

2018

GUNVOR

## SUSTAINABILITY ETHICS & COMPLIANCE REPORT

Health | Safety | Environment | Human Rights | Communities

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# Introduction

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I am pleased to introduce Gunvor Group's 5th Sustainability Report, the company's annual compilation and analysis of developments related to Gunvor's corporate activities throughout the world. The Sustainability Report covers aspects of how the company manages health, safety, the environment, human rights and community relations, among other areas such business compliance and ethics. Gunvor recognizes its responsibility as a good corporate citizen, and we view that as essential to our continued growth. This report outlines our progress.

Throughout the last year, Gunvor's business has continued to expand in many areas. New joint ventures have been established to reinforce the company's position in the shipping sector. We've continued to make investments in our European refining network. And Gunvor has further developed the Houston trading office, and opened an office in London to support natural gas trading. To keep pace with these developments and others, we at Gunvor view it as important that the company's practices and procedures evolve as well. How we do business must take into account new concerns and awareness to social, environmental, and political issues across the globe.

Correspondingly, in the last year, Gunvor has undertaken numerous initiatives to ensure it is upholding its commitments and in some cases leading the sector. Early in the year, Gunvor expressed support for the Extractive Industries Transparency Initiative (EITI) as a way to combat corruption by promoting transparency and accountability in commodities trading. Gunvor then became the first physical energy trader to close a secured borrowing base facility that includes performance commitments related to Gunvor's sustainability targets. This innovative structure ties the interest rate to the company's year-on-year improvements in areas such as transparency, governance and the environment. The company has also outlined a practical path to implement the United Nations Guiding Principles on Business and Human Rights (the UNGPs) as they relate to the trading sector. And the company has also formalized the Gunvor Foundation to coordinate Gunvor's philanthropic giving around the world.

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These initiatives are on top of the work Gunvor has done to improve standards throughout its oil refineries, enhance coordination across its global trading platform, and further improve the operation of investments in industrial assets.

Details on all of these activities and more will be found in this report, and, as always, we are available to discuss any questions you may have and provide additional information you may need.



Torbjörn Törnqvist  
CEO, Gunvor Group



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## About Gunvor Group

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Gunvor Group is one of the world's largest independent commodities trading houses by turnover, creating logistics solutions that safely and efficiently move physical energy and bulk materials from where they are sourced and stored to where they are demanded most.

Since its founding in 2000, Gunvor has established itself as a leading physical trader and marketer of crude oil, refined petroleum products, natural gas and liquefied natural gas, coal, iron ore, biofuels, power and carbon emissions.

The company also holds strategic investments in industrial infrastructure—refineries, pipelines, storage, terminals, mining and upstream—that generate sustainable value across the global supply chain for its customers by complementing core trading activities.

Gunvor possesses:

- Extensive logistics capabilities
- Advanced risk management systems
- Financing for suppliers and customers
- Global and local market Intelligence

Today, Gunvor continues to fulfil a three-pronged strategy: product diversification, geographical expansion, and selective investments in midstream and downstream energy assets that enhance control over the sourcing and distribution components of trading platforms.

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# Gunvor Group Performance 2018

1,500

Average number of employees worldwide, including at wholly-owned assets such as the Group’s three European oil refineries. In total, female employees make up 44% of Gunvor’s workforce, representing one of the highest percentages in the industry

563

Number of global Gunvor staff that attended the face to face annual compliance training in 2018. This is the 5th year that Gunvor compliance has run its face to face compliance training

14

Number of full time compliance staff in the Gunvor Compliance department. This represents a near doubling of the department size compared with 2016

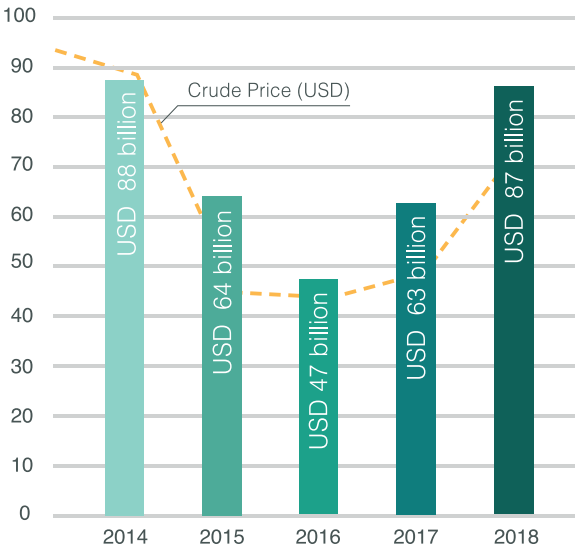
2,003

Number of new business counterparties verified by the Compliance department in 2018

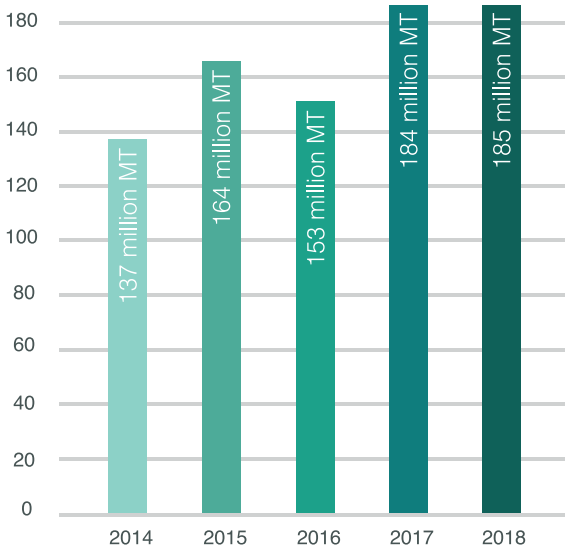
9,228

Number of counterparties and associated individuals screened on a typical day. All of Gunvor’s business counterparties and associated individuals are screened daily through external vendor systems

Revenue



Volume



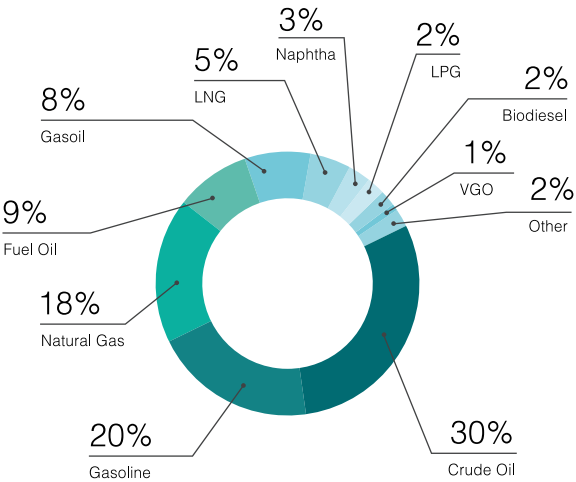
100

Number of countries  
Gunvor trades in

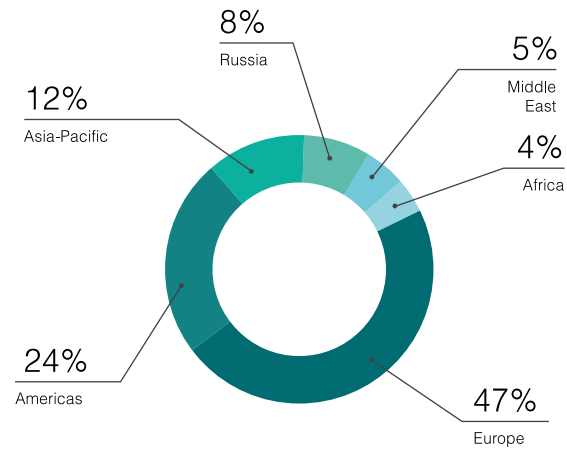
>75

Global banking partners

Sales by Volume



Supply by Region



300,000

Barrels per day of installed refining  
capacity

2.7 MILLION

Number of barrels of oil equivalents  
traded per day



# Case Studies

## Houston - p.68

GOAL

Marine Safety

-

ACHIEVEMENT

Gunvor Operators to Inspection Courses

## New York - p.66

GOAL

Compliance of Terminals

-

ACHIEVEMENT

Checking against highest Standards

GOAL

Columbian Truck Vetting

-

ACHIEVEMENT

For prevention of accidents

## Colombia - p.40

## Belgium/Holland - p.36

GOAL

Sustainable Financing ARA Assets

-

ACHIEVEMENT

Savings go to Gunvor Foundation



## Germany - p.39



GOAL

New ISO certificates for Refineries

-

ACHIEVEMENT

For Occupational Health, the Environment & Energy saving

## Singapore - p.64

GOAL

Automated Screening of >1000 Vessels per Year

-

ACHIEVEMENT

Prevention of incidents

## Nigeria - p.56

GOAL

Human Rights

-

ACHIEVEMENT

Implementing UN Guiding Principles



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## HSEC & Operational Risk Governance

Sustainability is key to Gunvor Group in everything single action that we take. Health, Safety, Human Rights, Community and Environmental topics are the first items discussed at our industrial assets and the Groups' Executive Committee is firmly committed to investing in and supporting this hugely important subject area. In order to grow and operate a successful company, environmental, social and governance (ESG) topics must be well embedded and considered as part of every decision taken.

Gunvor continued to strengthen its Health, Safety, Environment, Human Rights and Communities (HSEC) governance structures, and further embed our Operational Risk framework within certain departments and investments.

## Across Gunvor Group

Gunvor worked on a number of Human Rights related topics, including the findings from the in-depth gap analysis of the requirements of the United Nations Guiding Principles on Business and Human Rights compared with our current approach. As a result, Gunvor strengthened some of our controls during 2018 – including improving legal clauses in all contract templates across the Group, providing training internally and using an external consulting company to both benchmark our approach and advise the Group as to how to improve in the coming years. We shall report back on this important topic in subsequent reports.

Our governance structure continues to evolve, and we are working to continuously improve our performance. A key part of enhancing HSEC governance relates to internal and external communication, education and transparency within the different parts of our business. The latter is a key element of our Group HSEC strategy.

## Policy & Procedures

Our Group HSEC policy sets out our vision and our Operational Risk expectations outline clear high-level principles for everyone who works for Gunvor to adhere to. The latter is available on our website. It is our expectation that all entities with which we do business adopt these or similar standards.

