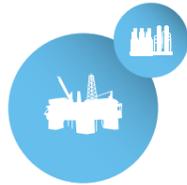


# HOW DOES TRAFIGURA DELIVER OIL PRODUCTS RESPONSIBLY, RELIABLY AND TO INTERNATIONAL STANDARDS?

*Our business model relies on being able to deliver oil and petroleum products consistently, safely and responsibly. If we were to supply off-specification products we might suffer financial penalties or find them rejected by customers.*

*The reputational and societal consequences could be even more significant. Trafigura is a strategic energy provider in many of our markets. Should we fail to deliver, economies would be disrupted and cities might have to go without heat or power.*



## SOURCE

Trafigura sources petroleum products globally. All in-bound fuel transfers are subject to rigorous testing by independent inspectors.

We require all trading partners to observe their legal and regulatory obligations, and oppose corruption, market abuse and unethical business practices.

Under our Know Your Counterparty (KYC) procedures, Trafigura's compliance officers conduct due diligence for each new counterparty. These checks support our anti-bribery, anti-corruption and anti-money laundering policies.



## STORE

Trafigura stores petroleum products on land and in floating storage. We conduct due diligence to ensure the storage facilities we select meets international best practice.

**26%**

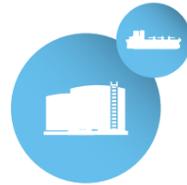
of storage is leased from terminals owned by Trafigura's affiliate Puma Energy.

**74%**

of storage is leased from third-party owned terminals.

Trafigura's 'Due Diligence Procedure and Storage Approval' process, which applies to all third-party owned terminals, includes the following activities:

- Independent inspectors audit the terminal and review all mandatory licences
- Trafigura's insurers review documentation and give consent for commercial agreements to proceed
- Due diligence is repeated annually.



## BLEND

Trafigura blends fuels to meet environmental regulations, sustainability objectives, improve performance and optimise costs.

It is mandatory for fuel blenders to comply with restrictions or bans on certain components in particular jurisdictions. Blending is a non-reactive process. No by-product is produced.

Additives to enhance fuel sustainability, defend engines against corrosion, promote cleaner burning and improve performance in extreme climates are only used in small quantities in the blending process: typically at dilutions of less than one part in 2,000. No by-product is produced.

Chemical treatments alter a fuel's composition by changing its molecular characteristics. Unwanted by-products may be produced. As a matter of policy, Trafigura does not undertake chemical treatments.

### WHERE DOES TRAFIGURA BLEND PRODUCTS?

**90% on-shore**

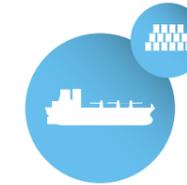
On-shore blending is a routine procedure that is well understood and controlled by terminal operators.

**10% on-ship**

On-ship blending is only carried out in controlled conditions as specified in the International Convention for the Prevention of Pollution from Ships (MARPOL). Vessels must be berthed in port. Blending petroleum products during sea voyages was prohibited under International Convention for the Safety of Life at Sea (SOLAS) in 2014.

### WHY BLEND ON-SHIP?

- **Accessibility:** draft restrictions may make on-shore storage inaccessible
- **Safety:** fewer transfers are needed when fuel already on board can be blended to make a different grade for another location
- **Energy efficiency:** sequential blending minimises the need for pump-assisted mixing.



## DELIVER

Trafigura conforms to the SOLAS convention, which includes special requirements for tankers. Our chartering policy ensures the Group uses only modern, reliable tankers and barges.

All vessels must be Ship Inspection and Reporting (SIRE) certificated with at least two inspections and approvals within the previous six months. We only charter double-hulled ships that are less than 25 years old. We also make sure that all chartered vessels are classified by a member of the International Association of Classification Societies.

### MEETING COMPLEX SPECIFICATIONS

Trafigura delivers petroleum products that meet specifications agreed with our customers. National governments and their regulatory authorities are in charge of setting these specifications. Fuel grades therefore reflect local requirements and priorities.

Specifications have proliferated over the last quarter century as fuel quality continues to improve across the world. Technological advances are delivering lower emissions and dramatic improvements in air quality.

Regulators use fuel specifications to advance sustainability and energy policy. In the US for instance, the Environmental Protection Agency's (EPA) mandatory requirement for a biofuel component in gasoline is helping to reduce the country's reliance on fossil fuels.



## CORPORATE SYSTEMS AND CONTROLS

### CORPORATE PRINCIPLES, POLICY AND CODE

All Trafigura personnel are required to conform to clearly articulated standards and procedures in relation to the management of health, safety, environment and community (HSEC) concerns. Standards are enshrined in our HSEC Policy and HSEC Business

Principles. Trafigura's Code of Business Conduct sets out the ethical and responsible behaviours expected of all personnel. Mandatory adherence to the Code is monitored by Trafigura's Compliance Department.

### INDEPENDENT INSPECTION AND ASSURANCE

Trafigura and its counterparties appoint independent inspectors to supervise all transfers of hydrocarbons, water washings and waste. Inspectors fulfil the following tasks:

- Provision of quality assurance

- Testing of product to ensure it meets the agreed specification
- Retention of samples for archive purposes
- Mediation in the event of disputes
- Reporting of bad practice.

### ROBUST OPERATING CONTROLS

The hazards associated with the delivery and transfer of hydrocarbons are addressed by controls and good operating practices. These include:

- Design and construction of plant and facilities in accordance with good engineering practice and local regulations
- Use of formal process hazard analysis techniques in developing the design
- Operation by trained and competent staff
- Operation in accordance with formal standard operating procedures which recognise potential safety and environmental hazards under normal and upset conditions
- High integrity instrumentation and control systems
- Formal classification of hazardous areas and specification of appropriate equipment for use in potentially explosive atmospheres. Strict prohibition of ignition sources in these areas
- Proactive mechanical integrity assurance programmes underpinned by robust independent inspection.

## INTERNATIONAL BEST PRACTICE AND REGULATORY FRAMEWORKS

### SOLAS

SOLAS is the main international treaty concerning the safety of merchant shipping. It specifies minimum standards for the construction, equipment and operation of ships, compatible with their safety.

### MARPOL

MARPOL is the main treaty covering prevention of pollution of the marine environment by ships from operational or accidental causes.

Annex I of the MARPOL Convention contains the most important regulations for preventing pollution by oil from ships. Specific regulations apply to the off-loading of water washings and other wastes.

### SIRE

SIRE introduced by the Oil Companies International Marine Forum (OCIMF) provides detailed inspection information on tankers, barges and small vessels for charterers, ship operators, terminal operators and government bodies concerned with ship safety.

### SHIP-TO-SHIP TRANSFERS

Trafigura's approach reflects the latest industry guidance as described in 'Ship-to-Ship Transfer Guide for Petroleum, Chemicals and Liquefied Gases'. This joint publication between OCIMF, the Chemical Distribution Institute (CDI), the International Chamber of Shipping (ICS) and the Society of International Gas Tanker and Terminal Operators (SIGTTO) specifies best practice procedures for hydrocarbon transfers.