



2022

Sustainability, Ethics & Compliance Report





2022



About the Cover :

Clearlake Shipping, a subsidiary of Gunvor Group, has entered into long-term charters with Celsius Tankers for the latest, most efficiently-designed LNG carriers, which minimize CO2 emissions and methane slip from operations. The Celsius Copenhagen, pictured, is one of those vessels and is already in service.

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Technical Appendix &
Indicators





Jean Baptiste Leclerq, *Chief Legal Officer*,
Geneva, Switzerland

INTRODUCTION – GENERAL COUNSEL

Following a year in which the global economy began its recovery from the Covid-19 pandemic, 2022 commenced with commodities markets in tight supply and inflation rising throughout the world. With the invasion of Ukraine by Russia at the end of February, commodities prices spiked to new levels in response to unprecedented market uncertainty and a series of economic sanctions put in place by Western governments. These served to radically transform global trade patterns. Commodities traders, including Gunvor, played a key role in managing the resulting volatility, while addressing market dislocations throughout the world. During the course of the year, progressively restrictive sanctions on the Russian energy sector kept market participants on edge.

Thanks to Gunvor's focus on risk management, compliance, and market analysis—derived from recent years' extreme price volatility—the Group was well prepared for these unforeseen events. However, the consequences of such change, regardless of how well managed, continue to resonate throughout our industry and company and warrant review and consideration.

The themes of recent editions of Gunvor's annual Sustainability, Compliance & Ethics Report have been oriented toward the "sustainability" aspect of this document, with a focus on global health and the environment. The seismic geopolitical shifts that emerged from Russia's invasion of Ukraine have now put a clear spotlight on "ethics" in business. How has Gunvor responded to the expansion of global sanctions regimes? How has our company balanced the global drive for energy security, all while staying committed to the Energy Transition and path to Net Zero?

In this document, the ninth our company has produced, these questions will be addressed, alongside Gunvor's usual review of health and safety, the environment, communities, human rights, and some other new areas, such as human capital.

COMPLIANCE FIRST

Days after Russia's initial incursion into Ukraine, Gunvor issued a public statement denouncing the war and senseless violence against the civilian population. An immediate assessment had already begun to review the company's exposure to Russia and associated entities. Risk took on a new perspective, as Gunvor's leadership considered how we as a company would navigate the situation from a business ethics standpoint—beyond such actions as the Gunvor Foundation's efforts to support charities aiding the resulting human crisis. The company had not previously ever issued statements regarding international political matters.

During the early stage of the war, as new international economic sanctions on Russia came into force by the United States, European Union and United Kingdom—among numerous other governments—Gunvor moved swiftly to reinforce its Compliance function to ensure adherence to the increasing complexities of the international trading system. Gunvor stopped trading with sanctioned Russian counterparties, though continued to perform on remaining long-term contracts signed prior to the war with non-sanctioned entities. By the end of the year, the company had ended almost all of its Russia-origin trading. None of Gunvor's refineries processed Russia-origin crude oil.

Any continued trading has been undertaken conservatively, while weighing the imperative of governments to help ensure price stability for energy, especially in Europe, as well as continuing to promote transparency within the trading system. Thus, on a limited basis within the strict confines of all applicable international economic sanctions and regulations, including the established price cap, Gunvor has undertaken some purchases of Russian refined products. We remain in dialogue with relevant regulatory entities to ensure full compliance with the evolving situation and update our policies accordingly.

The Group also has reviewed the potential divestiture of its non-controlling, minority stake in the Ust-Luga Oil Products Terminal, located in Russia, the only investment Gunvor has remaining in the country, and concluded this could not be practically divested. Profits from the entity have been frozen and corresponding financial impairments have been taken. Gunvor continues to have no material exposure to Russia with respect to its activities.

To ensure strict compliance with the evolving and changing international sanctions regimes on Russia, the Group hired new sanctions-specific staff, and reviewed its compliance protocols, all while maintaining an open dialogue with relevant governments, counterparties, and banking partners. The Compliance Department now has about 19 staff members worldwide and is among the strongest in the trading industry.

STRENGTHENING GOVERNANCE

Gunvor also further strengthened its leadership and governance in other areas. Former head of crude oil trading, Stephane Degenne, was appointed co-head of trading and global head of origination and structured trade. Gunvor welcomed a new Chief Financial Officer, Jeff Webster, who has more than 20 years of experience in the banking and trading sectors, with a focus on liquidity risk management and Group financing optimization. The Executive Committee was expanded to 14 members to reflect new geographies and commodities. Added to the Executive Committee were Rich Brockmeyer, Head of Natural Gas and Power Americas; Aldo Della Valle, Head of Natural Gas and Power Europe; and Benoit Roulon, Global Head of Crude Oil.

These moves are in line with the Company's renewal strategy that has been underway for several years now in order to effectively position Gunvor for the future. Such development of our workforce is critical to how our business grows throughout the world. As such, we are now including in this report a section on human capital, which will provide data and information about our people around the world. At the end of 2022, Gunvor had 1,711 employees, with 846 from trading and 865 from assets, and we continue to grow.



GUNVOR STATEMENT REGARDING THE WAR IN UKRAINE

3rd MARCH 2022

Gunvor Group unequivocally condemns the war in Ukraine and the senseless violence taking place against the civilian population.

While Gunvor has a history working in Russia, the company's trading today has no material exposure to the country.

Since 2014, Gunvor has been majority owned by the company's Chairman and CEO, Torbjörn Törnqvist, who today holds 88.4% of shares, with the entire remainder held by Gunvor employees. There are no outside shareholders or economic interests, Russian or otherwise.

Gunvor divested its entire Russian asset portfolio in 2015, with the exception of a minority, non-controlling stake in the Ust-Luga Oil Products terminal, which is currently being reviewed. Gunvor has no other material tangible assets in Russia.

The hopes and prayers of all Gunvor employees are for immediate peace in Ukraine, and the Gunvor Foundation is currently working to support charities aiding the resulting humanitarian crisis.

”

ENERGY TRANSITION

Gunvor also continued to expand its activities related to the Energy Transition with investments and partnerships under Nyera, the company's renewables investment vehicle. Gunvor Energy Rotterdam (GER) is finalizing discussions to develop a hydrogen import terminal in Rotterdam. The project responds to the accelerating demand for green energy sources to meet climate objectives and the need to diversify energy sources.

Progress continued on other hydrogen projects, including the hydrogen cluster being developed in Bavaria, Germany to support the decarbonisation of the region.

As part of this project, dubbed HyPipe Bavaria/H2-Cluster, the consortium will build a hydrogen infrastructure to supply industrial companies in the region. Refineries like Gunvor as well as automotive companies will be able to use sustainable hydrogen in the near future to decarbonise their production processes. The hydrogen could be applied also in other sectors such as trade, transport and heating.

Gunvor made further progress in its emission reduction efforts, upholding commitments to reduce Scope 1 and 2 emissions by 40% by 2025, while also tracking and reporting on Scope 3 emissions.

ENVIRONMENT

We continue to operate in a way that minimises our negative impact on the environment and in strict adherence with environmental laws and permits in place in our host countries. Our environmental performance was also solid, with two spills greater than a barrel and only 9 minor exceedances compared to our permits.

Environmental remediation began at the Antwerp refinery, which was mothballed in 2020, and has since been divested. A case study on that process is included in this report.

Gunvor continued to expand its activities related to the Energy Transition with investments and partnerships under Nyera, the company's renewables investment vehicle.

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HEALTH & SAFETY

In 2022, the Group met its personal health and safety objectives and continued working on reducing the number and severity of its process safety incidents, as part of its journey towards zero incidents. All incidents are investigated and lessons to learn identified and communicated to all Group's assets.

HUMAN RIGHTS

During the year, the Group continued the development of a robust Human Rights Due Diligence process, performing human rights salient risk identification across our activities, as well as impact assessments on its subsidiaries, joint ventures and associates, with the help of experts.

This year's focus was on child labour and modern slavery and will be widened to all human rights in the coming years.

FINANCIAL SUSTAINABILITY

Consistent with Gunvor's energy transition commitments, the European and Asian RCFs are now linked to sustainability objectives, in which they are accompanied by key performance indicators on our environmental and social performance. Our results compared to those financial facilities are available in a dedicated section.

LOOKING AHEAD

As with each of Gunvor's previous reports, we hope you find this document informative and useful for understanding how Gunvor is evolving as a global energy commodity trading company. We welcome questions, comments, and feedback, so feel free to contact us if you have insights to share. In the meantime, we will continue to strive to achieve our goals and identify where we can improve over the year ahead.



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Health & Safety

ZERO
Fatalities

Objective: 0

2.1
All Injury Frequency

Objective: 2.4

0.4
Lost Work Injury Frequency

Objective: 1.3

2.9
Process Safety Frequency Rate

Objective: 0.9

100%
Sites covered by
a Green Book Audit

Objective: 100%

Shipping

3
Incidents interrupting Operations
for more than 12 hrs

1
Injury requiring Medical Evacuation

2
Recordable Injuries



Environment



Energy Transition

2 Spills of > 1 Barrel Objective: 0

9 Exceedances Objective: <10

8 Complaints Objective: <10

Air Emissions

	2022		Status
	GER	GRI	
SO2 (t)	132	2,502	<input type="checkbox"/>
NOx (t)	208	535	<input checked="" type="checkbox"/>
VOC (t)	235	475	<input checked="" type="checkbox"/>
Dust (t)	1.6	6.9	<input checked="" type="checkbox"/>

40% Reduction of Scope 1 & 2 in 2025 vs 2019

10% Reduction of Carbon Intensity (EEOI) of our Time Chartering Fleet in 2025 compared to 2021

50% Eco Ships in our Time Chartering Fleet Objective 75%

72% Eco Ships in our Co-owned Fleet Objective 100%

3.42 Carbon Intensity of our traded LNG

● Checked ● In Progress ○ Missed



Human Rights



Compliance

Checked In Progress Missed





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BUSINESS DESCRIPTION

Gunvor is one of the world's leading independent global commodities trading houses by turnover, providing logistics solutions that safely and efficiently move physical energy materials from where they are sourced and stored to where they are demanded most. With strategic investments in industrial infrastructure (refineries, pipelines, storage, and terminals), Gunvor further generates sustainable value across the global supply chain for its customers. Gunvor's trading business principally involves the physical trading of crude oil, refined petroleum products, natural gas, liquefied natural gas (LNG), biofuels, power, and carbon emissions.

Gunvor commenced its trading operations in 2000, initially focusing on the export of crude oil and refined petroleum products, and subsequently diversified its trading operations both in geographic and product terms. Since 2000, Gunvor's traded volumes have substantially grown to amount to 165 million metric tons in 2022, and 3.1 million barrels of oil equivalents per day. Gunvor's trading is spread across a wide range of products with a growing share of energy transition products, making Gunvor one of the top five independent energy trading houses by trading volumes in the world.

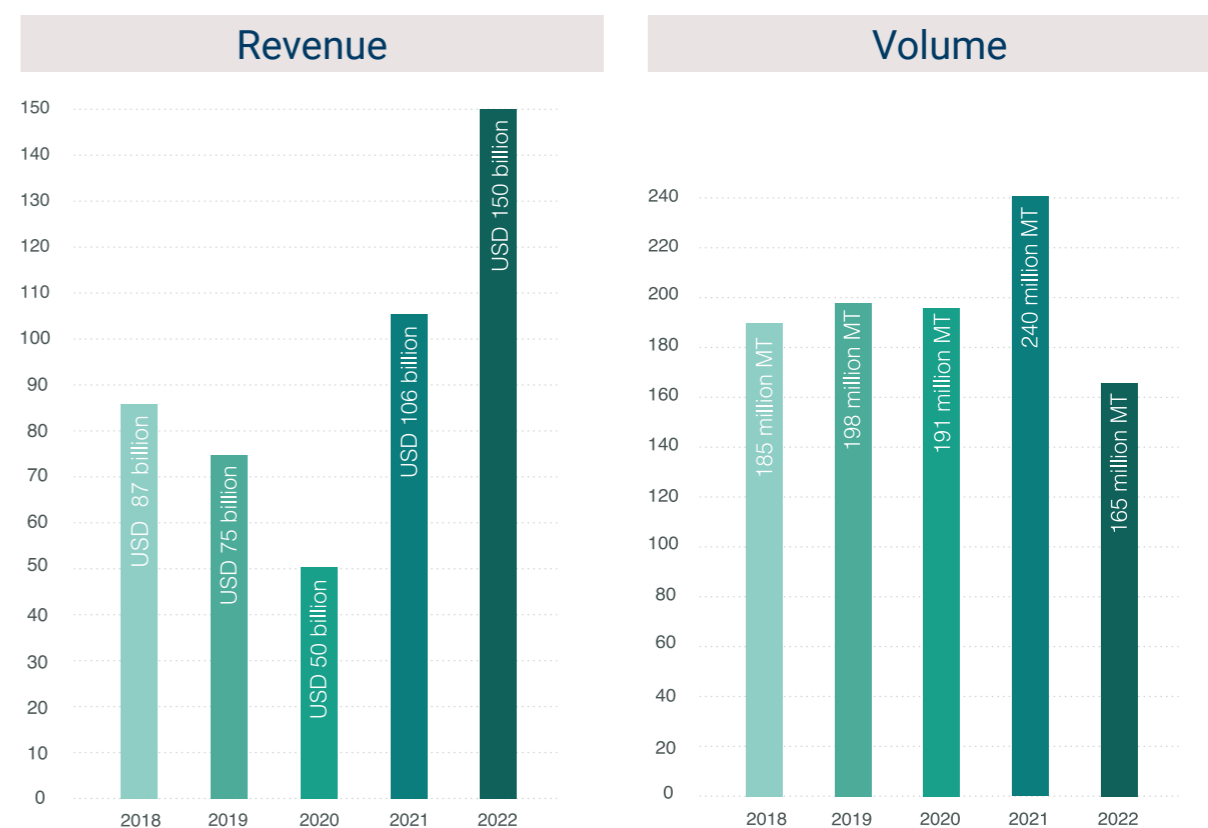
The Group currently trades globally through its trading centres that are supported by a number of other offices. Gunvor operates principally through its three main trading hubs located in Geneva (Switzerland), Singapore, and Houston (USA), with additional trading offices in Stamford (USA), Dubai (United Arab Emirates), London (UK), and Shanghai (China). These Trading Centres are supported by several representative offices in Ulaanbaatar (Mongolia), Beijing (China), Bogota (Colombia) and Calgary (Canada). In addition to the trading centres, Gunvor's operations are supported by its service centre in Tallinn (Estonia) for logistics, shipping operations, accounting, finance and IT offices in Amsterdam (the Netherlands), Nicosia (Cyprus), and Istanbul (Turkey).

Gunvor is also a major player in the shipping market and a leading charterer of crude and product tankers through its chartering arm, Clearlake Shipping. The Group holds equity investments in certain vessels together with leading shipping companies as joint venture partners. Gunvor benefits from this comprehensive transportation network as shipping operations provide optionality and competitive advantages for the Group's trading operations, and are run as a separate business line that generates income from chartering vessels from and to third parties.

Gunvor's activities along the energy supply chain, and its physical presence throughout the world, provide valuable and detailed insights into the nature of the marketplace locally, regionally and globally. Such information supports the Group's ability to identify and capture trading opportunities and enhances its profitability. The Group's trading activities are supported through several investments, both direct and indirect, in strategically located assets. These include refineries, crude and oil products terminals, pipelines and storages.

Gunvor's ultimate parent company, Gunvor Group Ltd, is registered in Cyprus. Shareholding at year-end 2022 stood at 85.7% held by Torbjörn Törnqvist, the sole ultimate beneficial owner, with the remaining 14.3% is held by the Gunvor Employee Shareplan. There are no outside shareholders or economic interests.

At the end of 2022, Gunvor had 1,711 employees, with 846 from trading and 865 from assets. Financial information for the year ended 31 December 2022 consisted of:



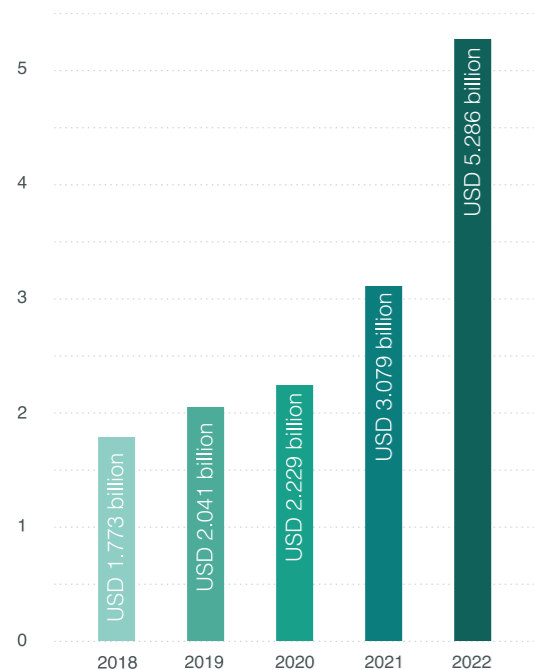
\$4.881

Gross profit (billion)

\$2.359

Net profit after taxes (billion)

Equity



GOVERNANCE FRAMEWORK

GOV-1 The Group HSEC committee is the HSEC governance body on corporate level. It is chaired by Gunvor Group's Chief Operating Officer (COO) and includes key Executive Committee members and the Global Head of HSEC.

A subcommittee for the operational sites is called the Refining HSEC Committee. This committee meets every month to discuss the HSEC related performance indicators, audit findings resolutions, incidents and issues.

More information on HSEC governance can be found in the HSEC Policy on the Gunvor Group website.

Similarly, The Group Compliance Committee (GCC) oversees 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.

This set up is described in detail on the Group's website dedicated to Compliance.





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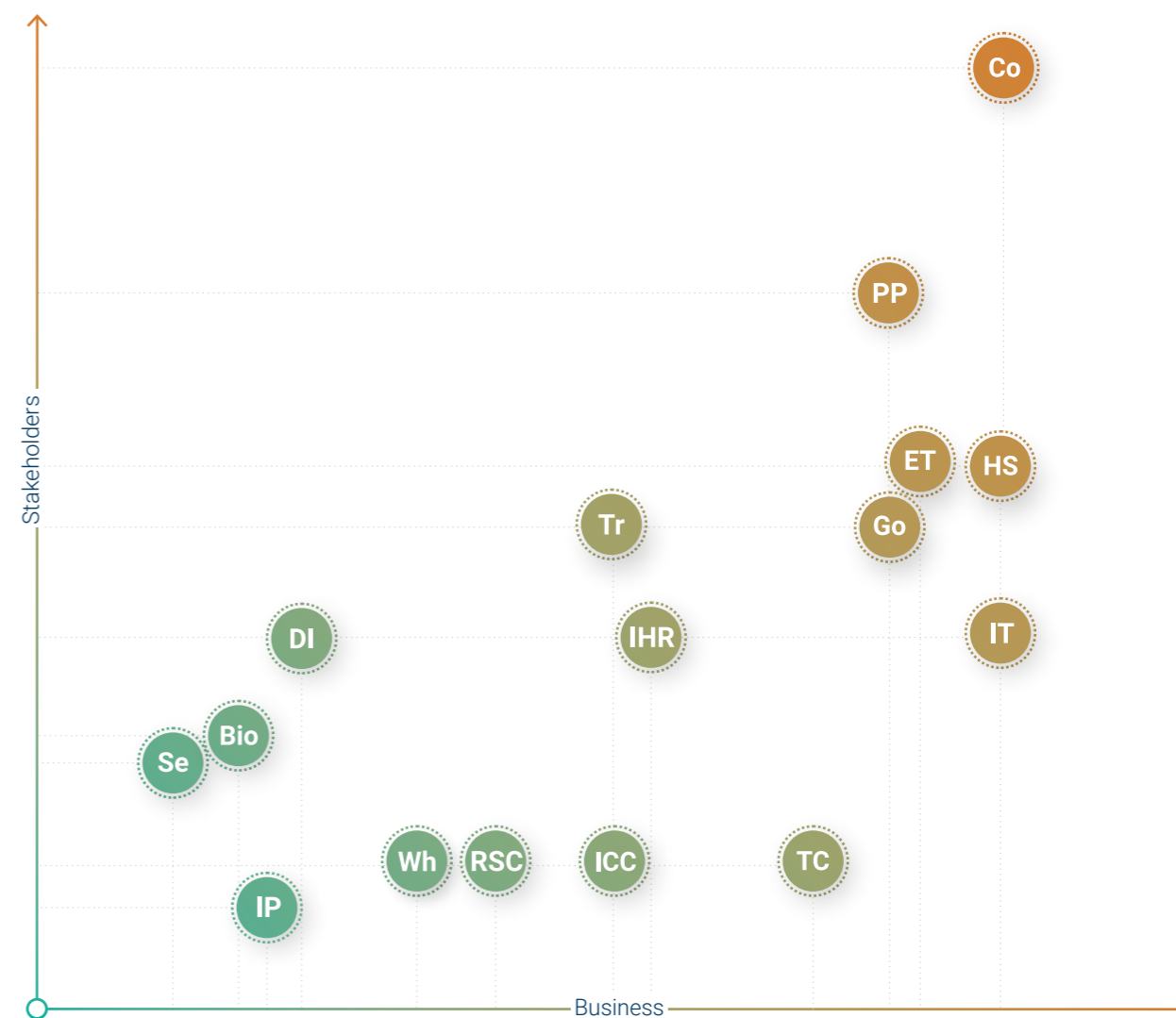
WHAT MATTERS

Throughout each year, Gunvor's Department for Health, Safety, Environment & Community (HSEC) engages with the company's various stakeholders, both within the organization and external to it, to understand their focus and to obtain feedback on activities along our value chain. This includes formal and informal interviews, questionnaires, and analysis of their communications.

To systematise this approach, we are working on developing a data driven process, which we describe in a dedicated Case Study.

Here we present the result of this process. All salient elements are covered in this report, as indicated in the key.

Impact



About this graph : this graph presents the mapping of our main topics alongside a reference to the page where it is covered in this report.

- | | | | |
|--|--|--|--------------------------------------|
| Se → Security [p.44] | Wh → Whistleblowing [p.90] | ICC → Impact on Climate Change [p.65] | IT → IT Security [p.44] |
| Bio → Biodiversity [p.51] | RSC → Responsible Supply Chain [p.89] | TC → Talent & Competency [p.102] | ET → Energy Transition [p.65] |
| IP → Impact of Products [p.78] | Tr → Transparency [p.94] | Go → Governance [p.26] | HS → Health & Safety [p.35] |
| DI → Diversity and Inclusion [p.99] | IHR → Impact on Human Rights [p.87] | PP → Pollution Prevention [p.49] | Co → Compliance [p.111] |

WORKING WITH ACADEMIA ON DATA-DRIVEN COMMUNICATION

A joint research project between the Gunvor Group, Equintel GmbH, and the Institute of Financial Services Zug IFZ of the University of Applied Sciences and Arts Lucerne

ABOUT EQUINTEL

Founded in 2020 in Berlin, Equintel uses Big Data and artificial intelligence (AI) to provide ESG assessments. The primary goal is to achieve transparency and objectivity in ESG and address some of the major shortcomings of ESG reporting and ratings. The company uses large-scale online data to monitor the ESG landscape and extract insights about companies, peergroups and industries, capturing both risks and impact. Equintel monitors existing ESG frameworks and standards, such as the SDGs, GRI, SASB, etc. On top of this, the software discovers new, upcoming topics “on-the-fly” and thus anticipates novel risks and opportunities that become relevant before they are included in any of the existing standards. Equintel’s insights can be used for a variety of use cases such as the establishment of materiality matrices, flagging of ESG controversies, early detection of ESG trends, peergroup based benchmarking and ESG due diligence of investment opportunities.