## Reporting & Oversight

We continue to report data pertaining to our Group and refining key performance indicators (KPIs), including personal and process safety, environment and community indicators. To ensure proper and effective corporate governance, our Group HSEC & Operational Risk Committee, comprised of Executive Management, met twice in 2018 as per the terms of reference. The minutes from the Committee are communicated to the Board.



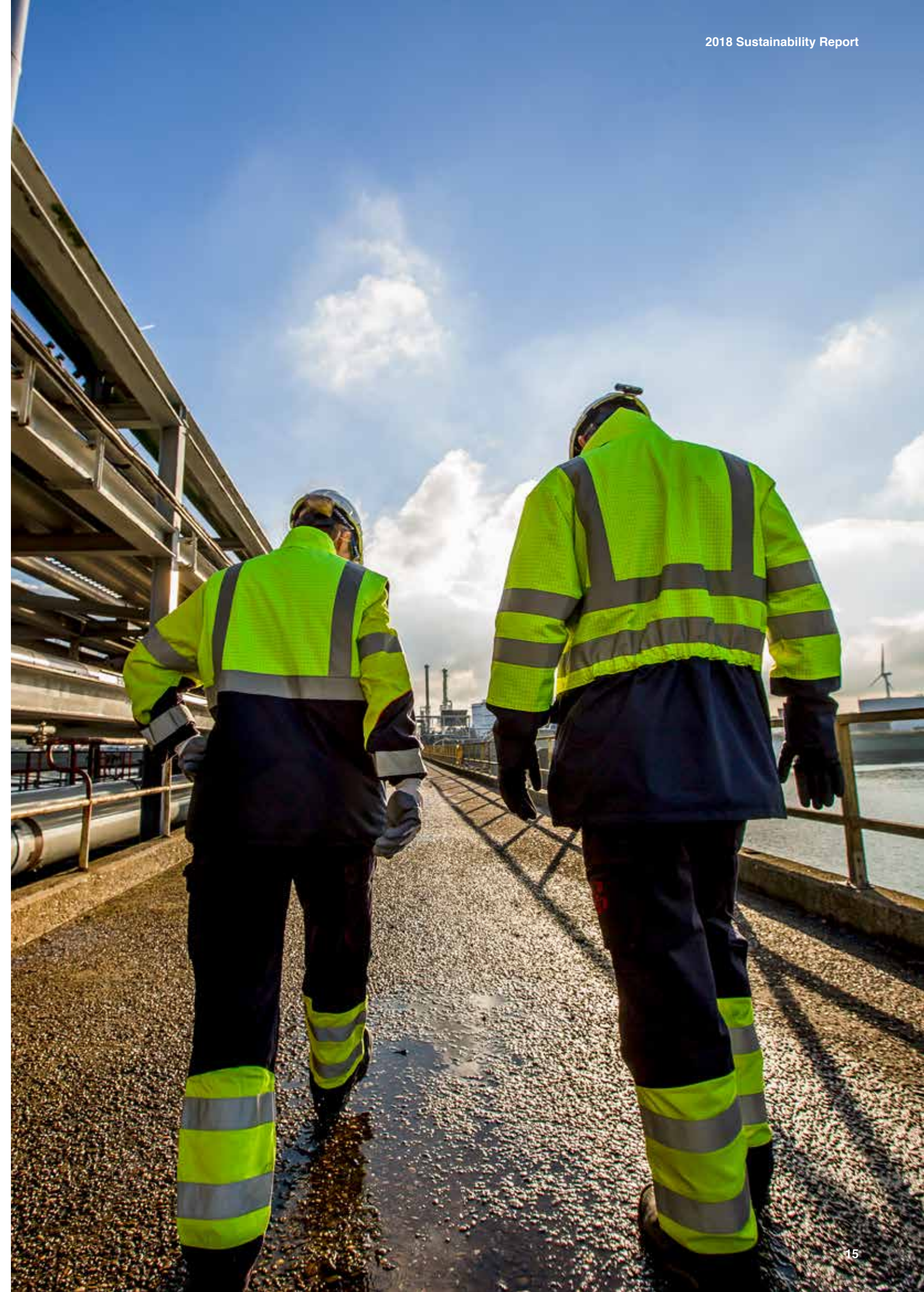
# Gunvor Refining

**The three oil refineries owned by Gunvor continued to perform well in 2018. Gunvor Refinery Ingolstadt (GRI) profited from improvement projects completed during a major maintenance turnaround in the preceding year. Gunvor Petroleum Rotterdam (GPR) brought its tank farm and jetties into a new organisation, called Stargate Oil Terminal Rotterdam (SOTR), to pursue full utilisation of the potential of this location. The Antwerp refinery (GPA) built a new control room for safe operation of the refinery units.**

This section explains examples of improvement projects and the HSEC performance across the refining division and Stargate Oil Terminal Rotterdam.

In 2018 some organisational improvement measures were taken, such as the establishment of an Operational Excellence (OE) team and committee. This group collaborates with the HSEC committee to work together on the HSEC objectives. Resources were added to the Process Safety Network in order to reduce the risks of leaks and other losses of containment across our assets.

The HSEC internal review program, led by our Group HSEC function and which was established in 2016 has been strengthened with larger audit teams spending more time on location. In 2018 the focus was on Mechanical Integrity, in particular the way our sites inspect their equipment and undertake preventive maintenance. This is an extremely important element in the prevention of fires, explosions and other disruptions. The controls surrounding Mechanical Integrity varied by asset, but in general were deemed good by an internal audit team comprised of experts from other assets across the Group. In order to remediate findings, associated actions and achievable due dates have been agreed with site management.







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# Gunvor Refining

## Record Run of Reformer Unit at Gunvor Refinery Ingolstadt

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The Reformer unit is one of the spots at a refinery where naphtha is being upgraded in a gasoline component with high octane rating. This takes place in reactor vessels that contain a catalyst, which needs to be regenerated periodically. To enable a regeneration the refinery unit needs to be shut down and it is economically beneficial if large run lengths can occur between regenerations.

In 2018, a regeneration took place after the longest and most successful run of the Reformer unit to date. All-time highs were recorded, not only in terms of run length, also for the throughputs and yield rates. The projects implemented during the 2017 turnaround, such as the renewal of the catalyst and the installation of a new main distillation column are some of the key factors responsible for this success story. The new column results in a better fractionation so that the naphtha that is fed into the Reformer unit contains less heavy molecules. The latter results in a higher yield and lowers the rate of coke formation so that the catalyst lasts longer.

The shut down for the regeneration in 2018 was taken as an opportunity to undertake additional works: key maintenance measures, including improvements defined in the equipment strategy, were implemented during the event. The scope of work included installation of new pipe bundles for heat exchangers; cleaning of heat exchangers in the crude oil preheat train; material upgrades and replacements of pipelines in various areas; various statutory inspections; reactor skimming; replacement of absorber mass (to reduce moisture in recycled gas); decoking of the furnaces in the crude oil preheat trains; integration of a new cooling water pipe; upgrade of mechanical seals and instrumentations and other items.

Because of these changes, the energy consumption has been reduced and the production has been made more sustainable.

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## Gunvor Refining

New control room to better  
protect workers from blasts

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Gunvor Petroleum Antwerpen (GPA) started the construction of a new control room in 2017 and completed the work in 2018.

This is 50 years after the refinery was entered into service, in 1968. GPA celebrated its 50th anniversary on September 22<sup>th</sup> 2018 together with its personnel and their families and welcomed 600 guests.

The new control room is a further step in the ongoing modernization of the GPA-site. It offers much better protection to the operators as it is blast proof and situated further away from the process units. This will allow continuous operation in case of major incidents. The new control room also houses the terminal operators, which in the past were situated at a different location.

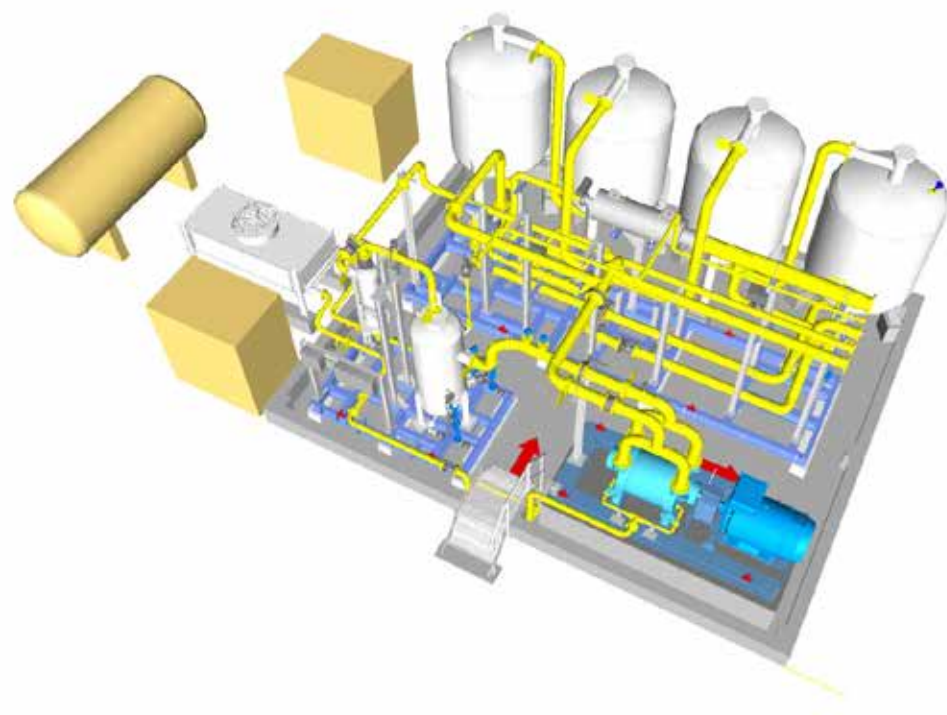
The new control room consists of three zones with separate access control. Zone one contains the permit-to-work office, where work permits are issued to contractors after completion of safety checks. Zone two is the shift controller's office, the shift handover room and a technical training center. The main part (zone three) is the console room from where the panel operators control the entire plant. The console room is operated in line with the "Silent Console Room" concept.

In connection with the new control room, a digital communication system is being installed with a local antenna system.

