

Environmental, Social & Governance Report

2020





Colleagues at the Geelong refinery, Viva Energy, Australia

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Statement from Russell Hardy, our CEO



This is Vitol's first Environmental, Social & Governance (ESG) report. It is endorsed by the board. We appreciate that our stakeholders are increasingly interested in the non-financial aspects of how we manage our business and how we are dealing with pertinent issues.

The report is divided into two broad sections. Firstly, we describe our company, our governance, our business model and our strategic approach to climate change. For over 50 years, our business was built largely on the movement of crude oil and products around the world, giving us a unique insight into energy markets worldwide. This remains the backbone of our business but, mindful of the need for change, we have been investing in a range of transitional and sustainable energy solutions.

We have always managed our business 'bottom up'. We believe our success is based on this collective entrepreneurialism. As we move the company in a more sustainable direction, it is imperative that we do not lose this competitive advantage and our approach empowers employees to identify and develop energy solutions for the future and we will support the best projects with significant capital.

To date, Vitol has committed over \$1 billion to renewable energy projects. This is in addition to our significant investment in transitional energy solutions, including natural gas, liquefied natural gas (LNG) and liquefied petroleum gasses (LPG). It is unrealistic to believe the world can move to 100% renewable energy within a short time frame. Very often natural gas and LNG are displacing coal or fuel oil, or are a necessary partner to renewables whilst LPG has a critical role to play in addressing household air pollution. Almost one billion people worldwide still cook on solid fuels. Not only do young children and the elderly disproportionately suffer from the associated particulates, but the lives of tens of millions of women, who bear the burden of collecting firewood, are improved through a transition to LPG-burning stoves.

Our renewable investments have been focused on projects that leverage our competitive strengths, unique understand-

ing of energy markets, strong balance sheet, familiarity with diverse geographies and ability to take decisions quickly. There are also multiple aspects to electrification beyond renewables, and we are assessing a broad range of related investment opportunities, such as transport fleet electrification and the large-scale provision of electrical vehicle charging points. We have worked with a range of partners from NGOs (Non-Governmental Organisation) to the US Navy to deliver renewable and carbon offsetting projects worldwide. Further detail about many of these is contained in this report.

We believe that markets and private enterprise can contribute positively to the energy transition. At the same time, in this area, as in all others, business needs a clear and stable regulatory framework in which to operate. The energy transition will require the state and private sectors to work collaboratively as a new energy framework for the future is developed.

Alongside the development of new energy solutions, carbon markets have a key role to play in incentivising change and providing funding to carbon mitigating projects. Vitol has been pleased to be a participant of the Taskforce on Scaling Voluntary Carbon Markets.

For Vitol, the strategic shift in our business must be accompanied by a reduction, wherever possible, in our day-to-day emissions. To this end we established a Greenhouse Gas (GHG) working group, which is identifying, measuring and mitigating our emissions, as well as overseeing the origination of low-carbon opportunities. We are also working with our affiliate companies to reduce their GHG footprint, providing both guidance and support at board level.

We have always been mindful of the operational risks associated with our business and of our responsibility to manage them carefully. More recently, however, we have adopted a more uniform and structured approach to monitoring data and managing the risks, notably in the portfolio companies in which we have invested.

To be meaningful, this data has to be accurate and establishing the processes to

capture this takes time. This report should be read in this context. We know there is more to be done, and we are working on doing it. In the meantime, we are publishing the data we have confidence in, alongside targets for improving our performance.

Regrettably, there were two fatalities associated with our operations last year, one an employee, one a contractor. That is two fatalities too many and both incidents have been investigated and lessons learned where possible.

We are also working hard to mitigate compliance risks across the business. Late last year we reached agreement with the US and Brazilian authorities in respect of certain

conduct in Brazil and other jurisdictions. Whilst we are pleased the matter has been resolved, we fully appreciate the seriousness of the situation.

We will always strive to do better and this, our first ESG report, will evolve and expand over time to give our stakeholders relevant information about how we manage our business.

A handwritten signature in black ink, appearing to read 'Russell Hardy', with a stylized, cursive script.

Russell Hardy
April 2021

Performance and targets

Key Performance Indicators (KPIs)

Fatalities¹



Total Recordable Injury Rate (TRIR)



Lost Time Injury Frequency (LTIF)



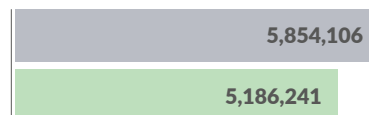
Environmental exceedances



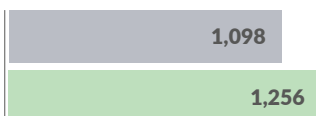
Waste (tonnes)



Freshwater extraction (m³)



Scope 1 emissions (K tCO₂e)²



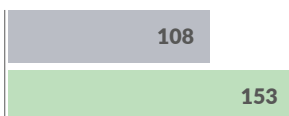
Scope 2 emissions (K tCO₂e)²



Scope 3 emissions (K tCO₂e)^{2,4}



Small spills (<100L)



Large spills (>100L)



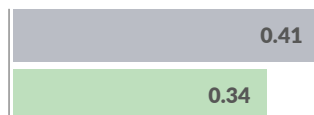
Tier 1 process safety event



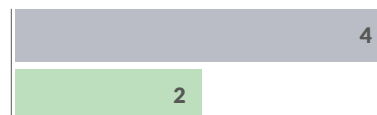
Tier 2 process safety event



Road Traffic Incident Frequency (RTIF)



Minor breaches³



Number of complaints



Key

- 2019 performance
- 2020 performance

¹ 1 employee & 1 contractor.

² See Environmental section for more granularity on emissions data.

³ Minor refers to the ranking of the breaches on the group HSEC (Health, Safety, Environment, Human Rights & Communities) risk matrix from the perspective of the rights holder.

⁴ Preliminary scope 3 data (complete scope 3 reporting starting 2021).

2021 targets

Environmental	E1	Implement a Vitol GHG Measurement and Reporting Standard across all Vitol investments, based on the World Business Council for Sustainable Development (WBCSD) Protocol and International Petroleum Industry Environment Conservation Association's (IPIECA) reporting guidelines
	E2	Implement a calculation tool to allow Vitol investments to measure their GHG footprints based on the WBCSD GHG Protocol and IPIECA reporting guidelines
	E3	Ensure all investments are measuring and reporting emissions to Vitol by 31.12.2021
	E4	Report all material scope categories in the 2021 ESG report
	E5	Implement ISO50001:2018 standard onboard ships under LSC management by 31.12.2021
	E6	Further formalise the Vitol GHG strategy and publish this in the 2021 ESG report
	E7	Ensure all Vitol investments are reporting freshwater extraction data by 31.12.2021
	E8	10% reduction in environmental exceedances in 2021, with a longer-term aim of zero
	E9	Zero prosecutions or enforcement actions by environmental regulatory authorities at Vitol investments
	E10	Ensure all Vitol investments are reporting waste figures by 31.12.2021
	E11	All relevant Vitol investments to be reporting SOx (Sulphur oxides) and NOx (Nitrogen oxides) data by 31.12.2021
Social	S1	Zero fatalities
	S2	A 10% annual reduction in the TRIR and LTIF
	S3	Expand the reporting of near misses and hazards to include all non-operationally controlled investments
	S4	Require all investments to report occupational illness to Vitol
	S5	A 10% reduction in tier 1 and tier 2 process safety events
	S6	All investments to report quantity and type of substance spilled
	S7	Zero human rights infringements
	S8	Operationally-controlled sites to ensure security protocols are aligned with the Voluntary Principles on Security and human rights by 31.12.2022
	S9	A 10% reduction in complaints at our investments versus the average of 2019 and 2020
	S10	Implement second year of Vitol's human rights governance and reporting plan

United Nations Sustainable Development Goals (UN SDGs) relevant to Vitol's performance and targets



Reporting boundaries

This report includes HSEC metrics 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 in which Vitol holds a non-controlling interest or joint ventures where we are not the operating company.

Incidents on vessels are reported where Vitol is the holder of the International Safety Management Code Document of Compliance.

Emissions data are company-wide figures and include those from companies in which we are invested. Emissions are reported on an 'operational

control basis' according to the World Business Council for Sustainable Development (WBCSD), GHG protocol and the International Petroleum Industry Environment Conservation Association (IPIECA) GHG reporting guidelines.

The HSEC KPI reporting treatment and emissions data are consistent with our financial reporting methodology.

Restatement policy

Vitol has a defined and comprehensive restatement policy that governs when, and how, we recalculate our baseline GHG footprint in case of a material change to our business.

For the 2019 and 2020 GHG footprints, we have applied restatement rules to include the 'acquired

emissions' of companies in which we are invested as of 31 December 2020. We have also included the four CCGTs acquired by VPI in February 2021 and added emissions from these assets to the 2019 and 2020 footprints. Emissions from vessels that we took operational control of during 2019 and 2020 are also included.

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.

Overview of Vitol



Elandra Maple at Geelong refinery, Australia

Vitol: a world leader in energy

55 years

serving the world's energy markets

\$140 billion

turnover

7+ million

barrels a day of crude oil and products traded

6,500

ship journeys chartered each year

c. 30,000

boe/day of oil and gas production

16 million m³

oil and products storage worldwide

7,000¹

service stations globally

480,000¹

bbls/day refining capacity across four continents

\$1+ billion

capital committed to renewable projects

\$35 million

invested in carbon capture and hydrogen projects²

1000+ TWh

power traded

838 TWh

of gas traded

10 million

mt LNG traded

106 million

mt carbon traded

40 offices

worldwide

1,400+

Vitol employees

7,000+

employed by the companies in which
we are invested

65+ nationalities

¹ Held through portfolio companies.

² Including circa \$17 million of UK government funding.

Our business

“Our business manages complex logistical processes to distribute energy safely and efficiently.”

Vitol sits at the heart of the world's energy markets. Our core business is trading energy products such as crude oil, petroleum products, LNG, natural gas, LPG, power, renewable credits and other environmental products such as carbon credits. We source from producers, refiners 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, including terminals, to store and blend products

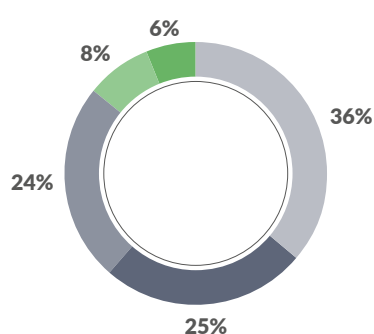
to the required specification and ships, pipelines, trains, trucks and grids to transport it. In addition to physical risks, the business manages financial and other risks. In all instances we seek to manage risk in a measured and careful way.

The company was founded in 1966 to trade oil. Since then it has evolved and grown to trade over seven million barrels a day of crude oil and products and the businesses in which Vitol is invested touch circa two million barrels a day of our volumes. Today we recognise the need to reshape the business for the next 50 years. Accordingly we are investing in new ventures and technologies for the years to come.