ABOUT THE INSTITUTE OF FINANCIAL SERVICES ZUG IFZ

The Institute for Financial Services Zug IFZ of the Lucerne University of Applied Sciences and Arts is the leading university institute in the financial sector in Switzerland. Since 1997, IFZ has been adding value to the financial sector and to financial professionals in companies across all industries through continuing education, application-oriented research and consulting. The IFZ’s educational portfolio includes, for example, the MSc in International Financial Management or the MSc in Banking and Finance. In the area of continuing education, IFZ offers numerous recognized courses, such as the MAS/DAS Corporate Finance/Controlling, CAS Digital Controlling, conferences and seminars.

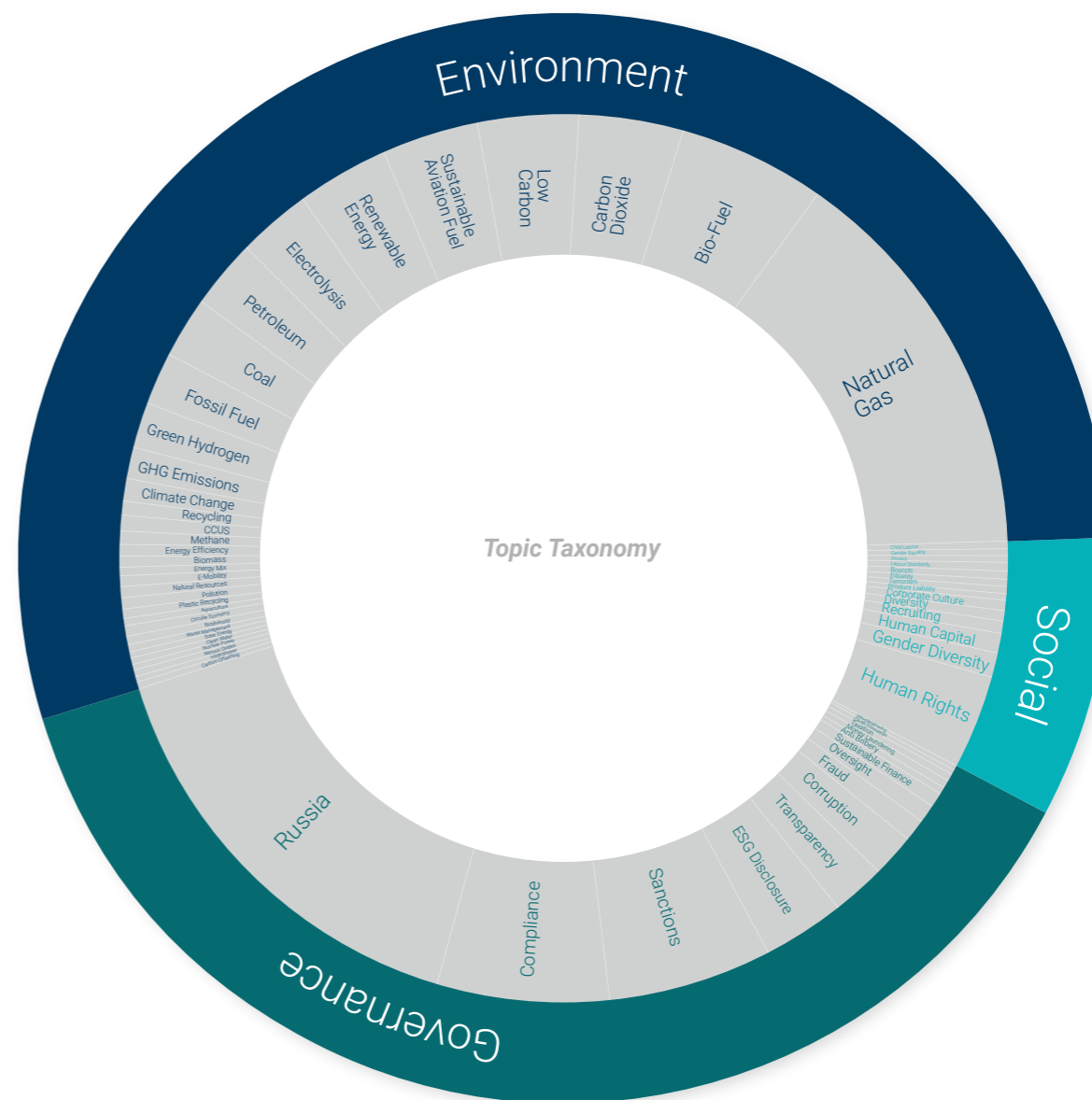
DYNAMIC ESG TOPIC MONITORING INCLUDING RECENT TRENDS

As part of Gunvor’s commitment to understanding and addressing ESG impact and risks of its activities, the company launched a joint research project together with Equintel and the IFZ of the University of Applied Sciences and Arts Lucerne. The project was dedicated to analyzing ESG topics on a company and peergroup level that allowed for the anticipation of trends and the identification of potential issues.

After gathering and analyzing the data with the help of a tailor-made dashboard, within a short time, Gunvor was able to screen and confirm its most material ESG topics in the E, S and G pillars. Besides analyzing ESG materiality, the project further focused on the identification of potential gaps between Gunvor’s ESG communication and third-party communication about the company and the sector.

KEY RESULTS

- » Showing Gunvor’s exposures to subtopics in the E, S, and G pillars
- » Establishment of a dynamic ESG materiality matrix
- » Analyzing the gaps between corporate communication and third-party reporting
- » Creating a special ESG topic matrix for social subtopics such as human capital
- » Analyzing Gunvor’s peergroup and their ESG topic exposures



Getting a first high-level insight on ESG topic exposures of Gunvor Group to challenge and confirm the approach on material topics and issues.

It is obvious that third-party data about Gunvor and the industry is mostly linked with the Environmental pillar. The figure shows that in the E pillar third-parties data focuses mainly on energy sources ranging from fossil fuels to renewable energies.

Though social aspects rank third behind environmental and governance topics, Human Rights, Gender Diversity and Human Capital are the main focus of attention and should be covered in the Company’s engagement and communication.

This year, a section on Human Capital has been added to the report.

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2022 Performance Overview

Objectives	2019	2020	2021	2022	Industry Benchmark	Status	
Maintain our incident frequency rates	Fatality	0	0	0	0	●	
	AIF	6.8	3.7	3.9	2.1	2.4	●
	LWIF	0.8	1.0	1.3	0.4	1.3	●
	PSEF	2.0	1.0	1.3	2.9	0.9	○

2023 OBJECTIVES

- Maintain our incident frequency rates
- Continue to progress on Gunvor's Process Safety Road Map, implement specific program for reduction of process safety events and deploy additional process safety trainings
- Ensure safe Turn Around and start up in our Ingolstadt Refinery

HEALTH & SAFETY GOVERNANCE

Our Health & Safety Governance relies upon the establishment of clear principles and high-level standards, which are applicable to all Gunvor-operated assets. Those are outlined in our "Green Book".

To monitor how our assets meet expectations, the central HSEC team carries out yearly audits on all sites operated by Gunvor and three yearly audits on Joint Ventures.

The implementation of corrective actions is monitored through the Refining HSEC Committee meetings for all operated assets, and through Monthly or Quarterly board meetings for our Joint Venture.

GOV - 2

ENGAGEMENT

Engagement of the workforce is one of the pillars of an effective Health & Safety management system, since the workers themselves are ultimately the most essential actors in the efforts to maintain their own personal safety and to uphold the safety of their surroundings, co-workers, communities and assets.

Engagement is carried out through trainings, evaluation of procedures, emergency exercises, risk assessments, hazard studies, audits, and, if it comes to it, incident investigations.

Training takes place throughout an individual's involvement with Gunvor, starting at on-boarding with a thorough induction process. Training sessions are organized regularly for refreshers, when material changes occur in the asset, in case of change of position or unit or following an incident, to share lessons learned, new operating procedures or raise awareness on a specific risk. It is also an opportunity for workers to provide feedback on the effectiveness of Gunvor's processes and procedures.

Collectively, workers are engaged through Works Councils, which are involved in various aspects of Health & Safety management, such as in the selection of personal protective equipment or in learning from incidents.

External workers are constantly involved in our asset activities and there is a clear need to provide them with the right level of awareness and knowledge on Gunvor's expectations and rules. Contractors participating in actual operational activities on site are involved in various aspects of Health & Safety, including reporting, investigation of incidents and the evaluation of Health & Safety performance.

Ultimately, site management is accountable for worker engagement and is present in the field to interact with their team on a daily basis.

SHS - 1

PERSONAL HEALTH

SHS - 2

Gunvor's sites have health surveillance programs aligned with the nature of the work and local regulations. Systems are in place to identify and evaluate health risks for all tasks: exposure assessment programs address occupational health risks, and workplace risk assessments cover ergonomics and physical aspects (i.e., noise, vibration, temperature, etc.).

Larger operational sites, such as Gunvor's refineries, have set up on site medical supervision and regular attendance of a medical doctor. Workers are offered health and fitness checks, and blood testing programs are in place for operators who are potentially exposed to chemicals.

PERSONAL SAFETY

SHS - 3

On our operated assets in 2022, nobody suffered a fatality or a bad injury with severe long lasting effects.

Gunvor uses All Injury Frequency (AIF) as the high-level metric for measuring injuries. AIF is defined as the total number of medical treatment cases, restricted work cases and lost time injuries – injury that resulted in a person not being able to perform their normal work for at least one day – per million hours worked. Gunvor measures this metric at all operating sites, and the company participates in data collection organised by the European Oil Industry (Concawe).

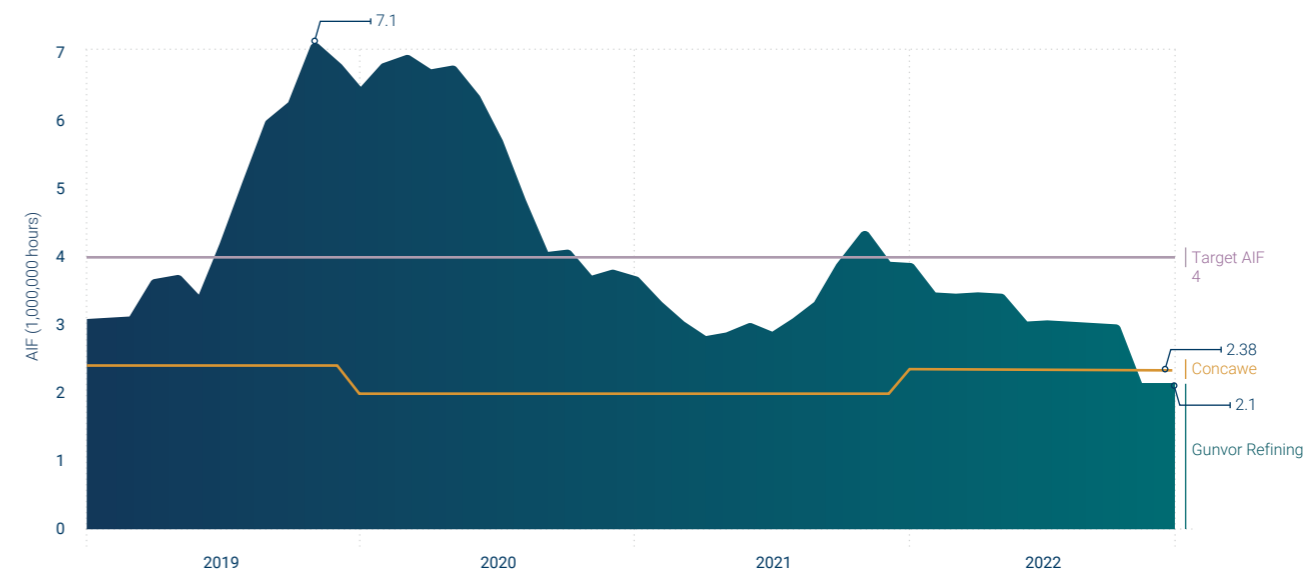
Gunvor assesses its performance against the Concawe benchmark as well as specific internal targets, aligned with assets set up and activities during the year. In 2022, Gunvor was able to outperform its internal AIF target across the year and meet the industry benchmark by year end.

Unfortunately, in February 2022, at our German refinery, a worker from a contractor company descended on a vertical ladder and fell from a height of 2.5 m, whereby they broke their leg and needed to be hospitalised. The other injury cases in 2022 were minor and the involved persons could resume work the same or the following day.

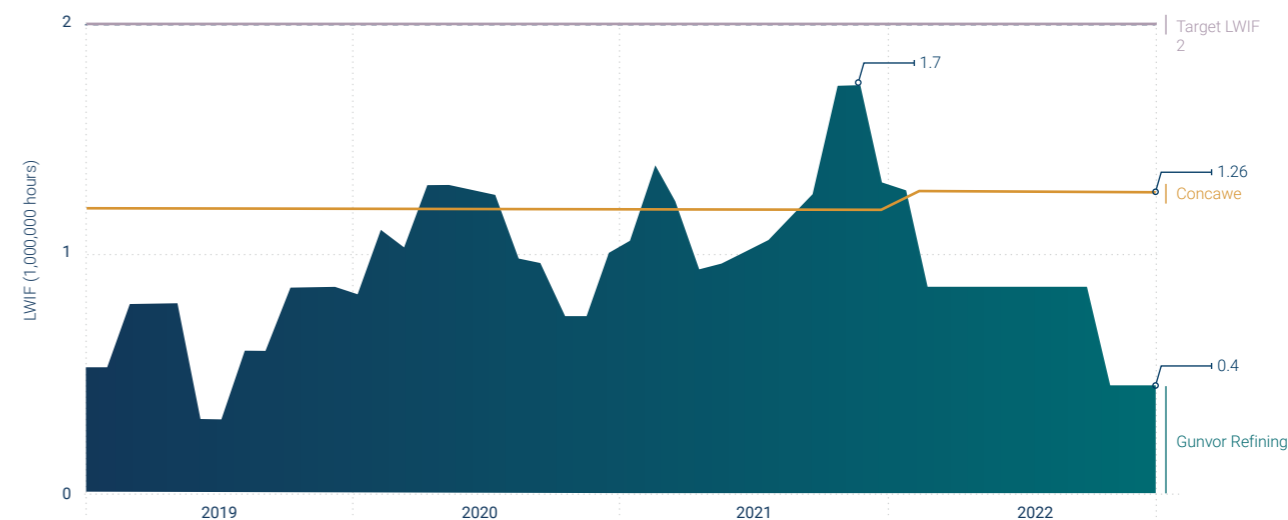
As there was only one Lost Workday Injury, the performance as measured through the Lost Workday Injury Frequency (LWIF) was better than the internal target and better than the Concawe benchmark. Gunvor's continuous focus on the aspects that determine personal safety, such as training, education, enforcement of procedures, learning from incidents, permit to work system, and task risk assessments, contributed to this achievement.

Gunvor treats the safety of employees and contractors equally and all are included in programmes and statistics

AIF as 12 Month Rolling Average



LWIF as 12 Month Rolling Average



About these graphs : these graphs present our personal safety performance on our refineries over the years. The one at the top covers the number of injuries per million hours worked and the one at the bottom covers the number of injuries resulting in at least one day off work, per million hours worked.



PREPARATION OF A TURN AROUND (TA)

A Turn Around (TA) is a crucial part of the life of a refinery, as the whole plant is shut down and major improvements are installed, setting up the asset for more efficient activities for the next six years.

From an HSEC point of view, it presents many opportunities, as the new equipment and improved units will reduce people's exposure to incidents and reduce the impact on the environment. But as the shutdown will see the refinery's workforce increase tenfold, thorough preparation is required.

The preparation of the 2023 TA for Ingolstadt started in 2021. Since the beginning a Health, Safety and Environment (HSE) coordinator was nominated and worked closely with the TA and project teams to tackle HSE aspects right from the beginning. All activities to be carried out were mapped, hazardous activities were identified (heavy lifting, confined space entry, etc.), and a dedicated risk assessment was performed. These efforts ensured the right skills and resources were assigned and sufficient control and safety measures were defined. Major contractors, whose scope comprised critical or high-risk activities were asked to develop their own safety plans to be presented to the refinery management.

Our mapping and the contractors' plans formed the basis of our "fire watch" concept, allowing for recruitment of dedicated and trained resources. Beyond monitoring the work itself, they would also observe interfaces between the different work groups in the field and help identify and solve issues as required.

Daily meetings with the safety leaders from all companies involved were to be held to share experiences from the day and night before, including observations which required corrections, so that instructions and learning could be transferred to the teams on their daily safety talks.

All efforts have been put in place to minimise the incidents during the shutdown and the safety and environmental performance will be closely monitored.

While the results of the TA will be covered in a subsequent edition of this report, the projects within its scope are worth noting:

- » **More efficient use of heat energy:** Maximise the use of produced heat within the system, by installing new, more efficient air coolers and adding tie-ins so that the heat produced at the top of the distillation column becomes the energy source for a boiler of light product in the catalytic cracking unit. This project has a direct impact on the greenhouse gas emissions of the refinery.
- » **More power for the district heating system:** Improve the process to provide waste heat to the district heating system. This reduces the area's greenhouse gas emissions by avoiding the production of additional heat by the local community. As much as 10% of the refinery's direct emissions are saved.
- » **Less Air Emissions:** Preparing the plant for the finalisation of our MINERVA project (see previous edition of this report) and reduce the sulphuric dioxide (SO₂) emissions of the refinery.



Operational Incidents in Shipping

TRANSPORT SAFETY

SHS - 4

The majority of transportation involved in Gunvor’s businesses on land and inland waters is carried out by third parties. To ensure compliance with complex regulations related to this work, Gunvor makes use of the services of specialized consultants.

In 2022, a consultant company, Transafe, based in the Netherlands, assessed our compliance with the European regulation for the transport of dangerous goods on inland waterways, known as ADN. Some findings and opportunities for improvement were highlighted and these are being addressed.

Large maritime transport volumes are carried by Gunvor’s wholly-owned shipping and chartering company Clearlake Shipping. As commercial operators, Gunvor is not fully responsible for the operational management of vessels or the crew and is therefore not directly responsible for incidents; however, Gunvor closely monitors this data and the company uses its influence to promote performance improvements as much as possible.

In cases where the management of crews or incident rates are too high, Gunvor can make the decision not to work with certain companies, which the company has had to do in the past.

PRODUCT SAFETY

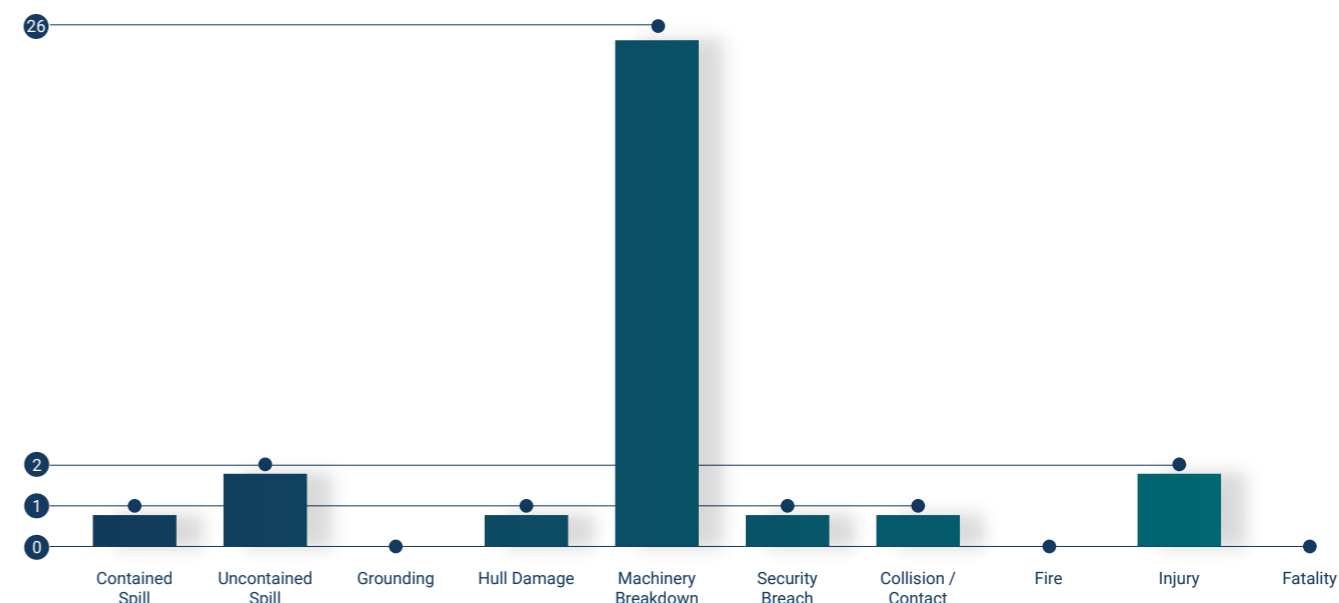
SHS - 5

Many of the products Gunvor trades, fuels in particular, are highly flammable, and often present other hazards; for example, certain naphtha products are carcinogenic. To ensure proper handling of those products, Gunvor communicates the hazards, precautionary statements, and risk management measures to our clients through Safety Data Sheets (SDS).

The format of the SDS is regulated by a globally harmonized system of the United Nations, and is further regulated by local product safety regulations, such as the REACH regulation in Europe, or the Hazard Communication Standard in the US (29 CFR 1910.1200).

In several regions, such as the European Union, products may only be put on the market if the manufacturer or importer has submitted a registration dossier to the authorities including scientific information on the hazards for human health, safety, and the environment, as defined in REACH regulations. This information is the basis for the definition of risk management measures communicated in the safety data sheets.

Gunvor’s library of safety data sheets currently holds hundreds of items for various products, legal entities, and languages and its REACH registrations allows for the manufacturing or import of various petroleum substances and biofuel components in the most important economic areas (such as the European Economic Area). Gunvor manages compliance with these regulations through procedures, a training module, and auditing. As far as the company is aware, no incident took place that could be related to product safety management by Gunvor.



About this graph: Incidents that occurred in our shipping activities this year are illustrated above.

PROCESS SAFETY

SHS - 6

Process safety covers the management of low probability incidents that would have major consequences on people, environment, assets and our reputation (PEAR). Managing the risks of such an event occurring is extremely important for Gunvor and forms a major element of Gunvor's HSEC governance and procedures.

Gunvor monitors its performance by recording all process safety events (incidents and near misses) in the categories established by the American Petroleum Institute (Tiers 1, 2 and 3) and takes all events seriously regardless of its tier.

A Tier 1 event is defined as an unplanned release of material above certain volumes or with consequences above certain thresholds. Tier 2 events are releases with lower quantities or with lower consequences. Tier 3 are near misses that under slightly different circumstances could have led to a Tier 1 or 2 event.

SECURITY

Gunvor's sites and assets are not located in high-risk areas, but are still secured to high standards, including access control, vetting mechanisms, and guarding, among other precautions.