The new work environment and improved communication systems will contribute to the safety of the site and its workers.







## Gunvor Refining

### Emissions reduction at Stargate Oil Terminal Rotterdam

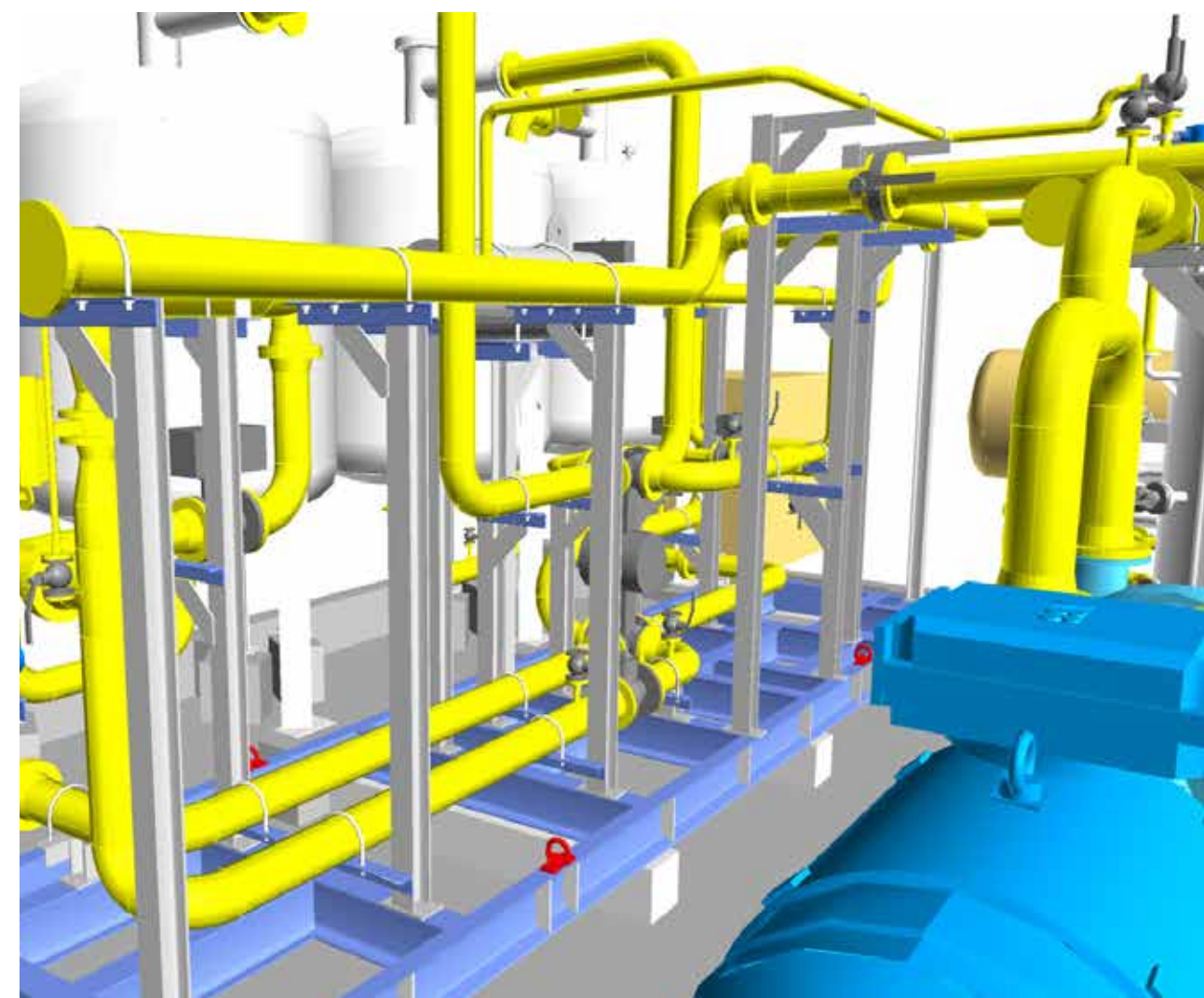
When vessels, barges, tanker trucks or rail wagons are loaded with petroleum products, the internal hydrocarbon vapours need to find a way out. To ensure that this does not contribute to air pollution, Gunvor refineries have installed vapour recovery systems. These systems remove most of the hydrocarbons from the air that comes from the loading space, before it is released to the atmosphere.

The European Industrial Emissions Directive (IED) regulates the emission limit values for vapour recovery systems in an indirect way. According to this directive, the European Commission has established, for several industrial sectors including refining, so called Best Available Techniques with associated emission limit bandwidths. The member states had to implement emission limits within this bandwidth in their national regulations or environmental permit conditions before the end of 2018.

The implication for our vapour recovery system in Rotterdam was that we had to upgrade the facility to meet new emission limits, which are 150 mg/m<sup>3</sup> for volatile organic compounds, 1 mg/m<sup>3</sup> for benzene and 50 mg/m<sup>3</sup> for aromatic compounds.

Stargate Oil Terminal Rotterdam (SOTR), Gunvor's oil terminal in Rotterdam, dealt with the issue and searched, together with the manufacturer of the current Vapour Recovery Unit (VRU), for a solution.

This resulted in the installation of an additional Vapour Recovery Package downstream of the existing VRU serving the barge jetty. This extension is designed to treat the exhaust gas from the existing VRU. The purified stream at the outlet falls within the new emission limits mentioned above. With this new installation SOTR contributes to ensuring that the air quality is of a high standard.





## Gunvor Refining

### Continuous emission monitoring system installed

Another implication of the Industrial Emissions Directive (IED) is a requirement to install a Continuous Emission Monitoring System (CEMS) at the main stack of Gunvor Petroleum Rotterdam. This stack emits the exhaust gases from the gasoline plant (GOP) and the boiler house (power plant).

In the past, the emission monitoring was undertaken on the basis of gas samples taken at regular intervals. For combustion units exceeding certain thresholds this is no longer permitted and monitoring must occur continuously. The concentrations of nitrous oxides (NO<sub>x</sub>), sulphur dioxide (SO<sub>2</sub>) and carbon monoxide (CO) are therefore continuously measured.

The CEMS consist of several probes at a height of 50 meters in the main stack, for which a platform had to be built, which are connected to analysers at ground level.

The installation of the probes at that height was a special job and had to be undertaken by specialists without fear of heights.

The continuous monitoring can be seen as one of Gunvor's contributions to making the air cleaner.



# Gunvor Refining

## Gunvor Refining HSEC performance

The Gunvor refineries and associated terminal were able to improve their safety performance: the number of all injuries (AI) declined considerably, from 21 to 10. In previous years, this number was higher than normal as the result of major turnaround works, which involved additional contractors and workers. The performance with respect to process safety and environmental indicators was comparable with previous years.

Table 1 highlights some of the key performance indicators (KPIs) that are reported by Gunvor refineries. More details are provided in following sections.

Comparison of Gunvor Refining HSEC Performance 2013-2018

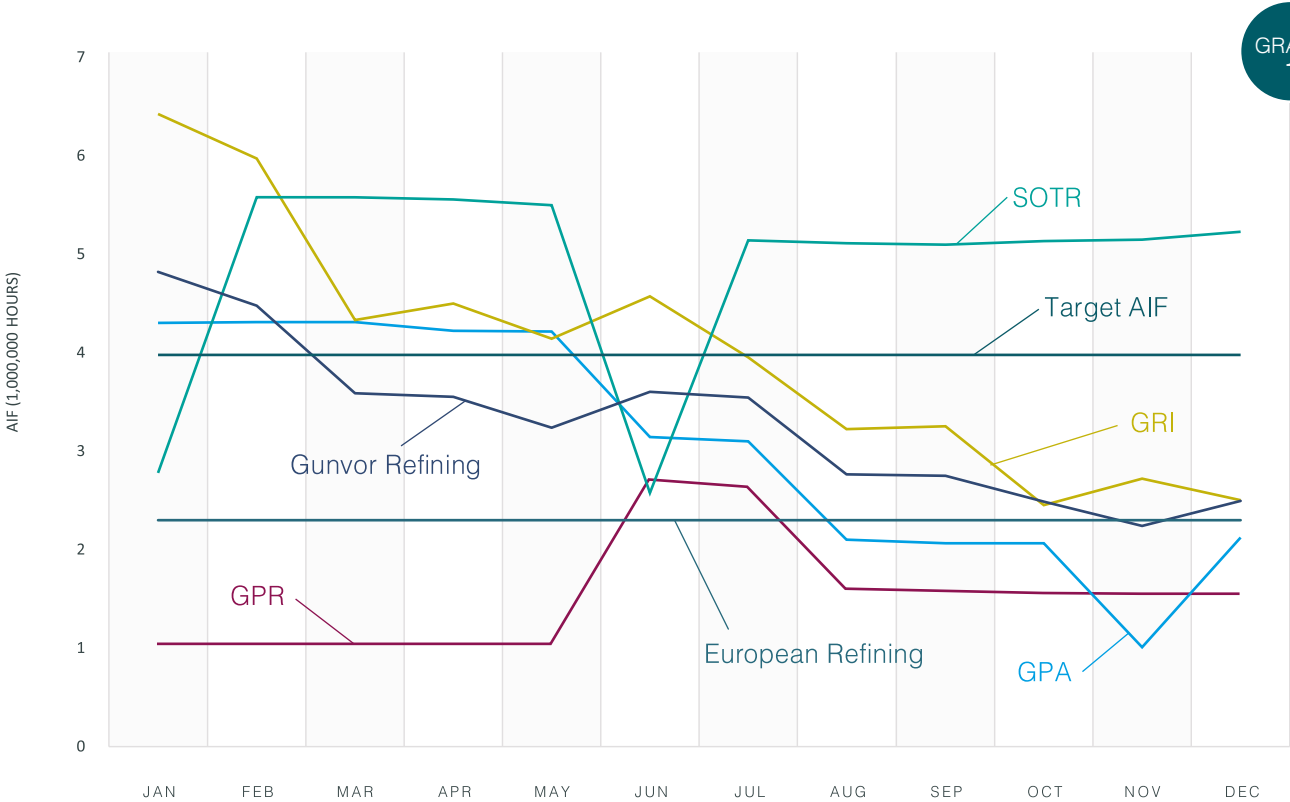
KPI	2013	2014	2015	2016 <sup>(1)</sup>	2017 <sup>(1)</sup>	2018 <sup>(1)</sup>
Lost Workday Injury (LWI)	3	1	1	3	6	2
Restricted Workday Injury (RWI)	4	3	1	9	5	4
Medical Treatment Case (MTC)	5	5	4	9	9	4
All Injuries (AI)	12	9	6	21	21	10
First Aid Case (FAC)	56	36	50	88	94	108
Spills > 1 Barrel	7	5	2	11	4	4
Spills > 5 Litres < 1 Barrel	25	25	31	32	20	21
Environmental Exceedances	14	9	7	16	12	12
Complaints	3	3	9	10	14	9
Process Safety Event (PSE) - Tier 1	2	2	2	3	1	1
Process Safety Event (PSE) - Tier 2	2	2	1	8	6	7

<sup>(1)</sup> data include three refineries as of 2016, compared with two refineries in previous years

# Personal Safety

The most relevant indicators to monitor personal safety performance in relation to industry benchmarks are All Injury Frequency (AIF) and Lost Workday Injury Frequency (LWIF). Both frequencies are expressed per million workhours. A lost workday injury is defined as an injury causing the victim not to be able to work for one or more days. The AIF includes less severe injuries and medical treatment cases.

