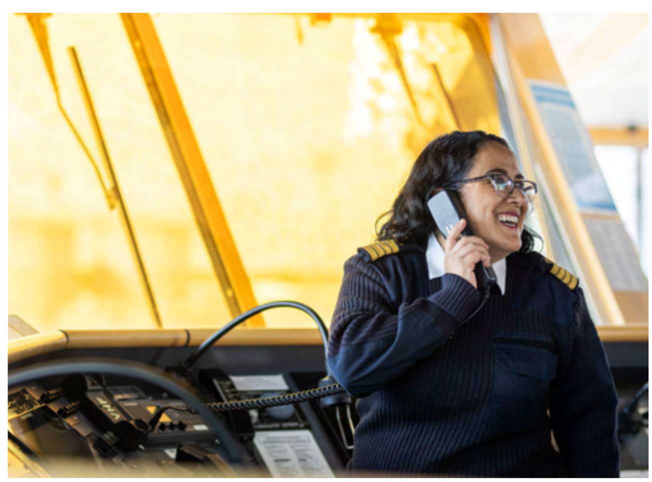
Stolt-Nielsen



Stolt-Nielsen Limited

Annual Report 2022

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Forward-looking Statements

Included in this publication are various 'forward-looking statements', including statements regarding the intent, opinion, belief or current expectations of the company or its management with respect to, among other things, (i) goals and strategies, (ii) plans for new development, (iii) marketing plans, the company's target markets, (iv) evaluation of the company's markets, competition and competitive positions, and (v) trends which may be expressed or implied by financial or other information or statements contained herein. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other facts that may cause the actual results, performance and outcomes to be materially different for any future results, performance or outcomes expressed or implied by such forward-looking statements. These factors include in particular, but are not limited to, the matters described in the Principal Risks section on pages 57 to 60.

Focused on delivering long-term sustainable growth

Stolt-Nielsen is a long-term investor and manager of businesses, creating value from opportunities in bulk-liquid logistics, distribution and land-based aquaculture.

The company has world-leading businesses in global bulk-liquid and chemical logistics, an innovative land-based aquaculture business, and invests in opportunities aligned to these.

Online Annual Report

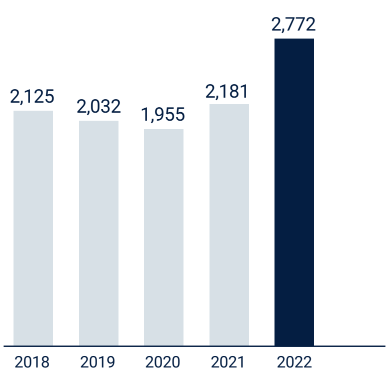
For a more interactive experience please visit: stolt-nielsen.com/annual-report-2022/

Our performance

(In US $ millions, except per share data)	2022	2021	2020
Operating revenue	**2,771.8**	2,181.1	1,955.1
Operating profit	**447.5**	233.7	189.9
Net profit	**280.9**	78.8	25.4
Net profit per share:			
Basic	**$5.25**	$1.47	$0.43
Diluted	**$5.25**	$1.47	$0.43
Weighted average number of Common Shares and Common Share equivalents outstanding:			
Basic	**53.5**	53.5	61.4
Diluted	**53.5**	53.5	61.4

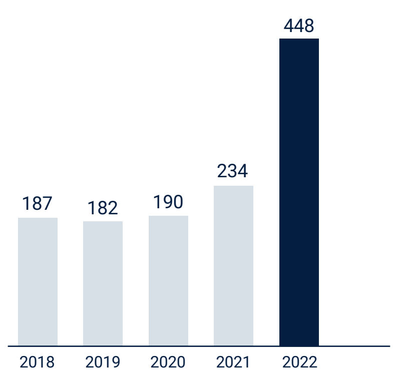
Operating revenue
(US $ millions)

US $2,772m



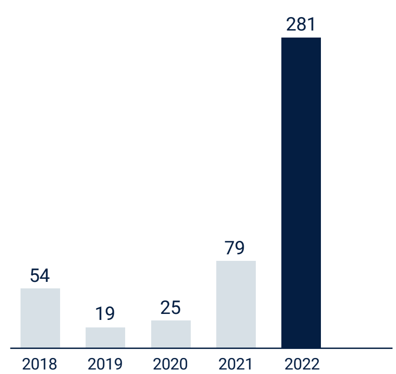
Operating profit
(US $ millions)

US $448m

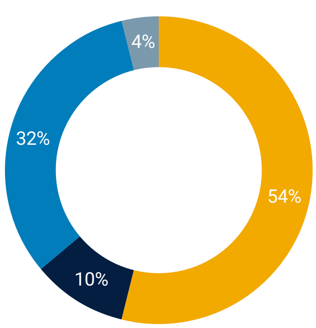


Net profit
(US $ millions)

US $281m

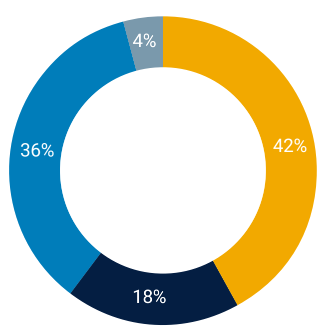


Operating revenue by business
(US $ millions)



- Stolt Tankers 1,497
- Stolthaven Terminals 276
- Stolt Tank Containers 895
- Stolt Sea Farm 103
- Corporate and Other 1

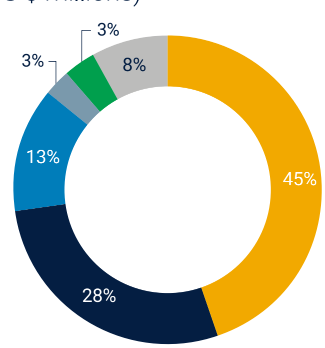
Operating profit by business[1]
(US $ millions)



- Stolt Tankers 205
- Stolthaven Terminals 89
- Stolt Tank Containers 173
- Stolt Sea Farm 20

1. Excludes Stolt-Nielsen Gas, Corporate and Other loss of $39.1 million

Total assets by business
(US $ millions)



- Stolt Tankers 2,115
- Stolthaven Terminals 1,329
- Stolt Tank Containers 625
- Stolt Sea Farm 130
- Stolt-Nielsen Gas 161
- Corporate and Other 369

At a glance

Stolt Tankers[1]

Stolt Tankers operates the world's largest fleet of chemical tankers, providing safe, reliable and high-quality global transportation services for bulk-liquid chemicals, edible oils, acids and clean petroleum products.

83 deep-sea parcel tankers

83 coastal and inland tankers

3m total deadweight tonnes

See pages 8-9 for more details

Stolthaven Terminals

Stolthaven Terminals' global terminal network provides safe, high-quality storage and distribution services for chemicals, clean petroleum products, gas, vegetable oils, biofuels and oleochemicals in key markets and hubs worldwide.

5m m^3 of storage capacity[2]

10 wholly-owned terminals

4 joint-venture terminals

See pages 10-11 for more details

Stolt Tank Containers[2]

Stolt Tank Containers is a leading provider of logistics and transportation services for door-to-door shipments of bulk-liquid chemicals and food-grade products.

47,000 tank containers in the fleet

130,000 shipments

21 depots and hubs

See pages 12-13 for more details

Stolt Sea Farm

Stolt Sea Farm is one of the world's most advanced high-tech aquaculture companies, and the premier provider of high-quality turbot and sole in an environmentally sound manner.

14 land-based fish farms

6,500 tonnes turbot production capacity

1,600 tonnes sole production capacity

See pages 14-15 for more details

Stolt Investments

Creating value from investment opportunities in bulk-liquid logistics, distribution, LNG and land-based aquaculture. Stolt-Nielsen holds the following investments:

47.2% Avenir LNG

2.5% Golar LNG

8.3% Odfjell SE

1.8% Cool Company Limited

8.3% The Kingfish Company

9.8% Ganesh Benzoplast

See page 16 for more details

1. Includes joint ventures and managed ships.
2. Includes joint ventures.

Chief Executive Officer's Review

2022 was a year when several factors came together, enabling us to fire on all cylinders for the first time since the Covid-19 pandemic. Yes, the market turned in our favour, but, more importantly, our diligent unwavering focus over many years on delivering on our strategy is now showing results. It is the outcome of thousands of small decisions made by a well-functioning organisation delivering operational excellence in all that we do.

"I am enthusiastic about how we are successfully growing and transforming our company, actively positioning ourselves towards the future while delivering short-term results."

In Q1 2022 Stolt-Nielsen posted its strongest results since 2008. This trend continued throughout the year. Our 2022 net profit was $280.9 million, compared with $78.8 million in 2021. Stolt-Nielsen's cash flow from operations increased from $323.8 million in 2021 to $619.8 million in 2022. Earnings per share were $5.25 in 2022, compared with $1.47 in 2021. Net debt reduced from $2,312.2 million in 2021 to $2,038.2 million at the end of 2022, bringing net debt to tangible net worth down to 1.08 compared to 1.37 in 2021. Shareholders' equity was $1,721.7 million at year-end, compared with $1,472.9 million a year ago.

Stolt Tankers' operating revenue ended the year at $1,497.1 million, up from $1,165.6 million in 2021. There was also a significant increase in operating profit to $205.1 million from $68.8 million last year. The long-awaited turnaround in the chemical tanker market finally arrived in 2022. A historically low newbuilding orderbook for chemical tankers combined with the continued exit of older tonnage from the market meant it was just a matter of time before the market turned. The war in Ukraine affected trade flows, causing a pick-up in tonne miles in the product tanker markets, resulting in fewer of these ships operating in the chemical market. During the year, we continued to acquire attractively priced second-hand tonnage. We now have a record-size fleet for Stolt Tankers as we enter what we believe will be an attractive market through 2026.

Results at Stolthaven Terminals held steady in line with expectations. Full-year operating revenue increased to $276.2 million from $243.6 million in 2021. Operating profit was $89.2 million, up from $62.3 million due to greater storage and throughput revenue following increased utilisation at our wholly-owned terminals. Product and chemical manufacturers and other stakeholders generally secure additional storage capacity in turbulent times, so we expect strong utilisation and firming rates in 2023.

This year's star performer was Stolt Tank Containers. Operating revenue increased to $894.6 million from $662.4 million in 2021, with operating profit of $172.7 million, up from $81.6 million. Fleet utilisation fell slightly to 69.0% from 71.6%. Markets remained strong, with rising freight rates and higher demurrage revenue compensating for costly global supply chain inefficiencies. Although tight ocean liner capacity eased towards the end of the year, truck driver shortages and port congestion created a challenging operating environment. We improved our margin per shipment thanks to our ability to keep customer cargoes moving. This year's results showcased our operational excellence, reliability, flexibility and quality. Our customers came to us not because of the price we charged, but because we were able to provide reliable services during extremely operationally challenging times. In 2023, congestion will likely ease, leading to increased supply and pressure on margins.

Stolt Sea Farm sold a record 6,108 tonnes of its own turbot, with total sales of 6,645 tonnes. Sales volumes showed an 18.0% decrease compared to 2021 due to the phase-out of traded product sales. Steady demand throughout the year for both turbot and sole allowed for solid price increases for both species. Full-year operating revenue fell to $102.7 million, compared with $108.6 million in 2021, again due to the phase-out of traded sales. Operating profit was $19.5 million, down from $24.4 million the previous year, as 2021 benefited from a significant gain on the fair-value evaluation of biomass of $17.4 million compared with a fair-value loss of $1.0 million in 2022, with underlying operating results improving steadily throughout the year.

Stolt-Nielsen holds strategic investments in companies where we believe we can contribute as a minority shareholder using our expertise in shipping, storage, distribution and landbased aquaculture. At November 30, 2022 we held the following positions: 47.2% in Avenir LNG, 2.5% in Golar LNG, 8.3% in Odfjell SE, 1.8% in Cool Company Limited, 8.3% in The Kingfish Company and 9.8% in Ganesh Benzoplast. These investments had a total value of $217.8 million.

Dividends

In November, Stolt-Nielsen raised its dividend on the back of its strong financial performance, delivering against our strategy to provide increasing returns to shareholders. The Board approved an interim dividend of $1.00 per Common Share payable on December 8, 2022, to shareholders of record as of November 24, 2022. On February 23, 2023, the Board recommended a final dividend of $1.25 per Common Share, subject to shareholder approval at the company's Annual General Meeting on April 20, 2023. Increased dividend payments reflect our strengthening cash flow and confidence in our future performance.

Rising to challenges

Stolt-Nielsen makes a valuable contribution to modern life – transporting, storing and producing the ingredients that help people stay healthy, clothed, fed and in touch. This is hugely motivational for our 6,800 employees. They are some of the industry's best and brightest and are passionate about making a difference through collaboration and innovation. Our strong performance is testament to their commitment, and I would like to thank them for their dedication, resilience and enthusiasm.

We are very mindful of how the cost-of-living crisis affects our people, in terms of finances and mental wellbeing. During 2022, we launched a mental health awareness campaign, including several bespoke modules for seafarers. In 2022, we made additional, mid-year adjustments to salaries in some regions where we saw a rapid increase in inflation. Stolt-Nielsen compensates its employees through salaries, short-term profit-sharing and long-term performance incentive plans comprising cash rewards and benefits.

Collaborating to lead the energy transition

Our overall sustainability strategy focuses on what is achievable today and what must be innovated for the future. We continued to reduce our emissions by installing fuel-saving technologies and received external recognition for our efforts. However, the technology for a net-zero maritime industry simply doesn't exist – it is unlikely to be viable in the short term and is not something we can achieve alone. Therefore, we continued to build partnerships with suppliers, customers and other industry leaders to develop solutions for the future, in areas including zero-carbon shipping, green energy, water conservation and sustainable fish feed formulations.

A greener future for everyone will come at a significant financial cost to industry. By working with our customers, we can understand their needs and profitably provide low-carbon products and services to meet them.

Investing for the future

In all our businesses, we continue to focus on investments that will deliver long-term, sustainable cash flow to our shareholders. I am enthusiastic about how we are successfully growing and transforming our company, actively positioning ourselves towards the future while delivering short-term results.

Looking ahead

In January 2022, I announced I would step down as Chief Executive Officer with the intention of assuming the role of Chairman of the Board, subject to shareholder approval, once my replacement was found. The transition was always going to take time, and the search for my successor is ongoing. The focus remains on finding the right person however long it takes, and in the meantime I will remain in my role as Chief Executive Officer.

In the coming year, the war in Ukraine will continue to affect energy supplies and prices, particularly in Europe. I also expect it will be some time before inflation is under control, and this, combined with high interest rates, could still cause a global recession. We are monitoring the potential impact of these factors on our businesses. We remain focused on debt reduction to strengthen the balance sheet.

Experience tells me our business will be highly resilient and adaptable, even during any potential global recession. Our diverse portfolio gives me confidence that Stolt-Nielsen is solidly positioned for the future. We should be realistic about the scale of the challenges that lie ahead, but we should also be optimistic about our ability to overcome them.

NG. Stolt-Nielsen

Niels G. Stolt-Nielsen
Chief Executive Officer
Stolt-Nielsen Limited

March 15, 2023

What we do

Our mission

To provide growing long-term cash flow to shareholders.

Who we are

We are a long-term manager and investor of businesses, creating value from opportunities in bulk-liquid logistics, distribution and land-based aquaculture.

Our business model ensures we create value for our stakeholders through innovation, quality, customer excellence and safety for both people and the environment.

Our mission and business model are underpinned by our commitment to growing sustainably.

Our business portfolio

Stolt Tankers

Stolthaven Terminals

Stolt Tank Containers

Stolt Sea Farm

Stolt Investments

How we do it

1 Diverse portfolio

Market-leading businesses in global bulk-liquid logistics, innovative land-based aquaculture and related investments.

2 Industry expertise

Operates in industries where Stolt-Nielsen can leverage its knowledge and experience. Facilitates the sharing of industry knowhow to deliver superior growth and strong cash flow.

3 Corporate structure

Cost-efficient financial, strategic and other centralised services. Balance sheet strength and diversified cash flow provide flexibility to deliver returns through organic growth, M&A and strategic partnerships.

How we create value

Expert knowledge

A deep understanding of logistics, distribution and aquaculture.

Innovation and technology

Invented the modern parcel tanker, pioneering land-based aquaculture and active investment in R&D and new technologies. Our culture champions digitalisation, collaboration and continuous improvement.

Quality and reliability

Safe and reliable operations for employees and external stakeholders while delivering services valued by customers.

Financial strength

A strong balance sheet and focus on cash flow generation supports our mission and helps maximise investment opportunities.

Stolt Tankers

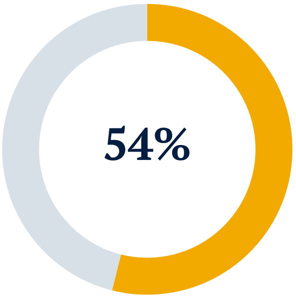
“This year’s progress with our business transformation gives me confidence we are on the right path to achieve sustainable growth.”

Performance

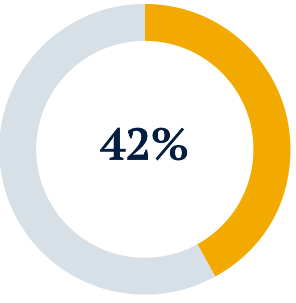
(US $ millions)	**2022**	2021	2020
Operating revenue	**1,497**	1,166	1,113
Operating profit	**205**	69	85

Percentage of group total

of total operating revenue



of total operating profit[1]



1. Excluding Stolt-Nielsen Gas, Corporate and Other loss of $39.1 million.

Markets

- We provide safe, reliable, high-quality and flexible transportation services to the world’s leading manufacturers and consumers of chemicals, edible oils, acids and other bulk liquids.
- We have the world’s largest fleet of chemical tankers. Our global deep-sea fleet – combined with our integrated regional capabilities in Europe, Asia Pacific, the Indian Ocean, the Caribbean and the US – provide supply chain efficiencies and added value for our customers.

Strategy

Stolt Tankers’ Delivering Good Chemistry strategy is focused on creating the most efficient liquid chemical shipping platform in the world and providing efficient and sustainable services to our customers.

By leveraging our industry-leading scale and assets we offer customers access to key hubs and markets worldwide. Working collaboratively with customers and our sister companies Stolthaven Terminals and Stolt Tank Containers, we offer solutions that enhance efficiencies in the bulk-liquid supply chain.

Our ambition is to deliver a healthy return on capital employed (ROCE) by creating value for our customers, achieving our sustainability ambitions and ensuring we attract and retain the best talent.

2022 in review

2022 was a year of much-improved performance. This was supported by having the largest fleet in the company’s history, driving efficiencies throughout the organisation and renewing a high number of contracts on much-improved terms. Also, the long-awaited turn in the chemical tanker market finally arrived. This was partly driven by post-pandemic growth and a historically low orderbook for newbuildings in the chemical tanker market. Sadly, the war in Ukraine had a much bigger impact – it rebalanced crude and product tanker trade flows, moving some MR tonnage out of chemical trades. All of which helped drive a 50.5% increase in spot freight rates.

2022 operating revenue was $1,497.1 million, up from $1,165.6 million in 2021. This was due to the relatively stable chemical market, together with our ongoing focus on driving bunker efficiencies, which resulted in savings of $43.5 million. Consequently, operating profit increased to $205.1 million from $68.8 million last year. Bunker prices climbed to $728 per tonne, although higher bunker costs were largely offset by bunker surcharges passed to customers and spot market increases.

In May 2022, Stolt Tankers added to its fleet with the purchase of three second-hand 33,600 dwt fully stainless-steel chemical tankers. Because we expanded our fleet just before the market upturn, we have been able to fully capitalise on the improving market fundamentals. We now operate our largest-ever fleet of 166 ships, including those in joint ventures.

Throughout the year, our people proved their dedication to our winning culture, striving to do everything a little better each day. We embraced Lean Six Sigma methodologies through our unique continuous improvement programme. The Kaizen Institute Netherlands recognised our work in this area, shortlisting us for an award for the way our superintendents and seafarers shared knowledge and adopted new ways of working. Our employee engagement survey also recognised our positive culture, with the results placing us in the top quartile for our industry.

To build a great business, we need great leaders who live our culture each day. To support this, the entire Stolt Tankers leadership team became Lean certified, helping us break down silos across the organisation. All managers completed training through our leadership development overview (LEAD) programme, transforming the way they work with employees.

I am immensely proud of our health and safety performance this year – our Lost Time Injury Frequency (LTIF) of 0.38 is the lowest since our records began. This achievement was thanks to efforts from both shore and sea staff, as well as onboard management teams' consistent and persistent attention to safety. We also enhanced our *Slashed Zero* behavioural safety programme, adding new mental health modules and tailoring training using data on ship incidents and near misses. Read more about our 2022 safety achievements on page 22.

We made further progress towards our sustainability ambitions. We believe that as the leader in our industry we must be at the forefront of maritime decarbonisation, working to achieve this with a rational approach. Not only did we improve our EcoVadis rating, receiving gold for 2022, but we also decreased our Annual Efficiency Ratio (AER). This emissions reduction, in the context of the strong tanker market, puts us on track to meet International Maritime Organization targets and our 2030 goals. This was the first full year of our work with the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping, and we appointed another secondee to support technology development to decarbonise the maritime industry. Learn more about our environmental targets and 2022 initiatives on pages 28 and 29.

To support our digital transformation we launched *Connect*, our customer relationship management (CRM) tool that integrates several sets of data into one user-friendly platform. In addition, we developed a new cargo management handling platform, *Ari-stow*. Our digital team is also trialling supply and demand forecasting and an easy online booking system for customers via a web-based portal.

Outlook

This year's progress with our business transformation gives me confidence we are on the right path to achieve sustainable growth. One element of working more efficiently is becoming a more digital and data-driven company. During 2023, we will increase our focus on digital transformation, streamlining systems and further integrating with customers. This focus on working together with customers will enable us to create a world-class digital supply chain through the Stolt Tankers ship-to-customer platform.

As our business becomes more agile and cost-effective and we create leaner processes and reduce duplication we will unlock Stolt Tankers' potential by speeding up decision making and helping us closely manage operating costs. By allocating resources in a more disciplined manner, we will continue transforming our culture to achieve the goals in our Delivering Good Chemistry strategy.

The effects of China's prolonged Covid-19 lockdowns and energy price rises will likely linger into 2023 and we expect some inflationary pressure to remain with interest rates remaining high. While underlying chemical demand has not been affected yet, European plants are scaling down production and manufacturing activity has been impacted. We will monitor and manage inflationary cost increases related to ports, canals, lube oils and the logistics of getting cargo to ships. These conditions reinforce our long-standing belief that the sector is ripe for consolidation.

We will continue to focus on ways to return value to our stakeholders. With the upward trend in the chemical tanker market, conditions for an IPO of Stolt Tankers look positive for the future. Subject to equity market conditions, we are ready to act quickly.

Lucas Vos
President
Stolt Tankers

Stolthaven Terminals

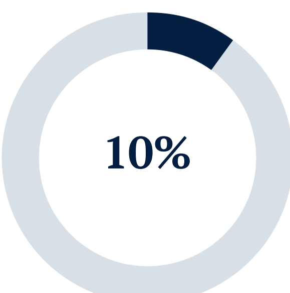
“Throughout the year, we remained focused on our long-term strategy of improving profitability through digitalisation, efficiency, safety, customer centricity and sustainability.”

Performance

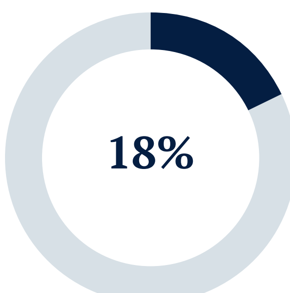
(US $ millions)	2022	2021	2020
Operating revenue	**276**	244	239
Operating profit	**89**	62	69

Percentage of group total

of total operating revenue



of total operating profit[1]



1. Excluding Stolt-Nielsen Gas, Corporate and Other loss of $39.1 million.

Markets

- We provide safe storage and handling for a variety of speciality bulk liquids, such as chemicals, clean petroleum products, liquefied petroleum gases, biofuels, vegetable oils, alternative fuels and feedstocks.
- We have 5.0 million m^3 of storage capacity across 10 wholly-owned terminals and four joint-venture terminals. This gives customers access to key international shipping and transportation hubs close to their operations.

Strategy

Our mission is to be the most respected global storage provider. We focus on continuous improvement to deliver safe, high-quality, sustainable storage and handling solutions that help our customers maximise value from their supply chains.

By collaborating with Stolt Tankers and Stolt Tank Containers, we provide integrated, end-to-end solutions that deliver further efficiencies to our business and our customers.

2022 in review

Stolthaven’s global network was well positioned to reliably support customers who faced ongoing supply chain disruptions in the shipping market, inland transportation constraints and ongoing global macroeconomic challenges. The war in Ukraine also had an impact on trade flows, Russian-sourced clean petroleum products were replaced by alternatives from other locations and we also saw greater volumes of edible oils replacing those from Ukraine.

In 2022, we therefore saw greater storage and throughput revenue following increased utilisation at our wholly-owned terminals. Operating revenue and operating profit growth in the first two quarters levelled off in the second half of the year due to changing macroeconomic conditions in some markets. We ended the year with an annual operating profit of $89.2 million, up from $62.3 million in 2021. Operating revenue increased 13.4% to $276.2 million, and utilisation rose to 97.4% from 90.9% in 2021.

Not only did we improve utilisation of our existing capacity, but we completed planned expansions at our joint-venture terminals in Malaysia and South Korea totalling 102,000 m^3. We also started construction of our new joint-venture terminal in Taiwan and continued to identify and develop further expansion opportunities and new projects, to meet evolving customer demand.

Throughout the year, we remained focused on our long-term strategy of improving profitability through digitalisation, efficiency, safety, customer centricity and sustainability.

Our Internet of Things initiative – which explores how we exchange and connect data between our operations and third parties – is on track. This includes our *Connected Worker* programme, which aims to move in-field operations online to boost safety and efficiency. This year, we piloted a mobile app that enhances personal safety and productivity by providing operators with dynamic checklists to guide them through process steps. We also deployed the *Ultimo* enterprise asset management system at our terminals in Houston (US), New Orleans (US) and Dagenham (UK) with the aim of rolling it out to our other wholly-owned sites next year. Digitalisation alongside increased safety training, awareness campaigns and management processes helped us reduce our Lost Time Injury Frequency (LTIF), although Total Recordable Case Frequency (TRCF) increased slightly due to an incident at a neighbouring site to our Moerdijk terminal. Read more about our 2022 safety performance on page 23.

These digitalisation and safety developments are rooted in our ongoing customer centricity strategy. This year, we continued our focus on functional customer leadership teams, which help ensure we concentrate on the customer at every touchpoint. Thanks to our employees' ongoing dedication, we delivered high-quality services despite the challenging environment – and our customers recognised this. Dow Chemicals named our Santos terminal 'Best Terminal in Brazil' for its outstanding performance in safety, social responsibility, environment and operations. Stolthaven Houston received LyondellBasell's GoalZERO Safety Award for its consistently high performance and Total Recordable Incident Rate (TRIR) of zero. And Stolthaven Singapore received the Dow S4TAR Logistics Best Service Provider Award for safety, sustainability, social responsibility and customer service.

The wider industry also recognised our leadership, with Stolthaven Houston and New Orleans receiving a joint Safety Excellence Award from the International Liquid Terminals Association (ILTA). We sought an EcoVadis rating for the first time, not only achieving silver, but receiving scores that placed us in the top 4% of the warehousing storage industry for sustainability. Our efforts to minimise our negative environmental impact progressed, with energy scans used as the basis for terminals' carbon neutral roadmaps and a partnership with Deloitte to pilot an innovative new decarbonisation tool.

Planning for the energy transition and EU Green Deal has moved up the agenda, influenced by the war in Ukraine, and we continued collaborating with the industry to develop a strategy that supports customers and our future growth. For example, we partnered with Pecém Industrial and Port Complex to jointly work on developing a green hydrogen hub, which will provide storage and handling services for green hydrogen and associated products at Brazil's Port of Pecém. Read more about our 2022 environmental initiatives on page 30.

None of these achievements would have been possible without our talented people, and we remain committed to delivering an exceptional employee experience. 2022 had a major focus on training and recognition. Our leadership development overview (LEAD) programme gathered momentum, and we piloted a supervisor training programme based on feedback from our previous employee engagement survey. More terminals are now using our *Bonusly* tool, which provides a central platform for colleagues to recognise and reward each other's achievements.

Our employee engagement survey had an impressive 92% response rate and the results showed a sustainable engagement score of 87%. The results also indicated that most of our terminals are at or above country norms – and that we had addressed improvement areas identified in previous surveys, such as performance management. We have started plans for enhancing areas, like diversity and inclusion, which were identified in this year's survey.

Outlook

The macroeconomic backdrop will remain challenging, and we will continue to focus on our market-driven strategy which has customers at its core. China's situation will continue to influence both demand and supply in the chemical market next year. We expect that the US market will pick up towards the end of 2023, with demand rebounding in 2024. The ongoing war in Ukraine is expected to continue affecting trade flows, particularly for edible oils and petroleum products. Europe will remain challenged on feedstock and energy prices, although as we saw in 2022, this could lead to more imports and greater storage demand.

We will see growth for products related to the energy transition – especially biofuels used as feedstock for refineries and biodiesel and sustainable aviation fuel as finished products. Together with Stolt Tank Containers, we will continue to provide supply chain solutions to better serve customers in these segments. And we will continue developing solutions for improving our energy footprint, helping our customers reduce their Scope 3 emissions.

Digitalisation will deliver greater efficiency, safety and visibility for decision making. We will continue expanding our portfolio of value-adding services, further developing our US-based wastewater business and adding to our logistics offering. These efforts will enhance our ability to offer integrated services across our global network and in partnership with Stolt Tankers and Stolt Tank Containers, so we are increasingly agile in responding to customers' supply chain challenges.

Guy Bessant
President
Stolthaven Terminals

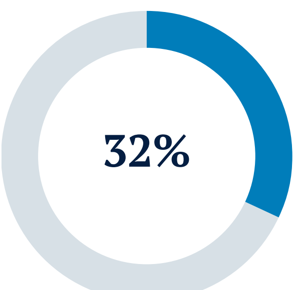
Stolt Tank Containers

Performance

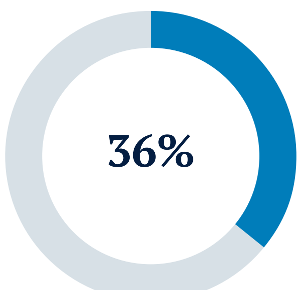
(US $ millions)	2022	2021	2020
Operating revenue	**895**	662	521
Operating profit	**173**	82	51

Percentage of group total

of total operating revenue



of total operating profit[1]



1. Excluding Stolt-Nielsen Gas, Corporate and Other loss of $39.1 million.

"The 2022 market environment demonstrated the importance of our market-leading scale in terms of tank availability and supply chain options, incorporating both vessel and trucking capacity."

Markets

- We are a leading provider of logistics and transportation services for door-to-door shipments of bulk-liquid chemicals and food-grade products.
- Our fleet totals 47,000 tank containers, the largest in the industry. Our 21 full-service depots and refurbishing facilities give us direct control over tank handling, cleaning and maintenance – ensuring our fleet and cargo handling operations consistently meet the highest standards for quality, reliability, safety and environmental protection.

Strategy

Stolt Tank Containers (STC) helps customers minimise costs and increase efficiency across their supply chains. Our five-year strategy focuses on boosting customer centricity; maintaining the best fleet, depot and vendor networks; and attracting and retaining the best talent.

We are also contributing to a sustainable future by actively reducing the environmental footprint of our own operations and by helping our customers embrace more sustainable modes of transport. We are also investing in sustainable solutions at our depots including wastewater treatment and water recycling facilities.

2022 in review

STC's 40th anniversary was marked by unique market conditions and strong performance. As customers faced the implications of supply chain constraints, rising inflation, the war in Ukraine and Covid-19 lockdowns in China, we were able to keep their liquid cargoes moving. We were successful in securing space on ships in a very tight market, ensuring our customers' products could reach their end customers. I am proud that no STC customer ran out of stock or had to close production because of us. This accomplishment is testament to our agile and dedicated team, fleet size, customer centricity, industry relationships and digital capabilities. As STC celebrated its 40-year anniversary, we again demonstrated the reliability we are known for.

STC's full-year operating profit was $172.7 million, compared with $81.6 million in 2021. Transportation revenue increased 30.8% to $679.8 million, and demurrage revenue increased 63.6% to $119.8 million as customers held on to tanks longer for storing back-up stock due to supply chain disruptions. Higher operating revenue was offset by a 68.6% increase in ocean freight costs, reflecting higher liner rates driven by tight capacity. Overall volumes decreased due to lack of space on ships and other supply chain congestion.

The 2022 market environment demonstrated the importance of our market-leading scale in terms of tank availability and supply chain options, incorporating both vessel and trucking capacity. Our fleet increased by 8.4% to 47,000 tanks this year and having a truly global set-up with long-standing partner relationships helped us meet customer requirements in a rapidly changing environment.

Our ongoing digital transformation strategy also contributed to our agility and reliability. This year more than half of our business was conducted through our digital platform. Digitalisation also formed a major element of our training activity as we helped staff improve their digital skills. This training complemented ongoing learning and development, which included new opportunities for staff to participate in exchanges where they worked in different offices and project teams. We also increased communication on safety issues and extended training on dangerous goods safety based on feedback from previous employee engagement surveys. These activities helped us to reduce our Total Recordable Case Frequency (TRCF) from 6.7 in 2021, to 4.8 in 2022. (Read more about our safety achievements on page 24.) This year's employee survey showed that engagement is in the top quartile – well above the logistics industry norm.

In 2023, we progressed efforts to reduce our environmental impact and I am proud that we renewed our EcoVadis silver rating with significant improvement in environmental scores, putting us in the top 16% of our industry. You can read about STC's 2023 environmental initiatives on page 31.

Outlook

2022 was an exceptional year due to the unprecedented container shipping market, a year that is very unlikely ever to be repeated. However, we are well-positioned for the coming year. Europe's rising energy costs and China's Covid-19 situation will likely result in softer demand in the first half of the year. However, we anticipate that volumes will increase as the year progresses.

Our ambition is to continue to grow by capitalising on medium- and long-term opportunities, despite anticipated pressure on margins. As supply chains ease, our ongoing digitalisation efforts will boost our efficiency and make the business more competitive. Collaboration will remain key to success – with customers, partners and our sister businesses – particularly when it comes to offering more sustainable supply chain options.

Hans Augusteijn
President,
Stolt Tank Containers

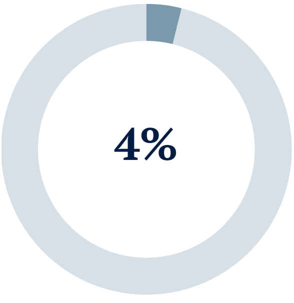
Stolt Sea Farm

Performance

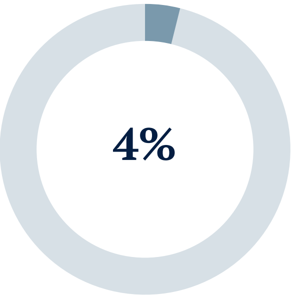
(US $ millions)	2022	2021	2020
Operating revenue	**103**	108	80
Operating profit	**20**	24	(8)

Percentage of group total

of total operating revenue



of total operating profit[1]



1. Excluding Stolt-Nielsen Gas, Corporate and Other loss of $39.1 million.

> "Our 2022 performance demonstrated our ongoing ability to work together to overcome challenges."

Markets

- Our seafood products feature on restaurant, hotel and foodservice menus as well as on supermarket shelves in more than 30 countries.
- Our annual production capacity totals 6,500 tonnes of turbot and 1,600 tonnes of sole.

Strategy

Stolt Sea Farm (SSF) is a pioneer in land-based aquaculture, and our purpose is to ensure future generations continue to enjoy wonderful seafood. The business focuses on sustainable growth and building partnerships with customers and communities – while adhering to high animal welfare and environmental protection standards.

We are known for our innovation and pioneering technologies, including highly specialised, custom-designed facilities. Thanks to decades of research and development, we are the only aquaculture company that can consistently produce the highest-quality turbot and sole in commercial volumes. Seafood is widely accepted to be one of the most sustainable sources of animal protein, and we pay rigorous attention to ensure our operations have a positive environmental impact as we develop increasingly sustainable production methods.

2022 in review

2022 was a milestone year for SSF as we celebrated the company's 50th anniversary. Building the business we are today has required patience, care, commitment and passion, day after day, for five decades. I am proud of this landmark and grateful to everyone who has contributed to our success through the years, including our employees, suppliers, customers and shareholders. Our 2022 performance demonstrated our ongoing ability to work together to overcome challenges. It also showed how we have maintained our founding principles since 1972: sustainability, innovation and commitment to the environment and people.

SSF progressed in all areas, with high productivity helping to compensate for rising costs. However, operating profit was $19.5 million, down from $24.4 million in 2021 as the prior year benefited from a significant gain on the fair-value evaluation of biomass of $17.4 million compared with a fair-value loss of $1.0 million in 2022.

The year started strongly, bucking the seasonal trend of lower prices and volumes during the winter. As a result, we were able to maintain prices while reducing production costs per kilo, allowing us to maintain profitability during the traditionally slow period. In the second quarter, volumes of our frozen value-added products (VAP) rose, and, despite the strengthening US dollar in the third quarter, we boosted operating profit by increasing turbot production and sole volumes to capitalise on higher prices.

As part of our customer-centric approach, we are diversifying products, markets and channels and using data-led insights to strengthen and build relationships. For example, better forecasting has enabled us to optimise inventory, thereby improving efficiencies while ensuring customers always get the freshest produce. Enhancing our data capabilities has helped us to anticipate customer needs and react in a more agile way. Our people demonstrated this agility as we responded to market conditions, adjusting production volumes and driving sales while upholding SSF's reputation for quality. These efforts included expanding sales in new markets, with turbot volumes sold to these geographies increasing by 18% and sole volumes almost doubling. Foodservice accounted for 76% of sales, up from 63% in 2021. We also saw restaurant sales rebound with the lifting of Covid-19 restrictions.

Our new land-based recirculation aquaculture system (RAS) farms in Cervo, Spain and Tocha, Portugal helped increase productivity. Now in their second full year of sole production, they again exceeded expectations for biomass growth. Our investment in this technology continued. Plans progressed for our three additional RAS farms, and we also acquired shares in The Kingfish Company. The Kingfish Company is a market leader in land-based RAS farming of yellowtail and, like Stolt Sea Farm, is a leader in sustainable aquaculture. We also consolidated operational changes and increased production in our Iceland operations as part of our ongoing transformation programme. Collectively, these developments are contributing to our long-term strategy of ensuring we lead the market in providing a sustainable supply of high-quality seafood.

This year's performance demonstrates the strength of our offering and diversification strategy. We set a new production record for turbot, with our products reaching more new customers than ever before. We set a new weekly sales record for sole, capitalising on the consolidation of demand thanks to our production capacity and unique range, which includes large sizes.

Our VAP offering grew 36% year-on-year, reflecting growth in demand for convenience, versatility and consistent supply. Not only was our *Prodemar™* consumer brand launched in Casino France retail outlets, but we also unveiled a hugely popular new frozen turbot range at the Conxemar International Fair, a major industry exhibition. To boost VAP production capacity, we purchased land in Spain and Portugal to construct new processing areas, and we continued with modernisations at our processing plant in Lira, Spain.

SSF has long been a pioneer when it comes to sustainability in aquaculture. This year, we progressed our collaboration with feed manufacturers to investigate new formulas with lower fishmeal and fish oil content, reinforcing our leadership position when it comes to preserving scarce natural resources. We also joined the *Life Refish* project, which develops innovative ways to reduce waste and optimise the use of by-products from fishing activity.

Outlook

2023 started with the fantastic news that our fresh turbot received a Superior Taste Award from the International Taste Institute, which rated the product as exceptional in all five judging categories. This recognition will help us further strengthen our market position and our reputation as a leading producer of exceptional turbot.

In 2023, we expect to see continued growth in demand for high-quality, sustainable seafood and we are in a strong position to capitalise on this demand due to our market-leading production capacity, innovations and customer relationships. This will help SSF mitigate the effects of ongoing inflation and the higher costs of energy and feed.

We expect to see further growth in our Northern European markets as well as in our VAP offering, with our range of new products gaining momentum following this year's launch. Our transformation programme will continue as our expansion plans progress to the execution phase and we continue to build our data capabilities.

Jordi Trias
President
Stolt Sea Farm

Stolt Investments

Stolt-Nielsen is actively investing in bulk-liquid logistics, distribution, liquefied natural gas (LNG), land-based aquaculture and sustainable technologies.

We create shareholder value through investments in our core areas of industry expertise, as well as in technologies that have the potential to support the efficiency and sustainability of Stolt-Nielsen's core operations. As part of our approach, we leverage our industrial knowledge and expertise to support these investments.

Stolt-Nielsen Gas

Stolt-Nielsen Gas is an investment arm of SNL focusing on the liquefied natural gas (LNG) segment. As of November 30, 2022 Stolt-Nielsen Gas held a 47.2% stake in Avenir LNG, a 2.5% stake in Golar LNG and a 1.8% stake in Cool Company Limited.

On February 1, 2022, we acquired one million shares of Cool Company for $10.0 million. Cool Company is a leading LNG shipping company with a fleet of 12 LNG carriers. It is a spin-off from Golar LNG and is listed on Oslo Euronext Growth. The investment was driven by our belief in the LNG sector and support for our larger investment in Golar LNG.

Stolt Ventures

We established Stolt Ventures this year with the aim of identifying and investing in sustainable technologies that will contribute to decarbonisation and support our core operations. As the energy transition gathers pace and we look for innovative ways to maintain a leadership position in our key markets, we seek to be an active investor in new technologies that will boost our efficiency while reducing our environmental impact. Although its focus is on direct investments, in December 2022, Stolt Ventures made its first commitment of approximately $750,000 in Motion Ventures, a venture investment fund backed by corporates in the maritime and logistics industries.

Other investments

As of November 30, 2022 Stolt-Nielsen also held an 8.3% stake in Odfjell SE, an 8.3% stake in The Kingfish Company NV and a 9.8% stake in Ganesh Benzoplast Limited.

During March and April 2022, we acquired five million shares, equal to an 8.3% voting stake, in Odfjell SE, a chemical tanker and storage terminal operator listed on the Oslo Stock Exchange. This investment was driven by our belief in the industry, the anticipated recovery in the chemical market and the desire to consolidate the industry to assure sustainable returns through shipping cycles. On September 28, 2022, we agreed to acquire 9.2 million shares in The Kingfish Company NV for $7.4 million. The Kingfish Company NV is a market leader in land-based recirculation aquaculture system (RAS) farming of yellowtail and is listed on Oslo Euronext Growth. Kingfish provides an interesting opportunity to support and participate in the development of this highly attractive species using RAS technology. Ganesh Benzoplast is based in India and listed on the Mumbai Stock Exchange, it operates chemical logistics and storage facilities.

Focus on Avenir LNG

Avenir LNG continued to deliver on its strategy to become a leader in shipping, storing, selling and distributing LNG to meet small-scale stranded demand and to supply a growing number of LNG-powered ships. The company operates five modern, small-scale LNG tankers with bunkering capability, as well as the HIGAS LNG terminal in Sardinia. During the year, Avenir took delivery of the final two ships in its newbuilding programme. In May 2022, *Avenir Achievement*, a 20,000-cbm LNG carrier, was delivered and immediately employed under a time charter to New Fortress Energy for the remainder of the year. From March 2023, she will be employed under time charter to an oil major. The second new ship, the 7,500-cbm *Avenir Ascension*, is supporting Avenir's bunkering business in the Baltics. Of the three ships delivered prior to 2022, one is traded by Avenir, supporting the HIGAS terminal in Sardinia, whilst the other two are employed under long-term time charters (one with New Fortress Energy and the other with Petronas). The company's specialised assets provide the flexibility needed to capitalise on the current LNG market and are well-positioned for growth in LNG distribution and bunkering.

Sustainable growth

Responsibility to Stakeholders

Pages 18-20

Health and Safety

Pages 21-25

Environment

Pages 26-32

People

Pages 33-36

Responsibility to Stakeholders

Sustainable growth

As an organisation that plays an essential part in the global supply chain – transporting and storing products that touch every aspect of modern life and producing sustainable seafood – we recognise the impact that our operations have on the environment, our colleagues and wider society. Sustainability is therefore integral to our strategy, underpins operations across Stolt-Nielsen and helps us deliver value to our stakeholders.

Aligning with the UN Sustainable Development Goals

Stolt-Nielsen is a signatory of the UN Global Compact and we are working to reduce our environmental impact in line with its objectives and the UN Sustainable Development Goals (SDGs). We have the potential to make the greatest contribution to SDGs 12, 13 and 14 – Responsible Consumption and Production, Climate Action and Life Below Water – and we use these to guide our approach to sustainability.

Collaboration is key to our sustainability efforts, and we work closely with our customers, suppliers, investors, employees, industry groups and communities to make the greatest possible contribution through our activities.

You can find a full list of our memberships and trade associations at: stolt-nielsen.com/sustainability

Maintaining strong governance

Our commitment to building a sustainable business comes from the very top, with the Board of Directors pledging its full commitment in areas ranging from health and safety to emissions reduction, water conservation and employee wellbeing. We also have well-established safety, quality and environmental management systems in place to ensure sustainability principles are embedded in our culture, operations and risk management approach.

