Stolt-Nielsen

Stolt-Nielsen Limited
Annual Report 2020

Contents

Annual Report 2020

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 51-53.

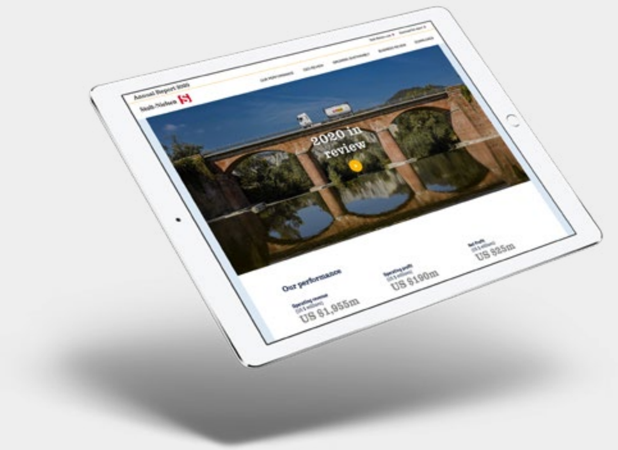
Focused on delivering long-term sustainable growth

Stolt-Nielsen is a long-term investor and manager of businesses in global bulk-liquid, chemical and LNG logistics as well as sustainable land-based aquaculture.

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

Online Annual Report

For a more interactive experience please visit:
ar.stolt-nielsen.com/2020/



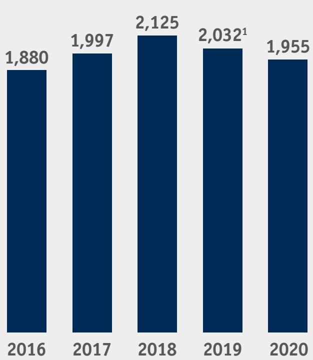
Financial Highlights 2020

Our performance

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

Operating revenue
(US $ millions)

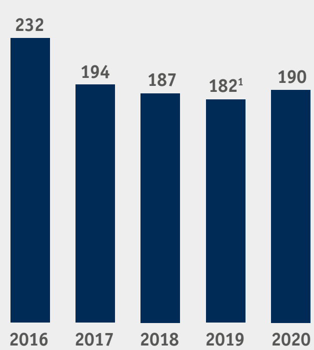
US $1,955m



1. Restated to show caviar operations as discontinued.

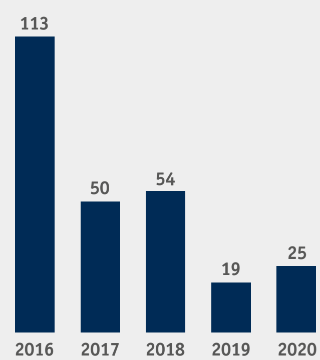
Operating profit
(US $ millions)

US $190m

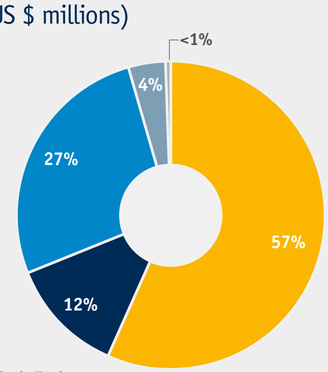


Net profit
(US $ millions)

US $25m

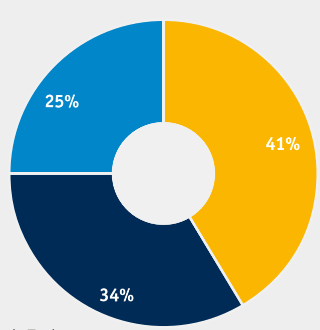


Operating revenue by business
(US $ millions)



Stolt Tankers	1,113
Stolthaven Terminals	239
Stolt Tank Containers	521
Stolt Sea Farm	80
Corporate and other	2

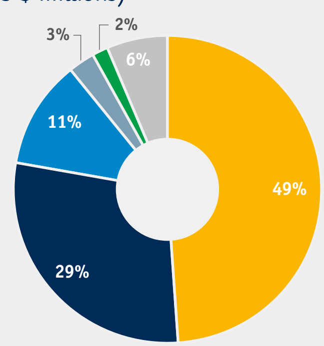
Operating profit by business[1]
(US $ millions)



Stolt Tankers	85
Stolthaven Terminals	69
Stolt Tank Containers	51

1. Excludes Stolt Sea Farm, Stolt-Nielsen Gas and Corporate and other loss of $15 million.

Total assets by business
(US $ millions)



Stolt Tankers	2,289
Stolthaven Terminals	1,348
Stolt Tank Containers	534
Stolt Sea Farm	124
Stolt-Nielsen Gas	81
Corporate and other	290

Our Business

At a Glance

Stolt Tankers[1,3]

Stolt Tankers operates the world's largest fleet of sophisticated chemical tankers, providing safe, reliable and high-quality global transportation services for bulk-liquid chemicals, edible oils, acids and clean petroleum products.

69 deep-sea parcel tankers

83 coastal and inland tankers

3m total deadweight tonnes

See pages 6-7 for more details

Stolthaven Terminals

Stolthaven's 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 8-9 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.

40,000 tank containers in the fleet

130,000 shipments

22 depots and hubs

See pages 10-11 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 12-13 for more details

Stolt-Nielsen Gas[3]

Stolt-Nielsen Gas invests in opportunities in LNG shipping and distribution.

47% ownership of Avenir LNG

2.5% ownership of Golar LNG

See page 14 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 Review

Resilient during an extraordinary year

The Covid-19 pandemic has brought out the best in our people, and throughout the past year our business model demonstrated its strength. Back in March 2020, when the outlook was uncertain, we quickly took short-term action to protect the Company from any potential downside. From the very first day of the lockdowns, our office-based staff were able to take their work equipment home and continue delivering the same service quality our customers expect from us – without interruption.

And as often happens during a crisis, opportunities arose during the year. I am pleased to say that we were able to capitalise on some of these due to our robust business strategy. While 2020 was by no means a stellar year when it comes to financial results, taking the unprecedented circumstances into consideration, I am proud of our performance.

Financial performance

The Group reported $25.4 million net profit, with earnings per share of $0.43, compared to $19.1 million and $0.35 in 2019. Capital expenditure reductions and management efforts resulted in a $36.4 million year-on-year reduction in debt (to $2,309.1 million before lease liabilities), and a positive free cash flow (cash from operations less investments) of $214.6 million. Shareholders' equity was $1,418.6 million at year end, compared to $1,376.7 million a year ago.

Stolt Tankers' (ST) operating revenue was $1,113.1 million, compared to $1,147.9 million in 2019. Operating profit was $84.6 million, up from $56.7 million a year ago. Higher bunker costs – caused by the switch to low-sulphur fuel – negatively impacted first-quarter results, as did the continuing scheduling issues from the 2019 *Stolt Groenland* incident. However, results improved over the year as bunker prices fell, resulting in a full-year decrease in bunker costs of $45.7 million. Port charges also decreased as there were fewer operating days. The share of profit from joint ventures increased, due to improved results in deep-sea trade and lower interest rates, which more than offset the pandemic's effects on scheduling and the need for costly ship rerouting to make overdue crew changes. ST's ongoing efficiency initiatives are also bearing fruit.

In August, we agreed to purchase five modern 26,000 deadweight tonne, stainless steel chemical tankers, two of which have joined our joint venture with NYK. These were very attractively priced at $27.2 million per ship compared to the delivered price of $42.0 million in 2016/17. We were able to take advantage of this opportunity thanks to our resilient business model and conservative balance sheet management. We are cautiously optimistic that the chemical tanker market will continue to strengthen during 2021. Once the pandemic is behind us, and global GDP returns to growth, the favourable supply/demand balance in the segment should give us strong years ahead. As announced previously, it is our intention to complete an IPO of Stolt Tankers once both the chemical tanker market and the equity market are favourable for such a transaction.

Stolthaven Terminals' results finished slightly below expectations due to pandemic-related uncertainty and lower utilisation. Full-year operating revenue was $238.5 million, down from $250.8 million in 2019. This reflected a change in product mix, resulting in lower rates and throughput volumes, as well as lower utilisation at some terminals. Operating profit was steady at $68.8 million, compared to $69.0 million in 2019. Demand for chemicals used in packaging and healthcare products remained strong, offsetting weak demand for chemicals used in the automotive and construction industries. During 2020 our customers faced high levels of uncertainty in their markets because consumer demand was less predictable, which in turn resulted in slightly lower throughput volumes. However, the market fundamentals for the locations of all our terminals remain healthy. Also here, once the restrictions caused by the pandemic are behind us, we expect to see improved demand in all of the regions in which we operate.

Stolt Tank Containers (STC) has always provided us with an early indication of what is to come in the chemical logistics market. In the spring of 2020, when much of the world went into lockdown, we monitored our shipment volumes closely. The business quickly adapted to the rapid changes across the supply chain and shipment volumes remained steady throughout the year. However, we faced challenges from increasing competition and shipment costs. Trade flows and product mix were constantly in flux, which increased the need to reposition empty tanks. In addition, transportation costs rose dramatically. Although there are delays, we will ultimately recover most of these transportation costs from customers. Therefore, revenue for the year declined slightly, to $520.6 million from $528.6 million in 2019. Operating profit was $51.2 million, down from $56.1 million, due to a reduced margin per shipment and strong competition. Utilisation held steady at 67.8%. As with our other logistics businesses, we expect healthy profitable growth at STC once the Covid-19 disruption is behind us.

The pandemic had an instant impact on Stolt Sea Farm (SSF). The main market for our turbot and sole has traditionally been the hospitality sector in Spain and Italy, so when hotels and restaurants closed, demand from our core customers collapsed. This resulted in a biomass inventory write-off of $12.0 million in the first quarter. However, SSF quickly changed its sales focus to retail, and was consequently able to return to normal weekly harvest volumes during the second half of 2020. Full-year revenue fell to $79.7 million, from $100.3 million in 2019, with an operating loss of $8.4 million, compared to an operating profit of $7.7 million in 2019. Excluding the impact of fair value adjustments, SSF's full-year operating loss was $3.4 million, compared to an operating profit of $11.6 million in 2019. We believe the worst is behind us, and SSF is in a strong position to capitalise on rising demand as the hospitality industry reopens and we develop new market opportunities. The most exciting news in 2020 at Stolt Sea Farm was the successful operation of our land-based recirculation (RAS) sole farm in Cervo, Spain. After 20 years of research and development we now have a facility that is producing sole in the most sustainable way possible. Subsequent to year end, we had our first commercial harvest which was earlier than all our models showed. The growth and quality is phenomenal. With Cervo up and running and the second RAS in Tocha, Portugal expected to complete its first harvest in October 2021, we are finally going to be able to reap some of the rewards from our long and patient investments. In January 2021, we announced IPO preparations for the sea farm business.

Stolt-Nielsen Gas (SNG) holds our liquefied natural gas (LNG) investments. It currently owns 47% in Avenir LNG Ltd and 2.5% in Golar LNG Ltd. Avenir's strategy is to source, ship, store, distribute and sell LNG to communities that lack access to a natural gas grid. Avenir took delivery of its first 7,500 cubic metre (cbm) ship in October 2020, and has three further 7,500 cbm and two 20,000 cbm LNG ships on order. It is also building its first terminal in Sardinia, Italy.

Healthy liquidity

On February 5, 2020, we announced the successful placement of a new senior unsecured bond issue of NOK 1.3 billion ($141.5 million), with a maturity date of February 20, 2024. On June 16, 2020, we announced the successful placement of a second senior unsecured bond issue of NOK 1.25 billion, swapped into a fixed-rate $132.0 million obligation that matures on June 29, 2023. The Company repurchased approximately NOK 522 million ($78.1 million) of bonds with a March 18, 2021, maturity date, leaving approximately $153.7 million to repay in March 2021. At the end of the financial year, we had approximately $500.0 million in available cash and liquidity. During 2021, we will continue to focus on reducing our debt level and maintaining sufficient liquidity. Our longer-term goal is to achieve a Net Debt-to-EBIDTA ratio below 3.5:1.

Shareholder value

The mission of SNL is to provide shareholder value through investments in our businesses by building a sustainable, growing, long-term EBITDA and using the 'right' amount of profit to pay annual dividends. Due to pandemic-related uncertainty, the Board found it prudent to withdraw its previous recommendation to pay a final 2019 dividend. However, as the year went on and the market held up, the Board decided in November, to pay an interim dividend of $0.25 per common share for 2020. Hopefully, we will soon be back to paying an annual dividend of $1.00 per share.

A safe and sustainable future

We prioritise – without compromise – the health and safety of our employees, customers, suppliers and communities. During 2020 our overall safety performance improved, with no serious incidents. Our continued training and awareness efforts have reduced risks across our businesses. This year, the Board formalised its sustainability commitment by signing the Stolt-Nielsen sustainability pledge. We also made progress in improving our environmental data reporting as we work towards reducing emissions, waste, energy use and water consumption.

A sustainable future not only depends on what we do today, but on our plans for tomorrow. We are using our expertise and industry relationships to develop technologies that support the maritime industry's shift to lower carbon transportation.

Read more about our sustainability progress on pages 15 to 33.

Continued leadership

Whatever the new normal is going to be, we cannot and will not stand still. We must learn, adapt and carry on. Although we briefly paused many 'Going Further' business transformation projects during the year, all are now back online. One thing each of these projects has in common is that they are rooted in our commitment to continuous improvement – and our recognition that we must not become complacent in our leading positions. We need to be the first to identify new technologies and trends, the best at implementing them and – most importantly – be the best at getting the full benefits.

Resilient today for a successful future

Covid-19 will continue to affect the industries and geographies we serve in 2021. But our actions to protect our people and the environment, maintain good liquidity and ensure a strong balance sheet mean we are well positioned to navigate uncertainty, implement our strategy and capitalise on opportunities. Short-term volatility doesn't change the global trends driving our long-term growth: growing populations together with an increasing demand for goods and sustainable food sources.

A significant benefit to our stakeholders lies in our diverse business model and our corporate structure. Having several divisions gives us a stable earnings base and steady cash flow generation through the cycles, which has allowed us to position our businesses, this year in particular for tankers, for the recovery that lies ahead post-Covid. The synergies across our logistics businesses will continue to enable us to deliver value to customers as we are able to offer efficient 'door-to-door' logistical services. While our shared corporate services bring efficiencies of scale, it also is a platform for shared ideation and knowledge and training collaboration.

Last, but not least…

An enormous thanks goes out to each and every Stolt employee for doing a fantastic job in 2020. I start with what we call our 'front line' workers; the seafarers, terminal operators, depot workers and farmers in Stolt Sea Farm. While the rest of us were working safely from home, you were carrying on as normal. For most of us, as we now know, Covid-19 is not exceedingly dangerous, but at the beginning of the pandemic, the full impact of the virus was not known and the uncertainty for your own safety and that of your family was unknown. Being away from home not knowing the full situation must have been tough, but you all carried on. For that we are immensely grateful. For the rest of us, it was also a stressful time because of the uncertainty and the new environment in which we had to operate, yet you carried on and delivered uninterrupted quality service to our customers. Well done and thank you.

NG. Stolt-Nielsen

Niels G. Stolt-Nielsen

Chief Executive Officer
Stolt-Nielsen Limited

March 12, 2021

Business Review

Stolt Tankers
Financial strength allowed us to capitalise on market opportunities

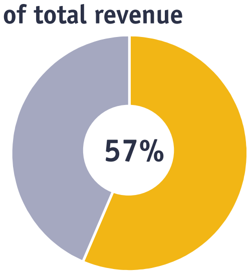
"Volumes remained robust despite Covid-19, driven by our strong customer relationships."

Performance

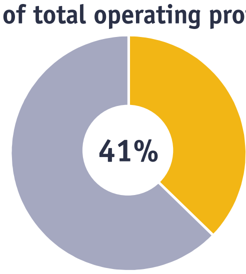
(US $ millions)	2020	2019	2018
Operating Revenue	**1,113**	1,148	1,219
Operating Profit	**85**	57	67

Percentage of group total

of total revenue



of total operating profit[1]



1. Excludes Stolt Sea Farm, Stolt-Nielsen Gas and Corporate and other loss of $15 million.

Stolt Tankers (ST) provides safe, reliable transportation services for chemicals and bulk liquids. We are the world's leading operator of deep sea and regional chemical tankers. Our fleet of 152 sophisticated tankers totals 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.

2020 review

ST demonstrated remarkable resilience in 2020 – a testament to our people, culture and strategy.

First-quarter results were affected by one-offs: higher bunker costs due to the IMO-mandated switch to low-sulphur fuel and continued scheduling issues from the 2019 *Stolt Groenland* incident. However, profit rebounded in the second quarter, and we finished 2020 in a strong position. Full-year operating revenue was $1,113.1 million, slightly down from $1,147.9 million in 2019, and operating profit was $84.6 million, up from $56.7 million.

Volumes remained robust despite Covid-19, driven by our strong customer relationships. Our cargo flows shifted from automotive and aviation applications – which were affected by global shutdowns – to products vital to the pandemic response, including chemicals for hand sanitiser and healthcare products. We also benefitted from the fall in the oil price, which had a positive effect on swing tonnage in petroleum markets, as ships were hired as floating storage by speculators. Lower oil prices also lowered our bunker costs, helping to improve profit.

Our Going Further programme delivered ongoing cost savings and operational efficiency gains. From managing canal charges and reducing maintenance contracts to rolling out onboard technical innovations, our initiatives are strengthening our financial position.

In a cyclical industry like ours, buying the right ships at the right time is key to sustainable growth. Thanks to ST's financial strength, we were able to purchase five attractively priced, fuel-efficient ships from Chemical Transportation Group. All five ships have now joined our fleet. In January 2021, 14 of our ships began trading in a new european pool as part of our joint venture with John T Essberger Group to operate a combined regional parcel tanker fleet. E&S Tankers is the market leader in Europe and will enhance reliability and flexibility for customers while reducing our costs and overall carbon emissions.

In 2020, we cemented our culture of collaboration, flexibility and commitment. Throughout the year, our people worked tirelessly to support colleagues and deliver for customers. Onshore teams spent countless hours planning schedules and rerouting ships to enable overdue crew changes. And our seafarers showed flexibility and patience during their unplanned time at sea and onshore. In support of seafarers across the globe, we signed The Neptune Declaration on Seafarer Wellbeing and Crew Change. It is unacceptable that governments worldwide refused to recognise seafarers as essential workers or give them access to travel during the pandemic – despite lobbying from us and our industry peers. From additional onboard bandwidth enhancements and communication tools to cash advances and ship rerouting, we worked hard to support our seafarers during this most difficult year.

In 2020, we were encouraged by the results of our employee engagement survey, in which 90% of staff said they believed strongly in the business' goals, and 84% said they would recommend ST as a good place to work. We also implemented initiatives to enhance diversity, particularly around bringing more women into our male-dominated industry. Read more about our employee engagement initiatives on page 28.

Our Slashed Zero programme continued to drive safety improvements, and I'm proud that our indicators lead in the market. ST has the largest carbon footprint among the Stolt-Nielsen group of businesses, and its Scope 1 greenhouse gas emissions fell 6.2% in 2020, in line with our sustainability strategy. (See pages 18-21 for more on safety and pages 22-26 for more on the environment.)

2021 outlook

We expect an ongoing uplift in the chemical tanker market, due to the low number of newbuildings expected to join the market in the coming years. This, together with our expanded fleet and the financial strength of the Group means that Stolt Tankers is well positioned to capitalise on opportunities in 2021. Our contract strategy will continue, protecting our revenue base and building strong relationships with our customers. Bunker costs are increasing, but our proactive cost control will enable us to manage this.

We will maintain our focus on fostering a customer-focused and agile culture, rolling out process-innovation projects that had been on hold during the pandemic. We continue to plan for an IPO, which will progress when both industry and equity market conditions are right.

Lucas Vos

President
Stolt Tankers

Business Review *continued*

Stolthaven Terminals
Flexibility and customer centricity delivers steady results

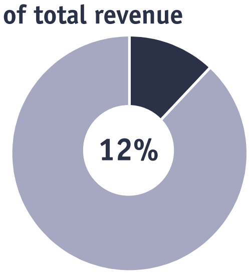
"Sustainability will be a significant focus for 2021 as we implement our policy, driving innovations that reduce environmental impact and costs."

Performance

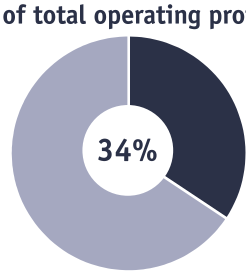
(US $ millions)	**2020**	2019	2018
Operating Revenue	**239**	251	252
Operating Profit	**69**	69	76

Percentage of group total

of total revenue



of total operating profit[1]



1. Excludes Stolt Sea Farm, Stolt-Nielsen Gas and Corporate and other loss of $15 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.

Our global network provides 4.9 million cubic metres of storage capacity for bulk liquids including chemicals, clean petroleum products, liquefied petroleum gases, vegetable oils, biofuels and oleochemicals. We operate 15 terminals across key locations globally, are close to customers' operations and 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. And we partner with Stolt Tank Containers, helping reduce logistics costs for customers that use multiple Stolt services.

2020 review

Stolthaven was well positioned to support customers amid the disruption caused by the Covid pandemic. Our business continuity plans proved to be robust, and we maintained operations at all terminals with the addition of new safety measures to protect employees and visitors. Throughout these challenging times, our people worked diligently, demonstrating the commitment and customer centricity intrinsic to our culture.

As a result, we maintained a steady performance in 2020, with results slightly below expectations. Full-year operating revenue was $238.5 million, slightly down from $250.8 million the previous year, following the sale of the US Rail business and Altona terminal in Australia in 2019. Operating profit remained steady at $68.8 million.

Our 2020 performance reflects Stolthaven's diverse product mix, locations and customer base. Thanks to our geographic reach across Asia Pacific, Europe and the Americas, overall results were somewhat insulated from regional fluctuations throughout the year. When the oil price dropped at the beginning of 2020, we capitalised on the increased need for petroleum storage. And we played a vital role in supply chains critical to the Covid-19 response, handling higher volumes of chemicals for packaging and healthcare products.

We continued to optimise and upgrade assets during the year and added capacity to our terminals in New Orleans (US), Mount Maunganui (New Zealand), Westport (Malaysia) and Ulsan (South Korea). We divested our facility in Bundaberg, Australia, and began decommissioning our terminal in Wynyard, New Zealand, transferring the vast majority of its chemical business to Mount Maunganui.

Although some capital projects were paused to protect cash flow, we continued to invest in digitalisation, automation, safety and sustainability. Initiatives included launching our new ecoPortal Safety Management System, rolling out handheld devices to reduce paperwork for operators, enhancing terminal management systems and improving data visibility. These are helping us move products more safely and efficiently, with less environmental impact, and provide better customer service. The pandemic accelerated the global shift to more sustainable energy sources. We are actively exploring opportunities in this space so we can continue capitalising on the energy transition. In 2020, we also published new global safety standards as well as our new sustainability policy, and we were proud to see a reduction in incidents. We also made progress towards reducing our impact on the environment including reducing CO_2 emissions and water use. Read more about safety on pages 18-21 and environment on pages 22-26.

We progressed the employee engagement programme that we started in 2018, with follow-up staff surveys showing improvement in the areas of safety, communication, training and development. We also increased our focus on diversity and inclusion across the business. (Read more on pages 28 and 30.) We continued our global customer centricity programme to ensure we have a better understanding of our customers' needs.

2021 outlook

We expect to see healthy demand in most regions, with the chemical market expected to strengthen in the second half of 2021. With our ongoing focus on quality, safety and flexibility, Stolthaven will continue responding to ever-changing customer requirements.

Our strategy to focus on our people, our customers and digitalisation initiatives remains. We will deploy new ecoPortal modules to support ongoing safety improvements. And sustainability will be a significant focus as we implement our policy, driving innovations that reduce environmental impact and costs.

Guy Bessant

President
Stolthaven Terminals

Business Review *continued*

Stolt Tank Containers
Digital advances and global capabilities drive competitive advantage

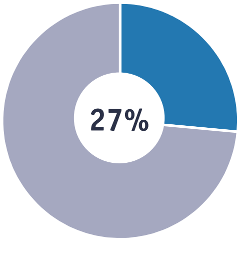
"2020 showcased our agility as we responded to conditions never seen before in our industry."

Performance

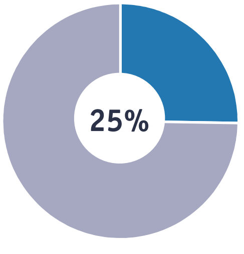
(US $ millions)	**2020**	2019	2018
Operating Revenue	**521**	529	551
Operating Profit	**51**	56	71

Percentage of group total

of total revenue



of total operating profit[1]



1. Excludes Stolt Sea Farm, Stolt-Nielsen Gas and Corporate and other loss of $15 million.

Stolt Tank Containers (STC) provides 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.

With a fleet of 40,000 tank containers, STC is a leader in the worldwide door-to-door bulk liquid logistics industry. Our network of 22 full-service depots worldwide gives 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.

2020 review

2020 showcased our agility as we responded to conditions never seen before in our industry. From the introduction of low sulphur fuel and massive swings in cargo flows to managing pandemic-related volatility and supporting staff's personal wellbeing – STC showed flexibility in adapting.

First-quarter profit fell due to increases in fuel costs (from IMO surcharges) and ocean freight costs, which took time to recover from customers. We also experienced higher-than-normal repositioning costs as inventory built up in China, due to lower export levels during its strict lockdown.

However, performance improved steadily during the year. Full-year revenue was $520.6 million, down slightly from $528.6 million in 2019. Operating profit was $51.2 million, down from $56.1 million. We achieved an overall fleet utilisation of 67.8%, compared to 67.7% in 2019.

In 2020, we saw unusual fluctuations in trade flows, volumes and product mix due to Covid-19. The chemical market was particularly affected. Whether it was helping customers manage volume fluctuations month-to-month – or reacting to changes in product demand – we helped them adapt to the volatility. Our food-grade business grew by 4% as we expanded our fleet and customer base despite many producers switching production from potable alcohols to those used in sanitation. With our global reach balanced across Europe, Asia and the Americas, we were able to react quickly in response to changing requirements. As a result, we maintained the flexibility and reliability STC is known for.

Our people rose to the many challenges this year, showing incredible commitment to colleagues and customers. It's thanks to this commitment that STC demonstrated such strength. Everyone focused on customers and cargo control, addressing rapidly changing needs while handling vendor-related complexities, including cancelled sailings, frequent changes to vessel sailing schedules and a tight trucking market. The pandemic demonstrated the effectiveness of our business contingency plans and systems. Thanks to our digitalisation investments over recent years, office-based staff smoothly transitioned to home working. Our depot staff maintained safe and efficient operations with additional training and safety protocols. (Read more on pages 19 and 20.)

This year, we made progress with capacity expansion. We opened our new depot in Sohar, Oman. Chemlog in the Jebel Ali Free Trade Zone, UAE also became fully operational and has started building a good customer base. Our Houston depot plan for reorganising activity was completed in November.

We continued our digitalisation and transformation strategies during the year despite pausing all capital projects to preserve the Company's cash position. Our focus was on implementing new technologies, to increase efficiency and strengthen customer and supplier relationships. Our multi- channel approach and new digital tools offer our customers and vendors direct integration between our systems and theirs. STC's online 'Track & Trace' platform gives customers 24 hour, 365 day a year visibility of their products across the globe, giving them greater insight to their supply chains. We are also leading the way in the use of digital robots which greatly reduce the amount of data-entry work for staff while reducing risk and errors. We implemented the initial phase of a configured price quotation programme – a first in the industry. We also increased direct customer and large vendor integrations, as well as deploying new supplier tools that connect us with smaller vendors.

This year, we also made strides in sustainability, publishing a dedicated STC policy. We signed up to the *Clean Cargo* initiative to begin measuring the carbon footprint of our global movements. Read more about our environmental initiatives on pages 23-26.

2021 outlook

The long-term growth outlook remains strong across all our major markets. We will continue capitalising on our competitive position as economies reopen, focusing on improving the customer experience and to increase cargo control to drive revenue. Our size and scale will help us combat margin pressure as we maintain cost optimisation programmes.

Our new depot in Grangemouth, Scotland is expected to open mid-2021 and our new storage facility in Singapore will also go live during the year.

We have an ambitious pipeline of digitisation projects for 2021, including introducing more automation, enhancing our mySTCtanks.com customer platform and developing our configured price quotation programme. We will also progress the next phase of our sustainability strategy, running pilot programmes with the *Clean Cargo* initiative, gathering data to inform KPIs and creating benchmarks for driving improvements in depots.

Michael W. Kramer

President
Stolt Tank Containers

Business Review *continued*

Stolt Sea Farm
Diversification, innovation and agility underpinned resilience

"Our resilience showcased the breadth and depth of talent within the business and reinforced the strength of our diversification strategy."

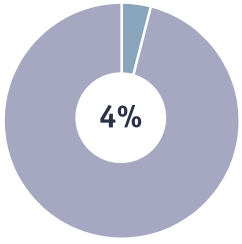
Performance

(US $ millions)	**2020**	2019[1]	2018
Operating Revenue	**80**	100	98
Operating Profit	**(8)**	8	13

1. Restated to show caviar operations as discontinued.

Percentage of group total

of total revenue



Stolt Sea Farm (SSF) is a pioneer in land-based aquaculture whose mission is to ensure future generations continue to enjoy wonderful seafood. The business has a firm focus on sustainable growth, building partnerships with customers and communities – while adhering to high animal welfare and environmental protection standards.

We are known for our innovation and disruptive 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 turbot and sole in commercial volumes.

Fish is widely accepted to be one of the most sustainable sources of animal protein and several of our farms are located on natural marine reserves, demonstrating the rigorous attention we pay to ensuring our business operations have a positive environmental impact.

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 5,700 tonnes of turbot and 1,570 tonnes of sole across 14 farms.

2020 review

SSF was the SNL business most affected by Covid-19, as widespread lockdowns decimated the restaurant and hospitality sectors. Full-year revenue was $79.7 million, down from $100.3 million in 2019. Excluding the impact of fair value adjustments, SSF's full-year operating loss was $3.4 million, compared to an operating profit of $11.6 million in 2019. However, throughout the year, SSF rose to the challenges presented by difficult conditions. Our resilience showcased the breadth and depth of talent within the business and reinforced the strength of our diversification strategy.

In 2020, everyone at SSF went above and beyond to maintain high standards of quality, safety and efficiency. Operations continued seamlessly thanks to the commitment and creativity of all staff. For example, our Stolt-Nielsen colleagues globally procured facemasks for our workers in Spain, which experienced a national PPE shortage in the spring. People transitioned smoothly to home working. And on-site personnel quickly implemented new safety guidelines (see page 28 for more on people and pages 19 and 21 for more on safety). We therefore showed remarkable agility in responding to market changes.

2020 demonstrated the strength of SSF's diversification strategy. With our range of products and customers, we quickly shifted away from hotels and restaurants to retail. Previously, 65% of sales were to wholesale customers. Early in the pandemic, we shifted 65% to retail. Our approach included freezing stock and adapting production to smaller sizes, as we quickly expanded our Value Added Product (VAP) offering. We were therefore able to drive sales in core Southern European markets where SSF has a strong retail position, helping offset reduced demand from hospitality and foodservice. In 2020, VAP sales grew 20%, and we hired a dedicated UK-based sales manager for frozen turbot to support continued retail growth.

Our new sole farms in Spain and Portugal came online ahead of schedule. Cervo, Spain commenced operations in early 2020, and started harvesting the first fish two months early – first-year production exceeded expectations for growth, feed conversion ratio and average weight. Tocha, Portugal also hit the ground running, introducing juveniles in December 2020. To distribute our new sole production capacity, we decided to expand our current packing facility in Spain. We also progressed with operational improvements in Iceland. These have improved juvenile quality and led to better growth, which will drive results in 2021.

These cutting-edge facilities are the result of more than 20 years of research and investment into the development of efficient and sustainable sole farming. Our land-based recirculation farms offer control, safety, reliability and sustainability that is not available with other farming methods. We are proud to say that we are the pioneers in designing, building and operating this technology to the benefit of our customers, our shareholders and the health and wellbeing of the fish. To help us focus resource on more profitable and higher-potential opportunities in sole and turbot, we divested the SSF caviar business towards the end of 2020.

At the beginning of the pandemic, we stopped most capital expenditure projects to preserve our cash position and focus resources. Once the situation stabilised, we proceeded with key initiatives, including business intelligence (BI), data analytics and CRM implementation. We also launched the AquacultureTech acceleration platform in partnership with Kaleido. AquacultureTech is now helping drive innovation, automation and digitisation at SSF and more widely in the industry.

After investing significantly in research, we started industrial trials of new feed formulas with lower fishmeal and fish oil content. This reinforces our leadership position when it comes to preserving scarce natural resources. Read more about our environmental initiatives on pages 24-26.

2021 outlook

We expect to see both sole and turbot markets bounce back in the second half of 2021, and we will continue to harness our strengthening position in VAP and retail as wholesale and hospitality sectors recover.

In January 2021, SSF announced a possible IPO, and planning will continue during the year.

Our innovation and digitalisation projects will proceed as we use our technology leadership to control costs and maximise value from data. 2021 efforts will focus on data analysis and business intelligence-powered tools as we build on the foundation we developed in 2019 and 2020.

Jordi Trias

President
Stolt Sea Farm

Business Review *continued*

Stolt-Nielsen Gas
Well positioned to capitalise on the energy transition

"Despite the challenges of Covid-19, Avenir took delivery of its first LNG carrier in 2020, completing the transition from a development company to an operational LNG supplier."

Stolt-Nielsen Gas (SNG) is our investment arm focused on the liquefied natural gas (LNG) segment.

As the transition to more sustainable energy sources has gathered momentum, so too has the demand for natural gas and LNG. As the cleanest burning fossil fuel, LNG is currently the most reliable, cost-effective and clean alternative as we move towards a low-carbon future.

SNG currently owns 47% of NOTC-listed Avenir LNG Ltd and a 2.5% stake in Golar LNG. 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.

Performance

(US $ millions)	**2020**	2019	2018
Operating Revenue	**–**	–	–
Operating Loss	**(4)**	(4)	(11)

2020 review

2020 saw material acceleration in the use of LNG as a marine fuel, underscoring the opportunity for SNG investments.

Despite the challenges of Covid-19, Avenir took delivery of its first LNG carrier in 2020, completing the transition from a development company to an operational LNG supplier. The *Avenir Advantage* is a 7,500-cbm capacity, dual-purpose LNG bunkering and supply vessel (LBV). Petronas, Malaysia's national oil and gas company, has chartered the *Avenir Advantage* for three years. It is the first dedicated LBV in South East Asia, and is successfully supplying vessels and remote locations in the region with LNG.

The *Avenir Accolade*, a second 7,500-cbm capacity LBV from Keppel Marine, will be delivered in the first quarter of 2021. Upon delivery, the *Avenir Accolade* will enter into a three-year charter to Hygo Energy Transition (previously Golar Power), who will use it for LNG distribution and ship-to-ship bunkering in Brazil. The *Avenir Aspiration*, a third 7,500-cbm capacity LBV from Sinopacific Offshore & Engineering (SOE), was launched in December 2020.

Although the pandemic caused delays, construction progressed at Avenir's first LNG terminal at the Italian port of Oristano, Sardinia. Avenir has an 80% stake in the terminal through Higas Srl (HIGAS). When completed, it will be the first LNG terminal on the island of Sardinia. Avenir will provide a fully integrated offering to customers: sourcing LNG from international markets, shipping it to Sardinia, storing it in the HIGAS terminal and then distributing it via truck across the island to customers.

Stolt-Nielsen Gas reported an operating loss of $4.2 million for 2020. The losses were mainly attributable to costs related to various ongoing development projects.

2021 outlook

Avenir's expansion will continue during 2021 as it commercialises its growing asset base. The Oristano terminal is due to begin operations in the second quarter of 2021, and by the end of the year, it is expected that Avenir will have taken delivery of all four 7,500-cbm and two 20,000-cbm capacity LBVs. Avenir's entire fleet is designed with bunkering capability, putting it in a competitive position to capitalise on LNG's growth as a marine fuel.

Avenir remains focused on its strategy to provide the entire small-scale supply chain for clean, affordable and reliable LNG – particularly in emerging markets and remote areas. Its three main shareholders bring distinctive capabilities across LNG asset operations, positioning Avenir to achieve its long-term ambition to be a leading small-scale LNG supplier. By the end of the year, Avenir will have operations across South America, Europe and Asia, which will develop as it grows its customer base and strategic network.

Sustainability

Sustainability *continued*

Our responsibility to our stakeholders

At Stolt-Nielsen, sustainability is central to our strategy and operations. From our Board of Directors to our seafarers and terminal operators, we recognise that how we conduct business impacts our industry, our colleagues, our external stakeholders and the environment. Sustainability is therefore a key part of our strategy and day-to-day operations.

Stakeholder engagement

At Stolt-Nielsen, we do everything with integrity and transparency. Customers, suppliers, investors, employees and local communities are crucial to our long-term success – and we pride ourselves on our commitment to collaboration and communication. Not only does this include communicating with our stakeholders about Company activities, but also wider industry issues.

