

2020



SUSTAINABILITY, ETHICS & COMPLIANCE REPORT



Cover and below: Open door community event at Gunvor Refinery Ingolstadt as a part of the local "Long Night of Science and Industry"



Contents

Introduction	4
Overview & What Matters	9
By the Numbers	10
Health & Safety	13
Environment	23
Energy Transition and CO₂ Emissions	31
CS <i>Starting up our second biofuel plant in Huelva</i>	42
CS <i>Transforming our refinery in Ingolstadt</i>	43
Financing	47
Human Rights & Transparency	51
CS <i>Assessing our joint venture partner in Paraguay</i>	54
Communities // Gunvor Foundation	59
Compliance	69
CS <i>Stopping the use of agents for business development</i>	72
Our Basis for Reporting	74

Introduction

I am pleased to present Gunvor Group's 7th Annual Sustainability, Ethics & Compliance Report, which serves an essential role in upholding our company's commitments to transparency in the areas of Environment, Social Responsibility, and Governance (ESG). Gunvor continues to demonstrate progress towards its stated goals, just as the report itself each year grows and evolves to meet the changing conditions of our industry and the world in which we live.

Perhaps more than any previous year, 2020 offered a distinct opportunity to assess Gunvor's progress, as the COVID-19 pandemic and accelerated push for the "Energy Transition" to a zero-carbon future challenged all aspects of our industry—from the way we work day-to-day to our long-term investment considerations.

I am pleased to say that Gunvor and our employees met these challenges successfully. The very commitments that have been annually laid out in this document, along with their monitoring and reporting, prepared us well—even for the truly unexpected events of the year. While this fundamentally results from the fact that Gunvor's business is risk management, our company's dynamic culture also played a critical role.



Gunvor moved quickly in early 2020 to establish a committee to monitor the progression of COVID-19 and to prepare for our employees' safety, while seamlessly transitioning how our business operates. Our trading offices moved entirely to work-from-home and the health protocols were overhauled in our refineries and plants.

Throughout the year, we also saw governments around the world place a greater emphasis on the importance of the climate change issue. Gunvor has long since recognized that climate change is real and that humans play a central role in it. The emissions commitments we outlined in the last 12 months were not driven by this massive global push, but have been years in the making, as has the shift in our trading mix—which today already consists of almost 50% of “transitional” commodities, such as biofuels and natural gas. We had ceased coal trading in 2018.

All these aspects and more are included in this year's report:

Health & Safety: The COVID-19 pandemic established a new dimension for understanding the need for health and safety, and Gunvor took many steps to ensure our employees and operation upheld the highest standards during this critical time, adapting our organization to carry out turnarounds and critical maintenance activities in a safe way, while continuing our operations safely.

Environment: Gunvor has announced its goal to cut Scope 1 and 2 emissions by 40 percent by 2025 by switching to electricity from renewable sources in Gunvor's refineries, improving processes on its installation and investing to optimise critical equipment. Chartering and shipping activities are at the core of the Group's activities and Gunvor decided that 100 percent of its co-owned vessels and 75 percent of time charter shipping fleet will become "eco-vessels" by 2022, with an increase to 100 percent by 2027.

Investments: The Group has established a dedicated vehicle, Nyera, to formalise nonhydrocarbon investments comprising a minimum of 10 percent of net equity that, with leverage, is expected to amount to a commitment of at least half a billion (500 million) US dollars. Depending on partnership structures and opportunities, this will evolve over time. Areas of Nyera's focus include carbon capture and storage, renewable fuels, renewable power, and alternative fuels, including ammonia and hydrogen.



Financing: Gunvor successfully refinanced its borrowing base facility in respect of the Ingolstadt refinery, adding new ESG components with pricing linked to the sustainability performance of the refinery, further demonstrating the Group's commitment to sustainability. The borrowing base facility in respect of the Ingolstadt refinery includes key performance indicators for: air emissions, oil spills, complaints on emissions effluents and waste events, employee safety measures and employee fatality. The Group is currently exploring additional opportunities for sustainable financing.

Human Rights: Gunvor continued the implementation of the United Nations Guiding Principles on Business and Human Rights, starting the assessment of our partners and developing our process to deploy the right level of due diligence at all stages of a new project, from early assessment to stable operations.

Transparency: Expanding on the company's payments to governments report, done in support of the Extractive Industries Transparency Initiative (EITI), the company will now be disclosing tax payments, along with its usual reporting on purchases of crude oil and oil products from State-owned enterprises.

Communities: The Gunvor Foundation moved quickly to respond to the changing needs of our partner charities, ensuring they were effectively supported throughout the pandemic and in the face of the economic downturn.

Compliance: As a part of Gunvor's efforts to continuously improve procedures in order to mitigate risk across the company, specifically in relation to areas of Compliance, the company has taken the decision to cease the use of “agents”, i.e., consultants and intermediaries, for business origination and development purposes.

As usual, we welcome feedback and input on this report from our partners.

Elsa Pernot - Global Head of Sustainability

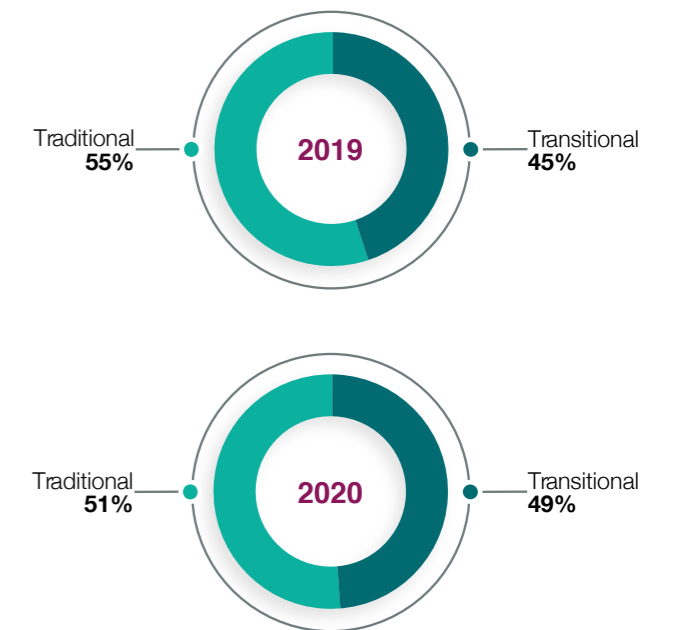
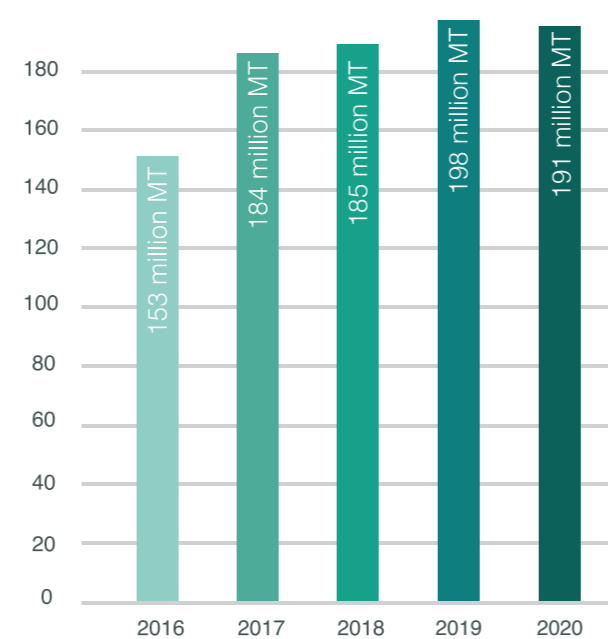
Overview & What Matters

Engaging with our stakeholders, we have identified what matters along our value chain. Those elements are covered in this report:



Health & Safety	Personal Health				
	Personal Safety				
		Transport Safety		Process Safety	
	Product Safety				
Environment	Pollution Prevention (Air & Water, Waste, Spills)				
	Biodiversity Protection				Impact of Product
Climate Change	Carbon Emission Scope 3	Carbon Emission Scope 1 & 3	Carbon Emission Scope 1, 2 & 3	Carbon Emission Scope 3	Carbon Emission Scope 3
	Energy Transition				
Human Rights		Seafarer's Rights		Community Engagement	
	Responsible Sourcing				
	Access to Grievance Mechanism				
Transparency	Transparency of Payments to Host Governments				
Compliance	Bribery & Corruption				

Volumes Traded




By the Numbers




Shipping

- ZERO Spills
- 1 Contained Spill
- 7.81 Average Age of Time Charter Fleet
- 2.9 Average Age of Own Fleet
- 75% Eco Vessels in Time Charter Fleet by 2022




Refining

- ZERO Spills Greater than 1 Barrel
- 100% Feedstock used in Biodiesel Plants Certified Sustainable
- 1 Lost Workday Frequency Rate



Climate

- 35% Reduction in Scope 1 Emissions by 2025
- 95% Reduction in Scope 2 Emissions by 2025



Compliance

- ZERO Agents
- 9,500 Counterparties
- 1,989 New Business Parties On-boarded
- 18 Compliance Team Members
- 100% Compliance Team Trained on Human Rights



Health & Safety

2020 OBJECTIVES

- ✓ No fatality and fewer incidents with impact on people
- ✓ Fewer process incidents from our processes
- 🔄 Improved management of our contractors
- 🔄 Improved communication around high potential incidents
- 🔄 Improved learning from our near misses and low impact incidents

2021 OBJECTIVES

- 🔄 No fatalities and keeping the injury frequency at the industry benchmark
- 🔄 Keeping the process safety incident frequency at the industry benchmark
- 🔄 Continue progress on our process safety road map

Framework

We have worked with our workforce to develop a set of expectations – the Green Book – applicable to all our operating sites, and allowing all entities to work along the same standards. Thirteen sets of duties and requirements have been defined. These reflect years of experience and good practices in the oil industry and form the basis for our site procedures and processes.



Engagement

Engagement is one of the pillars of an effective Health and Safety management system, as workers are ultimately keeping themselves and others safe. It takes place through different channels.

Site management is committed to fully comply with the HSEC standards in our Green Book and an audit program is in place for assessment and improvement.

Training is an extremely important aspect of worker engagement and this takes place in different stages, starting with the on-boarding and never ends, to keep up with changes or to refresh things. On-line training tools and modules have become very common in our organisation.

The engagement of site personnel further takes place through the involvement of workers in incident investigations, evaluation of procedures, internal audits, emergency exercises, training, risk assessments and hazard studies. In addition, the works councils are involved in different aspects of HSEC management, for example in the selection of personal protective equipment.

As activities on our sites rely on external workers, it is also key that they have a clear vision of expectations and rules. Contractors are involved in various aspects such as the reporting and investigation of incidents and the evaluation of HSEC performance. All our Health and safety indicators include contractors.

Personal Health

Our sites have health surveillance programs which depend on the nature of the work and local regulations. Office sites focus on ergonomic aspects of office work. At most sites people are offered desks with adjustable height on which they can work while standing or sitting as they wish.

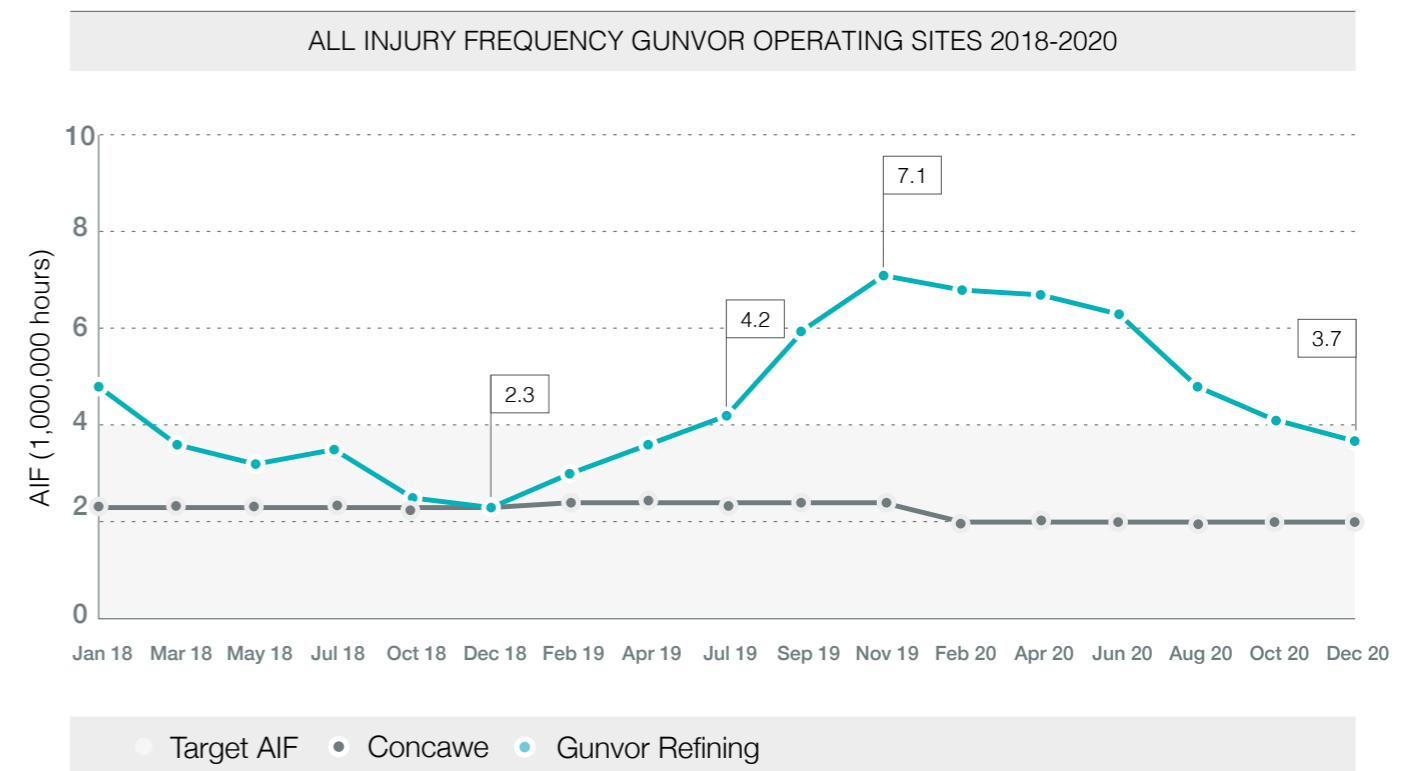
During the COVID-19 pandemic many people were asked to work from home and programs were set up to help them dealing with the associated problems such as lack of social contact with colleagues.

More on how we handled the pandemic is available in a dedicated section. The larger operational sites such as the refineries have a medical department with a nurse and regular attendance of a medical doctor.

People are offered health and fitness checks and blood testing programs are in place for operators who are potentially exposed to chemicals.

