Stolt-Nielsen

Stolt-Nielsen Limited
Annual Report 2021

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Forward-looking Statements

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

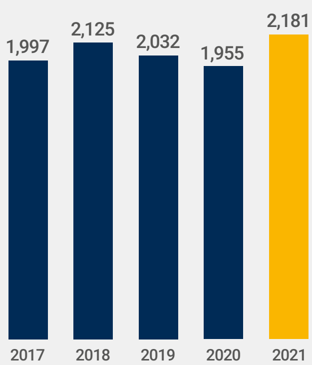
Financial Highlights 2021

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

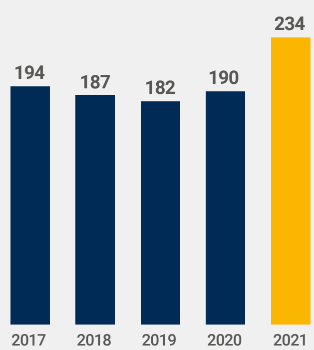
Operating revenue
(US $ millions)

US $2,181m



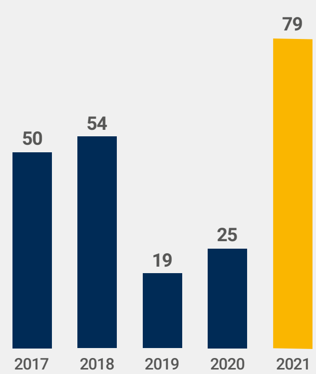
Operating profit
(US $ millions)

US $234m

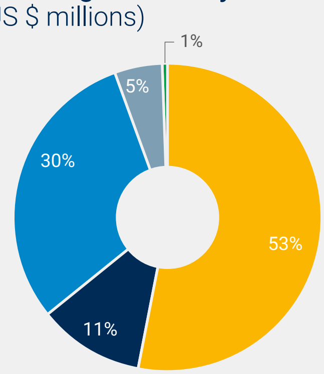


Net profit
(US $ millions)

US $79m

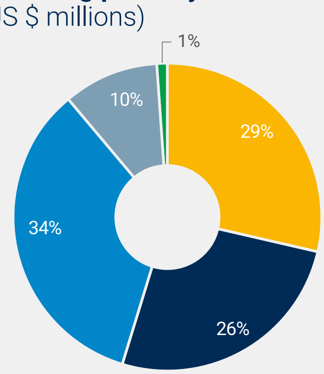


Operating revenue by business
(US $ millions)



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

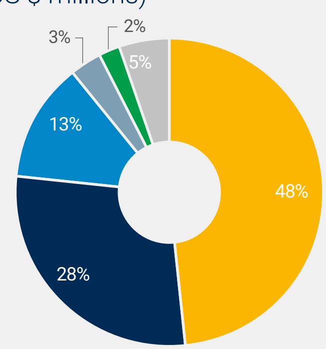
Operating profit by business[1]
(US $ millions)



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

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 portfolio

Stolt Tankers

Stolthaven Terminals

Stolt Tank Containers

Stolt Sea Farm

Stolt-Nielsen Gas

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.

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

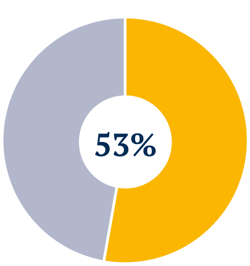
"We reduced year-on-year fuel consumption by 5%, supporting our commitment to being an efficient, sustainable business."

Performance

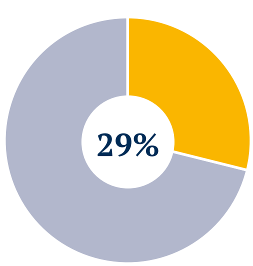
(US $ millions)	**2021**	2020	2019
Operating revenue	**1,166**	1,113	1,148
Operating profit	**69**	85	57

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

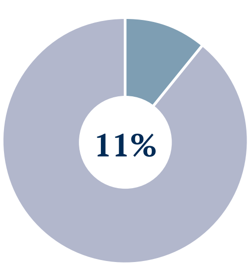
"Our position in the chemical market proved a major strength as we helped customers adapt to supply chain challenges."

Performance

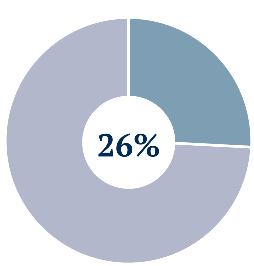
(US $ millions)	**2021**	2020	2019
Operating revenue	**244**	239	251
Operating profit	**62**	69	69

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

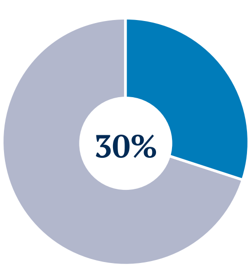
"We achieved new shipment records against a backdrop of Covid-19 supply chain disruption, global inflation and worldwide logistics challenges."

Performance

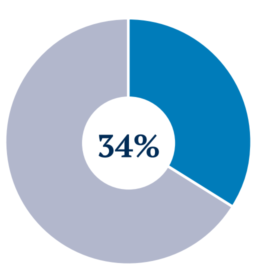
(US $ millions)	**2021**	2020	2019
Operating revenue	**662**	521	529
Operating profit	**82**	51	56

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

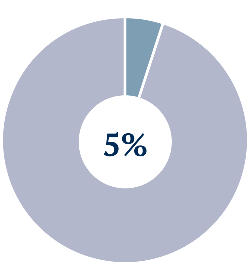
"We set a new record for annual sole output, had our best month for turbot output and achieved our highest-ever revenue for a single month."

Performance

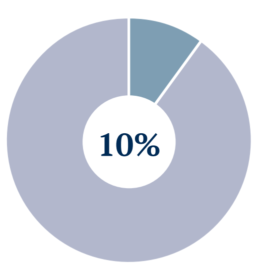
(US $ millions)	2021	2020	2019
Operating revenue	**108**	80	100
Operating profit	**24**	(8)	8

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)*

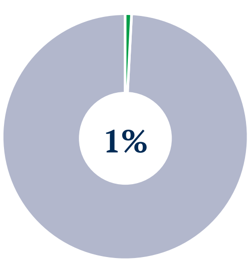
Stolt-Nielsen Gas
Avenir LNG – a blueprint for growth in a rapidly developing market

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

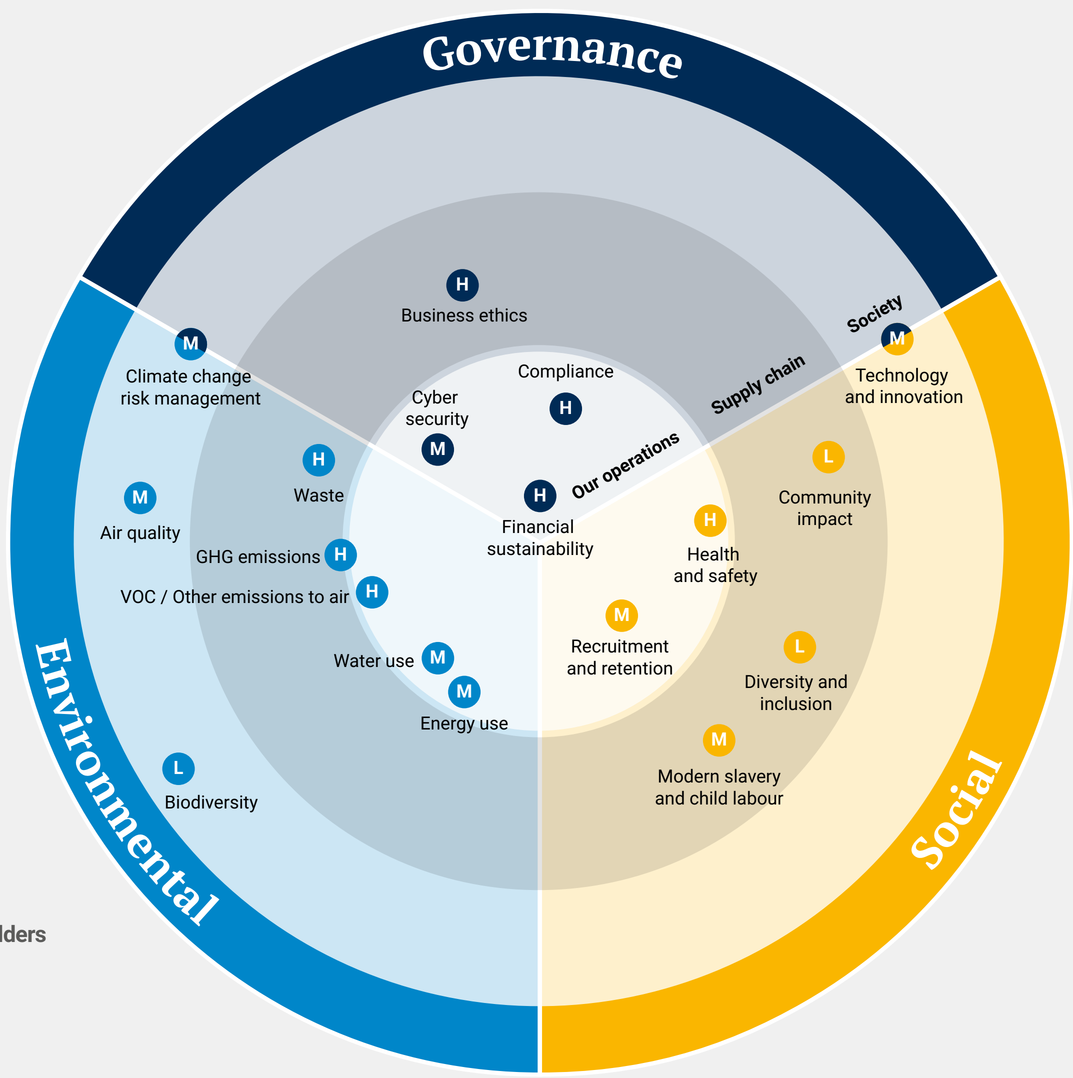
The diagram below includes the areas of environmental, social and governance (ESG) focus that we have identified as key to our business and most important to our stakeholders.

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.	Stolt Tankers, Stolthaven Terminals, 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.	Stolt Tankers, Stolthaven Terminals, Stolt Tank Containers	• GRI 403-9 • See page 24
Serious Incidents	**0** ↔ (2020: 0)	Zero serious incidents in 2021, for the second consecutive year.	Stolt Tankers, Stolthaven Terminals, Stolt Tank Containers, Stolt Sea Farm	• 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.

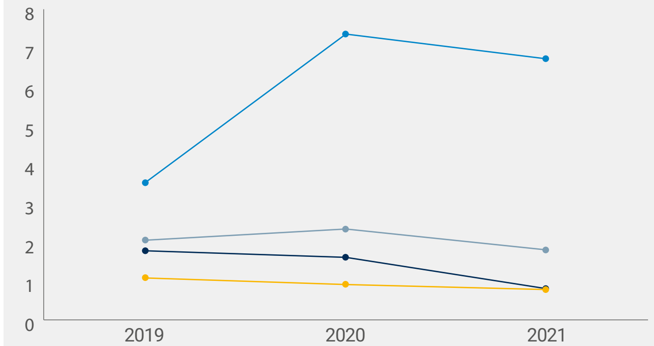
Stolt Tankers improved its safety performance again this year. 86% of ships, excluding those in joint ventures, were incident free, compared with 67% in 2020, and 85% were injury free (2020: 81%[1]). At Stolthaven Terminals, several sites achieved new records for the number of days without lost time 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.

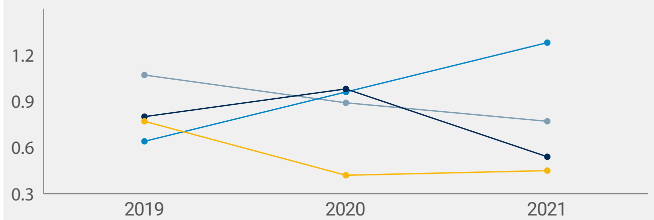
Stolt Tank Containers saw a reduction in TRCF, however its LTIF increased compared with 2020, in part driven by more accurate reporting of low severity incidents.

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

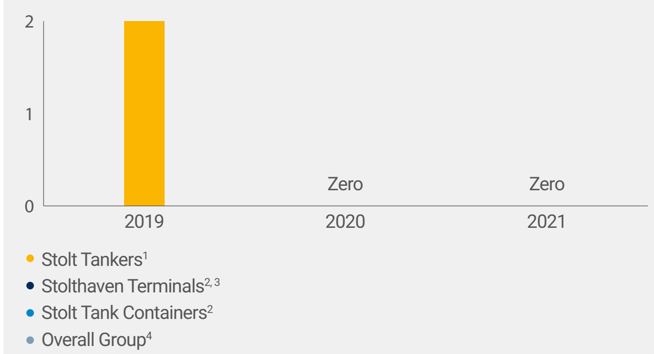
Total Recordable Case Frequency (TRCF)



Lost Time Injury Frequency (LTIF)



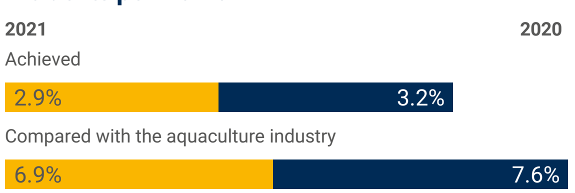
Serious incidents



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.

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.

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.	Stolt Tankers	• 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.	Stolt Tankers	• 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.	Stolthaven Terminals	• 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.	Stolthaven Terminals	• 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.	Stolt Tank Containers	• 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.	Stolt Tankers	• 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.

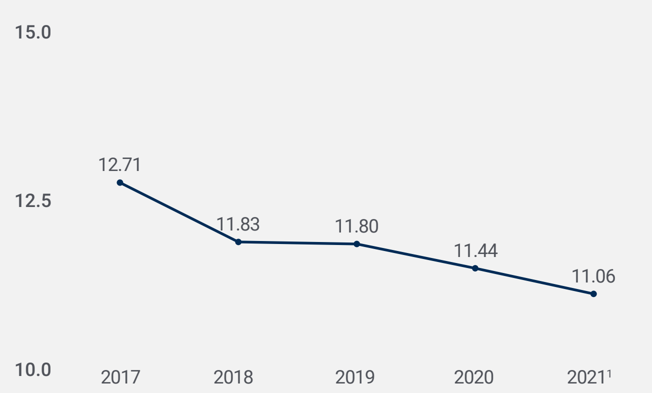
Secondly, Stolt Tankers trialled the use of a marine biofuel produced from certified sustainable feedstocks. We assessed the viability of the future use of biofuels in both engines and boilers, testing the fuel's impact on consumption, power and reliability. Initial results were very positive – the equipment 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.

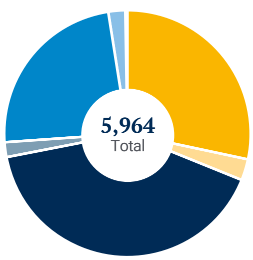
Stolthaven is also digitalising a range of processes to reduce paper use and improve accuracy through its *Connected Worker* programme. In 2021, we introduced wireless devices for operators at two terminals, as part of a paper reduction pilot. Operator paper use was cut to zero, and we are now deploying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

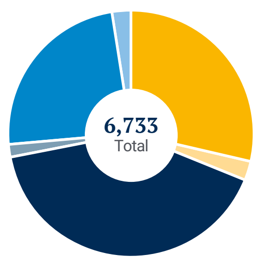
Stolt Sea Farm aims to achieve zero waste to landfill by 2030. In 2021, we achieved environmental management ISO 14001 certifications across all our operations, excluding Iceland. This certification provides clear baseline data and uniform criteria for driving progress towards this goal.

Waste to landfill 2021 M^3 [1]



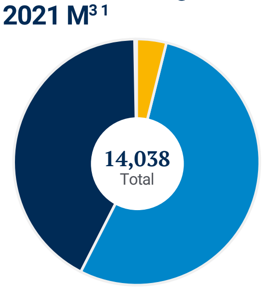
Plastics	1,701
Food waste	166
Domestic waste	2,425
Incinerator ashes	122
Operational waste	1,414
Other waste	135

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



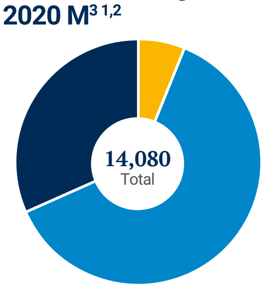
Plastics	1,929
Food waste	179
Domestic waste	2,749
Incinerator ashes	115
Operational waste	1,610
Other waste	151

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.		• 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.		• 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.		• 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.		• 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.		• 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

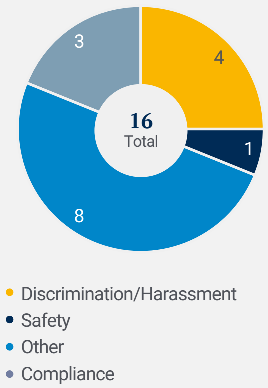
We encourage employees to raise concerns about unethical behaviour and any potential, suspected or actual breaches of our Code of Business Conduct with their local managers, HR or legal representatives.

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.

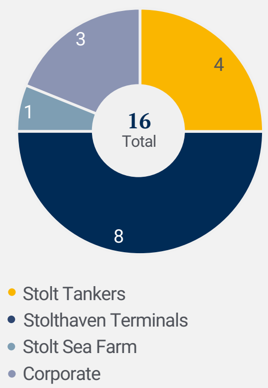
In 2021, 16 (2020: 15) Speak Up reports were received and thoroughly investigated. The relatively high number in the 'other' category related to broad employee relations issues that were all addressed.

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]

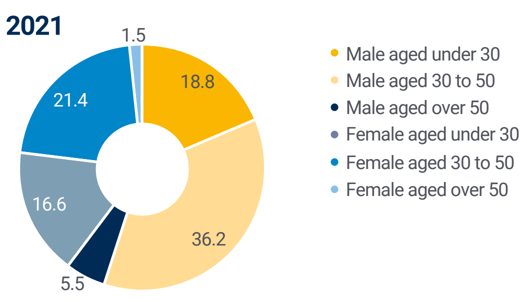
	2021			2020		
Region	**Sea personnel**	**Onshore staff**	**Total**	Sea personnel	Onshore staff	Total
Europe	1,067	979	2,046	1,065	931	1,996
North America	1	506	507	2	518	520
Asia	3,060	704	3,764	3,038	633	3,671
Rest of world	15	221	236	15	200	215
Total Group	**4,143**	**2,410**	**6,553**	**4,120**	**2,282**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

1. As at November 30.

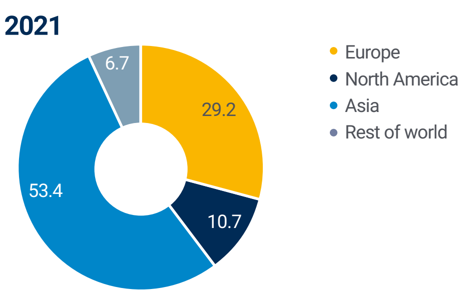
New employees by gender and age[2]

	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]



New employees by region (%)

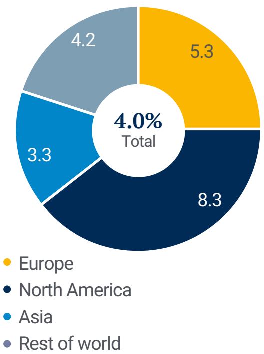


2. All gender data excludes sea personnel due to shipping traditionally being a very male-dominated industry with limited female entrants. Only 0.4% of our seafarers are female.

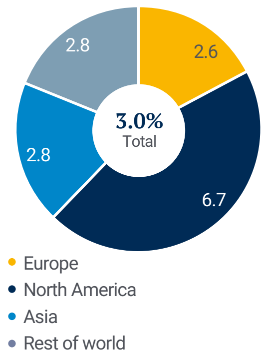
Turnover

Voluntary employee turnover (%)

2021

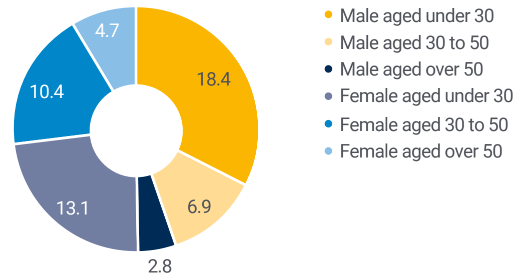


2020



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

2021



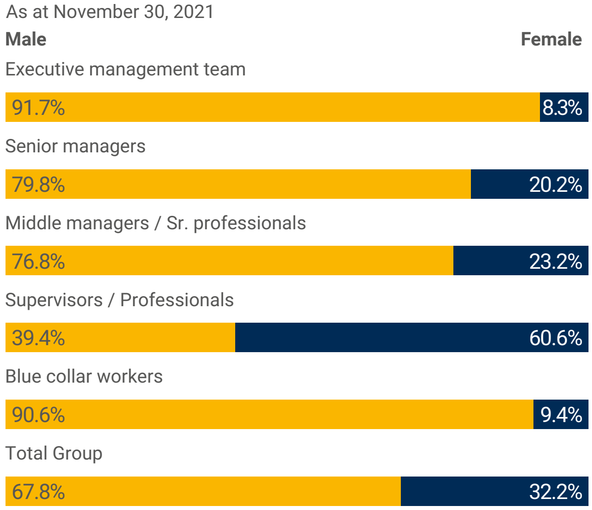
Employee turnover by region

Region	2021 Voluntary leavers	2021 Voluntary employee turnover	2021 Total employee turnover	2020 Voluntary leavers	2020 Voluntary employee turnover	2020 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

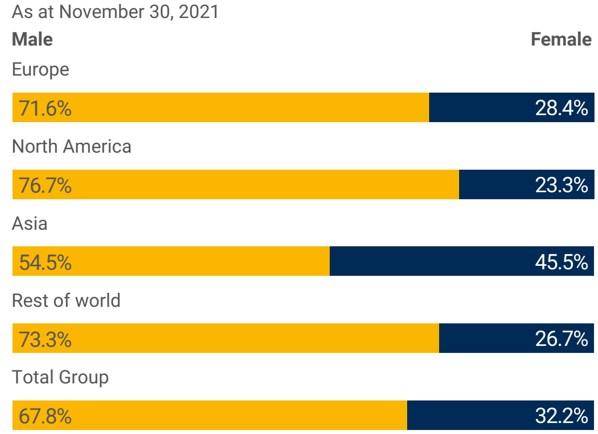
Gender breakdown of employees by seniority[1]

As at November 30, 2021



Percentage of people employed by gender[1]

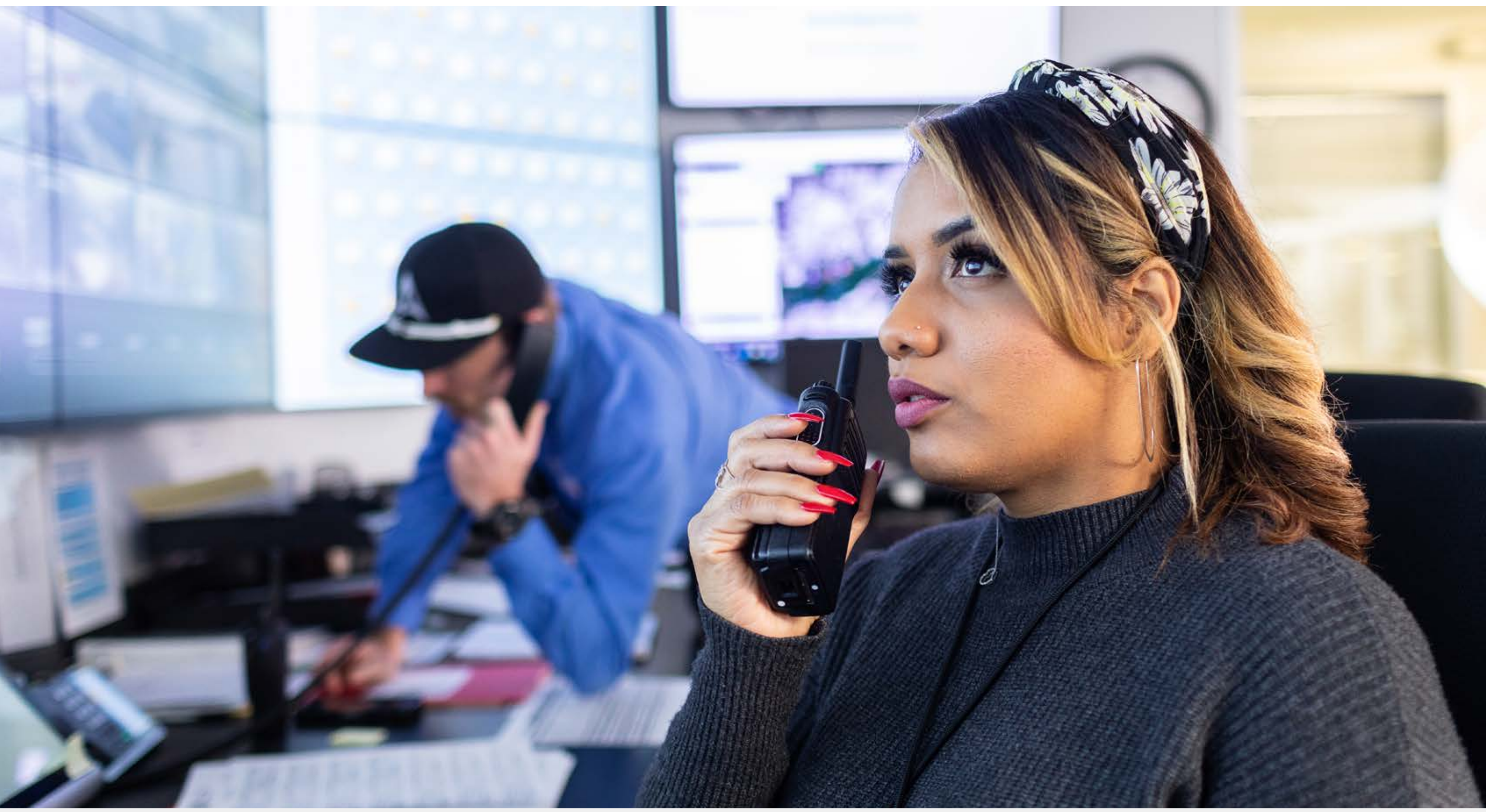
As at November 30, 2021



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.

