GROWTH WITH PURPOSE

Vivo Energy plc
Annual Report &
Accounts 2021

2021 HIGHLIGHTS

REVENUES
US$ million
8,458
+22%

VOLUMES
Million litres
10,302
+7%

ADJUSTED EBITDA
US$ million
447
+24%

SERVICE STATIONS ADDED
Net total
133

NET INCOME
US$ million
152
+69%

TOTAL RECORDABLE CASE FREQUENCY
Per million exposure hours
0.04

Non-GAAP measures are explained and reconciled on pages 36 to 37.

STRATEGIC REPORT

GOVERNANCE

FINANCIAL STATEMENTS

OTHER INFORMATION

GROWTH WITH PURPOSE

TEN YEARS OF RESPONSIBLE GROWTH

A decade ago, we set out a clear vision, changed the culture of the business, and encouraged our people to be entrepreneurial.

The Vivo Energy story has always been about growth and an operating model that could meet the increasing energy needs of a vibrant African continent.

But with growth comes responsibility.

Guided by our Purpose, we've supported local communities, enhanced safety, maintained high standards of governance, and explored innovative energy solutions.

As we look to the next ten years, we'll continue to grow with purpose and enable the development of Africa and its people.

AN EXCITING, DYNAMIC JOURNEY

Over the following pages we look at some of the key events and milestones that have marked our journey.

A STRONG YEAR

"The Board and I are pleased with the continued recovery, which enabled us to address the approaches from Vitol from a position of strength, leading to an agreed transaction at a substantial premium to the prevailing price at the time of the initial approach."

John Daly
Chairman

OUR CLEAR VISION HAS FUELLED OUR AMBITION SINCE 2011

That vision remains to become the most respected energy business in Africa.

THE BEGINNINGS OF VIVO ENERGY

We were established on 1 December 2011, following the carve out of most of Shell's downstream business in Africa – 1,269 Shell-branded service stations across 15 African countries. We initially launched with seven countries. A further six joined in 2012, and two more in 2013, completing our Shell-branded network.

2011

We rapidly established a new operating culture and 'Focus, Simplify and Perform' became the basis of how we run the business.

1,628

SITES IN 2015

NEW 15-YEAR BRAND LICENCE AGREED WITH SHELL

We focused on investing to grow our business, expanding and improving our network and offer.

LAUNCHED OUR FOOD JOINT VENTURE STRATEGY

We secured our first KFC joint venture partnership in Botswana, with other countries following.

OUR INITIAL PUBLIC OFFERING

We became a public company, admitted to trading on the London and Johannesburg stock exchanges.

2015

+15

YEARS

2018

1,900

SITES IN 2018

AGREEMENT TO SUPPLY SOLAR POWER

We secured our first commercial solar contract in 2020, which will provide a hybrid solar/fuel energy solution to the Nampala gold mine, in Mali.

2,226
SITES IN 2019

2019

ENGEN ACQUISITION COMPLETED

We added operations in eight new countries, with 230 Engen-branded service stations instantly joining the network.

+8
NEW MARKETS

IN OUR TENTH YEAR WE'RE NOW STRONGER THAN EVER, DELIVERING ON OUR STRATEGY, SUPPORTED BY OUR PEOPLE AND GUIDED BY OUR PURPOSE

2021

Our Purpose is to safely provide innovative and responsible energy solutions to Africa, which enable growth and development of the continent and its people.

BUSINESS RECOVERY ON TRACK

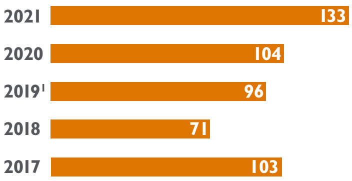
Retail volumes and Retail gross cash profit ahead of 2019 levels.

Retail volumes
million litres

INVESTING FOR THE FUTURE

Retail site roll-out going exceptionally well, with 133 net new service stations added this year, up from 104 in 2020.

Net new service stations added



1 Excludes 230 service stations acquired as part of the Engen acquisition.

PROVIDING RETURNS FOR SHAREHOLDERS

$103 million of dividends paid to investors and $51 million recommended since the start of pandemic. Dividend policy enhanced to increase minimum payout ratio from 30% to 50% of attributable net income.

$154M
DIVIDENDS

ESG AND CLIMATE COMMITTEE

Cross-functional ESG and Climate Committee formed to guide our climate change response and broader ESG strategy.

ENHANCING OUR SUSTAINABILITY

2,463
SITES IN 2021

- Formation of ESG and Climate Committee.
- Expansion of solar on sites initiative.
- Enhanced GHG reporting.
- 68% of African-based employees fully vaccinated (well ahead of Africa's average).
- Completion of materiality assessment to identify and prioritise sustainability topics.
- Reporting of first TCFD disclosures.

VACCINATION PROGRAMME

Encouraged colleagues to receive COVID-19 vaccinations.

68%
OF AFRICAN-BASED EMPLOYEES FULLY VACCINATED

GROWTH IS INTEGRAL TO OUR DNA

Africa has lots more to offer and we'll be there to create opportunities and continue to support this vibrant, exciting continent.

CONTINUING TO EXPAND THE NETWORK

We plan to continue accelerating the growth of our network. Confident in this opportunity and our teams' ability to execute, we can allocate more capital to grow faster than before.

GROWTH WITH PURPOSE

INCREASING TECHNOLOGY USE

We will continue to use technology to maximise the efficiency of our business – automating our sites, improving our loyalty programmes and extracting more value from our Enterprise Resource Planning (ERP) system.

GROWING NON-FUEL RETAIL

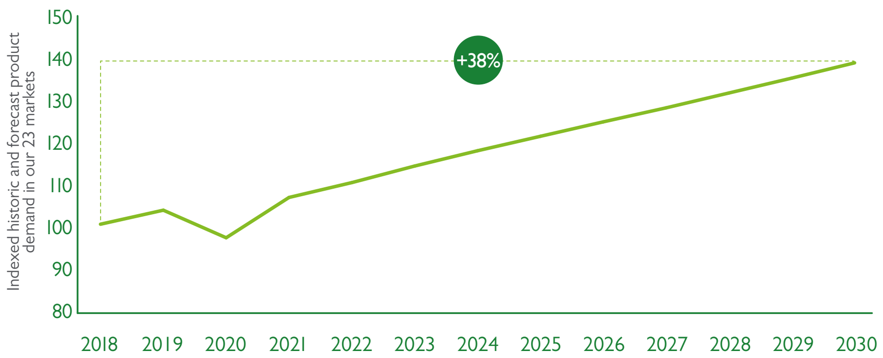
We will increase the scale and range of brands under our Non-fuel retail business through organic growth and new joint ventures, delivering a full scale offer.

PREPARING FOR THE ENERGY TRANSITION

Driving growth in the LPG business (cleaner fuels), delivering a solar/hybrid offering for commercial customers, and exploring alternative energy solutions.

FUEL DEMAND GROWTH

The macro fundamentals remain unchanged with fuel demand in our markets predicted to continue to grow in the medium term.



Source: CITAC

FURTHER DEVELOPING OUR PEOPLE AND COMMUNITIES

Our core values of honesty, integrity and respect for people underpin everything we do and are crucial to our success. We continue to develop our people and communities, creating lasting social and economic benefits, and strive to achieve our vision.

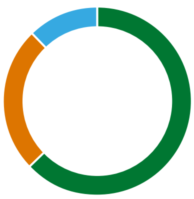
WE ARE A GROWTH COMPANY ON AN EXCITING CONTINENT

We're a market-leading, pan-African retailer and distributor of high-quality Shell and Engen-branded fuels and lubricants to Retail and Commercial customers across the continent, with a growing Non-fuel retail offering.

Operating in robust and growing markets, we make our customers' lives easier and their experience with us more convenient, enjoyable and rewarding.

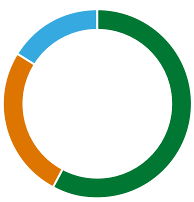
How? By providing quality products and services that meet their needs, supported by high standards of safety, innovation and service – in every area where we operate.

Gross cash profit (US$ million)



Retail	490
Commercial	194
Lubricants	93

Adjusted EBITDA (US$ million)



Retail	259
Commercial	116
Lubricants	72

RETAIL

Retail is the engine that powers our growth. At the end of 2021, our network comprised 2,463 service stations across the continent – making us the second largest retailer in Africa outside South Africa, in terms of site numbers.

RETAIL FUEL

Sale of petrol and diesel fuels at Shell and Engen-branded service stations, across 23 countries.

NON-FUEL RETAIL

Multi-branded convenience retail shops, quick service and fast casual restaurants, and other services including lubricant bays, car washes and ATMs.

HIGHLIGHTS

Significantly expanded the network, adding a net total of 133 service stations across the Group.

128 new shops and food outlets added at our service stations.

Volumes (million litres)

6,090 +12%

Gross cash profit[1] (US$ million)

490 +12%

Gross cash unit margin[2] ($/'000 litres)

75 -1%

1 Includes Non-fuel retail.

2 Excludes Non-fuel retail.

FOR MORE INFORMATION SEE PAGES **22-23**

Non-GAAP measures are explained and reconciled on pages 36 to 37.

COMMERCIAL

Our Commercial business is founded on a proven proposition to thousands of customers. We not only ensure a reliable supply of high-quality fuels and energy to a wide range of customers, but also support those products with extensive, trusted services.

CORE COMMERCIAL

Supplying mining, construction, transport, power and industrial companies. We also supply LPG, primarily to consumers, as well as fuels to the wholesale market.

AVIATION & MARINE

Supplying aviation fuel, plus bunkering for marine traders and other shipping companies.

HIGHLIGHTS

Excluding a low-margin supply contract, year-on-year growth in our Core Commercial business was driven by new customers, particularly in the transport, power and mining sectors.

LPG volumes remained flat with continued portfolio review and consideration of new market entry opportunities.

Volumes (million litres)

4,063 0%

Gross cash profit (US$ million)

194 +7%

Gross cash unit margin ($/'000 litres)

48 +7%

FOR MORE INFORMATION SEE PAGES **24-25**

LUBRICANTS

We sell lubricants to Retail and Commercial customers in our countries of operation, and also export to more than ten additional African markets.

RETAIL LUBRICANTS

Providing products to consumers at our service station forecourts and lubricant bays and also at oil shops, repair shops, service centres and resellers through a network of distributors.

COMMERCIAL LUBRICANTS

Supplying specialist lubricants to mining companies and B2B customers, and also exporting to other African markets.

HIGHLIGHTS

Strong year for lubricants with continued year-on-year growth.

Completed roll-out of our Shell-branded lubricants portfolio in the Engen-branded markets.

Volumes (million litres)

149 +10%

Gross cash profit (US$ million)

93 +19%

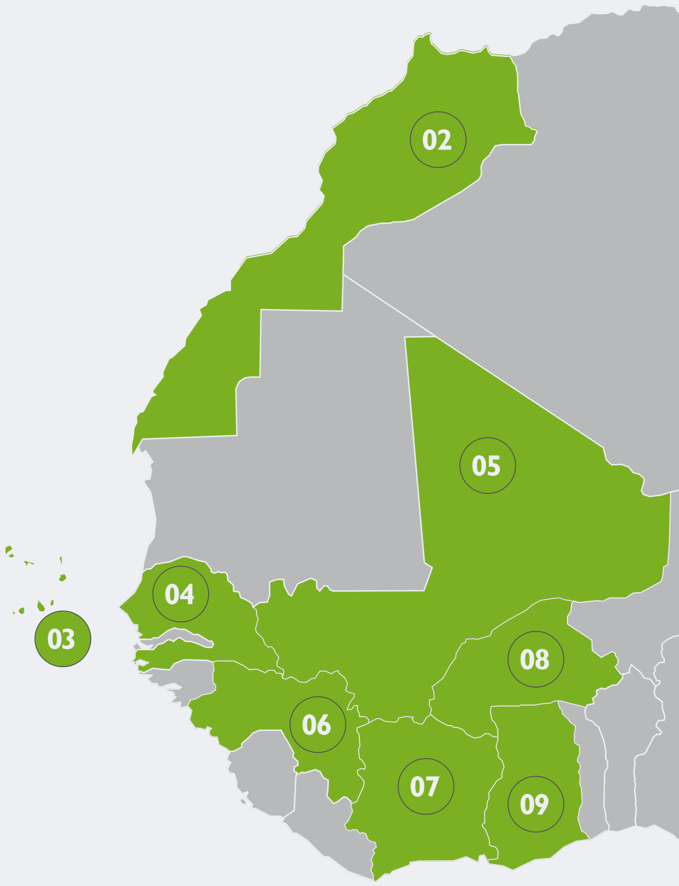
Gross cash unit margin ($/'000 litres)

628 +10%

FOR MORE INFORMATION SEE PAGES **26-27**

TWO LEADING BRANDS ACROSS 23 COUNTRIES

2021 was a year of significant growth across our network, as we added a net total of 133 service stations and 128 convenience retail shops and food outlets. We are on track to have more than doubled the network since inception by the end of 2022.



01 TUNISIA

Total volume	1,120
Service stations	169
Market position	2

02 MOROCCO

Total volume	2,108
Service stations	385
Market position	2

03 CAPE VERDE

Total volume	193
Service stations	27
Market position	2

04 SENEGAL

Total volume	556
Service stations	129
Market position	2

05 MALI

Total volume	276
Service stations	48
Market position	1

06 GUINEA

Total volume	533
Service stations	123
Market position	2

07 CÔTE D'IVOIRE

Total volume	678
Service stations	229
Market position	2

08 BURKINA FASO

Total volume	419
Service stations	94
Market position	2

09 GHANA

Total volume	517
Service stations	232
Market position	2

10 UGANDA

Total volume	471
Service stations	167
Market position	1

11 KENYA

Total volume	1,372
Service stations	263
Market position	1

12 NAMIBIA

Total volume	403
Service stations	71
Market position	1

13 BOTSWANA

Total volume	280
Service stations	81
Market position	2

14 MADAGASCAR

Total volume	210
Service stations	76
Market position	4

15 MAURITIUS

Total volume	395
Service stations	51
Market position	1

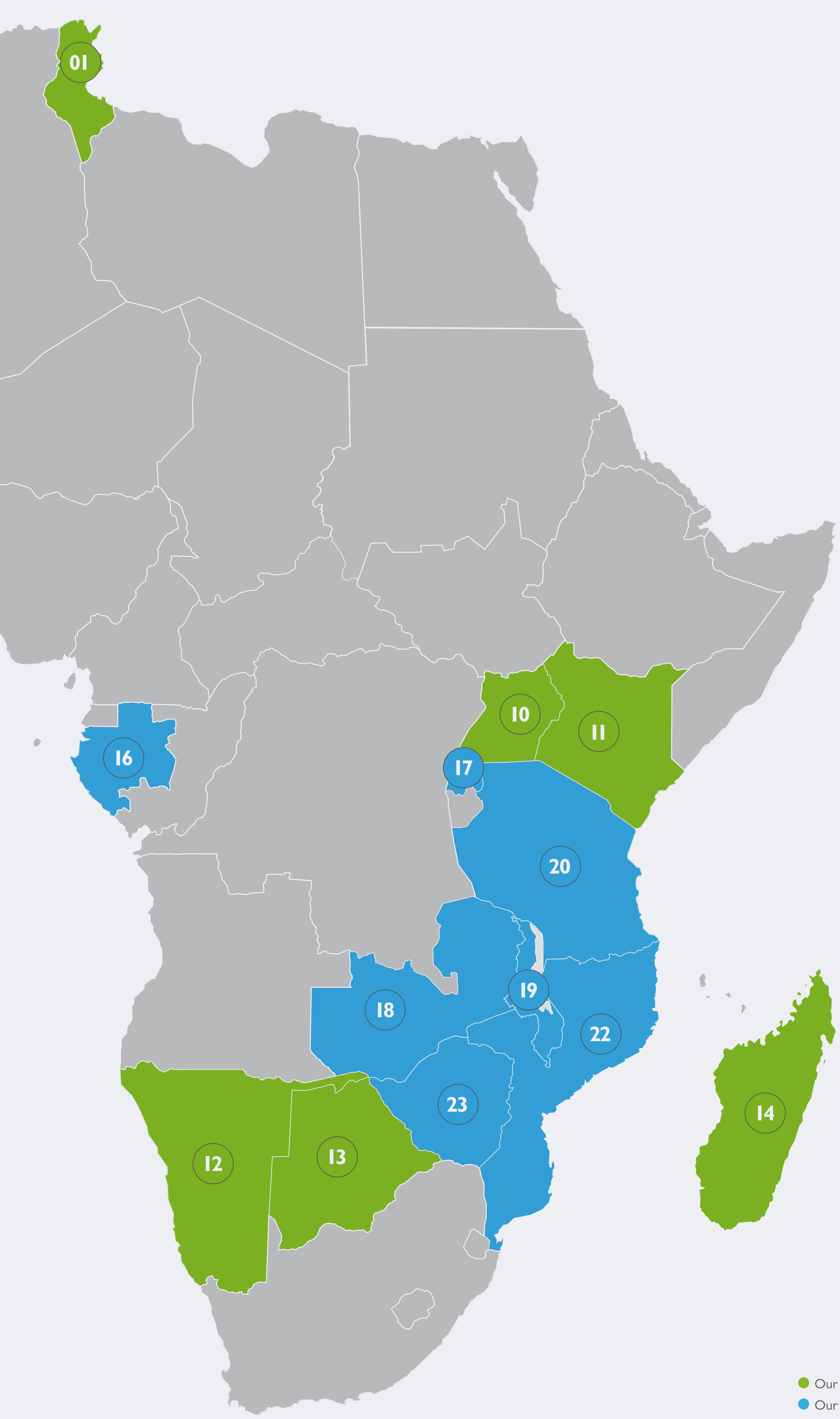
2,463
SERVICE STATIONS

ACROSS
23
COUNTRIES

1,041
CONVENIENCE RETAIL SHOPS AND PHARMACIES

266
FOOD OUTLETS

Market position is provided by CITAC and based on volumes. Total volume is measured in million litres and excludes volume related to supply trading, not allocated to countries.



ENGEN

16 GABON	
Total volume	83
Service stations	23
Market position	4
17 RWANDA	
Total volume	83
Service stations	44
Market position	2
18 ZAMBIA	
Total volume	101
Service stations	44
Market position	4
19 MALAWI	
Total volume	46
Service stations	33
Market position	4
20 TANZANIA	
Total volume	98
Service stations	37
Market position	10
21 REUNION	
Total volume	213
Service stations	35
Market position	2
22 MOZAMBIQUE	
Total volume	100
Service stations	39
Market position	4
23 ZIMBABWE	
Total volume	50
Service stations	63
Market position	4

- Our markets with Shell-branded service stations
- Our markets with Engen-branded service stations

CHIEF EXECUTIVE OFFICER'S STATEMENT
CHRISTIAN CHAMMAS

A DECADE OF GROWTH

> From the very beginning, we set out with a clear vision to become the most respected energy business in Africa."

CHRISTIAN CHAMMAS
CHIEF EXECUTIVE OFFICER

In this, my final CEO statement at Vivo Energy before retirement, I look back not just on 2021, but also on our first decade, and reflect on how we're continuing to grow with purpose.

From the very beginning, we set out a clear vision to become the most respected energy business in Africa. And today, by remaining true to this vision, I believe that we are stronger than ever – delivering on our strategy, supported by our people, and guided by our Purpose.

CONTINUED RESILIENCE

Our 2020 Annual Report was dominated by the impact of COVID-19 on our markets, and how we had responded to the pandemic, supporting and protecting our stakeholders – playing our part, and demonstrating that together we are resilient. A year on, I didn't expect our lives to continue to be dominated by COVID-19. However, we have continued to support the continent's recovery, enabling people and businesses to stay on the move by providing essential fuels and services. The ever changing nature of the pandemic did not make 2021 an easy year, but we have continued to grow, delivering against our strategy and producing strong results.

Africa was impacted by waves of the pandemic at varying times through the year, which led to periodic stricter curfews and mobility restrictions. However, we operate on a highly resilient continent and our markets have generally weathered the waves of new variants, which have had limited impact on public health. Vaccination rates against COVID-19 have progressed at different paces. While the majority of target populations in Morocco and Mauritius are fully vaccinated, sub-Saharan Africa countries are generally still in the early stages of roll-out. During the year we continued to focus on the health and safety of our people, and undertook a range of initiatives to inform our employees about the vaccine. I am pleased to report that 68% of our African-based employees were fully vaccinated by the end of the year.

STRONG BUSINESS PERFORMANCE

Our business recovery from the lows of Q2 2020 remains firmly on track, with volumes up 7% to 10,302 million litres, and within touching distance of 2019 levels. Group gross cash unit margin remained strong during the year at $75 per thousand litres, as the pricing and supply environment continued to support us, along with further benefits from the product mix effect.

Together, these factors led to gross cash profit of $777 million, up 11% against 2020 and ahead of 2019.

This strong performance resulted in adjusted EBITDA of $447 million, our highest ever performance, which is up 24% against the previous year, with net income up 69% to $152 million. Adjusted diluted earnings per share of 11 cents, 83% higher than 2020 and broadly in line with 2019.

None of this would have been possible without the support of our talented and dedicated leadership team and employees across the Group, of whom I am immensely proud. The people at Vivo Energy are our most important asset and central to us delivering our objectives and achieving our vision.

When we established this business in 2011 we started with 1,269 service stations and set out with the objective to invest to grow, expanding and improving our network and offer.

Growth has been at the heart of our business over the past decade. 2021 was no different, as we have continued to invest for the future, seizing opportunities, and opening a record number of new service stations, with a net total of 133 new sites opened during the year, ahead of our original guidance. Having focused on building the right teams for our Engen-branded markets in the first few years following the acquisition, it has been very pleasing to see that 55 of these net new sites were in these countries. At the end of 2021 we had grown the Group's network to 2,463 service stations.

Another key area of development for the business during the year was the continuing enhancement of our sustainability approach and reporting. We formed a cross-functional ESG and Climate Committee, which I chair. In our first year we focused on confirming our key sustainability issues through a materiality assessment as well as the further integration of climate considerations into the business as part of our first Task Force on Climate-Related Financial Disclosures (TCFD) reporting, which are included in this report. As part of this process, we have accelerated the pace of the installation of solar on our sites and looked to broaden our low and zero carbon offerings. We have also enhanced our Greenhouse Gas tracking and reporting, and this, together with another excellent safety performance and continuing investments into communities, provides a firm basis for moving forward in 2022.

OFFER FOR VIVO ENERGY

In November, our Board agreed to recommend a transaction with BidCo, a wholly owned, indirect subsidiary of Vitol Investment Partnership II Limited, itself being an investment vehicle advised by employees of the Vitol Group ('the Vitol Offer').

The Vitol Offer is to acquire all of the shares in the Company that Vitol Group don't currently own. This was the second unsolicited approach made by BidCo during the year, with the Board firmly rejecting the first approach.

The second approach came after Vitol had secured agreement to acquire a further 27.1% of the company from Helios Investment Partners. After detailed negotiations, the Board was able to deliver an improved total cash offer of $1.85 for each Vivo Energy plc share, which represented almost a 20% increase on the original approach in February, and over 70% higher than the prevailing price at that time. As a result, the Board believes it has delivered a positive outcome for all stakeholders. Although below the IPO price in 2018, the Vitol Offer represents an attractive value in cash for shareholders, and Vitol's proven track record of supporting our long-term growth plans will enable us to continue to deliver benefits to wider stakeholders.

In January 2022, shareholders voted overwhelmingly to approve the Vitol Offer.

Regulatory approvals across a number of the markets where we operate are currently being sought and we expect that the transaction will complete in Q3 2022, at which point Vivo Energy will be delisted.

BUILDING FOR THE FUTURE

After a decade of leading Vivo Energy, I am very proud of what our teams have achieved – sustained growth, always with a focus on doing business the right way.

It has been a privilege to work alongside my colleagues. Their constant dedication has been instrumental in our success, and I would like to thank all of them for their outstanding contributions over the years.

We announced the appointment of Stan Mittelman as the CEO designate in November 2021 and I am confident he will be an excellent successor to take Vivo Energy forward through its next stage of growth, building for the future.

Stan has 30 years of experience in the downstream energy sector, with much of that time spent in Africa, and knows at first-hand the vast opportunity that exists on the continent. He has a strong track record in developing businesses and driving growth and this – along with his genuine passion for and understanding of Africa – make him ideally suited to the role.

In addition to my colleagues, I would like to thank our customers, partners, shareholders and host governments for the support they have shown me and Vivo Energy over the last decade.

Vivo Energy has a very bright future ahead. I wish the Company well and look forward to seeing its continued development and success.

CHRISTIAN CHAMMAS
CHIEF EXECUTIVE OFFICER

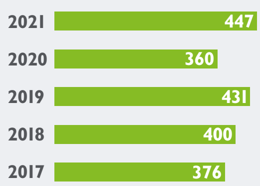
Net income
$152M

Full year dividend
$72M

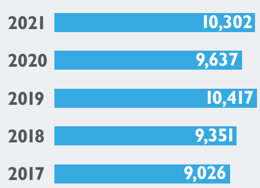
HSSEQ
0.04

Strong Health, Safety, Security, Environment and Quality (HSSEQ) performance with Total Recordable Case Frequency of 0.04 incidents per million exposure hours.

Adjusted EBITDA
US$ million



Volumes
million litres



HOW WE CREATE VALUE

Our resilient and integrated business model has helped us rebound from the COVID-19 pandemic. This model, together with our strong operating culture of focusing, simplifying and performing, creates value, drives competitive advantage and supports our vision to become the most respected energy business in Africa.

MANAGING OUR RESOURCES AND RELATIONSHIPS

OUR STAKEHOLDERS
We listen to, and collaborate with, a wide range of stakeholders to grow our business and deliver value. These include our own people, customers, partners, local communities, investors and shareholders, and host governments.

OUR ASSETS
We own or have operational control of our well-maintained assets, including our Shell and Engen-branded retail network, fuel storage facilities and commercial customer facilities.

OUR PEOPLE
We benefit from a strong, decentralised and high-performing team of 2,764 people, with a shared goal to make a difference. Speed and agility, doing business the right way, and a focus on continuous HSSEQ improvement ensures our people succeed.

OUR ENVIRONMENTAL IMPACT
We actively strive to reduce our impact on the environment, embedding climate change into our governance and adapting our business to support the transition to a low-carbon economy in the decades to come.

OUR FINANCIAL STRUCTURE
We continue to manage our financial structures in an effective and prudent manner to drive the success of our investment strategy and ensure our sound financial performance.

FOR MORE INFORMATION SEE PAGES **40-56**

OUR INTEGRATED MODEL...