Personal Safety

The main metric for measuring the number of injuries is the All Injury Frequency (AIF). That is the total number of medical treatment cases and injuries that resulted in a person not being able to perform their normal work for at least one day, per million hours worked. We measure this metric at our operating sites and we participate in a data collection process organised by the European Oil Industry (Concawe) to establish a benchmark.

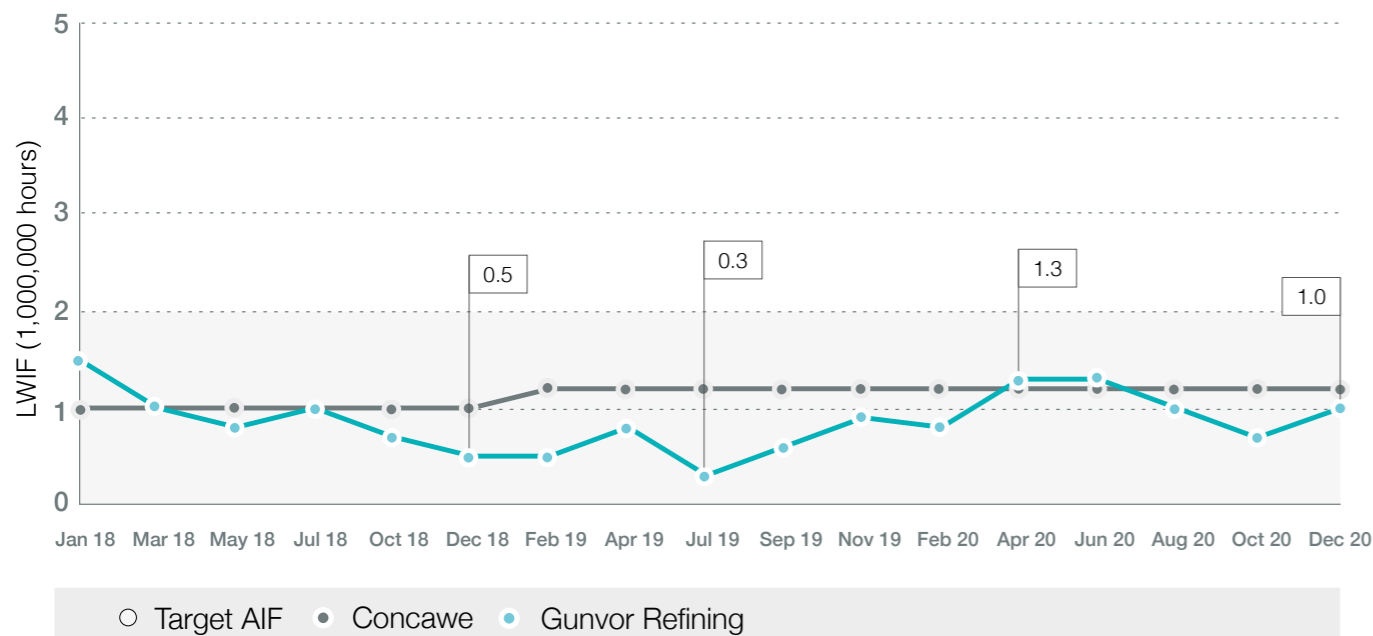


We also compare with our internal target which is higher than the benchmark to compensate for differences in reporting culture across the industry.

The AIF increased in 2019 in relation to a high number of new workers from contractor firms working on projects. We discussed improvement measures with the contractor firms and intensified the oversight and number of field observations. In the course of 2020 the AIF improved to a level around the internal target.

Most of the injuries covered in the AIF are minor. More severe injuries, resulting in workers not being able to return to work in a day, are monitored through the Lost Workday Injury Frequency (LWIF). This indicator is maintained around the average for the European refining industry as measured by Concawe, meaning that our performance in terms of safety is meeting the industry average. This achievement is the result of our continuous focus on the aspects that determine personal safety, such as training, education, enforcement of procedures, learning from incidents, permit to work system and task risk assessments.

LOST WORKDAY INJURY FREQUENCY GUNVOR OPERATING SITES 2018-2020



We are happy to say that nobody was badly injured with severe long lasting effects this year. We continue our efforts to keep the history of Gunvor Refining free from fatalities or other human disasters.



Transport Safety

The safety during transport of dangerous goods is arranged through several regulations. For example, the ADN, ADR and RID regulations for transport by barge, truck and train respectively in Europe. These regulations specify the type of transport vessel allowed for each (type of) substance depending on its chemical, physical and toxicological properties; rules for construction; provisions for crews, equipment, operation and documentation; requirements concerning loading, carriage, unloading and handling of cargo; classification and labelling; education of drivers / shippers, oversight etc.

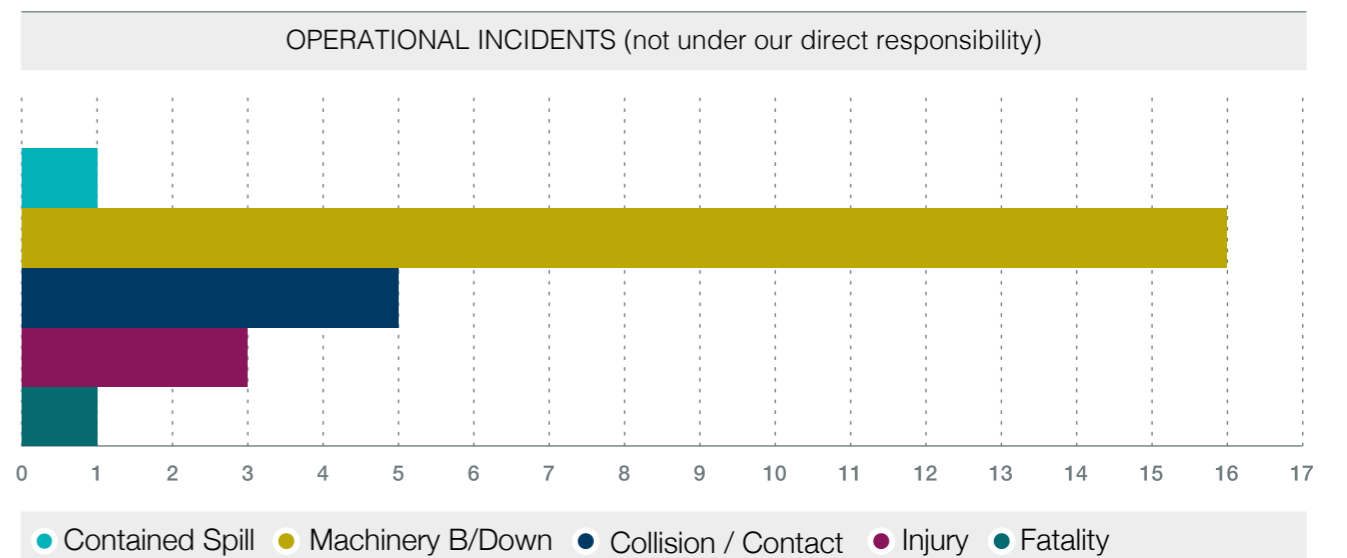
The majority of transport on land and inland waters is carried out by third parties. In order to check the compliance with these complex regulations we make use of the services of specialised consultants.

Large maritime transport volumes are carried by our shipping branch Clearlake, which charters vessels. As commercial operators of our time chartered vessels, we are not responsible for the operational management of vessel or the crew, and therefore not responsible for incidents, but we keep a close eye on the performance and use our influence to improve performance as much as possible.

Unfortunately, one man overboard incident resulted in a fatality. We have liaised with the technical operator and ship owner to ensure this event has been investigated and conclusions circulated to allow lessons to be learned.

In cases where the management of crews or incident rates are too high, we can make the decision not to work with certain companies, as we have done in the past.

Incidents incurred this year are illustrated below:





Product Safety

Our customers and any other party in our supply chain need to know if the product we use or put on the market is safe for the intended use and what risk management measures need to be applied. This is communicated through Material Safety Data Sheets (MSDS or SDS). The format of the SDS is regulated by a globally harmonized system of the UN and further regulated by local product safety regulations, for example the REACH regulation in Europe.

We maintain a library of the applicable SDS for our products on our intranet so that all actors can easily find the right version.

In several regions, REACH registrations are required for placing substances on the market. The registration dossiers contain information on the hazards for human health, safety and the environment, based on animal tests and other scientific studies. Risk assessments are based on such data for the applicable exposure scenarios and the required risk management measures are determined. Gunvor has REACH registrations allowing for the manufacture or import of various petroleum substances and biofuel components for the most important areas.

We manage our compliance with these regulations through procedures, a training module that needs to be completed from time to time by the trading operators and by including some of the requirements into our trading systems. Auditing is also an important aspect of our product safety governance.

Process Safety

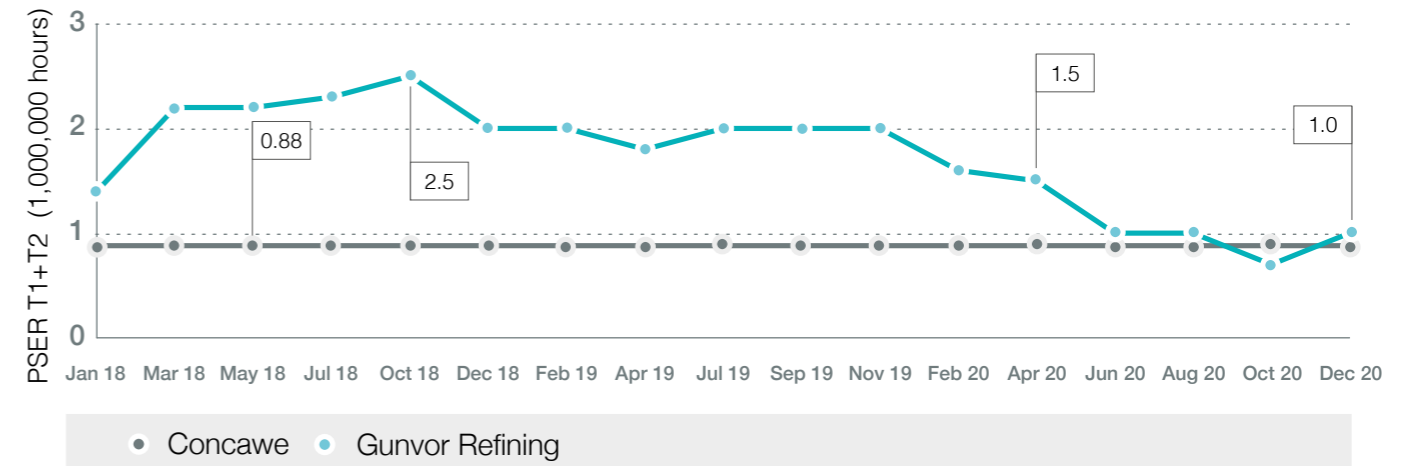
Managing the risks associated with loss of containment, such as fires or explosions, is extremely important for our processing and storage sites.

This is achieved through several pillars such as regular review of hazard studies, procedures, safety instrumented systems, inspections and training.

Our production sites work along a Process Safety Roadmap for continuous improvement and this is stewarded by our process safety specialists.

We measure our performance by recording the process safety events (incidents and near misses) in the categories established by the American Petroleum Institute (Tiers 1, 2 and 3). The rate per million hours worked can be compared with the benchmarks of the oil industry. In the graph below, this is done for the Tier 1 and 2 events and it demonstrates that our performance is now meeting the industry average.

PROCESS SAFETY EVENT RATE (TIER 1 +2) GUNVOR'S OPERATING SITES 2018-2020



A noteworthy incident took place at our biodiesel plant in Berantevilla, Spain, where flammable vapour in the headspace of a tank exploded, ripping off the roof plate of the tank. The ignition was caused by welding on a pipe that was insufficiently isolated from the tank.

As always after higher risk incidents, we launched an investigation and took measures to prevent the occurrence of similar incidents. In that case, the contractor management process has been reviewed and improved.

Security Risk Management

Our sites and assets are secured through high standards and these apply to elements including access control, vetting mechanisms, guarding etc.

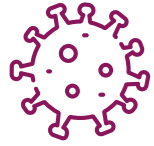
As per our policy, security is part of our internal audit protocols and framework for human rights assessments.

On IT security, Gunvor has implemented a risk-based approach to develop and manage its information security and data protection program. To mitigate any related risks, we have implemented policies, controls and technologies.

The risks and threats associated with IT systems are mitigated by the implementation of technical and organisational measures (TOM's). Any IT system containing sensitive or internal information (i.e. business data) and personal data must meet certain requirements to ensure the security, based on the well-known "CIA Triad" concept: Confidentiality, Integrity and Availability.

Technical measures are those that directly involve the IT infrastructure. Organisational measures, on the other hand, are related to the system's environment and processes, and particularly to the people using it. The combination of both types of measures can prevent data from being destroyed, lost or leaked, and prevents unauthorised access.

These measures are implemented at every level of the information systems and subject to technical progress and further development as risks and threats evolve.



COVID-19 in Focus

Right from the beginning of the pandemic, weekly crisis conference calls across Gunvor's industrial sites were organised and measures were put in place at our locations to reduce the infection risks. These included the following:

- People that can work from home were required to do so.
- During the first wave of the pandemic, we had split the workforce in our main offices in three groups in order to minimize the consequences of an outbreak. These groups were kept separate and had to work from home or work in a different office building.
- In the meantime measures were taken to facilitate working from home where possible and this became the general practice if the type of work allowed it.
- Distancing rules were implemented and enforced. For office spaces the maximum number of persons allowed in each room were indicated.
- Smoking cabins were closed. Smoking breaks had to be enjoyed outside in the open air.
- Plastic sheets were installed in meeting rooms to reduce the chance of infection.
- Rules for wearing Personal Protection Equipment were implemented and enforced such as mouth caps or face shields.
- Hygiene rules were established and canteens were closed or limited to take away service.
- Quarantine rules were established in case of positive testing or symptoms.

Also regular web-meetings were held by our industry association Concawe in Brussels so that companies could learn from each other's experiences in dealing with COVID-19 issues.

The measures resulted in establishing new practices. An example is the remote execution of HSEC audits at our refinery sites. The normal practice is that an audit team is going to visit a site for a week for interviewing numerous people, cross checking paperwork and observing the execution of procedures. This time the interviews were done through web-meetings and the paperwork was examined via intensive exchange of scans per e-mail. Although not ideal, we thought it better to continue having audits than to postpone them.

