

# Environmental & Social Framework

12 April 2022



This framework has been approved by the Board of Directors of Vitol

## Introduction

This document contains Vitol's<sup>1</sup> Environmental and Social (E&S) framework covering topics such as health, safety, the environment, human and labour rights, and communities. The framework sets out our beliefs and requirements as well as our approach to E&S. It details the standards that we are working towards and the requirement to monitor performance by reference to key performance indicators (KPIs).

We hold ourselves to high standards and we acknowledge that these are ambitions which we will have to work hard to achieve.

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<sup>1</sup> In this document, the terms "Vitol," and "Vitol Group," are used for convenience and refer to Vitol Netherlands Coöperatief U.A. and its direct and indirect subsidiaries and affiliates, each of which are separate and distinct legal entities. Further, the words "we," "us," "our," and "ourselves" are used to refer generally to the companies of the Vitol Group."

## Vitol's E&S beliefs

**Our operations should be safe for employees, (sub)contractors, neighbouring communities and the environment** – we commit to ensuring E&S considerations are integral to our business

**We aim for a zero-harm approach** – we commit to reporting, investigating and learning from incidents and near misses

**We recognize the importance and fragility of the environment** – we commit to seeking to minimise our impact on the environment through upholding high E&S standards

**A risk-based approach is the most suitable to manage the complex environments and geographies in which we operate** – we commit to implementing this rigorously

**All our operations should be compliant with the applicable legislative and regulatory regimes** – we commit to support this, as well as our E&S framework, through ensuring the appropriate processes, resources and systems are in place

**We are committed to respecting all internationally recognized human rights** – we will seek to conduct our business in accordance with the [UN Guiding Principles on Business and Human Rights](#), whilst striving to improve year on year

**We must monitor our performance and continuously try to do better** – we commit to monitoring, tracking and disclosing our performance as well as raising targets and using auditing to improve our E&S performance

**We recognise the importance of communication and transparency** – and commit to communicating appropriately with all key stakeholders

**Responsibility is core to Vitol's culture** – we commit to assuming responsibility for our actions as individuals, as a team and as a corporate group

Vitol CEO  
Russell Hardy

## Vitol E&S requirements

### 1. Legal Compliance

- 1.1. Manage operations, equipment and activities in compliance with relevant E&S laws, regulations and permits. Where specific laws or industry practice do not exist, apply a sensible approach to reduce risks

### 2. Risk Management

- 2.1. Adopt a risk-based approach to E&S and operations management by identifying, monitoring, assessing and mitigating risks to an acceptable level as determined by business requirements
- 2.2. Ensure that high risk activities, such as, but not limited to, the following are well controlled by permits and/or safe systems of work:
  - i. Transportation (e.g. truck, rail, ship, mobile equipment)
  - ii. Excavation work and confined space entry
  - iii. Hot works, energy and electrical isolation
  - iv. Activities susceptible to fire, explosion and noxious atmosphere risks
  - v. Working at height
  - vi. Lifting activities

### 3. Leadership, Training and Competency

- 3.1. Lead by example, encourage people to intervene, report unsafe situations to prevent occupational illnesses and incidents, whether directly involved or not
- 3.2. Provide appropriate and ongoing E&S information, training and supervision to employees, contractors and visitors to enable them to carry out their duties competently

### 4. Management Systems

- 4.1. Establish, where appropriate, E&S management systems to cover:
  - i. Personal and process safety risks
  - ii. Provision of suitable personal protective equipment (PPE), sanitary facilities, first aid kits and drinking water
  - iii. Environmental protection
  - iv. Health risks and exposure to potential health hazards
  - v. Security related topics
  - vi. Complaints and grievance management
  - vii. Alcohol and drug testing
  - viii. Selection and management of contractors and suppliers

