Stolt-Nielsen

Stolt-Nielsen Limited
Annual Report 2021

Contents

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 60-62.

Focused on delivering long-term sustainable growth

Online Annual Report
For a more interactive experience please visit:
stolt-nielsen.com/annual-report-2021/

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 Stolt-Nielsen portfolio consists of Stolt Tankers, Stolthaven Terminals, Stolt Tank Containers, Stolt Sea Farm and investments in LNG.

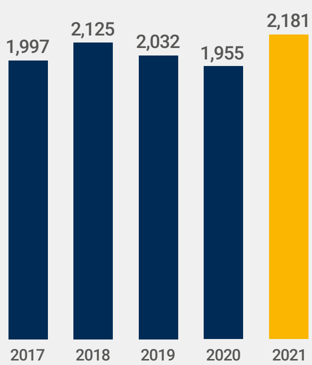
Financial Highlights 2021

Our Performance

(In US $ millions, except per share data)	**2021**	2020	2019	2018
Operating revenue	**2,181.1**	1,955.1	2,032.1	2,125.5
Operating profit	**233.7**	189.9	181.9	187.1
Net profit	**78.8**	25.4	19.1	54.0
Net profit per share				
Basic	**$1.47**	$0.43	$0.35	$0.89
Diluted	**$1.47**	$0.43	$0.35	$0.89
Weighted average number of Common Shares and Common Share equivalents outstanding				
Basic	**53.5**	61.4	60.6	61.3
Diluted	**53.5**	61.4	60.6	61.3

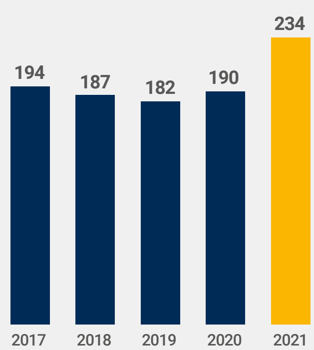
Operating revenue
(US $ millions)

US $2,181m



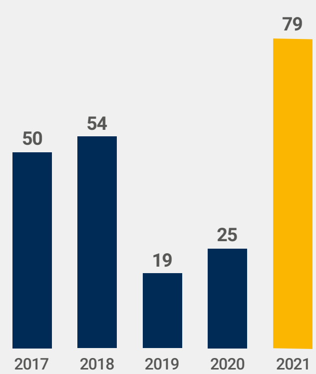
Operating profit
(US $ millions)

US $234m

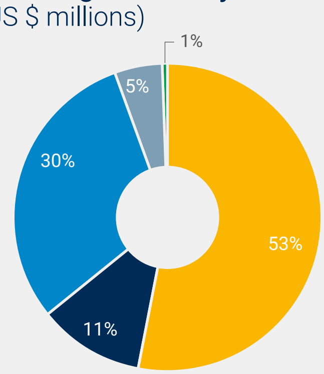


Net profit
(US $ millions)

US $79m

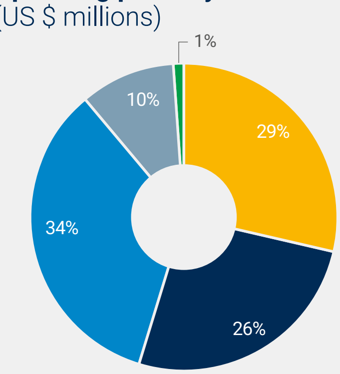


Operating revenue by business
(US $ millions)



- Stolt Tankers 1,166
- Stolthaven Terminals 244
- Stolt Tank Containers 662
- Stolt Sea Farm 108
- Corporate and Other 1

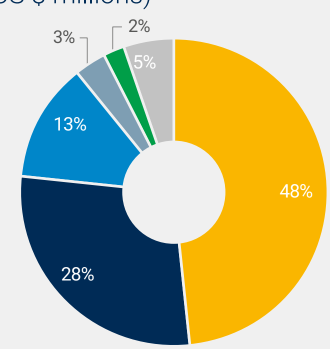
Operating profit by business[1]
(US $ millions)



- Stolt Tankers 69
- Stolthaven Terminals 62
- Stolt Tank Containers 82
- Stolt Sea Farm 24
- Stolt-Nielsen Gas 2

1. Excludes Corporate and Other loss

Total assets by business
(US $ millions)



- Stolt Tankers 2,248
- Stolthaven Terminals 1,308
- Stolt Tank Containers 590
- Stolt Sea Farm 144
- Stolt-Nielsen Gas 114
- Corporate and Other 232

Our Business

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.

77 deep-sea parcel tankers

81 coastal and inland tankers

3m total deadweight tonnes

See pages 8-9 for more details

Stolthaven Terminals

Our 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.

4.9m m^3 of storage capacity[2]

11 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.

43,500 tank containers in the fleet

140,000 shipments

22 depots and hubs

See pages 12-13 for more details

Stolt Sea Farm

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

14 land-based fish farms

5,700 tonnes turbot production capacity

1,570 tonnes sole production capacity

See pages 14-15 for more details

Stolt-Nielsen Gas[3]

Investing in opportunities to ship and distribute liquefied natural gas (LNG).

47.2% ownership of Avenir LNG

2.5% ownership of Cool Company Ltd

2.5% ownership of Golar LNG

See page 16 for more details

1. Includes joint ventures and managed ships.
2. Includes joint ventures.
3. As at the date of this report.

Chief Executive Officer's Statement

Positive results during a volatile year

"We maintained our focus and set the course for a positive year."

There was considerable global uncertainty as we began our financial year, and, like 2020, 2021 will be remembered for the impact of Covid-19. In addition to the pandemic, we experienced two other notable one-off events: the six-day Suez Canal closure, which disrupted global supply chains, and the Houston freeze, which affected customers' operations. I am proud of how we maintained our focus and set the course for a positive year despite these challenges.

We began 2021 with a strong balance sheet, a solid asset base and a market-leading platform. This placed us in a strong position not only to withstand the considerable disruption caused by Covid-19 restrictions, but also to operate and prosper under challenging operating environments. Our success is fostered by our people, our culture, our diverse business portfolio and our ability to quickly adapt.

Financial performance

The Group's 2021 results were underpinned by the strong performance and market conditions at Stolt Tank Containers, supported by steady progress at Stolthaven Terminals and an impressive turnaround at Stolt Sea Farm and our joint ventures continued to make a steady contribution to our financial performance. However, we failed to see the market improvement we had hoped for at Stolt Tankers as the segment was affected by weakening spot rates.

The Group reported a net profit of $78.8 million with earnings per share of $1.47, compared with $25.4 million and $0.43 in 2020. Efforts to manage our capital expenditure resulted in a $66.6 million year-on-year reduction in debt, including lease liabilities, to $2,436.1 million and positive free cash flow (cash from operations less cash used in investing activities) of $143.2 million. Shareholders' equity was $1,472.9 million at year end, compared with $1,418.6 million a year ago.

Stolt Tankers' (ST) operating revenue increased to $1,165.6 million from $1,113.1 million in 2020. Operating profit was $68.8 million, down from $84.6 million last year. Profits were held down by lower spot rates and deep-sea volumes as swing tonnage from a historically weak product tanker market moved into chemicals. ST remains focused on driving transformation through our *Going Further* initiative, and has continued to invest in people and innovation, optimising processes and driving cost efficiencies.

Stolthaven Terminals' (SHVN) results were in line with expectations. Full-year operating revenue increased slightly to $243.6 million from $238.5 million in 2020. Operating profit was $62.3 million, down from $68.8 million due to higher operating and administrative and general costs. Utilisation improved over the year, which we anticipate will result in higher rates. Performance was bolstered by favourable storage market conditions in the US. However, weaker conditions in Asia Pacific and Australia affected overall results.

Stolt Tank Containers' (STC) revenue increased to $662.4 million, from $520.6 million in 2020, with operating profit of $81.6 million, up from $51.2 million. STC continued to set new shipment records, and consequently fleet utilisation rose to 71.6% from 67.8%. Markets remained strong, with rising freight rates and higher demurrage revenue compensating for costly inefficiencies in global supply chains. Although tight ocean liner capacity, truck driver shortages and port congestion created a challenging operating environment, we managed to improve our margin per shipment.

At Stolt Sea Farm (SSF), we expanded our geographical markets for turbot, resulting in record sales of 8,100 tonnes, an increase of 6.5% compared with last year, and at a higher average price. We also saw robust demand for both turbot and sole during the traditionally strong summer season, which led to higher sales volumes and solid price increases. Full-year revenue rose to $108.6 million, compared with $79.7 million in 2020. Operating profit increased to $24.4 million, up from a loss of $8.4 million the previous year, in part due to a significant positive swing in the fair-value accounting for inventory. Excluding the impact of the fair-value adjustment, SSF's full-year operating profit was $7.1 million, compared with a loss of $3.4 million in 2020.

Stolt-Nielsen Gas (SNG) holds our investments in liquefied natural gas (LNG) logistics, with 47.2% ownership in Avenir LNG Ltd and 2.5% in both Golar LNG Ltd and Cool Company Ltd. Avenir's strategy is to source, ship, store, distribute and sell LNG to small-scale, stranded communities that do not have access to a natural gas grid. In 2021, Avenir reached a milestone in its development and now has assets operating across Asia Pacific, Europe and the Americas. Its terminal in Sardinia opened in August, three ships were delivered during the year and one was delivered in January 2022. *Avenir Allegiance*, which was delivered in December 2021, was subsequently sold to Chinese buyers at a gain. Two vessels are employed under charter arrangements with Petronas and New Fortress Energy, and two ships have entered service to supply Avenir's own customers.

Dividends and employee incentive plans

In November, we were able to raise our dividend and signal our intention to provide increasing returns to shareholders over the coming years. On November 3, 2021, the Board approved an interim dividend of $0.50 per Common Share, payable on December 2, 2021 to shareholders of record as of November 9, 2021. A final dividend of $0.50 per Common Share was recommended by the Board on February 24, 2022, subject to the approval of shareholders at the Company's Annual General Meeting on April 21, 2022.

On October 6, 2021, Stolt-Nielsen cancelled 5,610,000 Common Shares and 1,402,500 Founder's Shares, which the Company previously held as Treasury Shares. These were subsequently available for re-issue. Following the share cancellation, the Company holds 5,000,000 Common Shares and 1,250,000 Founder's Shares in treasury, equal to 8.54% of issued Common and Founder's Shares.

Stolt-Nielsen compensates its employees through salaries, short-term profit-sharing and long-term performance incentive plans, comprising cash rewards and benefits. In early 2021, our incentive plans made payments of $6.65 million.

Performing while transforming

The pandemic highlighted the benefits of our business transformation strategy, particularly our investments in technology and digitalisation. It is no small achievement that our teams kept all systems running smoothly, enabling us to maintain contact with colleagues and customers. Our digital modernisation programmes are moving full steam ahead, including investments in cutting-edge technology to reduce emissions across our fleet and terminals, as well as additional field automation to boost safety, sustainability and process efficiencies. These investments not only help us provide better services, but by evolving into a more data-driven company, they also enable innovations that will ensure we remain the leader in our markets and benefit our people, customers and other stakeholders.

People are an important element of our ongoing transformation, and changes to our leadership team will help position the Company for long-term success. After 22 years, Michael W. Kramer has stepped down as President of Stolt Tank Containers and will now focus his deep industry knowledge on marketing efforts for our three logistics businesses. Michael is succeeded by Hans Augusteijn, who joined Stolt Tankers in 2019. Our Board of Directors also welcomed Janet Ashdown as a new Director. Janet brings significant experience of managing complex supply chain operations at BP and has a strong interest in the energy transition and the broader environmental, social and governance (ESG) agenda.

Making a valuable difference

Many of our colleagues have experienced Covid-19 first-hand, and life under lockdown has meant more challenges and anxiety for everyone. I want to pay tribute to all our colleagues who have kept our ships moving, our depots, terminals and farms running, and vital products flowing around the world. They are our own heroes, working exceptionally hard every day. I'd also particularly like to thank Mark Martecchini, former President of Stolt Tankers, who is leaving us in April 2022 after 38 years. His efforts over many decades have contributed greatly to our success.

Once again, this year our seafarers demonstrated remarkable resilience and flexibility as scheduling and crew changes were affected by Covid-related restrictions. The health and wellbeing of staff are key priorities, you can read more about how we are supporting our people on pages 33-34. Stolt Tankers continued its accelerated vaccination programme for crew members. To date, we have vaccinated over 90% of our seafarers and started a booster programme.

An important lesson from the pandemic is that global cooperation and concerted action are not only possible, but are essential to addressing the challenges of our time. We strive to deliver long-term value for our stakeholders and society at large by contributing to those United Nations Strategic Development Goals where we can make a difference. This includes continuing to promote diversity and inclusion and care for our employees, contractors and communities. It also includes ongoing management of our environmental impact as we work towards the targets set last year for reducing our carbon footprint. In 2021, we undertook environmental data benchmarking, completed our materiality assessment, and began our Task Force on Climate-related Financial Disclosures (TCFD) assessment.

A compelling investment proposition

Our strong balance sheet and diverse business portfolio places Stolt-Nielsen in a strong position to capitalise on current and future opportunities, and we see tremendous potential in providing customers with the high-quality services and products we are known for. We remain focused on our bottom line – on executing our strategy while operating safely, reliably and sustainably.

We continue to build resilience in the balance sheet and reduce debt amid a backdrop of global uncertainty and rising inflation. At the same time, we are transforming to create greater value from our assets and investments over the long term. As part of this, we are becoming more diversified, more agile and better integrated across our business. These economies of scale help us maximise value creation in rapidly evolving markets – and enable us to leverage synergies and drive continuous improvement in operational performance. The strength of our business model was clear this year, with profit reaching $79 million even without an improvement in the chemical tankers market.

A positive outlook

I remain positive about the future of all our businesses. The development of the Stolt Tankers fleet – adding ships through new buildings, acquiring competitors and purchasing modern second-hand ships at attractive prices – means we are well positioned to capitalise on the pending recovery. Should conditions for an IPO of Stolt Tankers be right in the coming years, we are ready to act quickly.

We are in a similarly strong position at Stolthaven Terminals and Stolt Tank Containers, where we have invested in additional capacity, our market-leading platforms, our people and digitalisation. Stolt Sea Farm's new land-based recirculation farms for sole production in Cervo, Spain and Tocha, Portugal underpin our long-term growth strategy for meeting increasing market demand in a sustainable, cost-efficient manner. In all our investments, we are focused on delivering a growing, long-term and sustainable cash flow to our shareholders.

2022 and beyond

In January 2022, I announced my intention to step down as Chief Executive Officer. I will continue as CEO and as a Director on the Board until the appointment process for a successor has taken place and a smooth transition period is completed. The intention is for me to assume the role of Chairman of the Board, subject to shareholder approval, once my replacement is found. I joined Stolt-Nielsen in 1990 and have been CEO since 2000. It has been a great pleasure and honour to work with so many remarkable people over the years and I have enjoyed it tremendously. However, I feel that now is the right time to step aside and let a fresh pair of hands take the Company forward. I plan to maintain my close ties and contribute to the success of Stolt-Nielsen for many more years.

Niels G. Stolt-Nielsen

NG. Stolt-Nielsen

Chief Executive Officer
Stolt-Nielsen Limited
March 14, 2022

Business Model

What we do

Our mission

To provide growing long-term cash flow to shareholders.

Who we are

We are a long-term investor and manager 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 service 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-Nielsen Gas

How we do it

1 Portfolio management

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

2 Industry expertise

Invests 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 provides flexibility to deliver returns through organic growth, M&A and strategic partnerships.

How we create value

Expert knowledge
A deep understanding of core markets of logistics, distribution and aquaculture.

Innovation and technology
Invented the modern parcel tanker, pioneering land-based aquaculture and ongoing R&D investment. Our culture champions digitalisation, collaboration and continuous improvement.

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

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

Business Review

Stolt Tankers

Strong culture and leading platform drive sustainable results

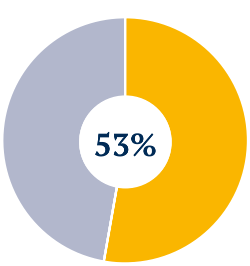
"We reduced year-on-year fuel consumption by 5%, supporting our commitment to being an efficient, sustainable business."

Performance

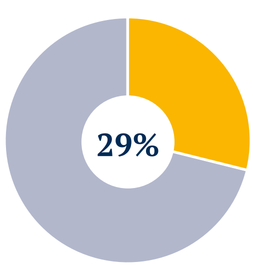
(US $ millions)	**2021**	2020	2019
Operating revenue	**1,166**	1,113	1,148
Operating profit	**69**	85	57

Percentage of Group total

of total revenue



of total operating profit[1]



1. Excludes Corporate and Other loss of $5 million.

Stolt Tankers (ST) provides safe, reliable and high-quality transportation services for bulk-liquid chemicals, edible oils, acids and clean petroleum products. We are the world's leading operator of deep sea and regional chemical tankers, with a 158-strong fleet totalling three million deadweight tonnes. Our global deep-sea fleet is supported by regional chemical tanker and barging services in Europe, Asia Pacific, the Caribbean and the Gulf of Mexico.

2021 review

2021 was characterised by challenging conditions, and Stolt Tankers demonstrated its ability to adapt and deliver despite market volatility.

Operating revenue reached $1,165.6 million, a 4.7% year-on-year increase from 2020. Operating profit was $68.8 million, down 18.7% from 2020. First-half results were affected by the freeze in Houston, US, which led to the shutdown of customers' production facilities. Covid-related port closures and curtailed oil supplies throughout the year also impacted performance. Although increased bunker costs were offset by bunker surcharges passed through to customers, ST was affected by weakening spot rates as medium range (MR) ships moved into chemical trade lanes.

Our resilience and continued achievements were rooted in several factors. Customers are at the heart of everything we do, and those relationships remained strong thanks to our dedicated people, winning culture and ongoing innovation. Volumes remained robust, with our agility enabling us to balance contracts of affreightment (COAs) with spot business as conditions shifted. Key renewals and contracts were completed, and we are developing a new customer portal that puts ST at the cutting-edge of the digital experience in shipping.

During the year we focused on capitalising on our leading platform and managing capital expenditure while increasing net tonnage to support fluctuating supply and demand. Five ships bought from Chemical Transportation Group (CTG) in 2020, joined the Stolt Tankers Joint Service (STJS) in the first quarter. E&S Tankers – our joint venture with John T Essberger Group – exceeded expectations, with synergies driving an additional $1 million of savings above initial projections. Our innovative pool approach attracted interest from Tufton Investment Limited, and we entered into an agreement for seven of its chemical tankers to join the STJS.

This year, we recycled *Stolt Spruce* and *Stolt Selje* at substantial book gains amid high steel prices, and sold *Stolt Transporter* and the joint venture ship *Stolt Botan*. We agreed a settlement with the underwriters for the *Stolt Groenland*, resulting in a net write-off of $13 million.

Our *Going Further* business transformation initiative delivered ongoing benefits as we continued investing in people and innovation, optimising processes and driving cost efficiencies. Most notably, we reduced bunker consumption by 5% year-on-year, generating both cost and carbon savings.

Our people demonstrated remarkable commitment in challenging conditions, with both onshore staff and seafarers affected by new Covid-19 variants that impacted schedules and our ability to complete crew changes. To enhance employee engagement and development, we implemented new training, mentorship and digital learning programmes (see page 34). We also bolstered our safety culture through our ongoing *Slashed Zero* programme with initiatives such as the *Stolt Unbreakable Life Saving Rules*, which you can read more about on pages 21-23. We recognise that safety is an industry-wide issue, and we launched a joint initiative with Odfjell Tankers to share learnings and best practices.