Our Rotterdam refinery had planned a major maintenance turnaround which was about to start in April 2020, a few weeks after the pandemic reached the Netherlands. We would have hundreds of extra maintenance workers from all over Europe at our site in a tight time schedule. Risks appeared that these people would become infected or that travel restrictions and quarantine measures would jeopardize the work. Site management took the tough decision to cancel the work although the refining units were already shut down and prepared for the work. An alternative planning was established to do the maintenance work with less people over a much longer period of time. In economic terms this was feasible because the refining margins were in a steep dip as the result of the lock down measures everywhere, which caused a stark drop in the demand for fuels. The adjusted turnaround took place from June until October with a presence of around 800 contractor workers. Normally this would have been 2100 – 2500 workers per day over a period of six weeks. A large amount of preventative equipment was given to these workers, including more than 4,500 face shields to be fixed to helmets. Thanks to the preventive measures only one COVID-19 outbreak occurred, involving 12 workers from various companies, which was successfully contained.

In our shipping activities, the COVID-19 pandemic has created an unprecedented crew change crisis which has led to hundreds of thousands of seafarers being impacted and in many instances left stranded on ships, beyond the expiry of their contracts. Significant efforts were deployed by international organizations, governments, industry associations, labor unions, NGOs and individual companies including the adoption on 1 December 2020 by the UN General Assembly of a resolution on International cooperation to address challenges faced by seafarers as a result of the COVID-19 pandemic to support global supply chains. We implemented additional measures:

- Sign the Neptune Declaration
- Facilitate crew changes as far as we can within our contractual commitments
- Support payment of bonuses when changes are not possible
- Put in place an escalation process on this matter
- Deactivate Counter Parties following breaches in respecting crew's human rights



Environment

🎯 2020 OBJECTIVES

- ✔️ Complete our inventory of scope 1 and 2 emissions, finalize our GHG emission strategy and define reduction targets
- ✔️ Continue reducing energy consumption and CO₂ emissions in refineries and in our shipping activities
- ✔️ Increase volumes of renewable energy produced and made available to the market and consumers
- ✔️ Maintain our performance related to oil spills
- ✔️ Manage our waste and more specifically our hazardous waste

🎯 2021 OBJECTIVES

- 🎯 Continue reducing energy consumption and CO₂ emissions in refineries and in our shipping activities in line with our sustainability commitments
- 🎯 Continue reducing the CO₂ footprint of the products we trade
- 🎯 Start with analyzing and documenting the CO₂ intensity of specific energy products in our supply chains
- 🎯 Maintain our performance related to oil spills

The impact our activities have on the environment is specifically managed through dedicated local systems at our assets.

In this section we report on the most relevant environmental aspects from our refineries, terminals, biofuel plants and shipping activities.

Water

Our activities have impact on water, through our consumption of fresh water in our processes, and the generation of wastewater.

Fresh water is being used in the refinery and biofuel production process. For example in the pre-treatment of feedstock, in steam production and for cooling of hot refinery streams. The total consumption on our operated assets in 2020 was 1.9 million m³. This was lower than the amount in 2019 (2.3 million m³) as the result of lower refining activity.

Water withdrawal takes place from the public grid, surface water (canal) and groundwater from underneath river shores, depending on the site. No water is withdrawn from water-stressed or water-scarce areas, in line with our specific local authorizations.

Wastewater is treated in on-site treatment plants before discharge, subject to permitted limit values. On our biofuel plants, waste water is pre-treated before it is discharged to the public sewer and treatment system.

We do not consolidate the total amount of oil discharged in water as limits are very low (typically below 25 mg/l) to protect the receiving water bodies and we continuously monitor the quality of the water we discharge. When there is an exceedance, it is reported and treated as an incident with an investigation carried out to prevent recurrence.

The total volume discharged by the refinery and terminal assets in 2020 was 1.7 million m³ (2.3 million m³ in the preceding year).

Biodiversity

Our approach to preserving biodiversity spans from protecting species that live on our sites to limiting the impact of our activities on natural habitats.

In particular, at our sites in coastal areas (Antwerp & Rotterdam) various species find nesting and resting places (oystercatchers, common terns, various types of geese). It is our policy to facilitate that as much as practically possible.

In order to preserve habitats and avoid excess nitrogen in air and water, our emissions of nitrogen oxide are continuously measured and strictly limited. We currently do not operate facilities in protected areas or priority sites for biodiversity conservation. Our sites are typically located in industrial areas.

Beyond our sites and up our supply chain, we recognize our responsibility and ensure we control our impact on biodiversity. Only sustainable feedstock is used in our biofuel plants, subject to certification under relevant sustainability schemes. All purchased volumes can be traced back to the origin, in alignment with requirements from the European Renewable Energy Directive. Also crucial in maintaining the sustainability of supply chains is the identification and selection of reliable partners. All suppliers must meet sustainability criteria and we agree on specific conditions for the raw materials. The feedstock primarily consist of waste materials such as used cooking oil and residues from vegetable oil production. No virgin palm oil is being used.



Air Emissions

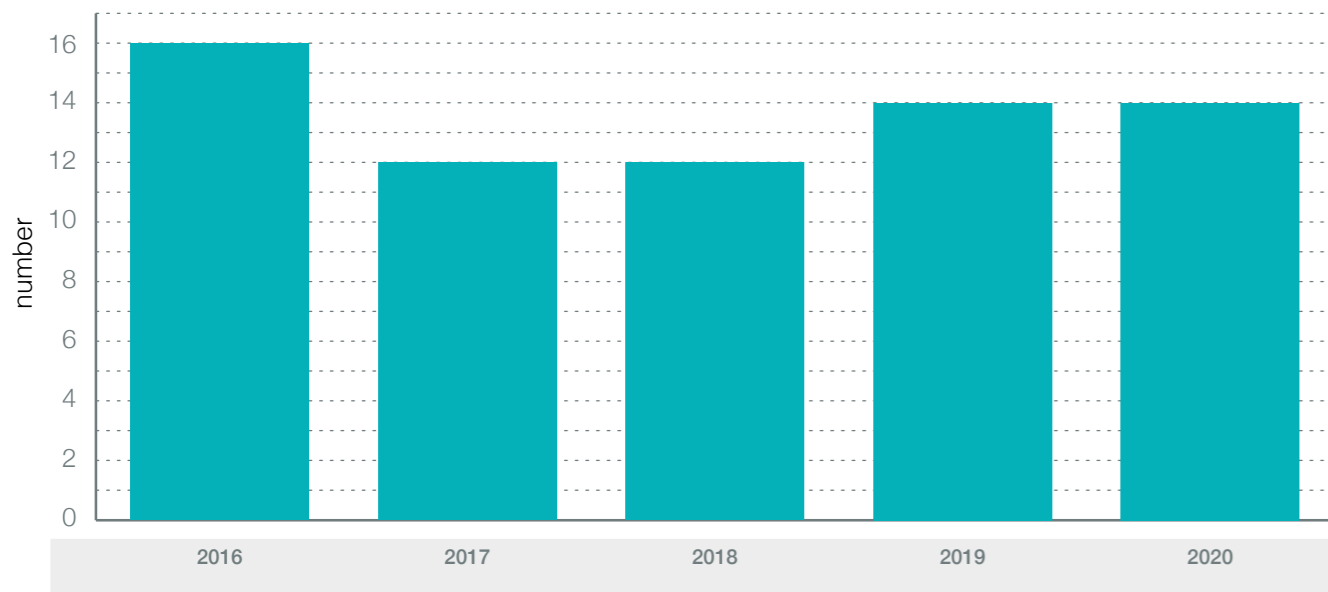
Our sites are subjected to strict emission limits for various pollutants with continuous or periodical measurement obligations and rules for reporting to the authorities. We can provide emission information for each site but we are not adding up emission figures because each site has a different set up which makes comparison difficult.

For our European sites the emission limits are governed by the Industrial Emissions Directive which requires member states to set emission limits based on Best Available Techniques, hence the limits are based on what is achievable.

Our governance ensures that exceedances are reported to management and treated as an incident with a proper investigation to prevent recurrence. In most cases an exceedance is caused by a disturbance in the process and normally the duration is short (minutes or sometimes hours).

The number of yearly environmental exceedances from our refining sites is indicated in the following graph.

ENVIRONMENTAL EXCEEDANCE 2016 - 2020

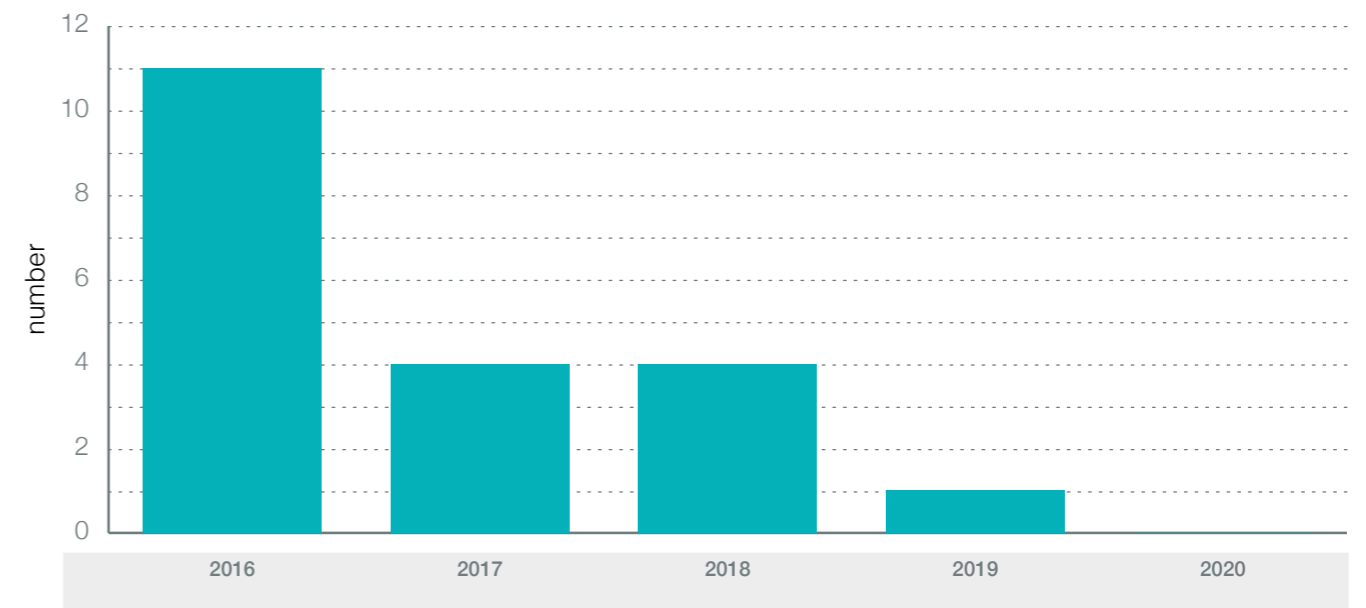


The exceedances in 2020 were related to air emission limits (7 exceedances) and waste water emission limits (7 exceedances).

Spills

The number of spills greater than a barrel is an important metric in the oil industry. In the past we have implemented measures to reduce the number of spills and manage to reduce them to zero in 2020, on our refining, biofuel and terminal sites (see graph).

SPILLS > 1 BARREL 2016 - 2020



In terms of volumes, these spills amounted to 2,140 litres in 2018, 400 litres in 2019, and zero in 2020.

We want to keep this level of performance and have implemented a clear policy, stating that all spills matter and shall be reported, allowing us to investigate small spills and preventing the situation to deteriorate.

In our shipping activities, all spills were contained, which means no product reached the environment, and their number decreased compared to 2019, from 3 to 1 (see section on Health & Safety).

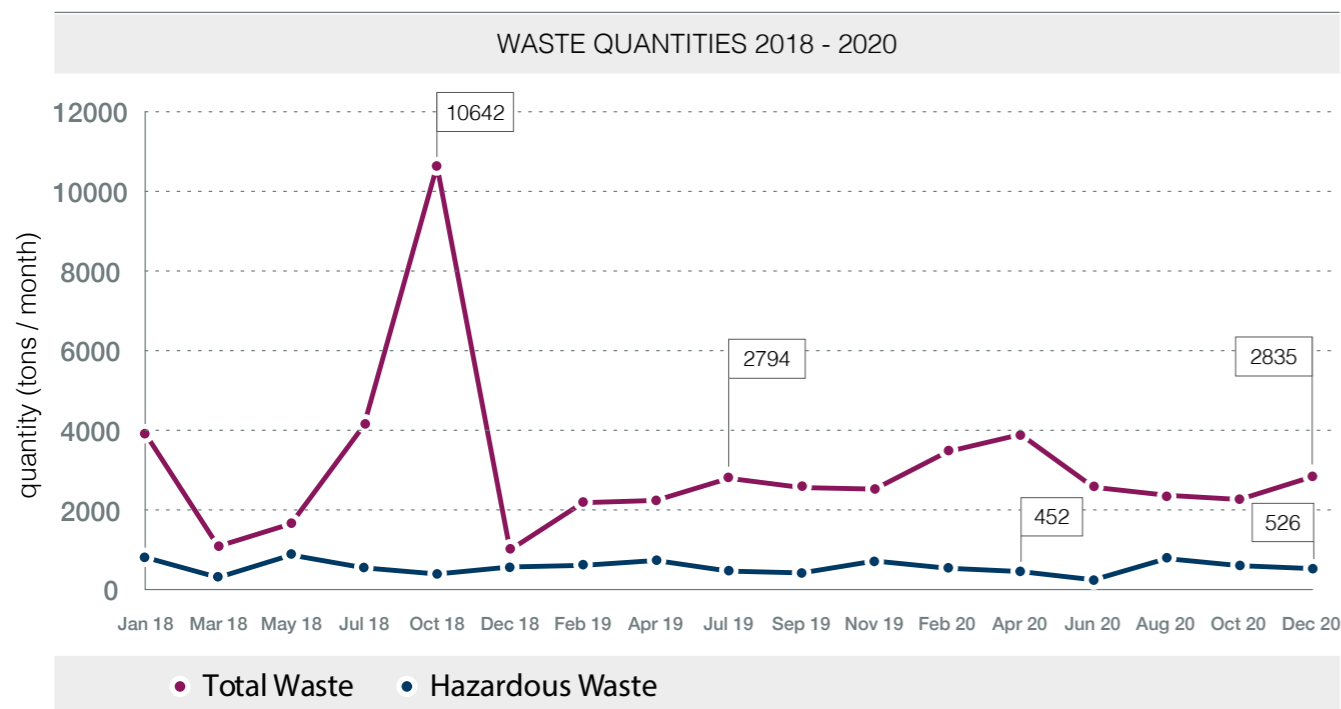
Waste Management

The quantities of waste depend heavily on maintenance projects. For example, if an oil storage tank is being prepared for an overhaul, the sludge at the bottom needs to be disposed. The refineries typically have a major maintenance turnaround every four to six years, when considerable quantities of waste are generated. This was the case in 2020 at our Rotterdam refinery.

The graph below provides information on the waste quantities over a period of three years. It is clearly visible that the quantities vary a lot. The spike in 2018 was caused by a construction project and the spike in 2020 by a demolition project.

