of energy and technologies will combine with new developments over the short, medium and long-term. We aim to achieve the following:

- » Gas, LNG and LPG: grow our presence in natural gas, LNG and LPG, both as a displacement for solid fuels and as a near/medium-term complement to renewables
- » Power: continue to build on our expertise and understanding of power markets to support electrification of energy demand
- » Biofuels: leverage understanding of biofuels market to expand capabilities, repurposing existing infrastructure where appropriate
- » Circular economy solutions: invest in established and development-stage circular economy solutions to facilitate creation of new technologies and scaling-up of existing technologies

3. **Sustainable energy solutions:** this includes environmental products and renewable technologies. Vitol's portfolio of trading products and energy investments is evolving. We have hired additional headcount to focus on our sustainable energy solutions business. This includes hydrogen, biogas, carbon capture and storage, renewable generation, EVs, and environmental products. Sustainable energy solutions will continue to grow from today beyond 2050. We aim to achieve the following:

- » Leverage market expertise and Vitol's leading position to support the development of new energy markets
- » Invest in infrastructure
- » Explore innovative technology solutions
- » Participating in hydrogen and carbon capture storage projects with a view to exploring future deployment
- » Deploy expertise and financial strength to develop end-to-end sustainable energy solutions which facilitate the transition
- » Consolidate our market-leading position in environmental products. Focus on high-quality offset and removal projects aligned with the United Nations Sustainable Development Goals (UN SDGs)
- » In biogas, invest along the value chain to support development of biogas for transport

Areas of particular focus include:

Hydrogen – we are working on deploying hydrogen for generation in our UK power portfolio, as well as investing in green hydrogen production. We anticipate hydrogen being a key fuel for both the domestic and transport sectors and are building our expertise and capabilities accordingly.

Renewable power – with a total of 1.2 GW of renewable generation and approved pipeline, our renewable power portfolio comprises wind and solar in Europe, India, Pakistan and the US. We look for projects where our capital, expertise and market understanding can add value and are continuing to look for new opportunities.

Electrified transport – transport has historically accounted for 60% of oil demand, giving us a specialist insight into the transport sector. We are leveraging this expertise and our physical footprint to explore a range of opportunities including:

- » Municipal transport e-solutions
- » EV fleet solutions in developed markets
- » Battery swapping for two and three-wheeler vehicles in developing markets

CASE STUDY

Solar in the US

Invested in community projects in New York

Vitol is invested in 49 MW of community solar projects in Hudson Valley, New York state. There are 11 projects representing a total investment of \$82 million. In total, the panels consist of 126,629 solar modules and the projects produce enough to power 5,500 homes annually.

The projects were built under the NY Community Solar programme, a state-wide initiative to provide more affordable, low-carbon energy to residents. The solar farms are installed at an offsite location and consumers are able to subscribe to the community solar project. Consumers then receive discounted credits on their regular electricity bill for the low-carbon energy produced. This allows consumers to save money through both their enrolment in the scheme and their access to low-carbon energy produced by these solar farms.



Community solar project in New York

Environmental products

Decarbonisation requires effective market-based mechanisms to determine the price of carbon. We believe both compliance and voluntary markets, with solid governance in place, have an important role to play.

The number of compliance carbon markets continues to increase with the largest new addition being the start of the Chinese national trading scheme. To ensure adequate liquidity, we anticipate the evolution of regional links between many of the fragmented domestic markets globally. Vitol will have an active role in balancing these markets by transferring surpluses to deficit markets in the most efficient way.

Our global carbon team is based in six core locations to enable participation in the various regional and national carbon markets. The team covers markets such as the Chinese, European, UK, US, Australian and New Zealand Emissions Trading Schemes.

The voluntary carbon market comprises carbon offset transactions outside compliance markets. Voluntary carbon markets provide a key mechanism to address hard-to-abate emissions, and have the potential to reach more than 2 GT of CO₂ per year by 2030.

As an active participant in the carbon markets and project development over 15 years we now oversee projects or have committed capital to projects that either offset or remove more than 15 million tCO₂e.

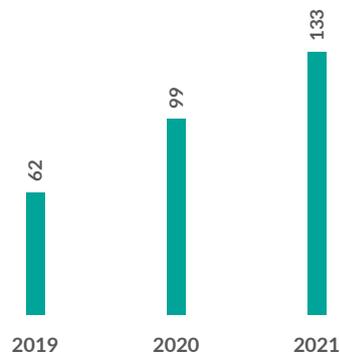
Voluntary carbon market trading activities increased significantly in 2021. Prices and volumes were driven up by a combination of corporate net-zero ambitions and the introduction of standardised exchanged traded contracts such as the Chicago Mercantile Exchanges (CME) CBL Global Emissions Offset futures. The outcomes around the Paris Agreement Article 6 rulebook at the UN Climate Summit in Glasgow have also added further momentum to this, with countries able to partially meet their climate ambitions through the use of offsets, specifically Internationally Transferred Mitigation Outcomes (ITMOs).

In both compliance and voluntary carbon markets, Vitol's trading activities have also followed this upward trend.¹ The graph below shows how our carbon volumes have increased between 2019 and 2021.

In the Americas we have a strong presence across a range of environmental products which enable our customers to manage their greenhouse gas emissions and renewable energy obligations. Often developed on a regional basis, these include, but are not limited to the Regional Greenhouse Gas Initiative (RGGI), Cali-

CARBON SALES

m MT



¹ Carbon trading volumes, based on delivered volumes including voluntary and compliance markets, but excluding Renewable Energy Certificates (RECs), International Renewable Energy Certificates (IRECs), Renewable Identification Numbers (RINs) and other types of renewable traded certificates.

fornia Cap-and-Trade Program (CCA & CCO), Low Carbon Fuel Standard (LCFS), Voluntary Carbon Offsets, RPS Compliance & Voluntary Renewable Energy Certificates (RECs) and International RECs (IRECs).

Our understanding of carbon markets and our global network enables us to bring together partners and innovative finance solutions to the development of voluntary carbon avoidance or removal projects. Vitol is an active member of the Taskforce on Scaling Voluntary Carbon Markets, led by UN Special Envoy for Climate Action & Finance, Mark Carney. The creation of credible, high integrity carbon credits that are internationally recognised and audited under approved standards is key to its success.

We are developing our own carbon reduction and removal projects across most continents, with a particular focus on Africa. We deliver high-quality carbon abatement projects with tangible co-benefits for local communities, e.g. tackling poverty, improving education, gender equality, or health and welfare in line with the UN SDGs.

Vitol participates in the design and implementation of carbon projects, which are registered and certified by leading voluntary offset standards such as Gold Standard and VERRA. We also undertake in-house ESG due diligence on each of our projects prior to the project design phase and are embedding ongoing ESG assessments across our portfolio to ensure, for example, risks around health, safety and human rights are well managed. We are working with Wentworth Resources plc, in which we are invested, to create bespoke offset projects in Tanzania, which are aligned with Wentworth's UN SDG ambitions.

As a key participant in the energy sector, we are encouraged to see the establishment of the Global Methane Pledge, which aims to limit methane emissions by 30% compared with 2020 levels. Vitol has a key role to play in supporting our partners and customers to achieve these reductions by developing innovative solutions and projects to abate or capture methane. To this end we are partnering with the African Refiners & Distributors Association (ARDA) to collaborate on GHG reduction projects with African refineries which include energy efficiency measures, soil sequestration and landfill methane capture.

Offering climate-related solutions and products

We continue to develop innovative climate-related offers and services for customers, but recognise that some of our solutions will only be needed in the short and medium term as markets and technology evolve to meet energy transition requirements and decarbonisation activities accelerate throughout the value chain. To service the needs of the business and our customers, we established Vitol Green Solutions. This group has developed tailored offerings across the barrel and the commodities we trade for our clients. We launched an offer for LNG customers wishing to mitigate emissions associated with the production and transportation of their cargoes using different market solutions such as high integrity offsets. This can be expanded to include pipeline gas providing an offset solution for individual LNG cargoes or for the whole supply chain from wellhead to customer (including power generation) using a tool created by Wood Mackenzie. Vitol Bunkers also developed an offset bunker fuel offer in conjunction with VGS for those clients wishing to compensate for the combustion or life cycle emissions generated from the fuel oil we supply to them. We use our carbon matrix to supply high-quality carbon offsets and renewable energy credits.

CASE STUDY

Wentworth

“Vitol has played an integral role in our ESG journey. Now, we are working with them to design high-quality, bespoke and impactful carbon offsetting programmes in our local community, which will reduce our environmental footprint whilst delivering transformational growth through our gas-to-power platform in Tanzania.”

Katherine Roe, CEO, Wentworth Resources

Wentworth is a Tanzania-focused natural gas producer with a core producing asset at Mnazi Bay. As one of only two domestic natural gas producers in-country, Wentworth is playing a critical role in increasing energy access for communities across Tanzania. It is also decarbonising the grid by displacing higher emitting fuels such as heavy fuel oil (HFO) and diesel with lower carbon natural gas. This work is aligned with UN Sustainable Development Goal 7, which is focused on ensuring access to affordable, reliable, sustainable and modern energy for all.

Wentworth is working with Vitol to develop community-focused carbon offsetting programmes, with the objective to offset all of the business's scope 1 and 2 emissions and partially offset scope 3 emissions from 2022.

The programmes aim to distribute 400,000 pairs of cookstoves and water purification devices to households in rural Tanzania for free. This consists of 800,000 units in total. Cookstoves mitigate deforestation as they use 2/3 less biomass than open fire cooking facilities. Water purification devices remove the need to boil water to make it safe to drink, reducing emissions further. Over the course of five years, the project will avoid 16 million tonnes CO₂ at full scale. The projects are aligned with UN Sustainable Development Goals and will be rolled out during 2022.



Climate risk management

Vitol considers climate change to be one of the most material risks to our business model in the long-term and we are adapting our strategy accordingly. Climate-related risks and opportunities are considered as part of relevant business processes. All major decisions taken by the board are in line with our business strategy and our energy outlook.

We view climate risks in two distinct categories. Those that could result in physical risks to our business and the companies in which we are invested, and those relating to the energy transition.

Physical risks can be sub-divided into acute, short-term, highly disruptive impacts including extreme temperatures, wildfires, hurricanes or floods. Or chronic, long-term changes such as droughts, sea level rises or impacts on population health. Acute risks to Vitol could include the potential consequences arising from material events like flooding, power outages or damage to Vitol offices or assets owned by companies in which Vitol is invested, affecting our insurance premiums. In a more extreme worst case scenario, assets could potentially become stranded with reduced book-values. Indirect physical risk effects could result in disruptions, for example, in shipping, which could have a knock-on effect across global supply chains or have impacts on resource or energy availability, which would lead to enhanced volatility.

Transition risks include new policies, broader or more stringent laws and regulation, possible litigation and technology changes. Depending on the nature and speed of these changes, this could lead to enhanced volatility, financial and reputational risk to Vitol.

The nature and range of risks which Vitol's business faces are broad and difficult to define. How they evolve will depend on the degree of international alignment with regulatory environments, the accuracy of scientific models as well as other factors.

Capturing, assessing and monitoring ESG risk

Vitol's approach to risk management is described in the governance section of this report. In terms of climate-related risk, we view this with two lenses. Firstly, the risk to Vitol directly. This includes financial, reputational, transitional and physical risk. Secondly, the risks facing controlled and non-controlled companies in which we are invested. Investment companies are responsible for managing transition and physical risk, as well as other enterprise risks.

Assessing ESG risk as part of acquisitions

Vitol undertakes due diligence on all target companies, often with the support of external advisers. As part of the due diligence process we cover topics such as legal, tax, financial, compliance and E&S. For relevant acquisitions such as upstream oil and gas, the Vitol investments team includes a carbon price for modelling purposes to support the investment decision.

Climate and energy transition risks to the business

We are cognisant of the physical and transition risks of climate change, and their potential associated financial ramifications, inherent in traditional carbon-heavy energy infrastructure. It is probable that a number of hydrocarbon focused assets will have reduced values in the longer term.

A large number of our financing banks fall under Bank of England (BoE) regulatory supervision, which now includes an expectation they will assess the physical and transition risks associated with climate-related scenarios. As a client of a number of UK banks, Vitol has been working to support them in this requirement. During our positive exchanges with Standard Chartered and their advisers, we agreed to undertake a high-level review to understand the vulnerabilities of our 43 principal operating locations (the main Vitol investments plus the largest five offices) to physical risk using S&P location data and Munich Re's physical risk assessment. The review's findings were that Vitol's physical risk profile is better than the regional sector average.

Assets, both hydrocarbon and non-hydrocarbon focused, in which Vitol is invested, have varying maturities in terms of their approaches to enterprise risk management (including assessing physical risks from climate change, such as flooding). As part of our approach to embedding TCFD requirements, we have therefore committed to engaging further with our investment portfolio to ensure that physical risks from climate change have been assessed and that appropriate controls are in place to mitigate these risks. This will clearly take time given their number and geographical spread. We will report back progress in subsequent ESG reports.

Metrics and targets

In this section we provide details on Vitol's GHG footprint, our performance, what we are monitoring, our climate action and ambitions.

Vitol's GHG footprint

Vitol follows the WBCSD GHG Protocol and the IPIECA GHG reporting guidelines for carbon accounting. We have adopted the 'operational control' approach for our reporting boundary, in line with our accounting consolidation methodology. This approach most closely reflects the direct influence of Vitol over emissions levels and our approach to decarbonisation. Within the scope of GHGs we include carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O), as well as sulphur hexafluoride (SF₆) where it makes sense to do so. The footprint includes our direct (scope 1) and indirect (scope 2 and 3) emission sources. Scope 1 emissions arise from sources that are controlled by Vitol. Scope 2 includes emissions from the generation of purchased or acquired electricity, steam, heat and cooling. Scope 3 includes all other material indirect emissions that occur across Vitol's value chain, and comprise the largest part of our footprint. We have most influence over our scope 1 and 2 emissions.

To continually improve data capture, efficiency and accuracy, Vitol has built a proprietary GHG footprint calculation engine within our core trading systems to measure all emissions across all scopes on an ongoing basis. This was an 18 month project involving multiple teams. The engine pulls data from various sources and systems, and includes a significant number of data points.

The diagram on page 53 shows the order of magnitude of our scope 1, 2 and 3 GHG emissions by business segment for 2021. The table on pages 54 and 55 details the evolution of our GHG footprint between 2019 and 2021.

Scope 1 emissions

Approximately 75% of our scope 1 emissions arise from our shipping activities.¹ The remainder arise due to operationally-controlled activities in the refining/processing segment and operationally-controlled activities in the upstream segment. Scope 1 emissions have increased by approximately 6% in 2021 versus 2020 where our volumes were significantly reduced by the effects of the pandemic. The 2021 increase compared with 2019 and 2020 is largely due to increased shipping activity plus start-up inefficiencies related to a new unit at one of our refineries and associated increases in throughput.

Scope 2 emissions

Our scope 2 emissions are relatively small in the context of our overall GHG footprint, representing less than 0.1% of the total. The emissions mainly arise from electricity, heat, and steam consumed by operationally-controlled activities in the refining/processing segment, at retail stations owned by operationally-controlled investments, and in Vitol offices. The diagram on pages 54 and 55 shows our market-based scope 2 emissions. If we were to use location-based emission factors, our scope 2 emissions would equate to 12 KtCO₂e.

Scope 3 emissions

Our scope 3 emissions equate to approximately 95% of our total GHG footprint. We have been working hard to improve the data availability, capture and quality underpinning our scope 3 emissions during 2021. The diagram on the following page includes data on those scope 3 categories that are relevant, material and measurable (or possible to estimate) for Vitol. We are now reporting 7 of the possible 15 scope 3 categories defined under the GHG protocol. Our emissions have therefore increased substantially between 2020 to 2021 due to the reporting of these additional categories. The principal contributors to our scope 3 emissions arise from non-controlled investments and the combustion of their products as well as third-party transport operations, primarily ships.

Scope 3 emissions from non-controlled investments represent approximately 55% of our 2021 footprint. Scope 1 and 2 emissions data from our investments (3.15a) are collected quarterly as part of our KPI reporting process. In 2021 we developed and rolled out a GHG measurement and accounting standard and a calculation spreadsheet to support our investments in producing emissions data. A number of investments use the calculation sheet to determine their emissions by inputting data such as volume of fuels burned on site, electricity consumption or use of company vehicles, which is then pulled into our proprietary GHG footprint calculation engine.