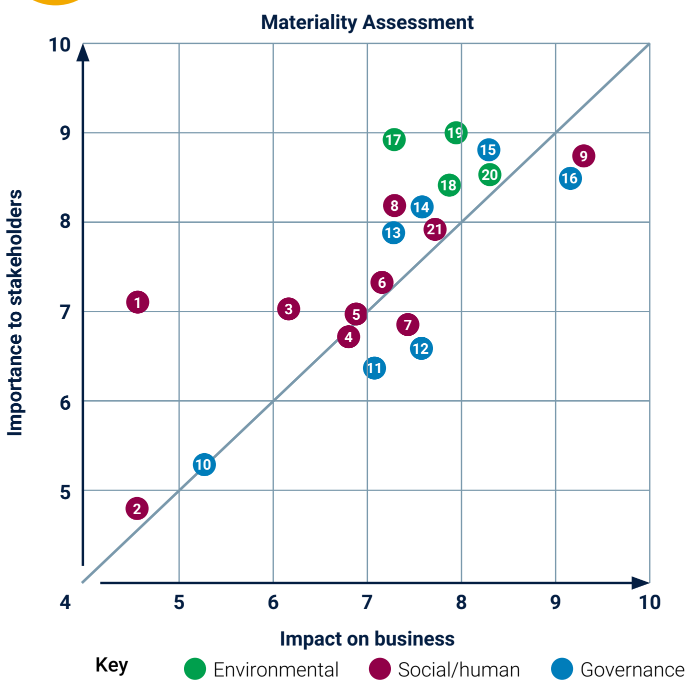
Read more

For more information on our sustainability policies and progress, please visit: stolt-nielsen.com/sustainability

Material topics

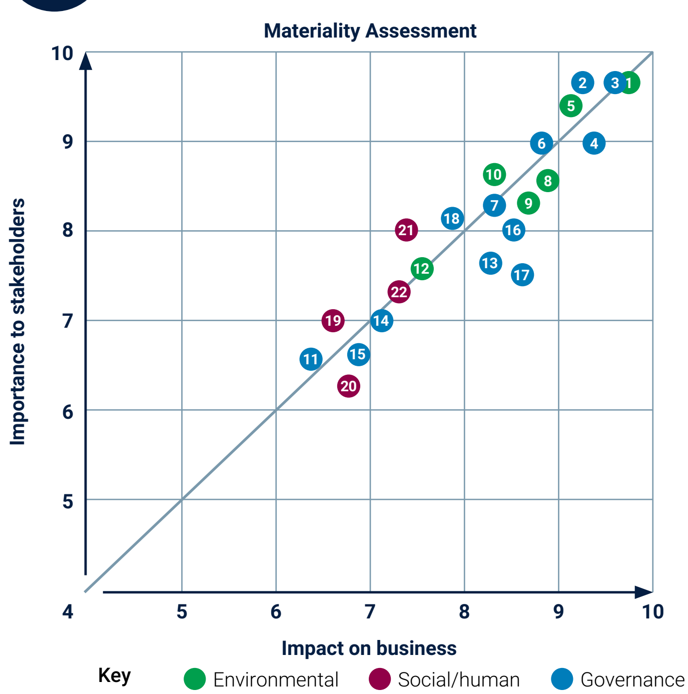
Each of our businesses has conducted a materiality assessment to determine the most important focus areas for sustainability. The materiality assessments are reviewed annually. During this year's review, additional input from external stakeholders at STC has led to an increased focus on supporting customers in reducing their Scope 3 emissions from the purchase of transportation services. Stolt Tankers', Stolthaven Terminals' and Stolt Tank Containers' material topics were rated one to ten, with one being not at all important and ten being very important. At Stolt Sea Farm each topic was ranked in order of perceived importance. These results are used to drive relevant goal setting in conjunction with the Sustainable Development Goals (SDG's). Separate materiality assessments allow for a clearer sustainability strategy within each business.

Stolt Tankers



Material Topics	Topic Number
Global health crisis	1
Community engagement	2
Human rights	3
Diversity, inclusion and gender equality	4
Labour conditions	5
Maritime security	6
Talent development	7
Child labour, forced labour	8
Health and safety	9
Lobbying	10
Responsible procurement	11
Cyber-security	12
Reporting and transparency	13
Business ethics, integrity and competitive behaviour	14
Anti-bribery, anti-corruption	15
Legal, regulatory and compliance	16
Waste	17
Lifecycle planning	18
Ocean impact	19
Emissions to air	20
Innovation and collaboration	21

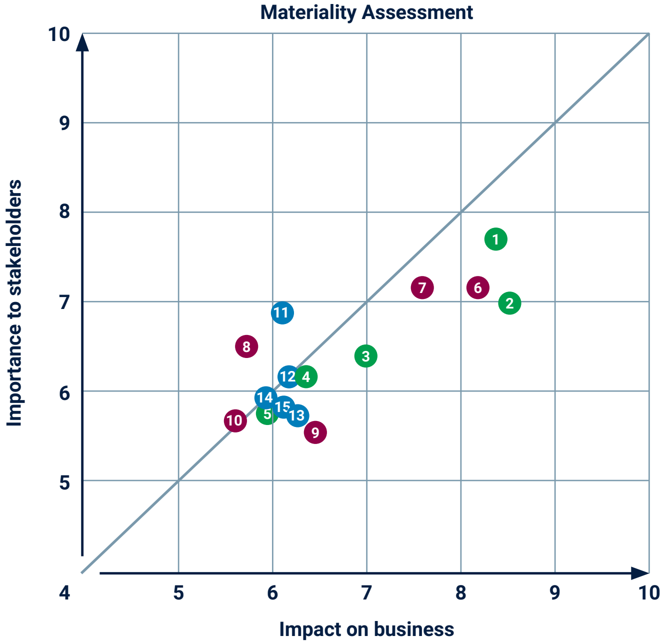
Stolthaven Terminals



Material Topics	Topic Number
Air quality: VOC and other air emissions	1
Process safety	2
Health and safety	3
Business ethics and compliance	4
Water and soil pollution	5
Business strategy and financial performance	6
Digital and technology	7
Waste management	8
Climate change risk	9
CO_2 emissions and energy use	10
Customer experience	11
Water use	12
Innovation	13
Application of best practices	14
Training and development	15
Cyber-security	16
Taxation	17
Recruitment and retention	18
Community impact and engagement	19
Biodiversity	20
Diversity and inclusion	21
Human rights	22

Stolt Tank Containers

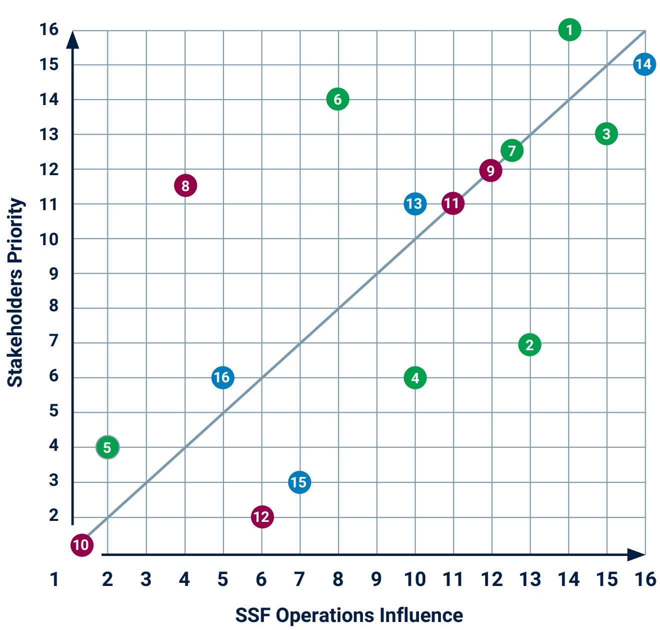
Materiality Assessment



Key ● Environmental ● Social/human ● Governance

Material Topics	Topic Number
Employee safety and employee stop work rule	1
Chemical leak/fire in transit or explosion at a depot	2
Depots: wastewater release/other waste containment loss	3
Reduction in GHG footprint (primarily through Scope 3 reduction)	4
Waste: management of five Rs: refuse, reduce, reuse, repurpose, recycle	5
Employee wellbeing and work life balance	6
Working conditions for employees in offices and depots	7
Human rights, child labour and modern slavery	8
Employee rewards and recognition	9
Talent development, training and career planning	10
Compliance with local regulations for operation of all depots	11
Viable business continuity plan	12
Cyber-security, data security and privacy laws	13
Develop and deliver solid ESG strategies and results	14
Accurate and transport reporting of financials and metrics	15

Stolt Sea Farm



Key ● Environmental ● Social/human ● Governance/Products

Material Topics	Topic Number
Environmental impacts	1
Energy use and efficiency	2
Use of natural and limited resources	3
Chemicals of concern	4
Nature and biodiversity	5
Land use and landscape impact	6
Animal welfare	7
Antibiotics use and resistance	8
People practices in the workplace	9
Human rights	10
Community impacts	11
Unethical practices	12
Traceability to origin	13
Food safety and consumer health	14
Product innovation and development	15
Responsible marketing and labelling	16

Health and Safety

At Stolt-Nielsen, our commitment to zero harm requires a strong, safety-focused culture. This culture is driven from the top. The management team and Board of Directors ensure the correct governance is in place and appropriate resources are available to assure robust processes, specialist training and proper reporting. They receive detailed safety performance reports on a quarterly basis.

Indicator	Stolt Tankers[1]	Stolthaven Terminals	Stolt Tank Containers
Total Recordable Case Frequency (TRCF)	0.68[2] ↓ (2021: 0.82[2])	0.98[3] ↑ (2021: 0.80[3])	4.80[3] ↓ (2021: 6.72[3])
Lost Time Injury Frequency (LTIF)	0.38[2] ↓ (2021: 0.47[2])	0.35[3] ↓ (2021: 0.54[3])	1.60[3] ↑ (2021: 1.28[3])
Serious Incidents	1 ↑ (2021: 0)	3[4] ↑ (2021: 0)	1[4] ↑ (2021: 0)

Indicator	Stolt Sea Farm
Average number of occupational safety incidents per worker	5.3% ↑ (2021: 2.9%)
Compared with the aquaculture industry	5.4% ↓ (2021: 6.9%)
Serious Incidents	0 ↔ (2021: 0)

Performance key
↑ Negative change from prior year ↓ Positive change from prior year ↔ No change from prior year

1. Excludes barging.
2. Per 1,000,000 hours' exposure.
3. Per 200,000 hours' exposure.
4. Stolthaven Terminals and Stolt Tank Containers both reported the same serious incident for 2022. This was a single event caused by a leak at a plant next to our terminal and depot in Moerdijk, the Netherlands. The incident directly affected five of our employees.

Our health and safety approach

Everyone at Stolt-Nielsen has a role to play in keeping themselves and each other safe. We also rely on the skills and diligence of our operational and safety teams to keep our sites and ships running safely and efficiently. At a group level, we ensure we are:

- Meeting or exceeding the latest industry standards
- Measuring the number of incidents and near misses
- Monitoring and reporting in line with established procedures and compliance requirements
- Tracking and delivering training as scheduled

At the same time, our culture emphasises personal responsibility to mitigate risks, protect colleagues and drive continuous improvement across all processes and operations. Each of our businesses has robust governance and training programmes tailored to its specific risks.

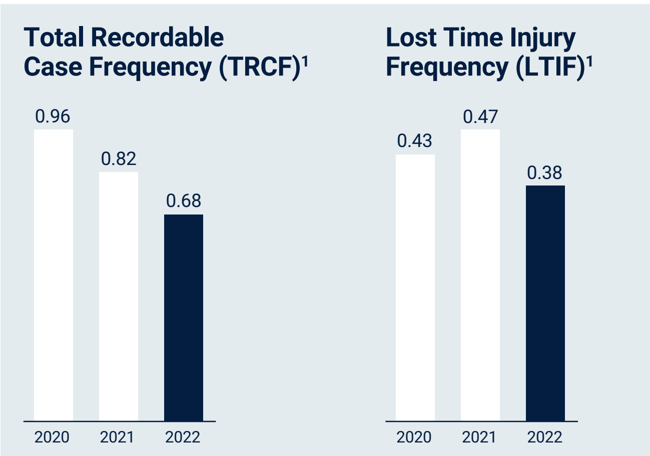
2022 performance

During the year, we saw Total Recordable Case Frequency (TRCF) and Lost Time Injury Frequency (LTIF) fall at Stolt Tankers. There was also some improvement across our other businesses. There were five serious incidents recorded during the year (2021: 0). Two of these incidents were triggered by a single event caused by a leak at a plant next to Stolthaven's terminal and Stolt Tank Containers' depot in Moerdijk, the Netherlands. Serious incidents are defined as those having a 'high severity' according to the company's incident severity matrix. The last fatality of an employee or contractor was in 2018.

Stop Work Authority Programme

Our *Stop Work Authority* programme has been in place since 2014. It empowers everyone at Stolt-Nielsen to intervene and halt work that appears unsafe. Onshore and seafaring staff alike receive training on using this authority. They also receive a handy card (available in 18 languages) reminding them of the processes for taking action and raising concerns.

Stolt Tankers



1. Per 1,000,000 hours' exposure.

Improved safety performance

Both TRCF and LTIF fell at Stolt Tankers this year, reflecting our ongoing focus on protecting people and the planet. We increased the number of accident- and injury-free ships for the fifth year running. This is a major achievement given we now have the largest fleet in our history. During 2022, 82% (2021:86%) of our ships, excluding those in joint ventures, were accident-free and 85% (2021: 85%) were injury-free. Accident severity continued to decrease as well. There was one serious incident in 2022. The main engine of the *Stolt Kiri* failed as she transited from the Netherlands to the US.

A positive culture, underpinned by safety

Despite our positive gains in recent years, we know that we must never be complacent when it comes to safety. We are working towards embedding safety as the fifth value that underpins *'The Stolt Way'* (read more on page 34), and we continuously enhance our *Slashed Zero* programme, which seeks to reduce injuries across the fleet.

In 2022, we reviewed the appraisal process for seafarers, making it more objective and behaviour based. More than 70 captains, our sea personnel team and our onshore health and safety experts helped design the new process. As part of this, we issued clear guidelines on expectations for each crew member based on their role. We have trialled the new approach on five ships, and initial feedback has been positive. We plan to embed the process by setting clear goals and expectations early in seafarers' careers with us. Our aim is to develop an environment that rewards people for safe, responsible, and customer-centric behaviour – and ultimately drives positive cultural change.

Stolt Tankers holds an annual Ship of the Year competition to increase health and safety awareness and raise standards. Our fleet is judged on criteria that covers safety, port state and customer inspections, audit results, off-hire, claims and cost-efficiency. In 2022, *Stolt Span* was named Ship of the Year. Learn more about the competition at stolt-nielsen.com/our-businesses/stolt-tankers/ship-of-the-year/

Unbreakable rules

In 2022, we began work to embed the Stolt Unbreakable Life Saving Rules across the business. The rules were co-created last year with our seafarers and give clear guidance on behaviours that reduce accidents and injuries – and ultimately save lives. Following training sessions, our crews made short films to share across the organisation about how the rules work in day-to-day operations.

Enhanced health and safety training

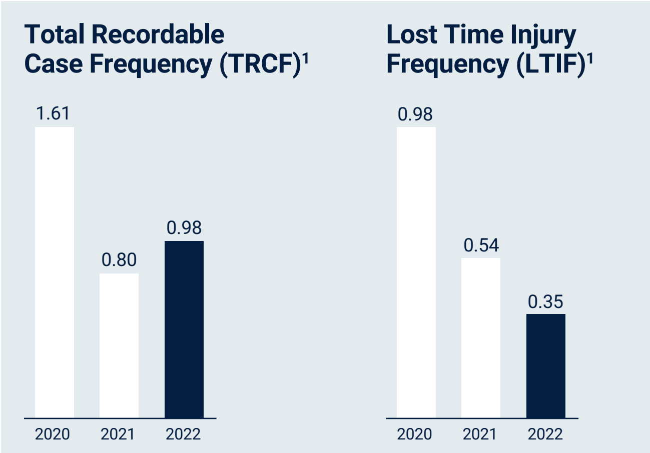
This year, Stolt Tankers enhanced its health and safety training programme with the introduction of *360 Movies*. This online platform allows people to learn at their own pace and in their preferred style, with content tailored based on an individual's role and working environment. The real-time training scenarios also allow for immediate feedback, so staff can make corrections as they learn.

During 2022, we conducted an in-depth analysis of delays and near misses and identified that commercial pressure was often cited as a contributing factor. Based on this, our onshore tanker trading team and onboard teams collaborated to create an educational film exploring ways of managing commercial pressure, which also reduces stress and protects seafarers' mental wellbeing. We received positive feedback from customers for our efforts in this area.

Awards

46 of our ships that called at US ports during 2022 received Jones F Devlin Awards for safety from the Chamber of Shipping of America. Our customer LyondellBasell also awarded us its 2022 GoalZERO Safety Award, which is given to suppliers with zero incidents with LyondellBasell's cargoes or at their terminals during the year.

Stolthaven Terminals



1. Per 200,000 hours' exposure

Positive trends, new achievements

Although not on the scale we saw during 2020 and 2021, Covid-19 lockdowns continued to create operational challenges for our terminals business. As well as following local legal requirements, we maintained our additional hygiene practices to protect employees and visitors. This helped us provide safe, continuous services to our customers globally throughout the year.

The positive trend of reducing LTIF continued as a result of increased training, awareness campaigns and improved safety management processes. Several sites achieved new records for the number of days without lost time injuries – Houston, US achieved 1,797 days, our terminals across New Zealand recorded 1,227 days, and in Singapore we achieved 1,339 days. However, there was an increase in TRCF caused by an incident at a neighbouring site to our Moerdijk terminal in the Netherlands, which we have reported as a serious incident. We recorded two additional serious incidents during the year; a palm oil spill at Westport, Malaysia; and damage to part of the jetty at Dagenham, UK. Neither resulted in any injuries or damage to the environment.

Data-driven safety excellence

Stolthaven Terminals manages safety events via *ecoPortal*, a digital safety management system. All incidents, near misses and non-conformities are captured and analysed through this single global system, providing management with full transparency in a timely manner. This means trends can be identified and acted on quickly – driving a key element of our continuous efforts to achieve safety excellence. Because it provides a global overview, *ecoPortal* also helps us focus on areas that require additional training. All employees are encouraged to proactively improve safety by submitting their own ideas for improvements.

In 2022, we introduced several new global safety and operations standards. These were developed with input from each terminal and then communicated across the business – on sites, via townhall meetings and in training sessions.

Stolthaven Terminals is a signatory of the Tank Storage Association (TSA) Charter, which ensures we maintain our leadership in major hazard best practices. We are focused on making safety everyone's responsibility, and undertake regular employee engagement surveys on safety attitudes to inform initiatives that improve employee welfare, communication and participation. In 2022, we progressed local initiatives launched last year based on survey results, and these continued to drive positive change.

Reducing risk through technology

Last year, we initiated *Connected Worker*, our flagship programme for digitalising onsite processes. In 2022, we began the first pilots in Santos, Brazil and Singapore. These will continue throughout 2023.

Automation reduces risks of injury because employees do not have to work as close to operations. This year, we installed automated valves for nitrogen, steam and other utilities at several terminals as part of an ongoing programme. We also used drones for tank inspections in Houston and New Orleans, US and Santos, Brazil as part of our ongoing modernisation programme.

Safety training for all

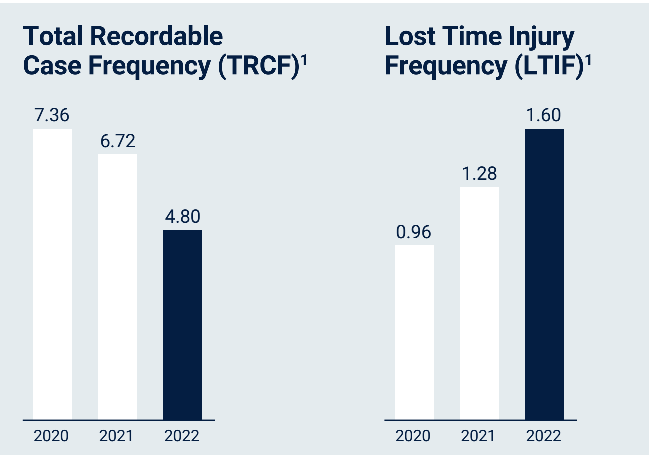
We have a strong focus on training, from e-learning to on-the-job and classroom training. The aim is to make training accessible while gaining enhanced insights for the business.

In 2022, each terminal held an annual safety day for staff and vendors. These popular events combine interactive experiences, contests and opportunities for everyone to learn more about safety processes and technologies. They are also a chance to recognise those who go further, with awards presented to employees who go the extra mile to make our workplaces safe.

Positive recognition

In 2022, several customers recognised Stolthaven Terminals for its safety performance and culture. In Houston, US, we received the LyondellBasell GoalZERO Safety Award for our consistently strong performance and Total Recordable Incident Rate (TRIR) of zero. Our terminals in Houston and New Orleans, US also received a joint Safety Excellence Award from the International Liquid Terminals Association (ILTA). Santos, Brazil was named Dow S4TAR Logistics Best Service Provider for terminals.

Stolt Tank Containers



1. Per 200,000 hours' exposure

Improving performance

Stolt Tank Containers saw a reduction in TRCF this year, although LTIF increased due to an accident at a neighbouring site to our Moerdijk depot in the Netherlands, which we have reported as a serious incident. Our depots in Kaohsiung, Taiwan and Zhangjiagang and Tianjin, China have not recorded a single lost time injury since 2014.

Safety culture designed around our people

Based on employee engagement survey results, we increased communication with staff on safety issues. The leadership team conducted townhalls, and managers scheduled more regular team meetings – all of which received positive feedback. These efforts improved collaboration across our global team and generated local action plans for identifying and mitigating near misses. We also launched a regular bulletin with lessons learned and ways to standardise best practices.

Behavioural-focused health and safety training

STC continued to use its global safety management system to plan and monitor training, with 94% of staff completing their statutory and STC-required sessions in 2022.

All depot employees received monthly training in topics such as handling dangerous goods, working at height, working in confined spaces and reducing risk during operations. In 2022, we extended our focus on dangerous goods safety, improving our training on safely transporting and storing of thermo-sensitive substances. We continued to provide bespoke training on International Maritime Dangerous Goods (IMDG) guidelines, with the course now mandatory for all new employees.

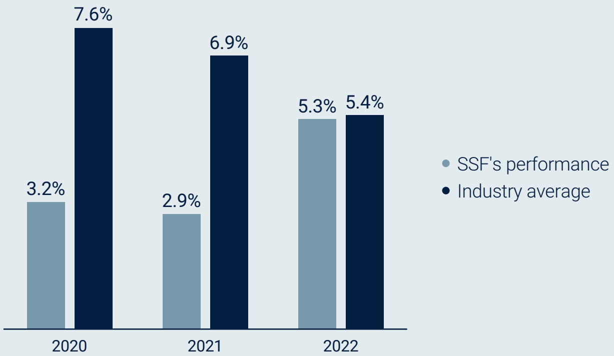
This year, we piloted a new behaviour-based safety programme at our depot in Moerdijk, the Netherlands. All operational staff received mentoring to identify improvement areas, set individual safety objectives and monitor progress.

Certifications

In 2022, we retained our ISO 9001, ISO 22000 and Authorised Economic Operator (AEO, certifications as well as our Safety and Quality Assessment for Sustainability (SQAS),) and Chemical Distribution Institute Marine Packed Cargo Assessment Scheme (CDI-MPCAS) certifications.

Stolt Sea Farm

Average number of occupational safety incidents per worker



Safety performance

Stolt Sea Farm's operations are significantly different from our logistics businesses, so we use different safety benchmarks. We measure safety performance using the index for incidents in the fisheries and aquaculture sector from Spain's Ministry of Labour and Social Economy. This calculates the average number of occupational safety incidents per worker. We recorded 5.3% in 2022 (2021: 2.9%), below the aquaculture industry average of 5.4% (2021: 6.9%).

We recognised the increase in the number of occupational safety incidents during the year and have taken actions to reverse this trend. This includes the completion of additional safety audits to identify areas for improvement and we have increased our practical and online training for workers.

At the beginning of each year, we conduct external audits of at least three farms to assess changes to our health and safety risks. This year's audits identified 22 priority risks (2021:43), which are risks that could potentially lead to non-compliance or serious accidents. Following mitigation activity during the year, we reduced this to 16 outstanding risks by November 30, 2022. We expect to have addressed all priority risks by April 2023.

Safety culture and processes

Throughout 2022, we held health and safety meetings with employee representatives to report on accidents, audit results and improvement actions. These meetings were also a forum for staff to contribute ideas for ways to drive continuous improvement.

Our health and safety team plays a key role in developing new facilities and designing and commissioning new equipment. This ensures we operate safely and comply with legal requirements.

In 2022, we carried out additional psychosocial risk assessments at two sites. Identified improvements were implemented for one site, with the second site due to be completed in 2023. We also evaluated our cleaning processes, to ensure that they are as safe as possible for employees and that all processes consider the welfare of our fish. Most of our farms use automated systems for applying sanitary treatments to the fish, and we verified that this makes our operations safer for our people. At farms with manual processes, we evaluated whether workers were using the correct personal protective equipment and identified ways of introducing automation and additional ventilation. Implementation began in 2022 and will continue during 2023.

We understand we have an obligation not only to our employees, but also to people who visit our sites. In 2022, we launched a project to improve the health and safety processes for third-party contractors and suppliers at our facilities.

Tailored employee training

All new employees receive training in occupational health and safety, occupational hazards, hazard identification and accident prevention. Machine operators receive additional training on risks specific to their role. In 2022, we completed more than 70 training courses for more than 700 employees.

In 2022, we completed an update of procedures for work that involves higher risk levels, such as working in confined spaces and at height. All relevant staff received tailored training through practical sessions as well as virtual sessions and online modules. At two sites, there was additional practical training in the safe use of forklifts and overhead cranes.

All permanent contract and temporary workers at our packaging plant in Spain completed in-person health and safety training. At the three farms involved in the *SABLE* (Stunning And BLEnding) project, specific health and safety training was carried out on new processes, including quality and safety best practices in line with Spanish regulatory requirements.

Environment

Stolt-Nielsen has several environmental ambitions in line with our three priority UN Sustainable Development Goals (SDGs) – Climate Action, Life Below Water and Responsible Consumption and Production.

In 2022, these SDGs guided our efforts as we enhanced our data collection and reporting capabilities, launched new initiatives, and made measurable progress towards achieving our environmental aims.

Indicator	Stolt Tankers	Stolthaven Terminals[1]	Stolt Tank Containers[2]
GHG Emissions Scope 1	5.8% ↓ 2022: 1,531,884 MT[3] 2021: 1,626,515 MT[4]	4.6% ↑ 2022: 38,649 MT 2021: 36,951 MT	4.5% ↓ 2022: 8,054 MT 2021: 8,438MT
GHG Emissions Scope 2	28.7% ↑ 2022: 233, 892 MT 2021: 166,880 MT	12.0% ↓ 2022: 13,228 MT 2021: 15,032 MT	39.5% ↓ 2022: 2,150 MT 2021: 3,556 MT
GHG Emission Intensity (AER)[5]	1.2% ↓ 2022: 10.91 2021: 11.06		
Sulphur Oxide Emissions	3.6% ↓ 2022: 1,934,300 Kg 2021: 2,153,410[6] Kg		
Nitrogen Oxide Emissions	10.3% ↓ 2022: 44,646,946 Kg 2021: 46,193,438 Kg		

Performance key

↑ Negative change from prior year ↓ Positive change from prior year ⇔ No change from prior year

1. Includes wholly-owned terminals only.
2. Includes wholly-owned depots only.
3. Including Scope 1 GHG emissions from E&S Tankers' fleet.
4. Including Scope 1 GHG emissions from E&S Tankers' fleet of 39, 803 MT CO_2 in the third and fourth quarters. This fleet operates under a separate reporting system.
5. Stolt Tankers uses the Annual Efficiency Ratio (AER) to measure the intensity of its carbon emissions. This measures carbon emissions relative to a ship's capacity and distance travelled.
6. Restated to account for capture of SOx emissions by exhaust gas cleaning systems (scrubbers) onboard 10 ships. Scrubbers bring SO_X emissions generated onboard within IMO mandated sulphur cap limits, even when burning high sulphur fuels.

Supporting global goals

The Stolt-Nielsen approach to protecting the environment is driven by our ambition to reduce our impact. It is underpinned by strong governance frameworks and processes aligned with several UN SDGs, as well as industry-leading standards. In 2022, we progressed efforts to establish baselines and improve the collection of our environmental data, expanding our benchmarking and reporting capabilities as we work towards our goals.

We regularly review our approach based on changing regulations and to incorporate evolving best practices.

Sound governance and processes

Another element of our ongoing sustainability focus involves regularly testing and updating business contingency and emergency response plans for all our sites and across our fleet. This ensures our teams are fully equipped to manage potential incidents such as collisions, contamination, spills, leaks, fires or explosions. For land-based facilities in areas at risk of extreme weather events such as flooding or hurricanes, contingency plans are designed to minimise any impact on our facilities and ensure operations can return to normal quickly and safely. We regularly test our plans, including conducting drills in partnership with customers, local emergency response teams and local authorities. These drills give our teams the opportunity to share lessons learned across different locations, refine their plans and develop strong working relationships with stakeholders.

Our facilities and ships use robust management systems to report all incidents that have the potential to impact the environment. We classify a spill as significant if it involves a release of materials that poses a major health and safety risk to people or causes damage to the environment. There were no significant spills in 2022.

Stolt Tankers

Sustainability ambitions

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

In 2022, Stolt Tankers focused its efforts on the two SDGs where it can make the greatest contribution: Climate Action and Life Below Water. Our reporting was prepared with reference to the Sustainability Accounting Standards Board (SASB) topics for marine transportation. This was also the first year that 100% of our fleet's voyages were verified by the world's leading maritime classification society DNV via their online *Veracity* platform.

We added to the size of our sustainability team this year, which helped focus our efforts to integrate environmental considerations into business processes. In addition, we established working groups for several new 2023 regulations – the Energy Efficiency Index for Existing Ships (EEXI), the Carbon Intensity Index (CII) and Europe's Fit for 55 package. These working groups will oversee the steps required for our fleet to be compliant.

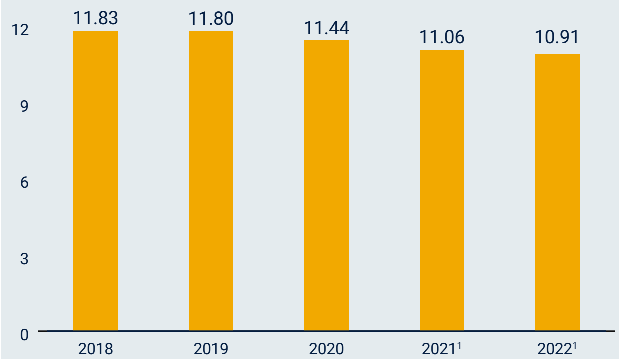
Stolt Tankers' environmental efforts received positive recognition during the year. We improved our overall EcoVadis rating, achieving gold, which placed us in the 95th percentile. We also received a C rating under the Carbon Disclosure Project (CDP). During the year, 59 of our ships were awarded the CSA Certificate of Environmental Achievement. 57% of our ships (39 in total) that called at US ports during the past three years became eligible for the US Coast Guard's Qualship 21 certification. Membership is testament to the quality of our fleet, as less than 20% of all foreign-flagged vessels operating in the US meet the strict eligibility requirements.

Reducing emissions

Stolt Tankers is, by far, Stolt-Nielsen's largest greenhouse gas emitter and its ambition is to cut emissions by 50% by 2030 (relative to 2008 levels). Our key indicator for the Climate Action SDG is the Annual Efficiency Ratio (AER), which we use to calculate carbon intensity across the fleet in line with International Maritime Organization (IMO) and shipping industry reporting. Our 2022 AER was 10.91, compared with 11.06 in 2021. Despite the strong tanker market requiring our ships to increase speed, thus consuming more fuel, the improvement in our AER means we are on track to meet IMO targets and our 2030 goal.

Annual Efficiency Ratio (AER)

Gram CO_2 emitted per deadweight tonne of capacity and distance travelled



1. Includes E&S Tankers fleet.

This year, we continued measuring Scope 1 and Scope 2 emissions across the fleet and began measuring Scope 2 emissions for our offices. We also worked on expanded digital capabilities for reporting carbon emissions using the Sea Cargo Charter framework to help customers better understand the sustainability of their supply chains. Despite adding several ships to the fleet, year on year we saw a 6% decrease in our Scope 1 emissions.

We reduced Scope 1 emissions through the deployment of innovative energy-efficient technologies and voyage optimisation. For example, we trialled and implemented *FuelOpt*, which delivers direct, real-time propulsion optimisation and leads to greater energy efficiency and lower fuel costs. Our existing practice of proactive hull and propeller cleaning progressed, with 13 new advanced propeller boss cap installations completed during 2022. We also trialled in-transit hull cleaning to reduce biofouling and emissions, and a graphene coating for propellers that also improves fuel efficiency. We continued to investigate the use of marine biofuels produced from certified sustainable feedstocks, building on last year's trials by investigating suppliers and mechanisms for scaling use. In addition, we established a working group for the use of second-generation biofuel as a drop-in fuel on ships employed in certain trade lanes.

2022 was the first full year of our partnership with the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping. We appointed another secondee to the centre, and now have two Stolt Tankers representatives actively contributing to future regulations and technologies to decarbonise shipping.

We expanded our other partnerships, as well. Work continued as part of our two-year consortium agreement with Concepts of Ammonia/Hydrogen Engines for Marine Application (Cahema). We reached an agreement with the Global Centre for Maritime Decarbonisation, and we began collaborating with the Bellona Foundation to develop an industry-wide standard for hull cleaning. As part of our ongoing work with a coalition exploring cold ironing, we agreed a pilot project in Rotterdam, the Netherlands which has the potential to reduce emissions from chemical tankers by using electricity supplies in port rather than running ship engines.

Promoting biodiversity

Stolt Tankers works in accordance with Ballast Water Convention D-2 requirements, which dictate the maximum levels of viable organisms allowed to be discharged into the ocean. This year marked a milestone in our collaboration with Stolthaven Terminals to treat wastewater shoreside instead of discharging it at sea. As part of this unique project, 11,899m^3 of tank wash water in Houston, US was voluntarily directed to our onsite wastewater treatment plant, and initial layby tank cleaning saved 246 tonnes of fuel (compared with 5,800m^3 and 139 tonnes in 2021). Based on this success, our intention is to expand the approach to other ports.

Other initiatives related to the Life Below Water SDG included exploring options to recycle ships' consumables as part of a circular economy vision. To further tackle pollution, we launched a collaboration to trial a new technology that filters microplastics during ballast water treatment, preventing them from entering seawater. The first installation will be on the *Stolt Sagaland* in 2023. As part of our underwater noise pollution mitigation efforts, our advanced propeller boss cap fins have actively contributed to a five-decibel reduction within a range of 100 to 1,000 kH. In line with guidance from the International Maritime Organization (IMO) and other experts in the field of marine animal welfare, Stolt Tankers ships travelling south of Sri Lanka, the north-west of the Mediterranean Sea, around Vancouver Island and along the east coast of the US where large marine animals live and feed, will modify their routes and reduce their speed by 20% to minimise the impact of shipping on the whale population.

Stolt Tankers also contributed to broader biodiversity efforts this year through its support of non-profit organisations WeForest and OneTreePlanted; both have extensive experience managing reforestation, carbon absorption and environmental impact projects.

Managing waste

Stolt Tankers is certified to international environmental standard ISO 14001, and all waste from ships – including hazardous waste – is disposed of in line with the International Convention for the Prevention of Pollution from Ships (MARPOL). During 2022, waste to landfill from Stolt Tankers' shipping operations was 5,968m^3 (2021: 5,964 m^3). As a member of IMPA ACT and as part of our responsible procurement programme, we also work closely with our suppliers to look for sustainable alternatives to single-use plastics.

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. Stolt Tankers has a director on the ITOPF Board, an organisation that specialises in preparedness for and response to accidental marine spills. We are also a founding member of the Ship Recycling Transparency Initiative: www.shiprecyclingtransparency.org, an online platform reporting ship recycling practices against a set of predefined criteria. Ships delivered for recycling hold an inventory of hazardous materials, and an accredited auditor verifies that each vessel has been properly prepared before issuing a 'Certificate Ready to Recycle'. Weekly reports track the entire recycling process, including all required environmental permits and waste management. One ship was sold for recycling in 2022.

To learn more about sustainability at Stolt Tankers, please visit: stolt-nielsen.com/our-businesses/stolt-tankers/sustainability

Stolthaven Terminals

Sustainability ambition

Primary activities, including the storage and handling of products, to be carbon-neutral by 2040

In 2022, Stolthaven Terminals updated its materiality assessment, surveying external stakeholders including customers, vendors and port authorities. The results reinforced the key topics identified last year. We also began measuring our carbon footprint against the GHG Protocol, with preparation carried out to seek validation in 2023. Our dedicated sustainability team expanded this year, and now includes at least one member from all wholly-owned terminals driving local initiatives. We continued to use our online ideation platform to crowd-source environmental ideas from front-line employees. Notable projects included upgrading lights to LEDs at our Dagenham, UK site, saving 48 MWh, and donating 50 tonnes of timber from our old Dagenham jetty for recycling into benches and planters for a local skate park.

Stolthaven sought an EcoVadis rating for the first time and achieved silver for all wholly-owned terminals, ranking in the top 4% for sustainability performance in the warehousing and storage industry. Our terminal in Moerdijk, the Netherlands received International Sustainability and Carbon Certification (ISCC) and CAT-3 certification. We intend to achieve these certifications at other terminals in our network.

Managing emissions

Stolthaven's carbon emissions are relatively low, but we continued our ongoing reduction initiatives in line with our Climate Action SDG commitment. We progressed with energy scans to inform terminals' carbon-neutral roadmaps, completing three more this year for a total of four. We also partnered with Deloitte to pilot their decarbonisation tool at our sites in Houston and New Orleans, US, using data from the energy scans and terminal initiatives to identify areas for improvement. At our terminal in Santos, Brazil, we opened the company's first nitrogen plant. The plant covers most of the terminal's tank capacity and is expected to reduce supply vehicle movement onsite by 80%, with a corresponding reduction in fuel consumption and emissions.

In addition to driving our own transition to greener energy, we are supporting our customers through their transitions. In 2022, we partnered with Pecém Industrial and Port Complex to launch a green hydrogen hub in Brazil. This will provide storage and handling services at the Port of Pecém for green hydrogen and associated products. In partnership with Fluxys and Advario Gas Terminal, we began to study the feasibility of building an open-access green ammonia import terminal at the Port of Antwerp-Bruges. We have also announced a partnership with XL Batteries to develop an industrial-scale flow battery with the potential to apply it in the port and industrial sector as well as potentially providing shore power to ships calling at terminals. To help establish an industry-wide vision for sustainable storage and warehousing, we joined the Terminal of the Future research partnership.

Some products stored at our terminals can emit vapours, and we use several techniques to prevent these from entering the atmosphere, including vapour recovery systems, scrubbers, flares, internal floating roofs and nitrogen blankets. Our new tank designs feature higher design pressure, which reduces emissions as more vapour is retained in the tank. In 2022, we approved a project to reduce volatile organic compound (VOC) emissions by converting the East Property Flare at our Houston terminal into a vapour combustor unit (VCU). This project will serve as a pilot for potential implementation at other terminals.

To learn more about sustainability at Stolthaven Terminals please visit: stolt-nielsen.com/our-businesses/stolthaven-terminals/sustainability

Stolt Tank Containers

Sustainability ambitions

50% renewable energy consumption at wholly-owned depots by 2030

In line with IMO commitments, a 40% reduction in our transportation partners' carbon footprint (relative to 2008 levels) by 2030

In 2022, Stolt Tank Containers established a new, dedicated sustainability workstream with a defined short-, medium- and long-term strategy linked to three priority SDGs: Climate Action, Clean Water and Sanitation, and Life on Land.

As part of these efforts, we updated our materiality assessment to include input from key customers and regulatory authorities. This latest feedback led us to increase our focus on supporting customers with reducing Scope 3 emissions from the purchase of transportation services. We are creating a Scope 3 baseline for all transport modes using EcotransIT emissions calculation tools, complying with the Global Logistics Emissions Council (GLEC) framework. We are also continuously improving and expanding our reporting on resource use and Scope 1 and 2 emissions from our wholly-owned depots using BearingPoint's Emissions Calculator.

We renewed our EcoVadis assessment resulting in an improved silver rating, our scores in both environmental and ethics increased from 60% to 70%, and we renewed our Chemical Distribution Institute Marine Packed Cargo Assessment Scheme (CDI-MPCAS) for our main global offices; which also showed significant improvement in environmental scores.

Transitioning to a greener future

2022 was STC's first full year of measuring Scope 1 and 2 emissions at wholly-owned depots – and of implementing targeted reduction initiatives. Our primary focus was on incorporating greener fuel sources into operations. Our depot in Moerdijk, the Netherlands now uses certified wind energy and certified biofuels; Houston, US is purchasing certified green electricity and has started offsetting emissions by using wind and solar power; and Singapore has switched from diesel to natural gas for heating. Switching to greener gas and offsetting led to a 4.5% decrease in Scope 1 emissions. Electricity and fuel-related reductions led to a 39.5% reduction in Scope 2 emissions.

We are investigating ways in which to provide alternative lower GHG-emitting transportation solutions to our customers across all modes of transport. We have included sustainability requirements in our ocean freight tenders using Smart Freight Centre guidelines from the Clean Cargo Working Group. We are the only tank container operator that is a member of this working group, which is an organisation dedicated to reducing the environmental impact of global goods transportation and promoting responsible shipping.

Reduce, recycle, reuse

Our materiality assessment update highlighted an increased need for STC to focus on GHG reduction, water (re)use and on zero waste to landfill. We will use 2023 to clarify our data and define a baseline against which waste reduction targets can be set.

This year, we piloted circular recycling projects in Moerdijk, the Netherlands and Houston, US, focusing on reusing cleaning water, as well as on collecting, cleaning and reusing manlid gaskets to reduce plastic going to landfill while fostering compliance with forthcoming perfluorooctane sulfonate (PFOS) legislation. In Houston, US, we also trialled recycling other plastic elements used during tank container handling.

To learn more about sustainability at Stolt Tank Containers please visit: stolttankcontainers.com/sustainability

Stolt Sea Farm

Sustainability ambitions

Zero waste to landfill by 2030, focusing on recycling and energy recovery

Reduction of fish products in our ongrowing feed (relative to 2020 levels) by 2030: 65% reduction for sole and 50% reduction for tubot

During the year, Stolt Sea Farm continued to establish baselines for measuring environmental performance to support our efforts to achieve zero waste to landfill by 2030. We now have a completed baseline for Norway in addition to the baselines for France, Spain and Portugal that were completed in 2021. Data analysis continued as part of work towards establishing baselines for our operations in Iceland.

This year, we renewed Global GAP certifications for all operations and renewed our ISO 9001 and ISO 14001 certifications for France, Spain, Portugal and Norway. We also maintained our International Featured Standards (IFS) and Specific Self-inspection Systems (SAE) food safety certifications at our processing plant in Lira, Spain.

Reducing our carbon footprint

Seafood has one of the lowest carbon footprints of all animal-based protein sources, and SSF works to minimise emissions as much as possible across its operations and supply chain in line with our commitment to the Climate Action SDG. 100% of electricity used in our operations in Iceland and Portugal is certified renewable. In 2022, we installed 193 kW of solar panels at our farm in Quilmas, Spain, which adds to the 230 kW already installed in Cervo, Spain. We also began installation of solar panels in Tocha, Portugal, these have a maximum capacity of 950kW.

Stolt Sea Farm does not currently measure GHG emissions. It measures energy and fuel consumption, and is working towards better recording and measurement of emissions and capturing baseline data.

Responsible farming

SSF is committed to responsible farming and transparency as part of our wider commitment to the Responsible Consumption and Production SDG. We continued to work with feed manufacturers to investigate new feed formulas with lower fishmeal and fish oil content, reinforcing our leadership position when it comes to preserving scarce natural resources.

This year, we also helped establish a new platform for collaboration between non-profit organisations and the scientific community in Spain to drive fish welfare progress in aquaculture. The project has published an initial set of general fish welfare guidelines for the Spanish aquaculture sector.

Waste reduction

In 2022, we joined the *Life Refish* partnership project to reduce waste and optimise the use of by-products from aquaculture activity. In addition, we launched an initiative to improve circularity at our processing plant in Spain and identify higher-value solutions for seafood by-products. We are committed to incorporating environmental considerations into our value-added product (VAP) development, and defined sustainability criteria for new packaging.

To learn more about sustainability at Stolt Sea Farm please visit: stoltseafarm.com/sustainability

People

We are a diverse company comprised of four distinct divisions which store and transport the essential materials for many everyday products – as well as providing a sustainable source of seafood. But what really makes us tick? Our incredible people. You'll find almost 7,000 of us in more than 30 countries across the globe. And we are continuing to innovate, drive quality and work together to build a sustainable business.

Indicator	Group	Stolt Tankers	Stolthaven Terminals	Stolt Tank Containers	Stolt Sea Farm	Corporate
Number of People Employed	**6,767** ↑ (2021: 6,549[1])	**4,647** ↑ (2021: 4,536)	**540** ↑ (2021: 520)	**739** ↑ (2021: 711)	**435** ↑ (2021: 401)	**406** ↑ (2021: 381)
Voluntary Employee Turnover	**5.6%** ↑ (2021: 4.2%[1])	**2.9%** ↑ (2021: 2.6%)	**14.4%** ↑ (2021: 6.6%)	**11.5%** ↑ (2021: 10.6)	**2.8%** ↑ (2021: 2.2)	**19.8%** ↑ (2021: 11.9%)
Sustainable Engagement Score	**87%** ↑ (2021: 85%)	**84%[2]** ↓ (2021: 85%[2])	**87%** ↑ (2021: 81%)	**88%** ↑ (2021: 85%)	**N/A**	**88%** ↑ (2021: 87%)
Employees by Gender[3]	**67.9%** ↔ Male (2021: 67.8%)	**67.9%** ↓ Male (2021: 69.0%)	**86.8%** ↑ Male (2021: 85.8%)	**64.0%** ↑ Male (2021: 63.6%)	**75.5%** ↑ Male (2021: 73.9%)	**42.2%** ↓ Male (2021: 43.8%)
	32.1% ↔ Female (2021: 32.2%)	**32.1%** ↑ Female (2021: 31.0%)	**13.2%** ↓ Female (2021: 14.2%)	**36.0%** ↓ Female (2021: 36.4%)	**24.5%** ↓ Female (2021: 26.1%%)	**57.8%** ↑ Female (2021: 56.2%)
Speak Up Reports[4]	**41** ↑ (2021: 16)	**6** ↑ (2021: 4)	**11** ↑ (2021: 8)	**7** ↑ (2021: 0)	**0** ↓ (2021: 1)	**16** ↑ (2021: 3)

Performance key
↑ Increase since prior year ↓ Decrease since prior year ↔ No change since prior year

1. Restated to reflect small correction to Stolt Sea Farm data.
2. Excluding seafarers.
3. Excluding seafarers. Shipping is a very male-dominated industry with limited female entrants. 0.4% of our seafarer population are female.
4. Function / division not specified for one speak up report in 2022.

A great place to work and grow

We pride ourselves on being a great place to work. Our ambition is to be the employer of choice in our industries, with competitive benefits and fair remuneration. Stolt-Nielsen (SNL) compensates employees through salaries and incentive plans comprising cash rewards and benefits. In February 2022, our profit-sharing and performance incentive plans made payments of $9.5 million.

Ongoing employee engagement is central to our success. In 2022, we completed our annual employee engagement surveys with Stolt Tankers, Stolthaven Terminals, Stolt Tank Containers and Stolt-Nielsen corporate functions. These give us important insights into how our employees are feeling and what issues are important to them. This year, the sustainable engagement score for the company (excluding Stolt Sea Farm) was 87%. This score measures the intensity of employees' connection to their organisation. Our voluntary turnover remains lower than comparable industry average benchmarks at 5.6% (2021: 4.2%).

During the year, we also introduced exit surveys for those employees who leave us voluntarily. The feedback from these gives us a deeper look at our workplace culture, day-to-day processes, management solutions and employee morale. We use these insights together with those from employee engagement surveys to assess the overall employee experience within our organisation and identify opportunities to improve retention and engagement.

Supporting our people to navigate change

The world is changing at an extraordinary rate, and Stolt-Nielsen is adapting to ensure our business is fit for the future. Following the success of our people working from home during the Covid-19 lockdowns, we introduced hybrid working policies at our offices around the world. These give our people greater flexibility to choose where, when and how they do their jobs. In some locations, we have also reconfigured our offices to make it easier for people to work together.