Sustainability was another focus area in 2021 as we made good progress towards reducing carbon intensity by 50% (relative to 2008 levels) by 2030. We achieved our targeted reduction in our Annual Efficiency Ratio (AER), which decreased by 3.3% during the year thanks to our efforts to optimise operational processes and technology (read more on page 28).

Industry cooperation is critical to meeting challenges around zero-carbon shipping, and we continued to champion collaboration in this area. We joined the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping, seconding staff to joint decarbonisation projects. We are also spearheading industry discussions regarding the introduction of shipping into the European Union Emissions Trading System (ETS), including how carbon taxation can be fairly distributed across the supply chain. Another innovative collaboration, this year was with our customer, BASF, which involved ST helping to design and build a new inland tanker that can operate at extremely low water levels on the river Rhine. This innovative tanker is setting a new standard for cargo transport at a time when water levels are becoming more unpredictable.

2022 outlook

Despite recent volatility, the fundamentals of the chemical and clean petroleum product markets remain strong. They are poised to improve in the second half of 2022, although uncertainty remains due to potential new Covid-19 variants and the uneven global recovery of all industries. We will further develop our fleet while preserving our financial strength, consolidate our competitive position and benefit from expected increases in spot markets as activity normalises and oil supplies increase.

In 2022, we will maintain our focus on fostering a winning culture, achieving cost and process efficiencies, accelerating digitalisation and becoming a more data-driven organisation. This will help us deliver next-generation customer service, network savings and carbon reductions – as well as attract and retain the best talent.

Lucas Vos
President
Stolt Tankers

Business Review *(continued)*

Stolthaven Terminals
Capitalising on market conditions while focused on safety and customer experience

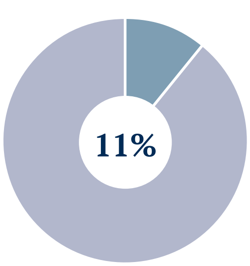
"Our position in the chemical market proved a major strength as we helped customers adapt to supply chain challenges."

Performance

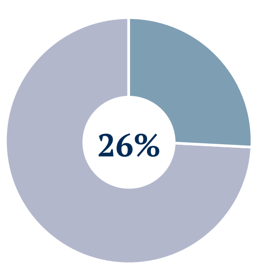
(US $ millions)	**2021**	2020	2019
Operating revenue	**244**	239	251
Operating profit	**62**	69	69

Percentage of Group total

of total revenue



of total operating profit[1]



1. Excludes Corporate and Other loss of $5 million.

Stolthaven Terminals has a well-established reputation for high-quality, flexible, safe and sustainable bulk-liquid storage services, which help customers maximise value from their supply chains.

We operate 15 terminals across key locations globally, providing 4.9 million m^3 of storage capacity for bulk liquids including chemicals, clean petroleum products, liquefied petroleum gases, vegetable oils, biofuels and oleochemicals. Each terminal is located close to customers' operations, meaning that we can adapt quickly to their changing needs.

We offer customers added agility by collaborating with Stolt Tankers and Stolt Tank Containers. Working closely with Stolt Tankers at multiple locations, we provide an efficient ship-to-shore interface that limits potential demurrage exposure for our customers. By partnering with Stolt Tank Containers, we also offer solutions that can help reduce logistics costs for customers.

2021 review

Utilisation and throughput volumes increased over the year, despite ongoing challenges related to Covid-19, rising inflation, global supply chain disruption and major weather-related events. Our full-year operating revenue was $243.6 million, compared with $238.5 million in 2020. Operating profit was $62.3 million, down from $68.8 million in 2020, driven by higher operating and administrative and general costs.

This year, Stolthaven benefited from a stable chemical market and robust demand for biofuels, with the business in a stronger position than those more exposed to weaker petroleum markets. However, at several locations the ongoing low demand for transportation fuels affected rates and throughput of clean petroleum products. Our performance was buoyed by favourable storage market conditions in the US, although weaker conditions in Asia Pacific and Australia affected overall results.

Our people worked tirelessly to support customers amid supply chain disruptions related to container shipping, port congestion and trucking shortages, which led to an increasing number of enquiries from customers looking to switch from isotanks to bulk storage. Stolthaven is playing a leading role in discussions around the challenges the industry faces, and in 2021 I was appointed Chair of the European Petrochemical Association (EPCA) Supply Chain Program Committee.

I am particularly proud of our safety and business continuity achievements this year. Safety metrics maintained their positive trends, including almost halving Lost Time Injury Frequency (LTIF) from 0.98 in 2020 to 0.52 in 2021. (Read more about safety on pages 20-24.) Our US terminals were recognised by our customers as being among the first to resume operations after the Houston freeze and Hurricane Ida in New Orleans, reflecting our commitment to safe operations and customer service.

Facility upgrades progressed at Mount Maunganui, New Zealand, Dagenham, UK, Westport, Malaysia and Ulsan, South Korea. In the second quarter of 2021, we completed decommissioning of our terminal in Wynyard, New Zealand, with independent reports confirming there was no site contamination during our tenure. We also explored potential greenfield terminals in Ceyhan, Turkey and Kaohsiung, Taiwan. In Australia, Stolthaven received welcome recognition by achieving the maximum government grant under the Boosting Diesel Storage programme, which offers future development opportunities for our Newcastle facility.

As well as investing in physical assets, we focused on projects to support our five strategic pillars: digitalisation, innovation, customer centricity, sustainability and employee engagement. This year, we completed planning work for several key digitalisation and innovation initiatives, including additional field automation and the *Internet of Things*, which explores how we can connect and exchange data between our own and third-party systems and devices over the internet. As part of our ongoing customer centricity programme, we further developed plans for integrating our digital systems with our customers' and providing faster information.

We also made progress towards our goal of making our primary activities, including the storage and handling of products, carbon neutral by 2040. This included increasing our use of renewable energy, with 100% of energy now coming from green sources at four terminals. We continued exploring opportunities around the hydrogen value chain and ways the industry and customers can best manage the implications of the EU Green Deal. Read more about our 2021 environmental initiatives on pages 27-30.

As part of ongoing efforts to improve the employee experience, in 2021 we conducted a global engagement survey. This showed an overall improvement since last year as we have launched several initiatives relating to employee wellbeing, training and recognition in response to feedback previously received (read more on pages 34-35). Stolthaven had record low staff turnover in 2021 despite high levels of churn in the overall labour market, and I am proud of our efforts to foster such a strong and highly valued culture.

2022 outlook

In 2022, we expect the chemical market to remain stable despite rising energy costs and supply chain challenges. Asia is the biggest demand driver in this segment, and Stolthaven is well positioned to capitalise on this while benefiting from our diversification and strength across other regions. The petroleum market is more affected by Covid-19, meaning transportation fuel in particular is poised to recover as restrictions ease. Inflation is likely to affect ongoing operational and investment costs, which will need to be reflected in higher rates for customers. However, ongoing geopolitical tensions in Europe and uncertainty around the recovery of China's economy may hold back volumes.

We will continue to explore opportunities related to the energy transition, including biofuels, chemical recycling and the hydrogen value chain. We will also progress our digitalisation, asset management and customer centricity strategies, rolling out the initiatives planned this year and progressing facility developments and greenfield investments.

Guy Bessant
President
Stolthaven Terminals

Business Review *(continued)*

Stolt Tank Containers
A record year, reflecting our dedication and customer centricity

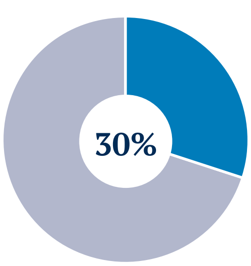
"We achieved new shipment records against a backdrop of Covid-19 supply chain disruption, global inflation and worldwide logistics challenges."

Performance

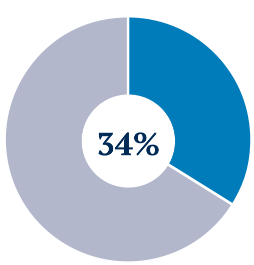
(US $ millions)	**2021**	2020	2019
Operating revenue	**662**	521	529
Operating profit	**82**	51	56

Percentage of Group total

of total revenue



of total operating profit[1]



1. Excludes Corporate and Other loss of $5 million.

Stolt Tank Containers (STC) is a leading provider of logistics and transportation services for door-to-door shipments of bulk-liquid chemicals and food-grade products. With our global capabilities, we help customers minimise costs and increase efficiency across their supply chains.

STC has a fleet of more than 43,500 tank containers and is a leader in the worldwide door-to-door bulk-liquid logistics industry. Our 22 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.

2021 review

2021 was a year of strong performance and new shipment records as STC's agility, dedication, creativity, and customer centricity enabled us to capitalise on market conditions.

Full-year operating profit was $81.6 million, a 59% increase on 2020. Markets remained strong throughout the year, with rising freight rates and higher demurrage revenue compensating for rising costs. Although inflation, tight ocean liner capacity, trucking shortages and port congestion created a difficult operating environment, we passed on additional costs to customers and improved margin per shipment.

Customers clearly recognise the value and reliability STC offers in an environment experiencing unprecedented supply chain challenges. Our food-grade business grew by 8.6% and our chemical business grew by 8.4%. Income from food-grade operations rose 31.6%, as shipments reached new records and our customer base expanded.

Importantly, STC also has a strong foundation for ongoing growth. We maintain the largest fleet in the industry, and this year boosted capacity by 8.7% while increasing utilisation to 72% from 68% in 2020. Investment continued and our depot in Grangemouth, Scotland and loaded storage facility in Singapore are now operational. The rebuilding of our depot in Kaohsiung, Taiwan progressed, as did the redevelopment of our cleaning station in Houston, US.

STC's transformation roadmap delivered ongoing benefits to the Company and our customers. We continued to integrate with customers and vendors electronically, developed our configured price quotation programme and worked to enhance our mySTC portal, which gives us a competitive advantage by making it even easier to work with us. Digitalisation of processes boosted efficiency and delivered cost savings. Additional robotics deployments saved 2,250 working days over the year, and our new digital platforms offer greater visibility of carrier performance and allocations, allowing us to maximise limited carrier space.

During 2021, everyone at STC went above and beyond to support colleagues and customers in the most complex logistics environment ever. Their ability to navigate challenges related to Covid-19 and across ocean freight vendors and inland supply chains worldwide – and to deliver for customers time and time again – underpinned STC's strong performance. At the beginning of 2021, we completed our first comprehensive employee engagement survey, and the results have helped improve recruitment, training, and the support we give to staff. Read more about our 2021 people-related initiatives on pages 33-35.

2021 also featured important progress on sustainability as we assessed the baseline for our Scope 1 emissions (from our own operations) and developed a platform that allows us to measure our impact. Work is ongoing to accurately measure our Scope 3 emissions (largely from our transportation partners) which are more complex. This will further position us to serve industries with a growing sustainability focus. We have also seen more customers looking to transition from unsustainable, single-use flexi-bags to re-usable steel tanks to minimise the environmental footprint of their supply chain.

2022 outlook

On February 1, 2022, I stepped down as STC President after 22 years to assume a new role for SNL's three logistics businesses. I leave an exceptional team in the capable hands of Hans Augusteijn, who has served as Stolt Tankers' Director of Strategy since 2019.

Under Hans' guidance and the leadership of the STC management team, the business is well placed to benefit from ongoing strong demand across all regions. Both food-grade and chemicals businesses will grow, and we will expand our fleet to capitalise on these opportunities. Logistics challenges will remain as inflation and supply chain costs rise during the year. STC will continue to expand its vendor network and foster long-term relationships, which will help gain more space allocations on ships and give customers more choice.

Our ambitious digitalisation strategy will advance in 2022, with developments across automation and our mySTC platform keeping us at the cutting edge of digital customer experience in the industry.

Michael W. Kramer
President Emeritus
Stolt Tank Containers

Business Review *(continued)*

Stolt Sea Farm

Impressive turnaround and a strong foundation for growth

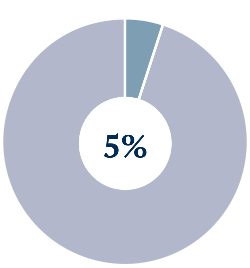
"We set a new record for annual sole output, had our best month for turbot output and achieved our highest-ever revenue for a single month."

Performance

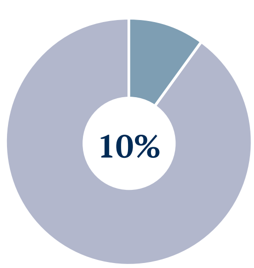
(US $ millions)	**2021**	2020	2019
Operating revenue	**108**	80	100
Operating profit	**24**	(8)	8

Percentage of Group total

of total revenue



of total operating profit[1]



1. Excludes Corporate and Other loss of $5 million.

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.

Fish is widely accepted to be one of the most sustainable sources of animal protein. We pay rigorous attention to ensuring our operations have a positive environmental impact and two of our 14 farms are located on legally protected natural marine reserves.

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 sole and turbot in commercial volumes. SSF products feature on restaurant, hotel and foodservice menus as well as supermarket shelves in more than 30 countries. Our annual production capacity totals a remarkable 1,570 tonnes of sole and 5,700 tonnes of turbot.

2021 review

Our 2021 achievements reflect our flexibility and resilience – characteristics shown by everyone at SSF during the year. The pandemic continued to have an impact, notably at the beginning and end of the year as Covid-19 variants prompted additional government restrictions. The entire market was affected by Omicron's negative effect on demand, with consumption and prices impacted for all species and products, not just sole and turbot.

Despite this backdrop, SSF had a remarkable turnaround from 2020, with full-year revenue of $108.6 million (compared with $79.7 million in 2020) and operating profit of $24.4 million (compared with an operating loss of $8.4 million in 2020). This performance was driven by a boom in demand as hospitality re-opened, with record-high average prices for sole and turbot during the traditionally strong summer season. Our people demonstrated impressive agility in these fluctuating conditions, adapting production volumes, driving sales and delivering the quality and efficiency SSF is known for.

Our two new land-based recirculation aquaculture system (RAS) farms in Cervo, Spain and Tocha, Portugal had their first full year of sole production and exceeded expectations for biomass growth. We have now initiated scoping activities for three more RAS farms. Expansion works for our packing facility in Spain were completed in record time, and the improvements have made it a much better place to work while boosting efficiency. Operational improvements in Iceland progressed and had positive results; in 2022, we will consolidate these changes and increase production.

Turbot performance also rebounded in 2021, demonstrating the success of our investments in facilities and husbandry. Stocks recovered following a pandemic-driven biomass reduction in 2020, and we achieved high productivity despite inflation affecting feed and energy costs.

SSF has long been a pioneer when it comes to sustainability in aquaculture. 2021 was our first full year of industrial trials for new feed formulas with lower fishmeal and fish oil content. The trials were successful, putting the business on track to achieve its 2030 environmental target of reducing fish products in our feed by 65% for sole and 50% for turbot (relative to 2020 levels). Read more about our environmental initiatives on pages 27-31.

SSF's diversification strategy also continued. We achieved a careful balance of our existing product mix to drive sales as conditions changed. In 2020 and into the first quarter of 2021, we responded to the shutting of hospitality by shifting 65% of sales to retail. From the second quarter, as hospitality reopened, we shifted back to foodservice to meet booming demand.

Overall, in 2021, 70% of sales came from foodservice and 30% from retail, reflecting pre-Covid-19 dynamics. Our Value-Added Products (VAPs) such as pre-packaged fillets, remain key to our diversified offering, and in 2021 helped broaden our retail customer base as we sold the frozen stock inventoried in 2020. We also began developing a robust VAP strategy to develop this segment and transition to a more consumer-oriented company in the most efficient, profitable and sustainable way.

2021 was a year of transition at SSF as we progressed our *Going Further* business transformation initiative. We laid key foundations for our next growth phase, from scouting sites for new farms to designing new facilities and planning construction of new hatcheries and broodstock areas. We also reorganised and expanded the SSF sales team, bringing in a new Chief Commercial Officer and establishing processes and skills that will accelerate our entry into new markets.

During the year we also completed strategy and planning work for SSF's digital transformation initiative, one of the most ambitious projects on our agenda. This will help us make more insight-led decisions, boost operational efficiency, improve the employee experience and offer more value to customers. Efforts included working with external consultants to determine our approach and prioritise projects for future implementation.

2022 outlook

2022 is a major milestone for SSF as we celebrate our 50-year anniversary. The business has evolved into a true aquaculture pioneer, reflecting the vision and dedication of many people over the years. We will mark our half-century with a series of events involving our people, partners, customers and local communities.

We anticipate prices remaining high in 2022, for both sole and turbot, with SSF achieving solid production volumes that allow us to capitalise on demand. SSF's business and digital transformation initiatives will enter new phases as we proceed with projects that enhance decision-making, productivity and cost-efficiency. We will continue planning for three new RAS farms and for enhancements to our Spanish packing facility, which will meet operational requirements for greater VAP production. In 2022, we will also continue to focus on our product and species diversification strategy.

Jordi Trias
President
Stolt Sea Farm

Business Review *(continued)*

Stolt-Nielsen Gas

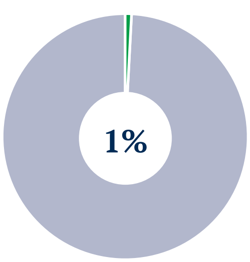
Avenir LNG – a blueprint for growth in a rapidly developing market

2021 was a transformative year, with new partnerships, a new terminal and an expanded fleet in operation.

Performance

(US $ millions)	**2021**	2020	2019
Operating revenue	**–**	–	–
Operating profit	**2**	(4)	(4)

Percentage of Group total of operating profit[1]



1. Excludes Corporate and Other loss of $5 million.

Stolt-Nielsen Gas (SNG) is our investment arm focused on the liquefied natural gas (LNG) segment. As the energy transition gathers momentum, LNG offers a cleaner, more cost-effective, reliable fuel that will play an increasingly important role in decarbonisation.

SNG owns 47.2% of NOTC-listed Avenir LNG Ltd and holds a 2.5% stake in both Golar LNG and Cool Company Ltd. Avenir's other primary shareholders are Höegh LNG and Golar LNG. Avenir's strategy is to source, ship, store, distribute and sell LNG to industries and communities that lack access to a natural gas grid. Golar is one of the world's largest independent owners and operators of marine-based LNG midstream infrastructure, and is active in liquefaction, transportation and regasification. Cool Company Ltd aims to become a growth vehicle and consolidator of modern LNG carriers, providing investors with direct market exposure to an expected continued strength in the LNG freight market.

SNG reported an operating profit of $2.1 million for 2021. The profit was the result of recording a $3.2 million gain on sale of land in Canada, partially offset by losses from various ongoing development projects.

Avenir LNG 2021 review

2021 was a transformative year for Avenir as it became a fully operational LNG supplier with core assets in service. Its first LNG bunkering and supply vessel (LBV), the 7,500-cbm *Avenir Advantage*, successfully operated under charter to Malaysian energy company Petronas. Its second LBV, the 7,500-cbm *Avenir Accolade*, was delivered in March 2021, and chartered to New Fortress Energy.