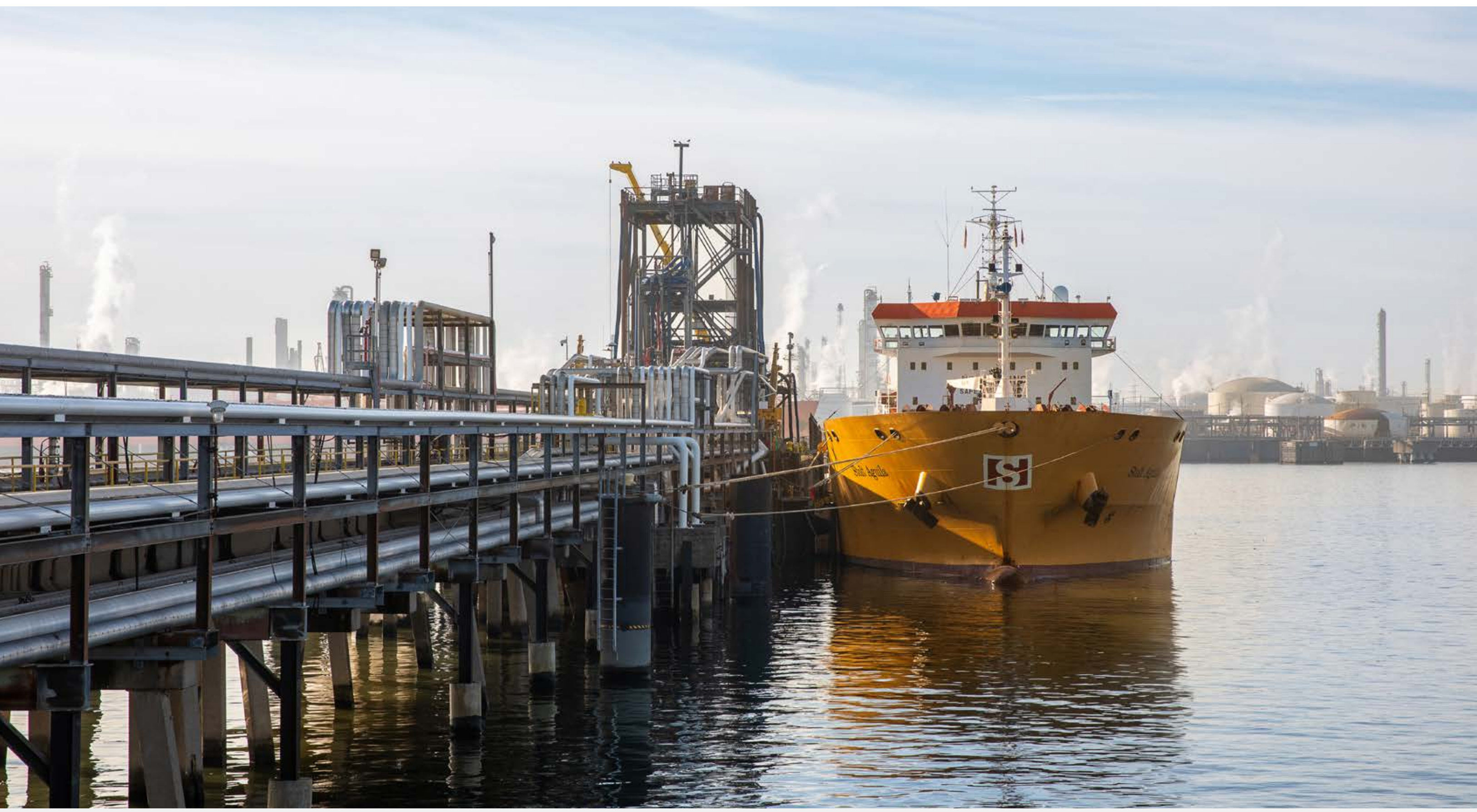
The Independent Auditor shall participate in meetings of the Audit Committee that deal with the annual accounts and half-year results. At these meetings, the Independent Auditor shall comment on any material changes in the Company's accounting principles and material management estimates and judgements,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

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:

	For the years ended November 30,	
(in thousands)	**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

	For the years ended November 30,	
(in thousands)	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.

Financial Review *(continued)*

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

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

Report on the audit of the group financial statements

Opinion

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

- give a true and fair view of the state of the group's affairs as at 30 November 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 1981 (Bermuda).

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated Balance Sheet as at 30 November 2021; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Shareholders' Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

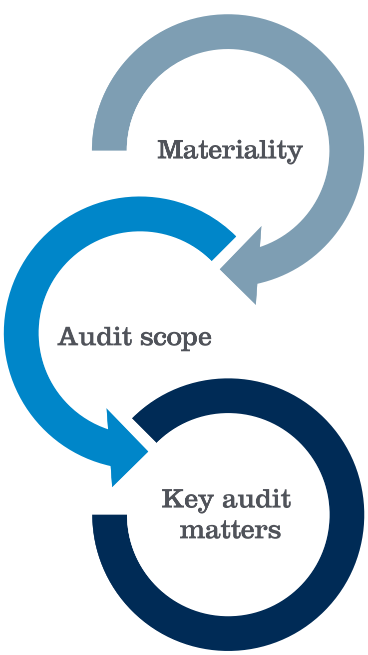
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit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

Independence

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

Our audit approach

Overview



Materiality:

- Overall materiality: $21.8m (2020: $19.6m) based on 1% of revenue.
- Performance materiality: $16.4m (2020: $14.7m)

Audit Scope:

- Full scope audits of the Deep Sea Trading and Owning divisions of Stolt Tankers, and Stolt Tank Containers, the largest trading divisions of the group.
- Full scope audits of Property Plant and Equipment at the Singapore and Houston terminals within the Stolthaven Terminals division.
- Specified procedures over certain financial statement line items for Stolt Sea Farm Spain, certain Stolt Tankers entities and the shared service centre in Manila.
- Audit of certain financial statement line items across the group, including Cash and cash equivalents, Restricted cash, Investments in and advances to joint ventures and associates, Long-term debt, Short-term bank loans, Derivative financial instruments, Insurance claim receivables, Income tax expense, Income tax receivable, Income tax payable, Deferred tax assets, Deferred tax liabilities, Right-of-use assets, lease liabilities, Administrative and general expenses, and Employee benefit assets and liabilities.
- The reporting locations subject to audit procedures accounted for 75% of the group's revenue and 67% of the group's total assets.

Key audit matters:

- Accounting for claims
- Voyage revenue recognition

Independent auditors' report to the members of Stolt-Nielsen Limited (*continued)*

The scope of our audit

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

Capability of the audit in detecting irregularities, including fraud

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulations implemented by the International Maritime Organisation ("IMO") and the International Convention for the Prevention of Pollution from Ships ("MARPOL"), Bribery Act 2010 ("UK") and international tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 1981 (Bermuda). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and the application of management bias in accounting estimates or judgements. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed included:

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

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

Key audit matters

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

Impairment of assets and the impact of the COVID-19 pandemic, which were key audit matters last year, are no longer included because the group has demonstrated an ability to positively respond to the challenges of the pandemic during 2020 and 2021 and we have seen a relatively low impact of the pandemic on business operations and performance, and in projections of future performance. Otherwise, the key audit matters below are consistent with last year.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

Accounting for claims

Management make judgements about the group's exposure to legal claims, and the amounts recoverable under insurance, in relation to claims associated with incidents involving the MSC Flaminia, Stolt Groenland and Stolt Commitment. At 30 November 2021 there was a provision of $165.5m in relation to these claims, and an associated insurance reimbursement receivable of $162.9m, recorded on the balance sheet.

This is considered to be a key audit matter because there is an inherent level of estimation uncertainty in assessing the group's exposure to claims from third parties and the recoverability of amounts from insurance providers. In particular we have focussed our audit effort on assessing management's exposure to claims with reference to guidance received from legal counsel, and assessing whether insurance claim receivables meet the threshold of 'virtually certain' required in order for them to be recognised on the balance sheet.

Refer also to notes 19 and 26 in the consolidated financial statements.

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We performed the following procedures:

- Obtained confirmations from the group's insurance providers with respect to the status of insurance claims under their policies. Where direct confirmations were not obtained, we performed alternative procedures including a review of insurance policies and inquiry of 3rd party providers, as well as assessing payments made by the insurance providers to assess the recoverability of amounts recorded.
- Obtained the views of both internal and external legal counsel to consider the outcome of prior year litigation, including developments and settlements, and the status of new claims.
- Evaluated the group's accounting for insurance claims, amounts recoverable under insurance and cash received to date. We also assessed management's estimate of future settlements of outstanding claims with reference to claims received and representations from external legal counsel.
- Assessed the adequacy of the claims related disclosures in the financial statements.

Based on the procedures performed, we noted no material issues from our work.

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Voyage revenue recognition

The Stolt Tankers division reported $1.2bn of revenue in 2021 which is mostly recognised over time using an estimated percentage of completion for voyages in progress at the balance sheet date.

This is considered to be a key audit matter due to the complexity of the revenue recognition policies for Stolt Tankers. We have assessed that the revenue in this division carries a higher risk of material error as its calculation is more judgemental in nature. In particular, we focussed our audit effort on the calculation of voyage revenue and costs, and estimates over the percentage of completion of voyages at year end, due to the inherent level of estimation uncertainty in these areas.

Refer also to note 3 in the consolidated financial statements.

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We performed the following procedures:

- Assessed the methodology for estimating and reviewing the amount of revenue recognised at the year end and compared this to the relevant accounting guidance under IFRS 15, Revenue from contracts with customers.
- Tested key controls across the revenue cycle, including those over key systems and automated calculations of revenue and voyage accruals.
- Obtained a sample of voyage contracts to understand the key terms relevant to the recognition of revenue in the year.
- Compared the estimated percentage completion at the year end to the actual percentages post year end, and also considered the accuracy of the opening balance sheet position in a similar manner.
- Agreed a sample of revenue recorded throughout the year to cash receipts.
- Performed subsequent receipts testing for a sample of revenue transactions recorded pre year end.
- Tested the run-off of the voyage accruals after year end.
- Tested post year end credit notes to assess the accuracy of the year end position.
- Tested the voyage revenue cut off by agreeing a sample of revenue accruals and revenue items recorded pre-year end to supporting documentation.
- Tested a targeted sample of aged voyage accounting items on the balance sheet to assess the recoverability of the associated assets and adequacy of voyage accruals.

Based on the procedures performed, we noted no material issues from our work.

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Independent auditors' report to the members of Stolt-Nielsen Limited *(continued)*

How we tailored the audit scope

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

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

Using audit teams based in Rotterdam, Houston and Manila, we have performed full scope audits of Stolt Tank Containers and of the Deep Sea Trading and Owning divisions of Stolt Tankers, due to the financial significance of these components. In addition, specified procedures over Stolt Tankers administrative and general expenses and Stolt-Nielsen Inland Tanker Service ("SNITS") revenue were performed alongside desktop review procedures for other fleets.

For Stolthaven Terminals, a full scope audit of Property, Plant and Equipment has been carried out at Stolthaven Houston and Stolthaven Singapore.

For Stolt Sea Farm, specified procedures have been performed over certain material financial statement line items in Stolt Sea Farm Spain by our local team in this territory.

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

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

In total the work performed accounted for 75% of consolidated group revenue and 67% of the group's total assets. At the group level we also carried out analytical and other procedures on the components not covered by the procedures described above.

Materiality

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

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

Overall materiality	$21.8m (2020: $19.6m).
How we determined it	1% of revenue.
Rationale for benchmark applied	Based on the benchmarks used in the annual report, we believe that revenue is the primary measure generally used by the shareholders in assessing the performance of the group.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between $1.5m to $10.25m.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to $16.4m (2020: $14.7m) for the group financial statements.

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

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $1.1m (2020: $1.0m) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

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

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

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

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

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

Reporting on other information

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

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

Independent auditors' report to the members of Stolt-Nielsen Limited *(continued)*

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Responsibility Statement set out on page 146, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

Use of this report

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

PricewaterhouseCoopers LLP
Chartered Accountants

Watford

March 14, 2022

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

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

Consolidated Income Statement

(in thousands, except per share data)	Notes	For the years ended November 30, 2021	2020
Operating Revenue	3, 4	**$ 2,181,082**	$ 1,955,136
Operating Expenses	5	**(1,459,706)**	(1,308,904)
		721,376	646,232
Depreciation and amortisation	14, 15, 16	**(295,459)**	(292,262)
Impairment of assets	14, 16	**(10,000)**	(12,394)
Gross Profit		**415,917**	341,576
Share of profit of joint ventures and associates	17	**39,470**	32,437
Administrative and general expenses	5	**(220,464)**	(187,679)
Loss on disposal of assets, net	7	**(3,010)**	(794)
Reversal of impairment on joint venture loan		**–**	3,557
Other operating income		**2,218**	1,640
Other operating expense		**(436)**	(810)
Operating Profit		**233,695**	189,927
Non-Operating (Expense) Income			
Finance expense on lease liabilities	8	**(11,072)**	(9,478)
Finance expense on debt	8	**(116,212)**	(129,884)
Finance income	8	**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	9	**(24,405)**	(8,321)
Profit from continuing operations		**78,806**	39,156
Loss from discontinued operations	33	**–**	(13,788)
Net Profit		**$ 78,806**	$ 25,368
Attributable to:			
Equity holders of Stolt-Nielsen Limited		**78,806**	26,295
Non-controlling interests		**–**	(927)
		$ 78,806	$ 25,368
Earnings per share:			
Profit from continuing operations attributable to equity holders of Stolt-Nielsen Limited			
Basic	31	**$ 1.47**	$ 0.65
Diluted	31	**$ 1.47**	$ 0.65
Net profit attributable to equity holders of Stolt-Nielsen Limited			
Basic	31	**$ 1.47**	$ 0.43
Diluted	31	**$ 1.47**	$ 0.43

Notes 1 to 34 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

(in thousands)	Notes	For the years ended November 30, 2021	2020
Net profit		**$ 78,806**	$ 25,368
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain on pension schemes	25	**15,542**	10,841
Actuarial gain on pension scheme of joint venture	17	**1,489**	379
Deferred tax adjustment on defined benefit and other post-employment benefit obligations	9	**(2,709)**	(859)
Items that may be reclassified subsequently to profit or loss:			
Net income on cash flow hedges		**4,587**	7,986
Reclassification of cash flow hedges to income statement		**15,085**	(21,824)
Net income (loss) on cash flow hedges held by joint ventures and associates	17	**3,834**	(3,877)
Deferred tax adjustment on cash flow hedges	9	**(689)**	623
Exchange differences arising on translation of foreign operations		**(18,899)**	23,407
Deferred tax on translation of foreign operations	9	**119**	545
Exchange differences arising on translation of joint ventures and associates	17	**(11,354)**	20,642
Change in value of investment in equity instruments	18	**8,681**	(9,133)
Net profit recognised as other comprehensive income		**15,686**	28,730
Total comprehensive income		**$ 94,492**	$ 54,098
Attributable to:			
Equity holders of Stolt-Nielsen Limited		**$ 94,492**	$ 55,025
Non-controlling interests		**–**	(927)
		$ 94,492	$ 54,098

Notes 1 to 34 are an integral part of these Consolidated Financial Statements.

Consolidated Balance Sheet

(in thousands)	Notes	As of November 30, 2021	2020
ASSETS			
Current Assets:			
Cash and cash equivalents	10	**$ 123,868**	$ 187,767
Restricted cash	10	**6,096**	109
Receivables, net	11	**285,749**	220,264
Insurance claim receivables	11	**58,598**	–
Inventories, net	12	**6,986**	7,741
Biological assets	13	**50,344**	30,129
Prepaid expenses		**76,645**	63,128
Derivative financial instruments	22	**589**	157
Income tax receivable		**987**	5,811
Other current assets		**54,351**	41,542
Total Current Assets		**664,213**	556,648
Property, plant and equipment	14	**2,856,137**	3,020,060
Right-of-use assets	15	**203,048**	189,405
Investments in and advances to joint ventures and associates	17	**611,906**	585,984
Investment in equity instruments	18	**37,873**	26,305
Deferred tax assets	9	**9,238**	13,506
Intangible assets and goodwill	16	**38,967**	40,836
Employee benefit assets	25	**25,370**	17,867
Derivative financial instruments	22	**6,868**	9,242
Insurance claims receivables	19	**162,887**	191,706
Other non-current assets		**19,702**	13,306
Total Non-Current Assets		**3,971,996**	4,108,217
Total Assets		**$ 4,636,209**	$ 4,664,865
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Short-term bank loans	23	**$ 40,000**	$ –
Current maturities of long-term debt	24	**490,502**	255,805
Current lease liabilities	15	**43,473**	35,640
Accounts payable	20	**114,607**	92,030
Accrued voyage expenses and unearned revenue		**51,328**	48,601
Dividend payable	30	**26,829**	13,448
Accrued expenses		**197,904**	165,301
Provisions	26	**2,968**	9,376
Income tax payable		**12,534**	8,844
Derivative financial instruments	22	**10,239**	61,814
Other current liabilities		**37,543**	30,992
Total Current Liabilities		**1,027,927**	721,851
Long-term debt	24	**1,695,142**	2,053,336
Long-term lease liabilities	15	**166,977**	157,875
Deferred tax liabilities	9	**68,025**	55,867
Employee benefit liabilities	25	**31,720**	39,365
Derivative financial instruments	22	**7,938**	21,044
Long-term provisions	26	**164,126**	192,948
Other non-current liabilities		**1,425**	3,932
Total Non-Current Liabilities		**2,135,353**	2,524,367
Total Liabilities		**3,163,280**	3,246,218
Shareholders' Equity	30		
Founder's Shares		**14**	16
Common Shares		**58,524**	64,134
Paid-in surplus		**195,466**	314,454
Retained earnings		**1,584,978**	1,532,060
Other components of equity		**(255,002)**	(256,366)
		1,583,980	1,654,298
Less – Treasury shares		**(111,051)**	(235,651)
Total Shareholders' Equity		**1,472,929**	1,418,647
Total Liabilities and Shareholders' Equity		**$ 4,636,209**	$ 4,664,865

Notes 1 to 34 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Shareholders' Equity

(in thousands)	Common Shares	Founder's Shares	Paid-in surplus	Treasury shares	Retained earnings	Foreign currency (a)	Hedging (a)	Fair value (a)	Attributable to equity holders of SNL	Non-controlling interests	Total
Balance, December 1, 2019	**$ 64,134**	**$ 16**	**$ 149,808**	**$ (71,005)**	**$ 1,507,520**	**$ (177,217)**	**$ (24,468)**	**$ (73,050)**	**$ 1,375,738**	**$ 927**	**$ 1,376,665**
Comprehensive income (loss)											
Net profit (loss)	–	–	–	–	26,295	–	–	–	26,295	(927)	25,368
Other comprehensive income (loss)											
Translation adjustments, net	–	–	–	–		44,594	–	–	44,594	–	44,594
Remeasurement of post-employment benefit obligations, net of tax	–	–	–	–	10,361	–	–	–	10,361	–	10,361
Fair value adjustment on equity investments	–	–	–	–	–	–	–	(9,133)	(9,133)	–	(9,133)
Net loss on cash flow hedges and reclassifications to income statement, net of taxes	–	–	–	–	–	–	(17,092)	–	(17,092)	–	(17,092)
Total other comprehensive income (loss)	–	–	–	–	10,361	44,594	(17,092)	(9,133)	28,730	–	28,730
Total comprehensive income (loss)	**–**	**–**	**–**	**–**	**36,656**	**44,594**	**(17,092)**	**(9,133)**	**55,025**	**(927)**	**54,098**
Transactions with Shareholders											
Cash dividends paid – $0.25 per Common Share (b)	–	–	–	–	(13,381)	–	–	–	(13,381)	–	(13,381)
Cash dividends paid – $0.005 per Founder's Share (b)	–	–	–	–	(67)	–	–	–	(67)	–	(67)
Forgiveness of subsidiary's loan by non-controlling interest	–	–	–	–	1,332	–	–	–	1,332	–	1,332
Transfer of treasury shares	–	–	164,646	(164,646)	–	–	–	–	–	–	–
Total transactions with shareholders	**–**	**–**	**164,646**	**(164,646)**	**(12,116)**	**–**	**–**	**–**	**(12,116)**	**–**	**(12,116)**
Balance, November 30, 2020	**$ 64,134**	**$ 16**	**$ 314,454**	**$ (235,651)**	**$ 1,532,060**	**$ (132,623)**	**$ (41,560)**	**$ (82,183)**	**$ 1,418,647**	**$ –**	**$ 1,418,647**
Comprehensive income (loss)											
Net profit	–	–	–	–	78,806	–	–	–	78,806	–	78,806
Other comprehensive income (loss)											
Translation adjustments, net	–	–	–	–	–	(30,134)	–	–	(30,134)	–	(30,134)
Remeasurement of post-employment benefit obligations, net of tax	–	–	–	–	14,322	–	–	–	14,322	–	14,322
Fair value adjustment on equity investments	–	–	–	–	–	–	–	8,681	8,681	–	8,681
Net gain on cash flow hedges and reclassifications to income statement, net of taxes	–	–	–	–	–	–	22,817	–	22,817	–	22,817
Total other comprehensive income (loss)	–	–	–	–	14,322	(30,134)	22,817	8,681	15,686	–	15,686
Total comprehensive income (loss)	**–**	**–**	**–**	**–**	**93,128**	**(30,134)**	**22,817**	**8,681**	**94,492**	**–**	**94,492**
Transactions with shareholders											
Cash dividends paid – $0.75 per Common Share (c)	–	–	–	–	(40,143)	–	–	–	(40,143)	–	(40,143)
Cash dividends paid – $0.005 per Founder's Share (c)	–	–	–	–	(67)	–	–	–	(67)	–	(67)
Cancellation of shares	(5,610)	(2)	(118,988)	124,600	–	–	–	–	–	–	–
Total transactions with shareholders	**(5,610)**	**(2)**	**(118,988)**	**124,600**	**(40,210)**	**–**	**–**	**–**	**(40,210)**	**–**	**(40,210)**
Balance, November 30, 2021	**$ 58,524**	**$ 14**	**$ 195,466**	**$ (111,051)**	**$ 1,584,978**	**$ (162,757)**	**$ (18,743)**	**$ (73,502)**	**$ 1,472,929**	**$ –**	**$ 1,472,929**

a. Other components of equity on the balance sheet of $255.0 million and $256.4 million at November 30, 2021 and 2020, respectively, are composed of foreign currency, hedging and fair value.

b. The $13.4 million is the 2020 interim dividend for Common Shares and $0.1 million for Founder's Shares.

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

Notes 1 to 34 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows

(in thousands)	Notes	For the years ended November 30, 2021	2020
Cash generated from continuing operations	32	**$ 448,416**	$ 493,275
Interest paid		**(120,807)**	(130,465)
Debt issuance costs		**(3,379)**	(3,220)
Interest received		**2,400**	1,991
Income taxes paid		**(2,803)**	(5,212)
Net cash generated from operating activities – Continuing operations		**323,827**	356,369
Net cash used for operating activities – Discontinued operations		**–**	(3,589)
Cash flows from investing activities			
Capital expenditures	14	**(185,486)**	(140,748)
Purchase of intangible assets	16	**(4,688)**	(4,752)
Investment in joint venture and associate	17	**(21,173)**	(15,000)
Proceeds from sales of assets	14	**29,741**	14,567
Repayment of advances to joint ventures and associates, net	17	**4,570**	4,907
Acquisition of shares of Golar LNG, Limited	18	**(3,000)**	–
Other, net		**(565)**	(584)
Net cash used in investing activities – Continuing operations		**(180,601)**	(141,610)
Net cash provided by investing activities – Discontinued operations		**–**	3,456
Cash flows from financing activities			
Increase in short-term bank loans	23	**40,000**	–
Proceeds from issuance of long-term debt	24	**141,950**	288,530
Repayment of long-term debt	24	**(312,827)**	(396,016)
Principal payments on leases	15	**(43,432)**	(39,754)
Dividends paid	30	**(26,829)**	(13,465)
Net cash used in financing activities		**(201,138)**	(160,705)
Net (decrease) increase in cash and cash equivalents		**(57,912)**	53,921
Effect of exchange rate changes on cash and cash equivalents		**(5,987)**	(2,305)
Cash and cash equivalents at beginning of year		**187,767**	136,151
Cash and cash equivalents at end of year		**$ 123,868**	$ 187,767

Notes 1 to 34 are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. General Information

Stolt-Nielsen Limited (the "Company" or "SNL") and its subsidiaries (collectively, the "Group"), through its divisions, Stolt Tankers, Stolthaven Terminals and Stolt Tank Containers ("STC"), is engaged in the worldwide transportation, storage and distribution of bulk liquid chemicals, edible oils, acids, and other specialty liquids. The Group is also engaged in the seafood business, which is carried out through Stolt Sea Farm ("SSF"), which produces, processes and markets turbot and sole. Furthermore, the Group has investments in the gas industry through its 47.2% holding of Avenir LNG Limited ("Avenir LNG") and its 2.5% holding of Golar LNG Limited at November 30, 2021. Avenir LNG sources, ships, stores, distributes and sells liquefied natural gas ("LNG") to industries and communities that lack access to a natural gas grid. Golar LNG Limited 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.

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

2. Summary of Significant Accounting Policies

Basis of preparation

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

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

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

Going concern

Notwithstanding the Group having net current liabilities of $363.7 million, management is of the opinion that the Group's cash flows from operations plus committed new financing will continue to provide the cash necessary to fully repay the USD bond of $175.0 million due in September 2022 and balloon payments on two tank container financings of $138.2 million in May and November 2022 and satisfy the Group's working capital requirements and capital expenditures commitments, as well as make scheduled debt repayments, remain in compliance with the Group's financial covenants and satisfy the Group's other financial commitments for the 12 months from the date of this report. On February 16, 2022, management finalized a new $415.0 million senior secured credit facility secured by 19 of the Group's chemical tankers. This senior secured facility is replacing the current committed revolving credit facility maturing in October 2022 and $181.0 million of floating-rate term loans, all secured by certain of the Group's ships. In addition, on March 2, 2022, the Group closed on a $128.0 million fixed-rate borrowing agreement using a group of tank containers as collateral. Cash will be drawn on this facility subsequent to the balloon payment in May 2022 of one of the tank container financings.

The Covid-19 pandemic has resulted in significant disruptions in global economic activities, causing the operations of the Group, its customers, suppliers and other stakeholders to be impacted. The Group has attempted to maintain normal operations within the guidelines of governmental requirements and while keeping the safety of its employees in mind.