Change of any kind can be unsettling, and it is more important than ever that we help our people look after their health and wellbeing. During the year, we ran a mental health awareness campaign and expanded our online learning platform with #feelingwellatstolt training modules about mental health and resilience.

Supporting seafarer welfare

In 2022, we continued to offer seafarers a range of support to promote wellbeing and improve recruitment and retention. Support includes:

- Medical insurance for all immediate family members
- Onboard exercise equipment
- Daily, free-of-charge internet access for all seafarers
- Career counselling, guidance and management, emphasising continuous employment to ensure high levels of expertise and to develop outstanding cadets for life-long careers
- Cutting-edge training programmes covering safety and operational requirements, as well as mental health
- Dedicated helpline for accessing professional mental health support, anonymously if desired
- Onboard social events
- Empowerment of ship management teams, which helps to drive pride of ownership

The Stolt Way

We have four core values that shape the way we do business. We call these 'The Stolt Way' – reflecting the principles we have committed to since the company began.

Commit to go further

We always look to do better and achieve more

Collaborate for success

Working together we are stronger

Act pragmatically

We are clear and straightforward in everything we do

Create solutions

We find new ideas and make them work

Diversity and inclusion

We are proud of our diverse team. Our people represent more than 50 nationalities, and we understand that diverse teams, supported by an inclusive culture, are essential for growing a successful business. Therefore, we are committed to providing an inclusive and safe environment that celebrates differences. We do this by:

- Encouraging people to share their ideas and experiences
- Listening to and respecting the views of others
- Supporting actions that help to make a difference
- Understanding our own unconscious biases
- Continuing to recruit and promote talent – wherever we find it
- Providing training that promotes mutual respect and an inclusive culture

To help strengthen relationships with managers and ensure people feel their successes are recognised, we aim to make performance conversations positive and collaborative experiences with 360-degree feedback. 100% of those eligible received a performance review in 2022.

Employee gender by seniority[1]	Male	Female
Executive management team	90.9%	9.1%
Senior managers	79.2%	20.8%
Middle Managers / Sr. professionals	74.5%	25.5%
Supervisors / Professionals	39.3%	60.7%
Blue collar	91.7%	8.3%
Grand Total	**67.9%**	**32.1%**

1. Excluding seafarers. Shipping is a very male-dominated industry with limited female entrants. 0.4% of our seafarer population are female.

Equal opportunities

Stolt-Nielsen recruits, trains and develops people who are best suited to the requirements of each role, regardless of gender, ethnic origin, age, religion or belief, marriage or civil partnership, pregnancy or parenthood, sexual orientation, gender identity or disability.

Ethics and compliance

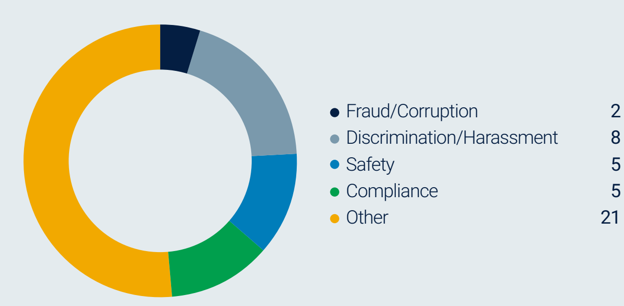
We are proud of our reputation for upholding the highest ethical standards in everything we do, which makes us a company people want to work for and do business with.

We comply with relevant laws wherever we operate, and our Code of Business Conduct is displayed at all our sites and available in local languages. The Code provides a global framework that applies to everyone who works with and for us – from Directors and officers to staff, contractors and consultants. It requires everyone to act ethically, with integrity and in accordance with relevant laws, regulations and company policies. It also sets standards for maintaining professional relationships and avoiding conflicts of interest, bribery and corruption. Anyone who breaches the Code is subject to disciplinary action, up to and including employment termination.

The Board of Directors, through its Audit Committee, reviews the Code annually to ensure it meets the company's evolving needs. Each year, all shore-based staff must reconfirm compliance with the Code, and those with access to our online learning platform complete an online training module to maintain their awareness and understanding of anti-bribery and corruption measures. For 2022, 100% of those required to do so successfully completed the module.

You can find our Code of Business Conduct online at: stolt-nielsen.com/investors/code-of-business-conduct

Speak up reports by type



Encouraging people to 'speak up'

We encourage employees to raise concerns about unethical behaviour and any potential, suspected or actual breaches of our Code of Business Conduct with their local managers, HR or legal representatives.

We also have an online platform known as 'speak up', which anyone internal or external can use to report concerns confidentially (and, where local law permits, anonymously) without fear of retaliation, victimisation, discrimination or disadvantage. These reports are taken seriously and investigated thoroughly by the Head of Internal Audit with oversight from the Audit Committee.

In 2022, 41 (2021: 16) speak up reports were received. The relatively high number in the 'other' category related to broad employee relations issues that were all addressed. Both speak ups relating to allegations of fraud/corruption were investigated and found to be unsubstantiated. The reports themselves are also included as part of our ongoing internal audit fraud risk assessment.

We note the increase in the number of reports received in 2022 compared with 2021. This is partly due to an increase in internal communications designed to ensure that our people are aware of the speak up platform, and the importance of our speak up culture. Concerns can be reported online here: report.whistleb.com/en/stolt-nielsen

Upholding human rights

We are a signatory to the UN Global Compact and support the principles set out in the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the International Labour Organization Core Conventions. Stolt Tankers is also a member of IMPA ACT and supports its Code of Conduct relating to labour and human rights. This year, Stolt Tankers received an EcoVadis gold rating, with a notable 10-point year-on-year improvement in scores for labour and human rights practices. Stolthaven Terminals' and Stolt Tank Containers' sustainability policies include commitments to upholding internationally proclaimed human rights and preventing child labour.

These human rights commitments extend across our supply chains. Many of the countries we operate in have high risks of human rights, environmental or business ethics abuses, and we closely monitor these areas across our supply chain partners.

For ship recycling, we only select yards that operate in accordance with the International Maritime Organization's (IMO) 2009 Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships. Stolt Tankers always has one surveyor onsite per vessel to ensure workers' rights and conditions are protected. Onsite surveyors monitor the process from start to finish in areas such as safe working practices and compliance. During ship recycling, we randomly validate the status, permits, salary and insurance for five workers each month to mitigate against human rights breaches. We are also rigorous in enforcing health and safety protocols to protect workers.

We received no human rights or child labour grievance reports against Stolt-Nielsen during the year. You can find our Modern Slavery and Human Trafficking Statement 2022 at: stolt-nielsen.com/sustainability/modern-slavery-and-human-trafficking-statement-2022

Ensuring compliance at sea

Stolt Tankers' ships operate with valid International Transport Workers' Federation (ITF) union agreements on collective bargaining for all seafarers onboard. We also adhere to the Maritime Labour Convention (MLC) Seafarers' Bill of Rights; the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW); the International Convention for the Safety of Life at Sea (SOLAS); and the International Convention for the Prevention of Pollution from Ships (MARPOL). Port state control and flag state inspections verify our compliance with these conventions.

We document MLC compliance within our ship management system. Additional vetting is conducted during routine onboard inspections as part of the Oil Companies International Marine Forum/Chemical Distribution Institute (OCIMF/CDI) tanker management and self-assessment process. Compliance is also verified through periodic International Safety Management (ISM) audits, which are carried out on behalf of flag states by DNV, the world's largest ship classification society.

Supporting our communities

We are responsible members of our communities. Our support goes beyond the financial; we play an active part in wider communities that include our customers, employees, neighbours, local authorities, government organisations, NGOs and suppliers.

We contribute both as an employer and as a purchaser of goods and services from local businesses. We hire locally and train people for rewarding careers. And our teams are active in supporting projects related to the environment, education and social and economic development.

You can find more stories about our community activities in the news section of stolt-nielsen.com

Corporate Governance

Chairman's statement

The Board's role is an essential element in ensuring that Stolt-Nielsen (SNL) maintains its position as an industry leader and sustainable business.

My responsibilities

As Chairman, I am responsible for ensuring the Board has a deep and diverse range of business experience. This knowledge helps us support and challenge the management team as it develops and implements the business strategy of the company. The Board's experience is also essential in carrying out our vital governance role on behalf of shareholders, and all stakeholders.

The Board is also responsible for ensuring stakeholder interests are effectively and comprehensively considered on issues such as investments, compliance, sustainability and health and safety. As Chairman I am responsible for conducting regular Board meetings to confirm that internal controls and risk management systems are effective, the business strategy is sound and operational execution is well managed. In addition, I oversee the internal audit function, which ensures SNL is compliant with regulations and company policy, particularly in financial reporting.

For anyone who may have a concern or wants to raise an issue about our business, SNL has an online reporting 'speak up' system (see page 35). SNL's internal audit function manages 'speak up', and I oversee the processes for investigating any reports received.

Board responsibilities

Each Director, elected by SNL shareholders, is required to put common interests first. The Board's primary role is to ensure that good governance, risk management and financial controls are in place and that the best interests of the company are upheld. Board members hold positions on two committees. I chair both the Audit Committee which assures the accuracy of financial reporting and the Compensation Committee which oversees the remuneration and benefits structure to ensure it is competitive.

"This year, the hard work and dedication of our people is reflected in our record financial performance."

Samuel Cooperman
Chairman of the Board

In April 2022, Håkan Larsson stepped down from the Board. I would like to extend my thanks for his friendship, valuable contributions, and wise counsel during the past 15 years. The SNL Board currently has seven members, four of whom are independent. The Board follows the provisions set out in the Norwegian Code of Practice for Corporate Governance (see page 42), and I am confident it can discharge its responsibilities effectively.

At the Annual General Meeting held in April 2022, shareholders approved that I would step down as your Chairman and that Niels G. Stolt-Nielsen will succeed me, once a new CEO has been appointed. The search for a new CEO is ongoing as we focus on finding the right person to successfully lead our company into the future. Until then, the Board looks forward to supporting Niels and his team in continuing to deliver sustainable value creation for our shareholders and other stakeholders.

Knowledge sharing and oversight

Each year, the Directors strive to expand our knowledge to provide effective guidance. To support management with decision-making and act in the company's best interests, Directors must have an in-depth, up-to-date understanding of the way SNL operates its businesses. Therefore, Directors regularly meet senior management teams and participate in strategic and operational reviews.

During 2022, the SNL Board of Directors and Audit Committee held three in-person meetings, two in Bermuda and one in Oslo, and one virtual meeting. Each business reports to the Board throughout the year, and Directors also receive quarterly safety data and monthly reports which provide insight into market trends and each business' performance and position.

A sustainable business

The Board is committed to sustainable operations. This includes formulating, communicating and measuring progress towards improving safety, protecting the environment, ensuring employee wellbeing and implementing effective quality management systems. SNL is a signatory of the UN Global Compact (UNGC), and we have several ambitions for reducing our environmental impact in line with the UN Sustainable Development Goals (SDGs) – particularly Climate Action, Life Below Water and Responsible Consumption and Production.

In 2022, SNL continued to enhance its environmental efforts, achieving recognition from ratings agencies including EcoVadis. Thanks to continued efforts establishing data baselines aligned with identified material topics, SNL businesses can measure their impact and work strategically towards the company's environmental aims. Read more about our 2022 environmental progress on pages 26 to 32 of this report. View the Board's sustainability pledge at: stolt-nielsen.com/sustainability/our-commitment/

People and culture

The Board continually monitors issues related to SNL's culture and values. SNL's Code of Business Conduct and approach to health and safety are outlined on pages 35 and 21 to 25 of this report and can also be viewed at stolt-nielsen.com.

This year, the hard work and dedication of our people is reflected in our record financial performance. The Board and I would like to extend our thanks to management and all employees for their great efforts and commitment which led to the extraordinary financial results in a difficult and volatile business environment. We are also proud of the company's strategic accomplishments in which SNL businesses continue to be the global leaders in many of the markets in which we operate.

Samuel Cooperman
Chairman of the Board
Stolt-Nielsen Limited

Board of Directors

1. Samuel Cooperman


2. Niels G. Stolt-Nielsen

3. Janet Ashdown

4. Jan Chr. Engelhardtsen


5. Rolf Habben Jansen


6. Jacob B. Stolt-Nielsen


7. Tor Olav Trøim

Committee Chairman

A Audit Committee

C Compensation Committee

1. Samuel Cooperman

Chairman of the Board of Directors

Appointment

Mr Samuel Cooperman is an independent Board member and has served as Chairman of the Board of Directors since 2016. He has been a Director of Stolt-Nielsen Limited since 2008 and Chairman of the Audit Committee since 2009. He became the Chairman of the Compensation Committee in 2022.

Experience

Mr Cooperman joined Stolt-Nielsen in 1974 and held a number of senior management positions, including Chairman and Chief Executive Officer of Stolt-Nielsen Transportation Group, before retiring from the company in 2003. Mr Cooperman was a member of the Executive Committee of the International Chamber of Shipping until May 2010, and also served as Vice-Chairman for two years. He holds BS and MS degrees in Electrical Engineering from Columbia University and from the Graduate School at the University of Pennsylvania, respectively, and an MBA from Temple University. Mr Cooperman is a US citizen.

Other Appointments

Mr Cooperman is the Chief Executive Officer of Cooperman Weiss Consulting LLC.

2. Niels G. Stolt-Nielsen

Director and Chief Executive Officer

Appointment

Mr Niels G. Stolt-Nielsen has served as Chief Executive Officer since November 2000. He has been a Director of Stolt-Nielsen Limited since 1996.

Experience

Mr Stolt-Nielsen joined Stolt Tankers in 1990 in Greenwich, Connecticut, US. In 1994 he relocated to China to open and head Stolt-Nielsen Limited's representative office in Shanghai. He was the President of Stolt Sea Farm from 1996 until 2000 when he became Chief Executive Officer of Stolt-Nielsen Limited. From September 2002 until March 2003, he also served as Interim Chief Executive Officer of Stolt Offshore S.A. Mr Stolt-Nielsen graduated from Hofstra University in 1990 with a BS degree in Business and Finance. He is a Norwegian citizen.

Other appointments

Mr Stolt-Nielsen is the Chairman of the Board of Avenir LNG and a Director of Golar LNG Ltd.

Tenure

3. Janet Ashdown

Director

Appointment

Ms Janet Ashdown is an independent Board member and was appointed as a Director of Stolt-Nielsen Limited in April 2021. She is a member of the Audit and Compensation Committees.

Experience

Ms Ashdown is a highly experienced Independent Director and has served on the boards of four FTSE 250 companies. She joined BP plc in 1980 and led several large businesses as a senior executive during her 30 years with the company. In her last role with BP, Ms Ashdown was responsible for a £20bn network of fuel outlets across the UK. With experience of managing complex supply chain operations, Ms Ashdown also has a deep understanding of industrial distribution businesses and a strong interest in the energy transition, hydrogen and carbon capture, and the broader ESG agenda. Ms Ashdown holds a BSc in Engineering from Swansea University, UK and is a British citizen.

Other Appointments

Ms Ashdown is Non-Executive Director and Chair, Corporate Sustainability Committee and Remuneration Committee at RHI Magnesita N.V; Non-Executive Director and Chair, Remuneration Committee at Victrex plc; Senior Independent Director and Chair Sustainability and Governance Committee Nuclear Decommissioning Authority at the Department for Energy Security and Net Zero, UK.

4. Jan Chr. Engelhardtsen

Director

Appointment

Jan Chr. Engelhardtsen was appointed to the Board of Directors in March 2018 and is a member of the Audit Committee.

Experience

Mr Engelhardtsen served as Chief Financial Officer of Stolt-Nielsen Limited for 26 years. He held several key positions during his career with the company, including President of Stolt Tank Containers, which saw him play an important role in our entry into this sector and in setting the foundation for what is a very successful business today. Mr Engelhardtsen also served as President of Stolthaven Terminals, Chief Financial Officer of Stolt Offshore S.A., and President and General Manager of Stolt-Nielsen Singapore Pte. Mr. Engelhardtsen holds an MBA from the Sloan School of Management at the Massachusetts Institute of Technology, as well as undergraduate degrees in Business Administration and Finance. He is an American citizen.

Other appointments

Mr Engelhardtsen is a Director of Avenir Limited and New York Cruise Lines, Inc.

5. Rolf Habben Jansen

Director

Appointment

Mr Rolf Habben Jansen is an independent Board member and has served as a Director of Stolt-Nielsen Limited since December 2015.

Experience

Mr Habben Jansen began his career at Royal Nedlloyd before joining Danzas, the Swiss logistics firm, which merged with DHL in 1999. He was Head of Global Customer Solutions at DHL from 2006 until joining Damco as Chief Executive Officer in 2009, leaving in 2014 to join Hapag-Lloyd. He is a Dutch citizen and graduated from Rotterdam's Erasmus University in 1991 with a degree in Economics.

Other appointments

Mr Habben Jansen is Chief Executive Officer of Hapag-Lloyd AG and Co-Chairman of the World Shipping Council.

6. Jacob B. Stolt-Nielsen

Director

Appointment

Mr Jacob B. Stolt-Nielsen has served as a Director of Stolt-Nielsen Limited since 1995.

Experience

Mr Jacob B. Stolt-Nielsen joined the company in 1987 and served in various positions in Oslo, Singapore, Greenwich, Connecticut, Houston, Texas and London. He was President of Stolthaven Terminals from 1992 until 2000, when he founded and served as Chief Executive Officer of SeaSupplier Ltd. Mr Stolt-Nielsen was Executive Vice President of Stolt-Nielsen Limited from 2003 to 2005 and in 2012 founded Norterminal AS. He is also a founder of Hydrogen Source AS and Narvik Batteri AS. Mr Stolt-Nielsen graduated from Babson College in 1987 with a BS degree in Finance and Entrepreneurial studies. He is a Norwegian citizen.

Other appointments

Mr Stolt-Nielsen is Chief Executive Officer of Norterminal AS and is a board member of Stolt-Nielsen Holdings AS, SN Terminal AS, Hydrogen Source AS, New York Cruise Lines, Inc and Narvik Batteri AS.

7. Tor Olav Trøim

Director

Appointment

Mr Tor Olav Trøim is an independent Board member and has served as a Director of Stolt-Nielsen Limited since April 2016.

Experience

Mr Trøim was an equity portfolio manager with Storebrand ASA and Chief Executive Officer for the Norwegian Oil Company DNO AS until 1995. He was employed by Seatankers Management Co. from 1995 to 2014. During this period he was also, at various times, Chief Executive Officer of a number of related public companies, including Frontline Limited, Knightsbridge Tankers, Ship Finance Ltd. and Seadrill Ltd. He has served as a director on the boards of Frontline, Marine Harvest ASA, Golden Ocean Group Limited, Seadrill Ltd, Archer Limited and Aktiv Kapital ASA, among others. In 2014, Mr Trøim established Magni Partners UK, which focuses on research and consultancy in the energy industry. He graduated as M.Sc. Naval Architect from the University of Trondheim, Norway in 1985 and is a Norwegian citizen.

Other appointments

Mr Trøim is Chairman of Golar LNG Ltd and Borr Drilling Ltd, Director at Vaalerenga Fotball AS and owner of Magni Sport and Magni Partners UK, where he is also Managing Partner.

Corporate Governance Report

Relevant Legislation and Codes of Practice for Corporate Governance

Stolt-Nielsen Limited's ('SNL' or the 'Company') Corporate Governance addresses the division of roles between SNL's shareholders, Board of Directors, and executive management.

SNL is a company incorporated in Bermuda with Norway as its home state in the European Economic Area. The Companies Act 1981 of Bermuda (the 'Bermuda Companies Act') governs the incorporation, organisation and executive management of SNL. As a company listed on Oslo Børs, SNL is also subject to certain obligations set out in Euronext Rule Book I and Oslo Børs Rulebook II and, in addition, certain provisions of the Norwegian Securities Trading Act and other relevant Norwegian rules and regulations, including certain provisions of the Norwegian Securities Trading Regulations.

According to the Oslo Børs Rulebook II, the Norwegian Code of Practice for Corporate Governance (the 'Norwegian Code of Practice') also applies to the Company as no such code has been implemented in Bermuda. Adherence to the Norwegian Code of Practice is based on a 'comply or explain' principle, whereby companies are expected to either comply with its principles and recommendations, or explain the deviation and what alternative solutions it has selected.

Pursuant to the Norwegian Accounting Act and the Oslo Børs Rulebook II, the Company has summarised any expansions or deviations in the SNL Bye-Laws from the provisions of Chapter 5 of the Norwegian Public Limited Liability Companies Act (dealing with General Meetings of Shareholders). This summary, together with the Company's Bye-Laws, are available at www.stolt-nielsen.com/investors/governance/. The Norwegian Code of Practice is available at www.nues.no/English

1. Implementation and Reporting on Corporate Governance

SNL has a Code of Business Conduct which applies to all directors, officers, employees, contractors and consultants of the Group. The Code of Business Conduct is reviewed annually by the Audit Committee and approved by the Board of Directors. The Company's overarching business conduct guidelines, including ethical and social responsibility guidance, are set out in its Code of Business Conduct and, where appropriate, more specific policies have been developed to provide more detailed guidance.

The reasons for the deviations from the principles and recommendations of the Norwegian Code of Practice and the solutions the Company has selected are explained throughout this Corporate Governance Report.

2. Business

In compliance with the Bermuda Companies Act and common practice for Bermuda companies, SNL's Memorandum of Association describes its objectives and purposes as 'unrestricted'.

The Board of Directors sets, evaluates, and regularly reviews the Group's objectives, overall strategy and principal risks, taking into account sustainability, including how matters relating to the environment, social issues, the working environment, equality and non-discrimination are integrated into the value creation. This is further described in the Business Review and Sustainability sections of this Annual Report.

Deviation from the Norwegian Code of Practice: the Company's objects are unrestricted under the SNL Bye-Laws, which is customary for a Bermuda company, but publicly disclosed in a manner that enables SNL's shareholders to anticipate its activities.

3. Equity and Dividends

The Board of Directors is of the opinion that the Company currently has a suitable capital structure to meet its objectives, strategy and risk profile. The authorised share capital of SNL is $65,016,250, divided into 65,000,000 Common Shares, each with a par value of $1.00, and 16,250,000 Founder's Shares, each with a par value of $0.001. As of November 30, 2022, 58,523,796 Common Shares and 14,630,949 Founder's Shares were issued, and 53,523,796 Common Shares and 13,380,949 Founder's Shares were outstanding. In accordance with provisions of the SNL Bye-Laws, the authorised share capital of SNL may only be increased, reduced or otherwise altered by resolution of the shareholders. The Board of Directors, subject to any shareholder resolution to the contrary, has the power to issue any unissued shares of the Company within the limits of the authorised capital.

In accordance with the provisions of the SNL Bye-Laws and the Bermuda Companies Act, the Company may purchase its own shares for cancellation or acquire such shares as treasury shares on such terms as the Board of Directors shall think fit. Historically, the Annual General Meeting of Shareholders of SNL has authorised the Company, or any wholly-owned subsidiary, to purchase Common Shares of the Company from time to time in the open market, subject to certain conditions and in conformity with applicable laws and standards. The Board of Directors has resolved to continue share purchases, if any, on the terms approved at the Annual General Meeting.

The Board of Directors has established a dividend policy that is available on the SNL website: www.stolt-nielsen.com/investors/dividends/. Under Bermuda law, a company's board of directors may not declare or pay dividends if there are reasonable grounds for believing that the company is, or would after the payment, be unable to pay its liabilities as they become due or that the realisable value of its assets would thereby be less than its liabilities.

Deviation from the Norwegian Code of Practice: none

4. Equal Treatment of Shareholders

SNL has two classes of shares, Common Shares and Founder's Shares, which carry rights as set forth in the SNL Bye-Laws. Subject to such rights, the Company treats shareholders within each class equally, in accordance with the Norwegian Code of Practice and the Norwegian Securities Trading Act. Only the Common Shares are listed on Oslo Børs. You can find the list of our major shareholders at www.stolt-nielsen.com/investors/shareholder-information/, and the SNL Bye-Laws at www.stolt-nielsen.com/investors/governance/

Any transactions SNL carries out in its own shares are carried out either through Oslo Børs or at prevailing stock exchange prices if carried out in any other way.

Deviation from the Norwegian Code of Practice: none.

5. Shares and Negotiability

Only the SNL Common Shares are listed on Oslo Børs. The SNL Bye-Laws limit individual shareholdings of the Company's shares to 20% of the issued and outstanding shares (unless such ownership shall have been approved in advance by the Board of Directors), single US person shareholdings to 9.9% and shareholders of any single country in aggregate to 49.9%. However, these restrictions do not apply to any person who was a shareholder of Stolt-Nielsen S.A. (which amalgamated with the Company on November 18, 2010) as of August 31, 1987 or any Affiliate or Associate (as such terms are defined in the SNL Bye-Laws) of such person, except in certain circumstances as outlined in Bye-Law 74 of the SNL Bye-Laws, which are available at: www.stolt-nielsen.com/investors/governance/

According to the SNL Bye-Laws, the Board of Directors is authorised to further restrict, reduce or prevent the ownership of shares if it appears to the Board of Directors that such ownership may threaten SNL with adverse consequences, including but not limited to adverse tax consequences, hostile takeover attempts or adverse governmental sanctions. The Board of Directors has to date not made use of its authority and will not use its authority unless the transfer will have sufficient adverse consequences for the Company and in no event if the exercise of such rights may cause disturbances in the market or would be in conflict with mandatory laws or regulations. Please also refer to Section 14. below for an explanation of the Board's approach to takeovers.

Deviation from the Norwegian Code of Practice: a summary of provisions of Chapter 5 of the Norwegian Public Limited Liability Companies Act where the SNL Bye-Laws expand or deviate from the provisions of such Act can also be found on the Company's website at www.stolt-nielsen.com/investors/governance/

6. General Meetings

The Board of Directors or the Chairman are responsible for calling both Annual and Special General Meetings of Shareholders. At any General Meeting, two or more persons present in person throughout the meeting and representing in person or by proxy issued voting shares in the Company shall form a quorum for the transaction of business, except for those matters under the Bermuda Companies Act for which a specified super majority vote is required, in which case a quorum representing one-third of the issued and outstanding shares entitled to vote is required.

The Company is obligated to hold an Annual General Meeting every year at such time and place as the Board of Directors or Chairman shall designate.

A shareholder or group of shareholders representing at least one-tenth of the outstanding voting shares may request a Special General Meeting in writing indicating the agenda thereof. The Board of Directors will be obligated to convene the meeting forthwith.

Notices for both Annual and Special General Meetings shall be sent by mail (or by such other method pursuant to the SNL Bye-Laws) to all holders entitled to attend and vote no later than 21 days before the date set for the General Meeting. Notices shall provide sufficiently detailed, comprehensive, and specific information on all matters to be considered at the General Meeting, voting instructions and the opportunity to vote by proxy. Matters at the General Meetings are restricted to those set forth in the agenda.

The foregoing provisions relating to the holding of, and conduct at, General Meetings are set forth in the SNL Bye-Laws, as well as in relevant provisions of the Bermuda Companies Act.

SNL is under the majority control of Fiducia Ltd, a company owned by a trust established for the benefit of the Stolt-Nielsen family. As of November 30, 2022, Fiducia Ltd. controls 64.8% of the outstanding shares of SNL entitled to vote generally on matters brought to a vote of the shareholders of SNL. When the shares held by trusts established for the benefit of members of the Stolt-Nielsen family together with shares held by individual members of the Stolt-Nielsen family are taken into account, the combined shareholdings total 66.3% of the outstanding shares of SNL entitled to vote generally on matters brought to a vote of the shareholders of SNL.

Deviation from the Norwegian Code of Practice: General Meetings are typically held by shareholders granting proxies, with voting instructions being given to such proxies ahead of the General Meeting. As such, the Chairman or the full Board of Directors may, but do not always, attend General Meetings.

7. Nomination Committee

Neither Bermuda law nor the SNL Bye-Laws require that a nomination committee be established. Consequently, SNL has not established a nomination committee. Members of the Board of Directors identify and evaluate proposed candidates for nomination to the Board of Directors based on merit. Individuals are selected for nomination to the Board of Directors because of their business or professional experience, and their array of talents and perspectives, to promote a culture that generates the diversity of thought, approach and ideas needed to further the Company's strategic objectives.

The Board of Directors regularly reviews its composition, to ensure that it can attend to the common interests of all shareholders and meet the Company's need for expertise, capability, diversity and independence. The Board of Directors also monitors that its members have sufficient capacity to carry out their duties. Directors' external commitments are described earlier in this Corporate Governance Report.

Deviation from the Norwegian Code of Practice: the Company does not have a Nomination Committee, but the Board of Directors has put processes in place to review its performance and composition on an ongoing basis, as described above.

8. Board of Directors: Composition and Independence

The business affairs of SNL are managed under the direction of the Board of Directors. The Board of Directors may delegate authority to the Chairman, specified committees of the Board of Directors, or to SNL's executive management. SNL does not have a corporate assembly as this is not required under Bermuda law.

As provided in the SNL Bye-Laws, the Board of Directors shall be composed of at least three and not more than nine Directors. The Board of Directors believes that the optimal size for the Board of Directors should be six to eight Directors. The Board of Directors' size is flexible depending on the circumstances and the qualifications of proposed candidates.

Directors are elected at the Annual General Meeting. Directors shall hold office for such term as decided by the General Meeting, or in absence of such determination, until the next Annual General Meeting or until their successors are elected or appointed or their office is otherwise vacated. Directors may be removed only for cause by a vote at a Special General Meeting held for that purpose. In the event of a vacancy on the Board of Directors, the remaining members of the Board of Directors may fill such vacancy and appoint a member to act until the next General Meeting at which the Directors are re-elected. The foregoing provisions relating to the election, removal and replacement of Directors are set forth in the SNL Bye-Laws.

Four of the current seven SNL Directors, Samuel Cooperman, Janet Ashdown, Rolf Habben Jansen and Tor Olav Trøim, are considered to be independent from the Company's major shareholders, the executive management, and the Company's main business associates according to the Norwegian Code of Practice. In the view of the Board of Directors, the composition of the Board of Directors and Board Committees ensures continuity and experience and is suitable to represent the interests of the minority shareholders.

The Chairman of the Board of Directors is elected by the Annual General Meeting. The Chief Executive Officer is a member of the Board of Directors.

Information on the members of the Board of Directors can be found earlier in this Corporate Governance Report, and an up-to-date composition of the Board of Directors is maintained and available on the Company's website at: www.stolt-nielsen.com/about-us/leadership-team/

Deviation from the Norwegian Code of Practice: as permitted under Bermuda law and customary for Bermuda companies, the Company's Chief Executive Officer has been elected to the Board of Directors by the Annual General Meeting. Bermuda law further permits non-independent board members to be nominated for election as board chair.

9. The Work of the Board of Directors

Board Meetings

The Board of Directors, acting as a collegiate body, has the ultimate responsibility for the management of the Company. The Board of Directors holds at least four regularly scheduled meetings a year, as well as ad-hoc meetings when required. Meeting schedules are approved annually by all members of the Board of Directors. The Board of Directors may appoint a Board Secretary who does not need to be a member of the Board of Directors.

Decisions of the Board of Directors shall be taken by a majority of the votes cast by the Directors present and represented at such meeting provided a quorum is present. A majority of the Directors then in office shall constitute a quorum. The Board of Directors may also act by unanimous written consent.

The Audit Committee has established processes to monitor all transactions which may give rise to conflict or potential conflict of interest. Members of the Board of Directors and executive management must notify the Audit Committee and Board of Directors if they have any material direct or indirect interest in any proposed transaction to be entered into by SNL. Following such notification, and unless disqualified by the chair of the relevant Audit Committee or Board of Directors meeting, a Director may vote in respect of any such matter and may be counted in the quorum for such meeting.

Board Meetings – Executive Sessions

Executive management is available to discuss matters of concern to the Board of Directors, and the Board of Directors has regular access to executive management. The basic duties and responsibilities of the Directors include attending Board of Directors' meetings, preparing for meetings by advance review of any meeting materials and actively participating in the Board of Directors' discussions. Directors are also expected to make themselves available outside scheduled meetings for advice and consultation.

The Board of Directors ensures that SNL has effective internal controls in accordance with the regulations that apply to its activities, including SNL's corporate values and ethical guidelines.

Board Committees

The Board of Directors has established an Audit Committee and a Compensation Committee. The Board of Directors periodically reviews the size, structure and function of the Board Committees. The Audit Committee and Compensation Committee have written terms of reference, which are reviewed and reassessed by the relevant Committee and approved by the Board of Directors on an annual basis.

The Audit Committee is composed of at least two members, a majority of whom should normally qualify as independent pursuant to all applicable regulatory requirements.

The Audit Committee has overall responsibility for overseeing the accounting and financial reporting processes of the Company, the audits of the Company's financial statements, and the work of the Company's external auditor and Internal Audit department. The Audit Committee also recommends the external auditor's appointment, compensation and retention. Under Bermuda law the appointment of the external auditor has to be made by shareholders in General Meeting, but the approval of the external auditor's compensation may be delegated by the shareholders to the Board of Directors.

The Compensation Committee is composed of at least two members, at least one of whom should normally qualify as independent pursuant to all applicable regulatory requirements.

The Compensation Committee is responsible for compensation strategy, overall salary reviews and awards under its compensation programmes. It reviews and approves all aspects of senior executive management compensation, including performance incentive and equity-based compensation plans.

Each Committee has a Chair who reports on the activities of such Committee at each meeting of the full Board of Directors.

The members of the Committees are set out earlier in this Corporate Governance Report, and an up-to-date list is also maintained on the Company's website at: www.stolt-nielsen.com/about-us/leadership-team/

Agreements with Related Parties

The Board of Directors reviews, at least annually, the financial and other relationships between each Director and SNL. Through the Audit Committee, the Board of Directors has adopted guidelines and procedures to ensure that, should any transaction involving related parties be considered, such transaction be appropriately reviewed for potential conflict of interest situations, with the aim of preventing value from being transferred to related parties. Any such transactions would require approval from the Audit Committee or Board of Directors and be disclosed in the Notes to the Financial Statements of this Annual Report.

Deviation from the Norwegian Code of Practice: none.

10. Risk Management and Internal Control

The Board of Directors is ultimately responsible for SNL's system of internal control, which covers financial, operational and compliance controls as well as risk management processes. SNL's system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and provide reasonable assurance that SNL is operating legally, ethically and within approved financial and operational policies and procedures with sufficient safeguards against material financial statement misstatements or loss of assets.

The main elements of the Company's system of internal control over financial reporting include the Code of Business Conduct and other corporate governance and compliance policies, global accounting policies and procedures, financial reporting risk assessments, annual budgets, authorisation limits, periodic reporting and evaluation of budgeted versus actual results. The different layers of control allow for a greater probability that errors in the financial reporting are identified early and corrected.

SNL's business heads conduct an annual review of SNL's most significant areas of exposure to risk, which are detailed in the Directors' Report of this Annual Report. The Internal Audit department provides assurance that the Company has appropriate internal control, risk management and related corporate governance systems in place throughout the organisation, performs regular independent audit reviews of these systems to assure adherence and recommend improvements, and reports to the Audit Committee accordingly.

The Board of Directors, through the Audit Committee, oversees the monitoring of compliance with the system of internal control over financial reporting. At its quarterly meeting the Audit Committee reviews and discusses results of internal audits performed by the Internal Audit department. This also includes matters of an ethical nature. All employees, customers, suppliers and other parties have direct access to the Audit Committee, through the Company's whistleblowing system, to report any potential illegal or unethical matters. This confidential system can be accessed on the Company's website at: https://report.whistleb.com/en/stolt-nielsen

Deviation from the Norwegian Code of Practice: none.

11. Remuneration of the Board of Directors

The Board of Directors reviews the Directors' compensation periodically. The review includes a comparison of the Company's compensation practices against the practices of comparable US and European companies. The remuneration of the Board of Directors reflects its responsibility, expertise, time commitment and the complexity of SNL's activities. The remuneration is not linked to the performance of the Company.

Members of the Board of Directors and/or companies with which they are associated shall not in principle take on specific assignments for SNL in addition to their appointment as a member of the Board of Directors. If they do nonetheless take on such assignments this shall be disclosed to and receive prior approval from the full Board of Directors. The remuneration for such additional duties shall be approved by the Board of Directors.

The remuneration awarded to the Board of Directors for their service as Directors is disclosed in aggregate in this Annual Report. Any remuneration in addition to normal directors' fees is specifically identified.

Deviations from the Norwegian Code of Practice: none.

12. Salary and Other Remuneration for Executive Management

The Compensation Committee of SNL is responsible for compensation strategy, overall salary reviews and awards under its compensation programmes. It reviews and approves all aspects of executive management compensation, including performance incentive compensation plans to ensure that such plans are linked to long-term value creation for the shareholders or the Company's earnings performance over time.

The Company has in place an annual and a long-term incentive plan aimed at tying executive management's compensation with the performance of the Company. All performance related compensation is capped at a maximum percent of the salary of the executive management.

Deviation from the Norwegian Code of Practice: Bermuda law does not require guidelines for the remuneration of executive personnel to be communicated to the Annual General Meeting, but the Compensation Committee carefully evaluates executive management's salary and other remuneration based on the key principles described above.

13. Information and Communications

All information distributed to SNL shareholders is published on SNL's website. SNL promptly submits all press releases to Oslo Børs, and disseminates such press releases through an approved news wire service that provides simultaneous and broad distribution.

Copies of audited financial statements of SNL are distributed to shareholders prior to the Annual General Meeting and filed with Oslo Børs in accordance with its requirements. SNL publishes each year the dates for major events such as its Annual General Meeting, publication of interim reports, public presentations and dividend payment date if appropriate. These dates are available on SNL's website at: www.stolt-nielsen.com/investors/financial-calendar/

After each quarterly earnings release, SNL holds a conference call to discuss the results and respond to investor and analyst questions. The conference call is open to all those who wish to participate. Twice per year, executive management endeavours to hold the results conference call in front of a live audience. All conference calls have a telephone dial-in and are webcast with playback options available.

Deviation from the Norwegian Code of Practice: none.

14. Take-Overs

The Board of Directors will publicly disclose any serious offer for SNL, or a substantial portion of the assets of SNL, and will to the extent applicable follow the Norwegian Securities Trading Act and the recommendation in the Norwegian Code of Practice, and act in the best interests of the Company, if any serious offer is received.

In most of SNL's financing agreements the Company has certain change of control provisions that would trigger a default in the event of a take-over, unless waivers were obtained from lenders.

Fiducia Ltd. currently has an ownership interest in the Company which may deter a third party from attempting to take control of SNL.

Deviation from the Norwegian Code of Practice: none

15. Independent Auditor

The Audit Committee is responsible for the oversight of the work of the Company's Independent Auditor, and for recommending the Independent Auditor's appointment. The Audit Committee has established guidelines in respect of the use of the Independent Auditor by the Company's executive management for services other than the audit, which should be approved in advance. The Audit Committee shall receive annual written confirmation from the Independent Auditor that such firm continues to satisfy all applicable requirements for independence. In addition, the Independent Auditor shall provide the Audit Committee with a summary of all services in addition to audit work that has been undertaken for the Company. The Independent Auditor shall submit the main features of the plan for the audit of SNL to the Audit Committee annually.

The Independent Auditor shall participate in meetings of the Audit Committee that deal with the annual accounts and half-year results. At these meetings, the Independent Auditor shall comment on any material changes in the Company's accounting principles and critical management estimates and judgements, and report all matters on which there have been disagreements between the firm and the executive management of the Company, if any.

The Independent Auditor shall at least once a year present to the Audit Committee commentary on any significant internal control findings arising during the audit.

The Audit Committee shall hold a meeting with the Independent Auditor at least once a year at which neither the Chief Executive Officer nor any other member of the executive management is present.

Deviation from the Norwegian Code of Practice: none.

Financial Performance

Financial Review

Jens F. Grüner-Hegge
Chief Financial Officer

Management's Discussion of Operating Performance

This section discusses Stolt-Nielsen Limited's (SNL) operating results and financial condition for the years ended November 30, 2022 and 2021. This discussion consists of:

- Results of Operations
- Business Segment Information
- Liquidity and Capital Resources
- Critical Accounting Estimates
- Principal Risks
- Treasury Shares
- Going Concern
- Audit Tender Process and
- Subsequent Events

Results of Operations

Below is a summary of SNL's consolidated financial data for November 30, 2022 and 2021:

	For the years ended November 30	
(in thousands)	**2022**	2021
Operating Revenue	**$ 2,771,843**	$ 2,181,082
Operating expenses	**(1,851,608)**	(1,459,706)
Depreciation and amortisation	**(282,123)**	(295,459)
Impairment of assets	**–**	(10,000)
Gross Profit	**638,112**	415,917
Gross margin	**23.0%**	19.1%
Share of profit of joint ventures and associates	**53,963**	39,470
Administrative and general expenses	**(249,022)**	(220,464)
Gain (loss) on disposal of assets, net	**5,562**	(3,010)
Other operating income	**4,132**	2,218
Other operating expense	**(5,215)**	(436)
Operating Profit	**447,532**	233,695
Operating margin	**16.1%**	10.7%
Non-operating income (expense):		
Finance expense – finance leases	**(10,451)**	(11,072)
Finance expense – debt and other	**(112,188)**	(116,212)
Loss on early extinguishment of debt	**(11,149)**	–
Finance income	**3,979**	2,375
Foreign currency exchange loss, net	**(9,151)**	(2,673)
Other non-operating income (expense), net	**347**	(2,902)
Profit before income tax	**308,919**	103,211
Income tax expense	**(28,064)**	(24,405)
Net Profit	**$ 280,855**	$ 78,806

	For the years ended November 30,	
(in thousands)	**2022**	2021
Profit before one-time items	**$ 292,004**	$ 89,306
One-time items:		
Impairment of assets	**–**	(10,000)
Distribution from insurance company	**–**	12,500
Loss on early extinguishment of debt	**(11,149)**	–
Stolt Groenland loss, net of insurance settlement	**–**	(13,000)
Net Profit	**$ 280,855**	$ 78,806

Consolidated Income Statement

Net profit of SNL was $280.9 million for 2022, compared with $78.8 million in 2021. Excluding the one-time items described in the table on the previous page, net profit was $292.0 million for 2022, compared with $89.3 million in 2021, or a $202.7 million improvement. The most significant factors affecting SNL's performance in 2022 were:

- Stolt Tankers reported an operating profit of $205.1 million, an increase of $136.3 million compared to the prior year operating profit of $68.8 million. Deep-sea and regional fleets results improved, driven by an increase in operating days, higher spot rates and other favourable market developments.
- Stolthaven Terminals reported an operating profit of $89.2 million compared to $62.3 million as a result of improved utilisation and a $10.0 million impairment of the Australia terminal assets in 2021.
- Stolt Tank Containers (STC) reported an operating profit of $172.7 million, up from $81.6 million in 2021, an increase of $91.1 million. The higher operating profit was the result of an increase in transportation margins due to tight carrier capacity and an increase in demurrage.
- Stolt Sea Farm reported an operating profit of $19.5 million, compared with $24.4 million in 2021, a decrease of $4.9 million. Excluding the fair value on the biological assets in both years, operating profit increased by $13.5 million, driven by the higher volumes sold from its own farm-raised turbot and sole, together with the higher average sales prices obtained for both species. Fair value brought a $1.0 million negative impact in 2022 from turbot price decreases in November anticipating Christmas seasonality, while 2021 had a $17.4 million positive impact in fair value due to the recovery from the Covid-19 pandemic.
- Stolt-Nielsen Gas reported an operating loss of $3.0 million in 2022 versus a profit of $2.1 million in 2021. The profit in 2021 was largely due to a $3.2 million gain on a land sale. Excluding this gain, the losses in both years were mainly attributable to the Group's share of losses related to the development of various small-scale LNG projects at Avenir LNG.
- Corporate and Other operating loss was $36.0 million, compared to the prior year loss of $5.5 million. The increased loss was mainly due to additional costs related to profit sharing and long-term incentive plans as a result of the higher profit in 2022.

Operating revenue

Operating revenue was $2,771.8 million in 2022, which was 27.1% higher than in 2021, mainly owing to higher deep-sea freight and bunker surcharge revenue at Stolt Tankers and higher transportation rates and demurrage revenue at Stolt Tank Containers.

Stolt Tankers' revenue increased by $331.5 million, mainly due to $181.8 million higher deep-sea freight revenue primarily from additional average number of ships operated between the two years, a 50.5% increase in spot rates causing average rates to increase by 17.7% and an $80.0 million increase in deep-sea bunker surcharge revenue. The higher bunker surcharge revenue was caused by the 50.0% increase in bunker prices compared to last year.

Stolthaven Terminals' revenue increased by $32.6 million compared to 2021, an increase of 13.4%. This increase was primarily due to higher operating revenue in Houston and New Orleans, US, as a result of rate escalations and improved utilisation. Average utilisation rates for all terminals increased, with the average for owned terminals increasing to 97.4% in 2022 from 90.9% in 2021.

Stolt Tank Containers' revenue increased by $232.2 million, or 35.1%, in 2022 largely due to the impact of increased ocean freight rates as well as increased demurrage and ancillary revenues of $71.3 million. This was offset partially by lower shipment levels between the years as space on ships was constrained.

Stolt Sea Farm's operating revenue was $102.7 million in 2022, decreasing by $5.9 million, or 5.4%, which was a result of phasing out the traded turbot business. Partially offsetting this, sales volumes and average prices increased on its own farm-raised turbot and sole.

Gross profit

SNL's gross profit increased by $222.2 million or 53.4% to $638.1 million in 2022 compared to the prior year, reflecting the higher revenues in Stolt Tankers and Stolt Tank Containers.

Stolt Tankers' gross profit increased by $104.3 million in 2022, to $260.8 million, as the increase in revenues was significant enough to cover $135.7 million higher bunker costs and more variable time charter hire expenses.

Gross profit for Stolthaven Terminals was $107.9 million in 2022, compared with $78.1 million in 2021, an increase of $29.8 million. Gross profit increased from the impact of higher operating revenue in 2022 and the impairment of the Australian terminal of $10.0 million in 2021.

Stolt Tank Containers saw an increase in gross profit of $90.0 million to $243.8 million as a result of the higher revenue partially offset by higher ocean freight and ancillary costs,

Stolt Sea Farm's gross profit decreased by $4.1 million to $28.3 million from $32.4 million in 2021. Excluding the fair value of biological assets, gross profit increased $14.3 million in 2022 as a result of the higher volumes sold from its own farm-raised turbot and sole, together with the higher average sales prices and stable operating expenses obtained in both species.

Share of profit of joint ventures and associates

SNL's share of the profits from non-consolidated joint ventures and associates in 2022 was $54.0 million, up from $39.5 million in 2021.

Stolt Tankers' share of profit from joint ventures increased by $20.9 million to $30.0 million notably owing to NYK Stolt Tankers S.A. and Hassel Shipping 4 AS from the improved deep-sea spot markets and Stolt NYK Asia Pacific Services Inc. (SNAPS) from a strong regional performance.