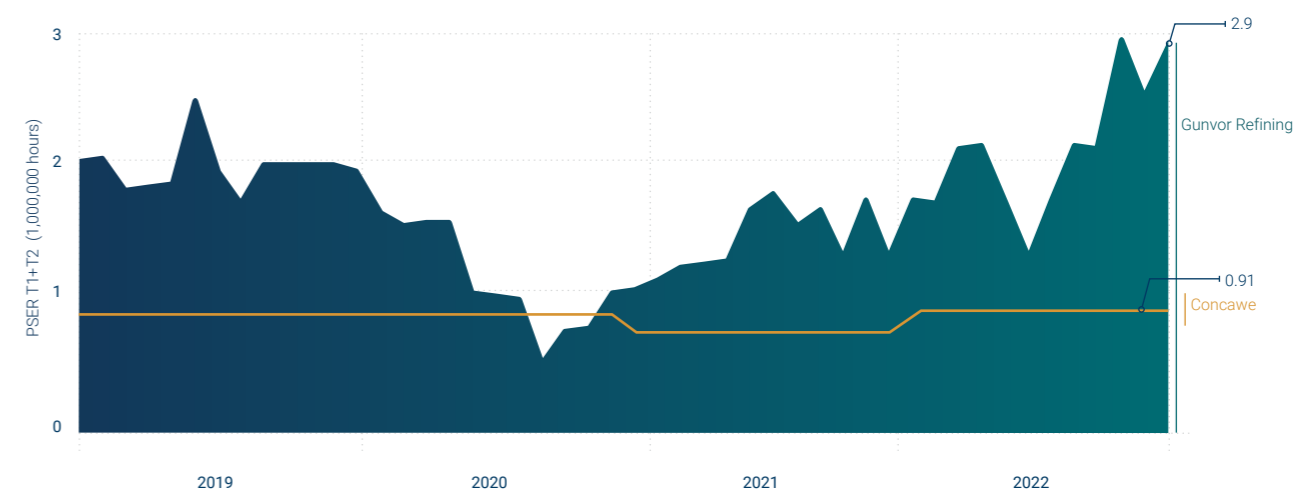
The security aspects in our supply chain are managed through our Human Rights Due diligence processes. See Human Rights section.

Through a risk-based information security program, structured into asset identification, protective controls and detection of suspicious activities, the Cyber maturity of the group has continued to improve. To support business strategy and operations, efforts have been focused on specific areas such as Cloud security, identity & access management and software development security, while keeping employees trained to detect modern social engineering attacks and to protect sensitive information.

Our Cyber resilience has also improved, by leveraging global incident response capabilities, continuing this year with formal processes and crisis management testing.

Efforts will continue to preserve availability, integrity and confidentiality of data and systems supporting Gunvor activities, and protecting the organization from existing and future threats.

Process Safety Events (Tier 1&2) as 12 Month Rolling Average



About this graph: The graph depicts the number of Tier 1 and 2 incidents per million hours worked and compares this with the Concawe benchmark. It shows that Gunvor's process safety performance is not meeting the industry average and that the number of incidents increased in 2022.

One process safety incident fell in the category Tier 1 in 2022. This was a loss of containment at our Rotterdam site caused by a drain valve inadvertently left open resulting in a loss of 12 m3 gasoil. The gasoil was contained and did not reach the surrounding environment.

The increase in the number of process safety events is mainly due to our Rotterdam asset, at which we have conducted a specific analysis and are implementing corrective actions. See Case Study.



PROCESS SAFETY AT GUNVOR ENERGY ROTTERDAM

GUNVOR ENERGY ROTTERDAM



As indicated in the previous section on Process Safety, the number of process safety events has increased at Gunvor's Rotterdam site and an investigation was launched to determine the cause.

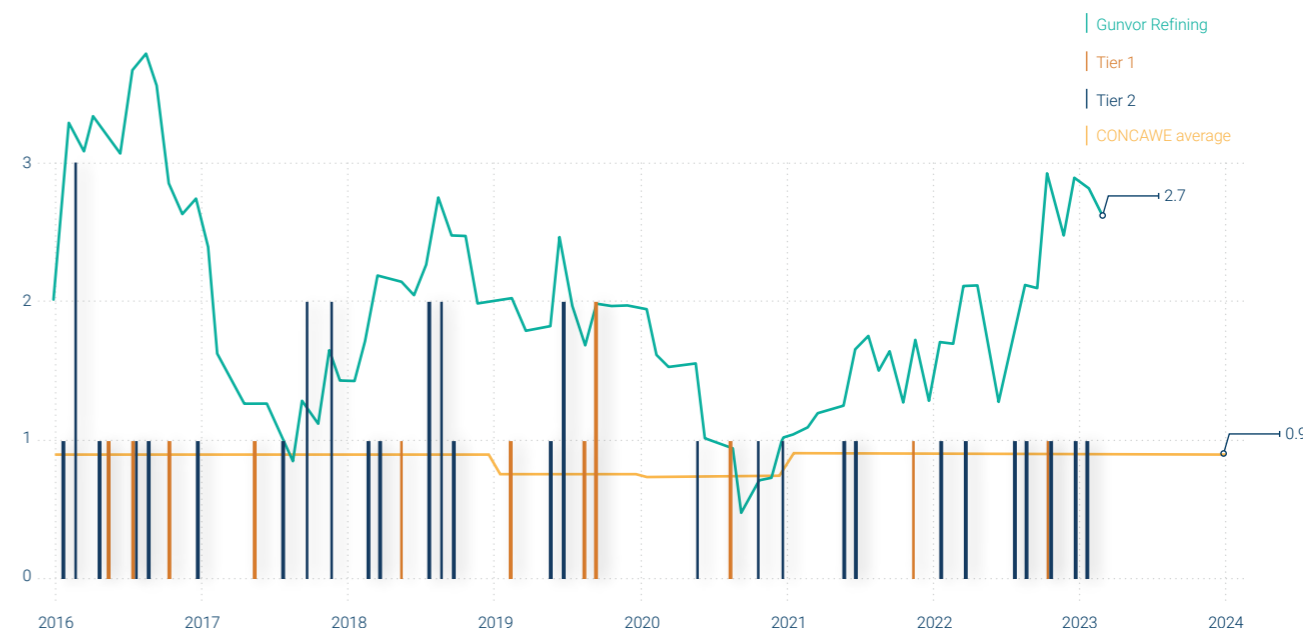
The first step of the investigation showed that these events happened during draining activities.

Draining is required when a layer of water accumulates under the product in a tank or a vessel. It is performed by an operator who opens a valve to let the water escape to the drainage system. It is a manual operation whereby the operators are required to stay at the opened valve and monitor the outflowing stream in order to close the valve when no water is left and product starts to flow.

During the investigation much data was collected on time and location of the incidents and when it was reported. Interviews were also held with the involved operators to ensure the circumstances of the incidents were clearly established.

The investigation team realised that all the process safety events related to draining occurred in the morning shift. Operators working during that shift also have to facilitate the work of contractors who mainly start in the morning causing a peak in the workload. This appeared to be an important contributing factor to those incidents, as interruptions in the draining activity create an opportunity for mistakes.

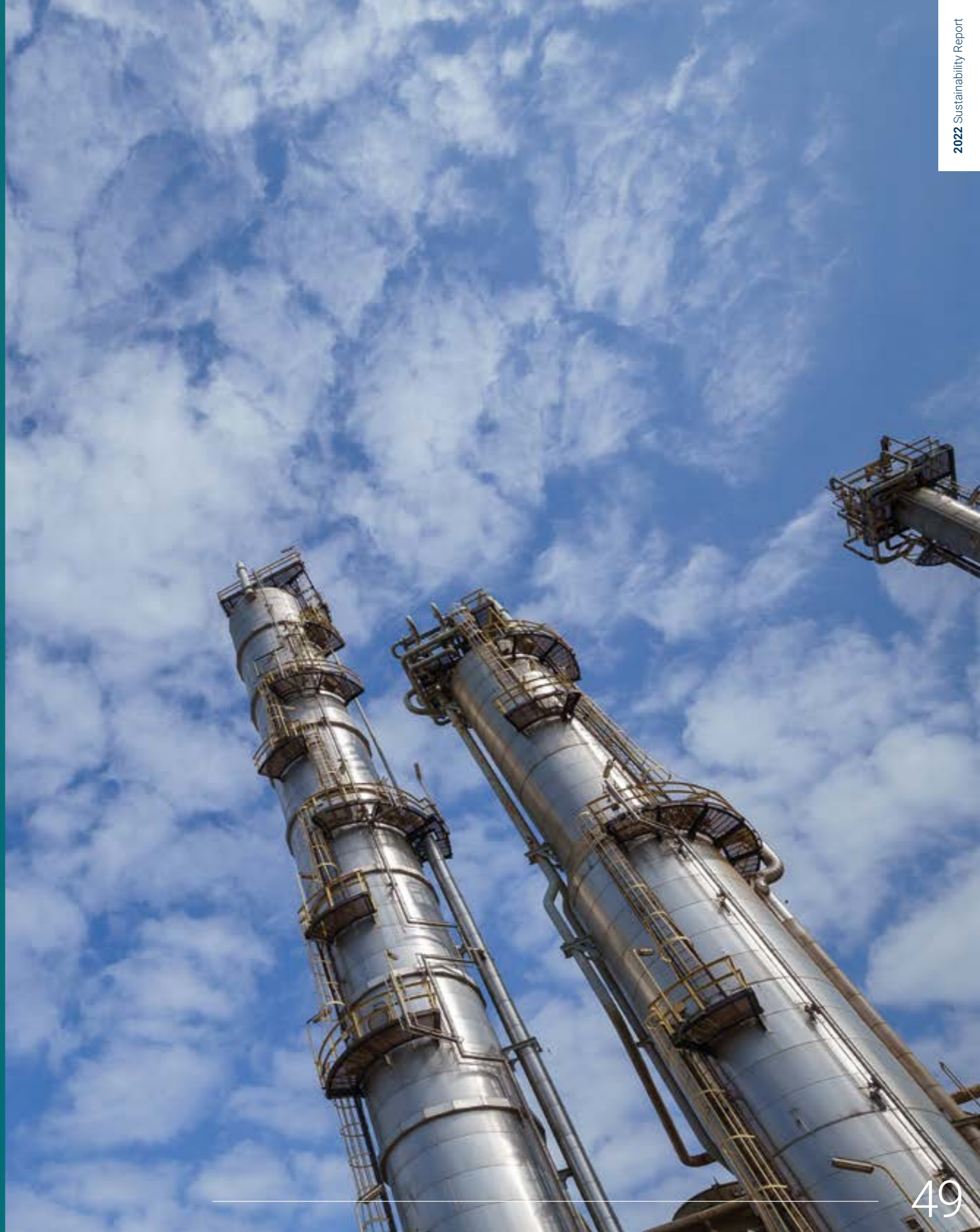
One of the recommendations of the investigation team is to organise the draining on a different schedule, so that it can be done during the afternoon or night shifts when the workload is lower. This reduces the chance that an operator must interrupt his draining activity and reduces the chance that a mistake happens.



About this graphs : this graph shows the number of process safety incidents, according to their severity, since Gunvor took over the Rotterdam refinery. Tier 1 have more potential consequences than Tier 2.



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2022 Performance Overview

Objectives	2019	2020	2021	2022	Target	Status
Maintain our low level of exceedances	14	14	6	9	<10	●
Maintain our low level of complaints	11	18	5	8	<10	●
Maintain our low level of oil spills > 1 barrel	1	0	0	2	0	○

2023 OBJECTIVES

- Maintain our low level of exceedances and complaints
- Further improve spill prevention performance
- Improve recyclability of our waste and systematise reporting of recyclable waste
- Develop plans for biodiversity preservation measures on our operated assets

This section report the most relevant environmental aspects from Gunvor's refineries, terminals, biofuel plants and shipping activities, other than climate related issues.

Specific elements on Energy Transition and GHG Emissions are available in the dedicated section.

WATER

Gunvor's production activities consume considerable amounts of water and generate wastewater.

Fresh water is used in refinery and biofuel production processes. For example, water is used in the pre-treatment of feedstock, in steam production, and for cooling of hot refinery streams. The total consumption of water by Gunvor-operated assets in 2022 was 1.85 million m3. This was slightly higher than the amount used in 2021 (1.7 million m3). The increase was related to a higher refining throughput compared with the year before at the Ingolstadt refinery, where most of the fresh water is used.

Water is sourced 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 specific local authorizations.

Wastewater is treated in treatment plants on Gunvor production sites before it is discharged. The quality of the effluent is subject to permitted limit values.

Gunvor continuously monitors the quality of the water its facilities discharge. When there is an exceedance, it is reported and treated as an incident with an investigation carried out to prevent recurrence.

An important indicator for the presence of oil components in wastewater is the "Chemical Oxygen Demand" (COD). It reflects the concentration of all the components that can be oxidized. Gunvor sites report the COD and other concentrations to the local regulators as required in their permits. Within the company, the number of exceedances from permitted levels are reported on a monthly basis. Further information on environmental exceedances is provided in a following section.

The total volume discharged by Gunvor's refinery and terminal assets in 2022 was 1.5 million m3 water, as compared with 1.6 million m3 in the preceding year.

BIODIVERSITY

Gunvor's approach to preserving biodiversity spans from protecting species that live on the company's sites to seeking means to limit the impact of company activities on natural habitats.

In Antwerp and Rotterdam, in particular, various coastal species (Oyster catchers, common terns, and various breeds of geese) find nesting and resting places. Gunvor has established a policy to facilitate the activities of wildlife as much as practically possible.

ENV - 1

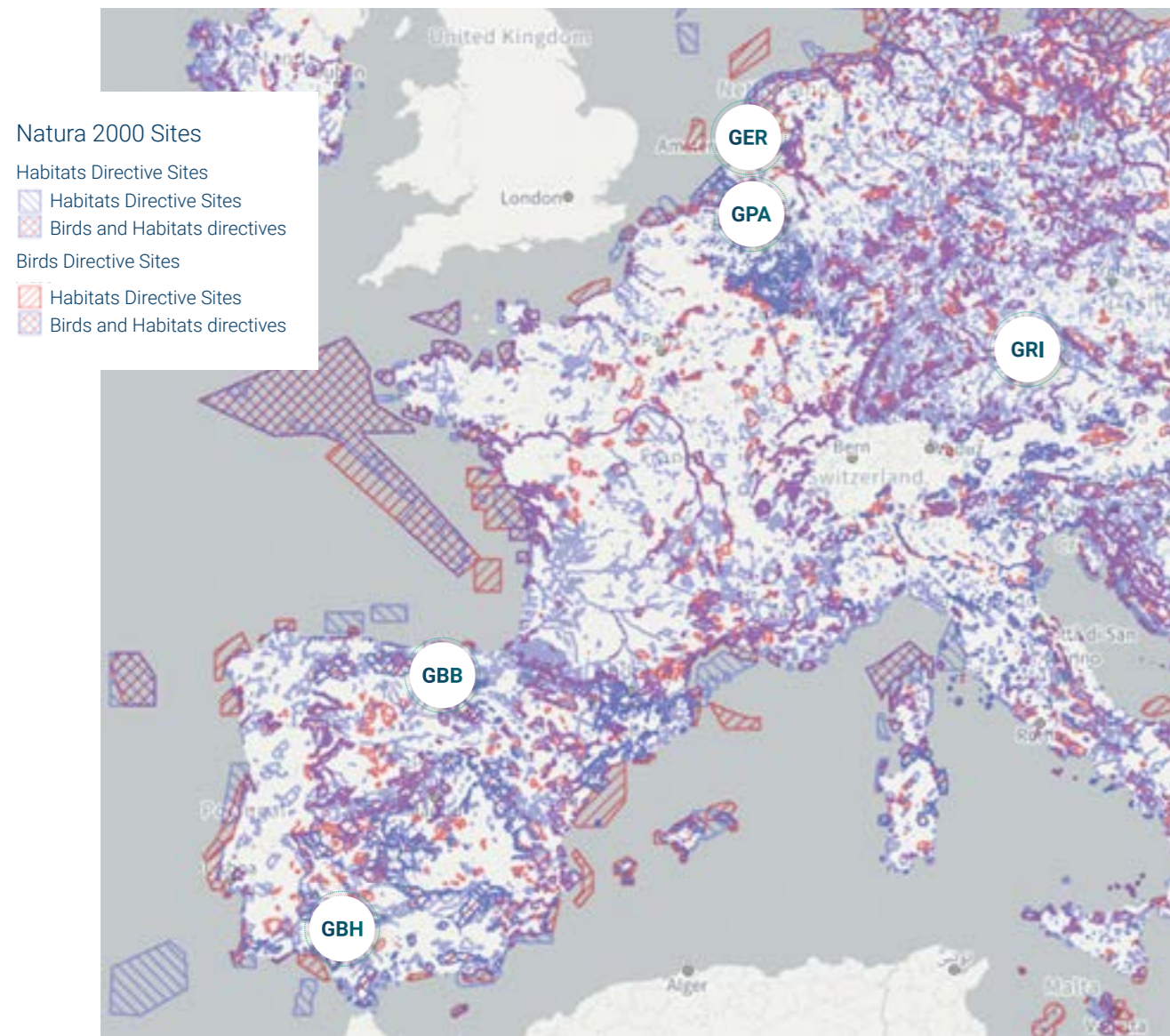
ENV - 4

ENV - 2

ENV - 3

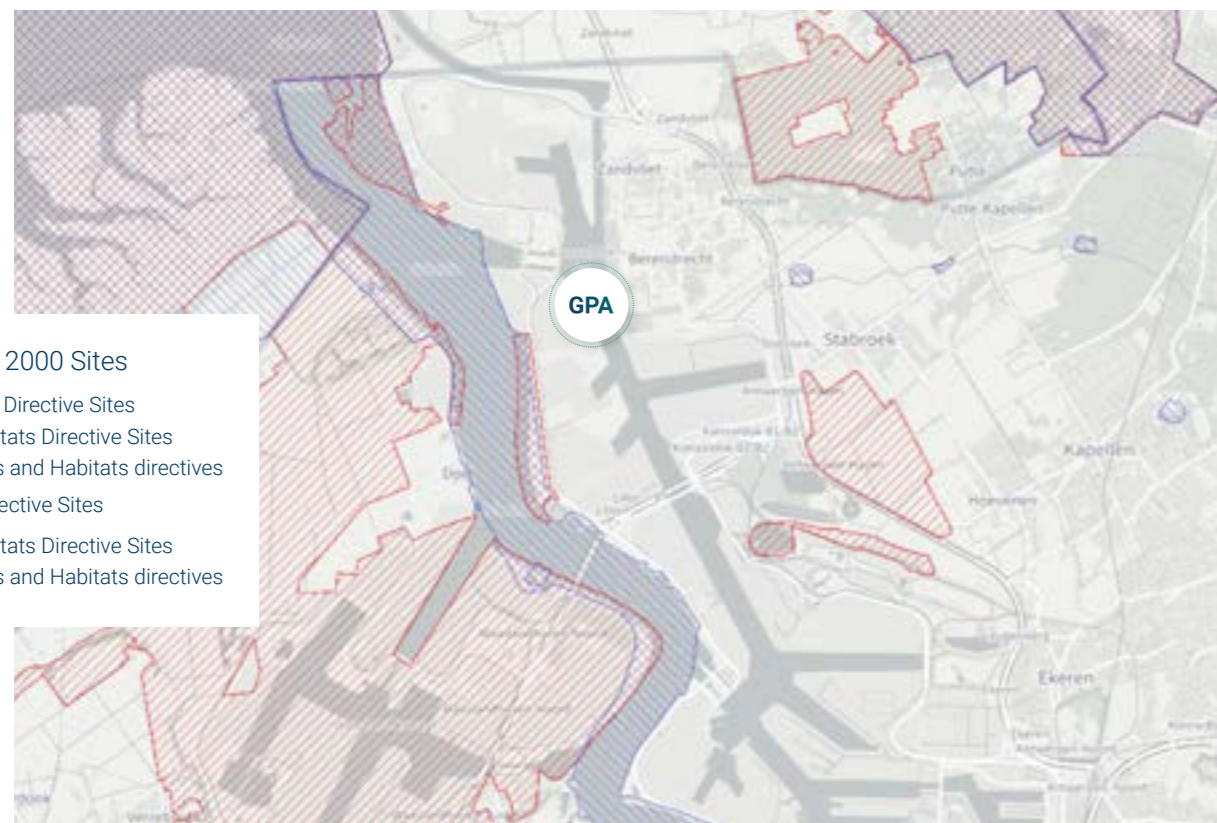
A biodiversity project at our German Refinery in Ingolstadt is to place nesting boxes for birds and bats. In Rotterdam, at the site of foreseen construction projects, biodiversity assessments are planned to define preservation measures.

In order to preserve habitats and avoid excess nitrogen in the air and water, the emission of nitrogen oxide is continuously measured and strictly limited. Gunvor currently does not operate facilities in protected areas or priority sites for biodiversity conservation. Gunvor sites are typically located in existing industrial areas. The illustration shows the Natura 2000 sites in the areas around our operating sites in Europe.



Picture: In Antwerp and Rotterdam, Oystercatchers find nesting and resting places.

GPA, in Antwerp, is situated closest to a nature conservation area. Along the Scheldt river is a marsh and mudflat area which is separated from our site by a dike, road and railyard. Oyster catchers and common sterna use the mudflats to seek food and have nests in the quiet areas on our premises.



When the conditions of the environmental permit were established, the potential effects of our activities on the adjacent conservation site were taken into account by means of an environmental impact assessment.

Beyond Gunvor sites, the company assesses its supply chain, where it has a responsibility to control impacts on biodiversity. For example, only sustainable feedstock is used in Gunvor’s 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 to our biodiesel plants must meet sustainability criteria and agreements are made on specific conditions for raw materials. Feedstock primarily consists of waste materials such as used cooking oil and residues from vegetable oil production. No virgin palm oil is used.

AIR EMISSIONS

Our sites are subject to strict emission limits for various pollutants with continuous or periodical measurement obligations and rules for reporting to the authorities. The most relevant air pollutants at Gunvor’s operational sites are sulphur dioxide (SO₂), nitrogen oxides (NO_x), particulate matter (dust), and volatile organic carbon substances (VOC).

ENV - 5

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 technically achievable.

The main source of NO_x are the furnaces where a small part of the nitrogen in the combustion air reacts with oxygen depending on the conditions in the flame. Gunvor has equipped many of its furnaces with low-NO_x burners to reduce the emissions.

VOC emissions are controlled by means of vapor recovery systems, equipment on floating roof tanks, and leak detection and repair programs.

SO₂ originates from sulphur in the fuel used at the company’s plants and from the regeneration of the catalyst in the Fluid Catalytic Cracking unit (FCC). Through several measures, such as the use of natural gas instead of oil as fuel, Gunvor has drastically reduced the SO₂ emission in the past. These measures also have reduced the emission of particulates such as soot particles. Further reduction of SO₂ emissions will follow from the installation of an SO₂ scrubber at the FCC unit in Ingolstadt.

Emissions are measured according to the permit requirements on a continuous or periodic basis. When measures show that a concentration is higher than what is permitted, this is reported as an exceedance. Further information on exceedances is provided in the next section on Environmental Compliance.

The following table shows the emissions for Gunvor’s two remaining refining sites, now that our site in Antwerp does not carry out refining activities anymore.

	2019		2020		2021		2022	
	GER	GRI	GER	GRI	GER	GRI	GER	GRI
SO ₂ (t)	276	2,710	59	2,422	98	2,250	132	2,502
NO _x (t)	326	585	69	504	177	498	208	535
VOC (t)	210	475	217	468	166	462	235	475
Dust (t)	6.3	20.5	1.6	11.2	1.8	17.3	1.6	6.9

ENVIRONMENTAL COMPLIANCE

ENV - 1 Gunvor's 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 refining process and normally the duration is short (minutes or sometimes a few hours).