The Group has considered Covid-19's impact on the Group's liquidity in connection with the use of a going concern basis of presentation in the preparation of the Consolidated Financial Statements. While the scale and duration, as well as the impact, of Covid-19 remain uncertain, having considered various downside scenarios, management is of the opinion that the Company's cash flows from operations, projected financing and available credit facilities will continue to provide the cash necessary to satisfy the Company's working capital requirements, scheduled debt repayments and committed capital expenditures for the next 12 months. Therefore, the Group continues to adopt the going concern basis in preparing the Consolidated Financial Statements.

Basis of measurement

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

Basis of consolidation

Subsidiaries

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

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

Foreign currency

(i) Foreign currency transactions

The individual Financial Statements of all Group companies are presented in the functional currency of the primary economic environment in which the subsidiaries and equity method investees operate.

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

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

(ii) Foreign operations

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

Other significant accounting policies

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

New standards that are not yet effective

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

Accounting policies that became effective during the year

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

Critical accounting judgements and key sources of estimation uncertainty

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

Notes to the Consolidated Financial Statements *(continued)*

Critical accounting judgements and key sources of estimation uncertainty *(continued)*

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

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Voyage revenue and costs		
The Group generates a majority of its revenues through its tanker segment from the transportation of liquids by sea and inland waterways under contracts of affreightment or through contracts on the spot market. Tankers recognise the majority of their operating revenue over time on a prorated basis based on the time cargo is loaded to its estimated dispatch. When calculating the voyage revenue and costs, this recognition is first based on 'budgeted voyage legs' that are reviewed and updated annually. After the voyage legs have begun, they are updated for actual results and the latest updated estimates.	In applying the percentage of completion method, the revenues and expenses for voyages still in progress at the end of the reporting period are estimated and prorated over the period of the service provided for each active contract. For each voyage leg, estimates are made of revenues and related costs based on available actual information, current market parameters such as fuel cost and customer contract portfolios, and relevant historical data, such as port costs. Revenue and cost estimates are updated continually throughout the voyage to account for changes in voyage patterns, to include the most up-to-date data and to finalise revenues and expenses.	The accrued voyage and prepaid voyage expense accounts are used to adjust revenues billed and vendor invoices received to the appropriate amounts to be recognised based on the percentage of completion method of accounting. Management does not believe there would be a material change if the percentage of completion method was based on full voyages or other criteria. However, if actual results are not consistent with estimates or assumptions, revenues or costs may be over or understated. At November 30, 2021 and 2020, the accrued voyage expense account was \$51.3 million and \$48.6 million, respectively, of which \$29.1 million and \$26.8 million related to contract liabilities for unearned revenues. Prepaid expenses included \$11.9 million and \$13.7 million of prepaid invoices for voyages in progress applicable to periods subsequent to November 30, 2021 and 2020, respectively.

Critical accounting judgements and key sources of estimation uncertainty *(continued)*

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

Notes to the Consolidated Financial Statements *(continued)*

Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Review of impairment triggers		
Under IAS 36, Impairment of Assets, external and internal sources of information are to be reviewed for potential triggers of asset impairment for each Cash Generating Unit ("CGU") in the business segments. External triggers include: • Observable indications of declining value of the CGU beyond normal use. • Adverse changes in the CGU's technological, market, economic or legal environment. • Increase in market interest rates which would affect the discount rate used in calculating the asset's value in use. • Carrying value of the net assets of the entity was more than its market capitalisation. Internal triggers include: • Evidence of obsolescence or physical damage of the CGU's assets. • Significant adverse changes which have changed or will change how the CGU's assets are used. • Indications, through review of internal reports, that the economic performance of a CGU's assets are or will be worse than expected. • Other specific risks within each CGU. At November 30, 2021, the book equity of the Group was more than its market capitalisation. However, the market capitalisation has increased from the prior year. No unrecorded impairment was noted in the prior year, the discount rate expected to be applied for future cash flows has decreased, there was no change in the CGU assessment, and, except in one case, the expected cash flows had not deteriorated materially nor had any other external or internal trigger been noted. Therefore, no further testing was required for any of the CGUs other than the Australia terminals CGU, which is discussed below.	There is significant judgement required to determine whether an external or internal trigger has been met. Uncertainties related to impairment triggers include: • Effect of future technological advances on the value of our assets. • Determination of the future effects of climate change on asset values. • Effect of current and expected future changes to the political environments in which the CGUs operate. • Changes in rules and regulations (for example, taxes on carbon usage). • Effect of market capitalisation, which has increased from the prior year but which is still less than the net assets of the entity. • Evaluation of factors related to the discount rate.	If the judgement applied in determining whether there was an impairment trigger was incorrect or the fact pattern on which it was based changes, this could result in an impairment test being required and, possibly, an impairment being reflected in the Consolidated Financial Statements.

Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Impairment of Australia terminals' assets		
The Australia CGU with a net book value of assets of $136.9 million has had a deterioration of results over the past several years and had a further reduction of its expected future results from the prior year projections. The recoverable amount for the Australia terminals business was determined based on the Value in Use ("VIU"). The recoverable amount was based on a discounted cash flow basis using board approved projections in the five-year plan carried over into perpetuity using growth rates of 2.4% and a risk-adjusted weighted average cost of capital. As a result of the impairment review, the plant, property and equipment was impaired by $10.0 million.	Calculating the net present value of the future cash flows requires assumptions to be made in respect of highly uncertain matters. Based on management judgement and past experience, the following key assumptions were used in the projections: • Future escalation of price and cost increases based on expected contracts. • Customer rates on existing and future contracts and the spot market. • Future capital expenditures. • Expected utilisation rates and throughput volumes. • Determination of the future effects of climate change on asset values. • Pre-tax discount rate of 6.9% based on the weighted average cost of capital, specific for Australia. • An average growth rate for revenues and costs in perpetuity of 2.4%.	If the judgement applied in determining the recoverable amount of the terminal assets is incorrect or the fact pattern on which it is based changes, this could result in a different impairment being reflected in the Consolidated Financial Statements. For example, an increase of 1.0% in the discount rate would result in a further impairment of $26.6 million.

Notes to the Consolidated Financial Statements *(continued)*

Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Critical accounting judgement	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Investments in joint ventures and associates		
The Consolidated Financial Statements include the Group's results and all other entities in which the Group has control, except where control over the operations is limited by significant participating interests held by another investor. The Group has $611.9 million in investment and advances in joint ventures and associates. Determination of whether an entity is an investment in a joint venture or associate is based on certain relevant activities such as the ability to approve the operating and capital budgets of an entity and the ability to appoint key management personnel.	There are a number of areas where significant judgement is exercised to establish whether an entity needs to be consolidated or reported under the equity method of accounting. To establish whether an entity is a consolidated subsidiary, a joint venture or an associate, key areas of judgement include: • Qualitative analysis of an entity including review of, among other factors, its capital structure, contractual terms, key decisions requiring unanimous approval, related party relationships and the design of the entity. • Rights of partners regarding significant business decisions, including disposals and acquisitions of assets. • Board and management representation and ability to appoint key management personnel. • Potential voting rights. • Ability to make financing decisions. • Approval of operating and capital budgets and contractual rights of other shareholders. The exercise of judgement in these areas determines whether a particular entity is consolidated as a subsidiary or accounted for under the equity method throughout the lease term.	If the judgement applied in determining the accounting treatment of an entity is incorrect or the fact pattern on which it is based changes, such entities may need to be consolidated or accounted for as an investment at cost. For example, it is possible that an investment is accounted for as a joint venture or associate using the equity method despite having an ownership interest exceeding 50%, where the investor does not exercise direct or indirect control over the investee. To the extent that the Group is deemed to control these entities, the entities would have to be consolidated. This would affect the balance sheet, income statement, statement of cash flows and debt covenants. See Note 17 for further details.

Critical accounting judgements and key sources of estimation uncertainty *(continued)*

<table>
<tr><th>Critical accounting judgement or estimation</th><th>Sources of estimation uncertainty</th><th>Effect if actual results differ from assumptions</th></tr>
<tr><td colspan="3">Insurance claims receivable and Provisions</td></tr>
<tr><td>The Group is exposed to substantial risks that are inherent in the industries the Company's businesses operate in and which may result in third-party claims and increased expenses. These may include marine disasters, such as collisions and other problems involving the Group's ships, as well as injuries, death, third-party property damage, explosions and other similar circumstances or events.

For reported claims and incidents, the Group has established provisions for expected future losses and legal expenses on third-party claims. At November 30, 2021, Short-term and Long-term provisions for claims were $165.5 million.

The Group has obtained customary levels of insurance for liabilities arising from operations, including loss of or damage to third-party property and death or injury to employees or third parties.

A receivable is recorded for the claims where it is virtually certain that the Group will receive reimbursement. At November 30, 2021, the long-term Insurance claims receivable for third-party claims was $162.9 million.</td><td>The provisions for claims is based on the following key judgements and estimations:
• Historical trends and patterns of loss payments.
• Replacement costs and inflation.
• Results of litigation.
• Economic location and public attitudes.
• Relevant law and interpretation of case law.
• Applicable insurance company estimates.

When determining whether or not the Group will, with virtual certainty, be reimbursed for claims, the following information will be considered:
• Obligation of the insurance company or underwriter under the insurance policy.
• Historical payout of applicable insurance company on the current and any similar prior claim.
• Public or regulatory rating of underwriter or insurance companies.
• On multi-layered (primary and excess) policies, payments by the previous layer.</td><td>Amounts ultimately paid for losses and legal costs can vary significantly from the level of reserves originally set. If the judgement applied is incorrect or changes over time, this could result in future losses in the Consolidated Financial Statements.

See Notes 19 and 26 for further details.</td></tr>
<tr><td colspan="3">Pensions and other post-retirement benefits</td></tr>
<tr><td>The Group sponsors defined benefit pension plans and a supplemental executive retirement plan covering eligible employees. At November 30, 2021, the Employee benefit asset was $25.4 million and Employee benefit liability was $31.7 million. Net periodic pension costs and accumulated benefit obligations are determined in accordance with IAS 19R, Employee Benefits, using a number of estimates including the discount rate to apply to future benefit payments, the rate of compensation increases, retirement ages and mortality rates. These estimates have a significant impact on the amounts reported. The Group's pension cost consists of service costs and interest costs.</td><td>Management considers a number of factors in developing the pension assumptions, including an evaluation of relevant discount rates, expected return on assets, mortality, expected changes in wages and retirement benefits, analyses of current market conditions and input from actuaries and other consultants.</td><td>A 0.25% increase in the discount rate assumption for the defined benefit obligation would result in a decrease of $7.7 million, and a 0.25% decrease in discount rate assumption would result in an increase of $8.0 million in the defined benefit obligation.

The effect of a 1% change in the assumed healthcare cost trends on the accumulated post-retirement benefit obligation at the end of 2021 would have a negligible impact, owing to steps taken on the US Retirement Healthcare Plan to mitigate the risk.

If more than one of these assumptions were changed simultaneously, the cumulative impact would not necessarily be the same as if only one assumption were changed in isolation.

See Note 25 for further details and further scenarios.</td></tr>
</table>

Notes to the Consolidated Financial Statements *(continued)*

Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Critical accounting judgement or estimation	Sources of estimation uncertainty	Effect if actual results differ from assumptions
Right-of-use assets and Lease liabilities		
Key judgements in adopting IFRS 16, Leases ("IFRS 16") include whether to include extension options on leases, the discount rate to use to calculate the initial right-of-use asset and lease liability and determining the portion of lease payments representing non-lease services.	In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended and does not require the lessor to agree on new terms. The discount rate used to calculate the lease liability is the rate implicit in the lease, if it can be readily determined, or the lessee's incremental borrowing rate if not. As the rate implicit in the lease is not known, management uses the Group's incremental borrowing rate for all leases. The incremental borrowing rate is determined based on a series of inputs including: the risk free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment; and an entity-specific adjustment where the entity risk profile is different to that of the Group. For time charters of a ship, the time charter payment must be split between the lease of a specific ship and the cost for crew, maintenance and other operating expenses. The Group has based the non-lease component on the cost to perform the same work for ships of similar classes as the ship under contract.	If the discount rate were to decrease by 1%, the right-of-use asset and lease liability would increase by $11.0 million. If the percent of the time charter allocated to the service component decreased by 1%, the right-of-use asset and lease liability would have increased by $0.6 million and operating expenses would have decreased by approximately $0.2 million in the year. See Note 15 for further details.

3. Business and Geographic Segment Information

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

The "Corporate and Other" category includes Stolt Bitumen, corporate-related items and the results of other insignificant operations not reportable under other segments.

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

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

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

a. Corporate and Other includes Stolt Bitumen.

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

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

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

Notes to the Consolidated Financial Statements *(continued)*

For the year ended and as of November 30, 2020	Tankers	Terminals (a)	Tank Containers	Stolt Sea Farm	Stolt-Nielsen Gas	Corporate and Other (b)	Total
Operating revenue	$ 1,113,095	$ 238,527	$ 520,631	$ 79,747	$ –	$ 3,136	$ 1,955,136
Depreciation, amortisation and impairment (c)	(179,222)	(70,949)	(39,064)	(7,734)	–	(7,687)	(304,656)
Share of profit (loss) of joint ventures and associates	10,851	26,054	(1,403)	–	(3,065)	–	32,437
Operating profit (loss)	84,643	68,794	51,188	(8,350)	(4,015)	(2,333)	189,927
Finance expense (d)	(71,246)	(40,420)	(15,411)	(3,600)	(5,225)	(3,460)	(139,362)
Finance income	595	606	478	–	–	2,016	3,695
Profit (loss) from continuing operations before income tax	11,710	29,458	34,737	(13,230)	(9,408)	(5,790)	47,477
Income tax (expense) benefit	(1,904)	(6,510)	1,221	2,401	–	(3,529)	(8,321)
Profit (loss) from continuing operations	9,806	22,948	35,958	(10,829)	(9,408)	(9,319)	39,156
Net profit (loss)	9,806	22,948	35,958	(24,617)	(9,408)	(9,319)	25,368
Balance Sheet							
Capital expenditures (e)	61,906	56,364	7,485	1,914	–	4,452	132,121
Investments in and advances to joint ventures and associates	224,090	276,669	25,906	–	59,319	–	585,984
Intangible assets and goodwill	6,505	743	17,225	347	–	16,016	40,836
Segment assets	2,288,717	1,347,752	534,389	123,508	80,536	289,963	4,664,865

a. Terminals operating profit includes $3.6 million reversal of impairment on a terminal joint venture loan.

b. Corporate and Other includes Stolt Bitumen.

c. Includes impairment losses of $12.4 million for Terminals.

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

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

The following table sets out operating revenue by country for the reportable segments. Tankers, Terminals and Tank Containers' operating revenue is allocated on the basis of the country in which the cargo is loaded. Tankers and Tank Containers operate in a significant number of countries. Revenues from specific foreign countries which contribute significantly to total operating revenue are disclosed separately. SSF operating revenue is allocated on the basis of the country in which the sale is generated.

(in thousands)	For the years ended November 30, 2021	2020
Operating Revenue:		
Tankers:		
US	**$ 412,654**	$ 430,491
South America	**27,385**	30,961
The Netherlands	**90,166**	83,580
Belgium	**62,086**	62,241
Other Europe	**70,043**	81,362
South Korea	**34,311**	37,076
Malaysia	**61,281**	58,119
Indonesia	**58,788**	49,490
Other Asia	**114,386**	56,645
Saudi Arabia	**64,912**	85,418
Other Middle East	**92,897**	65,547
Africa	**74,669**	72,165
Other	**2,039**	–
	$ 1,165,617	$ 1,113,095
Terminals:		
US	**$ 138,357**	$ 136,198
Singapore	**37,107**	34,337
Australia and New Zealand	**15,529**	16,298
Brazil	**18,951**	20,377
United Kingdom	**20,579**	18,504
The Netherlands	**13,069**	12,813
	$ 243,592	$ 238,527
Tank Containers:		
US	**$ 106,675**	$ 109,661
South America	**34,556**	30,452
France	**55,894**	51,063
The Netherlands	**40,703**	34,839
Italy	**18,916**	17,022
Germany	**21,859**	17,241
Other Europe	**33,135**	23,255
Singapore	**90,397**	55,849
Japan	**22,580**	16,955
China	**127,888**	75,029
India	**27,902**	18,424
Other Asia	**54,277**	41,755
Middle East	**17,427**	14,422
Other	**10,234**	14,664
	$ 662,443	$ 520,631
Stolt Sea Farm:		
US	**$ 3,685**	$ 2,156
Spain	**51,994**	37,516
France	**9,968**	7,891
Italy	**20,318**	15,567
Germany	**4,371**	4,271
Other Europe	**17,822**	11,989
Other	**410**	357
	$ 108,568	$ 79,747

There were no customers of Tankers, Terminals, Tank Containers or SSF segments that accounted for more than 10% of the consolidated operating revenue for the years ended November 30, 2021 and 2020.

Notes to the Consolidated Financial Statements *(continued)*

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

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

For the year ended November 30, 2020 (in thousands)	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Other	Total
Revenue recognised over time:						
Freight revenue	$ 1,009,253	$ –	$ 397,229	$ –	$ –	$ 1,406,482
Storage and throughput revenue	–	161,384	–	–	–	161,384
	1,009,253	161,384	397,229	–	–	1,567,866
Revenue recognised at a point in time:						
Demurrage and ancillary revenue	103,842	–	123,402	–	–	227,244
Turbot and sole	–	–	–	79,747	–	79,747
Railcar revenue	–	20,263	–	–	–	20,263
Utility revenue	–	22,407	–	–	–	22,407
Dock, product handling and other revenue	–	34,473	–	–	3,136	37,609
	103,842	77,143	123,402	79,747	3,136	387,270
	$ 1,113,095	**$ 238,527**	**$ 520,631**	**$ 79,747**	**$ 3,136**	**$ 1,955,136**

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

Non-current assets by country are only reportable for the Terminals and Sea Farm operations. Stolt Tankers, Tank Container and Stolt-Nielsen Gas operations operate on a worldwide basis and are not restricted to specific locations. Accordingly, it is not possible to allocate the assets of these operations to specific countries. The total net book value of non-current assets for Tankers amounted to $1,896.4 million and $2,023.0 million for the years ended November 30, 2021 and 2020, respectively. For Tank Containers, the total net book value of non-current assets amounted to $421.0 million and $418.7 million, for the years ended November 30, 2021 and 2020, respectively. For Stolt-Nielsen Gas, the net book value of non-current assets amounted to $111.0 million and $80.5 million, for the years ended November 30, 2021 and 2020, respectively.

(in thousands)		As of November 30, 2021		2020
Non-current Assets:				
Terminals:				
US	**$**	**440,387**	$	439,330
The Netherlands		**64,131**		69,509
Singapore		**216,994**		232,821
Australia and New Zealand		**137,470**		148,321
United Kingdom		**83,657**		86,072
Brazil		**34,793**		35,375
South Korea		**121,029**		119,267
Belgium		**105,372**		110,781
China		**39,689**		37,531
Other		**7,823**		9,089
	$	**1,251,345**	$	1,288,096
Stolt Sea Farm:				
Spain	**$**	**42,046**	$	43,166
Norway		**1,053**		1,197
Portugal		**10,908**		10,903
Iceland		**12,244**		12,614
France		**1,539**		1,969
	$	**67,790**	$	69,849

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

4. Operating Revenue

Accounting policy

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

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

(i) Tankers

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

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

(ii) Terminals

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

Notes to the Consolidated Financial Statements *(continued)*

(iii) Tank Containers

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

(iv) SSF

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

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

	For the years ended November 30,			
(in thousands)		**2021**		2020
Revenue from the rendering of services	**$**	**2,072,514**	$	1,875,389
Revenue from the sale of goods		**108,568**		79,747
	$	**2,181,082**	$	1,955,136

Revenue generated by Tankers under contracts of affreightment was approximately 62% and 71% of the tanker division's total revenue for the years ended November 30, 2021 and 2020, respectively. All other revenue generated is from spot contracts.

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

5. Operating Expenses

Accounting policy

(i) Tankers

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

(ii) Terminals

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

(iii) Tank Containers

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

(iv) SSF

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

Operating expenses comprised the following:

(in thousands)		For the years ended November 30, 2021		2020
Ocean and inland freight charges	$	**285,579**	$	203,595
Bunker fuel costs		**243,512**		211,650
Operating employees' benefit expenses		**194,905**		184,771
Charter and lease expenses		**160,181**		137,611
Port charges		**143,072**		143,678
Maintenance and repairs		**61,928**		61,684
Cleaning costs		**44,291**		38,062
Tank container ancillary billable costs		**39,272**		31,213
Purchase of biological assets		**31,351**		22,397
Repositioning of tank containers		**28,756**		23,683
Ship supplies and provisions		**28,305**		25,697
Storage and other tank container move-related costs		**28,282**		30,989
Facilities and utilities		**25,879**		24,398
Expenses related to biological assets		**22,558**		22,748
Commissions		**22,416**		27,225
Sublet expenses		**20,796**		12,172
Service element of leases		**19,759**		19,929
Insurance		**30,036**		31,941
Insurance capital distribution		**(12,500)**		–
Voyage costs		**13,534**		14,549
Barging and trans-shipments		**10,544**		4,993
Owning costs		**9,999**		6,532
Regulatory costs		**5,536**		4,373
Rail expenses		**4,533**		4,889
Biological assets market valuation adjustment		**(17,379)**		4,985
Bunker hedge (gain) loss (Note 22)		**(100)**		2,613
Other expenses		**14,661**		12,527
Total operating expenses	**$**	**1,459,706**	$	1,308,904

An analysis of administrative and general expenses is as follows:

(in thousands)		For the years ended November 30, 2021		2020
Administrative and general employees' benefit expenses	$	**172,207**	$	148,669
Information systems		**15,068**		14,662
Professional fees		**12,966**		7,269
Office expenses		**6,107**		5,843
Legal fees		**3,874**		964
Management fee to joint venture		**1,731**		–
Travel and entertainment expenses		**1,460**		2,003
Investor relations and publicity		**978**		1,129
Communication expenses		**929**		1,202
Office lease expenses		**856**		1,766
Bank non-interest fees		**1,441**		1,505
Other		**2,847**		2,667
Total administrative and general expenses	**$**	**220,464**	$	187,679

Notes to the Consolidated Financial Statements *(continued)*

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

	For the years ended November 30,	
(in thousands, except employee data)	**2021**	2020
Salaries	**$ 265,621**	$ 254,183
Social security expenses	**21,677**	18,437
Pension expenses for defined contribution plans (Note 25)	**19,476**	17,765
Profit sharing and long-term incentive programmes	**8,857**	4,233
Travel of seafarers and relocation	**14,446**	11,673
Medical and life insurance	**11,065**	10,328
Training	**4,768**	4,187
Temporary and contract employees	**11,192**	9,104
Pension expenses for defined benefit plans and post-retirement benefit plan (Note 25)	**2,284**	(17)
Expatriate expenses	**1,453**	1,497
Other benefits	**6,273**	2,050
Total employee benefit expenses	**$ 367,112**	$ 333,440

Average number of employees:		
Tankers*	**4,635**	4,605
Tank Containers	**776**	743
Terminals	**579**	581
Stolt Sea Farm	**448**	459
Other	**73**	66
Total average number of employees	**6,511**	6,454

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

6. Auditors' Remuneration

The analysis of auditors' remuneration is as follows:

	For the years ended November 30,	
(in thousands)	**2021**	2020
Fees payable to the Group auditors and associates for the audit of the consolidated financial statements and subsidiary statutory audits	**$ 2,773**	$ 2,987
Fees payable to the Group auditors and associates for other services as detailed below	**181**	729
Total fees	**$ 2,954**	$ 3,716
Assurance support	**$ –**	527
Tax services	**24**	$ 62
Half-year reviews	**100**	100
Other	**57**	40
Total non-audit fees	**$ 181**	$ 729

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

7. Loss on Disposal of Assets, net

Loss on disposal of assets, net, comprised the following:

(in thousands)		For the years ended November 30, 2021		2020
Loss on sale of ships	**$**	**(4,877)**	$	(993)
(Loss) gain on sale of tank containers		**(2,063)**		522
Gain on sale of land		**3,217**		–
Gain (loss) on sale of other assets		**713**		(323)
	$	**(3,010)**	$	(794)

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

During 2020, Tankers recorded a loss of $1.0 million on the sale of *Stolt Razorbill* and recycling of *Stolt Vestland*.

8. Finance Expenses and Income

Accounting policy

(i) Finance expenses

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

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

(ii) Finance income

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

(in thousands)		For the years ended November 30, 2021		2020
Finance expense on debt				
Interest on loans	**$**	**93,351**	$	103,631
Amortisation of debt issuance costs		**7,315**		7,290
Realised loss on interest rate swaps (Note 22)		**10,654**		13,497
Commitment fees		**4,299**		3,436
Financial loss on early retirement of bonds		**–**		2,700
Other interest expense		**1,345**		461
Total interest expense		**116,964**		131,015
Less interest capitalised to property, plant and equipment		**(752)**		(1,131)
	$	**116,212**	$	129,884
Finance expense on lease liabilities				
Interest on lease liabilities	**$**	**11,072**	$	9,478
Finance income				
Interest from joint ventures	**$**	**1,500**	$	2,460
Interest on bank deposits		**731**		736
Other		**144**		499
	$	**2,375**	$	3,695

The average interest rates used to capitalise interest to property, plant and equipment were 5.1% and 5.4% for 2021 and 2020, respectively.

Notes to the Consolidated Financial Statements *(continued)*

9. Income Tax

Accounting policy

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

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

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

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

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

The following tables present the components of the income tax expense for the years ended November 30, 2021 and 2020:

	For the years ended November 30,	
(in thousands)	**2021**	2020
Current income tax expense	**$ 10,789**	$ 6,374
Adjustments in respect of prior years	**79**	(3,894)
	10,868	2,480
Deferred income tax expense	**11,495**	1,359
Adjustments in respect of prior years	**2,042**	4,482
	13,537	5,841
Total income tax expense	**$ 24,405**	$ 8,321

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

(in thousands)	For the years ended November 30, 2021	2020
Profit from continuing operations before income tax expense	**$ 103,211**	$ 47,477
Loss from discontinued operations before income tax expense	**–**	(13,788)
Profit before income tax expense	**103,211**	33,689
Tax at the Bermuda statutory tax rate	**–**	–
Differences between the Bermuda and other tax rates	**8,589**	4,388
Non-taxable income and disallowed expenses	**6,647**	67
Impact of change in UK corporate tax rates	**1,271**	–
Provision for uncertain tax positions	**2,675**	–
Changes in the recognition of tax losses	**2,798**	3,652
Adjustments in respect of prior years	**2,121**	588
Other differences, net	**304**	(374)
Total income tax expense	**$ 24,405**	$ 8,321

Substantially, all of the Group's international shipping operations are carried out in subsidiaries incorporated in the Netherlands, which imposes income tax on a fixed profit calculated by reference to the deadweight tonnage of the ships in the fleet rather than on the operating profits of the business. Based on the calculation, the Group incurred tax in the Netherlands of $0.5 million for both the years ended November 30, 2021 and 2020 which is included in Income tax expense.

