

Sustainability *continued*

## Environment

From cutting emissions and conserving water to managing energy consumption and reducing waste – we approach environmental protection with creativity and commitment. Stolt Tankers is the Company's largest producer of greenhouse gases and we report its environmental performance, for shipping activities only, below. We are working towards including data from across the Group.

Indicator	2020 Performance	Explanation	Business	Reference
GHG Emissions Scope 1 <sup>1</sup>	<b>6.2%↓</b>	<p>During 2020 we produced 1,798,538 MT of CO<sub>2</sub> (2019: 1,916,743). The reduction was down to improvements in our operational efficiency of 6.0%. Scope 2 and 3 GHG emissions are not currently available. We are working towards publishing the data.</p> <p>1. Excluding Scope 1 GHG emissions from SNITS (inland tankers) subsidiary of 91,383 MT CO<sub>2</sub>. This fleet operates under a separate reporting system.</p>		<ul style="list-style-type: none"> <li>• GRI 305-1</li> <li>• See pages 23-24</li> </ul>
GHG Emission Intensity	<b>18.77↓</b>	<p>Stolt Tankers uses the Energy Efficiency Operational Indicator (EEOI) to measure the intensity of its carbon emissions. This measures carbon emissions relative to the distance and amount of cargo transported.</p> <p>EEOI decreased by 6.0% during the year.</p> <p>2019: 19.97</p>		<ul style="list-style-type: none"> <li>• GRI 305-4</li> <li>• GRI 305-5</li> <li>• See page 24</li> </ul>
Sulphur Oxide Emissions	<b>77.1%↓</b>	<p>On January 1, 2020, a new limit on the sulphur content in the fuel oil used on board ships came into force. This, together with initiatives to reduce overall fuel consumption resulted in a significant reduction in SO<sub>x</sub> emissions from our fleet.</p> <p>2020: 7,848,853 kg 2019: 34,269,217 kg</p>		<ul style="list-style-type: none"> <li>• GRI 305-7</li> <li>• See pages 23-24</li> </ul>
Nitrogen Oxide Emissions	<b>6.4%↓</b>	<p>Overall NO<sub>x</sub> emissions reduced in line with our GHG Scope 1 emissions.</p> <p>2020: 49,688,931 kg 2019: 53,113,436 kg</p>		<ul style="list-style-type: none"> <li>• GRI 305-7</li> <li>• See pages 23-24</li> </ul>
Waste to Landfill	<b>3.3%↓</b>	<p>All waste from our ships is disposed of in line with the International Convention for the Prevention of Pollution from Ships (MARPOL).</p> <p>2020: 6,733 Cbm 2019: 6,906 Cbm</p>		<ul style="list-style-type: none"> <li>• GRI 306-3</li> <li>• See pages 25-26</li> </ul>

During 2020, our businesses set multiple targets to reduce our environmental impact.



#### Stolt Tankers

- Reduce carbon intensity by 50% (relative to 2008 levels) by 2030
- Have at least one carbon neutral ship in the fleet by 2030
- Run a carbon-neutral business by 2050



#### Stolthaven Terminals

- Primary activities to be carbon neutral by 2040



#### Stolt Tank Containers

- 50% renewable energy consumption at its wholly-owned depots by 2030
- 40% reduction of the carbon footprint of our transportation partners by 2030



#### Stolt Sea Farm

- Zero waste to landfill by 2030, focusing on recycling and energy recovery
- Reduction of fish products in our on-growing feed. 65% reduction for sole, and 50% reduction for turbot by 2030

### Sound environmental governance

Our environmental approach is underpinned by strong governance frameworks and processes. We constantly review our systems to ensure they meet the needs of evolving regulations – and are being actioned across the Company.

This process includes reviewing our business contingency plans for each site. This ensures teams are equipped to deal efficiently with any contamination, spills, leaks, fires or explosions. And for facilities in areas at risk of extreme weather, the contingency plans ensure operations can return to normal quickly and safely. One way we test contingency plans is by conducting drills in partnership with local incident response services and regulatory agencies.