All data represented from 2020

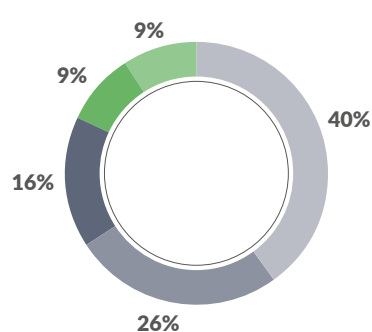
Geographic breakdown of sales

mt basis



Geographic breakdown of purchases

mt basis

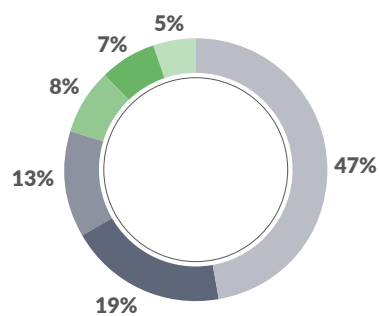


Key

- Americas
- Asia Pacific
- Europe
- Africa
- Middle East

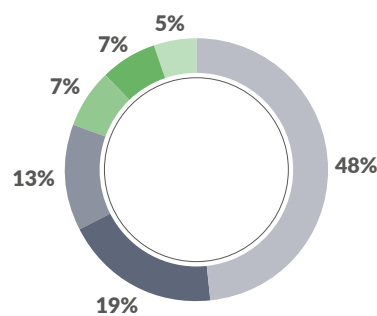
Sales by product

mt basis



Purchases by product

mt basis



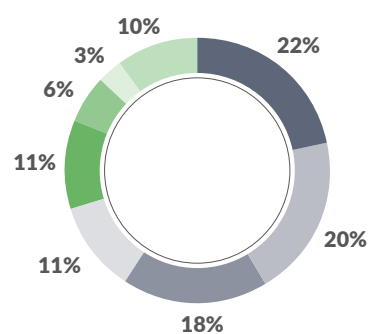
Key

- Crude
- Distillate
- Gasoline
- Fuel Oil
- LPG/LNG¹
- Other

¹ LNG/LPG volumes not comparable to liquid volumes given weight-based unit calculation

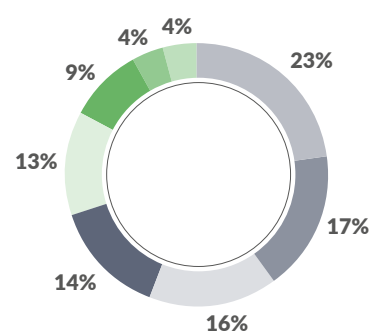
Sales by counterpart

mt basis



Purchases by counterpart

mt basis



Key

- Traders
- IOCs
- NOCs
- Refiners
- Independents
- Midstream
- Governments
- Other

The energy transition

“Our ambition is to play an active role in delivering the energy transition and reduce the carbon intensity of the business.”

The global economy is moving to a more sustainable energy model. As a major participant in energy markets worldwide, Vitol is mindful of the important role it can play as part of this change. Our expertise and global reach mean we are well placed to identify and develop opportunities around the world.

Broadly, this means growing both the transitional energy offering, encompassing LNG, LPG, biofuels and natural gas, alongside low-carbon power, environmental products and renewable technologies.

Climate change poses a financial risk to traditional energy companies, but the transition also provides opportunities in which we can participate and, in turn, enhance our sustainability. In order to understand the areas of our business most at risk and where opportunities are most likely to arise, we have undertaken a detailed assessment of impacting factors. This is updated on a regular basis.

Elements included in our assessment are:

- Energy demand – forecast evolution and changes in patterns of usage
- Existing energy sources – sustainability, adaptability and obsolescence risk
- New technologies – viability, maturity, capital intensity, returns
- Regulatory frameworks – current status, regional variations, potential future changes
- Market developments post-pandemic – impact on demand, energy flows, energy transition debate

Alongside this strategic shift, Vitol has been working on a range of climate change initiatives. A GHG working group has been established. It comprises one board member and 12 senior managers from different regions and departments and is responsible for providing advice to the ESG committee and the board. Energy transition topics were discussed at each board meeting during 2020.

The GHG working group has developed an energy transition initiative to facilitate Vitol's ambitions to decarbonise energy markets and our business. Our approach is centred on four core objectives, with 11 associated workstreams. The outputs will feed into our overall business strategy.

To summarise, our approach is the following:

- (1) Improving footprint accuracy and establishing incentives
- (2) Reducing Vitol's GHG footprint
- (3) Growing low-carbon/ green opportunities
- (4) Reporting and communicating

Our ambition is to play an active role in delivering the energy transition and reduce the carbon intensity of the business over time. We already have a significant low-carbon asset platform and we are cognisant of the sustainability (and resulting financial) risks inherent in traditional carbon-heavy energy sources. Vitol's portfolio of trading products and energy investments is evolving to include more transitional or 'new energy' green elements.

Vitol's energy transition initiative

Objectives		Workstreams
1	Improving footprint accuracy & establishing incentives	GHG data capture and measurement systems
		Internal carbon incentive mechanisms
2	Reducing Vitol's GHG footprint	Vitol investment optimisation
		Transportation: shipping, barges, rail, trucking, pipelines
		Offices' impact and business travel
3	Growing low-carbon/green opportunities	Green investments
		Trading opportunities
		Offsetting and removals: regulatory and voluntary
4	Reporting and communicating	Decarbonisation plan
		Internal reporting
		ESG communications

Vitol's global asset base, covering the energy spectrum



Transitional energy solutions

Transitioning the world to more sustainable forms of energy will be a gradual process. Given the challenges of developing and deploying both new technologies and infrastructure, we anticipate a period of transition when traditional technologies combine with new.

Natural gas and LNG

Demand for power will increase as the global vehicle fleet migrates to electric vehicles (EVs) and other energy uses become electrified. Currently, the power infrastructure in most countries will not be able to manage fluctuations in supply from renewables until utility-scale battery technology is deployed. At the same time, many countries are looking to phase out coal-fired generation, creating an important role for natural gas and LNG in the medium term.

Vitol has invested in its natural gas offering. In addition to expanding its trading capabilities, it is invested in a large gas production project offshore Ghana and a portfolio of gas-fired generation assets in the UK, which provide a range of services to the National Grid and facilitate the roll out of renewables.

On the trading side, Vitol is also providing a Green LNG offering for LNG customers wishing to mitigate emissions associated with production and transportation, using market solutions such as offsets or renewable energy credits. This can be expanded to include pipeline gas, providing a carbon neutral solution for individual LNG cargos or for the whole supply chain from wellhead to customer (including power generation) and making use of Wood Mackenzie analysis to verify emissions.

LPG

In many developing countries, LPG can be used both in generation and as a household fuel, replacing fuel oil, wood or charcoal. This reduces pollution and deforestation. It also improves the health and lives of, predominantly, women who would otherwise forage for fuel and cook in unventilated conditions. In addition to trading LPG, Vitol is invested in the largest LPG infrastructure in Africa and partners with local distributors in several countries. Vitol is promoting Autogas (LPG as a fuel substitute to gasoline in spark engines) and LPG dual-fuel diesel conversion kits and providing small-scale power generation solutions for industrial or peaker use.

Biofuels

Already an important component in US gasoline, the use of biofuels in Europe is set to increase. Vitol's US team has been active in trading and marketing a variety of low-carbon ethanol and biodiesel since 1999, which expanded in 2007 with the introduction of GHG savings renewable programmes, trading Renewable Identification Numbers (RINS), Low-Carbon Fuel Standard (LCFS) credits, ethanol and biodiesel. We work with producers in the midwestern US to supply low-carbon ethanol to customers worldwide, as well as importing to feed terminals and truck racks.

Waste hydrocarbons to fuels

Vitol is invested in projects and early stage companies which seek to convert waste hydrocarbons, such as plastics and tyres, that otherwise end up in landfill or the oceans. This enables waste products to be reused constructively as part of the circular economy and the sustainable energy mix.

“There will be a period of transition when traditional technologies combine with new.”

Ben Moreell Solar Farm, New Jersey

Operational since December 2019 the Ben Moreell Solar Farm is a utility scale 'front-of-meter' project. It produces 28.5 MW of solar power and is the largest solar farm in New Jersey, leasing land from the US Navy and selling power into the transmission grid.

With a mix of distributed generation, our US solar portfolio also includes 'behind-the-meter' projects at schools and universities where both solar roof-top systems and ground-mount solar parks are installed.

Many of our solar projects also generate Solar Renewable Energy Credits (SRECs). One SREC is generated for every MWh of electricity produced from the solar project.

New energy solutions

To date Vitol has committed over \$1 billion of capital to renewable projects. As with our other investments, we look to invest in projects that complement our core trading business.

Hydrogen

Hydrogen has a role to play both as part of the energy transition and the new energy future. It is carbon free and can be transported using existing gas infrastructure. It also offers the possibility of being used as an effective 'battery' in the form of seasonal or daily storage. Current technologies remain very energy intensive and require further cost reductions and government support to become economically viable.

Vitol is participating in two of the UK's largest hydrogen development projects: our Humber Zero project at VPI Immingham and Project Cavendish at our recently acquired Damhead Creek Combined Cycle Gas Turbine (CCGT) plant in Kent. Humber Zero aims to decarbonise a large part of the emissions from both the power station and nearby heavy industries, combining the use of hydrogen with carbon capture storage (CCS) to make a meaningful impact on the UK's industrial emissions and protect local employment.

Project Cavendish is part of the National Grid's programme to produce, store or import hydrogen via the Isle of Grain for use in London's gas supply. Both VPI Immingham and Damhead Creek can also be adapted to run 100% with hydrogen as opposed to natural gas.

We are exploring hydrogen projects at other industrial assets in which we are invested and are monitoring the development of hydrogen trading.

Renewable power

Vitol is investing in renewable power in both developed and developing markets, with a focus on solar and wind assets in the US, Europe and Asia.

We also offer renewable energy offsetting to provide thermal power generators with renewable energy credits. This offsets any CO₂ produced where the burning of hydrocarbons for power is unavoidable or where it is the most efficient holistic alternative.

Renewable Natural Gas

Vitol has developed three large RNG projects in the US and is looking to deploy its expertise in the development of new projects in both the US and Europe, working with VTTI, our energy storage company.

Electrified transport

Transport accounts for over 60% of oil demand. Public transport is likely to be electrified in the near future and Vitol is investing in EV fleets such as municipal buses, corporate fleets and taxis, in developed and emerging markets. We are also providing financing and servicing for EVs, and investing in charging infrastructure alongside energy management and power procurement services.

Environmental products

Decarbonisation requires effective mechanisms to determine the price of carbon and we believe both compliance and voluntary markets, with adequate governance in place, have a role to play.

We expect the number of compliance carbon markets to increase with major new markets such as China, Colombia and South Africa emerging. To access adequate liquidity, we anticipate these schemes will develop regional links and Vitol's role will be to transfer surpluses to deficit markets in the most efficient way.

Renewable investment highlights

We have committed capital to the following projects:

Solar renewable power generation

833 MW

Wind renewable power generation

338 MW

Renewable Natural Gas (RNG) capacity

415k MMBtu

The voluntary carbon market comprises carbon offset transactions outside the regulated markets. Vitol is an active member of The Taskforce on Scaling Voluntary Carbon Markets, led by UN Special Envoy for Climate Action & Finance, Mark Carney. Voluntary carbon markets provide a key mechanism to addressing hard-to-abate emissions, and have the potential to reach at least 2 Gt of CO₂ per year by 2030 (up from 0.1 Gt in 2019).

Vitol is investing in carbon reduction projects across the world that include

broader sustainability benefits linked to the UN Sustainable Development Goals. Vitol focuses on high-quality projects with environmental integrity and tangible co-benefits for local communities, e.g. tackling poverty or improving education, gender equality, or health and welfare. To do so, we participate in the design and implementation of these projects. Such voluntary projects are registered and certified by leading voluntary offset standards such as Gold Standard and VERRA.

AgPower Jerome, Idaho

Our largest biodigester in the US is located in Jerome, Idaho. Integrated into a large dairy farm with over 15,000 cows, the biodigester is capable of converting 2,250 tonnes / day of manure into 700 mcf of bio-methane and has been operational since October 2019.





Integrating fuels with carbon

Our global reach allows us to pursue projects affecting millions in local communities, providing a stable and secure supply of efficient fuels.

In Africa we are partnering with local organisations to deliver ethanol as a clean cooking fuel. One such project in Kenya, Koko, subsidises ethanol cook stoves in order to displace fuels such as charcoal and wood.

The project contributes to the sustainable development goals. It works toward protecting the climate and the environment, reducing household air pollution and improving wellbeing, empowering women and helping local communities save time and money.



A cook from one of our projects in Ghana

Corporate governance

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 one 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 a shareholder representative elected by the non-board shareholders, who participates in board meetings and communicates decisions to the wider group.

Risk mitigation

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. 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. Two board members are members of the ESG committee. Its members comprise: the Chief Financial Officer (CFO), the Chief Information Officer (CIO), Head of HSEC (Health, Safety, Environment, Human Rights & Communities), Head of Compliance, the Chief of Staff, Head of Communications, Treasurer and the Vitol Inc. Chief Operating Officer (COO).