We are active members of key trade associations and industry groups, which helps us to stay abreast of trends and new developments. This also enables us to share knowledge and maintain best practice. Our broad engagement includes the International Chamber of Shipping, INTERTANKO, ITOPF, IMPA|Save, Koninklijke BLN-Schuttevaer, HiLo, the Ship Recycling Transparency Initiative, International Liquid Terminals Association, 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 and the Norwegian Seafood Council. By continuously updating our best-practice methodologies, we bring maximum value to our stakeholders and returns to our investors.

Sustainable growth

The current global population is 7.6 billion. The UN forecasts it will reach 9.8 billion by 2050 and 11.2 billion by 2100. This presents extraordinary challenges when it comes to managing air pollution, climate change, resource scarcity and burgeoning demand for energy, water, food and medicines. As an organisation that produces a valuable food source at our sea farms, and stores and transports raw ingredients for many everyday products, we have a unique role to play in addressing these challenges.

We take this role seriously. Stolt-Nielsen is a signatory of the UN Global Compact and is committed to aligning with its principles. All our businesses are developing strategies to ensure we continue to reduce our environmental footprint in line with UNGC objectives and the UN Sustainable Development Goals (SDGs) which follow from it.

During 2020, we developed detailed plans for each business to support our 2030 sustainability efforts. During 2021, each business will establish specific sustainability goals, assessing baseline KPIs and agreeing targets to improve performance through to 2030.

Governance and accountability

Our Board has pledged its full commitment to building a sustainable business. This ensures that we integrate sustainability into our daily business activities. This ranges from reducing emissions and improving safety to supporting employee wellbeing. We have well-established quality management systems to ensure these sustainability principles are embedded in our culture and operations. We also know that climate change poses possible risks, and we therefore ensure all our businesses build mitigation approaches into their strategies.

To maintain our focus on sustainable growth, representatives from each division and key stakeholder groups meet regularly to discuss relevant sustainability topics. The aim is to improve the standardisation and quality of information collected – and to increase visibility of our progress. The taskforce includes two members of the executive management team and is chaired by the managing director of APAC and MEA. It regularly reports its progress to the Board and at each quarterly senior management team meeting. We also held a virtual ESG summit in July 2020 to improve alignment across the Company.

For individual business sustainability policies and progress, please visit: www.stolt-nielsen.com/en/sustainability/CSR/

UN Sustainable Development Goals

The SDGs are a framework for creating a better future – for people and the planet. The UN has developed 17 core goals and 169 sub-targets to help governments, businesses and individuals meet the world's greatest challenges and opportunities by 2030.

There are three areas where we can support the wider SDGs, and we are using them to guide our sustainability efforts.

Material topics

We have assessed our interactions with our stakeholder groups, identifying the areas that matter the most to them and have the greatest impact on our business operations and on wider society.

The table below shows those topics which are important to our stakeholders, the Group's principal risks and uncertainties (read more on pages 51-53) and our strategy. These follow the principles contained within several GRI topics and Sustainability Accounting Standards Board (SASB) sustainability topics for marine transportation.

You can find our GRI Content Index on page 147.

	Financial	Social	Environmental	Governance
Material topics	• Financial sustainability • Improved cash flow • Return on capital projects undertaken • Availability of financing	• Employee Retention and recruitment • Health and safety • Human rights • Diversity and inclusion	• Greenhouse gas emissions • Asset lifecycle management • Water use and quality • Climate change	• Health and safety compliance • Ethics and legal compliance
Principal risks and uncertainties	• Unpredictable financial markets • Liquidity / going concern • Bunker fuel / freight costs • Tanker and tank container market volatility • Newbuilding delays • Terminal project investments • Geopolitical uncertainty • Fair value pricing (SSF) • Currency fluctuations • Disease and pandemics	• Environment, health and safety • Project development delays • Disease and pandemics	• Environment, health and safety • Failure of a significant site / maritime event • Natural disasters arising from or linked to climate change	• Environment, health and safety • Increasing legislation • Geopolitical uncertainty • Cyber security
Strategic themes	• Growth in EBITDA • Lowering costs • Improving efficiency • New business	• Diversity and inclusion • Training • Zero harm • Business / cultural transformation	• Greenhouse gas emissions • Water use and quality • Responsible use of resources	• Community engagement • Training and awareness • Investment in innovation / digitalisation

Sustainability *continued*

Health and safety

Zero harm for people and the environment. This is the first priority for everyone at Stolt-Nielsen. Commitment to safety starts at the top, ensuring we have a strong culture throughout the organisation.

Our goal is to achieve zero harm across all operations.

Indicator	2020 Performance	Explanation	Business	Reference
Lost Time Injury Frequency (LTIF)	**0.86** ↓ (2019: 1.05)	Improved performance overall, driven mainly by a significant improvement at Stolt Tankers.	Stolt Tankers, Stolthaven Terminals, Stolt Tank Containers	• GRI 403-9 • See page 21
Total Recordable Case Frequency (TRCF)	**2.25** ↑ (2019: 1.99)	Small deterioration in performance, partly due to more accurate reporting of low severity incidents at Stolt Tank Containers.	Stolt Tankers, Stolthaven Terminals, Stolt Tank Containers	• GRI 403-9 • See page 21
Serious Incidents	**0** ↓ (2019: 2)	Zero serious incidents in 2020, compared with two in 2019.	Stolt Tankers, Stolthaven Terminals, Stolt Tank Containers, Stolt Sea Farm	• GRI 403-9 • GRI 306-1 • See page 21

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

GRI 403

A strong safety culture

Our safety culture goes beyond compliance. Everyone understands their personal responsibility – for ensuring a safe working environment for colleagues and safe operations for customers. Specialist training helps all staff comply with local statutory requirements – and helps us collaborate to achieve Stolt-Nielsen's zero harm commitment.

Our robust safety processes integrate training with ongoing incident management and measurement – and are underpinned by sound governance. The management team and the Board review group-level safety KPI reports on a quarterly basis. This ensures that the Company is:

- Meeting or exceeding the latest industry standards
- Measuring the number of incidents and near misses
- Monitoring and reporting compliance in line with established procedures
- Tracking and delivering training as scheduled

Covid-19 response

Protecting our people has been a key focus this year. Despite the challenges associated with Covid-19, our operations continued safely and without interruption.

At the start of the pandemic, we acted quickly to implement new policies and procedures that met local state and government requirements. Depending on the location, these included increased hygiene and sanitation practices, appropriate PPE, social distancing, reduced workplace density and temperature checks. At our terminals, depots, fish farms and production plants, we also modified operator shift patterns to avoid cross-team infection.

Spain experienced particularly high infection rates in the spring. As home to our main Stolt Sea Farm operations, we offered all employees Covid-19 immunity tests to manage infection risk at our facilities and local communities. Our people quickly reorganised the way we work and implemented additional safety measures so that operations were able to continue with minimum interruption.

We published a new employee handbook – *Keeping everyone safe during Covid-19* – along with increasing our regular communications as local situations changed. We also launched an online resource centre with the latest information on minimising transmission.

We understand the pandemic also had an impact on people's mental wellbeing. Therefore, we provided additional resources on staying healthy and connecting with colleagues during extended periods of remote working.

Our 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.

Specialist training

Regular training helps foster a culture of risk awareness and incident prevention. Alongside in-house programmes, we have routine external training to help staff prepare for and respond to different incident types. This includes conducting large-scale exercises with local authorities and response organisations.

At Stolt Tankers, we increased our focus on our Slashed Zero programme following an increased Lost Time Incident Frequency (LTIF) during 2019. The programme helps minimise behavioural risks involved in operations and reduce personal injuries across our fleet. Although training was impacted by Covid-19, we continued to deliver sessions remotely, enabling us to reach 100% of seafarers. In total, the fleet ran over 1,300 sessions onboard – around 18,500 training hours. Because these were held within each regional service, they also helped us identify and understand specific issues. 13,000 additional training hours were completed on our newly created digital training portal. This Career Management System delivers bespoke Stolt Tankers content that has our procedures, safety rules and risk assessments as core principles.

We added three detailed mental health modules to the Slashed Zero programme. They focused on managing and supporting employees during the pandemic and helped people take more personal responsibility for their safety. Teams completed feedback surveys after each module. One takeaway was that we didn't often share success stories. We therefore incorporated more of this into our processes, and the new approach was well received by the ships. The added recognition has helped reinforce positive behaviour.

At Stolthaven Terminals, we rolled out new Global Safety Standards. To ensure uniform quality across our terminals, we also developed a new Global Business Continuity Standard. This sets out procedures and local emergency response plans – and links with the Stolthaven Crisis Management Plan. During the year, every employee and contractor at Stolthaven received training to enable compliance with these standards, as well as local requirements. Safety training is both classroom-based and practical, and management regularly reviews protocols at meetings, safety days and during their own leadership training.

To support ongoing safety management efforts, Stolthaven has implemented a new safety management system 'ecoPortal'. The first module, covering Incident Management was launched in December 2020.

At Stolt Tank Containers (STC), Technical Service Department employees receive monthly training in handling dangerous goods, preventing risk and working in confined spaces. This training – which takes place across depots – has had a positive impact.

Training at STC depots was scaled back between April and June due to the pandemic. In July, monthly sessions resumed in new, Covid-secure formats. For example, some sessions were held outside for six-person groups, socially distanced and with everyone wearing masks. We also ran self-directed training, where employees signed in, received materials and then completed a quiz. All depot staff are now up-to-date with their training.

STC continues to use its Global Safety Management System to plan and monitor training. During 2020, mandatory safety trainings were slightly impacted by Covid-19, with 94% completed.

Sustainability *continued*

At Stolt Sea Farm (SSF), all new employees receive training in occupational health and safety, workplace risk, hazard identification and accident prevention. Machinery operators receive additional training on role-specific risks. Training at SSF continued throughout 2020, in-person and online.

Engagement and awareness

Throughout 2020, we focused on increasing engagement and improving communication.

In addition to its Slashed Zero training programme, Stolt Tankers holds an annual Ship of the Year competition to increase 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. Learn more about the competition at: www.stolt-nielsen.com/en/our-businesses/stolt-tankers/ship-of-the-year/

Stolt Tankers also launched an online 24-hour channel to improve communications between ship and shore. Engagement has been high, and the discussions have led to many valuable solutions for keeping ships safe. Ships that reported near misses were followed up closely and given personal support from the management team.

Stolthaven Terminals is a signatory of the Tank Storage Association's (TSA) charter to ensure that best practices in major hazard leadership are demonstrated through the actions of the Board and company. Our focus remains on making safety everyone's responsibility. We regularly undertake employee engagement surveys to identify areas of focus, improving employee welfare, communication and participation in key initiatives.

At the beginning of 2020, Stolthaven held a series of safety days to boost awareness and encourage people to view safety as the most important aspect of their job. The agenda covered all job functions to help people understand their own, and colleagues' roles, as well as issues specific to individual terminals.

Stolthaven also launched an online safety excellence community on Yammer, our internal social network. This has been very successful in facilitating cross-divisional discussions about lessons learned, business continuity, contractor safety and other safety topics.

Stolt Tank Containers also focused on raising awareness during the year. Learnings from past incidents and near misses are discussed during management meetings and then shared with employees during training sessions to drive continuous improvement. STC has launched a new online learning management system for all staff that includes a wide selection of training materials covering key operational, product and industry topics.

During 2020, Stolt Sea Farm's main priority was to keep employees informed and aware of the Covid-19 situation, and its risks to health, as it progressed. We followed local safety guidelines and held regular townhalls in local languages so all employees could attend. We also communicated via video and published information in common areas at our sites.

Risk mitigation and process safety

It is critical that our assets are well designed, safely operated and properly maintained to prevent accidents. Our structured processes ensure we manage asset integrity and prevent leaks, spills and any other technical failures or breakdowns. Process safety starts at the early asset design phase and continues throughout the asset lifecycle. It ensures they operate safely, are well-maintained and inspected regularly to identify and manage any potential hazards. There were no significant spills during the year.

In 2020, Stolt Tankers' Marine Compliance Officers carried out remote audits to spot check navigation safety. The learnings were used to develop training, refine procedures and hone our approach to fostering safe and harmonious teams. We also focused on streamlining procedures and functions, involving ships in formulating new ways of working. For example, we addressed issues related to enclosed space entry. The safety of ladders and pilots were identified as a major concern, which we mitigated by continuously highlighting the problem and revising our procedures to make them easier to follow.

Stolt Tank Containers renewed several of its quality and safety certificates during the year including its AEO in Le Havre, France, Cefic SQAS at our depot in Italy, ISO 9001 at Rotterdam and Moerdijk, the Netherlands and Singapore. At Houston, US we achieved Customs-Trade Partnership Against Terrorism (C-TPAT) approval. We tackled complex issues around managing our product database and inhibited products to reduce risk and improve safety, and continued to investigate customer non-conformances to improve our quality while auditing vendors remotely.

In addition, despite reducing capital investment as a precaution against the financial impacts of Covid-19, we continued to invest in safety across the Group, including automation. We have implemented technology to reduce the time our operators spend in potentially dangerous situations. For example, automated heating bays at our STC depots in Houston, US, Moerdijk, the Netherlands and Zhangjiagang, China. These systems reduce direct risk exposure, enabling technicians to focus on safely managing the overall heating process.

Overall health and safety performance

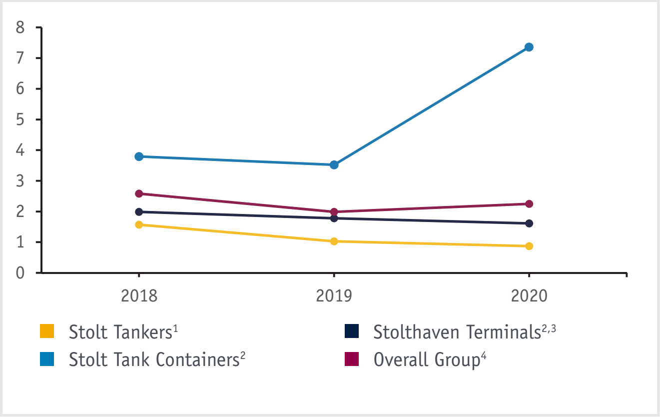
We are proud of the dedication to health and safety from everyone at Stolt-Nielsen. With our continued commitment, we believe we will meet our long-term ambition of zero harm.

This year, Total Recordable Case Frequency (TRCF) across our logistics businesses increased to 2.25 (2019: 1.99). The higher rates reported at Stolt Tank Containers were partly due to the business capturing more minor severity incidents, as part of an initiative to improve awareness through the sharing of near misses. Lost Time Injury Frequency (LTIF) fell to 0.86 (2019: 1.05), driven by a significant improvement at Stolt Tankers, offset by increases at both Stolthaven Terminals and Stolt Tank Containers. The renewed focus on safety at Stolt Tankers delivered measurable improvements, with 22 incidents recorded (2019: 28). 67% of the fleet was incident free (2019: 51%) and 79% was injury free (2019: 76%).

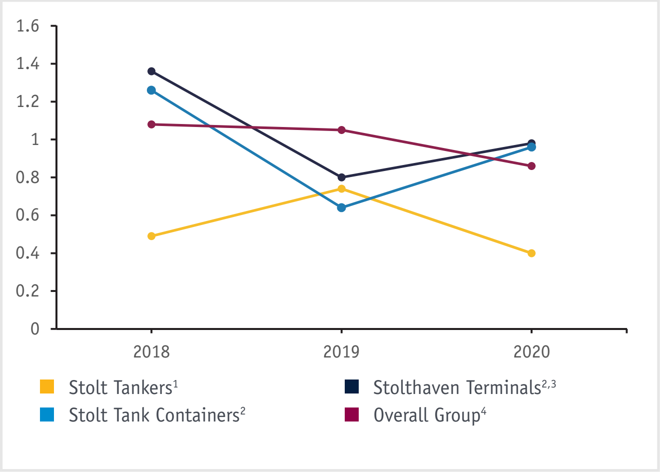
As Stolt Sea Farm operations differ significantly from those of our logistics businesses. We measure performance against the index used by the Spanish Ministry of Labour and Social Economy for occupational incidents in the Fisheries and Aquaculture sector. This index calculates the average number of occupational safety incidents per worker across the sector, which was 7.6% for both 2019 and 2020. This compares with averages at SSF of 3.8% for 2019 and 3.2% for 2020.

The last fatality at Stolt-Nielsen was in 2018, and we had no serious incidents in 2020 (2019: two).

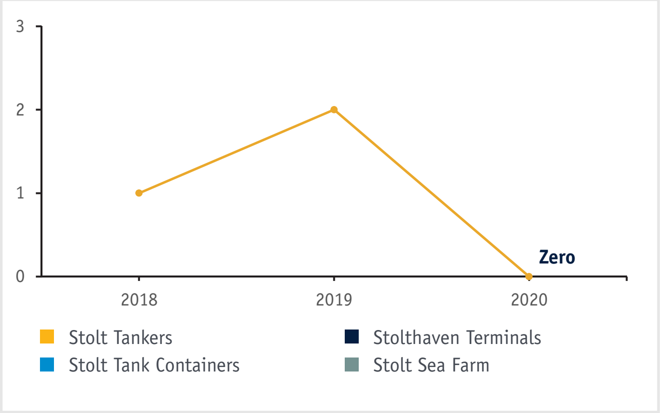
Total Recordable Case Frequency (TRCF)



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.

Sustainability *continued*

Environment

From cutting emissions and conserving water to managing energy consumption and reducing waste – we approach environmental protection with creativity and commitment. Stolt Tankers is the Company's largest producer of greenhouse gases and we report its environmental performance, for shipping activities only, below. We are working towards including data from across the Group.

Indicator	2020 Performance	Explanation	Business	Reference
GHG Emissions Scope 1[1]	**6.2%** ↓	During 2020 we produced 1,798,538 MT of CO_2 (2019: 1,916,743). The reduction was down to improvements in our operational efficiency of 6.0%. Scope 2 and 3 GHG emissions are not currently available. We are working towards publishing the data. 1. Excluding Scope 1 GHG emissions from SNITS (inland tankers) subsidiary of 91,383 MT CO_2. This fleet operates under a separate reporting system.		• GRI 305-1 • See pages 23-24
GHG Emission Intensity	**18.77** ↓	Stolt Tankers uses the Energy Efficiency Operational Indicator (EEOI) to measure the intensity of its carbon emissions. This measures carbon emissions relative to the distance and amount of cargo transported. EEOI decreased by 6.0% during the year. 2019: 19.97		• GRI 305-4 • GRI 305-5 • See page 24
Sulphur Oxide Emissions	**77.1%** ↓	On January 1, 2020, a new limit on the sulphur content in the fuel oil used on board ships came into force. This, together with initiatives to reduce overall fuel consumption resulted in a significant reduction in SOx emissions from our fleet. 2020: 7,848,853 kg 2019: 34,269,217 kg		• GRI 305-7 • See pages 23-24
Nitrogen Oxide Emissions	**6.4%** ↓	Overall NOx emissions reduced in line with our GHG Scope 1 emissions. 2020: 49,688,931 kg 2019: 53,113,436 kg		• GRI 305-7 See pages 23-24
Waste to Landfill	**3.3%** ↓	All waste from our ships is disposed of in line with the International Convention for the Prevention of Pollution from Ships (MARPOL). 2020: 6,733 Cbm 2019: 6,906 Cbm		• GRI 306-3 • See pages 25-26

During 2020, our businesses set multiple targets to reduce 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 to be carbon neutral by 2040

Stolt Tank Containers
- 50% renewable energy consumption at its wholly-owned depots by 2030
- 40% reduction of the carbon footprint of our transportation partners 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. 65% reduction for sole, and 50% reduction for turbot by 2030

Sound environmental governance

Our environmental approach is underpinned by strong governance frameworks and processes. We constantly review our systems to ensure they meet the needs of evolving regulations – and are being actioned across the Company.

This process includes reviewing our business contingency plans for each site. This ensures teams are equipped to deal efficiently with any contamination, spills, leaks, fires or explosions. And for facilities in areas at risk of extreme weather, the contingency plans ensure operations can return to normal quickly and safely. One way we test contingency plans is by conducting drills in partnership with local incident response services and regulatory agencies.

Emissions reduction

GRI 305

Clean air legislation continues to be a global priority. Local and international laws regulate emissions from operational activities across all industries. And with growing public awareness, we are inevitably on a journey towards pollution-free transport and storage. For example, International Maritime Organization (IMO) regulations reducing allowable sulphur emissions to 0.5% have impacted businesses like ours across the supply chain.

Stolt Tankers is the Company's largest greenhouse gas producer. To mitigate this, we invest in boosting efficiency and reducing the carbon impact of both newbuildings and existing ships. We also recognise we are part of a much larger supply chain. For ships in operation we focus first on running them as efficiently as possible. Hulls and propellers are monitored and cleaned to reduce fuel consumption and emissions. Machinery is tuned and operated at its most efficient design point. Waste heat is reduced or recovered and electrical consumption is reduced. Our programme of active voyage management helps reduce overall fuel consumption by sailing the optimal route at the optimal speed and trim. Devices that improve hydrodynamics and reduce energy consumed (wake ducts, new-generation stator fins, propeller boss cap fins etc.) are installed on many of our ships, with additional devices planned for installation in 2021.

We are exploring several other methods of lowering fuel consumption. These include installing onboard flow meters for more accurate monitoring, installing devices that harness the power of the wind, and optimising hull forms and propulsion plants for newbuildings.

We expect to see further regulations over the coming years. IMO has already stated its goal to cut emissions further by 2030, and has targeted a 50% reduction in greenhouse gas emissions by 2050. The EU is also expected to introduce regulations to promote decarbonisation. Today's technology isn't sufficient to achieve these targets, so we are investigating several novel fuels in preparation. We are a partner in the HySHIP project, which is designing a ship powered by liquid hydrogen. We also participated in HAZID, a consortium of maritime experts examining what is needed to make ammonia a viable future fuel. Exploring the potential for biofuels and LNG is also a focus within the business.

Stolt Tankers' emission reduction efforts are widely recognised. During 2020, 102 ships that called at US ports were awarded the CSA Certificate of Environmental Achievement. In addition, 45 ships that called at US ports during the past three years became eligible for the US Coast Guard's QUAL21SHIP certification. This programme recognises the best-run ships, with vessels audited at least once a year. Membership is testament to the quality of the Stolt fleet – less than 20% of all foreign-flagged vessels operating in the US meet the strict eligibility requirements.

Sustainability *continued*

Stolt Tankers uses the IMO's Energy Efficiency Operational Indicator (EEOI) to measure carbon intensity across its fleet. The indicator measures total carbon emissions relative to the volume of cargo transported and distance travelled. For 2020 our EEOI was 18.77, compared to 19.97 in 2019. A 6.0% year-on-year reduction. Because the EEOI for regional trade with shorter journeys tends to be relatively high, we measure two EEOI values – one for our entire fleet, and one for our deep-sea ships, excluding regional trade.

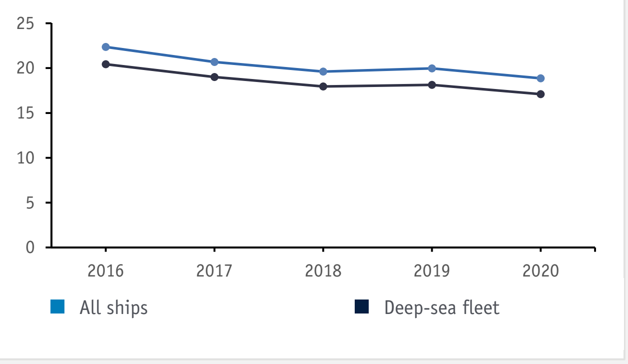
EEOI data is reviewed and verified by Lloyd's Register as required by IMO DCS and EU MRV.

Stolt fleet average 2020	18.77 g / MT * N. Mile
Stolt deep-sea fleet average 2020	17.07 g / MT * N. Mile
Chemical tanker industry average (2019)[1]	23.9 g / MT * N. Mile
Chemical tanker avg below 50k DWT (2019)[1]	25.2 g / MT * N. Mile

1. Source: Dankse Bank ESG report 2020.

EEOI trend over the last five years

Gram CO_2 emitted per tonne cargo transported one nautical mile



Carbon emissions for the terminals industry tend to be low. However, at Stolthaven Terminals we continue working to reduce them further. One example is our jetty in Houston, US. Here, we are cutting emissions by minimising in-port shifting. This year alone, the jetty achieved a reduction in CO_2 emissions estimated at 2,000 tonnes.

Our strategy is to invest in more efficient equipment and incorporate new technologies. Some products stored at our terminals emit vapours. We use several techniques to prevent these from entering the atmosphere, including vapour recovery systems, scrubbers, flares, internal floating roofs and nitrogen blankets. During 2020, we upgraded several solvent tanks at our Mount Maunganui terminal in New Zealand, which reduced vapour emissions by 50%. At Tianjin, China, we enhanced our vapour recovery system and integrated it into an active carbon facility, resulting in a significant reduction of volatile organic compounds entering the atmosphere.

In 2020, Stolt Tank Containers (STC) set a goal to reduce the carbon footprint from its logistics partners by 40% over the next ten years. To support this aim, we signed up to Clean Cargo, a sustainability leadership initiative dedicated to mitigating the environmental impact of global goods transportation and promoting responsible shipping.

STC is also exploring new green technologies and designs. For example, we are partnering with Shell in China to trial LNG trucks and in Singapore, trials for hydrogen-powered forklift trucks and bio-fuelled boilers look promising. And we recently reconfigured depot floorplans in Houston, US and Moerdijk, the Netherlands, reducing overall fuel use through more efficient container movements.

Fish has one of the lowest carbon footprints of all animal-based protein sources. Stolt Sea Farm continuously reviews its practices and supply chains to minimise emissions.

Water conservation

GRI 303

Water quality and conservation are crucial for our logistics operations, including tank cleaning, cooling, heating and product line cleaning and protecting the marine environment is key to the sustainability of all our businesses.

At Stolt Tankers, we are working in accordance with Ballast Water Convention D-2 requirements, which dictate the maximum levels of viable organisms allowed to be discharged and we are installing the most efficient water treatment plants across the fleet, with the goal of covering 100% by 2024. We completed our biofouling management plan in January 2021, which is designed to eliminate the transfer of invasive species through our ships.

In addition to protecting the oceans that are so vital to our business, we understand that fresh water is a precious commodity – and are focused on using it more efficiently. Water used onboard our ships is obtained in two ways: purchasing from local sources or production through steam desalination or reverse osmosis. We have a project underway to reduce local purchasing requirements of bottled water, and we are upgrading our onboard water makers and potable water tanks.

Stolthaven Terminals has identified that its highest water demand is for testing firefighting equipment and cleaning tanks. Several pilot projects are underway to lower this. At Santos, Brazil, we collect rainwater for tank cleaning providing 7% (1,366 m^3) of the site's annual water consumption. Our aim is to double this to 14% over the next two years. In 2020, our Dagenham, UK site completed a project to seal its tank bunds, which resulted in a 50% (16,263 m^3) reduction of rainwater to trade waste. Our terminal in Houston, US also paved its tank pits, removing the need to treat approximately 16,500m^3 of rainwater. Prior to water leaving these sites via the storm drains it is thoroughly checked to ensure it contains no trace of products.

Our terminals in Houston and New Orleans, US and Westport, Malaysia offer state-of-the-art wastewater treatment facilities, efficiently serving the needs of both terminals and customers.

Stolt Tank Containers launched various water conservation initiatives in 2020. At Moerdijk, the Netherlands, Kandla, India and Singapore, we harvest rainwater for initial tank cleaning. The used water is then treated and recycled, decreasing mains water consumption by 20%. We are installing a similar system at our Taiwan site. At our wastewater treatment plant in China, we are using phosphate instead of the Fenton process. This keeps the cleaned water below the required 2 ppm limit – and saves $52,000 annually.

At terminals and depots, we reduce overall water usage by recirculating the condensate from steam heating. This process requires a smaller footprint than conventional plants – plus it comes with lower infrastructure investment.

Quality water is also critical for our aquaculture business. Stolt Sea Farm selects locations for its farms to ensure access to the highest-quality water – and invests significantly to improve this. Our farms are designed and managed so that water in the outflow is as clean as at intake.

Energy consumption
GRI 302

An increasing number of our facilities and ships use LED light bulbs. Not only does this reduce energy consumption, but it extends lamp life from 6,000 hours to around 50,000 hours. The improved illumination also improves safety. Many facilities also shut down lights automatically outside of office hours.

Across the Stolt Tankers fleet, we have retrofitted Variable Frequency Drives (VFDs), which regulate and save energy on pumps and mechanical devices. VFDs also account for most new mechanical investments at our terminals, and we are upgrading much of our existing stock.

Stolt Tankers regularly undertakes energy conservation audits onboard its ships. These highlight ways to improve energy efficiency and performance. Based on audit recommendations, we are testing heat-reflective coatings on our accommodation decks. These help reduce temperatures in the areas below, requiring less energy for cooling. We are also evaluating the benefits of waste-heat recovery systems.

At Stolthaven Terminals, our main energy use comes from producing steam for heating and powering pumps as well as mixing, heating and cooling equipment. The amount of energy consumed depends on the type of product stored, weather conditions and the amount of product pumped. We have made several investments to improve heat exchange processes, including installing steam condensate lines and identifying inefficiencies. By installing condensate recovery systems and economisers on our boilers, we have reduced consumption by 8 to 10%. We are also upgrading the insulation of our pipes and tanks.

Our site in Santos, Brazil continued its sustainability drive by becoming our first terminal to obtain 100% of its power from green energy sources. This will reduce CO_2 emissions by around 400 tonnes annually. Our Singapore site has 500 solar panels, which provide 140 MWh of electricity annually. We also added solar panels at our Dagenham, UK site this year to power office lights and equipment, potentially saving 9MWh of electricity per year.

Stolthaven Terminals recently partnered with the Technical University of Delft to model energy consumption at our Moerdijk terminal with the aim of identifying smart energy management savings that can be rolled out across our network.

STC has set an ambitious 2030 goal of achieving 50% renewable energy consumption at its wholly-owned depots. In addition to swapping to sustainable energy suppliers at several locations, during the year we installed solar panels at our Kandla and SPS sites in India, and Singapore. At many depots, we have also reduced energy use by recovering condensate from steam heating processes and using it to pre-warm water for cleaning.

Energy efficiency is essential for SSF. Its electricity requirements are relatively high because operations rely on pumping water around our farms from the sea. We focus on maintaining pumps at an optimal level and improving efficiency through new technology. We have recently invested in two new recirculation farms, which also significantly reduce energy consumption. At our farm in Cervo, Spain, we have installed solar panels that will generate 5% of its total energy needs. We are now exploring opportunities to increase renewable energy consumption and production more broadly.

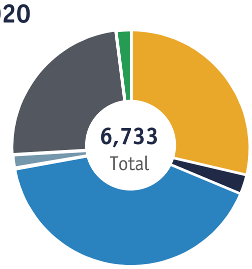
Waste management
GRI 306

Across all our operations, we follow our philosophy of reduce, reuse, recycle. We are exploring ways to increase digitalisation across the organisation as we move towards paperless office tasks.

Stolt Tankers is part of the 5% of worldwide shipowners committed to working towards a sustainable blue economy. One focus is to reduce single-use plastics. The main source of single-use plastic at Stolt Tankers comes from bottled drinking water and packaging from food and supplies. As part of our Slashed Zero programme, we gave all seafarers refillable flasks and invested in upgrades to our sanitary piping systems, providing crew with easy access to clean, potable water onboard. Our procurement department is also working with suppliers to find alternatives to single-use plastic packaging. All waste from our ships is disposed of in line with the International Convention for the Prevention of Pollution from Ships (MARPOL).

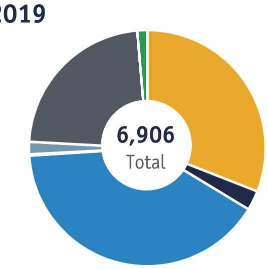
Waste to landfill (Cbm)[1]

2020



Plastics	1,929
Food waste	179
Domestic waste	2,749
Cooking oil	14
Incinerator ashes	115
Operational waste	1,610
Other waste	137

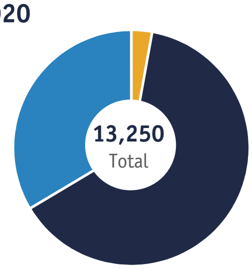
2019



Plastics	2,156
Food waste	187
Domestic waste	2,807
Cooking oil	12
Incinerator ashes	118
Operational waste	1,586
Other waste	94

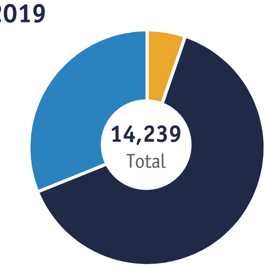
Oil waste management (Cbm)[1]

2020



Incinerated	376
To reception facilities	8,425
Through 15ppm oily water separator	4,449

2019



Incinerated	750
To reception facilities	9,058
Through 15ppm oily water separator	4,431

1. Includes Stolt Tankers' shipping operations only.

Sustainability *continued*

When it comes to ship recycling, 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. All ships delivered for recycling hold an inventory of hazardous materials. Accredited auditor DNV GL verifies each vessel has been properly prepared. During recycling, one to three surveyors are onsite to monitor the entire process first-hand. One ship was sent for recycling during 2020.

Shree Ram Group yards 78/81 and V7 became the first in India to receive certification from Lloyd's Register Asia confirming that each yard complies with Article 13 of EU Regulation 1257/2013 (requirements necessary for ship recycling facilities to be included on the EU list). This certification moves both yards a significant step closer to receiving full EU approval.

Stolt Tankers is certified to international environmental standard ISO 14001 and quality standard ISO 9001. We are a founding member of the Ship Recycling Transparency Initiative: www.shiprecyclingtransparency.org, a 'one-stop-shop' online platform reporting ship recycling against a set of predefined criteria. This collaborative project encourages shipowners to share their recycling policies and helps stakeholders make informed decisions when choosing shipping partners.

Stolt Tankers has strict processes for handling hazardous waste. Products are segregated onboard and sent to approved shoreside disposal facilities. We comply with MARPOL V when recycling waste like fluorescent bulbs and batteries.

Soil contamination can be a concern in the terminal industry. To minimise harm across the Stolthaven Terminals network, we have invested in concreting our tank pits or installing liquid-tight alternatives to our secondary containment areas. During 2020, we divested our site at Bundaberg, Australia and began to decommission our Wynyard terminal in New Zealand. Independent reports confirmed there was no site contamination during our tenure.

At STC, robust maintenance and repair processes ensure tank containers are re-used over many years. These processes are improved continuously. For example, in Zhangjiagang and Nanhui, China, we have begun to recycle kerosene after initial tank washes.

More than 90% of materials are recycled when our tank containers reach the end of their lifecycle. Tank containers are a far more sustainable alternative to 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.

SSF is working to achieve zero waste-to-landfill, focusing on recycling as a long-term strategic aim. In 2020, we extended our environmental management ISO 14001 certification to cover most of our SSF operations. We also audited chemical storage installations across our farms, ensuring they align with international best practice. And we are exploring the use of cutting-edge eco-friendly packaging for our products.

Responsible farming

Stolt Sea Farm is committed to responsible farming and transparency.

During 2020, we worked 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 partnering with leading research institutions to investigate new feed formulas with lower fishmeal and fish oil content. This reinforces our leadership position when it comes to preserving scarce natural resources.

To ensure transparency and traceability, we are looking at ways to improve labelling for all our products.

For more on our sustainability policies and environmental performance, please visit: www.stolt-nielsen.com/en/sustainability/CSR/

People

Thanks to the commitment and resilience of our people, during the year we continued to execute 'Going Further', our transformation strategy, and Workforce Vision 2021, our people strategy. Together, these are helping to shape Stolt-Nielsen into a more innovative, agile and sustainable organisation.

Indicator	2020 Performance	Explanation	Business	Reference
Number of People Employed	**6,402** (2019: 6,513)	Our people, both at sea and onshore are our most valuable asset.		• GRI 102-7 • GRI 102-8 • See page 32
Employees by Gender	**69.8%** ↔ male (2019: 70.1%) **30.2%** ↔ female (2019: 29.9%)	Stolt-Nielsen is committed to promoting a diverse and inclusive workforce. We are working to improve the gender balance across our operations and like many of our peers, we are trialling a number of approaches to improve gender diversity in our business. Some examples are our 'Include' Yammer community and recently launched unconscious bias training.		• GRI 405-1 • See pages 30 and 32-33
Senior Managers by Gender	**79.6%** ↔ male (2019: 80.6%) **20.4%** ↔ female (2019: 19.4%)	We are developing support groups, mentoring, and coaching programmes to help more women advance. But we still have more work to do at the executive and senior levels. Our Board nomination committee is mindful of diversity when considering potential candidates.		• GRI 405-1 • See pages 30 and 32-33
Voluntary Employee Turnover[1]	**3.0%** ↓ (2019: 3.7%)	We are proud to be an industry leader when it comes to retention, both onshore and at sea. Our voluntary employee turnover remains well below the industry average. 1. For the period January 1 to December 31.		• GRI 401-1 • See pages 30 and 32
Speak Up Reports	**15** ↔ (2019: 14)	The number of Speak Up reports was steady for 2020. All reports are taken seriously and investigated thoroughly.		• GRI 102-17 • See page 31

Sustainability *continued*

Employee wellbeing
GRI 404

Like many organisations, what we need from our people – and the support they need from us – changed significantly due to the Covid-19 pandemic. During 2020, our people at all levels rose to the challenge – whether it was moving to remote working or providing extra support to colleagues onshore and at sea.