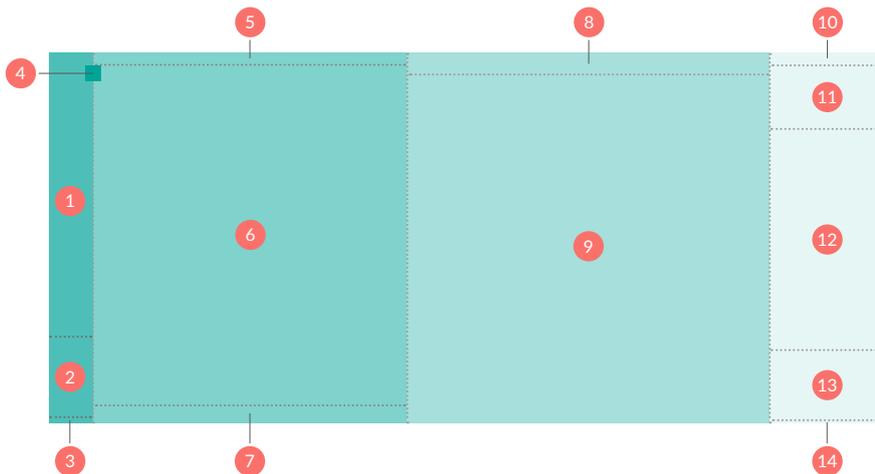
Due to its materiality we have also created an additional reporting category (3.15b). This category includes the downstream use of the fossil fuels that our non-controlled investments sell (included in their scope 3 as category 3.11 use of sold products). We take the emissions from the combustion of 100% of these products into our scope 3 in proportion to the equity that we hold in each business.

¹ We classify scope 1 shipping emissions as (1) vessel is part of Vitol's owned fleet, irrespective of vessel use, e.g. vessel chartering within Vitol, spot or time chartering to 3rd parties, or use as floating storage. (2) bareboat chartered-in vessels, i.e. vessels for which Vitol can appoint the vessel's crew and holds the ISM Code Document of Compliance, in line with IPIECA recommendations.

Scope 3 transport emissions represent approximately 36% of our 2021 footprint. The material part of these emissions arises from spot and time chartering activities. Vitol first amended its charter party terms to request that counterparts supply the relevant data to us. We began to collect data such as bunker fuel type, volumes consumed on ballast and laden legs, and voyage details in January 2021, with the support of a third-party provider. Our 2021 footprint therefore includes scope 3 shipping emissions based on actual fuel consumption, rather than estimates. Third-party transport data also includes emissions from non-controlled trucks, barges, railcars and pipeline movements. These represent a small part of the overall emissions, which have been estimated using recognised spend-based emission factors.

It is not representative to compare the 2020 and 2021 GHG footprints, since additional scope 3 categories have been included for this reporting year. On a normalised basis our total emissions grew by 2.2% compared with 2020. The large difference between 2019 and 2020/21 can be explained by inclusion of emissions data from the upstream assets we have invested in.

VITOL GHG FOOTPRINT 2021 (KTCO₂E)



KEY

- | | | |
|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
|  Scope 1 |  Scope 2 |  Scope 3: transportation |
|  Scope 3: upstream |  Scope 3: other relevant scope 3 categories | |
-
- | | |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 1 Operated fleet (1,015) | 9 3.15b Emissions from combustion of Upstream investments' production (10,436) |
| 2 Refining (300) | 10 3.1 OpEx (94) |
| 3 Upstream, Downstream & Midstream (13) | 11 3.2 CapEx (632) |
| 4 Scope 2 (16) | 12 3.15a Investments Power Generation (2,214) |
| 5 3.3 Well-to-tank emissions (229) | 13 3.15a Investments- Mid/Downstream (716) |
| 6 3.4 Ocean vessels (8,807) | 14 Other (14) |
| 7 3.4 Other transport modes (458) | |
| 8 3.15a Upstream investments' own emissions (554) | |

GREENHOUSE GAS FOOTPRINT BY BUSINESS SEGMENT (KTCO₂E)

GHG Protocol scope	Description	Upstream			Power generation		
		2019	2020	2021	2019	2020	2021
Scope 1 emissions	Direct emissions	27	19	10	0	0	0
Scope 2 emissions	Owned indirect emissions (power, heat etc.)	0	0	0	0	0	0
Scope 3 emissions	Indirect emissions (categories 3.1 - 3.15 below)	3,931	10,778	11,021	2,115	2,173	2,749
3.1	Purchased goods and services	-	-	0	-	-	0
3.2	Capital goods	-	-	19	-	-	534
3.3	Fuel and energy-related activities not included in scope 1 or scope 2	-	-	0	-	-	0
3.4	Upstream transportation and distribution	-	-	3	-	-	0
3.6	Business travel	-	-	0	-	-	0
3.11	Use of sold products	18	12	12	0	0	0
3.15(a)	Investments (scope 1 & 2 emissions)	210	638	554	2,115	2,173	2,214
3.15(b)	Investments (use of sold products - their scope 3.11)	3,703	10,129	10,436	0	0	0
Total emissions	Total scope 1, 2 & 3 emissions	3,958	10,797	11,032	2,115	2,173	2,749

Trading: all assets and infrastructure that support the trading business e.g. offices and logistics, shipping, barging, railcars etc.

Refining/processing: this segment includes pureplay standalone refining or processing assets.

Midstream: this segment includes those companies whose primary business is storage and pipelines.

Downstream: this segment includes those businesses that are comprised primarily of retail stations, as well as other activities such as storage terminals, refining, lube and LPG plants.

Trading (primarily shipping)			Refining/processing			Midstream			Downstream			Vitol total ¹		
2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
801	952	1,015	269	284	300	2	2	2	0	0	1	1,098	1,257	1,328
2	1	1	13	14	13	3	1	1	0	0	1	18	16	16
0	0	9,633	0	0	20	27	29	34	739	698	697	6,812	13,679	24,154
-	-	94	-	-	0	-	-	0	-	-	0	-	-	94
-	-	44	-	-	20	-	-	8	-	-	7	-	-	632
-	-	229	-	-	0	-	-	0	-	-	0	-	-	229
-	-	9,265	-	-	0	-	-	0	-	-	0	-	-	9,265
-	-	1	-	-	0	-	-	0	-	-	0	-	-	1
0	0	0	0	0	0	0	0	0	0	0	0	18	12	12
0	0	0	0	0	0	27	29	25	739	698	690	3,091	3,538	3,484
0	0	0	0	0	0	0	0	0	0	0	0	3,703	10,129	10,436
803	953	10,649	282	298	333	31	32	36²	739	698	699	7,929	14,952	25,498

¹ Totals may differ slightly due to rounding numbers to the nearest 1 KtCO₂e.

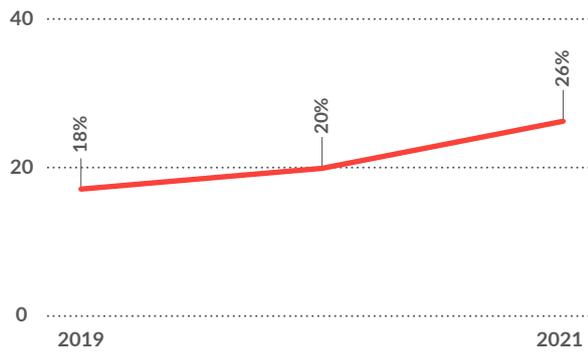
² Antwerp ATPC closed in Q122.

Achievements and performance

Our climate action at a glance - trading

The chart below shows the percentage of transitional energy commodities¹ traded as a proportion of our total physical volumes between 2019 and 2021. In 2019 the transitional share of traded volumes was 18% and this grew to 26% in 2021. This trend is set to continue.

VITOL'S TRANSITIONAL SHARE OF DELIVERED VOLUMES OF ENERGY PRODUCTS
% of TOE²

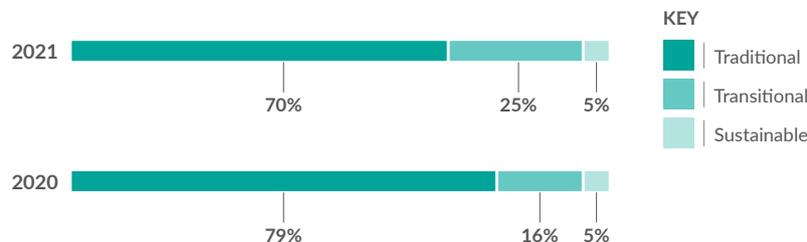


Our climate action at a glance - investments

Although crude oil and products trading remain a core activity for Vitol, we have concurrently been growing both our transitional and sustainable businesses. We have committed over \$1.3 billion of capital to energy transition investments. This includes deployed capital as well as forward commitments.

During 2021 Vitol began to track the evolution of the three pillars of our business strategy. The balance sheet split by business segment is reported at each board meeting. At the end of 2021 approximately 5% of Vitol's business was classified as sustainable and 25% as transitional.³

VITOL BALANCE SHEET BY BUSINESS SEGMENT



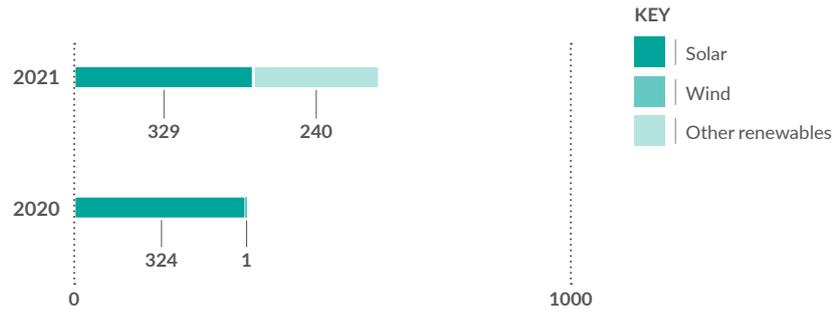
¹ Transitional commodities are defined as biofuels, natural gas, LNG, LPG and power.

² TOE is based on IEA conversion factors (energy content of 11.63 MWh/mt of oil).

³ Based on capital employed at group consolidation i.e. investments/JVs shown at net book value, net working capital and debt net of cash, lease assets/liabilities netted.

The \$1.3 billion capital committed has in part resulted in a 105% year-on-year growth in our gross¹ renewables portfolio to 327 MW solar and 240 MW wind generation capacity at 31 December 2021 versus the previous year.² However, the ongoing pandemic-related challenges in the solar manufacturing supply chains have caused delays to some of our projects in India.

RENEWABLE GENERATION BY TYPE
MW



¹ Capacity of assets/projects shown on gross basis, irrespective of Vitol ownership.

² MW is operational capacity, all in AC as delivered into the grid.

Energy transition ambitions

In addition to the aims stated under our business strategy, Vitol will work to achieve the following objectives and report back progress in subsequent ESG reports.

Investments

- » Continue to increase the proportion of investment in sustainable solutions
- » Grow renewables generating capacity (operational and approved projects) by approximately 100% versus a 2021 baseline to 1.2 GW

Trading

- » Continue to increase the proportion of renewable and transitional commodities traded year-on-year
- » Grow our carbon trading volumes to reach a size that is comparable to our presence in crude oil and products trading

Shipping

- » Optimise the operational, technical and fuel use performance of our controlled vessels to reduce emissions
- » Continue to reduce the carbon intensity of our vessel portfolio, in part by divesting less carbon-efficient vessels and only procuring new eco-vessels
- » Work towards all relevant vessels maintaining a C rating or better under the CII
- » Aim for Vitol's own fleet to comply with the 2030 IMO 40% carbon intensity reduction target by the end of 2024¹
- » Continue to participate in joint studies into alternative fuels

Decarbonisation and analysis

- » Undertake in-depth CO₂e intensity analysis across our relevant business segments such as upstream, refining, power generation and shipping. Report and monitor this in future years
- » Continue to support and encourage those companies in which we are invested to integrate decarbonisation into business plans

Governance

- » Embed TCFD recommendations in our strategy in line with our stated timeline

¹ IMO ambitions are expected to be reviewed further in the years to come and we intend to revise our targets if we are not satisfied with those set by the IMO.

Environmental performance

We recognise the importance and fragility of the environment and we commit to seeking to minimise our impact on the environment through upholding high E&S standards.

This section covers our environmental performance over the last three years and includes information on metrics such as spills, waste generation, freshwater extraction, environmental exceedances and emissions to air.

Reducing the impact of our operations on the environment promotes the following UN SDGs:



6 | Clean water and sanitation



12 | Responsible consumption and production



13 | Climate action



14 | Life below water

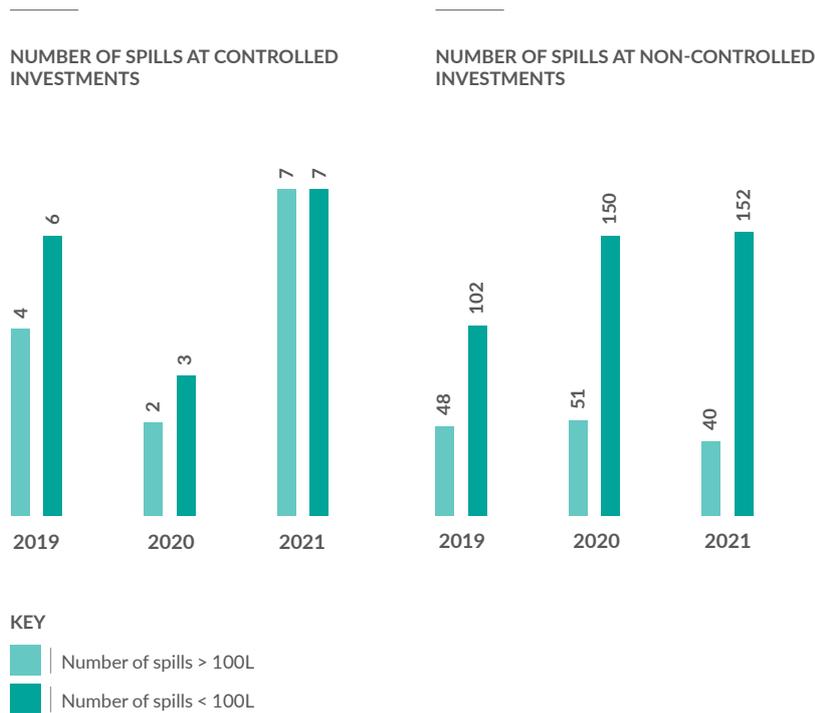


15 | Life on land

Spills and spill prevention

We define a large spill as an unplanned or uncontrolled release of more than 100 litres of hydrocarbons or chemical substances to the ground or water. The number of large spills has decreased by 11% compared with 2020, while the number of small spills has risen slightly by 4%. In 2021 we carried out an assessment of the volume and the type of substances spilled across all investment companies. While the total number of large spills decreased, the volume of these spills has increased from approximately 200m in 2020 and to 300m in 2021.¹ The majority of which resulted from road transport-related shortcomings. We aim to prevent or mitigate all spills, and have set a year-on-year target of a 10% reduction in the number and the total volume of large spills.

The number of losses of primary containment (LOPCs), excluding tier 1 and tier 2 process safety events, has decreased slightly by 1% between 2021 and 2020. We maintain our approach, that all losses of primary containment must be reported to understand root causes and ultimately prevent spills from occurring. Companies in which we are invested are proactive in this respect. We continue to work with contracted hauliers to report LOPCs to us to include in our data set. LOPC numbers will therefore likely increase in the coming years as more and more companies report this data to us.



¹ Rounded to nearest 100 m³.

CASE STUDY

Humber Zero: protecting our environment

The Humber Zero project enlisted the expertise of Lincoln-based Ecological Services Limited to carry out winter migrating bird surveys as part of the preparatory work for the major industrial decarbonisation project.

The Humber is the second-largest coastal plain estuary in the UK and is a Special Protection Area for the range of habitats and species it supports.

The work was carried out as part of the Habitat Regulations Assessment, which determines the impact of a plan or project on the wildlife of the surrounding area. The information is then provided to the local authority to help them make any planning determinations.

