
PAYMENTS TO GOVERNMENTS

Gunvor Group supports the EITI, the global standard for improving transparency of revenues from natural resources



Gunvor Group has expressed support for the Extractive Industries Transparency Initiative (EITI) to establish a consistent means by which to reliably report on its payments to governments, with the aim to improve transparency and reduce the potential for corruption in cooperation with these governments.

Gunvor's reporting includes purchases of crude oil and refined oil products acquired from state-owned enterprises (SOEs) in EITI implementing countries (eiti.org). Governments of EITI countries must hold a majority stake (more than 50%) in the respective SOEs. Payments and volumes are aggregated under the parent company. Volume information is presented as available.

Given the complexity of transaction types and variety of data involved in these purchases, Gunvor intends to work closely with EITI, relevant trading peers, and other transparency-related organisations to improve disclosures going forward.

Compliance

For trading worldwide, Gunvor maintains robust checks and balances within its Compliance system to complement efforts in the areas of transparency and ethics:

- Mandatory annual compliance training for all traders, with a focus on anti-bribery and corruption (ABC) policies
- Considerable investment in third-party assessments for agents and counterparties (during 2018, Gunvor used 33% fewer agents year-over-year)
- Independent Internal Audit Department to oversee Gunvor's control functions and trading
- Regular third-party, independent reviews of Gunvor's Compliance function performed by leading external auditors

Sustainability-linked Financing

Gunvor's Payments to Governments report fulfils commitments related to the company's innovative sustainability-linked financing.

In 2018, Gunvor closed a US \$770 million secured borrowing base facility that included performance commitments related to Gunvor's sustainability targets, which are focused on the "environment", "social impact" and "governance"; they specifically address areas like reductions in CO2 emissions, waste and water management, improvements to personnel safety at the refineries, transparency reporting related to feedstock origination (within the parameters of the company's support for the EITI) and others.

Gunvor is the first energy commodities trading company to close a financing in which the interest rate is dependent on the company's year-on-year improvements in these areas. The Facility was arranged by ING Bank.

Questions or comments regarding Gunvor's payments to governments disclosure can be sent to info@gunvorgroup.com

2018

Country	Counterparty	Payments USD	Commodity	BBLS	MT
Cameroon	Société Nationale de Raffinage SA (SONARA)	4,411,441.65	Refined Products		See Note 1
Colombia	Ecopetrol S.A	313,752,191.15	Crude Oil		570,465.00
	Refineria De Cartagena S.A.S	72,773,706.41	Crude Oil		123,305.00
Indonesia	PPT Energy Trading Singapore Private Limited	31,464,130.65	Crude Oil		See Note 1
Iraq	State Oil Marketing Organization (Somo)	267,303,276.50	Crude Oil		420,375.00
Mexico	P.M.I. Trading Limited	1,471,053.34	Refined Products		224,633.00
Nigeria	Nigerian National Petroleum Corporation	150,786,036.34	Crude Oil, Refined Products		276,272.00
Norway	Equinor ASA	2,143,995,403.34	Crude Oil, Refined Products		12,504,070.00
Total		2,985,957,239.38			14,119,120.00

2017

Country	Counterparty	Payments USD	Commodity	BBLS	MT
Azerbaijan	SOCAR Trading (UK) Limited	361,969,821.83	Crude Oil	10,094,245.95	
Cameroon	Societe Nationale de Raffinage SA (SONARA)	14,654,058.38	Refined Products		47,565.49
Colombia	Ecopetrol S.A	221,890,922.17	Crude Oil	4,397,191.00	
Indonesia	PT Pertamina (Persero)	5,465,378.86	Refined Products		11,930.68
Iraq	State Oil Marketing Organization (Somo)	248,318,071.50	Crude Oil	5,100,016.17	
Kazakhstan	KazMunayGas Trading AG	20,906,085.35	Refined Products		41,257.18
Nigeria	Nigerian National Petroleum Corporation	94,678,366.44	Crude Oil, Refined Products	575,206.00	141,044.07
Norway	Equinor ASA	787,208,385.97	Crude Oil, Refined Products	8,470,332.95	1,366,764.08
Total		1,755,091,090.50		28,636,992.08	1,608,561.50

2016

Country	Counterparty	Payments USD	Commodity	BBLS	MT
Azerbaijan	SOCAR Trading (UK) Limited	117,298,212.00	Crude Oil	1,212,833.00	156,991.83
Colombia	Ecopetrol S.A	161,293,869.63	Crude Oil	3,821,986.95	
	Equion Energia Limited	20,015,208.62	Crude Oil	437,016.00	
	Santiago Oil Company	1,836,304.00	Crude Oil	40,094.00	
Côte d'Ivoire	SIR (Societe Ivoirienne de Raffinage)	4,369,600.00	Refined Products		10,000.00
Iraq	State Oil Marketing Organization (Somo)	95,997,386.04	Crude Oil	4,080,961.00	569,605.06
Kazakhstan	KazMunayGas Trading AG	33,287,898.73	Refined Products		77,055.00
Nigeria	Nigerian National Petroleum Corporation	38,163,081.64	Crude Oil, Refined Products	950,468.00	
Norway	Equinor ASA	815,622,815.08	Crude Oil, Products	13,041,952.93	548,265.64
Total		1,287,884,375.74		23,585,311.88	1,361,917.52

1. Net payments pertain to actual cash payments made to state-owned enterprises (SOEs) during the stated calendar year for all crude oil and refined oil products purchases, regardless of the origin of the commodity. We acknowledge that some activity may occur in a different calendar year to the invoice date and may cause some variations in volumes purchased and payments made, such as for prepayments or commodities purchased at the end of calendar year.
2. Gunvor executes offset transactions in which different transactions and their respective payments are offset. This may result in no actual cash payment, such as swap trade between crude oil and refined oil products.
3. Gunvor has not differentiated first-trade transactions based on load port. All purchases from SOEs from EITI countries have been included, regardless of whether the load port was located inside or outside the country of origin.
4. Corporate taxes and license payments to governments are not included.
5. In future disclosures, Gunvor will update information as appropriate, including providing an aggregate total for payments to all governments.