Wellbeing and resilience are central to our people strategy and transformation programme. The Covid-19 pandemic meant these became even greater priorities. Due to lockdowns, many of our people were required to work remotely. We acted quickly to provide the support and IT infrastructure they needed. This included launching Microsoft Teams and Yammer to facilitate collaboration and help employees stay connected.

We also introduced mental health training and encouraged teams to have more virtual meetings, social activities and team-building sessions so remote workers weren't isolated. And we held more regular online townhalls and updates to keep employees informed. Our people took the initiative, too, showing creativity in finding ways to stay in touch – from organising virtual coffee breaks and book clubs to online quizzes.

We closely monitored staff wellbeing throughout the year, both informally through managers and through a global pulse survey to assess how employees were coping with the pandemic and remote working. One priority the survey identified was the need for managers to develop virtual leadership skills. We subsequently provided them with online remote team management training.

Employee engagement

Employee feedback is key to the success of our people strategy. In 2020, Going Further continued to underpin all our employee engagement activities.

During the year, Stolt Tankers completed its employee engagement survey for onshore staff. It received an 89% response rate and provided valuable insight on how to make our 'winning culture' ethos a reality. 84% of respondents said they would recommend Stolt Tankers as a good place to work, and 90% believed strongly in the business' goals and objectives. Areas where we can do better were in improving the resources needed for people to do their jobs and removing perceived barriers to day-to-day productivity. Further analysis of the survey data will lead to new engagement KPIs and initiatives throughout 2021.

Stolthaven Terminals' annual employee survey found an increase in engagement. Improvements were reported in ten out of 11 response categories, with the largest gains seen in safety, communication, training and development. These positive changes confirm we are focusing our efforts in the right areas. We now have benchmarks for most terminals, with a goal to improve these in the coming years.

Further surveys were completed for Stolt Tank Containers and our corporate functions in February 2021.

The Stolt Way

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

Workforce Vision 2021

Despite Covid-19, we made good progress towards our Workforce Vision 2021 – our three-year people strategy. The strategy clarifies our ambition to continuously reinvent ourselves and improve, so we retain industry leadership in an ever-changing business environment. It also emphasises our commitment to succeeding through purpose-driven and meaningful work, fostered by entrepreneurship, innovation and efficiency. The vision comprises five defined drivers, each aligned with business needs. This gives us a structure for empowering teams and fostering a strong culture.

In 2020, we implemented our HR governance framework to ensure the people strategy is even better aligned with the Company's strategy and performance goals. The framework aims to improve our decision making and how related investments are managed and success is measured.

Inspirational leadership

Our ambitious vision for transformation requires strong and effective leadership. And that requires people with a clear vision for the future and the ability to deliver today.

We remain committed to building a strong base of inspirational leaders across the business, and our leadership development programme helps foster a strong pipeline of talent. It equips our managers with the people and change management skills to navigate their teams through the Company's transformation and beyond. This, in turn, will help drive performance and growth in line with our transformation objectives. Leadership development programme activities have been postponed until later in 2021 due to the pandemic, but managers have continued engaging with staff to support their skills development and wellbeing.

Recruitment and onboarding

We take a carefully balanced approach to recruitment, meeting immediate needs while simultaneously hiring strategically, based on future workforce requirements. This includes identifying skill gaps and planning for how key roles may evolve.

Our forward-thinking talent strategy underpins a robust global recruitment and onboarding process. Based on the Company's anticipated growth, it focuses on attracting fresh, innovative, talented teams that will grow with the Company and help empower existing employees.

Talent management

Our varied, complex operations mean we need a diverse workforce for a broad range of specialist job functions. Our comprehensive global performance management system helps us meet these requirements – fairly, transparently and in line with business goals. It provides a robust and consistent platform for a two-way talent management process, helping develop positive traits while addressing areas for improvement.

The Stolt-Nielsen values guide the behaviours we want to see in our people, and those behaviours are linked to the attributes in the performance management process. This gives staff clear direction for continuous improvement while ensuring we are rewarding progress and recognising role models. During 2020, 100% of eligible employees completed the performance management process. We will continue to enhance this to support staff, succession planning and business performance, based on employee feedback.

Learning and development

Our global learning and development approach is designed to foster a supportive, creative culture and continuous improvement. We believe the best way for people to learn is through daily interactions – supported by more formal training for skills specific to their role, responsibilities, ambitions, location and business.

In 2020, we launched our online Learning Management System (LMS), which offers tailored training programmes to staff globally and enables employee groups to enhance their skills and career paths. The platform is accessible anywhere, anytime, allowing people to take more active ownership of their development. During the pandemic, we expanded training to include support with new ways of working. For those with supervisory roles, we also held tailored sessions on remote leadership and managing remote teams.

Reward strategy

Our reward strategies are designed to motivate people to give their best every day – and to position Stolt-Nielsen as an employer of choice that retains and nurtures top talent. To this end, rewards include profit sharing and long-term incentive plans. And they go beyond the financial, extending to benefits such as onsite childcare, exercise facilities, bootcamp classes and health checks.

Every two years, we issue total reward statements showing the true value of benefits employees receive on top of their base salary. In 2020, 80% of our onshore staff received a statement. We regularly benchmark our reward packages using salary surveys and, when available, industry-specific data. We are currently reviewing our short- and long-term incentive plans, a project that will be completed during 2021.

Sustainability *continued*

Development and retention

A key element of Going Further is empowering people to make decisions within their role, so they enjoy the challenges and fulfilment that come with innovating and making a real difference. To reinforce our commitment to this creativity, curiosity and knowledge sharing, we offer fair rewards and broad opportunities.

As a global company, we take a truly international view of career development. We work proactively in this regard, identifying skill gaps and offering training in line with employees' current roles and future ambitions. This includes using technology to track training for personal career progression. Across the Company, we also identify and nurture future leaders – a key pillar of our succession planning strategy.

Ongoing training is often informal, driven by daily interactions with colleagues. In fact, new starters often comment on how accessible our senior people are, reflecting our culture of pragmatism and collaboration. As a result, employees feel confident about contributing ideas, expanding their horizons and taking on new responsibilities.

We are proud to be an industry leader when it comes to retention, both onshore and at sea. In 2020, the average tenure of our shore staff was 9.8 years and 9.5 years for sea staff. Our voluntary staff turnover decreased to 3.0% (2019: 3.7%), which is well below the industry average.

Diversity and inclusion

GRI 405

Our people represent more than 50 nationalities, and Stolt-Nielsen is committed to promoting a diverse and inclusive workforce. As a result, our people – and the Company and our customers – benefit from a range of perspectives and experiences.

We take our Equal Opportunities Policy seriously and focus on recruiting, training and developing the best people – regardless of gender, ethnic origin, age, religion or belief, marriage or civil partnership, pregnancy or maternity, sexual orientation, gender identity or disability. This year, more than 500 people completed an online training module to help them recognise and challenge unconscious bias. To increase awareness further we will implement an inclusion and diversity awareness programme throughout the company in 2021.

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.

Our Code of Business Conduct is displayed at all our sites and is available in local languages. It provides a global framework that applies to everyone who works with and for us – from directors and officers to staff, contractors and consultants. The Code requires everyone to act ethically, with integrity and in accordance with relevant laws, regulations and Company policies. It 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 reviews and approves the Code annually to ensure it meets the Company's evolving needs.

Each year, we require shore-based staff to complete an online module that gives an overview of our Code and raises awareness of anti-bribery and corruption measures. They are then required to reconfirm compliance. During 2020, 100% of those required to do so successfully completed the module.

Human rights

GRI 409

We support the principles set out in the UN Universal Declaration of Human Rights, the UN Global Compact, 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, supporting its Code of Conduct relating to labour and human rights.

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. We closely monitor these areas across supply chain partners. We received no human rights grievance reports against Stolt-Nielsen during the year.

Another example is in 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 to three surveyors onsite at the recycling yard to monitor the process from start to finish. This ensures workers' conditions are checked and validated at all times.

Community support

Community engagement is important to our culture – and is one reason why people choose to work at Stolt-Nielsen.

In response to the Covid-19 pandemic, several of our operations stepped in to help their local communities. In London, UK, $6,500 was donated to Shelter, a charity supporting families facing homelessness. In Rotterdam, the Netherlands, $6,000 was donated to foodbank Voedselbank and face masks were provided to local hospitals and the Red Cross. In Santos, Brazil, Stolthaven Terminals supported strained local health services and helped to improve local traffic control, contributing to a reduction in CO_2 emissions.

Our community engagement goes beyond financial support. Our Santos staff visited children's charity Grupo Amigo do Lar Pobre. Each participating employee was matched with a child and prepared a care package. Staff from across Brazil donated clothes, shoes and toys for the packages. In Spain, Stolt Sea Farm donated 1,000 kilogrammes of turbot to local hospitals in the Galician provinces of Coruña and Ourense. And, as in previous years, our Dubai, Singapore and Spanish teams volunteered for beach cleaning activities during the year. Elsewhere, volunteers from Stolthaven Terminals New Orleans, US joined environmental charity CRUSH: Communities Restoring Urban Swamp Habitat to plant 70 cypress trees in the Louisiana Wetlands.

Seafarer welfare

Stolt Tankers is committed to the fair treatment and welfare of its seafarers. Officers and crew value the benefits, resources and support we offer, which contributes to recruitment and retention. These include:

- Medical insurance for all first-degree family members
- Exercise equipment on all ships
- Daily internet access for all seafarers
- Development of outstanding cadets for life-long careers at Stolt-Nielsen
- Career counselling, guidance and management, emphasising continuous employment to ensure high levels of expertise
- State-of-the-art and focused training programmes covering safety, operational requirements and mental health
- Empowerment of Ship Management Teams (SMTs) to drive pride of ownership

Covid-19 had a major impact on our seafarers, and we worked hard to support their welfare during this difficult time. Due to lockdowns and international travel restrictions, our crew – like those across the shipping industry – were unable to join or leave ships at their scheduled times. In support of seafarers across the globe, Stolt Tankers signed The Neptune Declaration on Seafarer Wellbeing and Crew Change. Seafarers are some of the unsung heroes of the pandemic, having made huge personal sacrifices. They must be recognised by all nations as key workers. Our sea personnel team worked tirelessly to make crew changes as smooth as possible during extremely volatile times. They also collaborated with airlines and authorities to lobby for recognition of the essential role seafarers play in keeping global supply chains moving.

For those at home, unable to join their scheduled ships and with no source of income, we made cash advances available. For crew onboard for extended periods, we increased daily internet allowances on ships, so they could stay in close contact with family and friends. We also launched a mobile app that makes it easier for seafarers to keep in touch with colleagues ashore and stay updated on what is happening in the wider business.

We have been focusing on seafarers' mental health for several years and are committed to fostering a climate of greater openness and support. 2020 demonstrated just how important this has been. We continued to raise awareness and encourage crew to talk more openly about their experiences. As part of our Slashed Zero programme, we improved our resilience training to help individuals manage stress. We also provide a dedicated helpline that seafarers can use to get support from experienced professionals, anonymously if they wish.

Increased support was also available from our onshore team. Face-to-face conferences were replaced with webinars via Microsoft Teams, and we increased company updates and Q&A sessions. Video conferencing has been installed onboard our ships so that management ship visits can continue virtually. Our training programmes also continued online via our new training portal. Some examples of training available are: electronic engine operations, cargo handling, command assessment, navigation, introduction to Stolt safety procedures and specific safety, security, quality and environmental courses.

Compliance at sea

Stolt Tankers' ships operate with valid International Transport Workers' Federation Union (ITF) agreements (collective bargaining agreements) for all seafarers onboard. 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, with additional vetting conducted during routine onboard inspections. This vetting is carried out as part of the Oil Companies International Marine Forum/Chemical Distribution Institute (OCIMF/CDI) Tanker Management and Self-Assessment process and through periodic International Safety Management (ISM) audits. DNV GL, the world's largest ship classification society, carries out these audits on behalf of the Flag States.

Our speak up culture

GRI 102

We encourage employees to raise their concerns about potential, suspected or actual breaches of our Code of Business Conduct through their local management, HR or legal representatives without fear of victimisation, discrimination or disadvantage. Together with these internal routes for raising concerns, Stolt-Nielsen has an additional online platform in place. Anyone, internal or external, can access our 'Speak Up' system to report confidentially (and where local law permits, anonymously) directly to the Audit Committee Chairman and our Head of Operational Audit. All reports are taken seriously and investigated thoroughly.

Speak up reports

During 2020, 15 speak up reports were received and investigated.

The relatively high number in the 'other' category related to broad employee relations issues that were all addressed.

Discrimination/ Harassment	4
Safety	3
Other	8

Sustainability *continued*

RECRUITMENT

Number of people employed[1]

Region	2020 Sea Personnel	2020 Onshore staff	2020 Total	2019 Sea Personnel	2019 Onshore staff	2019 Total
Europe	1,065	931	1,996	1,078	937	2,015
North America	2	518	520	2	541	543
Asia	3,038	633	3,671	3,101	634	3,735
Rest of World	15	200	215	15	205	220
Total group	**4,120**	**2,282**	**6,402**	**4,196**	**2,317**	**6,513**

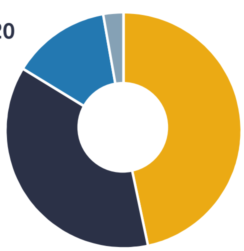
1. As at November 30.

New employees by gender and age[1]

	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 30 to 50	Total	Total	Total	Total	Total new employees
2020	50	65	4	119	29	32	4	65	79	97	8	184

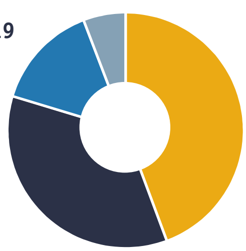
New employees by region (%)

2020



Europe	45.8
North America	36.5
Asia	15.0
Rest of world	2.8

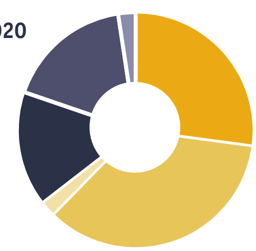
2019



Europe	47.1
North America	37.4
Asia	13.6
Rest of world	1.9

New employees by gender and age[1] (%)

2020

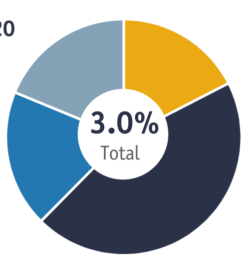


Male aged under 30	27.2
Male aged 30 to 50	35.3
Male aged over 50	2.2
Female aged under 30	15.8
Female aged 30 to 50	17.4
Female aged over 50	2.2

TURNOVER

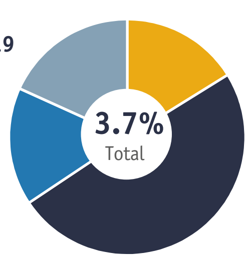
Voluntary employee turnover (%)

2020



Europe	2.6
North America	6.7
Asia	2.8
Rest of world	2.8

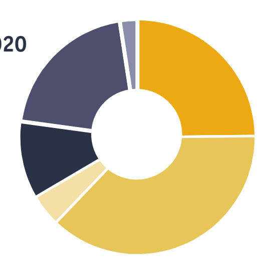
2019



Europe	3.1
North America	9.5
Asia	3.1
Rest of world	3.5

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

2020



Male aged under 30	24.8
Male aged 30 to 50	37.2
Male aged over 50	4.4
Female aged under 30	10.6
Female aged 30 to 50	20.4
Female aged over 50	2.7

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

All employee data is for the period January 1, to December 31, unless otherwise stated.

Turnover continued

Employee turnover by region[1]

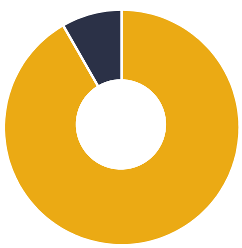
	2020			2019		
Region	**Voluntary leavers**	**Voluntary employee turnover**	**Total employee turnover**	Voluntary leavers	Voluntary employee turnover	Total employee turnover
Europe	52	2.6%	5.3%	63	3.1%	7.2%
North America	35	6.7%	13.7%	52	9.5%	15.7%
Asia	102	2.8%	5.4%	115	3.1%	10.1%
Rest of World	6	2.8%	6.5%	8	3.5%	6.6%
Total Group	**195**	**3.0%**	**6.1%**	**238**	**3.7%**	**9.5%**

1. Excluding retirees and deaths.

GENDER DIVERSITY[1]

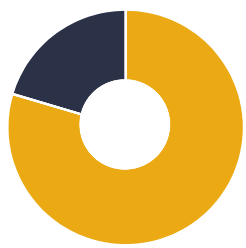
As at November 30, 2020

Executive Management Team (%)



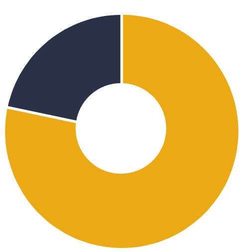
Male	91.7
Female	8.3

Senior Managers (%)



Male	79.6
Female	20.4

Middle Managers / Sr. Professionals (%)

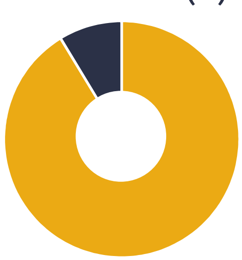


Male	78.3
Female	21.7

Supervisors / Professionals (%)

Male	41.3
Female	58.7

Blue collar workers (%)



Male	91.3
Female	8.7

Total (%)

Male	69.8
Female	30.2

Percentage of people employed by gender

	Male	Female
Europe	72.2%	27.8%
North America	77.2%	22.8%
Asia	57.2%	42.8%
Rest of World	79.0%	21.0%
Total group	**69.8%**	**30.2%**

Gender breakdown of employees by seniority

	Male	Female	Total
Executive management team	11	1	12
Senior managers	78	20	98
Middle managers / Sr. professionals	407	113	520
Supervisors / Professionals	341	484	825
Blue collar workers	755	72	827
Total group	**1,592**	**690**	**2,282**

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

All employee data is for the period January 1, to December 31, unless otherwise stated.

Corporate Governance

Chairman's Statement

"From people and culture to safety and environment, SNL is demonstrating a deep commitment to 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 environment, we play a vital role shaping SNL's position as an industry leader and a sustainable business.

My role as Chairman

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, internal or external, can use to flag concerns (see page 31). The operational audit function manages 'Speak Up', and I oversee processes for investigating any concerns raised.

The role of the Board

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 (see page 29).

The SNL Board adheres to the provisions set out in the Norwegian Governance Code (see page 38). I am confident it can effectively discharge its responsibilities.

Knowledge sharing and oversight

Together, the Directors bring a wealth of expertise and perspectives, and we are constantly expanding 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.

Throughout the year, each business presents to the Board, including on health and safety. Directors also receive quarterly safety reports, and monthly management reports which provide insight into market trends, the position and assets for each business. They also meet with senior management and participate in strategic and operational review meetings throughout the year.

Unfortunately due to Covid-19 travel restrictions, during 2020 the Directors were unable to complete their regular visits to SNL facilities and assets. However, we were able to keep abreast of developments via regular virtual meetings.

Sustainability

The Board recognises that how SNL conducts its business impacts our industry, people, external stakeholders and the environment. The Company is a signatory of the UN Global Compact (UNGC) and is committed to reducing its environmental footprint in line with UNGC principles and objectives.

We therefore pledge the Board's full commitment to making sustainability a key part of the Company's strategy and operations. This includes formulating, communicating and measuring targets for reducing GHG emissions, improving safety and safeguarding employee wellbeing. It also includes implementing effective quality management systems that enable safe and efficient operations. You can view the full pledge at www.stolt-nielsen.com/en/sustainability/policies-and-statements/

People and culture

The challenges that the business overcame this year demonstrate the strength of SNL's people and culture. The resilience and adaptability shown across the Company enabled us to respond flexibly in difficult circumstances. The Company put in place tools and processes that enabled most of its office staff to work remotely and operating staff to work safely. These measures proved effective thanks to the extraordinary effort of our people worldwide.

What SNL calls 'The Stolt Way' – its 60-year-long commitment to excellence, collaboration, pragmatism and creativity – remains key to its strength. I would like to extend the Board's sincere gratitude to every single employee for their immense efforts throughout 2020.

The Board continually monitors issues related to SNL's culture and values, from people and safety to health, environment and quality (SHEQ). SNL's Code of Business Conduct and approach to SHEQ are outlined on pages 30 and 18 to 21 of this report, and can also be viewed at www.stolt-nielsen.com.

It is an honour to serve as your Chairman in the interests of all SNL stakeholders. My thanks to the Board, management team and all employees for their valuable contributions this year.

Samuel Cooperman

Chairman of the Board

Corporate Governance *continued*

Board of Directors

Committee Chairman
A Audit Committee
C Compensation Committee

Tenure

1-10 years	3
11-20 years	2
20+ years	2

1. Samuel Cooperman A C
Chairman

Appointment
Mr. Samuel Cooperman 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 has been a member of the Compensation Committee since 2016.

Experience
Mr. Cooperman joined Stolt-Nielsen in 1974 and has held a number of senior management positions, including Chairman and Chief Executive Officer of Stolt-Nielsen Transportation Group. He retired from the Company in 2003. Mr. Cooperman was a member of the Executive Committee of the International Chamber of Shipping until May 2010. He 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. He is a citizen of the United States.

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 of Stolt-Nielsen Limited since November 2000. He has been a Director 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.

3. Jan Chr. Engelhardtsen Director

A

Appointment
Jan Chr. Engelhardtsen was appointed to the Board of Directors in 2018 and is a member of the Audit Committee.

Experience
Mr. Engelhardtsen previously served as Chief Financial Officer of Stolt-Nielsen Limited for 26 years. He has held numerous key positions during his career, including President of Stolt Tank Containers, where he played an important role in the Company's entry into tank containers, establishing what is today Stolt Tank Containers. He 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. with overall responsibility for the Company's operations in South-East Asia. Mr. Engelhardtsen holds an MBA from the Sloan School at the Massachusetts Institute of Technology and undergraduate degrees in Business Administration and Finance. He is a citizen of Norway.

Other Appointments
Mr. Engelhardtsen is a Director of Avenir LNG and New York Cruise Lines, Inc.

4. Rolf Habben Jansen Director

Appointment
Mr. Rolf Habben Jansen joined Stolt-Nielsen Limited as a Director in 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. He joined the Hapag-Lloyd AG Executive Board in 2014. Mr. Habben Jansen graduated from the Erasmus University in Rotterdam in 1991 with a degree in Economics. He is a Dutch citizen.

Other Appointments
Mr. Habben Jansen is Chief Executive Officer of Hapag-Lloyd AG and is Co-Chairman of the World Shipping Council.

5. Håkan Larsson Director

A C

Appointment
Mr. Håkan Larsson has served as Chairman of the Compensation Committee since 2016 and 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. He 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 Wallenius Wilhelmsen ASA, and is a Director of Viking Supply Ships AS. He is also a member of the regional board of Handelsbanken AB.

6. 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, with responsibility for the global tank storage business. In 2000, he founded and served as Chief Executive Officer of SeaSupplier Ltd until 2003, when he became Executive Vice President of Stolt-Nielsen Limited. In 2012, he founded Norterminal 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, New York Cruise Lines, Inc. and Biomed Clinic AS.

7. Tor Olav Trøim Director

Appointment
Mr. Tor Olav Trøim 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 he established Magni Partners UK, which focuses on research and consultancy in the energy industry. Mr. Trøim 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 Golar MLP, Vice-Chairman at 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 interaction between SNL's shareholders, the Board of Directors and management.

The Companies Act of 1981 of Bermuda ("Bermuda Companies Act") governs the incorporation, organisation and management of SNL. In addition, relevant Bermuda and international law applies to the operation of the business of SNL. Norwegian securities law and Oslo Børs Continuing Obligations apply as a result of SNL being listed on Oslo Børs. Being incorporated in Bermuda and listed on Oslo Børs, SNL is subject to the Norwegian Code of Practice for Corporate Governance (the "Norwegian Code of Practice"). Adherence to the Norwegian Code of Practice is based on a "comply or explain" principle, whereby companies are expected to either comply with the Norwegian Code of Practice or explain what alternative approach is pursued and why. Pursuant to Section 3-3b of the Norwegian Accounting Act and Section 7(2) of Oslo Børs Continuing Obligations, 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). The Company's Bye-Laws are available at www.stolt-nielsen.com/media/1190/byelaws.pdf. The Norwegian Code of Practice is available at www.nues.no/English.

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 such, the Company's Corporate Governance reflects this majority control and will therefore not necessarily comply with all recommendations of the Norwegian Code of Practice.

1. Implementation and Reporting on Corporate Governance

SNL has a Code of Business Conduct which applies to all Directors, officers and employees. Any waivers of the Code of Business Conduct for Directors or executive officers are approved by the Board and are disclosed in this report. 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.

2. Business

In compliance with the Bermuda Companies Act and common practice, SNL's Memorandum of Association describes its objectives and purposes as 'unrestricted'. The Group's strategy and principal risks are described in its annual report.

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 65,000,000 Common Shares, each with a par value of $1.00, and 16,250,000 Founder's Shares, each with a par value of $0.001. As of November 30, 2020, 64,133,796 Common Shares and 16,033,449 Founder's Shares were issued, and 53,523,796 Common Shares and 13,380,949 Founder's Shares were outstanding. The authorised share capital of SNL may only be increased, reduced or otherwise altered by resolution of the shareholders. The Board of Directors is authorised to increase the issued share capital within the limits of the authorised capital.

The Board of Directors has established a dividend policy that is available on the SNL website (www.stolt-nielsen.com). 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 after the payment, be unable to pay its liabilities as they become due or that the realizable value of its assets would thereby be less than the aggregate of its liabilities and issued share capital and share premium accounts.

In accordance with the provisions of the SNL Bye-Laws the Company may purchase its own shares for cancellation or acquire such shares as treasury shares in accordance with the Bermuda Companies Act 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, provided that:

i. the maximum price to be paid for such Common Shares shall not be higher than the higher of the price of the last independent trade and the highest current independent bid on Oslo Børs, and

ii. the minimum price to be paid for such Common Shares shall not be less than the par value (i.e. US $1.00 per share) thereof, and

iii. such trades shall be made in conformity with applicable laws and regulations, including but not limited to the regulatory regimes in such countries where the Common Shares are listed or admitted for trading, and

iv. further provided that such purchases are completed on or before the next Annual General Meeting of Shareholders.

The Board of Directors of SNL has resolved to continue share purchases, if any, on the foregoing terms.

4. Capital Structure, Equal Treatment of Shareholders and Transactions with Close Associates

SNL has two classes of shares, Common Shares and Founder's Shares, which carry rights as set forth below. Only the Common Shares are listed on Oslo Børs. You can find our shareholder list at www.stolt-nielsen.com/en/investors/share-information/

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.

Under the Bye-Laws, holders of Common Shares and Founder's Shares participate in annual dividends, if any are declared by the Company, 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.

Under the Bye-Laws, in the event of a liquidation, all debts and obligations of SNL must first be paid and thereafter all remaining assets of SNL 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 (i.e. $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.

As of November 30, 2020, Fiducia Ltd., a company owned by a trust established for the benefit of the Stolt-Nielsen family, controls 64.67% of the outstanding shares of SNL entitled to vote generally on matters brought to a vote of the shareholders of SNL. As a result, the trustees of the family trust through its shareholding are currently able to directly exercise a controlling influence over SNL's operations, and have sufficient voting power to control the outcome of matters requiring shareholder approval including: the composition of SNL's Board of Directors, which has the authority to direct SNL's business and to appoint and remove SNL's officers; approving or rejecting a merger, consolidation or other business combination; raising future capital; and amending the Bye-Laws which govern the rights attached to SNL's Common Shares. When the shares of 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 66.14% of the outstanding shares of SNL entitled to vote generally on matters brought to a vote of the shareholders of SNL. This control may deter a third party from attempting to take control of SNL without the approval of the trustees of the Stolt-Nielsen family trust. Additionally, the interests of the family trust may conflict with the interests of SNL's other shareholders.

The Board of Directors reviews, at least annually, the financial and other relationships between Directors and SNL. SNL conducts an appropriate review of all related party transactions for potential conflict of interest situations on an ongoing basis and all such transactions are approved by SNL's Audit Committee and disclosed in the Annual Report.

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.

The Board of Directors and the Board Committees may retain independent advisors, as they deem appropriate and at their discretion. SNL shall be responsible for the expenses of any such advisor.

5. Shares and Negotiability

Only the SNL Common Shares are listed on Oslo Børs. The Company's Bye-Laws limit individual shareholdings of Common Shares to 20%, single US person shareholdings to 9.9% and shareholders of any single country in aggregate to 49.9%.

While 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, it has to date not made use of its authority. It is the intention for the Board of Directors to assess any takeover offer for SNL or a substantial portion of SNL's assets, make a recommendation on any such offer, and call for a General Meeting of Shareholders to vote on the acceptance or rejection of such an offer.

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 Board of Directors 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 hold the meeting forthwith.

Notices for both Annual and Special General Meetings shall be sent by mail to all holders entitled to attend and vote no later than 21 days before the date set for the General Meeting.

Notices should provide sufficient 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 of Shareholders are set forth in SNL's Bye-Laws, as well as in relevant provisions of the Bermuda Companies Act. A summary of provisions of Chapter 5 of the Norwegian Public Limited Liability Companies Act where the SNL Bye-Laws expand or deviate from the provisions of the Act can be found on the Company's website at www.stolt-nielsen.com/en/investors/

7. Nomination Committee

Bermuda law does not require that a nomination committee is established, and there is no provision in the SNL Bye-Laws relating to a nomination committee. 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. Individuals are selected for nomination to the Board of Directors based on their business or professional experience, the diversity of their background, and their array of talents and perspectives.

8. Board of Directors: Composition and Independence

The business affairs of SNL are managed under the direction of the SNL Board of Directors. The Board of Directors may delegate authority to the Chairman, specified committees of the Board of Directors, or to SNL's management. SNL does not have a corporate assembly as this is not required under Bermuda law.

As provided in SNL's 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 of Directors should be six to eight Directors. The Board of Directors' size is flexible depending on the circumstances and the qualifications of proposed candidates.

The composition of the Board of Directors shall ensure that the SNL Board of Directors can attend to the common interests of all shareholders and meets the Company's need for expertise, capacity, diversity and independence.

Corporate Governance *continued*

The Directors are elected at the Annual General Meeting of Shareholders. 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 the 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 of shareholders at which the Directors so elected shall be confirmed. The foregoing provisions relating to the election, removal and replacement of Directors are set forth in the SNL Bye-Laws.

Whereas the Board composition meets the requirements according to the Norwegian Code of Practice for independence from major shareholders and main business associates, four of the current seven SNL Directors, Samuel Cooperman, Håkan Larsson, Rolf Habben Jansen and Tor Olav Trøim are considered to be independent from the executive management according to the Norwegian Code of Practice. In the view of the SNL Board of Directors, the composition of the Board of Directors and the 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 of Shareholders. The CEO is a member of the Board of Directors. The Annual Report includes information to illustrate the expertise of the members of the Board of Directors.

An up to date composition of SNL's Board of Directors is available on the Company's website at www.stolt-nielsen.com/en/investors/

9. The Work of the Board of Directors

Board Meetings

The Board of Directors holds at least four regularly scheduled meetings a year. Meeting schedules are approved by all members of the Board of Directors. SNL does not have a Deputy Chairman as this has not been considered necessary. 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 the 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.

Directors and executive management must notify the 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 Chairman of the relevant 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

Management is available to discuss matters of concern to the Board of Directors, and the Board of Directors has regular access to senior 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 the Board of Directors' 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 charters. These charters are reviewed and reassessed by the Board on an annual basis.

The Audit Committee is composed of at least two members, preferably each of whom is independent pursuant to all applicable regulatory requirements. The Compensation Committee is composed of at least two members, of whom at least one shall be deemed independent pursuant to all regulatory requirements applicable to SNL.

The Audit Committee is responsible for the oversight of the work of the Company's external auditor, and for recommending the external auditor's appointment, compensation and retention. Under Bermuda law the appointment of the external auditor has to be made by the 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 of SNL is responsible for compensation strategy, overall salary increases 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 the activities of such Committee at meetings of the full Board of Directors.

The members of the Committees are set out on the Company's website at www.stolt-nielsen.com/en/investors/

10. Risk Management and Internal Control

The Board of Directors is 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 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, 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 the 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. 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, and performs regular independent audit reviews of these systems to assure adherence and recommend improvements.

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 whistle blowing system, to report any potential illegal or unethical matters.

11. Remuneration of the Board of Directors

The Board of Directors reviews the Directors' compensation periodically. The review includes a comparison of SNL's Directors' compensation practices against the practices of comparable US and European companies. The remuneration of the Board of Directors reflects the Board of Directors' 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 the full Board of Directors. The remuneration for such additional duties shall be approved by the Board of Directors.

The remuneration awarded to SNL's Board of Directors for their service as Directors is disclosed in aggregate in the Annual Report. Any remuneration in addition to normal directors' fees is specifically identified.

12. Remuneration of the Executive Management

The Compensation Committee of SNL is responsible for compensation strategy, overall salary increases 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.

The Company has in place a long-term incentive plan aimed at tying the executive management's compensation with the performance of the Company. This is a cash-based plan which sets future pay-outs based on Company performance relative to targets for Return of Capital Employed and EBITDAR-to-Revenue. All performance-related compensation is capped at a maximum percent of the salary of the executive management.

13. Information and Communications

All information distributed to SNL's 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 of Shareholders 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 of Shareholders, publication of interim reports, public presentations and dividend payment date if appropriate. These dates are available on SNL's website at www.stolt-nielsen.com/en/investors/

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 the results conference call is held in front of a live audience. All conference calls have a telephone dial-in and are webcast with playback options available.

14. Take-Overs

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 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.

15. Independent Auditor

The Audit Committee is responsible for the oversight of the work of the Company's external auditor, and for recommending the external auditor's appointment. The Audit Committee has established guidelines in respect of the use of the Independent Auditors by the Company's executive management for services other than the audit. The Audit Committee shall receive annual written confirmation from the Independent Auditors that such firm continues to satisfy the requirements for independence. In addition, the Independent Auditors 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 Auditors shall submit the main features of the plan for the audit of SNL to the Audit Committee annually.

The Independent Auditors shall participate in meetings of the Audit Committee that deal with the annual accounts and half-year results. At these meetings, the Independent Auditors shall comment on any material changes in the Company's accounting principles, comment on material management estimates and judgements, and report all matters on which there has been disagreement between the firm and the executive management of the Company.

The Independent Auditors 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 Auditors at least once a year at which neither the CEO nor any other member of the executive management is present.

Financial Review

Jens F. Grüner-Hegge

Chief Financial Officer

Management's Discussion of Operating Performance

This section discusses SNL's operating results and financial condition for the years ended November 30, 2020 and 2019. 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, 2020 and 2019:

	For the years ended November 30,	
(in thousands)	**2020**	2019
Operating Revenue	**$ 1,955,136**	$ 2,032,069
Operating Expenses	**(1,308,904)**	(1,413,439)
Depreciation and amortisation	**(292,262)**	(254,108)
Impairment of assets	**(12,394)**	(5,500)
Gross Profit	**341,576**	359,022
Gross margin	**17.5%**	17.7%
Share of profit of joint ventures and associates	**32,437**	23,176
Administrative and general expenses	**(187,679)**	(204,233)
Reversal of impairment on joint venture loan	**3,557**	–
(Loss) gain on disposal of assets, net	**(794)**	2,407
Other operating income	**1,640**	2,354
Other operating expense	**(810)**	(806)
Operating Profit	**189,927**	181,920
Operating margin	**9.7%**	9.0%
Non-operating income (expense):		
Finance expense – finance leases	**(9,478)**	–
Finance expense – debt and other	**(129,884)**	(139,316)
Finance income	**3,695**	3,133
Foreign currency exchange loss, net	**(5,258)**	(2,385)
Other non-operating (expense) income, net	**(1,525)**	1,081
Profit before Income Tax	**47,477**	44,433
Income tax expense	**(8,321)**	(18,534)
Profit from Continuing Operations	**39,156**	25,899
Loss from Discontinued Operations	**(13,788)**	(6,838)
Net Profit	**$ 25,368**	$ 19,061
Attributable to:		
Equity holders of SNL	**$ 26,295**	$ 21,043
Non-controlling interests	**(927)**	(1,982)
	$ 25,368	$ 19,061

	For the years ended November 30,	
(in thousands)	**2020**	2019
Profit before one-time items	**$ 47,993**	$ 31,374
One-time items:		
Impairment of assets	**(12,394)**	(5,500)
Terminal one-time items	**–**	(2,382)
Reversal of impairment on joint venture loan	**3,557**	–
Tax effect on the above one-time items	**–**	2,407
Profit from Continuing Operations	**$ 39,156**	$ 25,899

Consolidated Income Statement

2020 was the first year that SNL reported its financial results according to IFRS 16. Profit from continuing operations of SNL was $39.2 million for 2020, compared with $25.9 million in 2019. Excluding the one-time items described in the table on the previous page, profit from continuing operations was $48.0 million for 2020, compared with $31.4 million in 2019, or a $16.6 million improvement. The most significant factors affecting SNL's performance in 2020 were:

- Stolt Tankers reported an operating profit of $84.6 million, an increase of $27.9 million or 49.2% compared to the prior year operating profit of $56.7 million. The decrease in operating revenues, excluding bunker fuel surcharge, amounted to $9.5 million and was primarily due to lower regional freight revenue as a result of a weak spot market in Northwest Europe. Bunker fuel costs, net of bunker rebates, were $20.5 million lower owing to the decrease of bunker prices, and port costs were $10.3 million lower as a result of fewer operating days, canal transits and port calls. Partially offsetting the lower operating expenses was an increase in variable time-charter hire expense to deep sea Pool Members as a result of the improved earnings, and a decrease in bunker hedge results.
- Stolthaven Terminals reported an operating profit of $68.8 million compared to $69.0 million in 2019, despite a reduction in revenue.
- Stolt Tank Containers reported an operating profit of $51.2 million, down from $56.1 million in 2019, a decrease of $4.9 million or 8.8%. The decrease was largely due to a reduction in transportation margins as a result of competitive market conditions. Partially offsetting these were increases in demurrage revenue as well as a reduction in Administrative and General costs due to cost savings measures taken during the Covid-19-related lockdowns.
- Stolt Sea Farm reported an operating loss of $8.4 million, compared with an operating profit of $7.7 million in 2019. The decrease in the operating profit was attributable to the impact of the Covid-19 pandemic, which reduced both sales volumes and sales prices. 2020 results also included a $1.8 million impairment on construction assets in Iceland, a $1.4 million impairment of frozen turbot stock and an increase in the fair value loss of $1.1 million.
- Stolt-Nielsen Gas reported an operating loss of $4.0 million in 2020 versus a loss of $4.1 million in 2019. The losses in both years were mainly attributable to the Group's share of costs related to the development of various small-scale LNG projects.
- Corporate and Other operating loss was $2.3 million, compared to the prior year loss of $3.5 million.
- SNL concluded its sale of the Caviar division in 2020 and recorded a loss from discontinued operations of $13.8 million. The sale generated cash proceeds, net of expenses, of $3.5 million and resulted in a loss of $9.1 million.

