

# Vitol

Sector	Revenue	Emissions	Pledge	Transparency	Integrity
Energy	€ 480.3 bn (2022)	24.6 MtCO <sub>2</sub> e (2022)	None identified	Low	Low
<b>1. Tracking &amp; disclosure of emissions</b>				<b>Transparency &amp; Integrity</b>	
24.6 MtCO <sub>2</sub> e in 2022		● Subsidiaries are covered.			
<b>Major emissions sources</b>	S3 accounts for most of Vitol's emissions, primarily from shipping of commodities in third-party vessels (40% of total) and investments (28%)				
<b>Disclosure</b>	All GHG Protocol emission categories disclosed and broken down per year and business segment. Now also includes black carbon emissions. However, Vitol does not report on its indirect emissions from the commodity trade with the wholesale market.				
<b>2. Setting emission reduction targets</b>				<b>Transparency</b>	<b>Integrity</b>
<b>Headline target or pledge</b>	No headline target identified.			Low	Low
<b>Short- &amp; medium-term targets</b> (up to 2030)	No interim emissions reduction targets identified. The only target set is an intensity reduction target set in 2021 that was almost achieved in 2022 already.				
Scope coverage	1 2 3	No assessment possible as no interim targets identified		Low	Low
Own emission reductions (compared to full value chain in 2019)	? % by 2030				
<b>Long-term vision</b> (beyond 2030)	No long-term emissions reduction targets identified			Low	Low
Scope coverage	1 2 3	No assessment possible as no long-term targets identified			
Own emission reductions (compared to full value chain in 2019)	? % by 2050				
<b>3. Reducing own emissions</b>				<b>Transparency</b>	<b>Integrity</b>
<b>Emissions reduction measures</b>	The majority of emission reduction measures implemented by Vitol lack detailed descriptions and do not specify the expected emission reductions. These measures primarily concentrate on reducing emissions from company-owned shipping vessels and investments. Vitol intends to continue investing in crude oil beyond 2030, without setting any specific dates for phasing out fossil fuel trade and infra.			Low	?
<b>Renewable electricity procurement</b>	Vitol invests in renewable energy production, but does not disclose information about its own consumption.			Low	?
<b>4. Climate contributions &amp; offsetting</b>				<b>Transparency</b>	<b>Integrity</b>
<b>Responsibility for unabated emissions</b>	No information identified on how the company takes responsibility for unabated emissions.			Low	Low
Climate contributions	- No climate contributions were identified.			N/A	Low
Offsetting claims today	- Vitol develops its own projects for carbon reduction and removals. However, it is mostly involved as a project trader and developer and does not make any claims regarding the neutralisation of emissions of its own activities.			N/A	N/A
<b>Offsetting plans for the future</b>	While being an engaged offset project developer, Vitol has not indicated any plans to neutralise its own emissions.			Low	Low

RATINGS **Transparency** refers to the disclosure of information. **Integrity** refers to the quality and credibility of the approach.  
**Overall** Average of sections 1-4 ■ High ■ Reasonable ■ Moderate ■ Low ■ Very Low;  
**Sections 1-4** Average of criteria in each section ■ ■ ■ ■ ■; **Rating criteria** See methodology for rating criteria ■ ■ ■ ■ ■.

Source: SEO Amsterdam Economics' interpretation of identified public documentation from Vitol

## Vitol

Vitol is a Swiss-headquartered Dutch energy and commodity trading company. The company's core business is the trading, logistics and distribution of energy, but it is also involved in refining, shipping, terminals, exploration, and production of commodities such as oil and gas. The company also invests in renewable energy, such as the development of hydrogen generation capacity. Vitol has not established any targets for reducing emissions. It also intends to make further investments in fossil fuel infrastructure beyond 2030, which further misaligns the company with the Paris Agreement objectives.

