



Climate-related governance

TCFD disclosures



## Climate-related governance: Board's oversight and management's role

**The Vitol Board sets our business strategy.** Climate-related matters are carefully considered and an integral part of the Board's deliberations when reviewing our overall strategy, endorsing budgets, challenging business plans, and overseeing major capital expenditures, acquisitions and divestments.

The Board also evaluates the effectiveness of our practices and systems to identify, mitigate or manage climate-related risks and opportunities across our trading activities and investment portfolio, ensuring they remain effective, up-to-date and consistent with good industry practice.

Finally, it monitors climate-related information through quarterly Board meetings and more frequently via Board members participating in the ESG committee<sup>1</sup> and working groups that are part of the Vitol energy transition initiative (VETI), as well as through open dialogue with the ESG and other functions, which provide regular updates throughout the year.

**A broad range of management is also fully involved in these efforts, with representation in all governance bodies, across all regions (Americas, EMEA, APAC) and major functions (origination, investments, multiple trading matrices, shipping, research, IT, ESG, compliance, legal, tax, HR, communications, treasury).**

Cross-department collaboration supports the integration of climate-related risks and opportunities into decision-making, with clear accountability and responsibility assignment:

- The Vitol CEO is accountable for strategy development and execution, including ESG and energy transition, in consultation and collaboration with the Board
- The chairman of the ESG committee is a Board member and responsible for ensuring that the ESG committee's terms of reference are followed. The remit of the committee also includes climate-related matters
- Vitol's Head of ESG reports directly to the Board, and is responsible for ensuring processes are in place to manage and mitigate risks relating to environmental and social governance topics, including climate-related matters.

**Climate-related information processes are summarised in the chart on the next page,** alongside role, meeting frequency and composition of the main governance bodies. This approach matches VETI's three objectives and nine workstreams:<sup>2</sup>

### 1. Grow low-carbon opportunities

- Our Alternative energy working group covers sustainable investments
- Vitol Energy Transition Solutions (VETS) covers trading opportunities
- Our GHG trading group covers environmental products and solutions.

### 2. Manage climate-related risks and decarbonisation

- Vitol Investments, ESG, Operational Risk, Internal Audit and Legal departments coordinate with our investment portfolio
- Our GHG shipping group covers shipping-related climate risks and opportunities
- Vitol green office champions<sup>3</sup> cover offices and business travel.

### 3. Provide transparency and take action through coordination of IT, ESG, and Communications departments to cover:

- Data and reporting
- Energy transition planning
- ESG communications.

Additionally, our Regulatory working group keeps abreast of policy and legal risks and opportunities potentially impacting Vitol globally.



1. The ESG committee is responsible for reviewing and considering the ESG impacts of the business, and operates in line with formal terms of reference. It meets every six to eight weeks, with quarterly reporting to the Board. Its members comprise the Chief Information Officer (CIO), the Head of Utilities of Vitol Inc., the Head of Asia, the Head of ESG, the Head of Compliance, the Chief of Staff, the Head of Communications, and the Head of Treasury.

2. Also described in further details on our website (<https://www.vitol.com/about/energy-transition/>) and in our ESG report.

3. Around 25 employees across Vitol main offices meeting quarterly.



# Climate-related governance: information process and flow chart