Operating revenue

Operating revenue was $1,955.1 million in 2020, which was 3.8% lower than in 2019, mainly owing to lower bunker surcharge revenues at Stolt Tankers, lower turbot sales volumes and prices at Stolt Sea Farm, lower revenues at the Singapore and Australia terminals and lower incremental billings and freight rates at Stolt Tank Containers.

Stolt Tankers' revenue decreased by $34.8 million, owing to a $25.3 million reduction in bunker surcharge revenue, $3.4 million less demurrage revenue and a $3.6 million decrease in freight revenue. The lower bunker surcharge revenue was owing to a decrease of bunker prices between the years. The freight revenue decreased mainly owing to a weak deep-sea performance in the first quarter as well as a weak regional spot market in Northwestern Europe.

Stolthaven Terminals' revenue decreased by $12.3 million compared to 2019, a decrease of 4.9%. This decrease was due to lower operating revenue in Australia and Singapore, sale of the rail business and the Altona terminal in 2019 and lower operating revenue in Santos because of weakening of the Brazilian real. The impact was only partly offset by an increase in the average utilisation rate to 92.4% in 2020 from 90.9% in 2019.

Stolt Tank Containers' revenue decreased by $7.9 million, or 1.5%, in 2020 largely as the impact of reduced freight rates partially offset by a 1.9% increase in shipments and increased demurrage revenue of $3.5 million.

Stolt Sea Farm's operating revenue decreased by $20.5 million, or 20.5%, in 2020 as a result of lower volumes sold and lower sales prices for turbot and sole.

Gross profit

SNL's gross profit decreased by $17.4 million or 4.9% to $341.6 million in 2020 compared to the prior year, reflecting lower turbot sales volumes and prices at Stolt Sea Farm, impairment of goodwill at Stolthaven Terminals and lower margins at Stolt Tank Containers, partially offset by lower bunker and other costs at Stolt Tankers.

Stolt Tankers' gross profit increased by $18.4 million in 2020, to $156.7 million, owing to a decrease in net bunker costs driven by the fall in bunker prices in the spring of 2020 as a result of Covid-19 and lower port cost caused by fewer operating days, canal transits and port calls. This was partially offset by higher variable time-charter hire expenses to deep sea pool participants, less demurrage revenue and lower bunker hedge results.

Gross profit for Stolthaven Terminals was $79.1 million in 2020, compared with $87.5 million in 2019, a decrease of $8.4 million. Excluding one-time adjustments discussed in the Terminals section below, gross profit decreased by $5.3 million from the impact of lower revenue in Singapore, Australia and Brazil, which was only partly offset by lower operating expenses.

Stolt Tank Containers saw a decrease in gross profit of $4.7 million to $117.4 million as a result of lower margins per shipment between the years.

Stolt Sea Farm's gross profit decreased by $16.7 million to a gross loss of $3.3 million, owing to lower sales volumes and lower sales prices as a result of the Covid-19 pandemic. 2020 also included a $1.8 million impairment of CIP assets in Iceland and a $1.4 million impairment on frozen turbot stock.

Share of profit of joint ventures and associates

SNL's share of the profits from non-consolidated joint ventures and associates in 2020 was $32.4 million, up from $23.2 million in 2019.

Stolt Tankers' share of profit from joint ventures increased by $7.7 million to $10.9 million. The equity pickups from the deep-sea joint ventures NYK Stolt Tankers S.A. and Hassel Shipping 4 improved owing to higher revenue and lower interest expense. Performance of the South East Asian joint venture Stolt NYK Asia Pacific Services improved owing primarily to reduced asset impairments.

Financial Review *continued*

Stolthaven Terminals' share of profit from joint ventures and associates increased by $3.2 million to $26.1 million. The increase mainly reflected the impact from capacity expansion at the joint venture terminal in Westport, Malaysia, a higher utilisation rate at the joint venture terminal in Tianjin, China and higher throughput at the joint venture jetty in Tianjin, China.

Administrative and general expenses
Administrative and general expenses were $187.7 million in 2020, down from $204.2 million in 2019, a decrease of $16.5 million. This was 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.

Reversal of impairment on joint venture loan
The Group impaired a long-term advance with Tianjin Lingang Stolthaven Terminal Co. in 2018 based on review of its credit risk. Since 2018, the terminal's results have improved. Therefore, the impairment was reversed in 2020.

(Loss) gain on disposal of assets, net
SNL recorded a net loss on disposal of assets of $0.8 million in 2020 compared with a gain of $2.4 million in 2019.

Other operating income and other operating expense
Other operating income was $1.6 million in 2020, compared to $2.4 million in 2019.

Other operating expense was $0.8 million in both 2020 and 2019.

Finance expense
Finance expense was $139.4 million in 2020, slightly up from $139.3 million in 2019. Interest on debt decreased by $9.4 million, owing to lower interest rates and lower outstanding debt balances. Interest on leases was $9.5 million, owing to the implementation of IFRS 16, Leases, on December 1, 2019.

Finance income
Finance income was $3.7 million in 2020, up by $0.6 million compared with 2019. The increase was due to short-term investing of excess funds in 2020.

Foreign currency exchange loss
In 2020, SNL had a foreign currency exchange loss of $5.3 million, compared with a $2.4 million loss in 2019. This was due to the continued strength of the USD and its effect on intercompany advances with non-USD subsidiaries.

Other non-operating (expense) income, net
Non-operating expense was $1.5 million in 2020 compared with a non-operating income of $1.1 million in 2019.

Income tax expense
Income tax expense was $8.3 million in 2020, compared to $18.5 million in 2019. The reduction in income tax expense was due to the loss before taxes in Stolt Sea Farm and lower Stolthaven Terminals earnings. There were also several adjustments of deferred taxes in 2020.

Loss from discontinued operations attributable to SNL shareholders
Loss from discontinued operations attributable to SNL shareholders was $13.8 million in 2020 versus $6.8 million in 2019. The Group completed the sale of the caviar business in October 2020. The sale generated cash proceeds net of expenses of $3.5 million and resulted in a loss of $9.1 million. Excluding the loss on sale, the loss from the caviar operations was $4.7 million in 2020 compared to $6.8 million in 2019. This lower loss was due to a $0.7 million increase in the fair value adjustment between the two periods.

Non-controlling interest
During 2020, SNL acquired the 25% interest in Sterling Caviar from the minority shareholder. As November 30, 2020, SNL owns 100% of all its material consolidated subsidiaries.

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, such as Stolt Bitumen Services, which are not reportable as separate business segments.

	For the years ended November 30,	
(in thousands)	**2020**	2019
Operating revenue:		
Stolt Tankers	**$ 1,113,095**	$ 1,147,885
Stolthaven Terminals	**238,527**	250,830
Stolt Tank Containers	**520,631**	528,568
Stolt Sea Farm	**79,747**	100,284
Corporate and Other	**3,136**	4,502
Total	**$ 1,955,136**	$ 2,032,069
Operating profit:		
Stolt Tankers	**$ 84,643**	$ 56,713
Stolthaven Terminals	**68,794**	68,956
Stolt Tank Containers	**51,188**	56,136
Stolt Sea Farm	**(8,350)**	7,716
Stolt-Nielsen Gas	**(4,015)**	(4,126)
Corporate and Other	**(2,333)**	(3,475)
Total	**$ 189,927**	$ 181,920

Stolt Tankers

Operating revenue

Operating revenue decreased by $34.8 million in 2020 from 2019, with deep-sea revenue decreasing by $25.5 million and regional revenues by $9.3 million.

Deep-sea freight revenue was flat as a 1.7% increase in average freight rates almost fully offset a 2.4% decrease in cargo carried. The increase of average freight rates was caused by renewals of Contracts of Affreightment (COA) at higher rates and cargo mix effects. Rates on spot business, which contributed approximately 30% of total deep-sea freight revenue, increased by 3.6%. Decrease in cargo volume carried was in line with a 2.1% reduction in the deep-sea fleet operating days. Lower operating days were due to scheduling issues in the first quarter of the year, off-hire of one ship for extensive repairs after an incident in 2019, the recycling of one ship and the redelivery of one time-chartered ship in 2020. Deep-sea bunker surcharge revenue decreased by $21.3 million due to lower bunker prices compared to the prior year, while demurrage revenue decreased by $3.6 million due to less time spent in port.

Regional fleet revenue decreased by $9.3 million, reflecting lower freight revenue due to a weak spot market in Northwest Europe and lower bunker surcharge revenue.

The average Sailed-In Time-Charter Index for 2020 was 0.57, compared with 0.53 for 2019, an increase of 7.5%.

As of November 30, 2020, Stolt Tankers owned and/or operated 153 ships and barges, representing 2.78 million deadweight tons (dwt), compared to 2.82 million dwt at the end of 2019.

	Number of ships	Millions of dwt	% of STJS net earnings for the year ended November 30, 2020
Stolt Tankers Joint Service (STJS):			
Stolt Tankers Limited (52 owned)	55	1.87	81%
NYK Stolt Tanker S.A.	6	0.19	8%
Hassel Shipping 4 AS	8	0.26	11%
Total Stolt Tankers Joint Service	**69**	**2.32**	100%
Ships in owned regional services (26 owned)	61	0.26	
Ships in joint venture regional services (21 owned by joint ventures)	23	0.20	
Total	**153**	**2.78**	

Operating profit

Operating profit increased by $27.9 million, to $84.6 million in 2020 from $56.7 million in 2019. The $34.8 million reduction in revenue was more than offset by a decrease in bunker costs, port expenses and ship management costs and increase in share of profit from joint ventures.

Operating expenses decreased by $73.2 million, with $45.7 million of the decrease being the result of lower bunker costs. The average price of very low sulphur fuel (VLSF) and intermediate fuel oil (IFO) consumed in 2020 was $370 per ton, down 9% from $408 per ton in 2019. The requirement to use the more expensive VLSF began on January 1, 2020. The implementation of IFRS 16, Leases, led to a decrease of $22.6 million in operating expenses (shift from operating expenses to depreciation and interest expense). Port charges decreased by $10.3 million in line with the lower number of operating days, fewer canal transits and port calls. Partially offsetting these above decreases, were $9.1 million of higher time-charter expenses as the STJS variable time-charter costs increased in line with the improved results. Also, bunker hedges resulted in losses of $2.6 million for 2020 versus gains of $1.4 million in 2019.

Depreciation expense increased by $20.1 million owing to the impact of the implementation of IFRS 16, Leases. Ship management costs were $4.2 million or 2% lower than prior year mainly due to savings on manning costs and consumables, more than offsetting cost increases related to crew changes driven by the pandemic.

Stolt Tankers' share of profit from joint ventures increased by $7.7 million to $10.9 million. The equity pickups from the deep-sea joint ventures NYK Stolt Tankers S.A. and Hassel Shipping 4 improved due to higher deep-sea revenue and lower interest expenses. Profit at the South East Asian joint venture, Stolt NYK Asia Pacific Services, improved due to the non-recurrence of 2019 asset impairments.

Financial Review *continued*

Stolthaven Terminals

Operating revenue

Stolthaven Terminals' revenue decreased to $238.5 million in 2020 from $250.8 million in 2019. This decrease of $12.3 million or 4.9% was mainly due to lower operating revenue in Australia and Singapore and the weakening of the Brazilian real in Santos. Partly offsetting this was an increase in the average utilisation rate to 92.4% in 2020 from 90.9% in 2019. The increase in the average utilisation rate was mainly due to a higher average leased capacity in Newcastle, only partly offset by a lower average leased capacity in Singapore.

Total available average capacity at the wholly-owned terminals increased slightly to 1,732,747 cubic metres in 2020 from 1,723,040 cubic metres in 2019. The addition of new capacity in New Orleans in 2019 and 2020 and the full-year availability of capacity added in Santos in 2019 was partially offset by capacity taken out of service in Wynyard due to the planned exit at the end of its land lease. Product handled decreased to 13.7 million metric tons in 2020 from 14.4 million metric tons in 2019.

Operating profit

Operating profit decreased by $0.2 million to $68.8 million in 2020 from $69.0 million in 2019. There were the following one-time items:

	For the years ended November 30,	
(in thousands)	**2020**	2019
Terminal operating profit before one-time items	**$ 77,631**	$ 76,838
One-time items:		
Goodwill impairment in Australia	(12,394)	–
Reversal of impairment of joint venture loan	3,557	–
Gain on disposal of Rail business and Altona terminal	–	1,366
Impairment of plant and equipment in Australasia	–	(7,794)
Accelerated depreciation in Wynyard, New Zealand	–	(1,454)
Terminal operating profit	**$ 68,794**	$ 68,956

The operating profit before one-time items increased by $0.8 million. The revenue decrease of $12.3 million discussed above was more than offset by $8.3 million of lower operating expenses, $3.6 million of lower administrative and general expenses and $3.2 million higher share of joint venture income.

Operating expenses decreased by $8.3 million to $88.4 million in 2020 from $96.7 million in 2019 as the result of the sale of the Rail business and the Altona terminal in 2019, government assistance in Singapore related to Covid-19 in 2020 and the impact of Covid-19 cost-saving initiatives in 2020. Implementation of IFRS 16 also resulted in a decrease of approximately $4.3 million (shift to depreciation and interest).

Administrative and general expenses decreased by $3.6 million also due to Covid-19 cost-savings initiatives and government assistance in Singapore. There was also $1.1 million of pension credits in 2020.

Share of profit of Stolthaven Terminals' joint ventures and associates increased by $3.2 million because of the impact from a capacity expansion at the joint venture terminal in Westport, Malaysia, a higher utilization rate at the joint venture terminal in Tianjin, China and higher throughput at the joint venture jetty in Tianjin, China.

Stolt Tank Containers (STC)

Operating revenue

Stolt Tank Containers' revenue fell to $520.6 million in 2020 from $528.6 million in 2019, a decrease of $8.0 million or 1.5%. This was primarily due to the impact of reduced freight rates and the $4.2 million incremental billing in 2019 for costs incurred in previous periods. This was partially offset by a 1.9% increase in shipments and increased demurrage revenue of $3.5 million.

In 2020, STC handled 129,476 tank container shipments, compared with 127,033 shipments in 2019, which represents a 1.9% increase. Average utilisation remained flat at 67.8% in 2020, from 67.7% in 2019. The fleet decreased by 1.6% to 39,874 tank containers at the end of 2020 compared to 40,513 tank containers at the end of 2019.

STC's rates in most major markets decreased because of weaker market conditions combined with lower freight costs and an increase in lower-priced, shorter intra-regional shipments. STC's rates were also impacted by changing trade patterns as a result of Covid-19 lockdowns around the world throughout 2020.

Operating profit

Stolt Tank Containers reported an operating profit of $51.2 million, down from $56.1 million in 2019, a decrease of $4.9 million or 8.8%. The decrease was largely due to the revenue decrease discussed above. Partially offsetting these were a reduction in Administrative and general costs due to cost-savings measures taken during the Covid-19-related lockdowns and implementation of IFRS 16 also resulted in a decrease of approximately $2.6 million (shift to depreciation and interest).

Stolt Sea Farm (SSF)

Operating revenue

Stolt Sea Farm's revenue decreased by $20.5 million, or 20.5%, to $79.7 million in 2020 from $100.3 million in 2019, due to Covid-19-related reduction in demand for turbot from SSF's customers within the hotel, restaurant and caterers segments. Turbot volumes sold were 7,607 tonnes at an average price of EUR 7.60 per kilogram versus 8,314 tonnes sold in 2019 at an average price of EUR 8.86 per kilogram. Sole volumes decreased by 16.5% while sole prices decreased by 3.9%.

Operating profit

Stolt Sea Farm reported an operating loss of $8.4 million in 2020 compared to an operating profit of $7.7 million in 2019, a year-on-year decrease of $16.1 million. The decrease in the operating profit was primarily attributable to the impact of the Covid-19 pandemic discussed, together with a $1.8 million impairment on construction assets in Iceland due to a delay in expansion of the farm to its full capacity and a $1.4 million impairment on frozen turbot stock in 2020. Further, SSF recorded a $5.0 million fair market value loss on the biological assets in 2020 compared to $3.9 million fair market value loss in 2019.

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 loss of $4.0 million in 2020 versus a loss of $4.1 million in 2019. The losses in both years were mainly attributable to costs related to the development of various small-scale LNG projects.

Corporate and Other

Corporate and Other operating loss was $2.3 million, compared with the prior year loss of $3.5 million. The loss decreased by $1.2 million, primarily due to reversal of accruals no longer required and lower professional fees partially offset by increased insurance expenses.

Liquidity and Capital Resources

(in thousands)	For the years ended November 30, 2020	2019
Summary Cash Flows		
Net cash provided by operating activities:		
Net profit	**$ 25,368**	$ 19,061
Loss from discontinued operations	**13,788**	6,838
Profit from continuing operations	**39,156**	25,899
Depreciation, impairment and amortisation	**304,656**	259,608
Share of profit of joint ventures and associates	**(32,437)**	(23,176)
Finance expense, net of income	**135,667**	136,183
Income tax expense	**8,321**	18,534
Fair value adjustment on biological assets	**4,985**	3,906
Other adjustments to reconcile net profit to net cash from operating activities	**2,279**	6,625
Changes in working capital assets and liabilities	**16,303**	(7,296)
Dividends from joint ventures and associates	**15,440**	15,902
Other, net	**(1,095)**	(5,194)
Cash generated from operations	**493,275**	430,991
Net interest paid, including debt issuance costs	**(131,694)**	(141,387)
Income taxes paid	**(5,212)**	(10,226)
Net cash generated from operating activities – continuing activities	**$ 356,369**	$ 279,378
Net cash used in operating activities – discontinued activities	**$ (3,589)**	$ (1,655)
Cash flows from investing activities:		
Capital expenditures	**(140,748)**	(155,805)
Purchase of intangibles	**(4,752)**	(7,284)
Sale of marketable securities	**–**	25,904
Investment in joint venture	**(15,000)**	(382)
Proceeds from sale of assets	**14,567**	12,482
Other	**4,323**	2,682
Net cash used in investing activities – continuing operations	**$ (141,610)**	$ (122,403)
Net cash provided by (used) in investing activities – discontinued operations	**$ 3,456**	$ (492)
Net cash used for financing activities:		
Repayment of long-term debt	**(396,016)**	(916,060)
Proceeds from issuance of long-term debt	**288,530**	868,815
Principal payments on leases	**(39,754)**	–
Dividends paid	**(13,465)**	(26,929)
Other	**–**	(3,347)
Net cash used in financing activities	**$ (160,705)**	$ (77,521)
Effect of exchange rate changes on cash	**(2,305)**	(5,685)
Net increase in cash and cash equivalents	**$ 51,616**	$ 71,622

Financial Review *continued*

Net cash provided by operating activities

In 2020, SNL generated cash from continuing operations of $356.4 million, compared with $279.4 million in 2019. The increase in cash generated from operations was owing to higher EBITDA at tankers and STC as well as lower interest payments, debt issuance costs and income tax payments. There were also improved net working capital inflows.

Net cash used in investing activities

Net cash used in investing activities from continuing operations was $141.6 million in 2020, compared with $122.4 million in 2019.

The most significant uses of cash for investing during 2020 were:

i. capital expenditures of $140.7 million, $15.1 million lower than in 2019,

ii. purchase of computer software of $4.8 million

iii. investment of $15.0 million in Avenir LNG Ltd.

Offsetting the uses of cash were proceeds from the sale of ships and other assets of $14.6 million, compared with $12.5 million in 2019. Shares in Avance Gas Holding Ltd (AGHL) were sold for $25.9 million in 2019.

Cash capital expenditures by business are summarised below:

	For the years ended November 30	
(in thousands)	**2020**	2019
Stolt Tankers	**$ 68,114**	$ 61,156
Stolthaven Terminals	**59,281**	70,376
Stolt Tank Containers	**7,768**	5,679
Stolt Sea Farm	**5,195**	17,570
Corporate and Other	**390**	1,024
Total	**$ 140,748**	$ 155,805

During the year ended November 30, 2020, the Group spent $140.7 million on property, plant and equipment. Cash spent during the period primarily reflected:

i. $46.0 million on tanker projects, including deposits on the purchase of second-hand 26,000 dwt ships, costs for life extensions, safety, environmental and regulatory assets,

ii. $22.1 million on drydocking of ships,

iii. $59.3 million on terminals expansion and maintenance projects,

iv. $7.8 million on the purchase of tank containers and construction at depots, and

v. $5.2 million on Stolt Sea Farm capital expenditures, primarily for new sole farms in Cervo, Spain and Tocha, Portugal.

Net cash used in financing activities

Net cash outflow from financing activities totalled $160.7 million in 2020, compared with $77.5 million in 2019.

The significant cash sources from 2020 financing activities were net proceeds of long-term debt issuances of $288.5 million, compared with $868.8 million in 2019. The 2020 debt issuances comprised:

i. $273.7 million equivalent of NOK bonds, and

ii. $14.8 million of additional debt raised by Stolt Sea Farm.

The principal uses of cash for financing activities in 2020 were:

i. $396.0 million in repayment of long-term debt, compared with $916.1 million in 2019,

ii. $39.8 million of principal payments on lease liabilities, and

iii. $13.5 million in dividend payments, compared with $26.9 million in 2019.

Indebtedness

SNL's total consolidated debt, excluding debt issuance costs, was $2,530.7 million as of November 30, 2020 and $2,377.5 million on November 30, 2019, as set forth in the table below. The increase was due to the implementation of IFRS-16, Leases.

(in thousands)	**2020**	2019
Long-term debt (including current portion)	**$ 2,337,198**	$ 2,377,488
Long-term lease liabilities (including current maturities)	**193,515**	–
Total debt on Consolidated Financial Statements	**2,530,713**	2,377,488
Available unused facilities:		
Committed revolving credit line	**258,100**	303,000
Collateralised share pledge facility	**–**	40,000
Uncommitted short-term bank lines of credit	**65,000**	45,000
Total unused facilities	**323,100**	388,000
Total debt and unused facilities	**$ 2,853,813**	$ 2,765,488

Long-term debt in the table above excludes debt issuance costs of $28.1 million and $32.0 million as of November 30, 2020 and 2019, 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, which were unused during the year ended November 30, 2020. Amounts borrowed pursuant to these facilities bore an average interest rate of 4.1% for the year ended November 30, 2019.

During 2019 and 2020, SNL also had a committed revolving credit line and a collateralised share pledge facility. As of November 30, 2020, the amount available under the committed revolving credit line amounted to $258.1 million. Future availability of the committed revolving credit line is dependent on the amount of available collateral which varies with fluctuations in ship values. The collateralised share pledge facility was closed on November 20, 2020, as it was no longer considered a requirement for the Group.

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 $391.0 million unsecured bond financing denominated in NOK ($427.2 million or NOK 3,478 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 $2,309.1 million and $2,345.5 million as of November 30, 2020 and 2019, respectively, as set forth below:

(in thousands)		2020		2019
Long-term debt	$	**2,309,141**	$	2,345,526
Less: Current maturities		**(255,805)**		(287,006)
	$	**2,053,336**	$	2,058,520

Long-term lease liabilities
SNL implemented IFRS 16, Leases (IFRS 16), effective December 1, 2019. This required all but immaterial or short-term leases to be recorded on the balance sheet. See Note 2 in the Consolidated Financial Statements for more information on the effect of IFRS 16. As of November 30, 2020, 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)		2020		2019
Increase in cash and cash equivalents for the year	$	**(51,616)**	$	(71,622)
Cash inflow from increase in debt		**288,530**		868,815
Cash outflow from repayments of debt		**(396,016)**		(916,060)
Cash outflow from finance leases		**(39,754)**		–
Change in net debt resulting from cash flows		**(198,856)**		(118,867)
Lease liabilities capitalised		**226,400**		–
Currency movements		**71,510**		(5,482)
Debt issuance costs and other movements		**6,460**		6,022
Movement in net debt in the year		**105,514**		(118,327)
Opening net debt		**2,209,375**		2,327,702
Closing net debt	$	**2,314,889**	$	2,209,375

During 2020, 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 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, marketable securities, investments in associates and other assets of $14.6 million in 2020, compared to $39.1 million in 2019.

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). At November 30, 2020, debt and lease liabilities increased by $157.1 million, primarily due to the capitalisation of the lease liabilities of $226.4 million. Excluding lease liabilities, debt decreased by $36.4 million. Tangible net worth increased by $33.3 million from November 30, 2019. This was primarily due to net profit of $26.3 million and actuarial gains on defined benefit pension schemes of $10.4 million, partially offset by declared dividends of $13.4 million. The debt to tangible net worth ratio was 1.53 at November 30, 2020 from 1.47 at November 30, 2019 due to the implementation of IFRS 16. This is below the 2.00 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 below.

Leases
SNL adopted IFRS 16 during the year ended November 30, 2020. This means that all leases other than those that are immaterial or less than one year are now capitalised. Future commitments for short-term or immaterial leases were $4.0 million at November 30, 2020, while operating lease commitments were $301.2 million at November 30, 2019.

Financial Review *continued*

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 liabilities. 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, 2020, SNL's other purchase obligations were not material. The following summarises SNL's significant contractual obligations as of November 30, 2020, 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:					
Long-term debt, including committed revolver[1]	$ 2,337,198	$ 262,144	$ 845,012	$ 721,371	$ 508,671
Lease principal payments	193,515	35,640	58,650	36,653	62,572
Lease interest payments	91,531	8,714	12,616	7,897	62,304
Committed capital expenditures	167,447	162,637	4,810	–	–
Long-term fixed rate debt interest payments	345,324	92,842	143,154	67,209	42,119
Long-term variable rate debt interest payments[2]	60,187	12,649	20,965	14,787	11,786
Derivative financial liabilities[2]	82,294	61,793	15,559	2,538	2,404
Pension and post-retirement benefit obligations[3]	506	506	–	–	–
Total contractual cash obligations:	$ 3,278,002	$ 636,925	$ 1,100,766	$ 850,455	$ 689,856

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, 2020. 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;
- Impairment review;
- 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 included in the Annual Report.

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 70% of Stolt Tankers' STJS revenue in 2020 was derived from COA. Approximately 97% of these COA had provisions to pass through fluctuations in fuel prices to customers. As a result the expected cover from COA equals approximately 68% 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 January 2019, Stolt Tankers added hedges for the uncovered portion of the estimated bunker consumption through December 2019. In March 2020, Stolt Tankers again added hedges for the uncovered portion through December 2020.

In 2020 this programme yielded $2.6 million in realised losses (offset by bunker price decreases since the start of the hedge programme) and $0.3 million in unrealised gains (mark to market of the remaining outstanding hedges). The hedge programme ended in December 2020.

On January 1, 2020, the International Maritime Organisation (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 to a compliant level and there is the potential to expand this depending on operating experience. 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 includes 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 this risk 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 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.

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 the ships, terminals, depots, farms and offices. SNL is also using its expertise and strong industry relationships to investigate and explore new technologies to meet the move towards a low-carbon future.

Financial Review *continued*

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 have commitments in respect of these newbuildings, of which $71.8 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; or
- 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, it could adversely affect the business, 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 the 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, war or international hostilities.

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 loss of $5.0 million in operating profit, compared with a $3.9 million loss in 2019. 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 2020, the US dollar has weakened by approximately 2% 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 twelve months.

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 subject 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 into disclosing 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 was to experience a breach of its systems and was unable to protect sensitive data, 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 Coronavirus outbreak, 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 the 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 as a large percent of their sales are to the hotel, restaurant and catering sectors.

Where the movement of people and transport operations have been restricted, this could limit SNL's ability to meet commitments to customers and could impact financial results. Likewise, any outbreak onboard our ships or at one of our terminals could impact operations of individual assets. The severity of the impact of such disruptions depend on the spread and duration of the disease. Furthermore, the reduction in economic activity following the coronavirus outbreak 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 as well as 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

At November 30, 2020, SNL held 10,610,000 treasury shares. See Note 30 in the consolidated financial statements and Note 14 in the Unconsolidated Stolt-Nielsen Limited Audited Financial Statements that are included as Appendix 1 of the consolidated 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, 2020.

Niels G. Stolt-Nielsen

Chief Executive Officer
Stolt-Nielsen Limited

Jens F. Grüner-Hegge

Chief Financial Officer
Stolt-Nielsen Limited

March 12, 2021

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and of the company's affairs as at 30 November 2020 and of the group's and the company's 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 group consolidated and parent company balance sheets as at 30 November 2020; the group consolidated and parent company income statements, statements of comprehensive income, statements of cash flows and statements 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

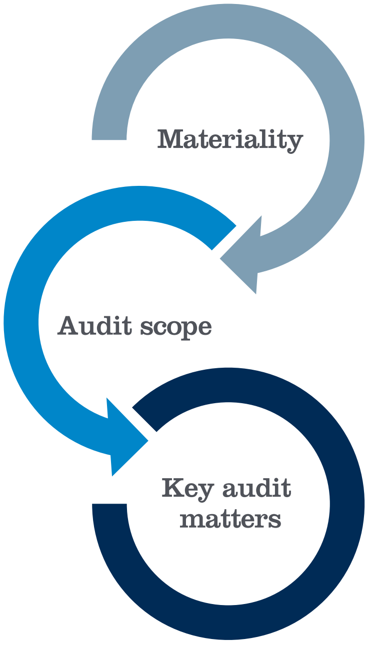
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit 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 Financial Reporting Council (FRC)'s Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



Materiality:

- Overall group materiality: $19.6m (2019: $20.3m), based on 1% of revenue.
- Overall company materiality: $12.0m (2019: $12.0m), based on 1% of total assets, restricted to the amount allocated from the overall group materiality.

Audit Scope:

- Full scope audit 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, joint ventures, debt, claims and insurance recoveries, tax, right-of-use assets, lease liabilities, payroll, and employee benefit assets and liabilities.
- The reporting locations subject to audit procedures accounted for 74% of the group's revenue and 77% of the group's total assets.

Key audit matters:

- Impairment of assets (group).
- Accounting for claims (group).
- Voyage revenue recognition (group).
- Consideration of the impact of COVID-19 (group and company).

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.

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.

Key audit matter	How our audit addressed the key audit matter
Impairment of assets (group) Impairment indicators were considered to be present during 2020 as the carrying value of the assets on the group balance sheet was higher than the market capitalisation of the Stolt-Nielsen Limited group. As a result, management performed an impairment assessment across the group's cash generating units ("CGUs") by comparing their carrying amount to the higher of their estimated fair value less cost to sell and value in use. The value of the Stolt Tankers ("Tankers") fleet on the balance sheet is material at $1.6bn and we have identified a significant audit risk that the carrying value of the assets may not be recoverable. In addition to the Tankers fleet, we also identified other areas of the business where the assets held on the balance sheet may not be fully recoverable, which included goodwill and other property, plant and equipment ("other assets under consideration"). The impairment of assets is considered to be a key audit matter due to the significant judgement inherent in the impairment review itself and the fact that any changes in the assumptions made by management would have a direct impact on the impairment assessment. Management's assessment of the value in use of the Tankers fleet, and other assets under consideration, involves judgement around the future results of the business, particularly assumptions around long-term growth rates, the impacts of COVID-19 and climate change, and in determining the discount rates to be applied to future cash flow forecasts. As a result of the impairment assessment performed by management, the remaining goodwill in the Australia CGU of $12.4m was written off in the year.	We performed the following procedures. • Compared the impairment assessments performed by management to the relevant accounting guidance in IAS 36 – Impairment of assets • We evaluated the appropriateness of management's identification of the group's CGUs • Assessed the methodology applied in determining the value in use and checking the integrity and mathematical accuracy of the models • Assessed the key assumptions, which include sailed in rates, discount rates, cost escalation rates, forecast revenue, growth rates, and bunker price curves, used in the value in use model with reference to historical trading performance, market expectations, including the impact of climate change and related sustainability initiatives and regulatory changes, and strategic initiatives. This also included testing the accuracy of historical budgets and assessing the appropriateness of the future residual values. • Assessed the long term growth rates and discount rates applied in the impairment review, comparing the rates used to external data and involving our valuations experts where appropriate. • Performed sensitivity analysis on key assumptions to consider the extent to which a change in those assumptions (either collectively or individually) would be required for the assets to be impaired, in particular, the assumptions over discount rates, sailed in rates, cost escalation rates, bunker price curves, forecast revenue and growth rates. • Cross-checked the output of these sensitivities on the value in use model with other valuation indicators such as broker valuations. • Assessed the adequacy of the impairment related disclosures in the financial statements. Based on the procedures performed, we noted no material issues from our work.

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

Key audit matter	How our audit addressed the key audit matter
Accounting for claims (group) 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 Commitment and Stolt Groenland. At 30 November 2020 there was a provision of $192.9m in relation to these claims, and an associated insurance reimbursement receivable of $191.7m, 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.	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 confirmation 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.
Voyage revenue recognition (group) The Stolt Tankers division has recognised $1.1bn of revenue in 2020 which is 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.	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, automated calculations of revenue and voyage accruals, and manual processes. • 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.

Key audit matter	How our audit addressed the key audit matter
Impacts of the COVID-19 pandemic (group and company) The global COVID-19 pandemic is causing widespread disruption to normal patterns of business activity across the world. This is considered to be a key audit matter due to the wide range of judgements impacting the business as a result of COVID-19, most notably the carrying amounts of assets and projected future cash flows in the context of going concern and impairment assessments. In addition, management's way of working, including the operation of controls, has been impacted by COVID-19 as a result of a large number of employees working remotely and using technology enabled working practices. For example, this has meant virtual review meetings and electronic review processes in place of physical or hardcopy reviews.	We performed the following procedures: • We reviewed management's assessment of the impact of the uncertainty presented by the COVID-19 pandemic and considered its completeness. • Evaluated management's forecasts for the period to May 2021 in respect of going concern, which included the consideration of the potential impact of the pandemic on the business and scheduled loan maturities and covenant conditions, along with management's downside scenario. We assessed management's assumptions in light of both historical and post year end performance. • Considered the potential impact of COVID-19 on the balance sheet, specifically around the potential impairment of tangible and intangible assets, and the recoverability of receivables. • Assessed the adequacy of the disclosures in the financial statements in respect of the impact of COVID-19. • Increased the oversight of our component teams, using video conferencing and remote working paper reviews to satisfy ourselves as to the sufficiency of audit work performed at the significant components. Based on the procedures performed, we noted no material issues from our work.

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 and the company, the accounting processes and controls, and the industry in which they operate.

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 payroll and Stolt-Nielsen Inter-Europe Service (SNIES) operating expenses 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, joint ventures, debt, claims and insurance recoveries, tax, right-of-use assets, lease liabilities, and payroll and employee benefit assets and liabilities, to gain coverage over these financial statement line items as a whole across the group. Procedures are 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 conference calls, as well as reviewing working papers remotely and assessing matters reported.

In total the work performed accounted for 74% of consolidated group revenue and 77% 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.

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

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:

	Group financial statements	Company financial statements
Overall materiality	\$19.6m (2019: \$20.3m).	\$12.0m (2019: \$12.0m).
How we determined it	1.0% of revenue.	1.0% of total assets.
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.	We believe that total assets is the primary measure used by the shareholders in assessing the performance of the company.

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 and \$12.0m. Certain components were audited to a local statutory audit materiality that was also less than the allocated group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$1.0m for both the group and company audits, as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Responsibility Statement 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 and the company'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 the company 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.

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.