### About the tracking and disclosure of the GHG emissions of Vitol

In 2023, Vitol (2023a, p. 47) has improved its emissions disclosure by providing a historical breakdown of emissions per GHG Protocol scope/category and per business segment. However, Vitol's reporting lacks transparency as it does not include indirect emissions from the product use phase. Operational emissions form only a minor emitting source, with S1 amounting to 1.6 MtCO<sub>2</sub>e and S2 being below 0.1 MtCO<sub>2</sub>e (Vitol, 2023a, p. 47). These emissions mostly stem from the transport, storage and trading of its commodities. Meanwhile, S3 emissions equal 11.5 and 11.6 MtCO<sub>2</sub>e for upstream and downstream, respectively. The most significant emission categories are upstream transportation and distribution (10.0 MtCO<sub>2</sub>e), use and end-of-life treatment of sold products (4.4 MtCO<sub>2</sub>e), and Vitol's investments, divided between non-controlled S1 and S2 emissions (3.3 MtCO<sub>2</sub>e) and the S3 distribution, processing and use of hydrocarbon sales volumes from non-controlled upstream assets (3.5 MtCO<sub>2</sub>e). The latter only covers products sold by companies (partly) owned by Vitol, not the commodities it trades or handles itself. While Vitol now includes black carbon emissions in its S1 reporting (0.8 MtCO<sub>2</sub>e in 2022), the company still does not disclose indirect emissions from the commodities it stores and handles or trades to the wholesale market. The combustion of these fossil fuels is the primary concern regarding the company's contribution to climate change. Vitol's decision not to disclose these emissions is therefore considered an untransparent practice.

### About emission reduction targets

Vitol has not included any medium- and long-term emission reduction targets to mitigate climate change. The only commitment by Vitol (2023a, p. 41) is to reduce the CO<sub>2</sub> intensity of its maritime transport network by 40 percent by 2024 (as compared to 2008). This short-term target seems not very ambitious as the company already achieved a reduction of 36 percent in 2021 – the year the target was set – and of 38.8 percent by 2022. Carbon intensity reduction targets alone may not address the overall climate footprint of Vitol as further growth could result in higher absolute emissions, especially since major emission sources are not targeted. No further reduction targets are identified, meaning that Vitol has not committed itself to any reduction aim on any level or for any timespan.

### Reducing own emissions

Vitol's (2023a, pp. 5, 21) stated intentions reveal that it will continue to invest in "traditional energy solutions", such as crude oil and gas, including its "aim to serve the growing needs from developing markets". Vitol (2023a, pp. 5, 17) has committed capital exceeding 2 billion dollars to sustainable investments in renewable projects like solar and wind power farms, biogas plants, green hydrogen generation, and EV charging. However, it is important to note that Vitol has not specified any dates for transitioning away from fossil fuel trading. With regard to the 2022 geopolitical events, Vitol's (2023a, pp. 3-4) CEO stresses the "need for continued investments in hydrocarbons". The International Energy Agency (IEA, 2021, pp. 20-21) and IISD (2022, p. iv) highlight the necessity of no new investments in fossil fuel projects from 2021-2022 onwards to achieve global net-zero emissions by 2050. Instead, it is crucial to support clean energy technologies. Vitol's investment plans for future oil projects are not aligned with

these findings. As of 2022, 52 percent of Vitol's (2023a, p. 17) assets were dedicated to 'traditional' fossil energies, supported by accompanying infrastructure such as upstream production, storage, refining, and retail stations. The remainder is primarily dedicated to assets labelled by Vitol as 'transitional' (38 percent, e.g. natural gas, LNG, biofuels) or 'sustainable' (10 percent, e.g. wind, solar). Vitol's transportation activities are not included in these shares. The share of 'traditional' fossil capital quickly decreased from 79 percent in 2020 to 70 percent in 2021 and 52 percent in 2022, but this reduction was primarily driven by the growth of transitional assets from 16 percent in 2020 to 38 percent in 2022 (meanwhile, sustainable assets grew from 5 to 10 percent).

Investments represent 28 percent of the emissions reported by Vitol (2023a, p. 48), but the company does not provide detailed information about the specific measures taken or the expected impact of emission reductions.<sup>1</sup> The ESG reports by Vitol (2021, pp. 46; 2022, pp. 54-55; 2023a, p. 48) make significant corrections to investment emissions in former years, with the aggregate 2020 emissions fluctuating from 7.4 (2020 report) to 13.7 (2021) to 6.9 MtCO<sub>2e</sub> (2022). The most recent report simply states that changes are due to "acquisitions and divestments in our upstream segment", without further detailing which equity trades could almost double and then again halve emissions within a year (Vitol, 2023a, p. 89). Vitol's investments include significant stakes in businesses such as Varo Energy (33 percent), Viva Energy (45 percent) and VTTI (45 percent), companies which *have* set medium- and long-term targets according to Vitol's (2023a, p. 23) own ESG report. Vitol does not detail how the 6.8 MtCO<sub>2e</sub> emissions in 2022 relate to the different companies it invests in and what their reduction targets are expected to achieve for Vitol. Vitol does not clarify if and to what extent it strives for lower emissions from investments. Current engagement with investments seems to be focused on climate-related reporting and risks (Vitol, 2023a, pp. 23, 85).