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 HSEC or the committee.

“Vitol has a careful and considered approach to risk.”

Enterprise risk management

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.

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 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.

ESG risk

Our management of ESG risks is underpinned by a comprehensive risk register, where 'license to operate' ESG matters are managed with the highest priority. The risk register documents current and future risks alongside the related controls and assigns a gross risk rating to each, using a risk matrix. Its owner, in conjunction with the ESG committee, determines whether this risk is acceptable and, if not, what additional controls are required. The residual (mitigated) risk is then quantified and recorded.

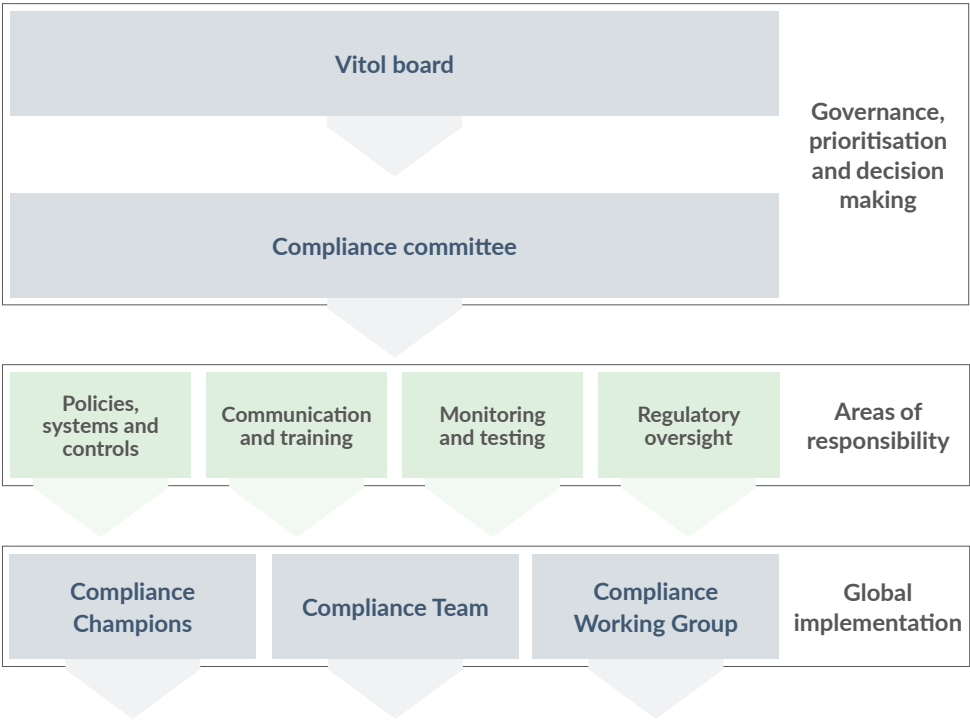
The HSEC function is led by the Head of HSEC and is responsible for ensuring processes are in place to manage and mitigate risk. The HSEC Head reports to the board.

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.

The Compliance Programme



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 the Compliance Working Group (CWG) 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 management in the fulfilment of their compliance responsibilities, which include demonstrating the effectiveness of compliance in relation to regulatory and corporate 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 CWG. The CWG was created to help ensure Compliance initiatives can be effectively implemented across Vitol both technically and commercially. The CWG is comprised of senior members of the regional compliance teams as well as senior representatives of the front office, risk and support functions. It supports designated initiatives and provides a dedicated group outside the compliance team to review and champion compliance activities. The programme is reviewed annually, after the CWG has completed an assessment of the compliance and reputational risks faced globally.

The global compliance team comprises experienced professionals in London, Houston, and Singapore. Compliance liaises with, and draws additional resources from, other risk functions to ensure an integrated approach to implementing the programme.

Compliance policies

Alongside its Code of Conduct, Vitol has implemented policies and procedures that detail the standards expected of all employees in relation to business ethics and conduct, as

well as ensuring compliance with all applicable laws, rules and regulations. In some instances, regionally-specific policies will be included.

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 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 (direct or indirect) and its 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 Journal Official, 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.

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 whistle-blowers. 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.

Third Party Intermediaries acting for, or on behalf of Vitol (agents)

- Vitol understands the risks involved in working with agents and the importance of continuously reviewing its systems and controls in this regard. Hence the process of engaging and overseeing these relationships includes completion of an internal and external questionnaire (or the renewal equivalent)
- The questionnaires ensure a detailed rationale for use of the proposed or renewed agent, as well as ensuring that all information necessary to assess their competence in delivering the proposed services is provided
- Vetting and sign off of the completed questionnaires and required documentation is conducted by the Head of Compliance
- Approval process for the appointment and renewal of agents also requires the approval of a board member
- The agency agreement is only valid for 2 years with no automatic renewal. All renewals require renewed due diligence, including review of past performance and validation of business need
- Activation and amendments of information related to agents in Vitol's back-office system can only be undertaken by the Head of Compliance or Head of Credit
- All agent-related invoices have to be approved individually by the Head of Compliance prior to being processed for payment

Our stakeholders

“Our business’s license 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 engages directly with all relevant stakeholder groups.

We appreciate that our business’s license to operate is not a given right, but one that must be earned through responsible operations and gaining the trust of all our stakeholders.

We recognise the important role that NGOs, the media, and others play in society in holding businesses to account. 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.

Other stakeholders:

The public are important but (mostly) indirect stakeholders of the company. There are mechanisms via the website for anyone to raise an issue with us. Mostly, however, Vitol considers the press and NGOs proxies for the public and the mechanism through which issues of public concern are raised, as well as the principal means through which Vitol communicates with the public.

Impacted communities

We seek to develop two-way communication channels with relevant stakeholders to ensure Vitol and local HSEC 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 HSEC impact assessment, we seek to engage and consult with all relevant impacted stakeholders, including disclosing information to affected communities throughout our operations.

Employees

Employees are one of Vitol’s most important stakeholder groups. We rely on their expertise, commitment and professionalism for the business to function and succeed. They are also our owners and hence there are governance processes in place to ensure appropriate challenge and review of board decisions.

Stakeholder map

Direct stakeholders		Indirect stakeholders	
Ongoing dialogue	Ongoing dialogue	Indirect communication	
Employees	Compliance/sustainability functions of counterparts and financing banks	Public	
Customers and counterparties	Governments		
Financing banks	NGOs		
Governments	Press		
Co-investors	Regulators		
Regulators			
Impacted communities ¹			

¹ On a project basis.

Material topics raised by stakeholders

Topic	Stakeholders	Response
Anti-bribery and corruption	Banks Governments Regulators Media NGOs	<p>Vitol is committed to supporting all initiatives that aim to fight bribery and corruption. For this reason, Vitol is an active participant in both Swiss and OECD anti-corruption initiatives and engages with any country looking to address this issue.</p> <p>Vitol believes that robust governance processes and strong controls are key to addressing the risk of corruption.</p> <p>These include:</p> <ul style="list-style-type: none"> ▪ Due diligence of trading counterparties and intermediaries ▪ Monitoring and control of payments ▪ Open and transparent tender processes ▪ Clear buyer / seller selection criteria and process, for government-led tenders <p>The procedures are in line with the JMLSG Guidelines and are reviewed and updated on an ongoing basis.</p> <p>Transparency through, for example, reporting and reconciliation of transactions, can be used as a tool for addressing corruption. Any reporting must be fit for purpose, that is, clear, reconcilable and easy to understand. Vitol continues its engagement with the Extractive Industries Transparency Initiative (EITI) on the first trade reporting template for buying companies.</p> <p>Vitol already reports EITI-related payments in accordance with the framework determined by a member country as per the EITI rules.</p> <p>Information provided by the reporting of transactions, including their price, needs to be understood by the external stakeholders reviewing such information for it to be meaningful. The pricing of transactions in the oil market is highly complex and subject to multiple parameters. Hence, the need for well-defined and robust processes.</p> <p>Vitol engages directly with any relevant stakeholders on ABC issues.</p>
Transparency	Banks Media NGOs	<p>For some time, Vitol has engaged proactively with a wide range of direct stakeholders. Notwithstanding, Vitol recognises that, despite being a private company, there is increased interest in the manner in which the company operates and is evolving its communications accordingly.</p> <p>More specifically, Vitol has received queries from stakeholders pertaining to its position with regard to transparency of payments, which is detailed above.</p>
Diversity	Banks Media Employees	<p>Vitol values diversity and the value it brings to the business, and its employees represent 65+ different nationalities.</p> <p>We acknowledge that there are areas where the company should seek to improve, most notably in respect of the proportion of women in commercial roles.</p> <p>Given that women are poorly represented across the sector and that hiring senior women from other companies would not address the underlying issue, Vitol is seeking to address matters through increasing the number of women at entry level.</p>
Sustainability	Banks NGOs Employees	<p>The issue of sustainability is pertinent across the business and is addressed throughout this report.</p>



Switching business process to support the fight against Covid-19

Vivo Energy Kenya used its blending plant to help fight Covid-19 in Kenya. Responding to a government request for assistance, the general manager of the plant and his team converted the facility and began producing hand sanitiser. They were able to produce 500,000 litres of hand sanitiser and package it into 31,000 cartons. The project involved coordinating with multiple stakeholders, including government agencies.

This was the first time the plant has been used to blend products for domestic use. Normally it produces lubricants for equipment. To meet safety standards and safely blend ethanol with an alcohol content of 96.6%, the plant needed an intensive, deep clean before blending could begin. A full risk assessment and management of change review was carried out. The raw materials were supplied by the government and stock monitoring and control steps put in place. The team worked with plastic packaging suppliers to develop appropriate packaging. Three days after the project started, the first delivery of hand sanitiser was achieved.

Our people

“People are focused on delivering results efficiently and safely in a positive environment.”

Vitol has a flat, meritocratic organisational structure. It believes this helps enable an entrepreneurial and collaborative ethos, where people are focused on delivering results efficiently and safely in a positive environment.

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

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.

Diversity

Diversity is good for business. Our colleagues comprise people with diverse backgrounds, perspectives and insights, which in turn contributes to improved decision-making and more robust and sustainable business practices.

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 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
- employees are actively encouraged to suggest lateral hires from diverse backgrounds

- qualified ethnic minority candidates are offered interviews as a matter of policy
- targeted university outreach program

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

Training and Development

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 offerings focused on enhancing specific skills and technical capability, as well as business and markets knowledge. This may also include selective sponsorship to external programs 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.

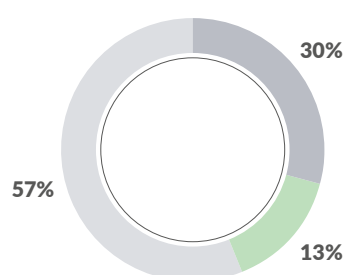
In addition to an annual performance evaluation which enables performance and career development to be assessed in detail with management, regular ongoing feedback is encouraged. There are formal and informal mentoring initiatives as well as global high-potentials programmes and our people have access to senior leaders across the organisation through a structured Business Briefing Series. Moreover, leadership development and coaching is offered by invitation to ensure the next generation is equipped to lead our business and the organisation into the future.

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 we operate and is preparing to report against the Swiss Gender Equality Act during 2021.

Employees by region

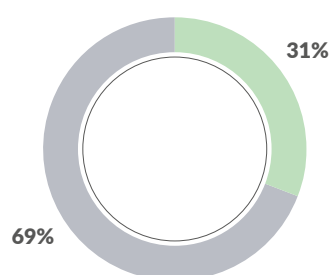
(1,400+ full time employees)

**Key**

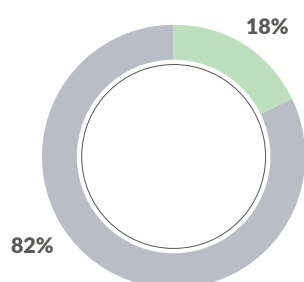
- Americas
- Asia Pacific
- EMEA

Gender split of Vitol employees

(1,400+ full time employees)

**Key**

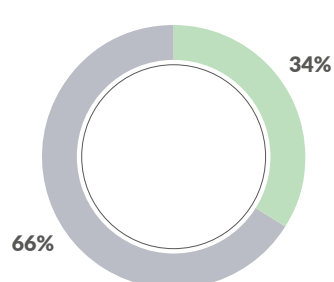
- Female
- Male

Gender split of professionals¹ globally**Key**

- Female
- Male

Ethnicity data US offices

(331 full time employees)

**Key**

- Historically Underrepresented Groups² (114)
- White (217)

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.