SUPPLY
We supply our operations through diverse providers, ranging from oil traders and government refineries to lubricant blending plants, ensuring cost effective security of supply.

STORAGE
On a continent where storage is scarce, we store up to one billion litres of fuels, equivalent to one month of supply, at either owned or shared facilities.

DISTRIBUTION
We distribute products using strong partnerships with trusted local transport companies, as well as by pipeline and rail where possible.

...PROVIDES A SUSTAINED COMPETITIVE ADVANTAGE...

The size of our footprint and strong supplier relationships enable us to source fuels at highly competitive prices.

Infrastructure provides a major barrier to entry to others, and growing volumes drive efficiencies.

Our model provides operational control over road transport, enabling us to implement our exacting HSSEQ standards and controls.

...WHILE EFFECTIVELY MANAGING OUR RISKS

- Oil price fluctuations
- Product availability and supply
- Currency exchange risk
- Information technology

- Product availability and supply
- Partner reputation and relationships
- Oil price fluctuations

- Health and safety
- Partner reputation and relationships
- Climate change

RETAIL

We supply high-quality fuels, lubricants, food and convenience retail offerings through a network of 2,463 Shell and Engen-branded service stations. The majority of sites are owned by us, but operated by local dealers, reducing operational complexity and utilising local knowledge.

FOR MORE INFORMATION SEE PAGES **22-23**

In 20 of our 23 markets, pump prices are set by governments. Our leading brands and strong customer offering drive our industry-leading average throughput per site.

- Partner reputation and relationships
- Credit management
- Business concentration risk
- Health and safety
- Product availability and supply

COMMERCIAL

We supply thousands of Commercial customers with fuels and lubricants across the transport, infrastructure, mining, aviation and marine sectors. In addition, we supply LPG to consumers and commercial customers.

FOR MORE INFORMATION SEE PAGES **24-25**

We serve a diversified mix of businesses across long-term contracts, tender business and spot sales, with a proven proposition that adds value to customers beyond supply.

- Credit management
- Currency exchange risk
- Health and safety

See pages 66 to 73 for our complete list of principal risks, categorised into brand & reputational; pricing; HSSEQ; operational; strategic; financial; and human resources & talent management risks.

DELIVERING POSITIVE OUTCOMES FOR

OUR PEOPLE

- Industry-leading safety record
- Engaged employees, with nine out of ten proud to work for Vivo Energy
- People rewarded on achievement, resulting in low rates of resignations

CUSTOMERS

- Around a million customers served during an average day at our sites
- Extremely satisfied customers, based on survey feedback
- Strong market share in our Shell-branded markets, with growing market share in the Engen-branded markets
- Expanding our full-site offering across the network
- Customer-centric organisation, with locally empowered management teams

PARTNERS

- Supporting our retailers and working together to become Africa's most respected energy business
- Working with Shell and Engen to launch new products, maximising benefits for all stakeholders

COMMUNITIES

- Making a real and lasting difference to our communities
- Promoting a better quality of life and a more sustainable future
- Improving road safety, education and the environment in the markets where we operate

INVESTORS AND SHAREHOLDERS

- Strong return on average capital employed
- Strong cash generation and supportive working capital dynamics
- Shareholder returns

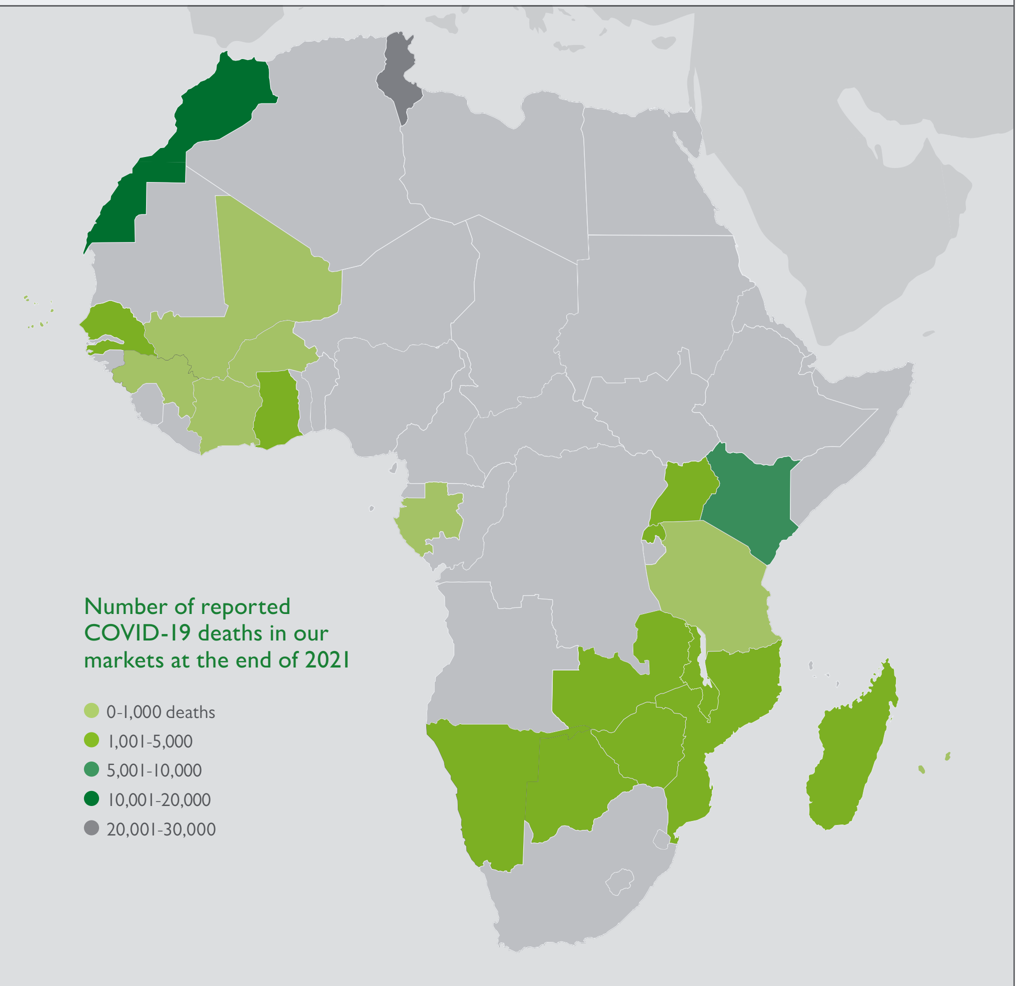
GOVERNMENTS

- Significant tax payer and collector for host governments
- Supporting the development of transport and infrastructure projects in our markets

COVID-19 IN AFRICA

The pandemic has continued to have a more limited impact in Africa than other regions.

Despite a number of different waves of COVID-19 in Africa during the year, by the end of 2021, fewer than four million cases had been reported in total across our 23 operating countries. Although these countries include around 6% of the global population, they account for less than 1.5% of total global deaths.



Unlike the situation in 2020, when governments in countries accounting for approximately 50% of our volumes initiated a range of full lockdowns in response to the COVID-19 pandemic, in 2021 governments took a more nuanced approach to managing the pandemic. This varied by country and region, but generally involved curfews, regional restrictions and border closures which evolved regularly, depending on the situation. This meant that while mobility remained constrained throughout the year, it was to a far lesser degree than in 2020.

A number of different waves of COVID-19 arrived in different countries at different times during the year, with a large wave starting in June and continuing through much of the third quarter. During this period, several countries moved back into short-term lockdowns, similar in nature to 2020, but the impact on mobility in those markets was less than in the previous year. While volumes in affected countries were impacted during those periods, they did not drop to the same extent as in 2020 and recovered swiftly when measures were eased.

In the latter months of the year, the intensity of restrictions were reduced in the majority of countries where we operate, and we saw the opening of borders in a number of countries, such as Morocco, that had been closed since the start of the pandemic. This provided a much-needed boost to countries with significant tourism sectors. However, the COVID-19 situation is dynamic and fluid, and the Omicron variant that appeared late in the year led to the imposition of certain travel restrictions that primarily impacted southern African countries. Following the year-end, the majority of these travel restrictions have once again been removed.

The provision and take-up of vaccines has been slower than anticipated in the majority of our sub-Saharan markets, as delays in vaccine delivery affected the roll-out in the first half of the year. Even when vaccines are delivered, there remain considerable challenges to the roll-out including infrastructure and vaccine hesitancy. However, a number of countries have made excellent progress, including Morocco, Tunisia and Mauritius, which have all vaccinated the majority of their populations and are delivering booster vaccines.

MARKET DRIVERS

KEY MEGA TREND:

SUSTAINABILITY & CLIMATE CHANGE

Across our markets, we expect fuel demand to continue to grow and we aim to meet this demand in the most climate-friendly way possible. We are already supplying lower carbon energy alternatives, and believe that as these become a more widespread reality across Africa, we will be well positioned to deliver the benefits to our customers.

Last year we announced the Group's intention to formally embed climate-related issues into our governance and strategy, better enabling us to play our part as environmental stewards while at the same time satisfying the growing demand for energy on the continent. In 2021 we made good progress on this goal.

We appreciate that for the sustainability of our business, it is crucial to understand the climate-related risks and opportunities we are presented with and ensure they are fully considered in our strategy. We have therefore prepared our first disclosure aligned with the TCFD framework. We undertook climate-scenario analysis to increase our understanding of climate-related risks and opportunities and the process and results are helping us enhance the development of our businesses and strategies. We view this framework as an important component of our ESG journey and our detailed disclosures on pages 58 to 62 provide transparency for our stakeholders on our climate-related preparedness. In addition to this work, we undertook our first Group-wide materiality assessment to identify and confirm the key sustainability topics facing our business. The results of this can be found on pages 38 to 39.

MACRO AND INDUSTRY TRENDS:

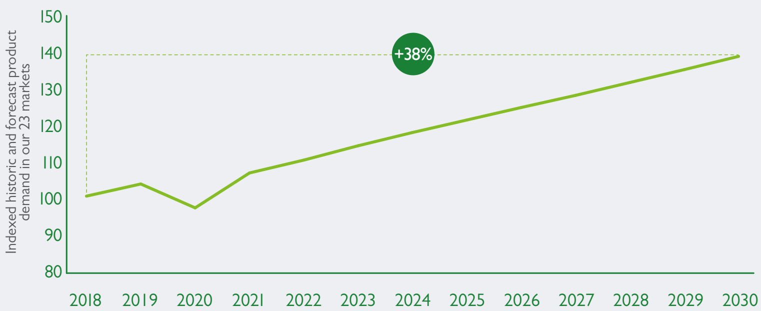
The effects of COVID-19 had a number of macro impacts across our markets, but have not fundamentally altered the favourable back-drop provided by the demographics of young and growing populations and an emerging middle class. There has however been an economic impact from COVID-19, with sub-Saharan GDP growth forecast by the IMF to be 4.0% in 2021, having fallen by 1.7% in 2020. Prior to the pandemic, GDP growth for the region was expected to be 3.5% in both 2020 and 2021. In response to this economic impact, the IMF undertook the largest allocation of special drawing rights in its history, which meant the region received around $23 billion in funding. The allocations are particularly material for a number of countries – for example, they represent over 5% of Zambia's economy – and are designed to enable governments to rebuild reserves and maintain accommodative monetary policy to support economic recovery.

Mobility restrictions reduced fuel demand in 2020, primarily due to lockdowns, but demand returned rapidly in 2021, growing by 9.8%. Due to the macro fundamentals, and very limited take-up of electric vehicles due to a lack of infrastructure and cost, fuel demand growth is forecast to remain highly resilient for a number of years. This will underpin opportunities for growth in our traditional business, with the development of the continent providing opportunities in non-fuel retail and digitisation.

FUEL DEMAND GROWTH IN 2021

9.8%

FUEL DEMAND IN OUR MARKETS IS PREDICTED TO GROW IN THE MEDIUM TERM



Source: CITAC

OUR STRATEGY

Our strategy supports our commitment to grow with purpose, meeting the increasing energy needs of a vibrant African continent.

5 WE HAVE FIVE KEY STRATEGIC OBJECTIVES:

1. To remain a responsible and respected business in the communities in which we operate
2. To preserve our lean organisational structure and performance-driven culture
3. To maximise the value of our existing business
4. To pursue value-accretive growth
5. To maintain attractive and sustainable returns through disciplined financial management

1

REMAIN A RESPONSIBLE AND RESPECTED BUSINESS IN THE COMMUNITIES IN WHICH WE OPERATE

Our vision is to become Africa's most respected energy business.

This means being a respected member of the communities in which we operate, doing business the right way, and aiming to operate to the highest HSSEQ and operational standards.

HIGHLIGHTS FROM THE YEAR

- Progressed our ESG journey by reporting our first TCFD, although Greenhouse Gas targets still to be set.
- Completed a materiality assessment to confirm key sustainability topics.
- Supported over 120 community investment projects across the Group.
- Achieved another strong health and safety performance, ahead of targets and industry benchmarks.

TAASA OBUTONDE

Our team in Uganda developed an ongoing plastic waste pollution campaign, bringing together various stakeholders including the government, environmentalists, the national broadcaster and other companies. This behavioural change campaign – including plastic waste collection points at a number of our service stations – has received very positive feedback and helped position Vivo Energy Uganda as a socially responsible company.

2

PRESERVE OUR LEAN ORGANISATIONAL STRUCTURE AND PERFORMANCE-DRIVEN CULTURE

Since our formation in 2011, our business has been built on a flat, customer-centric organisation with a lean central management team.

Our 'Focus, Simplify, Perform' operating culture enables fast decision-making, encourages agility, and is fundamental to our competitive position.

Our locally empowered country teams, overseen by an experienced and responsive Senior Executive Team, have also been instrumental in our success.

HIGHLIGHTS FROM THE YEAR

- Continued to support our employees to work flexibly and often remotely as they navigated the ongoing restrictions caused by COVID-19.
- Introduced new ways to improve employee engagement, driving up performance and business results.
- Conducted an employee engagement survey where 71% of respondents believe the organisation works in a simplified and focused way to deliver results and performance.

3

MAXIMISE THE VALUE OF OUR EXISTING BUSINESS

We've continued to innovate, offering our customers differentiated, recognised and high-quality fuel and Non-fuel retail products and services.

Utilising our multiple trusted and valued brands – including Shell and Engen – has helped improve the customer experience, generate new revenue streams and maximise cross-selling opportunities.

The optimisation and further development of our existing retail network is a key strategic focus.

HIGHLIGHTS FROM THE YEAR

- Continued our site automation programme, automating an additional 278 sites to improve efficiency.
- Used the mobile app and loyalty programme to help personalise relationships, increasing loyalty programme membership to around 1.8 million.
- Added a net total of 128 new Non-fuel retail shops, pharmacies and food outlets at our service stations to provide convenience and quick service to our customers.
- However, our overall volumes were slightly behind 2019, on a like-for-like basis.

TERMINAL AUTOMATION SYSTEM

Our continued upgrade of the terminal automation system has enabled increased efficiencies in the loading processes across the depots as well as improved stock control. The programme automates the gantry at the depot loading bays, to automatically load product to our contractors' trucks and improve systems and controls.

4

PURSUE VALUE-ACCRETIVE GROWTH

We expanded our retail network by building new service stations, acquiring new sites and upgrading existing retail sites to fulfil unrealised potential.

One of our main focuses is to add more non-fuel convenience retail and quick service restaurant offerings through partnerships with well-established global and regional brand partners.

In parallel, we plan to harness the opportunities presented by mining, construction and infrastructure projects in Africa, to contribute to the continued growth of our Commercial and Lubricants businesses.

HIGHLIGHTS FROM THE YEAR

- Added an additional net total of 133 new service stations across our markets.
- Improved our existing sites, with 326 being refurbished under the 'Shining sites' programme.
- Developed our Power offering, engaging with prospects across a number of markets.

RWANDA GROWTH

We have developed a master plan to identify opportunities in preferred market areas. During the course of the last two years the team in Rwanda grew the network organically and acquired local competitors, focused on Kigali, to drive its accelerated growth programme, significantly increasing the number of service stations from 23 to 44.

5

MAINTAIN ATTRACTIVE AND SUSTAINABLE RETURNS THROUGH DISCIPLINED FINANCIAL MANAGEMENT

We have a strong financial and operational track record, backed by disciplined capital allocation.

This is underpinned by a robust financial controls framework and comprehensive internal audit process with strict credit and currency exposure management.

HIGHLIGHTS FROM THE YEAR

- Due to our strong balance sheet, the dividend payout ratio was increased from 30% to 50% of attributable net income.
- Volume growth and strict capital allocation enabled recovery in ROACE to 19% compared to 12% in 2020.
- Strong cash generation led to the leverage ratio falling from 0.86x to 0.45x at the end of the year.

KEY PERFORMANCE INDICATORS

OUR KPIs

These KPIs show our performance for 2021 in comparison to the past four years, together with a brief explanation of the key drivers. We've chosen to use Financial, Growth and HSSEQ KPIs in order to provide a rounded view of our performance.

FINANCIAL KPIs

GROSS CASH PROFIT
US$ MILLION

3 4 5

DEFINITION
Gross profit after direct operating expenses and before non-cash depreciation and amortisation recognised in cost of sales. Reference to 'cash' in this measure refers to non-cash depreciation and amortisation as opposed to the elimination of working capital movements.

Performance drivers
– Volumes and gross cash unit margins performance

ADJUSTED EBITDA
US$ MILLION

2 3 4 5

DEFINITION
Earnings before interest, tax, depreciation and amortisation adjusted for impact of special items.

Performance drivers
– Volumes and gross cash unit margins performance
– Optimised cost structure and cost management
– Share of profit from investments in joint ventures and associates

GROWTH KPIs

VOLUMES
MILLION LITRES

3 4 5

DEFINITION
Total product volumes sold during the year.

Performance drivers
– Macroeconomic drivers influencing demand
– Sales and promotion activities
– Loyalty card system
– New and existing contracts with commercial customers and cross-selling

TOTAL RETAIL SERVICE STATIONS

3 4 5

DEFINITION
Total number of revenue generating retail service stations.

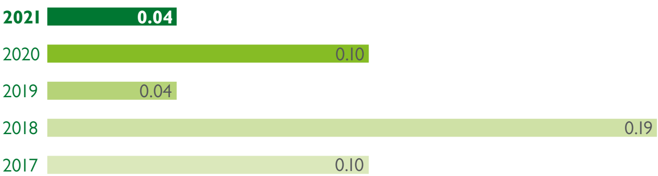
Performance drivers
– Self-funding capital expenditure through operating cash flow
– Significant white space opportunity
– Securing land leases and strategically located sites

1 2019 includes more than 200 retail service stations acquired as part of the Engen acquisition.

HSSEQ KPIs

TOTAL RECORDABLE CASE FREQUENCY (TRCF)
PER MILLION EXPOSURE HOURS

1

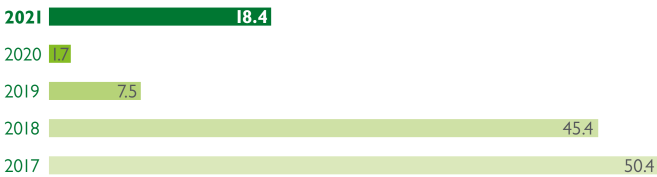


DEFINITION
TRCF per million exposure hours.

Performance drivers
– Using potential incident reporting to prevent incidents from happening
– Training and competency development for continuous HSSEQ improvement
– Focus on personal safety, road transport safety and security

TOTAL PRODUCT LOST
METRIC TONNES

1



DEFINITION
Product lost to the environment.

Performance drivers
– Ensuring that safe working practices are followed: stringent contractor safety requirements; driver training and monitoring

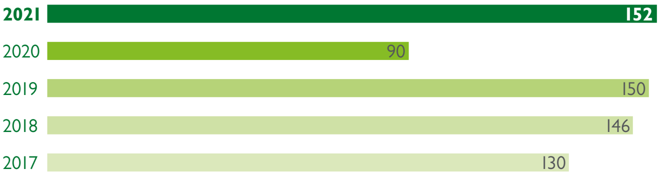
LINKED TO STRATEGIC OBJECTIVE:

1 2 3 4 5

NON-GAAP MEASURES ARE EXPLAINED
AND RECONCILED ON PAGES **36-37**

NET INCOME
US$ MILLION

2 3 4 5



DEFINITION

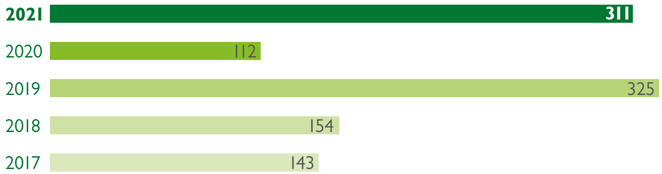
Net income in accordance with IFRS/GAAP.

Performance drivers

- EBITDA performance
- Effective tax rate management
- Optimised capital and finance structure

ADJUSTED FREE CASH FLOW
US$ MILLION

3 4 5



DEFINITION

Cash flow from operating activities less net additions to property, plant and equipment (PP&E) and intangible assets and excluding the impact of special items.

Performance drivers

- High conversion from EBITDA to free cash flow
- Structurally negative working capital

GROSS CASH UNIT MARGIN
US$/'000 LITRES

3 4 5

DEFINITION

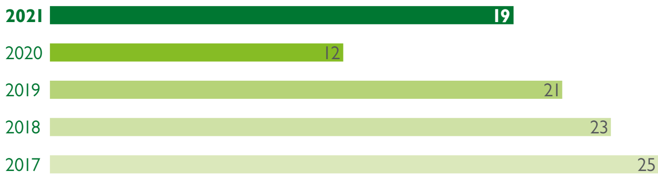
Gross cash profit per 1,000 litres of sales volume.

Performance drivers

- Pricing structure in regulated markets ensures stable margins
- Competitive pricing strategies in deregulated markets
- Foreign currency exposure risk management to ensure US dollar margins are protected
- Optimised supply chain and efficient operations
- Increased penetration of differentiated fuels

ROACE
%

2 3 4 5



DEFINITION

Adjusted EBIT after income tax divided by the average capital employed. Average capital employed is the average of opening and closing net assets plus borrowings and lease liabilities, less cash and cash equivalents and interest bearing advances.

Performance drivers

- Disciplined capital allocation with rigorous return requirements
- Incentivise performance: employee compensation linked to ROACE

TOTAL SCOPE 1 & 2 EMISSIONS[1]
KT OF CO_2 EQUIVALENT

1

DEFINITION

Emissions from combustion of fuel, electricity, heat, steam and cooling.

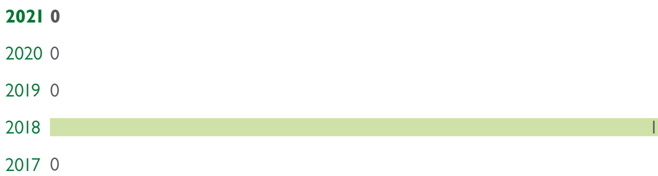
Performance drivers

- Increasing efficiencies across our operations
- Adding solar initiatives

1 Scope 1 & 2 emissions data available from 2019.

EMPLOYEE & CONTRACTOR FATALITIES
NUMBER

1



DEFINITION

Fatal occupational injuries and illnesses, except those related to COVID-19.

Performance drivers

- Risk assessment and mitigation
- Potential incident reporting to prevent incidents from happening
- HSSEQ competency review and training programme

RETAIL

ACCELERATING GROWTH AND PERFORMANCE

With a strong focus on growth, Retail remains at the heart of our business. As one of Africa's largest retailers we continue to enhance our Retail site offerings to attract customers across the continent. Our modern, safe and clean sites provide our customers with access to high-quality products, services and increased convenience.

2021 HIGHLIGHTS

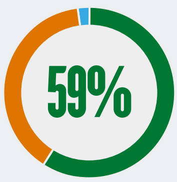
- Accelerated growth in our network by adding a net total of 133 new service stations and adding a net total of 128 Non-fuel retail outlets
- Volumes were up by 12% from 5,456 million litres in 2020 to 6,090 million litres in 2021
- Gross profit (including Non-fuel retail) was up 13% from $387 million to $436 million in 2021
- Gross cash profit (including Non-fuel retail) was up 12% to $490 million
- Gross cash unit margin (excluding Non-fuel retail) was broadly in line with 2020, at $75 per thousand litres
- Premium fuel gross cash profit was up 8% year-on-year
- Adjusted EBITDA was up 20% to $259 million

PERFORMANCE

US$ million, unless otherwise indicated	2021	2020	+/– %
Volumes (million litres)	6,090	5,456	+12%
Gross profit (including Non-fuel retail)	436	387	+13%
Gross cash unit margin (excluding Non-fuel retail) ($/'000 litres)	75	76	-1%
Retail fuel gross cash profit	458	412	+11%
Non-fuel retail gross cash profit	32	26	+23%
Adjusted EBITDA	259	216	+20%

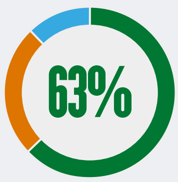
RETAIL BUSINESS CONTRIBUTION TO GROUP

Volumes



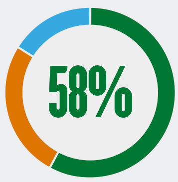
Retail	59%
Commercial	39%
Lubricants	2%

Gross cash profit



Retail	63%
Commercial	25%
Lubricants	12%

Adjusted EBITDA



Retail	58%
Commercial	26%
Lubricants	16%

DRIVING GROWTH

We continued to invest in our Retail network by growing our retail sites to a total of 2,463 in 2021.

2021 REVIEW

Our Retail business segment remains the key driver of the Group's recovery from the impact of COVID-19. The easing of mobility restrictions and our accelerated site roll-out programme supported the volume recovery throughout the year. The segment's KPIs, volumes, gross cash profit and adjusted EBITDA were ahead of 2020, as well as the 2019 pre-pandemic period.

RETAIL FUEL

Retail fuel volumes were 12% and 3% higher compared to 2020 and 2019, respectively. This performance was supported by many of our markets experiencing lighter COVID-19 restrictions in 2021 compared to those imposed in 2020. During the year, countries looked to regional restrictions and curfews to manage COVID-19 rather than full lockdowns. Our continued focus on expanding the Retail network, in both Shell and Engen-branded markets, further contributed to volume recovery. During the year we opened a net total of 133 new retail sites, which was 21% ahead of our initial guidance for the year. This was driven by excellent progress in the Engen-branded markets, where we opened 55 net new sites, expanding the network in those markets by 21%.