Soil remediation and demolition projects also generate significant quantities. These factors explain the variation on waste quantities, and as far as we develop approaches to minimize and optimize waste generation, some quantities are uncompressible.

Our waste management is focused on separation into various types of waste and selecting the appropriate destination for each category with the help of specialized contractors. This work is heavily regulated in order to protect the environment and all waste is transported to licensed waste processing sites.



Decommissioning

Our HSEC standards require sites to include obsolete equipment in the asset management procedures so that inspection and maintenance is continued as far as needed for preserving safety and the environment. This needs to be continued until the removal of such equipment.

Demolition takes place when that becomes the preferred option for keeping the site in a safe state or when the space is needed for new developments. As an example, we have executed a demolition project at our Rotterdam site in 2020, where a former lube oil plant was located. All the reactors, columns, piping etc. have been removed. For the removal of a tall chimney, a special method was applied: a remotely controlled concrete crusher hanging on a crane.





Energy Transition and CO₂ Emissions

Climate Governance and Strategy

As a leading global physical commodities trading company, Gunvor Group is inherently equipped to be responsive to market changes, and the company's success over the last 20 years is based on its ability to do so. While Gunvor has historically focused on the safe and efficient movement of crude oil and oil products, the company has been for more than a decade diversifying into new commodities and strategies in response to shifting markets and opportunities. About 50 percent of Gunvor's trading today consists of "transitional" commodities, based on the EU Taxonomy, which includes biofuels, natural gas, and liquefied natural gas (LNG). The company has also ceased physical coal trading and acquired biofuels plants (see the section elsewhere in this report).

To build on this record, Gunvor now commits to both further improve the environmental impact of its current trading portfolio and invest in new sustainable commodities and businesses. Decisions made will be done not only in response to our desire to uphold our position as a responsible company, but because Gunvor believes it is possible to do well by doing good. Due to fundamental economic and logistics reasons, hydrocarbons will continue to be a part of the global energy mix for the foreseeable future. Therefore, steps must be taken today to effectively manage, limit, and where possible eliminate emissions. The commercial viability of sustainable sources of energy is also being increasingly realized. As new commodities enter and grow, Gunvor will be a part of ensuring their safe and efficient movement to help balance markets.

Practically, a multidisciplinary energy transition team was formed in which leaders of different departments contribute to exploring opportunities and organising projects. The transition is integrated into our existing governance structure, through our Group HSEC Committee, which reports to the Executive committee.

Climate Risks & Opportunities

In order to manage risks associated with climate change, and their impact on our business, Gunvor Group has begun to undertake the following commitments:

- Established dedicated vehicle, Nyera (Swedish: “New Era”), to formalize nonhydrocarbon investments comprising a minimum of 10% of net equity that, with leverage, is expected to amount to a commitment of at least half-billion dollars (USD).
- Company’s major credit lines will continue to embed specific sustainability-linked goals and KPIs.
- For existing and new trading, dedicated programs will be established to reduce emissions and environmental impact, while taking into account human rights considerations, in line with our commitment to the UNGPs on Business & Human Rights.
- Emissions from refineries will continue to decrease compared to 2019, through efficiency projects and a switch to renewable and carbon neutral electricity.
- 100% of owned ships and 75% of time charter shipping fleet will be “eco-vessels” by 2022, with an overall 100% before 2027.
- Gunvor is assessing its Scope 3 emissions, including those linked to the traded commodities and voyage charters; the company commits to follow the IMO improvement in efficiency targets of 40% by 2030, as per Gunvor’s membership in the Sea Cargo Charter.

CO₂ Emissions

This section gives an overview of the CO₂ emissions from Gunvor in 2020. Greenhouse gas reporting is limited to carbon dioxide (CO₂) as a first step. Inclusion of methane, nitrous oxide (N₂O) and other greenhouse gases will be reevaluated in the future.

Scope 1 emissions are defined, according to the international GHG protocol, as direct emissions from our assets. The protocol gives a choice on how to include assets. We apply the “financial control” approach, i.e. we take into account the assets that we financially control (in general this is when we own > 50%). In case of joint financial control we include the emissions in proportion to our equity share. The direct emissions from these assets is what is emitted on their sites. These emissions are associated with combustion processes such as to generate heat, steam or propulsion.

Scope 2 emissions are indirect emissions from electricity purchased by our sites (the emissions taking place at the power plants that supply electricity to the public grid).

Scope 3 emissions are certain other indirect emissions. Currently we have included in this scope the emissions from flights, transport and storage activities ordered by Gunvor. Not included in this stage are the emissions during the production of purchased products and the use of sold products. These are very much dependent on our trading volumes. Information on the CO₂-footprint of our traded products is provided elsewhere in this report. Furthermore, emissions from transport and storage ordered by our trading desks that is not carried out through our own shipping branch, are not yet included.

The following table summarises our CO₂ emissions in 2020. As we have developed our internal CO₂ reporting procedure in this year, we are not yet able to show a trend for a longer period.

The reporting of scope 3 emissions will improve over time and we will define reduction targets.

	Scope	Total	Operations	Shipping	Offices	Travel (flights)
Emissions (tonnes CO ₂)	Scope 1	1,000,669	975,623	25,046		
	Scope 2	51,675	50,952		723	
	Scope 3	1,782,301	25,038	1,756,346		917

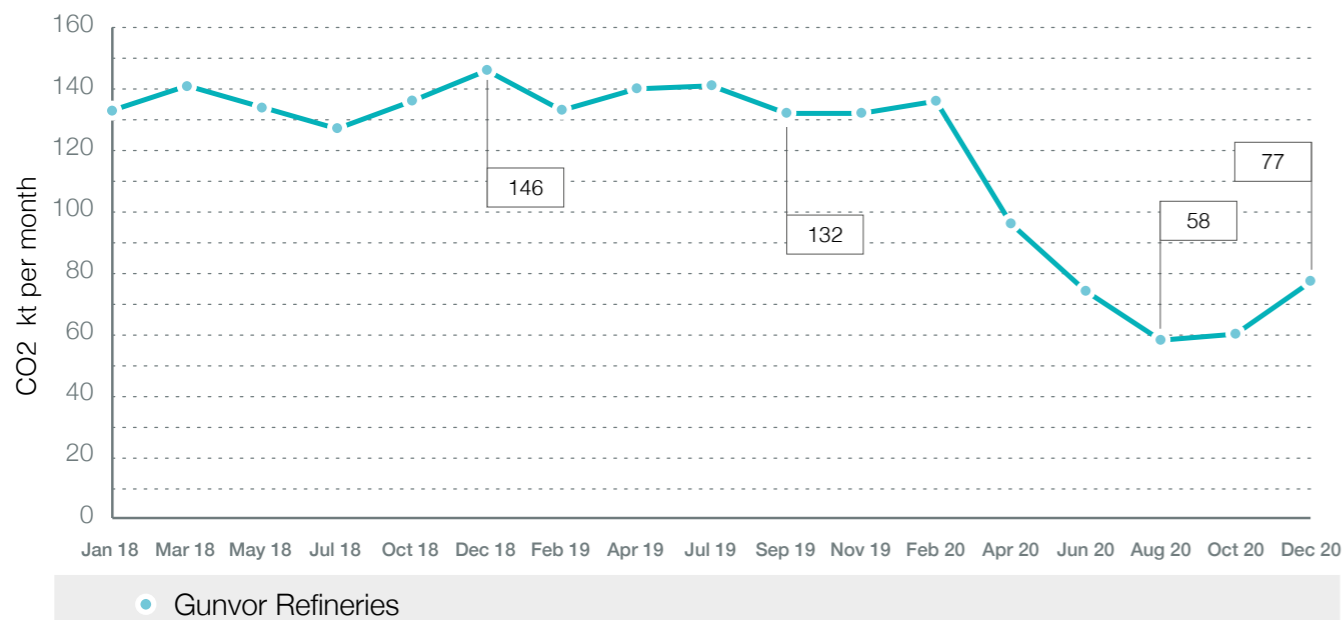
CO₂ Emissions in Refineries [Scope 1]

The following graph depicts the direct CO₂ emissions from our refineries. The emissions declined sharply in 2020 due to a reduced refining activity. The Rotterdam refinery stopped processing crude oil and after a prolonged maintenance turnaround during the COVID-19 pandemic, the production of fuels from imported naphtha and gasoil resumed in November. In the summer of 2020 we ceased the refining operations in the Antwerp refinery and since then we are using the site for storage and transshipment. Our German refinery ran with a slightly lowered throughput in response to the reduced demand during the lockdown period.



The Ingolstadt refinery is now the main contributor to our scope 1 emissions. We are working on transforming this asset in line with the energy transition, see case study.

CO2 EMISSION GUNVOR REFINERIES 2018 - 2020



CO₂ Emissions in Shipping [Scope 1 & 3]

Maritime transport is the backbone of global trade and the global economy, enabling 90% of the world's total trade.

Emissions from shipping represent a big part of our carbon footprint and we have been constantly working on reducing it with available techniques as well as looking into new technologies.

1. Calculating our emissions and benchmarking our efficiency

In addition to the CO₂ emissions from ships we co-own, we have calculated the emissions generated by the ships we time charter and are in the process of calculating emissions due to all our spot chartered vessels.

As a founding member of the Sea Cargo Charter, we have committed to define and communicate our CO₂ performance and have decided to start the reporting and verification process for our Time Charter fleet as soon as possible, so that when we officially report, our data is reliable.

Today, we are reporting on alignment to both AER, indicator used by the IMO and the Poseidon Principles and EEOI, as defined in the Sea Cargo Charter, taking into account the cargo and relevant for charterers.

Lloyd's Register analysis confirms that Clearlake's fleet Average Efficiency Ratio (AER) was 1.5% lower at 6.02 g CO₂/T.nm and Energy Efficiency Operational Indicator (EEOI) 18.0% lower at 9.48 g CO₂/T.nm than the Climate Alignment Trajectory set by Poseidon Principles/IMO and Sea Cargo Charter respectively for the year 2020.



Lloyd's Register's Ship Performance Group has independently calculated CO₂ emissions metrics for Clearlake's fleet of ships for 2019 and 2020 based on the supplied data. The supplied data was independently verified using AIS data and Lloyd's Register's emission models.

In 2019, the calculation was performed excluding port consumption. In 2020, as we have improved our reporting processes, those consumptions are included, and will be in the future.

	AER		EEOI	
	2019	2020	2019	2020
Fleet target (gCO2/t.nm)	6.73	6.12	13.21	11.55
Fleet score (gCO2/t.nm)	(6.25)	6.02 (4.98)	(9.20)	9.48 (7.48)
Alignment (%)	(-7%)	-1.51% (-18.5%)	(-30.4%)	-18% (-32.1%)

On a like for like basis (shown in brackets in the table below), our performance has improved.

Our fleet performs better than the climate trajectories set by IMO, Poseidon Principles and Sea Cargo charter and we intend to keep this performance below the defined trajectory to achieve the 40% reduction in carbon intensity by 2030 as per IMO strategy.

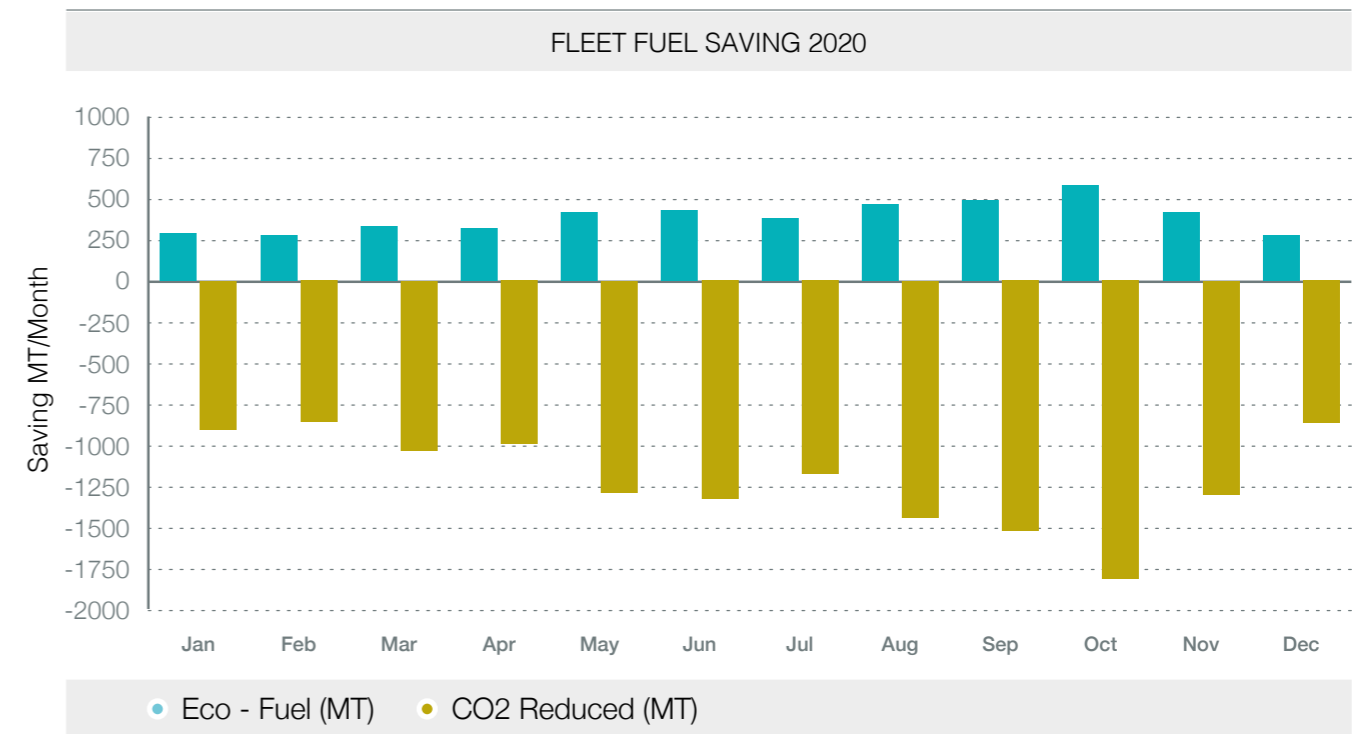
As we improve our reporting and visibility on our carbon performance, we will be able to optimise our fleet and increase our reduction by targeting the worst performers and improving time at ports.

2. Managing our operations to minimise emissions

Clearlake Shipping implemented the “Efficient Commercial Operation – Project ECO” in 2019 to optimize fuel consumption through planning and monitoring without compromising ship arrival time. The project relies on applying principles of intelligent speed simulation and routing, taking into account forecast weather conditions.

This program increases interaction between Clearlake Operators and Masters, analysing any variance to the forecast route in real-time.