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

(in thousands)	Accelerated tax depreciation	Retirement benefit obligations	Tax losses	Derivatives	Other	Total
Balance, December 1, 2019	**$ (77,459)**	**$ 9,362**	**$ 30,468**	**$ 585**	**$ (157)**	**$ (37,201)**
Credit (charge) to income statement	763	(48)	(8,123)	–	1,567	(5,841)
(Charge) credit to Other comprehensive income	–	(859)	–	623	545	309
Exchange differences	(10)	(21)	387	63	(47)	372
Balance, November 30, 2020	**$ (76,706)**	**$ 8,434**	**$ 22,732**	**$ 1,271**	**$ 1,908**	**$ (42,361)**
(Charge) credit to income statement	(12,826)	146	3,818	–	(4,675)	(13,537)
(Charge) credit to Other comprehensive income	–	(2,709)	–	(689)	119	(3,279)
Exchange differences	306	38	(267)	–	313	390
Balance, November 30, 2021	**$ (89,226)**	**$ 5,909**	**$ 26,283**	**$ 582**	**$ (2,335)**	**$ (58,787)**

Notes to the Consolidated Financial Statements *(continued)*

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

(in thousands)	As of November 30, 2021	2020
Deferred tax liabilities	**$ (68,025)**	$ (55,867)
Deferred tax assets	**9,238**	13,506
	$ (58,787)	$ (42,361)

The following is an analysis of the deferred taxes as of November 30, 2021 that are expected to be recovered or settled less than and more than twelve months after November 30, 2021:

(in thousands)	Less than 12 Months	More than 12 Months	Total
Deferred tax liabilities	$ (566)	$ (67,459)	$ (68,025)
Deferred tax assets	1,615	7,623	9,238
	$ 1,049	$ (59,836)	$ (58,787)

As of November 30, 2021, the Group has unused national corporate tax losses of $75.6 million (2020: $84.8 million) and unused regional tax losses of $35.1 million (2020: $48.1 million) available for offset against future profits. A deferred tax asset of $28.3 million at November 30, 2021 (2020: $23.1 million) has not been recognised in respect of losses carried forward at the balance sheet date. These losses have arisen in Group companies where profits are not forecast for the foreseeable future.

Deferred income tax liabilities of $15.6 million at November 30, 2021 (2020: $52.1 million) have not been recognised for the withholding tax and other taxes that would be payable on the undistributed earnings of certain subsidiaries. Such amounts are considered permanently reinvested, which means that the deferred income tax liabilities will not be realised in the foreseeable future. Undistributed earnings totalled $0.3 billion at November 30, 2021 (2020: $0.8 billion).

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

10. Cash and Cash Equivalents and Restricted Cash

Accounting policy

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

(in thousands)	As of November 30, 2021	2020
Cash deposit	**$ 111,639**	$ 116,808
Short-term time deposits	**12,229**	70,959
Cash and cash equivalents	**$ 123,868**	$ 187,767
Restricted cash	**$ 6,096**	$ 109

Cash and cash equivalents comprise cash and short-term time deposits held by the Group. At November 30, 2021 and 2020, respectively, $6.1 million and nil were placed as collateral for a derivative instrument and included in restricted cash.

11. Receivables, Net

Accounting policy

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

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

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

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

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

Impairment on receivables is measured as lifetime expected credit losses.

(in thousands)	As of November 30, **2021**	2020
Customer trade receivables	**$ 270,765**	$ 216,473
Contract assets	**15,068**	9,693
Accrued revenue	**6,313**	7,562
Withholding tax	**5,000**	–
Interest	**1,227**	850
Other	**7,505**	3,916
	305,878	238,494
Allowance for impairment on customer trade and accrued receivables	**(20,129)**	(18,230)
Receivables, net	**$ 285,749**	$ 220,264
Insurance claims receivables	**$ 58,598**	$ –

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

Contract assets

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

	As of November 30, 2021		As of November 30, 2020	
	<1 year	**>1 year**	<1 year	>1 year
Balance, December 1	**$ 9,693**	**$ –**	$ 6,806	$ –
Transfer to trade receivables	**(514,411)**	**–**	(394,342)	–
Revenue recognised (current year performance obligations)	**519,786**	**–**	397,229	–
Balance, November 30	**$ 15,068**	**$ –**	$ 9,693	$ –

Notes to the Consolidated Financial Statements *(continued)*

12. Inventories, Net

Accounting policy

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

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

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

Inventories as of November 30, 2021 and 2020 consisted of the following:

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

November 30, 2020 (in thousands)	Terminals	SSF	Other	Total
Raw materials	$ –	$ 207	$ 8	$ 215
Consumables	712	–	1,531	2,243
Finished goods	–	5,283	–	5,283
	$ 712	$ 5,490	$ 1,539	$ 7,741

The cost of inventory included in operating expenses in 2021 and 2020 was $72.6 million and $60.5 million for Stolt Sea Farm, $6.4 million and $5.8 million for Stolt Tank Containers and $0.3 million and nil for Stolthaven Terminals, respectively. Inventory was written down by nil and $1.0 million in the years ended November 30, 2021 and 2020, respectively. Bunkers of $35.9 million and $21.0 million were included in prepaid expenses at November 30, 2021 and 2020, respectively.

13. Biological Assets

Accounting policy

During 2021, Biological assets primarily comprised turbot and sole, which include fish with and without an active market for sale ('mature' and 'juvenile' fish), which are farmed by the Group.

(i) Turbot and sole

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

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

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

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

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

(ii) Sturgeon

Sturgeon are 'mature' when they reach 3 kilograms per fish. The fair value of mature sturgeon is estimated at market value less costs to sell and costs related to packaging estimated based on the meat price of sturgeon and its weight.

Sturgeon and caviar that the sturgeon produces are fair valued at the point of harvest. After harvest, the caviar produced from harvest is treated as inventory and the fair value at the point of harvest is treated as the cost of the inventory. The fair value adjustment on biological assets has no cash impact and does not affect the result of operations before unrealised fair value adjustments.

There is no active market for juvenile sturgeon. They are therefore carried at cost less provision for impairment for the same reasons as those stated above for the juvenile turbot and sole.

In October 2020, the Group sold Sterling Caviar, Inc. ("Caviar"), which was the Group's only business producing and marketing sturgeon and caviar. Caviar has been treated as a discontinued operation for the year ended and as of November 30, 2020. See Note 33 for further disclosures.

Biological assets in the balance sheet

	As of November 30,	
(in thousands)	**2021**	2020
Turbot and sole	**$ 50,344**	$ 30,129
	$ 50,344	$ 30,129

Biological assets are the work in process: live turbot and sole that are in the process of production. The biological assets are transferred to inventory after being harvested.

Reconciliation of changes in book value of turbot and sole

(in thousands)	**2021**	2020
Balance at December 1,	**$ 30,129**	$ 33,766
Increases owing to production and purchases	**47,111**	41,529
Gain (loss) from change in fair value	**17,379**	(3,748)
Effect of changes in foreign currency rates	**(2,002)**	1,623
Decreases owing to mortalities	**(866)**	(1,688)
Transfer to inventory	**(41,407)**	(41,353)
Balance at November 30,	**$ 50,344**	$ 30,129

Notes to the Consolidated Financial Statements *(continued)*

Reconciliation of changes in book value of sturgeon

(in thousands)		2021		2020
Balance at December 1,	**$**	**–**	$	8,432
Increases owing to production and purchases		**–**		5,039
Loss from change in fair value		**–**		(553)
Decreases owing to mortalities		**–**		(393)
Transfer to inventory		**–**		(3,905)
Business disposal		**–**		(8,620)
Balance at November 30,	**$**	**–**	$	–

Fair value adjustments on biological assets in the income statement in continuing operations

	For the years ended November 30,			
(in thousands)		2021		2020
Work in process, turbot and sole	**$**	**17,379**	$	(3,748)
Finished goods		**–**		(1,237)
Total fair value adjustment recognised in operating expenses	**$**	**17,379**	$	(4,985)

Fair value adjustments on biological assets in the income statement in discontinued operations

	For the years ended November 30,			
(in thousands)		2021		2020
Work in process, sturgeon	**$**	**–**	$	(553)
Total fair value adjustment recognised in discontinued operations	**$**	**–**	$	(553)

Value of biological assets at fair value

	As of November 30,			
(in thousands)		2021		2020
Work in process, turbot and sole	**$**	**46,411**	$	26,527
Total assets held at fair value included in the balance sheet	**$**	**46,411**	$	26,527

Volumes of biomass (in tonnes)

	For the years ended and as of November 30,	
(in tonnes)	2021	2020
Volume of biomass harvested during the year (live weight)	**5,732**	5,959
Volume of biomass in the water at year end (live weight)	**4,039**	3,409

Value of juvenile biological assets at cost

	As of November 30,			
(in thousands)		2021		2020
Turbot and sole	**$**	**3,933**	$	3,602
Total assets held at cost included in the balance sheet	**$**	**3,933**	$	3,602

The income statement impact relating to the change in carrying value when juvenile assets have reached maturity is immaterial for the years ended November 30, 2021 and 2020.

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

14. Property, Plant and Equipment

Accounting policy

(i) Recognition and measurement

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

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

(ii) Depreciation

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

(iii) Subsequent costs – drydocking costs

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements *(continued)*

(v) Estimated useful lives

The estimated useful lives are as follows:

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

Average years exclude immaterial assets.

(vi) Disposals

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

The below table shows owned property, plant and equipment.

Cost (In thousands)	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Leasehold Improvements	Construction In Progress	Total
Balance at December 1, 2019	**$ 58,435**	**$ 128,761**	**$ 3,270,821**	**$ 494,922**	**$ 1,426,252**	**$ 8,555**	**$ 108,743**	**$ 5,496,489**
Additions	34	3,553	–	1,328	3,649	1,462	125,181	135,207
Grant receipts	–	(1,689)	–	–	(2,945)	–	(2,390)	(7,024)
Disposals and retirements	–	(532)	(131,383)	(14,216)	(27,837)	(263)	(886)	(175,117)
Sale of Caviar division	(86)	(2,047)	–	–	(6,688)	–	(977)	(9,798)
Net foreign exchange differences	1,693	4,992	4,800	1,173	17,487	135	1,893	32,173
Transfers	(2,082)	6,369	49,077	–	83,092	5	(136,461)	–
Reclasses and other	(290)	238	(425)	(771)	960	(220)	(25)	(533)
Balance at November 30, 2020	**$ 57,704**	**$ 139,645**	**$ 3,192,890**	**$ 482,436**	**$ 1,493,970**	**$ 9,674**	**$ 95,078**	**$ 5,471,397**
Additions	1,756	3,201	75,074	3,142	8,819	168	93,168	185,328
Grant receipts	–	(179)	–	–	(497)	–	–	(676)
Disposals and retirements	–	(2,917)	(174,864)	(9,818)	(15,647)	(351)	(3,783)	(207,380)
Net foreign exchange differences	(766)	(3,124)	(2,941)	196	(19,777)	(486)	(1,509)	(28,407)
Transfers	–	5,350	52,756	–	58,275	–	(116,381)	–
Reclasses and other	(7)	–	6	1	(370)	(134)	875	371
Balance at November 30, 2021	**$ 58,687**	**$ 141,976**	**$ 3,142,921**	**$ 475,957**	**$ 1,524,773**	**$ 8,871**	**$ 67,448**	**$ 5,420,633**

Accumulated depreciation and impairment (in thousands)	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Leasehold Improvements	Construction In Progress	Total
Balance at December 1, 2019	**$ –**	**$ 49,927**	**$ 1,525,166**	**$ 222,887**	**$ 552,843**	**$ 6,541**	**$ –**	**$ 2,357,364**
Depreciation expense	–	5,915	158,059	18,771	63,869	401	–	247,015
Sale of Caviar division	–	(818)	–	–	(5,081)	–	–	(5,899)
Disposals and retirements	–	(520)	(120,619)	(10,960)	(26,130)	(263)	–	(158,492)
Net foreign exchange differences	–	1,027	3,165	310	6,900	(51)	–	11,351
Reclasses and other	–	176	(394)	(41)	229	28	–	(2)
Balance at November 30, 2020	**$ –**	**$ 55,707**	**$ 1,565,377**	**$ 230,967**	**$ 592,630**	**$ 6,656**	**$ –**	**$ 2,451,337**
Depreciation expense	–	2,992	153,253	18,144	69,153	699	–	244,241
Impairment expense	–	–	–	–	10,000	–	–	10,000
Disposals and retirements	–	(1,988)	(104,040)	(7,729)	(13,495)	(347)	–	(127,599)
Net foreign exchange differences	–	(712)	(2,031)	132	(10,666)	(630)	–	(13,907)
Reclasses and other	–	(397)	681	(360)	725	(225)	–	424
Balance at November 30, 2021	**$ –**	**$ 55,602**	**$ 1,613,240**	**$ 241,154**	**$ 648,347**	**$ 6,153**	**$ –**	**$ 2,564,496**
Net book value:								
At November 30, 2020	**$ 57,704**	**$ 83,938**	**$ 1,627,513**	**$ 251,469**	**$ 901,340**	**$ 3,018**	**$ 95,078**	**$ 3,020,060**
At November 30, 2021	**$ 58,687**	**$ 86,374**	**$ 1,529,681**	**$ 234,803**	**$ 876,426**	**$ 2,718**	**$ 67,448**	**$ 2,856,137**

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

During the year ended November 30, 2020, the Group had additions of property, plant and equipment of $135.2 million. Cash spent during the period was $147.5 million and primarily reflected i) $59.3 million on terminal capital expenditures, ii) $22.1 million on drydocking of ships, iii) $46.0 million on tankers capital expenditures, iv) $7.8 million on the purchase of tank containers and construction at depots, and v) $12.3 million on Stolt Sea Farm capital expenditures. Interest of $1.1 million was capitalised on the new construction of terminals. Tankers capital expenditures include deposits of $8.2 million on the second-hand ships from CTG.

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

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

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

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

Notes to the Consolidated Financial Statements *(continued)*

Impairment of non-current assets

See Note 2 for further discussion of impairment.

Terminals

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

15. Right-of-use assets and lease liabilities

Accounting policy

(i) Right-of-use assets

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

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

(ii) Lease liabilities

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

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

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

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

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

(iii) Lease expenses

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

(iv) Variable lease consideration

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

Right-of-Use Assets

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

Cost (in thousands)	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Total
Adoption of IFRS 16 on December 1, 2019	$ 61,562	$ 18,181	$ 65,565	$ 44,892	$ 4,100	$ 194,300
New leases and other increases	2,505	1,591	19,756	13,607	3,148	40,607
Retirements and other decreases	(714)	(220)	(6,142)	–	(1,765)	(8,841)
Net foreign exchange differences	5,226	(597)	772	–	(879)	4,522
Balance at November 30, 2020	**$ 68,579**	**$ 18,955**	**$ 79,951**	**$ 58,499**	**$ 4,604**	**$ 230,588**
New leases and other increases	10,842	2,409	19,396	33,049	2,490	68,186
Retirements and other decreases	(2,088)	(1,950)	(10,478)	(11)	(208)	(14,735)
Net foreign exchange differences	(2,884)	(484)	(691)	154	(154)	(4,059)
Balance at November 30, 2021	**$ 74,449**	**$ 18,930**	**$ 88,178**	**$ 91,691**	**$ 6,732**	**$ 279,980**

Accumulated depreciation (in thousands)	Land	Buildings	Ships and Barges	Tank Containers	Plant and Equipment	Total
Depreciation expense	$ 2,871	$ 4,025	$ 20,008	$ 13,909	$ 957	$ 41,770
Retirements and other decreases	–	–	(1,061)	–	–	(1,061)
Net foreign exchange differences	(63)	242	171	(35)	59	374
Reclasses and other	62	64	–	–	(26)	100
Balance at November 30, 2020	**$ 2,870**	**$ 4,331**	**$ 19,118**	**$ 13,874**	**$ 990**	**$ 41,183**
Depreciation expense	3,024	4,493	19,136	18,401	1,203	46,257
Retirements and other decreases	(601)	(1,487)	(8,501)	(3)	(175)	(10,767)
Net foreign exchange differences	(63)	(128)	(371)	46	(54)	(570)
Reclasses and other	190	(4)	–	–	643	829
Balance at November 30, 2021	**$ 5,420**	**$ 7,205**	**$ 29,382**	**$ 32,318**	**$ 2,607**	**$ 76,932**
Net book value:						
At November 30, 2020	**$ 65,709**	**$ 14,624**	**$ 60,833**	**$ 44,625**	**$ 3,614**	**$ 189,405**
At November 30, 2021	**$ 69,029**	**$ 11,725**	**$ 58,796**	**$ 59,373**	**$ 4,125**	**$ 203,048**

On December 1, 2019, an amount of $194.3 million was recognised as right-of-use assets on transition to IFRS 16, Leases, using the modified retrospective approach. Prior to December 1, 2019 and during 2020 and 2021, the Group entered into leases for land, offices, ships, barges, tank containers and terminal and sea farm equipment. At November 30, 2021, the Group has leases expiring from 2022 to 2070.

Notes to the Consolidated Financial Statements *(continued)*

Lease Liabilities

(in thousands)	As of November 30, 2021	2020
Contractual undiscounted cash flows:		
Less than:		
1 year	**$ 52,730**	$ 44,120
2 years	**48,175**	37,790
3 years	**36,876**	33,476
4 years	**22,551**	27,521
5 years	**11,005**	17,030
Thereafter	**136,998**	125,540
Total undiscounted cash flows	**308,335**	285,477
Total lease liabilities (discounted based on the Group's incremental borrowing rate)	**210,450**	193,515
Less current maturities	**(43,473)**	(35,640)
Non-current	**$ 166,977**	$ 157,875

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

Operating Leases

Minimum future lease commitments, under agreements which expire at various dates through 2026, are as follows:

(in thousands)	2021	2020
Less than:		
1 year	**$ 1,916**	$ 3,358
2 years	**611**	321
3 years	**403**	228
4 years	**228**	81
5 years	**59**	15
	$ 3,217	$ 4,003

The commitments for the year ended November 30, 2021 related to leases in which the exemption has been utilised to exclude short-term (less than one year) and low-value leases (leases with total payments of less than $5,000) and consist of tank containers, ships, barges, offices and equipment leases.

Rental and charter hire expenses under operating lease agreements for the years ended November 30, 2021 and 2020, were $35.8 million and $36.6 million, respectively. There was no sub-lease income in either year.

Variable lease consideration included in Charter and lease expenses related to charter hire expenses to participants in the Joint service was $124.0 million and $103.4 million, respectively, for the years ended November 30, 2021 and 2020.

There were no non-cancellable sub-leases during the years ended November 30, 2021 and 2020.

16. Intangible Assets and Goodwill

Accounting policy

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

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

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

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

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

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

Notes to the Consolidated Financial Statements *(continued)*

Intangible assets are shown below:

(in thousands)	Goodwill	Trademark	Customer Relations/ Contracts	Computer Software	Other	Total
Cost:						
Balance, December 1, 2019	**$ 32,372**	**$ 1,436**	**$ 8,647**	**$ 57,360**	**$ 503**	**$ 100,318**
Additions	–	–	–	4,711	41	4,752
Disposals and retirements	–	–	(1,221)	(7)	(49)	(1,277)
Net foreign exchange differences	2,085	119	557	2,699	71	5,531
Reclasses	–	–	–	204	9	213
Balance, November 30, 2020	**$ 34,457**	**$ 1,555**	**$ 7,983**	**$ 64,967**	**$ 575**	**$ 109,537**
Additions	–	–	–	4,655	33	4,688
Disposals and retirements	–	–	–	(3,327)	–	(3,327)
Net foreign exchange differences	(730)	(77)	(338)	(2,578)	(48)	(3,771)
Reclasses	–	–	–	(267)	314	47
Balance, November 30, 2021	**$ 33,727**	**$ 1,478**	**$ 7,645**	**$ 63,450**	**$ 874**	**$ 107,174**
Accumulated amortisation:						
Balance, December 1, 2019	**$ –**	**$ 1,436**	**$ 8,083**	**$ 40,897**	**$ 311**	**$ 50,727**
Amortisation charge for the year	–	–	111	3,302	64	3,477
Impairment charge for the year	12,394	–	–	–	–	12,394
Disposals and retirements	–	–	(1,221)	(6)	(34)	(1,261)
Net foreign exchange differences	–	119	802	2,381	53	3,355
Reclasses	–	–	–	–	9	9
Balance, November 30, 2020	**$ 12,394**	**$ 1,555**	**$ 7,775**	**$ 46,574**	**$ 403**	**$ 68,701**
Amortisation charge for the year	–	–	114	4,847	–	4,961
Disposals and retirements	–	–	–	(3,263)	–	(3,263)
Net foreign exchange differences	–	(77)	(338)	(1,860)	(34)	(2,309)
Reclasses	–	–	–	(164)	281	117
Balance, November 30, 2021	**$ 12,394**	**$ 1,478**	**$ 7,551**	**$ 46,134**	**$ 650**	**$ 68,207**
Net book value:						
At November 30, 2020	**$ 22,063**	**$ –**	**$ 208**	**$ 18,393**	**$ 172**	**$ 40,836**
At November 30, 2021	**$ 21,333**	**$ –**	**$ 94**	**$ 17,316**	**$ 224**	**$ 38,967**

Other than goodwill, all intangible assets were subject to amortisation as of November 30, 2021 and 2020.

During the year ended November 30, 2021, the Group spent $4.7 million on intangible assets, mainly on the acquisition of computer software.

The Tankers and Tank Containers segments goodwill has been tested for impairment as of November 30, 2021 and 2020. In addition, in 2020, Terminals segment was tested for impairment which resulted in the full impairment of goodwill of $12.4 million related to a prior year business combination in the Terminals segment.

At November 30, 2021, goodwill primarily consisted of $5.2 million for goodwill on a prior year acquisition of the Tankers segment and $16.1 million related to a prior year business combination in the Tank Containers segment.

Revaluation for foreign exchange differences for goodwill and other intangibles amounted to a loss of $1.5 million in the same period.

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

17. Investments in and Advances to Joint Ventures and Associates

Accounting policy

(i) Associates

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

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

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

(ii) Joint Ventures

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

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

Notes to the Consolidated Financial Statements *(continued)*

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

(in thousands)	Location[1]	2021 % Shares	2021 % Voting Rights	As of November 30, 2021	2020
Joint Ventures:					
Tankers material joint ventures:					
NYK Stolt Tankers S.A.	Panama	50	50	**$ 40,639**	$ 40,894
Stolt NYK Asia Pacific Services Inc.	Liberia	50	50	**23,983**	24,782
NYK Stolt Shipholding Inc.	Liberia	50	50	**40,632**	40,375
Shanghai SC-Stolt Shipping Ltd	China	49	50	**39,956**	37,126
Hassel Shipping 4 AS	Norway	50	50	**81,021**	74,510
Tankers non-material joint ventures:					
SIA LAPA, Ltd	Latvia	70	50	**1,314**	1, 077
Shanghai New Xing Yang Marine Services Co. Ltd	China	40	40	**61**	189
				227,606	218,953
Terminals material joint ventures:					
Oiltanking Stolthaven Antwerp, NV	Belgium	50	50	**105,372**	110,781
Jeong-IL Stolthaven Ulsan Co. Ltd	South Korea	50	50	**121,029**	119,267
Tianjin Lingang Stolthaven Terminal Co.	China	65	50	**26,524**	24,586
Tianjin Lingang Stolthaven Jetty Company	China	40	50	**13,165**	12,945
Terminals non-material joint venture:					
Stolthaven (Westport) Sdn. Bhd.	Malaysia	49	50	**6,908**	8,072
				272,998	275,651
Tank Containers non-material joint ventures:					
Hyop Woon Stolt Transportation Services Co. Ltd	South Korea	50	50	**3,892**	3,503
Kanoo Tank Services Ltd.	Saudi Arabia	60	50	**16,115**	16,864
Vado Tank Cleaning SRL	Italy	50	50	**980**	1,761
Laem Chabang Tank Service Co. Ltd.	Thailand	49	49	**1,443**	1,289
FSTS CO., Ltd	Thailand	49	49	**978**	834
				23,408	24,251
Stolt-Nielsen Gas material joint ventures:					
Avenir LNG Limited	Bermuda	47	47	**79,497**	59,319
Subtotal				**603,509**	578,174
Non-material associates:					
Brovig SS II Indre Selskap	Norway	50	50	**5,414**	5,137
Essberger & Stolt Tankers GMbH & Co KG[2]	Germany	28	28	**164**	–
N.C. Stolt Transportation Services Co. Ltd	Japan	50	50	**1,388**	1,186
Norterminal A.S.	Norway	25	25	**915**	1,017
N.C. Stolt Chuyko Transportation Services Co. Ltd	Japan	35	35	**516**	470
Subtotal				**8,397**	7,810
				$ 611,906	$ 585,984

1. Represents the country of the principal place of business as well as the country of incorporation, except for NYK Stolt Tankers S.A., Stolt NYK Asia Pacific Services Inc., NYK Stolt Shipholding Inc., Hassel Shipping 4 AS, Essberger & Stolt Tankers GMbH & Co KG, Brovig SS II Indre Selskap and Avenir LNG Limited which operate on a world-wide or regional basis.
2. On January 1, 2021, Stolt Tankers BV entered into a joint venture with John T. Essberger Group for the operation of their combined parcel tanker fleets trading within Europe. The joint venture, Essberger & Stolt Tankers GMbH & Co KG ("E&S Tankers"), is trading certain of the Group's parcel tankers ranging in size from 2,800 to 11,300 dwt.