### Emissions reduction

#### GRI 305

Clean air legislation continues to be a global priority. Local and international laws regulate emissions from operational activities across all industries. And with growing public awareness, we are inevitably on a journey towards pollution-free transport and storage. For example, International Maritime Organization (IMO) regulations reducing allowable sulphur emissions to 0.5% have impacted businesses like ours across the supply chain.

Stolt Tankers is the Company's largest greenhouse gas producer. To mitigate this, we invest in boosting efficiency and reducing the carbon impact of both newbuildings and existing ships. We also recognise we are part of a much larger supply chain. For ships in operation we focus first on running them as efficiently as possible. Hulls and propellers are monitored and cleaned to reduce fuel consumption and emissions. Machinery is tuned and operated at its most efficient design point. Waste heat is reduced or recovered and electrical consumption is reduced. Our programme of active voyage management helps reduce overall fuel consumption by sailing the optimal route at the optimal speed and trim. Devices that improve hydrodynamics and reduce energy consumed (wake ducts, new-generation stator fins, propeller boss cap fins etc.) are installed on many of our ships, with additional devices planned for installation in 2021.

We are exploring several other methods of lowering fuel consumption. These include installing onboard flow meters for more accurate monitoring, installing devices that harness the power of the wind, and optimising hull forms and propulsion plants for newbuildings.

We expect to see further regulations over the coming years. IMO has already stated its goal to cut emissions further by 2030, and has targeted a 50% reduction in greenhouse gas emissions by 2050. The EU is also expected to introduce regulations to promote decarbonisation. Today's technology isn't sufficient to achieve these targets, so we are investigating several novel fuels in preparation. We are a partner in the HySHIP project, which is designing a ship powered by liquid hydrogen. We also participated in HAZID, a consortium of maritime experts examining what is needed to make ammonia a viable future fuel. Exploring the potential for biofuels and LNG is also a focus within the business.

Stolt Tankers' emission reduction efforts are widely recognised. During 2020, 102 ships that called at US ports were awarded the CSA Certificate of Environmental Achievement. In addition, 45 ships that called at US ports during the past three years became eligible for the US Coast Guard's QUAL21SHIP certification. This programme recognises the best-run ships, with vessels audited at least once a year. Membership is testament to the quality of the Stolt fleet – less than 20% of all foreign-flagged vessels operating in the US meet the strict eligibility requirements.

## Sustainability *continued*

Stolt Tankers uses the IMO's Energy Efficiency Operational Indicator (EEOI) to measure carbon intensity across its fleet. The indicator measures total carbon emissions relative to the volume of cargo transported and distance travelled. For 2020 our EEOI was 18.77, compared to 19.97 in 2019. A 6.0% year-on-year reduction. Because the EEOI for regional trade with shorter journeys tends to be relatively high, we measure two EEOI values – one for our entire fleet, and one for our deep-sea ships, excluding regional trade.

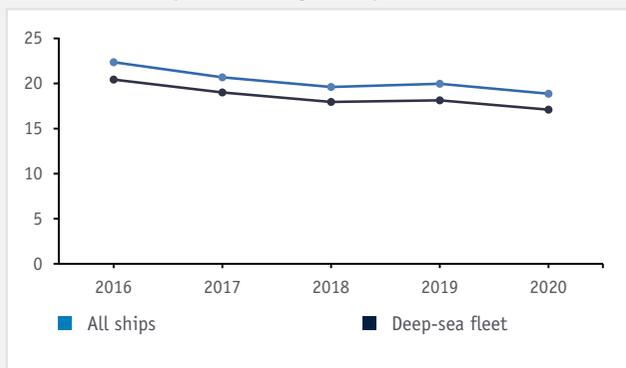
EEOI data is reviewed and verified by Lloyd's Register as required by IMO DCS and EU MRV.

Stolt fleet average 2020	18.77 g / MT * N. Mile
Stolt deep-sea fleet average 2020	17.07 g / MT * N. Mile
Chemical tanker industry average (2019) <sup>1</sup>	23.9 g / MT * N. Mile
Chemical tanker avg below 50k DWT (2019) <sup>1</sup>	25.2 g / MT * N. Mile

1. Source: Danske Bank ESG report 2020.

### EEOI trend over the last five years

Gram CO<sub>2</sub> emitted per tonne cargo transported one nautical mile



Carbon emissions for the terminals industry tend to be low. However, at Stolthaven Terminals we continue working to reduce them further. One example is our jetty in Houston, US. Here, we are cutting emissions by minimising in-port shifting. This year alone, the jetty achieved a reduction in CO<sub>2</sub> emissions estimated at 2,000 tonnes.