Administrative and general expenses

Administrative and general expenses were $249.0 million in 2022, up from $220.5 million in 2021, an increase of $28.5 million. This was largely due to expenses for profit sharing and long-term incentive expenses being higher in the current year due to SNL's improved earnings.

Gain (loss) on disposal of assets, net

SNL recorded a net gain on disposal of assets of $5.6 million in 2022 compared with a loss of $3.0 million in 2021. In 2022, the gain included amounts related to the sale of the *Stolt Shearwater* and the recycling of the *Stolt Groenland*. In 2021, the loss included a $13.0 million loss on the derecognition of the *Stolt Groenland*, net of insurance, partially offset by the gain on sale of three ships and land in Canada.

Other operating income and other operating expense

Other operating income was $4.1 million in 2022, compared with $2.2 million in 2021.

Other operating expense was $5.2 million in 2022, compared with $0.4 million in 2021.

Finance expense

Finance expense was $122.6 million in 2022, down from $127.3 million in 2021. Interest on debt decreased by $4.0 million, owing to lower outstanding debt balances. Interest on leases was $10.5 million, compared with $11.1 million in 2021.

Loss on early extinguishment of debt

SNL recorded an accelerated recognition of deferred financing costs and fees of $11.1 million related to the early repayment of the loan with Export-Import Bank of China and Standard Chartered Bank. The debt was refinanced as part of a sustainability-linked agreement of which $180.9 million was drawn down to fully repay the above loan.

Finance income

Finance income was $4.0 million in 2022, up by $1.6 million compared with 2021.

Foreign currency exchange loss

In 2022, SNL had a foreign currency exchange loss of $9.2 million, compared with a $2.7 million loss in 2021. The 2022 loss was mainly due to the strengthening of the USD against the BRL, ARS and ISK as well as additional hedging losses.

Other non-operating income, net

Non-operating income was $0.3 million in 2022 compared with a non-operating expense of $2.9 million in 2021.

Income tax expense

Income tax expense was $28.1 million in 2022, compared to $24.4 million in 2021. The increase in income tax expense was the result of strong performances of all divisions.

Business Segment Information

This section summarises the operating performance for each of SNL's principal business segments. The Corporate and Other category includes corporate-related expenses and all other operations which are not reportable as separate business segments.

	For the years ended November 30,	
(in thousands)	**2022**	2021
Operating revenue:		
Stolt Tankers	**$ 1,497,108**	$ 1,165,617
Stolthaven Terminals	**276,177**	243,592
Stolt Tank Containers	**894,647**	662,443
Stolt Sea Farm	**102,688**	108,568
Corporate and Other	**1,223**	862
Total	**$ 2,771,843**	$ 2,181,082
Operating profit:		
Stolt Tankers	**$ 205,124**	$ 68,817
Stolthaven Terminals	**89,208**	62,259
Stolt Tank Containers	**172,728**	81,597
Stolt Sea Farm	**19,544**	24,440
Stolt-Nielsen Gas	**(3,028)**	2,096
Corporate and Other	**(36,044)**	(5,514)
Total	**$ 447,532**	$ 233,695

Stolt Tankers

Operating revenue

Operating revenue increased by $331.5 million in 2022 versus 2021, with deep-sea revenue increasing by $288.5 million and regional revenues increasing by $43.0 million.

Deep-sea revenue increased from a combination of higher freight, bunker surcharge and demurrage revenue. Deep-sea freight revenue increased by $181.8 million as total operating days were up 6.7% due to the prior and current year's net acquisition of ships and full-year effect of the inclusion of Tufton Investments (Tufton) ships in the Stolt Tankers Joint Service (STJS) in 2021. Average freight rates also increased by 17.7% between the periods, mainly driven by a 50.5% increase in the rates on spot business, which contributed approximately 45% of total deep-sea freight revenue. Bunker surcharge revenue increased by $80.0 million due to 50.0% higher bunker prices compared to the prior year. Demurrage revenue increased by $15.2 million due to more waiting time spent in port and an increase in spot demurrage rates.

Regional fleet revenue increased by $43.0 million mainly driven by a $23.9 million increase on the Caribbean coastal fleet influenced by improved spot rates, bunker surcharge revenue and more operating days.

The sailed-in revenue (revenue less trading expenses) per operating day for the deep-sea fleet for 2022 was $22,804 versus $18,524 in 2021, an increase of 23.1%.

As of November 30, 2022, Stolt Tankers owned and/or operated 165 ships and barges, representing 3.05 million deadweight tonnes (dwt), compared to 158 ships and barges and 2.93 million dwt at the end of 2021.

	Number of ships	Millions of dwt	% of STJS net earnings for the year ended November 30, 2022
Stolt Tankers Joint Service:			
Stolt Tankers Limited (55 owned ships)	58	1.91	71%
NYK Stolt Tankers S.A.	9	0.27	11%
Hassel Shipping 4 AS	8	0.26	12%
Tufton Investment	8	0.17	6%
Total Stolt Tankers Joint Service	83	2.61	100%
Ships in wholly-owned regional services (23 owned ships)	61	0.27	
Ships in joint venture regional services (20 owned by joint ventures)	21	0.17	
Total	165	3.05	

Operating profit

Operating profit increased by $136.3 million, to $205.1 million in 2022 from $68.8 million in 2021. This was a result of the $331.5 million increase in revenues discussed above and $20.9 million increase in share of profit in joint ventures and associates being partially offset by increases in operating expenses.

Operating expenses increased by $244.1 million, with $135.7 million of the increase being the result of higher bunker costs. The average price of very low sulphur fuel (VLSF) and intermediate fuel oil (IFO) consumed in 2022 was $728 per tonne, up 56.6% from $465 per tonne in 2021. Variable time charter hire expenses increased by $76.4 million, driven by the full-year effect of the inclusion of Tufton in the STJS and the stronger results of the STJS. Ship management costs were $7.7 million or 3.7% higher than prior year mainly due to the higher number of ships owned during the year.

Stolt Tankers' share of profit from joint ventures increased by $20.9 million to $30.0 million where all joint ventures improved their results, most notably the two deep-sea joint ventures due to additional number of operating days and improved rates and SNAPS, which benefited from improved rates.

Stolthaven Terminals

Operating revenue

Stolthaven Terminals' revenue increased to $276.2 million in 2022 from $243.6 million in 2021. This increase of $32.6 million or 13.4% was mainly due to higher operating revenue in the US, Brazil, Singapore and Australia and an increase in the average utilisation rate to 97.4% in 2022 from 90.9% in 2021.

Total available average capacity at the wholly-owned terminals decreased to 1,724,619 cubic metres in 2022 from 1,745,680 cubic metres in 2021. This decrease in capacity was a result of the sale of the Port Alma terminal. Product handled increased to 14.1 million tonnes in 2022 from 13.3 million tonnes in 2021.

Operating profit

Operating profit increased by $26.9 million to $89.2 million in 2022 from $62.3 million in 2021. The revenue increase of $32.6 million in 2022, discussed above, and the $10.0 million one-time impairment of Australia property, plant and equipment in 2021 was partly offset by higher operating expenses and a lower share of joint venture equity income.

Operating expenses increased by $12.4 million to $105.5 million in 2022 from $93.1 million in 2021. This increase was driven by higher personnel and utility costs at almost all terminals, higher property taxes and costs associated with higher railcar activities in Houston, US and the recognition of an environmental provision in Moerdijk, the Netherlands as well as the cost related to an unplanned jetty outage.

Share of profit of Stolthaven Terminals' joint ventures and associates decreased by $4.8 million. The decrease was due to the lower margin and throughput and loss on disposal of assets at the joint venture in Antwerp, Belgium as well as the weakening of the Euro and the South Korean Won against the US dollar.

Stolt Tank Containers (STC)

Operating revenue

Stolt Tank Containers' revenue increased to $894.6 million in 2022 from $662.4 million in 2021, an increase of $232.2 million or 35.1%. This was primarily due to the impact of increased freight rates as a result of tight container ship capacity and a shortage of truck drivers contributing to world-wide supply chain congestion. STC's rates were also impacted by changing trade patterns as a result of Covid-19 lockdowns in China during 2022. Further improving revenue was an increase in demurrage and ancillary revenues totalling $71.3 million due to further bottlenecks throughout the supply chain.

In 2022, STC handled 129,574 tank container shipments, compared with 140,395 shipments in 2021, which represents a 7.7% decrease as a result of shipping constraints and congestion discussed above. Average utilisation decreased slightly to 69.0% in 2022, from 71.6% in 2021. The owned and operated fleet increased by 8.4% to 46,994 tank containers at the end of 2022 compared to 43,342 tank containers at the end of 2021.

Operating profit

Stolt Tank Containers reported an operating profit of $172.7 million, up from $81.6 million in 2021, an increase of $91.1 million or 111.7%. The increase was largely due to the revenue increase discussed above. Partially offsetting this were increases in ocean and inland freight costs as the result of higher rates charged and impact of higher fuel costs.

Stolt Sea Farm (SSF)

Operating revenue

Stolt Sea Farm's revenue decreased by $5.9 million, or 5.4%, to $102.7 million in 2022 from $108.6 million in 2021 due to its traded turbot business being phased out. Partially offsetting this were higher volumes sold and higher average sales prices on its own farm-raised turbot and sole. The farm-raised turbot volume increased by 23.0% while prices increased by 13.8% between the periods. Sole volumes increased by 45.6% and prices increased by 19.1%.

Operating profit

Stolt Sea Farm reported an operating profit including fair value loss on biological assets of $19.5 million in 2022 compared to an operating profit of $24.4 million in 2021, a year-on-year decrease of $4.9 million. Excluding the fair value loss on biological assets of $1.0 million in 2022 and gain of $17.4 million in 2021, operating profit increased by $13.5 million. This operating profit increase was due to the higher volumes sold of its own farm-raised turbot and sole, together with the higher average sales prices obtained on both species. The decrease in the fair market value of the biological assets was the result of the large turbot price increase in 2021 due to the recovery of the market from the Covid-19 pandemic.

Stolt-Nielsen Gas (SNG)

Stolt-Nielsen Gas is an investment arm of SNL focusing on the liquefied natural gas (LNG) segment with holdings in Avenir LNG Limited (Avenir), Golar LNG Limited (Golar) and Cool Company Limited (CoolCo). Avenir's results are reported as a joint venture, while changes in the share price of the Golar and CoolCo investments are reported as Other Comprehensive Income. Stolt-Nielsen Gas reported an operating loss of $3.0 million in 2022 versus a profit of $2.1 million in 2022. The prior year profit was due to a gain on the disposal of land in Canada, while the underlying losses in both years were mainly attributable to SNL's share of Avenir.

Corporate and Other

Corporate and Other operating loss was $36.0 million, compared with the prior year loss of $5.5 million. The loss increased by $30.5 million, primarily due to higher profit sharing and long-term incentive plan costs in the current year as a result of higher profits.

Liquidity and Capital Resources

(in thousands)	For the years ended November 30, 2022	2021
Summary Cash Flows		
Net cash provided by operating activities:		
Net profit	**$ 280,855**	$ 78,806
Depreciation, impairment and amortisation	**282,123**	305,459
Share of profit of joint ventures and associates	**(53,963)**	(39,470)
Finance expense, net of income	**129,809**	124,909
Income tax expense	**28,064**	24,405
Fair value loss (gain) on biological assets	**974**	(17,379)
Other adjustments to reconcile net profit to net cash from operating activities	**(3,151)**	7,716
Changes in working capital assets and liabilities	**59,101**	(60,225)
Dividends from joint ventures and associates	**41,060**	22,869
Other, net	**(3,447)**	1,326
Cash generated from operations	**761,425**	448,416
Net interest paid, including debt issuance costs	**(124,943)**	(121,786)
Income taxes paid	**(16,673)**	(2,803)
Net cash generated from operating activities	**$ 619,809**	$ 323,827
Cash flows from investing activities:		
Capital expenditures	**(199,429)**	(185,486)
Purchase of intangible assets	**(3,959)**	(4,688)
Investment in joint venture and associate	**(14,314)**	(21,173)
Proceeds from sales of assets	**7,934**	29,741
Purchase of shares in equity instruments	**(37,291)**	(3,000)
Other	**2,120**	4,005
Net cash used in investing activities	**$ (244,939)**	$ (180,601)
Net cash used for financing activities:		
(Decrease) increase in short-term bank loans	**(40,000)**	40,000
Repayment of long-term debt	**(684,741)**	(312,827)
Proceeds from issuance of long-term debt	**484,533**	141,950
Principal payments on leases	**(51,210)**	(43,432)
Dividends paid	**(53,591)**	(26,829)
Net cash used in financing activities	**$ (345,009)**	$ (201,138)
Effect of exchange rate changes on cash	**(1,588)**	(5,987)
Net increase (decrease) in cash and cash equivalents	**$ 28,273**	$ (63,899)

Net cash provided by operating activities

In 2022, SNL generated cash of $619.8 million, compared with $323.8 million in 2021. The increase in cash generated from operations was owing to increased EBITDA as a result of improved performance in Stolt Tankers and STC and improved net working capital inflows.

Net cash used in investing activities

Net cash used in investing activities was $244.9 million in 2022, compared with $180.6 million in 2021. The most significant uses of cash for investing during 2022 were:

i. capital expenditures of $199.4 million, $13.9 million higher than in 2021
ii. purchase of computer software of $4.0 million
iii. net purchase of shares in CoolCo for $9.4 million
iv. purchase of shares in Odfjell SE for $20.7 million
v. purchase of shares in The Kingfish Company for $7.4 million
vi. investment of $13.2 million in a new terminal joint venture, Stolthaven Revivegen Kaohsiung Co., Ltd. in Taiwan

Offsetting the uses of cash were proceeds from the sale of ships and other assets of $7.9 million, compared with $29.7 million in 2021.

Cash capital expenditures by business are summarised below:

	For the years ended November 30	
(in thousands)	**2022**	2021
Stolt Tankers	**$ 94,885**	$ 119,584
Stolthaven Terminals	**69,015**	43,650
Stolt Tank Containers	**27,968**	13,745
Stolt Sea Farm	**5,471**	7,698
Corporate and Other	**2,090**	809
Total	**$ 199,429**	$ 185,486

During the year ended November 30, 2022, the Group spent $199.4 million on property, plant and equipment. Cash spent during the period primarily reflected:

i. $76.3 million on tanker projects, including amounts related to the purchase of two second-hand 33,600 dwt ships and deposits for a barge newbuilding
ii. $18.6 million on drydocking of ships
iii. $69.0 million on terminals expansion and maintenance projects
iv. $28.0 million on the purchase of tank containers and construction at depots
v. $5.5 million on Stolt Sea Farm capital expenditures

Net cash used in financing activities

Net cash outflow from financing activities totalled $345.0 million in 2022, compared with $201.1 million in 2021.

The significant cash sources from 2022 financing activities were $484.5 million, compared with $142.0 million in 2021. The 2022 debt issuances mainly comprised:

i. $180.9 million term loan to refinance a previous loan as part of a new $415.0 million sustainability-linked secured loan agreement of which the remainder is a new revolving credit line.
ii. $127.6 million fixed-rate borrowing agreement with ING Bank N.V., using a group of tank containers as collateral
iii. $110.0 million fixed-rate borrowing agreement with ING Bank N.V., using a group of tank containers as collateral
iv. $66.0 million top-up of a term loan with Danish Ship Finance A/S

The principal uses of cash for financing activities in 2022 were:

i. $684.7 million in repayment of long-term debt, compared with $312.8 million in 2021
ii. $51.2 million of principal payments on lease liabilities, compared with $43.4 million in 2021
iii. $53.6 million in dividend payments, compared with $26.8 million in 2021
iv. $40.0 million repayment of the revolving credit facility

Indebtedness

SNL's total consolidated debt, excluding debt issuance costs, was $2,207.8 million as of November 30, 2022 and $2,460.3 million as of November 30, 2021, as set out in the table below.

(in thousands)	**2022**	2021
Short-term bank loans	**$ –**	$ 40,000
Long-term debt (including current portion)	**1,984,221**	2,209,803
Long-term lease liabilities (including current maturities)	**223,584**	210,450
Total debt on Consolidated Financial Statements	**2,207,805**	2,460,253
Available unused facilities:		
Committed revolving credit line	**320,950**	309,883
Uncommitted short-term bank lines of credit	**25,000**	45,000
Total unused facilities	**345,950**	354,883
Total debt and unused facilities	**$ 2,553,755**	$ 2,815,136

Long-term debt in the table above excludes debt issuance costs of $17.4 million and $24.2 million as of November 30, 2022 and 2021, respectively.

Short-term debt

Short-term debt consists of debt obligations to banks under uncommitted lines of credit and bank overdraft facilities which can be withdrawn by the banks on short notice. SNL had access to $25.0 million of such facilities, which were unused during the year ended November 30, 2022.

During 2021 and 2022, SNL also had two committed revolving credit lines. The $209.9 million Secured Multicurrency Revolving Loan Facility ("Secured RCF") was terminated in February 2022 and replaced with a $234.1 million sustainability-linked revolving credit facility with 14 banks and led by Nordea Bank Abp, Danske Bank A/S and DNB (UK) Limited. In addition, STL had a $100.0 million credit line with DNB (UK) Limited and Swedbank AB. As of November 30, 2022, the amount available under the two committed revolving credit lines amounted to $320.9 million.

Amounts borrowed pursuant to the Secured RCF facility and the RCF bore an average interest rate of 2.6% and 5.3%, respectively, for the year ended November 30, 2022.

Long-term debt

Long-term debt consists of debt collateralised by mortgages on SNL's ships, tank containers and terminals and unsecured bank loans at Stolt Sea Farm as well as $259.2 million unsecured bond financing denominated in NOK (NOK 2,550 million after removing the effect of the cross-currency interest rate swaps and debt issuance costs). It does not include the off-balance sheet arrangements discussed below. SNL's long-term debt (including debt issuance costs) was $1,966.8 million and $2,185.6 million as of November 30, 2022 and 2021, respectively, as set out below:

(in thousands)	2022	2021
Long-term debt	**$ 1,966,779**	$ 2,185,644
Less: Current maturities	**(288,958)**	(490,502)
	$ 1,677,821	$ 1,695,142

Long-term lease liabilities

IFRS 16, Leases (IFRS 16), requires all but immaterial or short-term leases to be recorded on the balance sheet. As of November 30, 2022, SNL had long-term lease liabilities for ships, terminal facilities, tank containers, barges, land, permits, computer and office equipment and offices. Certain of the leases contain clauses requiring payments in excess of the base amounts to cover operating expenses related to the leased assets. Such payments are expensed in the period of payment.

Reconciliation of Net Cash Flows to Movement in Net Debt

SNL had the following changes in net debt, which is defined as short-term loans, long-term debt and lease liabilities, less cash and cash equivalents.

(in thousands)	2022	2021
(Increase) decrease in cash and cash equivalents for the year	**$ (28,273)**	$ 63,899
Cash inflow from increase in debt	**484,533**	181,950
Cash outflow from repayments of debt	**(724,741)**	(312,827)
Cash outflow from finance leases	**(51,210)**	(43,432)
Change in net debt resulting from cash flows	**(319,691)**	(110,410)
Lease liabilities capitalised, net of retirements	**70,200**	63,591
Currency movements	**(31,790)**	38,255
Debt issuance costs and other movements	**7,277**	5,901
Movement in net debt in the year	**(274,004)**	(2,663)
Opening net debt	**2,312,226**	2,314,889
Closing net debt	**$ 2,038,222**	$ 2,312,226

During 2022, SNL met its liquidity needs through a combination of cash generated from operations, borrowings from commercial banks and other financial institutions and proceeds from the sale of assets.

Generally, Stolt Tankers was able to operate with a minimum of working capital by extending tight credit terms to customers, keeping accounts receivable to a minimum, and by obtaining standard credit terms of 30 to 90 days from most suppliers.

For Stolthaven Terminals and Stolt Tank Containers, a normal business operating cycle prevails with balanced credit terms. For Stolt Sea Farm, the production cycle for various farmed fish species is several months to years, requiring a normal level of working capital to finance inventory.

Ships, terminals, tank containers and investments in equity instruments can be an important source of liquidity, as these assets can be used to secure debt or can be sold and, if needed, leased back. SNL realised proceeds from the sale of ships and other assets of $7.9 million in 2022, compared to $29.7 million in 2021.

SNL's objectives when managing capital are to safeguard its ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. SNL monitors capital on the basis of the ratio of debt to tangible net worth (shareholders' equity less intangible assets, non-controlling interests and other components of equity). During the year ended November 30, 2022, debt and lease liabilities decreased by $245.7 million. Tangible net worth increased by $205.3 million from November 30, 2021. This was primarily due to net profit of $280.9 million partially offset by declared dividends of $80.4 million. The debt to tangible net worth ratio was 1.16 at November 30, 2022 from 1.44 at November 30, 2021. This is below the 2.25 threshold included as a debt covenant in most of SNL's debt agreements.

Off-Balance Sheet Arrangements

In addition to the obligations recorded on SNL's consolidated balance sheets, certain commitments that will result in future cash outlays are not recorded on the Company's consolidated balance sheets. In addition to long-term debt interest payments, these off-balance sheet arrangements consist of immaterial or short-term leases, committed capital expenditures and the retained and contingent interests discussed in the Significant Contractual Obligations table below.

Leases

In accordance with IFRS 16, all leases other than those that are immaterial or less than one year are capitalised. Future commitments for short-term or immaterial leases were $3.4 million at November 30, 2022, compared with $3.2 million at November 30, 2021.

Significant Contractual Obligations

SNL has various contractual obligations, some of which are required to be recorded as liabilities in the Consolidated Financial Statements. SNL's operating leases, committed capital expenditures, long-term debt and lease liability interest payments and other executory contracts are not required to be recognised as liabilities on the Company's consolidated balance sheets. As of November 30, 2022, SNL's other purchase obligations were not material. The following summarises SNL's significant contractual obligations as of November 30, 2022, including those reported on the Company's consolidated balance sheet and others that are not:

(in thousands)	Total	Less than 1 yr	2-3 yrs.	4-5 yrs.	More than 5 yrs.
Contractual cash obligations:					
Long-term debt[1]	$ 1,984,221	$ 293,109	$ 817,069	$ 450,480	$ 423,563
Lease principal payments	223,584	49,017	67,454	24,653	82,460
Lease interest payments	104,626	9,806	13,684	9,181	71,955
Operating leases	3,402	2,214	967	221	–
Committed capital expenditures	66,565	55,628	10,937	–	–
Long-term fixed rate debt interest payments	228,672	73,379	81,351	49,360	24,582
Long-term variable rate debt interest payments[2]	99,581	22,903	36,188	23,530	16,960
Derivative financial liabilities[2]	8,463	2,240	6,223	–	–
Pension and post-retirement benefit obligations[3]	2,043	2,043	–	–	–
Total contractual cash obligations:	$ 2,721,157	$ 510,339	$ 1,033,873	$ 557,425	$ 619,520

1. Excludes debt-issuance cost.
2. Long-term variable rate debt interest payments and derivative financial liabilities are based on the rates in effect at November 30, 2022. Derivative financial liabilities are based on undiscounted cash flows.
3. Pension and post-retirement benefits contributions – SNL includes these amounts based on current estimates of contributions to the pension plans that may be required. The Company has not disclosed possible payments beyond the next 12 months owing to the significant difficulty in forecasting these amounts with any accuracy.

Financial Risk Management

SNL is exposed to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on SNL's financial performance. This is covered in more detail in the annual Financial Statements.

Critical Accounting Estimates and Judgements

In the preparation of SNL's Financial Statements, there are a number of areas involving management judgements and estimates as well as assumptions about the future. Such areas could experience significantly different outcomes should these assumptions, judgements and estimates differ from actual results. The key areas where estimates and judgements make significant differences are:

- Voyage revenue and costs
- Depreciation and residual values
- Review of impairment triggers
- Investments in joint ventures and associates
- Insurance claims receivable and provisions
- Pension and other post-retirement benefits
- Right-of-use assets and lease liabilities

To obtain a better understanding of SNL's detailed accounting policies in these areas, please see Note 2 to the Financial Statements.

Principal Risks

Each business segment considers strategic, operational and financial risks and identifies actions to mitigate those risks. These risk profiles are updated at least annually. The principal risks and uncertainties for the next financial year are discussed below.

Bunker fuel and freight costs

Bunker fuel constitutes one of the major operating costs of the tanker fleet and price changes can have a material impact on SNL's results. Although efforts are made to reduce the impact of price changes by passing bunker fuel costs through to customers or through the Company's bunker hedging programme, a significant portion is incurred solely by the Company. Approximately 64% of Stolt Tankers' STJS sales volume in 2022 was derived from COA. Approximately 99% of these COA had provisions to pass through fluctuations in fuel prices to customers. As a result the expected cover from COA equals approximately 63% of the total deep-sea bunker price exposure.

The profitability of the remaining Stolt Tankers' STJS revenue earned under COA and all spot revenue was directly impacted by changes in fuel prices, subject to the Company's hedging programme. In addition, the bunker surcharge clauses can result in the Company providing customers with rebates in periods of lower bunker prices. SNL's policy is to hedge a minimum of 50% of expected bunker purchases within the next 12 months, either through bunker surcharge clauses included in COA or through financial instruments.

Ships are required to use marine fuels with a sulphur content of no more than 0.50% against the previous limit of 3.50%. Stolt Tankers is taking a multifaceted approach to low-sulphur fuel. Thirteen vessels have been fitted with wet hybrid scrubbers in order to reduce sulphur emission, of which three are still to be certified.

The rest of the Stolt Tankers fleet has switched to Marine Gas Oil or alternative fuels, depending on availability, usability and cost efficiency.

The vast majority of the COA now include adapted bunker surcharge clauses to cover the higher fuel prices.

For Stolt Tank Containers, the impact of increased freight costs due to tight capacity on container ships in select markets, additional surcharges, and fluctuations in fuel prices can result in downward pressure on margins. Cost increases are passed on to customers when possible. Given quoted rate validity periods to customers, there is a negative impact on margins in periods of rising freight costs until rates can be increased.

Tanker and tank container industry risk

The tanker industry is cyclical and volatile, which may lead to reductions and/or volatility in freight rates, volumes and ship values. Fluctuations in the rates that Stolt Tankers can charge result from changes in the supply and demand for ship capacity and changes in the supply and demand for the products carried, particularly the bulk liquids, chemicals, edible oils, acids and other specialty liquids that are the majority of the products that the Company transports. Factors influencing demand include supply for products shipped, economic growth, environmental development and the distances that products are moved by sea. Factors influencing supply include the number of new ships and recycling of old ships, changes in regulations, the strength of the clean petroleum product tanker markets and availability of capacity at shipyards.

Stolt Tankers mitigates these risks by actively managing the mix of business between COA and spot and utilises various tools to increase fleet flexibility and decrease risk. Contract business tends to be less volatile in terms of both rates and volumes than spot business. Management endeavours to increase the contract percentage and lengthen contract duration during periods of uncertainty or when management determines that market conditions are likely to deteriorate, while they reduce the contract percentage and shorten the contract duration when prices are strengthening and ship supply tightens. Stolt Tankers also actively manages its charter periods to allow a certain number of ships to be redelivered on short notice. Within the owned fleet, Stolt Tankers endeavours to maintain a balanced age profile. Through this technique, fleet size can be managed by early retirement of older ships when demand is soft and life extension of ships during periods of higher demand.

The tank container industry is also cyclical and volatile, which may lead to reductions and/or volatility in freight rates and shipment volumes. Fluctuations in the rates that Stolt Tank Containers can charge its customers result from new competition attempting to aggressively grow market share combined with an over-supply of tank containers in the market. Stolt Tank Containers mitigates this risk by actively managing customer relationships and pricing as well as maintaining a balance of owned and leased tanks. Fleet size can easily be managed by the on-hire and off-hire of leased tanks.

Climate change risk

SNL may incur substantial costs as a result of changes in weather patterns due to climate change. Increases in the frequency, severity or duration of severe weather events such as hurricanes, typhoons or other severe weather events could result in asset loss, injuries, lost earnings, difficulty in obtaining insurance and higher costs. Changes in sea water temperature can adversely impact growth rates of fish, harm the fish and lead to losses of fish. To counteract future climate changes, there have been increasingly stringent regulations, such as the requirement to use low sulphur fuels, and violations can lead to significant fines and penalties. Future regulations could result in making SNL assets prematurely obsolete or require costly investments. We are also monitoring regulations, such as the EU Emissions Trading System, which – with inclusion of shipping starting in 2024 – will require the purchase of EU allowances equivalent to its carbon emissions. This will drive an increase in the Company’s operating expenses and could impact the profitability and cash flow of the Group unless offset by higher revenue. In order to mitigate the cost increase, SNL is including wording in its COAs that either would allow for the recovery of these costs from its customers, or in the absence of such, would allow cancellation of the contracts if no amicable solution is found for the recovery of the added cost. In addition, SNL continues in its efforts to reduce bunker consumption and thereby reduce the anticipated cost of the EU Emissions Trading System regulation.

SNL’s assets and procedures are designed to avoid contaminations, spills, leaks, fires and explosions, with safety equipment installed to minimise the impact of such incidents. SNL employees regularly review and test emergency response plans through safety drills, partnering with local incident response services and regulatory agencies. Drills involve the safe evacuation of the workforce, visitors and all other parties from the ships, terminals, depots, farms and offices. SNL is also using its expertise and strong industry relationships to investigate and explore new technologies to enable the move towards a low-carbon future.

Newbuilding risk

SNL spends substantial sums during the construction of parcel tanker newbuildings without earning revenue and without assurance that ships will be completed on time or at all.

The risks with respect to newbuildings arise because SNL is typically required to pay substantial amounts as progress payments during construction of a newbuilding but does not derive any revenue from the ship until after its delivery. SNL's receipt of newbuildings could be delayed temporarily or indefinitely because of:

- Quality or engineering problems
- Work stoppages or other labour disturbances at the shipyard
- Bankruptcy or another financial crisis of the shipbuilder
- A backlog of orders at the shipyard
- SNL requests for changes to the original ship specifications
- Shortages of, or delays in, the receipt of necessary equipment or construction materials, such as steel

If the delivery of a ship is materially delayed, this could adversely affect the business and its results of operations, cash flow and financial condition. SNL manages these risks by agreeing to industry standard provisions dealing with compensation for delays and rights to terminate the newbuilding contract. Any progress or down payments made by the Company under the newbuilding contracts are secured by refund guarantees issued by commercial banks or government institutions to cover the repayment obligation by the shipyards in case of a yard default.

Political and geopolitical risk

SNL has international operations, and its business, financial condition and results of operations may be adversely affected by changing economic, political and government conditions in the countries and regions where SNL's ships and tank containers are employed, and terminals are located.

SNL is also exposed to geopolitical risks where territorial and other disputes between countries could lead to the outbreak of war or the existence of international hostilities that could damage the world economy, adversely affect the availability of, and demand for, petroleum and chemical products and adversely affect SNL's ability to operate ships, terminals or tank containers. Moreover, SNL operates in a sector of the economy that is likely to be adversely affected by the impact of political instability, terrorist or other attacks and war or international hostilities, for example, the invasion of Ukraine by Russia.

For an effective and competitive global chemical shipping business, managing geopolitical risk is a strategic imperative. Cross-border expansion to facilitate corporate growth is a significant contributor to growth. In some cases, cargoes are located in – or destined for – troubled or developing markets where considerable cultural, infrastructure, security or technology challenges must be met. At the same time, economic and population growth, especially in Asia, is creating new demand for petroleum and chemical products. Sufficient supply must be in place with supporting infrastructure and distribution to meet demand in these high growth markets.

Project development risks

Stolthaven Terminals is working on various projects at its wholly owned and joint venture terminals. The development of terminal operations and jetties involves significant upfront investment in infrastructure and there are risks inherent in such developments, including political, regulatory, currency exchange, liquidity, financial, contractual and structural risks. The occurrence of one or more of these risk factors could delay the project and result in increased project costs. Different countries carry varying degrees of risk depending on social, cultural, political and financial development and stability. Efforts are made to mitigate these risks by employing local country and regional representatives to act as liaisons with local authorities and to devise appropriate mitigating actions.

Stolt Sea Farm biological asset inventory price risk

All mature turbot and sole are held at fair value less costs of sale and costs related to harvest. A fair-value adjustment is also made at the point when previously juvenile turbot and sole are considered to become mature, which typically occurs when the fish reach a specified weight. Fair value is determined on the basis of market prices, and gains and losses from changes in fair value are recognised in the income statement.

The fair value of these assets fluctuates significantly based upon the season, competition, market conditions and existing supply. The fair-value adjustment recognised in the current year was a loss of $1.0 million in operating profit, compared with a $17.4 million gain in 2021. Fair value adjustments have a direct impact on SNL's income statement and there is a risk that the fair value adjustment recognised in a year could negatively impact SNL's income statement.

Currency risk

Most of the revenue earned by Stolt Tankers and Stolt Tank Containers is denominated in US dollars, whilst a significant portion of the divisions' operating expenses is incurred in other currencies, primarily the euro, the Singapore dollar, Japanese yen, Philippines peso and the British pound. When there is a mismatch between revenue and expense currencies, any depreciation of the revenue currency relative to the expense currency will decrease profit margins.

On average in 2022, the US dollar has strengthened by approximately 8.2% against the euro, causing an increase in profit margins. SNL's foreign currency hedging policy is to hedge between 50% to 80% of the Company's expected foreign currency operating exposures over the next 12 months.

Cyber risk
SNL relies on information technology (IT) systems in all of the businesses and is dependent on contractors supporting the delivery of information technology services. Given SNL's dependence on IT systems, a successful cyber-security attack could cause significant harm to SNL and negatively impact SNL's cash flow and financial position as well as result in a loss of productivity, intellectual property, regulatory fines and reputational damage.

To mitigate the risk of a cyber-attack, SNL continually measures, reviews and strives to improve its cyber-security capabilities. SNL has implemented preventive, protective and detective technologies and controls, including response and recovery capabilities, while adhering to industry best practices. SNL also requires training and has prepared awareness campaigns for staff. Risks are detected by actively monitoring SNL's information systems and applying lessons learned from security incidents. To limit the duration and impact of a cyber incident, SNL has implemented and tested response and recovery procedures to recover and restore business processes and services. When external companies provide SNL with critical IT services, security is managed through contractual clauses and supplier assurance reports. In addition, remote support by third-parties is closely monitored with restricted access and time limitations.

Disease outbreaks and pandemic risks
SNL's operations are global in nature and rely on a significant number of operational staff and third-party suppliers to run smoothly. As has been evidenced by the recent Covid-19 pandemic, disease outbreaks can put significant restrictions on the movement of people and their ability to get to their place of work as well as restrictions on the operations of our assets. Although SNL's ship operations continued mostly uninterrupted, there was a delay in the performance of shore-side support operations and a delay in transferring crew to and from the ships. Tank containers are dependent on SNL container depots for cleaning and pre-load preparations, and the depots are reliant on their employees being able to come to work, and third-party truckers and rail lines being able to transport the containers. Stolt Sea Farm's sales suffered as demand for turbot decreased drastically during lockdown since a large percentage of its sales are to the hotel, restaurant and catering sectors.

If the movement of people and transport operations are restricted, this could limit SNL's ability to meet commitments to customers and could impact financial results. Likewise, any outbreak on-board our ships or at one of our terminals could impact operations of individual assets. The severity of the impact of such disruptions would depend on the spread and duration of the disease. To the extent possible, business continuity plans have been updated and implemented to mitigate any negative impact on the businesses from a wide-spread and long-lasting disease of the coronavirus type.

Financing risk
The Group's businesses are capital intensive and, to the extent the Group does not generate sufficient cash from operations, the Group may need to raise additional funds through public or private debt to fund capital expenditures and to refinance maturing debt instruments. Adequate sources of capital may not be available when needed or may not be available at favourable terms. The Group's ability to obtain financing is dependent on various factors, such as financial market conditions for unsecured debt and financial institutions' appetite for secured ship, tank container or terminal financing.

The Group has a diversified debt structure and has access to a wide range of funding sources from banks, leasing companies and the Nordic bond market. The Group also maintains significant availability under its committed credit facilities, as well as cash on hand, to mitigate the risk of short-term interruptions to the financial markets.

Treasury Shares
At November 30, 2022 and 2021, SNL held 5,000,000 Treasury Shares. See Note 30 to the Financial Statements.

Going Concern
The annual Financial Statements have been prepared under the going concern assumption.

Audit Tender Process
In 2022, SNL went through a tender process for Independent Auditors and PricewaterhouseCoopers LLP was reappointed.

Subsequent Events
See Note 33 to the Consolidated Financial Statements for significant events occurring after November 30, 2022.

Niels G. Stolt-Nielsen
Chief Executive Officer
Stolt-Nielsen Limited

Jens F. Grüner-Hegge
Chief Financial Officer
Stolt-Nielsen Limited

March 15, 2023

Independent auditors’ report to the members of Stolt-Nielsen Limited

Report on the audit of the group financial statements

Opinion

In our opinion, Stolt-Nielsen Limited’s group financial statements (the ‘financial statements’):

- give a true and fair view of the state of the group’s affairs as at 30 November 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 1981 (Bermuda).

We have audited the financial statements, included within the Annual Report (the ‘Annual Report’), which comprise: the consolidated balance sheet as at 30 November 2022; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in shareholders’ equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

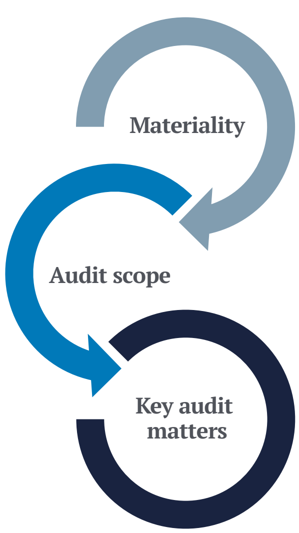
We conducted our audit in accordance with International Standards on Auditing (UK) (‘ISAs (UK)’) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



Materiality:

- Overall materiality: $27.7m (2021: $21.8m) based on 1% of revenue
- Performance materiality: $20.7m (2021: $16.4m)

Audit scope:

- Full scope audits of the Deep Sea Trading and Owning divisions of Stolt Tankers, and the Stolt Tank Containers BV division of Stolt Tank Containers, the largest trading divisions of the group.
- Audits of Property Plant and Equipment, Right-of-use Assets and Lease Liabilities at the Singapore terminal; Property Plant and Equipment, Right-of-use Assets and Depreciation at the Houston terminal; and Right-of-use assets and Lease Liabilities at the Australasia terminals, within the Stolthaven Terminals division.
- Specified procedures over certain financial statement line items for Stolt Sea Farm Spain, certain Stolt Tankers and Stolt Tank Containers entities, and certain corporate entities.
- Audit of certain financial statement line items across the group, including Cash and cash equivalents, Investments in and advances to joint ventures and associates, Long-term debt, Short-term bank loans, Derivative financial instruments, Insurance claim receivables, Income tax expense, Income tax receivable, Income tax payable, Deferred tax assets, Deferred tax liabilities, and Employee benefit assets and liabilities.
- The reporting locations subject to audit procedures accounted for 75% of the group’s revenue and 73% of the group’s total assets.

Key audit matters:

- Voyage revenue recognition
- Accounting for claims

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulations implemented by the International Maritime Organisation (“IMO”), The International Convention for the Prevention of Pollution from Ships (“MARPOL”), the International Convention for the Safety of Life at Sea (“SOLAS”), and the Bribery Act 2010 (UK), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 1981 (Bermuda) and international tax legislation.

We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates or judgements. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed included:

- Inquiring of management, including those in the legal and regulatory compliance departments, the head of operational audit and the Audit Committee as to known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing matters reported on the group’s “Speak Up” system and the results of management’s investigation of such matters;
- Challenging assumptions and judgements made by management in connection with significant accounting estimates;
- Consideration of recent correspondence with legal advisors in respect of uncertain legal matters;
- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations or those posted by unexpected users; and
- Testing material consolidation adjustments.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

Key audit matters

Key audit matters are those matters that, in the auditors’ professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Voyage Revenue Recognition Stolt Tankers reported $1.5bn of revenue in 2022, which is mostly recognised over time using an estimated percentage of completion for voyages in progress at the balance sheet date. This is considered to be a key audit matter due to the complexity of the revenue recognition policies for Stolt Tankers. We have assessed that the revenue in this division carries a higher risk of material error as its calculation is more judgemental in nature. In particular, we focused our audit effort on the calculation of voyage revenue and costs, and estimates over the percentage of completion of voyages at the year end, due to the inherent level of estimation uncertainty in these areas. Refer also to note 2 in the consolidated financial statements.	We performed the following procedures: • Obtained an understanding of the processes and controls over voyage revenue recognition and assessed the appropriateness of management's accounting policy, which has not changed since the prior year. • Assessed the methodology for estimating and reviewing the amount of revenue recognised at the year end and compared this to the relevant accounting guidance under IFRS 15, Revenue from contracts with customers. • Tested certain key controls across the revenue cycle, including those over key systems and automated calculations of revenue and voyage accruals. • Obtained a sample of voyage contracts to understand the key terms relevant to the recognition of revenue in the year. • For a sample of voyages in progress at year-end, compared the estimated percentage completion at the year end to the actual percentages post year end, and also considered the accuracy of the opening balance sheet position in a similar manner. • Agreed a sample of revenue recorded throughout the year to cash receipts. • Performed subsequent receipts testing for a sample of revenue transactions recorded pre year end. • Tested the run-off of the voyage accruals after year end. • Tested post year end credit notes to assess the accuracy of the year end position. • Tested the voyage revenue cut off by agreeing a sample of revenue accruals and revenue items recorded pre-year end to supporting documentation. • Tested a targeted sample of aged voyage accounting items on the balance sheet to assess the recoverability of the associated assets and adequacy of voyage accruals. Based on the procedures performed, we noted no material issues from our work.
Accounting for claims Management makes judgements about the group's exposure to legal claims, and the amounts recoverable under insurance, in relation to claims against the group. At 30 November 2022 there was a provision of $156.6m in relation to such claims, and an associated insurance reimbursement receivable of $156.2m, recorded on the balance sheet. This is considered to be a key audit matter because there is an inherent level of estimation uncertainty in assessing the group's exposure to claims from third parties and the recoverability of amounts from insurance providers. In particular we have focussed our audit effort on assessing management's exposure to claims with reference to guidance received from legal counsel, and assessing whether insurance claim receivables meet the threshold of 'virtually certain' required in order for them to be recognised on the balance sheet. Refer also to notes 19 and 26 in the consolidated financial statements.	We performed the following procedures: • Obtained an understanding of the processes and controls over legal claims and associated insurance receivables, and assessed the appropriateness of management's accounting policy, which has not changed since the prior year. • Obtained confirmations from the group's external legal counsel with respect to the status of material insurance claims. Performed a review of insurance policies as well as assessing payments made by the insurance providers to assess the recoverability of amounts recorded. • Obtained the views of both internal and external legal counsel to consider the outcome of prior year litigation, including developments and settlements, and the status of new claims. • Evaluated the group's accounting for insurance claims, amounts recoverable under insurance and cash received to date. We also assessed management's estimate of future settlements of outstanding claims with reference to claims received and representations from external legal counsel. • Assessed the adequacy of the claims related disclosures in the financial statements. Based on the procedures performed, we noted no material issues from our work.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which it operates.

Stolt-Nielsen Limited has six divisions that operate globally: Stolt Tankers which operates chemical tankers for the transportation of bulk-liquid chemicals, oils, acids and clean petroleum products; Stolthaven Terminals which provides storage for bulk-liquid chemicals, oils, acids and clean petroleum products; Stolt Tank Containers which provides transportation for bulk-liquid chemicals and food-grade products; Stolt Sea Farm which operates farms producing premium fish species; Stolt Investments which focuses mainly investing in entities in the bulk-liquid logistics, distribution, LNG and land-based aquaculture sectors; and Corporate and Other. The group has a number of subsidiaries, joint ventures and associates, including those within the divisions mentioned and also operates a shared service centre in Manila. Our scoping considerations for the group audit were based both on financial significance and risk.

Using audit teams based in Rotterdam and Houston, we have performed full scope audits of the Deep Sea Trading and Owning divisions of Stolt Tankers, and the Stolt Tank Containers BV division of Stolt Tank Containers, due to the financial significance of these components. In addition, specified procedures have been performed over certain financial statement line items for Stolt Sea Farm Spain, certain Stolt Tankers and Stolt Tank Containers entities, and certain corporate entities.

For Stolthaven Terminals, an audit of Property, Plant and Equipment has been carried out at Stolthaven Houston and Stolthaven Singapore. An audit of Right-of-use assets and Lease liabilities has also been carried out at Stolthaven Singapore and Stolthaven Australasia.

For Stolt Sea Farm, specified procedures have been performed over certain material financial statement line items in Stolt Sea Farm Spain by our local team in this territory. Certain procedures have also been performed at a group level in London over additional items, including Cash and cash equivalents, Investments in and advances to joint ventures and associates, Long-term debt, Short-term bank loans, Derivative financial instruments, Insurance claim receivables, Income tax expense, Income tax receivable, Income tax payable, Deferred tax assets, Deferred tax liabilities, and Employee benefit assets and liabilities, to gain coverage over these financial statement line items as a whole across the group. Procedures are performed on certain processes undertaken by the shared service centre in Manila to the extent that those processes contribute to the financial information of the components as noted above. Work is also performed over centralised functions such as tax, treasury, legal and pensions, as well as consolidation, by the group team in London.

Where work was performed by teams outside of the UK, we determined the level of independent involvement needed at those local operations to be able to conclude whether sufficient, appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole. We issued formal, written instructions to the teams outside the UK, setting out the work to be performed by each of them and maintained regular communication throughout the audit cycle. These interactions included participating in planning and clearance meetings with our teams in The Netherlands, Spain, Singapore, and The United States of America, holding regular video conference calls, a site visit to our Stolt Tank Containers component in Houston, as well as reviewing working papers remotely and assessing matters reported.

In total the work performed accounted for 75% of consolidated group revenue and 73% of the group's total assets. At the group level we also carried out analytical and other procedures on the components not covered by the procedures described above.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	$27.7m (2021: $21.8m).
How we determined it	1% of revenue
Rationale for benchmark applied	Based on the benchmarks used in the Annual Report, we believe that revenue is the primary measure generally used by the shareholders in assessing the performance of the group.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between $1.7m and $12.5m.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to $20.7m (2021: $16.4m) for the group financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $1.4m (2021: $1.1m) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

Review of management's base case and severe but plausible downside scenario, ensuring the directors have considered all appropriate factors. This included consideration of the future cash flows, the liquidity position of the group, available financing facilities, and the timing of contractual debt repayments and committed capital expenditure.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Responsibility Statement set out on page 140, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation")

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

It is also our responsibility to assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF regulation.

Independent auditors' report continued

Report on other legal and regulatory requirements

We have checked the compliance of the consolidated financial statements of the company as at 30 November 2022 with the relevant statutory requirements set out in the ESEF Regulation that are applicable to financial statements. That is, for the company:

- The consolidated financial statements are prepared in a valid xHTML format;
- The XBRL markup of the consolidated financial statements uses the core taxonomy and the common rules on markups specified in the ESEF regulation.