AIF DISPLAYED AS A 12 MONTH ROLLING AVERAGE



GRAPH 1

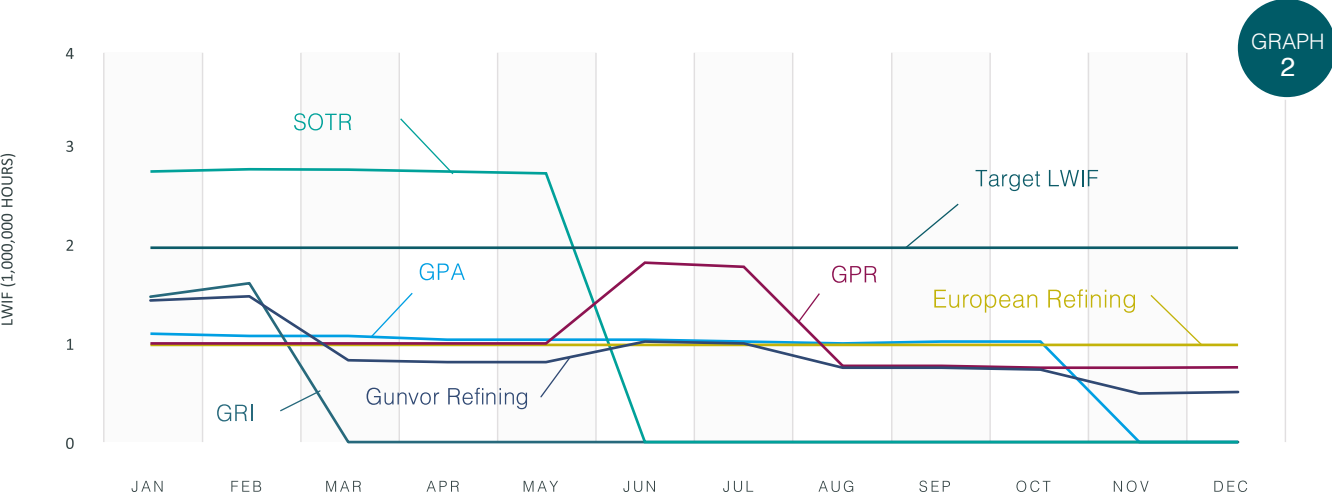
Graph 1 depicts the AIF for the three refineries. The year started with the AIF slightly above Gunvor's internal target, which was related to maintenance turnaround activities in the preceding year, affecting the 12 month rolling average. During 2018 the AIF improved significantly to a level which is around the average of European refining industry as recorded by the industry association Concawe.



# HSEC Performance

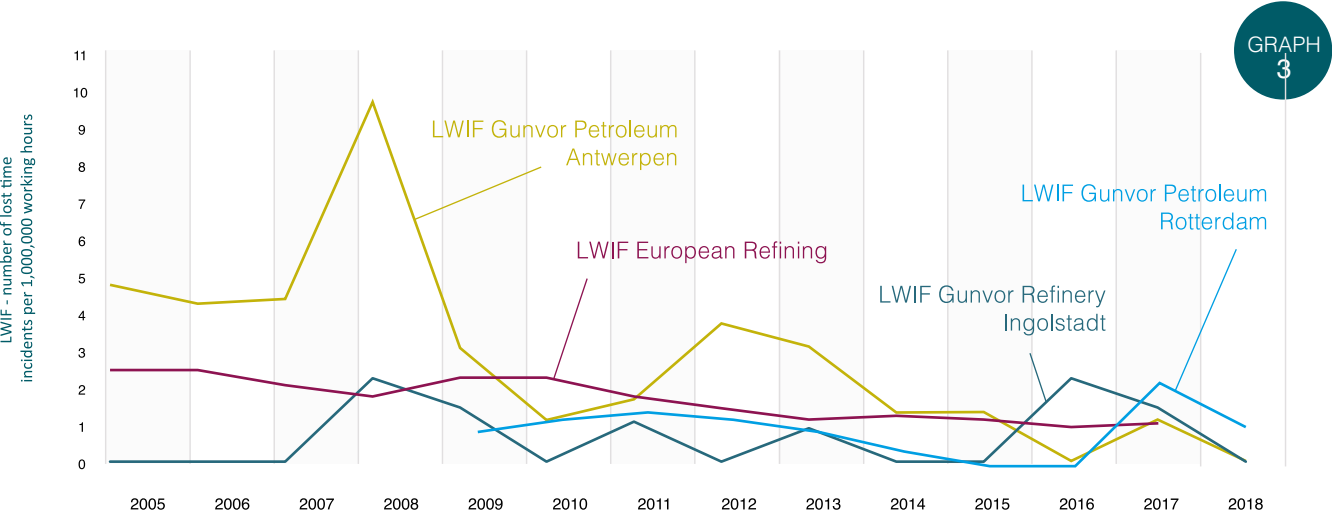
The frequency of Lost Workday Injuries for the three refineries is similar to the average value for the European refining industry (graph 2).

LWIF DISPLAYED AS A 12 MONTH ROLLING AVERAGE



Graph 3 shows the same indicator over a range of years, comparing the Gunvor refineries with European refining between 2005 and 2018. The Gunvor refinery performance equals to that of the refining industry in Europe, which is known for its low injury rate compared to other sectors.

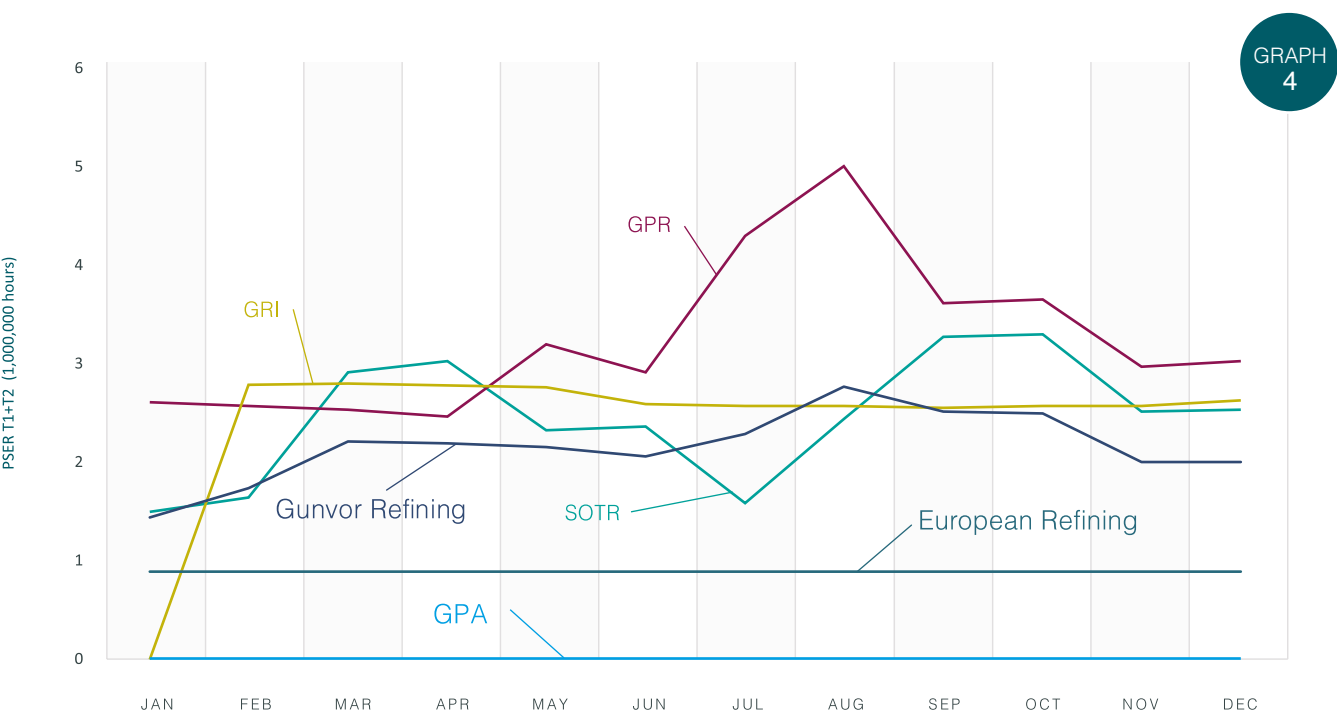
LWIF DISPLAYED AS A 12 MONTH ROLLING AVERAGE



# Process Safety

One of the most important indicators for monitoring process safety is depicted in graph 4. It is the number of Tier 1 and 2 Process Safety Events (as defined by the American Petroleum Institute) per million workhours. This indicator showed considerable improvement in the previous year and stabilised in 2018 at a level, which is still somewhat above the average of the European refining industry. The Gunvor Process Safety Network, in which specialists from the three refineries work together, developed several new initiatives in 2018 for continuing the improvement of the process safety performance.

