

# Supporting the energy transition

Sustainability Summary 2020/21

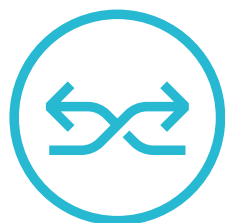


**Petredec**

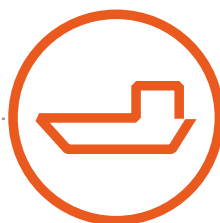
TRADE TRANSPORT DISTRIBUTE

# About us

Petreddec is one of the world's leading LPG traders, logistics providers and distributors.



Trade



Transport



Distribute

For more information go to [www.petreddec.com](http://www.petreddec.com)

## 120M MTS

LPG delivered in last decade

## 100+

LPG sector specialists

## \$2bn+

Invested in LPG over the last decade

## \$500m

Invested in cleaner LPG dual-fuel vessels

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# CEO review

It is impossible to introduce Petredec's first Sustainability Summary without considering the impact of the Covid-19 pandemic; it's truly global effect costing lives and livelihoods around the World over the past 18 months.



**Giles Fearn**  
CEO, Petredec

On a human level Petredec has not been untouched, having sadly lost colleagues to the virus with many others from around our global network experiencing the Coronavirus' debilitating effects. Fortunately, there are some early signs of promise and as worldwide vaccine programmes are rolled out, we hope we can look forward to a brighter, safer future.

This report outlines some of the other challenges we face and the steps we are taking to make Petredec a more sustainable business for all stakeholders. This will be a permanent process and one that involves all employees as we strive to develop a strong, positive approach to managing our ESG impacts across our rapidly diversifying business. For more than 40 years Petredec has been known for its seaborne activities – trading, supply and shipping – but the Group today encompasses wider ranging businesses, including numerous divisions based onshore.

Largely by virtue of the fact that so many people worked (and cooked three meals a day) from home, demand for LPG proved extremely robust during the first and second peaks of the pandemic, especially in emerging and frontier markets, many of which Petredec supplies with large volumes of LPG.

While this kept us focused and very busy, it also brought to the forefront of our minds the importance of addressing other global issues facing our business, and none is bigger than the mutual responsibility we must all accept for controlling Climate Change. In that regard LPG is seen to be a transitional fuel in the sustainability continuum, it being among the cleanest burning, least polluting fossil fuels. It already forms an important part of the energy mix for economies around the world and is especially vital in markets without access to pipeline gas systems or the means to develop renewable energy solutions.

## Investing in efficiency

### 6

New VLGCs

6 Dual Fuel VLGCs and 4 Ethylene newbuilds due for delivery in 2022-2023

"As one of the industry's largest operators and owners of LPG vessels, we have long been aware of our duty to reduce the impact of our shipping operations."



# CEO review

## Continued

As one of the industry's largest operators and owners of LPG vessels, we have long been aware of our duty to reduce the impact of our shipping operations. While Safety has always been (and remains) paramount to Petredec, helping to lower our shipping division's Greenhouse Gas (GHG) emissions is a core objective for our fleet department. Since we began an intensive newbuilding programme in 2008, Petredec has gone on to order 43 vessels, all of which have been configured to be more efficient and environmentally friendly than the previous generation.

The latest designs, the H-Class vessels due for delivery from early 2023, incorporate various cutting-edge technologies to maximise performance efficiency, including for the first time in Petredec's fleet, Dual Fuel propulsion. This next-generation system allows the vessels to operate on either traditional bunkers or cleaner burning LPG to reduce emissions. While these ships are a positive step forward, we will not stop here – our vessel designs will continue to evolve as we aim to operate the youngest, most energy efficient LPG fleet on the water.

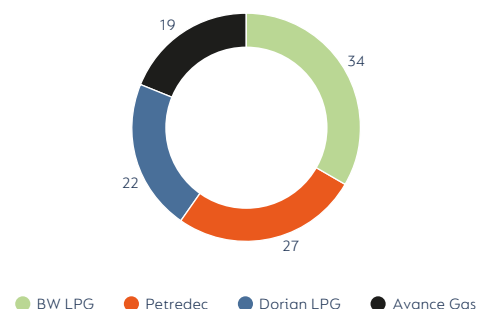
Onshore, we are actively measuring and looking to reduce emissions from our land-based freight operations. Whether we are moving LPG or Fuels in road tankers, our objective is to do so with the lowest possible environmental impact. To that end Petredec is investing in a comprehensive logistics system in South Africa that incorporates Rail freight to significantly reduce the volume of individual movements between our import hub and coastal storages and the major consumption region of Gauteng.