A significant milestone was reached when Avenir's first onshore LNG terminal opened at the port of Oristano, Sardinia. Avenir has an 80% stake in the terminal through Higas Srl (HIGAS), and the terminal will enable the Company to provide a fully integrated offering, sourcing LNG from international markets, shipping it to Sardinia, storing it and distributing it to customers across the island. The HIGAS terminal received its commissioning cargo in May from the *Avenir Accolade* and fully opened in August. In September, Avenir took delivery of the *Avenir Aspiration*, a third 7,500-cbm capacity LBV that will operate in the Mediterranean and serve the terminal.

In December 2021, the *Avenir Allegiance*, the first of two 20,000-cbm vessels, was delivered, and subsequently sold to a Chinese port operator company for a profit. Avenir's fourth 7,500-cbm capacity LBV, the *Avenir Ascension*, was delivered in January 2022 and will serve customers in the Baltics.

2022 outlook

Although the challenging energy market is expected to impact LNG during 2022, the medium- and long-term outlook remains strong. The distinct specialisms of Avenir's three main shareholders have contributed to a proven blueprint for growth.

With its combined onshore and bunkering capabilities, Avenir is well positioned to capitalise on LNG demand in a range of industries, including as a marine fuel. In 2022, Avenir will take delivery of its final 20,000-cbm capacity LBV, which will be chartered to Shell.

Growing Sustainably

As an organisation that stores and transports raw materials for many everyday products – and produces a sustainable food source at our fish farms – we recognise the impact that our operations have on the environment, our communities, our colleagues and external stakeholders. Sustainability is therefore integrated with our strategy and underpins operations across Stolt-Nielsen.

Responsibility to Stakeholders

Pages 18-19

Health and Safety

Pages 20-24

Environment

Pages 25-31

People

Pages 32-39

Growing Sustainably *(continued)*

Responsibility to Stakeholders

Sustainable growth, sustainable value

The markets we serve – from packaging, agriculture, construction and electronics to automotive, textiles, food and healthcare – are affected by global demographic and economic trends. And that means our business is also driven by factors such as population growth, demand for sustainable food sources, urbanisation, burgeoning middle classes and ageing populations.

Stolt-Nielsen has an important role in addressing the environmental and social impacts of these factors – and in helping deliver sustainable value to our stakeholders. We take that role seriously.

Engaging with stakeholders

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

We are also active in engaging with trade associations and other sector-specific organisations on industry trends and best practices. These include the International Chamber of Shipping, INTERTANKO, ITOPF, Maersk Mc-Kinney Møller Center for Zero Carbon Shipping, Global Maritime Forum, IMPA|Save, Koninklijke BLN-Schuttevaer, HiLo, the Ship Recycling Transparency Initiative, International Liquid Terminals Association, Associacion Petroquimica y Quimica Latinoamericana, Clean Cargo, Tank Storage Association, Bulk Liquids Industry Association Inc, American Fuel & Petrochemical Manufacturers, Singapore Chemical Industry Council, the International Tank Container Organization, the European Petrochemical Association, the European Federation of Aquaculture Producers and the Norwegian Seafood Council.

Aligning with global best practices

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), which are a framework for meeting the world's greatest challenges and opportunities by 2030. Stolt-Nielsen has 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 them to guide our approach to 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. Climate change poses potential risks and we therefore ensure all our businesses build mitigation approaches into their strategies.

In 2020, we established the Stolt-Nielsen sustainability taskforce, which is chaired by the Managing Director of APAC and MEA. It also includes two members of our executive management team in addition to representatives from each division and key stakeholder groups. It meets regularly to discuss performance and opportunities, and sustainability reports are made to the Board each quarter. In April 2021, the taskforce held a virtual sustainability summit, which featured presentations from leading external experts to provide insight on best practices from other organisations, including industries outside logistics.

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

Assessing our impact

During 2021 we surveyed a broad range of stakeholders across all our businesses, including customers and investors, as part of our materiality assessment process. The results of these surveys were then used to identify key sustainability themes to focus on in our strategy and reporting. Employees from across the Company also completed a questionnaire to rank those sustainability topics that they considered most important to our ongoing success.

The resulting materiality diagram (opposite) illustrates the relative importance of the material topics identified by both internal and external stakeholders. Our sustainability strategy is aligned to these topics, and in 2021 we established additional data baselines for priority areas so we can more effectively measure our progress.

Material topics

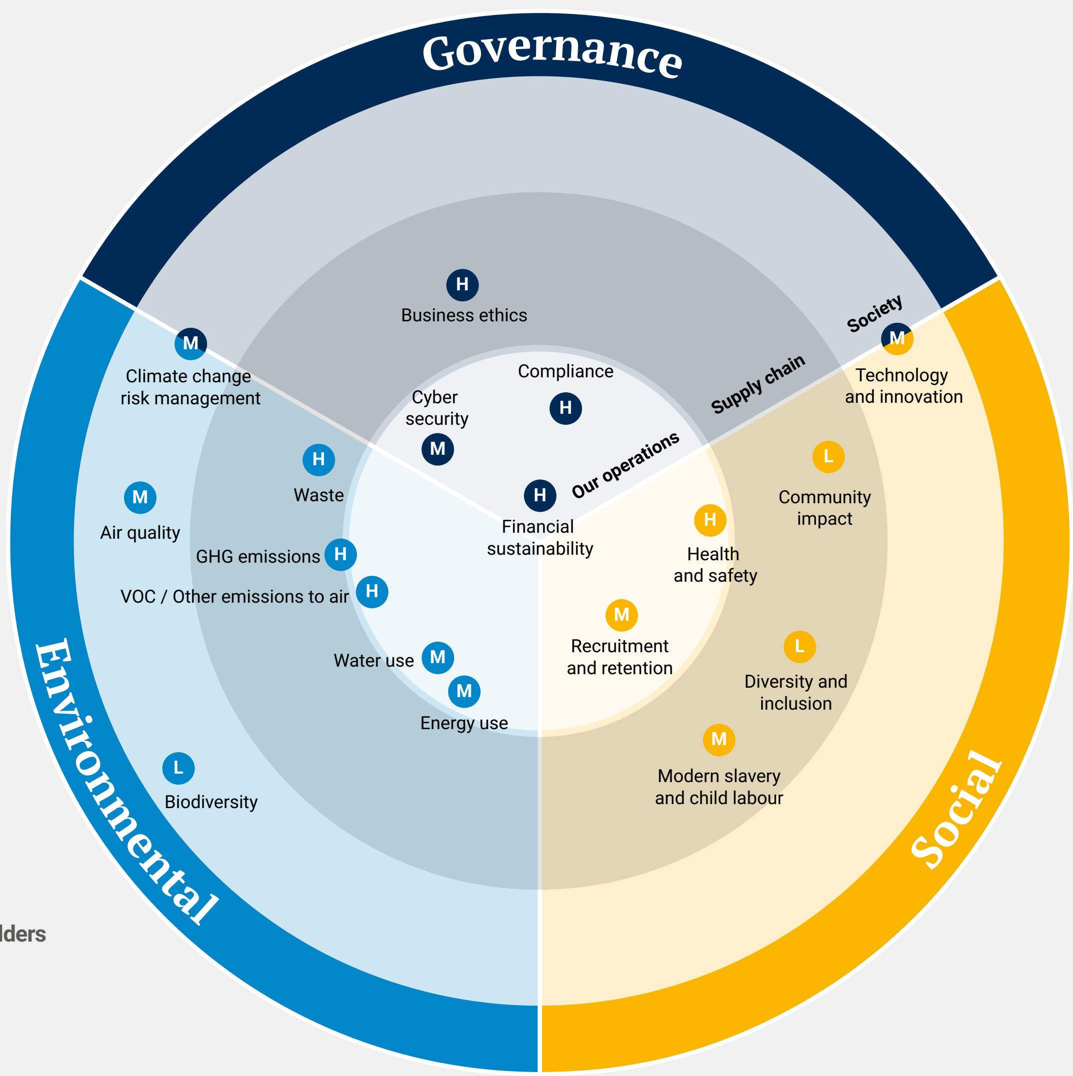
The diagram below includes the areas of environmental, social and governance (ESG) focus that we have identified as key to our business and most important to our stakeholders.

Each coloured dot represents an area of focus that has been identified through our materiality assessment process.

Those closest to the centre are areas that Stolt-Nielsen can impact most directly. Our ability to impact each area decreases as you move from the centre of the diagram outwards.

This report has been prepared in accordance with the GRI core standard option and covers several of the Sustainability Accounting Standards Board (SASB) sustainability topics for marine transportation. During the year, we also began our climate change risk assessment using the Task Force on Climate-related Financial Disclosures (TCFD) framework.

(See our GRI Content Index on pages 148-150.)



Importance to stakeholders

- H High
- M Medium
- L Low

Growing Sustainably *(continued)*

Health and Safety

Stolt-Nielsen is committed to achieving zero harm across all operations. Our commitment drives a safety-focused culture rooted in sound governance, robust processes, specialist training, incident management and reporting. During 2021, we saw year-on-year improvements in our safety performance as we reinforced these areas.

Indicator	2021 performance	Explanation	Business	Reference
Total Recordable Case Frequency (TRCF)	**1.80** ↓ (2020: 2.34)	Improved performance overall, driven by improvements at Stolthaven Terminals and Stolt Tank Containers.		• GRI 403-9 • See page 24
Lost Time Injury Frequency (LTIF)	**0.77** ↓ (2020 0.89)	Improved performance overall, driven by a significant improvement at Stolthaven Terminals.		• GRI 403-9 • See page 24
Serious Incidents	**0** ↔ (2020: 0)	Zero serious incidents in 2021, for the second consecutive year.		• GRI 403-9 • GRI 306-1 • GRI 306-2 • See page 24

Business key

Stolt Tankers | Stolthaven Terminals | Stolt Tank Containers | Stolt Sea Farm

Performance key

↑ Negative change from prior year | ↓ Positive change from prior year | ↔ No change from prior year

Committed to zero harm

GRI 403

Our commitment to zero harm requires a strong, safety-focused culture. This culture is driven from the top, with the management team and Board of Directors receiving detailed safety KPI reports on a quarterly basis. We ensure the Company is:

- 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.

Adapting to Covid-19

All Stolt-Nielsen businesses continued active measures to keep people safe, including ongoing hygiene protocols and testing in line with local government guidelines. We also enhanced our virtual training capabilities and conducted virtual meetings where possible.

Stolt Tankers continued its enhanced cleaning regimes on board its ships, alongside social distancing and regular testing. Shore leave was cancelled and wherever possible we complete operations with zero ship-to-shore contact. To protect our crew, from November 15, 2021 it is a requirement for everyone joining our ships to be vaccinated. As at the date of this report, more than 90% of our seafarers have received their Covid-19 vaccines and we have started the roll out of boosters.

Stolthaven Terminals maintained complete service for all customers – not a single hour of operations was lost due to Covid-19, demonstrating the robustness of safety management. Stolt Tank Containers is classed as an essential business in every market in which it operates, and all services continued in compliance with local regulations. In contrast to 2020, Covid-19 had a limited impact on Stolt Sea Farm during 2021, with operations continuing at normal levels.

Fostering a safety-focused culture

In 2021, our businesses continued to drive initiatives that foster a safety-focused culture. Stolt Tankers enhanced its *Slashed Zero* programme, which seeks to minimise behavioural risks involved in operations and reduce personal injuries across the fleet. To help drive cultural change on board ships, 2021 activity focused on the behavioural aspects of safety, emphasising positive reinforcement and rewarding successes. For example, employees demonstrating good safety behaviour received positive annotations to their appraisals and received congratulatory letters from management. The leadership team also met with ships via Microsoft Teams to discuss their safety statistics and highlight achievements and areas for further improvement. Another effective initiative involved revising our approach to reporting safety statistics to ships. Instead of focusing on the number of incidents, we now headline reports with accident-free trends, highlighting successes and demonstrating that zero accidents is achievable for sustained periods.

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 2021, *Stolt Renge* and *Stolt Yuri* were jointly named Ship of the Year. Learn more about the competition at stolt-nielsen.com/our-businesses/stolt-tankers/ship-of-the-year/

In December 2020, Stolthaven Terminals launched EcoPortal, a new digital safety management system. All incidents, near misses and non-conformities are now captured, managed and analysed through this single global system, giving full transparency and timely information to management. As a result, we can derive trends and learnings faster than ever, driving a key element of our continuous improvement efforts to achieve safety excellence. Because it provides a global overview of safety across Stolthaven, EcoPortal highlights areas that require additional safety training. It also encourages all employees to be more proactive in improving safety by providing them with an opportunity to submit their ideas for improvements.

In 2021, several customers recognised Stolthaven Terminals for its safety performance and culture. Santos was named the best liquid bulk storage terminal in Brazil by Raízen, in the safety and productivity category. It also achieved best safety management performance in a HSEQ audit by COVESTRO. Singapore won Terminal of the Year in the Dow 2020 SEA S4TAR programme.

Following its employee engagement survey, Stolt Tank Containers increased communication with staff on safety issues. Leadership conducted townhalls and managers scheduled more regular meetings with their teams – all of which received positive feedback. We also extended our focus on dangerous goods safety, improving our training programme for the safe transportation and storage of heat-sensitive substances. In addition, we implemented training on following International Maritime Dangerous Goods (IMDG) guidelines, with ten employees qualifying as Dangerous Goods Safety Advisers. As a result of our efforts during the year, a major customer named STC 'most transparent tank container operator' when it comes to health and safety matters.

Stolt Sea Farm conducted research into ways of enhancing the safety culture in areas including biosanitary waste management, animal welfare, farm hygiene and food safety. The initiative identified ways to improve employee communication and training, and new processes and e-learning modules were then introduced to reinforce best practices. SSF also recently appointed a new head of health and safety to bring more rigour and standardisation to processes across the business.

Stop Work Authority Programme

The *Stop Work Authority* programme has been in place since 2014. It empowers everyone at Stolt-Nielsen to intervene and put a stop to 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.

Growing Sustainably *(continued)*

Enhancing process safety

We constantly look at ways to improve process safety throughout the asset lifecycle. From early design and throughout operations and maintenance, we follow robust procedures to prevent leaks, spills, technical failures and breakdowns. We also drive innovation to mitigate risks and provide a safer working environment.

In 2021, Stolt Tankers and Stolthaven Houston conducted an initial trial in which ships' tanks were cleaned while berthed, with wastewater discharged directly into a treatment plant. As well as reducing bunkers and associated carbon emissions, this brought safety benefits by mitigating risks associated with ship channel transits and berth-shifting. In addition, it reduced ship crew working hours by around 10%.

Stolthaven Terminals also launched *Connected Worker*, its flagship project for digitalising processes in the field. Technology and automation help reduce the risk of human error, reduce paperwork, improve communication and provide real-time data, all of which improve safety and efficiency. Automation can also reduce the risk of personal injuries because it is no longer necessary for employees to be so close to operations. The first pilots of *Connected Worker* are planned for Santos, Brazil, and Singapore in 2022.

In 2021, despite the pandemic Stolthaven made additional investments in field automation. For example, automated valves for nitrogen, steam and other utilities were introduced. Drones were used in tank inspections in Houston, US and in Moerdijk, the Netherlands, we upgraded two tank pits to introduce more automation. Santos, Brazil and New Orleans, US also have extensive ongoing modernisation programmes.

Stolt Tank Containers opened a new tank wash facility in Grangemouth, Scotland, which is SQAS accredited and designed to the highest safety standards. The installation of modern cleaning equipment also improves safety. STC also renewed several quality and safety certificates during the year, including ISO 9001 and ISO 22000, which we re-certified against the updated version of the standard ISO 22000-2018. We renewed SQAS for tank cleaning services at Moerdijk, the Netherlands, and completed the SQAS assessment – including the EFTCO food section – at our new depot in Grangemouth, Scotland. In addition, STC received customer recognition for the high quality of our safety practices. We maintained our EcoVadis silver rating with an increased score.

Providing specialist health and safety training

Regular training is key to promoting a safety-focused culture. From toolbox talks and in-house seminars to external sessions and certifications, we maintain active training schedules that improve risk awareness and help prevent incidents.

Covid-19-related challenges continued to affect face-to-face training in 2021. However, we maintained our schedules and ensured all staff were able to access learning and development opportunities. Virtual training continued, as did ongoing communication on topics such as processes, standards and learnings from incidents and near misses.

At Stolt Tankers, 100% of seafarers received training. In total, the fleet ran almost 1,400 sessions onboard, equating to approximately 20,000 training hours. Because sessions were held within each regional service, they also helped us identify and understand specific issues. Crew also completed 22,500 additional training hours on our digital training portal. This career management system delivers bespoke Stolt Tankers content that includes our procedures, safety rules and risk assessments as core principles.

Stolt Tankers also introduced the *Stolt Unbreakable Life Saving Rules* in 2021. These rules address the root causes of common accidents and include messaging on how not following them endangers lives. For example, one rule makes it compulsory to wear a helmet when in the engine room or on open seas, and to facilitate compliance we redesigned our helmets to make them lighter and more comfortable. Twenty ships were involved in formulating the rules, and we trialled them on five ships before rolling the initiative out across the fleet.

In 2021, Stolthaven Terminals introduced several new global safety and operations standards as part of our ongoing drive to achieve safety and operations excellence. These included a risk management standard, which features an updated risk matrix, which is used to assess the safety of new installations and modifications to our existing facilities. Standards were developed with input from each terminal and then communicated across the business – on sites, via townhall meetings and in training sessions. We are also developing the Stolthaven Academy, which brings together all global training and education efforts in one platform – from e-learning to on-the-job and classroom training. The aim is to make training more accessible while also providing enhanced insights. The Academy will be launched in 2022.

Stolt Tank Containers maintained training schedules despite Covid-19 social distancing and travel restrictions. We increased online training via our online learning management system and improved our onboarding programme for new joiners. All depot employees also received monthly training in topics such as handling dangerous goods, preventing risk and working in confined spaces. STC continued to use its global safety management system to plan and monitor training, with 92% of staff completing their statutory and STC-required training sessions in 2021.

All new Stolt Sea Farm employees receive training in occupational health and safety, workplace risk, hazard identification and accident prevention. Machinery operators receive additional training on role-specific risks. In 2021, SSF conducted research to improve training effectiveness, which led to the creation of more virtual sessions and online modules. These included quality and food safety best practices in line with Spanish regulatory requirements.

Engaging employees

Employee engagement and communication are key to our progress in fostering a safety-focused culture.

In 2021, Stolt Tankers conducted a safety maturity survey to assess the current state of its culture. Nearly 2,000 staff participated in the survey, and 100 interviews were conducted. The results provided insights into potential areas of weakness and highlighted the need for the business to become more proactive, encourage employees to take more initiative and ensure safety is more widely perceived as a bottom-up culture instead of a top-down directive. Several initiatives will be rolled out in 2022 to address these findings.

Another successful employee engagement initiative was an inter-ship competition on safety and wellbeing topics. We used a software programme that could be accessed offline, so it was simple for ships to engage. Sixty ships participated in the first competition focused on preventing hand injuries, with ships competing against each other on their knowledge.

Stolthaven Terminals is a signatory of the Tank Storage Association's (TSA) charter to ensure we maintain our leadership in major hazard best practices. We are focused on making safety everyone's responsibility and regularly undertake employee engagement surveys on safety attitudes to inform initiatives that improve employee welfare, communication and participation. In 2020, we created working groups based on engagement survey results, and these continued to drive positive changes in 2021. For example, at our terminal in Dagenham, UK, the working group recommended enhanced shift scheduling that is improving work/life balance.