² Historically underrepresented minorities: African Americans, American Indians and Alaska Natives, Hispanics (or Latinos), Native Hawaiians and other Pacific Islanders.

“Vitol’s culture originates over 50 years ago with its founders and their combination of entrepreneurship, determination to succeed, integrity, hard work and humility.”

Ethics and behaviour

Vitol’s culture is integral to the business. It characterises the way its people work, creates an optimal working environment and underpins its success. It is owned by the board. Vitol’s culture originates over 50 years ago with its founders and their combination of entrepreneurship, determination to succeed, integrity, hard work and humility. As Vitol has grown, its leadership has been mindful 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 how people work, as well as what they achieve. The Code of Conduct outlines how we expect our employees to behave in given circumstances, and our commitment to our employees. A broader set of behaviours which underpin our culture are detailed below.

Our behaviours

Behaviour	Definition	How we work
Ambitious	Take the initiative and continuously strive to be and do better	Identify and seize opportunities
Entrepreneurial	Seek out opportunities and work hard to make them a success	
Efficient	Focus on successful outcomes and optimise time and resources	Get things done
Collaborative	Together we achieve more	
Responsible	Assume ownership and accountability for our actions	In the right way
Respectful	Treat everyone with respect	
Honest	Be honest with ourselves and others	
Humble	Never forget how much we owe to good fortune	
Kind	Be kind and consider those less fortunate than ourselves	



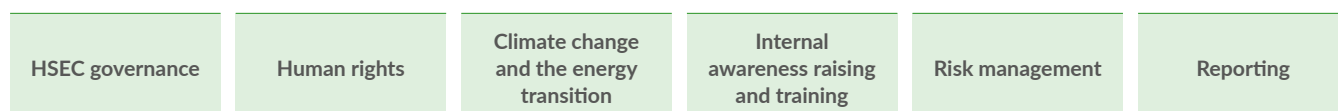


An engineer aboard an FPSO, offshore Ghana

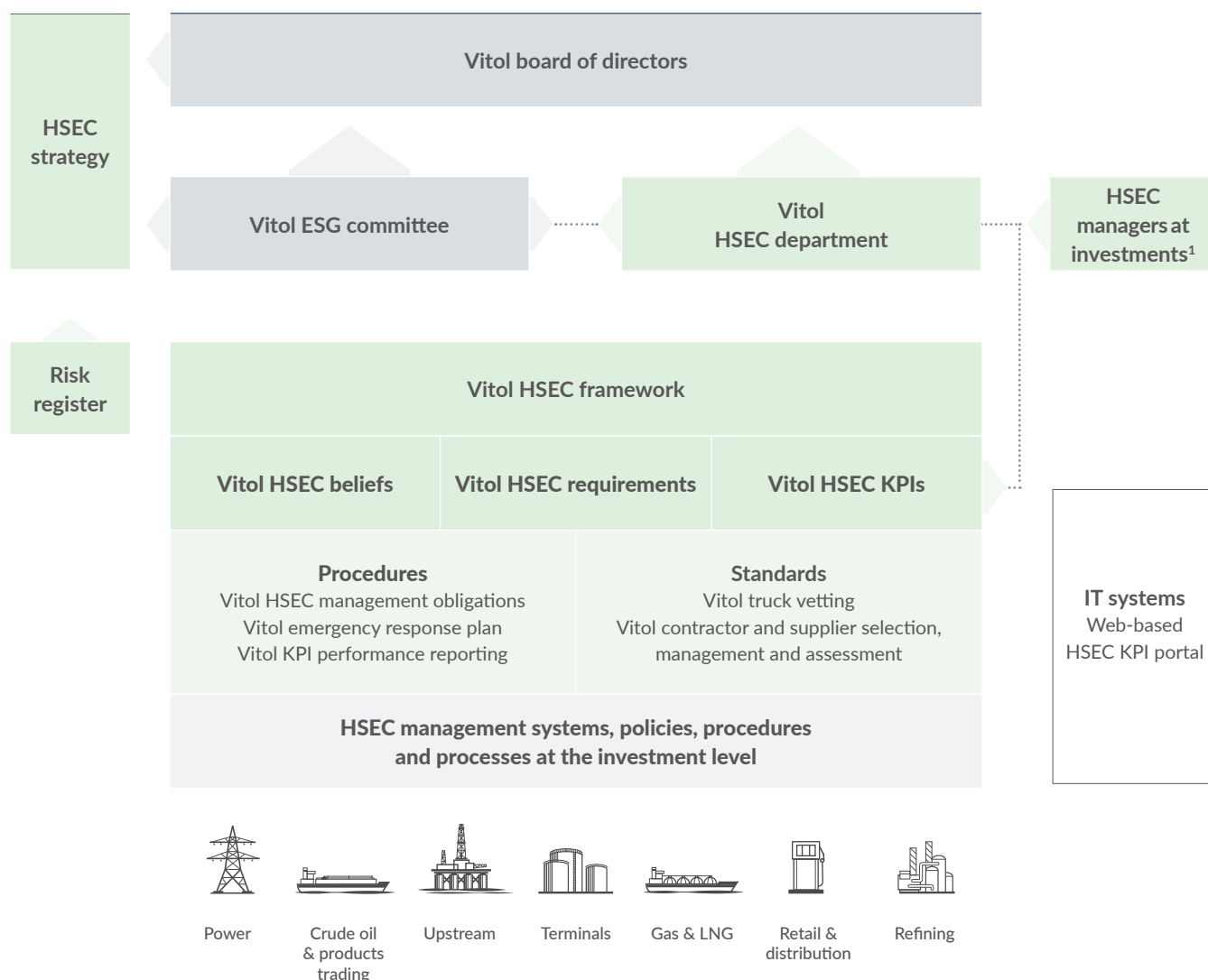
HSEC governance

HSEC strategy

The HSEC strategy was created in 2019. This was then refined in 2020 with a three-year outlook. The HSEC strategy covers six pillars:



The schematic below depicts our overall approach to HSEC management:



¹ Depends on ownership structure. HSEC manager reports to the asset manager with a dotted line to the Vitol HSEC function.

“Since its inception, Vitol has been focused on the safety and environmental risks associated with its operations.”

HSEC framework

Since its inception, Vitol has been focused on the safety and environmental risks associated with its operations. We have also, over time, invested in physical assets with their own specific HSEC standards. Some of our assets are majority owned and controlled and others via partnerships or minority stakes.

Vitol developed an HSEC framework in 2019 to establish a common standard. The framework was produced following an extensive internal consultation, as well as a desktop review of practices employed by companies in which Vitol holds equity. The resulting HSEC 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 HSEC framework sets out the requirement for key performance indicators (KPIs) covering HSEC-related metrics to be submitted to Vitol.

Engagement with investments

Vitol is working with operations teams, joint venture partners and companies in which it has invested to implement this framework, drive evolution in ESG thinking and to support our investments from an ESG perspective. Vitol acknowledges that it will take time to fully embed the framework consistently across all activities and companies, but we are working hard with our partners to achieve this.

Additional procedures sit beneath the HSEC framework, e.g. Vitol HSEC 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. Vitol will add to these procedures and standards where we see risks that need to be monitored and managed.



Engagement with investments to drive change and enhance governance

As a longstanding shareholder in Wentworth Resources (AIM: WEN), Vitol has played an active role in the development of Wentworth's inaugural ESG strategy. Wentworth's focus is to underpin long-term sustainable growth by delivering returns for investors, whilst mitigating its core ESG risks and creating positive social impact for communities across Tanzania.

Wentworth is a leading domestic natural gas producer in the country with a core producing asset at Mnazi Bay in the onshore Rovuma Basin in Southern Tanzania. The demand base in-country is growing and, with an ambitious universal energy access target set by the Government for 2030, Wentworth has a critical role to play in ensuring a reliable, affordable and growing supply of natural gas to the local market. This is essential to transform the lives of millions who lack access to power.

Vitol has worked closely with the Wentworth management team to identify its material ESG metrics, prioritise transparent reporting and disclosure of its core ESG risks, and better understand and quantify the direct and indirect impact of its natural gas supply on socio-economic outcomes for Tanzania. We are supporting Wentworth on the development of its emissions reduction strategy.

Wentworth published its inaugural 2020 Sustainability Report in H1 2021, aligned with the Sustainability Accounting Standards Board (SASB) framework.



"Vitol has played an integral role in supporting Wentworth in the development of our ESG strategy. This strategic partnership has been one of mutual growth, enabling Wentworth to not only maintain our robust financial and operational performance, but also strengthen our role as a responsible, sustainable business, delivering transformational growth for Tanzania."

Katherine Roe, CEO, Wentworth Resources

40+ KPIs

covering human resources, personal safety, process safety, environment, auditing, human rights and community matters

HSEC performance monitoring

Vitol's key performance indicators (KPIs) were reviewed in 2019 in consultation with a selection of companies in which it is invested, to include a broader and more inclusive set of metrics. As a result, the number of data points reported to Vitol increased from 360 per quarter in 2018 to more than 1,300 per quarter in 2020. Monitoring KPIs enables Vitol to understand performance and take appropriate action, report performance to the ESG committee and the board, and adjust the HSEC assurance programme as appropriate.

Vitol has more than 40 KPIs covering human resources, personal safety, process safety, environment, auditing, human rights and community matters. The key metrics are reported in later sections.

HSEC 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 International Association of Oil and Gas Producers (IOGP) and the World Business Council for Sustainable Development (WBCSD). During 2020, all HSEC KPIs submitted to Vitol in the prior two 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 the HSEC performance of any investment in which we hold shares. All investments with operational activities (e.g. a refinery, retail stations, a pipeline, solar park) where Vitol holds an equity interest must report the relevant HSEC KPIs, regardless how small the percentage of equity ownership. Vitol has more than 40 businesses reporting data on a quarterly basis via our web-based HSEC platform, developed in-house in 2020.

On-site HSEC assurance

Vitol first implemented a formal risk-based HSEC assurance programme across our investments in 2019. Each year, investment companies are visited and audited against the HSEC framework. 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.

The same methodology is followed for each audit: the completion of an HSEC questionnaire supplemented with on-site testing to ensure the robustness of controls. Any observations are ranked against the Vitol risk matrix, discussed with management and recommendations for improvements 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. HSEC findings of particular concern are reported to the board, and the Head of HSEC will work with the relevant department or company to implement the required changes. Observations are followed up quarterly.

In 2019, ten assurance reviews were undertaken:

- Adinkra Storage Company, Ghana
- Vana Energy Limited, Ghana
- Geo-Alliance Oil & Gas Public Limited, Ukraine
- Hascol Petroleum Limited, Pakistan
- Terminal Rio Bravo, Mexico
- OVH Energy, Nigeria
- E&P project, Mexico
- PT Vivo Energy, Indonesia
- VPR Energy B.V., Netherlands
- ATB-Processing Unit, Malaysia

Vitol's HSEC department undertakes additional ad-hoc assurance and advisory work to support the business, e.g. for new business activities or when entering into new jurisdictions. For example, Vitol HSEC reviewed new business activities in 2020 in East Africa as part of an asset investment decision.

Incident management

Vitol has a formal incident management process in place. 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.



A colleague at Vana Energy, Tema, Ghana

Vitol's incident management system ensures any incident outside of the HSEC 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, HSEC, management, insurance managers plus the Vitol CEO. This system provides 24-hour, 365-day coverage.

HSEC due diligence

Vitol undertakes HSEC 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 rights holders, as well as the business activities and other factors.

HSEC network and training

Vitol established an HSEC network in late 2019. The network acts as a sounding board for HSEC, CSR (Corporate Social Responsibility) and ESG managers from the investment companies. Managers are able to seek advice from peers, raise concerns and share results from incident investigations. Throughout the Covid-19 pandemic, the network has provided timely and relevant support around health management and return-to-work initiatives.