Our strategy is to invest in more efficient equipment and incorporate new technologies. Some products stored at our terminals emit vapours. We use several techniques to prevent these from entering the atmosphere, including vapour recovery systems, scrubbers, flares, internal floating roofs and nitrogen blankets. During 2020, we upgraded several solvent tanks at our Mount Maunganui terminal in New Zealand, which reduced vapour emissions by 50%. At Tianjin, China, we enhanced our vapour recovery system and integrated it into an active carbon facility, resulting in a significant reduction of volatile organic compounds entering the atmosphere.

In 2020, Stolt Tank Containers (STC) set a goal to reduce the carbon footprint from its logistics partners by 40% over the next ten years. To support this aim, we signed up to Clean Cargo, a sustainability leadership initiative dedicated to mitigating the environmental impact of global goods transportation and promoting responsible shipping.

STC is also exploring new green technologies and designs. For example, we are partnering with Shell in China to trial LNG trucks and in Singapore, trials for hydrogen-powered forklift trucks and bio-fuelled boilers look promising. And we recently reconfigured depot floorplans in Houston, US and Moerdijk, the Netherlands, reducing overall fuel use through more efficient container movements.

Fish has one of the lowest carbon footprints of all animal-based protein sources. Stolt Sea Farm continuously reviews its practices and supply chains to minimise emissions.

### Water conservation

#### GRI 303

Water quality and conservation are crucial for our logistics operations, including tank cleaning, cooling, heating and product line cleaning and protecting the marine environment is key to the sustainability of all our businesses.

At Stolt Tankers, we are working in accordance with Ballast Water Convention D-2 requirements, which dictate the maximum levels of viable organisms allowed to be discharged and we are installing the most efficient water treatment plants across the fleet, with the goal of covering 100% by 2024. We completed our biofouling management plan in January 2021, which is designed to eliminate the transfer of invasive species through our ships.

In addition to protecting the oceans that are so vital to our business, we understand that fresh water is a precious commodity – and are focused on using it more efficiently. Water used onboard our ships is obtained in two ways: purchasing from local sources or production through steam desalination or reverse osmosis. We have a project underway to reduce local purchasing requirements of bottled water, and we are upgrading our onboard water makers and potable water tanks.

Stolthaven Terminals has identified that its highest water demand is for testing firefighting equipment and cleaning tanks. Several pilot projects are underway to lower this. At Santos, Brazil, we collect rainwater for tank cleaning providing 7% (1,366 m<sup>3</sup>) of the site's annual water consumption. Our aim is to double this to 14% over the next two years. In 2020, our Dagenham, UK site completed a project to seal its tank bunds, which resulted in a 50% (16,263 m<sup>3</sup>) reduction of rainwater to trade waste. Our terminal in Houston, US also paved its tank pits, removing the need to treat approximately 16,500m<sup>3</sup> of rainwater. Prior to water leaving these sites via the storm drains it is thoroughly checked to ensure it contains no trace of products.

Our terminals in Houston and New Orleans, US and Westport, Malaysia offer state-of-the-art wastewater treatment facilities, efficiently serving the needs of both terminals and customers.

Stolt Tank Containers launched various water conservation initiatives in 2020. At Moerdijk, the Netherlands, Kandla, India and Singapore, we harvest rainwater for initial tank cleaning. The used water is then treated and recycled, decreasing mains water consumption by 20%. We are installing a similar system at our Taiwan site. At our wastewater treatment plant in China, we are using phosphate instead of the Fenton process. This keeps the cleaned water below the required 2 ppm limit – and saves \$52,000 annually.

At terminals and depots, we reduce overall water usage by recirculating the condensate from steam heating. This process requires a smaller footprint than conventional plants – plus it comes with lower infrastructure investment.