Stolthaven Annual Safety Days for staff, vendors and families continued where Covid-19 restrictions allowed. 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 people who go the extra mile to make our workplaces safe.

To increase awareness of important health and safety issues, this year Stolt Tank Containers launched a monthly bulletin with updates on lessons learned and ways to standardise best practices, which has been well received. To help continuously improve our performance, our Depot General Managers held more frequent virtual meetings throughout the year to share lessons learned and discuss personal injuries, near misses and sustainability. These meetings improved collaboration across our global team and generated several local action plans which cover topics such as reducing our carbon footprint, and identifying and mitigating against near misses.

Stolt Sea Farm held regular townhalls in local languages, with a particular focus on evolving Covid-19 protocols. We also increased communication with employees via video and displayed information in common areas across sites. During the year an employee survey found that for SSF employees, the most valued aspect of working was the high level of health and safety protection in place.

Growing Sustainably *(continued)*

Positive trends, new achievements

During the year we saw improvements in both overall Total Recordable Case Frequency (TRCF) and Lost Time Injury Frequency (LTIF) rates across our logistics businesses: TRCF fell to 1.80 (2020: 2.34) and LTIF fell to 0.77 (2020: 0.89). We require our people to report all events that impact health, safety, and/or the environment. Serious incidents are defined as those having a 'high severity' according to the Company's incident severity matrix. There were no serious incidents during the year (2020: zero) and the last fatality of an employee or contractor was in 2018.

We require all our operations to report any incident that impacts the environment using our management systems. We classify any spill that involves a release of materials that pose a major health and safety risk to people or damage to the environment as significant. There were no significant spills during the year.

Stolt Tankers improved its safety performance again this year. 86% of ships, excluding those in joint ventures, were incident free, compared with 67% in 2020, and 85% were injury free (2020: 81%[1]). At Stolthaven Terminals, several sites achieved new records for the number of days without lost time injuries: Houston, US achieved 1,400 days, New Orleans, US 1,000 days and Singapore 950 days. We saw a similar trend at Stolt Tank Containers – our Kaohsiung depot in Taiwan and Zhangjiagang and Tianjin depots in China have not recorded a single lost time injury since 2014.

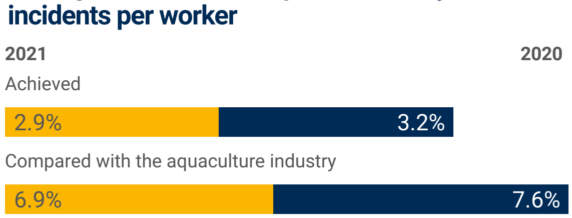
At Stolthaven Terminals there was a significant reduction in both TRCF and LTIF as a result of increased training, awareness campaigns and improved safety management processes.

Stolt Tank Containers saw a reduction in TRCF, however its LTIF increased compared with 2020, in part driven by more accurate reporting of low severity incidents.

1. Restated for the period of December 01, 2019 to November 30, 2020. Previously reported for the calendar year.

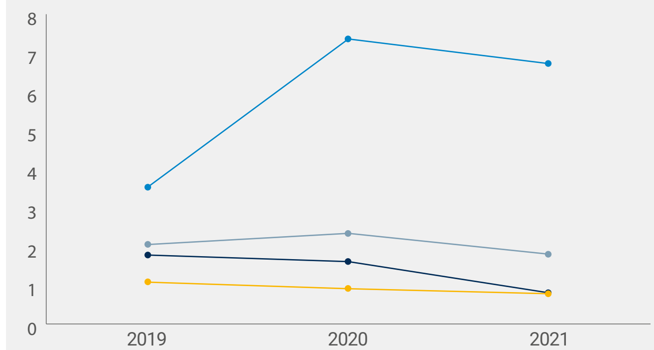
Stolt Sea Farm's operations are significantly different from our logistics businesses, so we use different safety benchmarks. Its safety performance is measured against the index used by the Spanish Ministry of Labour and Social Economy for occupational incidents in the fisheries and aquaculture sector, which calculates the average number of occupational safety incidents per worker. We achieved 2.9% for 2021 (2020: 3.2%), compared with the aquaculture industry average of 6.9% (2020: 7.6%).

Average number of occupational safety incidents per worker

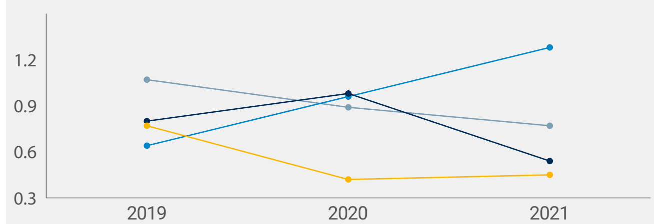


At the beginning of each year, we conduct an external audit of three farms to evaluate any changes to our health and safety risks. This year's audits identified 43 priority-one risks (2020: 32), which are risks that could lead to legal non-compliance and possible serious accidents. Following mitigation activity during the year, as of November 30, 2021, we had 28 priority-one risks outstanding.

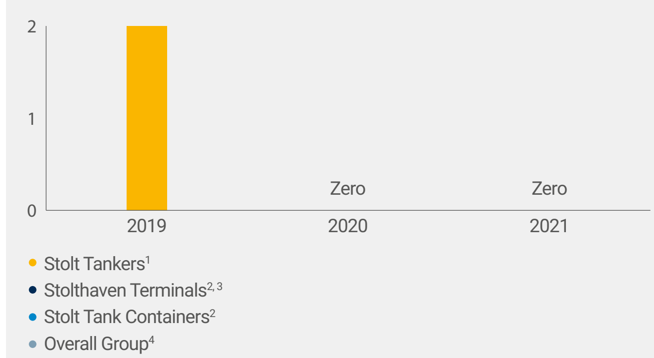
Total Recordable Case Frequency (TRCF)



Lost Time Injury Frequency (LTIF)



Serious incidents



1. Per 1,000,000 hours exposure.
2. Per 200,000 hours exposure.
3. Includes joint ventures.
4. TRCF and LTIF data excludes Stolt Sea Farm.

Environment

Stolt-Nielsen has far-reaching environmental ambitions. From emissions reduction and energy efficiency to waste management and water conservation, we take a strategic approach to improving our performance.

2021 was a defining year, with comprehensive efforts to establish environmental data baselines and reporting practices that will help us measure our progress and achieve our ambitions.

Indicator	2021 performance	Explanation	Business	Reference
GHG Emissions Scope 1	**5.5%**[1] ↓ 2021: 1,626,515 MT[1] 2020: 1,720,663 MT[2]	The reduction was mainly down to operational efficiency improvements of 5.7%. Scope 2 and 3 greenhouse gas (GHG) emissions are not currently available. We are working towards publishing the data. 1. 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 data reporting system. 2. Excluding Scope 1 GHG emissions from SNITS (inland tankers) subsidiary of 91,383 MT CO_2. This fleet operates under a separate data reporting system.		• GRI 305-1 • See pages 28-29
GHG Emissions Scope 1 and Scope 2[1]	**0.1%** ↔ 2021: 108,884 MT 2020: 108,947 MT	Slight reduction in CO_2 generated, despite increased throughput. Several terminals now purchase electricity from green suppliers. We are also investing in technology and research, ranging from pipe heating optimisation to on-site installations of solar panels. 1. Includes joint ventures.		• GRI 305-1 • See pages 28-29
GHG Emissions Scope 1[1]	**11.0%** ↓ 2021: 11,972 MT 2020: 13,426 MT	Reduction in CO_2 emissions was achieved through the purchase of renewable energy, continuous focus on improving efficiency and investing in technology to reduce energy consumption. CO_2 emissions per tank received by our fully owned depots fell from 199 kg in 2020 to 185 kg in 2021. 1. Includes depots only.		• GRI 305-1 • See pages 28-29
GHG Emission Intensity (AER)	**3.3%** ↓ 2021: 11.06 2020: 11.44	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. AER decreased by 3.3% during the year.		• GRI 305-4 • GRI 305-5 • See page 28

Growing Sustainably *(continued)*

Indicator	2021 performance	Explanation	Business	Reference
Sulphur Oxide Emissions	**3.6%** 2021: 7,352,302 kg 2020: 7,629,003 kg[1]	Initiatives to reduce overall fuel consumption resulted in a significant reduction in SOx emissions from our fleet. 1. Restated to reflect the correction of manually entered data.		• GRI 305-7 • See pages 28-29
Nitrogen Oxide Emissions	**7.2%** 2021: 46,193,438 kg 2020: 49,777,754 kg[1]	Overall NOx emissions reduced in line with our GHG Scope 1 emissions. 1. Restated to reflect the correction of manually entered data.		• GRI 305-7 • See pages 28-29
Energy Consumption[1]	**3.3%** 2021: 58,000,000 KWh 2020: 60,000,000 KWh	The amount of energy consumed by terminals depends on the products stored, the amount of product pumped and weather conditions. To reduce consumption we are deploying new technologies and more efficient devices. 1. Includes joint ventures.		• GRI 302-1 • GRI 302-5 • See page 29
Water Consumption[1]	**19.4%** 2021: 430,000 m^3 2020: 360,000 m^3	There was a significant increase in water consumption during 2021 due to increased tank cleaning, driven by a changing product mix at our Houston and Singapore terminals. As product volume increased so did the requirements for tank and line cleaning. 1. Includes joint ventures.		• GRI 303-5 • See page 30
Water Consumption	**12.3%** 2021: 112,100m^3 2020: 127,800m^3	There was a decrease in water use at our wholly-owned depots as we focused on improving efficiencies, collecting rainwater and recycling condensate from heating where possible.		• GRI 303-5 • See page 30
Waste to Landfill[1]	**11.4%** 2021: 5,964 m^3 2020: 6,733 m^3[2]	All waste from our ships is disposed of in line with the International Convention for the Prevention of Pollution from Ships (MARPOL). 1. Includes Stolt Tankers' shipping operations only. 2. Restated due to late reporting from some ships.		• GRI 306-5 • See pages 30-31

Business key

Stolt Tankers   Stolthaven Terminals   Stolt Tank Containers   Stolt Sea Farm

Performance key

Negative change from prior year   Positive change from prior year   No change from prior year

Ambitions for reducing our environmental impact

Stolt Tankers

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

Stolthaven Terminals

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

Stolt Tank Containers

- 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

Stolt Sea Farm

- 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 turbot

Strategic planning, sound governance

GRI 307

The Stolt-Nielsen approach to protecting the environment is underpinned by strong governance frameworks and processes. These are regularly reviewed to ensure they adhere to changing regulations and incorporate the latest best practices.

Part of this involves regularly testing and updating business contingency and emergency response plans for all our sites and across our fleet, ensuring 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 ensure operations can return to normal quickly and safely. We test our plans in many ways, including conducting drills in partnership with customers, local incident response services and regulatory agencies. These emergency response activities 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 report all incidents that have the potential to impact the environment using our robust management system. We classify any spill that involves a release of materials that pose a major health and safety risk to people or damage to the environment as significant. We are pleased to report that there were no significant spills in 2021.

Our approach to protecting the environment is driven by our ambition to reduce our environmental impact. We established goals for all our businesses in 2020, and during 2021 focused on establishing baselines for our environmental data. These baselines provide a deeper understanding of our carbon footprint, which puts us in a strong position to plan initiatives that help achieve our ambitions.

In 2021, to better align with the International Maritime Organization (IMO) and the shipping industry, and to enable more accurate benchmarking, Stolt Tankers modified the way it measures carbon intensity across the fleet, moving from using the Energy Efficiency Operational Indicator (EEOI) to the Annual Efficiency Ratio (AER). For 2021, we measured our 2008 emissions baseline using the AER. Our baseline was validated by the world's leading maritime classification society DNV, and we measured a 29% reduction in CO_2 emissions since 2008.

In addition, we developed the capability to report carbon emissions using the Sea Cargo Charter, which helps customers to better understand the sustainability of their supply chain. As part of this, we participated in the committee that developed the reporting criteria. To help enforce strong environmental practices across Stolt Tankers' supply chain, we also launched a new responsible supplier agreement, which assesses suppliers against a set of environmental criteria. We are pleased to report that 100% of new vendors signed up, and we have an ongoing audit programme for existing suppliers based on their risk profile.

Once again, Stolt Tankers' environmental efforts received positive recognition, retaining its silver rating from EcoVadis for sustainability. During the year, 99 of our ships were awarded the CSA Certificate of Environmental Achievement. In addition, 72% of our ships (42 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 – less than 20% of all foreign-flagged vessels operating in the US meet the strict eligibility requirements.

Stolthaven Terminals also identified key environmental baselines for the first time. To support our journey towards meeting our ambitions, we established a dedicated sustainability team with members from all wholly-owned sites. The team is helping to improve sustainability performance by sharing successes and best practices and identifying opportunities. Front-line employees are central to helping achieve our goals, so Stolthaven Terminals is using an online ideation platform to crowd-source ideas on environmental initiatives from them.

Growing Sustainably *(continued)*

Stolt Tank Containers (STC) also established baselines and processes for gathering ongoing emissions, water, energy and fuel usage data across the business. We are a member of the Clean Cargo Working Group, an organisation that is dedicated to reducing the environmental impact of global goods transportation and promoting responsible shipping. During the year, Stolt Tank Containers also used several EcoTransIT emissions calculation tools to begin analysing and calculating its Scope 3 transport emissions from the purchase of transportation services. The EcoTransIT methodology is compliant with the Global Logistics Emissions Council (GLEC) framework and gives us the ability to calculate our Scope 3 emissions across all modes of transport. We are pleased to report that we maintained our EcoVadis silver sustainability rating for another year.

Stolt Sea Farm established baselines for measuring environmental performance at its operations in France, Spain and Portugal and began analysing more detailed data for Norway and Iceland. An integrated quality, food safety and environmental management system including ISO 9001 and ISO 14001certifications was implemented across our operations in France, Spain and Portugal. This year our Norwegian operations also achieved their ISO 9001, ISO 14001 and Global GAP certifications. In Iceland, our operations are also Global-GAP-certified.

Reducing emissions

GRI 305

Stolt Tankers is, by far, the Company's largest greenhouse gas producer. It is focused on cutting emissions by 50% by 2030 (relative to 2008 levels), exceeding the IMO's target of achieving this reduction by 2050. In 2021, Stolt Tankers reduced its fuel consumption by 5% compared with 2020. This supported a reduction in greenhouse emissions of 5.5%.

Savings were achieved through several initiatives, including improved operational and technical efficiencies and fleet optimisation. Maintenance programmes were enhanced, with extra hull cleaning and propeller polishing, as well as the installation of several advanced propeller boss cap fins which make our ships more hydrodynamic. Further improvements were made to voyage planning, with speed and trim optimised according to real-time weather data. In 2021, capital funding of $5.1 million was also approved for a range of technology investments to reduce the carbon footprint of Stolt Tankers' managed ships over the coming years.

2021 saw two major new emission reduction initiatives at Stolt Tankers. Firstly, we became an official partner of the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping, which is committed to creating zero-carbon solutions for the maritime industry. As a partner, Stolt Tankers will directly contribute by seconding R&D and shipping experts, as well as using our vessels for testing.

Secondly, Stolt Tankers trialled the use of a marine biofuel produced from certified sustainable feedstocks. We assessed the viability of the future use of biofuels in both engines and boilers, testing the fuel's impact on consumption, power and reliability. Initial results were very positive – the equipment performed as expected, and the use of the second-generation biofuel resulted in an 80% to 90% reduction in well-to-exhaust carbon emissions when compared with traditional fuels.

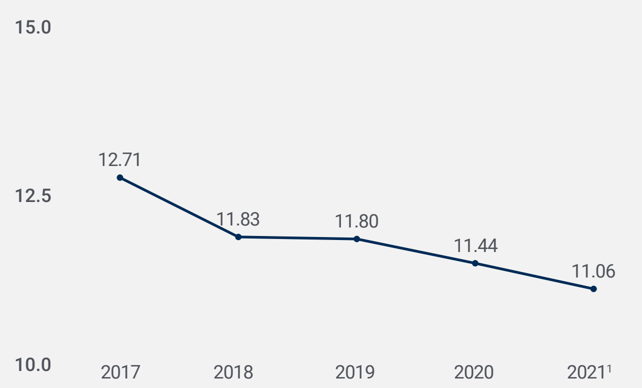
Other projects in 2021 included our ongoing work as a partner in the HySHIP project, which is designing a ship powered by liquid hydrogen. In March, we were a signatory to a two-year consortium agreement for Concepts of Ammonia/Hydrogen Engines for Marine Application (Cahema). We also joined a coalition to explore cold ironing, which has the potential to reduce emissions from chemical tankers by using electricity supplies in port rather than running ship engines.

Stolt Tankers uses the Annual Efficiency Ratio (AER) to calculate carbon intensity across its fleet. This is the first year Stolt Tankers has used AER – moving from the Energy Efficiency Operational Indicator (EEOI) to better align with IMO and shipping industry reporting.

Stolt Tankers' 2021 AER was 11.06, compared with 11.44 in 2020.

AER trend over the last five years

Gram CO_2 emitted per deadweight tonne of capacity and distance travelled.



1. Includes E&S Tankers fleet

Although its emissions of CO_2 are relatively low, Stolthaven Terminals is working on several projects to reduce them. Energy scans are being carried out at all our terminals, with the results informing detailed plans to transition sites to zero carbon.

Another emission reduction initiative was a joint trial in Houston, US with Stolt Tankers to treat waste shoreside instead of at sea. Not only were 5,800 m^3 of tank wash water directed to our onsite wastewater treatment plant, but the initial layby tank cleaning saved 139 tonnes of fuel.

Stolthaven Terminals also explored ways to reduce transport-related emissions. For example, Santos, Brazil partnered with a local nitrogen generation station to reduce carbon emissions by minimising the need for trucks to transport nitrogen. The partnership will deliver an estimated 24% saving.

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. As a result of these, our terminal in New Orleans, US, has achieved an 18.3% reduction in volatile organic compound (VOC) emissions between 2016 and 2020. We plan to roll out these techniques at our wholly-owned terminals to reduce our VOC emissions across our network.

Stolt Tank Containers' emissions benchmarking led to two priority initiatives in 2021: in Singapore, steam boilers were switched from diesel to gas, and in Moerdijk, the Netherlands we switched to renewable diesel, leading to a 90% reduction in carbon emissions. We also continued our ongoing emissions reduction projects such as reconfiguring depot floorplans, which reduces overall fuel use through more efficient container movements. In Houston, US, the updated configurations were fully implemented at the beginning of 2021.

Fish has one of the lowest carbon footprints of all animal-based protein sources. Stolt Sea Farm works to minimise emissions as much as possible across its operations and supply chain. In 2021, SSF worked with the National Association for Aquaculture in Spain to calculate the carbon footprint for turbot. This will help the industry drive down emissions in areas such as feed supply.

Managing energy consumption

GRI 302

In 2021, Stolt Tankers carried out a range of initiatives to improve the energy efficiency of its fleet, including installing variable frequency drives (VFDs) that regulate and save energy on pumps and mechanical devices. Investments of $1.5 million were approved to upgrade measuring and monitoring equipment across the fleet, which is essential to reducing fuel consumed. We also encourage sustainable behaviour on board ships, focusing on stopping equipment on time and optimising shaft generator usage, which saved 3,805 tonnes of fuel.