The Group continued to progress its 'Shining sites' programme to enhance the customer experience at our sites as well as running a range of promotions, such as 'clean and safe sites', new fuel launches and targeted marketing campaigns. These initiatives generated increased traffic to our sites which contributed to volume growth during the year.

Premium fuel volumes increased by 28% and gross cash profit was up 8% compared to the prior year. The market penetration of premium fuels continued to increase, mainly driven by marketing campaigns, active pricing and network expansion.

Gross cash unit margin remained strong at $75 per thousand litres, broadly in line with the prior year at $76 per thousand litres. The gross cash unit margin in 2021 and 2020 benefitted from a positive supply and pricing environment, and despite volatility due to COVID-19, unit margins in both years were ahead of 2019.

NON-FUEL RETAIL

Gross cash profit increased from $26 million in 2020 to $32 million in 2021, mainly due to a higher footfall resulting from reduced mobility restrictions and an increased number of Non-fuel retail outlets.

Our continued focus on expanding our Non-fuel retail customer offerings resulted in the opening of a net total of 96 convenience retail shops and pharmacies and 32 food outlets across our service stations.

Gross cash profit was 3% behind 2019 levels, primarily due to the continued impact of curfews across the portfolio, which affected the evening trade at our quick service restaurants (QSR), as well as regional restrictions reducing the number of customers at highway sites. This was offset by the consumer trend towards increasing use of takeaway and delivery services in many of our markets. The Group has focused on ensuring its offerings are available on local aggregator food delivery platforms.

In convenience retail, we continued to adapt and enhance our product lines to meet our customers' changing demands. We continued to prioritise our customers' health and safety by ensuring clean and safe sites in all our markets.

LOOKING FORWARD

In 2022, we will continue to focus on expanding and enhancing our network in both the Shell and Engen-branded markets. We believe there is still significant opportunity to grow our network through expansion of new sites in 2022. We will also continue to maximise the value of our existing sites by looking at opportunities to drive like-for-like growth.

We will continue to build our Non-fuel retail offering. In addition, we will maintain focus on expanding our joint venture portfolio with new QSR partners, bringing a range of new international fast-food brands to our African markets.

$32M
NON-FUEL RETAIL GROSS CASH PROFIT

+8%
PREMIUM FUEL GROSS CASH PROFIT YEAR-ON-YEAR GROWTH

INTERNATIONAL BRANDS

We continue to bring international brands to our markets and enhance our convenience retail offerings.

COMMERCIAL
VALUE-LED CUSTOMER OFFERINGS

Our adaptable business model ensures our ability to meet the changing demands of our customers across a range of sectors including mining, construction, power, road transport, aviation and marine. We meet the needs of our business partners through a comprehensive range of products supported by extensive and trusted services.

2021 HIGHLIGHTS

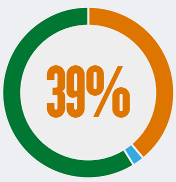
- Volumes were flat year-on-year mainly due to the completion of a large low-margin supply contract in 2020
- Excluding the supply contract, volumes were 6% ahead of 2020
- Improved performance in Aviation and Marine, with volumes up 20% year-on-year
- Gross cash unit margin was up 7% to $48 per thousand litres
- Gross profit was $168 million, 8% higher than the previous year
- Adjusted EBITDA was up 26% year-on-year to $116 million

PERFORMANCE

US$ million, unless otherwise indicated	2021	2020	+/– %
Volumes (million litres)	4,063	4,045	0%
Gross profit	168	156	+8%
Gross cash unit margin ($/'000 litres)	48	45	+7%
Gross cash profit	194	181	+7%
Adjusted EBITDA	116	92	+26%

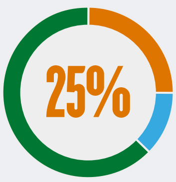
COMMERCIAL BUSINESS CONTRIBUTION TO GROUP

Volumes



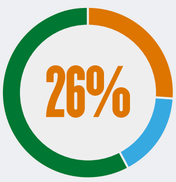
Retail	59%
Commercial	39%
Lubricants	2%

Gross cash profit



Retail	63%
Commercial	25%
Lubricants	12%

Adjusted EBITDA



Retail	58%
Commercial	26%
Lubricants	16%

STRONG PERFORMANCE

Core Commercial volumes were driven by strong performance in the reseller market.

2021 REVIEW

Volumes in our Commercial segment remained flat year-on-year, mainly due to the completion of a large low-margin supply contract in September 2020. Excluding the supply contract, volumes were 6% higher year-on-year but 3% behind 2019. Gross cash unit margin of $48 per thousand litres was up 7% compared to 2020 and slightly behind 2019. Gross cash profit was 7% higher year-on-year at $194 million (2020: $181 million) and 9% behind 2019.

CORE COMMERCIAL

Our Core Commercial business offers a range of services including the supply of bulk fuel to customers in the transportation, mining, construction and power sectors, as well as LPG to both consumers and industry. Core Commercial accounted for 83% (2020: 85%) of total Commercial volumes and 87% (2020: 93%) of overall Commercial gross cash profit.

Core Commercial volumes were 3% lower year-on-year, however, excluding the large low-margin supply contract, volumes were 4% higher year-on-year and 8% ahead of 2019. Volumes were driven by a strong performance in the reseller market and increased demand from the mining sector.

Gross cash unit margin increased by 2%, from $49 per thousand litres in 2020 to $50 per thousand litres in 2021. This year-on-year increase was supported by a change in the product mix, resulting in increased sales of higher margin products, as well as negative inventory effects impacting performance in 2020.

AVIATION AND MARINE

The Aviation and Marine business accounted for 17% of overall Commercial volumes (2020: 15%) and 13% of total Commercial gross cash profit (2020: 7%), and continues to be significantly impacted by COVID-19 mobility restrictions.

Aviation and Marine volumes increased by 20% against the previous year, but remained 36% below 2019. Gross cash unit margin increased from $21 per thousand litres in 2020 to $37 per thousand litres in 2021 and 6% ahead of 2019.

The Aviation business experienced the beginnings of a recovery with volumes 26% ahead of the prior period, mainly due to the re-opening of international travel, local flights as well as an increase in cargo flights in many of our markets. Volumes were still 43% behind 2019 as the recovery in international travel remains in its early stages and subject to regular changes due to COVID-19 related policies. The gross cash unit margin was significantly higher than 2020, which was impacted by negative inventory effects.

The Marine business also experienced a recovery, with volumes 12% higher than the prior year. This was mainly attributable to our continued efforts to secure opportunistic spot sales during the year.

LOOKING FORWARD

In 2022, we will remain focused on driving growth within our Core Commercial business. We plan to continue implementing our adaptable business model and opportunistic approach to ensure our offering meets market demand. While the impacts of COVID-19 continue to restrict performance in the Aviation and Marine markets, we will remain flexible to meet the needs of our customers.

+20%

AVIATION AND MARINE VOLUMES YEAR-ON-YEAR GROWTH

+7%

TOTAL COMMERCIAL GROSS CASH PROFIT UP YEAR-ON-YEAR

PRODUCT MIX

Improved gross cash profit supported by a change in product mix.

LUBRICANTS

AWARD-WINNING PRODUCT PORTFOLIO

We blend, distribute and sell high-quality lubricants across Africa – on our forecourts to Retail customers, to other Retail customers through distributors, and to our Commercial customers. Our extensive range of leading-edge products provide value to all these customers.

2021 HIGHLIGHTS

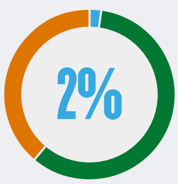
- Volumes were up 10% year-on-year and 9% ahead of 2019
- Gross cash unit margin was $628 per thousand litres, up 10% year-on-year, and 15% ahead of 2019
- Gross profit was up 20% to $89 million
- Adjusted EBITDA was up 38% to $72 million year-on-year and 33% above 2019

PERFORMANCE

US$ million, unless otherwise indicated	2021	2020	+/– %
Volumes (million litres)	149	136	+10%
Gross profit	89	74	+20%
Revenues	455	366	+24%
Gross cash unit margin ($/'000 litres)	628	570	+10%
Gross cash profit	93	78	+19%
Adjusted EBITDA	72	52	+38%

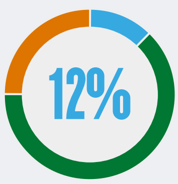
LUBRICANTS BUSINESS CONTRIBUTION TO GROUP

Volumes



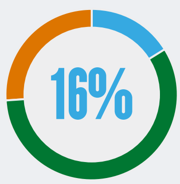
Retail	59%
Commercial	39%
Lubricants	2%

Gross cash profit



Retail	63%
Commercial	25%
Lubricants	12%

Adjusted EBITDA



Retail	58%
Commercial	26%
Lubricants	16%

PRODUCT MIX

Successful introduction of Shell-branded lubricants in our Engen-branded markets.

2021 REVIEW

Our Lubricants segment delivered strong performance during the year. Volumes were 10% higher year-on-year and 9% higher than 2019. Unit margins were up 10% year-on-year at $628 per thousand litres (2020: $570 per thousand litres) mainly due to favourable base oil prices. Gross cash profit of $93 million was 19% higher year-on-year, primarily attributable to improved unit margins and volumes. Adjusted EBITDA and gross cash profit were 33% and 24%, respectively, ahead of 2019.

RETAIL LUBRICANTS

Our Retail lubricants business involves the sale of products from our service station forecourts to Retail customers, and to other consumers (B2C) through distributors. Retail lubricants accounted for 64% of total segment volume (2020: 62%) and 62% of segment gross cash profit (2020: 63%).

Volumes were 13% higher than the prior year and 14% ahead of 2019. The strong performance in 2021 is attributable to higher traffic at our retail sites resulting from lighter COVID-19 mobility restrictions in the current period and our ability to continue to source products in certain constrained markets. Our marketing campaigns and promotions have also contributed to the improved volumes.

Unit margins increased by 7%, from $577 per thousand litres in 2020 to $616 per thousand litres. This increase is primarily attributable to the temporary benefit of lubricant price increases in H1 2021 offsetting increasing product costs and a change in product mix due to an increase in premium products sold.

COMMERCIAL LUBRICANTS

We sell Commercial lubricants to customers across our operating units and also to export customers in other countries across Africa. Commercial volumes accounted for 36% of total Lubricants volume (2020: 38%) and 38% of gross cash profit (2020: 37%).

Volumes were 4% ahead of the prior year, primarily due to increased demand from the mining sector in both our domestic and export markets.

Unit margins increased by 14% year-on-year, from $569 per thousand litres to $648 per thousand litres. The increase is mainly attributable to the favourable pricing environment as well as the sale of products with higher margins. The business also completed the transition to Shell-branded lubricants for non-Retail customers in our Engen-branded markets, which has further contributed to the positive performance of the gross cash unit margins.

LOOKING FORWARD

The Group has delivered a strong performance in 2021 and we will look to build on this in 2022. We believe our innovative products and services enable us to deliver a differentiated product to our customers, enhancing the brand's reputation and driving growth.

We will continue to explore opportunities to grow the Lubricants business both locally within our markets as well via exports across the African continent. The introduction of Shell-branded lubricants in our Engen-branded markets has been successful and we look to expand our market position in these countries.

+10%
LUBRICANTS VOLUME UP YEAR-ON-YEAR

+19%
GROSS CASH PROFIT YEAR-ON-YEAR INCREASE

COMMERCIAL LUBRICANTS

Commercial lubricants volumes supported by the mining sector.

CHIEF FINANCIAL OFFICER'S STATEMENT
DOUG LAFFERTY

A STRONG RECOVERY

"While we are still very much a growth business, we continue to deliver strong returns for our shareholders."

DOUG LAFFERTY
CHIEF FINANCIAL OFFICER

I'm delighted to be able to report such a strong set of results for Vivo Energy. Our high-quality team has contributed significantly to the continued recovery of the business amidst the ongoing impacts of COVID-19.

While I would have liked to have travelled to more of our operating units, I was able to visit a number of them in the second half of the year as some restrictions eased. These visits provided me with an opportunity to spend time with our local teams and to better understand the specific operating units, and the wider business in general.

As a result of the strong performance in H2 2020, our inaugural bond offering in September 2020, and our strong balance sheet, one of the decisions we were able to make early in the year was to increase our dividend payout ratio from 30% to 50% of attributable net income. This demonstrated that while we are still very much a growth business, we are also able to deliver strong returns for our shareholders. The policy change came on top of the Board's decision to catch-up deferred dividends in 2020 and to maintain the progressive policy, which meant that to date we have paid over $100 million in dividends since the start of the pandemic.

Even with these cash returns, the business continues to have low gearing, and a conservative leverage ratio of 0.45x at year-end. This is a result of the strong cash flow we continued to generate through our business model and our position as a provider of essential products to the African continent. Our cash flow enabled us to allocate capital to accelerate the growth of the Retail network during the year, and it was very pleasing to be able to deliver 133 net new sites this year, 21% ahead of the top of our initial guidance range, which in itself was ahead of the previous year's range. This acceleration has been achieved while maintaining our strict return criterion of only approving projects where we expect to achieve at least a 20% IRR. We continue to assess our investments against expectations and over the past few years we have delivered returns substantially ahead of this.

We have also spent considerable time assessing the risks and opportunities that may result from climate change in the coming years, as part of our inaugural TCFD reporting. We will continue to integrate climate change into our business planning and strategy as we move forward.

A significant amount of time during the year was spent responding to the Vitol Offer, first in Q1 2021 and then in Q3 2021. Ultimately, the Board recommended a transaction, having secured a price that was over 70% higher than the prevailing share price at the time of the initial offer. I believe we have delivered a positive outcome for all stakeholders, with shareholders now having voted overwhelmingly to support the transaction. It has been an exciting year and I have no doubt the team will continue to help drive the business forward and ensure that our capital continues to be allocated effectively across the portfolio.

As recently announced, I will be leaving the Group in 2022 to take up a role elsewhere. I have greatly enjoyed my time at Vivo Energy and am proud of the contribution I was able to make across the business and that the strong performance of the Group continued during my tenure. I firmly believe that the strategy is right, and the opportunity exists, to provide long-term benefits to our customers and broader stakeholders.

DOUG LAFFERTY
CHIEF FINANCIAL OFFICER

1 MARCH 2022

2021 HIGHLIGHTS

VOLUMES
Million litres

10,302

+7%

GROSS CASH PROFIT
US$ million

777

+11%

ADJUSTED EBITDA
US$ million

447

+24%

NET INCOME
US$ million

152

+69%

Volumes were up 7% year-on-year, as countries experienced lighter COVID-19 mobility restrictions.

Total gross cash unit margin was higher year-on-year at $75 per thousand litres (2020: $72 per thousand litres), as a result of the higher-margin product mix and positive pricing environment.

Gross cash profit was $777 million, 11% higher year-on-year as a result of the improved volumes and unit margins.

Adjusted EBITDA was up 24% to $447 million, mainly due to higher gross cash profit.

Adjusted diluted EPS of 11 cents per share for the 2021 year (2020: 6 cents per share).

Adjusted free cash flow improved by $199 million to $311 million from $112 million in 2020.

Paid an interim dividend of 1.7 cents per share, and declared a further interim dividend of 4.0 cents per share in respect of the 2021 year, bringing the full year dividend to 5.7 cents per share.

Non-GAAP measures are explained and reconciled on pages 36 and 37.

CONSOLIDATED RESULTS OF OPERATIONS

SUMMARY INCOME STATEMENT

US$ million	2021	2020	Change
Revenues	8,458	6,918	+22%
Cost of sales	(7,765)	(6,301)	+23%
Gross profit	**693**	**617**	**+12%**
Selling and marketing cost	(222)	(226)	-2%
General and administrative cost	(185)	(176)	+5%
Share of profit of joint ventures and associates	27	16	+69%
Other income/(expense)	(1)	4	-125%
EBIT	**312**	**235**	**+33%**
Finance expense – net	(59)	(60)	-2%
EBT	**253**	**175**	**+45%**
Income taxes	(101)	(85)	+19%
Net income	**152**	**90**	**+69%**

Earnings per share (US$)	2021	2020	Change
Basic	0.11	0.06	+83%
Diluted	0.11	0.06	+83%

NON-GAAP MEASURES

US$ million, unless otherwise indicated	2021	2020	Change
Volumes (million litres)	10,302	9,637	+7%
Gross cash profit	777	697	+11%
EBITDA	442	360	+23%
Adjusted EBITDA	447	360	+24%
ETR (%)	40%	49%	n/a
Adjusted net income	157	90	+74%
Adjusted diluted EPS (US$)	0.11	0.06	+83%

Non-GAAP measures are explained and reconciled on pages 36 and 37.

ANALYSIS OF CONSOLIDATED RESULTS OF OPERATIONS

VOLUMES

Overall volumes of 10,302 million litres were 7% ahead of 2020 and slightly behind 2019, reflecting the lighter mobility restrictions in our markets during the year, with most operating units returning to volume growth. This strong performance was mostly driven by the expansion of the Retail network across our portfolio and the continuing business recovery from the impact of COVID-19, partially offset by the end of a large low-margin supply contract in the Commercial segment in 2020.

REVENUE

Revenue increased by $1,540 million, from $6,918 million in 2020 to $8,458 million in 2021. The increase is primarily attributable to higher average crude oil prices and volume growth during the year.

COST OF SALES

Cost of sales were $7,765 million, $1,464 million above the prior year (2020: $6,301 million), mainly due to the increase in the cost of inventory as a result of higher crude oil prices. Higher purchases, in line with the increase in demand, further contributed to the increase during the period.

GROSS PROFIT

Gross profit increased by $76 million to $693 million (2020: $617 million) due to increased volumes as a result of lighter COVID-19 mobility restrictions and higher unit margins.

GROSS CASH PROFIT

Gross cash profit was up 11% year-on-year, increasing from $697 million to $777 million, primarily driven by higher volumes and strong unit margins. Gross cash unit margin was $75 per thousand litres, 4% higher than 2020, which was negatively affected by COVID-19 related inventory effects and a $2 million negative impact from hyperinflation accounting. In 2021, gross cash profit also benefitted from a higher margin product mix.

SELLING AND MARKETING COST

Selling and marketing cost amounted to $222 million, marginally lower than 2020 ($226 million), mainly due to a lower expected credit loss, partially offset by the appreciation of local currencies and increased spending on marketing campaigns in 2021.

GENERAL AND ADMINISTRATIVE COST

General and administrative cost, including special items, was $185 million, 5% higher than the prior year (2020: $176 million), mainly due to an increase in manpower costs.

SHARE OF PROFIT FROM JOINT VENTURES AND ASSOCIATES

Share of profit from joint ventures and associates increased by 69% to $27 million (2020: $16 million), mainly due to the higher share of profit from Shell and Vivo Lubricants and our joint ventures in Morocco.

OTHER INCOME/EXPENSE

Other income/expense was -$1 million compared to +$4 million in 2020, which included gains from disposals of property, plant and equipment.

ADJUSTED EBITDA

Adjusted EBITDA was 24% up year-on-year to $447 million (2020: $360 million). This was primarily due to increased sales volumes and improved unit margins.

NET FINANCE EXPENSE

Net finance expense decreased by $1 million to $59 million, from $60 million in 2020 which was impacted by a mark-to-market loss on the settlement of interest rate swaps as part of the notes offering. The decrease is further explained by a lower impact from hyperinflationary accounting. The decrease was partially offset by a foreign exchange loss (gain in 2020), and higher interest on lease liabilities due to new leases in the current year.

INCOME TAXES

The ETR decreased to 40% from 49% compared to 2020. This was predominantly due to the higher earnings before tax of $253 million (2020: $175 million) resulting in a lower relative impact of expenses which are not tax deductible and withholding tax on upstreamed dividends and central fees.

NET INCOME

Net income, including the impact of special items, was up by $62 million to $152 million (2020: $90 million). Minority interest was $12 million (2020: $10 million).

EARNINGS PER SHARE

Basic earnings per share amounted to 11 cents per share (2020: 6 cents per share). Adjusted diluted earnings per share, excluding the impact of special items, were 11 cents per share (2020: 6 cents per share).

OVERVIEW OF OPERATIONS BY SEGMENT

US$ million, unless otherwise indicated	2021	2020	Change
Volumes (million litres)			
Retail	6,090	5,456	+12%
Commercial	4,063	4,045	0%
Lubricants	149	136	+10%
Total	**10,302**	**9,637**	**+7%**
Gross profit			
Retail (including Non-fuel retail)	436	387	+13%
Commercial	168	156	+8%
Lubricants	89	74	+20%
Total	**693**	**617**	**+12%**
Gross cash unit margin ($/'000 litres)			
Retail fuel (excluding Non-fuel retail)	75	76	-1%
Commercial	48	45	+7%
Lubricants	628	570	+10%
Total	**75**	**72**	**+4%**
Gross cash profit			
Retail (including Non-fuel retail)	490	438	+12%
Commercial	194	181	+7%
Lubricants	93	78	+19%
Total	**777**	**697**	**+11%**
Adjusted EBITDA			
Retail	259	216	+20%
Commercial	116	92	+26%
Lubricants	72	52	+38%
Total	**447**	**360**	**+24%**

RETAIL

Gross cash profit
US$ million

COMMERCIAL

Gross cash profit
US$ million

LUBRICANTS

Gross cash profit
US$ million

CONSOLIDATED FINANCIAL POSITION

ASSETS

Trade receivables increased by $117 million, from $344 million in 2020 to $461 million in 2021, mainly due to higher crude oil prices and increased sales volumes during the period. Average monthly DSO[1] for the period was 15 days (2020: 16 days).

The increase in inventories of $84 million, from $480 million in 2020 to $564 million in 2021, related to higher crude oil prices and increased market demand. Average inventory days for the period was 26 days (2020: 29 days).

Other assets increased by $81 million, from $317 million in 2020 to $398 million in 2021, mostly due to increases in other government benefits receivable arising from new subsidy balances in some of our markets.

Cash and cash equivalents increased by $72 million from $515 million in 2020 to $587 million in 2021. The increase was largely attributable to the higher cash inflow from operations, partially offset by dividends paid, and the repayment of the revolving credit facility.

Property, plant and equipment increased by $49 million from $889 million in 2020 to $938 million in 2021. Right-of-use assets increased by $18 million, from $201 million in 2020 to $219 million in 2021. These increases are mainly due to the continued expansion of our Retail network, partially offset by depreciation for the year.

Investments in joint ventures and associates increased by $2 million, from $231 million in 2020 to $233 million in 2021. The increase is primarily due to the share of profit received from joint ventures and associates amounting to $27 million, partially offset by dividends received of $22 million.

EQUITY

Total equity increased by $71 million from $812 million in 2020 to $883 million in 2021, mainly due to total comprehensive income for the year of $142 million. This increase was partially offset by dividends paid, amounting to $76 million during the period.

LIABILITIES

Trade payables increased by $386 million from $1,048 million in 2020 to $1,434 million in 2021. The increase is primarily due to higher crude oil prices and increased product demand in the current year. Favourable payment terms agreed with suppliers further contributed to the increase. Average monthly DPO[1] for the period was 57 days (2020: 54 days).

The increase in lease liabilities of $18 million from $143 million in 2020 to $161 million in 2021, is predominantly due to new lease agreements, partially offset by the repayment of lease instalments in the period.

The decrease in borrowings of $53 million from $682 million in 2020 to $629 million in 2021 is mainly due to the repayment of the revolving credit facility.

DIVIDENDS

The Board has adopted a progressive dividend policy while maintaining an appropriate level of dividend cover and sufficient financial flexibility in the Group.

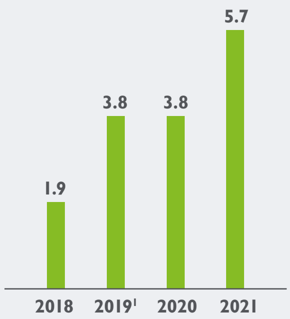
In March 2021, the Board increased the minimum payout ratio from 30% to 50% of attributable net income to reflect the Group's cash flows, strong balance sheet and continuing growth ambitions. The dividend policy remains progressive and the intent is for future dividends to grow in line with earnings. The Group declares its dividends in US dollars.

The interim dividend of 1.7 cents per share, amounting to $21 million was paid during the year, the first dividend paid under the enhanced dividend policy of the 50% payout ratio.

The Board has declared a further interim dividend for the 2021 financial year of 4.0 cents per share. Further information related to dividends can be found on page 163.

FULL YEAR DIVIDEND

US cents per share



1 2019 full year proposed dividend of 2.7 cents paid as an interim dividend in 2020 in settlement of withdrawn 2019 final dividend.

1 Days sales outstanding (DSO) and days purchases outstanding (DPO) are based on monthly averages and on trade elements only.

LIQUIDITY AND CAPITAL RESOURCES

ADJUSTED FREE CASH FLOW

In addition to the commentary on the Group's consolidated statement of cash flows below, further disclosures in relation to the Group's processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit risk, liquidity risk and market risk can be found in note 3 of the consolidated financial statements.

US$ million	2021	2020
Net income	152	90
Adjustment for non-cash items and other	226	214
Current income tax paid	(102)	(89)
Net change in operating assets and liabilities and other adjustments[1]	195	48
Cash flow from operating activities	**471**	**263**
Net additions of PP&E and intangible assets	(167)	(163)
Free cash flow	**304**	**100**
Special items[2]	7	12
Adjusted free cash flow	**311**	**112**

1 Net change in operating assets and liabilities and other adjustments includes finance expense.

2 Cash impact of special items. Special items are explained and reconciled on pages 36 and 37.

Adjusted free cash flow increased by $199 million, from $112 million in 2020 to $311 million in 2021. The increased cash flow was mainly driven by higher cash inflows from operating activities due to the positive movement in net change in operating assets and liabilities of $147 million and an increase in net income of $62 million.

The positive net change in operating assets and liabilities is primarily attributable to trade payables which increased due to higher crude oil prices, increased product demand and favourable payment terms with suppliers. This was partially offset by increases in trade receivables and inventories predominantly due to higher crude oil prices and increased market demand.

Income tax paid amounted to $102 million for the year ended 31 December 2021 (2020: $89 million). Cash flow from operating activities fully funded net capital expenditure of $167 million in 2021 (2020: $163 million).

CAPITAL EXPENDITURES

US$ million	2021	2020
Maintenance	61	55
Growth	102	101
Special projects	5	12
Total	**168**	**168**

US$ million	2021	2020
Retail	99	100
Commercial	32	29
Lubricants	3	3
Other (technology, supply and distribution and general corporate costs)	34	36
Total	**168**	**168**
Of which growth capital expenditure was:	**102**	**101**
Retail	75	74
Commercial	25	23
Lubricants	2	2
Other (technology, supply and distribution and general corporate costs)	–	2

The strong cash flow generated from operating activities funded our capital expenditure initiatives to pursue various opportunities in our markets. The majority of Growth capital expenditure is attributable to Retail projects which included the expansion of our Retail network. The increase in Maintenance capital expenditure was mainly due to projects in our Retail segment and our continued focus on the maintenance of our supply and distribution infrastructure.