Graph: Project ECO – Fleet Savings 2020



Gains are limited at this stage, but the system allows us to control fuel consumption and therefore carbon emissions for each of our voyages, and ensure they remain below the forecast.

3. Transforming our fleet

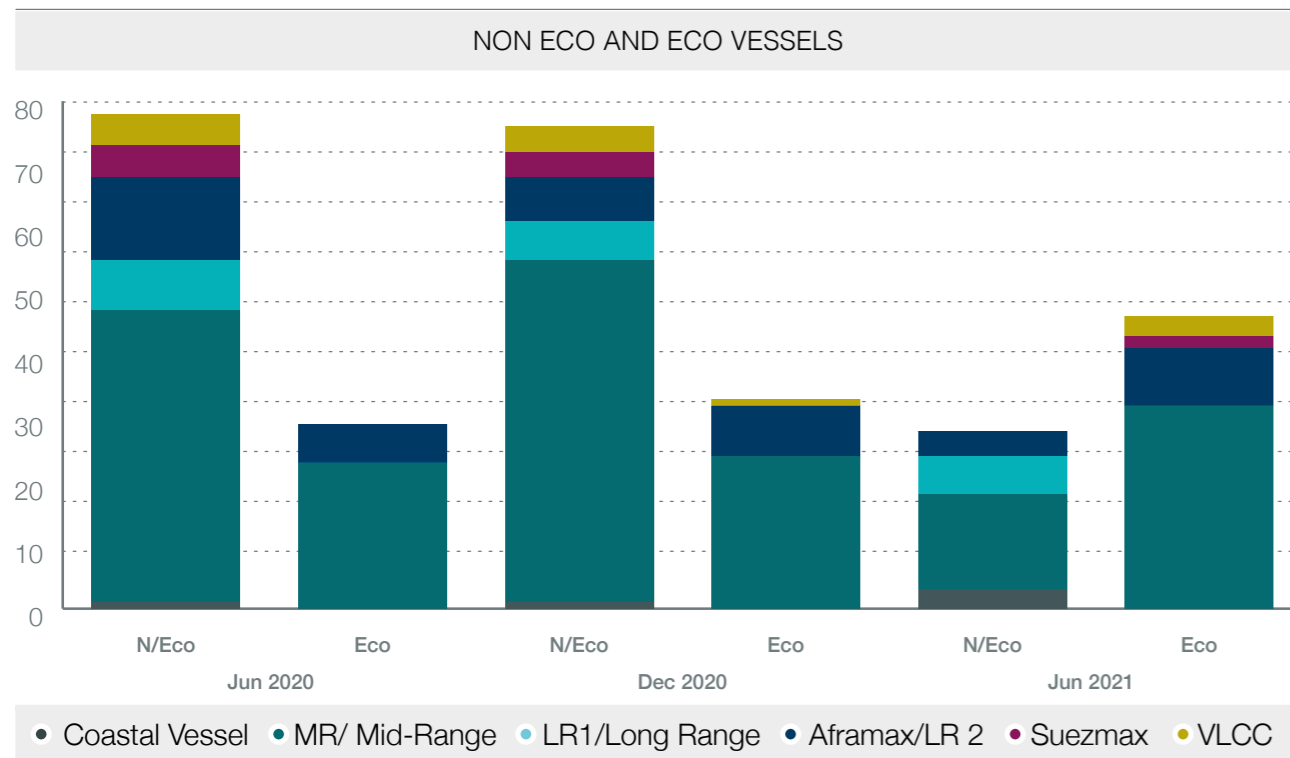
We are transforming our fleet, as shown in the graph below, with the objectives to get to 100% eco vessels, in our co-owned and time chartered fleet.

Going forward, we are looking into including carbon footprint assessments in all our decisions related to vessels we co-own or charter:

- Carbon intensity (based on IMO's CCI) will be taken into account at the vetting stage, with systematic escalation to management and HSEC in case of insufficient carbon performance

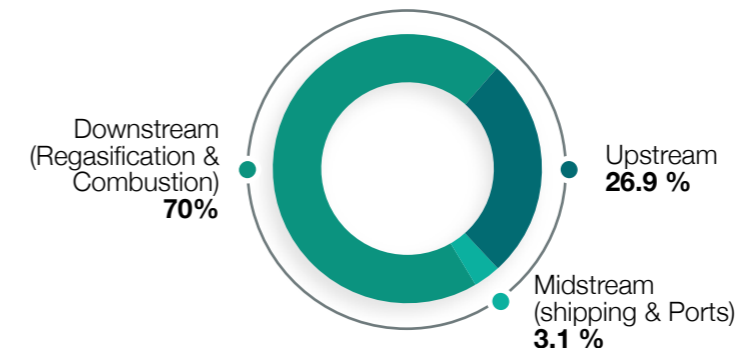


- We are developing a tool to allow us to understand the impact of each ship on our carbon profile, at ship type and fleet level, for all ships, time and voyage chartered. Going forward, we will be looking into tackling all voyages above our internal benchmark
- We are looking into next generation ships, on a midterm approach, with LNG fuels and developments for the management of methane slips, and in the long term, ammonia.
- We are also looking at assessing the carbon footprint of the construction phase of the ships we use, and monitoring how we can include this additional block to our understanding of our carbon footprint.



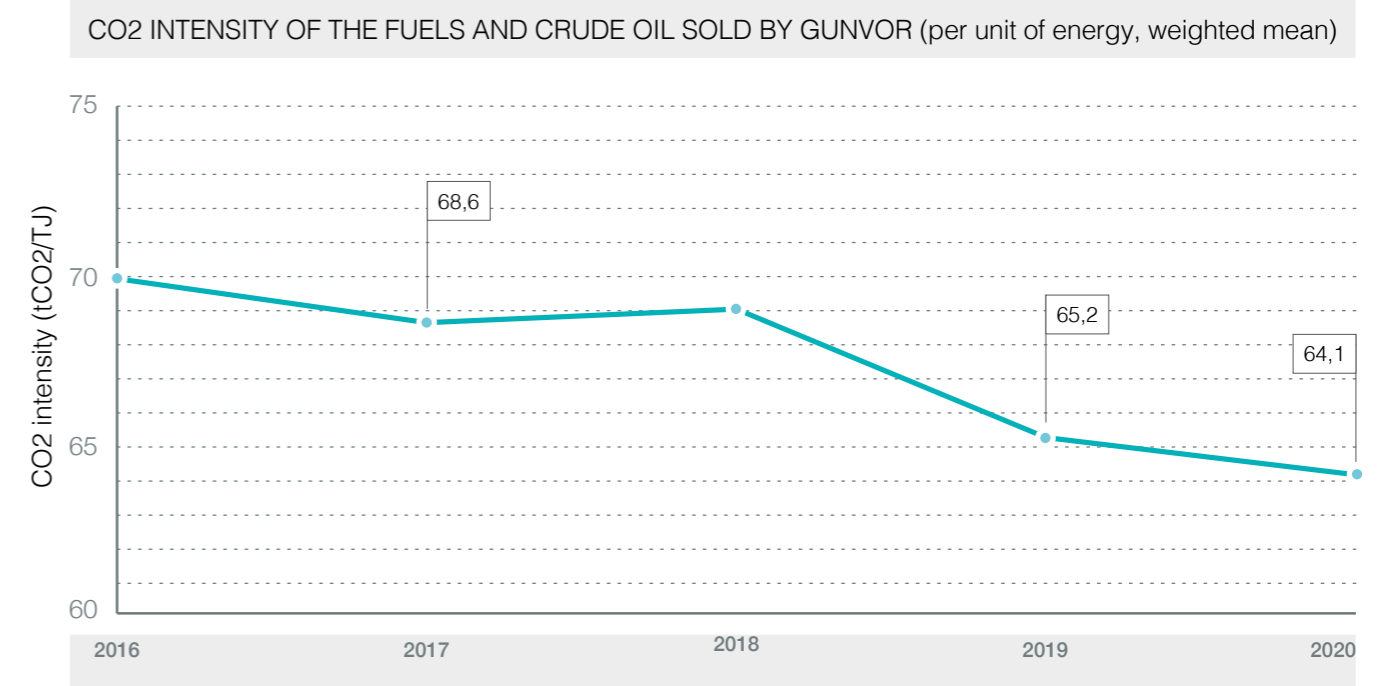
Profile of CO₂ Emissions Related to Trading

We are working on defining our scope 3 emissions related to trading. We have started evaluating the overall CO₂ footprint of our trading of LNG, wellhead through to combustion. The distribution of emissions for a typical LNG trade is as follows:



We are focussing on improving what we can directly influence, and in priority, shipping, as presented in the previous section. We are defining an approach to improve the other areas.

Already, we are working on decreasing the carbon intensity of the commodities we trade:





Lower Carbon Technology

Nyera

Gunvor Group has established a goal of dedicating 10% of net equity to non-hydrocarbon investments over the next three years. To facilitate the exploration and execution of these projects, the company has established a new investment vehicle, Nyera, which in Swedish means “new era”. Nyera will employ funds which, with leverage, is expected to amount to a commitment of at least half-billion dollars (USD). Depending on partnership structures and opportunities, this will evolve over time.

Areas of immediate interest for Nyera include:

- **Renewable Power:** Deployment of capital in renewable power (e.g., solar, biomass), including supporting projects through offtakes and investments. Consistent with Gunvor’s overall corporate strategy, investments will be to complement trading activities, which in this case will support the further development of the company’s Power Desk.
- **Alternative Fuels:** Exploring opportunities in the alternative fuels space, such as ammonia and hydrogen, to support the commercialisation of these fuels as part of the global energy mix. Blue and green hydrogen, in particular, has the potential to be commoditized, and is an area of significant focus.
- **Leveraging Industrial Assets:** In connection with the aforementioned initiatives being undertaken at Gunvor’s three refineries, Nyera will look to invest in the facilities’ existing infrastructure, both in terms of energy efficiency and emissions reductions initiatives, and to develop logistics and supply chain capabilities for green ammonia and green hydrogen.
- **Biofuels:** Exploring the potential to increase the biofuel component in the marine fuels used by the company by leveraging on our strengths in biofuels and blending in key maritime hubs (e.g., ARA).

One of Nyera’s initial projects has been an investment in Artemis Technologies, which is developing non-hydrocarbon solutions to maritime transportation. Artemis Technologies, founded in 2017, is an applied technologies spin-off of the Artemis Racing sailing team, which competed in the 34th and 35th editions of the America’s Cup—the most technologically demanding sailing competition in the world. Artemis Technologies is a purely commercial endeavour that draws on the team’s world-class designers, engineers, and boat builders to develop practical applications for its advancements in speed and efficiency.

Gunvor’s investment will aid Artemis Technologies’ development of a transformative electric hydrofoiling propulsion system, the Artemis eFoiler™ that will power “green” vessels of the future. The vessels developed as a part of the Belfast project will operate with up to 90% less energy than traditional ferries, with the capability of carrying up to 350 passengers and produce zero emissions during operation.

This Artemis eFoiler™ system combines technologies from the 13-partner Belfast syndicate, which includes a mix of companies within the maritime, aerospace, energy, and automotive industries, as well as academic institutions and public bodies. The consortium’s program was last year awarded a £33 million UK Government innovation grant.

Gunvor is also contributing to efforts to support the commercialisation of alternative fuels and carbon reduction technologies, through membership of:

- Ammonia Energy Association
- Global Carbon Capture & Storage Institute
- Hydrogen Europe





Starting up our second biofuel plant in Huelva

Gunvor has identified biofuels as part of the solution in the energy transition. Following the acquisition of the idle biofuel plant on the Spanish south coast, we prepared the site to start the production of biodiesel.

This production site is located in the petroleum/chemical hub of Andalusia in the Port of Huelva. It was built in 2012, only partially completed and left unemployed under the previous owner for years. We had to recruit skilled staff in order to dust off the plant and get the factory ready for starting up again. This included re-permitting, certifying and the necessary inspections, repairs, modifications and completion works. The whole process took more than a year but finally, in December 2020, we began producing biodiesel.

The feedstock is fully from sustainable sources and primarily consist of waste materials such as used cooking oil and residues from vegetable oil production. After several pre-treatment steps the feedstock is converted in a chemical process called transesterification into Fatty Acid Methyl Esther (abbreviated as FAME), and then biodiesel when all refining steps are completed.

The capacity is 100,000 t/yr and also by-products as refined glycerine and raw material for fertilizer applications are being produced.

The production of FAME contributes additional volumes for Gunvor's biofuels trading desk.

The greenhouse gas emissions saving from the FAME typically is 85% in terms of grams of CO₂ per unit of energy contained in the fuel, compared to fossil fuel. Adding FAME to diesel reduces the carbon foot print of the fuel. Diesel sold at filling stations in Europe normally contains FAME in a concentration of 7 or 8.5%.



Transforming our refinery in Ingolstadt

Sustainability is not only a modern buzzword for Gunvor's Ingolstadt Refinery (GRI), it is deeply embedded in its operation and optimization throughout the entire organization. At times, when "CSR" was not yet a well know acronym, the refinery as responsible neighbour started to engage with various local and regional public organizations – and continues to do so since. Examples are the "green classroom" at local primary schools with engineers teaching pupils about responsible energy use, "technical tutors" at local secondary schools with apprentices guiding students through technical experiments, "Girls' Days" events at the refinery, sponsorship for youth fire brigades – just to name a few.