## 5. Targets and Measurement

- 5.1. Set measurable targets to improve E&S performance. The following should be considered, where relevant:
  - i. Lagging and leading E&S related metrics (e.g. lost time injuries, process safety metrics, near misses)
  - ii. Noise, odour and other complaints
  - iii. Energy, waste and water management
  - iv. Pollution prevention
- 5.2. Establish, collect and analyse business specific KPIs to monitor and measure E&S performance
- 5.3. Vitol E&S KPIs should be reported quarterly to the Vitol Group ESG function

## 6. Human Rights

- 6.1. Commit to respecting all internationally recognised human rights, including those contained in the [International Bill of Human Rights](#)<sup>2</sup>, the [International Labour Organisation's Declaration on Fundamental Principles and Rights at Work](#)<sup>3</sup>, and for shipping specifically the [Maritime Labour Convention](#)
- 6.2. Ensure a diverse and inclusive work place, free from discrimination regardless of age, gender, race, cultural heritage, ethnicity, sexual orientation, religion or disability
- 6.3. Ensure compliance with legal requirements regarding working hours, conditions and pay
- 6.4. Pay additional attention to vulnerable or marginalised groups who may be at greater risk of adverse human rights impacts
- 6.5. Prohibit forced, trafficked or child labour and not tolerate any physical or verbal abuse or workplace harassment
- 6.6. Respect employees' rights to join, form or not to join a labour union and commit to bargaining in good faith with their representatives

## 7. Security

- 7.1. Ensure that appropriate measures are in place to manage travel to high risk destinations
- 7.2. Establish workplace security aimed at preventing violence, intimidation and other negative E&S conditions arising from internal and external sources
- 7.3. Ensure that security management is consistent with international standards, local policies and laws
- 7.4. Manage security arrangements in line with the United Nations [Basic Principles for the Use of Force and Firearms by Law Enforcement Officials](#) and the [Voluntary Principles on Security and Human Rights](#) where appropriate
- 7.5. Mitigate adverse impacts our security arrangements have on local communities

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<sup>2</sup> comprised of the Universal Declaration of Human Rights, codified in the International Covenant on Civil and Political Rights; The International Covenant on Economic, Social, and Cultural Rights.

<sup>3</sup> Freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the effective abolition of child labour, elimination of discrimination in respect of employment and occupation.

## **8. Due Diligence**

- 8.1. Apply a risk-based approach to E&S due diligence and focus on the most severe potential E&S impacts
- 8.2. Where possible, consider the Vitol E&S framework when undertaking transactions and when performing counterparty due diligence
- 8.3. Work towards conducting on-going human rights due diligence and ensuring that rightsholders and communities impacted by our business activities have access to remedy
- 8.4. Undertake E&S impact assessments, where applicable

## **9. Stakeholder Engagement and Communication**

- 9.1. Develop two-way communication channels with relevant stakeholders to ensure awareness and understanding of Vitol and local E&S frameworks
- 9.2. Build capability to improve prevention and mitigation of adverse impacts where appropriate

## **10. Incident Reporting and Management**

- 10.1. Establish and test E&S incident management plans for major accident hazards e.g. for process safety events, loss of containment, transport emergencies etc.
- 10.2. Have in place a process to report, investigate and learn from E&S incidents and high potential near misses to ascertain root causes and avoid reoccurrence

## **11. Reviewing Performance**

- 11.1. Initiate periodic audits of operations to benchmark progress against these and other requirements, using suitably qualified personnel

## **Scope and Application**

The framework covers the activities of all employees, (sub)contractors and other stakeholders working for Vitol. We expect all companies in which Vitol has a shareholding to follow these or similar standards, though we recognise that our influence will be commensurate with our shareholding, as well as other factors. We also encourage business partners and stakeholders to act in accordance with this framework or a similar standard and seek to support them to achieve this, where appropriate. At a site or investment level, more detailed, specific management systems are in place to cover daily operations and manage risks.

In some situations, national law prohibits compliance with an internationally recognised human right. Where national law and international human rights standards differ, we follow the higher standard where possible; where they are in conflict, we will seek to develop alternative measures to promote the respect of internationally recognised human rights.