During 2019 and 2020, Vitol developed some bespoke training for various internal stakeholders, including our compliance and credit departments, Vitol investments board members and new joiners. The HSEC function, along with our Houston operations department, has provided tailored training to more than 100 individuals since September 2019.

Environmental



Environmental targets 2021

In order to continually improve and strengthen Vitol's approach to environmental matters, the following targets have been set for 2021. Progress against these will be shown in the next report.

Target	Description
E1	Implement a Vitol GHG measurement and reporting standard across all Vitol investments, based on the WBCSD GHG Protocol and IPIECA reporting guidelines
E2	Implement a calculation tool to allow Vitol investments to measure their GHG footprints based on the WBCSD GHG Protocol and IPIECA reporting guidelines
E3	Ensure all investments are measuring and reporting emissions to Vitol by 31.12.2021
E4	Report all material scope categories in the 2021 ESG report
E5	Implement ISO50001:2018 standard onboard ships under LSC management by 31.12.2021
E6	Further formalise the Vitol GHG strategy and publish this in the 2021 ESG report
E7	Ensure all Vitol investments are reporting freshwater extraction data by 31.12.2021
E8	10% reduction in environmental exceedances in 2021, with a longer-term aim of zero
E9	Zero prosecutions or enforcement actions by environmental regulatory authorities at Vitol investments
E10	Ensure all Vitol investments are reporting waste figures by 31.12.2021
E11	All relevant Vitol investments to be reporting SO _x (sulphur oxides) and NO _x (nitrogen oxides) data by 31.12.2021

Measuring and reducing GHG emissions

Calculating Vitol's GHG footprint

Key

Segment size (CO₂e)

- >3mt+
- >750kt
- >100kt+
- <100kt
- <10kt

②① Footprint scope '19/20

②① Footprint scope '21

To calculate an accurate and comprehensive GHG footprint for Vitol, both direct (scope 1) and indirect (scope 2 and 3) emission sources were included. 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 other 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.

Vitol engaged PwC to advise us on carbon accounting methods to calculate the 2019 GHG footprint, covering scope 1, 2 and 3 emissions. During 2020, this process was refined and brought in-house.

For the 2019 and 2020 GHG footprints, data was collected from various sources. A thorough approach in line with WBCSD GHG Protocol and the IPIECA GHG reporting guidelines was adopted.

In line with the WBCSD GHG Protocol's guidance, Vitol determined its organisational boundaries by applying the operational control approach for 2019 and 2020.

Vitol's GHG footprint by segment¹

	Upstream	Power generation	Trading (incl. shipping)	Refining/processing	Other mid/downstream
Scope 1 activities	Fuel combustion of operationally controlled E&P entities (incl. entities acting as E&P operators for non-owned fossil fuel production) ②①		Fuel combustion on operationally-controlled vessels ②①	Fuel combustion in operationally controlled facilities ②①	
Scope 2 activities			Emissions from generating electricity or heat used in Vitol offices ②①	Emissions from generating electricity used in operationally controlled facilities ②①	
Scope 3 activities (by GHD protocol category)	3.11 Use of sold products (products sold by operationally-controlled production assets, 100% combustion assumed) ②① 3.15b: Proportional share of downstream emissions of externally-sold fossil fuels from non-operationally controlled investments. (100% combustion assumed) ②① 3.15a Proportional share of non-operationally controlled investments scope 1 and 2 emissions. ②①	(Renewable assets)	3.1 Opex ②① 3.2 Capex ②① 3.6 Business travel ②① 3.3 Well-to-tank (upstream) emissions of combusted fuel ②① 3.4a Fuel use for transport in 3rd party owned/ operated vessels: tanker charters ² ②① 3.4b Fuel use for transport in 3rd party owned/ operated vessels: Trains/trucks/other ³ ②①		

¹ Broken down by material GHG protocol categories.

² Freight paid by Vitol, excluding barge charters.

³ Freight paid by Vitol, including barge charters.

This approach most closely reflects the direct influence of Vitol over emissions levels and decarbonisation measures. The resulting organisational boundaries and major components of Vitol's GHG footprint, are illustrated in the schematic on the previous page.

Carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) have been included in the footprint calculations, as these are the three main greenhouse gasses contributing over 90% of emissions globally, and nearly 100% of energy sector emissions.

Scope 1 emissions

Scope 1 emissions arise mainly from our shipping activities. Within shipping, we classify emission sources as scope 1 in the following cases:

1. Vessel is part of Vitol's owned fleet, irrespective of vessel use, e.g. vessel chartering within Vitol, spot or time chartering to third parties, or use as floating storage
2. Bareboat chartered-in vessels, i.e. vessels for which Vitol can appoint the crew¹

Scope 1 emissions also originate from operationally-controlled activities in the refining/processing segment and from activities in the upstream segment.

Scope 2 emissions

Our Scope 2 emissions mainly arise from electricity, heat, and steam consumed by operationally controlled activities in the refining/processing segment, storage terminals and Vitol offices.

Scope 3 emissions

As part of our approach to measuring scope 3 emissions, we undertook an exercise to ascertain which of the 15 possible GHG protocol scope 3 categories were applicable

to us and were significant and measurable (or possible to estimate). Then we calculated the likely amount of emissions generated by each category. See Table 1 for the results. This has enabled us to determine the most relevant and material categories.

We have been working to improve the data accuracy and quality underpinning our scope 3 emissions. The principal contributors to scope 3 emissions are:

1. Non-operationally controlled investments (GHG Protocol category 3.15)
2. Third-party transport operations, including ships, barges, railcars, trucks and pipelines (GHG Protocol category 3.4)

Investments

GHG data from our investments are collected quarterly as part of the HSEC KPI reporting process.

Where scope 1 and 2 footprint data were not being recorded, Vitol requested source data, e.g. fuels burned on site, electricity consumption, use of company vehicles, and calculated the emissions associated with these activities on behalf of the relevant investments. Where no data was provided, Vitol made estimations based on appropriate methodologies.

Vitol continues to work with its investments to support them in measuring their GHG footprints and to improve data accuracy. We are developing a Vitol GHG measurement and reporting standard and other calculation tools to support our investments, which will be rolled out in 2021.

For our 2019 and 2020 footprints, we have included scope 1 and 2 emissions from non-operationally-controlled investments (as 3.15a in Table 2). Also, due to its materiality, we have chosen to include emissions from the downstream use of the fossil fuels (as

¹ Excluding some back-to-back arrangements that do not give Vitol the right to appoint the crew.

3.15b in Table 2) that these investments sell (i.e. the category 3.11 - use of sold products in our scope 3 footprint).

Transport

Scope 3 transport emissions are excluded from the 2019 and 2020 footprints. We have undertaken some estimates of the emissions arising from these activities (Table 1), but the calculations contain many assumptions and estimations which could lead to material inaccuracies. To calculate our scope 3 shipping emissions (spot and time-chartering activities) more accurately,

Vitol has started to collect relevant data, such as bunker fuel usage, with the support of a third-party provider. This will enable Vitol to calculate scope 3 shipping emissions based on actual fuel consumption, rather than estimates. Vitol is also working to improve data collected for other third-party modes of transport.

Vitol recognises the importance of reporting scope 3 emissions in full, but more time is needed to improve the accuracy of our data set. Full scope 3 data will be reported for the categories outlined in Table 1 in the 2021 ESG report.

Table 1: Relevant scope 3 categories for Vitol

Scope 3 category	Description	Applicable	Significant	Measurable	Estimated emissions (K tCO ₂ e)	First year of reporting
3.1	Purchased goods and services	Y	Y	Y	<100	2021
3.2	Capital goods	Y	Y	Y	~500	2021
3.3	Fuel and energy-related activities not included in Scope 1 or Scope 2	Y	Y	Y	~500	2021
3.4	Upstream transportation and distribution	Y	Y	Y	8,000 - 10,000	2021
3.5	Waste generated in operations	Y	N			n/a
3.6	Business travel	Y	Y	Y	<100	2021
3.7	Employee commuting	Y	N			n/a
3.8	Upstream leased assets	N				n/a
3.9	Downstream transportation and distribution	Y	Y	N		n/a
3.10	Processing of sold products	Y	N			n/a
3.11	Use of sold products	Y	Y	Y	16	2020
3.12	End-of-life treatment of sold products	N				n/a
3.13	Downstream leased assets	N				n/a
3.14	Franchises	N				n/a
3.15	Investments	Y	Y	Y	7,422	2020

Vitol's 2019 and 2020 GHG footprints

A summary of Vitol's 2019 and 2020 GHG footprint is shown in Table 2. The largest contributors are direct emissions from shipping and indirect emissions from our non-controlled investments. Vitol's scope 1 and 2 emissions were 1,277K tCO₂e, up 14% from 2019, due to the inclusion of newly-

built vessels and the associated annualisation effects of including emissions based on the date of completion of the underlying voyage. Based on the scope 3 categories we have reported, our 2020 scope 3 emissions of 7,437K tCO₂e, increased by 9% compared with 2019. Our total direct and indirect emissions amounted to 8,714K tCO₂e in 2020.

Table 2: 2019 and 2020 GHG footprint¹

K tCO ₂ e	Upstream		Power generation		Trading (mainly shipping)		Refining/ processing		Other midstream		Downstream		Vitol total	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Scope 1 emissions	27	19	-	-	801	952	269	283	2	2	0	0	1,098	1,256
Scope 2 emissions	0	0	-	-	2	1	13	17	3	2	0	0	18	21
Scope 3 emissions	3,931	4,570	2,115	2,162	0	0	-	-	27	26	739	678	6,812	7,437
3.11 Use of sold products	18	16	-	-	-	-	-	-	-	-	-	-	18	16
3.15a Investments' scope 1 & 2	210	197	2,115	2,162	0	0	-	-	27	26	739	678	3,091	3,064
3.15b Investments' scope 3.11 use of sold products	3,703	4,357	-	-	-	-	-	-	-	-	-	-	3,703	4,357
Total direct emissions	3,958	4,589	2,115	2,162	803	954	282	300	31	30	739	679	7,929	8,714

¹ Totals may differ slightly due to rounding numbers to the nearest 1Kt CO₂e.

Humber Zero

Humber Zero is a large-scale industrial decarbonisation project located in the north of England, which aims to build a scalable solution for a low-carbon future across the Humber industrial region. The project hopes to remove up to 8M tCO₂ per annum by the mid-2020s, with the potential to remove up to 40M tCO₂ per annum by 2040. In early 2021, Humber Zero secured £12.5 million in funding from Innovate UK, the UK Government's innovation agency.



Decarbonising our operations

Decarbonisation focuses on reducing GHG emissions across our investments, transport and offices to reduce the carbon intensity of our business. We have made progress under each of these areas.

Investments

Vitol is engaging with the main investment companies contributing to our GHG footprint via our board participation. Vitol has developed a questionnaire covering energy transition topics including stakeholder expectations, strategy, measurement, target setting, decarbonisation projects, regulatory regimes, offsetting and reporting. Engagement is important to understand and support our investments in terms of climate mitigation strategies in the near term, and any plans related to the energy transition in the mid-term.

Progress has been made at a number of investments, for example our VPR refinery in Rotterdam and the UK-based Humber Zero project via our shareholding in VPI Immingham.

Transportation

Our initial focus has been on shipping, since this is the largest contributor to Vitol's direct emissions.

Vitol has identified and is assessing a number of technical and practical measures

to mitigate emissions across our fleet. 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.

Vitol-owned vessels

The vast majority of Vitol-owned vessels are managed by our technical manager, LSC, which brings a number of benefits from an ESG perspective. Each vessel has a tailored Ship Energy Efficiency Management Plan (SEEMP). Its purpose is to improve the energy efficiency of a vessel's operation. This includes minimising energy waste, promoting energy efficiency awareness, implementing vessel and voyage energy strategies to minimise energy usage, and promoting co-operation with commercial operators, charterers and others to facilitate energy-efficient operations. Vitol will further enhance the SEEMPs in line with new requirements, for which guidelines will be published at MEPC 76 (Marine Environment Protection Committee).