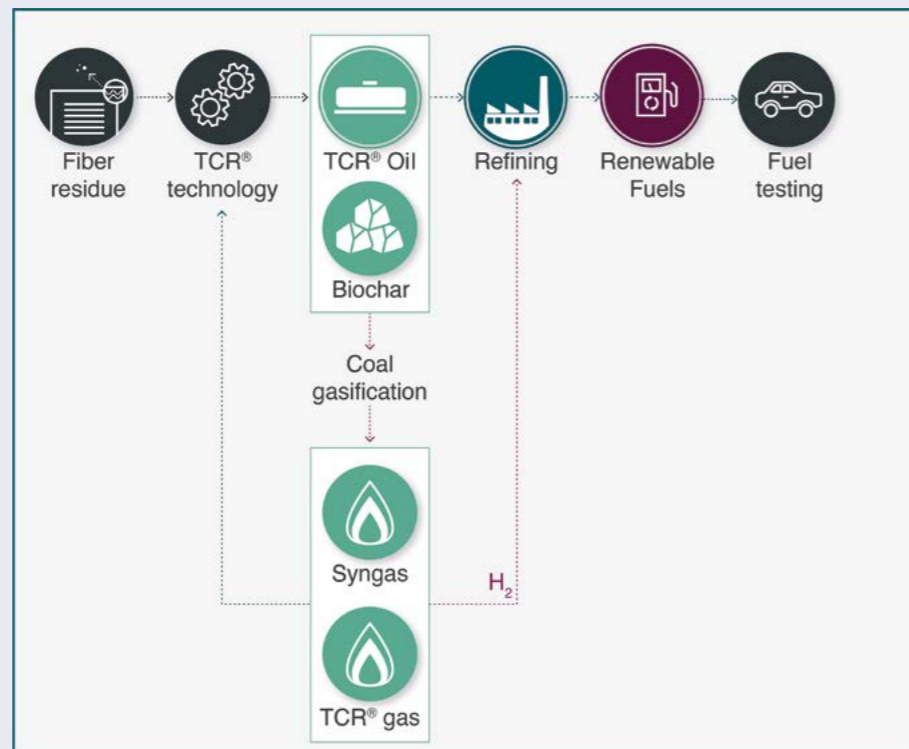
In a similar way, responsible and efficient use of energy sources is a common practice and priority at GRI since decades. A strong awareness for energy efficiency has been established through regular trainings, workshops and via Gunvor's energy efficiency targets. Dedicated operational energy buddies look after flawless performance of the refinery equipment concerning energy. Energy KPIs are optimized daily by the process engineers and projects to further improve energy efficiency are planned and implemented per the "GRI Energy Road Map". One of those projects is the third stage of the Ingolstadt District Heating Project, which Gunvor's 2019 Sustainability and Ethics Report described. At that time, the project was being executed and it has been completed in time, supplying additional low-level heat to the customers of the municipal utility supplier "Stadtwerke Ingolstadt" since autumn 2020. The technical performance of the project exceeded the expectation during the first heating period, and thus contributes to 73.000 tonnes of CO₂ savings per year for the region of Ingolstadt. Currently, Stadtwerke Ingolstadt and GRI are looking into the fourth stage of the project for implementation in 2023.

To further strengthen the focus on sustainability and GRI's contribution to meeting the national and international climate protection goals, the refinery has set up a transformation initiative with the goal of climate neutrality (by 2050 latest). Under the lead of the Technical Manager of the refinery and with strong support of Gunvor's Commercial Refining Officer, a team of technical, economical and legal experts is screening, evaluating and pursuing opportunities in line with the vision to remain the Bavarian Energy Hub and to become negative on CO₂ emissions. This team is busy with further improving the energy efficiency and CO₂ emissions by optimizing the imported energy mix and undertaking

focused projects in the area of heat integration and optimizing the Fluid Catalytic Cracker with regards to power consumption and emission reduction. Beyond these classical refinery topics the team is investigating various pathways towards CO₂ neutrality, e.g. energy storage, advanced bio and synthetic fuels, carbon capture and utilization. These activities are closely linked to Gunvor's Sustainability Team and in most cases, GRI is cooperating with partners from industry and R&D.

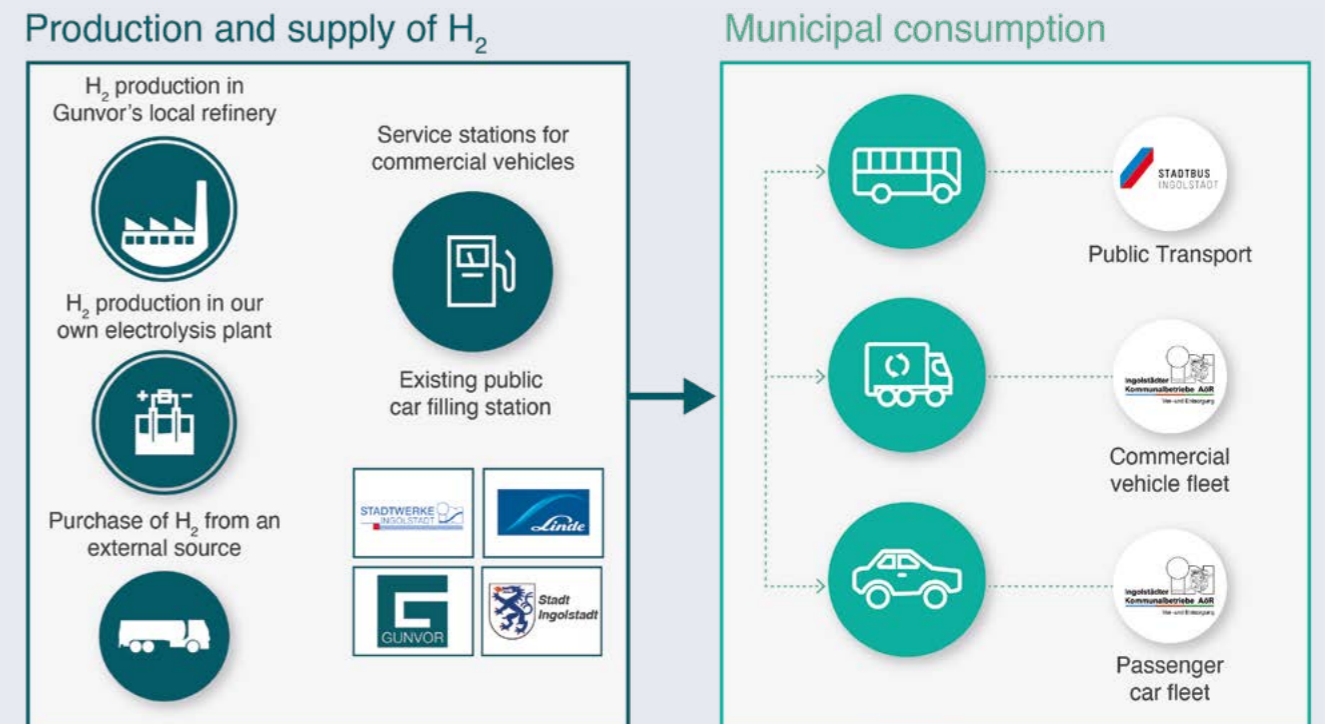
One other area of engagement is the circular economy, where GRI participates in a R&D project "R2K" (waste-to-fuel) together with other industry partners and the Fraunhofer institute. The German Federal Ministry of Economics (BMWi) sponsors the project. The project targets towards producing sizable quantities of transportation fuel from paper pulp waste material and test this fuel in standard vehicle motors as well as assessing regulatory, economic and ecological aspects with regards to CO₂ reduction. The project was approved by the BMWi in February 2021 and kicked off with all partners in March 2021.

Schematics "R2K"



Green Hydrogen as energy source and storage medium becomes increasingly important. GRI is working on several hydrogen projects. One of them is "IN2H2", a project in cooperation with the city of Ingolstadt, public transport companies, Stadtwerke Ingolstadt and industry partners. The project's objective is an in-depth analysis of the technical and economic feasibility of introducing hydrogen mobility in municipal vehicle fleets in connection with local hydrogen production. The project is sponsored by the Federal Ministry of Transportation and Infrastructure within the German National Innovations Program for Hydrogen and Fuel Cells (NIP). The feasibility study will be completed by September 2021.

Schematics "IN2H2"





Financing

In 2018, Gunvor was the first energy commodities trading company to close a sustainability-linked financing in which the interest rate was dependent on the company's ability to meet sustainability criteria. Per the deal, Gunvor received a discount on its interest rate as sustainability targets were met; had Gunvor underperformed on the sustainability targets, a premium would have been added to the interest rate. That original facility has been renewed under the same terms. Since then, Gunvor has been working with its banking partners to expand the use of sustainability-linked financing, as well as create innovative financing solutions to promote the trading "transitional" commodities, such as biofuels and natural gas.

Sustainability-Linked

Gunvor closed a new sustainability-linked borrowing base facility to support operations at Gunvor Refinery Ingolstadt. The EUR 450 million Facility complements Gunvor's other US \$725 million sustainability-linked borrowing base for refining activities in the ARA, and similarly has an interest rate dependent on the company's year-on-year improvements in multiple sustainability criteria in the areas of "environment", "social impact" and "governance".

Gunvor successfully met targets for its initial US \$725 million sustainability-linked borrowing base financing and their performance has been subject to third-party assurance from PricewaterhouseCoopers. Gunvor has renewed the facility for its operations in Ingolstadt, including sustainability improvement criteria, for another year.



Biofuels

Gunvor successfully closed a new US \$540 million borrowing base facility to support the Company's biodiesel trading activity. The Facility drew strong support among Gunvor's banking partners, which align with its strategy to promote cleaner products with greener feedstock components complying with EU climate targets to reduce greenhouse gas emissions. The syndication launched at US \$400 million and was oversubscribed to US \$595 million.

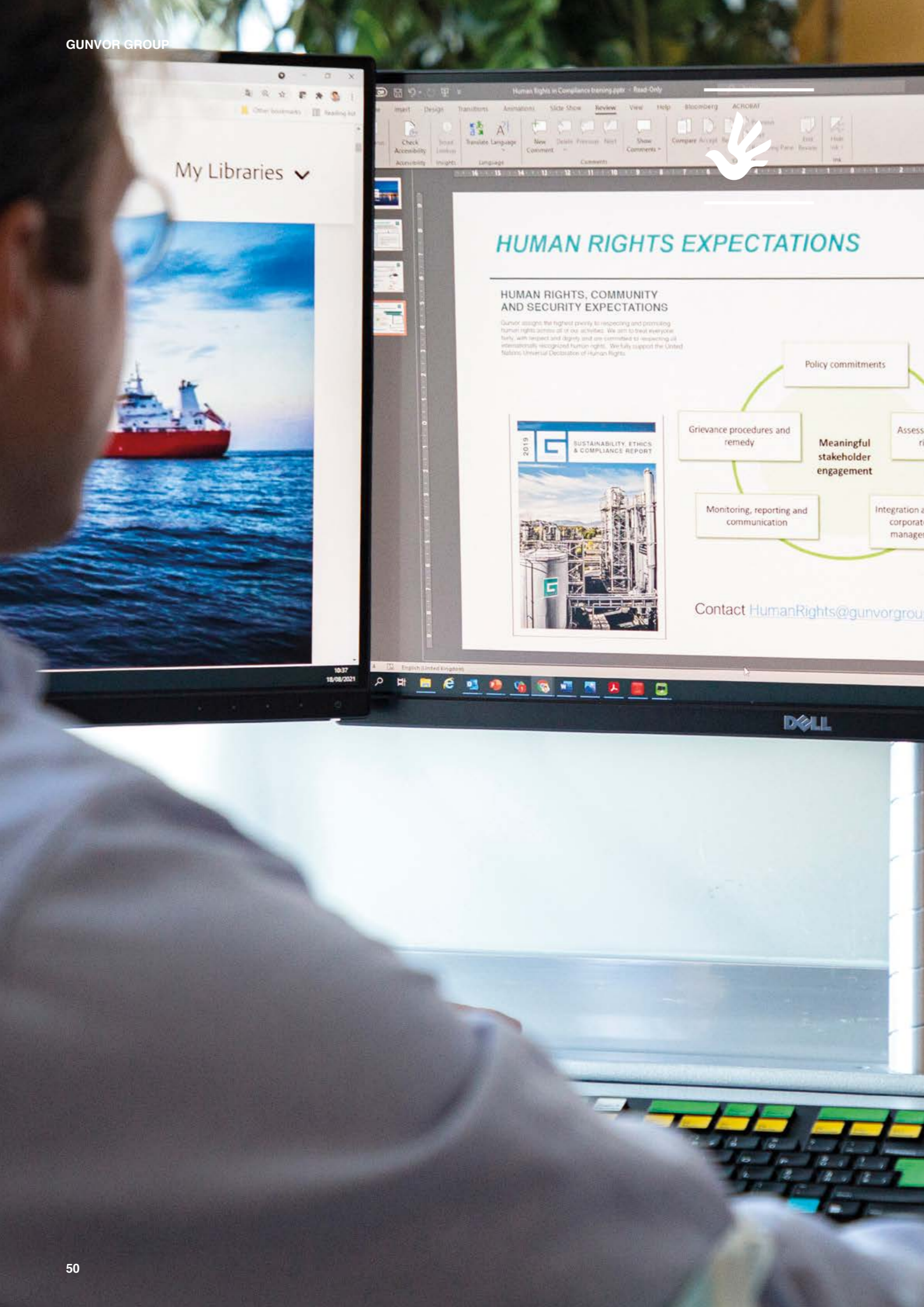
The Facility is structured around Gunvor's biofuel inventory positions located at both the origin and destinations countries, including the Company's two biofuel processing plants in Spain. Imports are made in strict conformity with the EU regulation applicable on biofuel products. The Facility's pricing is competitive and reinforces the Group's funding resources with its growing biofuel activity.

Natural Gas

Gunvor closed a new EUR 300 million financing consisting of a syndicated, pan-European natural gas repo facility to cover multiple jurisdictions in Europe with a shared security package. It will be used to support Gunvor's growing natural gas activity across Europe, where the company is already one of the largest physical natural gas traders.

The innovative financing allows Gunvor's banking partners to participate in a natural gas financing structure with access to a robust security package based on a true sale transaction through a security trust and a segregated account to collect sales proceeds. This uniquely structured trade finance solution gives Gunvor the ability to secure, scale, and diversify access to competitive financing.





Human Rights & Transparency

2020 OBJECTIVES

- ✔ Assess all our 100% controlled assets on Human Rights
- ✔ Start the assessment of a pilot partner
- ✔ Develop a global approach for remediation
- ✔ Include training on Human Rights in our annual training programs

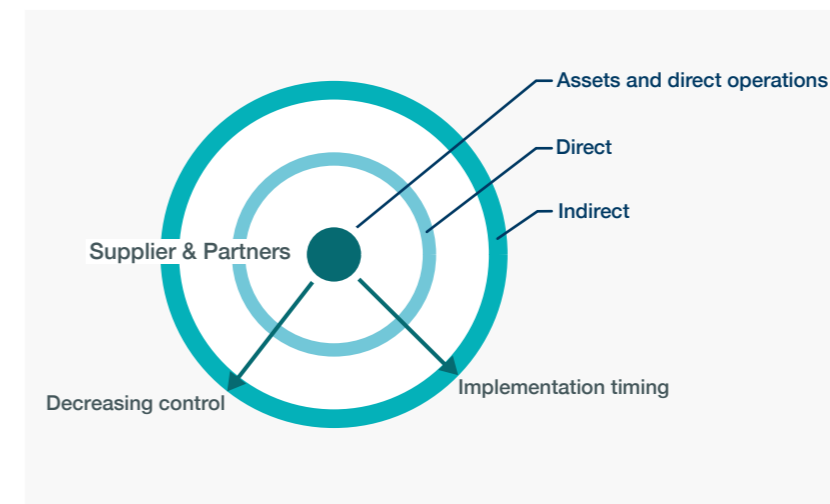
2021 OBJECTIVES

- ✔ Deploy assessments to our Joint Venture Partners
- ✔ Include Human Rights in our suppliers assessment tools
- ✔ Include Human Rights in all our recurring HSEC audits

Gunvor assigns the highest priority to respecting and promoting Human Rights across all of our activities. We aim to treat everyone fairly, with respect and dignity and are committed to respecting all internationally recognized Human Rights. We fully support the United Nations Universal Declaration of Human Rights.