Gregory Briggs

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants

Watford

March 12, 2021

Consolidated Income Statement

(in thousands, except per share data)	Notes	For the years ended November 30, 2020	2019
Operating Revenue	3, 4	**$ 1,955,136**	$ 2,032,069
Operating Expenses	5	**(1,308,904)**	(1,413,439)
		646,232	618,630
Depreciation and amortisation	14, 15, 16	**(292,262)**	(254,108)
Impairment of assets	14, 16	**(12,394)**	(5,500)
Gross Profit		**341,576**	359,022
Share of profit of joint ventures and associates	17	**32,437**	23,176
Administrative and general expenses	5	**(187,679)**	(204,233)
(Loss) gain on disposal of assets, net	7	**(794)**	2,407
Reversal of impairment on joint venture loan		**3,557**	–
Other operating income		**1,640**	2,354
Other operating expense		**(810)**	(806)
Operating Profit		**189,927**	181,920
Non-Operating Income (Expense)			
Finance expense on lease liabilities	8	**(9,478)**	–
Finance expense on debt	8	**(129,884)**	(139,316)
Finance income	8	**3,695**	3,133
Foreign currency exchange loss, net		**(5,258)**	(2,385)
Other non-operating (expense) income, net		**(1,525)**	1,081
Profit from continuing operations before Income Tax		**47,477**	44,433
Income tax expense	9	**(8,321)**	(18,534)
Profit from continuing operations		**39,156**	25,899
Loss from discontinued operations	33	**(13,788)**	(6,838)
Net Profit		**$ 25,368**	$ 19,061
Attributable to:			
Equity holders of Stolt-Nielsen Limited		**26,295**	21,043
Non-controlling interests		**(927)**	(1,982)
		$ 25,368	$ 19,061
Earnings per Share:			
Profit from continuing operations attributable to equity holders of Stolt-Nielsen Limited			
Basic	31	**$ 0.65**	$ 0.46
Diluted	31	**$ 0.65**	$ 0.46
Net profit attributable to equity holders of Stolt-Nielsen Limited			
Basic	31	**$ 0.43**	$ 0.35
Diluted	31	**$ 0.43**	$ 0.35

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, 2020	2019
Net profit		**$ 25,368**	$ 19,061
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain (loss) on pension schemes	25	**10,841**	(13,158)
Actuarial gain (loss) on pension scheme of joint venture	17	**379**	(497)
Deferred tax adjustment on defined benefit and other post-employment benefit obligations	9	**(859)**	3,554
Items that may be reclassified subsequently to profit or loss:			
Net income (loss) on cash flow hedges		**7,986**	(62,637)
Reclassification of cash flow hedges to income statement		**(21,824)**	37,747
Net loss on cash flow hedges held by joint ventures and associates	17	**(3,877)**	(6,903)
Deferred tax adjustment on cash flow hedges	9	**623**	729
Exchange differences arising on translation of foreign operations		**23,407**	(16,868)
Deferred tax on translation of foreign operations	9	**545**	222
Exchange differences arising on translation of joint ventures and associates	17	**20,642**	(9,506)
Change in value of investment in equity instruments	18	**(9,133)**	(17,967)
Net profit (loss) recognised as other comprehensive income		**28,730**	(85,284)
Total comprehensive income (loss)		**$ 54,098**	$ (66,223)
Attributable to:			
Equity holders of Stolt-Nielsen Limited		**$ 55,025**	$ (64,241)
Non-controlling interests		**(927)**	(1,982)
		$ 54,098	$ (66,223)

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

Consolidated Balance Sheet

(in thousands)	Notes	As of November 30, 2020	2019
ASSETS			
Current Assets:			
Cash and cash equivalents	10	**$ 187,767**	$ 136,151
Restricted cash	10	**109**	189
Receivables, net	11	**220,264**	217,909
Inventories, net	12	**7,741**	8,093
Biological assets	13	**30,129**	42,198
Prepaid expenses		**63,128**	73,936
Derivative financial instruments	22	**157**	143
Income tax receivable		**5,811**	8,599
Assets held for sale		**–**	389
Other current assets		**41,542**	30,568
Total Current Assets		**556,648**	518,175
Property, plant and equipment	14	**3,020,060**	3,139,125
Right-of-use assets	15	**189,405**	–
Investments in and advances to joint ventures and associates	17	**585,984**	542,528
Investment in equity instruments	18	**26,305**	30,334
Deferred tax assets	9	**13,506**	10,320
Intangible assets and goodwill	16	**40,836**	49,591
Employee benefit assets	25	**17,867**	9,694
Derivative financial instruments	22	**9,242**	–
Insurance claim receivables	19	**191,706**	207,771
Other non-current assets		**13,306**	15,548
Total Non-Current Assets		**4,108,217**	4,004,911
Total Assets		**$ 4,664,865**	$ 4,523,086
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Current maturities of long-term debt	24	**$ 255,805**	$ 287,006
Current lease liabilities	15	**35,640**	–
Accounts payable	20	**92,030**	94,158
Accrued voyage expenses and unearned revenue		**48,601**	53,544
Dividend payable	30	**13,448**	13,457
Accrued expenses		**165,301**	153,273
Provisions	26	**9,376**	5,119
Income tax payable	9	**8,844**	13,651
Derivative financial instruments	22	**61,814**	35,133
Other current liabilities		**30,992**	33,095
Total Current Liabilities		**721,851**	688,436
Long-term debt	24	**2,053,336**	2,058,520
Long-term lease liabilities	15	**157,875**	–
Deferred tax liabilities	9	**55,867**	47,521
Employee benefit liabilities	25	**39,365**	43,508
Derivative financial instruments	22	**21,044**	87,980
Long-term provisions	26	**192,948**	209,386
Other non-current liabilities		**3,932**	11,070
Total Non-Current Liabilities		**2,524,367**	2,457,985
Total Liabilities		**3,246,218**	3,146,421
Shareholders' Equity	30		
Founder's Shares		**16**	16
Common Shares		**64,134**	64,134
Paid-in surplus		**314,454**	149,808
Retained earnings		**1,532,060**	1,507,520
Other components of equity		**(256,366)**	(274,735)
		1,654,298	1,446,743
Less – Treasury shares		**(235,651)**	(71,005)
Equity Attributable to Equity Holders of Stolt-Nielsen Limited		**1,418,647**	1,375,738
Non-controlling interests		**–**	927
Total Shareholders' Equity		**1,418,647**	1,376,665
Total Liabilities and Shareholders' Equity		**$ 4,664,865**	$ 4,523,086

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, November 30, 2018	**$ 64,134**	**$ 16**	**$ 150,108**	**$ (66,638)**	**$ 1,514,851**	**$ (151,065)**	**$ 6,596**	**$ (44,234)**	**$ 1,473,768**	**$ 1,889**	**$ 1,475,657**
Adjustments on transition to IFRS 15	–	–	–	–	(2,284)	–	–	–	(2,284)	–	(2,284)
Adjusted balance, November 30, 2018	**$ 64,134**	**$ 16**	**$ 150,108**	**$ (66,638)**	**$ 1,512,567**	**$ (151,065)**	**$ 6,596**	**$ (44,234)**	**$ 1,471,484**	**$ 1,889**	**$ 1,473,373**
Comprehensive income (loss)											
Net profit (loss)	–	–	–	–	21,043	–	–	–	21,043	(1,982)	19,061
Other comprehensive income (loss)											
Translation adjustments, net	–	–	–	–	–	(26,152)	–	–	(26,152)	–	(26,152)
Remeasurement of post-employment benefit obligations, net of tax	–	–	–	–	(10,101)	–	–	–	(10,101)	–	(10,101)
Fair value adjustment on equity investments	–	–	–	–	–	–	–	(17,967)	(17,967)	–	(17,967)
Transfer upon sale of Avance Gas Holdings Ltd shares	–	–	–	–	10,849	–	–	(10,849)	–	–	–
Net loss on cash flow hedges and reclassifications to income statement, net of taxes	–	–	–	–	–	–	(31,064)	–	(31,064)	–	(31,064)
Total other comprehensive income (loss)	–	–	–	–	748	(26,152)	(31,064)	(28,816)	(85,284)	–	(85,284)
Total comprehensive income (loss)	**–**	**–**	**–**	**–**	**21,791**	**(26,152)**	**(31,064)**	**(28,816)**	**(64,241)**	**(1,982)**	**(66,223)**
Transactions with Shareholders											
Cash dividends paid – $0.50 per Common Share (b)	–	–	–	–	(26,762)	–	–	–	(26,762)	–	(26,762)
Cash dividends paid – $0.005 per Founder's Share (b)	–	–	–	–	(76)	–	–	–	(76)	–	(76)
Contributions from non-controlling interests	–	–	–	–	–	–	–	–	–	1,020	1,020
Transactions with shareholders	–	–	(300)	–	–	–	–	–	(300)	–	(300)
Purchase of own shares	–	–	–	(4,367)	–	–	–	–	(4,367)	–	(4,367)
Total transactions with Shareholders	**–**	**–**	**(300)**	**(4,367)**	**(26,838)**	**–**	**–**	**–**	**(31,505)**	**1,020**	**(30,485)**
Balance, November 30, 2019	**$ 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 (c)	–	–	–	–	(13,381)	–	–	–	(13,381)	–	(13,381)
Cash dividends paid – $0.005 per Founder's Share (c)	–	–	–	–	(67)	–	–	–	(67)	–	(67)
Forgiveness of subsidiary's loan by non-controlling interest	–	–	–	–	1,332	–	–	–	1,332	–	1,332
Transfer of treasury shares	–	–	164,646	(164,646)	–	–	–	–	–	–	–
Total transactions with Shareholders	**–**	**–**	**164,646**	**(164,646)**	**(12,116)**	**–**	**–**	**–**	**(12,116)**	**–**	**(12,116)**
Balance, November 30, 2020	**$ 64,134**	**$ 16**	**$ 314,454**	**$ (235,651)**	**$ 1,532,060**	**$ (132,623)**	**$ (41,560)**	**$ (82,183)**	**$ 1,418,647**	**$ –**	**$ 1,418,647**

a. Other components of equity on the balance sheet of $256.4 million and $274.7 million at November 30, 2020 and 2019, respectively, are composed of foreign currency, hedging and fair value.

b. The $26.8 million is the 2018 final and 2019 interim dividend for Common Shares and $0.1 million for Founder's Shares.

c. The $13.4 million is the 2020 interim dividend 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, 2020	2019
Cash generated from operations	32	**$ 493,275**	$ 430,991
Interest paid		**(130,465)**	(132,037)
Debt issuance costs		**(3,220)**	(12,541)
Interest received		**1,991**	3,191
Income taxes paid		**(5,212)**	(10,226)
Net cash generated from operating activities – Continuing operations		**356,369**	279,378
Net cash used for operating activities – Discontinued operations		**(3,589)**	(1,655)
Cash flows from investing activities			
Capital expenditures		**(140,748)**	(155,805)
Purchase of intangible assets	16	**(4,752)**	(7,284)
Investment in joint venture	17	**(15,000)**	(382)
Proceeds from sales of assets		**14,567**	12,482
Repayment of advances to joint ventures and associates, net	17	**4,907**	2,014
Acquisition of shares of Stolt-Nielsen Gas Ltd.		**–**	(300)
Proceeds from the sale of AGHL shares		**–**	25,904
Proceeds from the sale of a joint venture		**–**	749
Other, net		**(584)**	219
Net cash used in investing activities – Continuing operations		**(141,610)**	(122,403)
Net cash provided by (used in) investing activities – Discontinued operations		**3,456**	(492)
Cash flows from financing activities			
Proceeds from issuance of long-term debt	24	**288,530**	868,815
Repayment of long-term debt	24	**(396,016)**	(916,060)
Principal payments on leases	24	**(39,754)**	–
Contribution by non-controlling interest		**–**	1,020
Purchase of treasury shares	30	**–**	(4,367)
Dividends paid	30	**(13,465)**	(26,929)
Net cash used in financing activities		**(160,705)**	(77,521)
Net increase in cash and cash equivalents		**53,921**	77,307
Effect of exchange rate changes on cash and cash equivalents		**(2,305)**	(5,685)
Cash and cash equivalents at beginning of year		**136,151**	64,529
Cash and cash equivalents at end of year		**$ 187,767**	$ 136,151

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

Notes to the 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, 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 46.0% holding of Avenir LNG Limited ("Avenir LNG") and its 2.3% holding of Golar LNG Limited at November 30, 2020. Avenir LNG supplies liquefied natural gas ("LNG") for the power, bunkering, trucking and industrial markets, while Golar LNG Limited is an independent owner and operator of LNG and Floating LNG carriers.

The Company is listed on the Oslo Stock Exchange under the ticker symbol SNI and is registered in Bermuda (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.

Separate Financial Statements of the Parent Company, Stolt-Nielsen Limited, are included.

Going concern

Notwithstanding the Group having net current liabilities, Management is of the opinion that the Group's cash flows from operations and available credit facilities will continue to provide the cash necessary to fully repay the Nordic bond debt and related cash flow hedge of $153.7 million upon maturity in March 2021 and satisfy the Group's working capital requirements and capital expenditures commitments, as well as to make scheduled debt repayments, remain in compliance with the Group's financial covenants and satisfy the Group's other financial commitments for the next twelve months. In addition, subsequent to November 30, 2020, the Group entered into a $65.0 million loan facility using Stolthaven Dagenham and Stolthaven Moerdijk as collateral, as well as a two-year $100.0 million revolving credit facility, secured by the shares in the Group's joint venture, Oiltanking Stolthaven Antwerp, NV (see Note 34, Subsequent events).

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 while keeping the safety of its employees in mind. In addition, measures were taken early to reduce cash expenditures (for example, instigating a hiring freeze, reducing professional fees and the hiring of contractors and eliminating the final dividend for 2019).

While the impact of the pandemic has affected Tankers, Stolthaven and STC to a limited degree, the effects of the pandemic was particularly severe on the SSF business segment, with revenues falling by 43% between the first and second quarters. This was a result of a decrease in volumes and prices due to the closure of restaurants and hotels in Southern Europe which represents the largest markets for turbot. During the third quarter, volumes and prices returned towards pre-Covid-19 levels, but the second wave and lockdown negatively impacted the segment in the fourth quarter.

The Stolt Tankers, Stolthaven and STC segments were less impacted by the weaker market conditions, though they did see a change in the trade patterns as a result of Covid-19 lockdowns around the world during 2020. However, Tankers did experience higher manning costs related to crew changes due to Covid-19 imposed traveling restrictions.

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, secured 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 twelve months. Therefore, the Group continues to adopt the going concern basis in preparing its 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 or fair value through profit and loss, defined benefit plan assets and biological assets, all of which are stated at their fair value. Non-current assets and assets held for sale are stated at the lower of previous carrying amount and fair value less costs of disposal.

Notes to the Financial Statements *continued*

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists where either a parent entity is exposed, 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 the 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

Adoption of IFRS 16, Leases

IFRS 16, Leases ("IFRS 16") has been effective for the Group from December 1, 2019. IFRS 16 has a material impact on the Financial Statements of the Group owing to the nature, number and complexity of lease contracts to which the Group is committed at transition. IFRS 16 removes the previous distinction between operating and financing leases and requires recognition of a right-to-use asset and a financial liability to pay rentals for virtually all lease contracts. IFRS 16 results in the recognition of almost all leases on the balance sheet. An optional exemption has been utilised to exclude short-term and low-value leases from the initial and future application of IFRS 16. The Group did not reassess whether contracts included a lease at the date of initial application but applied IFRS 16 to all contracts previously identified as leases under IAS 17, Leases, the previous accounting standard. The difference between the operating lease commitments as of November 30, 2019, discounted using the incremental borrowing rate at the initial application, of $262.1 million and the lease liability recognized as of December 1, 2019 of $194.3 million was due to excluding short-term and low value leases from the lease liability and separately accounting for the service component of time charter ships as incurred.

On an ongoing basis, lessees recognise interest expense on the lease liability and a depreciation charge on the right-to-use asset.

The key impacts on the financial statements are as follows:

- The use of the effective interest method on the lease liability and straight-lined method of depreciation on the right-to-use assets results in total expenses being higher in the earlier years of a lease and lower in later years.
- Key metrics like Earnings before interest, taxes, depreciation and amortisation ("EBITDA") are increased and operating expense is reduced.
- While IFRS 16 does not change net cash flows, operating cash flows are higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest continue to be presented as operating cash flows.

- Right-to-use assets and financial liabilities have increased since almost all leases are reported on the balance sheet.
- There is an impact on debt covenants, but the Group remains in compliance with all debt covenants.
- Impairment assessments are impacted as assets are increased but this does not in itself result in any impairment of assets.

The following table illustrates the impact of IFRS 16 on the balance sheet as at November 30, 2020 and on the income statement for the year ended November 30, 2020, as opposed to the IAS 17, the previous accounting standard.

(in thousands)	November 30, 2020 IAS 17	IFRS 16 Impact	November 30, 2020 Actuals
ASSETS			
Total Current Assets	$ 556,648	$ –	$ 556,648
Property, plant and equipment	3,020,060	–	3,020,060
Right-of-use assets	–	189,405	189,405
Other non-current assets	898,752	–	898,752
Total Non-Current Assets	3,918,812	189,405	4,108,217
Total Assets	**$ 4,475,460**	**$ 189,405**	**$ 4,664,865**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current lease liabilities	$ –	$ 35,640	$ 35,640
Other current liabilities	686,211	–	686,211
Total Current Liabilities	686,211	35,640	721,851
Long-term lease liabilities	–	157,875	157,875
Other non-current liabilities	2,366,492	–	2,366,492
Total Non-Current Liabilities	2,366,492	157,875	2,524,367
Total Liabilities	3,052,703	193,515	3,246,218
Shareholders' Equity			
Total Shareholders' Equity	1,422,757	(4,110)	1,418,647
Total Liabilities and Shareholders' Equity	**$ 4,475,460**	**$ 189,405**	**$ 4,664,865**

(in thousands), except for earnings per share	November 30, 2020 IAS 17	IFRS 16 Impact	November 30, 2020 Actuals
Operating Revenue	$ 1,955,136	–	$ 1,955,136
Operating expenses	(1,352,032)	43,128	(1,308,904)
Depreciation, amortisation and impairment	(262,843)	(41,813)	(304,656)
Gross Profit	**340,261**	**1,315**	**341,576**
Share of profit of joint ventures and associates	32,437	–	32,437
Administrative and general expenses	(191,929)	4,250	(187,679)
Loss on disposal of assets, net	(794)	–	(794)
Reversal of impairment on joint venture loan	3,557	–	3,557
Other operating income, net	830	–	830
Operating Profit	**184,362**	**5,565**	**189,927**
Finance expense, net	(126,189)	(9,478)	(135,667)
Foreign currency exchange loss and Other non-operating expense, net	(6,783)	–	(6,783)
Income tax expense	(8,321)	–	(8,321)
Loss from discontinued operations	(13,788)	–	(13,788)
Net Profit (Loss)	**$ 29,281**	**$ (3,913)**	**$ 25,368**
Earnings per share	0.49	(0.06)	0.43
Earnings before depreciation, amortisation, interest and taxes	**$ 426,634**	**$ 47,378**	**$ 474,012**

The effect of income taxes on the financial statements was immaterial.

Notes to the Financial Statements *continued*

(in thousands)	November 30, 2020 IAS 17	IFRS 16 Impact	November 30, 2020 Actuals
Net cash flow from operations (including discontinued operations)	$ 313,026	$ 39,754	$ 352,780
Net cash from investments (including discontinued operations)	(138,154)	–	(138,154)
Net cash from financing activities	(120,951)	(39,754)	(160,705)
Net change in cash and cash equivalents	53,921	–	53,921
Effect on cash balances from foreign exchange	(2,305)	–	(2,305)
Beginning cash and cash equivalents	136,151	–	136,151
Ending cash and cash equivalents	**$ 187,767**	**$ –**	**$ 187,767**

Information on the undiscounted amount of the Group's existing lease maturities are disclosed in Note 15.

IFRIC 23, Uncertainties over income tax treatments

IFRIC 23, Uncertainty over income tax treatments ("IFRIC 23"), clarifies the accounting for uncertainties in income taxes. The implementation date for the Group was December 1, 2019. IFRIC 23 implementation did not have a material impact on the Financial Statements of the Group.

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 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.

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 operating revenue over time on a prorated basis based on the time customer's 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 different criteria. However, if actual results are not consistent with estimates or assumptions, revenues or costs may be over or understated. At November 30, 2020 and 2019, the accrued voyage expense account was $48.6 million and $53.5 million, respectively, of which $26.8 million and $28.4 million related to contract liabilities for unearned revenues. Prepaid expenses included $13.7 million and $22.8 million of prepaid invoices for voyages in progress applicable to periods subsequent to November 30, 2020 and 2019, 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.	The key estimates involved for depreciation and residual values are: In order to achieve component accounting, the Group uses the weighted average useful economic life of the asset. In the case of ships, estimated useful lives of the components of the ships range from an estimated 25 to 30 years. However, actual lives of the components of parcel tankers 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 and this may result in a shorter or longer life. In the case of tank containers, the estimated useful life ranges between 10 to 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, it would reduce the annual depreciation and overstate the value of the assets. See Note 14 for further details.

Notes to the 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
Impairment review As of November 30, 2020, the equity of the Group was more than its market capitalisation. In accordance with IAS 36, Impairment of Assets, this is a trigger for impairment. In addition, due to the Covid-19 pandemic, an impairment review was performed on all material CGUs. As such, the Group has performed an assessment to determine its recoverable amount. In addition, the Group performed its annual review of goodwill.		
Chemical tankers and barges Chemical Tankers and Barges' ("Tankers") net carrying value was $2,117.1 million at November 30, 2020. It is reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the fleet may exceed the recoverable amount. The Tanker ships are tested for impairment on a cash-generating unit ("CGU") basis. The CGUs identified are the i) deep-sea fleet plus interdependent regional fleets, ii) regional fleets, and iii) European barges, as those are the lowest levels in which the cash flows are independent of other CGUs. Of the total net carrying value of Tankers, the deep-sea fleet plus interdependent regional fleets was 86% of the net carrying value. Where they are integral to the CGU, leased ships are incorporated into the impairment testing. As the ships within each CGU are interchangeable, cash inflows per ship are dependent on fleet scheduling and all ships within each CGU are seen together as a portfolio of ships. Ships will only be impaired if the total recoverable amount of the ships within a CGU is lower than the carrying amount related to that CGU. Management measures the recoverable amount of these assets by comparing their carrying amount with the higher of their fair value less costs of disposal ("FVLCD") or value in use ("VIU"). VIU calculations prepared for impairment testing requires management to judge whether the carrying value of assets can be supported by the net present value of future cash flows that they generate. The calculation is based on the future cash flows over the remaining useful lives of the ships. Calculating the net present value of the future cash flows requires estimates to be made in respect of highly uncertain matters, including management's expectations of: • Future growth rates based on trends in industrial production. • Supply-demand balance of chemical tankers. • Sailed-in rates per operating day (a profit measure of operating revenue less variable voyage expenses, including bunker costs, on existing and future contracts and the spot market).	The carrying values of the ships in the tanker fleet may not represent their fair market value at any point in time since the short-term market prices of second-hand ships tend to fluctuate with changes in freight rates and the cost of newbuildings. Both charter rates and newbuilding costs tend to be cyclical in nature. To assess impairment, management used projections in the approved budget and five-year plan as the basis for the cash flows used to calculate VIU. Based on management judgement and past experience, the following key assumptions were used in the VIU calculations: • The assumptions for the sailed-in rates growth during the projection period from 2021 to 2025 for the deep-sea fleet (adjusted for capacity changes) is an average of 4.1%, and for the regional fleets is 2.6%. • A slow recovery in the chemical tanker market that has started in 2020 will continue after the industry's newbuilding deliveries have been largely absorbed by the market. Although the orderbook is currently at a very low point in history, the Covid-19 situation may well affect the pattern of the recovery. • The percentage of COA to spot does not change materially from current projections and COA contracts are renegotiated successfully. • Cost relating to low-sulphur fuel and other potential future bunker price increases will be passed on to customers through bunker price surcharges and increases in the spot rates. • Pre-tax discount rate of 7.1% for fleets exposed to tonnage tax, based on the weighted average cost of capital ("WACC"), which reflects specific risks relating to CGUs. The growth rate used beyond the projection period until the end of the ship lives is 2.0%, which does not exceed the long-term average inflation rate for the tankers industry.	The impact of changes in the key assumptions used in the VIU calculations is described below. A projected 5.0% decrease in the deep-sea tanker fleet's sailed-in rates would reduce the fair value of the fleet by $179.1 million but would not result in an impairment. A projected 5.0% decrease in the wholly-owned regional fleets would not result in an impairment. One of the Group's regional joint ventures would show an impairment of $8.8 million (Group's share would be $4.4 million) by applying a permanent reduction in sailed in rates of 5.0%. A decrease of 21.0% in the deep-sea tanker sailed-in rates would cause an impairment for the wholly-owned ships. An increase of 1.0% in the discount rate used in the present value calculation would not result in an impairment of the deep-sea ships or any of the wholly-owned regional fleets. An increase of 7.7% in the discount rate would trigger an impairment for the wholly-owned deep sea fleet. An increase of 1.0% in the discount rate would result in one of the Group's regional joint ventures having an impairment of $1.7 million.

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
Terminals		
The carrying value of the Terminals CGU was $1.2 billion, of which goodwill was $12.4 million in the Australia CGU. An impairment review was performed on the terminals, especially the Australia CGU which has had a deterioration of results over the past several years. The recoverable amount for the Australia Terminals business was determined based on the VIU. Recoverable amount was based on a discounted cash flow basis using approved projections in the five-year plan carried over into perpetuity using growth rates of 2.0% and a risk-adjusted weighted average cost of capital. As a result of the impairment review, the goodwill was fully impaired.	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. • Pre-tax discount rate of 7.7% based on the WACC specific for Australia. • The average growth rate for revenues and costs in perpetuity of 2.0%.	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 impairments being reflected in the Consolidated Financial Statements. An increase of 1.0% in the discount rate would result in a further impairment of $21.4 million.
Tank Containers		
The total carrying value of the CGU is $417.7 million, including $16.8 million related to goodwill. The recoverable amount for the Tank Container segment was based on VIU. Goodwill is allocated to the Tank Container segment which is the smallest identifiable group of assets (i.e. the tank container fleet) that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. VIU was based on a discounted cash flow basis using the approved projections in the five-year plan. The impairment review did not indicate that goodwill was impaired.	The main source of estimation uncertainty is the application of the discount rate and future cash flows. Based on management judgement and past experience, the following key assumptions were used in the calculation of VIU: • Pre-tax discount rate of 7.9% based on the WACC for the risks specific to the tank container business. • Future escalation of price and cost increases obtained from shipping and transportation carriers. • Extent of capital expenditures from Tank Containers and competition. • Future demand and supply.	If the judgement applied in determining the recoverable amount of goodwill is incorrect or the fact pattern on which it is based changes, this could result in impairments being reflected in the Consolidated Financial Statements. In the case of Tank Containers, the headroom based on the VIU was more than twice the current segment value. Therefore, further sensitivities have not been presented as there is not a reasonable possibility of a material change in the next twelve months.

Notes to the 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
Stolt Sea Farm		
Stolt Sea Farm had a carrying value of $113.9 million at November 30, 2020. The CGUs identified for Stolt Sea Farm were the turbot and sole assets, as those are the lowest levels in which the cash flows are independent of other CGUs. Stolt Sea Farm was tested for impairment using the VIU method. VIU was based on a discounted cash flow basis using the approved projections in the latest five-year plan which included the effects of the lower volumes and prices currently in place and projected to remain into 2021. From the base case, an optimistic and pessimistic scenario were prepared based on the length and depth of a general recession in Europe and recovery of wholesale and retail Turbot and Sole markets and the fair market value calculated based on the probability of each scenario occurring.	The carrying values of the Group's assets may be higher than its fair market value at any point in time since the short-term market prices tend to fluctuate. Based on management judgement and past experience, the following key assumptions were used in the projections: • Future projections of the recovery of the wholesale and retail markets as well as the general economy which drives sales volumes. • Future escalation of prices. • Future maintenance capital expenditures. • Pre-tax discount rate ranging from 7.4% to 7.5% based on country-specific WACC. • Perpetuity growth rate of 1.0%. The result of the impairment testing did not result in an impairment for either species.	A 5% permanent reduction in sales prices used in the VIU calculations would result in a 36% and 86% reduction in headroom for Turbot and Sole, respectively but would not result in an impairment. A permanent rate decrease of 14% for Turbot and 6% for Sole would result in an impairment.

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 the control over the operations is limited by significant participating interests held by another investor in such operations. The Group has $586.0 million in investment and advances in joint ventures and associates. Determination of whether an entity is an investment in joint ventures or associates 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 design of the entity. • Rights of partners regarding significant business decisions, including disposals and acquisitions of assets. • Board and management representation and appoint key management personnel. • Potential voting rights. • Ability to make financing decisions. • Approval of operating and capital budget and contractual rights of other shareholders. The exercise of judgement on these areas determines whether a particular entity is consolidated as a subsidiary or accounted for under the equity method.	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 it 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.
Insurance claims receivable and Provisions		
The Group is exposed to substantial risks that are inherent in the industries operated and which may result in third-party claims and resulting increased expenses. This 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, 2020, Short-term and Long-term provisions for claims were $192.9 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 in which it is virtually certain that the Group will receive reimbursement. At November 30, 2020, the Insurance claims receivable was $191.7 million.	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.	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 Note 19 for further details.

Notes to the 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
Pensions and other post-retirement benefits		
The Group sponsors defined benefit pension plans and a supplemental executive retirement plan covering eligible employees. At November 30, 2020, the Employee benefit asset was $17.9 million and Employee benefit liability was $39.4 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.	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.	A 0.25% increase in the discount rate assumption for the defined benefit obligation would result in a decrease of $8.2 million, and a 0.25% decrease in discount rate assumption would result in an increase of $8.7 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 2019 have a negligible change 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.
Right-of-use assets and Lease liabilities		
IFRS 16 became effective at December 1, 2019. Key judgements in adopting 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. It was approximately 5% for 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 had been decreased by 1%, the right-of-use asset and lease liability would have increased by $12.0 million. See Note 15 for further details.

3. Business and Geographic Segment Information

The Group has five reportable segments, which are 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 operating profit (loss) and cash flows of each respective segment. For the year ended November 30, 2020, interest and income tax on a segment basis is being disclosed. This is due to this information now being considered by the Executive Management team.

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 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	(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 (d)	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

Notes to the Financial Statements *continued*

For the year ended November 30, 2019	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Stolt-Nielsen Gas	Corporate and Other (b)	Total
Operating revenue	$ 1,147,885	$ 250,830	$ 528,568	$ 100,284	$ –	$ 4,502	$ 2,032,069
Depreciation, amortisation and impairment (e)	(159,160)	(66,536)	(23,688)	(5,860)	–	(4,364)	(259,608)
Share of profit (loss) of joint ventures and associates	3,170	22,888	482	–	(3,337)	(27)	23,176
Operating profit (loss)	56,713	68,956	56,136	7,716	(4,126)	(3,475)	181,920
Finance expense							(139,316)
Finance income							3,133
Profit before income tax							44,433
Income tax expense							(18,534)
Net profit from continuing operations							25,899
Net profit							19,061
Balance Sheet							
Capital expenditures (d)	66,959	67,615	6,238	20,198	–	7,441	168,451
Investments in and advances to joint ventures and associates	221,747	243,294	31,622	–	45,865	–	542,528
Intangible assets and goodwill	6,825	12,621	16,443	352	–	13,350	49,591
Segment assets	2,241,479	1,256,321	494,441	142,868	76,213	311,764	4,523,086

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. Capital expenditures include additions to property, plant and equipment, net of grant receipts, drydocking, ship deposits and intangible assets other than goodwill, including additions resulting from acquisitions through business combinations.

e. Includes impairment losses of $5.5 million for Terminals.

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, 2020		2019
Operating Revenue:				
Tankers:				
US	**$**	**430,491**	$	447,669
South America		**30,961**		21,355
The Netherlands		**83,580**		87,258
Belgium		**62,241**		69,749
Other Europe		**81,362**		92,941
South Korea		**37,076**		47,850
Malaysia		**58,119**		55,009
Other Asia		**106,135**		98,703
Middle East		**150,965**		152,031
Africa		**72,165**		74,043
Other		**–**		1,277
	$	**1,113,095**	$	1,147,885
Terminals:				
US	**$**	**136,198**	$	131,314
Singapore		**34,337**		40,866
Australia and New Zealand		**16,298**		22,635
Brazil		**20,377**		26,146
United Kingdom		**18,504**		16,514
The Netherlands		**12,813**		13,355
	$	**238,527**	$	250,830
Tank Containers:				
US	**$**	**109,661**	$	106,538
South America		**30,452**		22,884
France		**51,063**		55,499
The Netherlands		**34,839**		35,957
Italy		**17,022**		19,641
Germany		**17,241**		17,324
Other Europe		**23,255**		21,183
Singapore		**55,849**		62,502
Japan		**16,955**		17,714
China		**75,029**		79,439
India		**18,424**		19,748
Other Asia		**41,755**		37,721
Middle East		**14,422**		14,006
Other		**14,664**		18,412
	$	**520,631**	$	528,568
Stolt Sea Farm:				
US	**$**	**2,156**	$	4,122
United Kingdom		**1,395**		2,222
Norway		**1,040**		1,433
Spain		**37,516**		39,994
France		**7,891**		12,084
Italy		**15,567**		23,498
Other Europe		**13,760**		16,423
Iceland		**65**		88
Other		**357**		420
	$	**79,747**	$	100,284

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, 2020 and 2019.

Notes to the Financial Statements *continued*

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

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**

For the year ended November 30, 2019 (in thousands)	Tankers	Terminals	Tank Containers	Stolt Sea Farm	Other	Total
Revenue recognised over time:						
Freight revenue	$ 1,013,822	$ –	$ 404,605	$ –	$ –	$ 1,418,427
Storage and throughput revenue	–	167,955	–	–	–	167,955
	1,013,822	167,955	404,605	–	–	1,586,382
Revenue recognised at a point in time:						
Demurrage and ancillary revenue	134,063	–	123,963	–	–	258,026
Turbot and sole	–	–	–	100,284	–	100,284
Rail revenue	–	21,235	–	–	–	21,235
Utility revenue	–	23,956	–	–	–	23,956
Dock, product handling and other revenue	–	37,684	–	–	4,502	42,186
	134,063	82,875	123,963	100,284	4,502	445,687
	$ 1,147,885	**$ 250,830**	**$ 528,568**	**$ 100,284**	**$ 4,502**	**$ 2,032,069**

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 $2,023.0 million and $2,012.9 million for the years ended November 30, 2020 and 2019, respectively. For Tank Containers, the total net book value of non-current assets amounted to $418.7 million and $378.6 million, for the years ended November 30, 2020 and 2019, respectively. For Stolt-Nielsen Gas, the net book value of non-current assets amounted to $80.5 million and $76.2 million, for the years ended November 30, 2020 and 2019, respectively.

	As of November 30,	
(in thousands)	**2020**	2019
Non-current Assets:		
Terminals:		
US	**$ 439,330**	$ 429,023
The Netherlands	**69,509**	62,922
Singapore	**232,821**	209,215
Australia and New Zealand	**148,321**	124,799
United Kingdom	**86,072**	82,987
Brazil	**35,375**	43,368
South Korea	**119,267**	102,150
Belgium	**110,781**	100,121
China	**37,531**	31,291
Other	**9,089**	9,732
	$ 1,288,096	$ 1,195,608
Stolt Sea Farm:		
Spain	**$ 43,166**	$ 44,673
Norway	**1,197**	610
Portugal	**10,903**	6,965
Iceland	**12,614**	16,757
France	**1,969**	1,943
US	**–**	4,864
	$ 69,849	$ 75,812

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 invoiced upfront in the month preceding the month to which such charges relate. Revenues from additional throughput fees and other ancillary charges based on actual usage are recognised at the point in time when those services are delivered.

Notes to the 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)	**2020**	2019
Revenue from the rendering of services	**$ 1,875,389**	$ 1,931,785
Revenue from the sale of goods	**79,747**	100,284
	$ 1,955,136	$ 2,032,069

Revenue generated by Tankers under contracts of affreightment was approximately 71% of the tanker division's total revenue for the year ended November 30, 2020. 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. These types of costs include time charter costs, service element of leases, bunker fuel costs, port costs, manning costs (for example, ship personnel and benefits), depreciation expense, sublet costs, repairs and maintenance of tankers, commission expenses, barging and trans-shipments 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) 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, depreciation expense and other operating expenses (for example, depot expenses, agency fees and refurbishing costs).

(iii) 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, depreciation expense, 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).