The 'Shining sites' project, established in 2019, to ensure we maintain compliance with our stringent standards, has resulted in 326 retail sites being 'shined' in 2021.

SAP S/4HANA, the Group's new ERP system, was fully implemented in all our Engen-branded entities by April 2021. The decreased capital expenditure of special projects in the current year is primarily due to the completion of the SAP S/4HANA implementation.

ROACE increased from 12% in 2020 to 19% in 2021, primarily due to higher earnings compared to prior year.

NET DEBT AND AVAILABLE LIQUIDITY

US$ million	31 December 2021	31 December 2020
Long-term debt	349	408
Lease liabilities	161	143
Total debt excluding short-term bank borrowings	**510**	**551**
Short-term bank borrowings	280	274
Less: cash and cash equivalents	(587)	(515)
Net debt	**203**	**310**

US$ million	31 December 2021	31 December 2020
Net debt	203	310
Adjusted EBITDA[1]	447	360
Leverage ratio[1]	**0.45x**	**0.86x**

1 For the description and reconciliation of non-GAAP measures refer to pages 36 and 37.

US$ million	31 December 2021	31 December 2020
Cash and cash equivalents	587	515
Available undrawn credit facilities	1,471	1,563
Available short-term capital resources	**2,058**	**2,078**

Long-term debt consists of $350 million in notes issued in September 2020. The notes have a coupon rate of 5.125% paid semi-annually and are fully redeemable in 2027, at maturity. Short-term bank borrowings include uncommitted unsecured short-term bank facilities which are extended by various local banks to individual operating entities, ranging from $1 million to $354 million and carry interest rates between 1.5% and 16.1% per annum. These facilities are automatically renewable and typically for a period of 12 months. The Group's debt covenants are disclosed in note 23 of the notes to the consolidated financial statements. Net debt decreased by $107 million to $203 million, mainly due to an increase in cash and cash equivalents and a decrease in long-term debt. The increase in cash and cash equivalents was driven by higher cash flows from operating activities. The repayment of the RCF explains the decrease of long-term debt.

The Group's leverage ratio strengthened from 0.86x in 2020, to 0.45x in 2021, mainly attributable to the decrease in net debt and higher adjusted EBITDA.

This low leverage ratio is reflective of our strong balance sheet. The available undrawn credit facilities of $1,471 million comprise the undrawn, committed multi-currency revolving credit facility of $300 million and $1,171 million of undrawn, unsecured and uncommitted short-term bank facilities extended to our operating entities for working capital purposes. Future decisions on the structure of the Group's debt facilities may be dependent upon the Vitol Offer.

The table below sets the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows:

US$ million	31 December 2021					
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	278	13	22	60	368	**741**
Trade payables	1,375	59	–	–	–	**1,434**
Lease liabilities	7	32	32	66	106	**243**
Other liabilities[1]	28	23	18	2	144	**215**
Total	**1,688**	**127**	**72**	**128**	**618**	**2,633**

1 Other liabilities (note 26) exclude the elements that do not qualify as financial instruments.

The Group has purchase obligations, for capital and operational expenditure, under various agreements, made in the normal course of business. The purchase obligations are as follows, as at:

US$ million	31 December 2021	31 December 2020
Purchase obligations	21	22

NON-GAAP FINANCIAL MEASURES

Non-GAAP measures are not defined by International Financial Reporting Standards (IFRS) and, therefore, may not be directly comparable with other companies' non-GAAP measures, including those in our industry. Non-GAAP measures should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

The exclusion of certain items from non-GAAP performance measures does not imply that these items are necessarily non-recurring. From time to time, we may exclude additional items if we believe doing so would result in a more transparent and comparable disclosure.

The Directors believe that reporting non-GAAP financial measures in addition to IFRS measures provides users with an enhanced understanding of results and related trends and increases the transparency and clarity of the core results of our operations. Non-GAAP measures are used by the Directors and management for performance analysis, planning, reporting and key management performance measures.

Term	Description
Gross cash profit	This is a measure of gross profit after direct operating expenses and before non-cash depreciation and amortisation recognised in cost of sales. Reference to 'cash' in this measure refers to non-cash depreciation and amortisation as opposed to the elimination of working capital movements. Gross cash profit is a key management performance measure.
EBITDA	Earnings before finance expense, finance income, income tax, depreciation and amortisation. This measure provides the Group's operating profitability and results before non-cash charges and is a key management performance measure.
Adjusted net income	Net income adjusted for the impact of special items.
Special items	Income or charges that are not considered to represent the underlying operational performance and, based on their significance in size or nature, are presented separately to provide further understanding of the financial and operational performance.
Net debt	Total borrowings and lease liabilities less cash and cash equivalents.
Adjusted EBIT	Earnings before finance expense, finance income and income taxes adjusted for special items. The Group views adjusted EBIT as a useful measure because it shows the Group's profitability and the ability to generate profits by excluding the impact of tax and the capital structure, as well as excluding income or charges that are not considered to represent the underlying operational performance.
Gross cash unit margin	Gross cash profit per unit. Unit is defined as 1,000 litres of sales volume. This is a useful measure as it indicates the incremental profit for each additional unit sold.
Adjusted EBITDA	EBITDA adjusted for the impact of special items. This is a useful measure as it provides the Group's operating profitability and results, before non-cash charges and is an indicator of the core operations, exclusive of special items.
Adjusted diluted EPS	Diluted EPS adjusted for the impact of special items.
Adjusted free cash flow	Cash flow from operating activities less net additions to PP&E and intangible assets and excluding the impact of special items. This is a key operational liquidity measure, as it indicates the cash available to pay dividends, repay debt or make further investments in the Group.
Leverage ratio	Net debt, including lease liability, divided by the last 12 months' adjusted EBITDA.
Return on average capital employed (ROACE)	Adjusted EBIT after income tax divided by the average capital employed. Average capital employed is the average of opening and closing net assets plus borrowings and lease liabilities, less cash and cash equivalents and interest bearing advances. ROACE is a useful measure because it shows the profitability of the Group considering the average amount of capital used.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

US$ million	2021	2020
Gross profit	**693**	**617**
Add back: depreciation and amortisation in cost of sales	84	80
Gross cash profit	**777**	**697**
Volumes (million litres)	10,302	9,637
Gross cash unit margin ($/'000 litres)	**75**	**72**

US$ million	2021	2020
EBT	**253**	**175**
Finance expense – net	59	60
EBIT	**312**	**235**
Depreciation, amortisation and impairment	130	125
EBITDA	**442**	**360**
Adjustments to EBITDA related to special items:		
IPO[1], Engen acquisition[2] and Vitol Offer related expenses[3]	4	1
Management Equity Plan[4]	1	(3)
Hyperinflation[5]	–	2
Adjusted EBITDA	**447**	**360**

US$ million	2021	2020
Net income	**152**	**90**
IPO[1], Engen acquisition[2] and Vitol Offer related expenses[3]	4	1
Management Equity Plan[4]	1	(3)
Hyperinflation[5]	–	2
Adjusted net income	**157**	**90**

US$	2021	2020
Diluted earnings per share	0.11	0.06
Impact of special items	–	–
Adjusted diluted earnings per share	**0.11**	**0.06**

US$ million, unless otherwise indicated	2021	2020
EBIT	**312**	**235**
Adjustments to EBIT related to special items:		
IPO[1], Engen acquisition[2] and Vitol Offer related expenses[3]	4	1
Management Equity Plan[4]	1	(3)
Hyperinflation[5]	–	2
Adjusted EBIT	**317**	**235**
Adjusted EBIT after tax	193	120
Average capital employed	1,042	1,021
ROACE	**19%**	**12%**

Reconciliation of net debt and leverage ratio is included on page 35. The reconciliation of adjusted free cash flow is included on page 34.

1 IPO related items in 2021 and 2020 concern the IPO share awards which are accrued for over the vesting period.

2 On 1 March 2019 Vivo Energy Investments B.V., a subsidiary of the Group, acquired 100% of the issued shares in Vivo Energy Overseas Holdings Limited (VEOHL) (formerly known as Engen International Holdings (Mauritius) Limited). The cost of the acquisition and related integration project expenses incurred in 2020 are treated as special items.

3 These expenses related to the potential change in control transaction, are treated as special items as they do not form part of the core operational business activities and performance.

4 The Management Equity Plan vested at IPO in May 2018 and was exercisable on the first anniversary of admission for a period of 24 months. Changes in the fair value of the cash-settled share-based plan do not form part of the core operational business activities and performance and should, therefore, be treated as a special item. The costs of share-based payment schemes introduced after the IPO are not treated as special items.

5 The impacts of accounting for hyperinflation for Vivo Energy Zimbabwe, in accordance with IAS 29, are treated as special items since they are not considered to represent the underlying operational performance of the Group and based on their significance in size and unusual nature are excluded as the local currency depreciation against the US dollar does not align to the published inflation rates during the period.

FOCUSING ON THE SUSTAINABILITY TOPICS THAT MATTER TO STAKEHOLDERS

As part of our ongoing drive to more formally embed sustainability into our business, we conducted a materiality assessment during the year in order to prioritise and identify our most important sustainability areas.

Our Materiality Assessment approach was modelled on the five-part Materiality Test, and aligned with AA1000 APS 2018, GRI, SASB, CDSB, IR, WEF and various stock exchange rules around the world.

OUR MATERIALITY PROCESS

Identifying relevant topics

Working with sustainability consultants, we conducted in-depth desk research and interviews with internal and external stakeholders as the first key step in the process.

This research focused on relevant industry, media and regional materials on trade, policy and socio-economic topics. The team reviewed all available corporate documentation relating to sustainability, such as company policies and commitments, as well as peer/competitor companies.

They also conducted a horizon scan to identify relevant legislation, sustainability standards such as SASB, GRI, DJSI, and relevant mega trends and SDGs. This research helped to define a list of sustainability topics that was used as the basis for the prioritisation exercise with internal and external stakeholders.

Interviews were then scheduled with a range of 29 internal and external stakeholders to assess their views on materiality topics.

Questions focused on stakeholders' views on the set of potential material topics and included a mixture of unprompted, open questions, and specific questions testing the findings of the desk research and other early discussions.

Prioritising topics

An assessment tool using tried and tested criteria was deployed to assess Group level operations and achieve relative priority scores from the perspectives of Stakeholder Concern, Business Impact, and Impact on Society and Environment (known as 'Outward Looking', or 'Double' Materiality, currently best practice).

Our materiality analysis tool scored each issue, resulting in a clear matrix diagram which maps impact on the environment and society (and by extension, Vivo Energy) against importance to stakeholders, to provide an assessment of materiality for strategy, reporting and target setting.

Validating topics

A three-step process was used to validate and approve the assessment.

Analysis was first validated through an internal workshop, comprising senior leaders from across different business functions, including operations, strategy, HSSEQ, sustainability, risk, legal, HR and communications.

The workshop allowed attendees to question the materiality analysis, feed in wider perspectives, adjust scores using new information, and discuss priorities and management focus.

The team used the prioritisation criteria to guide the discussion, and to ensure the overall outcome was balanced and fair, and did not overly favour any particular individual's preferences.

Following detailed discussion and review the findings were presented to our ESG and Climate Committee for its review, and ultimately to the Board.

NEXT STEPS

The materiality process, including development of the materiality matrix, has been a valuable process. It has enhanced our stakeholder engagement and both confirmed key sustainability areas that we already address through our current practices, as well as identifying emerging areas for future focus.

DEFINING OUR MATERIAL TOPICS

TIER I

CORPORATE INTEGRITY	HSSE	ENERGY TRANSITION
Maintenance of corporate reputation by having appropriate Governance structures overseeing adherence to international and local regulations and standards, code of conduct and management of compliance risks. Ensuring alignment with human rights standards and prevention of violations.	Continued world-class safety and security practices for all Vivo Energy employees and contractors, managing mental and physical wellbeing of employees, as well as managing environmental and safety risks of product spills.	Reducing climate change impacts and supporting the energy transition by reducing the carbon intensity of our product portfolio and integrating risks and opportunities from climate change into the business.
GHG EMISSIONS	**ECONOMIC AND COMMUNITY DEVELOPMENT**	
Policy and strategy for reporting and managing energy use and carbon emissions across the full value chain.	Promoting social and economic development by supporting access to infrastructure, education and enterprise opportunities in host countries and communities.	

MATERIALITY MATRIX

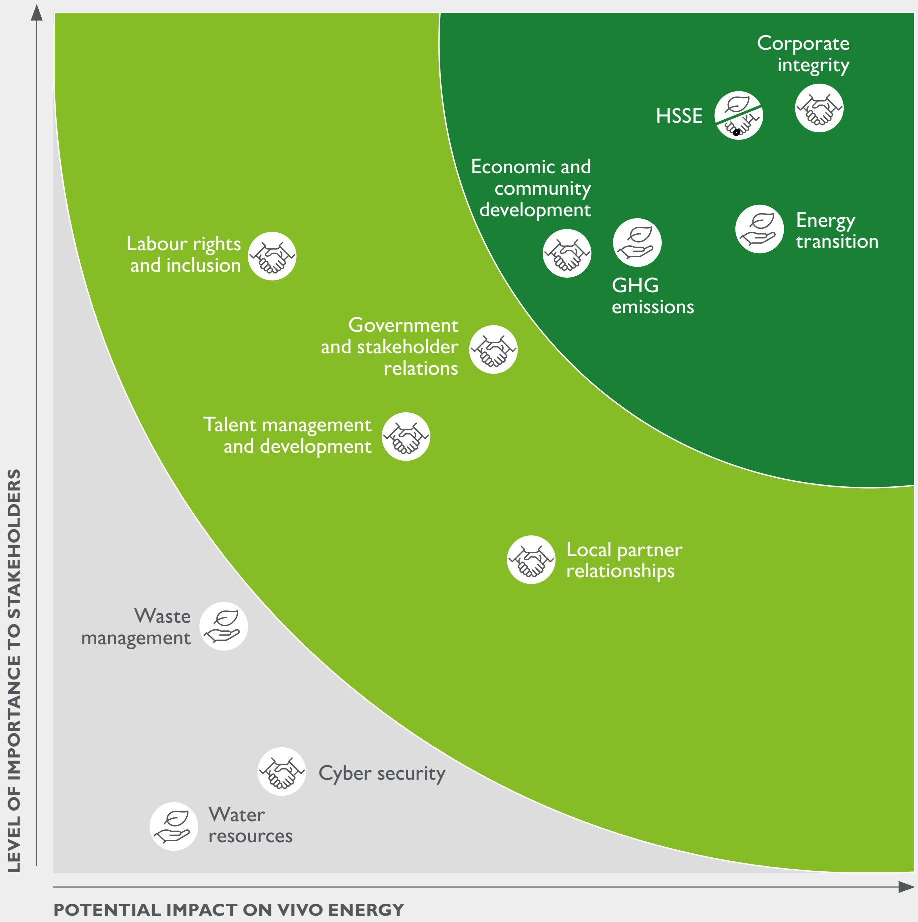
KEY

Environmental

Social & Governance

> Sustainability is an integral part of our business."

CHRISTIAN CHAMMAS
CHIEF EXECUTIVE OFFICER



TIER 2

GOVERNMENT AND STAKEHOLDER RELATIONS

Managing relationships with institutional and government stakeholder groups, relating to industry and fuel standards, development of energy infrastructure and stability of the regulatory framework.

TALENT MANAGEMENT AND DEVELOPMENT

Providing career growth opportunities through training and skills development while attracting and retaining skilled people and supporting the growth of local employable labour pools.

LABOUR RIGHTS AND INCLUSION

Enabling diversity and inclusivity, with fair and equal employment opportunities and working conditions, and in compliance with local labour regulation.

LOCAL PARTNER RELATIONSHIPS

Managing retail site dealers, third party transporters and other local counterparties to maintain productive/effective/equitable relationships, operational standards and our local reputation.

ADDITIONAL TOPICS

WASTE MANAGEMENT

Managing operational waste across the business.

CYBER SECURITY

Managing exposure to cyber security threats to avoid reputational and economic impacts from disruption to commercial activities and to ensure effective data protection.

WATER RESOURCES

Managing water consumption levels across assets and implementing water stewardship strategies.

OUR STAKEHOLDERS

We listen to and collaborate with a wide range of stakeholders to grow our business and deliver value.

Engagement with our shareholders and wider stakeholder groups plays a vital role throughout the business. It helps us gain a better understanding of the impact of our decisions on stakeholder interests as well as insight into their needs and concerns.

Details of how we've engaged with, and taken into consideration, the interests of those stakeholders who are material to the long-term success of the business can be found on the following pages.

Not all information is reported directly to the Board. However, the output of engagement with stakeholders informs Group decisions, and relevant feedback is reported to the Board and/or its Committees.

OUR PEOPLE

We want our people to be safe, engaged, and focused on doing business the right way.

HOW DID WE ENGAGE?

- We carried out a full employee engagement survey to discover how our people view various aspects of the Company, after almost a decade in operation.
- We launched a new online platform – Your Voice – to encourage employees to submit ideas on a wide range of topics.
- The Employee Engagement Champion Committee completed its first full year with representatives providing input and feedback to our Senior Independent Director Hixonia Nyasulu, ensuring that employees' issues and concerns are shared with the Board.

WHAT TOPICS WERE RAISED AND HOW DID WE RESPOND?

- The employee survey focused on measuring six key areas, including leadership and culture; reward; role content; career; workplace; and purpose and values.
- Following review of the survey results, we developed action plans in each market to further improve performance.
- Recommendations from 'Your Voice' are reviewed by country HR Managers and discussed at country leadership level. Where the ideas make business sense and have the potential to improve ways of working, they are implemented to help grow, develop and improve the business.

WHAT WERE THE RESULTS?

Nine out of ten employees reported they were proud to work for Vivo Energy in the employee engagement survey.

The average favourability score from the full employee survey was 75%, up from 73% when last conducted in 2018, and higher than the 69% global benchmark[1].

FOR MORE INFORMATION SEE PAGES **46-51**

1 Based on Mercer's Oil & Gas and FMCG combined employee engagement benchmark.

CUSTOMERS

We want to offer our customers the best platform in the market, providing an exceptional customer experience, a wide range of customer value propositions, and exciting Non-fuel retail offerings.

HOW DID WE ENGAGE?

- We continued to listen and respond to our Retail customers through our Voice of Customer and Voice that Counts feedback programmes.
- We launched a Retail trade customer prospecting drive with our retailers and Territory Managers to canvas and convert new local customers.
- We continued the growth of our loyalty programmes across the Group, allowing us to engage directly with around 1.8 million loyalty members.
- In the Commercial segment, we focused on enhancing our sales approach and training to help improve our customer relationship management process and engagement.

WHAT TOPICS WERE RAISED AND HOW DID WE RESPOND?

- Customers remained focused on health and personal safety during the continuing pandemic. We continued to deliver clean and safe sites by focusing on 28 customer touchpoints at each site across our Retail network.
- We continued to advance our ways of working remotely with our Commercial customers, providing expert technical guidance even when not physically at our customers' sites.
- We developed and expanded our hybrid solar/fuel energy offer, growing our pipeline of prospects considering alternative energy solutions.

WHAT WERE THE RESULTS?

88% of our Retail customers highly satisfied with our ongoing response to the COVID-19 pandemic.

In the Retail segment, over 90% of customers were extremely satisfied with the overall quality of service.

FOR MORE INFORMATION SEE PAGES **22-27**

PARTNERS

We want to support our partners, always focused on doing business the right way as we strive to achieve our vision of becoming the most respected energy business in Africa.

HOW DID WE ENGAGE?

- Our strong relationships with Shell and Engen continued to help us market and launch new products, maximising the benefit of the relationships for all stakeholders.
- We regularly meet with the HSSE, quality and branding teams at Shell and Engen to ensure our standards are market-leading.
- We enhanced our Customer Champion app, improving communication and engagement with Retail site staff.
- We published a supplier Code of Conduct, which specifically addresses the minimum standards and conduct we expect from our suppliers and partners.

WHAT TOPICS WERE RAISED AND HOW DID WE RESPOND?

- Our updated Retail policy and procedures manual, together with a new online retailer academy was developed during the year and will be launched to ensure our retailers are supported and have immediate access to all operating procedures and best practice.
- We provided regular news updates, training and accreditation for site staff across the Shell-branded network, with plans to launch a similar platform in the Engen-branded network in 2022.

WHAT WERE THE RESULTS?

Better engagement with our retail site staff has helped improve the standard and quality of our Retail offering for customers.

The latest formulation of Shell fuel products was launched in five more countries during the year.

FOR MORE INFORMATION SEE PAGES **44-45**

OUR STAKEHOLDERS

COMMUNITIES

We want to make a real and lasting difference to our communities, engaging with them to earn their respect and trust, supporting them and promoting a better quality of life and more sustainable future.

HOW DID WE ENGAGE?

- For 2021, while COVID-19 related support for our stakeholders continued to be a priority which we supported, we also shifted our Community Investment programme back to include our three core focus areas of road safety, education and the environment.

WHAT TOPICS WERE RAISED AND HOW DID WE RESPOND?

- We launched over 120 community investment projects across the Group during the year.
- As road safety is a major challenge across Africa, community leaders want our programmes to deliver a cultural shift in attitudes to road safety across the general population, in particular among schoolchildren.
- We also support development and delivery of a wide range of educational initiatives, helping children and young people foster academic achievement, entrepreneurship and learning.
- Finally we have a responsibility to empower local communities and help them adopt behaviours that will safeguard the environment, improve energy efficiency, and promote a better quality of life and a more sustainable future.

WHAT WERE THE RESULTS?

Supporting our communities has helped us continue to build our reputation. For example, Vivo Energy Tunisia partnered with the Ministry of Education to develop entrepreneurship skills across hundreds of young children.

Vivo Energy Ghana, launched its 'Stop, Think & Drive' campaign to deliver an awareness campaign for commercial drivers and motorcyclists.

FOR MORE INFORMATION SEE PAGES **54-55**

GO GREEN ZAMBIA

We launched a programme to support the Ministry of Green Economy and Environment, in conjunction with a number of our partners, by planting 50,000 trees in Zambia.

Community investment projects

+120

launched during the year.

INVESTORS AND SHAREHOLDERS

We want to understand and engage with our investors and keep them informed about key developments at Vivo Energy.

HOW DID WE ENGAGE?

- In addition to the regular reporting cycle, the Executive Directors and our Head of Investor Relations regularly engage with our shareholders and potential new investors.
- As a result of COVID-19, there were very few in person meetings or physical conferences during the year, and a far greater reliance on calls and video conferences to keep investors and shareholders informed and engaged. This had the benefit of greatly increasing the reach of engagement into different territories across the world that were previously not on the engagement calendar.

WHAT TOPICS WERE RAISED AND HOW DID WE RESPOND?

- In 2021 the primary focus was on the Group's recovery from the impact of COVID-19 related mobility restrictions and the recovery of our host countries' economies.
- In addition, we continued to engage with stakeholders on capital allocation following the enhancement of the dividend policy in March 2021. We also engaged on issues such as management succession, executive remuneration, governance and Group strategy.
- We increased focus on ESG matters, and sought to enhance disclosure and engagement with the ESG rating agencies.
- Following the announcement of the Vitol Offer in November 2021, our engagement activities adopted a more prescriptive approach to ensure that investors' views were heard while maintaining compliance with Takeover Panel rules.

WHAT WERE THE RESULTS?

We believe that the detailed engagement throughout the year has enhanced relationships with our core stakeholders and supported greater understanding of the key drivers of the business.

We successfully attracted a range of new institutional shareholders. This led to strong share price performance during the year, before the announcement of the Vitol Offer.

GOVERNMENTS

We want to maintain good relationships with host governments in the countries where we operate.

HOW DID WE ENGAGE?

- We primarily engage with our host governments through industry bodies.
- Face-to-face engagement with ministers and senior officials remained a challenge due to the pandemic, however, we continued to engage virtually, and in face-to-face settings where permitted.

WHAT TOPICS WERE RAISED AND HOW DID WE RESPOND?

- A key priority for our host governments during the year was managing the ongoing impact of COVID-19 in their markets.
- We continued to engage with and support our host governments, ensuring that our Retail and Commercial network remained operational, so that critical fuel products could continue to be provided to keep businesses and countries operational.

WHAT WERE THE RESULTS?

Due to our central position within economies, we maintained our position as a major collector of tax and duties on behalf of governments through the sale of petroleum products.

We create significant direct and indirect employment which generates major economic benefit for countries, and are a significant tax contributor in our own right. In 2021, we paid $102 million in income taxes to our host economies and collected significant taxes and duties through the sale of petroleum products.

OUR ASSETS

Our well-maintained assets range from the bright, efficient service stations that provide high-quality products and customer convenience, to an extensive fuel storage network and lubricant blending plants. Owning or having operational control of these assets is essential for our ability to control costs, guarantee supply and manage HSSEQ.

HOW WE MANAGE OUR RETAIL NETWORK

At the end of 2021, our retail network comprised 2,463 service stations across 23 countries, trading under the Shell and Engen brands. During the year we added a net total of 133 new service stations.

We remained fully focused on helping to combat the pandemic by continuing to implement protective measures across our network. We ensured our sites were cleaner and safer for customers and staff through strict protocols, awareness campaigns, and provision of protective equipment across the network.

We continued the 'Shining sites' programme to make sure that our service stations are convenient and welcoming places to visit, adapted to all types of motorists including those driving light vehicles, trucks, commercial vehicles and motorbikes. We refurbished 326 sites, also adding Non-fuel retail offerings, including shops, pharmacies, coffee and food outlets and car service repair centres.

Our customers are frequent and loyal visitors because our service stations are clean, vibrant, efficient and convenient. In 2021 we continued to increase our payment systems and to roll-out our new app for the Shell-branded markets, which is bringing more convenience to customers, and promoting even greater loyalty.

HOW WE MANAGE OUR DEALER NETWORK

In order to manage our retail network efficiently, we utilise local dealers to operate approximately 96% of our sites to our exacting standards. We use a mix of three operating models across our network depending on the site location and circumstance. The majority of our service stations are company-owned and dealer-operated (CODO). However, we also have sites that are dealer-owned and operated (DODO) and a small number that are company-owned and operated (COCO).

We support our dealers to ensure they have a platform to succeed and regularly check that they're maintaining the standards that we require. Across all our sites we manage and control HSSEQ, marketing and branding, as well as site and service standards, to ensure operational excellence.