Stolthaven Terminals' main source of energy consumption comes from producing steam for heating products and cleaning tanks, as well as powering pumps and equipment for mixing and cooling. The amount of energy consumed depends on the products stored, the amount of product pumped and weather conditions. We continue to invest in improving heat exchange processes. We are also incorporating new technologies and deploying more efficient devices, such as using a fully solar solution for gear switching for the onsite train network in Houston, US. In addition, we expanded our programme of using airborne drones to identify energy leakages and unwanted emissions, using them in Houston, US and Singapore. This delivers major energy savings as there is no need to empty or clean tanks for inspection.

Stolthaven also increased its use of green energy this year. In Santos, Brazil, Moerdijk, the Netherlands, Dagenham, UK and our New Zealand terminals, 100% of electricity now comes from green sources. Our terminal in Singapore has 500 solar panels, which provide 160 MWh of electricity annually. We added solar panels at our Dagenham, UK site too, which are saving around 9MWh of electricity per year. To drive R&D in this area, Stolthaven continued working with the Technical University of Delft on the *Terminal of the Future* initiative, which is exploring what energy-efficient terminals of the future might look like.

Stolt Tank Containers began a project to track its energy use. This generated a baseline, which has led to the introduction of a range of improvement programmes including incorporating solar panels into upgrades at our depot in Kaohsiung, Taiwan and replacing exterior yard lighting with solar panel lights in Zhangjiagang, China. In Singapore, benchmarking showed substantial opportunities for reducing energy consumption by moving from diesel to gas boilers, and we are planning to install a natural gas pipeline at the depot.

Stolt Sea Farm operations require relatively high levels of energy to pump water around its farms from the sea. We are always looking at ways to boost the energy efficiency of this process, for example by installing variable frequency drives that optimise motor operations and upgrading pumps to more efficient models. We are powering our Spanish operations with 100% renewable energy. Major contributors to energy efficiency are our two new recirculation aquaculture system (RAS) farms, which are unique to us. In 2021, Stolt Sea Farm's energy consumption increased to 52,658.5 MWh, compared with 49,745.8 MWh, due to higher volumes of fish production during the year. Energy consumption per kilogramme of fish produced at our own facilities during the year was 9.03 KWh/kg in 2021, compared to 9.29 KWh/kg in 2020.

Growing Sustainably *(continued)*

Water conservation

GRI 303

During 2021, Stolt Tankers launched its electronic Tank Cleaning Manual (eTCM), a bespoke platform to define a common, more efficient cleaning standard across the fleet and reduce the resources involved in tank cleaning. The platform enables better information and best practice sharing, which helps to reduce water and chemical use, and fuel consumption. We also completed a pilot water conservation project called Cleaning Alongside, which involves cleaning tanks in port rather than at sea to allow wash water to be reclaimed. Six ships were involved in the pilot, during which 5,800 m^3 of wash water was reclaimed and 139 tonnes of fuel was saved, leading to a corresponding decrease in emissions.

At several Stolthaven Terminals facilities, we collect rainwater on site to use for tank washing and fire-hose testing, which reduces our reliance on mains water sources. For example, in Santos, Brazil, we are on track to double rainwater use from 7% (1,366 m^3) of onsite water consumption to 14% by 2022. In Houston, US, ongoing tank farm paving separates the storm water and chemical drainage systems, diverting approximately 16,565 m^3 of water away from the wastewater treatment plant. Since 2020, our Houston terminal has increased condensate collection from less than 10% to approximately 70%. Condensate collection systems were upgraded in New Orleans, US as well, with valve and pipe enhancements improving the recapture of heat energy, reducing water use and minimising the impact of treating water effluents.

Stolt Tank Containers implemented several water conservation initiatives in 2021. These included a project to map water consumption at our depot in Dubai, UAE, with additional flow meters installed to provide more detailed data. In Kandla, India we introduced a new process to collect rainwater for cleaning and repairs. The project is expected to reduce mains water consumption by between 20% and 30%.

Stolt Sea Farm selects locations for its farms to ensure access to the highest-quality water – and invests significantly to improve this. Our new RAS farms recirculate water continuously, minimising water consumption, and all our farms are designed and managed so that water in the outflow is as clean as at intake.

Managing waste

GRI 306 and 307

Stolt Tankers is part of the 5% of worldwide shipowners committed to working towards a sustainable blue economy. It 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 2021, we achieved an 11.4% reduction in waste to landfill from Stolt Tankers' shipping operations (2021: 5,964 m^3, 2020: 6,733 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.

Two ships were sent for recycling in 2021. 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. We are also a founding member of the Ship Recycling Transparency Initiative: www.shiprecyclingtransparency.org, an online platform reporting ship recycling against a set of predefined criteria.

Ships delivered for recycling hold an inventory of hazardous materials, and accredited auditor DNV 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. The Shree Ram Group's yards 78/81 and V7, used by Stolt Tankers, became the first in India to receive certification from Lloyd's Register Asia confirming they comply with Article 13 of EU Regulation 1257/2013. This certification moves both yards a significant step closer to receiving full EU approval.

To minimise the risk of spills and soil contamination across the Stolthaven Terminals network, we have invested in concreting tank pits and installing liquid-tight bunds to secondary containment areas. In the past year, we upgraded approximately 7,000 m^2 in Malaysia, and, as part of upgrades in Dagenham, UK, invested in 11,000 m^3 of new liquid-tight bund.

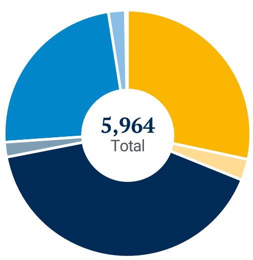
Stolthaven is also digitalising a range of processes to reduce paper use and improve accuracy through its *Connected Worker* programme. In 2021, we introduced wireless devices for operators at two terminals, as part of a paper reduction pilot. Operator paper use was cut to zero, and we are now deploying the devices across our network.

Interactive sessions on waste reduction for employees were also held at the Annual Safety Day at Houston, US, which included an environment station where all team members received reusable water bottles and useful information on how to recycle electronics, conserve water and dispose of household waste properly. Meanwhile, our terminal in Singapore led a recycling initiative with other local businesses. In total, 1.2 tonnes of electronics were collected and individual components including copper wire, plastic casings and other parts were reused.

At Stolt Tank Containers, we make ongoing improvements to our maintenance and repair processes to ensure tank containers can be used over many years. The average lifespan of each tank is around 20 years and more than 90% of materials are recycled when they reach the end of their lifecycle. Tank containers are far more sustainable than flexi-bags, which are discarded after each shipment. On average, each flexi-bag adds the equivalent of 7,000 single-use plastic carrier bags to landfill.

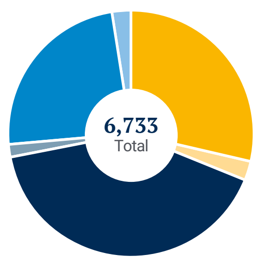
Stolt Sea Farm aims to achieve zero waste to landfill by 2030. In 2021, we achieved environmental management ISO 14001 certifications across all our operations, excluding Iceland. This certification provides clear baseline data and uniform criteria for driving progress towards this goal.

Waste to landfill 2021 M^3 [1]



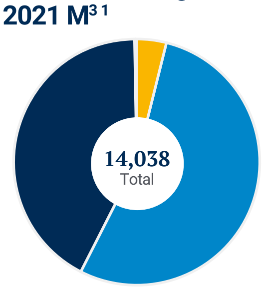
Plastics	1,701
Food waste	166
Domestic waste	2,425
Incinerator ashes	122
Operational waste	1,414
Other waste	135

Waste to landfill 2020 M^3 [1,2]



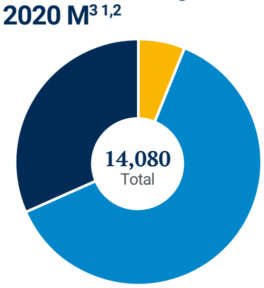
Plastics	1,929
Food waste	179
Domestic waste	2,749
Incinerator ashes	115
Operational waste	1,610
Other waste	151

Oil waste management 2021 M^3 [1]



Incinerated	563
To reception facilities	7,529
Through 15ppm oily water separator	5,946

Oil waste management 2020 M^3 [1,2]



Incinerated	879
To reception facilities	8,752
Through 15ppm oily water separator	4,449

1. Includes Stolt Tankers' shipping operations only.
2. Restated due to late reporting from some ships as those voyages were completed after the publication of our last Annual Report.

Promoting biodiversity and responsible farming

GRI 304

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. We have retrofitted a total of 62 ships as part of our efforts to install the most efficient water treatment plants across the fleet, making good progress towards our goal of covering 100% by 2024. We also completed our biofouling management plan, which is designed to protect the biodiversity of the oceans by eliminating the transfer of invasive species via our ships.

Many of the world's endangered habitats are where land meets the sea. Our terminals and depots are located in these areas, so we take particular care of the surrounding environment to protect native species. For example, Louisiana, US has some of the only swamp habitats left in the western world. In 2021, the team from our New Orleans terminal joined the Communities Restoring Urban Swamp Habitats campaign, planting 70 cypress trees to help rebuild habitat resilience across 40 acres of wetlands. Stolt Tank Containers' depot in Mumbai, India also organised a tree-planting drive at a local village as part of its ongoing sustainability programme. Members of the team worked with the Dighode village council to hold the event, which involved local children helping to plant fruit-tree saplings and learning about the importance of protecting the environment.

Stolt Sea Farm is committed to responsible farming and transparency. During 2021, we continued working with feed suppliers to evidence sustainable fisheries certifications for the fish meal and fish oil used in the formulation of our fish feed. We are also working with leading fish feed manufacturers to investigate new feed formulas with lower fishmeal and fish oil content, which reinforces our leadership position when it comes to preserving scarce natural resources. To ensure transparency and traceability, we are also looking at ways to improve labelling for all our products.

For more on our environmental performance, please visit: stolt-nielsen.com/sustainability/environment/

Growing Sustainably *(continued)*

People

Our people continued to demonstrate remarkable commitment and resilience during the second year of the pandemic. We enhanced our support in areas such as wellbeing, performance management and training to help them to rise to new challenges.

Indicator	2021 performance	Explanation	Business	Reference
Number of People Employed	**6,553** (2020: 6,402)	Our people, both at sea and onshore, are our most valuable asset.	Stolt Tankers, Stolthaven Terminals, Stolt Tank Containers, Stolt Sea Farm	• GRI 102-7 • GRI 102-8 • See page 38
Employees by Gender	**67.8%** ↓ Male (2020: 69.8%) **32.2%** ↑ female (2020: 30.2%)	Stolt-Nielsen is committed to promoting a diverse and inclusive workforce. We are working to improve the gender balance across our operations.	Stolt Tankers, Stolthaven Terminals, Stolt Tank Containers, Stolt Sea Farm	• GRI 405-1 • See pages 35, 38 and 39
Senior Managers by Gender	**79.4%** ↔ male (2020: 79.6%) **20.6%** ↔ Female (2020: 20.4%)	We improved our Board diversity during the year and at Stolt Tankers we aim to have shortlists that are 50% female for all onshore roles. We are developing support groups, mentoring, and coaching programmes to help more women advance.	Stolt Tankers, Stolthaven Terminals, Stolt Tank Containers, Stolt Sea Farm	• GRI 405-1 • See page 39
Voluntary Employee Turnover	**4.0%** ↑ (2020: 3.0%)	Like many organisations 'Covid churn' meant we experienced an increase in voluntary turnover during 2021. However, our voluntary employee turnover remains lower than comparable industry benchmarks.	Stolt Tankers, Stolthaven Terminals, Stolt Tank Containers, Stolt Sea Farm	• GRI 401-1 • See pages 35 and 39
'Speak Up' Reports	**16** ↔ (2020: 15)	The number of 'Speak Up' reports was steady for 2021. All reports are taken seriously and investigated thoroughly.	Stolt Tankers, Stolthaven Terminals, Stolt Tank Containers, Stolt Sea Farm	• GRI 102-17 • See page 36

Business key

Stolt Tankers　Stolthaven Terminals　Stolt Tank Containers　Stolt Sea Farm

Performance key

↑ Increase since prior year　↓ Decrease since prior year　↔ No change from prior year

Ongoing transformation, rising engagement

2021 marked the second year of our *Going Further* business transformation programme, which harnesses the talents of our people along with technology, innovation and process optimisation to ensure we achieve our strategic goals. It also marked the end of *Workforce Vision 2021*, our three-year people strategy. *Workforce Vision 2021* provided a structure for empowering teams and strengthening our culture and included five drivers aligned to business needs: inspirational leadership, recruitment and onboarding, talent management, learning and development, and reward strategy.

This year, we implemented a range of HR, learning and development, and digitalisation initiatives to boost our agility and further embed 'The Stolt Way' as we continued adapting to new ways of working. These included enhancing our HR operating model to streamline processes and develop an HR data analytics framework with KPIs for measuring performance and driving continuous improvement.

We pride ourselves on being an employer of choice in our industries, with competitive benefits and fair remuneration. Stolt-Nielsen (SNL) compensates employees through salaries and short- and long-term incentive plans comprising cash rewards and benefits. In February 2021, our profit-sharing and performance incentive plans made payments of $6.65 million. These included rolled-over payments held back by the Compensation Committee in 2020 due to low profit levels.

Promoting employee wellbeing

GRI 404

Employee wellbeing and resilience are key elements of our people strategy and transformation programme – and they remained a central focus in 2021 as the pandemic continued to present challenges.

For the first time in SNL's history, we completed a global wellbeing survey. With an 81% response rate, the results showed that 90% of people felt they could rely on both their personal network and the Company's leadership to make the right decisions in managing through the pandemic. It revealed that 81% of respondents feel they could work effectively, although 32% asked for additional support in terms of new equipment, workload planning and communication to help boost effectiveness and engagement.

Based on the feedback, we took actions including increasing communication about hygiene protocols and local government guidelines as restrictions changed, making a 'rest-and-break' software application available to help staff improve ergonomics while working at screens; holding more townhalls and virtual meetings to increase engagement; and providing online remote team management training for leadership.

We also enhanced mental health support and resilience training based on survey feedback. This included launching a new module called 'What is Resilience?' on our learning platform, as well as developing an e-learning module to help employees nurture skills for reducing the impact of adversity.

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

Growing Sustainably *(continued)*

Supporting seafarer welfare

Seafarers are some of the unsung heroes of the Covid-19 pandemic and have made huge personal sacrifices. Stolt Tankers is committed to their fair treatment and welfare – a commitment that has been reinforced during the past two years.

Due to lockdowns and international travel restrictions, our crews – like those across the entire shipping industry – were unable to join or leave ships at scheduled times. Our sea personnel team worked tirelessly to enable smooth crew changes, rerouting ships to ensure people could return to their families on time. We also continued to work with airlines and authorities worldwide to advocate for recognition of the essential role seafarers play in global supply chains.

We supported our seafarers in many ways during this challenging year, including providing access to the Covid-19 vaccine regardless of whether it was available in people's home countries. To protect our seafarers, customers and supply chains, vaccination became mandatory for everyone joining Stolt Tankers ships from November 15, 2021. As of the date of this report, more than 90% of our seafarers are vaccinated, and we have begun the roll out of boosters.

We also focused on ways to increase seafarer engagement. We maintained close communication links with ships, provided ongoing support from onshore teams, delivered enhanced Company information through our mobile app and conducted regular leadership visits via video conferencing. All in-house training was digitalised, and we introduced three detailed mental health modules and four resilience sessions, which had 100% participation and benefited more than 4,500 people.

In addition, we continued to offer seafarers a range of other benefits to promote wellbeing and support recruitment and retention. These included:

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

Improving the employee experience

GRI 401

As part of efforts to leverage innovation through the *Going Further* programme, 2021 involved a deep look at the employee experience and associated opportunities for digitalisation.

To improve employee communication, we introduced more virtual townhalls with leadership teams and live question-and-answer sessions. We also standardised HR policies globally, simplifying them and enhancing the employee value proposition to make both the benefits and expectations associated with a career at Stolt-Nielsen clearer. Tailored content was also developed and shared on our *StoltWorld* intranet, creating a convenient, self-service way for people to access the information that matters most to them – from policies and performance management to training schedules and annual leave requests.

During the year, we optimised the employee experience in other ways, too. During the pandemic, we learned that many of our roles can deliver the same high-quality service wherever they are located, so we introduced a new working-from-home policy. We also implemented a new global onboarding process for new starters that includes a buddy system.

Ongoing employee engagement is central to our success. In 2021, we conducted employee engagement surveys with Stolt Tankers, Stolthaven Terminals, Stolt Tank Containers and Stolt-Nielsen corporate functions, which had a high response rate of 81%. Employees had a positive view of the Company, rating it above logistics industry benchmarks in areas such as training, workload and remuneration. Of the respondents, 70% of people said the Company provides good opportunities for personal development and growth (industry benchmark: 66%), and 71% stated that they were not seriously considering leaving the Company (industry benchmark: 63%).

Areas for improvement included non-financial recognition, which reflected challenges around celebrating achievements together during the pandemic. In response to this feedback, we have launched several initiatives, such as introducing training on recognition in our *Slashed Zero* programme and deploying tools to make recognition easier and more impactful. For example, in Houston, US, we launched the *Bonusly*, which provides a central platform for rewarding colleagues' achievements. In Manila, the Philippines, we introduced the *Kudos Kart* rewards programme, where staff are awarded points for their achievements, which they can exchange for exclusive Stolt-Nielsen merchandise.

Stolt Sea Farm also conducted an employee 'work climate survey' during the year. The results were very positive, with the majority of employees considering the Company both responsible and fair. We identified several areas where we can focus our efforts in the coming year, including communications and training.

Developing and retaining staff

GRI 404

A key element of *Going Further* is empowering people to make decisions within their role – so they enjoy the fulfilment that comes with delivering world-class services and products, and making a real difference to customers and colleagues.

Our learning and development approach reinforces this, as does our commitment to fair rewards and broad opportunities. We are proactive in helping people develop their careers, identifying skills needed to progress within their current roles and as future leaders. Our learning management system tracks training and helps people apply their learning in day-to-day work.

Two major initiatives during 2021 were our *Learning@Stolt* online platform and our *leadership development overview (LEAD)* programme. *Learning@Stolt*, created in partnership with Skillsoft, brings together our own and third-party training in a user-friendly, on-demand platform. We rolled it out to managers this year, and it will ultimately become available to all employees.

To support professional development and retention, we updated our performance review processes in 2021. We moved away from evaluating employees on specified attributes and started evaluating performance based on our corporate values, which ensures people are better aligned with the Company's vision and culture. To help strengthen relationships with managers and ensure people feel their successes are recognised, we aim to make performance conversations positive, collaborative experiences with 360-degree feedback. 100% of those eligible received a performance review in 2021.

Overall employee turnover increased during 2021 to 7.5% (2020: 6.1%). Our voluntary turnover remains lower than comparable industry benchmarks. In 2021 voluntary turnover was 4.0% (2020: 3.0%).

Fostering a diverse and inclusive place to work

GRI 405

Our people represent more than 50 nationalities. We are proud of our diversity and committed to providing an inclusive and safe environment that celebrates differences. We do this by:

- Encouraging people to share their ideas and experiences
- Listening 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.

We take our Equal Opportunities Policy seriously: recruiting, training and developing the best people regardless of gender, ethnic origin, age, religion or belief, marriage or civil partnership, pregnancy or parenthood, sexual orientation, gender identity or disability.