ENV - 5 The number of environmental exceedances from Gunvor refining sites is indicated in the following graph. Most of the exceedances that occurred in 2022 were related to air emission limits imposed on our refineries (5 times). Three were related to wastewater limits and one was related to a limit for the outlet of cooling water. The number of exceedances was higher than in the previous year but lower than in the years before. An example of an exceedance of air emission limits concerned the limit for sulphur dioxide at our Ingolstadt refinery in January. The daily limit was exceeded as the result of sulphur entrainment in the sulphur recovery unit. An example of an exceedance of wastewater limits was the malfunctioning of a part of the wastewater treatment unit at the Antwerp site. The dissolved air flotation unit stopped working and this caused an exceedance of the limit for chemical oxygen demand, which is a measure of the concentration of substances that are not fully broken down.

Apart from one case, Gunvor's operational sites did not receive enforcement notices or fines from regulators in 2022, in relation to HSEC compliance. The site in Rotterdam received an enforcement notice regarding the rundown to a tank of liquid hydrocarbons that contain some dissolved gas.

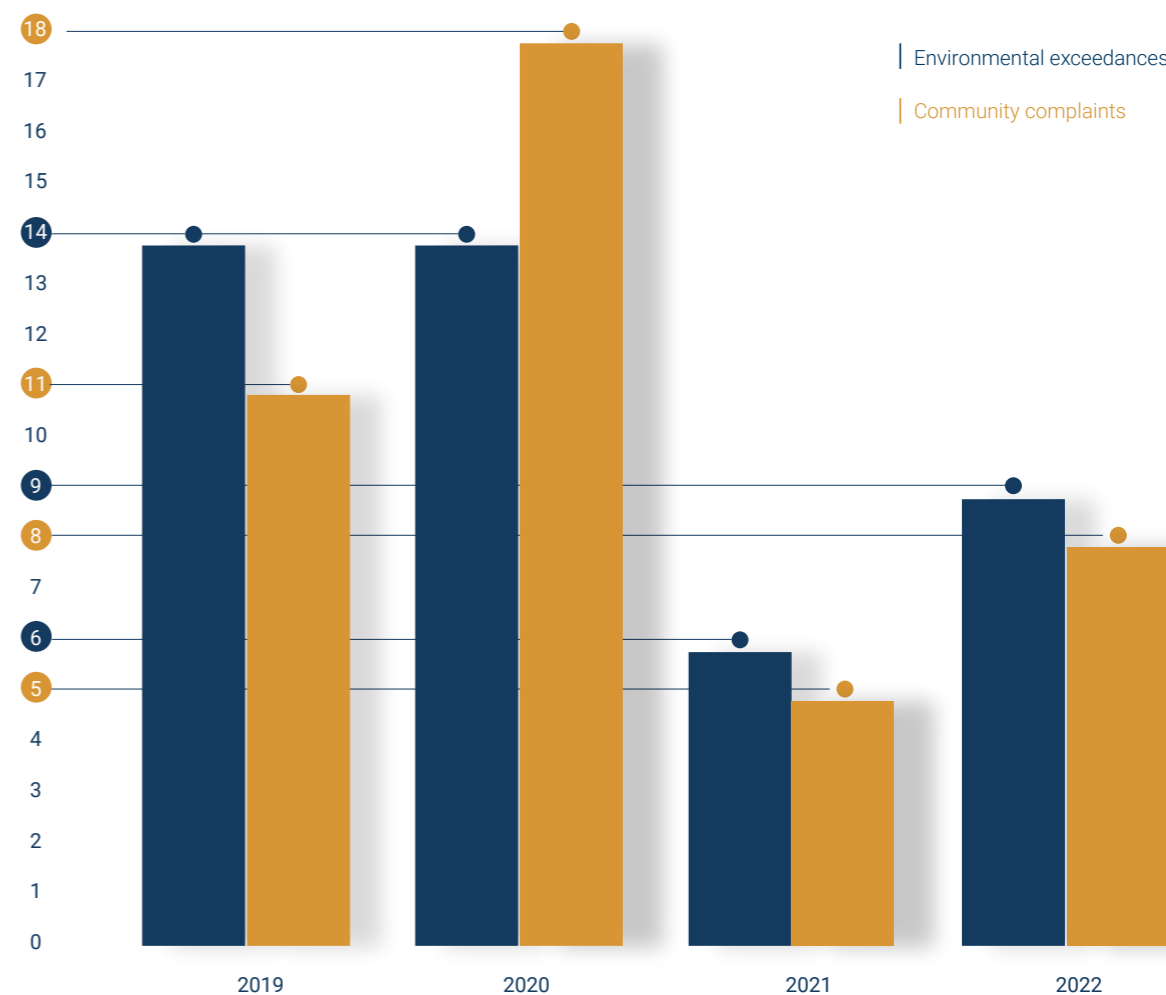
COMMUNITY ENGAGEMENT

Gunvor assets regularly engage nearby communities either directly, through participation in local initiatives and events, or indirectly through meetings with municipalities and regulators.

Sometimes assets receive complaints from people living in nearby villages on nuisance, usually caused by smells or noise during disturbances in our processes. The complaints are handled through Gunvor's community grievance process. Each complaint is treated as an incident, with an investigation to find the cause and define actions to prevent recurrence.

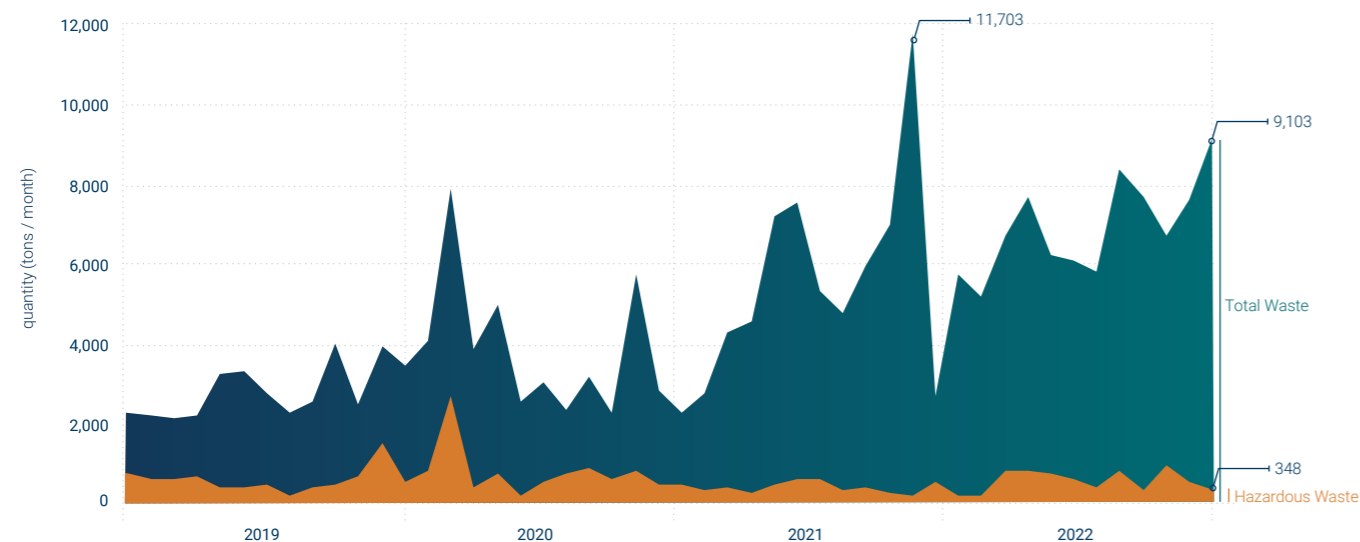
The graph shows the number of complaints, which was higher than in 2021 but lower than in the years preceding 2021.

Gunvor Refining - Environmental Exceedances & Community Complaints



About this graph: The numbers of environmental permit exceedances and community complaints around Gunvor's refining sites.

Waste Quantities



About this graph : The waste quantities at the refinery sites show an increase in 2021 and 2022. This is caused by liquid waste (wastewater) quantities that cannot not be handled by the wastewater treatment installation of our Biodiesel Plant in Huelva (which came on stream in 2020) and had to be processed elsewhere.

SPILLS

The number of spills greater than a barrel to the environment (unprotected soil or water) is an important metric in the oil industry. In the past, Gunvor has implemented measures to reduce the number of spills. Gunvor-operated sites managed to keep that number to zero in 2020 and 2021, but in 2022 two such spills occurred. One was caused by a leak in a tank bottom through which FAME (a biodiesel component) escaped into the soil. A soil remediation project was deployed to reduce impact to the environment. The other spill concerned fuel oil and was caused by a leak in a flexible hose.

Gunvor wants to maintain the low number of spills it had in recent years and has a clear policy, stating that all spills matter and shall be reported, allowing the company to investigate small spills and preventing situations to deteriorate.

In Gunvor's shipping activities, one spill was reported as uncontained, as approximately 10 litres of oil were spotted around the hull, when the ship was at berth.

ENV - 6

WASTE MANAGEMENT

The graph provides information on the waste quantities in the last four years. The quantities vary considerably.

Soil remediation and demolition projects also generate significant quantities. These factors explain the variation of waste quantities, and as much as Gunvor develops approaches to minimize and optimize waste generation, some quantities are unavoidable.

Gunvor's 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.

One of the objectives for 2023 is to start reporting the percentages of recyclable waste. This will be a valuable metric in assessing the recyclability of our waste streams.

ENV - 7

RECYCLING & THE CIRCULAR ECONOMY

ENV - 7 Gunvor biodiesel plants in Spain already fit into a circular economy model. Waste material, such as used cooking oil, become valuable low-carbon fuels.

Gunvor petroleum refineries contribute to the Energy Transition by means of developing plans for producing low carbon liquid fuels. Some of the plans that have been developed include:

- » Co-processing of pyrolysis oil from plastic waste in order to produce fuels with a reduced carbon footprint
- » Co-processing of oil from vegetable origin to produce fuels with a reduced carbon footprint
- » Hydrotreating vegetable oil to produce HVO (biodiesel component) and Sustainable Aviation Fuel

A pilot project for the co-processing of oil from waste plastic will start in 2023.

DECOMMISSIONING

ENV - 8 Gunvor's HSEC standards require sites to include obsolete or shut down equipment in the asset management procedures so that inspection and maintenance is continued as far as needed for preserving safety and the environment. This continues until such equipment is removed.

Demolition takes place for safety reasons or when space is needed for new developments. In 2022, the refinery units in Antwerp, that were mothballed in 2020, were decommissioned, drained and flushed in order to prepare for demolition.

CS — CASE STUDY



PREPARING REMEDIATION AFTER REFINERY SHUTDOWN

Gunvor ceased refining operations in Antwerp amidst the COVID-19 crisis and, as mentioned in a previous issue of the report, operated the Antwerp site since then as a tank storage location. The site was fully shutdown on 31 December 2022 and is being prepared for its next life. An important element of the preparation is soil and groundwater remediation.

When Gunvor purchased the refining assets in Antwerp in 2012 the due diligence carried out at the time showed contamination of soil and groundwater under the previous ownership, which is very typical for refinery sites in use since the 1960s. Gunvor entered an agreement with OVAM, the Flemish regulator for soil and groundwater pollution, to take responsibility for the historic pollution and provide a surety for future remediation.

Gunvor hired soil investigation specialists to map the contaminated plots in detail and assess the environmental risks. This resulted in reports with analytical results and detailed maps of the contaminants, predominantly oil constituents, in the various ground and groundwater layers.

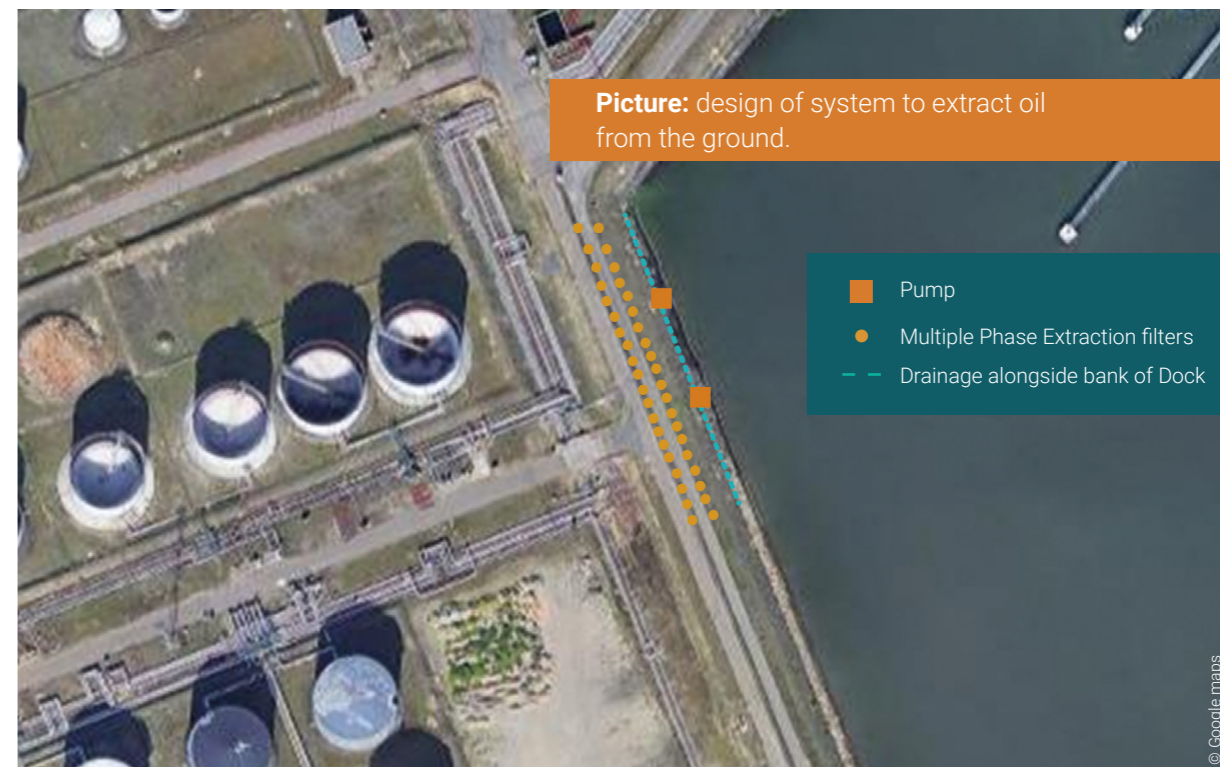
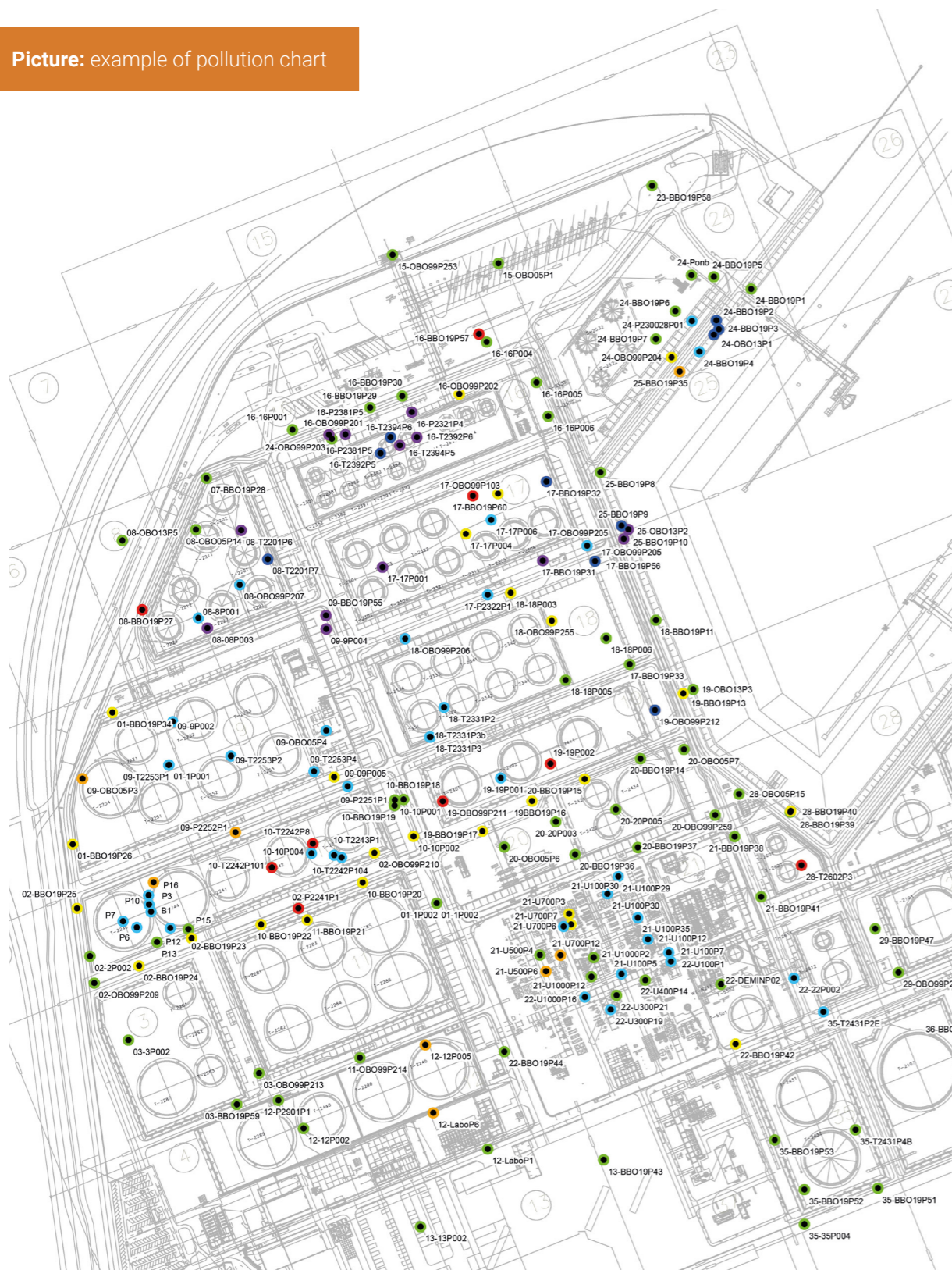
As a next step, a soil remediation plan was developed for the spots for which remediation is most urgent, based on the risk assessment. These are some spots alongside the harbour and jetties, where there is a possibility that oil migrates into the surface water.





PREPARING REMEDIATION AFTER REFINERY SHUTDOWN

Picture: example of pollution chart



Picture: design of system to extract oil from the ground.

This plan has been submitted to OVAM and has been approved. The plan will be executed with the support of specialised remediation contractors.

The plan consists of some special features:

» The revetment alongside the shore of the harbour will be renewed with a system to capture oil floating on the groundwater. The oil further away from the edge will be extracted by means of multiple phase vacuum extraction. That is a system that extracts a suspension of soil vapours, water and oil from the ground. As the refinery owns a wastewater treatment plant and a vapour recovery unit, both of which would be very useful in the remediation process, the plan is to utilise these units as far as possible, but this is dependent on the redevelopment plans of the new owner.

» Another interesting feature is pumping back extracted groundwater. During the investigations it was discovered that not only oil constituents but also PFAS (Poly Fluorinated Alkyl Substances) are present in the groundwater. PFAS is extremely difficult to remove from water because it hardly absorbs into anything and is very persistent (no biodegradation). When the groundwater has passed the water treatment unit to remove the oil, it still contains PFAS. Recycling this (partly) into the ground, will prevent the discharge into the Antwerp harbour waters. We still need to check that this recirculation does not affect the extent of the PFAS contamination elsewhere on the site.

A further remediation project will be started in parallel to clean up the ground under the refinery units when these are decommissioned and demolished.

© Google maps



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2022 Performance Overview

Objectives	2019	2020	2021	2022	Target	Status
Direct Emissions – Scope 1 (tCO2)	1,674,450	1,001,280	946,073	1,031,331	-40% vs 2019 by 2025	🕒
Indirect Emissions – Scope 2 (tCO2)	107,939	32,914	76,796	9,195	-40% vs 2019 by 2025	🕒
Fleet Composition - % Eco-vessels	Co-owned			72%	100%	🕒
	Time Chartered		60%	66%	50%	75%

2023 OBJECTIVES

- 🕒 Continue reduction of Scope 1 & 2 emissions to 40% by 2025 compared with 2019
- 🕒 Invest \$100 millions in non hydrocarbon projects with objective to invest \$250 millions by 2025
- 🕒 Reduce the carbon intensity (EEOI) of our Time chartering activities by 5% compared to 2021 with objective to reduce 10% by 2025.
- 🕒 Develop reduction trajectories for GRI and GER to 2030
- 🕒 Develop dedicated reporting and reduction approach for methane emissions

CLIMATE GOVERNANCE & 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 diversifying into new commodities and strategies in response to shifting markets and opportunities for more than a decade. The company has ceased physical coal trading and acquired biofuels plants as highlighted in previous issues of this report.

To build on this record, Gunvor has committed itself to both further improve the environmental impact of its current trading portfolio and invest in new sustainable commodities and businesses.

To ensure Gunvor upholds a proper governance of its Energy Transition initiatives, a multidisciplinary team has been established, known as the "Green Working Group". Leaders of different departments contribute to explore opportunities and projects. As already explained in previous versions of this sustainability report, the Green Working Group is integrated into Gunvor's existing governance structure through the Group HSEC Committee, which reports to the Executive Committee.

CLIMATE RISKS & OPPORTUNITIES

To manage risks associated with climate change, and their impact on Gunvor's business, the company has undertaken a number of actions, projects and commitments since 2018. These are summarised below. We are currently working on the next phase and our trajectories for 2030, which will be shared in the subsequent editions of this report.

Detailed progress the company made in reducing the CO2 footprint of its trading, shipping, and refining businesses is described in this section.