Our Territory Managers frequently visit the sites, following a structured call plan, which drives compliance and growth.

HOW WE MANAGE OUR NETWORK OF STORAGE FACILITIES AND PLANTS

We've developed an extensive network of storage facilities to ensure that we can supply our Retail and Commercial customers. In 2021, we had access to over one billion litres of storage across Africa, mitigating supply risks. We own 57 depots in over 50 locations, giving us reliable access to over 663,000 cubic metres of directly-owned and managed storage capacity. In addition, through joint venture arrangements, we have further access to approximately 375,000 cubic metres of storage.

SHINING SITES

We refurbished 326 sites to improve customer experience and support growth.

"The average depot turns increased to 9.5 during 2021, mainly as a result of increased year-on-year volumes."

This network is supplied by a combination of ship, pipeline, truck and rail. In recent years, average depot turns have increased from 8.2 in 2016, 9.2 in 2017, 9.4 in 2018 and 9.7 in 2019. Tank turns decreased to 8.6 in 2020, mainly due to lower uplifts in Q2 as a result of COVID-19 lockdowns, but we are pleased to report a rebound to 9.5 in 2021.

We also benefit from a 50:50 joint venture with Shell, known as Shell and Vivo Lubricants (SVL). Through this joint venture, we have access to and operate two lubricant blending plants in Morocco and Kenya and have interests in blending operations in Tunisia, Côte d'Ivoire, Ghana and Guinea. This gives us access to around 158,000 metric tonnes of blending capacity.

In the Marine sector, we have full bunkering operations in five countries and have the capability to supply fuel and lubricants to marine customers in a number of other markets. The LPG business owns bottling plants and has interests in joint venture facilities in seven countries.

HIGHLIGHTS DURING THE YEAR

Retail service stations

2,463

across the Group in total at the end of 2021.

Sites refurbished

326

through our 'Shining sites' programme.

Site automation

278

retail sites automated to improve service and efficiency.

HOW WE MANAGE OUR BRANDS

Our principal partnerships are with Shell and Engen, with whom we've secured retail brand licence agreements until December 2031 and March 2034 respectively. These give us rights to use specified Shell and Engen brands for our products and services, including our service stations.

We own 50% of SVL, which is the licensee for Shell's lubricant brands and intellectual property across all African markets, except South Africa, Libya and Egypt. This gives us access to the industry's most widely respected lubricants.

In most of the Retail markets where we operate we do not compete on price because fuel prices are regulated (margins on regular fuels were regulated in 20 of the 23 markets where we operated at the end of 2021).

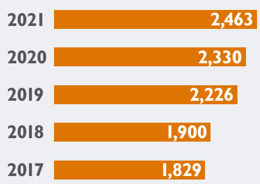
This means we compete on location, customer experience and brand. We spend a material amount on marketing across our operating units to drive growth and protect and enhance our brand which – when coupled with the high levels of customer service, quality fuels, a safe fuelling environment and a quality Non-fuel retail offering – means that we're able to consistently outperform our competitors.

Network expansion

133

net total of new Retail service stations added.

Retail service stations



Storage capacity

663,000

cubic metres of directly-owned and managed storage capacity.

OUR PEOPLE

OUR CULTURE, VALUES AND PURPOSE

When Vivo Energy was created a decade ago, we quickly developed, introduced and embedded our 'Focus, Simplify and Perform' operating culture, and this has been our guiding principle ever since. It has enabled us to stay one step ahead, and will continue to be a key part of our business for many years to come.

THE VIVO ENERGY WAY

Since the foundation of Vivo Energy in 2011, our operating culture of 'Focus, Simplify and Perform' has remained a central part of the way we do business. We achieve success by constantly reinforcing our fast, agile, decentralised business model, and this remained important as we continued to manage the impact of COVID-19 in our markets during 2021.

Our values of honesty, integrity and respect for people guide our teams as they work towards our vision of becoming Africa's most respected energy business.

The employee engagement survey conducted during the year showed that 79% of employees believe that we are delivering on our Purpose – to safely provide innovative and responsible energy solutions to Africa, which enable growth and development of the continent and its people.

We keep our people regularly informed about our business through interaction with their managers, employee town hall meetings, regular online newsletters and via our intranet. 71% of employees felt that the organisation works in a simplified and focused way to deliver results and performance, and 79% said that they were kept informed about organisational decisions that affect them.

We seek to maintain constructive relationships with labour unions formally representing our employees and have localised union agreements and guidelines in place, as applicable. Approximately 30% of the Group's employees are unionised.

DOING BUSINESS THE RIGHT WAY

Our reputation is our most important asset and we work hard to maintain it at every opportunity. We demonstrate the highest standards of corporate behaviour at all times and in every interaction with our employees, our customers, those with whom we do business and our shareholders. 80% of employees felt that colleagues live the corporate values of honesty, integrity and respect for people.

Our Code of Conduct and General Business Principles (both available on our website) underpin everything we do and are the foundation of our business. We published a separate Supplier Code of Conduct in Q4 2021, which specifically addresses the minimum standards and conduct we expect from our suppliers.

All new employees complete an online induction programme, which explains our policies and helps them integrate into the organisation quickly and comprehensively. The induction programme includes training in relation to our Code of Conduct and key Anti-bribery and corruption (ABC) and Anti-money laundering (AML) initiatives.

We have a detailed counterparty screening process in place which is formalised in the Vivo Energy Know Your Customer (KYC) Policy. The screening process gives us confidence that we know who we are doing business with and that the ethics and values of our counterparties align to our core values. As part of the screening process we request new counterparties to sign a compliance statement which sets out our approach towards ABC, AML and conflict of interest.

Employees, third parties and members of the public also have access to our independent, 24/7 anonymous whistle-blowing helpline. They can use this to report any concerns by telephone, online via web reporting or via a designated Vivo Energy whistle-blowing app, which is available for both Android and iOS devices.

During Q2 2021, we rolled out an all staff online training course to raise awareness regarding cyber security and the risks of data being maliciously obtained by third parties. The course focused on teaching employees how to successfully identify phishing attempts and how to escalate their response. We also conducted seven phishing simulation tests during 2021 to increase employee awareness and understanding of cyber security risks. Despite the increasing complexity of these tests, the number of employees being deceived has continued to fall.

Delivering on our Purpose

79%

of employees believe that Vivo Energy is delivering its Purpose.

"Our Purpose is to safely provide innovative and responsible energy solutions to Africa, which enable growth and development of the continent and its people."

Delivering results

71%

of employees felt that the organisation works in a simplified and focused way to deliver results and performance.

We're committed to providing equal opportunities for all our employees. Should any employee become disabled, our policy is to engage, re-train and make reasonable adjustments to enable continued employment.

ANTI-CORRUPTION AND ANTI-BRIBERY

We continue to maintain a multi-site ISO 37001 anti-bribery management systems certification, covering all of our markets. During the year, we carried out five external reviews of operating units as well as a review of head office operations in London as part of the annual maintenance audits. No non-conformities were noted during the reviews.

We provide mandatory employee training on topics such as Anti-bribery and corruption, Anti-money laundering, and our Code of Conduct. We also hold financial crime courses on a bi-annual basis for all employees, tailored to specifically address applicable scenarios, with training completion monitored by our Ethics & Compliance office. Courses are available in our three operational languages to ensure that all our people can fully grasp the content and learning objectives.

In addition, each employee is required to submit a Conflict of Interest declaration every year, confirming their understanding of our compliance policies. These declarations are reviewed and approved by line managers after which a detailed risk assessment is conducted by the Ethics and Compliance Office. Corrective measures are recommended and implemented by the Ethics and Compliance Office where required.

HUMAN RIGHTS

We strongly support the elimination of all forms of modern slavery. Such exploitation is entirely at odds with our core values of honesty, integrity and respect for people, which are crucial to our success and growth, and to achieving our vision of becoming Africa's most respected energy business.

We are committed to respecting, upholding and applying the highest Human Rights and ethical standards across the economies and societies in which we operate. Our approach is guided by the 10 Principles of the United Nations' Global Compact (UNGC), with which Vivo Energy complies. We published a Human Rights Policy Statement in Q4 2021 which sets out the core human rights principles which we strive to uphold. The policy statement is available on our external website.

Respect for human rights is also embedded in our Code of Conduct and General Business Principles, which recognise our responsibility to conduct business as a responsible corporate citizen and to support fundamental human rights in line with the legitimate role of business. Both the Code and the Business Principles explicitly address our commitment to combatting modern slavery and human trafficking.

In order to provide practical guidance to our employees and counterparties, we published Modern Slavery Guidance Principles in Q2 2021. We also launched a project to roll out the new principles to all operating units and retailers.

Our anonymous whistle-blowing helpline includes a specific reporting category for raising concerns in relation to any form of unfair labour practices and potential human rights violations. Any report received in relation to these categories is directly reported to the Vivo Energy Head of Ethics and Compliance and the Vivo Energy Vice President Human Resources.

Respect for human rights is embedded in our Code of Conduct and General Business Principles.

HIGHLIGHTS DURING THE YEAR

Delivering on our Purpose

79%

of employees believe we are delivering our Purpose.

Knowing who we do business with

2,618

counterparty screening checks conducted.

Contributing to our markets

$102M

income tax paid to our host economies.

ENGAGING AND DEVELOPING OUR PEOPLE

Throughout the year we continued to engage our 2,764 people, working hard to support and develop them at every opportunity.

CONTINUING TO SUPPORT OUR PEOPLE THROUGH COVID-19

COVID-19 continued to have a major impact on the lives of our people during 2021, and our overarching priority to protect their health and safety again remained paramount.

We have continued to track COVID-19 data across our markets, following best practice and local guidance and regularly reminding our people of the preventative measures to minimise the risk of catching or transmitting the virus. Despite these efforts, we sadly lost three employees to COVID-19 during the course of the year and have worked to support their families.

During the year we strongly encouraged employees to be vaccinated against COVID-19. For example, using our Company doctors to inform employees about the vaccines, allowing them to be given on our sites where possible, and offering to cover the cost of vaccinations where not freely provided by our host countries. At the same time, our policy is to ensure that no employee will suffer any unfavourable treatment, should they decline the offer of a vaccination.

Although the provision and take-up of vaccines has been slower than expected in the majority of our sub-Saharan markets, by the end of the year we were pleased to see that 68% of African-based employees were fully vaccinated.

Employees' mental and physical wellbeing remained a key focus and we organised wellness days, workshops and talks as well as medical expert referrals across the Group during the year.

Towards the end of the year, we launched a pilot Employee Assistance Programme in six of our operating units providing practical information and confidential counselling to employees and their close family members on a wide range of work and personal issues. This pilot programme is being monitored, with the intention of rolling it out across the Group during 2022.

EMPLOYEE ENGAGEMENT

During 2020 we acted quickly and decisively to ensure that our people could work remotely from home where possible, taking additional actions to support those colleagues for whom this was not possible. While we have done everything possible to safely reintegrate colleagues back into the workplace where allowed, 2021 saw continued restrictions and further need to work from home for many of our colleagues.

As a result, it was vital that we continued to enhance our employee engagement channels, and we rolled out a number of initiatives during the year.

In June we conducted a full employee engagement survey, which tracked six key areas: leadership and culture; reward; role content; career; workplace; and purpose and values. Employees were very keen to participate in the survey, as evidenced by the completion rate of 88%.

Across the 39 questions, the average score was 75%, up from 73% when the full survey was last conducted in 2018, demonstrating that employees are more positive about working for Vivo Energy, even during these disruptive times. Nine out of ten employees are proud to work for us, believing we are well-respected in the countries where we operate, deliver world-class HSSEQ performance and that we will be successful in the future. Following review of the survey results, we developed action plans in each market to further improve performance.

We work hard to nurture an open culture where the opinions of our people are heard and valued. In addition to existing programmes, we launched a new online platform – Your Voice – to encourage employees to submit ideas on a wide range of topics. These are reviewed by country HR Managers and discussed at country leadership level. Where the ideas make business sense and have the potential to improve ways of working, they are implemented to help grow, develop and improve the business.

The Employee Engagement Champion Committee, established in 2020, completed its first full year with representatives providing input and feedback to our Senior Independent Director Hixonia Nyasulu so that employees' issues and concerns could be shared with the Board.

ENGAGEMENT SURVEY

Nine out of ten employees are proud to work for Vivo Energy.

"We work hard to nurture an open culture where the opinions of our people are heard and valued."

Structured training and development

$1.5M

invested in learning and development in 2021.

Entrepreneurial culture and low rate of resignations

5.1%

resignations during the year.

TRAINING AND DEVELOPMENT

2021 continued to be a year of integration for the Engen-branded markets. We again worked hard to ensure that the systems and structures in those markets were fit for purpose, that we had the right people in place, and that they were upskilled as needed.

Learning and development remains an integral part of our approach to talent management, and we have structured development plans in place to constantly build the skills and capabilities of our people. We invested around $1.5 million in training throughout the year.

During the year we enhanced virtual and online learning across all areas of the business, upskilling employees and maximising learning opportunities, while always ensuring that this method of training was as impactful as more traditional methods. We successfully rolled out a more user-friendly e-learning system during the year, creating the foundation to build a more effective platform that allows us to integrate competency assessments, learning interventions to help manage our people's performance and career development.

IMPROVING OUR HR SYSTEMS

Following the roll-out of our SAP SuccessFactors people management system, we further digitised our way of working, enhancing our use of technology and improving our HR systems.

This included fully automating our annual salary review process and standardising payroll systems in 22 of the 26 countries where employees are based.

RECRUITING, RETAINING AND REWARDING OUR TEAMS

Throughout the year, and despite the COVID-19 pandemic, we continued to build resource for the future.

In addition to strengthening teams in our Engen-branded markets, a number of new roles were identified, created and filled across the Group to expand our capabilities and help set us up for future growth in business areas such as Food, Convenience Retail, Power, Supply & Sourcing and Sales & Marketing.

Our entrepreneurial culture means that remuneration is closely tied to achievement. Variable pay, in the form of annual discretionary bonuses linked to individual and business performance, is a key element of our culture.

We've also developed bespoke incentive schemes for front line sales staff in the Retail, Commercial and Lubricants segments. In addition, we provide a wide range of benefits for many of our people including healthcare, pensions and life insurance. Long-Term Incentive Plan (LTIP) arrangements apply selectively to senior managers and certain other key members of staff.

See pages 112 to 115 for details of LTIP awards to our Executive Directors.

At 5.1%, our low rate of resignations in 2021 was testament to the way we reward our teams, and underlines our success in retaining talent. This figure is similar to that reported in 2020, which saw a 3.5% resignation rate. Our overall turnover percentage remains well below the African benchmark.

We had 130 interns in Vivo Energy as part of our internship programme during 2021, 26 of whom were appointed permanently. We remain committed to attracting future young local talent which contribute to building sustainable talent pipelines.

DIVERSITY

We promote the development and efficient deployment of our employees to create an inclusive work environment, where everybody has an equal opportunity to develop his or her skills and talents.

Part of our talent strategy, our Diversity Principle states that Vivo Energy values diversity as an organisational strength. We believe that employing and developing top talent from all backgrounds and with varied experiences gives us a competitive advantage.

Across the Group, 43 nationalities are represented, with 36 nationalities across our middle to senior management levels.

GENDER DIVERSITY

We strive to ensure balanced gender diversification across our employee workforce.

Although our gender balance is steadily improving, we recognise that there is further room for improvement.

Across the Group, women represent 27% of total employees, in line with 2020. Female representation was higher (36%) among our office-based and sales staff in 2021 (34% in 2020).

GENDER SPLIT 2021

- Men 73%
- Women 27%

OUR GENDER SPLIT AT 31 DECEMBER 2021 WAS AS FOLLOWS:

	Female	Male	Total
Board of Directors	2	7	9
Senior Executive Team[1]	1	8	9
Senior Executive Team's direct reports[2]	16	61	77
All other employees	732	1,944	2,676

1 The CEO and CFO are counted in the Board of Directors row. While they are also members of the Senior Executive Team, they are not counted in this row, to avoid double-counting.

2 Not including personal assistants.

Note:
88 employees are Directors across the Group's subsidiaries, of which 66 are male and 22 female.

Gender diversity

27%

of employees are women

LOOKING AFTER OUR PEOPLE

Safety remains a key focus and we are immensely proud of our industry-leading HSSEQ performance.

CONTINUOUS HSSEQ IMPROVEMENT

HSSEQ remains an integral part of our business, and during the year, we continued to perform very well, delivering first class HSSEQ results. Despite the travel restrictions associated with COVID-19, a number of independent and internal HSSEQ audits, plus management visits, were conducted to assure our shareholders of our performance in this important area.

We continue to focus on competency and preparation, in line with our 2021 Safety Day theme, and made excellent progress on further integrating the Engen-branded operating units, embedding the Vivo Energy HSSEQ Management System into these markets.

We have increased focus on visible safety leadership, with our executive management team and senior leaders actively promoting safety across the Group over the course of the year, augmented by leadership visits where possible. Country leadership teams also actively engaged with their people and this was tracked and monitored through our bespoke HSSEQ online management system.

As we look ahead to 2022 we will introduce an internationally recognised set of Life Saving Rules, relevant to all operations. We will also continue to develop proactive performance indicators to ensure we can prevent incidents from happening and not merely react to those that have occurred – a sign of a truly world-class HSSEQ culture.

TRAINING AND COMPETENCY

During the year we launched a project to ensure that each person fulfilling an HSSEQ critical position has the necessary knowledge and competency to ensure our policies, processes and procedures are fully and correctly implemented. This included a full review of the HSSEQ competencies, supported by a revamped training system and knowledge transfer initiatives.

We are confident that this will further improve our safety KPIs, to help us achieve our target of Goal Zero – no harm to people and minimising our impact on the environment.

We launched an 'Understanding Your Safety Climate' project, allowing each operating unit (OU) to determine its perceived safety culture, both from management and staff perspectives. The online survey provides detailed results for the OUs' management and employees, enabling meaningful engagement to improve trust, communication, safety, engagement, and risk mitigation. Together, these improvements are helping us progress towards a generative safety culture.

PERSONAL SAFETY

We focus on risk assessment and mitigation to ensure that all our risks are recognised and plans put in place to ensure that we manage and reduce these to 'As Low As Reasonably Practicable'.

Our management system actively encourages all employees or contractors, to report all incidents, near misses and potential incidents – however small – and these are tracked to closure through the system, reinforcing our proactive safety culture. Responsibility for risk management is in the hands of those that have accountability for the operations, with results and mitigation processes visible to senior leadership in real time.

Incidents are classified according to risk type and are reported through our online HSSEQ management system. Emphasis is placed on closing these reports quickly and efficiently, reducing risk, and helping to prevent incidents from taking place. In 2021 around 500 near misses were reported, with 88% being closed, following investigation, by the end of the year. In addition, over 56,000 Potential Incidents were reported, with an 88% closure rate by year-end.

We reviewed our Hazard and Effect Management Process for all classes of business in the Engen-branded and majority of Shell-branded OUs, updating these results in our management system. This process allows us to prioritise high risks and review mitigations regularly and in real time.

OUR TARGET OF GOAL ZERO

No harm to people and minimising our impact on the environment.

88%

Over 56,000 Potential Incidents were reported, with an 88% closure rate by year-end.

Every incident which has a consequence on the Group is reported, investigated and reviewed within the management system. Lessons learnt from each incident are then available to all OUs, to help them review and update their own Hazard and Effect Management Process.

Additionally, our supply and distribution functions continue to concentrate on proactive safety measures to reduce risk and prevent incidents. Each piece of safety critical equipment is in the process of being mapped, recorded and a maintenance programme developed for each item. This will form an integral part of our proactive safety campaign and be directly linked to our competency programme for those responsible for this equipment.

We expect all of our contractors to maintain the same safety standard when performing work on our behalf. Rigorous controls and reporting have allowed us to ensure that our contractors' work is conducted safely and with minimum disruption. We constantly strive to improve our contractors' competency and safety culture through regular interactions, monitoring, tracking and interventions.

As a result of these initiatives, we have, for the third year in a row, recorded a very commendable Total Recordable Case Frequency (TRCF) of 0.04 per million exposure hours. This is well below those of our peers and supports our vision of being the most respected energy business in Africa.

ROAD TRANSPORT SAFETY

Despite extremely challenging road transport conditions in Africa, we have delivered a strong result in road transport safety, exceeding our Serious Motor Vehicle Incident Rate targets. However, we will never become complacent and road transport continues to be one of our main HSSEQ focus areas.

We constantly strive to improve the safety features incorporated in our own and contracted fleets, ensuring that these are continually monitored and reviewed. Our hauliers are evaluated on a regular basis, and plans are agreed with our partners to improve both the physical safety of the fleet as well as the competency and performance of the drivers. Direct interaction with drivers to influence behaviour is an important component of our safety plans and has proven highly beneficial over recent years.

While it is vitally important to ensure that safe road operations are maintained, we also strive to reduce carbon emissions associated with our transport activities, making sure that our operations are conducted as efficiently as possible. This has the triple benefit of improving the environment, realising economies of scale, and reducing the cost of operations.

In addition, we have also initiated numerous road safety projects within the communities in which we operate.

SECURITY

We have seen a decline in security in the majority of the countries where we operate, exacerbated by socio-economic challenges brought on by the pandemic. In general, this decline has been associated with an increase in robberies and theft, while some countries have experienced a serious increase in incidents associated with terrorism and social unrest.

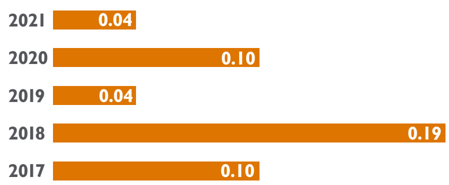
We monitor these trends closely and have proactively increased our security measures, training and preparedness to maintain our good security record. These measures include constant security review of all our head offices, depots and retail sites. We ensure that countries are externally audited, on a risk-based approach, by world-leading security consultants to ensure that our internal controls are effective and sufficient.

These interventions have resulted in a 20% decrease in security incidents in our retail network during the year, ensuring our staff and customers are able to enjoy a safer environment. We will be increasing our focus on site security in the coming years.

We have rolled out a personal mobile app which monitors employees when they are travelling for business or who are in high risk situations. Additional measures are in place to ensure their health and safety in case of incidents. This app has the added benefit of supporting our Scope 3 emission reporting by providing accurate business travel data.

> In Morocco we continued our successful #CODEWAHED campaign to promote road safety. Since 2019 the programme has reached 30 million Moroccans.

Total Recordable Case Frequency (TRCF)
Per million exposure hours



Employee & contractor fatalities
Number

OUR ENVIRONMENTAL IMPACT

With fuel demand expected to grow across our markets, we aim to meet it in the most climate-friendly way possible.

We are already supplying lower carbon energy alternatives, and believe that as they become a more widespread reality across Africa, we will be well positioned to deliver the benefits to our customers.

We formed the ESG and Climate Committee to guide our climate change response and broader ESG strategy. This committee was established as a cross-functional team, chaired by our CEO, and supported by external experts in climate change and ESG. Its initial objectives were to ensure we are able to meet our regulatory reporting obligations; guide the process of embedding climate into Vivo Energy's decision-making; and develop the Group's long-term ESG strategy.

We have made good progress on each of these, better enabling us to play our part as environmental stewards while at the same time satisfying the growing demand for energy on the African continent.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

It is crucial to understand the climate-related risks and opportunities we are presented with and ensure they are fully considered in our strategy. We have therefore prepared our first disclosure aligned with the TCFD framework, and are now integrating the outcomes across our businesses, strategy and financial planning. For more information see pages 58 to 62.

ISO ACCREDITATION

In order to continually improve our environmental record and reduce our environmental footprint, we have continued our journey to attain ISO accreditation against a number of standards. In 2021, we attained an additional seven certifications. In February 2022, we received certification for a further audit that had been conducted during 2021.

These include ISO 9001 (Quality Management Systems) in two OUs, ISO 17025 (Testing and calibrating laboratories) in two OUs, and the IMS (Integrated Management System), which combines all aspects of our systems, processes and standards in a further three OUs.

Renewal of the ISO 14001 and 45001 for Vivo Energy plc was also confirmed during the year.

At the end of the year we held 28 separate ISO certifications across the Group.

GREENHOUSE GASES

In 2021 we made significant progress enhancing and expanding the coverage of our greenhouse gas inventory across our 23 operating units, in accordance with the standards set out by the GHG Protocol. During the year we finalised our GHG Inventory Management Plan (IMP) which describes the process of collecting, calculating and quantifying our GHG emissions. Through the IMP we defined our boundary conditions, emission quantification methodologies, GHG data management system, base year rebasing due to the Engen acquisition and related management tools – incorporating auditing and verification processes.

During the rebasing exercise:

- Scope 1 Heavy Goods Vehicle GHG emissions moved to Scope 3 – Category 4 for transport purchased in 2019 and 2020.
- The emissions reported for all our classes of businesses are defined by our boundaries.
- Full year data for Engen operating units have been applied for Scope 1, 2 and reported Scope 3 categories for 2019 in accordance with the GHG Protocol.

In addition to updating and re-basing our Scope 1 and 2 emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, we are now also able to report on ten relevant categories of Scope 3 emissions in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Our reporting now includes emissions relating to the use of sold products, where much of our value chain emissions fall. Our Group-wide Scope 1 and 2 emissions, and all calculated categories of Scope 3 emissions, are disclosed below. We are in the process of expanding our Scope 3 GHG inventory to be able to include all relevant categories of Scope 3 emissions in the future.

Enhancing and expanding the coverage of our greenhouse gas inventory across our

23

operating units.

"We made good progress with our sustainability approach and reporting during the year."

Additional countries where new fuel formulation launched.

5

HSSEQ ISO certifications held.

28

We have not included emissions from our central offices located outside our OUs as these are small, shared offices, responsible for minimal emissions. This includes our small shared office in the UK, which uses renewable electricity and as such has no GHG emissions. We have implemented efficiency measures in the office to limit energy consumption.

We are pleased to report that our Operational Intensity ratio (Scope 1 & 2) has remained flat compared to 2019, and improved from 2020, despite the impact of the pandemic. Our overall Intensity metric (Scope 1, 2 and material Scope 3 categories) has marginally increased, due to the mix of products sold being impacted by the nature of the mobility restrictions in our markets.

We have successfully identified short, medium, and long-term initiatives to manage Scope 1 and 2 impacts including reducing our own emissions while increasing efficiencies and solar initiatives across the Group.

It is clear that due to the nature of the products we sell, our indirect Scope 3 impact is significantly greater than our direct emissions. While we need to meet the continuing demand for hydrocarbon fuels from our customers, we must do so in the most climate-friendly way possible. Today, we are one of the few companies in Africa putting additives into most of the Retail fuels we sell to improve efficiency and are looking to increase our renewable energy offerings to our customers and at our own operations.