Gunvor 4: Process Safety Event Rate T1+T2 displayed as a 12 Month Rolling Average







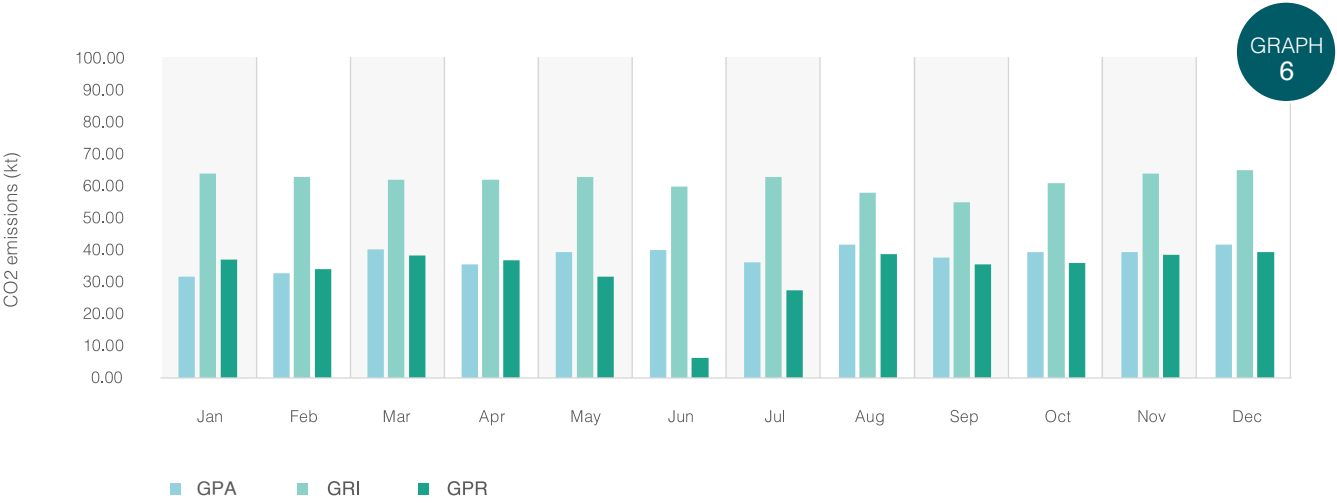
Environment

Gunvor refining reports a number of key performance indicators to monitor and measure our environmental performance. Graph 5 represents the number of spills, exceedances of emission limits and the number of complaints received from communities adjacent to our refineries. There are no benchmarks available for comparing these KPIs. The number of spills was as low as in 2017 when a considerable improvement was achieved compared with previous years. The number of exceedances and complaints remained at roughly the same level.

Totals for Group refining 2018

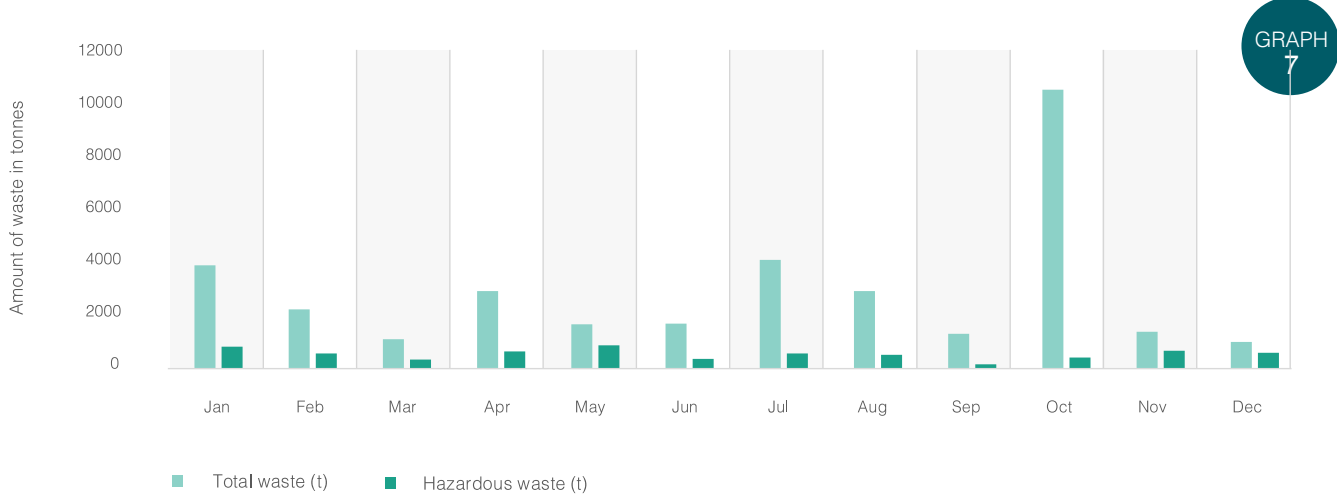


CO2 emissions by refinery by month 2018



The CO2 emissions (see graph 6) reflect the energy intensity of oil refining. Each of the Gunvor refineries is working on energy saving projects, which result in improvements over the long-term.

Waste & hazardous waste - totals for Group refining 2018



The waste figures (graph 7) fluctuate on a monthly basis as a result of projects and maintenance work.

Human Rights / Communities

Gunvor refineries are located in industrial areas at some distance of nearby villages. The most important effects of our activities on the communities are regulated by means of environmental and safety regulations and through permit conditions. GPA is currently preparing for a renewal of its environmental permit (due in 2021), which will involve consultation with external stakeholders and communities. The aim is to keep the impact on the environment and communities to the lowest level possible.

One relevant aspect for communities is smell nuisance. Occasionally Gunvor refineries receive smell complaints from neighbouring communities and it is our policy to avoid such complaints and respond in a professional manner. Each complaint is investigated and if the source can be identified as due to our activities, we take appropriate measures. Learning from such incidents is used to prevent recurrence. The most noticeable incident in this respect happened at GPR in July: start up activities following maintenance work unfortunately caused a number of smell complaints.



# Clearlake Shipping

Clearlake Shipping, a subsidiary of Gunvor Group, is one of the largest charterers of tanker vessels in the world. Activities include chartering, freight hedging (FFA), operations, claims handling and terminal safety consultations. With an experienced team of Freight Traders and operators throughout the world, Clearlake Shipping operates a high-quality fleet of Tankers, LNG, LPG carriers and dry bulk vessels on a Spot and a Time Charter basis to cover the chartering needs of the Group and the market at any time.

Clearlake Shipping is committed to ensuring that all products are carried safely, with minimum risk to individuals, the environment and our reputation. Clearlake Shipping also attaches the utmost importance in terms of the compliance performance of the ships it charters.



To ensure the latter, Clearlake Shipping operates a comprehensive vetting process to guarantee the standard of the ships selected and to ensure that they comply with the highest standards in the sector. To this end in 2017 Clearlake Shipping implemented a sophisticated IT system to underpin this process.

Functionality includes:

- Provision of risk assessments
- Enhanced data mining and analysis tools
- History and performance measurements, e.g., unreasonable discharge time, frequent machinery breakdown, unethical practices
- “Blacklists” of certain vessels

Vetting includes, but is not limited to the age of the ship, vessel construction, crew composition, history of ship, operator fleet profile, ownership structures, management assessments, port state controls, class records, casualty data and vessel dimensions.



# Clearlake Shipping

Clearlake Shipping’s policies and procedures facilitate full compliance with all regulatory requirements, industry best practices and with the latest OCIMF (Oil Companies International Marine Forum), Oil Majors, CDI (Chemical Distribution Institute), EBIS (European Barge Inspection Scheme), Rightship Standards and Gunvor’s Counterparty Management System, amongst other standards.

The biggest challenge for the coming years is the IMO’s global marine fuels sulphur limit, which is set to drop from 3.5% to 0.5% at the start of 2020. Ship operators are to use cleaner, more expensive alternatives to heavy fuel oil, which will bring wide-ranging consequences for commodity markets.

Clearlake Shipping is intending to charter vessels with scrubbers fitted onboard to comply with the regulation in 2020.

A voyage can be regarded as efficient if it consumes less fuel, reduces the distance and time travelled, which ultimately enhances profitability. However, a voyage is comprised of various operations and the efficient performance of all operations can only result in an efficient voyage.



TABLE 2

Clearlake HSEC performance between 2014 and 2018

EVENT	2014	2015	2016	2017	2018	2017 vs 2018
Fatality	0	0	0	0	0	—
Injury	0	1	3	5	0	↙
Uncontained spill	5	5	4	2	3	↗
Security incident	0	1	0	0	2	↗
Hull damage	0	2	1	1	1	—
Machine breakdown	4	8	17	9	7	↙
Collision/contact	4	2	6	2	0	↙
Grounding	1	2	1	5	2	↙
Fire	1	0	0	0	0	—

To this end Clearlake Shipping chartered mid and long term “Time Charter” Tanker from our trusted partners, which have had historically excellent technical records.

Clearlake Shipping had two “Mid-Range” Eco vessels delivered in March 2018 and May 2018. Four “Mid-Range” Eco Vessels and two “Long Range 2” vessels are scheduled for delivery in 2019. These Eco vessels ensure fuel consumption efficiency, consistent with best practice international standards and aim to reduce or control pollution to the environment.

Since 2014, Clearlake Shipping has implemented a set of key performance indicators to monitor and measure our HSEC performance to obtain data to facilitate continuous improvement. Clearlake Shipping continues to analyse and monitor the performance of our chartered vessels, to ensure that we are using the very best available vessels on the market.