(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, repairs 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, 2020	2019
Bunker fuel costs	**$ 211,650**	$ 257,297
Ocean and inland freight charges	**203,595**	203,267
Employee benefit expenses	**184,771**	192,622
Charter and lease expenses	**137,611**	188,843
Port charges	**143,678**	153,861
Maintenance and repairs	**61,684**	64,120
Cleaning costs	**38,062**	35,819
Storage and other tank container move-related costs	**30,989**	31,848
Facilities and utilities	**24,398**	29,184
Expenses related to Biological assets	**22,748**	25,899
Commissions	**27,225**	27,150
Tank container ancillary billable costs	**31,213**	26,359
Insurance	**31,941**	25,299
Purchase of biological assets	**22,397**	23,038
Repositioning of tank containers	**23,683**	24,385
Ship supplies and provisions	**30,070**	21,771
Service element of leases	**19,929**	–
Rail expenses	**4,889**	15,234
Sublet expenses	**12,172**	12,177
Voyage costs	**14,549**	11,449
Barging and trans-shipments	**4,993**	10,608
Biological assets market valuation adjustment	**4,985**	3,906
Bunker hedge loss (gain) (Note 22)	**2,613**	(1,372)
Foreign exchange gain	**–**	(45)
Other expenses	**19,059**	30,720
Total operating expenses	**$ 1,308,904**	$ 1,413,439

An analysis of administrative and general expenses is as follows:

(in thousands)	For the years ended November 30, 2020	2019
Employee benefit expenses	**$ 148,669**	$ 152,985
Information systems	**14,662**	14,357
Professional fees	**7,269**	8,833
Travel and entertainment expenses	**2,003**	6,531
Office lease expenses	**1,766**	5,751
Office expenses	**5,843**	5,791
Investor relations and publicity	**1,129**	2,399
Legal fees	**964**	3,016
Communication expenses	**1,202**	1,336
Bank non-interest fees	**1,505**	1,601
Other	**2,667**	1,633
Total administrative and general expenses	**$ 187,679**	$ 204,233

Charter and lease expenses decreased by $43.1 million and Office lease expenses decreased by $4.3 million due to the implementation of IFRS 16. See Note 2 above.

Notes to the 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)	**2020**	2019
Salaries	**$ 254,183**	$ 257,969
Social security expenses	**18,437**	19,497
Pension expenses for defined contribution plans (Note 25)	**17,765**	18,506
Profit sharing and long-term incentive programmes	**4,233**	3,816
Travel of seafarers and relocation	**11,673**	10,416
Medical and life insurance	**10,328**	11,217
Training	**4,187**	6,409
Temporary and contract employees	**9,104**	9,952
Pension expenses for defined benefit plans and post-retirement benefit plan (Note 25)	**(17)**	1,957
Expatriate expenses	**1,497**	1,631
Other benefits	**2,050**	4,237
Total employee benefit expenses	**$ 333,440**	$ 345,607

Average number of employees:		
Tankers*	**4,645**	4,771
Tank Containers	**750**	767
Terminals	**590**	597
Sea Farm	**411**	452
Other	**84**	74
Total average number of employees	**6,480**	6,661

* 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)	**2020**	2019
Fees payable to the Group auditors and associates for the audit of the consolidated and stand-alone Financial Statements and subsidiary statutory audits	**$ 2,987**	$ 3,305
Fees payable to the Group auditors and associates for other services as detailed below	**729**	213
Total fees	**$ 3,716**	$ 3,518

Tax services	**$ 62**	$ 85
Quarterly reviews	**100**	100
Assurance support	**527**	–
Other	**40**	28
Total non-audit fees	**$ 729**	$ 213

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

7. (Loss) Gain on Disposal of Assets, net

(Loss) gain on disposal of assets, net, comprised the following:

	For the years ended November 30,	
(in thousands)	**2020**	2019
(Loss) gain on sale of ships	**$ (993)**	$ 1,185
Gain on sale of tank containers	**522**	125
(Loss) gain on sale of other assets	**(323)**	1,097
	$ (794)	$ 2,407

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

During 2019, Bitumen recorded a gain of $1.4 million on the sale of *Stolt Kilauea*. Gain on sale of other assets includes the sale of the Altona Terminal for $0.6 million and Rail business for $0.7 million.

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.

	For the years ended November 30,			
(in thousands)		**2020**		2019
Finance expense				
Interest on loans	**$**	**103,631**	$	117,965
Amortisation of debt issuance costs		**7,290**		8,502
Realised loss on interest rate swaps (Note 22)		**13,497**		10,088
Commitment fees		**3,436**		4,180
Interest on lease liabilities		**9,478**		–
Financial loss on early retirement of bonds		**2,700**		–
Other interest expense		**461**		303
Total interest expense		**140,493**		141,038
Less interest capitalised to property, plant and equipment		**(1,131)**		(1,722)
	$	**139,362**	$	139,316
Finance income				
Interest from joint ventures	**$**	**2,460**	$	2,074
Bank deposits interest		**736**		907
Other		**499**		152
	$	**3,695**	$	3,133

The average interest rate used to capitalise interest to property, plant and equipment was 5.4% and 5.5% for 2020 and 2019, respectively.

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.

Notes to the Financial Statements *continued*

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, 2020 and 2019:

	For the years ended November 30,	
(in thousands)	**2020**	2019
Current income tax expense	**$ 6,374**	$ 6,943
Adjustments in respect of prior years	**(3,894)**	3,516
	2,480	10,459
Deferred income tax expense	**1,359**	6,129
Adjustments in respect of prior years	**4,482**	1,946
	5,841	8,075
Total income tax expense	**$ 8,321**	$ 18,534

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

	For the years ended November 30,	
(in thousands)	**2020**	2019
Profit from continuing operations before income tax expense	**$ 47,477**	$ 44,433
Loss from discontinued operations before income tax expense	**(13,788)**	(6,838)
Profit before income tax expense	**33,689**	37,595
Tax at the Bermuda statutory tax rate	**–**	–
Differences between the Bermuda and other tax rates	**4,388**	23,700
Non-taxable income and disallowed expenses	**67**	(14,626)
Changes in the recognition of tax losses	**3,652**	3,762
Adjustments in respect of prior years	**588**	5,462
Other differences, net	**(374)**	236
Total income tax expense	**$ 8,321**	$ 18,534

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 and $0.6 million for the years ended November 30, 2020 and 2019 which are included in Income tax expense, respectively.

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, 2018	**$ (64,884)**	**$ 5,642**	**$ 25,193**	**$ (146)**	**$ 51**	**$ (34,144)**
(Charge) credit to income statement	(13,173)	166	5,442	–	(510)	(8,075)
Credit to Other comprehensive income	–	3,554	–	729	222	4,505
Exchange differences	598	–	(167)	2	80	513
Balance, November 30, 2019	**$ (77,459)**	**$ 9,362**	**$ 30,468**	**$ 585**	**$ (157)**	**$ (37,201)**
(Charge) credit 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)**

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	As of November 30,	
(in thousands)	**2020**	2019
Deferred tax liabilities	**$ (55,867)**	$ (47,521)
Deferred tax assets	**13,506**	10,320
	$ (42,361)	$ (37,201)

As of November 30, 2020, the Group has unused national corporate tax losses of $84.8 million (2019: $102.2 million) and unused regional tax losses of $48.1 million (2019: $71.4 million) available for offset against future profits. A deferred tax asset of $23.1 million at November 30, 2020 (2019: $14.0 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 $52.1 million at November 30, 2020 (2019: $16.2 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 $0.8 billion at November 30, 2020 (2019: $1.4 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 of less than three months, which are subject to an insignificant risk of changes in value.

	As of November 30,			
(in thousands)		**2020**		2019
Cash deposit	**$**	**116,808**	$	110,207
Short-term time deposits		**70,959**		25,944
Cash and cash equivalents	**$**	**187,767**	$	136,151
Restricted cash	**$**	**109**	$	189

Cash and cash equivalents comprise cash and short-term time deposits held by the Group. No cash or cash equivalents were placed as collateral at November 30, 2020 and 2019.

11. Receivables, Net

Accounting policy

Trade and other receivables are recognised initially at transaction price and are subsequently stated at amortised cost using the effective interest method, 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 in profit or loss, as an impairment loss or a reversal of an impairment loss. 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.

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 will not 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.

Notes to the Financial Statements *continued*

(in thousands)		As of November 30, 2020		2019
Customer trade receivables	$	**216,473**	$	212,569
Accrued revenue		**17,255**		13,580
Insurance		**959**		1,077
Interest		**850**		–
Other		**2,957**		10,896
		238,494		238,122
Allowance for impairment on customer trade and accrued receivables		**(18,230)**		(20,213)
	$	**220,264**	$	217,909

See Note 21 for an analysis of the credit risk of receivables.

Contract assets

		As of November 30, 2020				As of November 30, 2019		
		<1 year		**>1 year**		<1 year		>1 year
Balance, December 1	$	**6,806**	$	**–**	$	6,014	$	–
Transfer to trade receivables		**(394,342)**		**–**		(403,813)		–
Revenue recognised (current year performance obligations)		**397,229**		**–**		404,605		–
Balance, November 30	$	**9,693**	$	**–**	$	6,806	$	–

These amounts have been included in accrued revenue. Contract assets are typically invoiced within a month of any accrual.

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, 2020 and 2019 consisted of the following:

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**

November 30, 2019 (in thousands)		Terminals		SSF		Other		Total
Raw materials	$	–	$	408	$	11	$	419
Consumables		693		–		1,482		2,175
Finished goods		–		5,499		–		5,499
	$	693	$	5,907	$	1,493	$	8,093

The cost of inventory included in operating expenses in 2020 and 2019 was $60.5 million and $67.1 million for Stolt Sea Farm, $5.8 million and $5.9 million for Stolt Tank Containers and nil and $0.2 million for Stolthaven Terminals, respectively. Bunkers of $21.0 million and $26.1 million were included in prepaid expenses at November 30, 2020 and 2019, respectively.

13. Biological Assets

Accounting policy

Biological assets primarily comprise turbot, sole and sturgeon, 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 as '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 kilos 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 years ended and as of November 30, 2020 and 2019. See Note 33 for further disclosures.

Biological assets in the balance sheet

	As of November 30,	
(in thousands)	**2020**	2019
Turbot and sole	**$ 30,129**	$ 33,766
Sturgeon	**–**	8,432
	$ 30,129	$ 42,198

Biological assets are the work in process: live turbot, sturgeon 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)	**2020**	2019
Balance at December 1,	**$ 33,766**	$ 40,737
Increases owing to production and purchases	**41,529**	42,974
Loss from change in fair value	**(3,748)**	(4,767)
Effect of changes in foreign currency rates	**1,623**	(1,004)
Decreases owing to mortalities	**(1,688)**	(1,317)
Transfer to inventory	**(41,353)**	(42,857)
Balance at November 30,	**$ 30,129**	$ 33,766

Notes to the Financial Statements *continued*

Reconciliation of changes in book value of sturgeon

(in thousands)		2020		2019
Balance at December 1,	**$**	**8,432**	$	9,848
Increases owing to production and purchases		**5,039**		6,459
Loss from change in fair value		**(553)**		(1,217)
Decreases owing to mortalities		**(393)**		(797)
Transfer to inventory		**(3,905)**		(5,861)
Business disposal		**(8,620)**		–
Balance at November 30,	**$**	**–**	$	8,432

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

	For the years ended November 30,			
(in thousands)		2020		2019
Work in process, turbot and sole	**$**	**(3,748)**	$	(4,767)
Finished goods		**(1,237)**		861
Total fair value adjustment recognised in operating expenses	**$**	**(4,985)**	$	(3,906)

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

	For the years ended November 30,			
(in thousands)		2020		2019
Work in process, sturgeon	**$**	**(553)**	$	(1,217)
Total fair value adjustment recognised in discontinued operations	**$**	**(553)**	$	(1,217)

Value of biological assets at fair value

	As of November 30,			
(in thousands)		2020		2019
Work in process, turbot and sole	**$**	**26,527**	$	30,062
Work in process, sturgeon		**–**		8,097
Total assets held at fair value included in the balance sheet	**$**	**26,527**	$	38,159

Volumes of biomass (in tonnes)

	As of November 30,	
(in tonnes)	2020	2019
Volume of biomass harvested during the year (live weight)	**5,959**	6,903
Volume of biomass in the water at year end (live weight)	**3,409**	4,370

Value of juvenile biological assets at cost

	As of November 30,			
(in thousands)		2020		2019
Turbot and sole	**$**	**3,602**	$	3,704
Sturgeon		**–**		335
Total assets held at cost included in the balance sheet	**$**	**3,602**	$	4,039

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, 2020 and 2019.

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.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant leases.

(iii) 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.

(iv) 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.

Notes to the 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, 2018	**$ 60,448**	**$ 128,073**	**$ 3,271,586**	**$ 501,528**	**$ 1,354,894**	**$ 15,284**	**$ 105,096**	**$ 5,436,909**
Additions	150	1,489	1,624	599	5,232	111	151,996	161,201
Disposals and retirements	(2,018)	(1,127)	(45,935)	(7,069)	(11,485)	(415)	(5,536)	(73,585)
Net foreign exchange differences	(1,076)	(2,017)	(1,814)	(136)	(19,767)	(622)	(1,892)	(27,324)
Transfers	931	2,659	45,360	–	97,774	(5,803)	(140,921)	–
Reclasses and other	–	(316)	–	–	(396)	–	–	(712)
Balance at November 30, 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**

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, 2018	**$ –**	**$ 46,006**	**$ 1,411,019**	**$ 208,703**	**$ 503,155**	**$ 7,333**	**$ –**	**$ 2,176,216**
Depreciation expense	–	5,384	159,144	19,910	66,384	579	–	251,401
Impairments	–	–	–	–	–	–	5,500	5,500
Disposals and retirements	–	(49)	(43,928)	(5,656)	(7,948)	(369)	(5,500)	(63,450)
Net foreign exchange differences	–	(688)	(1,069)	(70)	(10,249)	(21)	–	(12,097)
Reclasses and other	–	(726)	–	–	1,501	(981)	–	(206)
Balance at November 30, 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**
Net book value:								
At November 30, 2019	**$ 58,435**	**$ 78,834**	**$ 1,745,655**	**$ 272,035**	**$ 873,409**	**$ 2,014**	**$ 108,743**	**$ 3,139,125**
At November 30, 2020	**$ 57,704**	**$ 83,938**	**$ 1,627,513**	**$ 251,469**	**$ 901,340**	**$ 3,018**	**$ 95,078**	**$ 3,020,060**

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 Chemical Transportation Group ("CTG") which are discussed further in Note 27.

Proceeds of $14.6 million were received from the sale of ships, retirement of tank containers and other assets during the year ended November 30, 2020.

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 Financial Statements *continued*

Impairment of non-current assets

The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. During the fourth quarter, the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment. As a result, the Group performed its annual impairment test in the years ended November 30, 2020 and 2019. See Note 2.

Terminals

The Group booked impairments $5.5 million related to construction in process at one of the Australia terminals for the year ended November 30, 2019. The impairment was based on an assessment of the carrying value compared with fair value less cost of disposal ("FVLCD") using discounted cash flow models (Level 3 valuation method).

15. Right-of-use assets and leases

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.

(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.

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. The related right-of-use asset is depreciated over the term of the lease or, if shorter, the leased asset's economic life.

(iii) Lease expenses

Beginning on December 1, 2019, only short-term leases (defined as less than one year) or low value leases are expensed in the income statement.

Prior to December 1, 2019, payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received and receivable are recognised in the income statement on a straight-line basis over the lease term as an integral part of the total lease expense.

(iv) Variable lease consideration

The Group operates the Joint Service delivering freight services to customers for 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**

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**
Net book value:						
At November 30, 2020	**$ 65,709**	**$ 14,624**	**$ 60,833**	**$ 44,625**	**$ 3,614**	**$ 189,405**

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, the Group entered into leases for land, offices, ships, barges, tank containers and terminal and sea farm equipment with leases expiring from 2021 to 2070.

Lease Liabilities

(in thousands)	For the years ended November 30, **2020**	2019
Contractual undiscounted cash flows:		
Less than:		
1 year	**$ 44,120**	$ –
2 years	**37,790**	–
3 years	**33,476**	–
4 years	**27,521**	–
5 years	**17,030**	–
Thereafter	**125,540**	–
Total undiscounted cash flows	**285,477**	–
Total lease liabilities (discounted based on the Group's incremental borrowing rate)	**193,515**	–
Less current maturities	**(35,640)**	–
Non-current	**$ 157,875**	$ –

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

Notes to the Financial Statements *continued*

Operating Leases

Minimum future lease commitments, under agreements which expire at various dates through 2025, are as follows:

(in thousands)	2020	2019
Less than:		
1 year	$ 3,358	$ 79,636
2 years	321	64,570
3 years	228	47,316
4 years	81	35,518
5 years	15	14,348
Thereafter	–	59,772
	$ 4,003	$ 301,160

The commitments for the year ended November 30, 2020 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, office and equipment leases. Commitments for the year ended November 30, 2019 are prepared in accordance with the requirements of IAS 17, Leases.

Rental and charter hire expenses under operating lease agreements for the years ended November 30, 2020 and 2019, were $36.6 million and $109.7 million, respectively, net of sub-lease income of nil and $1.3 million, respectively.

Variable lease consideration included in Charter and lease expenses related to charter hire expenses to participants of the Joint service was $103.4 million and $94.3 million, respectively, for the years ended November 30, 2020 and 2019.

There were no non-cancellable sub-leases during the years ended November 30, 2020 and 2019.

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 cash-generating unit ("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 goodwill relates to the Tankers, Terminals 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.

With the exception of goodwill, the Group does not have any intangible assets with indefinite useful lives.

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.

Intangible assets are shown below:

(in thousands)	Goodwill	Trademark	Customer Relations/ Contracts	Computer Software	Other	Total
Cost:						
Balance, December 1, 2018	**$ 33,689**	**$ 1,478**	**$ 9,120**	**$ 50,689**	**$ 585**	**$ 95,561**
Additions	–	–	–	7,284	–	7,284
Disposals and retirements	–	–	(200)	(78)	(7)	(285)
Net foreign exchange differences	(1,317)	(42)	(273)	(1,318)	(19)	(2,969)
Reclasses	–	–	–	783	(56)	727
Balance, November 30, 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**
Accumulated amortisation:						
Balance, December 1, 2018	**$ –**	**$ 1,478**	**$ 8,096**	**$ 38,402**	**$ 323**	**$ 48,299**
Amortisation charge for the year	–	–	109	3,026	17	3,152
Disposals and retirements	–	–	(192)	(78)	(7)	(277)
Net foreign exchange differences	–	(42)	70	(803)	(11)	(786)
Reclasses	–	–	–	350	(11)	339
Balance, November 30, 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**
Net book value:						
At November 30, 2019	**$ 32,372**	**$ –**	**$ 564**	**$ 16,463**	**$ 192**	**$ 49,591**
At November 30, 2020	**$ 22,063**	**$ –**	**$ 208**	**$ 18,393**	**$ 172**	**$ 40,836**

All intangible assets other than goodwill were subject to amortisation as of November 30, 2020 and 2019.

During the year ended November 30, 2020, the Group spent $5.0 million on intangible assets, mainly on the acquisition of computer software.

The Tankers, Tank Container and Terminals segment goodwill has been tested for impairment as of November 30, 2020 and 2019. See Note 2 for further discussion of the method of testing for impairment of goodwill. As a result, goodwill of $12.4 million related to a prior year business combination in the Terminals segment was fully impaired during the year ended November 30, 2020.

At November 30, 2020, goodwill primarily consisted of $5.2 million for goodwill on a prior year acquisition of the Tankers segment and $16.8 million related to a prior year business combination in the Tank Container segment.

Revaluation for foreign exchange differences for goodwill and other intangibles amounted to a gain of $2.2 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 five years remaining. Computer software is being amortised over an average life of three to 10 years.

Notes to the Financial Statements *continued*

17. Investments in and Advances to Joint Ventures and Associates

Accounting policy

(i) Associates

Associates are those entities over which the Group is in a position 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 consider to be strategic to their operations.

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]	2020 % Shares	2020 % Voting Rights	As of November 30, 2020	2019
Joint Ventures:					
Tankers material joint ventures:					
NYK Stolt Tankers S.A.	Panama	50	50	**$ 40,894**	$ 43,818
Stolt NYK Asia Pacific Services Inc.	Liberia	50	50	**24,782**	26,353
NYK Stolt Shipholding Inc.	Liberia	50	50	**40,375**	39,071
Shanghai SC-Stolt Shipping Ltd	China	49	50	**37,126**	34,614
Hassel Shipping 4 AS	Norway	50	50	**74,510**	71,444
Tankers non-material joint ventures:					
SIA LAPA, Ltd	Latvia	70	50	**1, 077**	901
Shanghai New Xing Yang Marine Services Co. Ltd	China	40	40	**189**	187
				218,953	216,388
Terminals material joint ventures:					
Oiltanking Stolthaven Antwerp, NV	Belgium	50	50	**110,781**	100,121
Jeong-IL Stolthaven Ulsan Co. Ltd	South Korea	50	50	**119,267**	102,150
Tianjin Lingang Stolthaven Terminal Co.	China	65	50	**24,586**	19,577
Tianjin Lingang Stolthaven Jetty Company	China	40	50	**12,945**	11,714
Terminals non-material joint venture:					
Stolthaven (Westport) Sdn. Bhd.	Malaysia	49	50	**8,072**	8,577
				275,651	242,139
Tank Containers non-material joint ventures:					
Hyop Woon Stolt Transportation Services Co. Ltd	South Korea	50	50	**3,503**	3,054
Kanoo Tank Services Ltd.	Saudi Arabia	60	50	**16,864**	16,854
Stolt Rail Logistics Systems Limited[2]	India	50	50	**–**	4,184
Vado Tank Cleaning SRL	Italy	50	50	**1,761**	1,807
Laem Chabang Tank Service Co. Ltd.	Thailand	49	49	**1,289**	1,194
FSTS CO., Ltd	Thailand	49	49	**834**	773
Joint Tank Services FZCO[3]	UAE	40	40	**–**	2,170
				24,251	30,036
SN Gas material joint ventures:					
Avenir LNG Limited	Bermuda	46	46	**59,319**	45,866
Subtotal				**578,174**	534,429
Associates:					
Non-material associates:					
Brovig SS II Indre Selskap	Norway	50	50	**5,137**	5,358
N.C. Stolt Transportation Services Co. Ltd	Japan	50	50	**1,186**	1,153
Norterminal A.S.	Norway	25	25	**1,017**	1,155
N.C. Stolt Chuyko Transportation Services Co. Ltd	Japan	35	35	**470**	433
Subtotal				**7,810**	8,099
				$ 585,984	$ 542,528

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 and Avenir LNG Limited which operate on a world-wide or regional basis.

2. The Group's 50% holding in Stolt Rail Logistics Systems Limited was sold during November 2020 to joint venture partner Ganesh Benzoplast Limited ("GBL") in exchange for shares in GBL. See Note 18.

3. Joint Tank Services FZCO was fully impaired in 2020.

Notes to the Financial Statements *continued*

(in thousands)	Joint Ventures	Associates	Total
Balance, December 1, 2018	**$ 545,170**	**$ 9,336**	**$ 554,506**
Share of profit of joint ventures and associates	23,133	43	23,176
Dividends	(15,317)	(585)	(15,902)
Net foreign exchange differences	(9,461)	(45)	(9,506)
Net (loss) gain on cash flow hedges held by joint ventures and associates	(6,940)	37	(6,903)
Repayment of advances to joint ventures, net	(2,014)	–	(2,014)
Net actuarial loss on pension schemes held by joint venture	(497)	–	(497)
Investment in joint venture	382	–	382
Disposal of associate	–	(687)	(687)
Other	(27)	–	(27)
Balance, November 30, 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 Avenir LNG Limited	15,000	–	15,000
Disposal of joint venture	(4,794)	–	(4,794)
Other	459	–	459
Balance, November 30, 2020	**$ 578,174**	**$ 7,810**	**$ 585,984**

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, 2020 and 2019. They 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 A.S.	
(in thousands)	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Selected Balance Sheet Information										
Cash and cash equivalents	**$ 12,750**	$ 7,123	**$ 5,735**	$ 3,465	**$ 16,270**	$ 11,007	**$ 11,372**	$ 10,521	**$ 18,182**	$ 17,104
Current assets, other than cash	**7,369**	7,286	**7,777**	12,523	**5,124**	10,478	**7,960**	5,400	**7,696**	10,747
Current assets	**20,119**	14,409	**13,512**	15,988	**21,394**	21,485	**19,332**	15,921	**25,878**	27,851
Non-current assets	**160,722**	170,634	**42,196**	42,582	**189,406**	202,918	**61,045**	61,835	**319,811**	329,755
Total Assets	**180,841**	185,043	**55,708**	58,570	**210,800**	224,403	**80,377**	77,756	**345,689**	357,606
Financial liabilities, other than accounts payable	**7,811**	32,081	**–**	–	**10,626**	10,626	**–**	2,620	**16,356**	16,368
Other current liabilities	**3,189**	231	**6,145**	5,865	**–**	7,307	**5,795**	5,027	**–**	–
Current liabilities	**11,000**	32,312	**6,145**	5,865	**10,626**	17,933	**5,795**	7,647	**16,356**	16,368
Financial liabilities	**120,485**	115,741	**–**	–	**117,490**	127,072	**–**	–	**183,998**	200,914
Non-current liabilities	**8,787**	–	**–**	–	**1,932**	1,200	**–**	–	**2,942**	4,532
Total non-current liabilities	**129,272**	115,741	**–**	–	**119,422**	128,272	**–**	–	**186,940**	205,446
Net Assets	**$ 40,569**	$ 36,990	**$ 49,563**	$ 52,705	**$ 80,752**	$ 78,198	**$ 74,582**	$ 70,109	**$ 142,393**	$ 135,792
Selected Income Statement Information										
Operating revenue	**$ 45,190**	$ 40,996	**$ 77,797**	$ 87,397	**$ 47,592**	$ 70,735	**$ 32,986**	$ 32,859	**$ 58,180**	$ 53,354
Depreciation and amortisation	**11,845**	12,629	**13,699**	–	**13,233**	15,797	**4,470**	4,665	**13,809**	13,985
Finance income	**–**	–	**771**	1,466	**53**	93	**–**	15	**102**	259
Finance expense	**4,909**	6,250	**6,572**	27	**2,990**	4,798	**–**	–	**10,161**	11,737
Profit (loss) before taxes	**6,712**	1,450	**(3,142)**	(2,650)	**3,903**	(841)	**4,695**	3,866	**9,884**	4,019
Income tax expense	**–**	–	**–**	–	**–**	–	**909**	883	**–**	–
Net profit (loss)	**6,712**	1,450	**(3,142)**	(2,650)	**3,903**	(841)	**3,786**	2,983	**9,884**	4,019
Other comprehensive (loss) income	**(3,187)**	(5,600)	**–**	–	**(1,296)**	(1,187)	**5,035**	(809)	**(3,210)**	(7,095)
Total comprehensive income (loss)	**$ 3,525**	$ (4,150)	**$ (3,142)**	$ (2,650)	**$ 2,607**	$ (2,028)	**$ 8,821**	$ 2,174	**$ 6,674**	$ (3,076)
Dividends received by Group	**$ –**	$ –	**$ –**	$ –	**$ –**	$ –	**$ 1,394**	$ 1,147	**$ –**	$ –

Long-term financial liabilities for NYK Stolt Tankers S.A. included shareholder loans of $42.2 million and $51.5 million for the years ended November 30, 2020 and 2019, respectively. $42.0 million of the financial liabilities included in NYK Stolt Shipholding Inc. related to notes payable to Stolt NYK Asia Pacific Services Inc. at both November 30, 2020 and 2019.

Hassel Shipping 4 A.S. included $3.6 million of shareholders loans at November 30, 2019. These were fully repaid during the year ended November 30, 2020.

Notes to the Financial Statements *continued*

(in thousands)	Oiltanking Stolthaven Antwerp, NV 2020	Oiltanking Stolthaven Antwerp, NV 2019	Jeong-IL Stolthaven Ulsan Co. Ltd 2020	Jeong-IL Stolthaven Ulsan Co. Ltd 2019	Tianjin Lingang Stolthaven Terminal Co. 2020	Tianjin Lingang Stolthaven Terminal Co. 2019	Tianjin Lingang Stolthaven Jetty Company 2020	Tianjin Lingang Stolthaven Jetty Company 2019
Selected Balance Sheet Information								
Cash and cash equivalents	**$ 19,285**	$ 9,305	**$ 3,738**	$ 15,935	**$ 1,986**	$ 1,574	**$ 2,752**	$ 1,375
Current assets, other than cash	**15,152**	12,785	**37,431**	10,861	**927**	555	**3,057**	1,701
Current assets	**34,437**	22,090	**41,169**	26,796	**2,913**	2,129	**5,809**	3,076
Non-current assets	**407,350**	356,489	**401,409**	380,245	**43,806**	42,788	**28,424**	27,909
Total Assets	**441,787**	378,579	**442,578**	407,041	**46,719**	44,917	**34,233**	30,985
Financial liabilities, other than accounts payable	**28,849**	35,854	**142,190**	49,045	**2,281**	3,135	**–**	–
Other current liabilities	**11,812**	10,847	**35,470**	9,215	**6,313**	3,547	**1,528**	1,380
Current liabilities	**40,661**	46,701	**177,660**	58,260	**8,594**	6,682	**1,528**	1,380
Financial liabilities	**158,449**	89,044	**35,889**	136,391	**10,530**	13,482	**–**	–
Non-current liabilities	**63,583**	82,438	**541**	17,529	**284**	–	**–**	–
Total non-current liabilities	**222,032**	171,482	**36,430**	153,920	**10,814**	13,482	**–**	–
Net Assets	**$ 179,094**	$ 160,396	**$ 228,488**	$ 194,861	**$ 27,311**	$ 24,753	**$ 32,705**	$ 29,605
Selected Income Statement Information								
Operating revenue	**$ 109,912**	$ 108,934	**$ 90,740**	$ 88,480	**$ 7,872**	$ 5,603	**$ 10,020**	$ 7,776
Depreciation and amortisation	**31,685**	30,625	**11,402**	10,951	**2,728**	2,710	**1,410**	1,489
Finance income	**–**	47	**–**	–	**–**	–	**–**	–
Finance expense	**6,146**	7,175	**4,311**	5,877	**307**	980	**15**	12
Profit (loss) before taxes	**23,351**	24,605	**36,858**	34,460	**827**	(1,817)	**5,527**	3,144
Income tax expense	**6,012**	7,355	**9,492**	7,768	**–**	–	**1,365**	762
Net profit (loss)	**17,339**	17,250	**27,366**	26,692	**827**	(1,817)	**4,162**	2,382
Other comprehensive income (loss)	**13,867**	(5,243)	**14,108**	(9,529)	**1,731**	(252)	**2,043**	(378)
Total comprehensive income (loss)	**$ 31,206**	$ 12,007	**$ 41,474**	$ 17,163	**$ 2,558**	$ (2,069)	**$ 6,205**	$ 2,004
Dividends received by Group	**$ 6,254**	$ 8,868	**$ 3,924**	$ 3,264	**$ –**	$ –	**$ 1,242**	$ 846

In addition to the table above, Avenir LNG Limited is publicly traded on the Norwegian over the counter market ("NOTC"). The financial statements for December 31, 2019 have been filed on the NOTC. Avenir LNG Limited had total assets of $98.4 million, total liabilities of $9.2 million and total net assets of $89.2 million. Results from January 1, 2020 to November 30, 2020 are based on management's best estimate of Avenir LNG Limited's performance. The market price of Avenir LNG Ltd. shares was NOK 5.50 per share at November 30, 2020. The Group owned 64.5 million shares of Avenir LNG Ltd at November 30, 2020.

Tianjin Lingang Stolthaven Terminal Co. has $6.8 million and $7.0 million of shareholder loans at November 30, 2020 and 2019, respectively.

Tianjin Lingang Stolthaven Jetty Company repaid its shareholder loans during November 30, 2019.

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

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 six 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 12 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 11 of 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 A.S. 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 joint venture with Shanghai Junzheng Logistics Co. Ltd to operate chemical tankers in the Chinese coast cabotage market. As of November 30, 2020, the joint venture operated eleven ships.

Avenir LNG is a 46% owned joint venture with Golar LNG Limited and Höegh LNG Holdings Ltd. and supplies LNG for the power, bunkering, trucking and industrial markets. Avenir raised an additional $30 million through the issue of new shares during the year, of which the Group purchased 50% for $15 million and Golar LNG Limited and Höegh LNG Holdings Ltd. purchased $7.5 million each.

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 joint venture as all significant decisions are made unanimously.

Notes to the Financial Statements *continued*

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)	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Net Assets:										
Balance, December 1	**$ 36,990**	$ 41,140	**$ 52,705**	$ 55,355	**$ 78,198**	$ 80,226	**$ 70,109**	$ 70,290	**$ 135,792**	$ 138,868
Profit (loss) for the year	**6,712**	1,450	**(3,142)**	(2,650)	**3,903**	(841)	**3,786**	2,983	**9,884**	4,019
Dividends	**–**	–	**–**	–	**–**	–	**(2,845)**	(2,355)	**–**	–
Other comprehensive (loss) gain	**(3,187)**	(5,600)	**–**	–	**(1,296)**	(1,187)	**5,035**	(809)	**(3,210)**	(7,095)
Other	**54**	–	**–**	–	**(53)**	–	**(1,503)**	–	**(74)**	–
Balance, November 30	**40,569**	36,990	**49,563**	52,705	**80,752**	78,198	**74,582**	70,109	**142,392**	135,792
Percentage owned	**50%**	50%	**50%**	50%	**50%**	50%	**49%**	49%	**50%**	50%
Interest in joint venture	**20,284**	18,495	**24,782**	26,353	**40,375**	39,099	**36,545**	34,353	**71,196**	67,896
Purchase adjustment to property	**–**	–	**–**	–	**–**	–	**–**	–	**3,314**	2,978
Amounts eliminated owing to transactions with the Group	**(484)**	(455)	**–**	–	**–**	–	**–**	–	**–**	–
Advances	**21,094**	25,778	**–**	–	**–**	–	**–**	–	**–**	570
Other	**–**	–	**–**	–	**–**	(28)	**581**	261	**–**	–
Investment in and advances to joint ventures	**$ 40,894**	$ 43,818	**$ 24,782**	$ 26,353	**$ 40,375**	$ 39,071	**$ 37,126**	$ 34,614	**$ 74,510**	$ 71,444

	Oiltanking Stolthaven Antwerp, NV		Jeong-IL Stolthaven Ulsan Co. Ltd		Tianjin Lingang Stolthaven Terminal Co.		Tianjin Lingang Stolthaven Jetty Company	
(in thousands)	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Net Assets:								
Balance, December 1	**$ 160,396**	$ 166,125	**$ 194,861**	$ 184,225	**$ 24,753**	$ 26,822	**$ 29,605**	$ 29,717
Profit (loss) for the year	**17,339**	17,250	**27,366**	26,692	**827**	(1,817)	**4,162**	2,382
Dividends	**(12,508)**	(17,736)	**(7,847)**	(6,527)	**–**	–	**(3,105)**	(2,116)
Other comprehensive loss	**13,867**	(5,243)	**14,108**	(9,529)	**1,731**	(252)	**2,043**	(378)
Balance, November 30	**179,094**	160,396	**228,488**	194,861	**27,311**	24,753	**32,705**	29,605
Percentage owned	**50%**	50%	**50%**	50%	**65%**	65%	**40%**	40%
Interest in joint venture	**89,547**	80,198	**114,244**	97,431	**17,752**	16,090	**13,082**	11,842
Advances	**–**	–	**–**	–	**6,834**	3,487	**–**	–
Purchase adjustment to property	**5,158**	5,114	**–**	–	**–**	–	**–**	–
Goodwill	**16,076**	14,809	**5,023**	4,719	**–**	–	**–**	–
Other	**–**	–	**–**	–	**–**	–	**(137)**	(128)
Investment in and advances to joint ventures	**$ 110,781**	$ 100,121	**$ 119,267**	$ 102,150	**$ 24,586**	$ 19,577	**$ 12,945**	$ 11,714

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 $33.6 million and $39.7 million, and in the non-material associates were $7.8 million and $8.1 million, for the years ended November 30, 2020 and 2019, respectively. The below summarises the financial information of the non-material joint ventures and associates:

(in thousands)	For the years ended November 30, 2020	2019
Joint Ventures		
Profit before taxes	**$ 6,275**	$ 5,241
Income tax expense	**1,226**	1,105
Net profit	**5,049**	4,136
Other comprehensive profit (loss)	**655**	(113)
Total comprehensive income	**$ 5,704**	$ 4,023

(in thousands)	For the years ended November 30, 2020	2019
Associates		
Profit (loss) before taxes	**$ 235**	$ (339)
Income tax expense	**73**	99
Net profit (loss)	**162**	(438)
Other comprehensive loss	**(522)**	(222)
Total comprehensive loss	**$ (360)**	$ (660)

Commitments

The Group has no commitments to joint ventures as of November 30, 2020 other than a commitment to further invest $21.0 million to Avenir LNG Limited. 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. Marketable Securities and 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.

Debt instruments that do not meet the criteria to be classified as amortised cost or FVTOCI are measured at fair value through profit or loss ("FVTPL"). They are initially recognised at fair value and remeasured each period with movements in the carrying amount recognised. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the profit or loss statement within other non-operating income/expense in the period in which it arises. Interest income from these financial assets is included in the finance income.

Equity investments designated at FVTOCI

At November 30, 2020, the Group had an investment in Golar LNG Limited and GBL, that have been designated as FVTOCI as they are strategic investments for the Group.

During the year ended November 30, 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 year-end, owing to the proximity of the sale to November 30, 2020. GBL is listed on the Bombay Stock Exchange.

In 2019, the Group sold its investment in AGHL, which had also been designated as FVTOCI, for proceeds of $25.9 million and recognised a gain of $10.8 million through Shareholders' equity. The sale was due to it no longer being considered a strategic investment.

Dividends of nil and $1.0 million were received for the years ended November 30, 2020 and 2019, respectively.