In our opinion, the consolidated financial statements of the company as at 30 November 2022, identified as stolt-nielsen-ar2022.zip, have been prepared, in all material respects, in compliance with the requirements laid down in ESEF regulation.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Section 90 of the Companies Act 1981 (Bermuda) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
Watford

March 15, 2023

a. The maintenance and integrity of the Stolt-Nielsen Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b. Legislation in Bermuda governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Income Statement

(in thousands, except per share data)	Notes	For the years ended November 30, 2022	2021
Operating Revenue	3, 4	**$ 2,771,843**	$ 2,181,082
Operating Expenses	5	**(1,851,608)**	(1,459,706)
		920,235	721,376
Depreciation and amortisation	14, 15, 16	**(282,123)**	(295,459)
Impairment of assets	14	**–**	(10,000)
Gross Profit		**638,112**	415,917
Share of profit of joint ventures and associates	17	**53,963**	39,470
Administrative and general expenses	5	**(249,022)**	(220,464)
Gain (loss) on disposal of assets, net	7	**5,562**	(3,010)
Other operating income		**4,132**	2,218
Other operating expense		**(5,215)**	(436)
Operating Profit		**447,532**	233,695
Non-Operating (Expense) Income			
Finance expense on lease liabilities	8	**(10,451)**	(11,072)
Finance expense on debt	8	**(112,188)**	(116,212)
Loss on early extinguishment of debt	8	**(11,149)**	–
Finance income	8	**3,979**	2,375
Foreign currency exchange loss, net		**(9,151)**	(2,673)
Other non-operating income (loss), net		**347**	(2,902)
Profit before income tax		**308,919**	103,211
Income tax expense	9	**(28,064)**	(24,405)
Net Profit		**$ 280,855**	$ 78,806
Earnings per share:			
Basic	31	**$ 5.25**	$ 1.47
Diluted	31	**$ 5.25**	$ 1.47

Notes 1 to 33 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

(in thousands)	Notes	For the years ended November 30, 2022		2021
Net profit		**$ 280,855**	$	78,806
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gain on pension schemes	25	**3,235**		15,542
Actuarial gain on pension scheme of joint venture	17	**1,476**		1,489
Deferred tax adjustment on defined benefit and other post-employment benefit obligations	9	**(2,993)**		(2,709)
Items that may be reclassified subsequently to profit or loss:				
Net income on cash flow hedges		**10,194**		4,587
Reclassification of cash flow hedges to income statement		**25,818**		15,085
Net gain on cash flow hedges held by joint ventures and associates	17	**8,743**		3,834
Deferred tax adjustment on cash flow hedges	9	**(1,127)**		(689)
Exchange differences arising on translation of foreign operations		**(32,833)**		(18,899)
Deferred tax on translation of foreign operations	9	**(885)**		119
Exchange differences arising on translation of joint ventures and associates	17	**(31,292)**		(11,354)
Change in value of investment in equity instruments	18	**67,929**		8,681
Net profit recognised as other comprehensive income		**48,265**		15,686
Total comprehensive income		**$ 329,120**	$	94,492

Notes 1 to 33 are an integral part of these Consolidated Financial Statements.

Consolidated Balance Sheet

(in thousands)	Notes	As of November 30, 2022	2021
ASSETS			
Current Assets:			
Cash and cash equivalents	10	**$ 152,141**	$ 123,868
Restricted cash	10	**–**	6,096
Receivables, net	11	**353,730**	285,749
Insurance claims receivable	11	**–**	58,598
Inventories, net	12	**10,182**	6,986
Biological assets	13	**46,181**	50,344
Prepaid expenses		**94,993**	76,645
Derivative financial instruments	22	**8,545**	589
Income tax receivable		**5,026**	987
Other current assets		**37,585**	54,351
Total Current Assets		**708,383**	664,213
Property, plant and equipment	14	**2,797,929**	2,856,137
Right-of-use assets	15	**216,438**	203,048
Investments in and advances to joint ventures and associates	17	**622,944**	611,906
Investment in equity instruments	18	**143,144**	37,873
Deferred tax assets	9	**5,488**	9,238
Intangible assets and goodwill	16	**35,879**	38,967
Employee benefit assets	25	**20,602**	25,370
Derivative financial instruments	22	**6,590**	6,868
Insurance claims receivable	19	**156,231**	162,887
Other non-current assets		**15,282**	19,702
Total Non-Current Assets		**4,020,527**	3,971,996
Total Assets		**$ 4,728,910**	$ 4,636,209
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Short-term bank loans	23	**$ –**	$ 40,000
Current maturities of long-term debt	24	**288,958**	490,502
Current lease liabilities	15	**49,017**	43,473
Accounts payable	20	**104,875**	114,607
Accrued voyage expenses and unearned revenue		**69,247**	51,328
Dividend payable	30	**53,591**	26,829
Accrued expenses		**251,064**	197,904
Provisions	26	**4,743**	2,968
Income tax payable		**16,934**	12,534
Derivative financial instruments	22	**2,171**	10,239
Other current liabilities		**49,407**	37,543
Total Current Liabilities		**890,007**	1,027,927
Long-term debt	24	**1,677,821**	1,695,142
Long-term lease liabilities	15	**174,567**	166,977
Deferred tax liabilities	9	**80,232**	68,025
Employee benefit liabilities	25	**20,342**	31,720
Derivative financial instruments	22	**5,851**	7,938
Long-term provisions	26	**157,167**	164,126
Other non-current liabilities		**1,227**	1,425
Total Non-Current Liabilities		**2,117,207**	2,135,353
Total Liabilities		**3,007,214**	3,163,280
Shareholders' Equity	30		
Founder's Shares		**14**	14
Common Shares		**58,524**	58,524
Paid-in surplus		**195,466**	195,466
Retained earnings		**1,787,198**	1,584,978
Other components of equity		**(208,455)**	(255,002)
		1,832,747	1,583,980
Less – Treasury shares		**(111,051)**	(111,051)
Total Shareholders' Equity		**1,721,696**	1,472,929
Total Liabilities and Shareholders' Equity		**$ 4,728,910**	$ 4,636,209

Notes 1 to 33 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Shareholders' Equity

(in thousands)	Common Shares	Founder's Shares	Paid-in surplus	Treasury shares	Retained earnings	Foreign currency (a)	Hedging (a)	Fair value (a)	Attributable to equity holders of SNL
Balance, December 1, 2020	**$ 64,134**	**$ 16**	**$ 314,454**	**$ (235,651)**	**$ 1,532,060**	**$ (132,623)**	**$ (41,560)**	**$ (82,183)**	**$ 1,418,647**
Comprehensive income (loss)									
Net profit	–	–	–	–	78,806	–	–	–	78,806
Other comprehensive income (loss)									
Translation adjustments, net	–	–	–	–	–	(30,134)	–	–	(30,134)
Remeasurement of post-employment benefit obligations, net of tax	–	–	–	–	14,322	–	–	–	14,322
Fair value adjustment on equity investments	–	–	–	–	–	–	–	8,681	8,681
Net gain on cash flow hedges and reclassifications to income statement, net of taxes	–	–	–	–	–	–	22,817	–	22,817
Total other comprehensive income (loss)	–	–	–	–	14,322	(30,134)	22,817	8,681	15,686
Total comprehensive income (loss)	–	–	–	–	**93,128**	**(30,134)**	**22,817**	**8,681**	**94,492**
Transactions with shareholders									
Cash dividends paid – $0.75 per Common Share (b)	–	–	–	–	(40,143)	–	–	–	(40,143)
Cash dividends paid – $0.005 per Founder's Share (b)	–	–	–	–	(67)	–	–	–	(67)
Cancellation of shares	(5,610)	(2)	(118,988)	124,600	–	–	–	–	–
Total transactions with shareholders	**(5,610)**	**(2)**	**(118,988)**	**124,600**	**(40,210)**	**–**	**–**	**–**	**(40,210)**
Balance, November 30, 2021	**$ 58,524**	**$ 14**	**$ 195,466**	**$ (111,051)**	**$ 1,584,978**	**$ (162,757)**	**$ (18,743)**	**$ (73,502)**	**$ 1,472,929**
Comprehensive income (loss)									
Net profit	–	–	–	–	280,855	–	–	–	280,855
Other comprehensive income (loss)									
Translation adjustments, net	–	–	–	–	–	(65,010)	–	–	(65,010)
Remeasurement of post-employment benefit obligations, net of tax	–	–	–	–	1,718	–	–	–	1,718
Fair value adjustment on equity investments	–	–	–	–	–	–	–	67,929	67,929
Net gain on cash flow hedges and reclassifications to income statement, net of taxes	–	–	–	–	–	–	43,628	–	43,628
Total other comprehensive income (loss)	–	–	–	–	1,718	(65,010)	43,628	67,929	48,265
Total comprehensive income (loss)	**–**	**–**	**–**	**–**	**282,573**	**(65,010)**	**43,628**	**67,929**	**329,120**
Transactions with shareholders									
Cash dividends paid – $1.50 per Common Share (c)	–	–	–	–	(80,286)	–	–	–	(80,286)
Cash dividends paid – $0.005 per Founder's Share (c)	–	–	–	–	(67)	–	–	–	(67)
Total transactions with shareholders	**–**	**–**	**–**	**–**	**(80,353)**	**–**	**–**	**–**	**(80,353)**
Balance, November 30, 2022	**$ 58,524**	**$ 14**	**$ 195,466**	**$ (111,051)**	**$ 1,787,198**	**$ (227,767)**	**$ 24,885**	**$ (5,573)**	**$ 1,721,696**

a. Other components of equity on the balance sheet of $208.5 million and $255.0 million at November 30, 2022 and 2021, respectively, are composed of foreign currency, hedging and fair value.

b. The $40.1 million is the 2020 final and 2021 interim dividends for Common Shares and $0.1 million for Founder's Shares.

c. The $80.3 million is the 2021 final and 2022 interim dividends for Common Shares and $0.1 million for Founder's Shares.

Notes 1 to 33 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows

(in thousands)	Notes	For the years ended November 30, 2022	2021
Cash generated from operations	32	**$ 761,425**	$ 448,416
Interest paid		**(120,515)**	(120,807)
Debt issuance costs		**(8,477)**	(3,379)
Interest received		**4,049**	2,400
Income taxes paid		**(16,673)**	(2,803)
Net cash generated from operating activities		**619,809**	323,827
Cash flows from investing activities			
Capital expenditures	14	**(199,429)**	(185,486)
Purchase of intangible assets	16	**(3,959)**	(4,688)
Investments in joint ventures and associates	17	**(14,314)**	(21,173)
Proceeds from sales of assets	14	**7,934**	29,741
Repayment of advances to joint ventures and associates, net	17	**1,700**	4,570
Acquisition of shares in equity investments, net	18	**(37,291)**	(3,000)
Other, net		**420**	(565)
Net cash used in investing activities		**(244,939)**	(180,601)
Cash flows from financing activities			
(Decrease) increase in short-term bank loans	23	**(40,000)**	40,000
Proceeds from issuance of long-term debt	24	**484,533**	141,950
Repayment of long-term debt	24	**(684,741)**	(312,827)
Principal payments on leases	15	**(51,210)**	(43,432)
Dividends paid	30	**(53,591)**	(26,829)
Net cash used in financing activities		**(345,009)**	(201,138)
Net increase (decrease) in cash and cash equivalents		**29,861**	(57,912)
Effect of exchange rate changes on cash and cash equivalents		**(1,588)**	(5,987)
Cash and cash equivalents at beginning of year		**123,868**	187,767
Cash and cash equivalents at end of year		**$ 152,141**	$ 123,868

Notes 1 to 33 are an integral part of these Consolidated Financial Statements.

1. General Information

Stolt-Nielsen Limited (the "Company" or "SNL") and its subsidiaries (collectively, the "Group"), through its divisions, Stolt Tankers, Stolthaven Terminals and Stolt Tank Containers ("STC"), is engaged in the worldwide transportation, storage and distribution of bulk liquid chemicals, edible oils, acids, and other specialty liquids. The Group is also engaged in the seafood business, which is carried out through Stolt Sea Farm ("SSF"), which produces, processes and markets turbot and sole. Furthermore, the Group has entered into investments across the bulk-liquid logistics and distribution field with its 8.3% investment in Odfjell SE and 9.8% investment in Ganesh Benzoplast Limited ("GBL"), liquefied natural gas ("LNG") through its 47.2% holding of Avenir LNG Limited, its 2.5% holding of Golar LNG Limited and its 1.8% holding of Cool Company Limited ("CoolCo") and land-based aquaculture through its 10.0% investment in The Kingfish Company NV ("Kingfish").

The Company is a limited liability holding company incorporated in Bermuda on June 11, 2010. The Company is listed on the Oslo Stock Exchange under the ticker symbol SNI and the registered address is Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda, with the registration number EC 44330.

2. Summary of Significant Accounting Policies

Basis of preparation

The Consolidated Financial Statements of the Group have been prepared using accounting policies consistent with International Financial Reporting Standards as adopted by the European Union ("IFRS") and interpretations issued by the IFRS Interpretations Committee. Accounting policies have been applied on a consistent basis with the prior year, except when new accounting policies have been adopted.

The Consolidated Financial Statements are prepared and published according to the provisions of Bermuda company law.

The presentation currency used in these Consolidated Financial Statements is the US dollar. The functional currency of the Company is the US dollar.

Going concern

The Group has current maturities of long-term debt of $289.0 million at November 30, 2022, which includes a NOK bond of $132.0 million due in June 2023. In addition, a NOK bond of $142.0 million is due in February 2024. It also has capital expenditure commitments of $66.6 million and routine working capital requirements. At November 30, 2022, the Group had cash and cash equivalents of $152.1 million, an undrawn committed revolving credit facility for $220.9 million with an expiration date in 2028 and a $100.0 million undrawn committed revolving credit facility expiring in December 2024.

The ongoing war between Russia and Ukraine and related sanctions imposed could adversely affect global trade. However, management is of the opinion, after considering its cash requirements and various downside scenarios, that the Company's cash flows from operations, available credit facilities and other available sources of liquidity will continue to provide the cash necessary to satisfy the Company's working capital requirements, scheduled debt repayments and committed capital expenditures for the next twelve months from the date the financial statements are signed. Therefore, the Group continues to adopt the going concern basis in preparing the Consolidated Financial Statements.

Basis of measurement

The Consolidated Financial Statements are prepared on the historical cost basis except for derivative financial instruments, financial instruments measured at fair value through other comprehensive income, defined benefit plan assets and biological assets, all of which are stated at their fair value.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists where a parent entity is either exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. A parent entity has power over the subsidiary when it has existing rights to direct the relevant activities of the subsidiary. The relevant activities are those that significantly affect the subsidiary's returns. The ability to approve the operating and capital budget of a subsidiary, and the ability to appoint key management personnel, are decisions that demonstrate that the Group has existing rights to direct the relevant activities of a subsidiary. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control begins until the date that control ceases. Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring the accounting policies used in line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Foreign currency

(i) Foreign currency transactions

Separate Financial Statements of the subsidiaries and equity method investees of the Group are presented in the functional currency of the primary economic environment in which they operate.

Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated, while non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates prevailing at the dates the fair values were determined.

Foreign exchange differences arising on translation are recognised in the income statement, except for those differences arising from hedging and monetary balances with foreign operations where settlement is not planned and unlikely to occur, which are recorded in other comprehensive income. Differences related to hedging of operating expenses are recorded in operating expenses.

(ii) Foreign operations

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at foreign exchange rates prevailing at the balance sheet date. The operating revenue and expenses of foreign operations are translated at an average rate for the period where this rate approximates the foreign exchange rates at the dates of the transactions. The differences are recorded in other comprehensive income.

Other significant accounting policies

Accounting policies for individual balance sheet and income statement accounts are included in the respective footnotes.

New standards that are not yet effective

There are no standards that are not yet effective that are expected to have a material effect on the Group's financial statements.

Accounting policies that became effective during the year

There are no new accounting policies that have become effective during the year that have had a material effect on the Group's financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In connection with the preparation of the Consolidated Financial Statements, management has made assumptions and estimates about future events, and applied judgements that affect the reported amounts of assets, liabilities, operating revenue, expenses and the related disclosures. The assumptions, estimates and judgements are based on historical experience, current trends and other factors that management believes to be relevant at the time the Consolidated Financial Statements are prepared. Actual results may differ from these estimates. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgements to ensure that the Consolidated Financial Statements are presented fairly and in accordance with IFRS and Bermuda company law, applied on a consistent basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the change affects both as per IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

Notes to the Consolidated Financial Statements continued

Critical accounting judgements and key sources of estimation uncertainty continued

Critical accounting estimates and judgements are those that have a significant risk of having a material impact on the Consolidated Financial Statements. Management believes the following areas are the significant judgements and estimates used in the preparation of the Consolidated Financial Statements:

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Voyage revenue and costs		
The Group generates a majority of its operating revenue through its tanker segment from the transportation of liquids by sea and inland waterways under contracts of affreightment or through contracts on the spot market. Tankers recognise the majority of its operating revenue over time on a prorated basis based on the time cargo is loaded to its estimated dispatch. When calculating the voyage revenue and costs, this recognition is first based on 'budgeted voyage legs' that are reviewed and updated annually. After the voyage legs have begun, they are updated for actual results and the latest updated estimates.	In applying the percentage of completion method, the revenue and expenses for voyages still in progress at the end of the reporting period are estimated and prorated over the period of the service provided for each active contract. For each voyage leg, estimates are made of revenues and related costs based on available actual information, current market parameters such as fuel cost and customer contract portfolios, and relevant historical data, such as port costs. Revenue and cost estimates are updated continually throughout the voyage to account for changes in voyage patterns, to include the most up-to-date data and to finalise revenues and expenses.	The accrued voyage and prepaid voyage expense accounts are used to adjust revenues billed and vendor invoices received to the appropriate amounts to be recognised based on the percentage of completion method of accounting. Management does not believe there would be a material change if the percentage of completion method was based on full voyages or other criteria. However, if actual results are not consistent with estimates or assumptions, revenues or costs may be over or understated. At November 30, 2022 and 2021, the accrued voyage expense account was $69.2 million and $51.3 million, respectively, of which $41.7 million and $29.1 million related to contract liabilities for unearned revenues. Prepaid expenses included $21.6 million and $11.9 million of prepaid invoices for voyages in progress applicable to periods subsequent to November 30, 2022 and 2021, respectively.

Critical accounting judgements and key sources of estimation uncertainty continued

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Depreciation and residual values		
Ships, barges, tank containers and terminals are depreciated on a straight-line basis over their estimated useful lives, after reducing for the estimated residual value. Estimated useful lives are based on past experience, expected future performance and management's estimate of the period over which the asset will provide economic benefit. For ships and barges, residual values are estimated based on the steel price, the estimated light displacement tonnage of the fleet and current trends in the price of recycling of ships. For the majority of the fleet, the steel price used is the average steel price for the last three years. For ships expected to be recycled in the next three years, the steel price at the previous year end date is used. The evaluation of residual values and estimated useful lives for tank containers is based on the steel price of different grades of steel. In the case of terminals, the lives of terminals can range up to 40 years and the prices of steel and construction costs can vary across different terminals. If there is a material change in the estimated life of the terminal or price of steel, then the estimates are revised. Both estimated useful lives and the residual values are evaluated annually, and the effect of any change is considered as a revision of accounting estimates, and the effect is reflected in the future depreciation charge.	In order to achieve component accounting, the Group uses the weighted average useful economic life of the asset. In the case of ships, in the past, estimated useful lives of the components of the ships range from an estimated 25 to 30 years. However, actual lives of the components of ships or barges may be different depending on many factors such as quality of maintenance and repair and the type of product carried by the ships or barges which may result in a shorter or longer life. Future useful lives could be reduced based on customer preferences, new technological advances, governmental and industry regulations and the effects of climate changes. In the case of tank containers, the estimated useful life ranges between 10 and 20 years, depending on the supplier and the quality of steel used. Residual values are difficult to estimate given the long lives of ships, barges and tank containers, the uncertainty as to future economic conditions and the price of steel, which is considered as the main determinant of the residual price.	If the estimated economic useful life has to be reduced in future periods, an impairment loss or additional depreciation expense could result. A decrease in the useful life of the ship, barge, terminal or tank container or fall in the residual value would have the effect of increasing the annual depreciation charge and potentially resulting in an impairment loss. If the residual value is overestimated, this would reduce the annual depreciation and overstate the value of the assets. See Note 14 for further details.

Critical accounting judgements and key sources of estimation uncertainty continued

<table>
<tr><th>Critical accounting judgement or estimation</th><th>Sources of estimation uncertainty</th><th>Effect if actual results differ from assumptions</th></tr>
<tr><td colspan="3">Review of impairment triggers</td></tr>
<tr><td>Under IAS 36, Impairment of Assets, external and internal sources of information are to be reviewed for potential triggers of asset impairment for each Cash Generating Unit ("CGU") in the business segments.

External triggers include:
• Observable indications of declining value of the CGU beyond normal use.
• Adverse changes in the CGU's technological, market, economic or legal environment.
• Increase in market interest rates which would affect the discount rate used in calculating the asset's value in use.
• Carrying value of the net assets of the entity which was more than its market capitalisation.

Internal triggers include:
• Evidence of obsolescence or physical damage of the CGU's assets.
• Significant adverse changes which have changed or will change how the CGU's assets are used.
• Indications, through review of internal reports, that the economic performance of a CGU's assets are or will be worse than expected.
• Other specific risks within each CGU.

At November 30, 2022, the book equity of the Group was more than its market capitalisation. However, the market capitalisation has increased from the prior year. No unrecorded impairment was noted in the prior year, the discount rate expected to be applied for future cash flows has not significantly increased, there was no change in the CGU assessment, the expected cash flows had not deteriorated materially nor had any other external or internal trigger been noted. Therefore, no further testing was required for any of the CGUs.</td><td>There is significant judgement required to determine whether an external or internal trigger has been met.

Uncertainties related to impairment triggers include:
• Effect of future technological advances on the value of our assets.
• Determination of the future effects of climate change on asset values.
• Effect of current and expected future changes to the political environments in which the CGUs operate.
• Changes in rules and regulations (for example, taxes on carbon usage).
• Effect of market capitalisation, which has increased from the prior year but which is still less than the net assets of the entity.
• Evaluation of factors related to the discount rate.</td><td>If the judgement applied in determining whether there was an impairment trigger was incorrect or the fact pattern on which it was based changes, this could result in an impairment test being required and, possibly, an impairment being reflected in the Consolidated Financial Statements.</td></tr>
</table>

Critical accounting judgements and key sources of estimation uncertainty continued

Critical accounting judgement	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Investments in joint ventures and associates		
The Consolidated Financial Statements include the Group's results and all other entities in which the Group has control, except where control over the operations is limited by significant participating interests held by another investor. The Group has $622.9 million in investments in and advances to joint ventures and associates. Determination of whether an entity is an investment in a joint venture or associate is based on certain relevant activities such as the ability to approve the operating and capital budgets of an entity and the ability to appoint key management personnel.	There are a number of areas where significant judgement is exercised to establish whether an entity needs to be consolidated or reported under the equity method of accounting. To establish whether an entity is a consolidated subsidiary, a joint venture or an associate, key areas of judgement include: • Qualitative analysis of an entity including review of, among other factors, its capital structure, contractual terms, key decisions requiring unanimous approval, related party relationships and the design of the entity. • Rights of partners regarding significant business decisions, including disposals and acquisitions of assets. • Board and management representation and ability to appoint key management personnel. • Potential voting rights. • Ability to make financing decisions. • Approval of operating and capital budgets and contractual rights of other shareholders. The exercise of judgement in these areas determines whether a particular entity is consolidated as a subsidiary or accounted for under the equity method.	If the judgement applied in determining the accounting treatment of an entity is incorrect or the fact pattern on which it is based changes, such entities may need to be consolidated or accounted for as an investment at cost. For example, it is possible that an investment is accounted for as a joint venture or associate using the equity method despite having an ownership interest exceeding 50%, where the investor does not exercise direct or indirect control over the investee. To the extent that the Group is deemed to control these entities, the entities would have to be consolidated. This would affect the balance sheet, income statement, statement of cash flows and debt covenants. See Note 17 for further details.

Critical accounting judgements and key sources of estimation uncertainty continued

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Insurance claims receivable and Provisions		
The Group is exposed to substantial risks that are inherent in the industries the Company's businesses operate in and which may result in third-party claims and increased expenses. These may include marine disasters, such as collisions and other problems involving the Group's ships, as well as injuries, death, third-party property damage, explosions and other similar circumstances or events. For reported claims and incidents, the Group has established provisions for expected future losses and legal expenses on third-party claims. At November 30, 2022, Short-term and Long-term provisions for claims were $161.2 million. The Group has obtained customary levels of insurance for liabilities arising from operations, including loss of or damage to third-party property and death of or injury to employees or third parties. A receivable is recorded for the claims where it is virtually certain that the Group will receive reimbursement. At November 30, 2022, the long-term Insurance claims receivable for third-party claims was $156.2 million.	The provisions for claims is based on the following key judgements and estimations: • Historical trends and patterns of loss payments. • Replacement costs and inflation. • Results of litigation. • Economic location and public attitudes. • Relevant law and interpretation of case law. • Applicable insurance company estimates. When determining whether or not the Group will, with virtual certainty, be reimbursed for claims, the following information will be considered: • Obligation of the insurance company or underwriter under the insurance policy. • Historical pay out of applicable insurance company on the current and any similar prior claim. • Public or regulatory rating of underwriter or insurance companies. • On multi-layered (primary and excess) policies, payments by the previous layer.	Amounts ultimately paid for losses and legal costs can vary significantly from the level of reserves originally set. If the judgement applied is incorrect or changes over time, this could result in future losses in the Consolidated Financial Statements. See Notes 19 and 26 for further details.
Pension and other post-retirement benefits		
The Group sponsors defined benefit pension plans and a supplemental executive retirement plan covering eligible employees. At November 30, 2022, the Employee benefit asset was $20.6 million and Employee benefit liability was $20.3 million. Net periodic pension costs and accumulated benefit obligations are determined in accordance with IAS 19R, Employee Benefits, using a number of estimates including the discount rate to apply to future benefit payments, the rate of compensation increases, retirement ages and mortality rates. These estimates have a significant impact on the amounts reported. The Group's pension cost consists of service costs and interest costs.	Management considers a number of factors in developing the pension assumptions, including an evaluation of relevant discount rates, expected return on assets, mortality, expected changes in wages and retirement benefits, analyses of current market conditions and input from actuaries and other consultants.	A 0.25% increase in the discount rate assumption for the defined benefit obligation would result in a decrease of $4.4 million, and a 0.25% decrease in discount rate assumption would result in an increase of $4.6 million in the defined benefit obligation. The effect of a 1% change in the assumed healthcare cost trends on the accumulated post-retirement benefit obligation at the end of 2022 would have a negligible impact, owing to steps taken on the US Retirement Healthcare Plan to mitigate the risk. If more than one of these assumptions were changed simultaneously, the cumulative impact would not necessarily be the same as if only one assumption was changed in isolation. See Note 25 for further details and further scenarios.

Critical accounting judgements and key sources of estimation uncertainty continued

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Right-of-use assets and Lease liabilities		
Key judgements in adopting IFRS 16, Leases ("IFRS 16") include whether to include extension options on leases, the discount rate to use to calculate the initial right-of-use asset and lease liability and determining the portion of lease payments representing non-lease services.	In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended and does not require the lessor to agree on new terms. The discount rate used to calculate the lease liability is the rate implicit in the lease, if it can be readily determined, or the lessee's incremental borrowing rate if not. As the rates implicit in the leases are not known, management uses the Group's incremental borrowing rate for all leases. The incremental borrowing rate is determined based on a series of inputs including: the risk free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment; and an entity-specific adjustment where the entity risk profile is different to that of the Group. For time charters of a ship, the time charter payment must be split between the lease of a specific ship and the cost for crew, maintenance and other operating expenses. The Group has based the non-lease component on the cost to perform the same work for ships of similar classes as the ship under contract.	If the discount rate were to decrease by 1%, the right-of-use asset and lease liability would increase by $14.2 million. If the percent of the time charter allocated to the service component decreased by 1%, the right-of-use asset and lease liability would have increased by $0.6 million and operating expenses would have decreased by approximately $0.2 million in the year. See Note 15 for further details.

3. Business and Geographic Segment Information

The Group has five reportable segments: Tankers, Terminals, Tank Containers, Stolt Sea Farm and Stolt-Nielsen Gas. The nature of these segments is described in Note 1. Reportable segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision makers in deciding how to allocate resources and in assessing performance. The Company's Executive Management team has been identified as the chief operating decision makers as they direct the allocation of resources to operating segments based on the net profit (loss) of each respective segment.

The "Corporate and Other" category includes corporate-related items, such as profit sharing and long-term incentive expenses for the Group, and the results of other insignificant operations not reportable under other segments.

The basis of measurement and accounting policies of the reportable segments are the same as those described in Note 2 and in the footnotes that support the financial statements. Inter-segment sales and transfers are not significant and have been eliminated and not included in the following table. Indirect costs and assets have been apportioned between the segments of the Group on the basis of corresponding direct costs and assets.

The following tables show the summarised financial information, in US thousand dollars, for each reportable segment:

For the year ended and as of November 30, 2022	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Stolt-Nielsen Gas	Corporate and Other	Total
Operating revenue	**$ 1,497,108**	**$ 276,177**	**$ 894,647**	**$ 102,688**	**$ –**	**$ 1,223**	**$ 2,771,843**
Depreciation and amortisation	**(158,399)**	**(62,784)**	**(47,290)**	**(7,813)**	**–**	**(5,837)**	**(282,123)**
Share of profit (loss) of joint ventures and associates	**30,001**	**25,111**	**1,470**	**–**	**(2,619)**	**–**	**53,963**
Operating profit (loss)	**205,124**	**89,208**	**172,728**	**19,544**	**(3,028)**	**(36,044)**	**447,532**
Finance expense (a)	**(55,305)**	**(36,957)**	**(14,144)**	**(3,501)**	**(5,638)**	**(18,243)**	**(133,788)**
Finance income	**432**	**313**	**668**	**–**	**–**	**2,566**	**3,979**
Profit (loss) before income tax	**149,562**	**51,896**	**156,681**	**15,875**	**(8,635)**	**(56,460)**	**308,919**
Income tax expense	**(3,311)**	**(6,731)**	**(12,500)**	**(4,872)**	**–**	**(650)**	**(28,064)**
Net profit (loss)	**146,251**	**45,165**	**144,181**	**11,003**	**(8,635)**	**(57,110)**	**280,855**
Balance Sheet							
Capital expenditures (b)	**99,384**	**68,377**	**28,830**	**5,356**	**–**	**5,906**	**207,853**
Investments in and advances to joint ventures and associates	**234,137**	**281,141**	**25,865**	**–**	**81,801**	**–**	**622,944**
Intangible assets and goodwill	**6,223**	**1,882**	**15,879**	**240**	**–**	**11,655**	**35,879**
Segment assets	**2,114,816**	**1,328,731**	**624,689**	**130,247**	**160,944**	**369,483**	**4,728,910**

a. Interest is allocated to the business segments based on the average interest rate of the Group times a percentage of each segment's net asset base. It also includes the Loss on early extinguishment of debt.

b. Capital expenditures include additions to property, plant and equipment, net of grant receipts, drydocking, ship deposits and intangible assets other than goodwill. Capital expenditures do not include capitalised right-of-use assets.

For the year ended and as of November 30, 2021	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Stolt-Nielsen Gas	Corporate and Other (a)	Total
Operating revenue	$ 1,165,617	$ 243,592	$ 662,443	$ 108,568	$ –	$ 862	$ 2,181,082
Depreciation, amortisation and impairment (b)	(175,364)	(72,392)	(43,667)	(7,268)	–	(6,768)	(305,459)
Share of profit of joint ventures and associates	9,066	29,885	467	–	52	–	39,470
Operating profit (loss)	68,817	62,259	81,597	24,440	2,096	(5,514)	233,695
Finance expense (c)	(62,146)	(38,617)	(14,810)	(3,299)	(5,280)	(3,132)	(127,284)
Finance income	231	325	529	–	–	1,290	2,375
Profit (loss) before income tax	7,350	24,167	63,803	20,027	(3,295)	(8,841)	103,211
Income tax expense	(1,518)	(9,641)	(5,778)	(6,212)	–	(1,256)	(24,405)
Net profit (loss)	5,832	14,526	58,025	13,815	(3,295)	(10,097)	78,806
Balance Sheet							
Capital expenditures (d)	122,933	42,566	13,511	6,878	–	3,519	189,407
Investments in and advances to joint ventures and associates	233,184	273,913	25,312	–	79,497	–	611,906
Intangible assets and goodwill	7,276	531	18,016	265	–	12,879	38,967
Segment assets	2,247,553	1,308,142	590,411	143,800	113,690	232,613	4,636,209

a. Corporate and Other includes Stolt Bitumen.

b. Includes impairment losses of $10.0 million for Terminals.

c. Interest is allocated to the business segments based on the average interest rate of the Group times a percentage of each segment's net asset base.

d. Capital expenditures include additions to property, plant and equipment, net of grant receipts, drydocking, ship deposits and intangible assets other than goodwill. Capital expenditures do not include capitalised right-of-use assets.

The following table sets out operating revenue by country for the reportable segments. Tankers, Terminals and Tank Containers' operating revenue is allocated on the basis of the country in which the cargo is loaded. SSF operating revenue is allocated on the basis of the country in which the sale is generated.

Notes to the Consolidated Financial Statements continued

(in thousands)	For the years ended November 30, 2022	2021
Operating Revenue:		
Tankers:		
US	**$ 484,429**	$ 412,654
South America	**37,398**	27,385
The Netherlands	**101,264**	90,166
Belgium	**72,356**	62,086
Other Europe	**82,902**	70,043
South Korea	**54,449**	34,311
Malaysia	**73,543**	61,281
Indonesia	**72,896**	58,788
China	**96,852**	31,677
Other Asia	**105,389**	82,709
Saudi Arabia	**82,839**	64,912
Qatar	**39,091**	28,200
Other Middle East	**113,532**	64,697
Africa	**77,602**	74,669
Other	**2,566**	2,039
	$ 1,497,108	$ 1,165,617
Terminals:		
US	**$ 164,742**	$ 138,357
Singapore	**40,109**	37,107
Australia and New Zealand	**16,480**	15,529
Brazil	**22,743**	18,951
United Kingdom	**19,640**	20,579
The Netherlands	**12,463**	13,069
	$ 276,177	$ 243,592
Tank Containers:		
US	**$ 144,087**	$ 106,675
South America	**48,575**	34,556
France	**75,194**	55,894
The Netherlands	**54,697**	40,703
Italy	**30,489**	18,916
Germany	**24,233**	21,859
Other Europe	**50,001**	33,135
Singapore	**117,189**	90,397
Japan	**39,701**	22,580
China	**161,799**	127,888
India	**40,950**	27,902
Other Asia	**60,870**	54,277
Middle East	**25,735**	17,427
Other	**21,127**	10,234
	$ 894,647	$ 662,443
Stolt Sea Farm:		
US	**$ 6,199**	$ 3,685
Spain	**38,368**	51,994
France	**15,808**	9,968
Italy	**16,364**	20,318
Germany	**4,519**	4,371
Other Europe	**21,106**	17,822
Other	**324**	410
	$ 102,688	$ 108,568

There were no customers of Tankers, Terminals, Tank Containers or SSF segments that accounted for more than 10% of the consolidated operating revenue for the years ended November 30, 2022 and 2021.

The following table sets out the key elements of sources of operating revenue:

For the year ended November 30, 2022 (in thousands)	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Other	Total
Operating revenue recognised over time:						
Freight revenue	$ 1,226,124	$ –	$ 679,787	$ –	$ –	$ 1,905,911
Storage and throughput revenue	–	183,205	–	–	–	183,205
	1,226,124	183,205	679,787	–	–	2,089,116
Operating revenue recognised at a point in time:						
Demurrage and ancillary revenue	270,984	–	214,860	–	–	485,844
Turbot and sole	–	–	–	102,688	–	102,688
Railcar revenue	–	24,595	–	–	–	24,595
Utility revenue	–	29,037	–	–	–	29,037
Dock, product handling and other revenue	–	39,340	–	–	1,223	40,563
	270,984	92,972	214,860	102,688	1,223	682,727
	$ 1,497,108	**$ 276,177**	**$ 894,647**	**$ 102,688**	**$ 1,223**	**$ 2,771,843**

For the year ended November 30, 2021 (in thousands)	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Other	Total
Operating revenue recognised over time:						
Freight revenue	$ 1,014,550	$ –	$ 519,786	$ –	$ –	$ 1,534,336
Storage and throughput revenue	–	162,446	–	–	–	162,446
	1,014,550	162,446	519,786	–	–	1,696,782
Operating revenue recognised at a point in time:						
Demurrage and ancillary revenue	151,067	–	142,657	–	–	293,724
Turbot and sole	–	–	–	108,568	–	108,568
Railcar revenue	–	19,583	–	–	–	19,583
Utility revenue	–	24,578	–	–	–	24,578
Dock, product handling and other revenue	–	36,985	–	–	862	37,847
	151,067	81,146	142,657	108,568	862	484,300
	$ 1,165,617	**$ 243,592**	**$ 662,443**	**$ 108,568**	**$ 862**	**$ 2,181,082**

The following table sets out non-current assets excluding long-term deferred income tax assets and long-term pension assets by country for the reportable segments. Non-current assets include property, plant and equipment, right-of-use assets, intangible assets, investments in and advances to joint ventures and associates, investment in equity instruments and certain other non-current assets.

Non-current assets by country are only reportable for the Terminals and Stolt Sea Farm operations. Stolt Tankers, Stolt Tank Containers and Stolt-Nielsen Gas operations operate on a worldwide basis and are not restricted to specific locations. Accordingly, it is not possible to allocate the assets of these operations to specific countries. The total net book value of non-current assets for Tankers amounted to $1,845.5 million and $1,896.4 million at November 30, 2022 and 2021, respectively. For Stolt Tank Containers, the total net book value of non-current assets amounted to $424.3 million and $421.0 million at November 30, 2022 and 2021, respectively. For Stolt-Nielsen Gas, the net book value of non-current assets amounted to $153.5 million and $111.0 million for the years ended November 30, 2022 and 2021, respectively.

	As of November 30,	
(in thousands)	2022	2021
Non-current Assets:		
Terminals:		
US	**$ 442,955**	$ 440,387
The Netherlands	**56,149**	64,131
Singapore	**205,192**	216,994
Australia and New Zealand	**145,057**	137,470
United Kingdom	**89,512**	83,657
Brazil	**43,719**	34,793
South Korea	**117,423**	121,029
Belgium	**107,311**	105,372
China	**37,199**	39,689
Taiwan	**12,787**	–
Other	**7,921**	7,823
	$ 1,265,225	$ 1,251,345
Stolt Sea Farm:		
Spain	**$ 38,008**	$ 42,046
Norway	**861**	1,053
Portugal	**9,211**	10,908
Iceland	**10,236**	12,244
France	**1,377**	1,539
	$ 59,693	$ 67,790

The Group has no material operating revenue or non-current assets in Bermuda, its country of domicile.

4. Operating Revenue

Accounting policy

Operating revenue is recognised when performance obligations are met, which transfer the control of goods or provide services to the customer, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, net of discounts and sales taxes.

Costs to obtain a contract are immediately expensed when the related revenue is expected to be recognised within one year.

(i) Tankers

Operating revenue is recognised upon delivery of services in accordance with the terms and conditions of the contract of affreightment or spot contract and such services are performed over time. For voyages in progress at the end of a period, the uncertainty and the dependence on estimates are greater than for finalised voyages. The Group recognises a percentage of the estimated revenue for the voyage equal to the percentage of the estimated duration of the voyage completed at the balance sheet date. Demurrage and other revenues are uncertain elements of revenue and are recognised when incurred and generally invoiced at the end of the month.

The Group operates the Stolt Tankers Joint Service (the "Joint Service"), an arrangement in which the Group acts as the principal for the delivery of services and provides the coordinated marketing, operation and administration of deep-sea intercontinental parcel tankers owned or chartered by the Group. As the Group acts as the principal in the arrangement, all revenue relating to the Joint Service is recognised on a gross basis in the income statement. Certain ships that are not owned by the Group are time chartered by the Group from participants in the Joint Service. The time charter expense is calculated based upon the combined operating revenue of the ships which participate in the Joint Service less combined voyage expenses, overhead costs, and commissions to outside brokers and upon each ship's cargo capacity, its number of operating days during the period, and its assigned earnings factor.

(ii) Terminals

Tank storage rentals, including minimum guaranteed throughputs, are recognised over the contractual period during which the services are rendered. These charges are mostly due at the beginning of the month to which such charges relate. Operating revenue from additional throughput fees, ancillary fees, and railcar storage, loading, switching and other fees based on actual usage are recognised at the point in time when those services are delivered.

(iii) Tank Containers

Transportation revenue is recognised upon delivery of services in accordance with the agreement with customers and is recognised over time using a measure of progress. For tank container movements in progress at the end of a period, the uncertainty and the dependence on estimates are greater than for finalised movements. The Group recognises a percentage of the estimated revenue for the movement using the percentage of effort ('input method') required at origin and destination. Demurrage and other revenues are uncertain elements of revenue and are recognised when incurred and generally invoiced at the end of the month.

(iv) SSF

Operating revenue is recognised when performance obligations are satisfied by transferring control of a good or service to the customer. Where the terms of sale are free on board, operating revenue is recognised on dispatch of products to the customer. Operating revenue is recognised on delivery where the terms of sale include costs, insurance, freight and destination duty paid. The amount recorded as revenue includes all amounts recognised according to the terms of sale, including shipping and handling costs billed to customers, and after deductions for claims or returns of goods, rebates and allowances against the price of goods.

An analysis of the Group's operating revenue for the year (excluding finance income – see Note 8), is as follows:

	For the years ended November 30,	
(in thousands)	**2022**	2021
Operating revenue from the rendering of services	**$ 2,669,155**	$ 2,072,514
Operating revenue from the sale of goods	**102,688**	108,568
	$ 2,771,843	$ 2,181,082

Operating revenue generated by the Joint Service in Tankers under contracts of affreightment was approximately 55% and 62% of the Joint Service's total revenue for the years ended November 30, 2022 and 2021, respectively. All other revenue generated is from spot contracts.

Payment terms generally do not have a financing element. Variable consideration is limited to that related to variable costs which are contractually passed on to the customer and uncertain revenues such as demurrage.

5. Operating Expenses

Accounting policy

(i) Tankers

Tankers operating expenses include costs directly associated with the operation and maintenance of the parcel tankers and barges. These types of costs include time charter costs, the service element of leases, bunker fuel costs, port costs, manning costs (for example, ship personnel and benefits), sublet costs, repair and maintenance of tankers, commission expenses, barging and trans-shipment costs, canal transit costs, insurance premiums and other ship owning expenses (for example, agency fees, provisions, ship supplies, cleaning, cargo survey costs and foreign exchange hedging costs).

(ii) Terminals

Operating expenses of Terminals consist of costs directly associated with the operation and maintenance of the terminals. These types of costs include labour and employee benefit costs, utilities, rail car hire expenses, real estate taxes for sites, maintenance and repair costs, regulatory expenses, disposal costs, storage costs and other operating expenses (for example, insurance, survey costs, cleaning, line haul, rail costs and tank car hire costs).

(iii) Tank Containers

Operating expenses of Tank Containers consist of costs directly associated with the operation and maintenance of the tank containers. These types of costs include ocean and inland freight charges, short-term tank rental expenses, cleaning and survey costs, additional costs (services purchased and charged through to customers), maintenance and repair costs, storage costs, insurance premiums and other operating expenses (for example, depot expenses, agency fees and refurbishing costs).

(iv) SSF

SSF operating expenses include production cost of goods sold ('PCOGS'), which are costs incurred for the production of juvenile fish and the subsequent growing of juvenile fish into adult fish ready for market. These PCOGS include costs to produce eggs for fertilisation, onsite labour/personnel costs, feed costs, energy costs, contract grower fees, repair and maintenance costs, oxygen costs and veterinary fees. Other costs included within operating expenses are costs of fish purchased from third parties, freight costs to customers, all primary and secondary processing and packaging costs, distribution and handling costs, storage, import duties, inventory write downs, mortality losses and fair value movements.

Operating expenses comprised the following:

(in thousands)	For the years ended November 30, 2022	2021
Ocean and inland freight charges	**$ 405,687**	$ 285,579
Bunker fuel costs	**379,310**	243,512
Operating employees' benefit expenses	**199,896**	194,905
Charter and lease expenses	**234,435**	160,181
Port charges	**159,540**	143,072
Maintenance and repairs	**59,611**	61,928
Cleaning costs	**42,004**	44,291
Tank container ancillary billable costs	**56,297**	39,272
Purchase of biological assets	**7,264**	31,351
Repositioning of tank containers	**34,015**	28,756
Ship supplies and provisions	**31,666**	28,305
Storage and other tank container move-related costs	**27,714**	28,282
Facilities and utilities	**32,360**	25,879
Expenses related to biological assets	**23,831**	22,558
Commissions	**28,111**	22,416
Sublet expenses	**8,778**	20,796
Service element of leases	**19,529**	19,759
Insurance	**32,950**	30,036
Insurance capital distribution	**–**	(12,500)
Voyage costs	**16,851**	13,534
Barging and trans-shipments	**12,014**	10,544
Owning costs	**9,687**	9,999
Packing expenses	**7,937**	6,852
Regulatory costs	**4,385**	5,536
Rail expenses	**6,269**	4,533
Biological assets market valuation adjustment	**974**	(17,379)
Bunker hedge gain (Note 22)	**–**	(100)
Other expenses	**10,493**	7,809
Total operating expenses	**$ 1,851,608**	$ 1,459,706

An analysis of administrative and general expenses is as follows:

(in thousands)	For the years ended November 30, 2022	2021
Administrative and general employees' benefit expenses	**$ 197,232**	$ 172,207
Information systems	**14,958**	15,068
Professional fees	**9,918**	12,966
Office expenses	**5,726**	6,107
Legal fees	**3,282**	3,874
Management fee to joint venture	**1,928**	1,731
Travel and entertainment expenses	**5,567**	1,460
Investor relations and publicity	**1,441**	978
Communication expenses	**961**	929
Office lease expenses	**1,191**	856
Bank non-interest fees	**1,768**	1,441
Other	**5,050**	2,847
Total administrative and general expenses	**$ 249,022**	$ 220,464

An analysis of employee benefit expenses included in operating expenses and administrative and general expenses is as follows:

(in thousands, except employee data)	For the years ended November 30, 2022	2021
Salaries	$ 269,383	$ 265,621
Social security expenses	20,694	21,677
Pension expenses for defined contribution plans (Note 25)	20,451	19,476
Profit sharing and long-term incentive programmes	34,921	8,857
Travel of seafarers and relocation	14,999	14,446
Medical and life insurance	11,280	11,065
Training	5,652	4,768
Temporary and contract employees	10,420	11,192
Pension expenses for defined benefit plans and post-retirement benefit plan (Note 25)	1,120	2,284
Expatriate expenses	1,212	1,453
Other benefits	6,996	6,273
Total employee benefit expenses	**$ 397,128**	$ 367,112
Average number of employees:		
Tankers*	4,652	4,635
Tank Containers	805	776
Terminals	607	579
Stolt Sea Farm	494	448
Other	65	73
Total average number of employees	**6,623**	6,511

* Including seafarers working on joint venture or third-party ships.