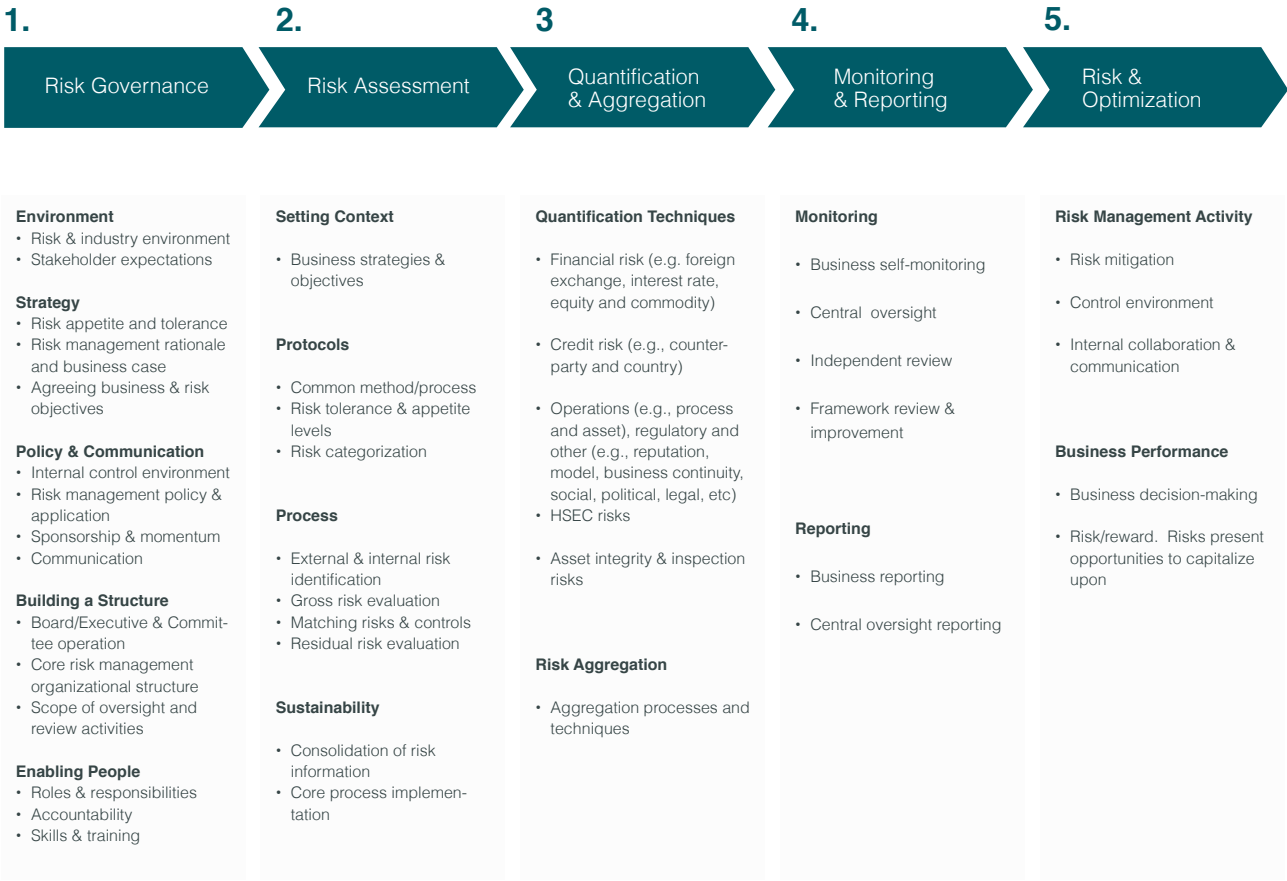
# Operational Risk Management

Since mid-2016, Gunvor has been woking to formalise our Operational Risk Management framework and a lot of progress has been made over the last 30 months. There is, however, still much work to be completed before it is fully embedded across the whole Group, which will take a number of years. The following main achievements are worthy of note:

- A formal risk assessment exercise was undertaken in 2018, involving 30+ managers from across the business coordinated by the Gunvor Internal Audit Department
- A Group risk register (reviewed periodically with risk owners) and Group risk assessment matrix are in place
- An incident response plan or other control is in place to mitigate the top 20 risks facing Gunvor e.g., piracy attacks, or loss of facilities
- Functional risk registers are in place in certain departments e.g., Tax, Compliance and HSEC (reviewed quarterly)
- Risk registers in place at each of Gunvor’s refineries (reviewed monthly by local management teams and quarterly at Group level) and consolidated by the Gunvor refining Operational Excellence team
- A risk champion has been appointed in each Gunvor refinery
- The Gunvor risk assessment matrix is used for all activities across our refineries
- A risk assessment exercise is undertaken for large merger and acquisition (M&A) projects



The risk management framework we are working towards.



Timeframe



Case Studies

Sustainable Financing



On 9th October 2018 Gunvor closed an innovative US \$745 million secured borrowing base facility (“Facility”) that included performance commitments related to Gunvor’s sustainability targets. Gunvor was 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 areas such as transparency, governance and the environment. The Facility, originally launched at US \$625 million in 2012, was a renewal to provide for the working capital requirements of the company’s Antwerp and Rotterdam refineries. It was significantly oversubscribed to US \$745 million through the addition of new lenders.

The Facility was arranged by ING Bank, who acted as sole Coordinator and Active Bookrunner while maintaining its roles as Security Agent, Facility Agent and Fronting Bank. The structure for the sustainability targets was created by Gunvor in collaboration with ING Bank as the Sustainability Coordinator and supported by the consortium of banks. Gunvor will receive a discount on its interest rate if the sustainability targets have been met and vice-versa, if Gunvor severely underperforms on the sustainability targets, a premium will be added to the interest rate.

The sustainability targets are focused on the “environment”, “social impact” and “governance”, and 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 Extractive Industries Transparency Initiative, or EITI) and others. Details are provided below.

Related savings from the potentially lower interest rate will go to supplement funding for the Gunvor Foundation, the company’s not-for-profit entity dedicated to philanthropic giving.

Sustainability Programme

Type of indicator	Sustainability Key Performance Indicators	Initial Status	Target Status	Score
Environmental	Air Emissions Programmes			
	tCO2/CWT (Complexity Weighted Tonne)			
	Rotterdam refinery	A	B (A-2%)	5
	Antwerp refinery	A	B (A-2%)	5
	Gunvor Energy Index level			
	Rotterdam refinery	A	B (A-2%)	5
	Antwerp refinery	A	B (A-2%)	5
	Successful maintenance / or recertification of ISO50001	YES	YES	10
	Exceedences	15	10	10
Environmental	Oil Spill Disclosure & Performance			
	Number of Spills > 1bbl level	7.6	5	10
Environmental	Complaints on emissions effluents and waste events			
	Number of complaints	3.6	3	10
Social	Employee safety measures			
	Tier 1 Process Safety Event level	2	1	10
	All Injury Frequency (AIF)	11.4	5	10
	Overdue Operating Instructions	10	5	10
	Near Misses reporting level	699	>350	10
Social	Employee fatality			
	Employee fatality level	0	0	10
Governance	Report per Extractive Industries Transparency Initiative	NO	YES	10
Governance	Publish Sustainability Report	NO	YES	10



## Case Studies

# Refineries Successfully Certified in Line with New ISO Standards



The Gunvor refineries and SOTR have HSEC management systems, which are certified by accredited organisations. The most noticeable management systems are for quality management (ISO 9001), environmental management (ISO 14001), occupational health (ISO 45001) and energy management (ISO 50001).

The international standards for quality management (ISO 9001) and environmental management (ISO 14001) were revised in 2015 and replaced their previous versions from 2008 and 2009. These revised versions resulted in some changes and new challenges. For example, they require specifying interested parties (stakeholders) and determining their requirements and expectations in relation to Gunvor's business. Requirements pertaining to the systematic handling of risks and opportunities, stipulating the context of organisation, as well as carrying out life cycle assessments were also newly included.

Existing certifications had to be converted within a transition period of 3 years and the compliance with these revised standards had to be verified with new certification audits by independent auditors. Gunvor Petroleum Rotterdam (GPR), Stargate Oil Terminal (SOTR) and Gunvor Refinery Ingolstadt (GRI) all successfully completed the re-certification process for these two renewed ISO standards in 2018. (Gunvor Petroleum Antwerp (GPA) was re-certified for ISO 14001 in the previous year).



Case Studies

# Colombian Truck Vetting

In line with our commitment to prevent the occurrence of road and work-related accidents, Gunvor Colombia C.I. SAS directed its efforts towards activities focused on the control of hydrocarbon land-transportation by Gunvor Colombia C.I. SAS contractors. Implementing a systematic program of audits focused on the occupational health and safety management systems of each one of our logistics companies. The latter was implemented to correct any shortcomings in HSEC (Health, Safety, Environment, Human Rights and Communities) management and to ensure continuous improvement.

Some of the main activities carried out included: verifying the health status of the drivers, the number of driving hours permitted to prevent fatigue, control over the consumption of alcoholic and energy drinks during operation, training in terms of working at height, handling of dangerous substances and oil spill response, among others.



Also, assistance was provided in terms of prevention and training activities for oil spill simulations.

One of the best tools used for the control of road accidents is to conduct road safety campaigns, in which awareness activities are undertaken for drivers and other people on the roads. The main content covered road safety, driving habits, the handling and use of the spill contingency kit and prevention of alcohol, tobacco and drug use during operations.

The whole process is under-pinned by the use of random driver alcohol/ drug and speed tests. Speed is also monitored via GPS which is fitted in all vehicles utilised by Gunvor Colombia, as well as speed radars.





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# Ethics

## Gunvor Foundation

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Ethical and transparent behaviour is essential to everything we do in Gunvor. It is one of our core values lived by all employees. This chapter provides an overview as to some of the activities that we get involved in – including details of our philanthropic activities as well as our payments to Governments under the Extractive Industries Transparency Initiative (EITI)

### Gunvor Foundation

To uphold its place as a responsible corporate citizen, Gunvor allocates a portion of its net profit to charitable activities each year. Our business operates and invests all over the world, and we recognize that what holds our diversified personnel and activities together is a common sense of community, which we see as central to our success.

Our Foundation program is therefore dedicated to a mission of empowering individuals to contribute meaningfully to healthy communities. Our Foundation Executive Committee oversees all donations across the Group, acting on the instructions of the Foundation Council and ensures that our internal criteria are met in each case. Each initiative must have a “practical positive effect” on the local community in which the initiative is being conducted.

#### Objectives

The aim of the Gunvor Foundation is the provision of scholarships, grants and donations (impact investing) for initiatives that further the program’s mission of empowering individuals to contribute meaningfully to a healthy community, reducing poverty and improving environmental performance on a global level.

#### Each initiative must meet the following criteria:

##### Who

Gunvor’s charitable donation program does not discriminate in its selection of initiatives based on race, gender identity, or sexual orientation; however, each initiative must be fully vetted to comply with Foundation standards and local and international laws governing financing and philanthropic giving. It should not promote religious or political causes.