Humber Zero is a decarbonisation project associated with VPI Immingham, a UK power station. The project aims to remove 8 MT of CO₂ per year through carbon capture storage and the deployment of hydrogen.



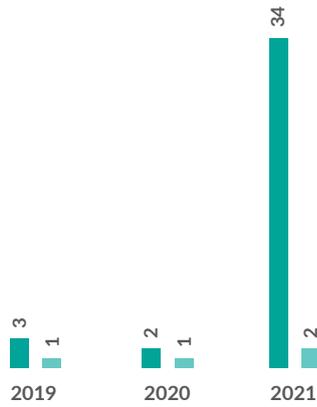
Dave Hughes from Ecological Services Ltd. carrying out migrating bird surveys as part of the preparation for Humber Zero, in the UK

Waste management

All relevant companies in which Vitol is invested are reporting waste data on a quarterly or annual basis. Five companies generated 99% of all waste in 2021. Each company has a diverse waste profile and the collection and monitoring of these streams therefore varies significantly. Investments aim to follow the waste hierarchy to prevent or minimise waste generation and reuse, recycle, recover energy from or otherwise divert materials from landfill where possible.

There has been a marked effort to reduce waste at one company in particular, which also saw a decrease in activity due to the Covid pandemic that further reduced the amount of waste generated. This reduction was offset by a large increase in waste generated from a shutdown at a refinery as well as some construction works at two refineries. The latter also explains the increase in the amount of non-hazardous waste as a proportion of total waste which increased from 4% in 2020 to 20% in 2021.

WASTE MANAGEMENT AT CONTROLLED INVESTMENTS
KT



WASTE MANAGEMENT AT NON-CONTROLLED INVESTMENTS
KT



KEY
 Hazardous waste
 Non-hazardous waste

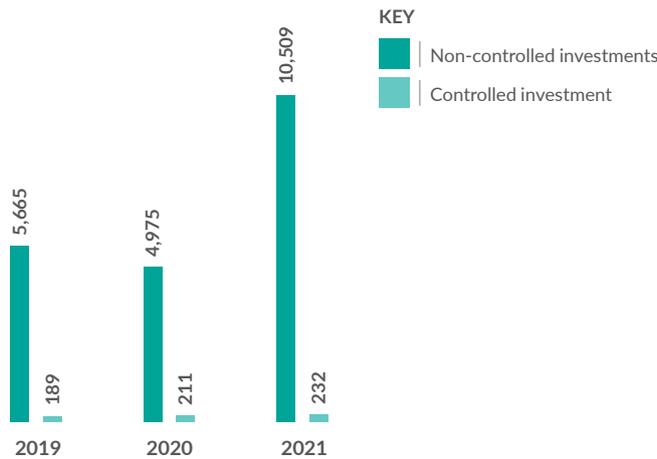
Freshwater extraction

Vitol's definition of freshwater extraction is aligned with IPIECA's 2020 sustainability reporting guidance definition.¹ Controlled investments contribute 2% of the total freshwater extracted but were not material to the overall volume of freshwater extracted across all investments. One of our controlled companies located in a water-scarce area reduced water consumption by 95% compared with 2020, as a result of project commissioning and not needing to hydrostatically test tanks, piping and the firefighting system etc. as was the case the previous year.

At non-controlled investments, freshwater extraction has increased significantly in 2021 versus 2020 due to one of the companies reporting data for one of their investments for the first time. The refining segment is responsible for the largest amount of freshwater extraction as required in, for example, the cooling part of the process. We achieved our 2020 target to ensure all relevant Vitol investments are reporting this metric. The 2021 reporting year is therefore our baseline year for this metric. Monitoring these volumes enables investment companies to effectively manage freshwater-related risks.

FRESHWATER EXTRACTION

KM³



¹ https://www.ipieca.org/media/5115/ipieca_sustainability-guide-2020.pdf

Environmental exceedances and emissions to air

Environmental exceedances include events where operating limits eg. those defined in permits, have been surpassed such as pH and total organic content in waste water effluent, or SO_x and NO_x released to the air. Vitol's long-term aim is to have zero environmental exceedances. The number of environmental exceedances has decreased by 10% in 2021 compared with 2020. We therefore achieved our target with exceedances reduced across most investments, however the inclusion of data from a non-controlled investment that entered exceedances for the first time resulted in an increase for that investment. On a like-for-like basis, we have seen a reduction in exceedances of 30%. Vitol's priority is to ensure all breaches are monitored by each company, and that the cause of each event is determined, rectified and prevented from recurrence. The target of a 10% reduction year-on-year will be maintained for 2022.

In 2021, companies in which we are invested and activities as a result of our operations received five minor enforcement actions. Two of these related to truck spill clean-up requirements. Actions from a repeat enforcement notice at a terminal that occurred in 2020 are still ongoing and this company continues to work to resolve all issues. At another terminal, local authorities have requested that a long-term energy efficiency plan be developed. A fifth enforcement involved a non-conformity which was lifted in 2021 as all actions were resolved. Although the number of enforcement actions increased to 5 in 2021 from 2 in 2020, all due actions were resolved by the end of the year. Vitol maintains a target of zero prosecutions or enforcement actions. We encourage all companies in which we are invested to proactively report and resolve these if they do occur.

Relevant companies are required to report SO_x and NO_x emissions on a quarterly basis and are defined as those with shipping, power generation, refining and/or upstream activities. Additional companies with operations not included in the above activities also report SO_x and NO_x.

Social



SOCIAL PERFORMANCE 2021

2021 targets

2021 performance

Zero human rights infringements



Not achieved | Six complaints¹ were raised at our investment companies related to workplace shortcomings. While Vitol aims for zero human rights infringements in its activities, we are aware that adverse impacts may still occur and have since adopted this as our ambition going forward

Operationally-controlled sites to ensure security protocols are aligned with the Voluntary Principles on Security and Human Rights by 31.12.2022



Partially achieved | On track. Gap analysis and action plan completed

A 10% reduction in complaints at our investments compared with the average of 2019 and 2020



Not achieved | There was a 13% increase in the number of complaints from investment companies in 2021. We have updated our ambition around complaints for 2022 and intend to track the number and types of grievances or concerns raised, as well as the percentage of grievances and concerns addressed and resolved or found to be unsubstantiated

Zero fatalities



Not achieved | Tragically we experienced one fatality. We will always maintain the target of zero fatalities

A 10% annual reduction in the TRIR and LTIF in 2021



Not achieved | The Vitol TRIR remained constant at 1.18, while the LTIF increased from 0.48 in 2020 to 0.57 in 2021

A 10% reduction in tier 1 and tier 2 process safety events in 2021 compared to 2020



Partially achieved | Number of tier 1 process safety events increased from 4 to 10, while tier 2 events decreased from 37 to 18

Implement second year of our group human rights governance and reporting plan



Achieved

Expand the reporting of near misses and hazards to include all non-operationally controlled investments



Achieved | All investments have been reporting near misses and hazards

Require all investments to report occupational illness to Vitol



Achieved | A KPI relating to occupational illnesses was rolled out and all investments are reporting data against this

¹ They were classified as minor according to Vitol's risk matrix.

2022 targets

Operationally-controlled sites to ensure security protocols are aligned with the Voluntary Principles on Security and Human Rights by 31.12.2022

100% of our directly hired security personnel at operationally-controlled industrial sites to be trained on security and human rights

Assess salient issues across Vitol activities by 31.12.2023

Implement third year of our group human rights governance and reporting plan

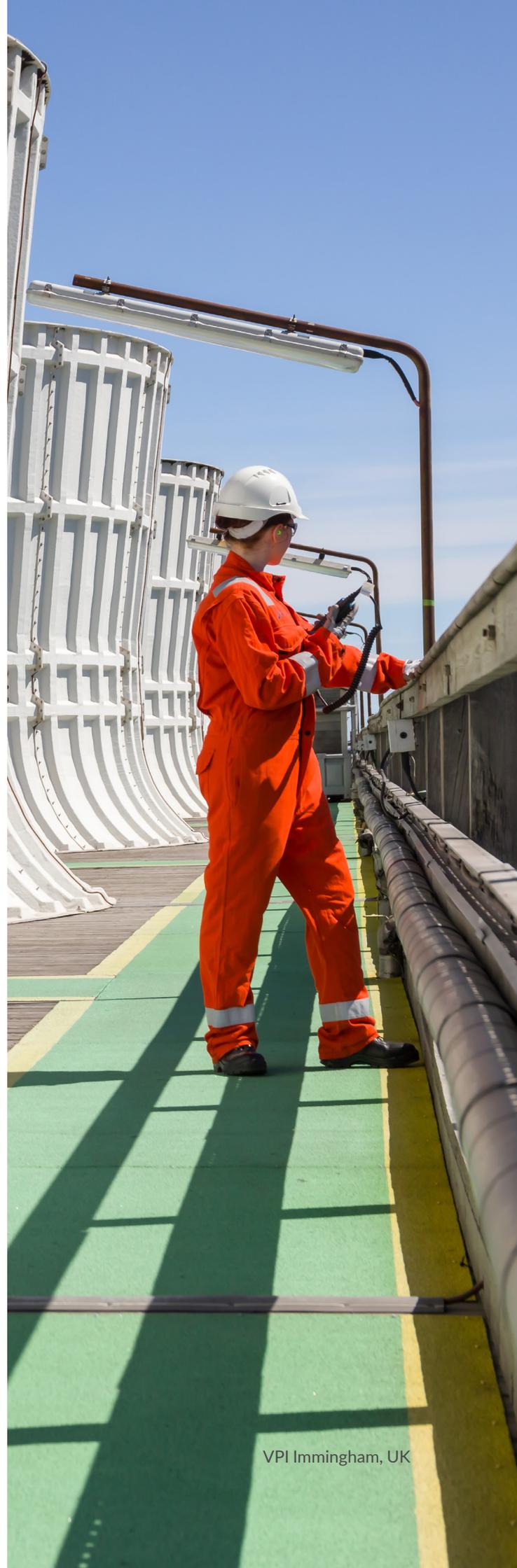
Finalise human rights impact assessment for owned vessels and report on this in the 2022 ESG report

Zero fatalities

A 10% annual reduction in the TRIR in 2022 compared with 2021

A 10% annual reduction in the LTIF in 2022 compared with 2021

A 10% reduction in tier 1 process safety events in 2022 compared with 2021



OUR PEOPLE

Calum Forrest, global head of HR and chief of staff for EMEA

I joined Vitol over 15 years ago from a global investment bank. Since then our business has changed a great deal.

Our headcount has grown by almost 300% and we've moved from being very much a pure trader into an asset owner and, more recently, expanded our range of businesses and products into renewables and sustainable fuels.

What is Vitol's approach to its people?

Our people are our business. They are a key differentiating factor that drives our success. It is their ideas, dedication and the way they work together, day in and day out that makes a big difference.

We have a flat, meritocratic organisational structure which we believe facilitates an entrepreneurial and collaborative ethos, where people are focused on delivering results efficiently and safely in a positive, enabling environment.

What kind of people work at Vitol?

Our people comprise entry-level hires that have gone on to assume commercial responsibilities, management and leadership roles, as well as 'lateral hires' recruited directly from the market into mid-level or more senior positions.

We try to hire people who are the best at what they do but at the same time who fit with our culture.

How does the company think about diversity?

Diversity is good for business. Our colleagues comprise people with diverse backgrounds, perspectives and insights, which in turn contributes to improved decision making as well as more robust and sustainable business practices and relationships. Vitol's team comprises more than 65 nationalities and is committed to developing and sustaining a diverse work environment. To succeed Vitol needs the best people and these are to be found only by searching across the full breadth of race, religion, gender, age and sexual orientation. Vitol is building a diverse workforce for the future, in particular by attracting diverse talent at entry-level and developing that talent with a view to achieving greater diversity among our senior leadership in time. To ensure the best talent is attracted and retained the following specific policies have been adopted:

- » Vitol partners with multiple executive search firms and recruitment companies, all of which are required to produce as diverse a slate of qualified candidates as possible at the graduate and experienced level
- » We partner with some firms and organisations that have particularly strong networks among historically under-represented groups
- » Employees are actively encouraged to suggest lateral hires and in particular hires from diverse backgrounds
- » Qualified ethnic minority candidates are offered interviews as a matter of policy
- » Targeted university outreach programme

Finally, and most importantly, colleagues must feel they operate in an inclusive environment that encourages and supports difference.



How does the company support career-long learning?

Our people are afforded the opportunity to learn from some of the most capable professionals in the industry. Our 'apprenticeship culture' is supplemented throughout a career at Vitol by a series of classroom and online offerings focused on enhancing specific skills and technical capability, as well as business and market knowledge. This may also include selective sponsorship to external programmes at leading universities. Beyond structured learning, international stretch assignments at various points in the career cycle are facilitated to ensure our people are well placed to advance in a global setting. An annual performance evaluation enables performance and career development to be assessed in detail with management and goals to be agreed. Regular ongoing feedback is also encouraged. There are formal and informal mentoring initiatives as well as global 'high-potentials programmes' and our people have access to senior leaders across the organisation through a structured 'business briefing' series. Moreover, leadership development and coaching are offered by invitation to ensure the next generation is equipped to lead our business and the organisation into the future.

You've mentioned the importance of culture; what is Vitol's culture?

Vitol's culture is integral to the business and, we believe, a positive differentiator. It characterises the way we work, creates an optimal working environment and underpins our success. It is owned by the board who very much lead by example.

The origins of our culture go back over 50 years to the original founders and their combination of entrepreneurship, determination to succeed, integrity, hard work and humility. As Vitol has grown, its leadership has worked hard to preserve and evolve the elements it believes to be both the foundations of a successful business and conducive to a pleasant and constructive working environment. Our limited hierarchy enables the leadership team to have a good understanding of who our people are, how they work, as well as what they achieve.

Where can we find out more about how Vitol expects its employees to behave?

The code of conduct outlines how we expect our employees to behave in given circumstances, as well as the company's commitment to its employees. We also have a set of behaviours which we expect our employees to follow and enact.

BEHAVIOURS

INTEGRITY

We behave honestly,
responsibly and in good faith

RESPECT

We are respectful and considerate
of others

EXCELLENCE

We strive to do our best and be
the best we can be

ENTREPRENEURSHIP

We seize opportunity, work hard
for success and own our decisions

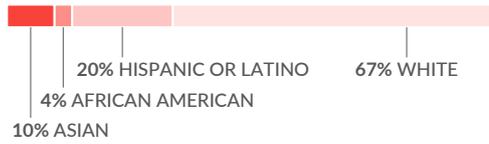
COLLABORATION

We work as a team

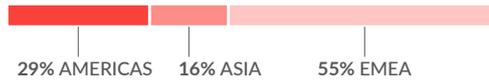


A SNAPSHOT OF VITOL EMPLOYEES

ETHNICITY (US OFFICES)



EMPLOYEES BY REGION

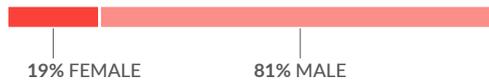


GENDER SPLIT

EMPLOYEES (GLOBAL)



PROFESSIONALS (GLOBAL)¹



Representation rights

Vitol respects the right of individuals to be part of a trade union. However, in practice, very few Vitol employees belong to professions represented by a trade union and today Vitol employees are not covered by a collective bargaining agreement. Employees of some of the companies in which we are invested are, depending on the nature of their work or industry.

Remuneration

Vitol benchmarks its remuneration policies to ensure they are competitive and in line with the market. It monitors remuneration within the organisation to ensure that a colleague's role, performance, and alignment with our behaviours are the only determinants of their remuneration. It fully complies with all gender parity laws in the jurisdictions in which it operates.

¹ Professionals are employees who have risk and/or decision-making discretion, significant impact on commercial outcome, or require a professional qualification to perform their roles.

Safety performance

This section covers our social performance over the last three years and includes information on metrics such as health, safety, process safety, road safety and high potential incidents.

The safety of our workforce, contractors and the communities in which we operate is a priority. The latter facilitates good health, wellbeing, decent work and responsible production and helps to achieve UN SDGs.