6. Auditors' Remuneration

The analysis of auditors' remuneration is as follows:

(in thousands)	For the years ended November 30, 2022	2021
Fees payable to the Group auditors and associates for the audit of the consolidated financial statements and subsidiary statutory audits	$ 2,832	$ 2,773
Fees payable to the Group auditors and associates for other services as detailed below	286	181
Total fees	**$ 3,118**	$ 2,954
Tax services	$ 43	$ 24
Half-year reviews	100	100
Other	143	57
Total non-audit fees	**$ 286**	$ 181

The audit and non-audit fees relate to PricewaterhouseCoopers LLP and its associate firms.

7. Gain (Loss) on Disposal of Assets, net

Gain (loss) on disposal of assets, net, comprised the following:

	For the years ended November 30,	
(in thousands)	**2022**	2021
Gain (loss) on sale of ships	**$ 4,549**	$ (4,877)
Gain (loss) on sale of tank containers	**1,329**	(2,063)
Gain on sale of fixed asset investments	**704**	–
Gain on sale of land	**–**	3,217
(Loss) gain on sale of other assets	**(1,020)**	713
	$ 5,562	$ (3,010)

During 2022, gain on sale of ships includes $2.9 million on the recycling of *Stolt Groenland* and $1.6 million on the sale of *Stolt Shearwater*.

During 2021, loss on sale of ships includes $13.0 million on the loss on the *Stolt Groenland*, net of insurance proceeds, partially offset by gains on the recycling of *Stolt Selje* and *Stolt Spruce* and sale of *Stolt Transporter*.

8. Finance Expenses and Income

Accounting policy

(i) Finance expenses

Finance expenses are recognised in the income statement as they accrue, using the effective interest method.

For finance leases, lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) Finance income

Finance income is recognised in the income statement as it accrues, using the effective interest method.

	For the years ended November 30,	
(in thousands)	**2022**	2021
Finance expense on debt		
Interest on loans	**$ 101,831**	$ 93,351
Amortisation of debt issuance costs	**7,585**	7,315
Realised (gain) loss on interest rate swaps (Note 22)	**(532)**	10,654
Commitment fees	**3,749**	4,299
Other interest expense	**406**	1,345
Total interest expense	**113,039**	116,964
Less interest capitalised to property, plant and equipment	**(851)**	(752)
	$ 112,188	$ 116,212
Loss on early extinguishment of debt		
Debt issuance costs and fees on early extinguishment of the Export-Import Bank of China ("CEXIM") and Standard Chartered Bank debt	**$ 11,149**	$ –
Finance expense on lease liabilities		
Interest on lease liabilities	**$ 10,451**	$ 11,072
Finance income		
Interest from joint ventures	**$ 1,911**	$ 1,500
Interest on bank deposits	**1,869**	731
Other	**199**	144
	$ 3,979	$ 2,375

The average interest rates used to capitalise interest to property, plant and equipment were 5.1% for 2022 and 2021.

9. Income Tax

Accounting policy

Income tax represents the sum of current tax and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax treatment follows the accounting treatment for the underlying item.

Current tax is the sum of tax payable in respect of the taxable profit for the current year and any adjustment to tax payable in respect of previous years. Taxable income differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

The Group operates in many territories with complex and varied tax systems. Management exercises judgement in relation to the level of provision required in respect of uncertain tax positions. For positions not agreed with tax authorities where different interpretations of legislation could lead to a range of outcomes, judgements are made for each position considering particular circumstances and advice obtained.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used in the calculation of taxable income. The following temporary differences are not provided for: the initial recognition of goodwill for which no tax deduction is available; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries and joint ventures if it is probable that the temporary difference will not reverse in the foreseeable future and the Group can control the reversal. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and recognised only to the extent that it is probable that sufficient future taxable income will be available to allow the asset to be utilised based on Board-approved budgets and up-to-date expectations of future trading. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off. Current tax assets are set off against current tax liabilities when they relate to income taxes levied by the same taxation authority. The Group intends to settle its current tax assets and liabilities on a net basis. The Company is incorporated in Bermuda, which is a non-taxable jurisdiction.

The following tables present the components of the income tax expense for the years ended November 30, 2022 and 2021:

	For the years ended November 30,	
(in thousands)	**2022**	2021
Current income tax expense	**$ 15,683**	$ 10,789
Adjustments in respect of prior years	**734**	79
	16,417	10,868
Deferred income tax expense	**10,883**	11,495
Adjustments in respect of prior years	**764**	2,042
	11,647	13,537
Total income tax expense	**$ 28,064**	$ 24,405

The following reconciles the actual income tax expense to income taxes computed at the Bermuda statutory tax rate of nil:

(in thousands)	For the years ended November 30, 2022	2021
Profit before income tax expense	**$ 308,919**	$ 103,211
Tax at the Bermuda statutory tax rate	**–**	–
Differences between the Bermuda and other tax rates	**101,816**	8,589
Non-taxable income and disallowed expenses	**(80,778)**	6,647
Impact of change in UK corporate tax rates	**–**	1,271
Provision for uncertain tax positions	**2,712**	2,675
Changes in the recognition of tax losses	**2,006**	2,798
Adjustments in respect of prior years	**1,498**	2,121
Other differences, net	**810**	304
Total income tax expense	**$ 28,064**	$ 24,405

Substantially, all of the Group's international Tanker operations are carried out in subsidiaries incorporated in the Netherlands, which imposes income tax on a fixed profit calculated by reference to the deadweight tonnage of the ships in the fleet rather than on the operating profits of the business. Based on the calculation, the Group incurred tax in the Netherlands of $0.5 million for both the years ended November 30, 2022 and 2021 which is included in Income tax expense.

The following are the major deferred tax (liabilities) assets recognised and the movement thereon:

(in thousands)	Accelerated tax depreciation	Retirement benefit obligations	Tax losses	Derivatives	Other	Total
Balance, December 1, 2020	**$ (76,706)**	**$ 8,434**	**$ 22,732**	**$ 1,271**	**$ 1,908**	**$ (42,361)**
Credit (charge) to income statement	(12,826)	146	3,818	–	(4,675)	(13,537)
(Charge) credit to Other comprehensive income	–	(2,709)	–	(689)	119	(3,279)
Exchange differences	306	38	(267)	–	313	390
Balance, November 30, 2021	**$ (89,226)**	**$ 5,909**	**$ 26,283**	**$ 582**	**$ (2,335)**	**$ (58,787)**
(Charge) credit to income statement	(127)	55	(11,914)	–	339	(11,647)
Charge to Other comprehensive income	–	(2,993)	–	(1,128)	(884)	(5,005)
Exchange differences	808	(119)	(342)	–	348	695
Balance, November 30, 2022	**$ (88,545)**	**$ 2,852**	**$ 14,027**	**$ (546)**	**$ (2,532)**	**$ (74,744)**

Certain deferred tax assets and liabilities have been offset when there is a legally enforceable right to set off. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	As of November 30,	
(in thousands)	**2022**	2021
Deferred tax liabilities	**$ (80,232)**	$ (68,025)
Deferred tax assets	**5,488**	9,238
	$ (74,744)	$ (58,787)

The following is an analysis of the deferred taxes as of November 30, 2022 that are expected to be recovered or settled less than and more than twelve months after November 30, 2022:

(in thousands)	Less than 12 Months	More than 12 Months	Total
Deferred tax liabilities	$ (723)	$ (79,509)	$ (80,232)
Deferred tax assets	144	5,344	5,488
	$ (579)	**$ (74,165)**	**$ (74,744)**

As of November 30, 2022, the Group has unused national corporate tax losses of $62.4 million (2021: $75.6 million) and unused regional tax losses of $30.2 million (2021: $35.1 million) available for offset against future profits. A deferred tax asset of $24.0 million at November 30, 2022 (2021: $28.3 million) has not been recognised in respect of losses carried forward at the balance sheet date. These losses have arisen in Group companies where profits are not forecast for the foreseeable future.

Deferred income tax liabilities of $12.3 million at November 30, 2022 (2021: $15.6 million) have not been recognised for the withholding tax and other taxes that would be payable on the undistributed earnings of certain subsidiaries. Such amounts are considered permanently reinvested, which means that the deferred income tax liabilities will not be realised in the foreseeable future. Undistributed earnings totalled $4.0 billion at November 30, 2022 (2021: $0.3 billion). The increase was due to Group restructuring in November 2021 and subsequent capital reductions in the current year.

The Group's income tax provisions are made in line with Group accounting policy. However, amounts asserted by tax authorities could be greater or less than the amounts accrued and reflected in the Group's consolidated balance sheet. Accordingly, provisions have been made to reflect uncertainties in tax positions. Provisions made for uncertain tax positions may be revised in future periods as underlying matters are resolved or as they develop.

During 2021, the Organisation for Economic Co-operation and Development published a framework for the introduction of a global minimum effective tax rate of 15%, applicable to large multinational groups ('Pillar II'). A number of the territories in which the Group operates are considering implementing legislation to give effect to that framework, including EU Member states who have until December 31, 2023 to transpose the minimum Tax Directive, unanimously adopted by the European Union on December 15, 2022, into national legislation. The Group is reviewing the draft legislation and further developments in this area to understand any potential impacts.

10. Cash and Cash Equivalents and Restricted Cash

Accounting policy

Cash and cash equivalents comprise cash balances and short-term time deposits with an original duration of less than three months, which are subject to an insignificant risk of changes in value.

	As of November 30,	
(in thousands)	**2022**	2021
Cash deposit	**$ 71,040**	$ 111,639
Short-term time deposits	**81,101**	12,229
Cash and cash equivalents	**$ 152,141**	$ 123,868
Restricted cash	**$ –**	$ 6,096

Cash and cash equivalents comprise cash and short-term time deposits held by the Group. At November 30, 2021, $6.1 million was placed as collateral for a derivative instrument and included in restricted cash.

11. Receivables, Net

Accounting policy

Trade and other receivables are recognised initially at transaction price and are subsequently stated at amortised cost, less allowances for expected credit losses. The Group measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to its recognised amount is recognised as an impairment loss or a reversal of an impairment loss in the Consolidated Income Statement. Trade and other receivables are written off (either partially or in full) when there is no reasonable expectation of recovery.

Contract assets represent the right to receive consideration for goods or services transferred to the customer. If the Group partially satisfies its performance obligations by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional on further performance obligations being satisfied.

A trade receivable represents the Group's right to an amount of consideration where all performance obligations have been satisfied. Accrued revenue are trade receivables which have not yet been invoiced to customers.

Expected credit losses on trade receivables are calculated by using the provision matrix approach. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

Provision for expected credit losses is made when the Group does not expect to collect all amounts due. Changes in estimation basis or in economic conditions could lead to a change in the level of provision recorded and, consequently, on the charge or credit to profit or loss.

Impairment on receivables is measured as lifetime expected credit losses.

	As of November 30,	
(in thousands)	**2022**	2021
Customer trade receivables	**$ 347,457**	$ 270,765
Contract assets	**15,433**	15,068
Accrued revenue	**7,556**	6,313
Withholding tax	**–**	5,000
Interest	**1,464**	1,227
Other	**3,438**	7,505
	375,348	305,878
Allowance for impairment on customer trade and accrued receivables	**(21,618)**	(20,129)
Receivables, net	**$ 353,730**	$ 285,749
Insurance claims receivable	**$ –**	$ 58,598

Increase in customer trade receivables is due to additional activity at Tankers and STC. See Note 21 for an analysis of the credit risk of receivables.

Contract assets

A contract asset has been recorded for STC's transportation revenue which has been earned but not yet invoiced. Contract assets are typically invoiced within a month of any accrual.

	2022		2021	
(in thousands)	**<1 year**	**>1 year**	<1 year	>1 year
Balance, December 1	**$ 15,068**	**$ –**	$ 9,693	$ –
Transfer to trade receivables	**(679,422)**	**–**	(514,411)	–
Revenue recognised (current year performance obligations)	**679,787**	**–**	519,786	–
Balance, November 30	**$ 15,433**	**$ –**	$ 15,068	$ –

12. Inventories, Net

Accounting policy

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of items transferred from biological assets to inventory is the fair value less costs to sell at the date of harvest.

Inventories as of November 30, 2022 and 2021 consisted of the following:

November 30, 2022 (in thousands)		Terminals		SSF		Other		Total
Raw materials	**$**	**–**	**$**	**292**	**$**	**93**	**$**	**385**
Consumables		**518**		**–**		**1,906**		**2,424**
Finished goods		**–**		**7,373**		**–**		**7,373**
	$	**518**	**$**	**7,665**	**$**	**1,999**	**$**	**10,182**

November 30, 2021 (in thousands)		Terminals		SSF		Other		Total
Raw materials	$	–	$	235	$	8	$	243
Consumables		447		–		1,941		2,388
Finished goods		–		4,355		–		4,355
	$	447	$	4,590	$	1,949	$	6,986

The cost of inventory included in operating expenses in 2022 and 2021 was $50.2 million and $72.6 million for Stolt Sea Farm, $7.8 million and $6.4 million for Stolt Tank Containers and $0.1 million and $0.3 million for Stolthaven Terminals, respectively. No inventory was written down in the years ended November 30, 2022 and 2021. Bunkers of $45.1 million and $35.9 million were included in prepaid expenses at November 30, 2022 and 2021, respectively.

13. Biological Assets

Accounting policy

Biological assets primarily comprised turbot and sole, which include fish with and without an active market for sale ('mature' and 'juvenile' fish), which are farmed by the Group.

Turbot is considered 'mature' when it weighs more than 300 grams, while juvenile turbot weighs less than 300 grams. Sole is considered mature at 200 grams. All mature turbot and sole are held at fair value less costs to sell and costs related to packaging. Gains and losses from changes in fair value are recognised in the income statement. Fair value is determined on the basis of quoted prices in the principal market for the fish, where such information is available. The fair value adjustment on biological assets has no cash impact and does not affect the result of operations before unrealised fair value adjustments.

Juvenile turbot and sole are carried at cost less provision for impairment, as management does not believe that reliable fair values exist. This approach is used to measure juvenile turbot and sole for the following reasons:

- *There is no active market for juvenile turbot or sole.*
- *A non-active market price based on discounted cash flows requires a number of variables and assumptions which historically cannot be reliably determined. Key variables and assumptions for turbot and sole include mortality rate, time to maturity, rate of growth and market price at the point of harvest. Given the specific circumstances for juvenile assets, any assumptions are subjective.*
- *The extent of these uncertainties also results in difficulty in determining the appropriate discount rate.*

A fair value adjustment is made at the point when previously juvenile turbot and sole is considered to mature. These fair value adjustments are recognised in the income statement.

After harvest, the produce from harvest is treated as inventory and the fair value at the point of harvest is treated as the cost of the inventory.

Biological assets in the balance sheet

(in thousands)		As of November 30, 2022		2021
Turbot and sole	$	46,181	$	50,344

Biological assets are the work in process: live turbot and sole that are in the process of growing to marketable size. The biological assets are transferred to inventory after being harvested. See Note 12.

Reconciliation of changes in book value of turbot and sole

(in thousands)		2022		2021
Balance at December 1,	$	**50,344**	$	30,129
Increases owing to production and purchases		**52,424**		47,111
(Loss) gain from change in fair value		**(974)**		17,379
Effect of changes in foreign currency rates		**(4,397)**		(2,002)
Decreases owing to mortalities		**(894)**		(866)
Transfer to inventory		**(50,322)**		(41,407)
Balance at November 30,	$	**46,181**	$	50,344

The cost of inventory sold which has been included in operating expenses was $50.2 million and $72.6 million for the years ended November 30, 2022 and 2021, respectively.

Fair value adjustments on biological assets in the income statement

(in thousands)		For the years ended November 30, 2022		2021
Total fair value adjustment of turbot and sole recognised in operating expenses	$	**(974)**	$	17,379

Value of biological assets at fair value

(in thousands)		As of November 30, 2022		2021
Total turbot and sole held at fair value included in the balance sheet	$	**43,048**	$	46,411

Volumes of biomass (in tonnes)

(in tonnes)	For the years ended and as of November 30, 2022	2021
Volume of biomass harvested during the year (live weight)	**7,556**	5,732
Volume of biomass in the water at year end (live weight)	**4,446**	4,039

Value of juvenile biological assets at cost

(in thousands)		As of November 30, 2022		2021
Total turbot and sole held at cost included in the balance sheet	$	**3,133**	$	3,933

The income statement impact relating to the change in carrying value when juvenile assets have reached maturity is immaterial for the years ended November 30, 2022 and 2021.

The Group is exposed to risks arising from fluctuations in the price of turbot and sole and monitors the effect of price changes on profitability.

14. Property, Plant and Equipment

Accounting policy

(i) Recognition and measurement

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction of significant assets are added to the cost of such assets until they are ready for their intended use. The cost of ships includes the contract price, pre-delivery costs incurred during the construction of newbuildings, borrowing costs and any material expenses incurred upon acquisition such as improvements and delivery expenses to prepare the ships for their initial voyage.

(ii) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. Land and assets under construction are not depreciated. Property, plant and equipment is depreciated to a residual value which reflects management's estimate of scrap value or otherwise recoverable value at the end of the estimated useful life of the asset. Residual values and economic lives are reviewed annually.

(iii) Subsequent costs – drydocking costs

Upon acquisition of a ship, the estimated cost of each component of drydocking is deducted from the initial cost of the ship and separately capitalised and depreciated over its estimated life. Ships drydock every five years thereafter. After a ship is 15 years old a shipping society classification intermediate survey is performed between the second and third year of the five-year drydocking period. The Group capitalises a substantial portion of the costs incurred during drydocking, including the survey costs, and depreciates those costs on a straight-line basis from the time of completion of a drydocking or intermediate survey based on the estimated life of each component of the drydocking. The residual value of the drydocking components is zero. The Group expenses costs related to routine repairs and maintenance incurred during drydocking that do not improve or extend the useful lives of the ships. If the drydock results in an extension of the life of a ship, then the estimated useful life of the ship is changed accordingly.

(iv) Impairment of tangible and intangible assets with finite useful lives

Tangible assets and intangible assets with finite lives are tested for impairment if there are indications of impairment. The carrying amounts of the Group's tangible and finite-lived intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Ship newbuildings and other assets under construction are tested for impairment when there is an indication of impairment.

The Group measures the recoverable amount of assets by comparing their carrying amount with the higher of their fair value less costs of disposal ("FVLCD") or value in use ("VIU").

FVLCD is determined as the amount that would be obtained from the sale of the asset in an orderly transaction between market participants. FVLCD is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion projects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate rate to arrive at a net present value of the asset.

VIU is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. VIU is determined by applying assumptions specific to the Group's continued use and cannot take into account future development. These assumptions are different from those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

An impairment loss, other than for goodwill, is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

(v) Estimated useful lives

The estimated useful lives are as follows:

	Average Years
Buildings	15 to 50
Ships and barges	25 to 30
Tank containers	10 to 20
Plant and equipment:	
Terminal tanks and structures	10 to 40
Terminal other support equipment and other assets	10 to 30
SSF transportation equipment	4 to 5
SSF operating equipment and other assets	5 to 15
Other assets	5 to 20
Leasehold improvements	5 to 10

Average years exclude immaterial assets.

(vi) Disposals

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

The below table shows owned property, plant and equipment.

Cost (In thousands)	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Leasehold Improvements	Construction In Progress	Total
Balance at December 1, 2020	**$ 57,704**	**$ 139,645**	**$ 3,192,890**	**$ 482,436**	**$ 1,493,970**	**$ 9,674**	**$ 95,078**	**$ 5,471,397**
Additions	1,756	3,201	75,074	3,142	8,819	168	93,168	185,328
Grant receipts	–	(179)	–	–	(497)	–	–	(676)
Disposals and retirements	–	(2,917)	(174,864)	(9,818)	(15,647)	(351)	(3,783)	(207,380)
Net foreign exchange differences	(766)	(3,124)	(2,941)	196	(19,777)	(486)	(1,509)	(28,407)
Transfers	–	5,350	52,756	–	58,275	–	(116,381)	–
Reclasses and other	(7)	–	6	1	(370)	(134)	875	371
Balance at November 30, 2021	**$ 58,687**	**$ 141,976**	**$ 3,142,921**	**$ 475,957**	**$ 1,524,773**	**$ 8,871**	**$ 67,448**	**$ 5,420,633**
Additions	136	7,462	54,288	19,389	8,682	1,994	110,869	202,820
Grant receipts	–	(89)	–	–	(347)	–	–	(436)
Disposals and retirements	–	(20)	(13,153)	(4,427)	(13,986)	(1,004)	–	(32,590)
Net foreign exchange differences	(3,404)	(9,156)	(5,697)	(810)	(27,967)	(215)	(1,563)	(48,812)
Transfers	–	1,066	30,950	–	51,573	–	(83,589)	–
Reclasses and other	–	(5)	–	–	(148)	(92)	60	(185)
Balance at November 30, 2022	**$ 55,419**	**$ 141,234**	**$ 3,209,309**	**$ 490,109**	**$ 1,542,580**	**$ 9,554**	**$ 93,225**	**$ 5,541,430**

Accumulated depreciation and impairment (in thousands)	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Leasehold Improvements	Construction In Progress	Total
Balance at December 1, 2020	**$ –**	**$ 55,707**	**$ 1,565,377**	**$ 230,967**	**$ 592,630**	**$ 6,656**	**$ –**	**$ 2,451,337**
Depreciation expense	–	2,992	153,253	18,144	69,153	699	–	244,241
Sale of Caviar division	–	–	–	–	10,000	–	–	10,000
Disposals and retirements	–	(1,988)	(104,040)	(7,729)	(13,495)	(347)	–	(127,599)
Net foreign exchange differences	–	(712)	(2,031)	132	(10,666)	(630)	–	(13,907)
Reclasses and other	–	(397)	681	(360)	725	(225)	–	424
Balance at November 30, 2021	**$ –**	**$ 55,602**	**$ 1,613,240**	**$ 241,154**	**$ 648,347**	**$ 6,153**	**$ –**	**$ 2,564,496**
Depreciation expense	–	4,735	135,595	18,321	66,463	693	–	225,807
Disposals and retirements	–	(19)	(11,073)	(3,055)	(13,855)	(994)	–	(28,996)
Net foreign exchange differences	–	(3,329)	(3,081)	(534)	(10,900)	(149)	–	(17,993)
Reclasses and other	–	363	366	–	(495)	(47)	–	187
Balance at November 30, 2022	**$ –**	**$ 57,352**	**$ 1,735,047**	**$ 255,886**	**$ 689,560**	**$ 5,656**	**$ –**	**$ 2,743,501**
Net book value:								
At November 30, 2021	**$ 58,687**	**$ 86,374**	**$ 1,529,681**	**$ 234,803**	**$ 876,426**	**$ 2,718**	**$ 67,448**	**$ 2,856,137**
At November 30, 2022	**$ 55,419**	**$ 83,882**	**$ 1,474,262**	**$ 234,223**	**$ 853,020**	**$ 3,898**	**$ 93,225**	**$ 2,797,929**

During the year ended November 30, 2022, the Group had additions of property, plant and equipment of $202.8 million. Additions, excluding accruals during the year, were $199.4 million and primarily reflected i) $76.3 million on tankers capital expenditures, ii) $69.0 million on terminal capital expenditures , iii) $18.6 million on drydocking of ships , iv) $28.0 million on the purchase of tank containers and construction at depots, and v) $5.5 million on Stolt Sea Farm capital expenditures. Interest of $0.9 million was capitalised on the new construction of terminals and tankers. Tankers capital expenditures include the purchase of two second-hand ships from "K" Line Logistics Ltd. and a deposit of $5.7 million for a barge newbuilding.

During the year ended November 30, 2021, the Group had additions of property, plant and equipment of $185.3 million. Cash spent during the year was $185.5 million and primarily reflected i) $103.1 million on tankers capital expenditures, ii) $43.7 million on terminal capital expenditures , iii) $18.2 million on drydocking of ships , iv) $13.7 million on the purchase of tank containers and construction at depots, and v) $7.7 million on Stolt Sea Farm capital expenditures. Interest of $0.5 million was capitalised on the new construction of terminals and tankers. Tankers capital expenditures include the purchase of three second-hand ships from Chemical Transportation Group ("CTG") and a deposit of $8.1 million for a barge newbuilding.

Proceeds of $7.9 million and $29.7 million were received from the sale of ships, sale of land and retirement of tank containers and other assets during the year ended November 30, 2022 and 2021, respectively.

During the fourth quarter of 2021, management determined that the repairs of the *Stolt Groenland*, which had an explosion onboard in 2019, would not be viable. As a result, the Group entered into a settlement agreement with its hull and machinery insurers for which the settlement was received in 2022. This resulted in a loss of $13.0 million, net of insurance proceeds, which has been included in Loss on disposal of assets in 2021. A related receivable from the insurers is included in Insurance claims receivable at November 30, 2022. The portion of the term loan which was secured by the *Stolt Groenland* was reclassed as Current portion of long-term debt of $30.5 million at November 30, 2021 and repaid subsequent to year end. The ship was recycled in 2022.

Certain property, plant and equipment assets have been pledged as security on loans. See Note 23 for additional details.

Plant and equipment principally includes assets of the Terminal and Stolt Sea Farm businesses.

Impairment of non-current assets

See Note 2 for further discussion of impairment.

Terminals

The Group booked an impairment of $10.0 million on the property, plant and equipment for the Australia business segment in the year ended November 30, 2021. The impairment testing was performed using projected, board-approved future cash flows based on VIU. The recoverable amount was based on a discounted cash flow basis using approved projections in the five-year plan and with a risk adjusted weighted average cost of capital.

15. Right-of-use Assets and Lease Liabilities

Accounting policy

(i) Right-of-use assets

Right-of-use assets are measured initially at cost based on the associated lease liability, adjusted for any payments made before inception, initial direct costs and an estimate of the dismantling, removal and restoration costs required in the terms of the lease.

Subsequent to initial recognition, the Group depreciates the right-of-use assets over the term of the lease or, if shorter, the leased asset's remaining economic life.

(ii) Lease liabilities

In respect of leases of low-value items and those that are less than 12 months, the Group recognises an expense on a straight-line basis over the life of the lease. For all other leases, the Group recognises a right-of-use asset and corresponding liability at the date the leased asset is made available to the Group.

Lease liabilities are measured at the present value of the future lease payments, excluding any payments relating to non-lease components. Future lease payments include options to the extent that it is reasonably certain that such payments will be made. The payments are discounted at the rate implicit in the lease or, where that cannot be measured, at an incremental borrowing rate.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise an extension or termination option. When a lease liability is remeasured in this way, a corresponding adjustment is made to the carrying value of the right-of-use asset, or is recorded to profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Time charter contracts include the lease of a specific ship and a non-lease component for crew, maintenance and other operating expenses. When measuring lease liabilities, the non-lease component has been separated from the lease component based on internal sources of ships of similar classes as the ship under contract. The non-lease element is recorded in Operating expenses as the Service component of leases.

Subsequent to initial recognition, the Group records an interest charge in respect of the lease liability.

(iii) Lease expenses

Short-term leases (defined as less than one year) and low value leases are expensed in the income statement.

(iv) Variable lease consideration

The Group operates the Joint Service, delivering freight services to customers in which external ships participate. The lease payments to external parties are entirely variable and therefore not included when calculating the lease liability. The variable lease payment, less a management fee, is included in the income statement as Charter and lease expense.

Right-of-Use Assets

The below table shows right-of-use assets, held under lease agreements.

Cost (in thousands)	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Total
Balance at December 1, 2020	**$ 68,579**	**$ 18,955**	**$ 79,951**	**$ 58,499**	**$ 4,604**	**$ 230,588**
New leases and other increases	10,842	2,409	19,396	33,049	2,490	68,186
Retirements and other decreases	(2,088)	(1,950)	(10,478)	(11)	(208)	(14,735)
Net foreign exchange differences	(2,884)	(484)	(691)	154	(154)	(4,059)
Balance at November 30, 2021	**$ 74,449**	**$ 18,930**	**$ 88,178**	**$ 91,691**	**$ 6,732**	**$ 279,980**
New leases and other increases	18,536	4,606	21,651	53,738	3,809	102,340
Retirements and other decreases	(4,378)	(1,855)	(2,775)	(48,831)	(706)	(58,545)
Net foreign exchange differences	(1,889)	(1,667)	(1,786)	(489)	(238)	(6,069)
Balance at November 30, 2022	**$ 86,718**	**$ 20,014**	**$ 105,268**	**$ 96,109**	**$ 9,597**	**$ 317,706**

Accumulated depreciation (in thousands)	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Total
Balance at December 1, 2020	**$ 2,870**	**$ 4,331**	**$ 19,118**	**$ 13,874**	**$ 990**	**$ 41,183**
Depreciation expense	3,024	4,493	19,136	18,401	1,203	46,257
Retirements and other decreases	(601)	(1,487)	(8,501)	(3)	(175)	(10,767)
Net foreign exchange differences	(63)	(128)	(371)	46	(54)	(570)
Reclasses and other	190	(4)	–	–	643	829
Balance at November 30, 2021	**$ 5,420**	**$ 7,205**	**$ 29,382**	**$ 32,318**	**$ 2,607**	**$ 76,932**
Depreciation expense	3,032	4,031	20,609	22,619	1,270	51,561
Retirements and other decreases	(547)	(1,684)	(2,775)	(19,061)	(615)	(24,682)
Net foreign exchange differences	(152)	(502)	(2,031)	(255)	(51)	(2,991)
Reclasses and other	(6)	21	–	–	433	448
Balance at November 30, 2022	**$ 7,747**	**$ 9,071**	**$ 45,185**	**$ 35,621**	**$ 3,644**	**$ 101,268**
Net book value:						
At November 30, 2021	**$ 69,029**	**$ 11,725**	**$ 58,796**	**$ 59,373**	**$ 4,125**	**$ 203,048**
At November 30, 2022	**$ 78,971**	**$ 10,943**	**$ 60,083**	**$ 60,488**	**$ 5,953**	**$ 216,438**

During 2022 and 2021, the Group entered into leases for land, offices, ships, barges, tank containers and terminal and sea farm equipment. At November 30, 2022, the Group has leases expiring from 2023 to 2070.

Lease Liabilities

(in thousands)	As of November 30, 2022	2021
Contractual undiscounted cash flows:		
Less than:		
1 year	**$ 58,823**	$ 52,730
2 years	**47,664**	48,175
3 years	**33,474**	36,876
4 years	**19,431**	22,551
5 years	**14,403**	11,005
Thereafter	**154,415**	136,998
Total undiscounted cash flows	**328,210**	308,335
Total lease liabilities (discounted based on the Group's incremental borrowing rate)	**223,584**	210,450
Less current maturities	**(49,017)**	(43,473)
Non-current	**$ 174,567**	$ 166,977

See Note 8, Finance expenses and income, for interest expense from lease liabilities.

Operating Leases

Minimum future lease commitments, under agreements which expire at various dates through 2025, are as follows:

(in thousands)	2022	2021
Less than:		
1 year	**$ 2,214**	$ 1,916
2 years	**570**	611
3 years	**397**	403
4 years	**173**	228
5 years	**48**	59
	$ 3,402	$ 3,217

The commitments for the year ended November 30, 2022 related to leases in which the exemption has been utilised to exclude short-term (less than one year) and low-value leases (leases with total payments of less than $5,000) and consist of tank containers, ships, barges, offices and equipment leases.

Rental and charter hire expenses under operating lease agreements for the years ended November 30, 2022 and 2021 were $37.0 million and $35.8 million, respectively. There was no sub-lease income in either year.

Variable lease consideration related to charter hire expenses to participants in the Joint service was included in Charter and lease expenses. It was $194.6 million and $124.0 million, respectively, for the years ended November 30, 2022 and 2021.

There were no non-cancellable sub-leases during the years ended November 30, 2022 and 2021.

16. Intangible Assets and Goodwill

Accounting policy

Goodwill represents amounts arising on the acquisition of subsidiaries, associates and joint ventures. Goodwill arising on acquisition represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Identifiable intangible assets are those that can be sold separately, or which arise from legal rights regardless of whether those rights are separable.

Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment, or more frequently when there is an indication that the CGU is impaired. With respect to associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment in the associate or joint venture.

Goodwill is tested for impairment on an annual basis for each CGU to which the goodwill is allocated. When goodwill is monitored at the level of a group of CGUs, it is tested for impairment at that level. The Group's unimpaired goodwill relates to the Tankers and Tank Container segments.

In the case of bargain purchases, the excess of net assets acquired over the fair value of the consideration paid arising on an acquisition is recognised in other operating income in the income statement in the period in which the acquisition is completed.

Other intangible assets with finite lives that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Amortisation of customer contracts is charged to operating revenue over the life of the contracts based on the underlying cash flows. Other finite-lived intangibles are charged to the income statement under operating expenses over the estimated useful lives of the intangible assets on a straight-line basis. The trademark intangible was amortised over a 10-year life while the customer relations and contract intangibles were amortised from two to 14 years and computer software is amortised over an average life of three to 10 years.

See Note 14 for the accounting policy for the impairment of intangible assets with finite lives.

Intangible assets are shown below:

(in thousands)	Goodwill	Trademark	Customer Relations/ Contracts	Computer Software	Other	Total
Cost:						
Balance, December 1, 2020	**$ 34,457**	**$ 1,555**	**$ 7,983**	**$ 64,967**	**$ 575**	**$ 109,537**
Additions	–	–	–	4,655	33	4,688
Disposals and retirements	–	–	–	(3,327)	–	(3,327)
Net foreign exchange differences	(730)	(77)	(338)	(2,578)	(48)	(3,771)
Reclasses	–	–	–	(267)	314	47
Balance, November 30, 2021	**$ 33,727**	**$ 1,478**	**$ 7,645**	**$ 63,450**	**$ 874**	**$ 107,174**
Additions	–	–	–	3,824	27	3,851
Disposals and retirements	–	–	–	(8,798)	(101)	(8,899)
Net foreign exchange differences	(1,181)	(121)	(534)	(3,673)	(77)	(5,586)
Reclasses	–	–	–	14	30	44
Balance, November 30, 2022	**$ 32,546**	**$ 1,357**	**$ 7,111**	**$ 54,817**	**$ 753**	**$ 96,584**
Accumulated amortisation:						
Balance, December 1, 2020	**$ 12,394**	**$ 1,555**	**$ 7,775**	**$ 46,574**	**$ 403**	**$ 68,701**
Amortisation charge for the year	–	–	114	4,847	–	4,961
Disposals and retirements	–	–	–	(3,263)	–	(3,263)
Net foreign exchange differences	–	(77)	(338)	(1,860)	(34)	(2,309)
Reclasses	–	–	–	(164)	281	117
Balance, November 30, 2021	**$ 12,394**	**$ 1,478**	**$ 7,551**	**$ 46,134**	**$ 650**	**$ 68,207**
Amortisation charge for the year	–	–	94	4,564	97	4,755
Disposals and retirements	–	–	–	(8,798)	(101)	(8,899)
Net foreign exchange differences	–	(121)	(534)	(2,549)	(56)	(3,260)
Reclasses	–	–	–	(64)	(34)	(98)
Balance, November 30, 2022	**$ 12,394**	**$ 1,357**	**$ 7,111**	**$ 39,287**	**$ 556**	**$ 60,705**
Net book value:						
At November 30, 2021	**$ 21,333**	**$ –**	**$ 94**	**$ 17,316**	**$ 224**	**$ 38,967**
At November 30, 2022	**$ 20,152**	**$ –**	**$ –**	**$ 15,530**	**$ 197**	**$ 35,879**

Other than goodwill, all intangible assets were subject to amortisation as of November 30, 2022 and 2021.

During the year ended November 30, 2022, the Group spent $3.9 million on intangible assets, mainly on the acquisition of computer software.

The Tankers and Tank Containers segments' goodwill has been tested for impairment as of November 30, 2022 and 2021. To calculate the recoverable amount, the FVLCD was calculated. For Tankers, goodwill was allocated to the deep-sea fleet cash generating unit ("CGU") while for Tank Containers, goodwill was allocated to the Tank Container fleet CGU. In both cases, these were the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. FVLCD was based on a discounted cash flow basis using the approved projections in the five-year plan.

Based on management judgement and past experience, the following assumptions were used in the calculation of FVLCD:

- Pre-tax discount rate of 7.0% based on the weighted average cost of capital ("WACC") for the risks specific to the Tankers and Tank Containers businesses.
- Future growth rates based on trends in industrial production. The growth rate used in perpetuity beyond the projection period is 2%.
- For Tankers, assumptions for the sailed-in rates per operating day (a profit measure of operating revenue less variable voyage expenses including bunker costs, on existing and future contracts and the spot market) during the project period from 2023 to 2027 for the deep-sea fleet (adjusted for capacity changes) is an average increase of 3.2%.
- For STC, future escalation of price and cost increases obtained from shipping and transportation carriers and extent of capital expenditures from Tank Containers approved capital expenditure projections and competition.

No impairment was noted.

In addition, in 2020, Terminals segment was tested for impairment which resulted in the full impairment of goodwill of $12.4 million related to a prior year business combination in the Terminals segment.

At November 30, 2022, goodwill primarily consisted of $5.4 million for goodwill on a prior year acquisition of the Tankers segment and $14.8 million related to a prior year business combination in the Tank Containers segment.

Revaluation for foreign exchange differences for goodwill and other intangibles amounted to a loss of $2.3 million in the same period.

The trademark intangible was amortised over a 10-year life and is now fully amortised while the customer relations and contracts intangibles were being amortised from two to 14 years and are now fully amortised. Computer software is being amortised over an average life of three to 10 years.

17. Investments in and Advances to Joint Ventures and Associates

Accounting policy

(i) Associates

Associates are those entities over which the Group is able to exercise significant influence but does not control or jointly control the entities' financial and operating policies. Significant influence is exercised generally through direct or indirect ownership of 20% to 50% of the voting rights. Such investments in associates are recorded in the Consolidated Financial Statements using the equity method and are initially recognised at cost. The Consolidated Financial Statements include the Group's share of the total comprehensive income of associates based on the equity method of accounting, from the date that significant influence begins until the date that significant influence ceases.

Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of net assets of the associate, less any impairment in the value of individual investments. Where necessary, adjustments are made to the Financial Statements of associates to bring the accounting policies used into line with those used by the Group.

When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

(ii) Joint Ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. Joint control requires unanimous consent of the parties sharing control in the decision-making on relevant activities. The Consolidated Financial Statements include the Group's share of the total comprehensive income of joint ventures based on the equity method of accounting, from the date that joint control begins until the date that joint control ceases. Where necessary, adjustments are made to the Financial Statements of joint ventures to bring the accounting policies used into line with those used by the Group.

Material investments are those that the Group considers to be strategic to its operations and whose investment balances are material.

Investments in and advances to joint ventures and associates, which are all accounted for using the equity method of accounting, consisted of the following:

(in thousands)	Location[1]	2022 % Shares	2022 % Voting Rights	As of November 30, 2022	As of November 30, 2021
Joint Ventures:					
Tankers' material joint ventures:					
NYK Stolt Tankers S.A.	Panama	50	50	**$ 50,717**	$ 40,639
Stolt NYK Asia Pacific Services Inc.	Liberia	50	50	**30,376**	23,983
NYK Stolt Shipholding Inc.	Liberia	50	50	**41,428**	40,632
Shanghai SC-Stolt Shipping Ltd	China	49	50	**36,852**	39,956
Hassel Shipping 4 AS	Norway	50	50	**67,191**	81,021
Tankers' non-material joint ventures:					
SIA LAPA, Ltd	Latvia	70	50	**1,628**	1,314
Shanghai New Xing Yang Marine Services Co. Ltd	China	40	40	**6**	61
				228,198	227,606
Terminals' material joint ventures:					
Advario Stolthaven Antwerp, NV, formerly Oiltanking Stolthaven Antwerp, NV	Belgium	50	50	**105,811**	105,372
Jeong-IL Stolthaven Ulsan Co. Ltd	South Korea	50	50	**117,423**	121,029
Tianjin Lingang Stolthaven Terminal Co.	China	65	50	**25,281**	26,524
Tianjin Lingang Stolthaven Jetty Company	China	40	50	**11,918**	13,165
Terminals' non-material joint ventures:					
Stolthaven Revivegen Kaohsiung Co., Ltd	Taiwan	49	50	**12,787**	–
Stolthaven (Westport) Sdn. Bhd.	Malaysia	49	50	**6,537**	6,908
				279,757	272,998
Tank Containers' non-material joint ventures:					
Hyop Woon Stolt Transportation Services Co. Ltd	South Korea	50	50	**3,690**	3,892
Kanoo Tank Services Ltd.	Saudi Arabia	60	50	**16,242**	16,115
Vado Tank Cleaning SRL	Italy	50	50	**1,251**	980
Laem Chabang Tank Service Co. Ltd.	Thailand	49	49	**1,415**	1,443
FSTS CO., Ltd	Thailand	49	49	**967**	978
Joint Tank Services FZCO	United Arab Emirates	40	40	**667**	–
				24,232	23,408
Stolt-Nielsen Gas' material joint venture:					
Avenir LNG Limited	Bermuda	47	47	**81,801**	79,497
Subtotal				**613,988**	603,509
Non-material associates:					
Brovig SS II Indre Selskap	Norway	50	50	**5,775**	5,414
Essberger & Stolt Tankers GMbH & Co KG	Germany	28	28	**164**	164
N.C. Stolt Transportation Services Co. Ltd	Japan	50	50	**1,208**	1,388
Norterminal A.S.	Norway	25	25	**757**	915
N.C. Stolt Chuyko Transportation Services Co. Ltd	Japan	35	35	**425**	516
Other				**627**	–
Subtotal				**8,956**	8,397
				$ 622,944	$ 611,906

1. Represents the country of incorporation which is the principal place of business, except for NYK Stolt Tankers S.A., Stolt NYK Asia Pacific Services Inc., NYK Stolt Shipholding Inc., Hassel Shipping 4 AS, Essberger & Stolt Tankers GMbH & Co KG, Brovig SS II Indre Selskap and Avenir LNG Limited which operate on a world-wide or regional basis.

(in thousands)	Joint Ventures	Associates	Total
Balance, December 1, 2020	**$ 578,174**	**$ 7,810**	**$ 585,984**
Share of profit of joint ventures and associates	38,858	612	39,470
Dividends	(22,629)	(240)	(22,869)
Net foreign exchange differences	(11,396)	42	(11,354)
Net gain on cash flow hedges held by joint ventures and associates	3,834	–	3,834
Repayment of advances to joint ventures, net	(4,570)	–	(4,570)
Net actuarial gain on pension schemes held by joint venture	1,489	–	1,489
Investment in joint venture and associate	21,000	173	21,173
Other	(1,251)	–	(1,251)
Balance, November 30, 2021	**$ 603,509**	**$ 8,397**	**$ 611,906**
Share of profit of joint ventures and associates	53,279	684	53,963
Dividends	(40,808)	(252)	(41,060)
Net foreign exchange differences	(30,807)	(485)	(31,292)
Net gain on cash flow hedges held by joint ventures and associates	8,743	–	8,743
Repayment of advances to joint ventures, net	(1,700)	–	(1,700)
Reclass from short-term advances to joint ventures, net	7,101	–	7,101
Net actuarial gain on pension schemes held by joint venture	1,476	–	1,476
Investment in joint venture and associate	13,687	627	14,314
Other	(492)	(15)	(507)
Balance, November 30, 2022	**$ 613,988**	**$ 8,956**	**$ 622,944**

Summarised financial information of material joint ventures

The below table provides summarised financial information of the Group's material joint ventures, representing 100% of the respective amounts included in the individual joint ventures' Financial Statements as of and for the years ended November 30, 2022 and 2021. The figures have been amended to reflect modifications for differences in accounting policy.

	NYK Stolt Tankers S.A.		Stolt NYK Asia Pacific Services Inc.		NYK Stolt Shipholding Inc.		Shanghai SC-Stolt Shipping Ltd		Hassel Shipping 4 AS	
(in thousands)	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Selected Balance Sheet Information										
Cash and cash equivalents	**$ 15,982**	$ 4,650	**$ 7,825**	$ 2,341	**$ 16,276**	$ 11,101	**$ 24,497**	$ 20,562	**$ 20,375**	$ 21,822
Current assets, other than cash	**18,873**	9,358	**15,583**	9,921	**750**	2,140	**7,518**	7,220	**29,757**	9,996
Current assets	**34,855**	14,008	**23,408**	12,262	**17,026**	13,241	**32,015**	27,782	**50,132**	31,818
Non-current assets	**223,721**	207,734	**42,000**	42,140	**173,042**	185,186	**47,916**	58,239	**291,911**	310,471
Total Assets	**258,576**	221,742	**65,408**	54,402	**190,068**	198,427	**79,931**	86,021	**342,043**	342,289
Financial liabilities, other than accounts payable	**13,124**	10,186	**–**	–	**9,382**	9,388	**–**	–	**14,384**	16,369
Other current liabilities	**6,464**	1,900	**4,655**	6,436	**139**	–	**6,160**	5,928	**2,217**	3,058
Current liabilities	**19,588**	12,086	**4,655**	6,436	**9,521**	9,388	**6,160**	5,928	**16,601**	19,427
Financial liabilities	**168,309**	157,417	**–**	–	**97,692**	107,069	**–**	–	**198,997**	167,608
Non-current liabilities	**–**	5,212	**–**	–	**–**	702	**–**	–	**–**	435
Total non-current liabilities	**168,309**	162,629	**–**	–	**97,692**	107,771	**–**	–	**198,997**	168,043
Net Assets	**$ 70,679**	$ 47,027	**$ 60,753**	$ 47,966	**$ 82,855**	$ 81,268	**$ 73,771**	$ 80,093	**$126,445**	$154,819
Selected Income Statement Information										
Operating revenue	**$ 72,169**	$ 52,609	**$100,566**	$ 74,308	**$ 41,250**	$ 40,964	**$ 49,169**	$ 43,487	**$ 81,588**	$ 60,690
Depreciation and amortisation	**15,173**	14,822	**–**	–	**12,733**	13,554	**4,652**	4,798	**13,649**	13,827
Finance income	**–**	–	**854**	328	**143**	14	**–**	–	**112**	5
Finance expense	**6,478**	4,818	**–**	–	**2,382**	1,925	**–**	–	**10,754**	8,762
Profit (loss) before taxes	**16,921**	2,878	**12,790**	(1,587)	**(723)**	(788)	**9,597**	7,568	**20,168**	9,610
Income tax expense	**–**	–	**–**	–	**–**	–	**2,310**	1,889	**–**	–
Net profit (loss)	**16,921**	2,878	**12,790**	(1,587)	**(723)**	(788)	**7,287**	5,679	**20,168**	9,610
Other comprehensive income (loss)	**6,716**	3,576	**–**	–	**2,310**	1,304	**(8,453)**	2,575	**8,459**	2,817
Total comprehensive income (loss)	**$ 23,637**	$ 6,454	**$ 12,790**	$ (1,587)	**$ 1,587**	$ 516	**$ (1,166)**	$ 8,254	**$ 28,627**	$ 12,427
Dividends received by Group	**$ –**	$ –	**$ –**	$ –	**$ –**	$ –	**$ 2,528**	$ 1,217	**$ 28,500**	$ –

Long-term financial liabilities for NYK Stolt Tankers S.A. included shareholder loans of $31.6 million and $35.1 million for the years ended November 30, 2022 and 2021, respectively. Of the financial liabilities included in NYK Stolt Shipholding Inc., $42.0 million related to notes payable to Stolt NYK Asia Pacific Services Inc. for both the years ended November 30, 2022 and 2021.