OPERATIONAL EMISSIONS – SCOPE 1 AND 2

KT CO_2e, unless otherwise indicated	2019	2020	2021
Scope 1 Total[1]	11.22	10.41	10.44
Scope 2 Total[2]	11.65	11.34	11.50
Total Scope 1 & 2 Emissions	**22.87**	**21.75**	**21.94**
Total energy consumed[3] (million kilowatt-hours)	**64.76**	**59.04**	**60.91**
Scope 1 & 2 Intensity (KT $CO_2e/10,000m^3$)	**0.022**	**0.023**	**0.021**

VALUE CHAIN EMISSIONS – SCOPE 3

KT CO_2e, unless otherwise indicated	2019	2020	2021
1B. Purchased services	25.96	25.62	24.60
2. Capital goods	38.15	37.14	35.88
3. Fuel- and energy- related activities	6.27	5.72	6.87
4. Upstream transportation and distribution	85.64	74.80	84.86
5. Waste generated in operations	0.41	1.33	1.31
6. Business travel[4]	–	–	0.22
8. Upstream leased assets	4.36	3.72	3.58
9. Downstream transportation and distribution	26.14	19.52	21.84
11. Use of sold products	26,280.16	24,208.93	26,138.65
13. Downstream leased assets	1.77	1.62	1.85
Scope 3 Total (reported categories)	**26,468.86**	**24,378.40**	**26,319.66**
Total Scope 1, 2 & 3 Emissions	**26,491.73**	**24,400.15**	**26,341.60**
Scope 1,2 & 3 Intensity (KT $CO_2e/10,000m^3$)	**25.431**	**25.320**	**25.569**

1 Direct emissions from activities owned and controlled by the organisation.
2 Indirect emissions from purchases of energy in the form of electricity, heat, steam, or cooling due to activities owned and controlled by the organisation.
3 Total energy consumed calculated using fuels' lower heating values and metered electricity.
4 Business travel emissions were not captured in 2019 and 2020.

Depots with terminal automation system live.

14

OUR ENVIRONMENTAL IMPACT

TRANSPORT EFFICIENCIES

Most of our product transportation is by road, which is a challenging and complex issue for industry worldwide and particularly in the majority of the countries where we operate. To improve safety performance, we focus on safe practices and behaviours, and on influencing the age and design of our contractors' vehicles.

A major focus of the past few years has been on reducing the age of our contractors' fleets, while increasing the size of the trucks from 35m^3 to 42m^3, to increase drop efficiencies. In addition, we continue to explore other options for improving supply and distribution efficiencies, including pipeline and rail where these options exist. This not only reduces our carbon footprint substantially but also decreases our road transport risk.

SITE AND DEPOT EFFICIENCIES

We have continued to focus on improving energy efficiency at our service stations, depots and head offices to reduce the demand and cost of conventional electricity, while contributing to more environmentally friendly operations. Actions include LED lighting, more efficient heating and ventilation systems, and double glazing that features improved insulation.

During the year we upgraded our terminal automation system which is now live in 14 of our depots. This allows full stock monitoring and ensures that we keep any losses to a minimum. This also allows us to increase the process safety aspects of our depot and terminal operations and truck loading efficiency.

Where possible, newly built and rebuilt sites include solar power. During the year an additional 64 service stations were equipped with solar panels.

PRODUCT QUALITY

The importation of products into most of our markets is regulated by governments that set specifications for fuel products which balance environmental impact with affordability. Through our relationship with Shell and Engen, we have access to advanced products, which enables us to include additives in the retail fuels we sell in our markets – driving better engine efficiency, reducing fuel consumption, and therefore reducing emissions.

During 2019, we commenced launching new fuel formulations in a number of our markets. In 2021 we launched Shell FuelSave with DYNAFLEX technology in Ghana, Guinea, Botswana, Burkina Faso and Côte d'Ivoire, meaning we have the latest fuel formulation in 13 of our 15 Shell-branded OUs.

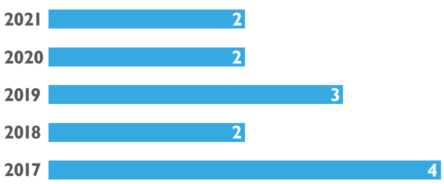
In addition to improving product quality we focus on product stewardship, reducing and eliminating the risk of crossovers (mixing up product lines) at our retail sites. We introduced and trialled a number of interventions during the year, which are being reviewed before being shared with other OUs during 2022.

SOCIETAL IMPACT

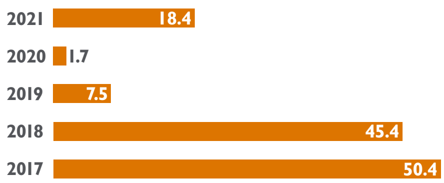
Community investment matters, because we employ local people and serve local businesses and individuals. We want to make a real and lasting difference to our communities, engaging with them to earn their respect and trust, supporting them and promoting a better quality of life and a more sustainable future. Our community programme also aims to help us move closer to our vision of becoming the most respected energy business in Africa.

During 2020, we rightly focused our efforts on implementing a range of projects to support our partners and local communities in the fight against COVID-19. These included supporting many of our host governments' COVID-19 funds, providing free fuel for healthcare workers, blending hand sanitisers at our lubricant blending plants, supporting e-learning applications for children whose schools had closed, and providing supplies to those most in need through local NGOs.

Number of product spills
Greater than 100KG



Total product lost
Metric tonnes



Community Investment programme back to our three core focus areas, namely Road Safety, Education and the Environment.

For 2021, while COVID-19 related support for our stakeholders continued to be a priority, we shifted our Community Investment programme back towards our three core focus areas, namely Road Safety, Education and the Environment.

In Uganda, we launched a project to educate communities about the damage caused by plastic waste, named 'Taasa Obutonde', which means 'Let us save the environment'. The programme aims to show how plastic waste harms both the environment and our own health through a public behavioural change campaign.

This project has made use of physical workshops, media engagement and social media to deliver its message. Additionally, waste collection points have been installed at Shell service stations in order to engage all forecourt customers with appropriate waste disposal methods.

The effectiveness of the campaign, and the work by our teams, has been widely recognised by the public, the media and government officials.

In Guinea we developed the Vivo Green Action project, in the mining town of Boké. This programme is working to restore and reinvigorate used mine sites, educating and paying locals to plant cashew trees at these locations. During the year over 3,000 trees were planted. Additionally local women from the area were supported and trained to form a cooperative, helping them learn new skills and manage the crops.

PRODUCT SPILLS

We consider any release of product to the environment as unacceptable, and continue to implement stringent process safety standards and procedures, as well as ensuring our contractors have advanced technical mitigations in place to prevent spills.

During 2021 we continued to maintain our very good record of preventing spills, despite extremely challenging operating conditions, particularly in our West African markets.

We only recorded two spills during the year and the lessons learnt from these incidents have been shared with all our operations as we work towards our goal of zero harm to the environment.

SOIL AND GROUNDWATER MANAGEMENT

We have developed a Soil and Groundwater Management manual, providing requirements and guidance for identifying, assessing and managing risks associated with potentially contaminated land. Using a risk-based management approach, we are able to assess, manage and mitigate a range of risks posed by a contaminated site.

As part of this new approach, we continue to review and track potentially contaminated sites using a combination of initial desktop assessments and more detailed 'phase 2' assessments to quantify the risk, characterise the site and assess the need for remedial action. We also implement remedial action and track progress as part of our clean-up obligation report on a quarterly basis.

WASTE MANAGEMENT AND PRODUCT STEWARDSHIP

We continue to refine and review our recording and monitoring of the quantity of waste generated within our operations through our HSSEQ online management system, acting on the most relevant findings. The quantity of waste generated is classified into hazardous and non-hazardous waste and we now have an accurate baseline for all reported waste generated in our facilities.

	2021	2020	2019
Non-hazardous waste (Metric tonnes)	2,723	2,833	3,348
Hazardous waste (Metric tonnes)	1,752	1,620	3,618

We've increased our focus on product stewardship, ensuring that we manage our products from acquisition to disposal. In each country, we manage this in accordance with national legislation and product stewardship protocols.

We have reviewed and updated our product data sheet format in accordance with the Globally Harmonised System (GHS) standard to ensure our hazardous classification is consistent and standardised in accordance with international practice. These data sheets are now available to all our OUs through our HSSEQ online management system and are reviewed and updated as changes occur.

"In Côte d'Ivoire we signed an agreement with Ivorian start-up Coliba to manage our plastic waste, equipping 40 of our Shell service stations with bins to collect plastic bottles. Coliba will collect and recycle the bottles into reusable granules which will be sold to the automotive, construction and textile industries."

OUR FINANCIAL STRUCTURE

We continue to manage our financial structures in an effective and prudent manner, driving the success of our investment strategy and ensuring a sound financial performance.

HOW WE'RE FUNDED

The Group has achieved significant growth since inception in 2011. We have further expanded our presence in Africa by investing over $1 billion of capital generated internally from operating cash flows. The Group's funding for new investments is financed through cash generated by existing operations, as well as from our structurally negative working capital position. At a Group level, we have a financial structure that is well-managed, with a leverage ratio of 0.45x (2020: 0.86x) and have access to $2.1 billion (2020: $2.1 billion) in liquidity of which $1.2 billion (2020: $1.3 billion) is uncommitted. The liquidity available to the Group includes a $300 million undrawn, committed multi-currency revolving credit facility and $1,171 million of undrawn, unsecured and uncommitted short-term bank facilities extended to our operating entities for working capital purposes.

CAPITAL ALLOCATION

To ensure every growth project undertaken adds significant value to our business, we apply a rigorous return requirement in our capital allocation. Post-investment, each project undergoes a robust review process that measures the returns realised against projections, with the majority of our projects exceeding required returns.

ENHANCING OUR CAPITAL STRUCTURE

Our operating model, mostly fixed cost in nature, negates the addition of significant overhead whenever we increase the size of our Retail network as we pursue growth in the geographic areas we operate in. This model results in a healthy operating leverage for the Group. Since 2015, we've grown volumes by a CAGR of 4%, gross cash profit by 9%, adjusted EBITDA by 11% and adjusted net income by 13%. We actively monitor capital market conditions for opportunities to enhance the efficiency of our capital structure.

CURRENT CREDIT RATINGS

In 2021, the Group was affirmed a rating of Baa3 by Moody's, which is investment grade. We also have current BB+ ratings from Standard and Poor's and Fitch Ratings. The $350 million of notes, issued in September 2020, were awarded the same ratings. The ratings reflect our good geographical diversification, conservative financial structure, robust post-pandemic performance and strong market positions.

Leverage ratio

0.45x

in 2021 (2020: 0.86x).

"Strong cash flow from operations funded our capital expenditure initiatives, enabling us to pursue various opportunities in our markets."

Strong liquidity

$2.1BN

available short-term resources in 2021 (2020: $2.1 billion).

NON-FINANCIAL INFORMATION STATEMENT

This Annual Report contains the information required to comply with the Companies, Partnerships and Groups (and Non-Financial Reporting) Regulations 2016, as contained in sections 414CA and 414CB of the Companies Act 2006. The table below provides key references to information that, taken together, comprises the Non-Financial Information Statement for 2021:

No.	Reporting requirement	Policies	Reference in the 2021 Annual Report	Page no.
1	**Environmental matters**	– Environmental policy – Code of conduct – HSSEQ and Social Performance policy	– Climate change – Climate change risk – Managing our environmental impact – HSSEQ risk – Task Force on Climate-Related Financial Disclosures	52 to 55 71 52 to 55 69 58 to 62
2	**Employees**	– Code of conduct – General Business Principles – Whistle-blowing policy – Data protection policy – Privacy policy – Performance, reward and recognition framework – Travel security policy	– Our culture, values and purpose – Engaging and developing our people – Looking after our people	46 to 47 48 to 49 50 to 51
3	**Human rights**	– Combating Modern Slavery statement – Privacy policy – Data protection policy – Human Rights statement – Supplier code of conduct	– Our culture, values and purpose	46 to 47
4	**Social matters**	– Code of conduct – General Business Principles – HSSEQ and Social Performance policy	– Engaging with our stakeholders – Engaging and developing our people	40 to 43 48 to 49
5	**Anti-corruption and anti-bribery**	– Anti-bribery and corruption manual – Anti-money laundering policy – Anti-trust manual – Whistle-blowing policy – Know your counterparty policy – Gifts and hospitality policy – Sponsorship and Donations policy – Code of conduct	– Criminal activity, fraud, bribery and compliance risk – Our culture, values and purpose	68 46 to 47
6	**Business model**		– Business model and value creation	14 to 15
7	**Principal risks and uncertainties**		– Principal risks and uncertainties	66 to 73
8	**Non-financial key performance indicators**		– Non-financial key performance indicators – Our strategic objectives	20 to 21 18 to 19

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

We recognise that the sustainability of our business depends on our understanding of the climate-related risks and opportunities we face, together with our commitment to ensuring that these are fully considered in our strategy. We have therefore prepared our first disclosure aligned with the TCFD framework. We view this framework as an important component of our ESG journey, with our responses to the TCFD recommendations providing transparency for our stakeholders regarding our climate-related preparedness.

GOVERNANCE

Climate-related issues have been considered as a principal risk since 2020 and are formally embedded into our systematic risk identification, evaluation, and Board and management processes. In 2021, to support the Board's oversight of climate-related matters and ongoing integration of climate-related governance and initiatives across the Group, we enhanced our governance structures by establishing the ESG and Climate Committee.

Chaired by the CEO, the Committee plays an integral role in overseeing our climate-related progress and reports to the Board. The Nominations and Governance Committee also assists the Board with oversight of our climate-related strategy.

Our ESG strategy includes climate-related risks and opportunities and matters relating to greenhouse gas emissions, which are strategic items considered by the Board. The Board and the Audit and Risk Committee are jointly responsible for reviewing and monitoring the Group's overall climate-related risk profile, risk management and the effectiveness of internal controls.

Across Vivo Energy, line management is accountable for risk and control management, including measures for managing climate-related risks.

Overall risk assessment includes risk identification, analysis and evaluation, ensuring each risk is analysed to identify the consequence and likelihood of the risk occurring, and the adequacy of existing controls. For further details of our approach to risk management, including our three lines of defence approach, refer to pages 64 to 73.

Our key climate-related organisational governance structures and their roles are summarised below.

THE BOARD

Oversees Group-wide climate-related risks and opportunities.

BOARD COMMITTEES

Nominations and Governance Committee assists the Board with oversight of the Group's climate change and ESG plans and strategy. **Audit and Risk Committee** is responsible for reviewing and monitoring the overall Group risk profile, including climate-related risks and internal controls.

ESG AND CLIMATE COMMITTEE

Objective is to guide Vivo Energy's organisation around climate-related risks and opportunities, manage sustainability risk areas, assess ESG strategy and risk management framework, and monitor ongoing ESG and climate-related metrics and targets.

HSSEQ

Our HSSEQ function is responsible for maintenance and quality assurance of the Group's greenhouse gas inventory and management plan. It also has responsibilities for risk assessment control measures for physical climate risks.

CFO

Oversees financial aspects of Group ESG strategy, including considerations relating to spend on alternative energy within the core business, non-fuels, and M&A.

INTERNAL AUDIT

Annually assesses Group significant risks, reporting directly to the Audit and Risk Committee on principal risks, including climate risks. Provides assurance to the Board on effectiveness of governance, risk management and internal controls.

OPERATING UNITS (OUs)

Our OUs report on physical and transition climate-related risks and opportunities on country level risk registers, including assessments of exposure to risks and opportunities.

STRATEGY

Vivo Energy operates across 23 countries in Africa, each with different physical geographies and varying levels of climate-related maturity across market, technological, and policy and legal aspects. We believe that our operating units are well-equipped to respond to local, short-term climate-related issues, such as physical or environmental risks, and monitoring and responding to any transition-driven changes in customer demand. Our focus this year as part of TCFD reporting was to assess and understand in greater detail the range of potentially material climate-related risks and opportunities on a Group-wide basis that could be experienced under different scenarios across longer time horizons. In 2021, we implemented climate scenario analysis to broaden our understanding of the possible impacts of physical and transitions risks and transition opportunities.

We adopted short-, medium-, and long-term time horizons for our climate scenarios to be able to capture climate-related risks and opportunities which may manifest beyond traditional horizons.

These time horizons included:

Short-term	2021-2024	**0-3 years**
Medium-term	2025-2029	**4-8 years**
Long-term	2030-2060	**9-39 years**

We applied the following climate scenarios and their underlying assumptions to explore the implications on our business strategy:

RISK CATEGORY	CLIMATE SCENARIO APPLIED	RATIONALE FOR SELECTION
PHYSICAL RISKS	Very High GHG Emissions: IPCC SSP5-8.5 (4.4°C best estimate by end of century) Intermediate GHG Emissions: IPCC SSP2-4.5 (2.7°C best estimate by end of century)	– Aligns with the most credible and recent global consensus on climate science – Allows transparency and comparability – Focusing on results from SSP5-8.5 (the very high GHG emissions scenario) delineates worst-case exposure to physical climate hazards
TRANSITION RISKS	IEA Sustainable Development Scenario (consistent with the 'well below 2°C' goal of the Paris Agreement, consistent with limiting the global temperature rise to 1.65°C with a 50% probability)	– Offers quantitative, forward-looking Africa-specific assumptions, such as oil and liquid fuel demand, to be utilised as part of climate scenario analysis – Focuses on SDGs to which Vivo Energy is well positioned to contribute (e.g. SDG 7-ensuring universal access to affordable, reliable, sustainable and modern energy services by 2030)

We defined a list of the most relevant climate-related risks and opportunities via an in-depth analysis of our business and a series of engagement workshops across key business segments and functions. The list was validated and consolidated by the ESG and Climate Committee. These risks and opportunities are presented in the tables below.

The exercise provided us with specific subject areas to explore in greater detail, quantitatively and qualitatively, as part of climate-related scenario analysis. The defined items have also fed into our ongoing risk management processes, as discussed under the Risk Management section in the Strategic Report.

The risks and opportunities described below are potential drivers and outcomes that could be presented at various points in the future, depending on regional and global climate pathways. They are not necessarily new to us, and in many cases, we already have business responses corresponding to these risks and opportunities.

PHYSICAL RISKS

RISK DESCRIPTION	POTENTIAL OUTCOMES	RELEVANT TIME HORIZON	RISK TYPE
Event-based: Increased frequency and severity of extreme weather events including Inland flooding; Heatwaves; Droughts and Storms/Cyclones	– Asset damage to depots and retail sites; Increased capex and insurance costs – Disrupted operations of depots and retail sites; Decreased revenues and increased operating costs at depots and retail sites		Acute
Long-term shifts: Changes in average climate conditions including rising sea levels, coastal flooding and increased average temperatures	– Increased operating costs of depots and retail sites – Increased maintenance capex and insurance costs – Accelerated depreciation of asset values and asset relocation requirement		Chronic

STRATEGY CONTINUED

TRANSITION RISKS

RISK DESCRIPTION	POTENTIAL OUTCOMES	RELEVANT TIME HORIZON	RISK TYPE
New climate-related reporting and disclosure requirements or obligations	– Legal or reputational issues; increased compliance costs		Policy & Legal/ Reputational
Failure to meet internal or external stakeholders' climate-related expectations resulting in degraded relations with current or potential employees	– Increased operating costs from employee turnover; reduced revenues due to challenges attracting new talent		Reputational
Increased costs of products due to policy changes to fuel subsidies; or higher trading prices of oil and liquid fuels due to transitional policies	– Reduced revenues due to lower demand for higher cost products		Market/ Policy & Legal
Commercial customers transitioning to alternative fuels or renewable technologies	– Reduced revenues in our Commercial segment		Technology/ Market
Degradation of commercial partnerships due to divergent climate strategy or ambition	– Reduced revenues due to loss of brand value		Market
Policies or technology shifts that result in an increased share of electric vehicles and hybrids in the passenger transport mix; alternative fuel uptake; improvements in internal combustion engine (ICE) efficiency; or reduced consumer demand for fuels	– Reduced revenues in our Retail segment		Technology/Market/ Policy & Legal
Mandatory carbon pricing impacting the power or aviation sectors	– Increased operating costs; reduced revenues in our Commercial segment		Policy & Legal

TRANSITION OPPORTUNITIES

OPPORTUNITY DESCRIPTION	POTENTIAL OUTCOMES	RELEVANT TIME HORIZON	OPPORTUNITY TYPE
Increased operational efficiency of Vivo Energy retail sites and depots; Increased renewable energy supply to Vivo Energy retail sites and depots	– Reduced operating costs from asset efficiency gains		Technology/ Market
Improving logistics fleet fuel efficiency and optimising routing schedules; Where possible, prioritising pipeline and rail over road as means of distribution of products	– Reduced operating costs from fleet efficiency gains		Technology
Meeting increased retail demands for lower carbon fuel alternatives (e.g. LPG, biofuels), electric vehicle charging infrastructure, or lower carbon products; Meeting increased commercial demand for renewable energy or sustainable aviation fuels	– Increased revenues from emerging or new retail and commercial market demands		Technology/Market/ Policy & Legal

SCENARIO ANALYSIS – PHYSICAL

At the end of 2021, Vivo Energy's network comprised of 57 depots and 2,463 retail sites spread across our 23 markets in Africa. Our assets are exposed to occasional local environmental stressors, and all local incidents are recorded via our HSSEQ tool. Mitigative actions are followed when required, while KPIs are systematically tracked to reflect asset performance – to date, no physical climate-related issues have materialised at a Group level.

In our first iteration of climate scenario analysis, we assessed a representative sample of assets from markets representing over 40% of Group volumes, including Kenya, Mozambique, Mali, Morocco and Mauritius. These markets were selected in order to represent a range of physical geographies across Africa, assumed to be exposed to different types of physical climate hazards, as well as their overall significance to the Group's retail and commercial businesses. The total sample included 31 assets (six depots and 25 retail sites). Our focus was on understanding the possible exposure under medium- and long-term horizons. The physical hazards assessed included chronic risks from sea level rise and average temperatures, and acute risks from drought, heatwaves, inland floods and wildfires.

OUR KEY FINDINGS FROM THE EXERCISE ARE SUMMARISED BELOW:

- **In the medium term**, under both climate scenarios (IPCC SSP5-8.5, IPCC SSP2-4.5), **the majority of assets assessed were at low exposure to most sources of physical hazard**. Instances of elevated exposure to droughts and heatwaves were identified at some assets in the medium term.
- **In the long term**, under both climate scenarios (IPCC SSP5-8.5, IPCC SSP2-4.5), **elevated exposure to droughts and heatwaves was identified as the most prevalent change** across the sample of assets assessed. **No coastal assets were significantly exposed to sea-level** rise in the long term under either climate scenario.
- We must further investigate the modelling results and related metrics before we are able to fully interpret and disclose on the exposure of the sample to wildfires.

Note:
Qualitative physical hazard exposure classifications (i.e. low; moderate; high) are assigned by Sust Global, and are based upon thresholds applied to quantitative hazard-specific exposure metrics, as per the site-by-site results of the analysis.

Vivo Energy manages physical risks through a series of resilience measures as described below, which we believe provide adequate control for short-term risks. As we move forward, we will investigate possible impacts, and whether any additional responses are required to address the elevated exposure from certain hazards in the medium and long term under the higher emissions scenarios. Further details of how this process feeds into risk identification, assessment and management are discussed in the Risk Management section.

Vivo Energy's existing resilience measures for physical climate hazards: Our hazard identification process (HAZID) ensures environmental risks are considered in the initial design and construction stage of retail sites and depots, and that appropriate mitigation measures are implemented. Expected environmental conditions for each location are assessed using statistics and databases to inform design tolerance thresholds; if an OU identifies any emerging risks, these are accounted for via risk mitigation measures at existing assets and for future projects. Vivo Energy's technical roles provide the minimum engineering standards to cover the HSSEQ control framework, with risks assessed and managed to as low as reasonably practical. A HSSEQ management system is in place in each OU, under which physical risks are covered and qualified. Our Hazard Effect Management Process (HEMP) ensures that environmental risks are considered and reviewed throughout the lifespan of retail sites and depots. Audits ensure any mitigation measures or calibrations required are identified and implemented in response to any changes to risks (covering physical measures such as equipment, processes and skills of roles).

SCENARIO ANALYSIS – TRANSITION

Today, our core businesses are focused on distributing and marketing fuels and lubricants to our retail and commercial customers in Africa. We therefore perceive that the most material transition risks to the Group are related to factors that could reduce demand for the fuels we sell due to any combination of climate-related technology, market, and policy and legal developments across our markets.

In our first iteration of climate-scenario analysis, we focused our quantitative assessment on the possible impacts of fuel and overall energy demand changes in Africa, as per the IEA's Sustainable Development Scenario. We modelled an 'IEA SDS Aligned' scenario, which represents hypothetical Group-wide fuel sales volumes, should oil and liquid demand in Africa develop in the long term as per the IEA SDS.

OUR KEY FINDINGS FROM THE EXERCISE ARE SUMMARISED BELOW:

- There is minimal impact to fuel demand growth in the **short- and medium-term** horizons, compared to current market projections.
- **In the long term**, our fuel sales volumes could continue to grow under the IEA SDS but at a slower rate than our forecasts based upon current market projections, as oil demand in the African transport sector increases into the long-term horizon under this scenario.

We continue to closely monitor demand indicators in each of our markets and believe we are well positioned to react quickly to transition-driven changes to demand that may occur.

OUR STRATEGY FOR RESILIENCE

To date, the actual impact of climate-related risks on our financial performance and financial position has been non-material. However, we are actively considering our strategy, role and responses to energy transitions across our markets. We have already invested in transition initiatives such as on-site solar across our network, and EV charging infrastructure in a range of countries including Morocco and Reunion. We are continuously monitoring demand trends for lower-carbon energy and fuel alternatives, along with our capital allocation to ensure we can respond to changing market needs. We internally track the performance of our business practice, focusing on the operational savings from the investments made to reduce our impact, and operate our offices, depots and service stations more efficiently.

Below we summarise our activities and plans across key climate-related areas, which we perceive as both harnessing transition opportunities, and mitigating transition risks.

USING RENEWABLE POWER AT OUR FACILITIES

We are including on-site solar power at newly built and rebuilt retail sites where possible.

In the last 12 months we have added solar to 64 sites.

We are also installing solar panels at depots and offices.