Climate change has been identified in our formal risk review process as occurring in the following two aspects:

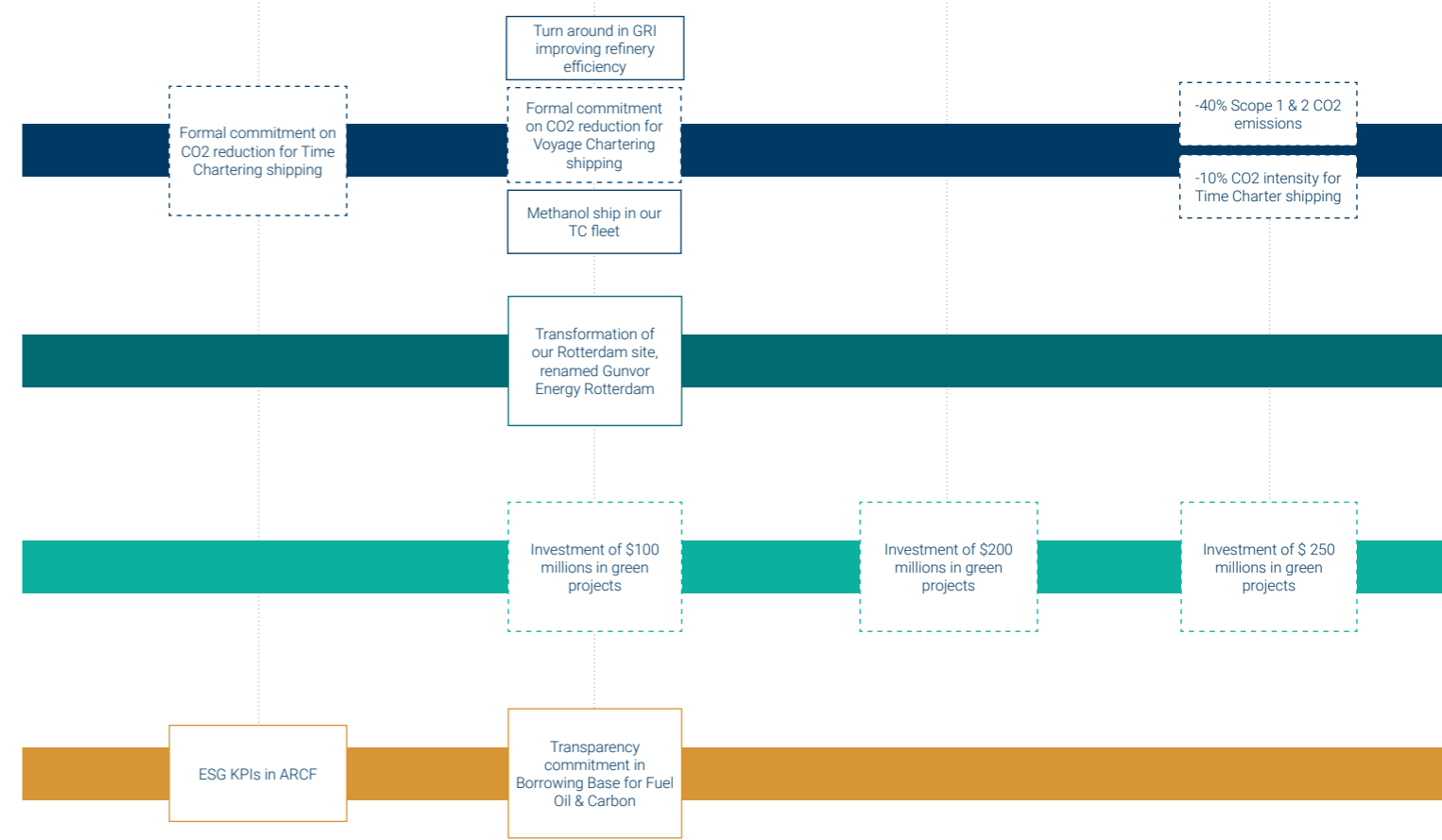
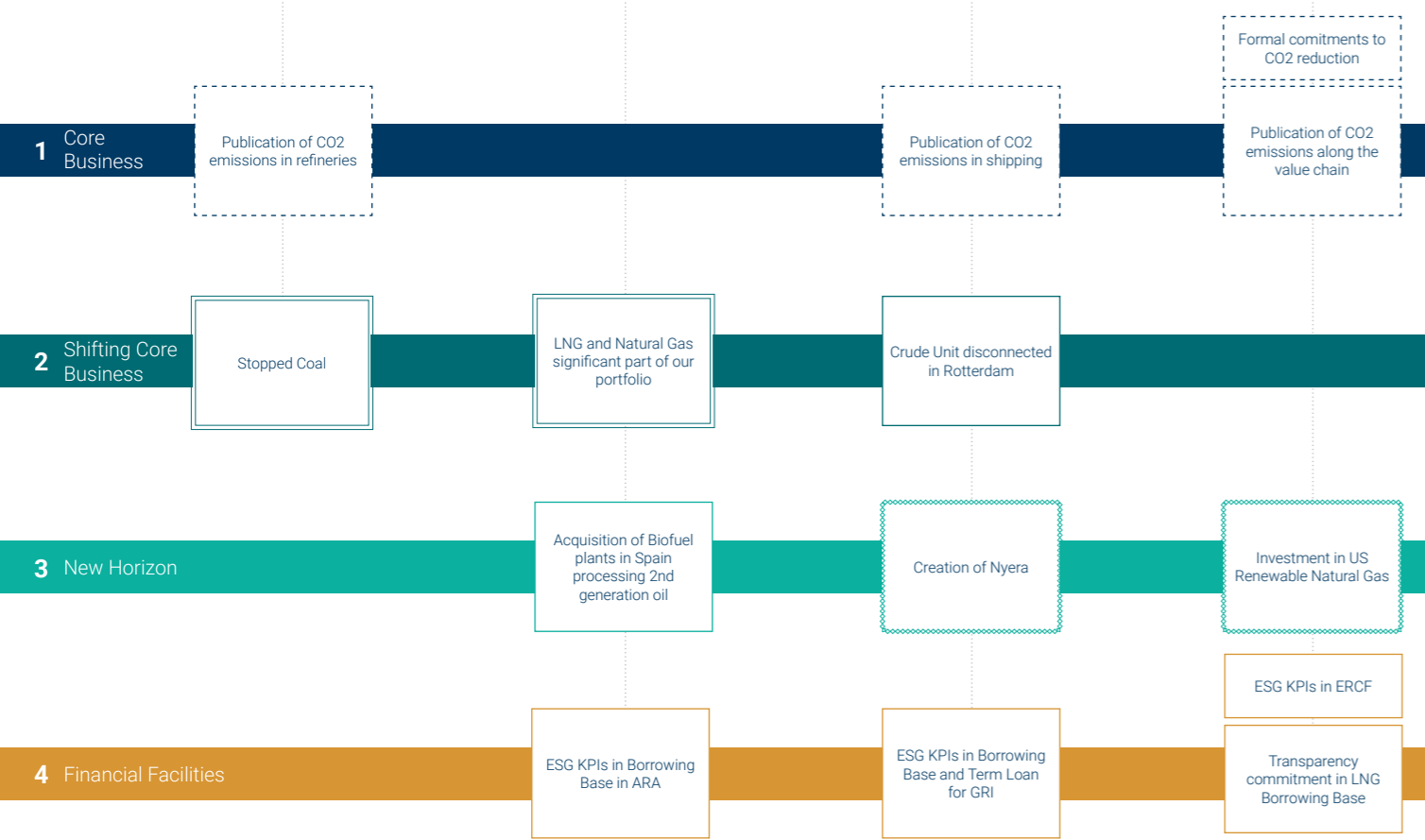
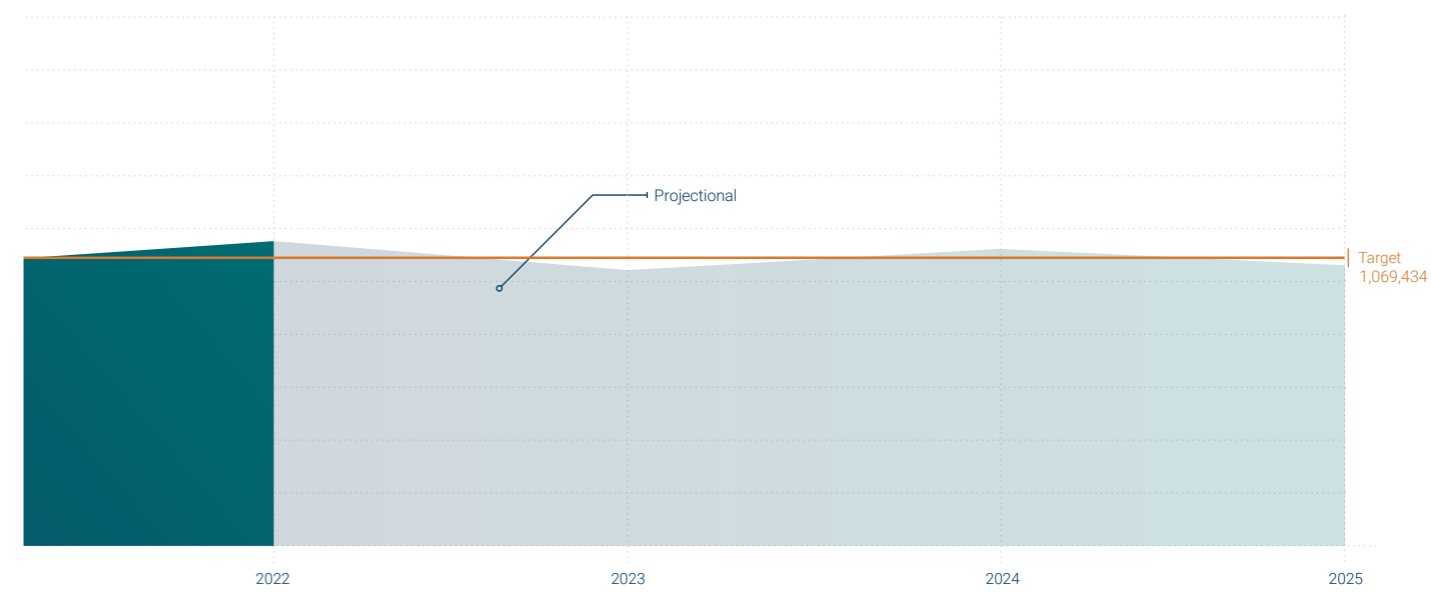
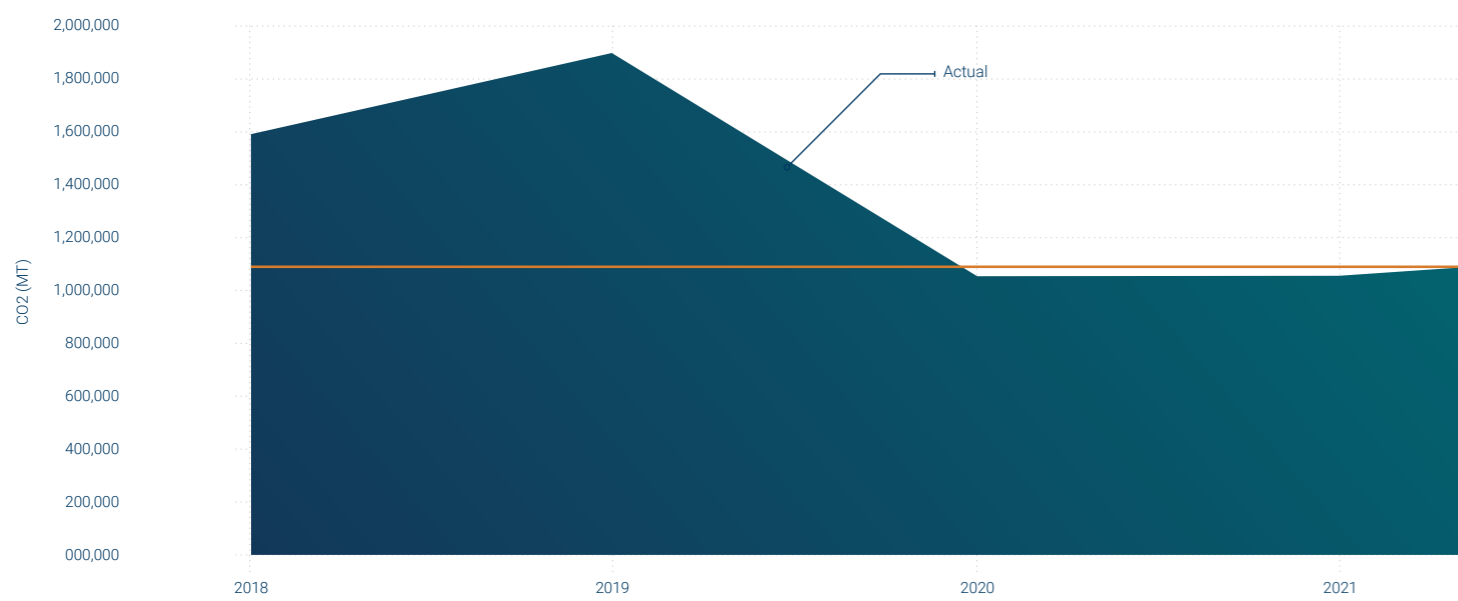
- » Physical risk to the company, including impact on shipping activities and terminals on lower grounds
- » Business risk related to the transition of the commodities trading industry towards "greener" energy sources

In 2023, an overall risk assessment for the entire company will take place, allowing us to review our assessment of the business risk of climate change as well as its physical risks. Results of this overall risk assessment will be covered in a subsequent edition of this report.

CCE - 1

CCE - 2

Scope 1 & 2 Emissions



About this graph : this graph shows our CO2 trajectory and energy transition actions over the years.

Legend :

- Change in trading portfolio
- Change in assets
- Investments
- Transparency and public commitments
- Financial commitments

CO2 EMISSIONS

Greenhouse gas (GHG) emission reporting is limited to carbon dioxide (CO2) as a first step. In 2023, we will take steps to include reporting of methane emissions. The inclusion of other gases such as nitrous oxide (N2O) will be evaluated in the future.

CCE-4

The full inventory of CO2 emissions along our supply chain is a complex endeavour and Gunvor works at improving the quality of the data shared year on year. This year, our scope 1 and 2 emissions have been verified by a third party. The scope of this verification will widen in time.

The emission data shared in this report is the following:

- » Scope 1 emissions are defined by the international GHG protocol as direct emissions from assets. The protocol gives a choice on how to include assets. Gunvor applies the “financial control” approach, i.e., the company takes into account the assets over which it has financial control (in general, ownership > 50%). In the case of joint financial control, Gunvor includes the emissions in proportion to its equity share. The direct emissions from these assets is what is emitted on the sites. These emissions are associated with combustion processes such as to generate heat, steam or propulsion.

Scope	Operations	Shipping	Offices	Travel (flights)
Scope 1	943,500	88,000	-	-
Scope 2	8,731	-	464	-
Scope 3	(see trading)	3,510,000	-	873
1. Purchased goods and services	-	-	-	-
4. Upstream transportation and distribution	-	●	-	-
6. Business travel	-	-	-	873
9. Downstream transportation and distribution	-	●	-	-
10. Processing of sold products	-	-	-	-
11. Use of sold products	-	-	-	-
12. End of life treatment	-	-	-	-

Aspects included in scope 3

- » Scope 2 emissions are indirect emissions from electricity purchased by Gunvor sites (the emissions taking place at the power plants that supply electricity to the public grid).
- » Scope 3 emissions are other indirect emissions. Currently, Gunvor has included in this scope the emissions from flights and from its shipping activities. For some categories of sold products we also have analyzed the associated emissions both upstream and downstream. These emissions are very much dependent on Gunvor’s trading volumes. Information on the CO2 footprint of Gunvor’s traded products is provided further in this report. Furthermore, emissions from transport and storage ordered by Gunvor’s trading desks that is not carried out or set up through its own shipping branch are not yet included in the shipping data.

The following table summarises our CO2 emissions in 2022. The table provides information on which Scope 3 sub-categories are included. The category names are aligned with the Greenhouse Gas Protocol Technical Guidance. Longer term information on our Scope 1 and 2 emissions is provided in subsequent sections for our operating sites and shipping activities. Because this is the second year that Gunvor reports Scope 3 emissions, a trend for a longer period cannot yet be provided. The reporting of Scope 3 emissions will improve over time. At this stage, the company has defined a reduction target on carbon intensity of its chartering activities of 10% by 2025.

	Crude Oil	Biofuel	Naphtha	LNG
	-	-	-	-
	-	-	-	-
	22,037,535	48,251	10,315,396	14,327,541
	1,635,426	48,251	1,771,308	3,235,809
	420,489	-	49,183	254,955
	-	-	-	-
	63,416	-	-	-
	1,396,451	-	987,238	15,898
	18,521,754	-	6,364,639	10,820,879
	-	-	1,143,029	-

Not reported: 2, 3, 5, 7, 15
Not applicable: 8, 13, 14

CO2 EMISSIONS IN REFINERIES (SCOPE 1 & 2)

The following graph depicts the direct CO2 emissions from Gunvor refineries (Scope 1) and the indirect CO2 emissions from purchased electricity (Scope 2). The emissions declined sharply in 2020 due to reduced refining activity. In the following years a further reduction was achieved by several measures. We reduced the Scope 2 emission by changing our electricity purchase contracts in order to only purchase green or nuclear electricity in our Antwerp, Rotterdam and Ingolstadt sites.

Gunvor's commitment is to reduce the group's Scope 1 and 2 emissions by 40%. This reduction commitment against baseline 2019 is to be achieved in 2025. For the refining activities, this reduction is within reach and the company will be working to further improve the climate impact and define reduction trajectories towards 2030.

The two largest CO2 emitters are the Ingolstadt refinery (GRI) and the Rotterdam site (GER). In Ingolstadt Gunvor focuses on technological improvement projects, some of which will be implemented during a major turnaround in 2023. In Rotterdam the focus is on energy transition projects with third-parties.

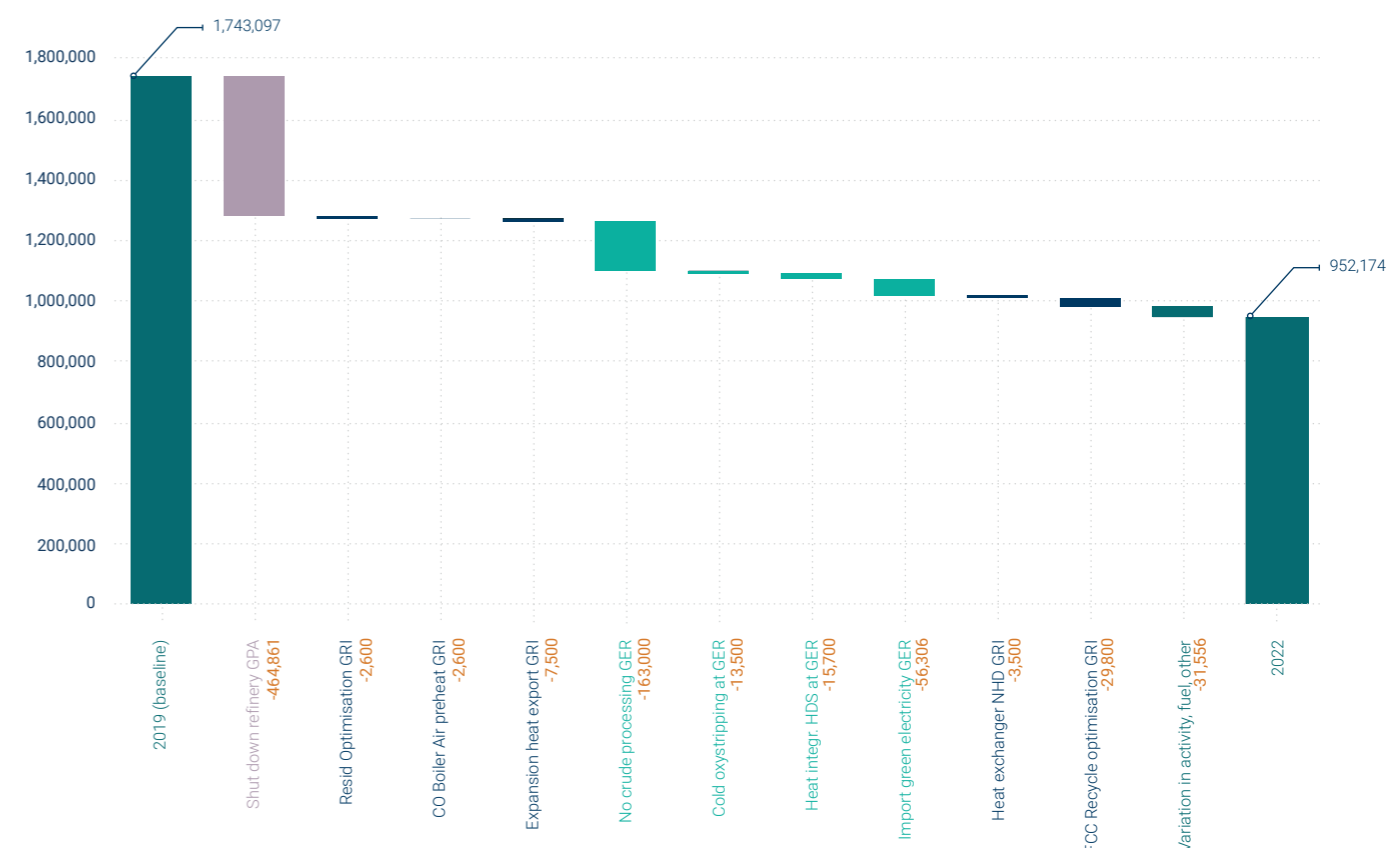
CO2 EMISSIONS IN SHIPPING (SCOPE 1 & 3)

2022 was a challenging year for shipping. The company did not meet its target percentage of Eco-vessels in the fleet by end of 2022 as a result of the massive upheaval in the shipping market and corresponding lack of available vessels for crude oil, oil products, and liquefied natural gas (LNG) caused by the Russia's war in Ukraine. Specifically, the geopolitical turmoil provoked a cascading effect, in which international economic sanctions led to a reshuffling of global trading routes.

This resulted in a surge in demand for vessels that needed to be deployed to new routes across the world for longer periods of time, which in turn caused freight rates to jump to historically high levels. Market participants' refusal to allow Eco-vessels to carry not-yet-sanctioned Russian products during the wind-down period further impacted the company's ability to add more Eco-vessels to its charter fleet.

The company remains committed to improve its Scope 3 emissions footprint and to increase the share of Eco-vessels in its portfolio.

CO2 Emissions (t/yr) Gunvor Refining (Scope 1&2)



Objectives	2019	2020	2021	2022	Target	Status
Fleet Composition % Eco-vessels	Co-owned			72%	100%	○
	Time Chartered	60%	66%	50%	75%	○

Its absolute emissions related to shipping are as follows:

	2019	2020	2021	2022
Co-owned vessels (Scope 1)	39,000	25,000	25,000	88,000
# Ships	17	17	17	9
Time chartered vessels (Scope 3)	N/A	2,245,000	2,400,000	3,510,000
# Ships	150	137	108	113
Voyage chartered vessels (Scope 3)	N/A	N/A	297,000	160,000
# Voyages	1,031	912	1,213	707

To further specify its commitment to reducing its Scope 3 emissions, in 2022 the company has defined carbon intensity reduction targets for its Time Chartered fleet of 10% reduction compared to its EEOI in 2021.

To improve its emission performance in operations and reduce the carbon intensity of each ship, Clearlake optimises each voyage through its dedicated program ECO.

It allows to optimize emissions for a given passage, and the performance monitoring dashboards highlights underperforming vessels. Performance monitoring dashboards analyse, track, and compare multiple vessels' performance and emission efficiency.