We have adopted an incremental approach to our management of Human Rights, as initiated in 2018, deploying processes to manage and influence our impact on Human Rights, at all levels of controls.

The graph below illustrates our approach:





Assets and Direct Operations

Human Rights assessments have been carried out on all our 100% owned assets. The situation in 2020 did not allow for onsite visits and therefore, onsite updates will be performed as soon as traveling restrictions allow.

No material issue or high risk have been identified, but all assessments have now been translated into action plans, and are being monitored.

Going forward, Human Rights will systematically be included on the agenda of all our recurring HSEC audits and gaps reported to our HSEC committee along other health, safety and environment issues.

Direct Partners and Suppliers

Our processes of due diligence of our direct counter parties and inclusion of Human Rights clauses in contracts have been consolidated, and we systematically train our compliance team on human rights so that they can identify and escalate issues as they perform their Know Your Counterparty checks.

Some counter parties have been deactivated following identification of Human Right issues, specifically among our suppliers of feedstock for our biodiesel plants and maritime partners.

As per our programme, this year we have started developing the process to work with our Joint Venture partners to identify and mitigate Human Rights risks.

For that purpose, we have continued working with our partner twentyfive, in:

- Defining a toolkit for all our Joint Ventures, which will help train our teams and our partners teams on Human Rights issues and set up formal and consistent assessment and reporting processes
- Carrying out a first assessment with one of our partner in Paraguay. See case study

Indirect Partners and Suppliers

Deploying our system, we are now looking into the development of a Human Rights Risk Framework using indices on regions and industry. It will allow us to perform an initial screening and identify potential salient issues early on. We will then be able to perform the right level of due diligence and manage issues appropriately.



Assessing our joint venture partner in Paraguay

As a part of its responsibility to respect human rights in its value chains, Gunvor will need to exercise human rights due diligence with all its Joint Venture business partners (JVs). This will allow Gunvor to understand the JV's risk profile and monitor how risks are addressed by the JVs, which is a necessary part of its own Human Rights Due Diligence (HRDD) procedures. In order to develop an approach to do this, a first pilot assessment was undertaken with the JV Monte Alegre in Paraguay.

The Objectives

1. Understand at a high-level what management systems Monte Alegre has in place to identify and address human rights impacts in its own operations, supply chains, and with business partners, and what potential high risk areas exist. Based on that, find efficient and effective ways to collaborate on strengthening their human rights due diligence processes and human rights reporting.
2. Build on this experience to develop an assessment and reporting approach for all JVs that is lean, practical and uses existing processes of the JVs. This took shape in the "ESG toolkit for Joint Venture human rights monitoring", which identifies human rights due diligence actions throughout the JV lifecycle.



Fire drill in Monte Alegre

The Approach

1. Set Up	Ensure buy-in and commitment of JV: <ul style="list-style-type: none"> • Sensitize the JV to approach and objective through meetings • Identify key contacts within the JV • Support Board members in using their leverage to engage the JV
2. Initial Review	Ensure an understanding of the business: <ul style="list-style-type: none"> • Review of policies, managements processes, operations and business relationships • Interviews of key contacts • Identify existing reporting lines to potentially build human rights reporting on
3. Risk & gap analysis	Ensure an understanding of gaps in HRDD and risk areas for human rights: <ul style="list-style-type: none"> • Develop a high-level risk and gap analysis from a human rights perspective • Have additional conversations with other stakeholders as relevant
4. Verify analysis	Ensure JVs verification of initial results: <ul style="list-style-type: none"> • Present high-level risk and gap analysis back to Monte Alegre and verify and discuss its results • Refine identified risks and practices
5. Report	Finalise and act on results: <ul style="list-style-type: none"> • Provide Monte Alegre a high-level report on the findings • Determine potential next steps.

Outcomes

- Areas of potential high risk, in own operations and business partners and supply chains, have been included in the reporting framework for JV.
- Existing processes and policies that could be used to build a HRDD process on have been indicated, as well as gaps that should be addressed.

The results will support the JV to undertake a process of improvement and further development of its HRDD procedures and facilitate human rights monitoring by Gunvor through its reporting framework.

Transparency – EITI // Payments to Governments

Since 2018, Gunvor Group has supported the Extractive Industries Transparency Initiative (EITI), which implements the global standard to promote the open and accountable management of oil, natural gas, and mineral resources. The EITI Standard, predominantly applied to extractive companies, requires the disclosure of information along the extractive industry value chain, beginning from the point of extraction, along to how revenues make their way through governments, and then how they benefit the public. Gunvor is one of three physical energy trading companies to participate with respect to purchases of crude oil and oil products.

EITI seeks to strengthen public and corporate governance, promote understanding of natural resource management, and provide the data to inform reforms for greater transparency and accountability in the extractives sector. In each of the 55 implementing countries, the EITI is supported by a coalition of government, companies, and civil society. Gunvor views this approach as consistent means by which to reliably report on our company's 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. 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 continues to work closely with EITI, relevant trading peers, and other transparency-related organisations to improve disclosures going forward.

For 2020, Gunvor has maintained its disclosure consistent with previous years, while adding data related to taxes paid to EITI-participating countries.

In 2020, Gunvor paid an aggregate total of \$4,540,447 in income taxes, royalties, and other payments to EITI-participating governments. No taxes were directly levied on purchases of crude oil or refined products from NOCs.

Payments to Governments Disclosure 2020							
Country	Counterparty	Load Port Country	Port	Buying Entity	Commodity	Payments (USD)	Volumes (MT)
EITI countries							
Argentina	YPF SA (YPF SOCIEDAD ANONIMA)	Netherlands	Amsterdam	Gunvor SA	Refined Products	6,347,672.65	36,760.71
Colombia	Ecopetrol S.A.	Colombia	Barranquilla	Gunvor SA	Refined Products	1,819,042.83	7,673.99
Indonesia	PPT Energy Trading Co. Ltd.	Indonesia	Bontang	Gunvor Singapore Pte. Ltd.	Refined Products	42,067,709.00	142,205.75
Mexico	P.M.I. Trading Designated Activity Company	Mexico	Pajaritos	Gunvor Singapore Pte. Ltd.	Refined Products	6,676,270.57	30,418.49
Nigeria	Nigerian National Petroleum Corporation	Nigeria	Agbami, Egina, Forcados Oil Terminal, Nigeria, Odudu, Qua Iboe	Gunvor International B.V., Amsterdam, Geneva Branch	Crude	290,805,806.02	886,167.35
Total: EITI countries						347,716,501.07	1,103,226.29
Aggregate purchases from SOEs of EITI countries, whereby volumes may not represent equity oil and refined products							
N/A	N/A	N/A			Crude Oil, Refined Products	411,720,094.40	2,389,286.03
Aggregate purchases from SOEs of non-EITI countries							
N/A	N/A	N/A			Crude Oil, Refined Products	6,029,945,720.08	24,781,541.83
Total: All countries						6,789,382,315.55	28,274,054.15



Communities // Gunvor Foundation

Gunvor Foundation provides scholarships, grants, and donations for initiatives that further the mission of empowering individuals to contribute meaningfully to the development of healthy communities, the reduction of poverty, and the improvement of environmental conditions on local and global levels.

To uphold its place as a responsible corporate citizen, Gunvor since its founding in 2000 has annually allocated a portion of its net profit to charitable activities. To keep up with the growth of Gunvor's efforts, the Gunvor Foundation was established to formalize the structure and direction of these philanthropic programs.

Each initiative supported by the Gunvor Foundation is fully vetted to comply with Foundation standards and local and international laws governing financing and philanthropic giving. The goal is to support initiatives and programs that have a practical positive effect on the local community in which the initiative is being conducted.

The Gunvor Foundation Committee oversees all donations across the Group in line with the mandate given by the Foundation Council and ensures that internal criteria are met in each case. A percentage of funding is dedicated to Switzerland-based charities.

COVID-19 in Focus

In response to the global effects of the COVID-19 pandemic, specifically how the virus severely disrupted health systems and economies, Gunvor undertook numerous measures to increase giving and to adjust existing programs to help those in need. While there were obvious areas and organizations that could use additional funding, Gunvor wanted to ensure the best coverage during this exceptional time.

As a result, the company—along with employees—established a matching program throughout all offices to best target charitable organizations that could provide immediate care or assistance on local and regional levels. We determined this would be an optimal approach to identifying opportunities to support organizations of all sizes that would create a meaningful impact.



Some of the organizations that Gunvor and its employees provided additional support include:

- Americares
- Chaîne du Bonheur (Swiss Solidarity)
- Charité - Universitätsmedizin Berlin
- Community Foundation of Singapore
- Croix Rouge
- Houston Food Bank
- Médecins Sans Frontières
- NHS Charities Together

The resulting increased involvement in charitable efforts on the individual level has further stimulated internal discussions regarding the formalization of regular opportunities that can be created in which the company and employees can work together to provide solutions for those in need.

Hand in Hand International

The Gunvor Foundation has undertaken a multi-year program to support the efforts of Hand in Hand International, a non-profit organization created to help millions of women in some of the world's most challenging environments beat the odds and succeed as entrepreneurs. The money they earn and the confidence they gain changes everything. Whole families and communities rise with them.

Since 2003, from Afghanistan to Zimbabwe, Hand in Hand has helped create and grow more than 3 million enterprises.

The complete results of Gunvor's five years of investment in East Africa through our partnership with Hand in Hand, as of 31 December 2020, are:

- 55,615 micro-businesses set up and run by trained members;
- 80,090 jobs created by those trained with Gunvor's support – for themselves, their family members and neighbors in their communities;
- 255,910 children and adults with better food, clean drinking water and access to medicine and education – more than the entire population of Geneva, home to Gunvor headquarters.

Eco-Farming Project

Based in rural Kenya, Gunvor's longest-running project with Hand in Hand was set to conclude in December 2020 before COVID-19 caused a three-month delay. As of December 31, 2020, 14,300 members were enrolled – more than the target 14,160. 9,045 of them had created enterprises and 6,482 of those enterprises were green, while an additional 5,605 members had adopted at least some green farming practices.

As they came towards the end of the project, members were organised into community-based organisations (CBOs) – in effect mini-cooperatives – working in poultry, white potatoes and animal feed production to help them achieve economies and benefits of scale. The Kamuchege Feed Formulation CBO, for example, enabled its members to source ingredients for feed at a much lower price than they would find individually. In the future, the CBO will enable them to access wider markets via improved branding, packaging and certification.

Supporting Start-up and Accelerator Entrepreneurs

In the Kenyan capital of Nairobi, Gunvor's newest project with Hand in Hand got off to a flying start after a lockdown-induced delay. Part-funded by Gunvor, the 'Supporting start-up and accelerator entrepreneurs' project broke new ground for Hand in Hand, opening up an entirely new cohort of members.

The project's start-up entrepreneurs are Hand in Hand's typical members: starting with very little at the so-called bottom of the pyramid, looking to work their way above the international poverty line of US \$1.90 a day. Some 3,987 of these members were enrolled as of December 31, on track to meet the overall target of 8,600.

The project's accelerator entrepreneurs are different: taking established micro-businesses to new and unforeseen heights. Here, Hand in Hand will select 1,600 pre-existing entrepreneurs for high-growth potential – including their most promising entrepreneurs from previous projects – with an eye to helping them scale up. Urban in nature, businesses in this category range from retail shops and salons to garbage collectors, upcycled-waste producers and more. Some 830 accelerator entrepreneurs were enrolled as of December 31, versus a target of 1,600.

Agents of Change in Tanzania

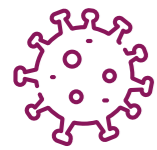
Gunvor is one of Hand in Hand's founding partners in Tanzania, without whom it would not be operational in the country. This year saw the launch of a new Gunvor project in Tanzania, piloting the use of alumni from previous Hand in Hand projects to recruit and train new members using Hand in Hand's proven four-step job creation model.

Nine of these Agents of Change were recruited from earlier Gunvor-funded projects during the project's inception period, ending in November. Together, they had recruited and begun to train 271 new members – against a target of 3,240 by May 2023 – by the end of 2020.

Enterprise Incubation Fund – Guarantee Fund

COVID-19 put pressure on businesses owners' finances worldwide. Kenya, home to Hand in Hand's Enterprise Incubation Fund (EIF), was no different. That's why Gunvor promised to write-off any EIF loans, which exist to help Hand in Hand members launch and scale up their businesses, that defaulted as a consequence of COVID-19, providing confidence and peace of mind to Hand in Hand and its members.

As of December 31, no write-offs were necessary – a hugely encouraging testament to the robustness of Hand in Hand's members' businesses. Nevertheless, Gunvor extended the scheme until the end of 2021, helping Hand in Hand's member prioritise essential family needs in the event of a rocky recovery.



COVID-19 in Focus

When Kenya recorded its first case of COVID-19 on 12 March, the government wasted no time in acting: within 72 hours strict lockdown measures were in effect, and inter-county travel bans, the closure of open-air markets and a countrywide 9pm to 4am curfew soon followed.

With access to tens of thousands of hard-to-reach members in dozens of counties countrywide, Hand in Hand's job as an NGO was two-fold: spreading handwashing guidelines and other health messages as widely as possible, and helping its members keep their businesses afloat. By mid-May, more than 45,000 members had been reached with health advice, almost 15,000 members working in the agricultural sector had been provided with links to new sources of seedlings and crops, and 11,000 members had received advice on pivoting their businesses to produce and sell face masks and soap.

Hand in Hand's regular programmes, paused when Kenya locked down, resumed in June, face-masked and socially distanced. By the end of 2020, projects were either back on track or close to it.

The story was similar in Tanzania, where some 13,000 members were reached with the same support and advice.

Health Poverty Action

Gunvor is in its second year of a three-year program with Health Poverty Action (HPA) to improve the health of mothers and young children in the Western Highlands of Guatemala. The indigenous communities in five target districts within Totonicapán and Quetzaltenango Departments face numerous challenges accessing basic health services, including poor quality services, cultural and linguistic barriers, and low levels of health awareness.

The project aims to improve the quality and utilisation of maternal and child health services serving approximately 89,000 women and 52,500 children aged 0-6 in the five target districts. It has three strands: improving the quality of services, increasing community referrals in high-risk cases (from Traditional Birth Attendants in rural communities to Ministry of Health services in health posts, centres and hospitals), and increasing people's health-seeking behaviour.

During the project so far, HPA has directly supported:

- 1,057 pregnant women and 949 mothers with information about safe motherhood and emergency planning.
- 197 Traditional Birth Attendants (TBAs) through training sessions on emergency planning and danger signs during pregnancy and childbirth.
- 357 health staff through training to improve the quality of antenatal care.