SUPPORTING ELECTRIC VEHICLES (EV) IN OUR RETAIL SEGMENT

We are piloting EV charging infrastructure in a number of our markets, such as Reunion and Morocco, to understand its potential and ensure we are positioned to address customer demand as it evolves.

SUPPLYING LOW- OR ZERO-CARBON FUELS IN RETAIL AND COMMERCIAL SEGMENTS

We are continually monitoring and responding to Retail and Commercial customers' demands for new technologies and lower-carbon alternatives such as LPG, solar or other commercially attractive options, as part of the transition.

ACHIEVING LOWER EMISSIONS LOGISTICS

We are engaging with our fuel delivery fleet suppliers to minimise the climate impact of trucks used for transporting our fuel to end-users.

To minimise fuel usage, we are prioritising pipeline and rail transport ahead of road, where possible.

RISK MANAGEMENT

As climate-related risks are on the Group's list of principal risks, they are subject to Vivo Energy's risk management framework underpinned by the 'three lines of defence' approach. The scenario analysis process has helped determine possible climate-related risks at asset, business unit and Group level, and also highlight the actions we are already taking to manage these types of risks. We are in the process of ensuring that physical and transition risks are systematically included in all risk registers at OU level. Internal Audit has instructed our OUs to consider both physical, and transition risks in their risk assessments and reporting, and guidance has been provided on how to integrate these risks on the country level risk registers. Our goal is to achieve a level of granularity and consistency that will adequately reflect all material climate-related risks centrally, enabling comprehensive identification, analysis and evaluation, along with the adequacy of existing controls over the relevant time horizons.

Further details on our risk management around climate risks can be found on page 71.

METRICS AND TARGETS

As described on pages 52 to 55, we have substantially enhanced our GHG reporting and disclosure this year. We have improved and restated our Scope 1 and 2 emissions and for the first time have calculated and disclosed 10 Scope 3 Categories, including Category 11-Use of sold products, the most meaningful category of emissions.

As we move forward, we will continue to work on enhancing the measurement of our emissions to ensure we have a reliable basis to measure the effectiveness of future reduction initiatives.

To facilitate the Group's ability to assess performance against transitional climate-related risks and opportunities, we are tracking our operational emissions and value chain emissions intensity.

Our operational emissions intensity represents the emissions from the operation of our facilities (e.g. from the purchase of electricity, heat and cooling), relative to the volume of fuel products supplied to and consumed by our customers. This metric reflects our operational greenhouse gas reduction efforts, including the overall impact of initiatives such as increasing the number of retail sites and depots with on-site solar power.

Our value chain emissions intensity represents the total emissions across our value chain (covering Scope 1 and 2 sources as well as all calculated upstream and downstream Scope 3 sources), relative to the volume of fuel products supplied to and consumed by our customers. This metric reflects the overall greenhouse gas emissions produced for each unit of fuel that we sell which is used by our customers, including emissions outside our operational control such as those from production, processing, and end-use of the products. Non-energy products such as lubricants are not included in the intensity metrics because their end-use is not combustion.

In 2021, our core focus was to identify a robust baseline for our Scope 1 and 2 emissions, and to expand our Scope 3 GHG emissions data collection and reporting.

During 2022, we intend to work towards setting Scope 1 and 2 emissions reduction targets, and are currently exploring our options. To support emissions reductions outside our value chain, we are exploring the role of carbon offsets in achieving Scope 1 and 2 carbon neutrality. We also continue to look at opportunities to reduce our Scope 3 intensity through the development of our low-carbon product mix, and value chain engagement.

MOVING FORWARD

Across our businesses, strategy and financial planning, we are now integrating the outcomes of the first iteration of our TCFD disclosure process. We are fully committed to strengthening our climate-related disclosures as we progress our climate strategy, and look forward to enhancing the information available to our stakeholders regarding our climate strategy risks and opportunities.

SECTION 172(1) STATEMENT

Engaging with stakeholders is fundamental, and we believe that considering them in key business decisions is not only our legal obligation but the right thing to do.

We recognise that the business can only grow and prosper over the long term if it understands and respects the views and needs of the Company's people, customers, partners, communities, investors and shareholders, and governments, as well as the environment we operate within. The Board plays a critical role in ensuring that Vivo Energy conducts its business in a manner which is consistent with the highest standards of corporate governance and ethical behaviour so that the Group contributes positively to wider society.

The individual Directors and the Board as a whole are aware and mindful of their duty under section 172(1) of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing this, section 172 requires a Director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. We listen to and collaborate with a wide range of stakeholders in order to grow our business and deliver value. The key stakeholder groups we have identified are our people, customers, partners, communities, governments, investors and shareholders. Further details about how we engage with these stakeholders can be found on pages 40 to 43 and page 81.

We acknowledge that not every decision we make will necessarily result in a positive outcome for all of our stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable.

DECISION-MAKING

The Board's main responsibility is to promote the long-term success of the Group, leading in an entrepreneurial manner ensuring we generate value for stakeholders. We have a clear framework for determining the matters within our remit and have approved Terms of Reference for the matters delegated to our Committees.

Throughout the year, the Board has considered the long-term consequences of the decisions it has made, focusing on the interests of relevant stakeholders as appropriate. Set out below are examples of how the Directors discharged their duties under section 172 during the year.

KEY BOARD DECISIONS

Vitol's Offer

On 25 November 2021, the Boards of BidCo and Vivo Energy announced that they have reached an agreement on the terms of a recommended cash acquisition of the entire issued and to be issued share capital of the Company, excluding shares held by the existing Vitol shareholders ('Vitol Offer'). The Vitol Offer is to be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

Under the terms of the acquisition, shareholders who are on the register of members of Vivo Energy at 6:00 p.m. on the day of the Court Hearing to sanction the Scheme will be entitled to receive, a total cash offer for each scheme share, of $1.85. The Scheme Document is available at www.vivoenergy.com/offer-for-vivo.

To consider the Vitol Offer, Vivo Energy's Board constituted an independent committee, which excluded the nominated Directors from both Helios and Vitol. In considering the terms of the Vitol Offer, the Independent Directors took into account a number of factors, including:

- the opportunity for Vivo Energy's shareholders to crystallise the value of their holdings in cash today, and realise the potential future value creation through a substantial premium to the undisturbed share price;
- the irrevocable commitment from Vivo Energy's second largest shareholder, Helios, to accept the offer in respect of its total shareholding of 27.1% and that combined with Vitol's current holding of 36.0% in Vivo Energy, BidCo together with the existing Vitol entities could have acquired a controlling 63.1% shareholding in Vivo Energy;
- BidCo's intentions for the business, management, employees and other stakeholders of Vivo Energy; and
- Vitol's proven track record of supporting Vivo Energy's long-term growth plans.

Following a period of discussion and negotiations, the Independent Vivo Energy Directors concluded that the terms of the Vitol Offer are fair and reasonable and recognise the strength of Vivo Energy's business and its prospects. Accordingly, the Independent Directors unanimously resolved to recommend the Vitol Offer to Vivo Energy's shareholders.

The decision to recommend the offer was considered to be in the best interests of our people, shareholders, customers, communities, governments and suppliers. In making the decision the Independent Committee was advised by J.P. Morgan, Rothschild & Co and Freshfields Bruckhaus Deringer.

ESG and Climate Management Committee

Companies and the environment are interdependent. Businesses depend on the environment for their operations, their supply chain, for healthy workforces, and beyond. Investors, employees, communities and the wider public expect companies to act responsibly and to minimise any adverse impact they might have on local communities and the environment in order to ensure the long-term success of the business and to secure a sustainable planet for future generations.

The Board considers climate change during its discussions and when making decisions regarding the Group's strategy, risk management, investments and stakeholders. A key development in 2021 was the establishment of the ESG & Climate Management Committee to help guide Vivo Energy's approach to climate and environmental matters. The Committee is chaired by the CEO, with meetings attended by the CFO, General Counsel, Head of HSSEQ, Head of Investor Relations and Corporate Development and Strategy Manager. The Committee met five times in the course of the year.

The expectations of governments, regulators, investors, customers and our people, who are all becoming increasingly concerned with ESG issues and the need to minimise our impact on the environment, were all important considerations when making the decision.

Dividend Policy

The Group has a clear strategy, which the Board regularly reviews in light of the changing external environment to ensure that the focus remains correct. A key strategic objective is to maintain attractive and sustainable returns through disciplined financial management. Prudent management of the Company's liquidity and capital resources is fundamental to this objective.

In light of the additional liquidity created by the bond re-financing in 2020, in the first half of the year the Board considered the Company's Dividend Policy and resolved to adopt a progressive policy which increased the minimum payout ratio from 30% to 50% of attributable net income, and intends for future dividends to grow in line with earnings.

In making this decision the Directors were mindful of the expectations and needs of the Company's shareholders, the interests of our people, and those of the wider stakeholder group. The Board considered investor perception study, employee feedback received on the measures taken to protect jobs during the pandemic and the Company's immediate and longer-term strategic priorities, together with the risks facing the business. A detailed financial report was received from the CFO and the market expectations as well as the impact the change would have on the Group's growth plans, liquidity and long-term viability were considered, none of which were thought to be negatively impacted by the decision.

OUR APPROACH TO RISK

Active risk management is one of our key priorities and an important component of our strategic framework. Our success depends on our ability to identify and exploit emerging business opportunities in the markets where we operate, and this comes with an element of risk.

To achieve our risk management objectives, we have embedded risk management activities into the operational responsibilities of management and made these activities an integral part of our overall governance, planning, decision-making and organisational structure. Risk evaluation is conducted by assessing the probability of a risk occurring and its potential impact.

The main purpose of risk evaluation is to help prioritise risks and ensure effective risk management. Through an embedded approach to risk management, we are able to mitigate and manage risks and embrace opportunities as they arise.

OUR APPROACH TO RISK MANAGEMENT

Our internal control system is based on the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) framework and uses the five components of the framework: control environment, risk assessment, control activities, monitoring, and information and communication.

Our approach is based on the underlying principle that line management is accountable for risk and control management. We follow a risk-based approach to internal control and management is responsible for implementing, operating and monitoring the internal control environment. The Audit & Risk Committee and the Board are responsible for reviewing and monitoring the overall risk profile, the adequacy of the Group's risk management and the effectiveness of internal controls.

Our risk management framework is underpinned by a 'three lines of defence' approach, which defines how risk management activities are organised and where responsibility and accountability lie within the Group.

- First line of defence – As the first line of defence, local functional managers own and manage their risks. They have ownership, responsibility and accountability for directly assessing, controlling and mitigating risks in line with the guidance, policies and requirements set by the Group. They are responsible for implementing corrective actions for control deficiencies identified through KPI reporting and goal zero checklists (a monthly check completed by management which evidences that controls are operating as intended).
- Second line of defence – Financial (Internal Control, Credit, Treasury) and non-financial (Legal, Ethics & Compliance, Forensics, Supply, Distribution, HSSEQ, Retail, ESG) risk management functions are in place at Group level to oversee and monitor risks and provide an objective challenge to the first line of defence. They can intervene directly by modifying internal controls, policies and procedures as well as developing risk systems.
- Third line of defence – The Group's (independent) Internal Audit function and the Audit and Risk Committee are in place to provide assurance to the Board on the effectiveness of governance, risk management and internal controls. This includes the extent to which the first and second lines of defence have achieved their risk management and control objectives.

In accordance with the UK Financial Reporting Council guidance, we define a principal risk as a risk or combination of risks that could significantly affect the financial performance, operations or reputation of the Group. Our principal risks, disclosed hereafter, relate to the current risks and also include components which are the main identified emerging risks. Emerging risks are considered particularly important in our strategic planning process to identify potential shifts in critical assumptions and develop or modify strategies to either minimise their negative effects or capitalise on the opportunities that they may present.

OUR RISK APPETITE

The Board is committed to adopting a risk profile and approving a risk management framework that is in line with our vision and culture.

We ensure the risk management framework is adequately communicated, integrated in all areas of the organisation and that accountability is assigned at all appropriate levels.

When considering risk appetite, the Board seeks to balance opportunities for growth and business development in areas of potentially higher risk and return, while being more risk averse in other areas such as reputation, legal, regulatory and health and safety.

In 2021, the Group enhanced its risk appetite framework. For each of the Group's principal risks, we have defined a risk appetite scale and carried out an in-depth review of the appetite with all risk owners, the Senior Executive Team and the CEO. We have also developed a set of key risk indicators to measure the residual level of our principal risks against the approved risk appetite.

RISK ASSESSMENT, MONITORING AND REVIEW

For each risk or category of risks, our risk management process includes activities performed in a continuous cycle. Risk assessment includes risk identification, analysis and evaluation, and ensures each risk is analysed to identify the consequence and likelihood of the risk occurring and the adequacy of existing controls. Each reportable entity is responsible for implementing the appropriate structures, processes and tools to allow proper identification of risks. Once the risks have been identified, analysed, managed and evaluated, risk mitigation identifies the actions to be implemented by management. The risk register is one of the key components of our risk management and governance structure. The focus areas include HSSEQ, financial, operational, compliance, reputation and strategic risks. The Group risk register consolidates the register from the Central Functional Heads (top-down) and from each OU, maintained by all local management teams (bottom-up). The register is reported on a quarterly basis and facilitates evaluation of existing and emerging risks.

The Group register is reviewed by the team in charge of the Risk Management reporting to ensure completeness of the reported risks and adequacy of their assessments before presentation to the Senior Executive Team for its review and analysis of the risks as well as the related control activities and mitigation measures.

The various risk reporting channels are consolidated into one streamlined escalation process which is used by the Board to assess and analyse the risks of the Group and implement an action plan when necessary.

Our Internal Audit team performs a continuous assessment of our significant risks and communicates them to senior management who in turn develop action plans to address the identified risks. Internal Audit reports directly to the Audit and Risk Committee on the principal risks. The Committee will review and assess the status of each risk. Reviews and recommendations are presented to senior management to continuously strengthen our internal control framework.

INTERNAL CONTROL SYSTEM

Our approach to internal control includes a number of general and specific risk management processes and policies. Within the essential framework provided by our General Business Principles, the primary control mechanisms are self-appraisal processes in combination with strict accountability for results. These mechanisms are underpinned by established policies, standards and guidance that relate to particular types of risk. These include structural investment decision processes, timely and effective reporting systems and performance appraisal. They cover all material controls, including financial, operational and compliance. In addition to these structured self-appraisals, the assurance framework relies upon objective appraisals by Internal Audit and the Central Internal Control team. The results of these teams' risk-based reviews of operations provide an independent view regarding the effectiveness of risk and control management systems. These established reviews, reporting and assurance processes enable us to regularly consider the overall effectiveness of the system of internal control and to perform a full annual review of the system's effectiveness. Taken together, these processes and practices provide confirmation that relevant policies are adopted and procedures implemented with respect to risk and control management. The internal control systems align with the guidance in the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting document issued by the FRC.

OUR DYNAMIC RISK ENVIRONMENT

As part of the risk management framework, we regularly consider changes in the nature, likelihood and impact of existing and new risks, including the Group's ability to respond to changes in its business and the external environment. The COVID-19 pandemic continued to impact our operations in 2021, however, at a much reduced scale compared to 2020.

Our response to the risks created by COVID-19, have once again proved to be effective. Our responses include comprehensive Business Continuity Plans and extensive measures deployed to protect the health and safety of our customers, employees, suppliers and other stakeholders, as well as communities. The pandemic and new ways of working have created increased opportunities for fraudsters, with an increase in phishing attacks and cyber-fraud activity reported. Our controls have been reinforced in these areas, by strengthening our cyber-attacks defence (identification and blockage) capacity, providing online training and guidance for all staff on how to securely work from home and regularly testing staff awareness through phishing simulation exercises.

The management of critical operational and finance activities is continuously adapted to address the evolving pandemic risk: this concerns the frequency at which the Group monitors its credit, supply commitments, demand, inventories, payables and forex exposures. While currency and crude oil price volatility continues, the overall uncertainty requires continuous monitoring, enabling the Group to manage risks as they evolve or arise.

Our operating environment will be particularly impacted by the measures taken by authorities in the countries where we operate. The Senior Executive Team, together with relevant senior operational and financial management, has continued to review the KPIs, considered our response to the most recent developments and reviewed the effectiveness of the recovery plans for the businesses. The Board has regularly received updates from the Group on these developments.

Considering the persistent mobility constraints, our Control functions have continued to operate remotely to ensure continuous monitoring of our activities. However, during the last quarter of the year, the Internal Audit team was able to resume its in-country reviews. This is expected to continue in 2022, although it is dependent on how the COVID-19 pandemic develops.

The Misconduct and Loss Reporting Policy, together with the Investigation Guidelines, directs our response to fraud and manages the reporting, analysis and investigation of serious allegations or concerns. The Group Ethics and Compliance function monitors the cases identified and initiates or advises on the investigations when suspicions or allegations are reported.

In 2020, we acknowledged the increased focus from our key stakeholders on the impact of climate change on our business. As detailed within the Strategic Report on pages 52 to 55, the Group has initiated an extensive analysis of its risk exposures related to climate change. Our priority is to ensure our business is as efficient as possible, while identifying areas where we can support the long-term transition to a low-carbon economy. We will continue to comply with the evolving regulation and adapt our product offerings to meet changes in customer needs. We are aware of our environmental impact and are committed to reducing this and continually improving our environmental performance. We encourage our business partners to do the same. In our view, this is consistent with our vision to become the most respected energy business in Africa.

Finally, Vitol, the Group's largest shareholder, has reached an agreement with the Vivo Energy plc Board to acquire the Group and take it private. Pending the completion of this acquisition, the Group remains a listed company on the Main Market of the London Stock Exchange and the Johannesburg Stock Exchange. Our risk management activities continue to operate as described and we do not expect our internal control framework to be impacted prior to completion of the acquisition. Management has considered a number of additional risks which arise during the period between the offer being made and it finally being taken private. Completion is subject to receipt of a number of anti-trust approvals from authorities across the continent. If these are not forthcoming, Vitol has a right to withdraw its offer, which could negatively impact the Company's share price. We believe the risk of this is low. This is because there is limited overlap between the existing businesses of the Company and Vitol and because both Vitol and the Company are using leading specialists to advise on and help prepare the anti-trust submissions. The long offer period creates uncertainty for a number of staff in head office functions, creating a heightened risk on talent retention. Our HR teams are working hard to mitigate this risk, which affects a relatively small number of people across the Group.

PRINCIPAL RISKS AND UNCERTAINTIES

Our activities are exposed to various risks and uncertainties. These are risks that we assess as relevant and significant to our business at this time, however, other risks could emerge in the future.

Overall, our risk management programme focuses on the unpredictability of the global market and seeks to minimise potential adverse effects on financial performance. In addition to the risks and uncertainties presented below, our ability to simultaneously manage the multiple growth generating projects is closely monitored by all relevant control functions.

The Board has assessed the impacts of COVID-19 on the principal risk factors over 2021 and considered that the heightened risk related to the impact of the pandemic is likely to remain applicable at least for the first months of 2022. At the time of issuance of this report, uncertainty about the direction of the crisis remains high, with recurrent waves of new variants on which the effectiveness of current vaccines remains uncertain. We continued to note that the visible impact of the pandemic remained lower in our markets than in most other regions of the world. However, given the nature of the pandemic, the Board did not exclude the scenario whereby the number of infections and mobility restrictions could once again increase in our markets.

In 2021, the ERP stabilisation risk was removed as a principal risk as there is marginal residual risk associated with the project. All countries are now operating on the SAP S/4HANA platform, following the successful migration of the Engen-branded operating units during the first half of 2021.

We believe that the demand for fuel in our markets will continue to grow and the transition to a low-carbon economy will take significantly longer in our emerging economies than in Europe. However, we do recognise the impact our operations have on the environment, as well as the risks that climate change may have on our activities, and are committed to playing our part towards meeting the Paris Agreement objectives. We have therefore invested significant time and resources on complying with the TCFD recommendations, including scenario analysis assessing the potential physical and transition risks on future demand. This has enhanced the integration of climate-related considerations within the business and will support the Group going forward as we develop our strategy and planning in the long-term context of the energy transition in Africa. The detailed climate-related disclosures can be found on pages 58 to 62.

5

WE HAVE FIVE KEY STRATEGIC OBJECTIVES:

1. To remain a responsible and respected business in the communities in which we operate
2. To preserve our lean organisational structure and performance-driven culture
3. To maximise the value of our existing business
4. To pursue value-accretive growth
5. To maintain attractive and sustainable returns through disciplined financial management

BRAND & REPUTATIONAL

OUR RISK	RISK IMPACT	OUR MITIGATION	STRATEGIC OBJECTIVES
I. PARTNER REPUTATION AND RELATIONSHIPS			
Our business benefits from a small number of key contractual brand relationships with our brand partners, Shell and Engen. We also rely on our own business reputation and brand in order to successfully grow our business and develop new relationships with other brand partners. Our ability to grow and maintain our business in our markets and beyond depends on the reputation of our business partners and relationships (including our brand partners).	The termination of any key brand licence could have a material impact on our ability to grow or maintain our business and could have a material cost impact on current operations. The deterioration of our brand, or of any of our business relationships, including with our existing brand partners, may prevent collaboration opportunities with existing or new partners, thus hindering the growth plans of the Group. A negative trend or development in the brand or reputation of one of our key business partners could adversely impact our current business and future growth plans if it were to adversely impact consumer sentiment towards the brands under which we operate.	Our brand licence agreements contain customary termination provisions which provide that they can only be terminated in very specific circumstances rather than for convenience. Such termination provisions relate, inter alia, to events of material breach, insolvency etc. We have developed appropriate processes and procedures to monitor and ensure our compliance with the terms of our brand agreements thus preserving both the relationships with our brand partners and the sanctity of our key contractual relationships. The Group's corporate reputation risk is one of the key risk categories subject to an ongoing assessment and mitigation in our risk management approach. It is continuously monitored and reported as part of the risk register and internal audit reporting. We endeavour to only enter into brand relationships with well-established and reputable partners. In all our key contracts and relationships, we ensure our partners adhere to ethical, HSSEQ and other operational standards that meet or exceed our own standards. Stringent KYC procedures are performed prior to entering any contract over the Group's low level threshold (and regardless of any value when the counterparty is related to a defined list of sanctioned countries) and repeated frequently. We promote and develop the communities in which we operate to help build the Vivo Energy brand as the most respected energy business in Africa.	1

BRAND & REPUTATIONAL

OUR RISK	RISK IMPACT	OUR MITIGATION	STRATEGIC OBJECTIVES
2. CRIMINAL ACTIVITY, FRAUD, BRIBERY AND COMPLIANCE RISK			
The countries where we operate are exposed to high levels of risk relating to criminal activity, fraud, bribery, theft and corruption. There are a number of regulatory requirements applicable to the Group and its listing on the London and Johannesburg Stock Exchanges. The COVID-19 pandemic and new ways of working have created increased opportunities for fraudsters, with a continuous increase in cyber-fraud activity reported. Refer to risk 9 for further details. The potential delisting project entails risks relating to non-compliance with all regulatory requirements.	Violations of anti-bribery, anti-corruption laws, and other regulatory requirements may result in significant criminal or civil sanctions, which could disrupt our business, damage its reputation and result in a material adverse effect on the business, results of operations and financial condition.	We provide compliance training programmes to employees at all levels. Our Code of Conduct and KYC procedures, along with various other policies and safeguards, have been designed to prevent the occurrence of fraud, bribery, theft and corruption within the Group. We have a confidential whistle-blowing helpline for employees, contractors, customers and other third parties to raise ethical concerns or questions. We regularly maintain and update our information technology and control systems within the Group. The Head of Ethics and Compliance is involved in mitigating fraudulent activities in the Group. We strive to ensure our anti-bribery management systems continue to be certified compliant under the ISO 37001 standard. Regular online training and guidance are provided to all staff on how to work from home securely. In 2021, the Group increased the frequency of phishing simulation exercises to ensure staff awareness of cyber security.	1 2 4

PRICING

OUR RISK	RISK IMPACT	OUR MITIGATION	STRATEGIC OBJECTIVES
3. OIL PRICE FLUCTUATIONS			
The price of oil and oil products may fluctuate, preventing us from realising our targeted margins, specifically in the deregulated markets in which we operate. The COVID-19 pandemic led to increased volatility in oil prices.	Higher supply costs in deregulated markets result in higher prices for our products and could reduce our ability to achieve targeted unit margins. Price fluctuations could negatively impact the value of stocks, resulting in stock losses.	Exposure to commodity price risk is mitigated through careful inventory and supply chain management as well as dynamic pricing. We have adapted the management of critical operational and finance activities, increasing the frequency at which the Group monitors its supply commitments, demand and stocks to cope with a high volatility and high sensitivity environment.	3 4 5
4. CURRENCY EXCHANGE RISK			
We are exposed to foreign exchange risk, currency exchange controls, currency shortage and other currency-related risks.	Depreciation of foreign currency exchange rates could result in severe financial losses.	Our treasury policy requires each country to manage its foreign exchange risks. The Central Treasury team approves all hedging plans before they are actioned to ensure they are aligned with our strategic focus. We mitigate currency exchange risks through margin and pricing strategies. Since the start of the pandemic, we have increased the frequency at which the Group monitors its forex exposures.	2 3 4

HEALTH, SAFETY, SECURITY & ENVIRONMENT

OUR RISK	RISK IMPACT	OUR MITIGATION	STRATEGIC OBJECTIVES
5. HEALTH AND SAFETY			
We are exposed to accidents or incidents relating to health, safety and the environment and from such accidents relating to employees. We are further subject to HSSEQ laws and regulations and industry standards related to each of the countries in which we operate. This is our principal risk most impacted by COVID-19. Main risk relates to staff or business partners contracting the virus, entailing threats to life and business continuity. There is also an elevated risk of robbery and theft associated with the deteriorating economic conditions in most countries where we operate.	We may incur potential liabilities arising from HSSEQ accidents/incidents. Brand reputation can be severely impacted, along with employee confidence. Regulators and authorities may impose fines, disrupt our operations and disallow permits for future ventures. The health and safety of our staff and business partners are at risk due to COVID-19. Unavailability of staff, contractors or retailers could also lead to closure of key sites.	We ensure all safety measures for our retail service stations, storage sites and employees are maintained at international standards. We invest significantly in training and technology to improve road transport safety. The highest emphasis is placed on process safety, and minimising security risks to our people, our facilities and the communities in which we operate. We require all our contractors and partners to manage their HSSEQ policies and practices in line with ours. On an ongoing basis, safety and security drills, campaigns and programmes are conducted to ensure widespread knowledge of the Group's HSSEQ principles and procedures. In addition to our ongoing, daily attention to HSSEQ, we hold an annual Safety Day, which creates an opportunity for all employees to refocus on the importance of HSSEQ of our Group. The day is used to reinforce safety measures as well as raise awareness of key issues. Our BCCP has been reviewed (ensuring presence of critical staff, in particular those involved in site security) and COVID-19 protocols developed and implemented to cope with the pandemic specific risks. This includes international travel restrictions, adherence to World Health Organization guidelines and national legislation, special PPE and donning/doffing procedures, revised site access and visit controls, office and asset recovery and reintegration plan and engagement of key stakeholders including hauliers and contractors. Finally, recommendation was made for all non-essential physical work to be done remotely and business meetings to be held virtually.	1 2
6. ECONOMIC AND GOVERNMENTAL INSTABILITY			
Several countries and regions in which we operate have experienced economic and political instability that could adversely affect the economy of our markets.	An economic slowdown which adversely affects, for example, disposable income, vehicle distance driven, or infrastructure development, in one or more of these regions could negatively impact our sales and have a material adverse effect on the business, financial conditions and operational results. The pandemic and its social and economic consequences could negatively impact the stability of some of the countries where we operate, intensifying social tensions. The risk also includes the potential enactment of local content and local ownership laws that could impact our markets and operations.	We closely monitor evolving issues in markets. We ensure appropriate responses and business continuity plans are developed to minimise disruptions. All local regulatory environments and changes are closely monitored.	1 4