(in thousands)	Joint Ventures	Associates	Total
Balance, December 1, 2019	**$ 534,429**	**$ 8,099**	**$ 542,528**
Share of profit of joint ventures and associates	32,203	234	32,437
Dividends	(15,216)	(224)	(15,440)
Net foreign exchange differences	20,950	(308)	20,642
Net (loss) gain on cash flow hedges held by joint ventures and associates	(3,886)	9	(3,877)
Repayment of advances to joint ventures, net	(4,907)	–	(4,907)
Reversal of prior year provision against advances	3,557	–	3,557
Net actuarial gain on pension schemes held by joint venture	379	–	379
Investment in joint venture	15,000	–	15,000
Disposal of associate	(4,794)	–	(4,794)
Other	459	–	459
Balance, November 30, 2020	**$ 578,174**	**$ 7,810**	**$ 585,984**
Share of profit of joint ventures and associates	38,858	612	39,470
Dividends	(22,629)	(240)	(22,869)
Net foreign exchange differences	(11,396)	42	(11,354)
Net gain on cash flow hedges held by joint ventures and associates	3,834	–	3,834
Repayment of advances to joint ventures, net	(4,570)	–	(4,570)
Net actuarial gain on pension schemes held by joint venture	1,489	–	1,489
Investment in joint venture and associate	21,000	173	21,173
Other	(1,251)	–	(1,251)
Balance, November 30, 2021	**$ 603,509**	**$ 8,397**	**$ 611,906**

Notes to the Consolidated Financial Statements *(continued)*

Summarised financial information of material joint ventures

The below table provides summarised financial information of the Group's material joint ventures, representing 100% of the respective amounts included in the individual joint ventures' Financial Statements as of and for the years ended November 30, 2021 and 2020. The figures have been amended to reflect modifications for differences in accounting policy.

	NYK Stolt Tankers S.A.		Stolt NYK Asia Pacific Services Inc.		NYK Stolt Shipholding Inc.		Shanghai SC-Stolt Shipping Ltd		Hassel Shipping 4 AS	
(in thousands)	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Selected Balance Sheet Information										
Cash and cash equivalents	**$ 4,650**	$ 12,750	**$ 2,341**	$ 5,735	**$ 11,101**	$ 16,270	**$ 20,562**	$ 11,372	**$ 21,822**	$ 18,182
Current assets, other than cash	**9,358**	7,369	**9,921**	7,777	**2,140**	5,124	**7,220**	7,960	**9,996**	7,696
Current assets	**14,008**	20,119	**12,262**	13,512	**13,241**	21,394	**27,782**	19,332	**31,818**	25,878
Non-current assets	**207,734**	160,722	**42,140**	42,196	**185,186**	189,406	**58,239**	61,045	**310,471**	319,811
Total Assets	**221,742**	180,841	**54,402**	55,708	**198,427**	210,800	**86,021**	80,377	**342,289**	345,689
Financial liabilities, other than accounts payable	**10,186**	7,811	**–**	–	**9,388**	10,626	**–**	–	**16,369**	16,356
Other current liabilities	**1,900**	3,189	**6,436**	6,145	**–**	–	**5,928**	5,795	**3,058**	–
Current liabilities	**12,086**	11,000	**6,436**	6,145	**9,388**	10,626	**5,928**	5,795	**19,427**	16,356
Financial liabilities	**157,417**	120,485	**–**	–	**107,069**	117,490	**–**	–	**167,608**	183,998
Non-current liabilities	**5,212**	8,787	**–**	–	**702**	1,932	**–**	–	**435**	2,942
Total non-current liabilities	**162,629**	129,272	**–**	–	**107,771**	119,422	**–**	–	**168,043**	186,940
Net Assets	**$ 47,027**	$ 40,569	**$ 47,966**	$ 49,563	**$ 81,268**	$ 80,752	**$ 80,093**	$ 74,582	**$ 154,819**	$ 142,393
Selected Income Statement Information										
Operating revenue	**$ 52,609**	$ 45,190	**$ 74,308**	$ 77,797	**$ 40,964**	$ 47,592	**$ 43,487**	$ 32,986	**$ 60,690**	$ 58,180
Depreciation and amortisation	**14,822**	11,845	**–**	13,699	**13,554**	13,233	**4,798**	4,470	**13,827**	13,809
Finance income	**–**	–	**328**	771	**14**	53	**–**	–	**5**	102
Finance expense	**4,818**	4,909	**–**	6,572	**1,925**	2,990	**–**	–	**8,762**	10,161
Profit (loss) before taxes	**2,878**	6,712	**(1,587)**	(3,142)	**(788)**	3,903	**7,568**	4,695	**9,610**	9,884
Income tax expense	**–**	–	**–**	–	**–**	–	**1,889**	909	**–**	–
Net profit (loss)	**2,878**	6,712	**(1,587)**	(3,142)	**(788)**	3,903	**5,679**	3,786	**9,610**	9,884
Other comprehensive income (loss)	**3,576**	(3,187)	**–**	–	**1,304**	(1,296)	**2,575**	5,035	**2,817**	(3,210)
Total comprehensive income (loss)	**$ 6,454**	$ 3,525	**$ (1,587)**	$ (3,142)	**$ 516**	$ 2,607	**$ 8,254**	$ 8,821	**$ 12,427**	$ 6,674
Dividends received by Group	**$ –**	$ –	**$ –**	$ –	**$ –**	$ –	**$ 1,217**	$ 1,394	**$ –**	$ –

Long-term financial liabilities for NYK Stolt Tankers S.A. included shareholder loans of $35.1 million and $42.2 million for the years ended November 30, 2021 and 2020, respectively. Of the financial liabilities included in NYK Stolt Shipholding Inc., $42.0 million related to notes payable to Stolt NYK Asia Pacific Services Inc. at both November 30, 2021 and 2020.

(in thousands)	Oiltanking Stolthaven Antwerp, NV 2021	Oiltanking Stolthaven Antwerp, NV 2020	Jeong-IL Stolthaven Ulsan Co. Ltd 2021	Jeong-IL Stolthaven Ulsan Co. Ltd 2020	Tianjin Lingang Stolthaven Terminal Co. 2021	Tianjin Lingang Stolthaven Terminal Co. 2020	Tianjin Lingang Stolthaven Jetty Company 2021	Tianjin Lingang Stolthaven Jetty Company 2020
Selected Balance Sheet Information								
Cash and cash equivalents	**$ 5,450**	$ 19,285	**$ 14,660**	$ 3,738	**$ 2,974**	$ 1,986	**$ 3,792**	$ 2,752
Current assets, other than cash	**27,793**	15,152	**17,438**	37,431	**823**	927	**3,263**	3,057
Current assets	**33,243**	34,437	**32,098**	41,169	**3,797**	2,913	**7,055**	5,809
Non-current assets	**371,936**	407,350	**395,248**	401,409	**42,521**	43,806	**27,979**	28,424
Total Assets	**405,179**	441,787	**427,346**	442,578	**46,318**	46,719	**35,034**	34,233
Financial liabilities, other than accounts payable	**49,939**	28,849	**101,608**	142,190	**2,357**	2,281	**–**	–
Other current liabilities	**13,673**	11,812	**39,121**	35,470	**6,560**	6,313	**1,767**	1,528
Current liabilities	**63,612**	40,661	**140,729**	177,660	**8,917**	8,594	**1,767**	1,528
Financial liabilities	**112,492**	158,449	**51,636**	35,889	**6,851**	10,530	**–**	–
Non-current liabilities	**58,543**	63,583	**2,347**	541	**258**	284	**–**	–
Total non-current liabilities	**171,035**	222,032	**53,983**	36,430	**7,109**	10,814	**–**	–
Net Assets	**$ 170,532**	$ 179,094	**$ 232,634**	$ 228,488	**$ 30,292**	$ 27,311	**$ 33,267**	$ 32,705
Selected Income Statement Information								
Operating revenue	**$ 116,112**	$ 109,912	**$ 95,518**	$ 90,740	**$ 10,440**	$ 7,872	**$ 10,016**	$ 10,020
Depreciation and amortisation	**34,158**	31,685	**12,514**	11,402	**2,964**	2,728	**1,438**	1,410
Finance income	**–**	–	**–**	–	**–**	–	**29**	–
Finance expense	**5,717**	6,146	**2,774**	4,311	**693**	307	**–**	15
Profit before taxes	**25,027**	23,351	**39,250**	36,858	**2,041**	827	**5,082**	5,527
Income tax expense	**5,297**	6,012	**8,774**	9,492	**–**	–	**1,270**	1,365
Net profit	**19,730**	17,339	**30,476**	27,366	**2,041**	827	**3,812**	4,162
Other comprehensive (loss) income	**(6,118)**	13,867	**(15,051)**	14,108	**940**	1,731	**1,105**	2,043
Total comprehensive income	**$ 13,612**	$ 31,206	**$ 15,425**	$ 41,474	**$ 2,981**	$ 2,558	**$ 4,917**	$ 6,205
Dividends received by Group	**$ 11,087**	$ 6,254	**$ 5,639**	$ 3,924	**$ –**	$ –	**$ 1,742**	$ 1,242

In addition to the table above, Avenir LNG Limited is publicly traded on the Norwegian over-the-counter ("NOTC") market. The financial statements for December 31, 2020 have been filed on the NOTC. Avenir LNG Limited had total assets of $172.3 million, total liabilities of $46.3 million and total net assets of $126.0 million. Avenir LNG Limited also published earnings releases containing unaudited financial information on a quarterly basis up until September 30 2021. For the nine months to September 30, 2021 Avenir LNG Limited disclosed a net loss of $1.3 million and as at September 30, 2021 had total assets of $223.0 million, total liabilities of $66.3 million and net assets of $156.7 million. Share of profit of Avenir LNG Limited from October 1, 2021 to November 30, 2021 is based on management's best estimate of Avenir LNG Limited's performance. The market price of Avenir LNG Limited shares was NOK 8.00 per share at November 30, 2021. The Group owned 85.8 million shares of Avenir LNG Limited at November 30, 2021.

Tianjin Lingang Stolthaven Terminal Co. has $8.0 million and $6.8 million of shareholder loans at November 30, 2021 and 2020, respectively.

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

Notes to the Consolidated Financial Statements *(continued)*

Description of the nature of activities of the material joint ventures

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

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

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

Shanghai SC-Stolt Shipping Ltd is a 49% owned joint venture with Shanghai Junzheng Logistics Co. Ltd to operate chemical tankers in the Chinese coast cabotage market. As of November 30, 2021, the joint venture operated eleven ships. It is considered to be a joint venture as all significant decisions are made unanimously.

Avenir LNG Limited is a 47% owned joint venture with Golar LNG Limited and Höegh LNG Holdings Ltd. and supplies LNG for the power, bunkering, trucking and industrial markets. Avenir LNG Limited raised an additional $42 million through the issue of new shares during the year, of which the Group purchased 50% for $21.0 million and Golar LNG Limited and Höegh LNG Holdings Ltd. purchased $10.5 million each. It is considered to be a joint venture as the Group, along with Golar LNG Limited and Höegh LNG Holdings Ltd., have the ability to make significant decisions unanimously.

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

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

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

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

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

	NYK Stolt Tankers S.A.		Stolt NYK Asia Pacific Services Inc.		NYK Stolt Shipholding Inc.		Shanghai SC-Stolt Shipping Ltd		Hassel Shipping 4 AS	
(in thousands)	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Net Assets:										
Balance, December 1	**$ 40,569**	$ 36,990	**$ 49,563**	$ 52,705	**$ 80,752**	$ 78,198	**$ 74,582**	$ 70,109	**$ 142,392**	$ 135,792
Profit (loss) for the year	**2,878**	6,712	**(1,587)**	(3,142)	**(788)**	3,903	**5,679**	3,786	**9,610**	9,884
Dividends	**–**	–	**–**	–	**–**	–	**(2,483)**	(2,845)	**–**	–
Other comprehensive income (loss)	**3,576**	(3,187)	**–**	–	**1,304**	(1,296)	**2,575**	5,035	**2,817**	(3,210)
Other	**4**	54	**(10)**	–	**–**	(53)	**(260)**	(1,503)	**–**	(74)
Balance, November 30	**47,027**	40,569	**47,966**	49,563	**81,268**	80,752	**80,093**	74,582	**154,819**	142,392
Percentage owned	**50%**	50%	**50%**	50%	**50%**	50%	**49%**	49%	**50%**	50%
Interest in joint venture	**23,514**	20,284	**23,983**	24,782	**40,634**	40,375	**39,246**	36,545	**77,410**	71,196
Purchase adjustment to property	**–**	–	**–**	–	**–**	–	**–**	–	**3,573**	3,314
Eliminations of transactions with the Group	**(444)**	(484)	**–**	–	**–**	–	**–**	–	**–**	–
Advances	**17,569**	21,094	**–**	–	**–**	–	**–**	–	**–**	–
Other	**–**	–	**–**	–	**(2)**	–	**710**	581	**38**	–
Investment in and advances to joint ventures	**$ 40,639**	$ 40,894	**$ 23,983**	$ 24,782	**$ 40,632**	$ 40,375	**$ 39,956**	$ 37,126	**$ 81,021**	$ 74,510

Notes to the Consolidated Financial Statements *(continued)*

(in thousands)	Oiltanking Stolthaven Antwerp, NV 2021	Oiltanking Stolthaven Antwerp, NV 2020	Jeong-IL Stolthaven Ulsan Co. Ltd 2021	Jeong-IL Stolthaven Ulsan Co. Ltd 2020	Tianjin Lingang Stolthaven Terminal Co. 2021	Tianjin Lingang Stolthaven Terminal Co. 2020	Tianjin Lingang Stolthaven Jetty Company 2021	Tianjin Lingang Stolthaven Jetty Company 2020
Net Assets:								
Balance, December 1	**$179,094**	$ 160,396	**$228,488**	$ 194,861	**$ 27,311**	$ 24,753	**$ 32,705**	$ 29,605
Profit for the year	**19,730**	17,339	**30,476**	27,366	**2,041**	827	**3,812**	4,162
Dividends	**(22,174)**	(12,508)	**(11,279)**	(7,847)	**–**	–	**(4,355)**	(3,105)
Other comprehensive (loss) income	**(6,118)**	13,867	**(15,051)**	14,108	**940**	1,731	**1,105**	2,043
Balance, November 30	**170,532**	179,094	**232,634**	228,488	**30,292**	27,311	**33,267**	32,705
Percentage owned	**50%**	50%	**50%**	50%	**65%**	65%	**40%**	40%
Interest in joint venture	**85,266**	89,547	**116,317**	114,244	**19,690**	17,752	**13,307**	13,082
Advances	**–**	–	**–**	–	**6,834**	6,834	**–**	–
Purchase adjustment to property	**4,827**	5,158	**–**	–	**–**	–	**–**	–
Goodwill	**15,279**	16,076	**4,712**	5,023	**–**	–	**–**	–
Other	**–**	–	**–**	–	**–**	–	**(142)**	(137)
Investment in and advances to joint ventures	**$105,372**	$ 110,781	**$121,029**	$ 119,267	**$ 26,524**	$ 24,586	**$ 13,165**	$ 12,945

Summarised financial information for non-material joint ventures and associates

In aggregate, the Group's investments in and advances to non-material joint ventures were $31.7 million and $33.6 million, and in the non-material associates were $8.4 million and $7.8 million, for the years ended November 30, 2021 and 2020, respectively. The below summarises the financial information of the non-material joint ventures and associates:

(in thousands)	For the years ended November 30, 2021	2020
Joint Ventures		
Profit before taxes	**$ 8,122**	$ 6,275
Income tax expense	**1,536**	1,226
Net profit	**6,586**	5,049
Other comprehensive (loss) profit	**(1,512)**	655
Total comprehensive income	**$ 5,074**	$ 5,704

(in thousands)	For the years ended November 30, 2021	2020
Associates		
Profit before taxes	**$ 1,595**	$ 235
Income tax expense	**335**	73
Net profit	**1,260**	162
Other comprehensive loss	**(292)**	(522)
Total comprehensive income (loss)	**$ 968**	$ (360)

Commitments

The Group has no commitments to joint ventures as of November 30, 2021. Capital commitments in joint ventures are in Note 27.

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

18. Investments in Equity Instruments

Accounting policy

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

Equity investments designated at FVTOCI

At November 30, 2021, the Group had investments in Golar LNG Limited and Ganesh Benzoplast Limited ("GBL"), that have been designated as FVTOCI as they are not held for trading by the Group.

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

In 2020, the Group's joint venture in India, Stolt Rail Logistics Systems Limited, was sold to the joint venture partner, GBL, in exchange for shares in GBL. The transaction valued the GBL shares at 62 Indian rupees each ($0.835) or $5.1 million, which was used as the fair value for the year-end, owing to the proximity of the sale to November 30, 2020. GBL is listed on the Bombay Stock Exchange.

There were no dividends received in the years ended November 30, 2021 and 2020.

Investments in equity instruments increased owing to the change in fair market value of the Golar LNG Limited and GBL shares in 2021. A summary of changes in value of investments in equity instruments for the year ended November 30, 2021 and 2020 is summarised below:

As of November 30,	2021	2020	2021	2020	2021	2020
(in thousands)	Golar LNG Limited		GBL		Total	
Number of equity shares	**2,673**	2,330	**6,111**	6,111		
Percentage of shareholding	**2.5%**	2.3%	**9.8%**	9.8%		
Share price as of November 30	**$11.80**	$9.10	**$1.04**	$0.835		
Gain (loss) on FVTOCI	**$ 7,337**	$ (9,133)	**$ 1,344**	$ –	**$ 8,681**	$ (9,133)
Cumulative (loss) gain on FVTOCI	**(74,846)**	(82,183)	**1,344**	–	**(73,502)**	(82,183)
Value of investment	**$ 31,537**	$ 21,202	**$ 6,336**	$ 5,103	**$ 37,873**	$ 26,305

Notes to the Consolidated Financial Statements *(continued)*

19. Long-term Insurance Claims Receivable

Accounting policy

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

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

At November 30, 2021 and 2020, respectively, the Group included $162.9 million and $191.7 million for long-term insurance claims receivables. For 2021, substantially all of the Long-term insurance claims receivables and Long-term provision relate to the civil action as a result of the fire on the *MSC Flaminia* (see Note 29).

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

20. Accounts Payable

Accounting policy

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

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

	As of November 30,	
(in thousands)	**2021**	2020
Trade payables	**$ 99,642**	$ 80,834
Withholding and value added tax	**11,903**	6,561
Insurance premiums payable	**115**	3,349
Other	**2,947**	1,286
	$ 114,607	$ 92,030

Contract liabilities

	2021		2020	
(in thousands)	**<1 year**	**>1 year**	<1 year	>1 year
Balance, December 1	**$ 26,787**	**$ –**	$ 28,477	$ –
Revenue recognised (from opening balance)	**(26,787)**	**–**	(28,477)	–
Revenue recognised (current year)	**(987,763)**	**–**	(980,776)	–
Cash received in advance of performance obligation	**1,016,855**	**–**	1,007,563	–
Balance, November 30	**$ 29,092**	**$ –**	$ 26,787	$ –

Contract liabilities are typically recognised as revenue within 45 days of the completion of the performance obligation. Contract liabilities are included in Accrued voyage expenses and unearned income.

21. Financial Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's activities expose it to a variety of financial risks such as market risk (including currency risk, political risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central Treasury department under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investment of excess liquidity.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in US dollars	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts and cross-currency interest rate swaps
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Cross-currency interest rate swaps, interest rate swaps
Market risk – commodity price	Changes in fuel prices	Cash flow forecasting Sensitivity analysis	Bunker surcharge clauses and bunker swaps
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, available-for-sale debt instruments and held-to-maturity investments	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit Investment guidelines for available-for-sale and held-to-maturity investments
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

Market risk

The Group is exposed to market risk, including changes in interest rates, currency exchange rates, price risk and bunker fuel costs. To manage the volatility relating to these exposures, the Group enters into derivative transactions in accordance with Group policies. The financial impact of these instruments is offset by corresponding changes in the underlying exposures being hedged. Derivative instruments are not held for trading or speculative purposes.

The Group analyses its interest rate exposure based on sensitivity analysis. Scenarios are simulated, taking into consideration refinancing, renewal of existing positions, alternative financing and hedging.

The Group calculates the impact on profit and loss of a defined interest rate shift. At November 30, 2021, 18.4% of the Group's long-term debt had variable interest rates. At November 30, 2021, if interest rates on the Group's short-term and long-term debt had been 10 basis points higher/lower with all other variables held constant, the calculated pre-tax profit for the year would have been $0.4 million lower/higher, mainly as a result of higher/lower interest expense on floating-rate debt for which the interest rate has not been hedged.

In addition, for bunker fuel risk, the majority of the contracts of affreightment ("COA") entered into by the Group's Tanker segment include provisions intended to pass through fluctuations in fuel prices to customers. The Group's policy is to hedge a minimum of 50% of expected bunker purchases within the next 12 months through either bunker surcharges included in the COAs or through hedging. For the years ended November 30, 2021 and 2020, the expected coverage from fluctuations in bunker fuel prices was 60.7% and 68.1%, respectively.

Political and geopolitical risk

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

Notes to the Consolidated Financial Statements *(continued)*

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Most of the revenue earned by Tankers and Tank Containers is in US dollars, while a significant portion of their operating expenses is incurred in other currencies, primarily the euro, the Philippine peso, the Singapore dollar, the Japanese yen and the British pound. When there is a mismatch between revenue and expense currencies, any depreciation of the revenue currency relative to the expense currency will decrease profit margins. In addition, exposure occurs when a member of the Group holds accounts receivable or payable in a non-functional currency.

At November 30, 2021, prior to the effect of hedging, if the US dollar had weakened/strengthened by 5% against the major currencies mentioned above, with all other variables remaining constant, the recalculated pre-tax profit for the year would have been approximately $7.5 million higher/lower, mainly due to the effect of operating and administrative and general expenses, net of revenues, from non-US dollar transactions as well as foreign exchange gains or losses on the remeasurement of non-US dollar-denominated account receivable and payable balances through the income statement.

SNL's policy is to hedge between 50% to 80% of the Group's expected future foreign currency exposure and 100% of its future committed capital expenditures denominated in foreign currencies.

Concentration of credit risk

Trade receivables are from customers across all lines of the Group's business. The Group extends credit to its customers in the normal course of business. The maximum exposure to credit risk is the net customer accounts receivable balance of $250.6 million and cash balance of $123.9 million. The Group regularly reviews its accounts receivable by performing credit checks upon entering into an initial sales contract with a customer and by the respective business controllers regularly reviewing the days past due accounts receivable reports. The majority of trade receivables are in US dollars.

An analysis of the age of customer trade receivables that are past due is as follows:

	As of November 30, 2021	
(in thousands)	**Not Impaired**	**Impaired**
Current	**$ 142,818**	**$ –**
Up to 30 days past due	**59,017**	**940**
31 to 60 days past due	**18,131**	**473**
61 to 90 days past due	**8,240**	**244**
Greater than 91 days past due	**22,430**	**18,472**
	$ 250,636	**$ 20,129**

	As of November 30, 2020	
(in thousands)	Not Impaired	Impaired
Current	$ 122,801	$ –
Up to 30 days past due	44,795	1,041
31 to 60 days past due	12,802	523
61 to 90 days past due	4,519	372
Greater than 91 days past due	15,479	14,141
	$ 200,396	$ 16,077

No collateral is held on any accounts receivable.

Concentration of credit risk *(continued)*

The only material loss allowance held against financial assets relates to trade receivables and is calculated on a lifetime expected loss basis. There have been no changes in the estimation techniques applied in the calculation of the loss allowance during the year.

The allowance for impairment on customer trade receivables changed as follows:

	As of November 30,	
(in thousands)	**2021**	2020
Allowance for impairment on customer trade and accrued receivables, brought forward	**$ 18,230**	$ 20,213
Impairment recognised (recovered)	**3,145**	(686)
Accounts written off	**(1,246)**	(1,297)
Balance at the end of the year	**$ 20,129**	$ 18,230

The amount of the impairment allowance on receivables is based on the age of unpaid balances, information about the current and expected future financial condition of customers and the markets in which they inhabit, and other relevant information. Management does not believe significant risk exists in connection with concentrations of credit as of November 30, 2021. There have been no significant changes to the impairment allowance because of changes in the gross carrying amount of trade receivables.

There are no significant amounts written off which are still subject to enforcement activity.

The Group's cash is held by a diverse group of financial institutions, which is monitored on an annual basis by Treasury.

Liquidity risk

Cash flow forecasting is performed by the operating entities of the Group and is aggregated at the corporate level. The Treasury department monitors rolling forecasts of the Group's liquidity requirements to ensure the Group has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities (see Note 23) at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and certain currencies' restrictions. The Group also reviews and monitors sensitivities.

Notes to the Consolidated Financial Statements *(continued)*

22. Financial Instruments

Accounting policy for financial instruments

IFRS 9 contains a classification and measurement approach for financial assets and liabilities, including derivative instruments that reflects the business model in which assets are managed and their cash flow characteristics.

Under IFRS 9, all financial instruments are initially measured at fair value. In addition, for financial assets or liabilities not remeasured at fair value through profit or loss, financial instruments are adjusted for transaction costs. The classification of a financial asset is determined at initial recognition; however, if certain conditions are met, an asset may subsequently need to be reclassified.

IFRS 9 contains three principal classification categories for financial assets, based on the business models under which they are held:

Amortised cost: The Group classifies its financial assets at amortised cost only if both of the following criteria are met: the assets are held within a business model with the objective of collecting the contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. Income from these financial assets is included in finance income using the effective interest rate method. The Group's assets measured at amortised cost include trade and other receivables, cash and cash equivalents and advances from joint ventures and associates.

Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for future sales, where the assets' cash flows represent solely payments of principal and interest and dividends, are measured at fair value through other comprehensive income.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss.

(i) Impairment

As required by IFRS 9, the Group adopted an "expected credit loss model" which requires the Group to account for expected credit losses and changes in those expected credit losses at each year end or half-year to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Credit losses are calculated as the present value of the difference between all contractual cash flows that are due and all cash flows that the entity expects to receive. Expected credit losses are the sum of all possible credit losses, weighted by their probability of occurrence.

The "12-month expected credit losses" approach is applied to all financial assets with the exception of trade receivables and advances to joint ventures. Both these asset classes generally do not contain a significant financing component. For these assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, net of any allowance losses. The allowance loss measurement is determined by applying a simplified approach equalling the lifetime expected credit losses.