##### What

We aim to achieve the most meaningful impact on a local level, in which individuals are empowered or enabled to contribute positively to the community in which they live.

##### Where

Each year, we aim to achieve a balance to the geographic spread of where its initiatives take place.

##### When

An initiative must begin within the calendar year in which it was approved. The initiative needs to be tracked at six months, one year and two year intervals, and reviewed appropriately.

##### Metrics

Each initiative will have its own metrics by which success is achieved. Benchmarks and metrics need to be formulated to show how each program has created positive change.

By actively adhering to reported outcomes we will also demonstrate commitment and align our company with potential stakeholders who respect our efforts and their transparency.

##### Compliance

Gunvor’s strong Compliance program ensures the company conducts business in an honest, respectful, fair and safe manner - all of which applies to Foundation principles.

Guided by the Group Code of Conduct & Ethics, Gunvor’s compliance practices have ensured the company operates as an ethical and responsible employer and business partner.

Gunvor is committed to maintaining its reputation in this area and ensuring all aspects of the business are conducted in a way that promotes ethical practices.

Gunvor’s largest philanthropic partner to date has been Hand in Hand International.





# Gunvor Foundation

## Hand in Hand

We are now two and a half years into Gunvor's partnership with the international development NGO, Hand in Hand, and are pleased to report our programme has already improved the lives of more than 180,000 children and adults in Kenya and Tanzania through our job creation programme and exciting new eco-farming project.

Hand in Hand helps some of the world's most marginalised people start their own small businesses to increase their families' income and work their way out of poverty.

To date, our support has enabled Hand in Hand to create in excess of 37,000 micro-businesses. That's 1,850 micro-enterprises for each of the twenty Gunvor facilities around the world.

In a 200km radius around Nairobi tens of thousands of people living in poverty, with little or no formal education, are now proud, successful entrepreneurs thanks to our support. As you read this, those entrepreneurs are running poultry farms, fishmongers, tree nurseries, tailors, potato chip stalls, shops and eco-fuel businesses, to name but a few.

These numbers include our sponsored village, Baba Dogo in a deprived area of Nairobi. After two years intensive business training and enterprise development, our programme has now finished. Together with Hand in Hand we have created 325 enterprises and 414 jobs, improving the lives of 2,000 family members. A community that had been struggling to survive is now a hive of business activity.



Hand in Hand fights poverty with grassroots entrepreneurship. Our long-term goal is to eradicate poverty in the communities where we work. In the short term, that means raising enough funds in 2018-'19 to transform 120,000 lives.



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# Gunvor Foundation

## Hand in Hand

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Last year, we launched a three year eco-farming programme with Hand in Hand, which aims to teach 14,160 low income Kenyans how to conserve their environment and create over 9,500 enterprises, with around 3,000 of those being eco-enterprises centred on green farming, green energy and up-cycling.

We are pleased to report that as of September 2018 more than 4,200 budding eco-entrepreneurs are now undertaking, or have completed, their business and finance training with enterprises and jobs already following on.

One such enterprise is the passion fruit farm set up by Richard and Jane Langat. Like most Kenyans they used to rely on their small maize crop for food and income, but maize is vulnerable to climate change and, in recent years, their crop had regularly failed. Richard and Jane, like millions of other Kenyans, faced hunger and deepening poverty.

That is until the purple grafted passion fruit was developed. With a long root, resistance to drought-related pests and a high yield, this passion fruit is offering farmers in Kenya an alternative income source. What's more, the fruit is in high demand in Europe and so Richard and Jane have already secured a contract in a supply chain from their small holding to the Netherlands.

In less than a year, the Langats have gone from losing KES 7,000 (US \$70) harvesting maize to making KES 15,000 (US \$150) each week growing passion fruit. Now, says Jane, “we can buy our daily meals – not grow them. And when the children come home to visit, it’s a special feeling to know I can give them some money”.



Hand in Hand is expanding and we at Gunvor are now supporting the organisation to broaden its work into Tanzania. In just 12 months Hand in Hand has already begun training more than 5,000 Tanzanians living on the poverty line, like Faith Makundi.

There is no shortage of districts in Tanzania that could benefit from Hand in Hand's training. To begin with, the programme is focusing on five: Arusha Rural and Meru in Arusha region, and Moshi Rural, Hai and Rombo in Kilimanjaro region. Besides their proximity to the Hand in Hand regional headquarters in Kenya, the districts were chosen because each has a population density of at least 150 people per square kilometre, the minimum required to make the programme viable according to Ipsos.



## Gunvor Giving

### Across Gunvor Group

An extensive number of other charitable donations were undertaken across the Group, which are outlined below.

Gunvor USA participated in many philanthropic events over the course of 2018. The first to highlight would be the Leukemia & Lymphoma Society located in Houston. Gunvor USA sponsored an employee's daughter in a student fundraising challenge. Through her efforts and our sponsorship she was able to raise \$100,000 for Leukemia & Lymphoma research.

Gunvor USA also participated in the BIP (Businesswomen in Petroleum) Charity Golf Tournament, benefitting MD Anderson Ovarian and Breast Cancer Research. This year, through sponsorships and Industry participation they were able to raise over \$50,000 dollars for the cause. Gunvor USA sponsored a golf hole for the tournament.





# Gunvor Giving

## Across Gunvor Group

### Sponsoring a charity bike ride

The "Crossing the Alps by bike" project by Reuchlin-Gymnasium Ingolstadt (a state secondary school) not only represents a considerable sporting achievement - students also contributed to the "World Bicycle Relief" aid programme in Africa by way of a fundraising campaign. Gunvor Refinery Ingolstadt has provided support for this project from the outset and contributed one Euro per kilometre for the 400 kilometres cycled, which is the equivalent value of three bicycles.



### A summer of sport

2,600 sports people took part in the Ingolstadt Summer Triathlon, including Gunvor athletes. They achieved a first place in the company middle distance relay race and participated with two teams in the Olympic distance relay race. Gunvor Refinery Ingolstadt contributed to the organisation of the event as official partner.



In April the Rotterdam marathon took place and Gunvor Petroleum Rotterdam participated in this event with a team of 24 employees who ran the whole distance or took part in the business relay race over the marathon course. As in previous years it was a warm and sunny day with much public attention. This encouraged the runners and all were able to finish. Our financial contribution to the organisation is used to sponsor "Jeugdsportfonds Rotterdam" which is a foundation that helps children to join sport clubs when their parents are unable to support them financially.



### Participation in the Donau Classic Rally

The sound of engines was like music to the ears of classic car fans who admired around 200 working old timers from seven decades along its route. One of the rally stops was in front of Gunvor Refinery Ingolstadt, where we received praise in terms of our flawless organisation and the choice of gift presented after the special stages (filled petrol canister). This year's Donau Classic involved mastering a total of three main stages of 650 kilometres, including 21 special stages.



# Gunvor Giving

## Across Gunvor Group

### Family Day in Antwerp

In September 2018 the 50th anniversary of the refinery was celebrated with personnel and their families.

Although it rained cats and dogs and the wind blew fiercely, 600 guests were welcomed at the party. Everyone of them wanted to experience this historic day at the 50-year old refinery.

The children were well entertained by several fun activities such as face painting, funny hairdos, making self-made candy cakes etc. Food trucks and a retro bar on wheels offered a variety of finger foods and nice drinks such as colourful alcohol free cocktails

It is rather exceptional for an “outsider” to get the opportunity to visit an operational refinery and a long queue was formed for the guided bus tour through the plant.



### Charity in Antwerp

As in previous years, Gunvor Petroleum Antwerpen, raised funds to support Feestvarken vzw. This organization offers less fortunate children the opportunity to celebrate their birthday with friends & family by handing them a “Birthday Box” filled with decorations, cake mix, presents, etc. The money was collected during a Quiz, organised in October and a Christmas event on December 18th. During the Christmas event hot dogs, fries, homemade cake, drinks and sweets were sold to raise as much money as possible. Colleagues who could not join the events supported by buying cards instead. In remembrance of a former colleague, Gunvor doubled the amount raised for “Kom op tegen Kanker”, an organisation supporting cancer research and support to cancer patients.



# Transparency

## Payments to Governments

### Payments to Governments

In 2018, Gunvor Group announced its support of the Extractive Industries Transparency Initiative (EITI), the global standard for improving transparency of revenues from natural resources. As Gunvor’s CEO Torbjörn Törnqvist remarked: “Gunvor’s support for the EITI reflects our commitment as a trading house to uphold progressive policies and practices in the oil and gas sector. As one of the largest physical energy trading companies in the world, we recognize we have role in promoting transparency and accountability. The EITI will help us accomplish this in a commercially responsible manner.”

At the time, Gunvor became the second company focused exclusively as a commodities trading house to express support for the EITI (another has since signed on), and will join around 60 oil, gas and mining companies that support the organization from the extractive industries.

The disclosure of the payments to governments for oil sales aims to reduce the risk of corruption and improve the accountability of state-owned enterprises that sell oil and gas on behalf of the government. Gunvor trades with more than 100 countries, a number of which are EITI members.

The EITI was established in June 2003 as a global coalition of governments, companies and civil society organizations working together to improve openness and accountability in management of revenues from natural resources. It has a standard for the governance of the mining and oil production industries.

Gunvor’s support for the EITI includes a new policy that will establish the voluntary disclosure of information that aligns with EITI principles and transparency requirements. This includes information about its first purchases from national oil companies for crude oil and petroleum products, including gas, among other relevant tax and license information. The EITI is an evolving standard. Gunvor expects that its disclosure will change over time in line with the EITI and stakeholder consultation.

## 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
	Refinería 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	2,143,995,403.34	Crude Oil, Products		12,504,070.00
	Total	2,985,957,239.38			14,119,120

## 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	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	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. For more information on Gunvor’s “Payments to Governments” disclosure, go to [GunvorGroup.com](http://GunvorGroup.com)



Case Studies

Human Rights

During the course of 2018 Gunvor undertook a human rights review with respected human rights and management consultant twentyfifty in order to establish a practical path for integrating the UN Guiding Principles on Business and Human Rights (the UNGPs) into our business.

The review anticipated the guidance that was published by the Swiss government in November 2018 for how commodities traders should adopt the UNGPs, which set out the duties of governments to protect people against human rights abuses by business, and for businesses to identify and address their impacts on human rights.