(in thousands)	Advario Stolthaven Antwerp, NV 2022	2021	Jeong-IL Stolthaven Ulsan Co. Ltd 2022	2021	Tianjin Lingang Stolthaven Terminal Co. 2022	2021	Tianjin Lingang Stolthaven Jetty Company 2022	2021
Selected Balance Sheet Information								
Cash and cash equivalents	**$ 9,367**	$ 5,450	**$ 15**	$ 14,660	**$ 3,890**	$ 2,974	**$ 2,493**	$ 3,792
Current assets, other than cash	**21,953**	27,793	**28,014**	17,438	**1,326**	823	**4,905**	3,263
Current assets	**31,320**	33,243	**28,029**	32,098	**5,216**	3,797	**7,398**	7,055
Non-current assets	**322,756**	371,936	**369,776**	395,248	**36,030**	42,521	**24,063**	27,979
Total Assets	**354,076**	405,179	**397,805**	427,346	**41,246**	46,318	**31,461**	35,034
Financial liabilities, other than accounts payable	**34,402**	49,939	**63,564**	101,608	**2,116**	2,357	**–**	–
Other current liabilities	**12,177**	13,673	**32,911**	39,121	**3,639**	6,560	**1,348**	1,767
Current liabilities	**46,579**	63,612	**96,475**	140,729	**5,755**	8,917	**1,348**	1,767
Financial liabilities	**88,004**	112,492	**74,217**	51,636	**7,111**	6,851	**–**	–
Non-current liabilities	**44,927**	58,543	**829**	2,347	**–**	258	**–**	–
Total non-current liabilities	**132,931**	171,035	**75,046**	53,983	**7,111**	7,109	**–**	–
Net Assets	**$ 174,566**	$ 170,532	**$ 226,284**	$ 232,634	**$ 28,380**	$ 30,292	**$ 30,113**	$ 33,267
Selected Income Statement Information								
Operating revenue	**$ 102,334**	$ 116,112	**$ 90,910**	$ 95,518	**$ 11,338**	$ 10,440	**$ 9,144**	$ 10,016
Depreciation and amortisation	**30,986**	34,158	**11,751**	12,514	**2,912**	2,964	**1,392**	1,438
Finance income	**–**	–	**–**	–	**–**	–	**41**	29
Finance expense	**3,993**	5,717	**2,936**	2,774	**512**	693	**–**	–
Profit before taxes	**20,511**	25,027	**34,796**	39,250	**1,238**	2,041	**4,365**	5,082
Income tax expense	**5,402**	5,297	**7,630**	8,774	**–**	–	**1,094**	1,270
Net profit	**15,109**	19,730	**27,166**	30,476	**1,238**	2,041	**3,271**	3,812
Other comprehensive (loss) income	**(11,075)**	(6,118)	**(21,410)**	(15,051)	**(3,150)**	940	**(3,423)**	1,105
Total comprehensive income	**$ 4,034**	$ 13,612	**$ 5,756**	$ 15,425	**$ (1,912)**	$ 2,981	**$ (152)**	$ 4,917
Dividends received by Group	**$ –**	$ 11,087	**$ 6,053**	$ 5,639	**$ –**	$ –	**$ 1,201**	$ 1,742

In addition to the table above, Avenir LNG Limited is publicly traded on the Norwegian over-the-counter ("NOTC") market. The financial statements for December 31, 2021 have been filed on the NOTC. Avenir LNG Limited had total assets of $268.7 million, total liabilities of $104.7 million and total net assets of $164.0 million. Avenir LNG Limited also published earnings releases containing unaudited financial information on a quarterly basis up until September 30, 2022. For the nine months to September 30, 2022 Avenir LNG Limited disclosed a net loss of $10.3 million and as at September 30, 2022 had total assets of $304.5 million, total liabilities of $158.6 million and net assets of $145.9 million. Share of profit of Avenir LNG Limited from October 1, 2022 to November 30, 2022 is based on management's best estimate of Avenir LNG Limited's performance. The market price of Avenir LNG Limited shares was NOK 8.00 per share at November 30, 2022. The Group owned 85.8 million shares of Avenir LNG Limited at November 30, 2022.

Tianjin Lingang Stolthaven Terminal Co. has $8.2 million and $8.0 million of shareholder loans at November 30, 2022 and 2021, respectively.

The above joint ventures, other than Avenir LNG Limited, are private companies and there are no quoted market prices available for their shares.

Description of the nature of activities of the material joint ventures

NYK Stolt Tankers S.A. is a joint venture with NYK Line which owns nine parcel tankers that participate in the Joint Service. The Group performs marketing, operational, administration and ship-owning services for NYK Stolt Tankers S.A.'s fleet in the deep-sea intercontinental market. The Group considers the investment in NYK Stolt Tankers S.A. to be strategic as it provides sophisticated tonnage to the Joint Service.

Stolt NYK Asia Pacific Services Inc. ("SNAPS") is a joint venture with NYK Line which operates 12 ships in the East Asia and South East Asia areas, with the ships marketed by the Group's offices in these regions. NYK Stolt Shipholding Inc ("NSSH") is a ship-owning joint venture and owns 11 of the ships operated by SNAPS. The investments in SNAPS and NSSH are considered to be strategic to the Group by serving the East Asia and South East Asia markets and supporting customers of the Joint Service.

Hassel Shipping 4 AS is a 50% joint venture with J.O. Invest AS for the joint ownership and operation of eight 33,000 dwt, stainless steel, chemical tankers. The ships are operated through the Joint Service. This joint venture is considered to be strategic as it provides sophisticated tonnage to the Joint Service.

Shanghai SC-Stolt Shipping Ltd is a 49% owned joint venture with Shanghai Junzheng Logistics Co. Ltd to operate chemical tankers in the Chinese coast cabotage market. As of November 30, 2022, the joint venture operated 11 ships. It is considered to be a joint venture as all significant decisions are made unanimously.

Avenir LNG Limited is a 47% owned joint venture with Golar LNG Limited and Höegh LNG Holdings Ltd. and supplies LNG for the power, bunkering, trucking and industrial markets. Although listed on the Norwegian over-the-counter ("NOTC") market, it is considered to be a joint venture as the Group, along with Golar LNG Limited and Höegh LNG Holdings Ltd., as significant decisions are made unanimously.

Advario Stolthaven Antwerp, NV ("ASA"), formerly Oiltanking Stolthaven Antwerp, NV, is a 50% owned joint venture with Advario BV (formerly Oiltanking GMBH) and has a terminal facility in Antwerp, Belgium which provides independent tank terminal services in the Port of Antwerp for bulk liquid products, animal and vegetable oils and gas and other products. The investment in ASA is considered to be strategic to the Group as it is integral to the Group's ability to provide an efficient ship-terminal interface.

Jeong-IL Stolthaven Ulsan Co. Ltd ("JSTT") is a 50% owned joint venture that owns a terminal facility in Ulsan, South Korea which provides independent tank terminal services for primarily clean petroleum and chemical products. The Group considers its investment in JSTT to be strategic as it is integral in the Group's ability to provide an efficient ship-terminal interface.

Tianjin Lingang Stolthaven Terminal Co., a 65% owned joint venture with the Lingang Harbor Affairs Company ("LHAC"), owns a terminal facility in Tianjin, China. It is considered to be a joint venture as all significant decisions are made unanimously.

Tianjin Lingang Stolthaven Jetty Company, a 40% owned joint venture with LHAC, owns and operates a jetty and docks in Tianjin, China. It is considered to be a joint venture as all significant decisions are made unanimously.

Reconciliation of Summarised Financial Information from Prior Year Net Assets to Investment in and Advances to Joint Ventures

	NYK Stolt Tankers S.A.		Stolt NYK Asia Pacific Services Inc.		NYK Stolt Shipholding Inc.		Shanghai SC-Stolt Shipping Ltd		Hassel Shipping 4 AS	
(in thousands)	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Net Assets:										
Balance, December 1	**$ 47,027**	$ 40,569	**$ 47,966**	$ 49,563	**$ 81,268**	$ 80,752	**$ 80,093**	$ 74,582	**$ 154,819**	$ 142,392
Profit (loss) for the year	**16,921**	2,878	**12,790**	(1,587)	**(723)**	(788)	**7,287**	5,679	**20,168**	9,610
Dividends	**–**	–	**–**	–	**–**	–	**(5,159)**	(2,483)	**(57,000)**	–
Other comprehensive income (loss)	**6,716**	3,576	**–**	–	**2,310**	1,304	**(8,453)**	2,575	**8,459**	2,817
Other	**15**	4	**(3)**	(10)	**–**	–	**3**	(260)	**(1)**	–
Balance, November 30	**70,679**	47,027	**60,753**	47,966	**82,855**	81,268	**73,771**	80,093	**126,445**	154,819
Percentage owned	**50%**	50%	**50%**	50%	**50%**	50%	**49%**	49%	**50%**	50%
Interest in joint venture	**35,340**	23,514	**30,377**	23,983	**41,428**	40,634	**36,148**	39,246	**63,223**	77,410
Purchase adjustment to property	**–**	–	**–**	–	**–**	–	**–**	–	**3,968**	3,573
Eliminations of transactions with the Group	**(422)**	(444)	**–**	–	**–**	–	**–**	–	**–**	–
Advances	**15,799**	17,569	**–**	–	**–**	–	**–**	–	**–**	–
Other	**–**	–	**(1)**	–	**–**	(2)	**704**	710	**–**	38
Investment in and advances to joint ventures	**$ 50,717**	$ 40,639	**$ 30,376**	$ 23,983	**$ 41,428**	$ 40,632	**$ 36,852**	$ 39,956	**$ 67,191**	$ 81,021

(in thousands)	Advario Stolthaven Antwerp, NV 2022	Advario Stolthaven Antwerp, NV 2021	Jeong-IL Stolthaven Ulsan Co. Ltd 2022	Jeong-IL Stolthaven Ulsan Co. Ltd 2021	Tianjin Lingang Stolthaven Terminal Co. 2022	Tianjin Lingang Stolthaven Terminal Co. 2021	Tianjin Lingang Stolthaven Jetty Company 2022	Tianjin Lingang Stolthaven Jetty Company 2021
Net Assets:								
Balance, December 1	**$170,532**	$ 179,094	**$232,634**	$ 228,488	**$ 30,292**	$ 27,311	**$ 33,267**	$ 32,705
Profit for the year	**15,109**	19,730	**27,166**	30,476	**1,238**	2,041	**3,271**	3,812
Dividends	**–**	(22,174)	**(12,106)**	(11,279)	**–**	–	**(3,002)**	(4,355)
Other comprehensive (loss) income	**(11,075)**	(6,118)	**(21,410)**	(15,051)	**(3,150)**	940	**(3,423)**	1,105
Balance, November 30	**174,566**	170,532	**226,284**	232,634	**28,380**	30,292	**30,113**	33,267
Percentage owned	**50%**	50%	**50%**	50%	**65%**	65%	**40%**	40%
Interest in joint venture	**87,283**	85,266	**113,142**	116,317	**18,447**	19,690	**12,045**	13,307
Advances	**–**	–	**–**	–	**6,834**	6,834	**–**	–
Purchase adjustment to property	**3,130**	4,827	**–**	–	**–**	–	**–**	–
Goodwill	**13,478**	15,279	**4,281**	4,712	**–**	–	**–**	–
Other	**1,920**	–	**–**	–	**–**	–	**(127)**	(142)
Investment in and advances to joint ventures	**$105,811**	$ 105,372	**$117,423**	$ 121,029	**$ 25,281**	$ 26,524	**$ 11,918**	$ 13,165

Summarised financial information for non-material joint ventures and associates

In aggregate, the Group's investments in and advances to non-material joint ventures were $45.2 million and $31.7 million, and in the non-material associates were $9.0 million and $8.4 million, for the years ended November 30, 2022 and 2021, respectively. The below summarises the financial information of the non-material joint ventures and associates:

(in thousands)	For the years ended November 30, 2022	For the years ended November 30, 2021
Joint Ventures		
Profit before taxes	**$ 10,147**	$ 8,122
Income tax expense	**1,706**	1,536
Net profit	**8,441**	6,586
Other comprehensive loss	**(2,181)**	(1,512)
Total comprehensive income	**$ 6,260**	$ 5,074

(in thousands)	For the years ended November 30, 2022	For the years ended November 30, 2021
Associates		
Profit before taxes	**$ 1,340**	$ 1,595
Income tax expense	**181**	335
Net profit	**1,159**	1,260
Other comprehensive loss	**(1,052)**	(292)
Total comprehensive income	**$ 107**	$ 968

Commitments

The Group has no commitments to joint ventures as of November 30, 2022. Capital commitments in joint ventures are in Note 27.

See Note 28 for amounts due from and to the Group from joint ventures and associates.

18. Investments in Equity Instruments

Accounting policy

Investments in equity instruments which are designated as fair value through other comprehensive income ("FVTOCI") are carried at their fair value and remeasured each period. Movements in the carrying amount are taken through other comprehensive income. Upon disposal of these equity investments, any balance within other comprehensive income for these equity investments is reclassified to retained earnings and is not reclassified to profit or loss.

Equity investments designated at FVTOCI

At November 30, 2022, the Group had investments in Golar LNG Limited, GBL, Odfjell SE, Kingfish and CoolCo that have been designated as FVTOCI as they are not held for trading by the Group.

On February 1, 2022, the Group acquired 1.0 million shares or 2.5% of CoolCo for $10.0 million. CoolCo is listed on the Euronext Growth Oslo. During September 2022, the Group sold 60,324 shares of CoolCo for $0.8 million.

During March and April 2022, the Group acquired 5.0 million shares or 8.3% of the outstanding shares of Odfjell SE for $20.7 million. Odfjell SE is listed on the Oslo Stock Exchange.

On October 18, 2022, the Group acquired 9.2 million shares or 10.0% of Kingfish for $7.4 million. Kingfish is listed on the Euronext Growth Oslo. After year end, the Group's shareholding decreased to 8.3% upon Kingfish issuing further shares.

On December 7, 2020, the Group acquired 342,857 shares of Golar LNG Limited at $8.75 per share.

In 2020, the Group's joint venture in India, Stolt Rail Logistics Systems Limited, was sold to the joint venture partner, GBL, in exchange for shares in GBL. GBL is listed on the Bombay Stock Exchange.

The Group received a dividend of $1.2 million from Odfjell SE during the year. There were no dividends received in the year ended November 30, 2021.

Investments in equity instruments increased owing to the acquisition of the above investments and the change in fair market value of all of the investments in 2022. A summary of changes in value of investments in equity instruments for the year ended November 30, 2022 and 2021 is summarised below:

As of November 30,	**2022**	2021	**2022**	2021	**2022**	2021
(in thousands, except for per share amounts)	**Golar LNG Limited**		**GBL**		**Kingfish**	
Number of equity shares	**2,673**	2,673	**6,111**	6,111	**9,238**	–
Percentage of shareholding as of November 30	**2.5%**	2.5%	**9.8%**	9.8%	**10.0%**	–
Share price as of November 30	**$ 25.07**	$ 11.80	**$ 1.80**	$ 1.04	**$ 1.12**	$ –
Gain on FVTOCI	**35,467**	7,337	**4,626**	1,344	**2,938**	–
Cumulative (loss) gain on FVTOCI	**(39,379)**	(74,846)	**5,970**	1,344	**2,938**	–
Value of investment	**$ 67,004**	$ 31,537	**$ 11,012**	$ 6,336	**$ 10,328**	–

As of November 30,	**2022**	2021	**2022**	2021	**2022**	2021
(in thousands, except for per share amounts)	**CoolCo**		**Odfjell SE**		**Total**	
Number of equity shares	**940**	–	**5,014**	–		
Percentage of shareholding as of November 30	**1.8%**	–	**8.3%**	–		
Share price as of November 30	**$ 12.56**	–	**$ 8.58**	–		
Dividends received	**–**	–	**1,225**	–	**$ 1,225**	$ –
Gain on FVTOCI	**2,588**	–	**22,310**	–	**67,929**	8,681
Cumulative gain (loss) on FVTOCI	**2,588**	–	**22,310**	–	**(5,573)**	(73,502)
Value of investment	**$ 11,798**	–	**$ 43,002**	–	**$ 143,144**	$ 37,873

19. Long-term Insurance Claims Receivable

Accounting policy

The Group maintains insurance to cover a number of risks including employee health, workers' compensation, pollution, damages to hull and machinery for each of our ships, property damages, war damage and general liabilities for third-party claims. The Group recognises a provision for future expected payments to third parties plus self-insured liabilities (deductibles) in respect of all claims (see Note 26).

The Group recognises insurance reimbursement receivables from insurers for third-party claims at the time the recovery is virtually certain. Substantially all of the long-term insurance reimbursement receivables are for claims such as collision, property damage, pollution, environmental damage, general average, injury and cargo. The liabilities associated with the claims are estimated based on the specific merits of the individual claims.

At November 30, 2022 and 2021, respectively, the Group included $156.2 million and $162.9 million for long-term insurance claims receivables. For 2022, substantially all of the Long-term insurance claims receivables and Long-term provision relate to the civil action as a result of the fire on the *MSC Flaminia* (see Note 29).

All of the Group's insurance policies are subject to coverage limits, exclusions and deductible levels. While the Group believes that the estimated accrued claims reserves are adequate, the ultimate losses can differ.

20. Accounts Payable

Accounting policy

Accounts payable are initially valued at their fair value and subsequently at amortised cost.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received or is entitled to consideration. When consideration is paid by a customer before the Group transfers goods or services to satisfy the performance obligation, a contract liability is recognised. Contract liabilities are recognised as operating revenue when the Group satisfies the contractual performance obligations.

	As of November 30,	
(in thousands)	**2022**	2021
Trade payables	**$ 96,828**	$ 99,642
Withholding and value added tax	**6,413**	11,903
Insurance premiums payable	**82**	115
Other	**1,552**	2,947
	$ 104,875	$ 114,607

Contract liabilities

	2022		2021	
(in thousands)	**<1 year**	**>1 year**	<1 year	>1 year
Balance, December 1	**$ 29,092**	**$ –**	$ 26,787	$ –
Revenue recognised (from opening balance)	**(29,092)**	**–**	(26,787)	–
Revenue recognised (current year)	**(1,197,032)**	**–**	(987,763)	–
Cash received in advance of performance obligation	**1,238,739**	**–**	1,016,855	–
Balance, November 30	**$ 41,707**	**$ –**	$ 29,092	$ –

Contract liabilities are typically recognised as operating revenue within 45 days of the completion of the performance obligation so all contract liabilities are current liabilities. Contract liabilities are included in Accrued voyage expenses and unearned income.

21. Financial Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's activities expose it to a variety of financial risks such as market risk (including currency risk, political risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central Treasury department under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in US dollars	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts and cross-currency interest rate swaps
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Cross-currency interest rate swaps, interest rate swaps
Market risk – commodity price	Changes in fuel prices	Cash flow forecasting Sensitivity analysis	Bunker surcharge clauses and bunker swaps
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, available-for-sale debt instruments and held-to-maturity investments	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit Investment guidelines for available-for-sale and held-to-maturity investments
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

Market risk

The Group is exposed to market risk, including changes in interest rates, currency exchange rates, price risk and bunker fuel costs. To manage the volatility relating to these exposures, the Group enters into derivative transactions in accordance with Group policies. The financial impact of these instruments is offset by corresponding changes in the underlying exposures being hedged. Derivative instruments are not held for trading or speculative purposes.

The Group analyses its interest rate exposure based on sensitivity analysis. Scenarios are simulated, taking into consideration refinancing, renewal of existing positions, alternative financing and hedging.

The Group calculates the impact on profit and loss of a defined interest rate shift. At November 30, 2022, 18.1% of the Group's long-term debt had variable interest rates. At November 30, 2022, if interest rates on the Group's short-term and long-term debt had been 10 basis points higher/lower with all other variables held constant, the calculated pre-tax profit for the year would have been $0.4 million lower/higher, mainly as a result of higher/lower interest expense on floating-rate debt for which the interest rate has not been hedged.

In addition, for bunker fuel risk, the majority of the contracts of affreightment ("COA") entered into by the Group's Tanker segment include provisions intended to pass through fluctuations in fuel prices to customers. The Group's policy is to hedge a minimum of 50% of expected bunker purchases within the next 12 months through either bunker surcharge clauses included in the COAs or through hedging. For the years ended November 30, 2022 and 2021, the expected coverage from fluctuations in bunker fuel prices was 63.0% and 60.7%, respectively.

Political and geopolitical risk

SNL is exposed to geopolitical risks where territorial and other disputes between countries could lead to the outbreak of war or the existence of international hostilities that could damage the world economy, adversely affect the availability of, and demand for, petroleum and chemical products and adversely affect SNL's ability to operate ships, terminals or tank containers. Moreover, SNL operates in a sector of the economy that is likely to be adversely affected by the impact of political instability, terrorist or other attacks, war or international hostilities, for example, the hostilities in the Ukraine.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Most of the operating revenue earned by Tankers and Tank Containers is in US dollars, while a significant portion of their operating expenses is incurred in other currencies, primarily the euro, the Philippine peso, the Singapore dollar, the Japanese yen and the British pound. When there is a mismatch between revenue and expense currencies, any depreciation of the revenue currency relative to the expense currency will decrease profit margins. In addition, exposure occurs when a member of the Group holds accounts receivable or payable in a non-functional currency.

At November 30, 2022, prior to the effect of hedging, if the US dollar had weakened/strengthened by 5% against the major currencies mentioned above, with all other variables remaining constant, the recalculated pre-tax profit for the year would have been approximately $6.9 million higher/lower, mainly due to the effect of operating and administrative and general expenses, net of revenues, from non-US dollar transactions as well as foreign exchange gains or losses on the remeasurement of non-US dollar-denominated account receivable and payable balances through the income statement.

SNL's policy is to hedge between 50% to 80% of the Group's expected 12-month future foreign currency exposure and 100% of its future committed capital expenditures denominated in foreign currencies.

Concentration of credit risk

Trade receivables are from customers across all lines of the Group's business. The Group extends credit to its customers in the normal course of business. The maximum exposure to credit risk is the net customer accounts receivable balance of $325.8 million and cash balance of $152.1 million. The Group regularly reviews its accounts receivable by performing credit checks upon entering into an initial sales contract with a customer and by the respective business controllers regularly reviewing the days past due accounts receivable reports. The majority of trade receivables are in US dollars.

An analysis of the age of customer trade receivables that are past due is as follows:

	As of November 30, 2022	
(in thousands)	**Not Impaired**	**Impaired**
Current	**$ 187,428**	**$ 213**
Up to 30 days past due	**78,027**	**694**
31 to 60 days past due	**22,539**	**475**
61 to 90 days past due	**14,620**	**304**
Greater than 91 days past due	**23,225**	**19,932**
	$ 325,839	**$ 21,618**

	As of November 30, 2021	
(in thousands)	Not Impaired	Impaired
Current	$ 142,818	$ –
Up to 30 days past due	59,017	940
31 to 60 days past due	18,131	473
61 to 90 days past due	8,240	244
Greater than 91 days past due	22,430	18,472
	$ 250,636	$ 20,129

No collateral is held on any accounts receivable.

Concentration of credit risk *(continued)*

The only material loss allowance held against financial assets relates to trade receivables and is calculated on a lifetime expected loss basis. There have been no changes in the estimation techniques applied in the calculation of the loss allowance during the year.

The allowance for impairment on customer trade receivables changed as follows:

	As of November 30,	
(in thousands)	**2022**	2021
Allowance for impairment on customer trade and accrued receivables, brought forward	**$ 20,129**	$ 18,230
Impairment recognised, net	**1,893**	3,145
Accounts written off	**(404)**	(1,246)
Balance at the end of the year	**$ 21,618**	$ 20,129

The amount of the impairment allowance on receivables is based on the age of unpaid balances, information about the current and expected future financial condition of customers and the markets in which they operate, and other relevant information. Management does not believe significant risk exists in connection with concentrations of credit as of November 30, 2022. There have been no significant changes to the impairment allowance because of changes in the gross carrying amount of trade receivables.

There are no significant amounts written off which are still subject to enforcement activity.

The Group's cash is held by a diverse group of financial institutions, which is monitored on an annual on-going basis by Treasury.

Liquidity risk

Cash flow forecasting is performed by the operating entities of the Group and is aggregated at the corporate level. The Treasury department monitors rolling forecasts of the Group's liquidity requirements to ensure the Group has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (see Note 23) at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and certain currencies' restrictions. The Group also reviews and monitors sensitivities.

22. Financial Instruments

Accounting policy for financial instruments

IFRS 9 contains a classification and measurement approach for financial assets and liabilities, including derivative instruments that reflects the business model in which assets are managed and their cash flow characteristics.

Under IFRS 9, all financial instruments are initially measured at fair value. In addition, for financial assets or liabilities not remeasured at fair value through profit or loss, financial instruments are adjusted for transaction costs. The classification of a financial asset is determined at initial recognition; however, if certain conditions are met, an asset may subsequently need to be reclassified.

IFRS 9 contains three principal classification categories for financial assets, based on the business models under which they are held:

Amortised cost: The Group classifies its financial assets at amortised cost only if both of the following criteria are met: the assets are held within a business model with the objective of collecting the contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. Income from these financial assets is included in finance income using the effective interest rate method. The Group's assets measured at amortised cost include trade and other receivables, cash and cash equivalents and advances from joint ventures and associates.

Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for future sales, where the assets' cash flows represent solely payments of principal and interest and dividends, are measured at fair value through other comprehensive income.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss.

(i) Impairment

As required by IFRS 9, the Group adopted an "expected credit loss model" which requires the Group to account for expected credit losses and changes in those expected credit losses at each year end or half-year to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Credit losses are calculated as the present value of the difference between all contractual cash flows that are due and all cash flows that the entity expects to receive. Expected credit losses are the sum of all possible credit losses, weighted by their probability of occurrence.

The "12-month expected credit losses" approach is applied to all financial assets with the exception of trade receivables and advances to joint ventures. Both these asset classes generally do not contain a significant financing component. For these assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, net of any allowance losses. The allowance loss measurement is determined by applying a simplified approach equalling the lifetime expected credit losses.

Under the simplified approach, the tracking of changes in credit risk is not required, but instead the base lifetime expected credit loss at all times is applied. An allowance for loss is made for potentially impaired receivables during the year in which they are identified based on a periodic review of all outstanding amounts. Losses are recorded within selling, marketing and distribution expenses in the income statement. Trade receivables are deemed as impaired when there is an indication of significant financial difficulties of the debtor (delinquency in or default on payments occurs, probability of bankruptcy or need for financial reorganisation).

(ii) Fair value estimation

The information below summarises financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

New business quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Group's investments in Golar LNG Limited, CoolCo, Kingfish, Odfjell SE and GBL are measured using quoted prices in an active market (Level 1). The Group's derivative assets and liabilities are measured using inputs other than quoted prices (Level 2). The Group's mature biological assets are measured using inputs other than quoted prices (Level 2). There have been no changes in the fair value methodology in the periods presented.

(iii) Hedge accounting

In accordance with IFRS 9's transition provisions for hedge accounting, the Group has not applied the IFRS 9 hedge accounting requirements and will continue to apply the hedge accounting requirements of IAS 39.

Accounting policy for derivative assets and liabilities

The Group enters into forward exchange contracts to hedge foreign currency transactions, interest rate swaps to hedge the risk of variability of interest payments, cross-currency interest rate swaps to hedge the risk of variability of interest and principal payments on non-US dollar denominated borrowings and bunker fuel hedge contracts to lock in the price for a portion of forecasted bunker fuel requirements. No instruments are held for speculative purposes.

For bonds and loan facilities where it is determined that there is an interest rate or foreign currency risk that should be hedged, the derivative financial instrument acquired will have critical terms that mirror those of the underlying debt. In these circumstances, it is the Group's objective to achieve 100% effectiveness.

Derivative financial instruments are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss on remeasurement is recognised immediately in the income statement unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition of any resultant gain or loss on the income statement depends on the nature of the item being hedged. The impact in the income statement is shown in interest, foreign currency exchange gain (loss) or operating expenses as appropriate, based on the underlying of the derivative.

(i) Determination of fair value

The fair value of interest rate swaps, cross-currency interest rate swaps and foreign exchange contracts is based on discounted cash flow models based upon the valuations received from financial institutions, taking into account current interest rates and foreign exchange rates.

(ii) Cash flow hedges

The Group applies cash flow hedge accounting to its interest rate swaps and cross-currency interest rate swaps.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in the income statement.

When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss recognised in other comprehensive income is removed and included in the initial cost or other carrying amount of the asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into the income statement in the same period or periods during which the asset acquired or liability assumed affects profit or loss, i.e. when finance income or expense is recognised.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in other comprehensive income is recognised in the income statement immediately.

Any unrealised and realised gains or losses on foreign exchange forward contracts are taken directly to the income statement.

(iii) Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to the host contract. Contracts are assessed for embedded derivatives at inception of such contracts or when the Group becomes party to them. Embedded derivatives that have been separated from host contracts are measured at fair value at each balance sheet date. Any gains or losses arising from changes in fair value are taken directly to the income statement.

The Group holds the following financial instruments:

(in thousands)	November 30, 2022 Current	Non-current	Total carrying value	Fair value	November 30, 2021 Current	Non-current	Total carrying value	Fair value
Financial Assets								
Financial assets at FVTOCI								
Investments in equity instruments – listed	$ –	$ 143,144	$ 143,144	$ 143,144	$ –	$ 37,873	$ 37,873	$ 37,873
Financial assets at amortised cost								
Cash and cash equivalents	152,141	–	152,141	152,141	123,868	–	123,868	123,868
Restricted cash	–	–	–	–	6,096	–	6,096	6,096
Trade receivables	353,730	–	353,730	353,730	344,347	–	344,347	344,347
Loans and advances to joint ventures and associates	–	40,037	40,037	40,037	–	34,725	34,725	34,725
Other current assets	37,585	–	37,585	37,585	54,351	–	54,351	54,351
	$ 543,456	$ 183,181	$ 726,637	$ 726,637	$ 528,662	$ 72,598	$ 601,260	$ 601,260
Financial Liabilities								
Financial liabilities at amortised cost								
Accounts payables, excluding withholding and value added taxes	$ 98,463	$ –	$ 98,463	$ 98,463	$ 102,704	$ –	$ 102,704	$ 102,704
Accrued expenses and accrued voyage expenses	320,311	–	320,311	320,311	249,232	–	249,232	249,232
Dividend payable	53,591	–	53,591	53,591	26,829	–	26,829	26,829
Long-term lease obligations, including current maturities	49,017	174,567	223,584	223,584	43,473	166,977	210,450	210,450
Short-term loans and long-term debt, including current maturities and excluding debt issuance costs	293,109	1,691,112	1,984,221	2,032,219	537,385	1,712,418	2,249,803	2,386,211
Other current liabilities	49,407	–	49,407	49,407	37,543	–	37,543	37,543
	$ 863,898	$ 1,865,679	$ 2,729,577	$ 2,777,575	$ 997,166	$ 1,879,395	$ 2,876,561	$ 3,013,969

(in thousands)	November 30, 2022 Current	Non-current	Total carrying value	Fair value	November 30, 2021 Current	Non-current	Total carrying value	Fair value
Derivative Financial Instruments at Fair Value								
Assets								
Foreign currency exchange contracts – cash flow hedges	$ 1,065	$ –	$ 1,065	$ 1,065	$ 6	$ –	$ 6	$ 6
Interest rate swaps	5,640	6,590	12,230	12,230	–	–	–	–
Cross-currency interest rate swaps – cash flow hedges	1,840	–	1,840	1,840	583	6,868	7,451	7,451
	$ 8,545	$ 6,590	$ 15,135	$ 15,135	$ 589	$ 6,868	$ 7,457	$ 7,457
Liabilities								
Cross-currency interest rate swaps – cash flow hedges	$ 1,274	$ 5,851	$ 7,125	$ 7,125	$ 972	$ –	$ 972	$ 972
Foreign currency exchange contracts – cash flow hedges	692	–	692	692	2,649	–	2,649	2,649
Interest rate swaps	205	–	205	205	6,618	7,938	14,556	14,556
	$ 2,171	$ 5,851	$ 8,022	$ 8,022	$ 10,239	$ 7,938	$ 18,177	$ 18,177

Fair value of financial instruments

The estimated fair value amounts of financial instruments have been determined by the Group, using appropriate market information and valuation methodologies. Considerable judgement is required to develop these estimates of fair value, so the estimates provided here are not necessarily indicative of the amounts that could be realised in a current market exchange.

The carrying amount of cash and cash equivalents, receivables, other current assets, account payable (excluding withholding and value added tax payables), accrued expenses and dividend payable are a reasonable estimate of their fair value, owing to their short maturity. Long-term leases are exempt from disclosure of fair value measurements so fair value equals book value. Long-term debt in the table above excludes debt issuance costs of $17.4 million and $24.2 million, as of November 30, 2022 and 2021, respectively. The estimated value of the Group's senior unsecured bond issues is based on traded values, while the value on the remaining long-term debt is based on interest rates as of November 30, 2022 and 2021, respectively, using the discounted cash flow methodology. The fair values of the Group's foreign exchange and bunker contracts are based on their estimated market values as of November 30, 2022 and 2021, respectively. Market value of interest rate and cross-currency interest rate swaps was estimated based on the amount the Group would receive or pay to terminate its agreements as of November 30, 2022 and 2021.

The estimated value of the Group's financial assets and marketable securities are based on traded value. The estimated value of its senior unsecured bond issues is based on traded values (Level 1 valuation method), while the values on the remaining long-term debt are based on interest rates as of November 30, 2022 and 2021, respectively, using the discounted cash flow methodology (Level 2 valuation method). The fair values of the Group's foreign exchange and bunker contracts are based on their estimated market values as of November 30, 2022 and 2021. Market value of interest rate and cross-currency interest rate swaps was estimated based on the amount the Group would receive or pay to terminate its agreements as of November 30, 2022 and 2021.

The Group's financial instruments did not result in any income or loss recognised in the income statement.

Derivatives

The Group has derivative assets of $15.1 million and $7.5 million as of November 30, 2022 and 2021, respectively and derivative liabilities of $8.0 million and $18.2 million as of November 30, 2022 and 2021, respectively. All the Group's derivative activities are financial instruments entered with major financial institutions and brokers for hedging the Group's committed exposures or firm commitments with major financial credit institutions, shipbuilders and ship-repair yards. The fair values of the Group's foreign exchange contracts and cross-currency interest rate swaps are based on their estimated market values as of November 30, 2022 and 2021, respectively. Derivative financial instruments are measured using inputs other than quoted values. There have been no changes in the valuation techniques since November 30, 2020.

None of the Group's derivative activities are publicly traded financial instruments. Instead, the financial instruments have been entered into with major financial institutions and brokers. The Group holds foreign exchange forward contracts, commodity contracts and interest rate swaps, which subject the Group to a minimum level of counterparty risk. The Group does not believe that it has a material exposure to credit risk from third parties failing to perform according to the terms of hedge instruments. The cumulative net gains (losses) recognised in equity were as follows at November 30, 2022 and 2021:

	As of November 30,	
(in thousands)	**2022**	2021
Interest rate derivatives	**$ 12,453**	$ (12,703)
Cross-currency interest rate swaps	**8,548**	(2,308)
Foreign currency derivatives	**(10)**	(10)
Foreign exchange and interest rate hedges held by joint ventures	**4,418**	(4,325)
Deferred income tax gain on the interest rate derivatives	**(524)**	603
	$ 24,885	$ (18,743)

Foreign currency

The following foreign exchange contracts, maturing through September 2023, were outstanding as of November 30, 2022 and 2021:

	Purchase	
(in local currency, thousands)	**2022**	2021
Norwegian krone	**–**	3,005
Euro	**45,000**	38,250
Singapore dollar	**8,000**	10,085
British pound	**5,000**	14,250

The US dollar equivalent of the currencies which the Group had contracted to purchase was $58.8 million and $72.4 million as of November 30, 2022 and 2021, respectively.

The Group utilises foreign currency derivatives to hedge committed and forecasted cash flow exposures. Most of these contracts have been designated as cash flow hedges.

The Group has elected to apply non-hedge accounting treatment for all contracts. Gains and losses on hedges of committed commercial transactions are recorded as a foreign exchange gain or loss.

Interest rate and cross-currency interest rate swaps

The Group had interest rate and cross-currency interest rate swaps with notional values of $612.4 million and $595.0 million as of November 30, 2022 and 2021, respectively. These derivatives have been designated as cash flow hedges. For the years ended November 30, 2022 and 2021, $0.5 million gain and $10.7 million loss, respectively, were recognised in finance expense. Any remaining amounts currently in other comprehensive income are expected to be reclassified to earnings between 2023 and 2031.

Other

At November 30, 2021, the Group had a forward contract with notional value of $10.1 million for the purchase of 2,723,186 shares of Odfjell SE class A shares. The Group has elected to apply non-hedge accounting treatment for this derivative. Gains and losses on the future contract were recorded in Other non-operating (expense) income and collateral of 50% of the value of the derivative was included in Restricted cash at November 30, 2021. The shares were purchased in 2022. See Note 18.

Maturity of financial liabilities

For the year ended November 30, 2022 (in thousands)	Less than 1 yr	2-3 yrs	4-5 yrs	More than 5 yrs	Total
Contractual obligations:					
Accounts payable, excluding withholding and value added taxes	$ 98,463	$ –	$ –	$ –	$ 98,463
Accrued expenses and dividend payable	373,902	–	–	–	373,902
Long-term lease liabilities, including current maturities	49,017	67,454	24,653	82,460	223,584
Interest on long-term lease liabilities	9,806	13,684	9,181	71,955	104,626
Long-term debt, including current maturities	293,109	817,069	450,480	423,563	1,984,221
Interest on long-term debt	96,282	117,539	72,890	41,542	328,253
Derivative financial liabilities	2,240	6,223	–	–	8,463
Other current liabilities	49,407	–	–	–	49,407
Total contractual obligations	$ 972,226	$ 1,021,969	$ 557,204	$ 619,520	$ 3,170,919

For the year ended November 30, 2021 (in thousands)	Less than 1 yr	2-3 yrs	4-5 yrs	More than 5 yrs	Total
Contractual obligations:					
Accounts payable, excluding withholding and value added taxes	$ 102,704	$ –	$ –	$ –	$ 102,704
Accrued expenses and dividend payable	276,061	–	–	–	276,061
Long-term lease liabilities, including current maturities	43,473	72,499	25, 831	68,647	210,450
Interest on long-term lease liabilities	9,257	12,522	7,725	68,351	97,855
Short-term loans	40,000	–	–	–	40,000
Long-term debt, including current maturities	497,384	733,980	551,125	427,314	2,209,803
Interest on long-term debt	89,279	123,444	57,941	37,313	307,977
Derivative financial liabilities	7,626	4,851	2,162	392	15,031
Other current liabilities	37,543	–	–	–	37,543
Total contractual obligations	$ 1,103,327	$ 947,296	$ 644,784	$ 602,017	$ 3,297,424

Long-term debt in the table above excludes debt issuance costs of $17.4 million and $24.2 million as of November 30, 2022 and 2021, respectively. Derivative financial liabilities are stated at future undiscounted cash flows; therefore, they do not agree to the balance sheet.

23. Short-Term Bank Loans

Accounting policy

Interest-bearing borrowings are recognised initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Outstanding short-term bank loans were nil and $40.0 million at November 30, 2022 and 2021, respectively. At November 30, 2021, the short-term bank loans consisted of $20.0 million of debt obligations to banks under uncommitted lines of credit and bank overdraft facilities and $20.0 million under its Secured Reducing Multi-Currency Revolving Loan Facility Agreement ("Secured RCF").

On February 16, 2022, the Secured RCF, which had an expiration date of September 2022, was cancelled when the Group entered into a sustainability-linked secured loan agreement for $415.0 million, consisting of a term loan of $180.9 million and a revolving credit facility ("RCF") of $234.1 million. The loan syndication was with 14 banks and led by three bookrunners: Nordea Bank Abp, Danske Bank A/S and DNB (UK) Limited ("DNB"). It expires on February 16, 2028 and is secured by 19 ships. The revolving credit line reduces semi-annually by $13.2 million.

As of November 30, 2022, the Group had available undrawn committed credit lines of $220.9 million from the RCF.

The weighted average interest rate on the RCF was 5.3% for the year ended November 30, 2022 and was 2.6% for the Secured RCF for both November 30, 2022 and 2021.

The Group entered into a 24-month Revolving Credit Facility during the year ended November 30, 2021. This agreement was with two banks: DNB and Swedbank AB for a total of $100 million and expired on December 31, 2022. As of November 30, 2022 and 2021, the facility was undrawn and there is no weighted average interest rate as the facility has not been utilised during either of the two years. Subsequent to November 30, 2022, the Group signed a two-year revolving credit facility for $100.0 million. See Note 33, Subsequent events, for further details.

The Group also has $25.0 million of uncommitted lines of credit facilities which are payable on demand and can be withdrawn by the banks at short notice. The weighted average interest rates during the years ended November 30, 2022 and 2021 were 2.4% and 2.1%, respectively.

Commitment fees for unused lines of credit were $3.7 million and $4.3 million for the years ended November 30, 2022 and 2021, respectively.

Several of the short-term and long-term credit facilities contain various financial covenants applicable either quarterly or annually, which, if not complied with, could result in the acceleration of repayment of amounts due and could limit the ability of the Group to draw funds from time to time. At November 30, 2022 and 2021, the Group was in compliance with the financial covenants under its debt agreements.

Agreements executed in connection with certain debt obligations, both short-term and long-term, require that the Group maintains defined financial covenants, including, but not limited to, minimum consolidated tangible net worth of $600.0 million, maximum ratio of consolidated debt to consolidated tangible net worth of 2.25 : 1 and minimum ratio of consolidated EBITDA to consolidated interest expense of 2 : 1. Most of the debt agreements provide for a cross default in the event of a default in another agreement. In the event of a default that extends beyond the applicable remedy or cure period, lenders may accelerate repayment of amounts due to them.

24. Long-Term Debt

Accounting policy

Interest-bearing borrowings are recognised initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Long-term debt as of November 30, 2022 and 2021 consisted of the following:

(in thousands)	Notes	2022	2021
Preferred ship fixed rate mortgages:			
Fixed interest rates ranging from 2.7% to 5.4% (2021: 2.7% to 5.4%), maturities vary through 2027	(i)	**$ 494,636**	$ 518,510
Preferred ship variable rate mortgages:			
Interest rates ranging from 2.6% to 7.6% (2021: 2.6% to 3.0%), maturities vary through 2029	(ii)	**355,732**	400,065
Senior secured credit facilities	(iii)	**839,214**	785,560
Senior unsecured bond issues	(iv)	**258,381**	455,225
Bank loans:			
Interest rates ranging from 1.5% to 2.1% (2021: 1.5% to 3.2%), maturities vary through 2026		**18,816**	26,284
		1,966,779	2,185,644
Less – current maturities		**(288,958)**	(490,502)
		$ 1,677,821	$ 1,695,142

The classification of debt and the interest rates shown in the above table are after considering existing interest rate and cross-currency interest rate hedges.

Long-term debt

The majority of long-term debt is denominated in or swapped into US dollars, with $135.3 million and $155.9 million denominated in other currencies and not swapped to US dollars as of November 30, 2022 and 2021, respectively.

Long-term debt consists of debt collateralised by mortgages on ships, tank containers and terminals, as well as $258.4 million unsecured bond financing at November 30, 2022.

(i) Preferred ship fixed rate mortgages

On August 3, 2022, the Group signed a $66.0 million top-up of the term loan with Danish Ship Finance A/S, increasing the term loan to $168.7 million and extending the maturity profile to June 2027. The loan was drawn in 2022 to finance the purchase of two second-hand ships and for general corporate purposes. At the time of draw down, the interest rate was fixed.

As a part of the sustainability-linked secured loan agreement entered into on February 16, 2022 that was discussed in Note 23, the Group drew $180.9 million on a term loan in March 2022. The loan was used to fully repay the loan with CEXIM and Standard Chartered Bank. At the same time, the Group swapped the floating interest of the term loan into a fixed rate. With the repayment of the CEXIM loan, the Group incurred break costs and expensed debt issuance costs and hedging losses of $11.1 million. The new term loan is a five and one-half year term loan with semi-annual payments.

The Group repaid the $30.5 million term loan secured by the *Stolt Groenland* in the first quarter of 2022. This was the result of the Group settling with its hull and machinery insurers for claims on the *Stolt Groenland*, which had an explosion onboard in 2019.

During February and March 2019, the Group received $241.6 million under a fixed-rate borrowing agreement, involving eight ships. The agreement is with Development Bank of Japan, ING Bank N.V., National Australia Bank, Société Générale and a group of private investors at fixed interest rates ranging from 4.16% to 4.27%. There are equal quarterly payments for each ship for an average tenor of eight years. At the end of the agreement, the Group has an option to purchase the ships by paying fixed amounts. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt. This debt refinanced the acquisition debt relating to the Jo Tankers acquisition in 2016.

With the deliveries of five newbuildings, in late 2016 through 2017, the Group drew down $57.2 million in 2016, $219.6 million in 2017 and $7.6 million in 2018 under the $291.8 million term loan with CEXIM and Standard Chartered Bank, signed August 15, 2013. The loans are secured by the newbuildings and was being repaid over 10 years. Interest has been fixed at an average rate of 4.94%. As noted above, this loan was repaid in 2022.

(ii) Preferred ship variable rate mortgages

During March 2021, the Group closed a $77.0 million floating-rate facility with CMB Financial Leasing Co. Ltd. ("CMBFL Facility") including three newly acquired CTG ships. There are quarterly repayments for each ship over ten years whereby the Group has an option to purchase the ships by paying $12.8 million for each ship. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt.

In August 2019, the Group closed a $415.6 million floating-rate facility with CMBFL Facility, involving 20 ships. There are equal quarterly payments for each ship for an average tenor of seven years and floating interest rates, ranging from 2.92% to 3.0% in 2021. At the end of the agreement, the Group has an option to purchase the ships by paying fixed amounts. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt. The loan was used to pay down existing debt and for general corporate purposes.

(iii) Senior secured credit facilities

On June 21, 2022, the Group signed a $110.0 million floating-rate borrowing agreement using a group of tank containers as collateral. The agreement is with ING Bank N.V. and a group of private investors for seven years and ten months. There are 33 equal payments, with a balloon payment at maturity. The drawdown of the cash coincided with the November 2022 balloon payment of the November 2015 tank container financing and the interest rate was fixed just before draw down.