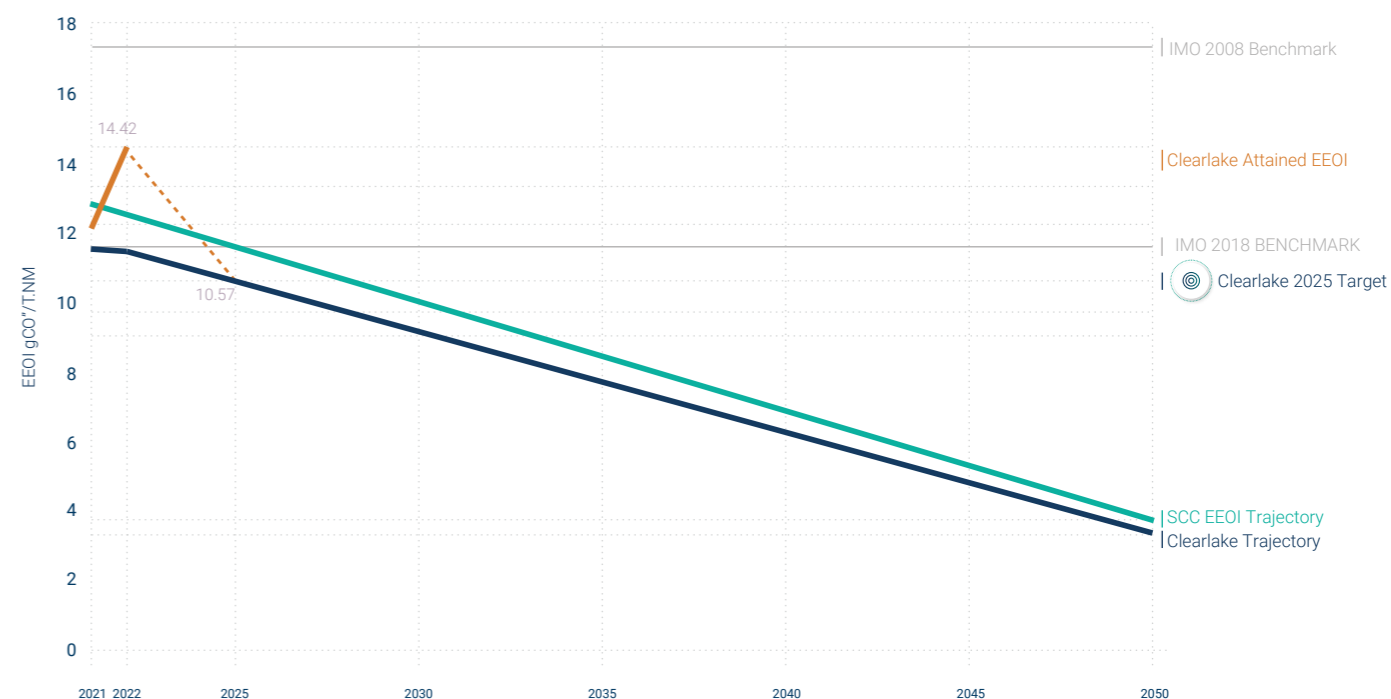
Fuel savings, and therefore emissions avoidance, are calculated on the basis of the difference between the actual consumption of the vessel in the Main Engine, travelling as per the optimised plan and benchmark consumption, i.e., if the vessel was to proceed at the ordered speed on a standard navigational route/intended route of the vessel throughout the passage.

A total of 3,623 legs were optimised, respecting Target ETA, Laycan, C.P Speed compliance, etc. In 2022, a savings of 3,877 MT translated to a total carbon emission reduction of 12,099 MT, equivalent to nearly 15% of Gunvor's Scope 1 emissions for shipping, as well as reduction in other air emissions.

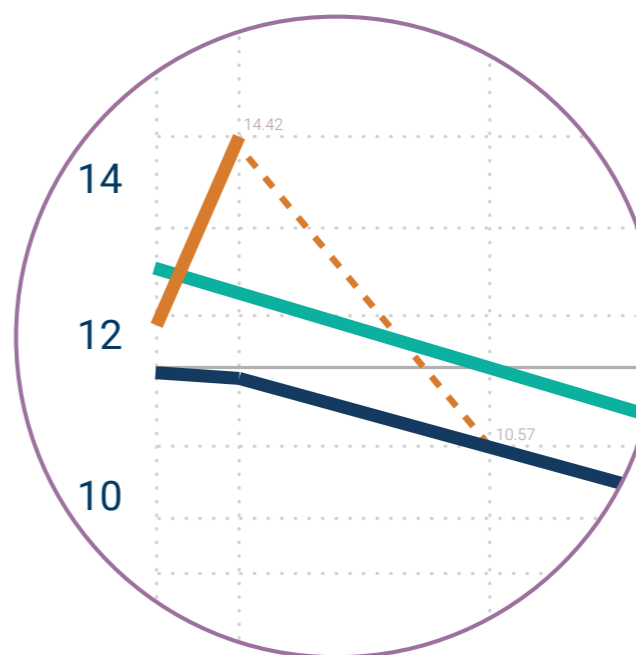
Going forwards, Gunvor will deploy systematic hull cleaning and propeller polishing during maintenance and test an LNG voyage optimization system, which aims to limit boil-off rates by optimizing tank pressure and maximizing the utilization of generated natural boil-off gas (NBOG).

The system employs a hybrid approach based on machine learning and thermodynamic principles to optimally plan and monitor LNG legs with efficient boil-off-gas management, speed scheduling, and weather routing.

Clearlake Shipping EEOI Target



About this graph: The Energy Efficiency Operational Indicator (EEOI) is indicated as achieved and as intended by Sea Cargo Charter and Gunvor's shipping branch Clearlake.



About this zoom: This Graph show the EEOI of our fleet in the last few years. 2022 was a year where our EEOI degraded due to the international context as detailed in our case study. We are working on putting our fleet performance back on track.

CASE STUDY

2022, A DISRUPTIVE YEAR FOR SHIPPING

Beyond the devastation and humanitarian crisis, the war in Ukraine has had consequences for the rest of the world, politically, economically, and environmentally. International economic sanctions and regulations imposed by Western government aimed at limiting Russia's oil income have rearranged international trade routes and supply chains. While the associated financial costs are the most obvious outcome, there have been practical environmental repercussions as well.

Russian oil and oil products, which were progressively banned over the course of 2022 from Western nations—predominantly by Europe—found new buyers in Asian countries, in particular India and China. Trade routes that have been in place for decades became disrupted and shipping companies were forced to find alternative routes for deliveries. Longer voyages and increased transit times resulted.

These re-routings increased costs for the shipping companies while also having the effect of contributing additional greenhouse gas emissions to the atmosphere. Seagoing vessels had to cover longer distances, often with higher transit speeds, which upped average fuel consumption across the shipping industry.

Congestion and delays at ports have further had a cascading effect on the efficiency of global shipping networks. Vessels are often idling at ports, waiting for berths, which not only contributes to greenhouse gas emissions but also reduces the overall efficiency of shipping operations. The overall carbon intensity of shipping activities therefore went up during the year.

Adding to this already complicated problem was the fact that financial and commodities markets participants refused to allow newer eco-vessels to carry not-yet sanctioned Russian products during wind-down periods. This undermined the use of these more efficient tankers in chartering fleets, while the industry scrambled to identify and secure compliant vessels in a market with skyrocketing freight rates. This contributed to the use of older and high consuming vessels, which will not be retired as per normal practices and will likely be seen transporting cargo in the years to come.

The increased fuel consumption, longer routes, and vessel congestion have contributed to higher levels of greenhouse gas emissions from the shipping sector. As shipping is a major contributor to global emissions, the disruptions caused by the conflict in Ukraine have added to the sector's overall carbon footprint, making it more challenging to achieve international climate goals. Throughout 2023, increased efforts will be made to rebalance order in the shipping market, while lowering emissions.



CO2 EMISSIONS RELATED TO TRADED PRODUCTS (SCOPE 3)

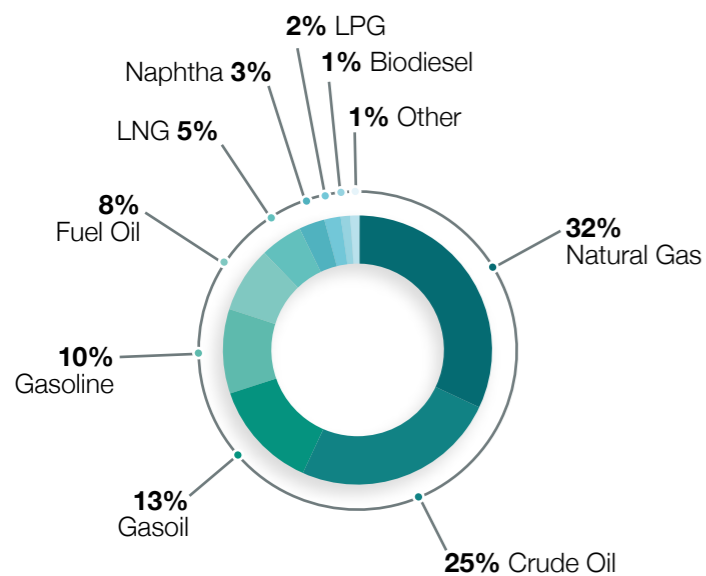
A large portion of the products that Gunvor trades is fuels. They contain carbon, which is released as CO2 when the fuel burns. Some products release more carbon per unit of energy than others and it is Gunvor's aim to reduce the CO2 intensity of the company's products. To that end, Gunvor has committed not to trade physical coal and is investing in renewables.

Gunvor's portfolio has evolved over the past years, towards more commodities seen as participating to the energy transition in the European Taxonomy, like natural gas, LNG, Biofuel, LPG, etc. In 2022, trading volumes were 165 million MT, compared with 240 million MT the year prior, due primarily to reduced trading in natural gas, seeing the percentage of such products dropping.

According to the International Energy Agency (IEA), the global demand for liquid and gaseous fossil fuel is still increasing and will be a major part of the energy mix for many year to come. Gunvor is focusing on understanding the CO2 intensity in the supply chain of products it trades, including during exploration, transport, and production or refining. With help of partners like CarbonChain, Gunvor is analyzing these emissions on a number of trades and a number of products. This increases our insight on where we can influence the emissions.

The part of the trade upon which Gunvor has the most influence is transportation, the initial focus of the company's reduction efforts.

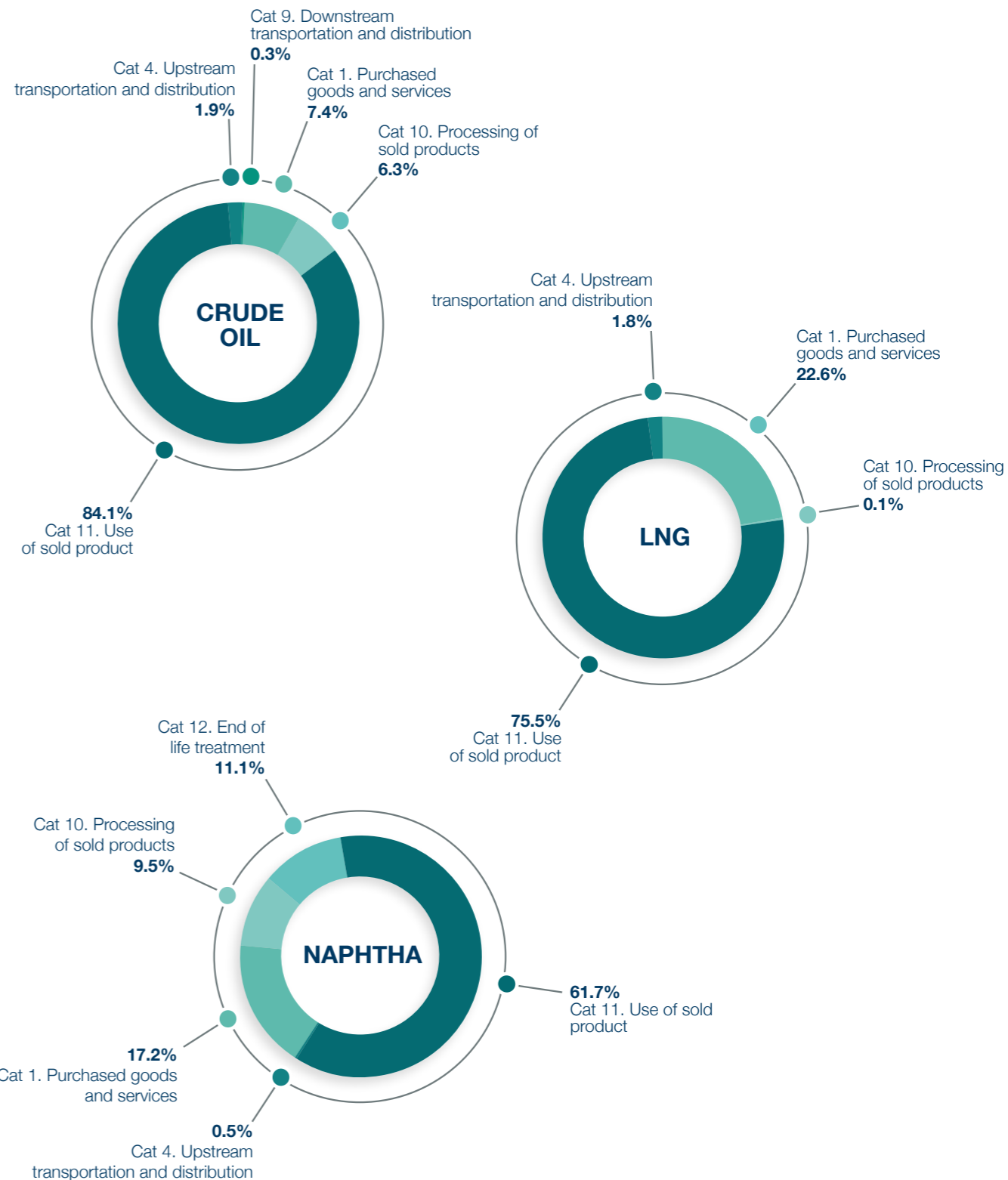
Volume by Product



Volumes in Million Tonnes



Supply Chain Emissions



About these graphs: the supply chain emissions for three product types are depicted, per scope 3 category as defined in the Greenhouse Gas protocol. **The categories reported are:** Cat 1. Purchased goods and services / Cat 10. Processing of sold products / Cat 11. Use of sold product / Cat 12. End of life treatment / Cat 4. Upstream transportation and distribution / Cat 9. Downstream transportation and distribution

NYERA

CCE-4

Since its inception, Nyera—Gunvor’s dedicated vehicle for Energy Transition investments—has undertaken and supported numerous projects to help advance the global goal of net-zero emissions. In doing so, given Gunvor’s imperative to operate on a commercial basis, Nyera has remained deliberate and prudent in its approach, with a focus on long-term, sustainable businesses. Areas of interest for Nyera are diverse, ranging from more traditional renewables opportunities to entirely exploratory ventures.

For example, the company looks extensively at the deployment of capital in renewable power, such as solar, wind and biomass. This would be in terms of both offtakes and investments. Nyera is also exploring opportunities in the alternative fuels space, in particular with ammonia and hydrogen, to support the commercialisation of these fuels as part of the global energy mix. Blue and green hydrogen, specifically, have the potential to be commoditized, which works well with the company’s overall business model.

Nyera has also been working towards investments in existing, legacy infrastructure, both in terms of energy efficiency and emissions reductions initiatives. These efforts particularly impact Gunvor’s refinery operations in Rotterdam and Ingolstadt, where preparation took place in 2022 for major projects to be underway in 2023.

Consistent with Gunvor’s overall corporate strategy, investments serve to complement the company’s core trading activities, which in many cases are supporting the further development of Gunvor’s Power desk, which is located in London, where Nyera as an organization is seated.

Due to commercial sensitivities and the highly competitive nature of the Energy Transition space, not all projects have been announced. However, examples of projects undertaken throughout the year include:

Gunvor Energy Rotterdam

To reflect the increasing number of Energy Transition projects being undertaken at Gunvor’s Rotterdam facility, the company has elected to rename Gunvor Petroleum Rotterdam (GPR) as Gunvor Energy Rotterdam (GER). GER will consist of a consolidation of GPR and Stargate Oil Terminal Rotterdam. GER is working with strategic partners in the realization of plans to ensure GER’s employees and facilities have a future in the new energy landscape.

Hydrogen Import Terminal

Gunvor Energy Rotterdam and Air Products (NYSE: APD) signed a joint development agreement for an import terminal in Rotterdam. The agreement responds to the accelerating demand for green energy sources to meet zero-emissions climate objectives and the need to diversify energy sources. The import terminal is expected to provide green hydrogen to the Netherlands starting in 2026.

Plastics Recycling

At Gunvor Energy Rotterdam, the company continued to work with U.S.-based material sciences company Dow to explore the purification of plastic waste streams in order to scale circular plastics manufacturing. For its part, Gunvor supplies cracker-ready feedstock derived from plastic waste to Dow in Europe, which will be used to produce circular plastics for customers. The purification process is necessary to ensure the pyrolysis oil feedstocks are of sufficient quality to produce new polymers.

Artemis Technologies

Artemis Technologies continues to advance the work on the world’s first 100% electric, high-speed foiling passenger ferry, which it unveiled in 2022 and is set to participate in a Belfast to Bangor pilot scheme in 2024. Interest in the project remains high, with new grants being given during the year, including a multi-million British Pound award by the Clean Maritime Demonstration Competition. The Artemis Technologies team also hosted the United Kingdom’s Permanent Secretary for the Department for Infrastructure, and the company was named “Innovation Company of the Year” at the 16th Annual Business Eye Awards.

SPOTLIGHT: ZERO CARBON MARITIME TRANSPORTATION

In 2022, Artemis Technologies unveiled the design of its new 100% electric EF-24 Passenger vessel, targeting the global high-speed ferry market.

- » With a top speed of 38 knots and a foiling range of 115 nautical miles at 25 knots, these vessels will transform the global passenger ferry market as it races to decarbonise
- » Produces minimal wake, enabling high-speed operations in busy waterways
- » Riding above the waves results in a comfortable ride, reducing effects of seasickness
- » Efficiency of foils and electric drive system delivers significant OPEX savings including lower maintenance costs and up to 85% fuel savings
- » Electric propulsion generates zero emissions in operation, removing air, water and noise pollution
- » These 24 metre vessels designed and built by Artemis Technologies represent ground-breaking green innovations for commercial ferries, radically different from traditional ferries in operation
- » First EF-24 Passenger ferry will be operated by Condor Ferries in 2024
- » 100% electric, the vessels and systems developed by Artemis Technologies are designed to make the lowest possible impact on the environment

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Gunvor has committed to sustainability related KPIs and transparency as part of several financing facilities.

REVOLVING CREDIT FACILITIES (RCF) IN EUROPE AND ASIA

2022 was the first year when our performance was assessed against our commitments to 3 different KPIs. We reached partial completion.

This performance was externally verified by Deloitte.

The following table provides an overview of our performance and commitments for 2023.

#	Themes	KPIs	Gunvor Commitments in 2021	Next Phase / Additional Targets
CLIMATE	KPI - 1 GHG EMISSIONS - SCOPE 1 & 2	% of reduction of scope 1 and 2 emissions	By 2024, reduce scope 1 and 2 emissions by 20% compared to 2019. Yearly reduction of emissions reduction	By 2025, reduce scope 1 and 2 emissions by 20% compared to 2019
	KPI - 2 GHG EMISSIONS - SCOPE 3	Improvement of energy efficiency of shipping fleets % of reduction of scope 3	By 2023, reach 70% of "low-carbon" within Time Charter shipping fleet and define targets on vessel emissions to be reached in 2023 and 2024. By 2023, set Scope 3 reduction target to be reached in 2024	By 2025, reduce CO2 intensity of our Time Charter fleet by 3%, 7% by 2024 and 10% by 2025, compared to 2021
	ESG 2 SUSTAINABLE INVESTMENTS	Reach investment targets into non-hydrocarbon investments exceeding a minimum of 10% of Group's net equity (ESGInvest)	By 2023, reach \$100m of equity investment into non-hydrocarbon projects. By 2024, reach \$250m of equity investment into non-hydrocarbon projects	By 2025, reach \$250m of equity investment into non-hydrocarbon projects
HUMAN RIGHTS	KPI - 4 HUMAN RIGHTS ASSESSMENTS	Assess all sites and 20% of the Group's human rights based on company's human rights policy, identifying a materiality, develop a remedial action plan if needed	By 2023, conduct an assessment of human rights in Gunvor's 5 20% Materiality High Risk Sites (LNG 03, Samsark Operations, Khabarovsk and carry out the assessment of the low risk sites if needed) if needed	By 2024, conduct an assessment of human rights in Gunvor's 5 20% Materiality High Risk Sites (LNG 03, Samsark Operations, Khabarovsk and carry out the assessment of the low risk sites if needed) if needed Perform 2 assessments in 2023 and 2 assessments in 2024 on human rights

GUNVOR RAFFINERIE INGOLSTADT BORROWING BASE

The borrowing base in place on our refinery of Ingolstadt include 11 indicators covering the three ESG topics:

- » Environmental, including CO2 emissions and spills,
- » Social, including process and personnel safety,
- » Governance, including effective HSEC committee and transparency.

For 2022, we reached successful completion. The data was externally verified by Price Waterhouse Coopers.

LNG BORROWING BASE

In the company's LNG Borrowing Base, Gunvor commits to publish the CO2 intensity of our LNG trading activities as well as the related overall emissions. The information is provided below.

Total Emissions: 14.18 million metric tons CO2 (2021: 27.77 million metric tons)

Carbon intensity: 3.41 tons CO2 per ton of LNG traded (2021: 3.42 tons CO2 per ton of LNG traded)

In 2023, Gunvor will publish similar data for fuel oil as part of a dedicated borrowing base.

Picture: Deloitte Certification



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2022 Performance Overview

Objectives	2019	2020	2021	2022	Target	Status
% our assets covered by a Human Rights assessment	20%	60%	100%	100%	Reviewed yearly	🔄
% our JVs (> 10%) covered by a Human Rights assessment	-	-	14%	29%	100% by 2025	🔄
Approved remediation plans for identified human Rights risks following our assessments	-	-	-	100%	100% within 6 month of assessment	🟢
Carry out child labour risk assessment along our activities	-	-	-	100%	-	🟢

2023 OBJECTIVES

- 🔄 Continue assessment of our Joint Ventures, covering at least three in 2023
- 🔄 Implement mitigation measures following dedicated assessment on Child Labour risks
- 🔄 Carry out Human Rights impact assessment on our shipping time chartering activity
- 🔄 Develop cartography and methodology on Human Rights assessment of suppliers

Gunvor assigns the highest priority to respecting and promoting Human Rights across all of its activities. The company aims to treat everyone fairly, with respect and dignity, and is committed to respecting all internationally recognized Human Rights. Gunvor recognizes that its activities may positively or adversely impact Human Rights conditions in areas where it operates and is committed to identify and assess those adverse impacts and act towards improvement.

Since 2018, Gunvor has been working to implement the United Nations Guiding Principles on Business and Human Rights and has made significant progress in strengthening the company's processes, with the help of its partner twentyfifty.

Gunvor has now embedded Human Rights in its Code of Conduct, training, vetting, Know Your Counterparty (KYC) and contracting processes, and the company is working on identifying, assessing, and remediating adverse impacts at different levels of control in its assets and supply chain. Gunvor continues to make steady progress and remains on track with its defined plan.

Direct Operations / Assets	Joint Ventures	Contractors & Suppliers
Complete	Ongoing	2024
<ul style="list-style-type: none"> Direct Control Dedicated audits Internal procedures 	<ul style="list-style-type: none"> Indirect control or influence: Dedicated HR assessments Reporting and monitoring processes 	<ul style="list-style-type: none"> Varying degrees of influence: KYC, Contractual clauses Next step: Specific suppliers assessment approach (2023)

IDENTIFYING & ASSESSING ADVERSE IMPACTS

SOC - 1

As part of its commitment to implementing the United Nations Guiding Principles on Business and Human Rights, Gunvor is constantly expanding and improving its processes to identify and assess adverse impact on human rights along its value chain. Since 2018, we have implemented the following:

- » All counterparties have a Human Rights check at the onboarding stage and are regularly monitored (via risk management providers) on Human Rights topics by the Compliance Team.
- » Controlled assets are assessed against a Human Rights Due Diligence (HRDD) framework and have management systems in place to identify and address their most critical issues.
- » On a prioritized basis, joint ventures (JV) are risk-assessed and reviewed against a HRDD framework and monitored against a set of Human Rights KPIs.
- » A process has been defined for responding to and, if necessary, determining remediation of adverse Human Rights impacts.
- » Training initiatives, either dedicated to specific teams (such as Compliance) or to all Gunvor employees, with Human Rights included into the company's annual training programs.