HPA has also provided essential medical equipment to 21 rural health posts, including contactless thermometers, oximeters, gloves, and pregnancy tests, as well as personal protective equipment (PPE) during the current COVID-19 pandemic.

Key Achievements & Impact

- The number of annual maternal deaths in the target area has halved since the start of the project.
- The number of 0-1 year olds receiving immunisations has risen by 187 since the first year of the project.
- Ministry of Health staff are being trained in the use of the innovative and low cost postpartum hemorrhage balloon. This will save women's lives in cases where women experience excessive blood loss immediately after birth (the leading cause of maternal deaths in low-income countries).
- All 21 target health posts now offer urine testing to detect pre-eclampsia (an increase from 5 health posts originally).
- Exceeded the target for training Ministry of Health staff in antenatal care (357 against a target of 302).
- Exceeded the target for training pregnant women in safe motherhood (1,057 against a target of 770).
- Exceeded the target of 2,500 mothers receiving safe motherhood education from TBAs (2,680 mothers reached).

In the final stages of this three-year project, HPA will continue training for pregnant women, mothers, TBAs and Ministry of Health (MOH) staff—provided face-to-face wherever possible. Over the past year, HPA has reached agreements with the Ministry of Health to deliver training to health staff in the use of the postpartum haemorrhage balloon – an innovative new and low-cost technology which saves lives through controlling postpartum haemorrhages. The organization will be rolling out this training and helping health posts to offer this service on an ongoing basis (and two health posts currently now offer this service). HPA will also continue providing essential equipment and supplies to the 21 target health posts, including PPE supplies. In addition, HPA will be engaging community members, TBAs and community leaders, in coordination with MOH, on challenging myths regarding COVID-19 vaccines.



COVID-19 in Focus

To help HPA respond to the COVID-19 health crisis, Gunvor Foundation provided a funding boost to Health Poverty Action to enable its staff to work closer with its key partners across projects in Africa, Asia and Latin America in order to respond quickly and effectively to the changing needs of communities and families. These measures included protecting front-line health workers, mass awareness raising, community mobilisation, dissemination of information and supply of PPE kits, hygiene kits, cleaning materials and sterilising equipment to health facilities.



While COVID-19 had become a major health focus, it was essential for organizations like HPA to find ways to also uphold their mission with respect to other disease priorities, which could not be neglected.

As an example, a major health concern faced by people living in Southern Laos is malaria. When the Lao government enforced a country-wide lockdown to prevent the transmission of COVID-19, this inadvertently created challenges to the anti-malaria program being implemented by HPA and its partners.

Initially, village malaria workers lacked access to vital PPE materials to use during malaria detection. The idea of “social distancing” was unfeasible and unenforceable in remote villages where large numbers of children play together and marketgoers often congregate. Ultimately, the lockdown reduced people's willingness to get themselves and their family tested for malaria if they were experiencing symptoms. This put everyone at greater risk and could reintroduce malaria into their community.

To overcome these issues, HPA procured hand sanitizer gel and medical face masks which they distributed to village malaria workers, health centre staff and district level health staff (2,262 persons in total) in 1,482 villages (catchment areas of 180 health centres). HPA also conducted COVID-19 training around what it is, how it is transmitted, and how to prevent it. HPA installed 196 handwashing stations in the hospitals, district hospitals and health centres of five provinces where there was no running water nor handwashing facilities. HPA also distributed soap to ensure handwashing met WHO standards.

Achai, a volunteer village malaria worker in Savannkhet Province, said: “I am very interested in this work because I would like to help my villagers avoid positive cases of Malaria... I was trained to prevent COVID-19, so I was responsible to ensure that the villagers follow guidelines that I received from the Health Centre. The masks and hand sanitizer gel were best used in preventing COVID-19, and protect me when I provide testing services to people. I always remind myself before and after testing to pay attention to hygiene and distancing, and to protect myself and my villagers from COVID-19. Now that the country is open again as COVID-19 is under control, I can restart my work and test people in groups like this.”



Child's Dream Association

Despite having experienced significant economic growth due to foreign investments over the past decades, Cambodia remains an underdeveloped country. There are high occurrences of malnutrition and communicable diseases, such as influenza, pneumonia, and measles, posing threats to children throughout the country. Poor healthcare and hygiene have become one of the main obstacles for children to fully participate in education. Gunvor Foundation provides support for the Child's Dream Association to undertake the "School Health Program" that helps ensure sustainable education by keeping students healthy.

The School Health Program was initially launched in Oddar Meanchey Province—in the remote northwest of Cambodia—in 2013 with the aim of improving the health standards of students and their families by teaching skills related to a healthy lifestyle. The program now covers a total of 18 schools in the Trapeang Prasat District that are divided into three clusters based on the location of the schools.

When Child's Dream start "clusters", the goal is to eventually hand over the work to the communities to make the program self-sustainable. New clusters are subsequently added.

The program activities include the following:

- **Personal hygiene and other health-related trainings:** Hand washing, tooth brushing, body care, germ and bacterial infections, disease prevention and plastic pollution.
- **Construction of sanitation infrastructure:** Hand washing stations, deep well hand pumps, clean water systems, toilets, and garbage incinerators.

- **Distribution and provision of resources:** Supplementary nutrition items, personal hygiene materials, cleaning materials, and gardening supplies.
- **School improvement:** Publishing health-related posters and pictures, planting fruit trees, constructing garbage areas, and preparing sites for vegetable gardening.
- **Building community participation:** Meeting parents and community members to discuss the health situation in the area and inviting speakers to speak at community events.
- **Monitoring and Evaluation:** Quarterly school visits and meeting with school health committees.
- **School cleaning contest:** To change the littering behaviour of students, increase awareness and knowledge of ways to reduce solid waste generation, and promote healthy competition among schools.

Two of the three clusters, Pa Ov and Cheynivath, have now finished their three-year participation in the program. Child's Dream will continue to closely monitor all schools in the clusters to ensure they can sustain what has already been implemented, without Child's Dream's direct support. This phase out period includes two school visits in 2021 to ensure the continued effectiveness and sustainability of the program.

Overall, during 2020, the program benefitted 3,941 students and 166 teachers in eight schools. There has been a significant improvement in the lives and learning environments of the schools, along with less plastic pollution and garbage in general. Students benefit from eating from their school gardens, and hygiene practices are being well followed.



Compliance

During the last decade, Gunvor has spent millions of dollars building an industry-leading Compliance Department. Our teams work continuously to improve company procedures to mitigate risks and anticipate others that exist within the commodities trading sector. Our goal is to maintain the highest ethical standards and comply with all relevant rules and regulations wherever we operate.

Gunvor's Compliance Department is bound by strong corporate governance, which provides a robust process for identifying risks and sound oversight to ensure effective risk mitigation. The Group Compliance Committee (GCC) serves as 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. It reviews all aspects of the Compliance risk mitigation plan and acts as a point of escalation.

Gunvor Compliance Department oversees all of Gunvor Group's operations, ensuring that all activities are conducted within the requirements of applicable laws, regulations and Gunvor's own principles of Ethics and Integrity as stipulated in the **Code of Conduct & Ethics**.

As a fully integrated risk management department within Gunvor, the Compliance Department operates control systems, which allow Gunvor to identify and effectively manage compliance risks in a timely manner.

The Gunvor Compliance Department is staffed by 18 professionals who come from the Finance and Corporate industries, giving Gunvor a very broad knowledge and experience base, to provide Gunvor with the best advice and risk management.

Although Gunvor has an existing, well established, Compliance programme, the Compliance department continues to reassess the risks and mitigation processes to ensure the most optimal risk mitigation and adapts quickly to changing business needs.

More information on our compliance governance framework, please visit <https://compliance.gunvorgroup.com>

Gunvor Compliance Year in Numbers

18 – This was an increase of 3 staff since 2018. The additional roles were all dedicated to Gunvor's KYC (Know Your Client) and ABC (Anti Bribery and Corruption) work.

1,989 – Number of new business counterparties approved by the Compliance department in 2020

20,000 – 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.

2020 Compliance Program in Focus

In 2020 more than ever, the Compliance department continued to apply, review and reinforce the KYC and ABC programme. This resulted in the hiring of a new KYC manager in Tallinn.

Anti-Bribery & Corruption and Anti-Money Laundering Compliance

Anti-Bribery & Corruption

As a company active in the global commodities markets, bribery & corruption and money laundering remain amongst the top risks to the company and as such have a high proportion of resources dedicated to it.

In 2020, as a part of Gunvor's efforts to continuously improve procedures in order to mitigate risk across the company, specifically in relation to areas of Compliance, the company took the decision to cease the use of "agents", i.e., consultants and intermediaries, for business origination and development purposes. Gunvor had already started since 2017 and 2018 to significantly reduce the number of such consultants and intermediaries.

Counterparty Due Diligence

2019 and 2020 saw the completion of the project to link all Gunvor's principal trading and operational systems to the central Compliance Counterparty Management System (CMS), Compliance is working on linking the remaining minor systems, which represent a negligible percentage of the Gunvor business. All counterparty due diligence is centralised in a single compliance controlled system ensuring uniformity of processes, oversight and control.

Gunvor continues to push forwards with more automated and sophisticated controls, with improved on-going screening tools being implemented.

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 third party systems as well as Gunvor own internal processes. On a daily basis, Gunvor sends all its active business counterparties, including relevant associated individuals, to an external vendor to conduct daily screening, which includes sanctions issues. Gunvor continues to ensure awareness of sanctions issues across all its teams through the face to face annual compliance training.

Vessel Screening

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

Since 2019, Gunvor has expanded its screening to vessels used but not chartered by Gunvor, such as Gunvor's FOB purchases and CIF/CFR sales. Gunvor's system integration allows easy increase in screenings, providing additional risk mitigation at little or no cost to the Gunvor business.

Markets Compliance

2020 saw the Advisory Compliance team continue to improve and enhance the existing compliance programme relating specifically to Gunvor's trading activities. In addition to be located on all Gunvor's main trading floors, the Advisory compliance team are always looking to increase visibility and knowledge of Market Abuse related issues.

The Advisory Compliance team use of automated surveillance has increased with the completed implementation of TradingHub's Market Abuse Surveillance Tool (MAST). In addition, work has started on global implementation of physical market surveillance tool, ensuring Compliance's oversight of all markets it operates within.

Regulatory Engagement

As a participant in the global physical and financial markets, it is important Gunvor participates in the debates and discussions, to ensure the continued orderly functioning of the markets. 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.

Ending the Use of "Agents"

Large-scale physical commodity trading companies, like Gunvor, have traditionally employed "agents", i.e., consultants and intermediaries, for business origination and development purposes. Their use has been most common in countries or regions where it is difficult to secure business without local know-how. Their knowledge of local customs, language, and other idiosyncratic practices can provide traders with an edge over competition.

In recent years, however, the use of agents has become increasingly criticized by government regulatory bodies and NGOs because these individuals often operate outside a trading company's oversight and governance.

To address these concerns, Gunvor has over time put in place increasingly stringent protocols for the use of its agents. These have included Compliance education programs to ensure agents operate in line with rules and regulations, and other risk mitigation procedures relating to compensation and authority. Gunvor has also sought to reduce its dependence on origination and business development consultants and intermediaries. Since 2018, their use has decreased by approximately 45 percent. The company has further sought to focus its business activities in lower-risk geographies, where agents are not needed.

Regardless of these efforts, Gunvor's Compliance Department has continued to regularly assess the risk and benefit of using agents at all. After much consideration, in November 2020, following discussions between the Compliance Department and senior management, Gunvor took the decision to finally end the use of agents for business development purposes worldwide.

To reduce Gunvor's use agents to zero, the Compliance Department worked directly with relevant trading desks to terminate all Origination and Business Development Consultancy Agreements, a process which was completed by the end of April 2021. Since not all agents performed the same type of activities, it was necessary to identify ways to transfer any needed work to Gunvor employees, so that the company could maintain full accountability in line with the new policy.

In areas outside of business development and origination, Gunvor will continue to use other types of consultants to assist with post-transaction or ancillary support, such as risk analytics and technical operational service providers, whose services entail greater transparency and a different, lower risk profile. These too will be regularly assessed.

Gunvor continues to apply lessons from its past to improve how its operates tomorrow. When areas are identified in which the company's robust Compliance standards cannot be exactly upheld, Gunvor will take action. The company will do nothing short of ensuring that it is enforcing a zero-tolerance Compliance approach, even at the risk of losing business.

Basis for Reporting

There are different international standards or guidance documents for sustainability reporting and in this section we explain our basis of reporting.



The international petroleum industry association IPIECA has developed a guidance for sustainability reporting¹ that we find applicable to our business. We have performed an assessment on how the listed Key Performance Indicators are applicable to our activities and we are reporting accordingly.

With respect to greenhouse gas emissions, we also align our reporting with the GHG protocol².

The following table shows the reporting elements and the references to the IPIECA guidance.

Governance	GOV-1: Governance approach
	GOV-2: Management systems
Business Ethics	GOV-3: Preventing corruption
	GOV-4: Preventing corruption involving business partners
	GOV-5: Transparency of payments to host governments
	GOV-6: Public advocacy and lobbying
Climate	CCE-1: Climate governance and strategy
	CCE-2: Climate risk and opportunities
	CCE-3: Lower-carbon technology
	CCE-4: Greenhouse gas (GHG) emissions

¹ Sustainability reporting guidance for the oil and gas industry © IPIECA / API / IOGP 2020

² See <https://ghgprotocol.org/>

Environment	Water	ENV-1: Freshwater
		ENV-2: Discharges to water
	Biodiversity	ENV-3: biodiversity policy and strategy
		ENV-4: Protected and priority areas for biodiversity conservation
	Air Emissions	ENV-5: Emissions to air
	Spills	ENV-6: Spills to the environment
	Waste Management	ENV-7: Materials management
Decommissioning	ENV-8: Decommissioning	
Health & Safety	Engagement	SHS-1: Safety, health and security engagement
	Personal Health	SHS-2: Workforce health
	Personal Safety	SHS-3: Occupational injury and illness incidents
	Transport Safety	SHS-4: Transport safety
	Product Safety	SHS-5: Product stewardship
	Process Safety	SHS-6: Process safety
	Security	SHS-7: Security risk management
Social	Human Rights	SOC-1: Human rights due diligence
		SOC-2: Suppliers and human rights
	Community Engagement	SOC-9: Local community impacts and engagement
		SOC-12: Community grievance mechanisms
		SOC-13: Social investment

In addition, Gunvor is focusing on the UN Sustainable Development Goals that we have the most influence on:



No Poverty, Good Health and Well-being, Clean Water and Sanitation, Affordable and Clean Energy Industry, Innovation and Infrastructure, Responsible Consumption and Production, Climate Action, Life Below Water, Life On Land, Peace, Justice and Strong Institutions.



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