Notes to the Financial Statements *continued*

Investments in equity instruments decreased owing to the change in fair market value of the Golar LNG Limited shares in 2020, partly offset by the purchase of GBL shares. A summary of changes in value of investments in equity instruments for the year ended November 30, 2020 and the comparative period is summarised below:

As of November 30,	2020	2019	2020	2019	2020	2019	2020	2019
(in thousands)	**Golar LNG Limited**		**AGHL**		**GBL**		**Total**	
Number of equity shares	**2,330**	2,330	–	–	**6,111**	–		
Percentage of shareholding	**2.3%**	2.3%	–	–	**9.8%**	–		
Share price as of November 30	**$9.10**	$13.02	–	–	**$0.835**	–		
(Loss) gain on FVTOCI	**$ (9,133)**	$ (31,733)	–	$ 13,766	**–**	–	**$ (9,133)**	$ (17,967)
Cumulative loss on FVTOCI	**(82,183)**	(73,050)	–	–	**–**	–	**(82,183)**	(73,050)
Value of investment	**$ 21,202**	$ 30,334	–	–	**$ 5,103**	$ –	**$ 26,305**	$ 30,334

19. 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, Provisions).

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 claims. The liabilities associated with the claims are estimated based on the specific merits of the individual claims.

At November 30, 2020 and 2019, the Group included $191.7 million and $207.8 million for long-term insurance claims receivables. For both years, 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*, the collision involving the Stolt Commitment and the September 2019 explosion and fire related to the Stolt Groenland (see in 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 Payables

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)	**2020**	2019
Trade payables	**$ 80,834**	$ 83,903
Withholding and value added tax	**6,561**	5,528
Insurance premiums payable	**3,349**	4,181
Other	**1,286**	546
	$ 92,030	$ 94,158

Contract liabilities

	2020		2019	
(in thousands)	**<1 year**	**>1 year**	<1 year	>1 year
Balance, December 1	**$ 28,477**	**$ –**	$ 38,313	$ –
Revenue recognised (from opening balance)	**(28,477)**	**–**	(38,313)	–
Revenue recognised (current year)	**(980,776)**	**–**	(975,509)	–
Cash received in advance of performance obligation	**1,007,563**	**–**	1,003,986	–
Balance, November 30	**$ 26,787**	**$ –**	$ 28,477	$ –

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, 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 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, 2020, 15.8% of the Group's long-term debt had variable interest rates. At November 30, 2020, 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 2020, the expected coverage from fluctuation in bunker fuel prices under COAs was 68%.

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 Norwegian krone, 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, 2020, 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 approximately 50% to 80% of the Group's expected future foreign currency exposure and 100% of its future committed capital expenditures denominated in foreign currencies.

Notes to the Financial Statements *continued*

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 $198.2 million and cash balance of $187.8 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, 2020	
(in thousands)	**Not Impaired**	**Impaired**
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**
	$ 77,595	**$ 16,077**

	As of November 30, 2019	
(in thousands)	Not Impaired	Impaired
Up to 30 days past due	$ 46,675	$ 357
31 to 60 days past due	11,837	450
61 to 90 days past due	7,999	461
Greater than 91 days past due	24,018	17,006
	$ 90,529	$ 18,274

Excluded from the above are $122.8 million and $103.8 million of customer trade receivables that were not past due as of November 30, 2020 and 2019, respectively.

No collateral is held on any accounts receivable.

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)	**2020**	2019
Allowance for impairment on customer trade receivables, brought forward	**$ 20,213**	$ 22,536
Impairment recovered	**(686)**	(511)
Accounts written off	**(1,297)**	(1,812)
Balance at the end of the year	**$ 18,230**	$ 20,213

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, 2020. There have been no significant changes to the impairment allowance as a result 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.

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 plus or minus transaction costs, in the case of a financial asset or liability not at fair value through profit or loss. 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 end date 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) as had been its investment in AGHL, prior to sale. 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.

Notes to the Financial Statements *continued*

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 directly taken to the income statement.

The Group holds the following financial instruments:

(in thousands)	November 30, 2020 Current	Non-current	Total carrying value	Fair value	November 30, 2019 Current	Non-current	Total carrying value	Fair value
Financial assets								
Financial assets at FVTOCI								
Investments in equity instruments – listed	$ –	$ 26,305	$ 26,305	$ 26,305	$ –	$ 30,334	$ 30,334	$ 30,334
Financial assets at amortised cost								
Cash and cash equivalents	187,767	–	187,767	187,767	136,151	–	136,151	136,151
Restricted cash	109	–	109	109	189	–	189	189
Trade receivables	220,264	–	220,264	220,264	217,909	–	217,909	217,909
Loans and advances to joint ventures and associates	–	39,324	39,324	39,324	–	40,824	40,824	40,824
Other current assets	41,542	–	41,542	41,542	30,568	–	30,568	30,568
	$ 449,682	$ 65,629	$ 515,311	$ 515,311	$ 384,817	$ 71,158	$ 455,975	$ 455,975
Financial liabilities at amortised cost								
Accounts payables, excluding withholding and value added taxes	$ 85,469	$ –	$ 85,469	$ 85,469	$ 88,630	$ –	$ 88,630	$ 88,630
Accrued expenses and accrued voyage expenses	213,902	–	213,902	213,902	206,817	–	206,817	206,817
Dividend payable	13,448	–	13,448	13,448	13,457	–	13,457	13,457
Long-term lease obligations, including current maturities	35,640	157,875	193,515	193,515	–	–	–	–
Long-term debt, including current maturities and excluding debt issuance costs	262,144	2,075,054	2,337,198	2,518,852	292,594	2,084,894	2,377,488	2,555,803
	$ 610,603	$ 2,232,929	$ 2,843,532	$ 3,025,186	$ 601,498	$ 2,084,894	$ 2,686,392	$ 2,864,707

(in thousands)	November 30, 2020 Current	Non-current	Total carrying value	Fair Value	November 30, 2019 Current	Non-current	Total carrying value	Fair Value
Derivative Financial Instruments at fair value								
Assets								
Foreign currency exchange contracts – cash flow hedges	$ 157	$ –	$ 157	$ 157	$ 143	$ –	$ 143	$ 143
Cross-currency interest rate swaps – cash flow hedges	–	9,242	9,242	9,242	–	–	–	–
	$ 157	$ 9,242	$ 9,399	$ 9,399	$ 143	$ –	$ 143	$ 143
Liabilities								
Bunker swaps	$ 251	$ –	$ 251	$ 251	$ 565	$ –	$ 565	$ 565
Cross-currency interest rate swaps – cash flow hedges	53,787	–	53,787	53,787	31,334	75,598	106,932	106,932
Foreign currency exchange contracts	–	–	–	–	739	–	739	739
Interest rate swaps	7,776	21,044	28,820	28,820	2,495	12,382	14,877	14,877
	$ 61,814	$ 21,044	$ 82,858	$ 82,858	$ 35,133	$ 87,980	$ 123,113	$ 123,113

Notes to the Financial Statements *continued*

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 $28.1 million and $32.0 million, as of November 30, 2020 and 2019, respectively. The estimated value of its 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, 2020 and 2019, 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, 2020 and 2019, 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, 2020 and 2019.

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 is based on interest rates as of November 30, 2020 and 2019, 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, 2020 and 2019. 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, 2020 and 2019.

The Group's financial instruments resulted in the following income recognised in the income statement:

	For the years ended November 30,	
(in thousands)	**2020**	2019
Dividends from equity investments held at FVTOCI	**$ –**	$ 1,049

Derivatives

The Group has derivative assets of $9.4 million and $0.1 million as of November 30, 2020 and 2019, respectively and derivative liabilities of $82.9 million and $123.1 million as of November 30, 2020 and 2019, 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, 2020 and 2019, respectively. Derivative financial instruments are measured using inputs other than quoted values. There were no changes in the valuation techniques since November 30, 2019. Net derivative liabilities for cross-currency interest rate swaps are lower by $62.4 million primarily owing to the maturity of the 2020 NOK bond and the partial repayment of the 2021 NOK bond in June 2020. These bonds were fully hedged using cross-currency interest rate swaps.

The bunker contracts were marked-to-market through the income statement and a realised and unrealised loss of $2.6 million was recorded for the year ended November 30, 2020.

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 gains (losses) recognised in equity were as follows at November 30, 2020 and 2019.

	As of November 30,	
(in thousands)	**2020**	2019
Interest rate derivatives	**$ (27,448)**	$ (14,394)
Cross-currency interest rate swaps	**(7,235)**	(5,860)
Foreign currency derivatives	**(10)**	(600)
Foreign exchange and interest rate hedges held by joint ventures	**(8,173)**	(4,297)
Deferred income tax gain on the interest rate derivatives	**1,306**	683
	$ (41,560)	$ (24,468)

Foreign currency

The following foreign exchange contracts, maturing through May 2021, were outstanding as of November 30, 2020 and 2019:

	Purchase	
(in local currency, thousands)	**2020**	2019
Norwegian krone	**–**	78,000
Euro	**23,000**	22,588
Singapore dollar	**1,166**	13,866
British pound	**9,000**	2,600

The US dollar equivalent of the currencies which the Group had contracted to purchase was $40.2 million and $47.6 million as of November 30, 2020 and 2019, 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 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.

For the year ended November 30, 2020, there were no outstanding contracts designated as cash flow hedges included in the hedging reserve that was reclassified from the hedging reserve into earnings. For the year ended November 30, 2019, $2.4 million net unrealised losses were reclassified from the hedging reserve into earnings.

Interest rate and cross-currency interest rate swaps

The Group had interest rate and cross-currency interest rate swaps with notional values of $786.2 million and $785.1 million as of November 30, 2020 and 2019, respectively. These derivatives have been designated as cash flow hedges. For the years ended November 30, 2020 and 2019, $13.5 million and $10.1 million, respectively, were recognised in finance expense. Any remaining amounts currently in other comprehensive income are expected to be reclassified to earnings in between 2021 to 2029.

Maturity of financial liabilities

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**

For the year ended November 30, 2019 (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	$ 88,630	$ –	$ –	$ –	$ 88,630
Accrued expenses and dividend payable	220,274	–	–	–	220,274
Long-term debt and finance leases, including current maturities	292,594	767,433	347,397	970,064	2,377,488
Interest on long-term debt and finance leases	110,871	186,871	111,791	77,625	487,158
Derivative financial liabilities	31,997	79,884	3,063	2,182	117,126
Total contractual obligations	$ 744,366	$ 1,034,188	$ 462,251	$ 1,049,871	$ 3,290,676

Long-term debt in the table above excludes debt issuance costs of $28.1 million and $32.0 million as of November 30, 2020 and 2019, respectively. Derivative financial liabilities are stated at future undiscounted cash flows; therefore, they do not agree to the balance sheet.

Notes to the 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.

There were no outstanding short-term bank loans at November 30, 2020 and November 30, 2019. The short-term bank loans consisted of debt obligations to banks under uncommitted lines of credit and bank overdraft facilities.

Where the Group has the discretion to rollover its obligations for a period of more than 12 months and there is no expectation of settlement within 12 months, the debt is presented as long-term. As of November 30, 2020, the Group had available undrawn committed credit lines of $258.1 million from its Secured Reducing Multi-Currency Revolving Loan Facility Agreement ("Secured RCF").

The Group completed a six-year RCF in 2016 which is secured by 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. As of November 30, 2020 and 2019, the facility was undrawn. Based on available collateral, this line had a maximum amount that could be drawn of $258.1 million for future use at November 30, 2020. The weighted average interest rate was 4.0% and 5.0% for November 30, 2020 and 2019, respectively. See Note 24 for further details.

The Group terminated its Collateralised RCF in November 2020. It was undrawn at November 30, 2019. The Collateralised RCF bore interest at a rate of 3.9% in 2020 (2019: ranging from 3.6% to 4.3%). The weighted average interest rate for these borrowings was 4.0% for November 30, 2020 (2019: 4.1%). See Note 24 for further details.

The Group also has $65.0 million on uncommitted lines of credit facilities which are payable on demand and can be withdrawn by the banks at short notice. As the facilities remained undrawn during the year ended November 30, 2020, there was no average interest rate (2019: average interest rate of 4.1%).

Commitment fees for unused lines of credit were $3.4 million and $4.0 million for the years ended November 30, 2020 and 2019, respectively. See Note 24 for further details.

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, 2020 and 2019, 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 not greater than two-to-one and minimum ratio of consolidated EBITDA to consolidated interest expense of not less than two-to-one. 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, 2020 and 2019, consisted of the following:

(in thousands)	**2020**	2019
Preferred ship fixed rate mortgages:		
Fixed interest rates ranging from 2.7% to 5.4%, maturities vary through 2027	**$ 581,073**	$ 642,808
Preferred ship variable rate mortgages:		
Interest rates ranging from 3.0% to 4.9%, maturities vary through 2029	**364,969**	403,917
Senior secured credit facilities	**771,512**	815,186
Senior unsecured bond issues	**562,599**	466,154
Bank loans:		
Interest rates ranging from 1.75% to 7.7%, maturities vary through 2026	**28,988**	17,461
	2,309,141	2,345,526
Less – current maturities	**(255,805)**	(287,006)
	$ 2,053,336	$ 2,058,520

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

Analysis of net debt

Net debt at November 30, 2020, comprises lease liabilities of $193.5 million (2019: nil) and long-term debt , including current maturities, of $2,309.1 million (2019: $2,345.5 million) less cash and cash equivalents of $187.8 million (2019: $136.2 million).

(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.

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.

Long-term debt

The majority of long-term debt is denominated or swapped into US dollars, with $177.1 million and $179.0 million denominated in other currencies and not swapped to US dollars as of November 30, 2020 and 2019, respectively.

Long-term debt consists of debt collateralised by mortgages on ships, tank containers and terminals, as well as $566.1 million unsecured bond financing at November 30, 2020.

(i) Preferred fixed and variable rate ship mortgages

In August 2019, the Group closed a $415.6 million floating-rate facility with CMB Financial Leasing Co., LTD ("CMBFL Facility"), involving twenty ships. There are equal quarterly payments for each ship for an average tenor of seven years and floating interest rates, ranging from 4.81% to 4.94%. 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.

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 the 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 will be repaid over 10 years. Interest has been fixed at an average rate of 4.94%.

(ii) Senior secured credit facilities

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.

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.

Notes to the Financial Statements *continued*

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.

(iii) 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 was 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 26, 2015, the Group completed the placement of senior unsecured bonds for NOK 1,100.0 million (approximately $142.2 million) in a new five-year bond issue carrying an interest rate of three-month NIBOR plus 4.1%, which was fixed at 6.22% through interest rate swaps. The settlement date for the bonds was April 8, 2015 and it matured on April 8, 2020. Net proceeds from the bond issue were used for general corporate purposes.

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 has swapped the new bonds into US dollar obligations at a fixed interest rate of 5.89%.

(iv) Collateralised RCF

On November 16, 2016, the Group completed a one-year $50.0 million Collateralised Revolving Credit Facility secured by some of the Group's Treasury shares and the Group's holding of Golar LNG Limited shares. The facility was a bilateral loan with Skandinaviska Enskilda Banken AB, has to be repaid in full at maturity, and required sufficient collateral value in the shares at all times. Interest was variable at LIBOR plus 1.8%. During 2019, the facility was reduced to $40.0 million and extended for another 12 months. The Group terminated the Collateralised RCF in November 2020.

(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 $28.1 million and $32.0 million have been netted against long-term debt at November 30, 2020 and 2019, respectively. Debt issuance costs recognised in the income statement as part of effective interest rates were $7.3 million and $8.5 million for the years ended November 30, 2020 and 2019, respectively.

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 plan's 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, 2020, 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. 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.

Notes to the Financial Statements *continued*

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 meeting 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)	**2020**	2019
Present value of funded obligations	**$ (257,336)**	$ (246,728)
Fair value of plans assets	**235,838**	212,914
	$ (21,498)	$ (33,814)

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

	As of November 30,	
(in thousands)	**2020**	2019
Non-current assets	**$ 17,867**	$ 9,694
Non-current liabilities	**(39,365)**	(43,508)
Net accrued cost	**$ (21,498)**	$ (33,814)

US post-retirement healthcare plan

US-based employees retiring from the Group, after attaining the age of 55 with at least 10 years of service with the Group, were eligible to receive post-retirement healthcare coverage for themselves and their eligible dependents. This plan is 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, 2020 and 2019, consisted of the following:

(in thousands)	For the years ended November 30, 2020	2019
Service cost	**$ 543**	$ 438
Interest cost, net	**1,192**	990
Settlement (gain) cost	**(2,302)**	63
Cost of plan administration	**550**	466
Net periodic benefit (income) cost	**$ (17)**	$ 1,957

Impact on equity

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

(in thousands)	For the years ended November 30, 2020	2019
Effect of changes in demographic assumptions	**$ (1,128)**	$ 1,127
Effect of changes in financial assumptions	**(21,999)**	(34,704)
Effect of experience assumptions	**2,509**	(587)
Return on plan assets (excluding interest income)	**31,459**	21,006
Remeasurements recognised in other comprehensive income	**$ 10,841**	$ (13,158)

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

(in thousands)	For the years ended November 30, 2020	2019
Benefit obligations at beginning of year	**$ 246,728**	$ 214,407
Current service cost	**543**	438
Past service cost	**–**	–
Settlement (gain) cost	**(2,302)**	63
Interest cost	**6,816**	8,802
Benefits paid	**(12,028)**	(11,070)
Foreign exchange rate changes	**1,374**	455
Settlement payments	**(4,413)**	(531)
Remeasurements:		
Effect of changes in demographic assumptions	**1,128**	(1,127)
Effect of changes in financial assumptions	**21,999**	34,704
Effect of experience adjustments	**(2,509)**	587
Benefits obligation at end of year	**$ 257,336**	$ 246,728

Notes to the Financial Statements *continued*

Change in plan assets

(in thousands)	For the years ended November 30, 2020	2019
Fair value of plan assets at beginning of year	$ 212,914	$ 194,076
Return on plan assets (excluding interest income)	31,459	21,006
Interest income	5,624	7,812
Company contributions	1,812	1,695
Foreign exchange rate changes	1,020	392
Settlement payments	(4,413)	(531)
Benefits paid	(12,028)	(11,070)
Expenses paid	(550)	(466)
Fair value of plan assets at end of year	$ 235,838	$ 212,914

Change in asset ceiling

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

Participant profile

The defined benefit obligation by participant status is as follows:

(in thousands)	As of November 30, 2020	2019
Actives	$ 55,914	$ 50,038
Vested former employees not yet retired	54,741	61,598
Retirees	146,681	135,092
	$ 257,336	$ 246,728

The number of participants are as follows:

	As of November 30, 2020
Actives	917
Vested former employees not yet retired	562
Retirees	682
	2,161

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, 2020	2019
Weighted-average assumptions to determine projected benefit obligations:		
Discount rate	2.23%	2.94%
Rate of compensation increase	3.92%	3.91%
Rate of pension increases	2.70%	2.69%
Rate of price inflation	2.93%	2.63%
Life expectancy for an individual currently at 65:		
Male	21.1 yrs	22.0 yrs
Female	23.1 yrs	23.5 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.

Healthcare cost trends assume a 6.03% annual rate of increase in the per capita cost of covered healthcare benefits for 2020, reducing gradually each year, reaching an ultimate rate of 4.5% in 2038 and remaining at that level thereafter. Exposure to variances in these 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 2020.

		Impact on Defined Benefit Obligation	
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	0.25%	Decrease by 3.2%	Increase by 3.4%
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 2.8%

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, 2020 and 2019, by category, were as follows:

	As of November 30,			
(in thousands)	**2020**	**%**	2019	%
Cash and cash equivalents	**$ 2,353**	**1%**	$ 1,522	1%
Equity instruments	**96,374**	**41%**	107,728	50%
Debt instruments	**122,702**	**52%**	97,103	46%
Real estate	**10,722**	**4%**	2,988	1%
Investment funds	**1,607**	**1%**	1,697	1%
Assets held by insurance company	**330**	**–**	331	–
Other	**1,750**	**1%**	1,545	1%
Total	**$ 235,838**	**100%**	$ 212,914	100%

The fair value of all plan assets was based on quoted market prices, except for cash.

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 recognising interest and dividend income, realised and unrealised capital gains and losses, employer contributions, expenses and benefit payments.

The Group expects to contribute $0.5 million to its defined benefit pension and post-retirement benefit plans in 2021.

Weighted average duration of the defined benefit obligation is 13.3 years.

Expected maturity analysis of undiscounted pension and post-employment benefits

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**

As of November 30, 2019 (in thousands)	Less than a year	Between 1-2 years	Between 2-5 years	More than 5 years	**Total**
Pension benefits	$ 11,125	$ 10,968	$ 35,167	$ 58,138	**$ 115,398**
Post-employment benefits	614	575	1,595	1,705	**4,489**
Total	**$ 11,739**	**$ 11,543**	**$ 36,762**	**$ 59,843**	**$ 119,887**

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 $17.8 million and $18.5 million for the years ended November 30, 2020 and 2019, respectively.

Notes to the 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 Statements.

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, 2019	**$ 2,711**	**$ 395**	**$ 1,749**	**$ 65**	**$ 199**	**$ 5,119**
Additional provisions recognised, net	5,357	–	24	593	–	5,974
Reductions arising from payments	(809)	(181)	(1,009)	(230)	(124)	(2,353)
Net foreign exchange differences	26	–	21	40	(34)	53
Transfer from long-term provisions	–	–	104	–	479	583
Balance at November 30, 2020	**$ 7,285**	**$ 214**	**$ 889**	**$ 468**	**$ 520**	**$ 9,376**

The claims provision represents short-term claims made against the Group by external parties. See further discussion under Long-term provisions 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 relates to the expected restoration costs on the Wynyard, New Zealand terminal. Restoration is expected to be completed by March 31, 2021. The provision is based on the expected future costs to fully decommission the site.

A restructuring reserve has been established in relation to the closure of the Wynyard, New Zealand terminal. A final payment to operators is expected in March 2021. The amount as at November 30, 2019, related to the closure of an office in Norwalk, Connecticut and move of the functions to the Houston, Texas, office. This was fully utilised during the year.

The onerous contract provision relates 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.

Long–term provisions

(in thousands)	Environmental Provision	Asset Retirement Obligations	Claims Provision	Onerous Contract Provision	Total
Balance at December 1, 2019	**$ 676**	**$ 305**	**$ 207,771**	**$ 634**	**$ 209,386**
Additional (reversal of) provisions recognised, net	(172)	160	(15,953)	–	(15,965)
Net foreign exchange differences	47	(5)	6	62	110
Transfer to short-term provisions	–	(104)	–	(479)	(583)
Balance at November 30, 2020	**$ 551**	**$ 356**	**$ 191,824**	**$ 217**	**$ 192,948**

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, 2020, the remaining environmental provision relates entirely to the Port Alma, Australia terminal.

The asset retirement obligations relate to an obligation to dismantle and/or restore leased property to its pre-leased condition. At November 30, 2020, these amounts relate 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. 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 in Note 29). See Note 19, Insurance claims receivables, 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 relates to the land lease at Wynyard, New Zealand. The lease runs until April 12, 2022, but operations have now ceased.

27. Commitments and Contingencies

As of November 30, 2020, and 2019, the Group had total capital expenditure purchase commitments outstanding of approximately $167.4 million and $96.8 million, respectively. At November 30, 2020, $128.0 million of the total related to tankers and included a commitment to acquire five second-hand tankers from CTG for trading in the Stolt Tankers Joint Service. The Group has also entered into an agreement with NYK Stolt Tankers S.A. ("NST") to sell two of the ships to NST after delivery. The terms with NST are the same as those between the Group and CTG. The five ships, which are 26,000 dwt and with stainless steel cargo sections, were built in China in 2016 and 2017. The ships were delivered from January to March 2021. NST purchased two of the ships upon their delivery.

In addition, the Group has committed to an equity investment in Avenir LNG Limited ("Avenir LNG") for $21.0 million, terminal expansion projects of $9.1 million, tank container projects of $5.0 million and Stolt Sea Farm expansion projects of $2.5 million. Of the total purchase commitments at November 30, 2020, $162.6 million are expected to be paid over the next 12 months from either existing liquidity or external financing, which is in the process of being raised.

Purchase commitments of joint ventures and associates

The Group's joint ventures and associates had $202.4 million of total capital expenditure purchase commitments on November 30, 2020. This amount included commitments for Avenir LNG of $172.4 million for three 7,500 cbm LNG newbuildings and two 20,000 cbm LNG newbuildings. Of this amount, $29.9 million is with recourse to the Group, relating to one 7,500 cbm LNG newbuilding. 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 $83.8 million. A deed of indemnity has been entered into by the Founding Shareholders which limits the Group's recourse to $41.9 million. The remaining $58.7 million of Avenir LNG commitments is without recourse to the Group. Further joint venture commitments include $26.9 million for the terminal joint ventures, which are without recourse to the Group.

Of the total purchase commitments at November 30, 2020 for joint ventures and associates, $134.1 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 cleanup 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 the legality of the original disposal activities.

Actual or discontinued operations in the US may 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 Financial Statements *continued*

28. Related Party Transactions

The Group is controlled and ultimately controlled by trusts 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 $0.1 million and $0.3 million as of November 30, 2020 and 2019, 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, 2020 and 2019. Such loans and advances primarily represent secured housing loans that have been provided to key 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, 2020 and 2019. Interest received was less than $0.1 million for both 2020 and 2019.

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)	**2020**	2019
Board fees	**$ 835**	$ 835
Salary and benefits	**4,563**	4,197
Profit sharing	**837**	136
Long-term incentives	**1,228**	748
Defined benefit pension cost	**300**	129
Defined contribution pension cost	**522**	337
Total compensation and benefits	**$ 8,285**	$ 6,382
Average number of key managers included	**9**	9

At the end of 2020 and 2019, the Board of Directors consisted of seven members.

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)	**2020**	2019
Joint ventures:		
Amounts due from the Group	**$ 13,959**	$ 15,340
Amounts due to the Group	**57,692**	47,670

Included within Amounts due to the Group are $18.4 million and $6.8 million as of November 30, 2020 and 2019, respectively, for receivables from joint ventures and associates. These amounts are reflected in the consolidated balance sheets as Other current assets and, at November 30, 2020, include $5.5 million from NST for the deposit on two of the CTG ships. 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 advance to NST of $21.1 million and $25.8 million as of November 30, 2020 and 2019, respectively, bears interest at six-month LIBOR plus 1%. The Group had also made long-term advances of $18.2 million and $15.0 million to other joint ventures and associates at November 30, 2020 and 2019, respectively. Interest on these range from 4.8% to 6.5% in 2020 and 2019. Interest received in cash for 2020 and 2019 was $0.8 million and $1.0 million, respectively.

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

(in thousands)	For the years ended November 30, 2020	2019
Joint Ventures		
Charter hire revenue*	**$ 103,370**	$ 94,344
Tank container cleaning station revenue	**9,620**	8,664
Charter hire expense	**44,358**	42,867
Management and other expenses	**12,711**	13,669
Freight and joint service commission expense	**1,179**	2,449
Finance expense	**2,460**	1,673
Other expense	**633**	320
Associates		
Bareboat revenue	**$ 2,388**	$ 2,065
Tank container cleaning station revenue	**3,440**	3,106

* The charter hire revenues are amounts distributed to NST and Hassel Shipping 4 A.S., joint ventures of the Group, for their share of the Joint Service's revenue.

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 $1.0 million and $1.2 million as of November 30, 2020 and 2019, 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 2020 and 2019, 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, which is when all parties share in any losses from the voluntary sacrifice of part of a ship or cargo to save the whole in an emergency, has been declared. The wreck of the *Thorco Cloud*, which is in two pieces, will probably 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. In June 2019, the direct action suit filed by the *Thorco Cloud* interests against the Group and its insurers in Norway was rejected by the Court of Appeals. The *Thorco Cloud* interests have appealed the judgment of the Court of Appeals to the Supreme Court. The Supreme Court heard oral arguments during the first quarter of 2020, and decided in July that Norway has jurisdiction over Stolt's P&I insurer GARD. The case has been sent back to the Court of Appeals for its formal decision on GARD's jurisdiction. The hearing was set for December 8, 2020 for a final decision, but no decision has yet been made. The jurisdiction over Stolt companies on the back of GARD's jurisdiction will be decided by the Court of Appeals. However, a further appeal has been taken to the Supreme Court. If leave to appeal is granted by the Court, then the case is likely to be heard between late Spring and Autumn 2021. In addition, the Supreme Court in The Netherlands has decided that it has jurisdiction to decide the limitation case. With this result, the enforcement of any final judgment in Norway will have to be made against the limitation fund(s) in The Netherlands. Nonetheless, allocation of fault for the collision has not yet been determined but any losses, repairs and legal costs will be covered by insurance maintained by the Group, subject to deductibles and certain unrecoverable expenses. At November 30, 2020, 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 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.

Both the state and federal environmental agencies, as well as the Louisiana State Police, have claimed against the terminal for civil penalties 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. The Group challenged the claims. With the exception of one (1) outstanding claim brought by the Louisiana Department of Environmental Quality ("LDEQ"), all of the regulatory claims have been fully resolved. The outstanding LDEQ claim relates to the emergency response costs related to the product releases. Stolthaven has disputed its obligation to pay the alleged amount. Nonetheless, the parties are pursuing a resolution of this matter. It is not expected that the final resolution will have a material effect on the Group's business or financial condition.

Following the flooding at the terminal in New Orleans/Braithwaite, 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 LDEQ. In addition, Stolthaven New Orleans LLC has received a number of claims from residents for costs and/or damages via a claims hotline and all such claims have been made part of the above-referenced litigation. 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 ("STC") 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 shall proceed in 2021. 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 restricted from leaving the country until completion of the Ulsan Coast Guard investigation and a determination is made by the public prosecutor as to whether the officers will be criminally prosecuted by the South Korean prosecutor who is engaged in this case, and who awaits the conclusions of the enquiry. 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, 2020, 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. 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, 2018	16,033,449	813,857	64,133,796	3,255,430
Repurchase of Treasury shares	–	88,643	–	354,570
Balance at November 30, 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**

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, 2020 and 2019, there were 64,133,796 Common Shares issued, of which Treasury shares were 10,610,000 (2019: 3,610,000). 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 ratably 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 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.

On March 16, 2020, the Group's Board of Directors, acting in response to uncertainties created by the ongoing coronavirus pandemic, voted to withdraw its previously announced recommendation of a final dividend for 2019 of $0.25 per Common Share.

On November 21, 2019, 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 27, 2019. The total gross amount of the dividend was $13.5 million, which was classified as an interim dividend and paid on December 11, 2019.

Notes to the Financial Statements *continued*

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. At November 30, 2020, no shares were held as collateral on loans.

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.

Founder's Shares and Treasury shares

As of November 30, 2020, 13,380,949 (2019: 15,130,949) 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, 2020, 10,610,000 (2019: 3,610,000) of Treasury shares were held by the Group. The Group also held 2,652,500 (2019: 902,500) 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, 2020 and 2019, 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)	**2020**	2019
Long-term debt and lease liabilities	**$ 2,502,656**	$ 2,345,526
Equity attributable to equity holders of SNL less intangible assets and excluding other components of equity	**1,634,177**	1,600,882
Debt to tangible net worth	**1.53**	1.47

The debt to tangible net worth of 1.53 at November 30, 2020 is in line with management's expectations and slightly above its target ratio of 1.50 due to the inclusion of the lease liabilities upon the implementation of the IFRS 16 standard on December 1, 2019.

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, "Common Shares, Founder's Shares and Dividends declared", 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 Common Shareholders. 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:

	For the years ended November 30,	
(in thousands, except per share data)	**2020**	2019
Net profit attributable to equity holders of SNL		
From continuing operations	**$ 40,083**	$ 27,881
From discontinued operations	**(13,788)**	(6,838)
Net profit attributable to equity holders of SNL	**26,295**	21,043
Less: Dividends on Founder's Shares	**(67)**	(76)
Net profit attributable to Common Shareholders	**$ 26,228**	$ 20,967
Basic and diluted weighted average shares outstanding	**61,447**	60,585
Basic earnings per share		
From continuing operations attributable to equity holders of SNL	**0.65**	0.46
From discontinued operations	**(0.22)**	(0.11)
Basic earnings per share attributable to equity holders of SNL	**$ 0.43**	$ 0.35
Diluted earnings per share		
From continuing operations attributable to equity holders of SNL	**0.65**	0.46
From discontinued operations	**(0.22)**	(0.11)
Diluted earnings per share attributable to equity holders of SNL	**$ 0.43**	$ 0.35

Notes to the Financial Statements *continued*

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

(in thousands)	For the years ended November 30, 2020	2019
Net profit	**$ 25,368**	$ 19,061
Loss from discontinued operations	**13,788**	6,838
Profit from continuing operations	**39,156**	25,899
Adjustments to reconcile net profit to net cash from operating activities:		
Depreciation of property, plant and equipment	**288,782**	250,956
Amortisation of intangible assets	**3,480**	3,152
Impairment of goodwill and property, plant and equipment	**12,394**	5,500
Reversal of impairment on joint venture loan	**(3,557)**	–
Finance expense, net	**135,667**	136,183
Net periodic benefit expense of defined benefit pension plans	**98**	1,957
Income tax expense	**8,321**	18,534
Share of profit of joint ventures and associates	**(32,437)**	(23,176)
Fair value adjustment on biological assets	**4,985**	3,906
Foreign currency-related loss	**5,258**	2,385
Unrealised bunker hedge (gain) loss	**(314)**	4,690
Loss (gain) on disposal of assets, net	**794**	(2,407)
Changes in assets and liabilities, net of effect of acquisitions and divestitures:		
(Increase) decrease in receivables	**(100)**	22,878
Decrease (increase) in inventories	**890**	(1,544)
Decrease in biological assets	**630**	2,077
Decrease (increase) in prepaid expenses and other current assets	**265**	(3,061)
Increase (decrease) in accounts payable and other current liabilities	**14,618**	(27,646)
Contributions to defined benefit pension plans	**(1,812)**	(1,695)
Dividends from joint ventures and associates	**15,440**	15,902
Other, net	**717**	(3,499)
Cash generated from continuing operations	**$ 493,275**	$ 430,991

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 years ended November 30, 2020 and 2019.

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

	For the years ended November 30,	
(in thousands)	**2020**	2019
Revenue	**$ 4,156**	$ 5,314
Operating expenses	**(5,967)**	(9,920)
Depreciation, amortisation and impairment	**(894)**	(445)
Gross loss	**(2,705)**	(5,051)
Administrative and general expenses	**(1,861)**	(1,787)
Other operating expense	**(13)**	–
Operating loss	**(4,579)**	(6,838)
Finance expense and other expenses	**(99)**	–
Loss from operations	**(4,678)**	(6,838)
Loss recognised on measurement of fair value less cost to sell Caviar	**(9,110)**	–
Loss from Discontinued Operations	**$ (13,788)**	$ (6,838)

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

On December 3, 2020, the Group entered into a $65.0 million fixed-rate term loan facility using Stolthaven Dagenham and Stolthaven Moerdijk 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 commitments and at the end of the agreement, the Group has a balloon obligation of 50% of the total commitment.

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

On December 31, 2020, the Group signed a two-year revolving credit facility secured by the shares in the Group's joint venture, Oiltanking Stolthaven Antwerp NV for $100.0 million. The facility agreement is with DNB and Swedbank.

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, named E&S Tankers, will trade the Group's parcel tankers ranging in size from 2,800 to 11,300.

On January 12, 2021, SNL announced that it is evaluating an initial public offering of its land-based European fish farming business.

On February 11, 2021, the Company's Board of Directors recommended a final dividend for 2020 of $0.25 per share, to be voted on at the Group's Annual General Meeting ("AGM") for shareholders to be held on April 15, 2021. If confirmed by the AGM, the dividend will be paid on May 5, 2021 to shareholders of record as of April 22, 2021

Responsibility Statement

We confirm, to the best of our knowledge, that the consolidated Group and Company Financial Statements for the period December 1, 2019 to November 30, 2020 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 60 to 129 and 131 to 146 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 12, 2021

Income statement

(in thousands)	Notes	For the years ended November 30, 2020	2019
Operating revenue	3	**$ 3,159**	$ –
Administrative and general expenses	4	**(4,414)**	(1,808)
Operating loss		**(1,255)**	(1,808)
Finance expense	9	**(39,519)**	(45,467)
Finance income from related parties	12	**52,065**	74,627
Loss related to guarantee of related party receivable		**(9,775)**	–
Foreign exchange (loss) gain		**(41)**	3
Dividend income	12	**572,000**	29,500
Profit before income taxes		**573,475**	56,855
Income tax expense		**–**	–
Net Profit		**$ 573,475**	$ 56,855

The accompanying notes form an integral part of these Financial Statements.

Statements of Comprehensive Income

(in thousands)	Notes	For the years ended November 30, 2020	2019
Net profit for the year		**$ 573,475**	$ 56,855
Other comprehensive (loss) income:			
Items that may be reclassified subsequently to profit or loss:			
Net loss on cash flow hedges	6	**(34,660)**	(25,001)
Reclassification of cash flow hedges to the income statement	6	**33,281**	19,358
Other comprehensive loss for the year		**(1,379)**	(5,643)
Total comprehensive income		**$ 572,096**	$ 51,212

The accompanying notes form an integral part of these Financial Statements.