3 | Good health and wellbeing



8 | Decent work and economic growth



12 | Responsible consumption and production

Personal Safety

We recognise that with our investments comes a level of environmental and social risk, which needs to be carefully managed. We primarily focus on monitoring and prevention efforts within our investments, with an overall philosophy of zero-harm, although we recognise incidents can occur. Analysis of our E&S KPIs supplemented with our audit programme facilitate this effort. Our E&S framework and philosophy also includes a commitment to report, investigate and learn from incidents and near misses.

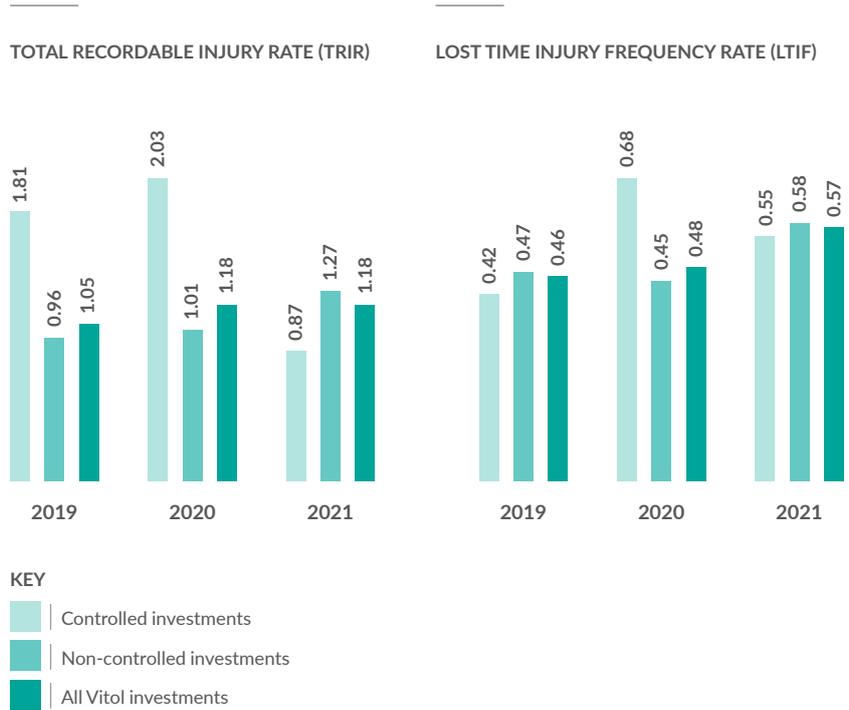
Regrettably, one contractor lost their life during 2021 at an upstream asset operated by a service provider for a company in which Vitol holds a non-controlling interest. We are deeply saddened by this tragic loss. A detailed Root Cause Failure Analysis (RCFA) was undertaken and the corrective actions fully implemented. We are committed to learning from this event to prevent reoccurrence.

The main safety metrics that we monitor and analyse are the Total Recordable Injury Rate (TRIR) and the Lost-Time Injury Frequency (LTIF). The TRIR sums the number of employee and contractor work-related Medical Treatment Cases (MTCs), Restricted Work Injuries (RWIs), Lost Time Injuries (LTIs) and Fatalities per million work hours. Our TRIR definition is fully aligned with that of the IOGP. The LTIF is the total employee and contractor work-related LTIs, excluding fatalities, per million-person hours worked and is aligned with the GRI indicator for 'high consequence injuries'. We include all LTIs regardless of severity.

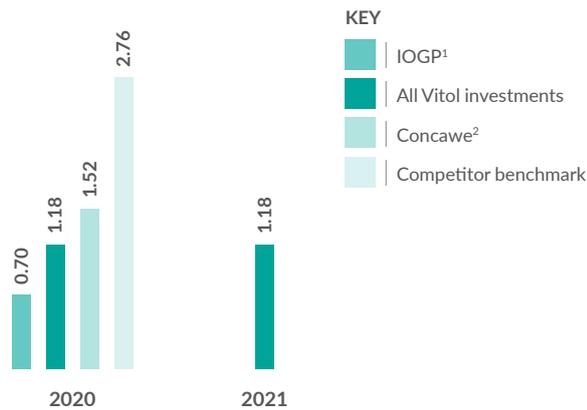
Our TRIR across all investments remained at 1.18 for 2021 as in 2020, which is positive given that an increased number of investments and operations are reporting data. The 2021 LTIF has moved from 0.48 in 2020 to 0.57 in 2021, an increase of approximately 18%. Unfortunately, we did not meet our target of a 10% year-on-year reduction in both the TRIR and LTIF across all investments. The TRIR and LTIF increases from 2019 can be explained by more accurate and comprehensive reporting over the last three years across our operations and the companies in which we are invested. For controlled investments alone, we experienced a decrease in the TRIR and LTIF of 57% and 19% in 2021 versus 2020 respectively. This is a strong performance which we will work hard to continue.

Investigations are required of all serious incidents and high potential near misses and where possible lessons disseminated across our network of E&S managers. In our shipping operations, LSC undertakes comprehensive analysis of root causes from incidents that have occurred on ships under our technical management and draws out trends and programmes to avoid reoccurrence.

We will always maintain our target of zero fatalities and have retained our initial target of a 10% year-on-year reduction in both the TRIR and LTIF.



TRIR BENCHMARK



Vitol's 2021 TRIR performance of 1.18 compares favourably with the equivalent metric for Concawe (1.52) and a blended average of a selection of our peers and one energy major (2.76). We continue to focus on improving our TRIR.

High potential incidents and near miss reporting

Reporting across all businesses in which Vitol is invested has continued to improve during 2021. All companies are now reporting near misses, unsafe acts or unsafe conditions. Employees and contractors are encouraged to report these events and recognise and prevent any unsafe acts or conditions. The reporting frequency of unsafe acts, unsafe conditions, near misses and significant near misses per million work hours has increased by 80% compared with 2020.

The number of high-potential incidents and significant near misses reported increased by 91% in 2021, similar to our 2019 performance. These are defined as any incident or near miss that could have realistically resulted in: one or more fatalities or severe injuries, extensive damage to structure, installation or plant (>\$100k), or large-scale impact on the environment. We have increased our focus on learning from these incidents. Companies in which we are invested share investigations or root cause failure analyses in relation to the latter. Relevant information is shared in the Vitol E&S network. Vitol has developed a register of these events and will focus on analysing and understanding trends in underlying and root causes.

All investment companies are encouraged to have a process in place to report, investigate and learn from E&S incidents and high potential near misses to ascertain root causes and avoid reoccurrence.

In order to continue to encourage employees and contractors to report all near misses and hazards, we will aim to increase the near miss and hazardous situations reporting frequency rate year-on-year.

¹ IOGP (2020) IOGP safety performance indicators (overall TRIR for 2020).

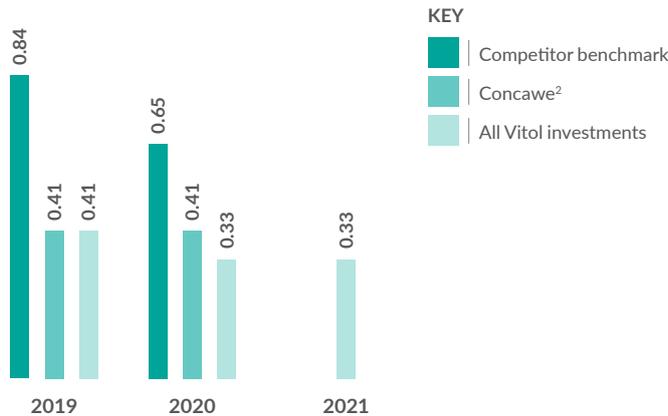
² Concawe (2020) European downstream oil industry safety performance. Statistical summary of reported incidents 2020. Report No. 6/21. Brussels: Concawe. (All Injury Frequency (AIF) for all sectors).

Road safety

The Road Traffic Incident Frequency (RTIF) remained at 0.33 road incidents per million kilometres driven in 2021. This compares favourably with the equivalent Concawe metric for the European downstream oil industry of 0.41¹ and an average rate of a selection of our peers of 0.65 in 2020. All contractor incidents are included in the RTIF.

Vitol, via our operations department, compliance and E&S teams, has continued to undertake due diligence on new hauliers. We screen through compulsory supplier and contractor questionnaires provided by the compliance department followed by more in-depth due diligence largely carried out by operations with E&S support. This has enabled us to keep abreast of any local changes or requirements caused by the Covid pandemic. Trucks continue to be inspected by our hauliers as part of inspection and maintenance programmes. The Vitol truck vetting standard aims to ensure that trucks used to transport our products are fit for purpose. Globally, this work and effort directly contributes to target 3.6 under UN SDG 3 to halve the number of global deaths and injuries from road traffic accidents. We continue to include more and more of our haulier and contracted trucking operations in our E&S KPI data to improve our understanding and management of risks to employees and operations.

RTIF BENCHMARK



¹ https://www.concawe.eu/wp-content/uploads/Rpt_21-6.pdf

² Concawe (2020) European downstream oil industry safety performance. Statistical summary of reported incidents 2020. Report No. 6/21. Brussels: Concawe. (Road Accident Rate (RAR) all sectors).

Occupational health

The occupational illness indicator was developed and rolled out across our investment companies in 2021. The occupational illness frequency rate (OIFR) is the number of work-related occupational illnesses per million hours worked. This was 0.06 in 2021. Illnesses are recorded in the period they were recognised by the relevant health authority or practitioner. In 2022 we will continue to monitor this data and assess if any intervention programmes are required.

Investment companies and offices took a variety of measures during the year to control and reduce the potential spread of Covid. Thorough protocols have been implemented to prevent the spread across vessels under our technical management. Vitol's Geneva office offered a testing service twice a week for all employees and visitors. We will remain vigilant and adapt our approach to ensure the safety and wellbeing of all employees, contractors and visitors to our investments and offices.

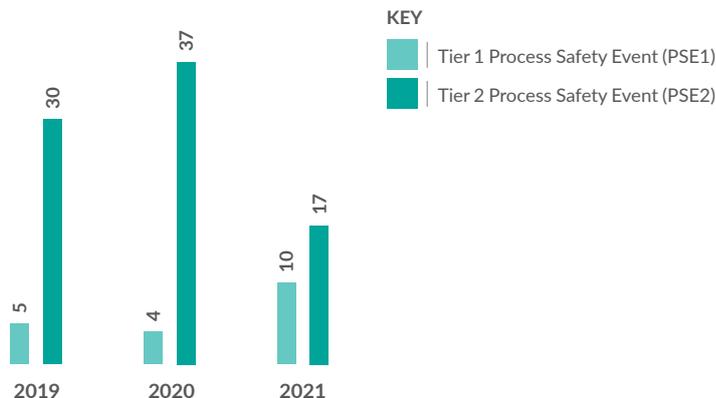
Process safety events

Tier 1 Process Safety Events (PSE1) are unplanned or uncontrolled releases of material which result in severe consequences for a worker, the community, the company or the environment as specified in API RP754 (American Petroleum Institute Recommended Practice 754). A tier 2 Process Safety Event (PSE2) event results in less severe consequences.

We experienced zero PSE1 and one PSE2 at our controlled investments in 2021, which is a strong performance. At our non-controlled investments, the number of PSE1 increased from 4 to 10, when comparing 2020 with 2021. However, the number of PSE2 decreased from 37 to 17 over the same timeframe. The latter meant that we did not meet our target of a 10% reduction in the number PSE1 and PSE2 in 2021 versus 2020 across all companies.

We have since developed a register of all PSE1 events and continue to review investigations and follow up to ensure lessons are learned from each incident. The target for 2022 is a 10% reduction in PSE1 compared with 2021.

NUMBER OF PROCESS SAFETY EVENTS AT NON CONTROLLED INVESTMENTS



CASE STUDY

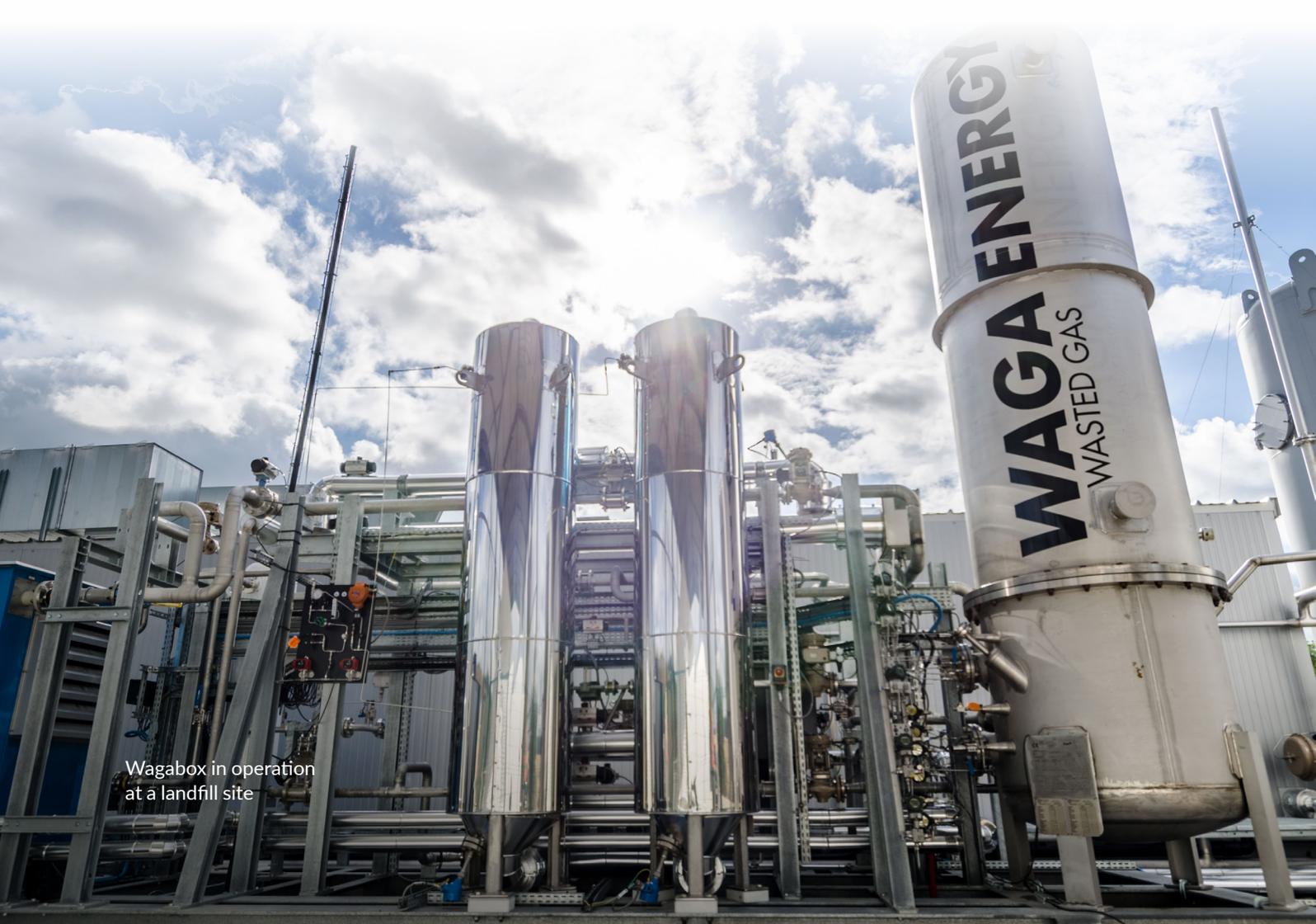
Working with renewable natural gas from landfill

An investment which is aligned with a core strategy of building strategic relationships with leading low-carbon energy producers to participate in the development of low-carbon energy product markets.

Two billion tonnes of waste are generated annually, 70% of which ends up in landfill. Over a 20-year period, landfill waste emits methane, a gas with a warming potential 84 times greater than CO₂.

In 2021 Vitol invested in a European company, Waga Energy, which has developed a unique model to capture landfill gas, a major source of greenhouse gas emissions, and produce a renewable substitute for fossil-based natural gas.

Vitol will take the renewable natural gas to market, via the pipeline grid and LNG, thereby replacing fossil fuel gas with gas generated from waste and reducing CO₂ emissions from fossil fuels and methane releases from landfill.



Wagabox in operation at a landfill site

Human rights

Human rights are an integral part of Vitol's ESG approach and risk management framework.