### **Climate contributions and offsetting claims**

Vitol engages in the development and sale of projects to offset emissions for other companies, but it does not have plans to neutralise its own emissions nor does it make such claims (Vitol, 2023a, p. 38). Vitol recognises carbon removals or offsets as a strategic tool to support decarbonisation efforts beyond individual carbon footprints, facilitating a broader transition to a lower-carbon world. The company is actively involved in the development of its own projects aimed at carbon reduction and removal worldwide. These projects are certified by third-party standards. Vitol (2023a, p. 38) traded over 100 MtCO<sub>2e</sub> on the carbon markets in 2022 and "already" finances and supports projects that will remove or offset over 50 MtCO<sub>2e</sub> by 2030. Vitol intends to expand its business in the field of "environmental products", as the company calls carbon offset credits.

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<sup>1</sup> This percentage was calculated by dividing the sum of category 3.15a (3.3 MtCO<sub>2e</sub>) and category 3.15b (3.5 MtCO<sub>2e</sub>) by the full value chain emissions (24.6 MtCO<sub>2e</sub>).

**Sources:**

- IEA (2021) Net Zero by 2050: A Roadmap for the Global Energy Sector. *International Energy Agency*.  
<https://www.iea.org/reports/net-zero-by-2050>
- IISD (2022, October). Navigating Energy Transitions: Mapping the road to 1.5°C.  
<https://www.iisd.org/system/files/2022-10/navigating-energy-transitions-mapping-road-to-1.5.pdf>
- Vitol (2021, 7 May). Environmental, Social & Governance Report 2020.  
<https://www.vitol.com/vitol-esg-report/>
- Vitol (2022, 28 March). Environmental, Social & Governance Report 2021.  
<https://www.vitol.com/vitol-esg-report-2021/>
- Vitol (2023a, 30 March). Environmental, Social & Governance Report 2022.  
<https://www.vitol.com/esg-report-2022/>
- Vitol (2023b, 20 March). Vitol 2022 volumes and review. *News*.  
<https://www.vitol.com/vitol-2022-volumes-and-review/>

## Vitol



### Integrity assessment for short- and medium-term target(s) towards 2030

#### What do the short- and medium-term targets actually mean?

##### What are the targets for the short to medium term?

No interim absolute emission reduction targets identified.

Vitol controlled fleet emission intensity (kCO<sub>2</sub> per deadweight tonnage multiplied by sailed distance):  
- 40 percent intensity reduction by 2024 (vs 2008 baseline; 38.8 percent reduction in 2022).

##### How do these targets equate to emission reductions across the value chain (compared to a 2019 baseline)?

Not assessed as target is not identified.

##### Do these targets cover both the short term (within 5 years) and medium term (up to 2030)?

No short-term emissions reduction targets identified, except for the fleet emission intensity aim.

#### Do these emission reduction commitments align with a 1.5°C trajectory for the sector according to available literature?

Vitol's climate change mitigation strategy lacks a commitment to a headline climate pledge or any short- and medium-term emissions reduction targets. The information provided does not facilitate an assessment. Without public reduction targets it is likely that the company is not in line with a 1.5°C trajectory (IPCC, 2022) at this point in time.



### Integrity assessment for long-term target(s) (post-2030)

#### What do the long-term targets actually mean?

##### What are the targets for the long term beyond 2030?

No long-term emissions reduction targets identified.

##### How do these targets equate to emission reductions across the value chain (compared to a 2019 baseline)?

Not assessed as target is not identified.

#### Do these emission reduction commitments align with a 1.5°C trajectory for the sector according to available literature?

Vitol's climate change mitigation strategy lacks a commitment to a headline climate pledge or any long-term emissions reduction targets. The information provided does not facilitate an assessment. Without public reduction targets it is likely that the company is not in line with a 1.5°C trajectory (IPCC, 2022) at this point in time.