Under the simplified approach, the tracking of changes in credit risk is not required, but instead the base lifetime expected credit loss at all times is applied. An allowance for loss is made for potentially impaired receivables during the year in which they are identified based on a periodic review of all outstanding amounts. Losses are recorded within selling, marketing and distribution expenses in the income statement. Trade receivables are deemed as impaired when there is an indication of significant financial difficulties of the debtor (delinquency in or default on payments occurs, probability of bankruptcy or need for financial reorganisation).

(ii) Fair value estimation

The information below summarises financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

New business quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Group's investments in Golar LNG Limited and GBL are measured using quoted prices in an active market (Level 1). The Group's derivative assets and liabilities are measured using inputs other than quoted prices (Level 2). The Group's mature biological assets are measured using inputs other than quoted prices (Level 2). There have been no changes in the fair value methodology in the periods presented.

(iii) Hedge accounting

In accordance with IFRS 9's transition provisions for hedge accounting, the Group has not applied the IFRS 9 hedge accounting requirements and will continue to apply the hedge accounting requirements of IAS 39.

Accounting policy for derivative assets and liabilities

The Group enters into forward exchange contracts to hedge foreign currency transactions, interest rate swaps to hedge the risk of variability of interest payments, cross-currency interest rate swaps to hedge the risk of variability of interest and principal payments on non-US dollar denominated borrowings and bunker fuel hedge contracts to lock in the price for a portion of forecasted bunker fuel requirements. No instruments are held for speculative purposes.

For bonds and loan facilities where it is determined that there is an interest rate or foreign currency risk that should be hedged, the derivative financial instrument acquired will have critical terms that mirror those of the underlying debt. In these circumstances, it is the Group's objective to achieve 100% effectiveness.

Derivative financial instruments are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss on remeasurement is recognised immediately in the income statement unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition of any resultant gain or loss on the income statement depends on the nature of the item being hedged. The impact in the income statement is shown in interest, foreign currency exchange gain (loss) or operating expenses as appropriate, based on the underlying of the derivative.

(i) Determination of fair value

The fair value of interest rate swaps, cross-currency interest rate swaps and foreign exchange contracts is based on discounted cash flow models based upon the valuations received from financial institutions, taking into account current interest rates and foreign exchange rates.

(ii) Cash flow hedges

The Group applies cash flow hedge accounting to its interest rate swaps and cross-currency interest rate swaps.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in the income statement.

When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss recognised in other comprehensive income is removed and included in the initial cost or other carrying amount of the asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into the income statement in the same period or periods during which the asset acquired or liability assumed affects profit or loss, i.e. when finance income or expense is recognised.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in other comprehensive income is recognised in the income statement immediately.

Any unrealised and realised gains or losses on foreign exchange forward contracts are taken directly to the income statement.

(iii) Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to the host contract. Contracts are assessed for embedded derivatives at inception of such contracts or when the Group becomes party to them. Embedded derivatives that have been separated from host contracts are measured at fair value at each balance sheet date. Any gains or losses arising from changes in fair value are taken directly to the income statement.

Notes to the Consolidated Financial Statements *(continued)*

The Group holds the following financial instruments:

(in thousands)	November 30, 2021 Current	November 30, 2021 Non-current	November 30, 2021 Total carrying value	November 30, 2021 Fair value	November 30, 2020 Current	November 30, 2020 Non-current	November 30, 2020 Total carrying value	November 30, 2020 Fair value
Financial Assets								
Financial assets at FVTOCI								
Investments in equity instruments – listed	**$ –**	**$ 37,873**	**$ 37,873**	**$ 37,873**	$ –	$ 26,305	$ 26,305	$ 26,305
Financial assets at amortised cost								
Cash and cash equivalents	**123,868**	**–**	**123,868**	**123,868**	187,767	–	187,767	187,767
Restricted cash	**6,096**	**–**	**6,096**	**6,096**	109	–	109	109
Trade receivables	**344,347**	**–**	**344,347**	**344,347**	220,264	–	220,264	220,264
Loans and advances to joint ventures and associates	**–**	**34,725**	**34,725**	**34,725**	–	39,324	39,324	39,324
Other current assets	**54,351**	**–**	**54,351**	**54,351**	41,542	–	41,542	41,542
	$ 528,662	**$ 72,598**	**$ 601,260**	**$ 601,260**	$ 449,682	$ 65,629	$ 515,311	$ 515,311
Financial Liabilities								
Financial liabilities at amortised cost								
Accounts payables, excluding withholding and value added taxes	**$ 102,704**	**$ –**	**$ 102,704**	**$ 102,704**	$ 85,469	$ –	$ 85,469	$ 85,469
Accrued expenses and accrued voyage expenses	**249,232**	**–**	**249,232**	**249,232**	213,902	–	213,902	213,902
Dividend payable	**26,829**	**–**	**26,829**	**26,829**	13,448	–	13,448	13,448
Long-term lease obligations, including current maturities	**43,473**	**166,977**	**210,450**	**210,450**	35,640	157,875	193,515	193,515
Short-term loans and long-term debt, including current maturities and excluding debt issuance costs	**537,385**	**1,712,418**	**2,249,803**	**2,386,211**	262,144	2,075,054	2,337,198	2,518,852
	$ 959,623	**$ 1,879,395**	**$ 2,839,018**	**$ 2,975,426**	$ 610,603	$ 2,232,929	$ 2,843,532	$ 3,025,186

(in thousands)	November 30, 2021 Current	November 30, 2021 Non-current	November 30, 2021 Total carrying value	November 30, 2021 Fair value	November 30, 2020 Current	November 30, 2020 Non-current	November 30, 2020 Total carrying value	November 30, 2020 Fair value
Derivative Financial Instruments at Fair Value								
Assets								
Foreign currency exchange contracts – cash flow hedges	**$ 6**	**$ –**	**$ 6**	**$ 6**	$ 157	$ –	$ 157	$ 157
Cross-currency interest rate swaps – cash flow hedges	**583**	**6,868**	**7,451**	**7,451**	–	9,242	9,242	9,242
	$ 589	**$ 6,868**	**$ 7,457**	**$ 7,457**	$ 157	$ 9,242	$ 9,399	$ 9,399
Liabilities								
Bunker swaps	**$ –**	**$ –**	**$ –**	**$ –**	$ 251	$ –	$ 251	$ 251
Cross-currency interest rate swaps – cash flow hedges	**972**	**–**	**972**	**972**	53,787	–	53,787	53,787
Foreign currency exchange contracts	**2,649**	**–**	**2,649**	**2,649**	–	–	–	–
Interest rate swaps	**6,618**	**7,938**	**14,556**	**14,556**	7,776	21,044	28,820	28,820
	$ 10,239	**$ 7,938**	**$ 18,177**	**$ 18,177**	$ 61,814	$ 21,044	$ 82,858	$ 82,858

Fair value of financial instruments

The estimated fair value amounts of financial instruments have been determined by the Group, using appropriate market information and valuation methodologies. Considerable judgement is required to develop these estimates of fair value, so the estimates provided here are not necessarily indicative of the amounts that could be realised in a current market exchange.

The carrying amount of cash and cash equivalents, receivables, other current assets, account payable (excluding withholding and value added tax payables), accrued expenses and dividend payable are a reasonable estimate of their fair value, owing to their short maturity. Long-term leases are exempt from disclosure of fair value measurements so fair value equals book value. Long-term debt in the table above excludes debt issuance costs of $24.2 million and $28.1 million, as of November 30, 2021 and 2020, respectively. The estimated value of the Group's senior unsecured bond issues is based on traded values, while the value on the remaining long-term debt is based on interest rates as of November 30, 2021 and 2020, respectively, using the discounted cash flow methodology. The fair values of the Group's foreign exchange and bunker contracts are based on their estimated market values as of November 30, 2021 and 2020, respectively. Market value of interest rate and cross-currency interest rate swaps was estimated based on the amount the Group would receive or pay to terminate its agreements as of November 30, 2021 and 2020.

The estimated value of the Group's financial assets and marketable securities are based on traded value. The estimated value of its senior unsecured bond issues is based on traded values (Level 1 valuation method), while the values on the remaining long-term debt are based on interest rates as of November 30, 2021 and 2020, respectively, using the discounted cash flow methodology (Level 2 valuation method). The fair values of the Group's foreign exchange and bunker contracts are based on their estimated market values as of November 30, 2021 and 2020. Market value of interest rate and cross-currency interest rate swaps was estimated based on the amount the Group would receive or pay to terminate its agreements as of November 30, 2021 and 2020.

The Group's financial instruments did not result in any income or loss recognised in the income statement.

Derivatives

The Group has derivative assets of $7.5 million and $9.4 million as of November 30, 2021 and 2020, respectively and derivative liabilities of $18.2 million and $82.9 million as of November 30, 2021 and 2020, respectively. All the Group's derivative activities are financial instruments entered with major financial institutions and brokers for hedging the Group's committed exposures or firm commitments with major financial credit institutions, shipbuilders and ship-repair yards. The fair values of the Group's foreign exchange contracts and cross-currency interest rate swaps are based on their estimated market values as of November 30, 2021 and 2020, respectively. Derivative financial instruments are measured using inputs other than quoted values. There have been no changes in the valuation techniques since November 30, 2019. Net derivative assets for cross-currency interest rate swaps are higher by $51.0 million primarily owing to the maturity of the 2021 NOK bond. These bonds were fully hedged using cross-currency interest rate swaps.

None of the Group's derivative activities are publicly traded financial instruments. Instead, the financial instruments have been entered into with major financial institutions and brokers. The Group holds foreign exchange forward contracts, commodity contracts and interest rate swaps, which subject the Group to a minimum level of counterparty risk. The Group does not believe that it has a material exposure to credit risk from third parties failing to perform according to the terms of hedge instruments. The cumulative net (losses) gains recognised in equity were as follows at November 30, 2021 and 2020:

	As of November 30,	
(in thousands)	**2021**	2020
Interest rate derivatives	**$ (12,703)**	$ (27,448)
Cross-currency interest rate swaps	**(2,308)**	(7,235)
Foreign currency derivatives	**(10)**	(10)
Foreign exchange and interest rate hedges held by joint ventures	**(4,325)**	(8,173)
Deferred income tax gain on the interest rate derivatives	**603**	1,306
	$ (18,743)	$ (41,560)

Notes to the Consolidated Financial Statements *(continued)*

Foreign currency

The following foreign exchange contracts, maturing through September 2022, were outstanding as of November 30, 2021 and 2020:

	Purchase	
(in local currency, thousands)	**2021**	2020
Norwegian krone	**3,005**	–
Euro	**38,250**	23,000
Singapore dollar	**10,085**	1,166
British pound	**14,250**	9,000

The US dollar equivalent of the currencies which the Group had contracted to purchase was $72.4 million and $40.2 million as of November 30, 2021 and 2020, respectively.

The Group utilises foreign currency derivatives to hedge committed and forecasted cash flow exposures. Most of these contracts have been designated as cash flow hedges.

The Group has elected to apply non-hedge accounting treatment for all contracts. Gains and losses on hedges of committed commercial transactions are recorded as a foreign exchange gain or loss.

Interest rate and cross-currency interest rate swaps

The Group had interest rate and cross-currency interest rate swaps with notional values of $595.0 million and $786.2 million as of November 30, 2021 and 2020, respectively. These derivatives have been designated as cash flow hedges. For the years ended November 30, 2021 and 2020, $10.7 million and $13.5 million, respectively, were recognised in finance expense. Any remaining amounts currently in other comprehensive income are expected to be reclassified to earnings between 2022 and 2030.

Other

The Group had a forward contract with notional value of $10.1 million as of November 30, 2021 for the purchase of 2,723,186 Class A shares of Odfjell S.E. (“Odfjell”). The Group has elected to apply non-hedge accounting treatment for this derivative. Gains and losses on the future contract were recorded in Other non-operating (expense) income and collateral of 50% of the value of the derivative was included in Restricted cash.

Maturity of financial liabilities

For the year ended November 30, 2021 (in thousands)	Less than 1 yr	2-3 yrs	4-5 yrs	More than 5 yrs	Total
Contractual obligations:					
Accounts payable, excluding withholding and value added taxes	**$ 102,704**	**$ –**	**$ –**	**$ –**	**$ 102,704**
Accrued expenses and dividend payable	**276,061**	**–**	**–**	**–**	**276,061**
Long-term lease liabilities, including current maturities	**43,473**	**72,499**	**25, 831**	**68,647**	**210,450**
Interest on long-term lease liabilities	**9,257**	**12,522**	**7,725**	**68,351**	**97,855**
Short-term loans	**40,000**	**–**	**–**	**–**	**40,000**
Long-term debt, including current maturities	**497,384**	**733,980**	**551,125**	**427,314**	**2,209,803**
Interest on long-term debt	**89,279**	**123,444**	**57,941**	**37,313**	**307,977**
Derivative financial liabilities	**7,626**	**4,851**	**2,162**	**392**	**15,031**
Total contractual obligations	**$ 1,065,784**	**$ 947,296**	**$ 644,784**	**$ 602,017**	**$ 3,259,881**

For the year ended November 30, 2020 (in thousands)	Less than 1 yr	2-3 yrs	4-5 yrs	More than 5 yrs	Total
Contractual obligations:					
Accounts payable, excluding withholding and value added taxes	$ 85,469	$ –	$ –	$ –	$ 85,469
Accrued expenses and dividend payable	227,350	–	–	–	227,350
Long-term lease liabilities, including current maturities	35,640	58,650	36,653	62,572	193,515
Interest on long-term lease liabilities	8,714	12,616	7,897	62,304	91,531
Long-term debt, including current maturities	262,144	845,012	721,371	508,671	2,337,198
Interest on long-term debt	105,491	164,119	81,996	53,905	405,511
Derivative financial liabilities	61,793	15,559	2,538	2,404	82,294
Total contractual obligations	$ 786,601	$ 1,095,956	$ 850,455	$ 689,856	$ 3,422,868

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. Derivative financial liabilities are stated at future undiscounted cash flows; therefore, they do not agree to the balance sheet.

Notes to the Consolidated Financial Statements *(continued)*

23. Short-Term Bank Loans

Accounting policy

Interest-bearing borrowings are recognised initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Outstanding short-term bank loans were $40.0 million and nil at November 30, 2021 and November 30, 2020, respectively. The short-term bank loans consisted of $20.0 million of debt obligations to banks under uncommitted lines of credit and bank overdraft facilities and $20.0 million under its Secured Reducing Multi-Currency Revolving Loan Facility Agreement ("Secured RCF"). As of November 30, 2021, the Group had available undrawn committed credit lines of $309.9 million from the Secured RCF.

The Group completed the Secured RCF in 2016, securing it to certain of the Group's fleet of chemical tankers. The agreement is with 11 banks, and the syndication was led by the three bookrunners: Nordea Bank, DNB Bank ASA and Danske Bank. The weighted average interest rate was 2.6% and 4.0% for November 30, 2021 and 2020, respectively.

The Group entered into a 24-month Revolving Credit Facility during the year ended November 30, 2021. This agreement is with two banks: DNB (UK) Limited and Swedbank AB for a total of $100 million and expires on December 31, 2022. As of November 30, 2021 the facility was undrawn and there is no weighted average interest rate as the facility has not been utilised during the year.

The Group also has $65.0 million of uncommitted lines of credit facilities which are payable on demand and can be withdrawn by the banks at short notice. The weighted average interest rate during the year ended November 30, 2021 was 2.1% and as the facilities were undrawn during the year ended November 30, 2020 there was no average interest rate.

Commitment fees for unused lines of credit were $4.3 million and $3.4 million for the years ended November 30, 2021 and 2020, respectively.

Several of the short-term and long-term credit facilities contain various financial covenants applicable either quarterly or annually, which, if not complied with, could result in the acceleration of repayment of amounts due and could limit the ability of the Group to draw funds from time to time. At November 30, 2021 and 2020, the Group was in compliance with the financial covenants under its debt agreements.

Agreements executed in connection with certain debt obligations, both short-term and long-term, require that the Group maintains defined financial covenants, including, but not limited to, minimum consolidated tangible net worth of $600.0 million, maximum ratio of consolidated debt to consolidated tangible net worth of 2.25 : 1 and minimum ratio of consolidated EBITDA to consolidated interest expense of 2 : 1. Most of the debt agreements provide for a cross default in the event of a default in another agreement. In the event of a default that extends beyond the applicable remedy or cure period, lenders may accelerate repayment of amounts due to them.

24. Long-Term Debt

Accounting policy

Interest-bearing borrowings are recognised initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Long-term debt as of November 30, 2021 and 2020, consisted of the following:

(in thousands)	Notes	**2021**	2020
Preferred ship fixed rate mortgages:			
Fixed interest rates ranging from 2.7% to 5.4% (2020: 2.7% to 5.4%), maturities vary through 2027	(i)	**$ 518,510**	$ 581,073
Preferred ship variable rate mortgages:			
Interest rates ranging from 2.6% to 3.0% (2020: 3.0% to 4.9%), maturities vary through 2029	(ii)	**400,065**	364,969
Senior secured credit facilities	(iii)	**785,560**	771,512
Senior unsecured bond issues	(iv)	**455,225**	562,599
Bank loans:			
Interest rates ranging from 1.5% to 3.2% (2020: 1.8% to 7.7%), maturities vary through 2026	(v)	**26,284**	28,988
		2,185,644	2,309,141
Less – current maturities		**(490,502)**	(255,805)
		$ 1,695,142	$ 2,053,336

The classification of debt and the interest rates shown in the above table are after considering existing interest rate hedges.

Long-term debt

The majority of long-term debt is denominated or swapped into US dollars, with $155.9 million and $177.1 million denominated in other currencies and not swapped to US dollars as of November 30, 2021 and 2020, respectively.

Long-term debt consists of debt collateralised by mortgages on ships, tank containers and terminals, as well as $455.2 million unsecured bond financing at November 30, 2021.

(i) Preferred ship fixed rate mortgages

During February and March 2019, the Group received $241.6 million under a fixed-rate borrowing agreement, involving eight ships. The agreement is with Development Bank of Japan, ING Bank N.V., National Australia Bank, Société Générale and a group of private investors at fixed interest rates ranging from 4.16% to 4.27%. There are equal quarterly payments for each ship for an average tenor of eight years. At the end of the agreement, the Group has an option to purchase the ships by paying fixed amounts. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt. This debt refinanced the acquisition debt relating to the Jo Tankers acquisition in 2016.

With the deliveries of five newbuildings, in late 2016 through 2017, the Group drew down $57.2 million in 2016, $219.6 million in 2017 and $7.6 million in 2018 under the $291.8 million term loan with Export and Import Bank of China and Standard Chartered Bank, signed August 15, 2013. The loans are secured by the newbuildings and is being repaid over 10 years. Interest has been fixed at an average rate of 4.94%.

(ii) Preferred ship variable rate mortgages

During March 2021, the Group closed a $77.0 million floating-rate facility with CMB Financial Leasing Co. Ltd. (“CMBFL Facility”) including three newly acquired CTG ships. There are quarterly repayments for each ship over ten years whereby the Group has an option to purchase the ships by paying $12.8 million for each ship. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt.

In August 2019, the Group closed a $415.6 million floating-rate facility with CMBFL Facility, involving 20 ships. There are equal quarterly payments for each ship for an average tenor of seven years and floating interest rates, ranging from 2.92% to 3.0% in 2021. At the end of the agreement, the Group has an option to purchase the ships by paying fixed amounts. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt. The loan was used to pay down existing debt and for general corporate purposes.

(iii) Senior secured credit facilities

On December 3, 2020, the Group entered into a $65.0 million fixed-rate term loan facility using Stolthaven Dagenham and Stolthaven Moerdijk terminals as collateral. The facility agreement is with KFW IPEX-BANK GMBH for six years. There are eight equal payments of 6.25% of the total commitment beginning in 2023 with a final balloon obligation of $32.5 million.

In July 2019, Stolthaven New Orleans LLC issued $200.0 million Senior Secured Notes with a group of private investors. The private placement has a ten-year term at a fixed interest rate of 5.15% and is secured by the terminal in Braithwaite, Louisiana. Proceeds from the Notes were used for general corporate purposes.

Notes to the Consolidated Financial Statements *(continued)*

(iii) Senior secured credit facilities *(continued)*

On May 24, 2017, the previous Stolthaven Singapore terminal loan facility was refinanced with a seven-year SGD 280.0 million ($202.4 million) term loan facility. The agreement is with a bank club deal consisting of United Overseas Bank Limited, DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited, and Australia and New Zealand Banking Group Limited and has a fixed interest rate of 4.16%.

On May 20, 2016, the Group entered into a $131.3 million fixed-rate borrowing agreement using a group of tank containers as collateral. The agreement is with ING Bank N.V., Development Bank of Japan and a group of private investors for six and a half years at a fixed interest rate of 3.4%. There are 26 equal payments of $3.6 million each and at the end of the agreement, the Group has an option to purchase the tank containers by paying a fixed amount of $59.1 million. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt.

On November 20, 2015, the Group entered into a $166.4 million fixed-rate borrowing agreement using a group of tank containers as collateral. The agreement is with ING Bank N.V. and a group of private investors for six and a half years at a fixed interest rate of 3.3%. There are 26 equal payments of $4.6 million each and at the end of the agreement, the Group has an option to purchase the tank containers by paying a fixed amount of $74.9 million. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt.

On February 19, 2015, the Group announced that it had closed a $250.0 million private placement with American International Group. The private placement has a term of 10 years and is secured by the Group's terminal in Houston. The loan was used to pay down existing debt and for general corporate purposes.

(iv) Senior unsecured bond issue

On June 16, 2020, the Group completed a placement of senior unsecured bonds for NOK 1.25 billion (swapped into $132.0 million) in a new three-year bond issue, carrying a coupon of three months NIBOR plus 4.5%. The Group swapped the bond proceeds into a US dollar obligation at a fixed interest rate of 5.19%. The settlement date for the bonds was June 29, 2020. Net proceeds from the bond issue were used to repurchase $78.1 million of the SNI05 bonds with maturity date of March 18, 2021 and for general corporate purposes.

On February 5, 2020, the Group completed a placement of senior unsecured bonds for NOK 1.3 billion (swapped into $141.5 million) in a new four-year bond issue carrying a coupon of three months NIBOR plus 3.65%. The Group swapped the bond proceeds into a US dollar obligation at a fixed interest rate of 5.44%. The settlement date for the bonds was February 20, 2020. Net proceeds from the bond issue were used to repurchase $53.4 million of the SNI06 bonds with maturity date of April 8, 2020 and for general corporate purposes.

On September 8, 2017, the Group completed the placement of senior unsecured bonds for $175.0 million in a new five-year bond issue carrying a fixed coupon rate of 6.375%. Net proceeds from the bond issue were used to repay a bond maturing in March 2018 and for general corporate purposes.

On June 8, 2016, the Group completed an increase of NOK 500.0 million ($61.8 million) on its bond issuance maturing in 2019, NOK 150.0 million ($18.5 million) on its bond issuance maturing in 2020 and NOK 200.0 million ($24.7 million) on its bond issuance maturing in 2021. The Group swapped the bond proceeds into US dollar obligations at fixed interest rates of 5.49% for 2019, 5.78% for 2020 and 5.99% for 2021 bond issuances.

On March 3, 2014, the Company finalised a placement of senior unsecured bonds in a total amount of NOK 1,250.0 million (approximately $207.0 million) in a new seven-year bond issue. The settlement date for the new bonds was March 18, 2014. The Company swapped the bonds into US dollar obligations at a fixed interest rate of 5.89%.

(v) Bank loans

During 2020, the Group entered into a EUR 4.0 million ($4.5 million), five-year facility with Banco Santander, EUR 5.0 million ($5.6 million), seven-year facility with CAIXA and EUR 4.3 million ($4.9 million), five-year facility with Banco Bilbao Vizcaya Argentaria ("BBVA"). All were fully drawn during 2020.

During 2018, a new facility was agreed with CAIXA for EUR 7.0 million, which was fully drawn on July 3, 2018, and with BBVA of EUR 7.0 million which was drawn for EUR 1.0 million during 2018 and EUR 6.0 million in 2019.

(vi) Debt issuance costs

Debt issuance costs of $24.2 million and $28.1 million have been netted against long-term debt at November 30, 2021 and 2020, respectively. Debt issuance costs recognised in the income statement as part of effective interest rates were $7.3 million for both the years ended November 30, 2021 and 2020.

Analysis of net debt

Net debt at November 30, 2021 comprises lease liabilities of $210.5 million (2020: $193.5), short-term bank loans of $40.0 million (2020: nil) and long-term debt, including current maturities, of $2,185.6 million (2020: $2,309.1 million) less cash and cash equivalents of $123.9 million (2020: $187.8 million).

(in thousands)	At December 1, 2020	Cash flow	Exchange differences	Other movements	**At November 30, 2021**
Cash deposits	$ 116,808	$ 818	$ (5,987)	$ –	**$ 111,639**
Short-term time deposits	70,959	(58,730)	–	–	**12,229**
Cash and cash equivalents	187,767	(57,912)	(5,987)	–	**123,868**
Borrowings:					
Short-term bank loans	–	(40,000)	–	–	**(40,000)**
Long-term debt, including current maturities	(2,309,141)	170,877	(41,479)	(5,901)	**(2,185,644)**
Lease liabilities, including current maturities	(193,515)	43,432	3,224	(63,591)	**(210,450)**
Net debt	**$ (2,314,889)**	**$ 116,397**	**$ (44,242)**	**$ (69,492)**	**$ (2,312,226)**

(in thousands)	At December 1, 2019	Cash flow	Exchange differences	Other movements	At November 30, 2020
Cash deposits	$ 110,207	$ 8,906	$ (2,305)	$ –	$ 116,808
Short-term time deposits	25,944	45,015	–	–	70,959
Cash and cash equivalents	136,151	53,921	(2,305)	–	187,767
Borrowings:					
Long-term debt, including current maturities	(2,345,526)	107,486	(67,111)	(3,990)	(2,309,141)
Lease liabilities, including current maturities	–	39,754	(4,399)	(228,870)	(193,515)
Net debt	**$ (2,209,375)**	**$ 201,161**	**$ (73,815)**	**$ (232,860)**	**$ (2,314,889)**

Short-term time deposits included within cash and cash equivalents relate to term deposits repayable within three months.

In the year ended November 30, 2021, other non-cash movements in net debt primarily represent $63.6 million of new or modified leases, net of reductions and $7.3 million amortisation of debt issuance costs offset by the capitalisation of debt issuance costs of $3.4 million.