Finally, it is the people that make Petredec what it is and our longstanding policy of recruiting the best individual for the role, irrespective of their gender, culture, background or beliefs means we continue to provide an inclusive workplace environment, regardless of location. I would like to conclude this introduction by thanking the Petredec team for their dedication, innovation and resilience in what has been an unprecedented period of challenges and discovery. Their ingenuity never ceases to surprise me and I am proud of the business we are today and of that we intend to become.

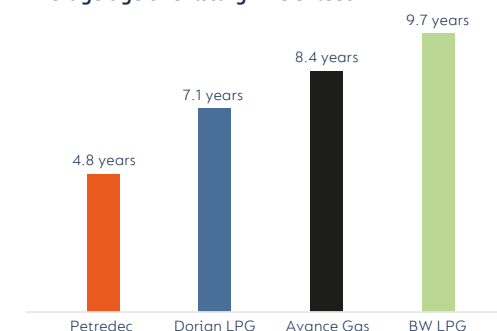
**Giles Fearn**  
CEO, Petredec

## Our performance

VLGC fleet size (vessel numbers)

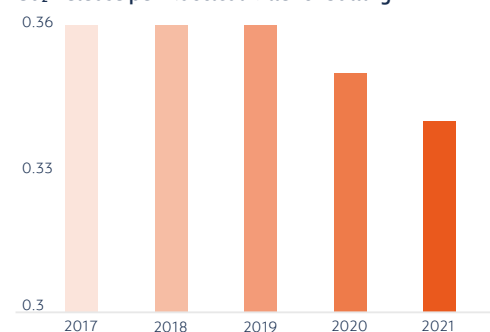


Average age of existing VLGC fleet



Petredec VLGC fleet compared to the three other major large vessel LPG ship owners  
As per respective company websites, August 2021

CO<sub>2</sub> Release per Nautical Mile for Sailing



The continued modernisation of Petredec's VLGC fleet has led to lower emissions per Nautical Mile as successively cleaner burning, more efficient vessels join the fleet replacing older ships

# Our role in the value chain

Our key operating sectors are shipping, trading and the distribution of LPG and Fuels onshore.



## Our key issues

### Our most material issue

**Climate change & greenhouse gas emissions**

#### Actions we are taking

The six Dual Fuel VLGCs and two next-generation Ethylene carriers we have on order for delivery between 2022-23 all incorporate the latest technologies aimed at significantly lowering emissions.

### Our core issues

**Other environmental impacts**

#### Actions we are taking

Leaner and cleaner burning engines in our new vessels, combined with a substantial investment in Rail logistics onshore, significantly help to improve our freight efficiencies on land and sea.

### Our foundation issues

**Safety, inclusion, governance and ethics**

#### Actions we are taking

We manage safety across the fleet under a comprehensive Health, Safety, Environmental and Security Management system certified for ISO 9001, ISO 14001 & ISO 45001. We have clear KPIs and action plans.

# Climate change & environment

As almost every aspect of modern life contributes to greenhouse gas emissions, climate change is the biggest challenge we face collectively.

Without sufficient action, climate change will result in global temperature rises that exacerbate extreme weather events and intensify global inequalities within and between societies.

## Collaboration

Everyone – companies, governments, and communities – needs to make a contribution. As a member of the Global Maritime Forum, the Getting to Zero Coalition and an Industry Council member of the WLPGA, Petredec fully supports the industry-wide commitment to limit global warming to 1.5°C.

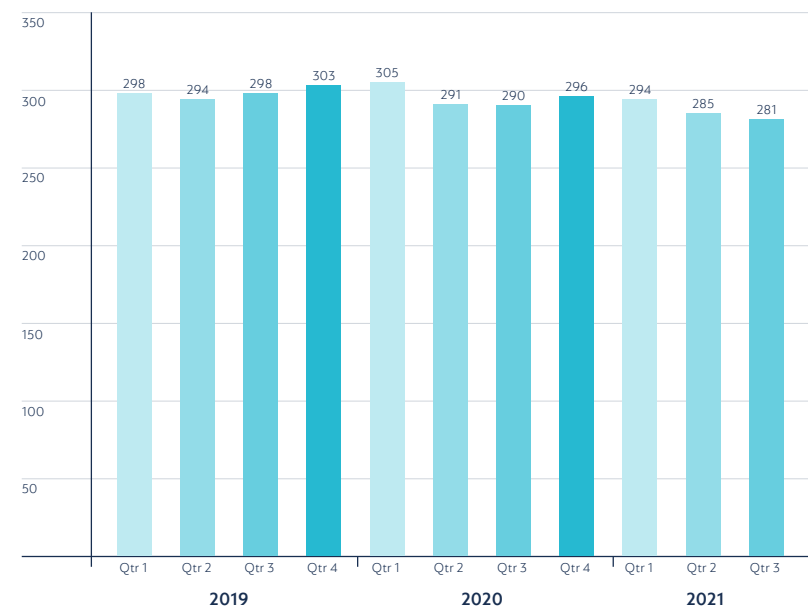
## The role of LPG

We trade, transport and distribute LPG, a transitional fuel that complements renewable energy options to drive down GHG emissions. LPG plays a vital role in the energy mix, especially in emerging markets, where among other benefits its use is helping to reduce deforestation as it replaces traditional biomass fuels.

