



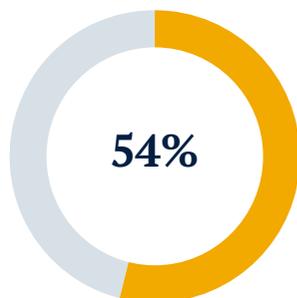
## Stolt Tankers

### Performance

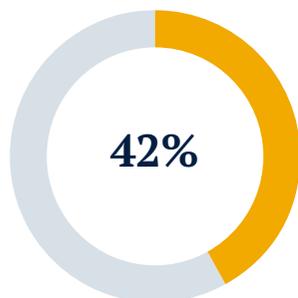
(US \$ millions)	2022	2021	2020
Operating revenue	1,497	1,166	1,113
Operating profit	205	69	85

### Percentage of group total

of total operating revenue



of total operating profit<sup>1</sup>



1. Excluding Stolt-Nielsen Gas, Corporate and Other loss of \$39.1 million.



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### Markets

- We provide safe, reliable, high-quality and flexible transportation services to the world’s leading manufacturers and consumers of chemicals, edible oils, acids and other bulk liquids.
- We have the world’s largest fleet of chemical tankers. Our global deep-sea fleet – combined with our integrated regional capabilities in Europe, Asia Pacific, the Indian Ocean, the Caribbean and the US – provide supply chain efficiencies and added value for our customers.

### Strategy

Stolt Tankers’ Delivering Good Chemistry strategy is focused on creating the most efficient liquid chemical shipping platform in the world and providing efficient and sustainable services to our customers.

By leveraging our industry-leading scale and assets we offer customers access to key hubs and markets worldwide. Working collaboratively with customers and our sister companies Stolthaven Terminals and Stolt Tank Containers, we offer solutions that enhance efficiencies in the bulk-liquid supply chain.

Our ambition is to deliver a healthy return on capital employed (ROCE) by creating value for our customers, achieving our sustainability ambitions and ensuring we attract and retain the best talent.

### 2022 in review

2022 was a year of much-improved performance. This was supported by having the largest fleet in the company’s history, driving efficiencies throughout the organisation and renewing a high number of contracts on much-improved terms. Also, the long-awaited turn in the chemical tanker market finally arrived. This was partly driven by post-pandemic growth and a historically low orderbook for newbuildings in the chemical tanker market. Sadly, the war in Ukraine had a much bigger impact – it rebalanced crude and product tanker trade flows, moving some MR tonnage out of chemical trades. All of which helped drive a 50.5% increase in spot freight rates.

2022 operating revenue was \$1,497.1 million, up from \$1,165.6 million in 2021. This was due to the relatively stable chemical market, together with our ongoing focus on driving bunker efficiencies, which resulted in savings of \$43.5 million. Consequently, operating profit increased to \$205.1 million from \$68.8 million last year. Bunker prices climbed to \$728 per tonne, although higher bunker costs were largely offset by bunker surcharges passed to customers and spot market increases.

In May 2022, Stolt Tankers added to its fleet with the purchase of three second-hand 33,600 dwt fully stainless-steel chemical tankers. Because we expanded our fleet just before the market upturn, we have been able to fully capitalise on the improving market fundamentals. We now operate our largest-ever fleet of 166 ships, including those in joint ventures.

Throughout the year, our people proved their dedication to our winning culture, striving to do everything a little better each day. We embraced Lean Six Sigma methodologies through our unique continuous improvement programme. The Kaizen Institute Netherlands recognised our work in this area, shortlisting us for an award for the way our superintendents and seafarers shared knowledge and adopted new ways of working. Our employee engagement survey also recognised our positive culture, with the results placing us in the top quartile for our industry.

To build a great business, we need great leaders who live our culture each day. To support this, the entire Stolt Tankers leadership team became Lean certified, helping us break down silos across the organisation. All managers completed training through our leadership development overview (LEAD) programme, transforming the way they work with employees.

I am immensely proud of our health and safety performance this year – our Lost Time Injury Frequency (LTIF) of 0.38 is the lowest since our records began. This achievement was thanks to efforts from both shore and sea staff, as well as onboard management teams' consistent and persistent attention to safety. We also enhanced our *Slashed Zero* behavioural safety programme, adding new mental health modules and tailoring training using data on ship incidents and near misses. Read more about our 2022 safety achievements on page 22.

We made further progress towards our sustainability ambitions. We believe that as the leader in our industry we must be at the forefront of maritime decarbonisation, working to achieve this with a rational approach. Not only did we improve our EcoVadis rating, receiving gold for 2022, but we also decreased our Annual Efficiency Ratio (AER). This emissions reduction, in the context of the strong tanker market, puts us on track to meet International Maritime Organization targets and our 2030 goals. This was the first full year of our work with the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping, and we appointed another secondee to support technology development to decarbonise the maritime industry. Learn more about our environmental targets and 2022 initiatives on pages 28 and 29.

To support our digital transformation we launched *Connect*, our customer relationship management (CRM) tool that integrates several sets of data into one user-friendly platform. In addition, we developed a new cargo management handling platform, *Ari-stow*. Our digital team is also trialling supply and demand forecasting and an easy online booking system for customers via a web-based portal.

### Outlook

This year's progress with our business transformation gives me confidence we are on the right path to achieve sustainable growth. One element of working more efficiently is becoming a more digital and data-driven company. During 2023, we will increase our focus on digital transformation, streamlining systems and further integrating with customers. This focus on working together with customers will enable us to create a world-class digital supply chain through the Stolt Tankers ship-to-customer platform.

As our business becomes more agile and cost-effective and we create leaner processes and reduce duplication we will unlock Stolt Tankers' potential by speeding up decision making and helping us closely manage operating costs. By allocating resources in a more disciplined manner, we will continue transforming our culture to achieve the goals in our Delivering Good Chemistry strategy.

The effects of China's prolonged Covid-19 lockdowns and energy price rises will likely linger into 2023 and we expect some inflationary pressure to remain with interest rates remaining high. While underlying chemical demand has not been affected yet, European plants are scaling down production and manufacturing activity has been impacted. We will monitor and manage inflationary cost increases related to ports, canals, lube oils and the logistics of getting cargo to ships. These conditions reinforce our long-standing belief that the sector is ripe for consolidation.

We will continue to focus on ways to return value to our stakeholders. With the upward trend in the chemical tanker market, conditions for an IPO of Stolt Tankers look positive for the future. Subject to equity market conditions, we are ready to act quickly.

**Lucas Vos**  
President  
Stolt Tankers