In the year ended November 30, 2020, other non-cash movements in net debt primarily represent $194.3 million of lease liabilities recognised on the implementation of IFRS 16, Leases and $34.6 million of new or modified leases, net of reductions and $7.3 million amortisation of debt issuance costs offset by the capitalisation of debt issuance costs and interest to debt of $3.2 million.

Notes to the Consolidated Financial Statements *(continued)*

25. Pension and Other Post-Retirement Benefit Plans

Accounting policy

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred. The Group has no further payment obligations once the contributions have been paid.

(ii) Defined benefit plans and other post-employment benefits

The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted.

The liability discount rate for each plan is based on the yield curve of a portfolio of high-quality corporate bonds that have maturity dates which are approximately the same as the terms of the respective plans' obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employees' service in the current year, benefit changes, curtailments and settlements.

When the benefits of a plan are increased, the increased benefit relating to past service by employees is recognised as an expense in the income statement immediately.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in Other comprehensive income in the period in which they arise.

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

Gains and losses on the curtailment or settlement of a defined benefit plan are recognised at the time the curtailment or settlement occurs. A curtailment occurs when the Group adopts a significant reduction in the number of employees covered by a plan or changes the terms of a defined benefit plan such that a significant part of future earnings to current employees will no longer qualify for benefits or will qualify only for reduced benefits.

(iii) Short-term and long-term cash-based benefits

Short-term employee benefit obligations are measured on an undiscounted basis while long-term cash-based employee benefit obligations are discounted based on expected payment date. They are expensed in the period in which the related service is provided. An accrual is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

At November 30, 2021, the Group operated a number of pension plans for the benefit of its employees throughout the world, with varying rights and obligations depending on the conditions and practices in the specific countries. The Group's pension plans are provided through both defined benefit and defined contribution arrangements. These plans are regulated by the respective regulators in each of the countries where they are set up.

The Group operates defined benefit plans in the United States, the United Kingdom, Bermuda, the Netherlands, Norway, the Philippines and Japan. One of the defined benefit plans covers certain ship officers and other seafarers while the others are for shore-based employees. Company-sponsored defined contribution pension plans are currently provided in all of the above countries and Spain. The Group also operates an unfunded post-retirement medical plan in the United States.

Defined benefit plans provide benefits based on the employees' length of pensionable service and their final pensionable salary or other criteria. Defined contribution plans offer employees individual funds that are converted into benefits at the time of retirement.

Defined benefit plans

The Group's significant defined benefit pension plans are in the United States, Bermuda, the Netherlands and the United Kingdom.

The Pension Committees participate in the governance of each of the significant defined benefit pension plans. These Pension Committees comprise representatives who are employees and former employees. In addition, actuarial advisers and investment management advisers also participate in the Pension Committee meetings. The Pension Committees for plans act in the best interest of the plan participants and are responsible for setting certain policies, such as strategic asset allocation, investment and contribution policies in consultation with the Group.

The defined benefit plans expose the Group to actuarial risks such as longer than expected longevity of members, lower than expected return on investments and higher than expected inflation, which may increase the liabilities or reduce the value of assets of the plans.

Recognising these risks, the Group has adopted an approach of moving away from providing defined benefit plans. All defined benefit plans have also been closed to future accrual and new entrants.

The Group follows a coordinated strategy for the funding and investment of its defined benefit pension plans subject to abiding by all local laws and regulations applicable to those plans. The assets of the plan are generally held separately from those of the Group and are administered by local management in the respective countries. The Group has no legal obligation to settle these liabilities with any immediate contributions or additional one-off contributions. The Group intends to continue to contribute to each defined benefit pension and post-retirement medical plan in accordance with the latest recommendations of each plan actuary and its pension funding policy.

In terms of investments, the Group's aim is for the value of defined benefit plan assets to be maintained at close to the value of the corresponding benefit obligations, allowing for some short-term volatility.

Plan assets are invested in a diversified range of asset classes, predominantly comprising bonds and equities. In some locations, such as the United Kingdom, plan trustees and other bodies have legal and fiduciary responsibility for the investment of plan assets, and decisions on investment strategy are taken in consultation with the Group.

The Group monitors its exposure to changes in equity markets, interest rates and inflation, and measures its balance sheet pension risk using a risk-based approach. Strategic asset allocation studies and asset-liability studies are carried out periodically for the significant pension plans.

On a quarterly basis, the performance of all investments across the significant defined benefit plans is reviewed with the Group's investment management advisers.

Pension plans overview

	As of November 30,	
(in thousands)	**2021**	2020
Present value of funded obligations	**$ (247,310)**	$ (257,336)
Fair value of plans assets	**240,960**	235,838
	$ (6,350)	$ (21,498)

The amounts recognised at November 30, consisted of the following:

	As of November 30,	
(in thousands)	**2021**	2020
Non-current assets	**$ 25,370**	$ 17,867
Non-current liabilities	**(31,720)**	(39,365)
Net accrued cost	**$ (6,350)**	$ (21,498)

Notes to the Consolidated Financial Statements *(continued)*

US post-retirement healthcare plan

US-based employees retiring from the Group, having attained the age of 55 with at least 10 years of cumulative US service by January 1, 2018, or who become disabled, were eligible to receive both pre-Medicare and post-Medicare benefit offerings for themselves and their eligible dependants. Employees working until age 65 with at least ten years of US cumulative service are eligible for post-Medicare benefits only. All benefits are unfunded.

Components of defined benefit cost

The net periodic benefit cost for the Group's defined benefit pension plans (including a retirement arrangement for one of the Group's ex-Directors) and US post-retirement healthcare plan shown above for the years ended November 30, 2021 and 2020, consisted of the following:

	For the years ended November 30,	
(in thousands)	**2021**	2020
Service cost	**$ 611**	$ 543
Interest cost, net	**628**	1,192
Settlement gain	**–**	(2,302)
Cost of plan administration	**1,045**	550
Net periodic benefit cost (income)	**$ 2,284**	$ (17)

Impact on equity

Remeasurements that are recognised in Other comprehensive income are as follows:

	For the years ended November 30,	
(in thousands)	**2021**	2020
Effect of changes in demographic assumptions	**$ (302)**	$ (1,128)
Effect of changes in financial assumptions	**4,745**	(21,999)
Effect of experience assumptions	**(241)**	2,509
Return on plan assets (excluding interest income)	**11,340**	31,459
Remeasurements recognised in other comprehensive income	**$ 15,542**	$ 10,841

The following tables set out the change in benefit obligations for the Group's defined benefit pension plans and US post-retirement medical plan and the change in plan assets for the defined benefit pension plans.

Change in benefit obligation

	For the years ended November 30,	
(in thousands)	**2021**	2020
Benefit obligations at beginning of year	**$ 257,336**	$ 246,728
Current service cost	**604**	543
Past service cost	**7**	–
Settlement gain	**–**	(2,302)
Interest cost	**5,608**	6,816
Benefits paid	**(11,699)**	(12,028)
Foreign exchange rate changes	**(344)**	1,374
Settlement payments	**–**	(4,413)
Remeasurements:		
Effect of changes in demographic assumptions	**302**	1,128
Effect of changes in financial assumptions	**(4,745)**	21,999
Effect of experience adjustments	**241**	(2,509)
Benefits obligation at end of year	**$ 247,310**	$ 257,336

Change in plan assets

(in thousands)	For the years ended November 30, 2021	2020
Fair value of plan assets at beginning of year	**$ 235,838**	$ 212,914
Return on plan assets (excluding interest income)	**11,340**	31,459
Interest income	**4,980**	5,624
Company contributions	**1,819**	1,812
Foreign exchange rate changes	**(273)**	1,020
Settlement payments	**–**	(4,413)
Benefits paid	**(11,699)**	(12,028)
Expenses paid	**(1,045)**	(550)
Fair value of plan assets at end of year	**$ 240,960**	$ 235,838

Change in asset ceiling

There were no defined benefit plans whose recognition of assets was limited.

Participant profile

The defined benefit obligation by participant status is as follows:

(in thousands)	As of November 30, 2021	2020
Actives	**$ 52,253**	$ 55,914
Vested former employees not yet retired	**51,517**	54,741
Retirees	**143,540**	146,681
	$ 247,310	$ 257,336

The number of participants are as follows:

	As of November 30, 2021	2020
Actives	**964**	917
Vested former employees not yet retired	**542**	562
Retirees	**683**	682
	2,189	2,161

Notes to the Consolidated Financial Statements *(continued)*

Key actuarial assumptions

The following are the assumptions used in the measurement of the projected benefit obligation for the Group's defined benefit pension plans and the accumulated projected benefit obligation for US post-retirement medical plan benefits:

	As of November 30,	
	2021	2020
Weighted-average assumptions to determine projected benefit obligations:		
Discount rate	**2.47 %**	2.23 %
Rate of compensation increase	**3.94 %**	3.92 %
Rate of pension increases	**3.26 %**	2.70 %
Rate of price inflation	**3.37 %**	2.93 %
Life expectancy for an individual currently at 65:		
Male	**21.2 yrs**	21.1 yrs
Female	**23.5 yrs**	23.1 yrs

The net period pension expense and retiree medical expense is based on the prior year's weighted average assumptions for the projected benefit obligation.

Exposure to variances in healthcare cost trends have been mitigated to the extent that a 1% change would have a negligible effect on the accumulated post-retirement benefit obligation at the end of 2021.

	Impact on Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	0.25%	Decrease by 3.1%	Increase by 3.2%
Salary growth rate	0.25%	Increase by 0.0%	Decrease by 0.0%
Pension growth rate	0.25%	Increase by 0.4%	Decrease by 0.3%
		Increase by 1 Year in Assumption	Decrease by 1 Year in Assumption
Life expectancy		Increase by 2.8%	Decrease by 2.9%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the pension liability recognised within the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

Fair value of plan assets

The Group's defined benefit pension plans' assets and weighted-average asset allocation as of November 30, 2021 and 2020, by category, were as follows:

	As of November 30,			
(in thousands)	**2021**	**%**	2020	%
Cash and cash equivalents	**$ 2,166**	**1%**	$ 2,353	1%
Equity instruments	**63,592**	**26%**	96,374	41%
Debt instruments	**159,229**	**66%**	122,702	52%
Real estate	**12,161**	**5%**	10,722	4%
Investment funds	**1,799**	**1%**	1,607	1%
Assets held by insurance company	**285**	**–**	330	–
Other	**1,728**	**1%**	1,750	1%
Total	**$ 240,960**	**100%**	$ 235,838	100%

The fair value of all plan assets was based on quoted market prices, except for cash and one fund with a value of $21.2 million.

It is the Group's policy to invest pension plan assets for its defined benefit plans to ensure that there is an adequate level of assets to support benefit obligations to participants and retirees over the life of the plans, maintain liquidity in plan assets sufficient to cover current benefit obligations and earn the maximum investment return consistent with a prudent level of investment and actuarial risk.

Investment return is the total compounded annual return, calculated as interest and dividend income and realised and unrealised capital gains and losses, less expenses of the plan.

The Group expects to contribute $3.9 million to its defined benefit pension and post-retirement benefit plans in 2022.

Weighted average duration of the defined benefit obligation is 12.9 years.

Expected maturity analysis of undiscounted pension and post-employment benefits

As of November 30, 2021 (in thousands)	Less than a year	Between 1-2 years	Between 2-5 years	More than 5 years	**Total**
Pension benefits	$ 12,823	$ 22,131	$ 22,043	$ 60,218	**$ 117,215**
Post-employment benefits	471	982	773	1,376	**3,602**
Total	**$ 13,294**	**$ 23,113**	**$ 22,816**	**$ 61,594**	**$ 120,817**

As of November 30, 2020 (in thousands)	Less than a year	Between 1-2 years	Between 2-5 years	More than 5 years	**Total**
Pension benefits	$ 11,210	$ 24,038	$ 22,097	$ 57,110	**$ 114,455**
Post-employment benefits	504	967	926	1,448	**3,845**
Total	**$ 11,714**	**$ 25,005**	**$ 23,023**	**$ 58,558**	**$ 118,300**

The above tables exclude vested deferred participants who have not started their retirement payments.

The Group also provides defined contribution plans to certain of its qualifying employees. Group contributions charged to expense for these plans were $19.5 million and $17.8 million for the years ended November 30, 2021 and 2020, respectively.

Notes to the Consolidated Financial Statements *(continued)*

26. Provisions

Accounting policy

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. If the effect is material, provisions are recognised at present value by discounting the expected future cash flows at a pre-tax rate that reflects the time value of money.

When a contract becomes onerous, the present obligation under the contract is recognised as a provision and measured at the lower of the expected cost of fulfilling the contract and the expected cost of terminating the contract as far as they exceed the expected economic benefits of the contract. Additions to provisions and reversals are generally recognised in the Consolidated Income Statement.

The present value of the recognised obligations associated with the retirement of property, plant and equipment (asset retirement obligations) that result from the acquisition, construction, development or normal use of an asset is added to the carrying amount of the related asset. The additional carrying amount is depreciated over the useful life of the related asset. Additions to and reductions from the present value of asset retirement obligations that result from changes in estimates are generally recognised by adjusting the carrying amount of the related asset and provision. If the asset retirement obligation is settled for other than the carrying amount of the liability, the Company recognises a gain or loss on settlement.

A provision is established for obligations under lease agreements to dismantle and/or restore leased property to its original condition.

Short–term provisions

(in thousands)	Claims provisions	Perth Amboy environmental provision	Decommissioning provision	Restructuring	Onerous contract provision	Total
Balance at December 1, 2020	**$ 7,285**	**$ 214**	**$ 889**	**$ 468**	**$ 520**	**$ 9,376**
Additional (reversal) provisions recognised, net	(3,422)	300	(24)	382	(260)	(3,024)
Reductions arising from payments	(1,825)	(147)	(883)	(472)	(221)	(3,548)
Net foreign exchange differences	161	–	18	24	(39)	164
Balance at November 30, 2021	**$ 2,199**	**$ 367**	**$ –**	**$ 402**	**$ –**	**$ 2,968**

The claims provision is in relation to short-term claims made against the Group by external parties. See further discussion in the Long-term provisions section below.

In 2013, the Group sold land in Perth Amboy, New Jersey. The sale price included an obligation to remediate for certain environmental matters at the site. The provision is based on the expected future costs to remediate the land.

The decommissioning provision at November 30, 2020 related to the restoration costs on the Wynyard, New Zealand terminal. Restoration was completed during the year.

A restructuring provision has been established in relation to the closure of the Wynyard, New Zealand terminal. A final payment to an employee was paid in December 2021.

The onerous contract provision related to the short-term portion of the land lease at Wynyard, New Zealand. The lease runs until April 12, 2022, but operations have now ceased and the final lease payment has been made.

Long–term provisions

(in thousands)	Environmental provision	Asset retirement obligations	Claims provision	Onerous contract provision	Total
Balance at December 1, 2020	**$ 551**	**$ 356**	**$ 191,824**	**$ 217**	**$ 192,948**
Reductions arising from payments	–	(4)	(28,480)	(186)	(28,670)
Net foreign exchange differences	(17)	(30)	(74)	(31)	(152)
Balance at November 30, 2021	**$ 534**	**$ 322**	**$ 163,270**	**$ –**	**$ 164,126**

The environmental provision relates to ground water and soil disposal remediation costs necessary to remedy various contamination risks identified in Stolthaven terminals. The provision is based on the present value of the expected costs to remediate the land. As at November 30, 2021, the remaining environmental provision relates entirely to the Port Alma, Australia terminal.

26. Long–term provisions *(continued)*

The asset retirement obligations relate to an obligation to dismantle and/or restore leased property to its pre-leased condition. At November 30, 2021, these amounts related to obligations on the offices in London and Manila. Amounts are estimated based on the present value of the expected future costs to restore the leased property in accordance with the lease contracts and are expected to be utilised in two to seven years.

The claims provision relates to claims made against the Group by external parties. These relate to third-party claims such as collision, property damage, pollution, environmental damage, general average, injury and cargo claims. In most cases, legal provisions are settled on a net basis by insurance companies. The provision was based on the latest expected costs and primarily related to the civil action as a result of the fire on the *MSC Flaminia,* the collision involving the *Stolt Commitment* and the explosion related to the *Stolt Groenland* (see Note 29). See Note 19, for the amount that is considered to be virtually certain to be recovered from insurance companies. The timing of the payments of these provisions is expected to be greater than one year. The amount decreased due to payments made by the insurance companies and changes in estimates of expected loss.

The onerous contract provision related to the land lease at Wynyard, New Zealand. The lease runs until April 12, 2022, but operations have now ceased and the final lease payment has been made.

27. Commitments and Contingencies

As of November 30, 2021, and 2020, the Group had total capital expenditure purchase commitments outstanding of approximately $75.7 million and $167.4 million, respectively. At November 30, 2021, $10.5 million of the total related to installments on a barge newbuilding. In addition, the Group has committed to other tanker projects of $1.9 million, terminal projects of $38.0 million and tank container projects of $24.3 million. Of the total purchase commitments at November 30, 2021, $66.0 million are expected to be paid over the next 12 months.

Purchase commitments of joint ventures and associates

The Group's joint ventures and associates had $138.4 million and $202.4 million of total capital expenditure purchase commitments on November 30, 2021 and 2020, respectively. As of November 30, 2021, this amount included commitments for Avenir LNG Limited of $99.3 million which includes one 7,500 cbm LNG newbuilding and two 20,000 cbm LNG newbuildings. The Group, Golar LNG Limited and Höegh LNG Holdings Ltd (collectively, the "Founding Shareholders") have also granted a guarantee with joint and several liability for two 20,000 cbm LNG newbuildings for $69.8 million. A deed of indemnity has been entered into by the Founding Shareholders which limits the Group's recourse to $34.9 million. The remaining $29.5 million of Avenir LNG Limited commitments is without recourse to the Group. Further joint venture commitments include $39.1 million for the terminal joint ventures, which are without recourse to the Group.

Of the total purchase commitments at November 30, 2021 for joint ventures and associates, $136.2 million is expected to be paid over the next 12 months. The commitments will either be paid out of the existing liquidity of those joint ventures or through external financing, which is in the process of being raised.

Environmental

The Group's operations involve the carriage, use, storage and disposal of chemicals and other hazardous materials and wastes. The Group is subject to applicable international and national health, safety and environmental laws relating to the protection of the environment, including those governing discharges of pollutants to air and water, the generation, management and disposal of hazardous materials and wastes and the clean-up of contaminated sites.

The Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), commonly known as Superfund, was enacted by the US Congress on December 11, 1980. This law created a tax on the chemical and petroleum industries and provided broad federal authority to respond directly to releases or threatened releases of hazardous substances that may endanger public health or the environment. This law and similar state environment statutes and common laws can impose liability for the entire clean-up of contaminated sites or for third-party claims for property damage and personal injury, regardless of whether the current owner or operator owned or operated the site at the time of the release of contaminants or of the legality of the original disposal activities.

Actual or discontinued operations in the US may, therefore, trigger a future liability. Owing to the uncertainty whether or the length of time before any liability may occur, it is currently not considered probable that a liability will arise and consequently no provision has been recorded.

Notes to the Consolidated Financial Statements *(continued)*

28. Related Party Transactions

The Group is ultimately controlled by trusts established for the benefit of the Stolt-Nielsen family. Compensation and Board fees are provided to certain members of the Stolt-Nielsen family. There are no other transactions between the Group and the Stolt-Nielsen family, other than those described below.

Employee and officer loans and advances

Included in Other current assets are loans and advances to employees and officers of the Group of $0.2 million and $0.1 million as of November 30, 2021 and 2020, respectively. In addition, included in Other non-current assets are loans and advances to employees and officers of the Group of $0.5 million at November 30, 2021 and 2020. Such loans and advances primarily represent secured housing loans that have been provided to former employees in connection with their relocation, along with advances for travel and other costs. Of the total loans and advances, $0.5 million were interest-bearing, with interest rates ranging from 6.0% to 7.0% as of November 30, 2021 and 2020. Interest received was less than $0.1 million for both 2021 and 2020.

Board of Directors and key management compensation

Key management includes the Executive Officers and Presidents of the Group's major businesses. Total compensation and benefits of the Board of Directors and the key management were as follows:

	For the years ended November 30,	
(in thousands)	**2021**	2020
Board fees	**$ 885**	$ 835
Salary and benefits	**4,733**	4,563
Profit sharing	**1,008**	837
Long-term incentives	**751**	1,228
Defined benefit pension cost	**259**	300
Defined contribution pension cost	**428**	522
Total compensation and benefits	**$ 8,064**	$ 8,285
Average number of key managers included	**9**	9

At the end of 2021 and 2020, the Board of Directors consisted of eight and seven members, respectively. Insurance has been taken out for the Board of Directors and Executive Officers in respect of their potential liability to the Group and third parties.

Transactions with joint ventures and associates

The consolidated balance sheets include the following items related to transactions with the Group:

	As of November 30,	
(in thousands)	**2021**	2020
Joint ventures:		
Amounts due from the Group	**$ 16,447**	$ 13,959
Amounts due to the Group	**50,185**	57,692

Included within Amounts due to the Group are $15.5 million and $18.4 million as of November 30, 2021 and 2020, respectively, for receivables from joint ventures and associates. These amounts are reflected in the consolidated balance sheets as Other current assets. The remaining amounts due to the Group are included in Investments in and advances to joint ventures and associates. Amounts due from the Group are included in Other current liabilities in the consolidated balance sheets.

The long-term advances to NYK Stolt Tankers S.A. of $17.6 million and $21.1 million as of November 30, 2021 and 2020, respectively, bear interest at six-month LIBOR plus 1%. The Group had also made long-term advances of $17.1 million and $18.2 million to other joint ventures and associates at November 30, 2021 and 2020, respectively. Interest on these range from 4.8% to 6.5% in 2021 and 2020. Interest received in cash for 2021 and 2020 was $0.3 million and $0.8 million, respectively.

Transactions with joint ventures and associates *(continued)*

The joint ventures and associates include the following items related to transactions with the Group:

(in thousands)		For the years ended November 30, 2021		2020
Joint Ventures				
Charter hire revenue[1]	**$**	**120,835**	$	103,370
Tank container cleaning station revenue		**1,312**		9,620
Charter hire expense		**48,524**		44,358
Management and other expenses		**18,990**		12,711
Freight and joint service commission expense		**1,720**		1,179
Finance expense		**1,500**		2,460
Other expense		**372**		633
Associates				
Bareboat revenue	**$**	**4,775**	$	2,388
Commission, management and other revenue[2]		**3,798**		–
Tank container cleaning station revenue		**3,801**		3,440

1. The charter hire revenues are amounts distributed to NYK Stolt Tankers S.A. and Hassel Shipping 4 AS, joint ventures of the Group, for their share of the Joint Service's revenue.
2. Represents commission and management fees paid to E&S Tankers as the joint venture trades certain of the Group's European fleet.

The Group has a 24.99% interest in Norterminal A.S. which is a company working on storage projects in northern Norway. The remaining 75.01% of Norterminal A.S. is controlled by S-N Terminal A.S., a company wholly owned by one of SNL's Directors who is a member of the Stolt-Nielsen family. The Group's investment in Norterminal A.S. was $0.9 million and $1.0 million as of November 30, 2021 and 2020, respectively.

29. Legal Claims and Proceedings

There are various legal proceedings arising in the ordinary course of business, and in cases where the Group believes the likelihood of losses is probable and can be estimated, provisions are recorded. While ongoing legal proceedings could have a material adverse effect on the Group's consolidated financial position or results of operations in the future, the Group believes that none of these matters will have a material adverse effect on its business or financial condition.

During 2021 and 2020, the Group has been involved in certain civil litigation cases, which are described below.

Collision involving *Stolt Commitment*

On December 16, 2015, the *Stolt Commitment* was involved in a collision with the general cargo ship Thorco Cloud, while in the Singapore Strait. As a result, the *Thorco Cloud* sank with the loss of three lives, and three other crewmen being unaccounted for. She was carrying steel and project cargo. The *Stolt Commitment* was damaged in the collision and arrangements were made to transship the cargo on board in Malaysia, following which she went for repair. General Average was declared. The wreck of the *Thorco Cloud*, which is in two pieces, may require removal along with the removal of bunkers on board the ship when she sank. Claims have been made against the *Stolt Commitment* and her insurers by the owners of the *Thorco Cloud* and her insurers, the bereaved families of the deceased/missing crewmen, and those interested in the cargo on board the *Thorco Cloud*. Claims have been notified by the *Stolt Commitment* to the owners of the *Thorco Cloud* and her insurers. Significant progress was made in 2021 to resolve the majority of the outstanding claims arising out of this casualty. Certain claims are expected to be resolved in early 2022 while certain other claims may require further time to resolve, perhaps beyond 2022. At November 30, 2021, the Group has recorded a provision for the expected future liability, along with a receivable for related insurance reimbursements. It is not expected that there will be a material adverse effect on the Group's business or financial condition.

Notes to the Consolidated Financial Statements *(continued)*

Civil actions as a result of Hurricane Isaac

At the end of August 2012, Hurricane Isaac caused widespread flooding in southern Louisiana, including an unprecedented storm surge at the terminal in New Orleans/Braithwaite of about 13 feet of water. The storm surge overtopped the Parish levee system and despite extensive efforts to prepare the terminal for the impact of the hurricane, extensive damage was sustained to various portions of the facility, including several tanks, causing some tank releases of stored product to occur. Multiple notices were made to the relevant authorities. The protective measures taken in and around the terminal were successful in retaining a considerable amount of the releases. Following the hurricane, the rail cars stored at the terminal were inspected and no leaks were detected.

All regulatory claims brought by the state and federal regulators against the terminal for i) failure to properly provide notice in accordance with the respective regulatory requirements, and ii) the release of certain chemical products being stored at the terminal have been resolved.

Following the flooding at the terminal, two class actions and multiple individual actions were filed at the District Court in the Parish of Plaquemines, State of Louisiana. All actions allege pollution of the claimants' properties with liquids stored at the terminal and allegedly released as a consequence of the flooding. The actions are being defended and the monitoring of air quality, sampling of the flood waters and soil testing, all carried out in cooperation with the various government authorities, have shown results within the guidelines established by the Louisiana Department of Environmental Quality. All these matters, including the legal fees for the defence, are covered by insurance maintained by the Group and it is not expected that they will have a material adverse effect on its business or financial condition.