There are multiple benchmarks and metrics to measure the Carbon Intensity (CI) of vessels. Vitol aims to meet all targets and continues to focus on improving the CI of all vessels under our control. Vitol will strive to exceed CI benchmarks in line with International Maritime Organisation (IMO) targets and embrace other appropriate, evolving industry metrics and benchmarks.



VPR Energy

VPR Energy, a 100,000 bpd refining facility in Rotterdam, has increased its energy efficiency in 2020 by approximately 15% and has reduced CO₂ emissions by 11% per unit of throughput since 2017. This was achieved by identifying stages in the refining process where energy could be saved or reused. This included integrating a balanced draft system and an air preheat exchanger in the process furnace of the refinery which redirects energy from hot flue gasses to be reused to preheat air for combustion, thereby making the furnace more efficient and reducing fuel requirements and carbon emissions. Currently, VPR is working on plans to recover more of the heat present in products post-distillation to heat feedstock.

“Vitol has identified and is assessing a number of technical and practical measures to mitigate emissions across our fleet.”

- In terms of the Poseidon Principles (PP) targets for CI, the majority of Vitol-controlled vessels met these for 2020. For those vessels that did not, this was as a direct result of trading patterns resulting from the Covid-19 pandemic. We will extrapolate the PP targets for future years using the PP trajectory and this will feed into our GHG strategy
- The IMO has adopted an Energy Efficiency Existing Ships Index (EEXI) at MEPC 75. The calculation methodology will be made clear at MEPC 76 in June, 2021. Vitol has undertaken various studies with Classifications Societies throughout 2020 and we will meet new EEXI requirements (which come into force in October 2022/January 2023)
- The methodology for calculation of CII (Carbon Intensity Indicators) will also be finalised at MEPC 76. Ships will be assigned a rating (A to E) with C being the average (par) rating. Ships with a D rating for three years or with an E rating will need to submit a plan of corrective actions that must be verified

For 2021 and beyond, LSC will adopt and develop an ISO50001 strategy and energy efficiency targets. We will continue to actively engage and review solutions to improve the carbon intensity of our existing fleet.

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. Vitol will adapt chartering policies and techniques to minimise scope 3 emissions.

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 performance. We have therefore created an environmental policy covering energy, waste and water management, and have identified green champions to roll out the policy across our main offices.



Ground-mounted solar park at Ramapo, New Jersey, USA

Environmental performance

“We have seen an 11% reduction in freshwater extraction, a 23% reduction in environmental exceedances, but a 3% increase in total waste generated.”

Vitol has seen a marked reduction in environmental exceedances in 2020. Our focus during 2019 and 2020 was to ensure data reported by our investments was accurate, to enable us to set targets for 2021 and beyond.

Our investment companies are proactive in their approach to improving resource management and Vitol recognises this can improve operating performance and positively impact a range of stakeholders. We have seen an 11% reduction in freshwater extraction, a 23% reduction in environmental exceedances, but a 3% increase in total waste generated.

Waste management

Three quarters of our investment companies record non-hazardous or hazardous waste data quarterly. All aim to prevent or minimise waste production and reuse or recycle materials where possible. Vitol aims to have all investments reporting this data each quarter during 2021.

In 2020, companies in which we are invested generated approximately 600,000 tonnes of waste representing a 3% increase compared with 2019. 96% of this waste was hazardous and 94% of total waste was either diverted from landfill, such as sulphur, caustic, used catalyst, and sludge mixed with mulch to produce compost at a refinery. Or recovered as a by-product, e.g., coal dust from train carriages at a terminal in Mozambique.

Water

Over 70% of Vitol investments are reporting freshwater extraction data quarterly. Vitol plans to have all companies reporting this in 2021 and to establish reduction targets in the future. Power generation and refining require a higher volume of freshwater extraction compared with other activities and, as

such, five investments comprise 97% of total freshwater extraction volume. Vitol's water extraction figures compare favourably with our peer group. The figures below show an 11% decrease compared with 2019 largely as a result of a 15% decrease at one investment company.

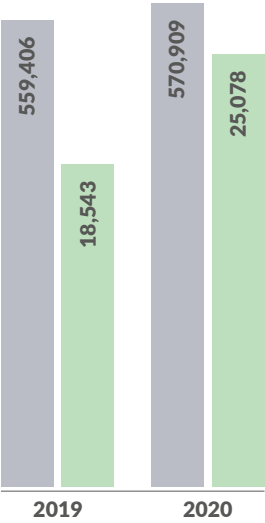
Environmental exceedances

Exceedances are defined as events where external environmental limits are surpassed. Examples of such limits include pH and total organic content in wastewater effluent, or SO_x (sulphur oxides) and NO_x (nitrogen oxides) released to the air. Vitol's long-term aim is to have zero environmental exceedances. However, in the short-term, we aim for a 10% annual reduction in environmental exceedances year-on-year, which was achieved in 2020, with the number of exceedances falling from 78 to 60.

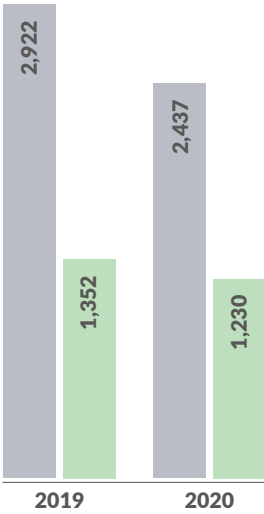
In 2020, there were two enforcement actions by environmental authorities at our investment companies. One was issued by the local marine department in Mozambique due to spillages during vessel-loading activities. Actions to address this issue are ongoing. The second enforcement action occurred in the Netherlands due to an emission limit exceedance as a result of water treatment plant performance; the cause of which has since been resolved.

This compares with three enforcement actions by environmental regulatory bodies in 2019 across the Vitol investment companies. Our target for 2021 is zero prosecutions or enforcement actions and we encourage all companies in which we are invested to proactively report and resolve these when they do occur.

Waste management – non-controlled investments
metric tonnes



Waste management – controlled investments
metric tonnes



Key

- Hazardous waste
- Non-hazardous waste

Freshwater extraction
m³



Key

- Non-controlled investments
- Controlled investments

13.06.2018

Social



The image shows a man in a high-visibility yellow and blue vest, looking down at a document he is holding. He is standing in front of a large wall of multiple computer monitors. Each monitor displays a complex technical diagram, likely a circuit board layout or a system architecture, with various components, lines, and labels. The diagrams are rendered in blue, green, and yellow colors on a dark background. The man is wearing an orange lanyard around his neck. The overall scene is a control room or a technical workspace.

The control room at VNT, Latvia

Social targets 2021

In order to continually improve and to strengthen Vitol's approach to social matters, the following targets have been set for 2021. Progress against these targets will be shown in the 2021 ESG report.

Target	Target description
S1	Zero fatalities
S2	A 10% annual reduction in the TRIR and LTIF
S3	Expand the reporting of near misses and hazards to include all non-operationally controlled investments
S4	Require all investments to report occupational illness to Vitol
S5	A 10% reduction in tier 1 and tier 2 process safety events
S6	All investments to report quantity and type of substance spilled
S7	Zero human rights infringements
S8	Operationally-controlled sites to ensure security protocols are aligned with the Voluntary Principles on Security and human rights by 31.12.2022
S9	A 10% reduction in complaints at our investments vs the average of 2019 and 2020
S10	Implement second year of Vitol's human rights governance and reporting plan



Crew onboard LSC vessel

Safety performance

Personal safety

Vitol is an energy trading company where most employees are office-based. However, we have invested in a range of complementary energy assets worldwide including a broad range of industrial businesses. We own and operate a fleet of vessels. The operation of physical assets can pose serious HSEC risks. We have focussed primarily on monitoring and prevention efforts within these investments, with an overall philosophy of 'zero-harm'. Our approach includes a commitment to report, investigate and learn from incidents and near misses.

Regrettably, one employee and one contractor lost their lives during 2020. Our employee fell overboard during his ship's gangway preparation off the coast of France. His colleagues immediately activated 'man overboard' and search and rescue operations. Unfortunately, despite repeated search efforts, he could not be located. Lessons from this tragic event and the resulting investigation were shared with other vessels while re-training, internal audits and actions to improve safety culture and emergency response training were initiated.

A serious incident occurred during pipeline modifications at a terminal in Turkey, operated by one of our investment companies, which resulted in three contractors and one employee being injured. One of the contractors sadly passed away two weeks

later in hospital. Lessons from the incident have been cascaded to the relevant teams and personnel. The firefighting drill and training programme were amended to incorporate some of the actions identified during the incident investigation. A 'Stop Card' safety culture programme, combined with additional safety training and site visits, has been initiated.

We are deeply saddened by these losses and are committed to learning from them.

Vitol aims for a zero-harm approach, but recognises incidents can occur. We have set a target of a 10% year-on-year reduction in both 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 (RWI), Lost Time Injuries (LTI) and Fatalities per million work hours. The LTIF is the total employee and contractor work-related Lost Time Injuries per million-work hours. For shipping, exposure hours are recorded according to the OCIMF "Marine Injury Reporting Guidelines" definition. The TRIR and LTIF unfortunately increased by 16% and 10% respectively in 2020.

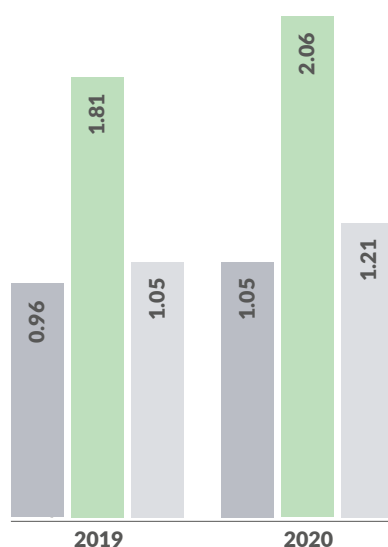
To improve personal safety standards and identify the required remedial actions, an analysis of root causes for all safety incidents in 2020 was conducted for the ships under LSC's technical management. The results will feed into future training.

"The Vitol safety philosophy is one of zero-harm."

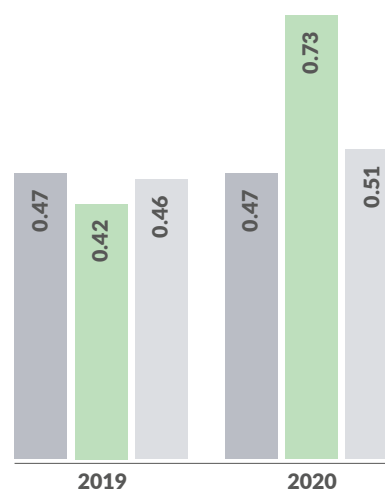
Key

- Non-controlled investments
- Controlled investments
- All Vitol investments

Total Recordable Injury Rate (TRIR)



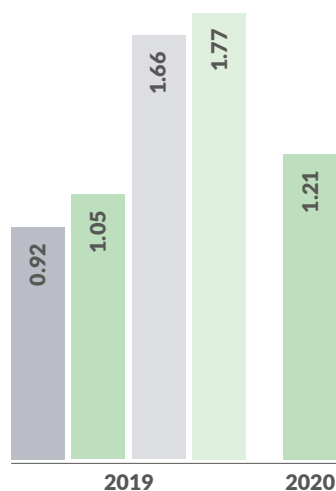
Lost Time Injury Frequency (LTIF)



Key

- IOGP: Overall¹
- All Vitol investments
- Concawe: European downstream²
- Competitor benchmark

Total Recordable Injury Rate (TRIR) benchmark



When compared with a selection of our peers and oil majors, as well as Concawe and The International Association of Oil & Gas Producers (IOGP), Vitol's safety performance is broadly in line with the overall IOGP TRIR.

Despite a 16% increase in the Vitol TRIR during 2020, the performance has remained low relative to the competitor benchmark.

¹ IOGP (2020) IOGP safety performance indicators – 2019 data series.

² Concawe (2020) European downstream oil industry safety performance. Statistical summary of reported incidents 2019. Report No. 11/20. Brussels: Concawe.