As of the end of 2021, almost 800 employees, including our senior management team, had completed an online training module on recognising and challenging unconscious biases. As part of our wider diversity and inclusion efforts, Stolt Tankers aims to have shortlists for onshore vacancies that are 50% female for all roles. In addition, Stolt Tankers has designed a new style of boilersuit to be more suitable and comfortable for female colleagues on ship and shore.

In 2021, Stolthaven Terminals published its diversity and inclusion statement and, through an employee engagement survey, created relevant data baselines for each terminal. We also encouraged applications from female candidates and under-represented cultures for all positions at Stolthaven's headquarters in Rotterdam, the Netherlands.

Stolthaven is also taking a more prominent leadership position globally when it comes to diversity and inclusion. We joined the Women's International Shipping & Trading Association (WISTA), whose mission is to attract and support women in management levels in the maritime, trading and logistics sectors. Stolt-Nielsen's Chief HR Officer Anne van Dassen Müller also participated in the European Petrochemical Association (EPCA) Diversity Board.

This year, Stolt Sea Farm began an equality plan for the next four years in consultation with employees and agreed to by five trade unions in Spain. We conducted a global survey, which informed diversity and inclusion strategies in areas such as recruitment, career development and communication. No significant differences were found between men and women with regard to salaries or fair treatment.

Growing Sustainably *(continued)*

Promoting ethical working

GRI 102 and GRI 205

We are proud of our reputation for doing the right thing, 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. In 2021, the Board approved an update, which included additional guidance on complying with local and international laws on data protection and privacy, combatting financial crime and eliminating modern slavery. 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. In 2021, 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/

Our Speak Up culture

GRI 102

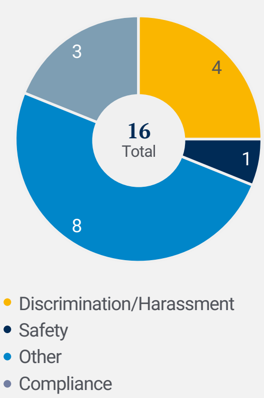
We encourage employees to raise concerns about unethical behaviour and any potential, suspected or actual breaches of our Code of Business Conduct with their local managers, HR or legal representatives.

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 Operational Audit with oversight from the Audit Committee.

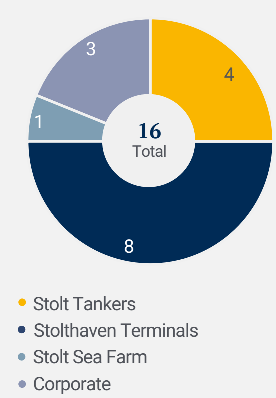
In 2021, 16 (2020: 15) Speak Up reports were received and thoroughly investigated. The relatively high number in the 'other' category related to broad employee relations issues that were all addressed.

Speak Up reports

By type



By business



Protecting human rights

GRI 408 and GRI 409

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. In addition, Stolthaven Terminals' and Stolt Tank Containers' sustainability policies include commitments to upholding internationally proclaimed human rights and preventing child labour. We are dedicated to ensuring everyone is treated fairly and that correct safety procedures are always followed, including the wearing of appropriate personal protective equipment.

These commitments extend across the supply chain. 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. In 2021, Stolt Tankers implemented a new responsible procurement agreement in which suppliers commit to freedom of association, the right to collective bargaining, the abolition of forced and child labour, and the prohibition of discrimination. 100% of new suppliers have signed up to the agreement and we have updated our requirements for when we renew contracts with existing suppliers.

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 on site per vessel to ensure workers' rights and conditions are always protected. Onsite surveyors monitor the process from start to finish in areas such as safe working practices and compliance. During ship recycling, each month we randomly validate the status, permits, salary and insurance for five workers to mitigate against human rights breaches. We are also rigorous in enforcing health and safety protocols to protect workers, and in 2021 we upgraded on site medical facilities and purchased a new ambulance to ensure staff have access to rapid treatment should the need arise.

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 2021* here: stolt-nielsen.com/sustainability/modern-slavery-and-human-trafficking-statement-2021/

Ensuring compliance at sea

Stolt Tankers' ships operate with valid International Transport Workers' Federation (ITF) union agreements on collective bargaining for all seafarers on board. 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

GRI 413

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.

In 2021, we re-launched the Stolt-Nielsen Employee Disaster Relief Fund to support our staff in New Orleans, US who were impacted by Hurricane Ida. All our colleagues were accounted for and safe, but many experienced financial hardship in the aftermath. For every $1.00 donated to the Fund, Stolt-Nielsen contributed $2.00. In Rotterdam, the Netherlands, $5,700 was donated to Het Vergeten Kind, a charity that supports vulnerable children, and in London, UK $6,500 was donated to the homelessness charity Shelter. In Santos, Brazil, employees donated 350 food boxes to families living nearby who were experiencing financial difficulties due to the pandemic. Santos employees also donated hygiene products to the local community.

At Stolt Sea Farm, where we depend on local communities for our workforce, we renewed our partnership with the municipality of Camariñas in Galicia, Spain, sponsoring their event 'Mostra do Encaixe' dedicated to embroidery artisans. This important celebration attracts visitors from all over Spain and around the world and during the pandemic continued to be held virtually. During the summer we supported the annual 'Cofradia de Pescadores de Lira' food festival. Attendees sampled the fine seafood caught by local fishermen, as well as our farmed turbot, demonstrating that aquaculture and fishing activities can complement each other.

Growing Sustainably *(continued)*

Recruitment

Number of people employed[1]

	2021			2020		
Region	**Sea personnel**	**Onshore staff**	**Total**	Sea personnel	Onshore staff	Total
Europe	1,067	979	2,046	1,065	931	1,996
North America	1	506	507	2	518	520
Asia	3,060	704	3,764	3,038	633	3,671
Rest of world	15	221	236	15	200	215
Total Group	**4,143**	**2,410**	**6,553**	**4,120**	**2,282**	**6,402**

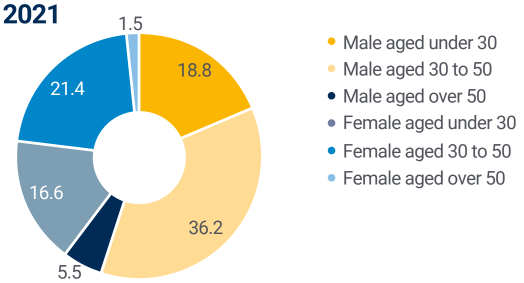
1. As at November 30.

New employees by gender and age[2]

	Male				Female				Aged under 30	Aged 30 to 50	Aged over 50	
	Aged under 30	Aged 30 to 50	Aged over 50	Total	Aged under 30	Aged 30 to 50	Aged over 50	Total	Total	Total	Total	Total new employees
2021	**86**	**166**	**25**	**277**	**76**	**98**	**7**	**181**	**162**	**264**	**32**	**458**

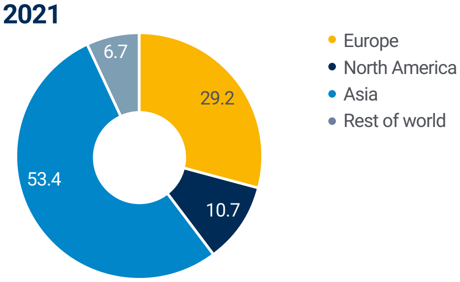
New employees by gender and age (%)[2]

2021



New employees by region (%)

2021

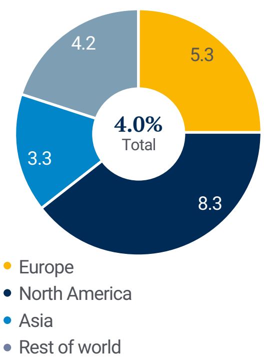


2. All gender data excludes sea personnel due to shipping traditionally being a very male-dominated industry with limited female entrants. Only 0.4% of our seafarers are female.

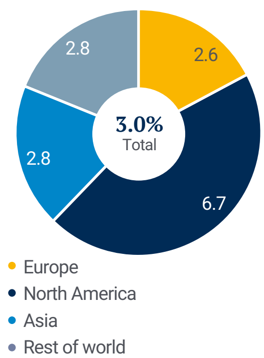
Turnover

Voluntary employee turnover (%)

2021

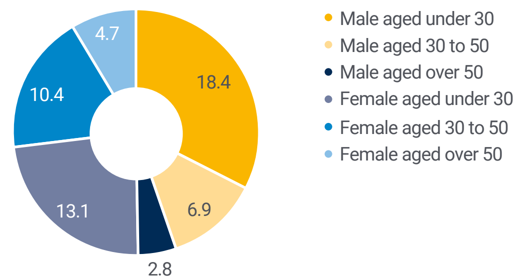


2020



Voluntary employee turnover by gender and age (%)[1]

2021



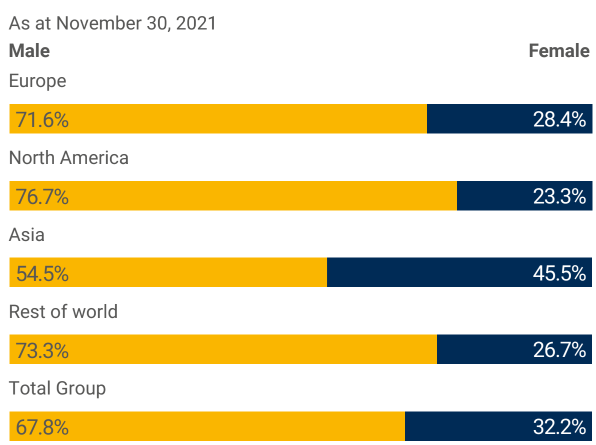
Employee turnover by region

	2021			2020		
Region	**Voluntary leavers**	**Voluntary employee turnover**	**Total employee turnover**	Voluntary leavers	Voluntary employee turnover	Total employee turnover
Europe	109	5.3%	9.4%	52	2.6%	5.3%
North America	42	8.3%	12.8%	35	6.7%	13.7%
Asia	126	3.3%	8.5%	102	2.8%	5.4%
Rest of world	10	4.2%	9.3%	6	2.8%	6.5%
Total group	**267**	**4.0%**	**7.5%**	**195**	**3.0%**	**6.1%**

Gender Diversity

Gender breakdown of employees by seniority[1]

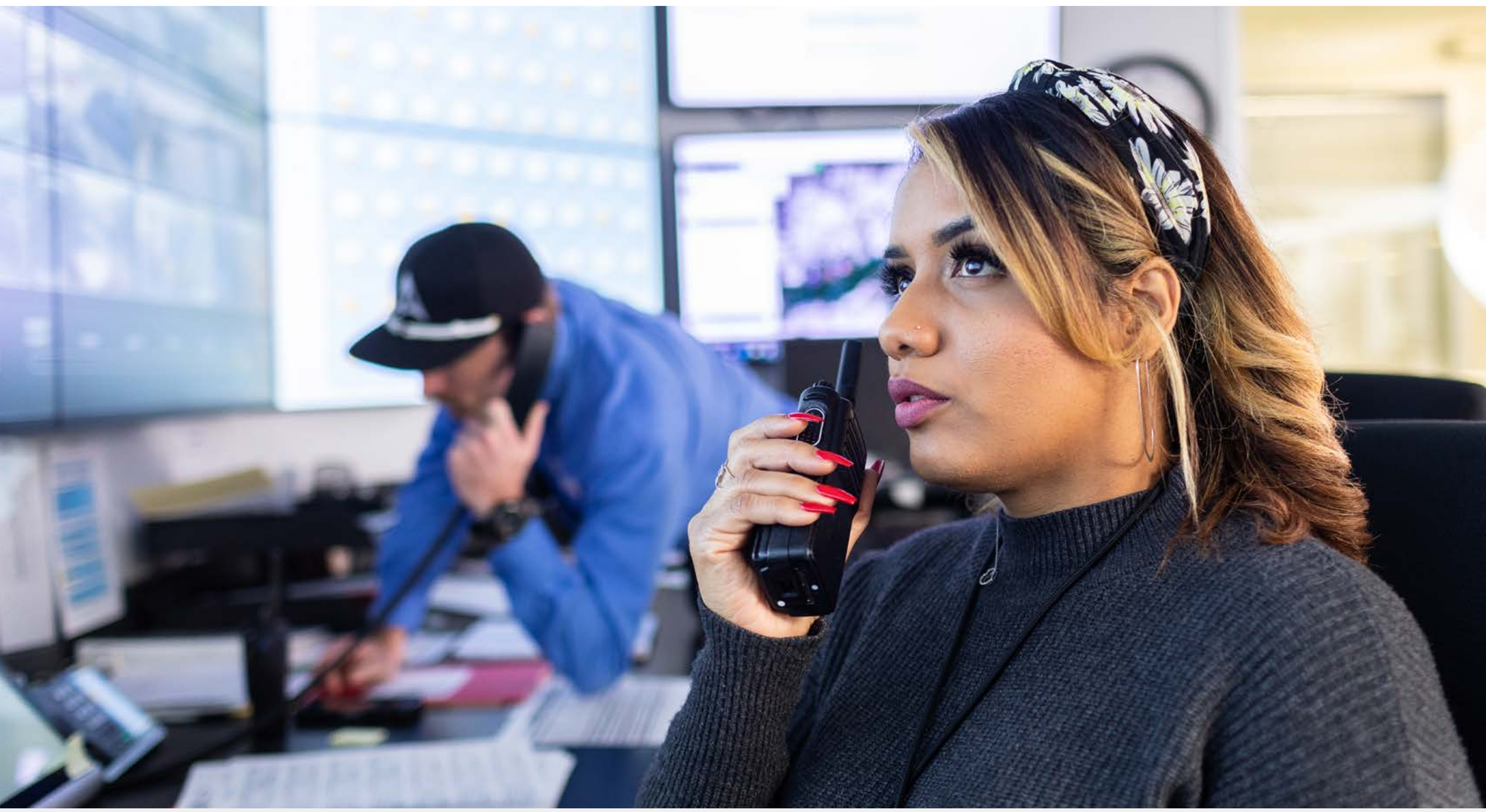
Percentage of people employed by gender[1]



1. All gender data excludes sea personnel due to shipping traditionally being a very male-dominated industry with limited female entrants. Only 0.4% of our seafarers are female.

Corporate Governance

Stolt-Nielsen is subject to Corporate Governance regulations under the Norwegian Code of Practice for Corporate Governance. The Company's Corporate Governance Report is prepared in accordance with section 4.4. of the Oslo Børs Rule Book II – Issuer Rules.



Chairman's Statement

"The Board's role is vital in shaping Stolt-Nielsen as an industry leader and sustainable business."

The Board and I are committed to upholding the best interests of Stolt-Nielsen Limited (SNL) shareholders. From people and culture to safety and the environment, the Board's role is vital in shaping SNL as an industry leader and sustainable business.

As Chairman, one of my key responsibilities is ensuring the Board has a wide range of experience. This breadth helps us carry out our vital governance role on behalf of shareholders – allowing us to support and challenge the management team as it shapes the strategy.

I am also responsible for ensuring stakeholder interests are effectively and comprehensively considered on issues such as regulation, sustainability and health and safety. This includes chairing regular Board meetings to confirm that internal controls and risk management systems are being executed appropriately.

I also oversee the operational audit function. This ensures SNL is compliant with regulations and Company policy, particularly in financial reporting. 'Speak Up' is an online reporting system that anyone can use to flag concerns about our business (see page 36). The operational audit function manages 'Speak Up', and I oversee processes for investigating any concerns raised.

In January 2022, it was announced, that I will step down as your Chairman and that Niels G. Stolt-Nielsen will succeed me, subject to shareholder approval and once a new CEO has been appointed. It has been an honour to serve as Chairman for the past six years and I look forward to continuing to contribute to the Board as Director, Chairman of the Audit Committee and a member of the Compensation Committee. Niels has the business acumen and the empathy needed to make an outstanding Chairman, and he carries the culture of Stolt-Nielsen, which has been vital to our success, deep inside of him. I wish him every success.

Each Director is elected by SNL shareholders and is required to put common interests first. The Board's primary role is to ensure good governance, risk management and financial controls are in place on behalf of shareholders. Board members hold positions on two committees. The Audit Committee assures the accuracy of financial reporting, while the Compensation Committee ensures the remuneration and benefits structure is competitive.

In April 2021, we welcomed Janet Ashdown to the Board. Janet is a highly experienced Director who has served on the boards of four FTSE 250 companies operating across a range of industries. She also brings expertise from her 30-year career at BP plc, where she managed complex supply chain operations and distribution processes, gained expertise in markets that are key for SNL and developed a strong interest in the energy transition and ESG agenda.

The SNL Board has eight members, five of whom are independent. It follows the provisions set out in the Norwegian Governance Code (see page 44), and I am confident it effectively discharges its responsibilities.

Knowledge sharing and oversight

Together, the Directors bring a wealth of expertise and perspectives. We strive to expand our knowledge to provide effective guidance. To act in the Company's best interests and support management with decision-making, Directors need an in-depth, up-to-date understanding of SNL business operations.

During 2021, the SNL Board of Directors and Audit Committee held one meeting in Bermuda and three virtual Board meetings. Each business presents updates to the Board throughout the year, and Directors also receive quarterly safety, and monthly management reports, which provide insight into market trends and the position and assets of each business. Directors also meet regularly with senior management and participate in strategic and operational reviews. Unfortunately, due to Covid-19 restrictions, Directors were unable to conduct in-person visits to SNL facilities and assets in 2021.

A sustainable business

The Board is committed to embedding sustainability throughout the strategy and operations of Stolt-Nielsen. This includes formulating, communicating and measuring targets for improving safety, protecting the environment, ensuring employee wellbeing and implementing effective quality management systems. We have established ambitious targets for reducing our environmental impact in line with the UN Global Compact (UNGC), to which SNL is a signatory. 2021 marked a breakthrough year in our environmental agenda, with comprehensive efforts to establish data baselines and reporting practices. These baselines provide a better understanding of our impact, which puts SNL businesses in a strong position to meet our goals. 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 SHEQ are outlined on pages 36 and 20-23 of this report and can also be viewed at www.stolt-nielsen.com. During 2021, everyone at SNL demonstrated their flexibility and resilience as the pandemic continued. The tools and processes launched in 2020 continued to enable safe, efficient operations. On behalf of the Board, I would like to extend our sincere gratitude to all employees for their extraordinary efforts and commitment to each other and our customers throughout 2021. They truly embody 'The Stolt Way' – our longstanding commitment to excellence, collaboration, pragmatism and creativity.

Samuel Cooperman
Chairman of the Board

Corporate Governance *(continued)*

Board of Directors

1. Samuel Cooperman

2. Niels G. Stolt-Nielsen

3. Janet Ashdown

4. Jan Chr. Engelhardtsen

5. Rolf Habben Jansen

6. Håkan Larsson

7. Jacob B. Stolt-Nielsen

8. Tor Olav Trøim

Committee Chairman
A Audit Committee
C Compensation Committee

1. Samuel Cooperman

Chairman of the Board of Directors, Audit Committee Chairman and Compensation Committee Member

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 a member of the Compensation Committee in 2016.

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 Ashdown is an independent Board member and was appointed as a Director of Stolt-Nielsen Limited in April 2021.

Experience

Ms Ashdown is a highly experienced Non-Executive 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 Business, Energy and Industrial Strategy, UK.

4. Jan Chr. Engelhardtsen

Director and Audit Committee Member

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 a Norwegian 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. Håkan Larsson

Director, Compensation Committee Chairman, and Audit Committee Member

Appointment

Mr Håkan Larsson is an independent Board member. He has served as Chairman of the Compensation Committee since 2016 and has been a member of the Audit Committee since 2009. He joined the Board of Stolt-Nielsen Limited in June 2007.