We recognise that our activities may positively or adversely impact human rights and are committed to continuously improving our standards and procedures. Human rights risks vary according to business activities, geographies and other factors relevant to individual situations and different contexts. It is a complex and important matter for Vitol to manage.

This section of the report sets out what Vitol is doing to implement its commitment to human rights, notably in the context of the following UN SDGs:



8 | Decent work and economic growth



10 | Reduced inequalities



16 | Peace, justice, and strong institutions

This section outlines how we are working with our own employees, business relationships, and other stakeholders to strengthen our understanding of potential impacts and address identified risks.

Ongoing due diligence and embedding human rights

Vitol's minimum expectations in relation to human rights are set out in our E&S framework.

To implement our human rights commitments, we developed a five-year human rights governance and reporting plan which defines Vitol's pragmatic and risk-based approach to implementing the UN Guiding Principles on Business and Human Rights (UNGPs). We are developing programmes to promote respect for human rights in our own activities and business relationships. For instance, our responsible security programme outlines that our security service providers should respect human rights while protecting our investments. This includes our own security employees and contracted service providers. As Vitol has activities in over 100 countries, we apply a tailored due diligence process. This is specific to the commodity in question and related known risks, the geographic location, our partners' capabilities to manage risks, whether we have operational control, and other factors.

The aim is to improve gradually how we systematically and rigorously identify, prevent, mitigate, track, and remediate potential or actual impacts on our people and our business relationships. It includes an ongoing mapping of potential impacts, developing procedures to address identified risks and embedding these requirements into our operations and business relationships. Concurrently we established risk-based processes to monitor the respect of our commitments.

2021 was the second year of the implementation of the human rights governance and reporting plan. Key focus areas for 2022 are to further:

- » Assess our salient issues
- » Identify and address potential human rights impacts on our own vessels
- » Align the security protocols of our operationally-controlled industrial sites with the Voluntary Principles on Security and Human Rights (VPSHR).

Identifying and assessing impacts

As with all business activity, Vitol's business relationships are subject to the compliance programme and are covered by the Know Your Customer (KYC) policy. The KYC policy ensures Vitol's counterparties, trading and non-trading, have been vetted before we enter into a contractual relationship. This also includes an assessment of potential and actual human rights issues. The KYC process allows us to identify issues early in our business relationships and act upon findings. If issues are identified we seek to mitigate risks in the most appropriate manner, for example inserting specific contractual clauses and where appropriate agreeing an action plan with the counterparty to improve processes. In the case of non-responsiveness from a counterparty, as a last resort, we will decide to not enter into a commercial relationship if a remediation plan cannot be agreed.

Human rights reviews

The governance section outlines our approach to ESG auditing. Under the human rights review programme, we assess the companies in which we are invested against our human rights commitments in the E&S framework. This includes risk identification and the maturity level of the governance structures to prevent and address potential human rights impacts.

Salient issues

Salient human rights issues are those "human rights at risk of the most severe negative impact through our activities and business relationships".¹

These vary according to sector and operating context. The concept of salient human rights issues should be seen from the perspective of risk to the rightsholder.

Vitol initiated a high-level mapping of its activities and business relationships to document actual and potential human rights impacts and vulnerable groups. The mapping is ongoing and the salient issues assessment will be finalised in 2023. The mapping provides us with a long list of potential impacts which may occur in our business activities, supply chains, and different geographical contexts, which underpins our prioritisation process. It also includes desktop research and involves engaging with internal, and in some instances, external stakeholders. It helps to focus resources in those areas where our risk to people is potentially most severe. As the business continues to evolve, we will review our salient issues at relevant intervals. Even though our primary efforts and resources will be allocated to our salient issues, we are cognisant of other risks.

Areas we already have identified as potential salient issues include:

- » Health and safety in our own activities and business relationships
- » Seafarers' working conditions and wellbeing
- » Security and human rights
- » Working conditions in supply chains for certain business relationships

Human Rights Impact Assessments (HRIAs)

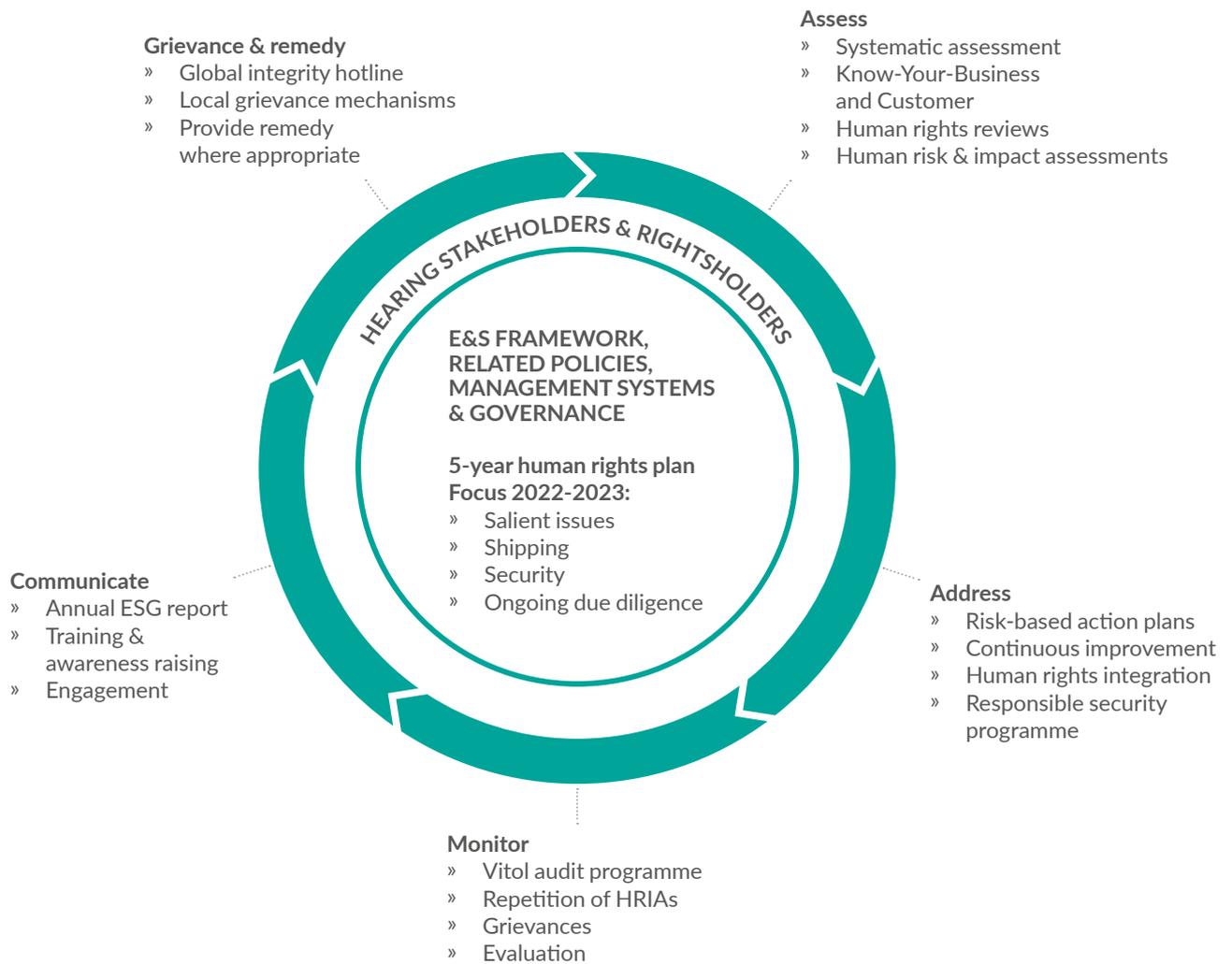
HRIAs are an evidence-based process in which potentially affected groups are engaged to identify potential and actual human rights impacts. Our HRIA methodology is based on international standards and guidance materials, such as the UNGPs and the Human Rights Impact Assessment Guidance and Toolbox developed by the Danish Institute for Human Rights. Undertaking HRIAs and developing mitigation measures based on their findings will further develop our understanding of how our operations and those of our business relationships are impacting human rights. Part of our process involves engagement with right-

¹ As defined by the UN Guiding Principles Reporting Framework.

sholders and external stakeholders, to identify vulnerable groups, and to collect their perspectives on actual and potential impacts as required by the UNGPs. HRIAs also help us to strengthen our understanding around our salient human rights issues. New learning and insights gained through implemented HRIAs will be continuously integrated within our due diligence processes and assessment methodology.

HRIAs are undertaken in activities that are core to our business, in which we anticipate salient issues to be present and where we have leverage to mitigate or remediate issues, where they occur. HRIAs will be repeated after five years if no severe impacts and good management of salient issues are identified, or after three years if medium to high impacts are observed. HRIAs are conducted by Vitol employees who are independent of the investment they are evaluating and with independent translators to foster trust and engagement by rightsholders.

VITOL'S HUMAN RIGHTS APPROACH



Identifying and addressing salient issues across our shipping activities

Vitol is a physical energy trader and operates as both ship owner and charterer, undertaking around 6,650 voyages per year. Our initial focus has been on operationally-controlled vessels.

In 2021 Vitol piloted its first HRIA in part of its shipping business. We developed and tested our methodology and will further refine our assessment methodology based on the learning from this pilot. The scope of the HRIA covered seafarers working on Vitol-owned ships, managed by our technical manager LSC. Seafarers have been identified as one of the groups in our operations who are at a heightened risk of adverse human rights impacts. The following factors contribute to enhanced levels of risk:

- » Seafarers working under temporary contracts and travelling for work
- » Occupational health and safety risks, including passing through high-risk areas prone to piracy
- » Isolated work environments and constraints around leaving the work environment
- » Adverse impacts caused by the Covid pandemic

At LSC, our technical management company, compliance with internationally recognised seafarers' human rights are ensured by the Maritime Labour Convention (MLC-2006), a robust Safety Management System and compliance with Occupational Health and Safety Standard (ISO45001). All ships are subject to Flag State and Port State Control inspections for compliance with MLC-2006 and external audits by Lloyd's Register for compliance with ISO. All of the vessels owned by Vitol and managed by LSC are covered by collective bargaining agreements.

Vitol undertook an HRIA to assess actual and potential human rights impacts and how those are managed. We engaged with approximately 60 stakeholders including lower rank seafarers, office management and external stakeholders such as third-party crewing agents and trade unions.

Seafarers were asked how frequently they experience an impact, their perception of its severity and the importance of it being addressed. The pandemic contributed to increased contract durations for seafarers, had an impact on the frequency of crew changes and shore leave, required quarantine measures, and resulted in exposure to health risks, which impacted crew members' wellbeing in certain instances. The seafarers we engaged with highlighted that they felt LSC management tried its best in light of the situation. Generally, seafarers felt safe with the measures LSC applied. The greatest health risk from their perspective came from port staff coming onboard vessels without wearing masks.

LSC management was aware of most topics raised during the HRIA which confirmed good communication methods across all levels of the organisation. Following the HRIA, Vitol and LSC developed a plan to address the topics raised by the seafarers. Most of the impacts raised were already being addressed by LSC and related to issues they faced at the beginning of the outbreak of the pandemic; an unprecedented situation to manage for LSC. Mental health and crew welfare have always been a keen focus of LSC but due to the unique situation of the Covid pandemic, LSC could not always facilitate crew changes in a timely manner due to port restrictions or unavailability of charter flights. LSC has always taken a proactive approach to crew management and whenever possible, the company deviated vessels to disembark seafarers, including those who required mental health support, and chartered private planes to facilitate crew changes at the limited locations that were possible at the height of the pandemic.

The HRIA also provided us with an opportunity to understand what seafarers appreciate at LSC. According to seafarers, positive impacts on their health and wellbeing were fostered by free and fast internet to communicate with family and friends, diverse gym equipment, good food, a friendly and family-like working environment, the positive attitude of the crewing department to frequently accommodate seafarer requests, and good career prospects.

Seafarer happiness and satisfaction surveys

Seafarer wellbeing is one of the focal topics of LSC. The pandemic has brought to light the importance of the work LSC does in this area. LSC regularly engages with its crew members to understand their wellbeing and happiness when at sea as well as ashore. The Seafarer Happiness Index (SHI) and the post-contract satisfaction surveys are two tools LSC uses for wellbeing analysis. Seafarers can also call an anonymous hotline to report any grievances with regards to their wellbeing or malpractices when at sea, or reach out to their trade union for support.

The SHI benchmarks seafarer satisfaction levels with life at sea and against peers. The SHI is an anonymous, annual survey, covering a range of topics including mental health, wellbeing, working life and family contact. 389 LSC crew members participated in the SHI in 2021. Overall LSC seafarer satisfaction rates are higher in all areas compared with peers. The average happiness rate has decreased slightly versus the 2020 survey results. This change is likely due to the global pandemic and the challenging circumstances around being able to go ashore due to governmental port restrictions and risks of seafarers contracting Covid. The results of the Vitol HRIA also confirmed the latter.

Despite the difficult situation caused by the pandemic, satisfaction has increased in three areas compared with 2020:

- » Keeping fit and healthy on board
- » Interaction with other crew on board
- » Welfare when ashore

In addition to the SHI, each crew member can voluntarily complete an anonymous satisfaction survey on completion of their contract. Through these surveys, LSC management gains insight into the satisfaction level across various elements of their jobs at sea including accommodation, onboard medical care, opportunities for promotion and crewing levels. Crew members can also recommend what could be done to improve their life at sea.

LSC uses the results of the SHI and its post-contract satisfaction surveys to prioritise actions to increase seafarer wellbeing. In 2021 cooks were trained to improve diversity of meals and to meet seafarers' food preferences. In addition, food allowances per vessel were increased by 10%. For 2022, LSC plans to roll out further training to kitchen staff and cooks and increase internet speed by 20%. The internet continues to be provided free of charge.

The seafarer retention rate is another good indicator of employee satisfaction and the employer's ability to keep employees. The retention rate of LSC's crew members over 2020 and 2021 is 98% which underscores the effectiveness of the measures LSC has adopted to address the various challenges during the pandemic.

Security and human rights

Security arrangements at companies in which Vitol is invested were identified as another risk area for adverse human rights impacts if not appropriately managed. People potentially affected could include employees, contractors and community members.

Vitol aims to have the security protocols of operationally-controlled sites aligned with the VPSHR by the end of 2022 and will launch a responsible security programme to facilitate this.

We initially conducted a high-level gap analysis against the VPSHR and the International Code of Conduct for Security Service Providers (ICoC). Eight of our operationally-controlled businesses were identified as in scope since they either employ security personnel or use public security forces. The security services are managed according to national law. The gap analysis revealed some areas to be addressed during 2022 to ensure alignment with the VPSHR.

The responsible security programme includes capability-building amongst staff at our investments and training for security personnel deployed at our operationally-controlled investments. We have also set the target that 100% of our directly hired security personnel at operationally-controlled sites are to be trained on security and human rights.

Monitoring

KPIs relating to human rights monitoring are reported by companies in which we are invested to the Vitol E&S department each quarter. KPIs include:

- » Human rights breaches¹
- » Prosecutions or enforcement actions by environmental regulatory authorities
- » The percentage of sites with armed security
- » Complaints

Our audit programme outlined in our governance section is also part of a continuous performance monitoring of our investments. It includes regular site reviews that are conducted at certain frequencies depending on risk.

Grievance mechanisms across Vitol and investments

Vitol is committed to ensuring a positive and effective working environment where people are treated fairly and with respect, in line with our values and culture. We recognise, however, there may be occasions where employees may have concerns about their work, working environment, relationships with their colleagues or behaviour of others. In the first instance, we seek to resolve issues informally through dialogue and by providing the required advice and support. Where this is not possible or appropriate, a formal grievance process will be initiated.

Our grievance process enables colleagues to raise concerns relating to their employment and for these to be dealt with in a fair and consistent manner. Grievances will be investigated promptly, thoroughly considered, and treated in strictest confidence. Employees have the right to be accompanied at formal meetings and a right of appeal against the outcome of the grievance procedure.