## Greenhouse Gas Emissions

Petredec closely monitors the GHG emissions of its entire fleet (see charts opposite). In addition to our ambitious VLGC investment programme, we expect further reductions in our fuel consumption and GHG emissions thanks to increased Capex on vessel upgrades and enhanced voyage planning.

Emission Kgs of CO<sub>2</sub> per Nautical Mile Sail  
(Kg of CO<sub>2</sub>/NM)



# Safety, Inclusion and Ethics

Our people are our most important asset and the source of our success.

## Our Policies

We have a range of policies to support a safe, healthy and responsible workplace including:

- Quality, Health, Safety and Environment Policy
- Drug And Alcohol Policy
- Maintenance And Spare Parts Policy
- Personnel Recruitment and Training Policy
- Cultural Awareness Policy
- Security Policy
- Social Media Policy
- Prevention of Sexual Harassment Policy
- Anti-corruption Policy
- Control of Arms Policy
- Business Ethics Policy

## Safety

### Our approach

Care for our people, in a healthy and safe workplace, is at the heart of how we run our operations. Our approach is governed by a strict Quality, Health, Safety, Environmental and Security Management (QHSE) system which is certified by DNV for ISM, ISO 9001, ISO 14001& ISO 45001. It complies with all industry guidelines and regulations.

### Monitoring and performance indicators

All key safety aspects are constantly monitored and evaluated. Key Performance indicators include LTIs, LTIFs, TRCs, TRCFs<sup>1</sup>, Behaviour Based safety reports, Planned Maintenance and a wide range of environmental metrics. All aspects of Health, Safety, Environment, and business are monitored under various performance indicators.

### Neptune Declaration on Seafarer Wellbeing

We are a proud a signatory of the Neptune Declaration on Seafarer Wellbeing and Crew Change which gives seafarers priority access to Covid-19 vaccines, hold standard health protocols and improves collaboration between ship operators and charterers to facilitate crew changes.

## Inclusion and ethics

We are committed to doing business ethically and transparently, and we do not tolerate discrimination, corruption or unethical behaviour.

### Diversity, inclusion and dignity

We believe in diversity in the workplace and value the knowledge, skills and experience our workforce brings. We have a Dignity-at-work policy to address issues of bullying and harassment on any grounds and to govern how complaints will be dealt with. Acts of discrimination, harassment, bullying or victimisation against employees or customers are disciplinary offences and will be dealt with under the organisation's disciplinary procedure; penalties in the case of gross misconduct include dismissal without notice.

### Anti-Slavery and Human Trafficking

We are fully committed to conducting our business activities with integrity and excellence and to ensuring that there is no modern slavery or human trafficking in any part of our business or supply chain.

### Operating Incident Review\*

	2021	2020	2019	2018
Lost-Time Injuries (LTI)	1	1	5	2
Accident-related fatalities	0	0	0	0
Major incidents / spillages	0	0	1	2

## Anti-bribery and corruption

The Company does not tolerate any form of bribery, whether direct or indirect, by, or of, its employees, officers, agents or consultants or any persons or companies acting for it or on its behalf. The board and senior management are committed to implementing and enforcing effective systems throughout the Company to prevent, monitor and eliminate bribery.

### Whistleblowing

It is important to us that any fraud, misconduct or wrongdoing by employees or officers in the Company is reported and dealt within the correct manner. We ensure that employees are able to make a protected disclosure, in line with the Public Interest Disclosure Act 1998 ("PIDA"). The law provides protection for workers who raise legitimate concerns about specified matters. We encourage employees to raise concerns through the appropriate channels and work to ensure whistleblowers are protected.

\*Data from Anglo Eastern Ship Management (AESM). All incidents (Accidents and Near Miss) are recorded & investigated using the tools in Phoenix System - Incident module.

<sup>1</sup>Lost Time Injury, Lost Time Injury Frequency, Total Recordable Cases, Total Recordable Case Frequency.



# Contact us

For more information on our approach email us at [ESG@petredec.com](mailto:ESG@petredec.com) or get in touch at

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