Experience

Mr Larsson was Chief Executive Officer of Schenker AG from 2000 to 2003 and of Rederi AB Transatlantic from 2003 to 2007. Since 2007, he has held numerous board-level positions. Mr Larsson holds a Bachelor of Economics degree from the Gothenburg School of Economics and is a Swedish citizen.

Other appointments

Mr Larsson is Chairman of Valea Holding AB and Helian AB. He is also a Director of Viking Supply Ships AS.

7. 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. In 2003, Mr Stolt-Nielsen became Executive Vice President of Stolt-Nielsen Limited and in 2012 he 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 and New York Cruise Lines, Inc.

8. 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 *(continued)*

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: 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 Growing Sustainably 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 US $65,016,250, divided into 65,000,000 Common Shares, each with a par value of US $1.00, and 16,250,000 Founder's Shares, each with a par value of US $0.001. As of November 30, 2021, 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: 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 be after the payment, 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: stolt-nielsen.com/investors/share-price-information/ and the SNL Bye-Laws at: 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 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 outlined in Bye-Law 74 of the SNL Bye-Laws, which are available at: 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 the 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 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, 2021, Fiducia Ltd. controls 64.82% 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 66.27% 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.

Corporate Governance *(continued)*

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 is 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.

Five of the current eight SNL Directors, namely Samuel Cooperman, Janet Ashdown, Rolf Habben Jansen, Håkan Larsson 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 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: 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.

9. The Work of the Board of Directors

Board Meetings

The Board of Directors, acting as a collegiate body, has 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. Each member of the Audit Committee shall 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 Operational 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 member of the Compensation Committee shall 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: 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 transactions would 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 to 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 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 Operational 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 Operational 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: report.whistleb.com/en/stolt-nielsen

Deviation from the Norwegian Code of Practice: none.

Corporate Governance *(continued)*

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 senior 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 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. Takeovers

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.

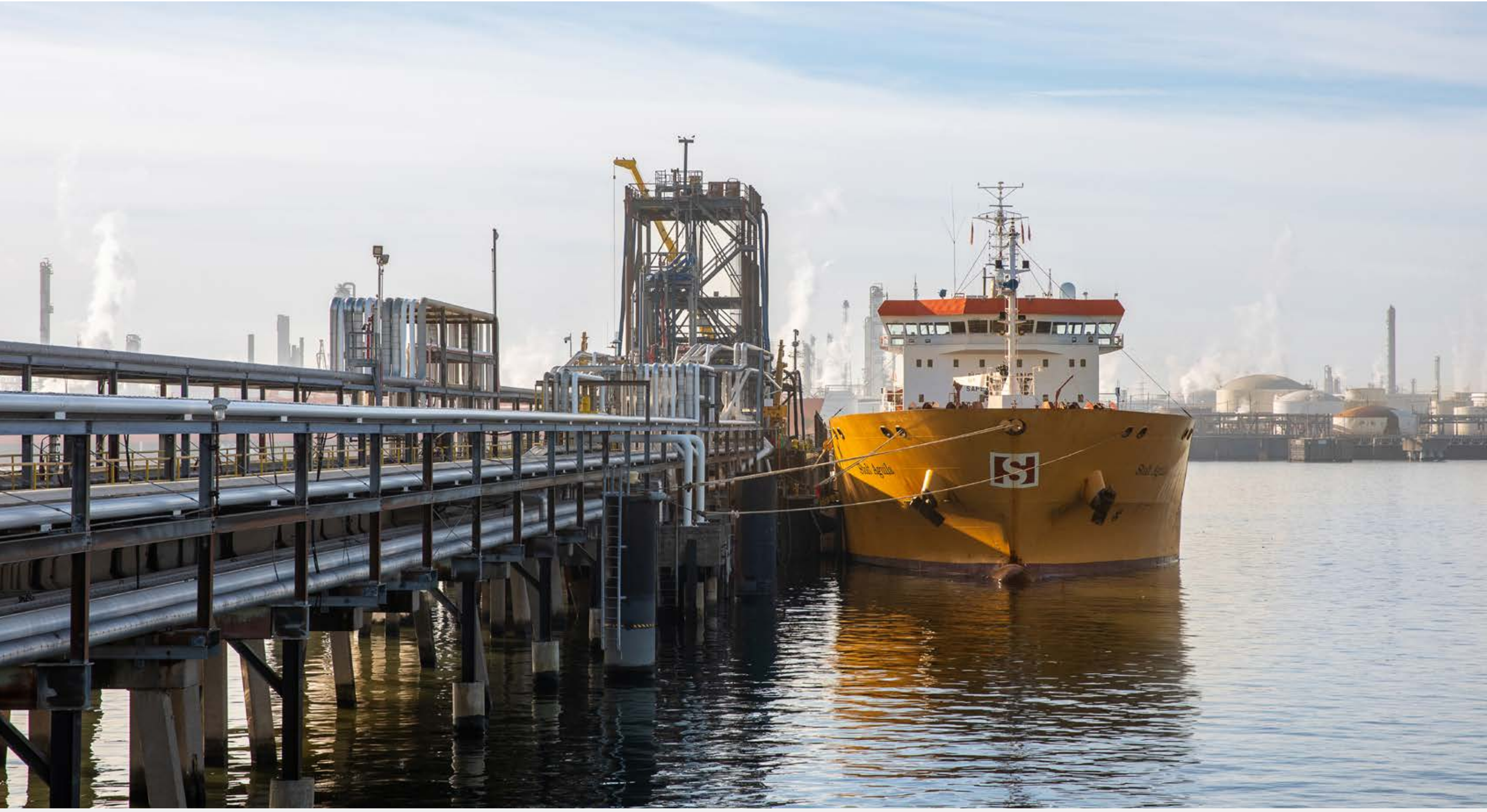
The Independent Auditor shall participate in meetings of the Audit Committee that deal with the annual accounts and half-year results. At these meetings, the Independent Auditor shall comment on any material changes in the Company's accounting principles and material management estimates and judgements, 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

Independent Auditors' Report

Financial Statements

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, 2021 and 2020. This discussion consists of:

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

Results of Operations

Below is a summary of SNL's consolidated financial data for November 30, 2021 and 2020:

(in thousands)	For the years ended November 30, 2021	2020
Operating Revenue	**$ 2,181,082**	$ 1,955,136
Operating expenses	**(1,459,706)**	(1,308,904)
Depreciation and amortisation	**(295,459)**	(292,262)
Impairment of assets	**(10,000)**	(12,394)
Gross Profit	**415,917**	341,576
Gross margin	**19.1%**	17.5%
Share of profit of joint ventures and associates	**39,470**	32,437
Administrative and general expenses	**(220,464)**	(187,679)
Reversal of impairment on joint venture loan	**–**	3,557
Loss on disposal of assets, net	**(3,010)**	(794)
Other operating income	**2,218**	1,640
Other operating expense	**(436)**	(810)
Operating Profit	**233,695**	189,927
Operating margin	**10.7%**	9.7%
Non-operating income (expense):		
Finance expense – finance leases	**(11,072)**	(9,478)
Finance expense – debt and other	**(116,212)**	(129,884)
Finance income	**2,375**	3,695
Foreign currency exchange loss, net	**(2,673)**	(5,258)
Other non-operating expense, net	**(2,902)**	(1,525)
Profit from continuing operations before income tax	**103,211**	47,477
Income tax expense	**(24,405)**	(8,321)
Profit from Continuing Operations	**78,806**	39,156
Loss from discontinued operations	**–**	(13,788)
Net Profit	**$ 78,806**	$ 25,368
Attributable to:		
Equity holders of SNL	**$ 78,806**	$ 26,295
Non-controlling interests	**–**	(927)
	$ 78,806	$ 25,368

(in thousands)	For the years ended November 30, 2021	2020
Profit before one-time items	**$ 89,306**	$ 47,993
One-time items:		
Impairment of assets	**(10,000)**	(12,394)
Distribution from insurance company	**12,500**	–
Reversal of impairment on joint venture loan	**–**	3,557
Stolt Groenland loss, net of insurance settlement	**(13,000)**	–
Profit from Continuing Operations	**$ 78,806**	$ 39,156

Consolidated Income Statement

Profit from continuing operations of SNL was $78.8 million for 2021, compared with $39.2 million in 2020. Excluding the one-time items described in the table on the previous page, profit from continuing operations was $89.3 million for 2021, compared with $48.0 million in 2020, or a $41.3 million improvement. The most significant factors affecting SNL's performance in 2021 were:

- Stolt Tankers reported an operating profit of $68.8 million, a decrease of $15.8 million or 18.7% compared to the prior year operating profit of $84.6 million. Higher variable time charter expenses, ship owning costs and loss on sale of assets more than offset the improvement in deep-sea freight and demurrage revenue.
- Stolthaven Terminals reported an operating profit of $62.3 million compared to $68.8 million in 2020 primarily as a result of higher operating and administrative and general expenses.
- Stolt Tank Containers (STC) reported an operating profit of $81.6 million, up from $51.2 million in 2020, an increase of $30.4 million or 59.4%. The increase was largely the result of an increase in transportation margins due to tight capacity, increases in demurrage from logistical bottlenecks and customers holding on to tanks longer, and higher ancillary revenues.
- Stolt Sea Farm reported an operating profit of $24.4 million, compared with an operating loss of $8.4 million in 2020, a $32.8 million improvement. Excluding the fair value on the biological assets in both years, operating profit increased by $10.4 million. This was due to the higher turbot and sole prices and sales volumes as 2020 had been significantly impacted by Covid-19 and as the new sole farms in Spain and Portugal had a full year of operations.
- Stolt-Nielsen Gas reported an operating profit of $2.1 million in 2021 versus a loss of $4.0 million in 2020. The profit 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 $5.5 million, compared to the prior year loss of $2.3 million.
- SNL concluded its sale of the Caviar division in 2020 and recorded a loss from discontinued operations of $13.8 million in that year.

Operating revenue

Operating revenue was $2,181.1 million in 2021, which was 11.6% higher than in 2020, mainly owing to higher freight rates at Stolt Tank Containers, higher bunker surcharge revenue at Stolt Tankers and higher volumes sold and sales prices for turbot and sole at Stolt Sea Farm.

Stolt Tankers' revenue increased by $52.5 million, mainly due to a $36.8 million increase in deep-sea bunker surcharge revenue and $9.9 million higher deep-sea freight revenue. The higher bunker surcharge revenue was caused by the 25.5% increase in bunker prices compared to last year. Deep-sea freight revenue increased mainly due to a higher number of ships in the deep-sea fleet and 1.3% higher average freight rate.

Stolthaven Terminals' revenue increased by $5.1 million compared to 2020, an increase of 2.1%. This increase was primarily due to higher operating revenue in New Orleans, Singapore and Dagenham, partially offset by a decrease in the average utilisation rate to 90.9% in 2021 from 92.4% in 2020.

Stolt Tank Containers' revenue increased by $141.8 million, or 27.2%, in 2021 largely due to the impact of increased freight rates and an 8.4% increase in shipments combined with increased demurrage and ancillary revenues of $19.3 million.

Stolt Sea Farm's operating revenue increased by $28.8 million, or 36.1%, in 2021 as a result of higher volumes sold and higher sales prices for turbot and sole .

Gross profit

SNL's gross profit increased by $74.3 million or 21.8% to $415.9 million in 2021 compared to the prior year, reflecting higher transportation margins at Stolt Tank Containers and higher volumes sold and stronger price recovery for turbot and sole at Stolt Sea Farm.

Stolt Tankers' gross profit decreased by $0.2 million in 2021, to $156.5 million, as the increase in revenues was offset by $32.3 million higher bunker costs, more variable time charter hire expenses and an increase in ship management costs.

Gross profit for Stolthaven Terminals was $78.1 million in 2021, compared with $79.1 million in 2020, a decrease of $1.0 million. Gross profit decreased from the impact of higher personnel, utilities and maintenance costs, partially offset by higher operating revenue.

Stolt Tank Containers saw an increase in gross profit of $36.4 million to $153.8 million as a result of increased shipments and improved margins per shipment between the years.

Stolt Sea Farm's gross profit increased by $35.7 million to $32.4 million from a loss of $3.3 million, as a result of a strong market demand in the second half of the year that allowed higher sales volumes and higher sales prices, as well as higher fair value on biological assets.

Share of profit of joint ventures and associates

SNL's share of the profits from non-consolidated joint ventures and associates in 2021 was $39.5 million, up from $32.4 million in 2020.

Stolt Tankers' share of profit from joint ventures decreased by $1.8 million to $9.1 million while Stolthaven Terminals' share of profit increased by $3.8 million to $29.9 million. See the Business Segment Information section for further discussion. The Group's investment in Avenir also improved by $3.1 million as ships were delivered in 2020 and 2021.

Administrative and general expenses

Administrative and general expenses were $220.5 million in 2021, up from $187.7 million in 2020, an increase of $32.8 million. This was largely due to preventive measures taken during 2020 to counteract the potential effects on liquidity of Covid-19. Measures included a Company-wide hiring freeze, travel ban and reduction in the use of consultants, which have since been relaxed. In addition, profit sharing and long-term incentive expenses were higher in the current year due to improved earnings.

Reversal of impairment on joint venture loan

The Group impaired a long-term advance to Tianjin Lingang Stolthaven Terminal Co by $3.6 million in 2018 based on review of its credit risk. Since 2018, the terminal's results have improved. Therefore, the impairment was reversed in 2020.

Financial Review *(continued)*

(Loss) gain on disposal of assets, net

SNL recorded a net loss on disposal of assets of $3.0 million in 2021 compared with a loss of $0.8 million in 2020. In 2021, it 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 $2.2 million in 2021, compared with $1.6 million in 2020.

Other operating expense was $0.4 million in 2021, compared with $0.8 million in 2020.

Finance expense

Finance expense was $127.3 million in 2021, down from $139.4 million in 2020. Interest on debt decreased by $13.7 million, owing to lower interest rates and lower outstanding debt balances. Interest on leases was $11.1 million, compared with $9.5 million in 2020 due to the renewal of several large tanker time charter agreements and additional tank container leases.

Finance income

Finance income was $2.4 million in 2021, down by $1.3 million compared with 2020. The decrease was due to short-term investing of excess funds in 2020 as additional liquidity was secured to counter possible negative effects of Covid-19.

Foreign currency exchange loss

In 2021, SNL had a foreign currency exchange loss of $2.7 million, compared with a $5.3 million loss in 2020. In 2021, the loss was primarily the result of foreign exchange derivative losses while in 2020 it was due to the effect of the weakening of EUR, ISK and GBP on intercompany advances with non-USD subsidiaries.

Other non-operating expense, net

Non-operating expense was $2.9 million in 2021 compared with a non-operating expense of $1.5 million in 2020.

Income tax expense

Income tax expense was $24.4 million in 2021, compared to $8.3 million in 2020. The increase in income tax expense was due to taxes on the return to profit in Stolt Sea Farm, the write-off of deferred tax assets at the New Orleans terminal, increased deferred tax in the UK owing to an income tax rate increase and adjustments made for uncertain tax provisions.

Loss from discontinued operations attributable to SNL shareholders

Loss from discontinued operations attributable to SNL shareholders was $13.8 million in 2020. The Group completed the sale of the Caviar business in October 2020.

Non-controlling interest

During 2020, SNL acquired the 25% interest in Sterling Caviar from the minority shareholder.

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)	**2021**	2020
Operating revenue:		
Stolt Tankers	**$ 1,165,617**	$ 1,113,095
Stolthaven Terminals	**243,592**	238,527
Stolt Tank Containers	**662,443**	520,631
Stolt Sea Farm	**108,568**	79,747
Corporate and Other	**862**	3,136
Total	**$ 2,181,082**	$ 1,955,136
Operating profit:		
Stolt Tankers	**$ 68,817**	$ 84,643
Stolthaven Terminals	**62,259**	68,794
Stolt Tank Containers	**81,597**	51,188
Stolt Sea Farm	**24,440**	(8,350)
Stolt-Nielsen Gas	**2,096**	(4,015)
Corporate and Other	**(5,514)**	(2,333)
Total	**$ 233,695**	$ 189,927

Stolt Tankers

Operating revenue

Operating revenue increased by $52.5 million in 2021, with deep-sea revenue increasing by $55.2 million and regional revenues decreasing by $2.7 million.

Deep-sea revenue increased from a combination of higher bunker surcharge, freight and demurrage revenue. Bunker surcharge revenue increased by $36.8 million due to 25.5% higher bunker prices compared to the prior year. Deep-sea freight revenue increased by $9.9 million as operating days were up 7.9% due to the acquisition of three ships acquired from Chemical Transportation Group (CTG) in the first quarter of 2021 and Tufton Investments joining the Stolt Tankers Joint Services (STJS) with six ships. The effect was partially offset as cargo volume carried decreased by 0.6%, reflecting the pressure of swing tonnage moving in from a historically low medium-range product tanker market. Average freight rates increased by 1.3% between the periods. While Contracts of Affreightment (COA) rates increased due to renewals and cargo mix, the rates on spot business, which contributed approximately 32.5% of total deep-sea freight revenue, decreased by 5.4%. Demurrage revenue increased by $5.9 million due to more waiting time spent in port.

Regional fleet revenue decreased by $2.7 million because the European coastal ships were time chartered into the joint venture with Essberger Tankers as of January 1, 2021, reducing revenues to the time charter equivalent pool pay-out. Partially offsetting this were improved revenues in the Caribbean coastal and European barging fleets.

The average Sailed-In Time-Charter Index for the deep-sea fleet for 2021 was 0.52, compared with 0.57 for 2020, a decrease of 8.8%. The sailed-in revenue (revenue less trading expenses) for 2021 was $18,524 versus $19,941 in 2020, a decrease of 7.1%.

As of November 30, 2021, Stolt Tankers owned and/or operated 158 ships and barges, representing 2.93 million deadweight tons (dwt), compared to 153 ships and barges and 2.78 million dwt at the end of 2020.

	Number of ships	Millions of dwt	% of STJS net earnings for the year ended November 30, 2021
Stolt Tankers Joint Service (STJS):			
Stolt Tankers Limited (52 owned)	55	1.85	75%
NYK Stolt Tankers S.A.	8	0.24	10%
Hassel Shipping 4 AS	8	0.26	10%
Tufton Investment	6	0.13	5%
Total Stolt Tankers Joint Service	**77**	**2.48**	100%
Ships in owned regional services (25 owned)	61	0.28	
Ships in joint venture regional services (all owned by joint ventures)	20	0.17	
Total	**158**	**2.93**	

Operating profit

Operating profit decreased by $15.8 million, to $68.8 million in 2021 from $84.6 million in 2020. The $52.5 million increase in revenue was more than offset by an increase in operating expenses, a higher loss on sale of assets and lower share of profit from joint ventures.

Operating expenses increased by $56.6 million, with $32.3 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 2021 was $465 per ton, up 25.5% from $370 per ton in 2020. Variable time charter hire expenses increased by $23.3 million, partly due to the entry of Tufton ships into the STJS and NYK Stolt Tankers S.A. entering two additional ships into the STJS. Ship management costs were $8.3 million or 4.2% higher than prior year mainly due to the acquisition of three ships in the first quarter of 2021 and to higher manning cost caused by Covid-19. Partially offsetting this was a $12.5 million capital refund from an insurance underwriting club which was accrued at November 30, 2021.