By creating open channels of communication, we can promote a positive work environment which impacts productivity. If employees do not feel comfortable raising concerns or complaints directly they can raise it via the Vitol global integrity hotline. Operated by an independent third party, the hotline enables employees to highlight any issues of concern with senior management, anonymously and in confidence. The global integrity hotline is designed for employees to report any violation of our code of conduct, or other concern they may have. The issues are dealt with by the most senior member of the relevant department and, in the instance of a conflict of interest, for example if there is a complaint against the most senior person in a department, the case will be reviewed by the CEO.

Our ability to respond to human rights issues depends on people feeling confident enough to report them. People also need to know where and how they can raise concerns. In 2021 we launched a global compliance training programme, which also refers to the global integrity hotline and our principles of non-retaliation. All Vitol employees completed the training. No issues were raised via the hotline in 2021.

Vitol has a number of project-based grievance mechanisms in place, for example, at our Sankofa upstream project offshore Ghana, albeit via the operator, Eni Ghana. Eni has implemented a robust grievance protocol which aligns with the International Finance Corporation's Performance Standards on Social and Environmental Sustainability. This process has been created to show responsiveness and respect for local concerns throughout the project lifecycle. Stakeholders are informed about the grievance mechanisms available through ongoing community engagement, with public consultations and grievance signboards located at community sites. Stakeholder access to the grievance mechanisms are through multiple channels including email, suggestion and complaint boxes, or face-to-face meetings with community liaison officers.

¹ These include but are not limited to discrimination, inadequate working conditions, harassment, verbal or physical abuse, forced labour, child labour, unacceptable working practices of security personnel, infringement of the rights of indigenous peoples, contractors, communities or other stakeholders.

In 2021 six formal personnel complaints were raised at our investment companies compared with two in 2020. The cases related to inappropriate behaviour in the workplace. Consequence management procedures were applied to all, resulting in one termination and five being closed with a written or verbal warning. These incidents were considered 'minor' human rights cases according to assessment by means of the Vitol risk matrix classification when reviewing them from the perspective of the rightsholder and the surrounding circumstances.

In 2021, we received 17 complaints arising from our operations or the activities of the companies in which we are invested. By the end of 2021, 15 of these had been resolved. For the two outstanding, some interim measures were implemented to reduce the impact of the initial complaint, but they are not yet resolved.

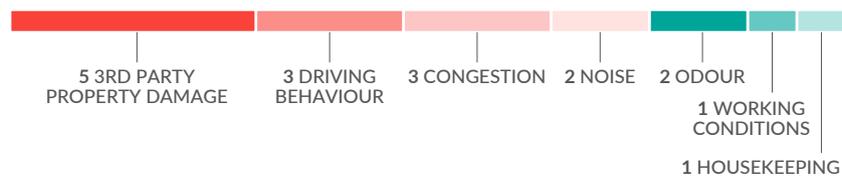
Our ambition is to operate and undertake business in such a way that we do not receive complaints from stakeholders. However, we are also cognisant that it is positive if grievances are raised, since this indicates that stakeholders are aware of the channels to report any shortcomings and feel confident to use them. It is key that grievances are addressed if raised. We have therefore modified our complaint-related 2021 target. From 2022 we intend to track the number and types of grievances and concerns raised and the percentage of grievances and concerns addressed and resolved, or found to be unsubstantiated.

GRIEVANCE REPORTING MECHANISMS EMBEDDED ACROSS VITOL

Level	Description	Access
Vitol	Vitol internet page with contact form	All stakeholders
Vitol	Vitol global integrity hotline	All Vitol employees and contractors
Project	Bespoke designed in-country grievance mechanisms	All relevant stakeholders

COMPLAINTS BY CATEGORY

Count of complaints



Human rights regulation

Modern slavery

The relevant Vitol entities comply with the UK Modern Slavery Act 2015, as well as other appropriate legislation to ensure that modern slavery or human trafficking is not taking place within our business and our employees are aware of the risks, however small, in the wider supply chain. Vitol has a zero-tolerance approach to non-ethical practices and is committed to acting professionally, fairly and with integrity in its business dealings and combatting modern slavery, human trafficking and forced labour.

Vitol has implemented policies, systems and controls to safeguard against any form of modern slavery that could be taking place within the business or the supply chain.

The Swiss Counter Proposal to the Responsible Business Initiative (RBI)

In November 2020, the Responsible Business Initiative (RBI) was narrowly rejected by Swiss voters. This meant the counter-proposal to the RBI was accepted and came into force on 1 January 2022. Requirements include increased reporting and due diligence obligations, amongst other things. Vitol will fully comply with all legislation and uses new requirements to strengthen our approach to ESG governance, internal processes and due diligence.

CASE STUDY

Neptune declaration and seafarer wellbeing

It is essential for us to keep our crews safe while they are at sea, at ports and travelling to, or returning home from, ships. Early in 2021 Vitol joined the Neptune Declaration on Seafarer Wellbeing and Crew Change.

Vitol's technical shipping manager, LSC, promoted programmes to provide seafarers access to Covid vaccines, arranging for vaccination at ports where available. An awareness raising campaign was launched to encourage seafarers to get vaccinated and LSC also established and implemented gold standard health protocols based on existing best practice.

To facilitate crew changes LSC increased its collaboration with ship operators and charterers. Crew changes for Asia are discussed and fixed in advance with charterers to minimise adverse impacts on crew wellbeing and the business. During the pandemic LSC managed major challenges in Asia where port states had stricter exit and entry rules or limited to no flight opportunities for repatriation, as for instance in the Philippines during the lockdown at the beginning of 2021.



Seafarer on the Elandra Maple, LSC,
Vitol's technical shipping manager

HUMAN RIGHTS

Annik Bindler, human rights manager

I joined Vitol in 2021 as human rights manager. Vitol is committed to respecting human rights and to further embed a culture of respect for human rights.

I am responsible for strengthening Vitol's processes around our approach to human rights such as due diligence and mitigating human rights impacts in our own operations and business relationships. Since 2012, the UNGPs have been at the centre of my work.

What standards does Vitol apply to human rights?

Vitol's business is expanding rapidly so we are in a dynamic process of mapping our human rights risks. Our work in this area is ongoing; we strive to continuously improve our processes and assess actual and potential impacts on our people and our business. We assess our impacts against internationally recognised human rights conventions and labour standards, such as the International Bill of Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and the Maritime Labour Convention. In the area of security and human rights, we use the VPSHR and the ICoC as guidelines. We also use sectoral guidance more generally depending on the activity and the topic we are assessing.

The UNGPs serve as our overarching framework. This is an internationally accepted framework that sets expectations on how to prevent, address and remedy adverse human rights impacts committed by business. The framework has been written for the benefit of both states and companies. Vitol has used these guidelines as the baseline to develop a human rights governance and reporting plan. This plan sets out our priorities and timelines for embedding human rights into our operations. 2022 is the third year of the plan, which is updated annually.

How do you apply human rights to a global company?

Vitol has operations in over 100 countries, and in order to achieve effective results we adopt a tailored approach to different geographical contexts and commodity risks. I believe training both our employees and the employees of third parties that we work with is crucial to effectively address and prevent adverse impacts. Deploying a robust framework empowers employees to identify human rights risks, escalate concerns to the E&S team and to the board, and help further mitigate our exposure to human rights risks.



Why do human rights matter?

Human rights are important for any business, of any size, in any sector. The actions of a business can affect human rights either positively or negatively. Businesses have to implement human rights due diligence to understand their risk exposure as well as to mitigate such risk. It's a completely different lens to view business decisions through, and offers a more holistic look at our commercial operations. Stakeholder expectations in this area are increasing and an appropriate plan to address human rights risks and remedy adverse impacts is becoming more of a legal requirement. Our human rights actions are gaining importance in discussions with banks and in tenders with potential business partners. This trend will increase in the coming years.

What are the key areas of focus for human rights?

We are currently mapping our human rights activities across all elements of the business to identify our salient issues. For 2021 to 2022, we prioritised two key focus areas. The pandemic has resulted in shipping becoming a priority issue as seafarers were detrimentally affected by port closures and cancelled crew changes brought on by lockdowns. I've interviewed around 60 stakeholders in the shipping industry, including 48 seafarers at our technical management company LSC to understand this impact on human rights and work with the business to strengthen our existing protocols. Shipping is a core element of our business and Vitol takes seafarer wellbeing very seriously. Last year we signed the Neptune Declaration recognising seafarers as key workers during the pandemic and calling for increased collaboration to improve working conditions.

We are also working with our site partners to upskill private security staff in-line with the VPSHR, ICoC, and UNGPs. Third-party contractors are in some instances used to protect our assets and it's our responsibility to ensure they understand Vitol's expectations.

In parallel with these specific areas of focus are business processes that are happening continuously. These include developing procedures for new business activities and enhancing due diligence processes such as KYC which seek to minimise our exposure to human rights risks. Vitol is a business that moves quickly and we have to be agile in our response.

Communities

Where our activities touch local communities, we work hard to ensure a positive outcome.

Safeguarding employees and the community at ATB through vaccination

The ATB terminal is owned by VTTI, a Vitol investment, and is in Malaysia.

The Malaysian government rolled out several initiatives to enable industries to speed up the vaccination of their employees. ATB worked closely with the health authorities and scheduled 2 separate dates for the 2 doses at a resort nearby to roll out the vaccination specifically for all our employees, regular contractors from the local community and the employees from the Vitol Process Unit.

The process of sharing information, educating and facilitating the vaccination proceeded well and by August 21, 99% of our employees had been vaccinated, a feat recognised by the Pontian District Health Department.

Vivo Energy's Béder Programme: building entrepreneurship among school kids in Tunisia

During the first half of 2021, Vivo Energy Tunisia ran a campaign called 'Béder' or 'Let's begin!', which aimed to inspire children to take initiative and develop their own projects, giving them new entrepreneurial skills.

The project was developed in partnership with the Tunisian Ministry of Education and involved hundreds of young children, introducing both teachers and pupils to the concept of 'learning by doing' and enabling teachers to encourage entrepreneurship skills with their pupils. 30 schools participated, culminating in students pitching their own projects in front of a panel of judges, who then selected a winner.

The campaign was widely supported by participating teachers and students, as well as in the media. It has helped strengthen Vivo Energy's ties with the Ministry of Education and has helped sow the seeds for a new generation of young entrepreneurs.



Children taking part in the 'Let's Begin!' campaign, Tunisia

The Vitol Foundation

Founded in 2006, the Vitol Foundation provides financial and technical support to organisations and projects with the potential to create large-scale impact in low and middle-income countries and generate sustainable social returns.

Its focus is to fund work that directly or indirectly helps children and families living in deprivation to escape the cycle of poverty and access increased opportunities.

The Foundation benefits from the expertise of independent advisory board members, each a leader in their field. The Foundation's work is framed by the UN SDGs, and we measure impact through improved performance, increased inclusion, fostering innovation and catalysing access to finance. To maximise our impact the Foundation works with charities/NGOs, the private sector, governments, public institutions and international partners. Where possible it seeks to strengthen existing 'in-country' systems or support innovative solutions that promote lasting social change.



2 | Zero hunger



3 | Good health and wellbeing



4 | Quality education



6 | Clean water and sanitation



8 | Decent work and economic growth

US\$220 million

INVESTED IN PROJECTS
ACROSS THE WORLD

95

NEW GRANTS WERE
APPROVED IN 2021

Independent

OF VITOL'S BUSINESS

129

ACTIVE PROJECTS

53+

COUNTRIES

Afrikids, Ghana



Programme areas:

1. Education

Improving access to quality education to equip children and young people with the relevant skills throughout their education. We support Early Childhood Development programmes and seek to encourage transformation in education systems.

Example: Poor quality of teaching is a major barrier to successful learning outcomes in LMICs. Working in Malawi, one of the poorest countries in the world,¹ Rays of Hope aim to improve literacy and numeracy rates by 75% for 45,000 pupils by boosting the pedagogical skills of teachers.

2. Enterprise and Livelihoods

Improving economic opportunities for people in poverty through the maintenance and creation of sustainable employment and by addressing systemic inequality in a creative way.

Example: Nuru International aims to provide communities with the right combination of tools and capabilities to support economic development in fragile environments, thereby building resilience against violent extremism and adapting to climate change. The project the Foundation is supporting in Burkina Faso will help 6,500 farmers increase their crop yields by up to 32%.

3. Health

Supporting local organisations and communities to provide sustainable access to affordable, quality health services. Working with governments and public sector stakeholders, we look to improve service delivery and access to care.

Example: Carers Worldwide addresses the frequently hidden needs of those who spend their lives caring for people living with mental health conditions (PWMI) and are therefore often unable to generate any income for themselves and their dependents. The programme the Foundation is funding in rural India aims to promote access to regular healthcare for 500 PWMI and transform the overall wellbeing of their carers.

4. Water, Sanitation and Hygiene (WASH)

Improving WASH services such as safely-managed water and sanitation services, including through innovative financing and business solutions.

Example: Water for Good sets up new water systems in rural areas in the Central African Republic, such as boreholes and small piped networks with solar pumping, as well as incubating a local business that maintains water services across an area larger than Uganda, with a total estimated population of users of 1,050,000 people.

5. Humanitarian/Emergencies

The Foundation targets persistent crises that might have fallen out of the headlines. One such case is southern Madagascar, where as a result of a major drought, coupled with plagues of pests and sand-storms, large sections of the population have been unable to feed themselves adequately for at least 3 years, leaving 1.6 million people in need of humanitarian assistance. By transporting and delivering food assistance from the north of the country, the Aga Khan Foundation (working with another Vitol Foundation partner, Doctors for Madagascar), will deliver 100,000 food rations to 1,000 households in the most acutely affected areas.

¹ World Bank poverty rate estimate: 51.5%.

CASE STUDY

Vitol in the Community

‘It’s safe to say that without Vitol’s continued support, we would not have been able to operate as we have for the last 18 years’ – Robin Susman, Chief Advancement Officer, YES Prep Public Schools.

Vitol has an established history of philanthropic giving and our people frequently seek to engage in the communities in which they operate. Worldwide, our offices have held events to fundraise for both local and international charities.

In memory of Vitol’s late chairman, Ian R. Taylor, our Geneva team organised a month-long initiative to run, walk, hike and bike as many kilometres as possible whilst collecting sponsorship. Colleagues covered just under 30,000 km, raising money for health and education charities. The money will go towards a range of causes including providing support for parents with autistic children, sponsoring scholarships for teenagers from villages in Burkina Faso, providing training for sub-Saharan surgeons on basic reconstructive surgery techniques and funding scholarships for refugees. The Geneva office also held an event in partnership with ‘Cuisine Lab’. This is a local charity that supports refugees with training and equipment to become chefs and open their own restaurants. Four chefs came to the office to prepare and serve specialities from Syria, Iran and Sri Lanka.

Vitol’s Houston office has a long-standing relationship working with YES Prep Public Schools (YES Prep), a tuition-free charter school organisation that seeks to empower all Houston students to succeed in college and pursue lives of opportunity. They currently operate 23 schools and provide a high-quality public education to 16,400+ students. Vitol has partnered with YES Prep for almost 18 years with both past and current executives serving on the board during that time. Our charitable contributions have assisted with the organisation’s operating costs, building new schools and expanding the curriculum. Vitol is also the lead sponsor at YES Prep’s annual poker night. Approximately 600 people from local energy companies attend, and play poker to raise funds. Contributions made by Vitol are matched by the Vitol Foundation.

Governance



Corporate governance

Vitol is committed to high standards of corporate governance. Our governance framework and controls have been developed to take account of the nature of our business and the ownership model.

Ownership

Vitol's holding company is incorporated in the Netherlands where Vitol was founded in 1966. Since inception, Vitol has been employee-owned. Today it is owned by circa 450 employees, with no single shareholder holding more than 5%. Vitol believes that this broad employee ownership ensures that the interests of key employees are aligned with its long-term interests, fostering a responsible and cautious approach to risk.

Governance

Vitol is led by a board and management team, headed up by CEO, Russell Hardy. Its members are responsible for both the commercial business and core business critical functions. In addition to the business's financial performance, the board is responsible for setting purpose, ethos and strategy. Major decisions, such as investments or participation in a financing arrangement where Vitol's capital is put at risk, are governed by established protocols that assess the financial implications, as well as considering broader issues such as reputational risk and ESG impact. To ensure proper governance Vitol has shareholder representatives, elected by the non-board shareholders, who participate in board meetings and communicate decisions to the wider group.