Civil actions as a result of the fire on the *MSC Flaminia*

On July 14, 2012, a fire broke out aboard the *MSC Flaminia* during the ship's crossing of the Atlantic Ocean in cargo hold number 4. During the crew's attempt to extinguish the fire, an explosion occurred. Stolt Tank Containers had 29 tank containers onboard the ship, three of which were stowed in cargo hold number 4. These tank containers carried various products for various customers. STC filed claims for the replacement value of the tank containers and the product carried. In August 2012, vessel interests declared General Average. The vessel was initially hauled to Germany and then sailed onward to Romania for inspection, investigation and discharge operations.

On May 29, 2013, the vessel interests, namely the owner, manager and operator filed counter and cross-claims against STC and Deltech, the shipper of the three tank containers stowed in cargo hold number 4, alleging that these tank containers were the cause of the fire and that STC did not adequately warn of the inherently dangerous nature of the cargo. Since that time, several other cargo claimants have filed cross-claims against STC and Deltech.

The case remains pending in the US Federal Court sitting in the Southern District of New York. All fact and expert discovery on liability has been completed. The trial format was set up in three phases, with Phase 1 dedicated solely to the findings of fact, with Phase 2 dedicated to allocating liability among responsible defendants. Phase 3 is to determine recoverable damages. The Phase 1 trial occurred during the Fall of 2017. The Phase 2 trial was completed in August 2018. The US District Court for the Southern District of New York delivered a judgment on September 10, 2018, which held the Group jointly liable with Deltech for the incident where the counterparties are alleging damages of $186.0 million, excluding interest. The claim is covered by insurance and the Group has recorded a deductible of $0.3 million plus a provision for the expected future liability, as well as a receivable for related insurance reimbursements. The judgment has been appealed by the defendants, STC and Deltech. The hearing on appeal before the Court of Appeals in New York was heard on May 15, 2020. The final phase of the trial (Phase 3) to assess the quantum of damages is expected to proceed in 2022. It is not expected that there will be a material adverse effect on the Group's business or financial condition.

Legal Proceedings related to Explosion on the Stolt Groenland

Stolt Tankers B.V. and Stolt Groenland B.V. ("Stolt") are involved in legal proceedings in South Korea arising out of the September 28, 2019 explosion and fire aboard the *Stolt Groenland* while the ship was berthed in Ulsan. There was no loss of life and no pollution. Stolt has cooperated and continues to fully cooperate with the relevant authorities in the resulting incident investigation and with claimants to reach an early resolution of their respective proven claims. Stolt has applied to limit liability in the South Korea court and is defending certain ship officers who are subject to a travel ban from leaving the country during the pendency of the criminal charges filed against them by the South Korean public prosecutor for their involvement in the casualty. The claims are fully covered by insurance. It is not expected that there will be a material adverse effect on the Group's business or financial condition. At November 30, 2021, the Group has recorded a provision for the expected future liability, along with a receivable for related insurance reimbursements.

General

The ultimate outcome of governmental and third-party legal claims and proceedings is inherently difficult to predict. The Group's operations are affected by international and domestic environmental protection laws and regulations. Compliance with such laws and regulations may entail considerable expense, including ship modifications and changes in operating procedures.

30. Common Shares, Founder's Shares, Paid-in Surplus and Dividends Declared

Accounting policy

Equity capital stock

The Company's capital comprises equity capital stock. Equity capital stock is measured based on net proceeds.

Dividends

Dividends recommended by the Board of Directors are recognised in the Financial Statements when they have been approved by the shareholders at the Annual General Meeting ("AGM"). Interim dividends are recognised when approved by the Board of Directors.

Treasury shares

Upon the Group's purchase of its own shares (Treasury shares), the consideration paid is deducted from equity attributable to equity holders until the shares are cancelled, reissued or otherwise disposed of. In cases where such shares are subsequently sold or reissued, any consideration received is included in equity attributable to equity holders.

	Founder's Shares par value $0.001 per share		Common Shares par value $1 per share	
	Shares Issued	Treasury Shares	Shares Issued	Treasury Shares
Balance at December 1, 2019	16,033,449	902,500	64,133,796	3,610,000
Transfer of Treasury shares from Paid-in surplus to Treasury shares	–	1,750,000	–	7,000,000
Balance at November 30, 2020	16,033,449	2,652,500	64,133,796	10,610,000
Cancellation of shares	(1,402,500)	(1,402,500)	(5,610,000)	(5,610,000)
Balance at November 30, 2021	**14,630,949**	**1,250,000**	**58,523,796**	**5,000,000**

Share rights

The Group's authorised share capital consists of 65,000,000 Common Shares, par value $1.00 per share, and 16,250,000 Founder's Shares, par value $0.001 per share. As of November 30, 2021, there were 58,523,796 (2020: 64,133,796) Common Shares issued, of which Treasury shares were 5,000,000 (2020: 10,610,000). Except for matters where applicable law requires the approval of both classes of shares voting as separate classes, Common Shares and Founder's Shares vote as a single class on all matters submitted to a vote of the Shareholders, with each share entitled to one vote. All issued and outstanding shares have been fully paid.

Under the Bye-Laws, holders of Common Shares and Founder's Shares participate in annual dividends, if any are declared by the Group, in the following order of priority: (i) $0.005 per share to Founder's Shares and Common Shares equally; and (ii) thereafter, all further amounts are payable to Common Shares only.

Furthermore, the Bye-Laws also set forth the priorities to be applied to each of the Common Shares and Founder's Shares in the event of a liquidation. Under the Bye-Laws, in the event of a liquidation, all debts and obligations of the Group must first be paid and thereafter all remaining assets of the Group are paid to the holders of Common Shares and Founder's Shares in the following order of priority: (i) Common Shares rateably to the extent of the par value thereof ($1.00 per share); (ii) Common Shares and Founder's Shares participate equally up to $0.05 per share; and (iii) thereafter, Common Shares are entitled to all remaining assets.

Dividends

On November 3, 2021, the Group's Board of Directors declared an interim dividend of $0.50 per Common Share and $0.005 per Founder's Share to shareholders of record as of November 10, 2021. The total amount of the dividend was $26.8 million, which was classified as an interim dividend and paid on December 2, 2021.

On February 11, 2021, the Group's Board of Directors recommended a final dividend for 2020 of $0.25 per Common Share payable on May 5, 2021 to shareholders of record as of April 22, 2021. The dividend was approved at the Group's Annual General Meeting of Shareholders held on April 15, 2021 in Bermuda. The total amount of the dividend was $13.4 million.

On November 19, 2020, the Group's Board of Directors declared an interim dividend of $0.25 per Common Share and $0.005 per Founder's Share to shareholders of record as of November 26, 2020. The total gross amount of the dividend was $13.4 million, which was classified as an interim dividend and paid on December 10, 2020.

Treasury shares

In 2016, the Company pledged 7,000,000 Treasury shares as collateral for a loan and shares transferred to Paid-in surplus. On November 26, 2020, the Company cancelled the collateralised loan and the treasury shares transferred out of Paid-in surplus and back to Treasury shares.

The Board has authorised the purchase of up to $30.0 million worth of the Company's Common Shares, of which the Company has utilised $21.3 million prior to 2020, leaving $8.7 million available for future purchases.

Notes to the Consolidated Financial Statements *(continued)*

Founder's Shares and Treasury shares

As of November 30, 2021, 13,380,949 (2020: 13,380,949) of Founder's Shares had been issued to Fiducia Ltd, net of Treasury shares. Additional Founder's Shares are issuable to holders of outstanding Founder's Shares without consideration, in quantities sufficient to maintain a ratio of Common Shares to Founder's Shares of 4 to 1.

As of November 30, 2021, 5,000,000 (2020: 10,610,000) Treasury shares were held by the Group. The Group also held 1,250,000 (2020: 2,652,500) of Founder's Shares. Note that dividends are not paid on Treasury shares held by the Group.

Capital management

The Group defines capital as net debt and equity attributable to equity holders of SNL. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, repurchase shares or sell assets to reduce debt.

The Group monitors capital on the basis of the ratio of debt to tangible net worth. This is calculated as short-term and long-term debt and lease liabilities divided by equity attributable to equity holders less intangible assets and excluding other components of equity. The Group's management targets maintaining a ratio of debt to tangible net worth at or below 1.50. As of November 30, 2021 and 2020, the ratio of debt to equity attributable to equity holders of SNL less intangible assets and excluding other components of equity was as follows:

	As of November 30,	
(in thousands)	**2021**	2020
Short-term loans, long-term debt and lease liabilities	**$ 2,436,094**	$ 2,502,656
Equity attributable to equity holders of SNL less intangible assets and excluding other components of equity	**1,688,964**	1,634,177
Debt to tangible net worth	**1.44**	1.53

The debt to tangible net worth of 1.44 at November 30, 2021 is in line with management's expectations and below its target ratio of 1.50.

The Group has external restrictions on its capital, which are its bank covenants. See Note 23 for further details.

31. Earnings per Share

Accounting policy

Basic Earnings per Common share ("EPS") is calculated by dividing net profit by the weighted average number of shares outstanding during the year. Diluted EPS is calculated by adjusting the weighted average number of shares outstanding during the year for all potentially dilutive shares and equivalents outstanding during the year using the Treasury stock method.

As further discussed in Note 30, Founder's Shares, which provide the holder thereof with certain control features, only participate in earnings to the extent of $0.005 per share for the years in which dividends are declared, and are limited to $0.05 per share upon liquidation. For the purposes of calculating EPS, dividends paid on Founder's Shares are deducted from earnings to arrive at net profit attributable to holders of Common Shares. Founder's Shares are not included in the basic or diluted weighted average shares outstanding in the calculation of earnings per Common Share.

The following is a reconciliation of the numerator and denominator of the basic and diluted earnings per share computations:

(in thousands, except per share data)	For the years ended November 30, 2021	2020
Net profit (loss) attributable to equity holders of SNL		
From continuing operations	**$ 78,806**	$ 40,083
From discontinued operations	**–**	(13,788)
Net profit attributable to equity holders of SNL	**78,806**	26,295
Less: Dividends on Founder's Shares	**(67)**	(67)
Net profit attributable to holders of Common Shares	**$ 78,739**	$ 26,228
Basic and diluted weighted average shares outstanding	**53,524**	61,447
Basic earnings per share		
From continuing operations attributable to equity holders of SNL	**1.47**	0.65
From discontinued operations	**–**	(0.22)
Basic earnings per share attributable to equity holders of SNL	**$ 1.47**	$ 0.43
Diluted earnings per share		
From continuing operations attributable to equity holders of SNL	**1.47**	0.65
From discontinued operations	**–**	(0.22)
Diluted earnings per share attributable to equity holders of SNL	**$ 1.47**	$ 0.43

Notes to the Consolidated Financial Statements *(continued)*

32. Reconciliation of Net Profit to Cash Generated from Continuing Operations

(in thousands)	For the years ended November 30, 2021	2020
Net profit	**$ 78,806**	$ 25,368
Loss from discontinued operations	**–**	13,788
Profit from continuing operations	**78,806**	39,156
Adjustments to reconcile net profit to net cash from continuing operating activities:		
Depreciation of property, plant and equipment	**290,498**	288,782
Amortisation of intangible assets	**4,961**	3,480
Impairment of goodwill and property, plant and equipment	**10,000**	12,394
Reversal of impairment on joint venture loan	**–**	(3,557)
Finance expense, net	**124,909**	135,667
Net periodic benefit expense of defined benefit pension plans	**2,284**	98
Income tax expense	**24,405**	8,321
Share of profit of joint ventures and associates	**(39,470)**	(32,437)
Fair value adjustment on biological assets	**(17,379)**	4,985
Foreign currency exchange loss, net	**2,673**	5,258
Unrealised bunker hedge gain	**(251)**	(314)
Loss on disposal of assets, net	**3,010**	794
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
Increase in receivables	**(81,937)**	(100)
Increase in restricted cash	**(6,096)**	–
Decrease in inventories	**1,309**	890
(Increase) decrease in biological assets	**(4,660)**	630
(Increase) decrease in prepaid expenses and other current assets	**(31,452)**	265
Increase in accounts payable and other current liabilities	**62,611**	14,618
Contributions to defined benefit pension plans	**(1,819)**	(1,812)
Dividends from joint ventures and associates	**22,869**	15,440
Other, net	**3,145**	717
Cash generated from continuing operations	**$ 448,416**	$ 493,275

33. Discontinued Operations

In October 2020, the Group sold Sterling Caviar, Inc. ("Caviar") for $3.5 million, net of expenses. Caviar was a separate cash generating unit, which produced and marketed caviar and sturgeon in California. As such, Caviar has been treated as a discontinued operation on the income statement for the year ended November 30, 2020.

The financial information related to the discontinued operations is as follows:

(in thousands)	For the year ended November 30, 2020
Revenue	$ 4,156
Operating expenses	(5,967)
Depreciation, amortisation and impairment	(894)
Gross loss	(2,705)
Administrative and general expenses	(1,861)
Other operating expense	(13)
Operating loss	(4,579)
Finance expense and other expenses	(99)
Loss from operations	(4,678)
Loss recognised on measurement of fair value less cost to sell Caviar	(9,110)
Loss from Discontinued Operations	$ (13,788)

The loss recognised on measurement of fair value less cost to sell was based on the following:

(in thousands)	
Accounts receivable	$ 326
Inventory	2,147
Biological assets	8,620
Prepaid expenses	84
Plant, property and equipment	3,899
Total Assets	$ 15,076
Accounts payable	306
Accrued expenses	2,160
Total Liabilities	$ 2,466
Carrying value of assets disposed	12,610
Proceeds, net of expenses	3,500
Loss on disposal	$ (9,110)

Net cash provided by investing activities for discontinued operations relates to the proceeds on sale of $3.5 million, less $45,000 of capital expenditures.

34. Subsequent Events

Subsequent to November 30, 2021, the Company acquired or entered into forward contracts for 562,255 Odfjell Class A shares for a total of 3,285,441 shares. This represents 5% of Odfjell's total Class A shares.

On March 2, 2022, the Group entered into a $128.0 million floating-rate borrowing agreement using a group of tank containers as collateral. The agreement is with ING Bank N.V. and a group of private investors for six and one-quarter years. There are 26 equal payments and at the end of the agreement, the Group has an option to purchase the tank containers by paying a fixed amount. As the option to repurchase was virtually certain to be exercised by the Group at the date of the borrowing, the transaction has been treated as collateralised debt.

On February 24, 2022, the Company's Board of Directors recommended a final dividend for 2021 of $0.50 per Common share, to be voted on at the Group's Annual General Meeting ("AGM") for shareholders to be held on April 21, 2022. If confirmed by the AGM, the dividend will be paid on May 11, 2022 to shareholders of record as of April 27, 2022.

On February 16, 2022, the Group entered into a sustainability linked secured loan agreement for $415.0 million, consisting of a term loan of $180.9 million and a revolving credit line of $234.1 million. The loan syndication was with 14 banks and led by three bookrunners: Nordea Bank Abp, Danske Bank A/S and DNB (UK) Limited. It expires on February 16, 2028 and is secured by 19 ships. The Group expects to draw down on the term loan on March 15, 2022 to fully repay the loan with Export and Import Bank of China and Standard Chartered Bank.

On February 1, 2022, the Group acquired 1.0 million shares or 2.5% of Cool Company Limited ("CoolCo") for $10.0 million. CoolCo is listed on the Norwegian OTC.

Responsibility Statement

We confirm, to the best of our knowledge, that the consolidated Group and Company Financial Statements for the period December 1, 2020 to November 30, 2021 have been prepared in accordance with IFRS as adopted by the European Union and give a true and fair view of the Group's assets, liabilities, financial position and profit as a whole. In preparing these Financial Statements, we are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable;
- State whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

We are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclosure with reasonable accuracy at any time the financial position of the Company and the Group and enable us to ensure that the Financial Statements comply with the Bermuda Company Act of 1981. We are also responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. We are responsible for the maintenance and integrity of the Company's website. We highlight that legislation in Bermuda governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

We also confirm, to the best of our knowledge, that the Financial review and the Business Review include a fair review of important events that have occurred during the financial year and their impact on the Financial Statements, as description of the principal risks and uncertainties facing the Group and material related party transactions.

The Financial Statements on pages 69 to 145 were approved and signed on behalf of the Board of Directors.

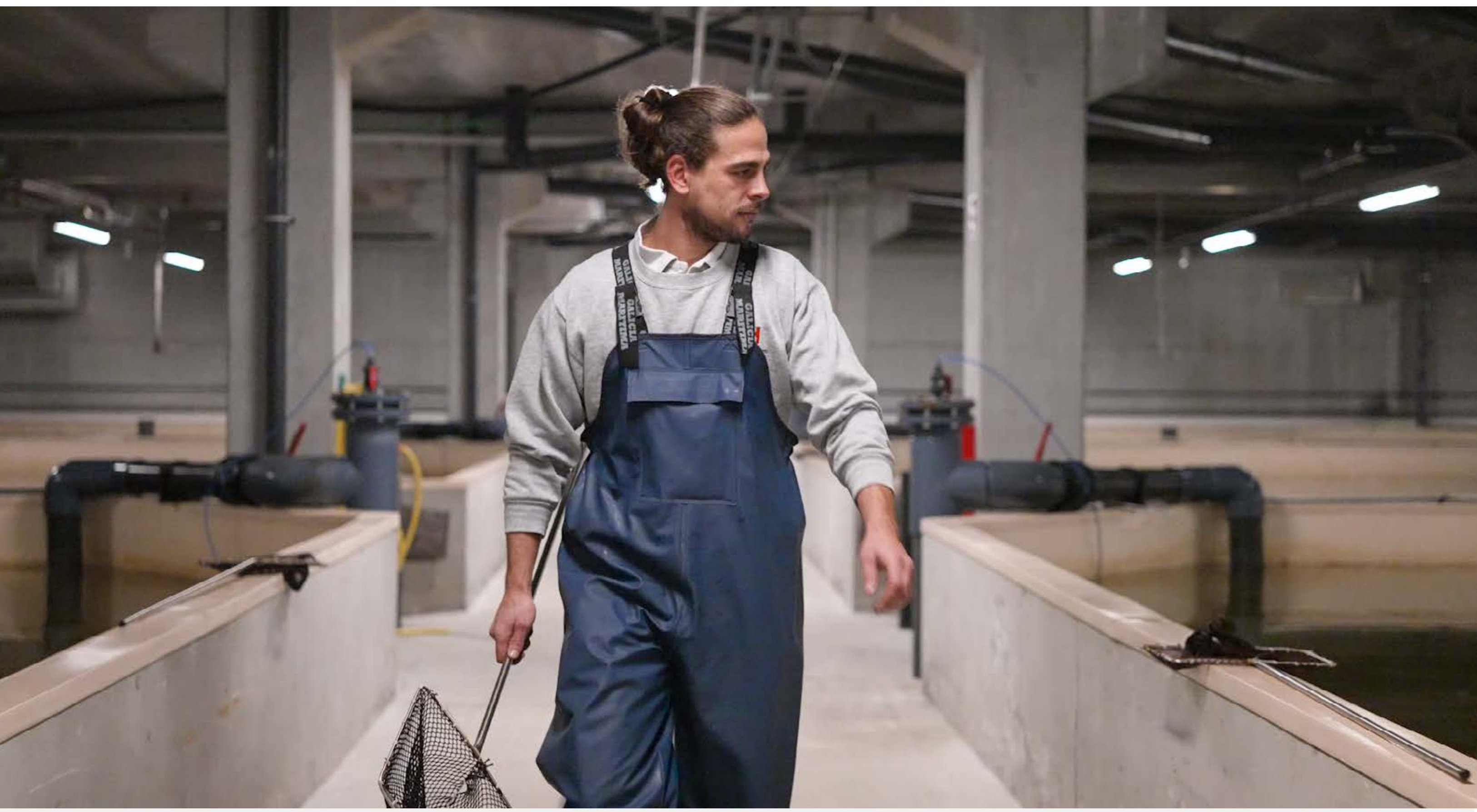
Niels G. Stolt-Nielsen
Chief Executive Officer

Jens F. Grüner-Hegge
Chief Financial Officer

London

March 14, 2022

Other Information



GRI Content Index

This report has been prepared according to GRI Standard: Core Option. The table below provides an overview of the relevant GRI Standards for our material topics on page 19 and where to find further information in this report or online. Stolt-Nielsen has reported the information cited in this GRI content index for the period December 1, 2020 to November 30, 2021, unless otherwise stated. Our last Annual Report was published in March 2021.

Disclosure		Page / Location
General Disclosures in accordance with GRI 102		
Organisational Profile		
102-1	Name of the organisation	Page 1
102-2	Activities, brands, products, and services	Pages 3, 8-16 and stolt-nielsen.com
102-3	Location of headquarters	Page 74
102-4	Location of operations	Pages 152-157
102-5	Ownership and legal form	Pages 44-45
102-6	Markets served	Pages 3, 18-16, 85 and stolt-nielsen.com
102-7	Scale of the organisation	Pages 3, 38-39, 69-71, 85 and 152-157
102-8	Information on employees and other workers	Pages 32-39
102-11	Precautionary Principle or approach	Contents page
102-13	Membership of associations	Page 18
Strategy		
102-14	Statement from senior decision-maker	Pages 4-5
102-15	Key impacts, risks, and opportunities	Pages 8-16 and 60-62
Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	Pages 32-39, 44-48 and stolt-nielsen.com/investors/code-of-business-conduct/
102-17	Mechanisms for advice and concerns about ethics	Pages 36, 41 and report.whistleb.com/en/stolt-nielsen
Governance		
102-18	Governance structure	Pages 41-48
102-20	Executive-level responsibility for economic, environmental, and social topics	Page 18
102-21	Consulting stakeholders on economic, environmental, and social topics	Pages 18-19
102-22	Composition of the highest governance body and its committees	Pages 42-43 and 46-47
102-23	Chair of the highest governance body	Pages 41-42
102-24	Nominating and selecting the highest governance body	Page 46
102-26	Role of highest governance body in setting purpose, values, and strategy	Page 41
102-27	Collective knowledge of highest governance body	Pages 41-43
102-29	Identifying and managing economic, environmental, and social impacts	Pages 18-19 and 60-62
102-31	Review of economic, environmental, and social topics	Pages 18-19
102-32	Highest governance body's role in sustainability reporting	Pages 18, 41 and stolt-nielsen.com/sustainability/our-commitment/

Disclosure		Page / Location
Stakeholder engagement		
102-40	List of stakeholder groups	Page 18
102-42	Identifying and selecting stakeholders	Page 18
102-43	Approach to stakeholder engagement	Pages 18 and 34
102-44	Key topics and concerns raised	Pages 19 and 60-62
Reporting practice		
102-45	Entities included in the consolidated financial statements	Pages 3, 152-157
102-46	Defining report content and topic boundaries	Page 19
102-47	List of material topics	Page 19
102-48	Restatements of information	Pages 24, 26 and 31
102-49	Changes in reporting	None
102-50	Reporting period	This GRI Content Index
102-51	Date of most recent report	This GRI Content Index
102-52	Reporting cycle	This GRI Content Index
102-53	Contact point for questions regarding the report	Page 151
102-54	Claims of reporting in accordance with the GRI Standards	Page 19 and this GRI Content Index
102-55	GRI content index	This GRI Content Index
102-56	External assurance	Pages 63-68
Additional specific GRI disclosures for Stolt-Nielsen's material topics: Financial sustainability / Climate change risk management: GRI 201 Economic performance 2016		
201-1	Direct economic value generated and distributed	Page 2, 37 and 69-145
201-2	Financial implications and other risks and opportunities due to climate change	Pages 60-61
Business ethics: GRI 205 Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	Page 36 and stolt-nielsen.com/sustainability/our-commitment/
205-3	Confirmed incidents of corruption and actions taken	Page 36
Energy use: GRI 302 Energy 2016		
302-1	Energy consumption within the organisation	Pages 26 and 29
302-5	Reductions in energy requirements of products and services	Page 29
Water use: GRI 303 Water 2016		
303-1	Interactions with water as a shared resource	Page 30
303-2	Management of water discharge-related impacts	Page 30
303-4	Water discharge	Page 30
303-5	Water consumption	Pages 26 and 29
Biodiversity: GRI 304 Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Pages 14 and 31
304-2	Significant impacts of activities, products, and services on biodiversity	Page 31 and stoltseafarm.com

GRI Content Index *(continued)*

Disclosure		Page / Location
Emissions / Air Quality: GRI 305 Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Pages 25 and 28-29
305-4	GHG emissions intensity	Pages 25 and 28-29
305-5	Reduction of GHG emissions	Pages 25 and 28-29
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Pages 26 and 29
Waste: GRI 306 Waste 2020		
306-1	Waste generation and significant waste-related impacts	Pages 26 and 30-31
306-2	Management of significant waste-related impacts	Pages 26 and 30-31
306-3	Waste generated	Pages 26 and 30-31
306-5	Waste directed to disposal	Pages 26 and 30-31
Compliance: GRI 307 Environmental compliance 2016		
307-1	Non-compliance with environmental laws and regulations	Pages 27 and 30
Health and Safety: GRI 403 Occupational health and safety 2016		
403-1	Occupational health and safety management system	Pages 21-23
403-2	Hazard identification, risk assessment, and incident investigation	Pages 21-22
403-5	Worker training on occupational health and safety	Pages 21-23
403-6	Promotion of worker health	Page 23
403-8	Workers covered by an occupational health and safety management system	Page 21
403-9	Work-related injuries	Pages 20 and 24
Recruitment and retention: GRI 401 Employment 2016 and GRI 404 Training and education 2016		
401-1	New employee hires and employee turnover	Pages 35 and 38-39
404-1	Average hours of training per year per employee	Page 22 (Seafarers only)
404-2	Programmes for upgrading employee skills and transition assistance programs	Page 35
404-3	Percentage of employees receiving regular performance and career development reviews	Page 35
Diversity and inclusion: GRI 405 Diversity and equal opportunity 2016		
405-1	Diversity of governance bodies and employees	Pages 38-39 and 43
Modern slavery and child labour: GRI 408 Child labour 2016 and GRI 409 Forced or compulsory labour 2016		
408-1	Operations and suppliers at significant risk for incidents of child labour	Page 37
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 37 and stolt-nielsen.com/sustainability/modern-slavery-and-human-trafficking-statement-2021/ and stolt-nielsen.com/sustainability/our-commitment/
Community impact: GRI 413 Local communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programmes	Page 37

Shareholder Information

Stock Listing

Common Shares
On Oslo Børs under symbol SNI

Shares Outstanding

(as of November 30, 2021)
Common Shares – 53,523,796
Country of Incorporation: Bermuda

Annual General Meeting

April 21, 2022 at 11:00 am
Clarendon House
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