In addition to the proactive steps carried out to identify adverse impacts, some events are communicated to the company by ways of different grievance mechanisms, including:

SOC - 14

- » Direct communication channels via dialogue, email, or phone calls
- » Direct reporting systems through designated "trusted people" onsite
- » Complaints systems at assets for external parties
- » Communications process to Human Resources at all sites
- » Whistleblowing process
- » Contact form via Gunvor's website

All reports are duly analyzed and managed by the appropriate person internally, possibly treated as an incident, and entered into the formal remediation process if any issue is severe. Our Whistleblowing process operates on a non-retaliation principle, as described in our Code of Conduct.

In 2022, we have performed a full gap assessment on our child labour risks with the help of twentyfifty. Focussing on trading flows and activities which could present child labour risk, we carried out interviews and document analysis to

identify specific areas of concern. Highlighted issues were analysed against external resources, taking into consideration both the country and sector specific risks of child labour. Trading flows or activities were then classified as LOW or POTENTIAL.

The results of this assessment were the following:

- » Some of the commodities traded by Gunvor present high risks of child labor. This is the case with Cobalt and with POME Oil, depending on their country of origin. Countries with an open conflict should be treated with additional diligence. This is also the case with commodities originating from Libya.
- » Some of Gunvor's operations also presented indirect risks of child labor, such as with transport in Colombia.

This assessment also allowed us to perform a high-level identification of potential impact on other Human Rights, which will be refined and detailed in 2023.

In the wake of this review, we have implemented or developed plans for mitigation, which we are describing in the following section.

The focus in the coming years will be to develop a systematic approach to detailed and specific supply chain mapping, adding to the existing system and allowing risk allocation to all counterparties, triggering the right treatment as well as fostering grievance mechanisms and access to remedy along the supply chain.

CEASE, PREVENT, OR MITIGATE

In addition to Seafarer's rights which has been presented in the previous version of this report and will be covered in subsequent editions, we are strengthening our management of potential risks identified through our Child Labor risk gap assessment.

» **Commodities presenting high risk of child labor**

Cobalt

A specific process is in place to assess the risk profile of Gunvor's suppliers of base metals, as part of our onboarding and KYC process. In addition to the regular checks carried out through screening tools, additional information on origins and controls are required from the counterparty. This process will be strengthened to ensure the assessment is updated regularly and additional checks are performed on controls in place along the supply chain, depending on the risk profile of the supplier and the country of origin. Additional scrutiny will be put onto access to remedy.

Palm Oil Mill Effluent (POME)

All the biofuel Gunvor trades, including the company's biofuel plant feedstock, is certified sustainable through the ISCC system. A specific assessment of the certification process will be carried out, focusing on POME as a first step, to identify potential weakness in the certification chain and remediate accordingly.

Commodities originating from countries with an open conflict

Heightened due diligence will be carried out on these origins and commensurate approach will be put in place, directly or via industry associations where our degree of influence is limited.

» **Operations that present indirect risks of child labour****Trucking activities in Colombia**

Some activities around Gunvor's trucking could present risk of child labor, not directly related to driving and transportation of product, but in other areas of activities of the company's contractors.

Some regular audits are carried out by Gunvor's teams on contractors and this specific issue will be added to the audit protocol. In addition, contractual requirements will be strengthened to ensure the issue is tackled as early as the contracting stage.

PAYMENTS TO GOVERNMENTS

Gunvor Group supports 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 continues to be one of three physical energy trading companies to participate in EITI 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 governments, 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 with EITI, relevant trading peers, and other transparency related organisations to improve disclosures.

Country	Company	Income Tax Paid (USD)
Colombia		4,867,638.02
	Gunvor Colombia CI SAS	
Germany		835,595.45
	Gunvor Raffinerie Ingolstadt GmbH	
	Gunvor Deutschland GmbH	
	Gunvor International B.V. Berlin br	
Mongolia		12,980.26
	Gunvor Mongolia LLC	
Netherlands		8,186,490.12
	Gunvor International B.V. Amsterdam	
	C-Blue B.V.	
	Stargate Oil Terminal Rotterdam BV	
	Gunvor Petroleum Rotterdam B.V.	
Switzerland		139,254,008.66
	Gunvor Int. B.V., Amsterdam, Geneva	
	Gunvor (Schweitz) AG	
	Gunvor SA	
	Clearlake SA	
United Kingdom		6,476,325.93
	Gunvor UK Ltd	



Country	Counterparty	Load Port Country	Port	Buying Entity	Commodity	Payments (USD)	Volumes (MT)
Argentina	YPF SA (YPF SOCIEDAD ANONIMA)	Netherlands	Ara	Gunvor SA	Naphtha	13,293,906.21	21,413.58
Colombia	CEPSA Colombia S.A.	Colombia	Covenas	Gunvor Colombia CI S.A.S.	Crude Oil	5,750,715.64	8,715.19
Colombia	Ecopetrol S.A.	Colombia	Barranquilla	Gunvor SA	Bitumen	27,585,158.47	44,719.57
Germany	EBV Erdölbevorzugungsverband	Germany, Netherlands	Ingolstadt, Ara Range	Gunvor SA	Gasoli, Gasoline	69,757,355.92	75,119.84
Kazakhstan	KazMunayGas Trading AG	Romania	Midia	Gunvor SA	Gasoline	32,571,352.31	24,672.84
Mexico	P.M.I. Trading Designated Activity Company	Netherlands, United States	Rotterdam, Nederland, Houston, Beaumont, Brownsville	Gunvor SA	Fuel Oil, Naphtha	87,785,558.45	266,357.98
Total: EITI countries						236,744,047.00	440,999.00
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	879,573,083.93	2,441,997.53
Aggregate purchases from SOEs of non-EITI countries							
N/A	N/A	N/A			Crude Oil, Refined Products	9,315,964,685.35	19,452,102.63
Total: All countries					Crude Oil, Refined Products	10,432,281,816.28	22,335,099.16

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2022 Performance Overview

	2019	2020	2021	2022	Target	Status
Overall	1,732	1,594	1,644	1,711		
Headcount*						
White collars	770	818	790	846		
Blue collars	962	776	854	865		
Nationalities**			55	60		
Gender ratio (women/men)**			2:3	2:3		
Average Age**			41	40		
Average Tenure**			5.32	5.26		

*This includes employees at assets where the Group retains sole management control.

**Numbers are based on White Collars

2023 OBJECTIVES

- Continue Gunvor’s Group Transformation* journey
- Invest in attracting, retaining and developing the most talented people around the world
- Create a Global Graduates Program
- Increase Global Mobility

*Since 2020, Gunvor has embarked on a transformation journey, in the aim to improve professionalism in all back-office functions and integrate more technology into the way we operate (operating model, organisational/process design, platform and process optimization, service review and improvements).

MOVING ENERGY TOGETHER

Gunvor brings together 1,711 passionate people who create solutions to safely and efficiently move physical energy and bulk materials from where they are sourced and stored to where they are demanded most. Gunvor’s people are its key asset and critical to our success. A team effort is responsible for where we are today and will be key in delivering on our goals for tomorrow.

OUR GLOBAL AND DIVERSE WORKFORCE

As the commodities industry grows and competition ever increases, all companies look for an edge.

At Gunvor, we believe this comes from diversity and inclusivity. Many studies have demonstrated that companies with a diverse decision-making base are more successful and use this advantage to spark innovation and create more ways of sustaining a competitive advantage.

Gunvor aims to ensure our employees reflects the diversity of the global communities in which we operate. We perform activities in 18 countries and more than 60 nationalities are represented across our different locations. We believe that we benefit from a unique international workforce, and we are constantly looking for ways to expand this diversity.

We will continue to push forward our vision for conscious inclusion and belonging and communicate further on our roadmap in subsequent editions of this report.

During the last quarter of 2022, we opened our new Centre of Expertise located in Istanbul, Turkey, with the aim to expand our global IT team and create a hub of tech expertise. We have recruited 14 employees in 2022 and are looking forward to welcome more in 2023.

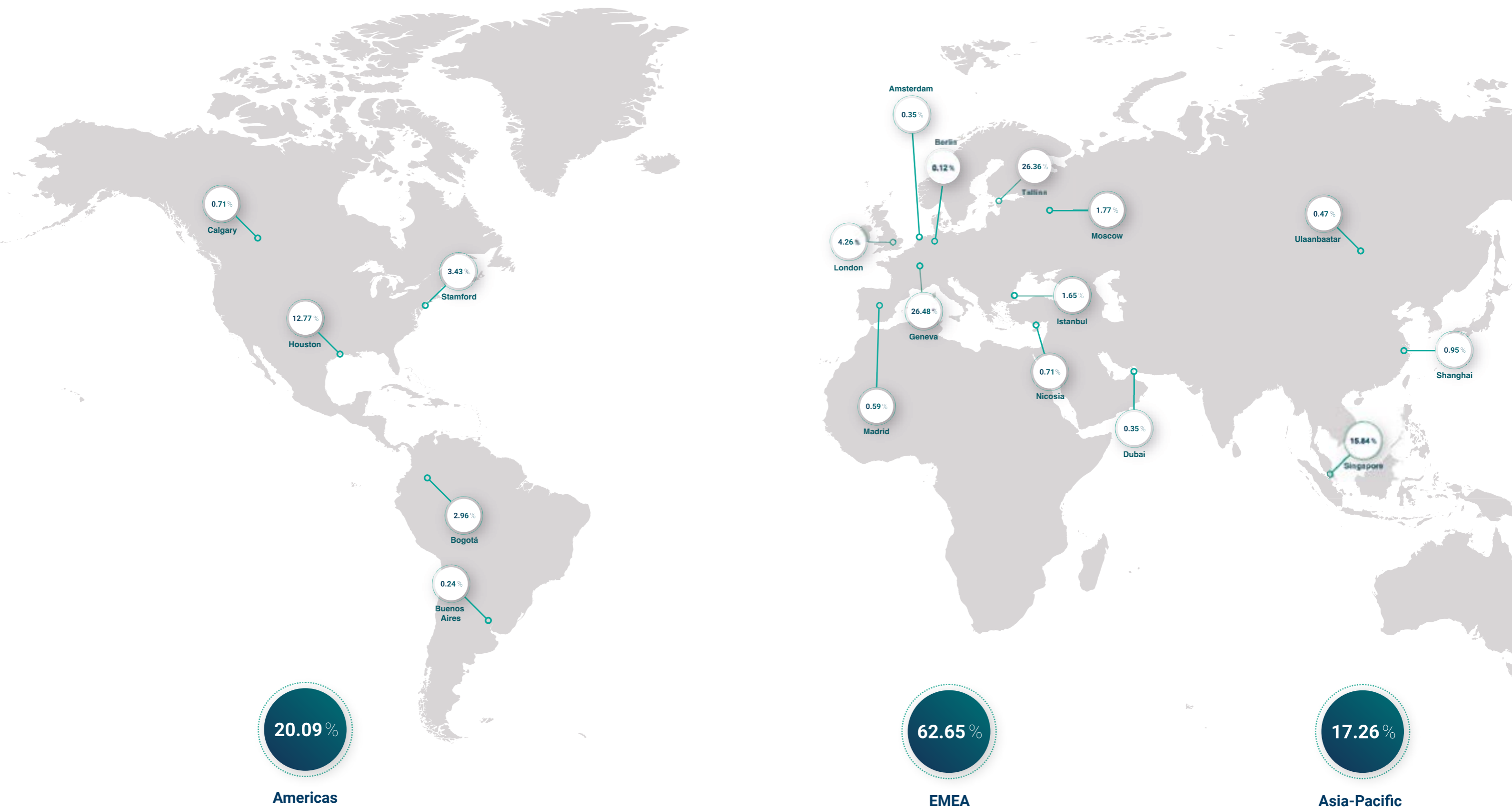
We also increased our presence in our London office, expanding trading activities and bringing experienced professionals in supporting functions like Risk, Legal & Compliance, and Human Resources. Our headcount at year-end was 36 employees (140 % increase in the last 2 years).

We are encouraging global mobility as an aim to develop our employees. International programs are currently being studied and should be implemented across 2023.

SOC - 5

Headcount per Location (%)

*Numbers are based on White Collars



Diversity is a key focus of our programs as we are promoting gender diversity in an industry which has traditionally been male dominated. At the end of 2022, 40 percent of our staff are women and we are working to attract more, especially in leadership roles. In 2022, 30 percent of our manager roles are held by women. We will further improve this balance.

Gunvor is committed to promoting fairness, dignity, trust and respect amongst all employees and create an environment where employees and Gunvor can grow and succeed. We aim to ensure that all staff are recognised and rewarded fairly for their contributions. Gunvor expects all relationships in the workplace to be free of discrimination and harassment (sexual or physical harassment or bullying). We strive to make Gunvor a place where all employees feel they belong and that their work matters.

More information can be found in our Code of Conduct.

ATTRACT, NURTURE AND RETAIN TALENT

We are always looking to hire the best people to improve our existing businesses and expand to new ones.

Experienced Professionals

We are growing. 70 % of our employees have been at the company for less than 6 years, 25% have been at the company less than 2 years. We have on-boarded 205 employees in 2022 (60% increase compared to last year), which represented 25% of our average headcount through the year.

The majority of our new joiners are in support functions as we have embarked on a transformation journey in 2020. Its aim is to improve the professionalism of our functions and integrate more technology into the way we operate.

Gunvor is very selective and our standards of performance are high. We encourage creativity and independence.

SOC-6

The past two years have highlighted the importance of providing a supportive working environment. In 2022 Gunvor introduced a Global Workplace Flexibility policy to offer our employees greater flexibility and work-life balance, ultimately leading to increased job satisfaction. The guidelines provide a foundation for local policies that enable employees to select from a variety of options such as work from home, part-time work, and flextime, among other options. Those are available provided employee meet specific eligibility criteria defined to safeguard business and team requirements.

SOC-7

As a learning organization, we provide opportunity for our people to grow their know-how. We believe in developing individuals through learning, upskilling and reskilling to meet requirements for the jobs of the future. Employees together with our Human Resources professionals build the right mix of business, technical, and leadership skills to pursue their professional goals, all while

gaining a holistic appreciation for every aspect of our business operations. We offer a mix of internally created programs and the best of external content. One of our key human resources objectives this year was to launch an e-learning platform with the aim to evolve the way we shape and share our learning culture. Our current platform offers an extensive course library using different support and learning journeys. Finally, we have deployed training for all our employees in soft skills related to people management, such as goal-setting, providing feedback, and executing performance reviews, through virtual sessions and eLearning.

We also know that better teams develop better strategies, implement them more successfully, and generate greater confidence among stakeholders. Part of Gunvor's Talent Strategy is a focus on social, emotional, and advanced cognitive skills.

Across our offices, we experienced an overall 18 percent attrition rate with 13 percent voluntary leavers (FY2021: overall 19 percent and 12 percent voluntary leavers).

As part of our retention strategy and to grow the long-term value and sustainability of Gunvor, employees own a part of the company. Around 43% of all active employees have experienced of at least one of our Shareplans.

Graduates Programs

To perpetuate our legacy and build our capabilities for the future we want to increase opportunities for youth employment through training programs.

To help field the next generation of trading talent, Gunvor is currently creating global Graduates programs focusing primarily on Trading & Risk Management, Quantitative Analysis and IT systems and programming skills. This will include both theoretical and on the job training. The programs will also focus on soft skills such as communication and leadership and will include opportunities for networking and mentoring, as well as exposure to the company's senior leaders.

Gunvor currently supports the University of Geneva's education program "Master of Science in Commodities Trading" and the "Master of Science in Business Data Analytics". In Estonia, we are partnering with Taltech University to provide finance and trade support scholarship opportunities.

Communities

At Gunvor we are committed to making a positive difference in the many local communities where we operate. Valuing human capital is a critical part of our People strategy. We do this by driving educational projects aiming at creating jobs. Gunvor Services partnered with Greendice to equip a computer class at the Räägu school created for Ukrainian children. Our Geneva office is a partner of Powercoders aiming at empowering refugees and migrants for an IT career through internship.

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To uphold its place as a responsible corporate citizen, Gunvor Group since its founding in 2000, has annually allocated a portion of its net profit to charitable activities. Gunvor Foundation was established to manage the direction and focus of the company's philanthropy for long-term giving, consisting of programs lasting more than one year.

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 through education, and the improvement of environmental conditions on local and global levels.

The Gunvor Foundation Committee oversees donations in line with the mandate given by the Foundation Council and ensures that internal criteria are met in each case. Given that the Foundation itself is incorporated in Switzerland, where the company's main trading hub is located, a percentage of funding is further dedicated to Switzerland-based charities.

Gunvor Group also provides ad hoc or short-term charitable donations through its trading offices and representative locations. This giving is overseen by regional committees and relates to local philanthropic programs that are in line with the Foundation's criteria, though may in some cases exceed it.

In every case, each initiative supported by Gunvor Foundation or the company's offices is fully vetted to comply with 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 communities in which the initiative is being conducted.

While neither Gunvor Group nor Gunvor Foundation engage political causes, there were two instances to be noted here in which geopolitical events compelled the Foundation to support humanitarian efforts in war zones:

- » **Afghanistan:** Gunvor Foundation provided support to the Open Government Partnership to aid in the evacuation of members of Afghan society critically vulnerable to the country's takeover by the Taliban following removal of United States Forces. These includes human rights defenders, journalists, women's rights activists and religious minorities.
- » **Ukraine:** In response to the senseless violence taking place against the civilian population of Ukraine by the government of Russia, Gunvor Foundation pledged to support charities aiding the resulting humanitarian crisis. The focus of the giving is related to health, specifically for children and the elderly who remain in Ukraine, as well as those displaced in nearby countries.

Gunvor Foundation otherwise continued its efforts and long-term projects in existing and new areas. Examples of the representative work include, but are not limited to, partnerships with the following organizations:

Fondacao Gol de Letra

Gol de Letra develops projects that aim to promote the integral education of children, adolescents, young people, and adults through training for work.

Graine de vie

Graine de vie is a non-governmental organization dedicated to upholding Sustainable Development Goals through reforestation integrated into local life in seven African countries.

Hand In Hand International

Hand In Hand fights poverty through job training and job creation in Kenya and Tanzania with programs that empower women and support Climate Change mitigation.

Health Poverty Action

Health Poverty Action works to improve health and challenge the causes of poverty by undertaking programs that secure healthcare access to marginalized communities in developing countries.

Mercy Ships

Mercy Ships operates hospital ships worldwide that serve families and children in developing countries by providing free surgery and medical training.

International Committee of the Red Cross

The International Committee of the Red Cross works to ensure humanitarian protection and assistance for victims of war and other situations of violence worldwide.

HEALTH POVERTY ACTION



Gunvor Foundation is working with Health Poverty Action to implement new projects to improve the health of mothers and young children in the western highlands of Guatemala. The indigenous communities in this region face numerous challenges gaining access to basic health services, including poor quality services, cultural and linguistic barriers, and low levels of health awareness.

The three-year program aims to improve the quality and utilization of maternal and child healthcare services and nutrition for more than 100,000 women of childbearing age and almost 50,000 children from birth to 5 years of age.

HEALTH IN ACTION

Antonieta Pérez Vicente, Traditional Birth Assistant

Antonieta is 59 years old and is from Aldea Las Cipreses in Momostenango district. She has been working as a Traditional Birth Attendant (TBA) for 25 years, though has received just three years of primary school education. Antonieta has seven children of her own and estimates that she has delivered approximately 300 babies. Currently, she is caring for five pregnant women and three mothers who have recently given birth:



Picture: TBAs receive blood pressure monitor

I believe that with all I've learned, I have managed to save lives, both of women and of babies.

”

I began my work as a health promoter, and then received some training from medical staff who visited me at home, and eventually brought me to the Health Centre, where I was registered as a TBA.

Little by little, patients started to come to my home, and I began putting into practice what I had been learning, starting with massage during pregnancy.

Now, with the HPA Project, we're getting more training, which is very important for us. We learn about danger signs in pregnancy; preparing for the delivery; hygiene and safety at birth; as well as the importance of antenatal care; diet and nutrition; and what an [Obstetric] Emergency Plan is.

We've seen that communication has improved with nursing staff in Pasuc. Now they know me, they know my work, and they support me. They call me with information, and we go together to visit high-risk patients, or those who haven't gone to the health post for a check-up. Now when I have a problem with a patient, I can go to Karina [a local Ministry of Health nurse], and she advises me on what to do; and in an emergency, she calls the ambulance to refer my patient.

Now I look out for high blood pressure with my patients. You can tell if she speaks in an agitated way. I look out for swelling, or fatigue in my patients, and if so, I don't deliver in the home, I refer them directly to the departmental hospital. I also now look out for other signs, such as if she has anaemia, doesn't eat properly, is tired and pale. Again, if that's the case, I refer her to hospital for delivery, since she could faint or have complications during birth.

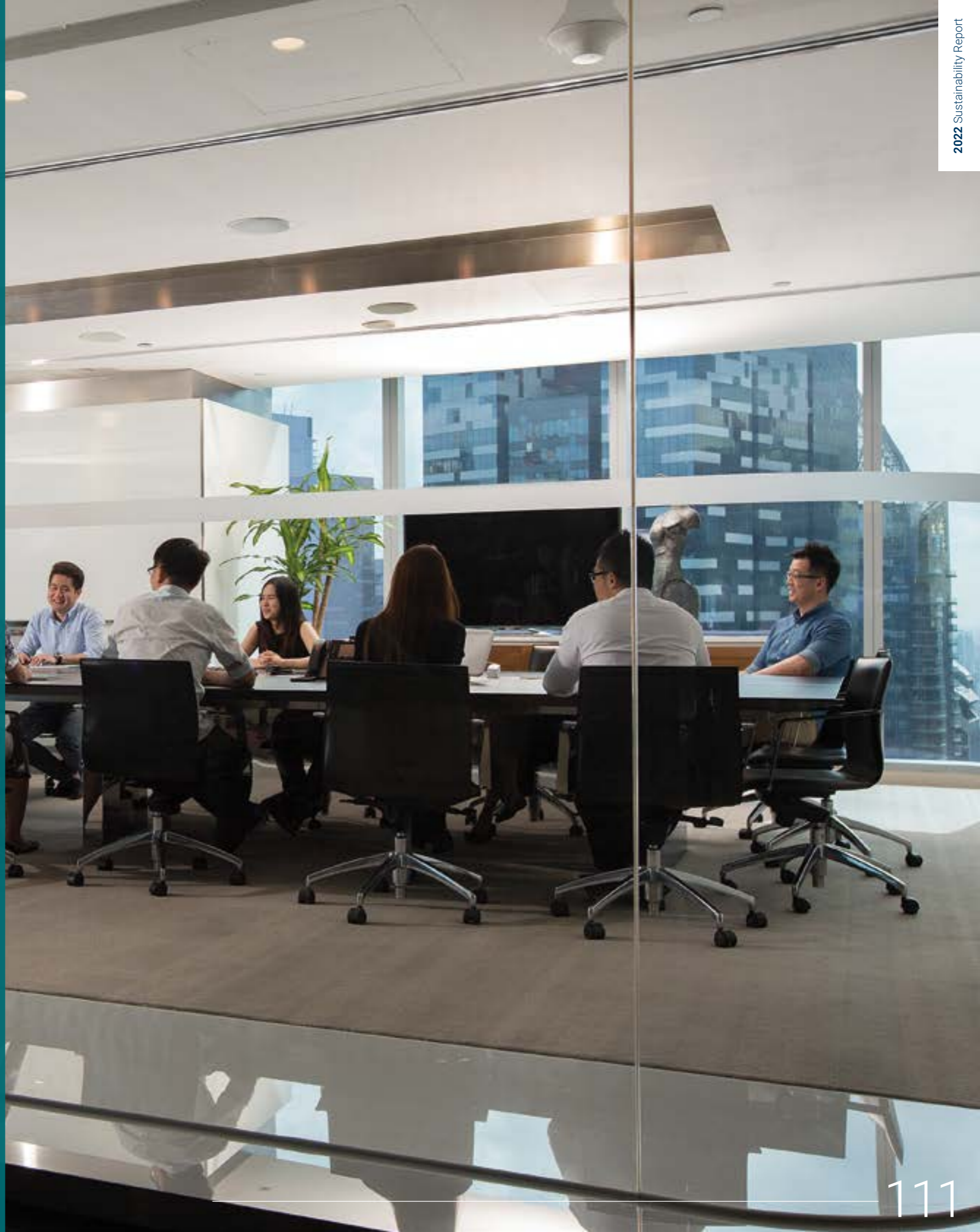
I also pay more attention to the size of the pelvis. If it's too small, there could be complications during delivery. Another thing that was new is trying to assess if there's enough liquid [amniotic fluid] at the time of birth. If the baby's head is too dry, it won't slip out, and must be referred to hospital.