Enterprise risk management

A number of functions exist in Vitol to mitigate the risks of the business. These functions report regularly to the board and include specialised and experienced employees. To ensure oversight is in full alignment with Vitol's ethos, each of these functions reports directly to a board member.

Vitol has a careful and considered approach to risk. It believes its ownership structure encourages a long-term outlook and that the proprietary systems which underpin the business and are developed and built in its Geneva hub, enable it to manage enterprise and market risk across its global operations.

Capturing, assessing and monitoring ESG risk

The board is ultimately responsible for ESG risk and approves all material ESG decisions, but day-to-day oversight has been delegated to the ESG committee.

ESG committee

The ESG committee is responsible for reviewing and considering the ESG impacts of the business. The ESG committee meets approximately every six weeks, with quarterly reporting to the board. Three board members are members of the ESG committee. Its members comprise: the Chief Financial Officer (CFO), the Chief Information Officer (CIO), head of Vitol Asia, head of business development Vitol Asia, head of E&S, head of compliance, the chief of staff, head of communications, treasurer and the Chief Operating Officer (COO) of Vitol Inc. All employees are expected to consider the ESG implications of the business's activities and to raise any queries or concerns with the head of E&S or the committee.

The group E&S department oversees and manages an ESG risk register which covers a number of material environmental and social risks, some of which relate to climate change. Risks are identified in the course of business activities or as part of discussions in the groups outlined in the climate risk governance section and added to the register.

All ESG risks are assessed using Vitol's risk assessment matrix, which allows risk of all natures to be compared with one another in terms of significance and materiality e.g. comparing a climate-related risk with a social or a process safety risk. The risk assessment matrix is used to assess likelihood (from very likely to very unlikely) and also a range of potential consequences (health & personal safety, process safety, human rights and community, reputation, environment and financial impacts on a graduated scale from \$0 to > \$200M). Risks are assessed both quantitatively and qualitatively. If multiple consequences are highlighted, Vitol takes the one with the highest potential consequence. The risk register contains a broad set of current, emerging and potential future ESG risks including those related to regulation, but focusses on materiality to Vitol.

In the controlled and non-controlled companies in which we are invested the approach varies. More granular and technical risk registers are managed, reviewed and updated periodically at some of the companies in which Vitol is invested. This includes emerging risk relating to emissions as well as other ESG risks. Vitol will continue to focus on this in the coming years.

Market risk

Market risk exposure arises from the core business of physical delivery and price arbitrage. Vitol aims to maintain a conservative approach to market risk, addressing the volatility inherent in the commodity markets with business policies and practices based on sound risk management and capital preservation. This includes the hedging of directional price risk where possible. The market risk function is independent and reports directly to the board. Its role is to assist the trading desks in analysing and managing their risk to ensure there is an accurate, real-time picture of trading positions.

Operational risk

Vitol takes an active role in the oversight and, where possible, management of any investment in which Vitol holds equity, regardless of how small the stake. For material holdings, Vitol seeks board representation. In terms of physical operations, e.g. shipping, barging, railcar movements and trucking, a risk-based approach to the management of operational risk is adopted.

Credit risk

Trading is conducted on an unsecured basis only with the most reliable counterparties. Counterparty credit lines and country risk are managed by the credit function within the finance team.

Financial risk

Vitol uses the bank and capital markets for working capital and general corporate requirements, managed from our global treasury headquarters in Switzerland. Vitol holds a significant shareholders' equity balance relative to the size of its business and the carrying value of its debt and working capital requirements. For the past 10 years, Vitol has maintained an investment-grade corporate credit rating due to its highly liquid balance sheet, conservative capital structure, and prudent risk management.

Cyber risk

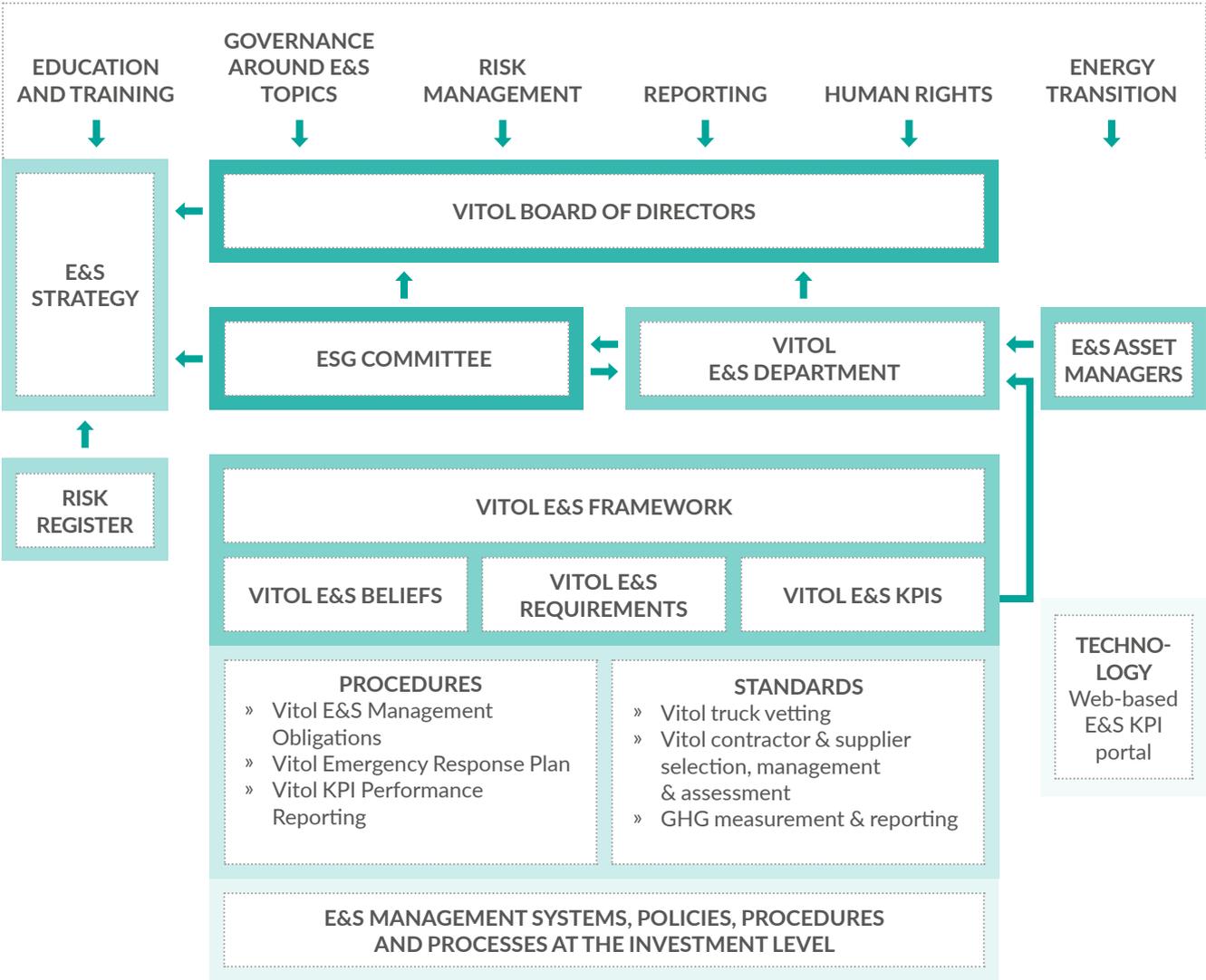
The cyber security programme's objectives are to protect Vitol and facilitate new opportunities, while reducing the risk of exposure to cyber-attacks or data privacy incidents. The cyber strategy is driven by industry best practice objectives of "Confidentiality, Integrity and Availability", delivered via the three pillars of governance, technology and employees. Metrics are presented to the board every quarter.

Legal risk:

Legal risk is the risk arising from non-compliance with legal and regulatory requirements including, in Vitol's case, the risks arising from violations of laws and regulations concerning sanctions, anti-bribery and corruption, market conduct, competition law and the environment. A failure to comply with these could result in significant reputational damage, as well as financial and other penalties which may impact the business's ability to trade. The management of legal risk is led by the Chief Legal Officer, with the full support of the board.

Environmental & Social governance

Vitol created the three-year E&S strategy in 2019, which is updated at the end of each calendar year. It comprises six core pillars.



The Vitol E&S framework

Since its inception, Vitol has been focused on the safety and environmental risks associated with its operations. We have also invested in physical assets with diverse E&S standards. Some of our assets are majority owned and controlled and others via partnerships or minority stakes.

Vitol's E&S framework covers all business activities and sets out Vitol's beliefs and requirements. Vitol expects companies in which we have a shareholding to follow these or similar standards, but recognises our influence will be commensurate with our shareholding. The E&S framework sets out the requirement for KPIs covering E&S related metrics to be submitted to Vitol.

During 2021 we continued to work with current and newly acquired businesses to implement and embed the requirements of the E&S framework and support our investments from an ESG perspective. This is an ongoing and continuous process and also forms one of the underpinning blocks of our ESG audit programme.

Additional procedures sit beneath the E&S framework, e.g. Vitol E&S management obligations, which provide internal guidance on how to apply it to business activities. Proprietary standards were created to cover some of the key risks faced in the industry, such as truck vetting or the selection and management of contractors and suppliers and to provide guidance where required by our investments. Vitol continues to add to these procedures and standards as needed.

E&S performance monitoring

Vitol has more than 40 KPIs covering human resources, personal safety, process safety, environment, auditing, human rights, security and community topics. Monitoring KPIs enables Vitol to understand performance and take appropriate action, report performance to the ESG committee and the board, and adjust the ESG audit programme as appropriate.

E&S KPIs are aligned with relevant industry-accepted definitions such as those of the American Petroleum Institute (API), the US Occupational Safety & Health Administration (OSHA), the IOGP and the WBCSD. During 2021, all E&S KPIs submitted to Vitol in the prior three years were validated to ensure data accuracy and allow appropriate targets to be established.

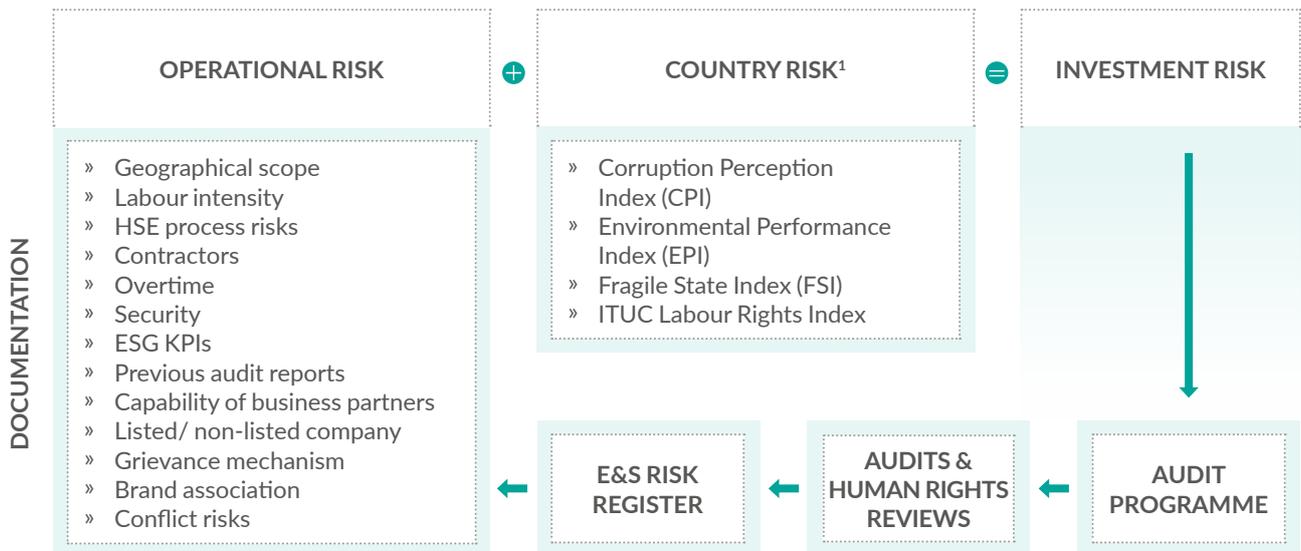
In terms of KPI reporting, Vitol does not differentiate between investments based on operational control. We need to understand and monitor the performance of any investment in which we hold shares. All investments with operational activities (e.g. a refinery, retail stations, a pipeline, a windfarm, solar infrastructure) where Vitol holds an equity interest must report the relevant E&S KPIs regardless of how small the percentage of equity ownership. Over 50 businesses are reporting data on a quarterly basis via Vitol's web-based E&S platform. We also include relevant data from our office-based staff in these statistics. During 2021 we have also worked to include KPI data from some operations across different geographies such as in Latin America and East Africa. We will continue to broaden this out and include data from operations going forward.

On-site E&S governance audit programme

Vitol first implemented a formal risk-based E&S audit programme across all investments in which it holds any equity in 2019. Each year, site visits across investment companies are assessed against the E&S framework and a bespoke audit protocol. The duration of each audit depends on factors such as location, asset complexity, geographic profile and risk. Third-party advisers are used where required to bring an independent or specialist perspective to these reviews.

During 2021 we updated the risk assessment methodology that feeds the five-year ESG audit programme, by incorporating additional indices: The Corruption Perception Index, the Environmental Performance Index, the Fragile State Index and the International Trade Union Confederation (ITUC) Labour Rights Index. The output is a risk score covering both operational and country risk for each investment. The risk assessment is undertaken every two years.

ESG AUDIT PROGRAMME: RISK ASSESSMENT METHODOLOGY



¹ Country risk is assessed where operations take place (not where the company is registered).

The same process is followed for each audit: the completion of an E&S questionnaire supplemented with on-site testing to ensure the robustness of controls. Any observations are ranked against the Vitol risk matrix, discussed with local and Vitol management, recommendations for improvements made and timelines agreed. A final report is sent to the investment management team, the ESG committee and the relevant Vitol board members for the specific investment. E&S findings of particular concern are reported to the board, and the head of E&S will work with the relevant department or company to implement the required changes. Observations are followed up quarterly by the Vitol E&S department.

The Covid pandemic and consequent travel restrictions disrupted the delivery of the 2021 audit schedule. It led to a greater reliance on locally-based external consultants and site visits being postponed. Four audits were undertaken in 2021 across LatRosTrans, LSC, Ventspils nafta terminals (VNT) in Latvia and Liquid GmbH in Germany.

Vitol's E&S department undertakes additional ad-hoc assurance and advisory work to support matrices and operations, e.g. for new business activities or when entering into new jurisdictions.

Incident management

Vitol has a formal incident management process which covers major incidents. It also includes links to function-specific response plans for areas such as IT security and cyber risk, or physical asset categories such as shipping or upstream. Vitol's incident management system ensures any incident outside of the E&S platform is captured in real time. Typically, these relate to minor and common shipping incidents. Reported incidents are communicated to the global incident management committee immediately. This comprises legal, compliance, operations, E&S, management, insurance managers plus the Vitol CEO. This system provides 24-hour, 365-day coverage. The incident management process was updated during 2021.

Environmental & Social due diligence

Vitol undertakes environmental and social due diligence on all potential acquisitions, and uses external consultants as necessary. Its scope will depend on various risk factors: location, previous owners, operating partners, the risk to rightsholders, as well as business activities and other factors.

Networking and training

The Vitol E&S network acts as a sounding board for E&S, CSR (Corporate Social Responsibility) and ESG managers from the investment companies. They can seek advice from peers, raise concerns and share results from incident investigations. We continue to add employees to this network from the companies in which we are invested.

The Vitol E&S department continues to develop tailored training to relevant internal stakeholders. Some examples are contained within this report. The E&S function, along with our Houston operations department, provided tailored ESG related training to approximately 13% of Vitol employees during 2021. Specific training regarding governance was also provided to all EMEA new joiners.

Compliance

The compliance programme is a key pillar underpinning Vitol's commitment to the highest standards of corporate responsibility and to doing business with integrity. It is designed to reflect the high standard of ethics to which Vitol holds itself, the complex and multi-faceted business in which it operates and to ensure compliance with appropriate laws, regulations and international standards. The compliance programme is continuously reviewed and enhanced, alongside policies, processes and controls, to meet evolving compliance needs.