Quality water is also critical for our aquaculture business. Stolt Sea Farm selects locations for its farms to ensure access to the highest-quality water – and invests significantly to improve this. Our farms are designed and managed so that water in the outflow is as clean as at intake.

### Energy consumption

#### GRI 302

An increasing number of our facilities and ships use LED light bulbs. Not only does this reduce energy consumption, but it extends lamp life from 6,000 hours to around 50,000 hours. The improved illumination also improves safety. Many facilities also shut down lights automatically outside of office hours.

Across the Stolt Tankers fleet, we have retrofitted Variable Frequency Drives (VFDs), which regulate and save energy on pumps and mechanical devices. VFDs also account for most new mechanical investments at our terminals, and we are upgrading much of our existing stock.

Stolt Tankers regularly undertakes energy conservation audits onboard its ships. These highlight ways to improve energy efficiency and performance. Based on audit recommendations, we are testing heat-reflective coatings on our accommodation decks. These help reduce temperatures in the areas below, requiring less energy for cooling. We are also evaluating the benefits of waste-heat recovery systems.

At Stolthaven Terminals, our main energy use comes from producing steam for heating and powering pumps as well as mixing, heating and cooling equipment. The amount of energy consumed depends on the type of product stored, weather conditions and the amount of product pumped. We have made several investments to improve heat exchange processes, including installing steam condensate lines and identifying inefficiencies. By installing condensate recovery systems and economisers on our boilers, we have reduced consumption by 8 to 10%. We are also upgrading the insulation of our pipes and tanks.

Our site in Santos, Brazil continued its sustainability drive by becoming our first terminal to obtain 100% of its power from green energy sources. This will reduce CO<sub>2</sub> emissions by around 400 tonnes annually. Our Singapore site has 500 solar panels, which provide 140 MWh of electricity annually. We also added solar panels at our Dagenham, UK site this year to power office lights and equipment, potentially saving 9MWh of electricity per year.

Stolthaven Terminals recently partnered with the Technical University of Delft to model energy consumption at our Moerdijk terminal with the aim of identifying smart energy management savings that can be rolled out across our network.

STC has set an ambitious 2030 goal of achieving 50% renewable energy consumption at its wholly-owned depots. In addition to swapping to sustainable energy suppliers at several locations, during the year we installed solar panels at our Kandla and SPS sites in India, and Singapore. At many depots, we have also reduced energy use by recovering condensate from steam heating processes and using it to pre-warm water for cleaning.

Energy efficiency is essential for SSF. Its electricity requirements are relatively high because operations rely on pumping water around our farms from the sea. We focus on maintaining pumps at an optimal level and improving efficiency through new technology. We have recently invested in two new recirculation farms, which also significantly reduce energy consumption. At our farm in Cervo, Spain, we have installed solar panels that will generate 5% of its total energy needs. We are now exploring opportunities to increase renewable energy consumption and production more broadly.

### Waste management

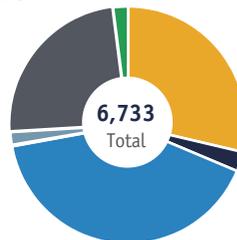
#### GRI 306

Across all our operations, we follow our philosophy of reduce, reuse, recycle. We are exploring ways to increase digitalisation across the organisation as we move towards paperless office tasks.

Stolt Tankers is part of the 5% of worldwide shipowners committed to working towards a sustainable blue economy. One focus is to reduce single-use plastics. The main source of single-use plastic at Stolt Tankers comes from bottled drinking water and packaging from food and supplies. As part of our Slashed Zero programme, we gave all seafarers refillable flasks and invested in upgrades to our sanitary piping systems, providing crew with easy access to clean, potable water onboard. Our procurement department is also working with suppliers to find alternatives to single-use plastic packaging. All waste from our ships is disposed of in line with the International Convention for the Prevention of Pollution from Ships (MARPOL).