Included in the $5.7 million loss on sale of assets was a $13.0 million loss on the derecognition of the *Stolt Groenland*, net of insurance. Partially offsetting this loss were gains recorded on the sale of three ships.

Stolt Tankers' share of profit from joint ventures decreased by $1.8 million to $9.1 million. The equity pickup from NYK Stolt Tankers S.A. decreased due to three dry-dockings during the year while the South East Asian joint venture Stolt NYK Asia Pacific Services provided lower earnings as a result of fewer operating days. The Chinese joint venture Shanghai SC-Stolt Shipping Ltd had a strong year whereas in 2020 Covid-19 impacted it heavily at the beginning of the year.

Financial Review *(continued)*

Stolthaven Terminals

Operating revenue

Stolthaven Terminals' revenue increased to $243.6 million in 2021 from $238.5 million in 2020. This increase of $5.1 million or 2.1% was mainly due to higher operating revenue in New Orleans, Singapore and Dagenham, which was partially offset by the lower revenue from Santos due to the weakening of the Brazilian real, operations ceasing in Wynyard and a decrease in the average utilisation rate to 90.9% in 2021 from 92.4% in 2020. The decrease in the average utilisation rate was mainly due to a lower average leased capacity in Houston, only partly offset by a higher average leased capacity in New Orleans and Australia.

Total available average capacity at the wholly-owned terminals increased slightly to 1,745,680 cubic metres in 2021 from 1,732,747 cubic metres in 2020. The addition of new capacity in New Orleans in 2020 and 2021 was partially offset by capacity taken out of service in Wynyard due to the exit at the end of its land lease in 2020. Product handled decreased to 13.3 million metric tons in 2021 from 13.7 million metric tons in 2020.

Operating profit

Operating profit decreased by $6.5 million to $62.3 million in 2021 from $68.8 million in 2020. There were the following one-time items:

	For the years ended November 30,	
(in thousands)	**2021**	2020
Terminal operating profit before one-time items	**$ 72,259**	$ 77,631
One-time items:		
Asset impairment in Australia	**(10,000)**	–
Goodwill impairment in Australia	**–**	(12,394)
Reversal of impairment of joint venture loan	**–**	3,557
Terminal operating profit	**$ 62,259**	$ 68,794

The operating profit before one-time items decreased by $5.4 million. The revenue increase of $5.1 million, discussed above, and $3.8 million higher share of joint venture income was more than offset by higher operating and administrative and general expenses.

Operating expenses increased by $4.7 million to $93.1 million in 2021 from $88.4 million in 2020. This increase was driven by higher personnel and utility costs at almost all terminals as well as higher maintenance costs in New Orleans caused by Hurricane Ida and the 2021 decommissioning cost for Wynyard. Administrative and general expenses increased by $6.3 million primarily because of higher personnel and project costs. Both operating and administrative and general personnel costs in 2020 were low due to Covid-19 cost-saving initiatives, government assistance in Singapore and $1.1 million of pension credits in the US.

Share of profit of Stolthaven Terminals' joint ventures and associates increased by $3.8 million. In general, the increase was due to the weakening of the US dollar from the prior year. In addition, it was the result of an income tax incentive for energy efficiency investments at the joint venture terminal in Antwerp, Belgium; a higher leased capacity and lower finance expense at the joint venture terminal in Ulsan, Korea; and a higher utilisation rate at the joint venture terminal in Tianjin, China.

Stolt Tank Containers (STC)

Operating revenue

Stolt Tank Containers' revenue increased to $662.4 million in 2021 from $520.6 million in 2020, an increase of $141.8 million or 27.2%. This was primarily due to the impact of increases in freight rates due to tight container ship capacity and a shortage of truck drivers contributing to world-wide supply chain congestion. Also improving revenue were an 8.4% increase in shipments and increased demurrage and ancillary revenues of $19.3 million, respectively.

In 2021, STC handled 140,395 tank container shipments, compared with 129,476 shipments in 2020, which represents a 8.4% increase. Average utilisation increased to 71.6% in 2021, from 67.8% in 2020. The fleet increased by 8.7% to 43,342 tank containers at the end of 2021 compared to 39,874 tank containers at the end of 2020.

STC's rates in most major markets increased because of strong market conditions combined with higher freight costs which caused a shortage of both ship and trucking capacity as well as a challenging logistics market. STC's rates were also impacted by changing trade patterns as a result of Covid-19 lockdowns around the world throughout 2021.

Operating profit

Stolt Tank Containers reported an operating profit of $81.6 million, up from $51.2 million in 2020, an increase of $30.4 million or 59.4%. 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 plus the increased number of shipments. Administrative and general costs were also higher due to additional resources needed to service the business at higher shipment levels, especially considering the challenging market conditions.

Stolt Sea Farm (SSF)

Operating revenue

Stolt Sea Farm's revenue increased by $28.8 million, or 36.1%, to $108.6 million in 2021 from $79.7 million in 2020, due to a strong demand in the second half of the year together with the additional volumes from the two new sole farms in Spain and Portugal. Turbot volumes increased by 6.5% while turbot prices increased by 17.5%. Sole volumes increased by 82.7% while sole prices increased by 3.3%.

Operating profit

Stolt Sea Farm reported an operating profit including fair value gain on biological assets of $24.4 million in 2021 compared to an operating loss of $8.4 million in 2020, a year-on-year increase of $32.8 million. Excluding the fair value gain on biological assets of $17.4 million in 2021 and loss of $5.0 million in 2020, operating profit increased by $10.4 million. This was due to the higher revenue partially offset by higher operating expenses as a result of the increase in sales volume. The increase in the fair market value on the biological assets was mainly a result of the higher turbot and sole prices and the increase in the sole volume.

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 Ltd and Golar LNG Ltd. Avenir's results are reported as a joint venture, while changes in the share price of the Golar investment are reported as Other Comprehensive Income. Stolt-Nielsen Gas reported an operating profit of $2.1 million in 2021 versus a loss of $4.0 million in 2020. The 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 the start-up and administrative and general costs at Avenir LNG.

Corporate and Other

Corporate and Other operating loss was $5.5 million, compared with the prior year loss of $2.3 million. The loss increased by $3.2 million, primarily due to higher profit sharing in the current year as a result of higher profits.

Financial Review *(continued)*

Liquidity and Capital Resources

(in thousands)		For the years ended November 30, 2021		2020
Summary Cash Flows				
Net cash provided by operating activities:				
Net profit	**$**	**78,806**	$	25,368
Loss from discontinued operations		**–**		13,788
Profit from continuing operations		**78,806**		39,156
Depreciation, impairment and amortisation		**305,459**		304,656
Share of profit of joint ventures and associates		**(39,470)**		(32,437)
Finance expense, net of income		**124,909**		135,667
Income tax expense		**24,405**		8,321
Fair value adjustment on biological assets		**(17,379)**		4,985
Other adjustments to reconcile net profit to net cash from operating activities		**7,716**		2,279
Changes in working capital assets and liabilities		**(60,225)**		16,303
Dividends from joint ventures and associates		**22,869**		15,440
Other, net		**1,326**		(1,095)
Cash generated from operations		**448,416**		493,275
Net interest paid, including debt issuance costs		**(121,786)**		(131,694)
Income taxes paid		**(2,803)**		(5,212)
Net cash generated from operating activities – continuing activities	**$**	**323,827**	$	356,369
Net cash used in operating activities – discontinued activities	**$**	**–**	$	(3,589)
Cash flows from investing activities:				
Capital expenditures		**(185,486)**		(140,748)
Purchase of intangible assets		**(4,688)**		(4,752)
Investment in joint venture and associate		**(21,173)**		(15,000)
Proceeds from sales of assets		**29,741**		14,567
Other		**1,005**		4,323
Net cash used in investing activities – continuing operations	**$**	**(180,601)**	$	(141,610)
Net cash provided by investing activities – discontinued operations	**$**	**–**	$	3,456
Net cash used for financing activities:				
Increase in short-term bank loans		**40,000**		–
Repayment of long-term debt		**(312,827)**		(396,016)
Proceeds from issuance of long-term debt		**141,950**		288,530
Principal payments on leases		**(43,432)**		(39,754)
Dividends paid		**(26,829)**		(13,465)
Net cash used in financing activities	**$**	**(201,138)**	$	(160,705)
Effect of exchange rate changes on cash		**(5,987)**		(2,305)
Net (decrease) increase in cash and cash equivalents	**$**	**(63,899)**	$	51,616

Net cash provided by operating activities

In 2021, SNL generated cash from continuing operations of $323.8 million, compared with $356.4 million in 2020. The decrease in cash generated from operations was owing to higher net working capital as a result of increased activity and a year end insurance receivable, partially offset by higher EBITDA at STC and Stolt Sea Farm and lower interest payments.

Net cash used in investing activities

Net cash used in investing activities from continuing operations was $180.6 million in 2021, compared with $141.6 million in 2020.

The most significant uses of cash for investing during 2021 were:

i. capital expenditures of $185.5 million, $44.7 million higher than in 2020

ii. purchase of computer software of $4.7 million

iii. purchase of shares in Golar LNG Ltd for $3.0 million in 2021

iv. investment of $21.0 million in Avenir LNG Ltd.

Offsetting the uses of cash were proceeds from the sale of ships and other assets of $29.7 million, compared with $14.6 million in 2020.

Cash capital expenditures by business are summarised below:

	For the years ended November 30	
(in thousands)	**2021**	2020
Stolt Tankers	**$ 119,584**	$ 68,114
Stolthaven Terminals	**43,650**	59,281
Stolt Tank Containers	**13,745**	7,768
Stolt Sea Farm	**7,698**	5,195
Corporate and Other	**809**	390
Total	**$ 185,486**	$ 140,748

During the year ended November 30, 2021, the Group spent $185.5 million on property, plant and equipment. Cash spent during the period primarily reflected:

i. $103.1 million on tanker projects, including amounts related to the purchase of three second-hand 26,000 dwt ships, deposits for a barge newbuilding, costs for life extensions of ships and safety, environmental and regulatory assets

ii. $18.2 million on drydocking of ships

iii. $43.7 million on terminals expansion and maintenance projects

iv. $13.7 million on the purchase of tank containers and construction at depots

v. $7.7 million on Stolt Sea Farm capital expenditures

Net cash used in financing activities

Net cash outflow from financing activities totalled $201.1 million in 2021, compared with $160.7 million in 2020.

The significant cash sources from 2021 financing activities were $40.0 million of incremental borrowing on the revolving credit facility and uncommitted credit lines, and net proceeds from long-term debt issuances of $142.0 million, compared with $288.5 million in 2020.

The 2021 debt issuances comprised:

i. $77.0 million floating-rate facility with CMB Financial Leasing Co. Ltd. including the three newly acquired CTG ships

ii. $65.0 million fixed-rate term loan facility with KFW IPEX-BANK GMBH, using Stolthaven Dagenham and Stolthaven Moerdijk terminals as collateral

The principal uses of cash for financing activities in 2021 were:

i. $312.8 million in repayment of long-term debt, compared with $396.0 million in 2020

ii. $43.4 million of principal payments on lease liabilities, compared with $39.8 million in 2020

iii. $26.8 million in dividend payments, compared with $13.5 million in 2020

Indebtedness

SNL's total consolidated debt, excluding debt issuance costs, was $2,460.3 million as of November 30, 2021 and $2,530.7 million as of November 30, 2020, as set out in the table below.

(in thousands)	**2021**	2020
Short-term bank loans	**$ 40,000**	$ –
Long-term debt (including current portion)	**2,209,803**	2,337,198
Long-term lease liabilities (including current maturities)	**210,450**	193,515
Total debt on Consolidated Financial Statements	**2,460,253**	2,530,713
Available unused facilities:		
Committed revolving credit line	**309,883**	258,100
Uncommitted short-term bank lines of credit	**45,000**	65,000
Total unused facilities	**354,883**	323,100
Total debt and unused facilities	**$ 2,815,136**	$ 2,853,813

Long-term debt in the table above excludes debt issuance costs of $24.2 million and $28.1 million as of November 30, 2021 and 2020, 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 $65.0 million of such facilities, of which $45.0 million was unused during the year ended November 30, 2021.

During 2020 and 2021, SNL also had two committed revolving credit lines of which $20.0 million was outstanding on the Secured Reducing Multi-Currency Revolving Loan Facility ("Secured RCF") at November 30, 2021. The collateralised share pledge facility was terminated in December 2020 and replaced with a new $100.0 million credit line with DNB (UK) Limited and Swedbank AB. As of November 30, 2021, the amount available under the two committed revolving credit lines amounted to $309.9 million. Future availability of the Secured RCF is dependent on the amount of available collateral which varies with fluctuations in ship values.

Amounts borrowed pursuant to these facilities bore an average interest rate of 2.6% for the year ended November 30, 2021.

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Long-term debt

Long-term debt consists of debt collateralised by mortgages on SNL's ships, tank containers and terminals, unsecured bank loans at Stolt Sea Farm, $175.0 million of unsecured bonds denominated in US dollars as well as the $282.3 million unsecured bond financing denominated in NOK (NOK 2,550 million after removing the effect of the cross-currency interest rate swaps). It does not include the off-balance sheet arrangements discussed below. SNL's long-term debt (including debt issuance costs) was $2,185.6 million and $2,309.1 million as of November 30, 2021 and 2020, respectively, as set out below:

(in thousands)	2021	2020
Long-term debt	**$ 2,185,644**	$ 2,309,141
Less: Current maturities	**(490,502)**	(255,805)
	$ 1,695,142	$ 2,053,336

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, 2021, 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)	2021	2020
Decrease (increase) in cash and cash equivalents for the year	**$ 63,899**	$ (51,616)
Cash inflow from increase in debt	**181,950**	288,530
Cash outflow from repayments of debt	**(312,827)**	(396,016)
Cash outflow from finance leases	**(43,432)**	(39,754)
Change in net debt resulting from cash flows	**(110,410)**	(198,856)
Lease liabilities capitalised, net of retirements	**63,591**	226,400
Currency movements	**38,255**	71,510
Debt issuance costs and other movements	**5,901**	6,460
Movement in net debt in the year	**(2,663)**	105,514
Opening net debt	**2,314,889**	2,209,375
Closing net debt	**$ 2,312,226**	$ 2,314,889

During 2021, SNL met its liquidity needs through a combination of cash generated from operations, borrowings from commercial banks, issuance of bonds and proceeds from the sale of assets.

Generally, Stolt Tankers was able to operate with a minimum of working capital by 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 $29.7 million in 2021, compared to $14.6 million in 2020.

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, 2021, debt and lease liabilities decreased by $66.6 million. Excluding lease liabilities, debt decreased by $83.5 million. Tangible net worth increased by $54.8 million from November 30, 2020. This was primarily due to net profit of $78.8 million and actuarial gains on defined benefit pension schemes of $14.3 million, partially offset by declared dividends of $40.2 million. The debt to tangible net worth ratio was 1.44 at November 30, 2021 from 1.53 at November 30, 2020. 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 $3.2 million at November 30, 2021, compared with $4.0 million at November 30, 2020.

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, 2021, SNL's other purchase obligations were not material. The following summarises SNL's significant contractual obligations as of November 30, 2021, including those reported on the Company's consolidated balance sheet and others that are not:

(in thousands)	Total	Less than 1 yr	1-3 yrs.	4-5 yrs.	More than 5 yrs.
Contractual cash obligations:					
Short-term bank loans	$ 40,000	$ 40,000	$ –	$ –	$ –
Long-term debt[1]	2,209,803	497,384	733,980	551,125	427,314
Lease principal payments	210,450	43,473	72,499	25, 831	68,647
Lease interest payments	97,855	9,257	12,522	7,725	68,351
Operating leases	3,217	1,916	1,014	287	–
Committed capital expenditures	75,687	65,933	9,754	–	–
Long-term fixed rate debt interest payments	248,966	76,987	102,975	43,424	25,580
Long-term variable rate debt interest payments[2]	59,011	12,292	20,469	14,517	11,733
Derivative financial liabilities[2]	15,031	7,626	4,851	2,162	392
Pension and post-retirement benefit obligations[3]	3,871	3,871	–	–	–
Total contractual cash obligations:	$ 2,963,891	$ 758,739	$ 958,064	$ 645,071	$ 602,017

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, 2021. 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

In the preparation of SNL's Financial Statements, there are a number of areas where assumptions have been made about the future, management judgements and estimates. 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
- Impairment of Australia Terminals' assets
- 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.

Financial Review *(continued)*

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 66% of Stolt Tankers' STJS revenue in 2021 was derived from COA. Approximately 91% of these COA had provisions to pass through fluctuations in fuel prices to customers. As a result the expected cover from COA equals approximately 61% 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, through either bunker surcharges clauses included in COA or through financial instruments.

In December 2020, this programme yielded $0.1 million in unrealised and realised losses (offset by bunker price decreases since the start of the hedge programme). The hedge programme ended in December 2020.

On January 1, 2020, the International Maritime Organization (IMO) implemented a new regulation to reduce the amount of sulphur oxide. Ships are now 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. Certain of the deep-sea newbuildings delivered in the past two years (including to joint ventures) have been fitted with wet hybrid scrubbers in order to reduce sulphur emission. 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 products 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. In general, Stolt Tankers maintains a relatively high percentage of contract business. 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 new regulations, such as the EU Emissions Trading System, which starting in 2023 will require the purchase of carbon-offset credits. 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 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 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 our workforce, visitors and all other parties from our 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. Avenir LNG has commitments in respect of these newbuildings, of which $34.9 million is with recourse to SNL.

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 other 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 recent 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 gain of $17.4 million in operating profit, compared with a $5.0 million loss in 2020. 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 Norwegian kroner, 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 2021, the US dollar has weakened by approximately 5% against the euro, causing a decrease 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.

Financial Review *(continued)*

Cyber risk

There is a risk that an external third party could gain unauthorised access to SNL's information technology systems for the purpose of financial gain, industrial espionage, sabotage or terrorism.

SNL has virus, spam and malware protection, an isolated environment for its business applications, firewalls and other network and data centre protection and an identity management system. As with all companies, these security measures are still vulnerable to third-party security breaches, employee error, malfeasance, faulty password management or other irregularities. For example, third parties may attempt to fraudulently induce employees or customers to disclose user names, passwords or other sensitive information, which may in turn be used to access SNL's information technology systems.

SNL devotes significant resources to network security, data encryption and other security measures to protect its systems and data, but these security measures cannot provide absolute security. To the extent SNL might experience a breach of its systems and be unable to protect sensitive data or physical assets, such a breach could negatively impact SNL's financial position.

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 have continued mostly uninterrupted, there has been a delay in the performance of shore-side support operations and 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. Furthermore, the reduction in economic activity following Covid-19 will result in reduced movements of goods, which could have a direct impact on the demand for SNL services, and could result in reduced utilisation and lower revenue. 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

On October 6, 2021, the Group cancelled 5,610,000 Common Shares and 1,402,500 Founder's Shares. At November 30, 2021, SNL held 5,000,000 Treasury Shares. See Note 30 in the Financial Statements.

Going Concern

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

Subsequent Events

See Note 34 in the Consolidated Financial Statements for significant events occurring after November 30, 2021.

Niels G. Stolt-Nielsen
Chief Executive Officer

Stolt-Nielsen Limited

Jens F. Grüner-Hegge
Chief Financial Officer

Stolt-Nielsen Limited

March 14, 2022