Balance Sheet

(in thousands)	Notes	As of November 30, 2020	2019
ASSETS			
Cash and cash equivalents	5	**$ 72**	$ 2
Accounts receivable from subsidiaries	8, 12	**931,015**	1,063,762
Other current assets		**–**	32
Total Current Assets		**931,087**	1,063,796
Long-term receivables from subsidiaries	8, 12	**341,842**	290,262
Investments in subsidiaries	7	**1,576,412**	1,576,412
Derivative financial instruments	6	**9,242**	–
Total Non-Current Assets		**1,927,496**	1,866,674
Total Assets		**$ 2,858,583**	$ 2,930,470
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current maturities of long-term debt	9	**$ 103,344**	$ 135,452
Accounts payable to subsidiaries	12	**12,124**	38,339
Accrued expenses		**1,352**	–
Interest and other payables	9	**4,211**	5,022
Derivative financial instruments	6	**53,787**	31,335
Dividends payable	15	**13,448**	13,457
Total Current Liabilities		**188,266**	223,605
Long-term debt	9	**459,256**	330,702
Long-term payable to subsidiaries	12	**565,190**	1,048,696
Derivative financial instruments	6	**–**	75,598
Total Non-Current Liabilities		**1,024,446**	1,454,996
Total Liabilities		**1,212,712**	1,678,601
Equity			
Founder's Shares	14	**16**	16
Common Shares, par value $1	14	**64,134**	64,134
Paid-in surplus		**396,608**	396,608
Retained earnings		**1,428,002**	867,975
Hedging reserve		**(7,238)**	(5,859)
		1,881,522	1,322,874
Treasury shares		**(235,651)**	(71,005)
Total Shareholders' Equity		**1,645,871**	1,251,869
Total Liabilities and Equity		**$ 2,858,583**	$ 2,930,470

The accompanying notes form an integral part of these Financial Statements.

Statement of Changes in Shareholders' Equity

(in thousands)	Common Shares	Founder's Shares	Paid-in Surplus	Retained Earnings	Hedging Reserve	Treasury Shares	Total Shareholder's Equity
Balance, December 1, 2018	**$ 64,134**	**$ 16**	**$ 396,608**	**$ 837,958**	**$ (216)**	**$ (66,638)**	**$ 1,231,862**
Comprehensive income							
Net Profit	–	–	–	56,855	–	–	56,855
Other comprehensive loss:							
Net loss on cash flow hedge	–	–	–	–	(5,643)	–	(5,643)
Other comprehensive loss	–	–	–	–	(5,643)	–	(5,643)
Total comprehensive income (loss)	**–**	**–**	**–**	**56,855**	**(5,643)**	**–**	**51,212**
Transactions with Shareholders							
Cash dividends paid – $0.50 per Common Share	–	–	–	(26,762)	–	–	(26,762)
Cash dividends paid – $0.005 per Founder's Share	–	–	–	(76)	–	–	(76)
Purchase of own shares	–	–	–	–	–	(4,367)	(4,367)
Total transactions with Shareholders	**–**	**–**	**–**	**(26,838)**	**–**	**(4,367)**	**(31,205)**
Balance, November 30, 2019	**$ 64,134**	**$ 16**	**$ 396,608**	**$ 867,975**	**$ (5,859)**	**$ (71,005)**	**$ 1,251,869**
Comprehensive income							
Net Profit	–	–	–	573,475	–	–	573,475
Other comprehensive loss:							
Net loss on cash flow hedge	–	–	–	–	(1,379)	–	(1,379)
Other comprehensive loss	–	–	–	–	(1,379)	–	(1,379)
Total comprehensive income (loss)	**–**	**–**	**–**	**573,475**	**(1,379)**	**–**	**572,096**
Transactions with Shareholders							
Cash dividends paid $0.25 per Common Share	–	–	–	(13,381)	–	–	(13,381)
Cash dividends paid $0.005 per Founder's Share	–	–	–	(67)	–	–	(67)
Transfer of own shares (see Note 14)	–	–	–	–	–	(164,646)	(164,646)
Total transactions with Shareholders	**–**	**–**	**–**	**(13,448)**	**–**	**(164,646)**	**(178,094)**
Balance, November 30, 2020	**$ 64,134**	**$ 16**	**$ 396,608**	**$ 1,428,002**	**$ (7,238)**	**$ (235,651)**	**$ 1,645,871**

The accompanying notes form an integral part of these Financial Statements.

Statement of Cash Flows

(in thousands)	Note	For the years ended November 30, 2020	2019
Cash generated from operations	16	**$ 21,174**	$ 259,500
Interest paid		**(39,186)**	(46,279)
Debt issuance costs		**(3,220)**	–
Net cash (used in) generated from operating activities		**(21,232)**	213,221
Cash used in investing activities			
Acquisition of shares in Stolt-Nielsen Gas Ltd.	7	**–**	(300)
Net cash used in investing activities		**–**	(300)
Cash flows provided by (used in) financing activities			
Proceeds from issuance of long-term debt		**273,500**	–
Repayment of long-term debt		**(238,733)**	(181,626)
Repurchase of shares		**–**	(4,367)
Dividends paid		**(13,465)**	(26,930)
Net cash flow provided by (used in) financing activities		**21,302**	(212,923)
Net increase (decrease) in cash and cash equivalents		**70**	(2)
Cash and cash equivalents at beginning of year		**2**	4
Cash and cash equivalents at the end of the year		**$ 72**	$ 2

The accompanying notes form an integral part of these Financial Statements.

Notes to the Financial Statements

1. Corporate structure and management

Stolt-Nielsen Limited ("SNL" or the "Company") is a limited liability holding company incorporated in Bermuda on June 11, 2010. The registered address of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, and with the registration number EC 44330.

The object of the Company is the participation in any manner in all commercial, industrial, financial and other enterprises of Bermuda or foreign nationality through the acquisition by participation, subscription, purchase, option or by any other means of all shares, stocks, debentures, bonds or securities; the acquisition of patents and licences which the Company will administer and exploit; the Company may lend or borrow with or without security, provided that any money so borrowed may only be used for the purposes of the Company, or companies which are subsidiaries of or associated with or affiliated with the Company; and in general to undertake any operations directly or indirectly connected with such objectives as permitted by the Bermuda Company Act.

The Company holds direct and indirect investments in various subsidiaries throughout the world which transport, store and distribute bulk liquid chemicals, edible oils and other specialty liquids. Other subsidiaries produce, process and market turbot and sole and distribute Bitumen. In addition, it has other subsidiaries which provide management and agency services to other subsidiaries owned by the Company. The Company also invests in opportunities in Liquefied Natural Gas shipping and distribution through its subsidiary, Stolt-Nielsen Gas Limited.

The functional and presentational currency of the Company is the US dollar. The Company is reimbursed by its subsidiaries for certain administrative and general expenses incurred on behalf of the subsidiaries.

The Company also prepares Consolidated Financial Statements. Both these Financial Statements and the Consolidated Financial Statements are prepared and published according to the provisions of the Bermuda company law.

2. Summary of significant accounting policies

The Financial Statements of Stolt-Nielsen Limited have been using accounting policies consistent with International Financial Reporting Standards as adopted by the European Union ("IFRSs") and interpretations issued by the IFRS Interpretations Committee.

The significant accounting policies used in the preparation of these Financial Statements are given below.

Basis of measurement

The Financial Statements are prepared on the historical cost basis with the exception of derivatives which are recorded at fair value.

Going Concern

Management is of the opinion that the Company's ability to borrow internally from subsidiaries and receive dividends will continue to provide the cash necessary to fully repay the Nordic bond debt of $153.7 million upon maturity in March 2021 and satisfy the Company's working capital requirements, as well as to make scheduled debt repayments, remain in compliance with the Company's financial covenants and satisfy the Group's other financial commitments for the next twelve months. In addition, after November 30, 2020, the Company entered into a $65.0 million loan facility using Stolthaven Dagenham and Stolthaven Moerdijk as collateral (see Note 17, Subsequent events).

The Covid-19 pandemic has resulted in significant disruptions in global economic activities. The Company has attempted to maintain normal operations within the guidelines of governmental requirements. The Company has considered Covid-19's impact on its liquidity in connection with the use of a going concern basis of presentation in the preparation of the financial statements. While the scale and duration, as well as the impact of Covid-19, remain uncertain, having considered various downside scenarios involving the Company and its subsidiaries, Management is of the opinion that the Company's access to secured financing and available credit facilities through its subsidiaries will continue to provide the cash necessary to satisfy the Company's working capital requirements and scheduled debt repayments for the next twelve months from the date the accounts are signed. Therefore, the Company continues to adopt the going concern basis in preparing its Consolidated Financial Statements.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term time deposits, which are subject to an insignificant risk of changes in value.

Financial assets

The Company classifies its financial assets at amortised cost only if both of the following criteria are met: the asset is 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 Company's assets are measured at amortised cost include trade and other receivables and cash and cash equivalents.

Impairment of financial assets

As required by IFRS 9, the Company adopted an "expected credit loss model", as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each year end or half-year end date 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 Company 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).

Investments in subsidiaries

The Company accounts for its investments in subsidiaries at historical cost. At each reporting date investments in subsidiaries are assessed for an indication of impairment. As the investments in subsidiaries are not listed on a stock exchange or dealt in another regulated market, market value corresponds to the probable market or recovery value estimated by management. Any potential impairment is determined on a basis consistent with the accounting policy for goodwill. At November 30, 2020, no indication of impairment was identified.

Interest-bearing borrowings

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.

Foreign currency transactions

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 retranslated 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 value was determined.

Derivative financial instruments and hedging

The Company enters into forward exchange contracts to hedge foreign currency transactions and interest rate swaps to hedge the risk of variability of interest payments or a combination of these transactions. No instruments are held for speculative purposes.

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 depends on the nature of the item being hedged. The impact in the income statement is shown in interest, foreign exchange or operating expenses, as appropriate, based on the underlying of the derivative.

(i) Determination of fair value

The fair value of interest rate swaps is the estimated amount that the Company would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date.

(ii) Cash flow hedges

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 equity. Any ineffective portion of the hedge is recognised immediately in the income statement.

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 equity is recognised in the income statement immediately.

Notes to the Financial Statements *continued*

Equity capital stock

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

Operating Revenue

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

Operating revenue represents amounts invoiced to the Company's direct and indirect subsidiaries for administrative and general services. It is determined based on the cost of services provided and is recognised in the period in which the services are rendered.

Finance expenses

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

Taxes

The Company is incorporated in Bermuda, which is a non-taxable jurisdiction.

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. Interim dividends are recognised when approved by the Board of Directors.

Critical accounting policies

The carrying value of the Company's investment is considered to be a critical accounting policy.

The fair value of cross-currency interest rate swaps is based on discounted cash flow models based on the valuations received from brokers, taking into account current interest rates and foreign exchange rates and the current creditworthiness of the swap counterparties.

See the Critical Accounting Judgements and Key Sources of Estimation in the Consolidated Financial Statements of Stolt-Nielsen Limited included herein.

3. Operating revenue

	For the years ended November 30,	
(in thousands)	**2020**	2019
Revenue from rendering of services	**$ 3,159**	$ –
Total	**$ 3,159**	$ –

4. Administrative and general expenses

Each non-executive Director receives a Board fee and additional fees are paid for legal, investor relations and other expenses.

	For the years ended November 30,	
(in thousands)	**2020**	2019
Board fees and other related costs	**$ 949**	$ 962
Professional fees	**2,626**	284
Other	**839**	562
Total	**$ 4,414**	$ 1,808

At the end of 2020 and 2019, the Board of Directors consisted of seven members. Of the administrative and general amount above, $3.2 million has been rebilled to SNL's subsidiaries through revenue. See note 3 above.

5. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term time deposits, which are subject to an insignificant risk of changes in value.

6. Derivative assets and liabilities

	November 30, 2020		November 30, 2019	
(in thousands)	**Assets**	**Liabilities**	Assets	Liabilities
Current portion	**$ –**	**$ 53,787**	$ –	$ 31,335
Non-current portion	**9,242**	**–**	–	75,598
	$ 9,242	**$ 53,787**	$ –	$ 106,933

The Company's derivative activities are financial instruments not traded on a stock exchange but entered into with major financial institutions for hedging the Company's long-term debt and which subject the Company to a minimum level of counterparty risk. The Company 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 net loss recognised in equity for cross-currency interest rate swaps was $1.4 million for the year ended November 30, 2020, and $5.6 million for the year ended November 30, 2019.

The notional value of the cross-currency interest rate swaps was $427.2 million and $392.5 million as of November 30, 2020 and 2019, respectively. These derivatives have been designated as cash flow hedges. For the years ended November 30, 2020 and 2019, $8.0 million and $9.4 million loss, respectively, were recognised in finance expense. The balance is expected to be reclassified to earnings in 2021 to 2024. Nothing has been reclassified into earnings for the ineffective portion of the derivative instruments for the years ended November 30, 2020 or 2019.

7. Investments in subsidiaries

Investments in which the Company holds at least 20% in their share capital are as follows:

Undertakings Name (Legal Form) (in thousands)	Registered Office	Ownership %	November 30, 2019	Additions/ (deductions)	**November 30, 2020**
Stolt-Nielsen M.S. Ltd	Bermuda	100%	$ 17	$ –	**$ 17**
Stolt-Nielsen Group Resources Ltd	Liberia	100%	327,680	–	**327,680**
Stolt Tankers Limited	Bermuda	100%	1,038,010	–	**1,038,010**
Stolt-Nielsen Gas Limited	Bermuda	100%	64,252	–	**64,252**
Stolt-Nielsen Investments Pte	Singapore	100%	1,658	–	**1,658**
Stolt Tankers Holdings Ltd	Bermuda	100%	144,785	–	**144,785**
Stolt-Nielsen Finance Limited	Bermuda	100%	10	–	**10**
			$ 1,576,412	$ –	**$ 1,576,412**

The following direct or indirect subsidiaries of the Company are considered to be significant as either their consolidated assets or revenues contribute 5% or more of the results of Consolidated Stolt-Nielsen Limited:

Undertakings Name (Legal Form)	Registered Office	Ownership %
Stolt-Nielsen Investment Pte Ltd	Singapore	100%
Stolt-Nielsen Investments B.V.	The Netherlands	100%
Stolt-Nielsen Holdings B.V.	The Netherlands	100%
Stolt-Nielsen B.V.	The Netherlands	100%
Stolt-Nielsen USA Inc.	USA	100%
Stolthaven Houston Inc.	USA	100%
Stolt Sea Farm Investments B.V.	The Netherlands	100%
Stolt Tank Containers B.V.	The Netherlands	100%
Stolthaven Terminals B.V.	The Netherlands	100%
Stolthaven Singapore Pte Ltd	Singapore	100%
Stolt Tankers Holdings Ltd	Bermuda	100%
Stolt Tank Containers Ltd	Bermuda	100%
Stolt Tankers Limited	Bermuda	100%
Stolt Tankers Investments Pte. Ltd.	Singapore	100%
Stolt Tankers Investments B.V.	The Netherlands	100%
Stolt Tankers B.V.	The Netherlands	100%

Notes to the Financial Statements *continued*

8. Financial instruments and risk management

Financial risk management

The Company's objectives when managing capital are to safeguard the Company and its subsidiaries' 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 Company and its subsidiaries' activities expose it to a variety of financial risks such as market risk (including currency risk, cash flow interest rate risk and price 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 the Company and its subsidiaries' financial performance.

Risk management is carried out by a central Treasury department under policies approved by the Board of Directors. The Company's Treasury identifies, evaluates and hedges financial risks in close cooperation with the Company'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. All risk management is performed for the Company and its subsidiaries on a consolidated basis.

Fair value of financial instruments

The following estimated fair value amounts of financial instruments have been determined by the Company, 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:

As of November 30, (in thousands)	**2020 Carrying Amount**	**2020 Fair Value**	2019 Carrying Amount	2019 Fair Value
Financial assets at amortised cost:				
Cash and cash equivalents	**$ 72**	**$ 72**	$ 2	$ 2
Accounts receivable from subsidiaries	**931,015**	**931,015**	1,063,762	1,063,762
Other current assets	**–**	**–**	32	32
Long-term receivable from subsidiaries	**341,842**	**341,842**	290,262	290,262
Financial liabilities at amortised cost:				
Accounts payable to subsidiaries	**12,124**	**12,124**	38,339	38,339
Interest payable	**4,211**	**4,211**	5,022	5,022
Dividend payable	**13,448**	**13,448**	13,457	13,457
Long-term payable to subsidiaries	**565,190**	**565,190**	1,048,696	1,048,696
Long-term debt, including current maturities	**566,068**	**569,746**	466,154	472,600
Derivative financial instruments at fair value:				
Cross-currency interest rate swaps assets	**9,242**	**9,242**	–	–
Cross-currency interest rate swaps liability	**53,787**	**53,787**	106,932	106,932

The carrying amount of cash and cash equivalents, accounts receivable from subsidiaries, other current assets, accounts payable to subsidiaries, interest payable and dividend payable are a reasonable estimate of their fair value, owing to the short maturity thereof.

The estimated value of the Company's long-term debt is based on trading values as of November 30, 2020 and 2019. Market value of cross-currency interest rate swaps was estimated based on the amount the Company would receive or pay to terminate its agreements as of November 30, 2020 and 2019. Long-term debt in the table above excludes debt issuance costs of $3.5 million and $1.7 million for the years ended November 30, 2020 and 2019, respectively.

The Company has no financial assets which would otherwise have been past due or impaired that have been renegotiated.

Maturity of financial liabilities

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:										
Interest payable	$	**4,211**	$	**–**	$	**–**	$	**–**	$	**4,211**
Dividend payable		**13,448**		**–**		**–**		**–**		**13,448**
Long-term debt, including current maturities		**104,345**		**315,551**		**146,173**		**–**		**566,069**
Interest on long-term debt		**30,543**		**38,848**		**1,968**		**–**		**71,359**
Derivative financial liabilities		**53,787**		**–**		**–**		**–**		**53,787**
Total contractual obligations	**$**	**206,334**	**$**	**354,399**	**$**	**148,141**	**$**	**–**	**$**	**708,874**

For the year ended November 30, 2019 (in thousands)		Less than 1 yr		2-3 yrs		4-5 yrs		More than 5 yrs		Total
Contractual obligations:										
Interest payable	$	5,022	$	–	$	–	$	–	$	5,022
Dividend payable		13,457		–		–		–		13,457
Long-term debt including current maturities		135,452		330,702		–		–		466,154
Interest on long-term debt		30,091		29,185		–		–		59,276
Derivative financial liabilities		31,335		75,598		–		–		106,933
Total contractual obligations	$	215,357	$	435,485	$	–	$	–	$	650,842

Long-term debt in the table above excludes debt issuance costs of $3.5 million and $1.7 million for the years ended November 30, 2020 and 2019, respectively. Derivative financial liabilities are stated at future undiscounted cash flows; therefore, they do not agree to the balance sheet.

Market risk

The Company is exposed to market risk, including changes in interest rates and currency exchange rates. To manage the volatility relating to these exposures, the Company enters into derivative transactions in accordance with Company 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.

Concentration of credit risk

Receivables are from subsidiaries and with counterparties on derivative financial instruments. The maximum exposure to credit risk is the Accounts Receivable balance of $931.0 million. The Company reviews the financial instrument counterparties' credit ratings upon entering into a derivative contract. There are no past due receivables and no allowance for doubtful accounts.

Liquidity risk

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

Fair value estimation

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

- 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 Company's derivative assets of $9.2 million and nil as of November 30, 2020 and 2019 and derivative liabilities of $53.8 million and $106.9 million as of November 30, 2020 and 2019, respectively, are measured using inputs other than quoted prices (Level 2).

Notes to the Financial Statements *continued*

9. Long-term debt and finance expenses

On June 16, 2020, SNL completed a placement of senior unsecured bonds for NOK 1.25 billion (swapped into $132.0 million) in a new three-year bond issue at a coupon of three months NIBOR plus 4.5%. SNL swapped the bond proceeds into a US dollar obligation at a fixed interest rate of 5.19%. 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, SNL completed a placement of senior unsecured bonds for NOK 1.3 billion (swapped into $141.5 million) in a new four-year bond issue at a coupon of three months NIBOR plus 3.65%. SNL swapped the bond proceeds into a US dollar obligation at a fixed interest rate of 5.44%. Net proceeds from the bond issue were used to repurchase $44.8 million of the SNI06 bonds with maturity date of April 8, 2020 and for general corporate purposes.

The Company announced on September 8, 2017, 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 November 16, 2016, SNL completed a one-year $50.0 million Collateralised Revolving Credit Facility secured by some of SNL's Treasury shares and Stolt-Nielsen Gas Limited's holding of Golar shares. During 2017, the facility was extended for another 12 months and the limit on it increased to $60.0 million. The facility, a bilateral loan with Skandinaviska Enskilda Banken AB, had to be repaid in full at maturity and required sufficient collateral value in the shares at all times. Interest was variable at LIBOR plus 1.8%. During 2018, the facility was extended for another 12 months. In November 2019, the facility was reduced to $40.0 million and in November 2020 the facility was terminated.

On June 8, 2016, the Company completed the 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 Company swapped the bond volumes into US dollar obligations at fixed interest rates of 5.49% for 2019, 5.78% for 2020 and 5.99% for 2021 bond issuances.

The Company announced on March 26, 2015, the placement of senior unsecured bonds for NOK 1,100.0 million (approximately $142.2 million) in a new five-year bond issue carrying a coupon rate of three-month NIBOR plus 4.1%, which was fixed at 6.22% through interest rate swaps. It matured on April 8, 2020.

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 has swapped the new bonds into US dollar obligations at a fixed interest rate of 5.89%.

Finance expenses of $39.5 million and $45.5 million relate to the senior unsecured bond issue and revolving credit facility for the years ended November 30, 2020 and 2019, respectively.

Debt issuance costs of $3.5 million and $1.7 million have been netted against long-term debt at November 30, 2020 and 2019, respectively. Debt issuance costs recognised as part of effective interest rates were $1.5 million and $1.4 million for each of the years ended November 30, 2020 and 2019.

10. Other payables

At November 30, 2020, the balance of other payables mainly related to the 2020 interim dividend of $13.4 million and interest payable of $4.2 million on long-term debt.

At November 30, 2019, the balance of other payables mainly related to the 2019 interim dividend of $13.5 million and interest payable of $5.0 million on long-term debt.

11. Commitments and contingencies

As of November 30, 2020, the Company has guaranteed substantially all of the $1,746.5 million in long-term debt obligations of its direct and indirect subsidiaries. In addition, it guarantees $20.0 million of the debt of Hassel Shipping 4 A.S. and a facility for bunker purchases for $3.0 million as well as certain subsidiaries' related party debt.

As of November 30, 2020, the Company's subsidiaries and certain of its indirect subsidiaries had $258.1 million of committed lines undrawn and available for future use, with no amounts outstanding. Substantially, all of the committed and uncommitted bank loans outstanding under these credit facilities at November 30, 2020 are guaranteed by the Company. Several of the credit facilities contain various financial covenants, which, if not complied with, could limit the ability to draw funds from time to time.

Substantially, all debt held by subsidiaries is secured on assets owned by the Company's subsidiaries; therefore, no liability has been recorded in relation to the fair value of this guarantee.

Subsidiaries of the Company have entered into contracts for the purchase of foreign currencies under their foreign exchange lines with various banks. Any contracts entered into pursuant to these lines generally are guaranteed by the Company. Certain currency positions entered into by these subsidiaries effectively have been closed by entering into offsetting foreign exchange contracts. At November 30, 2020, the total value of the currencies which these subsidiaries had contracted to purchase pursuant to open foreign exchange contracts maturing through May 2021 was $40.2 million.

In 2020, the Company recorded a $9.8 million loss relating to its guarantee of related party debt for Stolt-Nielsen B.V.

12. Related party transactions

In 2016, SNL entered into a related party loan with Stolt-Nielsen Acquisition Holdings Ltd (now Stolt Tankers Limited) for $50.0 million in relation to the acquisition of Jo Tankers ("JoT"). This loan was restructured in November 2017 and included in a new related party loan between SNL and Stolt Tankers Limited for $757.4 million. Interest on the loan is based on the average cost of funds of Consolidated SNL. A loan has been entered into between SNL and Stolt-Nielsen MS Limited for $874.3 million with interest at the average cost of the bond debt. In addition, SNL and Stolt Tankers B.V. has entered into a $5.3 million note with interest based on LIBOR plus a mark-up. All remaining receivables and payables to subsidiaries at November 30, 2019, are non-interest bearing and repayable on demand with the majority being denominated in US dollars. Their market value and contractual balances are in line with amounts recorded.

At November 30, 2020, no receivables are overdue or impaired. The maximum exposure to credit risk is the carrying value of the receivables.

	As of November 30,	
(in thousands)	**2020**	2019
Accounts receivable from subsidiaries		
Stolt-Nielsen Investment Holdings B.V.	**$ 898,890**	$ 898,890
Stolt-Nielsen M.S. Ltd (Bermuda)	**29,892**	–
Stolt-Nielsen Finance Limited ("SNFL")	**–**	164,646
Other	**2,233**	226
	$ 931,015	$ 1,063,762
Accounts payable to subsidiaries		
Stolt-Nielsen Indian Ocean and Middle East Service, Ltd.	**$ –**	$ 37,543
Stolt-Nielsen B.V.	**10,035**	–
Other	**2,089**	796
	$ 12,124	$ 38,339
Long-term receivable from subsidiaries		
Stolt Tankers Limited	**$ 341,842**	$ 290,262
	$ 341,842	$ 290,262
Long-term payable to subsidiaries		
Stolt-Nielsen M.S. Ltd (Bermuda)	**$ 305,132**	$ 788,637
Stolt-Nielsen Group Resources Ltd	**260,048**	260,049
Other	**10**	10
	$ 565,190	$ 1,048,696

Notes to the Financial Statements *continued*

Receivables from subsidiaries of $931.0 million were primarily the result of the historical issuance of shares, proceeds from long-term debt issuance, payment of dividends and billings of expenses to subsidiaries, prior acquisitions of investments, receipt of dividends from subsidiary companies and normal expenses. In 2020, upon the termination of the Collateralised revolving credit facility, SNL's treasury shares were transferred back to SNL from SNFL and SNFL's $164.6 million receivable settled.

The long-term receivable from Stolt Tankers Ltd related to an acquisition in 2016.

Dividends received of $572.0 million were from Stolt Tankers Holdings Ltd for the year end November 30, 2020 and $29.5 million from Stolt-Nielsen Group Resources Ltd for the year ended November 30, 2019.

The long-term payable to Stolt-Nielsen Group Resources Ltd and Stolt-Nielsen M.S. Ltd related to the acquisition of a subsidiary, investment in and restructuring of certain of its investments by the Company in 2017 and external dividends, partially offset by the interest-bearing loan discussed above.

The Company has no employees as all services are performed by employees of its subsidiaries. Board of Directors' and key management compensation for SNL are as follows for the years ended November 30, 2020 and 2019:

	For the years ended November 30,	
(in thousands)	**2020**	2019
Board fees	**$ 835**	$ 835
Salary and benefits	**4,563**	4,197
Profit sharing	**837**	136
Long-term incentives	**1,228**	748
Defined benefit pension cost	**300**	129
Defined contribution pension cost	**522**	337
Total compensation and benefits	**$ 8,285**	$ 6,382
Average number of key managers included	**9**	9

Key management includes the Executive Officers and Presidents of the major businesses.

The Company is ultimately controlled by trusts for the benefit of the Stolt-Nielsen family.

13. Legal proceedings

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

During 2020 and 2019, the Company's subsidiaries have been involved in certain civil litigation cases, which are described in Note 29 of the consolidated financial statements.

For the matters described, as each such matter is covered by insurance, the Company has not incurred any legal costs for the years ended November 30, 2020 and 2019.

14. Equity

	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	–	1,750,000	–	7,000,000
Balance at November 30, 2020	**16,033,449**	**2,652,500**	**64,133,796**	**10,610,000**

Under the Bermuda Company Law, Founder's Shares are not considered as representing capital of the Company.

Share rights

The Company'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, 2020, there were 64,133,796 Common Shares issued, of which Treasury shares were 10,610,000 (2019: 3,610,000). 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

Under the Bye-Laws, holders of Common Shares and Founder's Shares participate in annual dividends, if any are declared by the Company, 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 out 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 Company must first be paid and thereafter all remaining assets of the Company are paid to the holders of Common Shares and Founder's Shares in the following order of priority: (i) Common Shares ratably 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.

Treasury shares – transfer

At November 30, 2019, the Company had pledged 7,000,000 Treasury shares as collateral for a loan and shares transferred to a subsidiary of the Company. On November 26, 2020, the Company cancelled the collateralised loan and the treasury shares transferred back to the Company's Treasury shares. At November 30, 2020, no shares were held as collateral on loans.

Founder's Shares and Treasury shares

As of November 30, 2020, 13,380,949 (2019: 15,130,949) 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, 2020, 10,610,000 (2019: 3,610,000) of Treasury shares were held by the Company. The Company also held 2,652,500 (2019: 902,500) of Founder's Shares. Note that dividends are not paid on Treasury shares held by the Company.

Share repurchase

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.

Capital management

The Company defines capital as net debt and Shareholders' equity. The Company's objectives when managing capital are to safeguard the Company'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 Company may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares, repurchase shares or sell assets to reduce debt. Capital management for the Company is performed on a consolidated basis with its subsidiaries. See the Consolidated Financial Statements of Stolt-Nielsen Limited for further discussion of how Consolidated Stolt-Nielsen Limited manages its capital.

Notes to the Financial Statements *continued*

15. Dividends

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.

On March 16, 2020, the Group's Board of Directors acting in response to uncertainties created by the ongoing coronavirus pandemic, voted to withdraw its previously announced recommendation of a final dividend for 2019 of $0.25 per Common Share.

On November 21, 2019, 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 27, 2019. The total gross amount of the dividend was $13.5 million, which was classified as an interim dividend and paid on December 11, 2019.

16. Reconciliation of net profit to cash generated from operations

	For the years ended November 30,	
(in thousands)	**2020**	2019
Net profit	**$ 573,475**	$ 56,855
Adjustments to reconcile net profit to net cash from operating activities:		
Finance expense	**39,519**	45,467
Finance income	**(52,065)**	(74,627)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivables and payables from subsidiaries, net	**(541,136)**	186,329
Decrease in other current assets	**32**	7,669
Increase in accounts payable and accrued expenses	**1,340**	37,910
Other	**9**	(103)
Cash generated from operations	**$ 21,174**	$ 259,500

17. Subsequent events

On December 3, 2020, the Company entered into a $65.0 million fixed-rate term loan facility using Stolthaven Dagenham and Stolthaven Moerdijk 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 commitments and at the end of the agreement, a subsidiary of the Company has a balloon obligation of 50% of the total commitment.

On December 7, 2020, Stolt-Nielsen Gas Limited acquired 342,857 shares of Golar LNG Limited shares at $8.75 per share.

On December 31, 2020, Stolthaven Terminals BV signed a two-year revolving credit facility secured by the shares in the joint venture, Oiltanking Stolthaven Antwerp for $100.0 million. The facility is with DNB and Swedbank.

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, named E&S Tankers, will trade Stolt Tankers BV subsidiaries' parcel tankers ranging in size from 2,800 to 11,300.

On January 12, 2021, SNL announced that it is evaluating an initial public offering of its land-based European fish farming business.

On February 11, 2021, the Company's Board of Directors recommended a final dividend for 2020 of $0.25 per share, to be voted on at the Group's Annual General Meeting (AGM) for shareholders to be held on April 15, 2021. If confirmed by the AGM, the dividend will be paid on May 5, 2021 to shareholders of record as of April 22, 2021.

GRI Content Index

This Annual Report has been prepared following the principles contained within the GRI Standards. We are working towards meeting the Core Standard. The table below provides an overview of the relevant GRI Standards for our material topics listed on page 17 and where to find further information in this report or online. The reporting period for disclosures is predominantly for December 1 to November 30, unless otherwise stated. Our last annual report was published in March 2020.

GRI Standard		Page / Location
GRI Reporting		
101-1	Reporting Principles	Pages 16, 17 and this GRI Content Index
101-2	Using the GRI Standards for sustainability reporting	Pages 17 and this GRI Content Index
101-3	Making claims related to the use of the GRI Standards	Pages 17 and this GRI Content Index
Organisational Profile		
102-1	Name of the organisation	Page 1
102-2	Activities, brands, products, and services	Page 3, 6-14 and www.stolt-nielsen.com
102-3	Location of headquarters	Page 136
102-4	Location of operations	Pages 150-156
102-5	Ownership and legal form	Page 38 and 39
102-6	Markets served	Page 3, 6-14 and www.stolt-nielsen.com
102-7	Scale of the organization	Page 3, pages 27-33 and 150-156
102-8	Information on employees and other workers	Pages 27-33
102-11	Precautionary Principle or approach	Contents page
102-13	Membership of associations	Page 16
Strategy		
102-14	Statement from senior decision-maker	Pages 4 and 5
102-15	Key impacts, risks, and opportunities	Pages 6-14 and 50-53
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	Pages 27-33, 38-41 and www.stolt-nielsen.com/en/about-us/code-of-business-conduct/
102-17	Mechanisms for advice and concerns about ethics	Pages 30, 31, and 35 and www.stolt-nielsen.com/en/contact-us/speak-up/
Governance		
102-18	Governance structure	Pages 35-41
102-20	Executive-level responsibility for economic, environmental, and social topics	Page 16
102-21	Consulting stakeholders on economic, environmental, and social topics	Page 17
102-22	Composition of the highest governance body and its committees	Pages 36, 37, 39 and 40
102-23	Chair of the highest governance body	Page 35
102-24	Nominating and selecting the highest governance body	Page 39
102-26	Role of highest governance body in setting purpose, values, and strategy	Page 35
102-27	Collective knowledge of highest governance body	Pages 35-37
102-29	Identifying and managing economic, environmental, and social impacts	Pages 16-31 and 50-53
102-31	Review of economic, environmental, and social topics	Page 17
102-32	Highest governance body's role in sustainability reporting	Pages 16, 35 and www.stolt-nielsen.com/en/sustainability/policies-and-statements/
Stakeholder Engagement		
102-40	List of stakeholder groups	Page 16
102-43	Approach to stakeholder engagement	Pages 16 and 28
102-44	Key topics and concerns raised	Page 17
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Pages 139 and 150-156
102-47	List of material topics	Page 17
102-48	Restatements of information	Pages 2 and 12
102-49	Changes in reporting	Pages 66-68
102-50	Reporting period	This GRI Content Index
102-51	Date of most recent report	Page 5
102-52	Reporting cycle	This GRI Content Index
102-53	Contact point for questions regarding the report	Page 149
102-54	Claims of reporting in accordance with the GRI Standards	Page 17 and this GRI Content Index
102-55	GRI content index	This GRI Content Index
102-56	External assurance	Pages 54-59

GRI Content Index *continued*

Economic performance		
201-2	Financial implications and other risks and opportunities due to climate change	Page 51
Anti-corruption		
205-2	Communication and training about anti-corruption policies and procedures	Page 30 and www.stolt-nielsen.com/en/sustainability/policies-and-statements/
205-3	Confirmed incidents of corruption and actions taken	Page 31
Energy		
302-1	Energy consumption within the organisation	Page 25
302-3	Energy intensity	Page 25
302-5	Reductions in energy requirements of products and services	Page 25
Water and Effluents		
303-1	Interactions with water as a shared resource	Pages 24 and 25
303-2	Management of water discharge-related impacts	Pages 24 and 25
303-4	Water discharge	Pages 24 and 25
303-5	Water consumption	Pages 24 and 25
Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Pages 12, 13 and 24
304-2	Significant impacts of activities, products, and services on biodiversity	Pages 12, 13, 24 and www.stoltseafarm.com
Emissions		
305-1	Direct (Scope 1) GHG emissions	Pages 22-24
305-4	GHG emissions intensity	Pages 22-24
305-5	Reduction of GHG emissions	Pages 23 and 24
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Pages 22-24
306-3	Waste generated	Pages 22, 25 and 26
306-5	Waste directed to disposal	Pages 22, 25 and 26
307-1	Non-compliance with environmental laws and regulations	Page 20
Employment		
401-1	New employee hires and employee turnover	Pages 30 and 32
Occupational Health and Safety		
403-1	Occupational health and safety management system	Pages 19 and 20
403-2	Hazard identification, risk assessment, and incident investigation	Page 20
403-5	Worker training on occupational health and safety	Pages 19, 20 and 31
403-6	Promotion of worker health	Pages 19, 20, 28 and 31
403-8	Workers covered by an occupational health and safety management system	Pages 19 and 20
403-9	Work-related injuries	Pages 18 and 21
Training and Education		
404-1	Average hours of training per year per employee	Page 19 (Total for seafarers only)
404-2	Programmes for upgrading employee skills and transition assistance programs	Pages 19, 20, 29 and 30
404-3	Percentage of employees receiving regular performance and career development reviews	Page 29
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Pages 27, 30, 32 and 33
Forced or Compulsory Labour		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 30 and www.stolt-nielsen.com/en/sustainability/policies-and-statements/

Shareholder information

Stock Listing
Common Shares
On Oslo Børs under symbol SNI

Shares Outstanding
(as of November 2020)
Common Shares – 53,523,796
Country of Incorporation: Bermuda

Annual General Meeting
April 15, 2021 at 11:00 am
Clarendon House
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Stolt Tank Containers

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