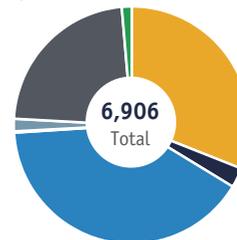
#### Waste to landfill (Cbm)<sup>1</sup>

2020



Plastics	1,929
Food waste	179
Domestic waste	2,749
Cooking oil	14
Incinerator ashes	115
Operational waste	1,610
Other waste	137

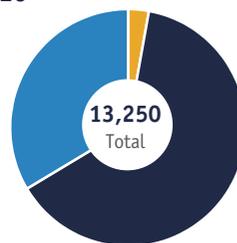
2019



Plastics	2,156
Food waste	187
Domestic waste	2,807
Cooking oil	12
Incinerator ashes	118
Operational waste	1,586
Other waste	94

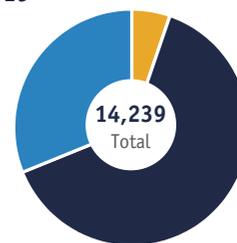
#### Oil waste management (Cbm)<sup>1</sup>

2020



Incinerated	376
To reception facilities	8,425
Through 15ppm oily water separator	4,449

2019



Incinerated	750
To reception facilities	9,058
Through 15ppm oily water separator	4,431

1. Includes Stolt Tankers' shipping operations only.

## Sustainability *continued*

When it comes to ship recycling, Stolt Tankers and its preferred recycling yards operate in accordance with the IMO 2009 Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships. All ships delivered for recycling hold an inventory of hazardous materials. Accredited auditor DNV GL verifies each vessel has been properly prepared. During recycling, one to three surveyors are onsite to monitor the entire process first-hand. One ship was sent for recycling during 2020.

Shree Ram Group yards 78/81 and V7 became the first in India to receive certification from Lloyd's Register Asia confirming that each yard complies with Article 13 of EU Regulation 1257/2013 (requirements necessary for ship recycling facilities to be included on the EU list). This certification moves both yards a significant step closer to receiving full EU approval.

Stolt Tankers is certified to international environmental standard ISO 14001 and quality standard ISO 9001. We are a founding member of the Ship Recycling Transparency Initiative: [www.shiprecyclingtransparency.org](http://www.shiprecyclingtransparency.org), a 'one-stop-shop' online platform reporting ship recycling against a set of predefined criteria. This collaborative project encourages shipowners to share their recycling policies and helps stakeholders make informed decisions when choosing shipping partners.

Stolt Tankers has strict processes for handling hazardous waste. Products are segregated onboard and sent to approved shoreside disposal facilities. We comply with MARPOL V when recycling waste like fluorescent bulbs and batteries.

Soil contamination can be a concern in the terminal industry. To minimise harm across the Stolthaven Terminals network, we have invested in concreting our tank pits or installing liquid-tight alternatives to our secondary containment areas. During 2020, we divested our site at Bundaberg, Australia and began to decommission our Wynyard terminal in New Zealand. Independent reports confirmed there was no site contamination during our tenure.

At STC, robust maintenance and repair processes ensure tank containers are re-used over many years. These processes are improved continuously. For example, in Zhangjiagang and Nanhui, China, we have begun to recycle kerosene after initial tank washes.

More than 90% of materials are recycled when our tank containers reach the end of their lifecycle. Tank containers are a far more sustainable alternative to flexi-bags, which are discarded after each shipment. On average, each flexi-bag adds the equivalent of 7,000 single-use plastic carrier bags to landfill.

SSF is working to achieve zero waste-to-landfill, focusing on recycling as a long-term strategic aim. In 2020, we extended our environmental management ISO 14001 certification to cover most of our SSF operations. We also audited chemical storage installations across our farms, ensuring they align with international best practice. And we are exploring the use of cutting-edge eco-friendly packaging for our products.

### Responsible farming

Stolt Sea Farm is committed to responsible farming and transparency.

During 2020, we worked with feed suppliers to evidence sustainable fisheries certifications for the fish meal and fish oil used in the formulation of our fish feed. We are also partnering with leading research institutions to investigate new feed formulas with lower fishmeal and fish oil content. This reinforces our leadership position when it comes to preserving scarce natural resources.

To ensure transparency and traceability, we are looking at ways to improve labelling for all our products.

For more on our sustainability policies and environmental performance, please visit: [www.stolt-nielsen.com/en/sustainability/CSR/](http://www.stolt-nielsen.com/en/sustainability/CSR/)