High potential incidents and near miss reporting

All investment companies are required to report, investigate and learn from near misses. Vitol also records quarterly the number of hazardous situations identified by our investment companies. In 2021, we will aim to expand the data collection efforts to collate more examples that can be shared. This will assist our investment companies in strengthening health and safety cultures and can prevent future incidents.

The number of high-potential near misses decreased in 2020. We encourage the companies in which we are invested to share key lessons from these and from less serious near misses across the Vitol HSEC network. In 2021, we will promote this network further and will be adding more managers from our investments.

Road safety

The Road Traffic Incident Frequency (RTIF) decreased from 0.41 in 2019 to 0.34 incidents per million kilometres driven in 2020. Our 2019 frequency is the same as the 2019 Road Accident Rate of 0.41 published by Concawe, which collates data from the European downstream oil industry. Our performance compares favourably to our peers who reported an average rate of 0.83 in 2019. All contractor incidents are included in the RTIF, whether the contractor or contractor vehicle is dedicated for Vitol use or not.

We screen our hauliers through compulsory supplier and contractor questionnaires provided by the compliance department, supplemented with more in-depth due diligence by the HSEC department for certain companies. Trucks are inspected by our haul-

iers as part of ongoing inspection and maintenance programmes. The Vitol truck vetting standard created in 2020 is being rolled out for certain partners in road transportation to ensure that the trucks we use to transport our products are fit for purpose. Vitol tested the application of the truck vetting standard and undertook a broader HSEC review with partners in East Africa during 2020. The implementation of the programme is highlighted in the case study on page 58. Globally, this work and effort directly contribute to target 3.6 under UN SDG 3 to halve the number of global deaths and injuries from road traffic accidents.

Occupational health

In terms of safeguarding employee and contractor health, 2020 was a challenging year as a result of the Covid-19 virus. HSEC managers from investments shared information as part of the Vitol HSEC network on issues such as use of personal protective equipment (PPE), health monitoring and social distancing techniques, as well as safety around returning to work.

Everybody had a role to play in safeguarding people's health and some of our investment companies, such as Vivo Energy Kenya, adapted their businesses to support the community (see pg. 27). This action contributed to preserving good health and wellbeing in line with UN SDG 3.

In 2021, Vitol will collect work-related occupational illnesses data from all investment companies, in line with industry recognised definitions, establishing a baseline year for this metric. We will review ongoing performance and devise appropriate improvement programmes as required.

ASAS approach to HSEQ

ASAS Group of Companies is a Vitol partner in road transportation. Its trucking and haulage services cover East and Central Africa with a particular focus on the DRC, Tanzania, Zambia, Malawi, Rwanda, Burundi and Uganda. ASAS believes business can only flourish in societies where human rights are protected and respected. It recognises businesses have the responsibility to respect human rights and are able to achieve a positive impact. ASAS prohibits any type of discrimination or infringements upon labour rights and is committed to safe and healthy working conditions and the dignity of the individual.

Safety as a 'core value' not just a priority

ASAS is uncompromising in its commitment to the health and safety of employees, subcontractors, customers and community. Everyone is responsible for achieving 'zero injuries, zero fatalities and zero spillages'. It is devoted to being a leader in safety training and keeping employees informed on all HSEQ issues. ASAS has robust certified HSE management systems (ISO 45001:2018-Occupational Health and Safety Management System and ISO 14001:2015-Environmental Management System). These two systems have enabled the company to have effective driver recruitment policies and procedures, driver training, monitoring systems (90% coverage of own fleet) and emergency preparedness and response for numerous possible situations.

Performance

With more than 500 trucks each covering between 80,000-100,000 km annually, operations must be closely monitored to improve performance.

Since 2016, ASAS has achieved an 80% reduction in injuries and spillages, a 63% reduction in driver violations, 47% reduction in breakdowns and improved near miss reporting while maintaining zero work-related fatal incidents since 2016.

"No job is so important and no service is so urgent that we cannot take time to perform our work safely."

Director, Faraj J. Abri



Process safety

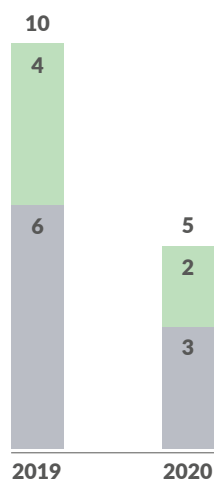
Spills and spill prevention

A spill is defined as an unplanned or uncontrolled release of hydrocarbons or chemical substances to the ground or water. The number of large spills (>100L) remained broadly constant moving from 52 in 2019 to 53 in 2020. Small spills (<100L) increased from 108 in 2019 to 153 in 2020, largely due to improved reporting. Vitol aims for zero spills, but recognises unforeseen events can occur. Many of the companies in which we are invested have intermediate targets to reduce

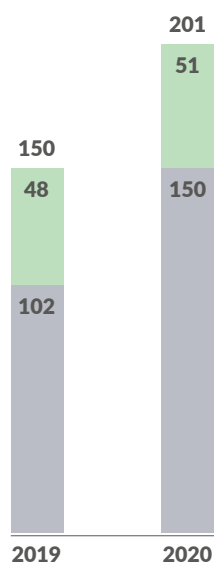
spills each year. Some have implemented improved reporting programmes, for example the 'even a drop' initiative at Petrol Ofisi, whereby all losses of containment are reported regardless of volume.

We have undertaken an initial assessment of spill volume for 2019 and 2020 and will require our investment companies to include additional data on quantity and type of substance spilled, as part of the quarterly KPI reporting in 2021. This work contributes to preserving the environment in line with UN SDG 14.

Number of spills – controlled investments



Number of spills – non-controlled investments



Key

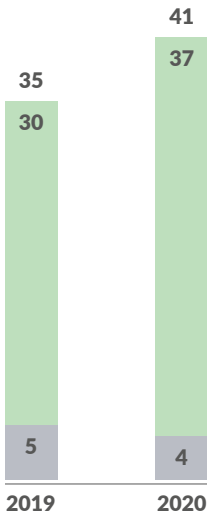
- Number of spills >100L
- Number of spills <100L

Process safety events

A tier 1 Process Safety Event (PSE1) is an unplanned or uncontrolled release of material which results 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 event results in less severe consequences.

There have been zero process safety events at controlled investments in 2020, whereas at non-controlled investments the number of tier 1 incidents decreased from 5 in 2019 to 4 in 2020. Tier 2 incidents increased from 30 to 37. The zero-harm objective also applies to process safety where we aim to have zero tier 1 and tier 2 process safety events. Where this is not possible, we aim for a 10% reduction year-on-year.

Process safety events – non-controlled investments



Key

- Process safety events – Tier 1 (PSE1)
- Process safety events – Tier 2 (PSE2)



A colleague at the Geelong refinery, Viva Energy, Australia

Human rights

Human rights range from the most fundamental, such as the right to life, to those rights that make life worth living. These include access to health, education and food. Vitol views human rights as part of an overall approach to ESG. Human rights risks vary according to business activities, geographies and other factors relevant to individual situations. Many topics outlined in this ESG report can impact an individual's human rights, for example the effect of climate change or personal safety risks. It is a complex and important matter for Vitol to manage.

This section of the report sets out what Vitol is doing to address human rights, notably in the context of the UN SDG 10.

Embedding human rights

Vitol seeks to respect human rights through out all our business activities. A commitment to human rights is well embedded within our corporate governance framework. Human rights beliefs and requirements are reflected in the Vitol HSEC framework and within the broader set of behaviours which underpin Vitol's culture:

- Support and work towards the principles outlined in the UN Sustainable Development Goals and Guiding Principles on Business and Human Rights
- Ensure a diverse and inclusive workplace, free from discrimination regardless of age, gender, race, cultural heritage, ethnicity, sexual orientation, religion or disability
- Ensure compliance with legal requirements regarding working hours, conditions and pay
- Pay additional attention to vulnerable or marginalised groups who may be at greater risk of negative human rights impacts
- Prohibit forced, enslaved, trafficked or child labour with no tolerance of physical or verbal abuse or workplace harassment
- Respect employees' rights to join, form or not to join a labour union and commit to bargaining in good faith with their representatives

Human rights monitoring and due diligence

KPIs related to human rights monitoring are reported by investment companies to the Vitol HSEC department each quarter. KPIs include: Human rights breaches (such as discrimination, inadequate working conditions, harassment, verbal or physical abuse, forced labour, child labour, unacceptable working practices of security personnel, infringement of indigenous rights for employees, contractors, communities or other stakeholders), complaints, prosecutions or enforcement actions by environmental regulatory authorities and the percentage of sites with armed security.

As with all business activity, Vitol's supply chain is subject to our compliance programme and is covered by the KYC policy. The KYC policy ensures Vitol's counterparties, trading and non-trading, have been vetted.

Employee grievance process

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 is 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. Employees have a right of appeal against the outcome of the grievance procedure.



A cobbler established in business as part of the Livelihood Restoration Plan in Sankofa, Ghana

Integrity Hotline

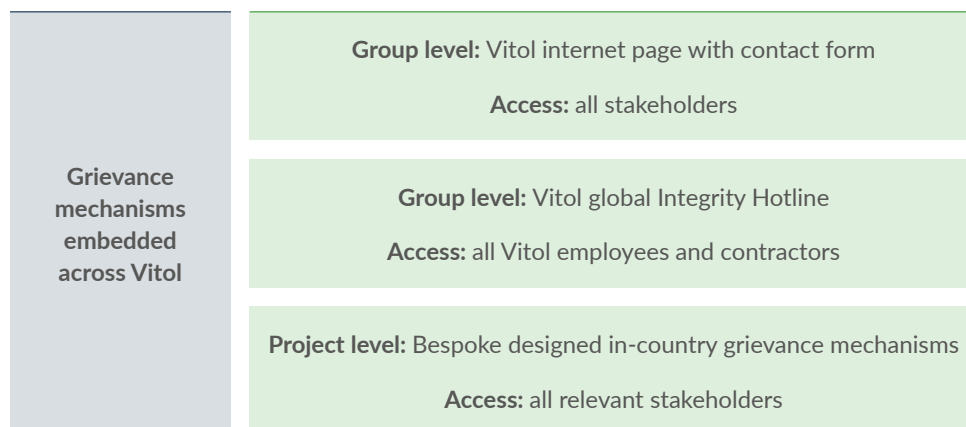
In 2020, we instituted a global Integrity Hotline. Operated by an independent third party, the hotline enables employees to raise any issues of concern with senior management, anonymously and in confidence. The issues are dealt with by the most senior member of the relevant department and, in the instance 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.

Grievance mechanisms

The diagram below details the three different types of grievance mechanisms embedded within Vitol's business. Each mechanism is tailored to the geography, the project and also the risk to the person reporting. Stakeholders have access to these processes and should feel appropriately empowered to use them. Our approach is to take all grievances seriously and ensure there are never any

negative consequences to raising a potential issue. The approach to dealing with grievances varies by mechanism.

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 promote responsiveness and respect for local concerns throughout the project lifecycle. Stakeholders are informed about the grievance mechanisms available through ongoing community engagement, with public hearings and grievance signboards located at community sites. Stakeholder access to the grievance mechanisms are through multiple channels including email, suggestions and complaint boxes, or face-to-face meetings with community liaison officers.



Salient issues

Salient human rights issues are those matters that stand out because of their significant potential negative impact. The concept of salience should be seen from the perspective of risk to people, or the rights holder, not to the business. But where risks to people's human rights are greatest, there is generally a strong correlation with business risk.

Vitol monitors our salient risks across various geographies in the course of reviewing our business activities. Salient topics include health and safety, working hours, and seafarers' rights – but there is more work to be done to build up a complete picture. Our next report will include more detail around our most salient issues and the programmes we are developing.

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 it is committed to acting professionally, fairly and with integrity in our business dealings and to 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 Responsible Business Initiative (RBI)

In November 2020, the Swiss population voted on a proposal relating to the jurisdiction in which companies should be held to account for their actions, or lack thereof.