I believe that with all I've learned, I have managed to save lives, both of women and of babies.



Picture: Training MoH nurses on hemorrhage

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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 19 professionals from Finance and Corporate backgrounds. They provide Gunvor with the best advice and risk management, drawn from a very broad knowledge and experience base.

As 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.

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

GUNVOR COMPLIANCE YEAR IN NUMBERS

19

Number of people in the Compliance Department, which is now established globally.

873

Number of new business counterparties approved by the Compliance Department in 2022.

30,124

Number of counterparties and associated entities and individuals screened on a typical day. All Gunvor's business counterparties, plus their parent entities and associated individuals are screened daily through external vendor systems.

2022 COMPLIANCE PROGRAMME IN FOCUS

In 2022, the Compliance department continued to apply, review and reinforce the Know Your Counterparty (KYC) and Anti Bribery and Corruption (ABC) programme. It involved investing in training internally and externally the Compliance team, spending the time in learning from past cases to improve the quality and consistency of the due diligence. Managing both the quantity and the quality of the due diligence to be performed is a main goal for Gunvor Compliance.

ANTI-BRIBERY & CORRUPTION

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

Following its decision to cease the use of “agents” for business development, Gunvor only works with a very limited number of consultants that only provide post- transaction or ancillary support, such as technical operational service providers, whose services entail greater transparency and a different, lower risk profile. Gunvor maintains strict controls on these consultants to ensure they don't provide any origination or business development related service, in addition to the compliance protocols previously implemented (including inter alia enhanced due diligence, strict contractual framework and invoice control, monitoring of fees, review of activity reports, compliance training).

In 2022, Gunvor Compliance continues reinforcing its joint-venture procedures to ensure the right review and monitoring are being done.

COUNTERPARTY DUE DILIGENCE

All counterparty due diligence is centralised in a single compliance-controlled system called CMS, which ensures uniformity of processes, oversight and control.

Gunvor continues to push forwards with more automated and sophisticated controls, with improved on-going screening tools via an API connected with CMS.

SANCTIONS

As a significant participant in the global commodities markets, Gunvor takes its sanctions obligations very seriously. Throughout the counterparty due diligence process, sanctions checks are carried out by third party systems and via Gunvor own internal processes. A dedicated case study in this report provides more details on how it is implemented.

VESSEL SCREENING

Gunvor continues 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.

Further information relating to Vessel Screening can be found in the Case Study that follows.

MARKETS COMPLIANCE

Gunvor continues to enhance its Advisory Compliance team and has hired experienced professionals in a number of offices. Its Advisory Compliance capabilities grow via systems implementation projects and by the knowledge brought by the new members of the Advisory Compliance team.

2022 saw the Advisory Compliance team continue to improve and enhance the existing compliance programme relating specifically to Gunvor's trading activities with the development of a new state of the art trade surveillance system. In addition to being 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.

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.



Ensuring adherence to sanction requirements is a crucial pillar of the broader compliance culture of Gunvor. As a significant participant in the global commodities markets, Gunvor takes its sanctions obligations responsibly.

Modern sanction restrictive measures are varied in scope and applicability, however, commonly designed to support foreign policy and national security objectives of the implementing states and entities. Sanctions could be either comprehensive or selective, i.e., either prohibiting all transactions with sanctioned persons and goods or only prohibiting certain types of business and still accepting others. Depending on particulars of each transaction, various sanction compliance regimes of different countries may apply separately or simultaneously.

In addition, the year 2022 alone showed unprecedented, coordinated sanction efforts of numerous states in response to the war in Ukraine and other emerging geopolitical situations around the world. These measures resulted in thousands of designated individuals and entities as well as sanctioned vessels. Furthermore, strict export and import control measures as well as price restriction have been implemented on different commodity markets.

To address these challenges and the complexity of ever-emerging restrictive measures, an effective and well-designed sanction compliance program is indispensable for global firms like Gunvor. It is inspired by the Framework for US Office of Foreign Assets Control Compliance Commitments and focusses on continuous compliance with UN, USA, EU, UK, Swiss and Singapore sanctions.

The culture of compliance to sanction is persistently implemented through management commitment, internal controls, dedicated policies and procedures, risk assessment as well as though periodic and ad hoc trainings.

Some of the key elements of Gunvor Group's sanction compliance program are addressed hereinafter.

1. SANCTION POLICIES, PROCEDURES AND GUIDANCE

The Economy Sanctions Policy is the cornerstone of the sanction compliance culture of Gunvor. The Policy outlines general principles, processes, risk indicators, and focal points to ensure compliance with applicable sanction laws and regulations. The policy is complementary to the Anti Bribery and Corruption & Anti Money Laundering Policy, the Counterparty Due Diligence Handbook, and the Vessel Screening Guidance and Process, each of which further enhances sanctions compliance efforts by requiring sanction screening of chartered vessels and commercial counterparties (including without limitation owners, controlling persons, and directors). Due to extremely dynamic nature of sanctions, updated guidance is communicated to relevant stakeholders on an ad hoc basis.

The Economy Sanctions Policy is continuously improved and enhanced to align to the changes of the global sanctions landscape, including, without limitation revisions in 2014, 2017 and 2021. Current version of the policy effectively addresses key sanction red flags and compliance principles, which remain consistent with the most recent regulatory guidance of 2022.

The Economy Sanctions Policy outlines:

- » General background and types of sanctions
- » Relevant sanctions regimes, including, without limitation UN, USA, EU, UK, and Singapore, as well as regime specific sanction compliance guidance
- » Principles of sanctions compliance, procedures, and red flags
- » Consequences for breach of sanctions
- » List of high-risk countries and territories subject to sanctions
- » Links to external regulatory resources.
- » Draft sanction compliance clauses for typical contracts.

2. SANCTIONS DUE DILIGENCE

Gunvor Group sanction due diligence includes not only assessment of the counterparties but also verification of the transactions relying on the risk-based approach.

In addition to the wider Know Your Counterparty (KYC) process, a specific sanction KYC assessment is performed in relation to counterparty as such, its managers, directors, direct and indirect owners, controlling persons, and geographical location of place of business operations.

In particular KYC is performed based on official corporate documentation and independently verifiable commercial data from commercial registers. Names of all relevant stakeholders are screened via dedicated software database against the lists of designated and associated persons in the main jurisdictions of compliance concerns.

In addition to initial sanction verification of the counterparty at the on-boarding stage, Gunvor sends all its active business counterparties, including relevant associated individuals and parent entities, to an external service provider to perform daily sanction screening.

Complementary to KYC, a sanctions assessment is performed under the Know Your Transaction (KYT) process for higher risk transactions, for instance when the trading pattern of the counterparty is not in line with standard trading practices.

Depending on circumstances, KYT may include verification of customs classification of the goods, terms of the transaction, and even the identities of all counterparties within the supply chain up to the producer of the goods.



Pic. 1: Combined Sanction Due Diligence

Where necessary, Gunvor Group engages external vendors to provide in-depth reports on countries, counterparties or particular regions from a sanction compliance perspective. For instance, when there is reasonable suspicion concerning possible hidden ownership or control by sanctioned persons in a current or prospective counterparty, an external Enhanced Due Diligence report may be requested to independently assess and resolve such concerns. Alternatively, or complementary, an independent external legal opinion may be sought to address these concerns.



3. VESSEL SCREENING

The purpose of the Vessel Screening process is to protect Gunvor Group from any sanctions, regulatory and reputational risks and ensure that Gunvor Group does not nominate or charter any vessels, which may give rise to such concerns.

Vessel screening is complementary to the KYC process on counterparties and vessel owners. It is regulated internally in a standalone Vessel Screening Guidance policy and procedure.

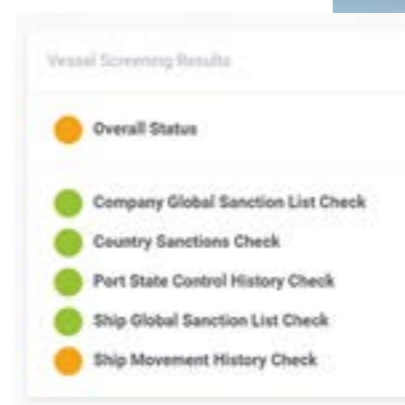
The current vessel screening process at Gunvor is inspired by the leading sanction compliance standards, including the Sanctions Advisory for the Maritime Industry, Energy and Metals Sectors, and Related Communities issued by US Department of Treasury, Department of State and Coastal Guard.

Vessel screening is an integral part of Gunvor's Counterparty Management System (CMS), all vessels that are chartered by Gunvor Group or that carry its cargo on board are subject to screening before commercial engagement.

Vessel sanction screening covers vessel's movement history, sanction status of the vessel owners and managers, any sanctions applicable due to the flag of the vessel, port state control history etc. Screening is performed against all main sanction regimes and enforcement action watchlists.

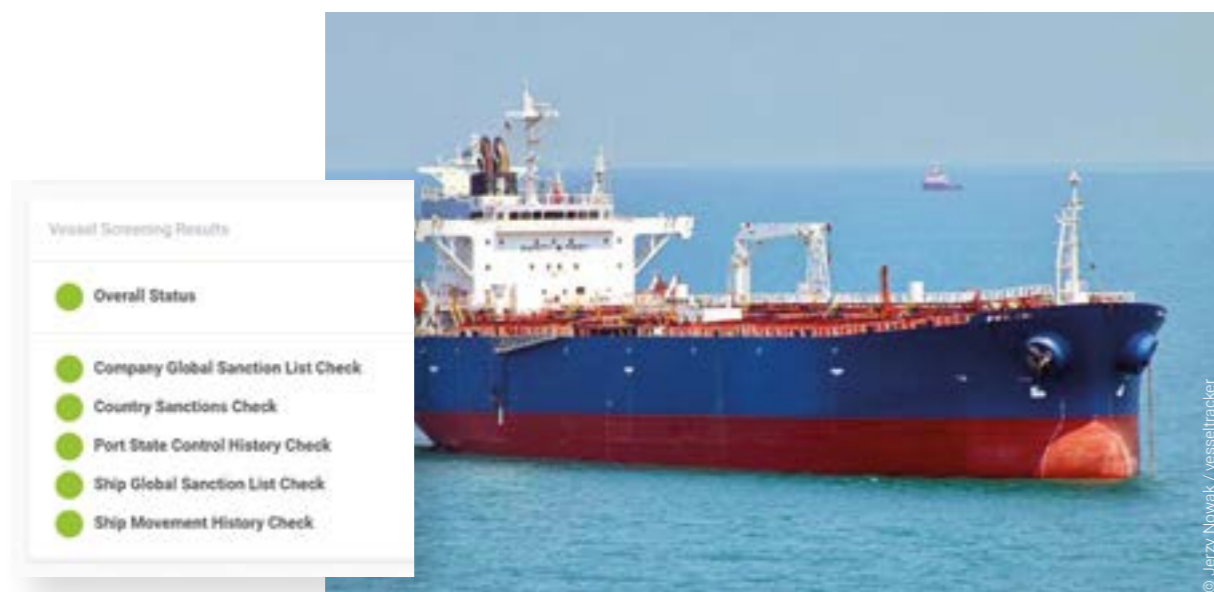
Typical red flags that are assessed during vessel screening process:

- » Disabling or manipulating the Automatic Identification System (AIS gaps also known as "dark activity")
- » Altering vessel identification
- » Ship-to-ship (STS) transfers in high-risk areas
- » Voyage irregularities
- » False flags and flag hopping

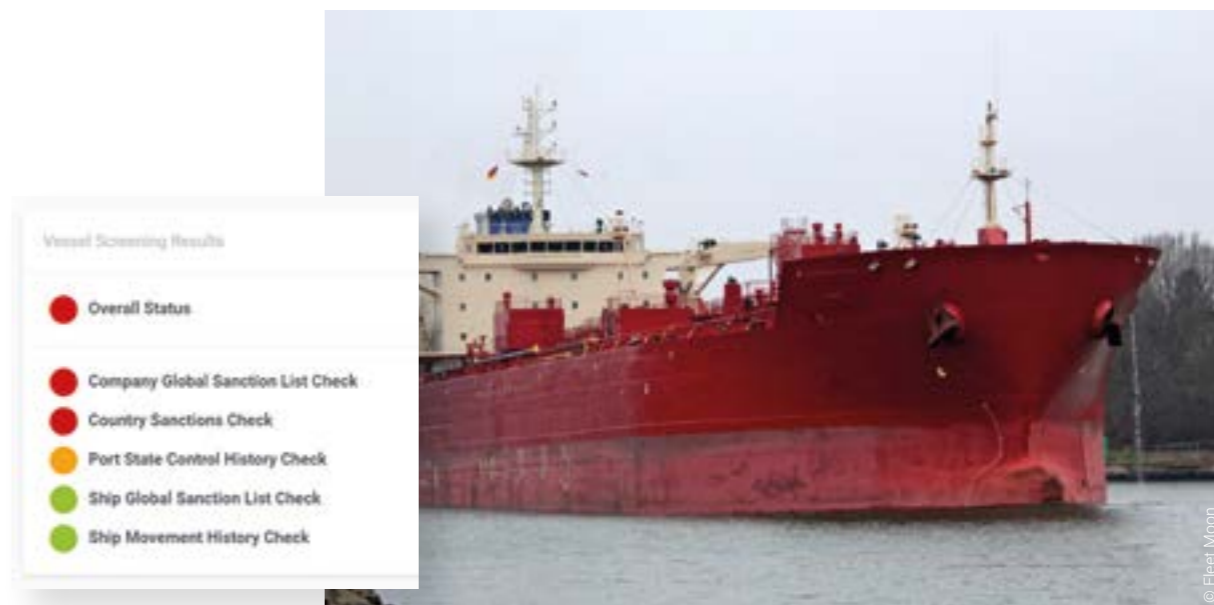


© Fleet Moon

Pics. 2: Examples of Vessel Screening Results in CMS (Traffic Light System)



© Jerzy Nowak / vesseltracker



© Fleet Moon



4. CONTRACTUAL CLAUSES

Standard sanction compliance clauses for typical trading and chartering contracts have been developed in the Economic Sanction Policy. Such clauses aim at imposing strict sanction compliance obligation on commercial counterparties of Gunvor Group covering applicable sanction regimes, destination restrictions, boycotts, vessel nomination and other related sanction compliance topics.

All commercial contracts are expected to include the Group's standard sanctions clauses or equivalent. Whenever a transaction may require specific sanction clause – a tailored wording may be negotiated.



5. TRAINING

Regular and ad hoc trainings on the best practice of compliance with sanctions are provided to Gunvor Group employees globally.

Introductory sanctions compliance training is provided as part of standard onboarding process for new employees – the training outlines key policies and focal points for sanctions compliance inquiries.

A global sanctions compliance training is provided to commercial and key supporting functions as part of the annual compliance training, outlining main areas of sanction concerns, process of sanctions analysis and transaction preapproval, as well as providing guidance for practical use of internal sanction compliance tools and systems.

Specific sanctions compliance training is provided to relevant teams on an ad hoc basis, describing possible compliance requirement for specific jurisdiction, counterparty, product, transaction or area of business, for instance ad hoc sanctions compliance training for vessel screening technics and red flags.

Those trainings are constantly adapted to ensure awareness of current sanction issues for all relevant teams.

6. SANCTION MONITORING, LEGAL AND REGULATORY GUIDANCE

2022 has been an extremely volatile year for the global sanctions landscape, and it has been business critical to remain informed about rapid regulatory changes. Gunvor Group has addressed such challenge via several channels of communication on both enacted and anticipated sanction laws and regulations:

- » preliminary press releases from relevant authorities and media reports,
- » direct notification provided by the authorities,
- » notifications and digests from leading external law firms, and
- » trainings and seminars provided by external providers, law firms and authorities.

To the extent practical Gunvor Group seeks direct guidance on sanctions interpretation from the regulators, such as the State Secretariat for Economic Affairs of Switzerland or the Office of Financial Sanctions Implementation of HM Treasury of the United Kingdom.

In interpretation of sanctions the Group relies on the official regulatory guidance, frequently asked questions (FAQs), general and specific licenses and other interpretations and authorizations issued by the regulators.

Where the Group requires support of local external or qualified legal counsels, leading external law firms are engaged to seek ad hoc guidance on sanction interpretation or to approach local regulators for clarifications.

Gunvor Group mitigates potential risks and prevents non-compliance through its robust sanction compliance program, which includes comprehensive policies, procedures, due diligence, as well as bespoke training.

Gunvor Group is committed to maintaining the highest standard of sanction compliance to protect the stakeholders and to ensure that Group's operations remain aligned with current legal and regulatory requirements.

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Given that there are different international standards and guidance documents for sustainability reporting, the following clarifies how Gunvor has gone about its reporting in this document.

The international petroleum industry association (IPIECA) has developed a guidance for sustainability reporting that Gunvor finds most applicable to its business.

With respect to greenhouse gas (GHG) emissions, Gunvor also aligns its reporting with the GHG protocol.

The following table shows the reporting elements and the references to the IPIECA guidance. In that table, Gunvor has added references to metrics in other reporting standards for information: Global Reporting Initiative, the US based SASB standards, and the TCFD.

Section in this report	IPIECA indicators	Global Reporting Initiative references	Sustainability Accounting Standards Board	TCFD
Compliance	GOV-3: Preventing corruption			
	GOV-4: Preventing corruption involving business partners	GRI-205		
Human Rights & Transparency	GOV-5: Transparency of payments to host governments	GRI-205		
	SOC-1: Human rights due diligence	GRI-412		
	SOC-2: Suppliers and human rights	GRI-414		
	SOC-3: Security and human rights			
	SOC-8: Workforce non-retaliation and grievance mechanisms			
Human Capital	SOC-5: Diversity and Inclusion			
	SOC-6: Workforce engagement			
	SOC-7: Workforce training and development			
Foundation	SOC-13: Social investment			
Energy Transition & CO2 Emission	CCE-1: Climate governance and strategy		110a.2	Governance disclosure a) Governance disclosure b)
	CCE-2: Climate risk and opportunities			Strategy disclosure a) Risk Management disclosure a)
	CCE-3: Lower-carbon technology			Strategy disclosure b) & c)
	CCE-4: Greenhouse gas (GHG) emissions	GRI-305	110a.1	Strategy disclosure b) & c) Metrics & Targets disclosure a), b) & c)

Section in this report	IPIECA indicators	Global Reporting Initiative references	Sustainability Accounting Standards Board	TCFD
Environment				
Water	ENV-1: Freshwater	GRI-303	140a	
	ENV-2: Discharges to water	GRI-303	140a	
Biodiversity	ENV-3: biodiversity policy and strategy	GRI-304		
	ENV-4: Protected and priority areas for biodiversity conservation			
Air Emissions	ENV-5: Emissions to air		120a	
Environmental Compliance		GRI-307		
Community Engagement	SOC-9: Local community impacts and engagement	GRI-413		
	SOC-12: Community grievance mechanisms	GRI-413		
Spills	ENV-6: Spills to the environment		160a.3	
Waste Management	ENV-7: Materials management	GRI-306	150a	
Decommissioning	ENV-8: Decommissioning			
Health & Safety				
Governance framework	GOV-1: Governance approach			
	GOV-2: Management systems			
Engagement	SHS-1: Safety, health, and security engagement	GRI-404		
Personal Health	SHS-2: Workforce health	GRI-403		
Personal Safety	SHS-3: Occupational injury and illness incidents	GRI-403	320a	
Transport Safety	SHS-4: Transport safety			
Product Safety	SHS-5: Product stewardship			
Process Safety	SHS-6: Process safety		540a	
Security	SHS-7: Security risk management	GRI-410		
Not Covered (with justifications)				
GOV-6: Public advocacy and lobbying	Company has no profile in advocacy and lobbying; such activities are mainly done through membership of associations.			
CCE-5: Methane Emissions	Company has initially focused on CO2 reporting, which is by far the largest GHG component, and is developing ways to report methane emissions in the future.			
CCE-6: Energy use	The energy use of the company goes hand in hand with the CO2 emissions, which are covered by other KPI's.			
CCE-7: Flared gas	The company does not perform oil and gas exploration activities.			
SOC-4: Site-based labour practices and worker accommodation	The operating sites that are controlled by Gunvor are situated in heavily regulated regions where these aspects are largely covered by laws and regulations.			
SOC-10: Indigenous peoples	The company does not operate upstream exploration and production sites and considers this aspect as not relevant to the company.			
SOC-11: Land acquisition and involuntary resettlement	The company does not operate upstream exploration and production sites and considers this aspect as not relevant to the company.			
SOC-14: Local procurement and supplier development	This aspect is arranged through compliance policies. The company does not see the reporting on this KPI as a high priority and may reconsider this in the future.			
SOC-15: Local hiring practices	This aspect is arranged through HR policies. The company does not see the reporting on this KPI as a high priority and may reconsider this in the future.			

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Section		2021	2022	Page in the report	
HEALTH & SAFETY (refining)					
AIF	Injuries per million hours	3.9	2.1	39	
LWIF	Injuries per million hours	1.3	0.4	39	
PSER	Events per million hours	1.3	2.9	45	
ENVIRONMENT (refining)					
Exceedances	#	6	9	57	
Community Complaints	#	5	8	57	
Spills > 1 barrel	Count of spills	0	2	59	
Total Waste	Tonne	69,485	82,822	58	
Hazardous Waste	Tonne	5,029	7,060	58	
ENERGY TRANSITION					
Scope 1	Tonne of CO2	946,073	1,031,331	66	
Scope 2	Tonne of CO2	76,796	9,195	66	
Scope 3	From Time Chartering	Tonne of CO2	2,400,000	3,510,000	70
	From Voyage Chartering	Tonne of CO2	297,000	160,000	
	From LNG trading (cradle to grave)	Tonne of CO2	30,880,000	14,327,541	
	Carbon intensity of LNG (cradle to grave)	Tonne of CO2/Tonne of LNG	3.42	3.41	
Eco Vessels in Co-owned Fleet	%	81%	72%	73	
Eco Vessels in Time Chartered Fleet	%	66%	50%	73	
HUMAN RIGHTS					
Assessed Operated Assets	%	100	100	88	
Assessed Joint Ventures*	%	20%	60%	88	
HUMAN CAPITAL					
Headcount	#	1,644	1,711	98	
COMPLIANCE					
People in Compliance Team		17	19	113	
New Business Counterparties Approved		1,152	873	113	
Business Counterparties Screened		26,740	30,124	113	





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