Compliance governance

To manage compliance risk effectively, a robust governance structure has been established. It is led by the board, supported by the compliance committee and managed daily by the regional compliance teams led by the head of compliance.

The compliance committee is chaired by the CEO. It supports the board and the management in the fulfilment of their compliance responsibilities, which include demonstrating the effectiveness of compliance with respect to regulatory, corporate and reputational compliance risks. Its remit is global and it advises and assists in the development, implementation and ongoing oversight of the compliance programme.

The compliance programme is implemented by the compliance team supported, when required, by the compliance working group (CWG). The CWG was created to provide technical expertise from multi-disciplines within the business and support functions. The group meets on an ad hoc basis, as needed, to advise on proposed new policies, changes being considered to existing policies or procedures from the perspective of impacted business lines and administrative functions. It supports specific initiatives and provides a dedicated group outside the compliance team to review and champion compliance activities.

The global compliance team comprises 17 experienced professionals in London, Houston, and Singapore. In addition to these dedicated compliance professionals, Vitol has implemented a programme to create 39 'compliance champions' in local offices and Vitol-controlled businesses that do not otherwise have compliance personnel. The compliance champions programme is designed to make compliance more accessible on the ground, as well as to send feedback to compliance about local compliance challenges. In addition, compliance liaises with, and draws additional resources from, other risk functions to ensure an integrated approach to implementing the compliance programme.

Our key policies are highlighted below:

Know Your Customer (KYC) Policy

The policy has been designed based on the Joint Money Laundering Steering Group (JMLSG) guidance. In addition, the policy and related controls use resources and recommendations from international standards such as the OECD and UN Principles, as well as Transparency International's Corruption Perception Index, Know Your Country Rating and Control Risks Corruption Index.

The policy aligns with the highest standards in KYC, requiring the beneficial owners of a company to be disclosed, with no minimum threshold of ownership. It also requires the disclosure of board members and, in certain circumstances, the list of the approved signatories. This enables Vitol to understand its exposure to sanctions, state ownership and public officials.

Anti-Bribery and Corruption (ABC) Policy

The policy was designed using resources such as the UK Ministry of Justice and the US Department of Justice guidelines, as well as international standards published by the OECD and the UN. It was designed following an extensive process to map the ABC risks Vitol faces globally, and takes into consideration its activities, countries of operation, the way Vitol transacts, how it manages its relationships with its intermediaries and its trading counterparties.

Sanctions policy

The principal objective of Vitol's sanctions policy is to ensure compliance with relevant laws and provide a framework for employees to seek advice from compliance and legal in relation to a transaction or potential transaction.

Changes to all relevant sanction regimes, including but not limited to US OFAC, EU Official Journal, Swiss SECO, and UK HM Treasury are monitored and tracked on a daily basis.

Training

Training is essential to the implementation of the compliance framework. The compliance teams are responsible for developing and implementing a training programme which covers key compliance risks, as well as the technical, complex and ever-changing nature of the laws and regulations that govern our business. Because different roles and jurisdictions have different compliance requirements, training is tailored as required and uses online tools as well as face-to-face classroom method of delivery.

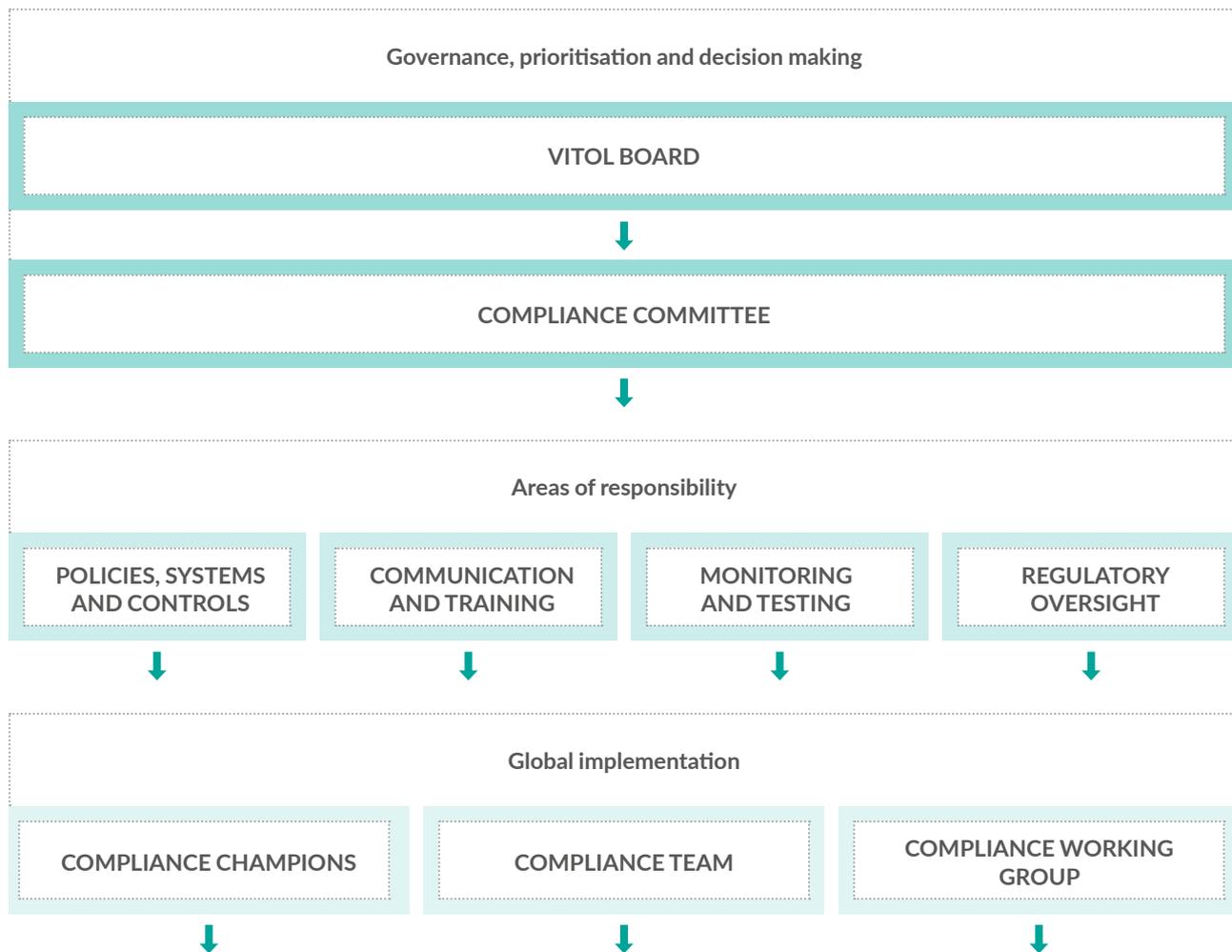
Monitoring

Compliance has a mandate to monitor and evaluate the programme. This monitoring aims to identify the effectiveness of controls and reduces the risks of breaches of laws, regulations or procedures. The frequency and extent of the monitoring is risk-based. When monitoring or audits detect weaknesses with the programme, the appropriate corrective action is taken.

Reporting and managing breaches

All employees are shielded by our commitment to protect whistleblowers. Employees are required to report any breach, or the risk of any breach, of Vitol policy. We have in place a global integrity hotline. Operated by an independent third party, the hotline enables employees to raise any issues of concern with senior management, anonymously and in confidence.

THE COMPLIANCE PROGRAMME





INTERVIEW

Odile Roy de Puyfontaine, head of compliance

I'm Odile Roy de Puyfontaine, and I've been at Vitol for the last 12 years. I've always specialised in commodities compliance and have over 25 years' experience in this industry.

Whilst I've been in position, our compliance operations have grown to become a global function. For me, compliance is about enabling the business, supporting our people to assess risk and make the right decisions for them and the company.

What is a compliance culture?

A lot of people believe that having a compliance culture is a matter of following rules, rules which compliance teams articulate and enforce. But if the reality of compliance is transposed outside of a working environment, then it's clear that all of us make daily decisions with some concept of compliance. Some of that is driven by the law; we all abide by parameters that society has set for us. But some of it is driven by ethical values we use to decide whether we should cross predetermined boundaries. I see our compliance culture at Vitol as an ethical compass that helps colleagues interpret business decisions in the best interests of the organisation and each other.

How does a compliance culture manifest in practice?

As part of our compliance new joiner training at Vitol, we use a driving analogy. You are taught how to drive, you pass your test and then on the first trip it's up to you to decide whether you're going to break the speed limit or whether you will follow what you've been taught. It becomes your decision whether you're willing to risk your safety, that of the people in your car and the people around you. In our day-to-day lives, we learn that we don't make decisions in isolation and in business I see this as a vital role of the compliance function. This means that whilst we empower colleagues to take decisions, we encourage them to think about how their decisions impact other people, the reputation of the company and the legacy that they will leave behind. Our leadership team strongly believe in this and set the culture from the very top: that we operate as a collective. Vitol is a flat-structured organisation and therefore there is also a heightened sense of responsibility in our middle management positions to accurately cascade our cultural values across our teams.

What challenges does the company's culture present for you and your team?

Vitol's culture is unique. It's highly entrepreneurial and agile. The compliance teams' challenge is to ensure that the company's bottom line is not driven solely by commercial impetus. There is such a thing as a bad transaction and our role is to make sure that this is ingrained in our decision making. It takes time to implement such an approach and compliance is not about quick wins. We are pragmatic and we want to achieve sustainable changes.

How do you communicate the compliance culture?

The key to communicating our compliance culture successfully is positivity. I've seen significant culture changes over the last 25 years in how compliance communicates. We have gone from a "see what happens when someone has done the wrong thing" message to a "look at all the benefits that flow from doing the right thing" approach to communicating compliance. This has helped change the idea that compliance is the "business prevention unit" to compliance as a "business enabler". One of the core ways Vitol has embedded compliance into its operations is by articulating all the ways we have been successful by doing things in the right way. Ensuring that compliance frames the way we conduct business makes us a reliable, professional company who partners want to engage with and people want to join. By focusing on the commercial benefits, we have been able to raise the profile of compliance within the organisation not just as a necessary partner but a strategic one, which generates greater impact because our colleagues want to engage with us.

What particular challenges do you face at present?

Our business, and the people who make up that business are changing. We've expanded into new areas in the last two years and its compliance's role to bring new colleagues on board and help explain who we are and what our company values are. In addition, we need to understand and adapt to the compliance challenges and risk these new businesses bring, as well as to the expectations of the new generation and how they view compliance culture in their company. This is a very interesting new horizon for the team. which is getting stronger year-on-year. We have a global team of colleagues who have a shared ethos around what compliance is and how we can support the business.

What plans do you have for the future?

Over the next few years we are going to expand our communication and reinforce our key messages globally. We're looking at how we can diversify the platforms we use to communicate to the organisation, particularly the new generation that we are hiring. Consistency is vital, regardless of whether you join in London, Beijing or Lagos, the tools available to you to use, and how the company's expectations of you are communicated need to be the same. We owe it to our colleagues to provide them with what they need to succeed because that is the only way Vitol will succeed as well.





WASH project, India.
Image ©WASH United

Glossary

ABC	Anti-Bribery & Corruption	KB/D	Thousand barrels per day
AC	Alternating current	KPI	Key Performance Indicator
AER	Annual Efficiency Ratio	KM ₃	Thousand cubic meters
API	American Petroleum Institute	KTCO _{2e}	Thousand tonnes of Carbon Dioxide equivalent
ARDA	African Refiners & Distributors Association	KWh	Kilowatt hour
B2B	Business to Business	KYC	Know Your Customer
B2C	Business to Consumer	L	Litre
BoE	Bank of England	LMIC	Low-to-Middle-Income Country
CapEx	Capital Expenditure	LNG	Liquefied Natural Gas
CCGT	Combined Cycle Gas Turbine (gas-fired power station)	LOPC	Loss Of Primary Containment
CCS	Carbon Capture and Storage	LPG	Liquefied Petroleum Gas
CEO	Chief Executive Officer	LTi	Lost Time Injury
CFO	Chief Financial Officer	LTIF	Lost Time Injury Frequency
CHP	Combined Heat and Power (gas-fired power station with thermal steam recovery)	LSUMF	Latvian Seafarers' Union of Merchant Fleet
CI/I	Carbon Intensity Indicator	M&A	Mergers & Acquisitions
CIO	Chief Information Officer	MB/D	Million barrels per day
CME	Chicago Mercantile Exchange	MEPC	Marine Environment Protection Committee
CO ₂	Carbon Dioxide	MLC	Maritime Labour Convention
COO	Chief Operating Officer	MMBTU	Million British Thermal Units
C-products	Carbon products	M M ₃	Million cubic metres
CPI	Corruption Perception Index	MRV	EU Monitoring, Reporting and Verification
CR	Climate risk	MTC	Medical Treatment Case
CSR	Corporate Social Responsibility	MTOE	Million tonnes of oil equivalent
CWG	Compliance working group	NGO	Non-Government Organisation
DCS	IMO Data Collection System	NOC	National Oil Company
DEFRA	Department for Environment, Food & Rural Affairs	NOx	Nitrogen oxides
EEDI	Energy Efficiency Design Index	OECD	Organisation for Economic Co-operation and Development
EEOI	Energy Efficiency Operational Indicator	OFAC	Office of Foreign Assets Control (US)
EEXI	Energy Efficiency Existing Ship Index	OIFR	Occupational Illness Frequency Rate
EMEA	Europe, Middle East, and Africa	OSHA	Occupational Safety & Health Administration
EPA	Environmental Protection Agency	PHEV	Plug in Hybrid Electric Vehicles
EPL	Engine power limitations	PP	Poseidon Principles
ERM	Enterprise Risk Management	PPA	Purchase Power Agreement
E&P	Exploration and Production	PPP	Purchasing Power Parity
EPI	Environmental Performance Index	PWMI	Persons With Mental Illness
E&S	Environment and Social	RBI	Responsible Business Initiative
ESG	Environmental, Social, and Governance	RCFA	Root Cause Failure Analysis
ETS	Emissions Trading Scheme	R&D	Research and Development
EV	Electric Vehicle	REC	Renewable Energy Certificates
EEXI	Energy Efficiency Existing Ship Index	RINs	Renewable Identification Numbers
FSI	Fragile State Index	RNG	Renewable Natural Gas
FSU	Former Soviet Union	RTIF	Road Traffic Incident Frequency
GDP	Gross Domestic Product	RWI	Restricted Work Injury
GHG	Greenhouse Gas	SCC	Sea Cargo Charter
GRI	The Global Standards for Sustainability Reporting	SDG	The United Nations Sustainable Development Goals
GT	Gigatonne	SECO	State Secretariat for Economic Affairs (Switzerland)
GW	Gigawatt	SF ₆	Sulfur hexafluoride
HFO	Heavy Fuel Oil	SHI	Seafarer Happiness Index
HM Treasury	Her Majesty's Treasury	SOx	Sulphur oxides
HSEC	Health, Safety, Environment, Human Rights and Community	S&P	Standard & Poor's
HRIA	Human Rights Impact Assessment	tCO _{2e}	Tons of Carbon Dioxide Equivalent
HVO	Hydrogenated Vegetable Oil	TCFD	Taskforce on Climate-related Financial Disclosures
ICE	Internal Combustion Engine	TRIR	Total Recordable Injury Rate
ICoC	International Code of Conduct for Security Service Providers	TWh	Terawatt hour
IHRB	Institute for Business and Human Rights	UK	United Kingdom
IMO	International Maritime Organisation	UNGPs	UN Guiding Principles on Business and Human Rights
IOGP	The International Association of Oil & Gas Producers	US/A	United States / of America
IPIECA	International Petroleum Industry Environmental Conservation Association	VETI	Vitol Energy Transition Initiative
IRECs	International Renewable Energy Certificates	VGS	Vitol Green Solutions
ISM	International Safety Management Code	VHBV	Vitol Holding B.V.
ISO	International Organization for Standardization	VPSHR	The Voluntary Principles on Security and Human Rights
ITMOs	Internationally Transferred Mitigation Outcomes	WASH	Water, Sanitation and Hygiene
ITUC	International Trade Union Confederation	WBCSD	World Business Council for Sustainable Development
		WFE	Waste from Energy
		WHO	World Health Organisation
		WtE	Waste to Energy