The proposal was rejected at the cantonal level, although the initiative succeeded in capturing 50.7% of the popular vote. The counter-proposal to the RBI will therefore be implemented giving rise to increased reporting

and due diligence requirements. It is likely to take a number of months before the counter-proposal is implemented – probably in 2022. We are actively following the development of the law and continue to strengthen our approach to ESG governance in preparation.

Shipping

Neptune Declaration on Seafarer Wellbeing and Crew Change

Shipping is a key activity for Vitol and the welfare of seafarers is of paramount importance. Via our technical manager, LSC, we work to maintain our employees' wellbeing on the ships we manage. We set specific KPIs to monitor this. Throughout the Covid-19 pandemic, seafarers have struggled as they have been forced to spend extended periods of time at sea, due to crew change restrictions imposed by Port States and limited flight opportunities to repatriate. The welfare and health of our seafarers and those of third parties has been a key consideration throughout this period.

At any one-time, we have in excess of 900 seafarers at sea. We have taken a proactive approach to looking after the welfare and happiness of crews. These measures include:

- Introducing Seafarer Happiness Indexes to enable us to benchmark happiness vs the industry. Our seafarer happiness is higher on every metric than the industry average
- Improving broadband access to enable crews to communicate more regularly with family and friends
- Increasing the level of entertainment and activities onboard vessels (including quizzes across vessels, gyms, sporting facilities)
- Deviating vessels and chartering private flights to facilitate crew changes and ensure, wherever possible, we have been able to limit the extension of crew contracts on vessels
- Deviating vessels to protect the mental and physical wellbeing of crew

The Global Maritime Forum, together with the International Transport Workers Federation (ITF) and the World Economic Forum

“Shipping is a key activity for Vitol and the welfare and wellbeing of seafarers is of paramount importance.”

(WEF), has set up an initiative for owners, operators, ship managers and charterers alike to sign a Declaration of Intent called the 'Neptune Declaration on Seafarer Well-being and Crew Change', which is intended to highlight four key issues relating to crew wellbeing:

- Recognise seafarers as key workers and give them priority access to Covid-19 vaccines
- Establish and implement gold standard health protocols based on existing best practice
- Increase collaboration between ship operators and charterers to facilitate crew changes
- Ensure airline connectivity between key maritime hubs for seafarers

Vitol supports this declaration and is a signatory since early 2021.

Social performance

In 2020, Vitol recorded two formal personnel complaints at our investment companies. One case related to harassment and the other related to a supplier who displayed aggressive behaviour towards a salesperson. The companies involved investigated these incidents and took appropriate remedial actions. These incidents were considered 'minor' in terms of Vitol HSEC risk matrix

classification when reviewing them from the perspective of the rights holder and the surrounding circumstances.

Security

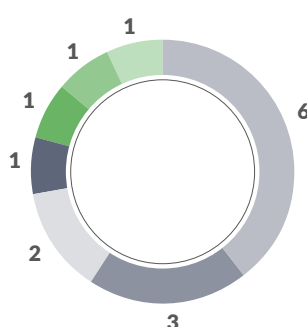
Certain Vitol industrial sites require armed security. Vitol will work to ensure operationally-controlled sites have security protocols aligned with the Voluntary Principles on Security and Human Rights by the end of 2022.

Complaints

Companies in which Vitol is invested received 17 complaints in 2019 and 15 in 2020. In 2020, 12 of those related to issues at one location including vessel noise, damage to goods in transit, odour, air or water quality concerns. The remaining complaints comprised vessel noise in a harbour in Australia, coal dust in a rail-loading facility at a terminal in Mozambique, and a safety concern from a community in proximity to a retail station in Nigeria. Vitol reviews all complaints and ensures that they are adequately remedied. For 2021, Vitol has set a target to reduce complaints by 10% when compared with the average over the last two years. This target relates to all investments in which we hold equity.

Throughout 2021, we will work with our investment companies to reduce complaints as well as undertaking more work around salient issues.

2020 complaints



Key

- Noise
- Damage to goods in transit
- Odour
- Water quality
- Fugitive dust
- Safety concern
- Air quality

Communities

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

Ghana Livelihood Restoration Plan

Vitol, with its partners in Ghana, created a targeted Livelihood Restoration Plan (LRP) in the western region of the country which aimed to help communities impacted by the onshore gas receiving facility of the Sankofa Gye Nyame oil and gas development, 60km offshore Ghana. Eni, the Ghanaian Government, and the World Bank are partners in this project, ensuring a secure supply of gas to Ghana's power sector.

In its first phase, the LRP gave initial food support to affected families. In the second phase, households were offered training and equipment they needed to start new commercial enterprises. Financial training was provided to ensure businesses were managed sustainably going forward. New businesses were started as a result including chicken farming, hairdressing, fish farming, cobbling and soap making.



Community engagement in Malaysia

Employees at ATB, VTTI's Malaysian terminal, have been engaged in the local community for several years. Initiatives have focussed on rebuilding homes for families living in poverty and supporting education initiatives. ATB has been supporting two schools for more than six years to improve facilities and offer support to students.





The Vitol Foundation

Vitol's charitable giving began in 2002 and the Vitol Foundation was formally incorporated in 2006. The Foundation invests in projects with the potential to create large-scale impact in low and middle-income countries and generate sustainable social returns. Its purpose 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 takes employee engagement seriously and regularly communicates project updates and fundraising opportunities to Vitol employees. They are actively encouraged to participate in Foundation projects. This creates a sense of shared community and aligns with Vitol's ethos of humility. The Foundation allocates funds to initiatives through Vitol's network of offices and has run an annual employees' nomination programme worldwide, donating to 10 charities voted for by employees. It matches funds raised by employees through direct activities, such as the New York Marathon in support of Grassroot Soccer.

Since its incorporation, the Foundation has invested more than \$200m in projects across the world. In 2020, the Foundation approved 76 new grants across 48 countries and at year-end was supporting 122 active projects across 112 organisations. The Foundation operates independently of Vitol's business interests and supports work throughout the world.

In recent months, the Covid-19 pandemic has highlighted how the most vulnerable in society have been affected by the public health and socio-economic implications of the disease. Responding to the pandemic has driven innovation at the Foundation as it responds to immediate challenges whilst continuing to support projects' long-term objectives.

The Foundation works with charities/NGOs, the private sector, governments, public institutions and international partners to maximise the impact of its funding. Where possible, we look to strengthen existing 'in-country' systems or support innovative solutions that have the potential to bring sustainable change. We measure impact through improved performance, increased inclusion, fostering innovation and catalysing access to finance. The broad variety of work means success is measured against specific indicators set for each grant. These could range from improved access to maternal health care, to training women to open up job opportunities in construction, from improving STEM education, particularly for girls, to rehabilitation of water infrastructure.

The Foundation has four key programme areas: 1) Education, 2) Enterprise and Livelihoods, 3) Health, 4) Water, Sanitation and Hygiene (WASH). It also supports the delivery of humanitarian relief in emergencies and protracted crises and the work we fund is framed by the UN SDGs, especially UN SDG 2 (zero hunger), UN SDG 3 (good health and well-being) UN SDG 4 (quality education),



Children learning at school in India



Children in class

UN SDG 6 (clean water and sanitation) and UN SDG 9 (decent work and economic growth).

Education: our focus is on improving access to quality education for children and young people to equip them with the relevant skills from the early years until they transition into employment. We achieve this by supporting Early Childhood Development (ECD) programmes and encouraging transformation in education systems. As an example, in 2020, we began supporting Able Child Africa to broaden its reach into Malawi. Over the next three years our funding will benefit around 5,000 children with disabilities aged three-to-five through ECD.

Enterprise and Livelihoods: we aim to improve economic opportunities for people in poverty through the maintenance and creation of sustainable employment and by addressing systemic inequality in a creative way. In Assam, India, for example, we are supporting an initiative to supply tea pickers, the majority of whom are women, with affordable eyeglasses. By improving access to eyeglasses, individual productivity can increase by up to 30%, and workers, paid for the amount they pick, can significantly enhance their incomes. The aim is to provide up to 1 million tea pickers with appropriate eyewear.

Health: we support local organisations and communities to provide sustainable access to affordable, quality health services. We prioritise investment that increases demand for health services. Working with governments and public sector stakeholders, we look to improve service delivery and access to care. An illustration is our most recent grant to Last Mile Health, which aims to reach 1,195,000 people in Liberia with a team of more than 1,000 directly supported community health assistants (out of 4,000 nationally in the Government of Liberia's national strategy that Last Mile is helping to implement).

Water, Sanitation and Hygiene Strategy (WASH): we support work to improve WASH services such as safely-managed water and sanitation services, including through innovative financing and business solutions. A typical example from the WASH portfolio would be Village Water: our recent grant to them in rural Mozambique and Zambia aims to increase access to sanitation by 156%, reduce waterborne disease by 70% and reach more than 830,000 people.

Humanitarian emergencies: we provide rapid funding to people and communities in the aftermath of conflict and natural disasters. By way of example, after the explosion in Beirut in August, 2020, that inflicted around \$15 billion worth of property damage and displaced an estimated 300,000 people, the Foundation was able to respond quickly, supporting three local NGOs to provide medical assistance and rebuild homes and businesses.



A tea picker in Assam, India



“The impact of Covid-19 has pushed ESG even higher up the corporate agenda. The momentum around climate change, carbon neutral commodities and greener trading activities has accelerated dramatically during 2020. Green and sustainability-linked financing has become commonplace and this trend is set to continue. The landscape is changing.

“Vitol views all topics under the broad banner of ESG with equal importance and continually strives to better our performance across our trading companies in which we are invested and our offices, year-on-year. Key focus areas in 2020 were the HSEC performance of the companies in which we are invested, working on energy transition topics as well as further formalising our approach to social matters.

“We do not have all the answers to the complex challenges we face, but we see this report as an important first step to provide transparency in how we are addressing these challenges. We welcome any feedback that you may have.”

Benjamin Winterton, Head of HSEC, Vitol

Glossary

ABC	Anti-Bribery and Corruption
API	American Petroleum Institute
CCGT	Combined Cycle Gas Turbine (gas-fired power station)
CCS	Carbon Capture and Storage
CHP	Combined Heat and Power (gas-fired power station with thermal steam recovery)
CI	Carbon Intensity
CII	Carbon Intensity Indicators
CO ₂	Carbon dioxide
CSR	Corporate Social Responsibility
ESG	Environmental, Social & Governance
EV	Electric Vehicle
EEXI	Energy Efficiency Existing Ship Index
EITI	Extractive Industries Transparency Initiative
GHG	Greenhouse Gas
GRI	The Global Standards for Sustainability Reporting
HSEC	Health, Safety, Environment, Human Rights & Communities
ICE	Internal Combustion Engine
IMO	International Maritime Organisation
IOGP	The International Association of Oil and Gas Producers
IPIECA	International Petroleum Industry Environmental Conservation Association
ITF	International Transport Federation
KPI	Key Performance Indicator
KYC	Know Your Customer
LCFS	Low Carbon Fuel Standard
LNG	Liquefied Natural Gas
LRP	Livelihood Restoration Plan
LTI	Lost-Time Injury
LTIF	Lost-Time Injury Frequency
MEPC	Marine Environment Protection Committee
MTC	Medical Treatment Case
NGO	Non-Government Organisation
NOx	Nitrogen oxides
OECD	Organisation for Economic Cooperation and Development
OSHA	Occupational Safety and Health Administration
PPA	Purchase Power Agreement
PP	Poseidon Principles
RBI	Responsible Business Initiative
RINS	Renewable Identification Numbers
RWI	Restricted Work Injury
SREC	Solar Renewable Energy Credits
SEEMP	Ship Energy Efficiency Management Plan
SOx	Sulphur oxides
Swiss SECO	State Secretariat for Economic Affairs
tCO ₂ e	Tons of Carbon Dioxide Equivalent
TRIR	Total Recordable Injury Rate
US OFCAS	Office of Foreign Asset Control
UN SDG	The United Nations Sustainable Development Goals
WBCSD	World Business Council for Sustainable Development
WEF	World Economic Forum
WfE	Waste from Energy
WtE	Waste to Energy



Crew onboard the Elandra Maple