During 2018, Gunvor began to apply the UNGPs to our operations, including in practice, training and updated contractual terms. In 2017, the Gunvor Group HSEC department conducted a gap analysis of its business against the UNGPs, often known as the “Ruggie” principles after their author. During the last year, twentyfifty has conducted an independent review of Gunvor’s activities, including:



- Gunvor’s internal gap analysis against the UNGPs
- Gunvor’s approach to counterparty due diligence (“transaction analysis”)
- Identification and management of human impacts at Gunvor’s industrial assets

twentyfifty identified Gunvor’s existing good practices in the areas of health, safety, environment, human rights and community (HSEC) and counterparty due diligence, along with further opportunities to integrate human rights due diligence into investment appraisal and monitoring.

The Gunvor HSEC department has since pulled together a two year plan based on twentyfifty’s review to further integrate the UNGPs into our global businesses. The plan details by quarter what work needs to be undertaken and in which geographic location. Gunvor will report back on progress against our two year plan in subsequent reports.

twentyfifty®



# Compliance

Compliance is a fully integrated risk management department within Gunvor. Its work is seen as key to Gunvor's efforts to ensure that all its business is conducted in strict compliance with applicable rules and regulations as well as Gunvor's own standards as described in the Group's Code of Conduct & Ethics.

The Compliance department is staffed by 14 professionals who have been recruited from Finance and Corporate industries, which gives the department a very broad knowledge base, essential to providing optimal risk mitigation.

Although Gunvor has an existing, well established, Compliance programme, the Compliance department continues to reassess the risks and mitigation processes to ensure it provides the company with an effective service that adapts to changes within the business and industry.

## Code of Conduct & Ethics

Gunvor first produced a written Code of Conduct in 2012, in order to formalise the values which Gunvor believes all employees must uphold when conducting business on behalf of the Company. This Code of Conduct is issued to all new employees on their first day within Gunvor. It is also featured heavily in Gunvor's annual face-to-face Compliance training.

2018 saw a review of the Code of Conduct & Ethics. The Code of Conduct was updated to better emphasize the will to act not only in accordance with all applicable laws and regulations, but also to act ethically in all business activities and was subsequently renamed the Code of Conduct & Ethics.

In parallel an external Code of Conduct & Ethics was also created specifically for Gunvor's counterparties and partners. This document highlights the relevant sections from Gunvor's internal Code of Conduct & Ethics. The external Code of Conduct & Ethics is available to all Gunvor's counterparties on Gunvor's external website. The external Code of Conduct & Ethics is also being sent directly to the most relevant counterparties.



## Compliance Department Organisation

Organisation is key to ensuring that Gunvor manages its compliance risks efficiently. Gunvor's Compliance efforts are bound by strong governance providing both robust process for identifying risks and ensuring that sound oversight of Compliance and robust mitigation process can be put in to place.

The Group Compliance Committee (GCC) continues to be the main point of accountability for the Group's compliance activities. The GCC includes senior members of Gunvor's Executive Committee as well as representatives from Legal and Compliance, and reviews all aspects of the Compliance risk mitigation plan and acts as a point of escalation. The GCC meets at least quarterly, but in practice meets with a much higher frequency.

# Compliance

## 2018 Compliance Programme in Focus

2018 saw the Compliance department continue its programme development work, increasing the scope and sophistication of processes in place. A main feature of the continued development work has been the testing and review of previous implementation work, through thematic reviews conducted by the Compliance department and Internal Audit. 2018 also saw a big focus on the Compliance programme with respects to Human Rights and transparency following Gunvor's announcement to implement the UN Guiding Principles (UNGP) and adhere to the Extractive Industry Transparency Initiative (EITI).

## Anti-Bribery & Corruption and Anti-Money Laundering

### Anti-Bribery & Corruption

Bribery, corruption and money laundering unfortunately remain top risks in the global commodities markets, and therefore Gunvor has dedicated a high proportion of resources to guarding against these issues. In 2018 the Gunvor Compliance team continued rolling out its updated Anti-Bribery & Corruption mitigation plan. This included the completion of thematic reviews such as specific re-review of all Gunvor's highest risk counterparties, implementation of face to face interviews and face to face Anti-Bribery & Corruption training for external counterparties, where applicable. Although time consuming, Gunvor sees this resource investment as essential to the company's commitment to its Code of Conduct & Ethics.

## Counterparty Due Diligence

2018 has seen the completion of the project to link all Gunvor trading and operational systems to the central Compliance Counterparty Management System (CMS). This effectively means that all counterparty due diligence is now centralised in a Compliance controlled system. This was the final step of a major piece of Gunvor's control framework, ensuring uniformity of processes and oversight and control. For example all payments for Gunvor Group are checked against CMS, prior to any payments being made.

## Sanctions

As a large actor in the global commodities markets, Gunvor takes its sanctions obligations very seriously. Throughout the counterparty Due Diligence process, sanctions checks are carried out, through 3rd party systems as well as Gunvor's own internal checks. On a daily basis, Gunvor sends its entire list of Business Counterparties and relevant associated individuals to an external vendor to conduct daily screening, which includes sanctions issues.

The sanctions risks significantly changed throughout 2018. Gunvor is constantly reviewing the situation and is well prepared to implement new processes to mitigate risks, if and when required.

## Vessel Screening

Gunvor has continued its efforts with PoleStar in relation to vessel screening. The PurpleTrac system is fully integrated within Compliance's CMS system, leveraging the interface and escalation technology already in place. On any one single day approximately 15 vessels are screened by the Gunvor's Chartering teams.

Compliance vessel screening was also integrated with the operational vessel vetting process. In 2018, both processes were integrated into CMS, which provides a seamless process for the business. The cohabitation of both processes in CMS, also gives Gunvor the distinct advantage of ensuring that Vessel Screening must be completed, as this is a mandatory step for vessel vetting to occur. However the Compliance Department also conduct further assurance checks.



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# Compliance

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## Markets Compliance

2018 saw the Advisory Compliance team continue to improve and enhance the existing compliance programme relating specifically to Gunvor's trading activities. In addition to being located on all of Gunvor's main trading floors, the Advisory compliance team are always looking to increase visibility and knowledge of Market Abuse related issues. New initiatives were implemented such as Quarterly advisories to all Gunvor trading staff relating to Market Abuse issues. This quarterly communication includes a review of the most important enforcement actions over the previous quarter and reiterates guidance relating to these enforcement cases.

The Advisory Compliance team continued its implementation of TradingHub's Market Abuse Surveillance Tool (MAST), as Gunvor's automated Market Abuse surveillance solution. The implementation of MAST significantly improves the efficiency of the Compliance Department's market surveillance capabilities. In addition the Advisory compliance team have been working with external vendors to develop specific monitoring solutions to cover Gunvor's specialised markets.

## Regulatory Engagement

As a participant in the global physical and financial markets, Gunvor remains active in relevant debates and discussions that are important ensuring the markets' continued orderly operation. Gunvor participates in industry bodies, as we see this as the best method to achieve meaningful engagement. Gunvor is presently a member of ISDA, EFET, STSA and CMCE, as well as its direct representation to relevant regulatory and governing organisations.

Case Studies

# Automation & Innovation with Gunvor’s Vessel Screening

## Background

Every year Gunvor charts more than 1,000 vessels in support of its physical operations. Although Gunvor only operates with reputable ship owners, the vessels must be checked for compliance and operational risks.

## Gunvor Risk Mitigation Process

Prior to chartering a vessel, Gunvor Charterers must launch a PurpleTrac report on the target vessel, via the interface in compliance’s CMS system. This search based on IMO number queries the IHS vessel databases, itself a subset of the IMO database. Information extracted relates to the vessel’s technical information, registered owners, operators, ship manager and importantly information regarding previous voyages and port calls. This information is compared to Polestar’s 1,874 different Sanctions and Control lists, to check for any sanctions or other concerns. A report is produced which is then risk weighted, based on pre-approved criteria. If there are negative hits within the report, the report will be forwarded to Gunvor’s Compliance department, which will review the vessel. Once the Compliance component of the clearance process as been completed the vessel will be moved to the vessel technical vetting stage of screening.



The second stage of vessel clearance is the technical vetting. The technical vetting’s aim is ensure that the vessel meet’s Gunvor’s strict technical requirements and is conducted by Gunvor’s in-house team of ship captains. Vessel qualities and Port State control information are all reviewed along with Crew Matrix information.

Only once all vetting checks have been completed and approved in CMS, will the vessel be available for the Charters to enter into a Charterparty. Due to the heavily automated and integrated nature of the process implemented, most vessels can be checked and approved within minutes, allowing the greatest flexibility for Gunvor’s chartering needs.





## Case Studies

# Compliance With The Highest Terminal Standards

As Gunvor USA continued to expand throughout 2018, we saw an implicit need to overhaul the Due Diligence process for all of our Terminalling facilities and projects. It is imperative we go one step further than to complete a simple checklist - we require physical presence on the ground and we specifically tailor each ten page Terminal Questionnaire for the types of products we expect to store and the type of operations we plan on carrying out. As a direct result, both Traders and Operators are well prepared and fully versed on what to expect when commencing Operations at a brand new facility. Here are a couple of photos of one of the busiest Asphalt Rack systems in the United States being handled by Gunvor USA – Buckeye Perth Amboy, serving the entire tri-state area in the Northeast. The two tanks feed directly to the truck rack, and loaded 4,116 trucks so far in 2018 (105,000 metric tonnes of liquid asphalt).





Case Studies

# Marine and Inspections Safety Compliance



Gunvor USA understands the only way to instil a “safety first” mind-set in all of our Operators is to ensure they fully comprehend the tasks completed in the field and what we ask of our service providers. Gunvor USA actively sends all Operators, Junior Operators, Contract Administrators and Middle Officers to regularly attend inspection classes, barge work seminars, vessel marine attendance, and offsite technical courses where appropriate. Roberta Montalvo, Biodiesel Operator and Courtney Edwards, Junior Operator, both attended the Kirby barge class where they experienced loading and offloading barge tanks (with water) and the effects of listing if done incorrectly. They have also attended Amspec’s inspection class where they were taught the basics of lab analysis and were given hands on experience running basic tests on a variety of petroleum products.





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