On March 2, 2022, the Group signed a $127.6 million floating-rate borrowing agreement using a group of tank containers as collateral. The agreement is with ING Bank N.V. and a group of private investors for six years and ten months. There are 29 equal payments, with a balloon payment at maturity. Cash was drawn on the new facility subsequent to the May 2022 balloon payment of the May 2016 tank container financing and the interest rate was fixed just before draw down.

On December 3, 2020, the Group entered into a $65.0 million fixed-rate term loan facility using Stolthaven Dagenham and Stolthaven Moerdijk terminals as collateral. The facility agreement is with KFW IPEX-BANK GMBH for six years. There are eight equal payments of 6.25% of the total commitment beginning in 2023 with a final balloon obligation of $32.5 million.

In July 2019, Stolthaven New Orleans LLC issued $200.0 million Senior Secured Notes with a group of private investors. The private placement has a ten-year term at a fixed interest rate of 5.15% and is secured by the terminal in Braithwaite, Louisiana. Proceeds from the Notes were used for general corporate purposes.

On May 24, 2017, the previous Stolthaven Singapore terminal loan facility was refinanced with a seven-year SGD 280.0 million ($202.4 million) term loan facility. The agreement is with a bank club deal consisting of United Overseas Bank Limited, DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited, and Australia and New Zealand Banking Group Limited and has a fixed interest rate of 4.16%.

On May 20, 2016, the Group entered into a $131.3 million fixed-rate borrowing agreement using a group of tank containers as collateral. The agreement is with ING Bank N.V., Development Bank of Japan and a group of private investors for six and a half years at a fixed interest rate of 3.4%. There are 26 equal payments of $3.6 million each and at the end of the agreement, the Group has an option to purchase the tank containers by paying a fixed amount of $59.1 million. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt. This borrowing agreement was repaid in 2022.

On November 20, 2015, the Group entered into a $166.4 million fixed-rate borrowing agreement using a group of tank containers as collateral. The agreement is with ING Bank N.V. and a group of private investors for six and a half years at a fixed interest rate of 3.3%. There are 26 equal payments of $4.6 million each and at the end of the agreement, the Group has an option to purchase the tank containers by paying a fixed amount of $74.9 million. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt. This borrowing agreement was repaid in 2022.

On February 19, 2015, the Group announced that it had closed a $250.0 million private placement with American International Group. The private placement has a term of 10 years and is secured by the Group's terminal in Houston. The loan was used to pay down existing debt and for general corporate purposes.

(iv) Senior unsecured bond issue

On June 16, 2020, the Group completed a placement of senior unsecured bonds for NOK 1.25 billion (swapped into $132.0 million) in a new three-year bond issue, carrying a coupon of three months NIBOR plus 4.5%. The Group swapped the bond proceeds into a US dollar obligation at a fixed interest rate of 5.19%. The settlement date for the bonds was June 29, 2020. Net proceeds from the bond issue were used to repurchase $78.1 million of the SNI05 bonds with maturity date of March 18, 2021 and for general corporate purposes.

On February 5, 2020, the Group completed a placement of senior unsecured bonds for NOK 1.3 billion (swapped into $141.5 million) in a new four-year bond issue carrying a coupon of three months NIBOR plus 3.65%. The Group swapped the bond proceeds into a US dollar obligation at a fixed interest rate of 5.44%. The settlement date for the bonds was February 20, 2020. Net proceeds from the bond issue were used to repurchase $53.4 million of the SNI06 bonds with maturity date of April 8, 2020 and for general corporate purposes.

(v) Debt issuance costs

Debt issuance costs of $17.4 million and $24.2 million have been netted against long-term debt at November 30, 2022 and 2021, respectively. Debt issuance costs recognised in the income statement as part of effective interest rates were $15.4 million and $7.3 million for the years ended November 30, 2022 and 2021, respectively.

Analysis of net debt

Net debt at November 30, 2022 comprises lease liabilities of $223.6 million (2021: $210.5 million), short-term bank loans of nil (2021: $40.0 million) and long-term debt, including current maturities, of $1,966.8 million (2021: $2,185.6 million) less cash and cash equivalents of $152.1 million (2021: $123.9 million).

(in thousands)	At December 1, 2021	Cash flow	Exchange differences	Other movements	**At November 30, 2022**
Cash deposits	$ 111,639	$ (39,011)	$ (1,588)	$ –	**$ 71,040**
Short-term time deposits	12,229	68,872	–	–	**81,101**
Cash and cash equivalents	123,868	29,861	(1,588)	–	**152,141**
Borrowings:					
Short-term bank loans	(40,000)	40,000	–	–	**–**
Long-term debt, including current maturities	(2,185,644)	200,208	25,934	(7,277)	**(1,966,779)**
Lease liabilities, including current maturities	(210,450)	51,210	5,856	(70,200)	**(223,584)**
Net debt	**$ (2,312,226)**	**$ 321,279**	**$ 30,202**	**$ (77,477)**	**$ (2,038,222)**

(in thousands)	At December 1, 2020	Cash flow	Exchange differences	Other movements	At November 30, 2021
Cash deposits	$ 116,808	$ 818	$ (5,987)	$ –	$ 111,639
Short-term time deposits	70,959	(58,730)	–	–	12,229
Cash and cash equivalents	187,767	(57,912)	(5,987)	–	123,868
Borrowings:					
Short-term bank loans	–	(40,000)	–	–	(40,000)
Long-term debt, including current maturities	(2,309,141)	170,877	(41,479)	(5,901)	(2,185,644)
Lease liabilities, including current maturities	(193,515)	43,432	3,224	(63,591)	(210,450)
Net debt	**$ (2,314,889)**	**$ 116,397**	**$ (44,242)**	**$ (69,492)**	**$ (2,312,226)**

Short-term time deposits included within cash and cash equivalents relate to term deposits repayable within three months.

In the year ended November 30, 2022, other non-cash movements in net debt primarily represent $70.2 million of new or modified leases, net of reductions, and $15.4 million amortisation of debt issuance costs offset by the capitalisation of debt issuance costs of $8.5 million.

In the year ended November 30, 2021, other non-cash movements in net debt primarily represent $63.6 million of new or modified leases, net of reductions, and $7.3 million amortisation of debt issuance costs offset by the capitalisation of debt issuance costs of $3.4 million.

25. Pension and Other Post-Retirement Benefit Plans

Accounting policy

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred. The Group has no further payment obligations once the contributions have been paid.

(ii) Defined benefit plans and other post-employment benefits

The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted.

The liability discount rate for each plan is based on the yield curve of a portfolio of high-quality corporate bonds that have maturity dates which are approximately the same as the terms of the respective plans' obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employees' service in the current year, benefit changes, curtailments and settlements.

When the benefits of a plan are increased, the increased benefit relating to past service by employees is recognised as an expense in the income statement immediately.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in Other comprehensive income in the period in which they arise.

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

Gains and losses on the curtailment or settlement of a defined benefit plan are recognised at the time the curtailment or settlement occurs. A curtailment occurs when the Group adopts a significant reduction in the number of employees covered by a plan or changes the terms of a defined benefit plan such that a significant part of future earnings to current employees will no longer qualify for benefits or will qualify only for reduced benefits.

(iii) Short-term and long-term cash-based benefits

Short-term employee benefit obligations are measured on an undiscounted basis while long-term cash-based employee benefit obligations are discounted based on expected payment date. They are expensed in the period in which the related service is provided. An accrual is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

At November 30, 2022, the Group operated a number of pension plans for the benefit of its employees throughout the world, with varying rights and obligations depending on the conditions and practices in the specific countries. The Group's pension plans are provided through both defined benefit and defined contribution arrangements. These plans are regulated by the respective regulators in each of the countries where they are set up.

The Group operates defined benefit plans in the United States, the United Kingdom, Bermuda, the Netherlands, Norway, the Philippines and Japan. One of the defined benefit plans covers certain ship officers and other seafarers while the others are for shore-based employees. Company-sponsored defined contribution pension plans are currently provided in all of the above countries and Spain. The Group also operates an unfunded post-retirement medical plan in the United States.

Defined benefit plans provide benefits based on the employees' length of pensionable service and their final pensionable salary or other criteria. Defined contribution plans offer employees individual funds that are converted into benefits at the time of retirement.

Defined benefit plans

The Group's significant defined benefit pension plans are in the United States, Bermuda, the Netherlands and the United Kingdom.

The Pension Committees participate in the governance of each of the significant defined benefit pension plans. These Pension Committees comprise representatives who are employees and former employees. In addition, actuarial advisers and investment management advisers also participate in the Pension Committee meetings. The Pension Committees for plans act in the best interest of the plan participants and are responsible for setting certain policies, such as strategic asset allocation, investment and contribution policies in consultation with the Group.

The defined benefit plans expose the Group to actuarial risks such as longer than expected longevity of members, lower than expected return on investments and higher than expected inflation, which may increase the liabilities or reduce the value of assets of the plans.

Recognising these risks, the Group has adopted an approach of moving away from providing defined benefit plans. All defined benefit plans have also been closed to future accrual and new entrants.

The Group follows a coordinated strategy for the funding and investment of its defined benefit pension plans subject to abiding by all local laws and regulations applicable to those plans. The assets of the plan are generally held separately from those of the Group and are administered by local management in the respective countries. The Group has no legal obligation to settle these liabilities with any immediate contributions or additional one-off contributions. The Group intends to continue to contribute to each defined benefit pension and post-retirement medical plan in accordance with the latest recommendations of each plan actuary and its pension funding policy.

In terms of investments, the Group's aim is for the value of defined benefit plan assets to be maintained at close to the value of the corresponding benefit obligations, allowing for some short-term volatility.

Plan assets are invested in a diversified range of asset classes, predominantly comprising bonds and equities. In some locations, such as the United Kingdom, plan trustees and other bodies have legal and fiduciary responsibility for the investment of plan assets, and decisions on investment strategy are taken in consultation with the Group.

The Group monitors its exposure to changes in equity markets, interest rates and inflation, and measures its balance sheet pension risk using a risk-based approach. Strategic asset allocation studies and asset-liability studies are carried out periodically for the significant pension plans.

On a quarterly basis, the performance of all investments across the significant defined benefit plans is reviewed with the Group's investment management advisers.

Pension plans overview

The amounts recognised at November 30, consisted of the following:

	As of November 30,	
(in thousands)	**2022**	2021
Non-current assets	**$ 20,602**	$ 25,370
Non-current liabilities	**(20,342)**	(31,720)
Net pension asset (liability)	**$ 260**	$ (6,350)

This is composed of the net of the present value of funded obligations and fair value of plan assets as follows:

	As of November 30,	
(in thousands)	**2022**	2021
Present value of funded obligations	**$ (177,630)**	$ (247,310)
Fair value of plans assets	**177,890**	240,960
	$ 260	$ (6,350)

US post-retirement healthcare plan

US-based employees retiring from the Group, having attained the age of 55 with at least 10 years of cumulative US service by January 1, 2018, or who become disabled, are eligible to receive both pre-Medicare and post-Medicare benefit offerings for themselves and their eligible dependants. Employees working until age 65 with at least ten years of US cumulative service are eligible for post-Medicare benefits only. All benefits are unfunded.

Components of defined benefit cost

The net periodic benefit cost for the Group's defined benefit pension plans (including a retirement arrangement for one of the Group's ex-Directors) and US post-retirement healthcare plan shown above for the years ended November 30, 2022 and 2021, consisted of the following:

(in thousands)	For the years ended November 30, 2022	2021
Service cost	**$ 567**	$ 611
Interest cost, net	**233**	628
Cost of plan administration	**320**	1,045
Net periodic benefit cost (income)	**$ 1,120**	$ 2,284

Impact on equity

Remeasurements that are recognised in Other comprehensive income are as follows:

(in thousands)	For the years ended November 30, 2022	2021
Effect of changes in demographic assumptions	**$ (322)**	$ (302)
Effect of changes in financial assumptions	**59,727**	4,745
Effect of experience assumptions	**332**	(241)
Return on plan assets (excluding interest income)	**(56,502)**	11,340
Remeasurements recognised in other comprehensive income	**$ 3,235**	$ 15,542

The following tables set out the change in benefit obligations for the Group's defined benefit pension plans and US post-retirement medical plan and the change in plan assets for the defined benefit pension plans.

Change in benefit obligation

(in thousands)	For the years ended November 30, 2022	2021
Benefit obligations at beginning of year	**$ 247,310**	$ 257,336
Current service cost	**567**	604
Past service cost	**–**	7
Interest cost	**5,885**	5,608
Benefits paid	**(13,171)**	(11,699)
Foreign exchange rate changes	**(3,224)**	(344)
Remeasurements:		
Effect of changes in demographic assumptions	**322**	302
Effect of changes in financial assumptions	**(59,727)**	(4,745)
Effect of experience adjustments	**(332)**	241
Benefits obligation at end of year	**$ 177,630**	$ 247,310

Change in plan assets

(in thousands)	For the years ended November 30, 2022	2021
Fair value of plan assets at beginning of year	**$ 240,960**	$ 235,838
Return on plan assets (excluding interest income)	**(56,502)**	11,340
Interest income	**5,652**	4,980
Company contributions	**4,080**	1,819
Foreign exchange rate changes	**(2,809)**	(273)
Benefits paid	**(13,171)**	(11,699)
Expenses paid	**(320)**	(1,045)
Fair value of plan assets at end of year	**$ 177,890**	$ 240,960

Change in asset ceiling

There were no defined benefit plans whose recognition of assets was limited.

Participant profile

The defined benefit obligation by participant status is as follows:

(in thousands)	As of November 30, 2022	2021
Actives	**$ 32,216**	$ 52,253
Vested former employees not yet retired	**32,352**	51,517
Retirees	**113,062**	143,540
	$ 177,630	$ 247,310

The number of participants are as follows:

	As of November 30, 2022	2021
Actives	**975**	964
Vested former employees not yet retired	**499**	542
Retirees	**695**	683
	2,169	2,189

Key actuarial assumptions

The following are the assumptions used in the measurement of the projected benefit obligation for the Group's defined benefit pension plans and the accumulated projected benefit obligation for US post-retirement medical plan benefits:

	As of November 30,	
	2022	2021
Weighted-average assumptions to determine projected benefit obligations:		
Discount rate	**5.02 %**	2.47 %
Rate of compensation increase	**4.07 %**	3.94 %
Rate of pension increases	**3.02 %**	3.26 %
Rate of price inflation	**3.07 %**	3.37 %
Life expectancy for an individual currently at 65:		
Male	**20.8 yrs**	21.1 yrs
Female	**22.9 yrs**	23.1 yrs

The net period pension expense and retiree medical expense is based on the prior year's weighted average assumptions for the projected benefit obligation.

Exposure to variances in healthcare cost trends have been mitigated to the extent that a 1% change would have a negligible effect on the accumulated post-retirement benefit obligation at the end of 2022.

		Impact on Defined Benefit Obligation	
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	0.25%	Decrease by 2.5%	Increase by 2.6%
Salary growth rate	0.25%	Increase by 0.0%	Decrease by 0.0%
Pension growth rate	0.25%	Increase by 0.3%	Decrease by 0.2%
		Increase by 1 Year in Assumption	Decrease by 1 Year in Assumption
Life expectancy		Increase by 2.4%	Decrease by 2.4%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the pension liability recognised within the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

Fair value of plan assets

The Group's defined benefit pension plans' assets and weighted-average asset allocation as of November 30, 2022 and 2021, by category, were as follows:

	As of November 30,			
(in thousands)	**2022**	**%**	2021	%
Cash and cash equivalents	**$ 24,429**	**14%**	$ 2,166	1%
Equity instruments	**40,780**	**23%**	63,592	26%
Debt instruments	**104,895**	**59%**	159,229	66%
Real estate	**3,970**	**2%**	12,161	5%
Investment funds	**1,602**	**1%**	1,799	1%
Assets held by insurance company	**356**	**–**	285	–
Other	**1,858**	**1%**	1,728	1%
Total	**$ 177,890**	**100%**	$ 240,960	100%

The fair value of all plan assets was based on quoted market prices, except for real estate of $4.0 million, assets held by insurance companies of $0.4 million and cash with a value of $24.4 million.

It is the Group's policy to invest pension plan assets for its defined benefit plans to ensure that there is an adequate level of assets to support benefit obligations to participants and retirees over the life of the plans, maintain liquidity in plan assets sufficient to cover current benefit obligations and earn the maximum investment return consistent with a prudent level of investment and actuarial risk.

Investment return is the total compounded annual return, calculated as interest and dividend income and realised and unrealised capital gains and losses, less expenses of the plan.

The Group expects to contribute $2.0 million to its defined benefit pension and post-retirement benefit plans in 2023.

Weighted average duration of the defined benefit obligation is 10.7 years.

Expected maturity analysis of undiscounted pension and post-employment benefits

As of November 30, 2022 (in thousands)	Less than a year	Between 1-2 years	Between 2-5 years	More than 5 years	**Total**
Pension benefits	$ 11,108	$ 21,932	$ 22,670	$ 59,191	**$ 114,901**
Post-employment benefits	467	945	694	1,360	**3,466**
Total	**$ 11,575**	**$ 22,877**	**$ 23,364**	**$ 60,551**	**$ 118,367**

As of November 30, 2021 (in thousands)	Less than a year	Between 1-2 years	Between 2-5 years	More than 5 years	**Total**
Pension benefits	$ 12,823	$ 22,131	$ 22,043	$ 60,218	**$ 117,215**
Post-employment benefits	471	982	773	1,376	**3,602**
Total	**$ 13,294**	**$ 23,113**	**$ 22,816**	**$ 61,594**	**$ 120,817**

The above tables exclude vested deferred participants who have not started their retirement payments.

The Group also provides defined contribution plans to certain of its qualifying employees. Group contributions charged to expense for these plans were $20.5 million and $19.5 million for the years ended November 30, 2022 and 2021, respectively.

26. Provisions

Accounting policy

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. If the effect is material, provisions are recognised at present value by discounting the expected future cash flows at a pre-tax rate that reflects the time value of money.

When a contract becomes onerous, the present obligation under the contract is recognised as a provision and measured at the lower of the expected cost of fulfilling the contract and the expected cost of terminating the contract as far as they exceed the expected economic benefits of the contract. Additions to provisions and reversals are generally recognised in the Consolidated Income Statement.

The present value of the recognised obligations associated with the retirement of property, plant and equipment (asset retirement obligations) that result from the acquisition, construction, development or normal use of an asset is added to the carrying amount of the related asset. The additional carrying amount is depreciated over the useful life of the related asset. Additions to and reductions from the present value of asset retirement obligations that result from changes in estimates are generally recognised by adjusting the carrying amount of the related asset and provision. If the asset retirement obligation is settled for other than the carrying amount of the liability, the Company recognises a gain or loss on settlement.

A provision is established for obligations under lease agreements to dismantle and/or restore leased property to its original condition.

Short–term provisions

(in thousands)	Claims provision	Perth Amboy environmental provision	Restructuring	Total
Balance at December 1, 2021	**$ 2,199**	**$ 367**	**$ 402**	**$ 2,968**
Additional provisions recognised, net	3,596	–	–	3,596
Reductions arising from payments	(1,353)	(153)	(367)	(1,873)
Net foreign exchange differences	53	–	(1)	52
Balance at November 30, 2022	**$ 4,495**	**$ 214**	**$ 34**	**$ 4,743**

The claims provision is in relation to short-term claims made against the Group by external parties. See further discussion in the Long-term provisions section below.

In 2013, the Group sold land in Perth Amboy, New Jersey. The sale price included an obligation to remediate for certain environmental matters at the site. The provision is based on the expected future costs to remediate the land.

The restructuring provision relates to severance payments.

Long–term provisions

(in thousands)	Environmental provision	Asset retirement obligations	Claims provision	Total
Balance at December 1, 2021	**$ 534**	**$ 322**	**$ 163,270**	**$ 164,126**
(Reversal) additional provisions recognised, net	(530)	222	(6,610)	(6,918)
Reductions arising from payments	–	(32)	–	(32)
Net foreign exchange differences	(4)	(30)	25	(9)
Balance at November 30, 2022	**$ –**	**$ 482**	**$ 156,685**	**$ 157,167**

The environmental provision related to ground water and soil disposal remediation costs necessary to remedy various contamination risks identified in Stolthaven terminals. The provision was based on the present value of the expected costs to remediate the land. The remaining provision was released on May 25, 2022, following the sale of the Port Alma, Australia terminal.

26. Long–term provisions *(continued)*

The asset retirement obligations relate to an obligation to dismantle and/or restore leased property to its pre-leased condition. At November 30, 2022, these amounts related to obligations on certain offices with this obligation. Amounts are estimated based on the present value of the expected future costs to restore the leased property in accordance with the lease contracts and are expected to be utilised in five to seven years.

The claims provision relates to claims made against the Group by external parties. These relate to third-party claims such as collision, property damage, pollution, environmental damage, general average, injury and cargo claims. In most cases, legal provisions are settled on a net basis by insurance companies. The provision was based on the latest expected costs and primarily related to the civil action as a result of the fire on the *MSC Flaminia* (see Note 29). See Note 19 for the amount that is considered to be virtually certain to be recovered from insurance companies. The timing of the payments of these provisions is expected to be greater than one year. The amount decreased due to payments made by the insurance companies and changes in estimates of expected loss.

27. Commitments and Contingencies

As of November 30, 2022, and 2021, the Group had total capital expenditure purchase commitments outstanding of approximately $66.6 million and $75.7 million, respectively. At November 30, 2022, $13.2 million of the total related to a tankers new building and $2.8 million to other tanker projects. In addition, the Group has committed to terminal projects of $39.9 million, tank container projects of $1.8 million and $7.1 million in Sea Farm. Of the total purchase commitments at November 30, 2022, $55.6 million are expected to be paid within the next 12 months. The commitments will either be paid out of the existing liquidity or through external financing.

Purchase commitments of joint ventures and associates

The Group's joint ventures and associates had $93.0 million of total capital expenditure commitments on November 30, 2022 of which $67.5 million is expected to be paid within the next 12 months. Of the total commitments, $45.4 million related to a planned expansion at the joint venture terminal in Malaysia and $34.8 million in a new joint venture terminal in Taiwan. The commitments will be paid out of either existing liquidity of those joint ventures or through external financing, which is in the process of being raised.

Environmental

The Group's operations involve the carriage, use, storage and disposal of chemicals and other hazardous materials and wastes. The Group is subject to applicable international and national health, safety and environmental laws relating to the protection of the environment, including those governing discharges of pollutants to air and water, the generation, management and disposal of hazardous materials and wastes and the clean-up of contaminated sites.

The Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), commonly known as Superfund, was enacted by the US Congress on December 11, 1980. This law created a tax on the chemical and petroleum industries and provided broad federal authority to respond directly to releases or threatened releases of hazardous substances that may endanger public health or the environment. This law and similar state environment statutes and common laws can impose liability for the entire clean-up of contaminated sites or for third-party claims for property damage and personal injury, regardless of whether the current owner or operator owned or operated the site at the time of the release of contaminants or of the legality of the original disposal activities.

Actual or discontinued operations in the US may, therefore, trigger a future liability. Owing to the uncertainty whether or the length of time before any liability may occur, it is currently not considered probable that a liability will arise and consequently no provision has been recorded.

28. Related Party Transactions

The Group is ultimately controlled by trusts established for the benefit of the Stolt-Nielsen family. Compensation and Board fees are provided to certain members of the Stolt-Nielsen family. There are no other transactions between the Group and the Stolt-Nielsen family, other than those described below.

Employee and officer loans and advances

Included in Other current assets are loans and advances to employees and officers of the Group of $0.4 million and $0.2 million as of November 30, 2022 and 2021, respectively. In addition, included in Other non-current assets are loans and advances to employees and officers of the Group of $0.5 million at November 30, 2022 and 2021. Such loans and advances primarily represent secured housing loans that have been provided to former employees in connection with their relocation, along with advances for travel and other costs. Of the total loans and advances, $0.5 million were interest-bearing, with interest rates ranging from 6.0% to 7.0% as of November 30, 2022 and 2021. Interest received was less than $0.1 million for both 2022 and 2021.

Board of Directors and key management compensation

Key management includes the Executive Officers and Presidents of the Group's major businesses. Total compensation and benefits of the Board of Directors and the key management were as follows:

	For the years ended November 30,	
(in thousands)	**2022**	2021
Board fees	**$ 908**	$ 885
Salary and benefits	**4,624**	4,733
Profit sharing	**2,546**	1,008
Long-term incentives	**986**	751
Defined benefit pension cost	**3,185**	259
Defined contribution pension cost	**297**	428
Total compensation and benefits	**$ 12,546**	$ 8,064
Average number of key managers included	**8**	9

At the end of 2022 and 2021, the Board of Directors consisted of seven and eight members, respectively. Insurance has been taken out for the Board of Directors and Executive Officers in respect of their potential liability to the Group and third parties.

Transactions with joint ventures and associates

The consolidated balance sheets include the following items related to transactions with the Group:

	As of November 30,	
(in thousands)	**2022**	2021
Joint ventures:		
Amounts due from the Group	**$ 25,918**	$ 16,447
Amounts due to the Group	**50,581**	50,185

Included within Amounts due to the Group are $10.4 million and $15.5 million as of November 30, 2022 and 2021, respectively, for receivables from joint ventures and associates. These amounts are reflected in the consolidated balance sheets as Other current assets. The remaining amounts due to the Group are included in Investments in and advances to joint ventures and associates. Amounts due from the Group are included in Other current liabilities in the consolidated balance sheets.

The long-term advances to NYK Stolt Tankers S.A. of $15.8 million and $17.6 million as of November 30, 2022 and 2021, respectively, bear interest at six-month LIBOR plus 1%. The Group had also made long-term advances of $24.4 million and $17.1 million to other joint ventures and associates at November 30, 2022 and 2021, respectively. Interest on these range from 4.8% to 6.5% in 2022 and 2021. Interest received in cash for 2022 and 2021 was $0.5 million and $0.3 million, respectively.

Transactions with joint ventures and associates *(continued)*

The joint ventures and associates include the following items related to transactions with the Group:

(in thousands)	For the years ended November 30, 2022	2021
Joint Ventures		
Charter hire revenue[1]	**$ 153,757**	$ 120,835
Tank container cleaning station revenue	**8,881**	1,312
Charter hire expense	**59,543**	48,524
Management, freight and joint service commission and other expenses	**27,007**	20,710
Finance expense	**1,049**	1,500
Other expense	**503**	372
Associates		
Bareboat revenue	**$ 4,280**	$ 4,775
Commission, management and other revenue[2]	**1,928**	3,798
Tank container cleaning station revenue	**3,050**	3,801

1 The charter hire revenues are amounts distributed to NYK Stolt Tankers S.A. and Hassel Shipping 4 AS, joint ventures of the Group, for their share of the Joint Service's revenue.

2 Represents commission and management fees paid to E&S Tankers as the joint venture trades certain of the Group's European fleet.

The Group has a 24.99% interest in Norterminal A.S. which is a company working on storage projects in northern Norway. The remaining 75.01% of Norterminal A.S. is controlled by S-N Terminal A.S., a company wholly owned by one of SNL's Directors who is a member of the Stolt-Nielsen family. The Group's investment in Norterminal A.S. was $0.8 million and $0.9 million as of November 30, 2022 and 2021, respectively.

29. Legal Claims and Proceedings

There are various legal proceedings arising in the ordinary course of business, and in cases where the Group believes the likelihood of losses is probable and can be estimated, provisions are recorded. While ongoing legal proceedings could have a material adverse effect on the Group's consolidated financial position or results of operations in the future, the Group believes that none of these matters will have a material adverse effect on its business or financial condition.

During 2022 and 2021, the Group has been involved in certain civil litigation cases, which are described below.

Civil actions as a result of the fire on the *MSC Flaminia*

On July 14, 2012, a fire broke out aboard the *MSC Flaminia* during the ship's crossing of the Atlantic Ocean in cargo hold number 4. During the crew's attempt to extinguish the fire, an explosion occurred. Stolt Tank Containers had 29 tank containers onboard the ship, three of which were stowed in cargo hold number 4. These tank containers carried various products for various customers. STC filed claims for the replacement value of the tank containers and the product carried. In August 2012, vessel interests declared General Average. The vessel was initially hauled to Germany and then sailed onward to Romania for inspection, investigation and discharge operations.

On May 29, 2013, the vessel interests, namely the owner, manager and operator filed counter and cross-claims against STC and Deltech, the shipper of the three tank containers stowed in cargo hold number 4, alleging that these tank containers were the cause of the fire and that STC did not adequately warn of the inherently dangerous nature of the cargo. Since that time, several other cargo claimants have filed cross-claims against STC and Deltech.

The case remains pending in the US Federal Court sitting in the Southern District of New York. All fact and expert discovery on liability has been completed. The trial format was set up in three phases, with Phase 1 dedicated solely to the findings of fact, with Phase 2 dedicated to allocating liability among responsible defendants. Phase 3 is to determine recoverable damages. The Phase 1 trial occurred during the Fall of 2017. The Phase 2 trial was completed in August 2018. The US District Court for the Southern District of New York delivered a judgment on September 10, 2018, which held the Group jointly and severally liable with Deltech for the incident where the counterparties are alleging damages of $186.0 million, excluding interest. The claim is substantially covered by insurance and the Group has recorded a deductible of $0.3 million plus a provision for the expected future liability, as well as a receivable for related insurance reimbursements. The judgment on liability has been appealed by the defendants, STC and Deltech. The hearing on appeal before the Court of Appeals in New York was heard on May 15, 2020. The Phase 3 trial to assess the quantum of damages has been stayed pending the ruling on appeal. It is not expected that there will be a material adverse effect on the Group's business or financial condition.

Collision involving *Stolt Commitment*

On December 16, 2015, the *Stolt Commitment* was involved in a collision with the general cargo ship *Thorco Cloud*, while in the Singapore Strait. As a result, the *Thorco Cloud* sank with the loss of three lives, and three other crewmen being unaccounted for. She was carrying steel and project cargo. The *Stolt Commitment* was damaged in the collision and arrangements were made to transship the cargo on board in Malaysia, following which she went for repair. General Average was declared. The wreck of the *Thorco Cloud*, which was in two pieces, required removal along with the removal of bunkers on board the ship when she sank. Claims have been made against the *Stolt Commitment* and her insurers by the owners of the *Thorco Cloud* and her insurers, the bereaved families of the deceased/missing crewmen, and those interested in the cargo on board the *Thorco Cloud*. Claims have been notified by the *Stolt Commitment* to the owners of the *Thorco Cloud* and her insurers. All of the outstanding claims arising out of this casualty were resolved by December 2022.

Civil actions as a result of Hurricane Isaac

At the end of August 2012, Hurricane Isaac caused widespread flooding in southern Louisiana, including an unprecedented storm surge at the terminal in New Orleans/Braithwaite of about 13 feet of water. The storm surge overtopped the Parish levee system and despite extensive efforts to prepare the terminal for the impact of the hurricane, extensive damage was sustained to various portions of the facility, including several tanks, causing some tank releases of stored product to occur. Multiple notices were made to the relevant authorities. The protective measures taken in and around the terminal were successful in retaining a considerable amount of the releases. Following the hurricane, the rail cars stored at the terminal were inspected and no leaks were detected.

All regulatory claims brought by the state and federal regulators against the terminal for i) failure to properly provide notice in accordance with the respective regulatory requirements, and ii) the release of certain chemical products being stored at the terminal have been resolved.

Following the flooding at the terminal, two class actions and multiple individual actions were filed at the District Court in the Parish of Plaquemines, State of Louisiana. All actions allege pollution of the claimants' properties with liquids stored at the terminal and allegedly released as a consequence of the flooding. The actions are being defended and the monitoring of air quality, sampling of the flood waters and soil testing, all carried out in cooperation with the various government authorities, have shown results within the guidelines established by the Louisiana Department of Environmental Quality. All these matters, including the legal fees for the defense, are covered by insurance maintained by the Group and it is not expected that they will have a material adverse effect on its business or financial condition.

Legal Proceedings related to Explosion on the *Stolt Groenland*

Stolt Tankers B.V. and Stolt Groenland B.V. ("Stolt") are involved in legal proceedings in South Korea arising out of the September 28, 2019 explosion and fire aboard the *Stolt Groenland* while the ship was berthed in Ulsan. There was no loss of life and no pollution. Stolt has cooperated and continues to fully cooperate with the relevant authorities in the resulting incident investigation and with claimants to reach an early resolution of their respective proven claims. Stolt has applied to limit liability in the South Korea court and continues to defend the remaining ship officer who is subject to a travel ban from leaving the country during the pendency of the criminal charges filed against him by the South Korean public prosecutor for his involvement in the casualty. The claims are fully covered by insurance. It is not expected that there will be a material adverse effect on the Group's business or financial condition. At November 30, 2022, the Group has recorded a provision for the expected future liability, along with a receivable for related insurance reimbursements.

General

The ultimate outcome of governmental and third-party legal claims and proceedings is inherently difficult to predict. The Group's operations are affected by international and domestic environmental protection laws and regulations. Compliance with such laws and regulations may entail considerable expense, including ship modifications and changes in operating procedures.

30. Common Shares, Founder's Shares, Paid-in Surplus and Dividends Declared

Accounting policy

Equity capital stock

The Company's capital comprises equity capital stock. Equity capital stock is measured based on net proceeds.

Dividends

Dividends recommended by the Board of Directors are recognised in the Financial Statements when they have been approved by the shareholders at the Annual General Meeting ("AGM"). Interim dividends are recognised when approved by the Board of Directors.

Treasury shares

Upon the Group's purchase of its own shares (Treasury shares), the consideration paid is deducted from equity attributable to equity holders until the shares are cancelled, reissued or otherwise disposed of. In cases where such shares are subsequently sold or reissued, any consideration received is included in equity attributable to equity holders.

	Founder's Shares par value $0.001 per share		Common Shares par value $1 per share	
	Shares Issued	Treasury Shares	Shares Issued	Treasury Shares
Balance at December 1, 2020	16,033,449	2,652,500	64,133,796	10,610,000
Cancellation of shares	(1,402,500)	(1,402,500)	(5,610,000)	(5,610,000)
Balance at November 30, 2021 and 2022	**14,630,949**	**1,250,000**	**58,523,796**	**5,000,000**

Share rights

The Group's authorised share capital consists of 65,000,000 Common Shares, par value $1.00 per share, and 16,250,000 Founder's Shares, par value $0.001 per share. As of November 30, 2022, there were 58,523,796 (2021: 58,523,796) Common Shares issued, of which Treasury shares were 5,000,000 (2021: 5,000,000). Except for matters where applicable law requires the approval of both classes of shares voting as separate classes, Common Shares and Founder's Shares vote as a single class on all matters submitted to a vote of the Shareholders, with each share entitled to one vote. All issued and outstanding shares have been fully paid.

Under the Bye-Laws, holders of Common Shares and Founder's Shares participate in annual dividends, if any are declared by the Group, in the following order of priority: (i) $0.005 per share to Founder's Shares and Common Shares equally; and (ii) thereafter, all further amounts are payable to Common Shares only.

Furthermore, the Bye-Laws also set forth the priorities to be applied to each of the Common Shares and Founder's Shares in the event of a liquidation. Under the Bye-Laws, in the event of a liquidation, all debts and obligations of the Group must first be paid and thereafter all remaining assets of the Group are paid to the holders of Common Shares and Founder's Shares in the following order of priority: (i) Common Shares rateably to the extent of the par value thereof ($1.00 per share); (ii) Common Shares and Founder's Shares participate equally up to $0.05 per share; and (iii) thereafter, Common Shares are entitled to all remaining assets.

Dividends

On November 17, 2022, the Group's Board of Directors declared an interim dividend of $1.00 per Common share and $0.005 per Founder's share to shareholders of record as of November 24, 2022. The total amount of the dividend was $53.6 million, which was classified as an interim dividend and paid on December 8, 2022.

On February 24, 2022, the Group's Board of Directors recommended a final dividend for 2021 of $0.50 per Common share payable on May 11, 2022 to shareholders of record as of April 27, 2022. The dividend was approved at the Group's Annual General Meeting of Shareholders held on April 21, 2022 in Bermuda. The total amount of the dividend was $26.8 million and paid on May 11, 2022.

On November 3, 2021, the Group's Board of Directors declared an interim dividend of $0.50 per Common Share and $0.005 per Founder's Share to shareholders of record as of November 10, 2021. The total amount of the dividend was $26.8 million, which was classified as an interim dividend and paid on December 2, 2021.

On February 11, 2021, the Group's Board of Directors recommended a final dividend for 2020 of $0.25 per Common Share payable on May 5, 2021 to shareholders of record as of April 22, 2021. The dividend was approved at the Group's Annual General Meeting of Shareholders held on April 15, 2021 in Bermuda. The total amount of the dividend was $13.4 million.

Treasury shares

The Board has authorised the purchase of up to $30.0 million worth of the Company's Common Shares, of which the Company has utilised $21.3 million prior to 2022, leaving $8.7 million available for future purchases.

Founder's Shares and Treasury shares

As of November 30, 2022, 13,380,949 (2021: 13,380,949) of Founder's Shares had been issued to Fiducia Ltd, net of Treasury shares. Additional Founder's Shares are issuable to holders of outstanding Founder's Shares without consideration, in quantities sufficient to maintain a ratio of Common Shares to Founder's Shares of 4 to 1.

As of November 30, 2022, 5,000,000 (2021: 5,000,000) Treasury shares were held by the Group. The Group also held 1,250,000 (2021: 1,250,000) of Founder's Shares. Note that dividends are not paid on Treasury shares held by the Group.

Capital management

The Group defines capital as net debt and equity attributable to equity holders of SNL. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, repurchase shares or sell assets to reduce debt.

The Group monitors capital on the basis of the ratio of debt to tangible net worth. This is calculated as short-term and long-term debt and lease liabilities divided by equity attributable to equity holders less intangible assets and excluding other components of equity. The Group's management targets maintaining a ratio of debt to tangible net worth at or below 1.50. As of November 30, 2022 and 2021, the ratio of debt to equity attributable to equity holders of SNL less intangible assets and excluding other components of equity was as follows:

	As of November 30,	
(in thousands)	**2022**	2021
Short-term loans, long-term debt and lease liabilities	**$ 2,190,363**	$ 2,436,094
Equity attributable to equity holders of SNL less intangible assets and excluding other components of equity	**1,894,272**	1,688,964
Debt to tangible net worth	**1.16**	1.44

The debt to tangible net worth of 1.16 at November 30, 2022 is in line with management's expectations and below its target ratio of 1.50.

The Group has external restrictions on its capital, which are its bank covenants. See Note 23 for further details.

31. Earnings per Share

Accounting policy

Basic Earnings per Common share ("EPS") is calculated by dividing net profit by the weighted average number of shares outstanding during the year. Diluted EPS is calculated by adjusting the weighted average number of shares outstanding during the year for all potentially dilutive shares and equivalents outstanding during the year using the Treasury stock method.

As further discussed in Note 30, Founder's Shares, which provide the holder thereof with certain control features, only participate in earnings to the extent of $0.005 per share for the years in which dividends are declared, and are limited to $0.05 per share upon liquidation. For the purposes of calculating EPS, dividends paid on Founder's Shares are deducted from earnings to arrive at net profit attributable to holders of Common Shares. Founder's Shares are not included in the basic or diluted weighted average shares outstanding in the calculation of earnings per Common Share.

The following is a reconciliation of the numerator and denominator of the basic and diluted earnings per share computations:

	For the years ended November 30,	
(in thousands, except per share data)	**2022**	2021
Net profit	**$ 280,855**	$ 78,806
Less: Dividends on Founder's Shares	**(67)**	(67)
Net profit attributable to holders of Common Shares	**$ 280,788**	$ 78,739
Basic and diluted weighted average shares outstanding	**53,524**	53,524
Basic earnings per share	**$ 5.25**	$ 1.47
Diluted earnings per share	**$ 5.25**	$ 1.47

32. Reconciliation of Net Profit to Cash Generated from Operations

(in thousands)	For the years ended November 30, 2022	2021
Net profit	**$ 280,855**	$ 78,806
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation of property, plant and equipment	**277,368**	290,498
Amortisation of intangible assets	**4,755**	4,961
Impairment of goodwill and property, plant and equipment	**–**	10,000
Finance expense, net	**129,809**	124,909
Net periodic benefit expense of defined benefit pension plans	**1,120**	2,284
Income tax expense	**28,064**	24,405
Share of profit of joint ventures and associates	**(53,963)**	(39,470)
Fair value adjustment on biological assets	**974**	(17,379)
Foreign currency exchange loss, net	**1,291**	2,673
Unrealised bunker hedge gain	**–**	(251)
(Gain) loss on disposal of assets, net	**(5,562)**	3,010
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Increase in receivables	**(11,293)**	(81,937)
Decrease (increase) in restricted cash	**6,096**	(6,096)
(Increase) decrease in inventories	**(3,863)**	1,309
Increase in biological assets	**(518)**	(4,660)
Increase in prepaid expenses and other current assets	**(6,100)**	(31,452)
Increase in accounts payable and other current liabilities	**74,779**	62,611
Contributions to defined benefit pension plans	**(4,080)**	(1,819)
Dividends from joint ventures and associates	**41,060**	22,869
Other, net	**633**	3,145
Cash generated from operations	**$ 761,425**	$ 448,416

33. Subsequent Events

On December 9, 2022, the Group signed a two-year revolving credit facility secured by the shares in the Group’s joint venture, ASA, for $100.0 million. The facility is with DNB and has the option to be extended for two additional years. This replaced the $100.0 million revolving credit facility with DNB and Swedbank which expired on December 31, 2022.

Subsequent to November 30, 2022, the Group sold 939,676 shares of CoolCo for approximately $12.7 million.

On February 23, 2022, the Group’s Board of Directors recommended a final dividend for 2022 of $1.25 per Common share, to be voted on at the Group’s Annual General Meeting (“AGM”) for shareholders to be held on April 20, 2023. If confirmed by the AGM, the dividend will be paid on May 10, 2023 to shareholders of record as of April 26, 2023.

Responsibility Statement

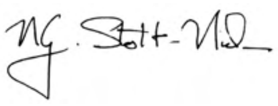
We confirm, to the best of our knowledge, that the consolidated Group and Company Financial Statements for the period December 1, 2021 to November 30, 2022 have been prepared in accordance with IFRS as adopted by the European Union and give a true and fair view of the Group's assets, liabilities, financial position and profit as a whole. In preparing these Financial Statements, we are required to:

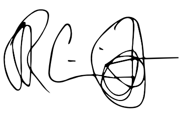
- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable;
- State whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

We are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclosure with reasonable accuracy at any time the financial position of the Company and the Group and enable us to ensure that the Financial Statements comply with the Bermuda Company Act of 1981. We are also responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. We are responsible for the maintenance and integrity of the Company's website. We highlight that legislation in Bermuda governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

We also confirm, to the best of our knowledge, that the Financial review and the Business Review include a fair review of important events that have occurred during the financial year and their impact on the Financial Statements, as description of the principal risks and uncertainties facing the Group and material related party transactions.

The Financial Statements on pages 67 -139 were approved and signed on behalf of the Board of Directors.





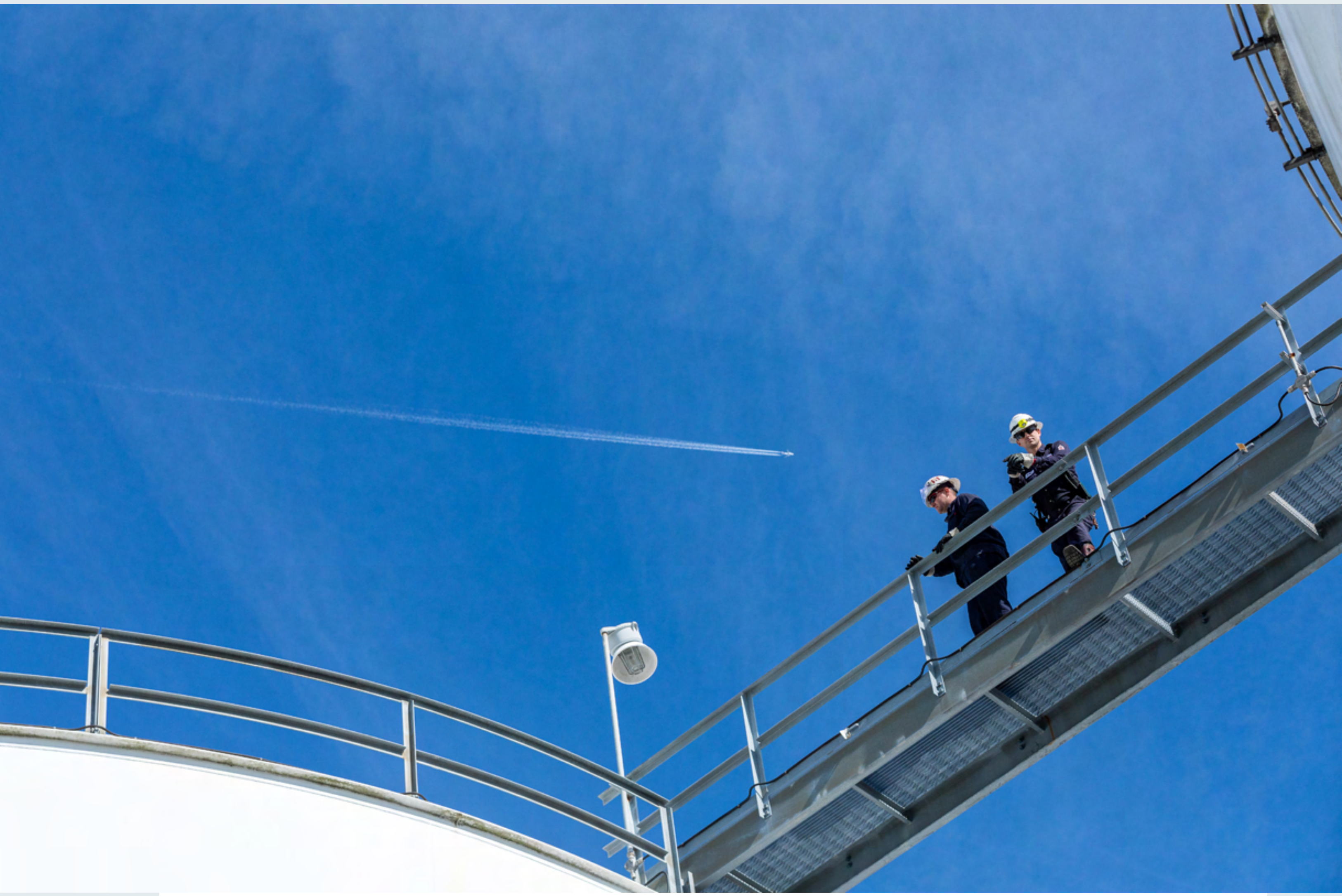
Niels G. Stolt-Nielsen
Chief Executive Officer

Jens F. Grüner-Hegge
Chief Financial Officer

London

March 15, 2023

Other Information



Shareholder Information

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Offices and Facilities

Pages 143-148

Shareholder Information

Stock Listing
Common Shares
On Oslo Børs under symbol SNI

Shares Outstanding
(as of November 30, 2022)
Common Shares – 53,523,796
Country of Incorporation: Bermuda

Annual General Meeting
April 20, 2023 at 11:00 am
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Registrar
Common Shares – VPS
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