OPERATIONAL

OUR RISK	RISK IMPACT	OUR MITIGATION	STRATEGIC OBJECTIVES
7. PRODUCT AVAILABILITY AND SUPPLY			
We are dependent upon the supply of fuels, lubricants, and additives from various suppliers. When raw materials are needed urgently, asymmetric negotiations occur. The bargaining power shifts to the supplier who in turn can charge a higher price. Furthermore, we are restricted by limited storage capacity within some country facilities. The pandemic's long-term impact on oil producers remains unpredictable and there may be future impacts on production and supply capacity.	The increased procurement costs could lower our margins. Limited supply of products and storage facilities may result in stock outs. This could further result in breach of contract and disruptions to our operations, leaving us susceptible to fines or penalties.	We ensure optimal inventory management through close monitoring of inventory days, sales and other factors which may require additional inventory levels. We monitor our suppliers' political and social environments, and realign our purchasing strategies as necessary. Following the Engen acquisition, we have increased storage capacity at strategic locations within Africa. Since the outbreak of the pandemic, we have adapted the management and increased the frequency of monitoring of our supply commitments, demand and stocks. Vivo Energy Supply B.V. has increased its involvement and support to local supply teams, developing a new framework and setup to strengthen trading and shipping activities. A new dedicated team is in place for this role.	1 3
8. BUSINESS CONCENTRATION RISK			
A large part of the Group's operations (and margins) are derived from Morocco when compared to other countries.	Any unfavourable changes in market dynamics, such as the re-imposition of pricing regulations for fuel, or downturns in the performance of the operations overall, may lead to a decline in the Group's performance.	Overall diversification is the key strategy and control measure. The integration of the Engen transaction has increased the geographic diversification and reduced the relative weighting of the Shell-branded OUs, including Morocco, in the Group's operations and volumes.	1 5
9. INFORMATION TECHNOLOGY RISK			
The Group has experienced an increase in phishing attacks and cyber-fraud activity reported over the past two years.	Cyber-crime can lead to significant and direct financial losses, costly and time-consuming business disruption and impact reputation.	The Group has developed its control activities to strengthen its cyber-defence capacity and efficiency to identify and block attacks. The last penetration test conducted in 2021 by an external firm confirmed that our security controls are above industry average. The Group conducts regular phishing simulation exercises to test, assess and validate staff awareness and appropriate conduct when receiving emails.	2 3

STRATEGIC

OUR RISK	RISK IMPACT	OUR MITIGATION	STRATEGIC OBJECTIVES
10. ACQUISITION INTEGRATION			
We may be unable to identify or accurately evaluate suitable acquisition candidates or to complete or integrate past or prospective acquisitions successfully and/or in a timely manner, which could materially adversely affect growth.	We may incur write-downs, impairment charges or unforeseen liabilities, placing strain on financial resources. Occurrences of indebtedness could result in increased obligations and include covenants or other restrictions that limit operational flexibility.	All acquisition decisions are intensively reviewed at several stages with ultimate approval by the Board. This ensures risks at all levels are being assessed and mitigated throughout the process. We ensure there are detailed integration plans with realistic timelines as well as designated teams to execute the plans. Tailored on-boarding and training is delivered post-acquisition to ensure a smooth and efficient transition. The Engen-branded operating units acquired in 2019 operate in line with the Group procedures and policies. The Group performed a complete assessment and review of all key management positions in these OUs. Operations are measured through KPIs.	2 3 5
11. CLIMATE CHANGE			
The increasing global actions to mitigate climate change and its impacts may lead to changes in our regulatory environments, customer behaviours and access to capital in the future which could materially impact the Group's future prospects.	Shift in customer behaviours, expectations and the development and adoption of affordable, clean technology may impact future fuel demand. Non-adherence to evolving regulation, brand partner expectations, technology adoption and customer needs exposes the Group to compliance and financial risks. Brand reputation can be severely impacted, along with employee confidence. Financial markets may focus capital away from carbon intensive industries, increasing the cost of capital for the Group.	We have a range of initiatives underway in order to limit our environmental impact through efficiency measures, cleaner fuels and alternative product offerings. We are developing an assessment of the potential impacts of climate change on future fuel demand, access to finance, regulation and the impact of extreme weather events into our business model, strategy and financial planning process. We have enhanced the Governance oversight of ESG matters, including climate change, and the Nominations and Governance Committee now assists the Board with oversight of the Group's climate change and ESG plans and strategy, including its readiness to support the transition to a lower-carbon future in our markets. The Group has completed its first year of disclosures under the TCFD requirements and intends to continue to expand the analysis to incorporate the setting of greenhouse gas (GHG) targets. We have enhanced our GHG data collection and expanded our disclosure to include material Scope 3 emissions. The Central HSSEQ department has created a specific KPI on GHG emissions. The first meeting of the ESG and Climate Committee was held in 2021. The objective of this Committee is to guide the Group's organisation around climate-related risks and opportunities, manage the sustainability risk areas, assess the ESG strategy and risk management framework and monitor the ESG and climate-related metrics and targets.	1 4 5

RISK MANAGEMENT CONTINUED

STRATEGIC

OUR RISK	RISK IMPACT	OUR MITIGATION	STRATEGIC OBJECTIVES
12. EPIDEMIC			
We face the risk of prolonged impacts from the COVID-19 pandemic, or experience new and recurrent epidemics, worldwide, that may have dramatic effects on humans, economies and security.	In 2020, the COVID-19 pandemic led to a dramatic drop in demand for oil and gas products due to the level of mobility restrictions imposed by governments. These restrictions may be replicated in the event of future pandemics. The reduction in demand and subsequent change in product pricing could have a material impact on the entire fuel supply chain, from suppliers and distributors to dealers' operating sites, as well as on the stability of the impacted countries. Future pandemics may also lead to different changes in government actions and consumer behaviour that require the Group to rapidly adapt and manage its key operational and financial variables. Africa has experienced several epidemic crises over the past decades, including Ebola in 2013-2016, with authorities taking strong measures such as lockdowns and curfews to limit the spread of contaminations which in turn severely impacted the economies.	We have adapted the management of the critical operational and finance activities, increasing the frequency at which the Group monitors its credit, supply commitments, demand, stocks, payables and foreign exchange exposures in a high-volatility environment. The Group Business Continuity Plans can be activated quickly and effectively to keep employees, retailers and contractors safe and ensure the security of our critical sites and operations. This plan ensures the Group is able to maintain supply to its retail sites and commercial customers. We have enhanced our internal control activities through the intensification of risk monitoring, in particular on credit exposure and liquidity, which proved effective in mitigating our risk despite the fragility of creditors. In parallel, the Group has continued to provide support to communities, made a series of donations and provided logistic assistance in several countries.	1 5

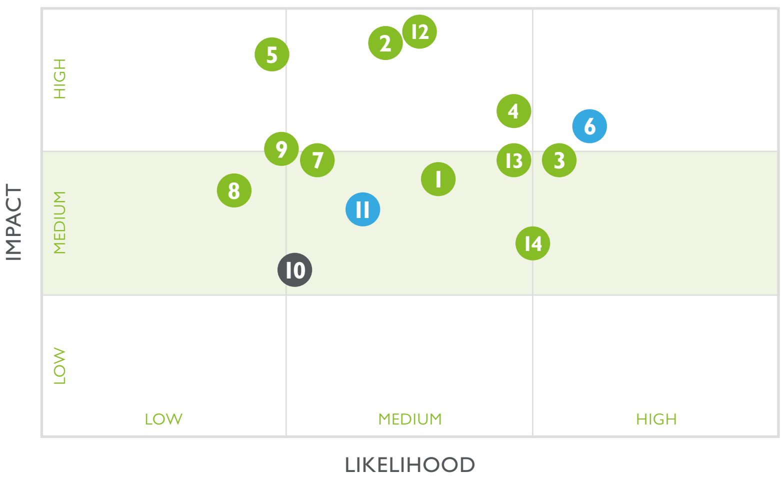
FINANCIAL

OUR RISK	RISK IMPACT	OUR MITIGATION	STRATEGIC OBJECTIVES
13. CREDIT MANAGEMENT			
We face risks arising from credit exposure to commercial and retail customers as well as governments, including outstanding receivables and committed transactions. The COVID-19 pandemic impacted the solvency and liquidity of most of our customers, with a heightened effect on the Aviation sector. While significantly improved in 2021, the credit quality of our counterparties remains exposed to possible deterioration due to subsequent waves of the pandemic.	This may result in financial loss as a result of bad debts and lost revenue. Exceeding payment terms will result in lower working capital, potentially creating liquidity challenges for the business.	We maintain country-specific Credit Policy Manuals which ensure a harmonised, cost effective and value-adding credit process in all classes of business. Continuous monitoring of outstanding credit balances ensures our overall risk remains within our tolerance. We impose strict guidelines and procedures should customers exceed the credit limits set. Credit limits are set on an individual basis following assessment of the customer through KYC procedures. We use debtor factorisation when considered cost effective. We increased the frequency of our credit exposures monitoring and took rapid and coordinated action to stabilise our business and support our teams from the start of the COVID-19 pandemic. We saw elevated levels of overdue accounts early in the pandemic but worked successfully with customers to support them with their payments. At year-end, Credit KPIs are well within target.	2 4

HUMAN RESOURCES AND TALENT MANAGEMENT

OUR RISK	RISK IMPACT	OUR MITIGATION	STRATEGIC OBJECTIVES
14. HUMAN RESOURCES AND TALENT MANAGEMENT			
Our ability to attract, train and grow people as well as retain talent is key to the continuing success of the Group. Some local regulations may affect our ability to appoint or move talent between countries.	Increased costs caused by staff inefficiency. Interruptions to operations and delay in new projects. Key people leaving the Group, with some joining competitors. Disputes, strikes and sub-standard performance. Loss of staff enjoyment, motivation, connectedness and attachment to the Group.	We benchmark compensation packages and employee policies against market practice. We invest in employee training and career development. We use on-boarding workshops to ensure that new employees are familiar with our business, our culture and their roles when joining the Group. We maintain constructive dialogue with unions and workforce representatives. We maintain detailed succession plans and talent management programmes. The Group has deployed a new communication approach and ways of working to keep connected with all staff throughout the pandemic.	1 2

PRINCIPAL RISK FACTORS



PRINCIPAL RISK FACTORS

1. Partner reputation and relationships
2. Criminal activity, fraud, bribery and compliance risk
3. Oil price fluctuations
4. Currency exchange risk
5. Health and safety
6. Economic and governmental instability
7. Product availability and supply
8. Business concentration risk
9. Information technology risk
10. Acquisition integration
11. Climate change
12. Epidemic
13. Credit management
14. Human resources and talent management

RISK IMPACT

- Decrease
- Unchanged
- Increase

LONG-TERM VIABILITY AND GOING CONCERN

LONG-TERM VIABILITY

In accordance with Provision 31 of the UK Corporate Governance Code 2018, the Directors have assessed the prospects of the Group over a period significantly longer than 12 months. The Directors believe that a five-year period is the most appropriate timeframe over which to assess the long-term viability of the Group. This timeframe is supported by the Group's strategic business cycle and planning period, which are both five years. The Group's primary financing has a term of seven years. The period of seven years is slightly longer than the five-year strategic business cycle and planning period and therefore does not impact the appropriateness of the timeframe. The Directors have reasonable confidence over this time horizon as it allows for reduced uncertainty and an appropriate assessment of the Group's principal risks.

Assessment of prospects

The Group's prospects are assessed primarily through its strategic and financial planning process. On an annual basis the Directors approve a detailed five-year strategic business plan, which forecasts the Group's cash flows and ability to service financing requirements, pay dividends and fund investing activities during the period. The prospects assessment uses key macro drivers as assumptions to forecast how markets will evolve. Assumptions include, for example, wage and salary growth rates, volume growth rates, foreign exchange rates, inflation, gross domestic product growth and crude oil prices.

Assessment of viability

Although the output of the Group's strategic and financial planning process reflects the Directors' best estimate of the future prospects of the business, the Board has carried out a robust assessment of the potential financial and operational impact of principal risks and uncertainties it faces, including those that would threaten its business model, future performance, solvency or liquidity.

Four severe but plausible downside scenarios have been modelled where the following medium to high impact principal risks have materialised:

- Economic and governmental instability adversely affects a number of our local entities resulting in devaluation of local currencies (economic and governmental instability and currency exchange risks).
- Higher supply costs in deregulated markets resulting in lower unit margins, and potential fines as a result of economic, social, tax and governance requirements (oil price fluctuations, climate change and criminal activity, fraud, bribery and compliance risks).
- Significant negative impacts on our working capital due to oil price increases, security stock increases and an increase in DSO and a decrease in DPO coupled with key cost increases (oil price fluctuations, product availability and supply and economic and governmental instability risks).
- The negative impacts of the implementation of COVID-19 mobility restrictions throughout our business, growth in the recently acquired Engen-branded markets being slower than expected, together with reduced demand as a result of climate change (climate change, epidemic, acquisition integration).

Each assessment starts with the available liquidity headroom which is calculated as an aggregation of cash and cash equivalents plus committed revolving credit facilities (RCF) as at 31 December 2021. The five-year forecast is then used to calculate the cash position and available headroom over the period taking into account the impact of the downside scenario adjustments. Each downside scenario assumed an appropriate management response to the specific events but not broader mitigating actions which could be undertaken. The assessments took account of the Group's current funding, forecast requirements and existing committed borrowing facilities. The RCF will expire in May 2023, with the arrangement of a new facility expected to be completed prior to its expiration.

Outcome

The outcome of each of the severe but plausible downside scenarios resulted in the Group maintaining its positive headroom over the entire assessment period. In each of the outcomes the Group is able to meet its debt obligations and debt covenants.

The headroom outcome excludes the Group's undrawn uncommitted available credit facilities, which can be drawn upon if mitigation is required. Refer to page 35 for further details regarding the Group's net debt and available liquidity.

As part of the going concern assessment, management has performed a sensitivity analysis to identify the decline in performance that would result in a breach of the Group's debt covenants. The likelihood of such reductions in performance are not considered plausible. Refer to page 136 for further details on the sensitivity analysis.

Statement of long-term viability

Based on the results of the analysis, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period of their assessment, subject to the impact of any post-acquisition changes to the business model, strategy or debt profile of the Group introduced by Vitol. The intentions statement included within the announcement on 25 November 2021, states that Vitol will continue to support the Group with its strategy and growth ambitions. The Directors do not have access to Vitol's detailed plans for the business including the future financing structure and therefore are unable to incorporate these plans into their long-term viability assessment.

GOING CONCERN

In accordance with provision 30 of the 2018 Code, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements, notwithstanding the material uncertainty caused by the expected change in ownership of the Company and the Group during the period. Refer to note 2 in the notes to the consolidated financial statements.

This Strategic Report has been approved by the Board.

DOUG LAFFERTY
CHIEF FINANCIAL OFFICER

1 MARCH 2022

GOVERNANCE

The following pages describe our governance arrangements, the operation of the Board and its Committees and how the Board discharged its responsibilities during the year.

CONTENTS

COMPLIANCE STATEMENT

Good governance is essential for creating long-term viability of the business and the economic development of the communities where we operate. The Vivo Energy Board has overall responsibility for governance.

During 2021, Vivo Energy has complied with all of the 2018 UK Corporate Governance Code's ('2018 Code') Provisions, with the exception of Provision 11. From 1 February to 5 March 2021, when both the CFO and the CFO Designate were members of the Board, the Board consisted of three Executive Directors, two Non-Executive Directors, four independent Non-Executive Directors and the Chairman. Following Johan Depraetere's retirement from the Board on 5 March 2021, the Company has been fully compliant with the Code.

The 2018 Code is available from www.frc.com.

Details of how we have applied the main principles and complied with each provision of the 2018 Code are set out throughout the Governance and Directors' Reports. Further information can be found here:

The Directors' Report also contains information required to be disclosed under the UK Listing Authority's (UKLA) Rules and the Disclosure Guidance and Transparency Rules (DTRs). To the extent necessary, certain information is incorporated into this Report by reference.

"Our strong governance facilitates effective and prudent management and helps deliver the long-term success of the Group."

JOHN DALY
CHAIRMAN

A PIVOTAL YEAR

CHAIRMAN'S STATEMENT
JOHN DALY

> I am proud of how the Group and our people have adapted to these unforeseen changes and challenges."
>
> **JOHN DALY**
> CHAIRMAN

Dear Shareholder,

What a year this has been!

Early in the year we said goodbye to Johan Depraetere and welcomed Doug Lafferty as our new CFO. During the following months, the Board spent a significant time selecting a suitable candidate to take over from Christian Chammas as our next CEO as well as considering the merits of our majority shareholder, Vitol's, offers. In November, after much deliberation and consideration, the Directors resolved to recommend VIP II Blue B.V.'s ('BidCo') cash offer to our shareholders. Shortly after, we also celebrated our tenth anniversary and delivered performance objectives for 2022.

COVID-19 has continued to have a far-reaching impact on people's health and livelihoods and our OUs, in common with the rest of the world, have been subject to continued external influences and changing restrictions. Through it all, we have nevertheless delivered good operational performance and I am proud of how the Group and our people have adapted to these unforeseen changes and challenges.

Even though the full Board has been unable to meet face to face in person, we have been able to continue having constructive discussions, to challenge management and, at times, engage in robust debates virtually. I am grateful to my Board Colleagues for their valuable support and for making themselves available whenever required, frequently at short notice.

STRATEGY

During our in-depth annual strategy review, the Board considered where Vivo Energy is today, its strategic focus and options for future growth. External and internal presentations were received from different emerging and target areas of the business including solar, real estate, fuel and non-fuel retail. We also considered alternative energy solutions and joint venture partnerships as well as current trends and opportunities. These presentations provided context to our deliberations and enabled the Board to confirm its support for the strategy.

In addition to management's strategic plans, the Board recognises that culture plays an important part in delivering strategy and fulfilling our vision of becoming the most respected energy business in Africa. The Board is committed to promoting a strong and positive culture supported by our core values, and receives regular reports which allows it to assess culture within the Group, to ensure alignment with our strategy, vision and purpose.

On 25 November 2021 we announced that we had reached agreement with VIP II Blue B.V. on the terms of a recommended cash offer for all of the issued and to be issued ordinary shares of the Company not already owned by the existing Vitol shareholders. This was the second unsolicited approach made by BidCo during the year, the first having been rejected in February.

The Independent Directors considered a number of matters including BidCo's intentions for the business, the irrevocable commitment from our second largest shareholder, Helios, to accept the offer in respect of its total shareholding of 27.1% and the opportunity for our shareholders to crystallise the value of their shareholdings.

This wasn't an easy decision to make but following careful consideration and a period of discussions and negotiations, the Independent Directors concluded that the terms of the offer were fair and reasonable and unanimously resolved to recommend the offer to the shareholders. The offer is to be effected by means of a Court-sanctioned Scheme of Arrangement under Part 26 of the Companies Act. You can read more about the offer on pages 13 and 63.

ESG

Regardless of where you are located, affordable energy is essential to facilitate improvements in quality of life and critical to economic growth. Our planet's resources are not, however, infinite. We recognise that environmental damage has broad consequences for the health and wellbeing of societies. As a Group, Vivo Energy has an important role in meeting the growing needs of our customers for energy, while, at the same time, working towards a more sustainable future by reducing environmental impacts.

Vivo Energy's purpose is to safely provide innovative and responsible energy solutions to Africa, which enable growth and development of the continent and its people. Living our purpose is strongly aligned with the need to play our part in the battle against climate change. By doing so and thereby ensuring the longer-term sustainability of the business, we will continue to deliver value to all our stakeholders.

We have made good progress this year but realise that there is still more to do. To better understand how the potential impacts of climate change might affect our communities, business and performance, we undertook in-depth materiality and TCFD assessments with the support of external experts. The Board also received training on climate and TCFD reporting requirements.

During the year we established an ESG and Climate Management Committee which is responsible for developing our roadmap and overseeing ESG targets and emerging ESG risks. The Committee is chaired by the CEO who regularly reports to the Board on the Committee's discussions and receives feedback on the same. You can read more about ESG on pages 52 to 55.

BOARD CHANGES

After more than ten years at Vivo Energy, Christian Chammas, Chief Executive Officer, has decided to retire from his role with the Group and will be leaving us in 2022. Christian's leadership, drive, focus on performance, and absolute dedication to the health and safety of our employees, customers and partners has been integral to the remarkable growth and success of Vivo Energy since its formation a decade ago. The Board and I will be very sad to see Christian go, and wish him all the best for the future, and a long, healthy and well-earned retirement.

While we are sad to see Christian go, we are also looking forward to welcoming Stanislas (Stan) Mittelman to lead Vivo Energy through its next stage of growth. Stan has a strong track record in developing businesses and driving growth, which together with his genuine passion and understanding of Africa makes him an ideal successor to Christian.

In January 2022, we also announced that Doug Lafferty, our Chief Financial Officer, will be leaving the Group. We thank Doug for his valuable contribution and wish him all the very best in his new role. Details of Doug's successor will be announced in due course.

SUCCESSION AND DIVERSITY

Succession planning has remained a key focus for the Board. Over the last 12 months, in addition to ensuring orderly Chief Executive Officer succession, the Board has considered senior management succession plans and the internal talent pipeline, and received a detailed report on diversity among senior managers and their direct reports.

Appointments to the Board, as well as other positions within the Group, are made on merit taking diversity of skills, background, knowledge, thought and gender into consideration. Whereas we comfortably meet the Parker Review recommendations, we recognise that we have work to do on gender diversity with women currently representing only 22% of our Board. We are committed to meeting the FTSE Women Leaders' targets as well as improving gender diversity among senior managers while also recognising the difficulty of achieving this in the short term.

OUTLOOK

Since Vivo Energy's inception in 2011, the Company has had a clear growth strategy and has looked to deliver sustainable value for all its stakeholders. During the last ten years, we have significantly grown our retail footprint and have also broadened our consumer offering into non-fuel services, including shops and restaurants. The Group has demonstrated the strength of its business model through the impacts of the pandemic and our leading position in Africa means that we are well positioned to continue to capitalise on the opportunities that will arise from the growth on the continent.

The Court and General meetings held on 20 January 2022 approved the Scheme of Arrangement. Pending required anti-trust approvals, the Scheme is expected to become effective in the third quarter of 2022, at which point Vivo Energy will be delisted. Until such time, the Board will continue working with management on our strategic goals to deliver further growth with purpose.

On behalf of the Board and I, I thank you for the trust you have placed in us.

JOHN DALY
CHAIRMAN

1 MARCH 2022

BOARD LEADERSHIP AND COMPANY PURPOSE

The Board's primary role is to ensure Vivo Energy's long-term success by setting the Group's strategic direction, ensuring that strategy is aligned with our purpose and culture and to promote and protect the Group's interests for the benefit of all our stakeholders. The Group's governance framework supports the Board in the delivery of the Group's strategy and long-term sustainable success in various ways as detailed below.

HOW GOVERNANCE SUPPORTS OUR STRATEGY

We recognise that our ambition of becoming Africa's most respected energy business can only be achieved through demonstrable good governance in its broadest sense. The Board is responsible for promoting the long-term sustainable success of the Group and for delivering long-term value for stakeholders. The Board does this by providing effective leadership and by ensuring that the Group's business is conducted with high standards of ethical behaviour in a manner which contributes positively to wider society and having regard to the interests of its different stakeholders.

To ensure the business can meet its strategic priorities, the Board, through its oversight of the development of the Group's strategy, provides strong leadership and support to the Group. The Board continues to benefit from a strong mix of complementary skills and experiences, as well as dynamics that allow for open debate, challenging existing assumptions and asking difficult questions.

Throughout the year, the Board considered the long-term consequences of the decisions it made, focusing on the interests of relevant stakeholders as appropriate. A key component of the Board's role in the development of Vivo Energy's strategy is the approval of the annual operating plan. This process allows the Board to ensure that the business has the necessary resources to deliver its strategy. Other key strategic items considered by the Board during 2021 included:

- the offers made by our majority shareholder, Vitol;
- dividend policy;
- presentations on African consumer and African economies;
- growth strategies in non-core areas;
- QSR and CR business models;
- updates on the Mali solar project; and
- Group's ESG strategy and carbon emissions.

Further information on the strategic priorities for the Group is available in the Strategic Report.

OUR PURPOSE AND CULTURE

The Group's purpose is to safely provide innovative and responsible energy solutions to Africa, which enable growth and development of the continent and its people. We aim to do this by realising the full potential of our people and business partners, supporting our communities and being recognised as the benchmark for quality, excellence, safety and responsibility in Africa's marketplace.

We recognise that how we do things is just as important as what we do, and culture plays a fundamental part in delivering our strategy. The right culture sets the tone and leads to a motivated and productive workforce. Our operating culture of 'Focus, Simplify and Perform' and our values of 'integrity, honesty and respect for people' have always been core to our business. We believe that they remain fundamental to the future success of the business. The challenges of 2021 have allowed us to demonstrably live by our culture and our values.

People are crucial to the day-to-day functioning of a business. In order to create a positive working environment, we aim to build and maintain an inclusive and diverse business.

We recognise that the strength of our business is built on the hard work and dedication of our people. We are only as good as our people and seek to recruit, retain and develop the best people and to engage them over the long term. By living our values, our people differentiate us from our competitors and enable us to deliver our strategy. It is therefore important that all of our people understand the importance of our vision, values and purpose and their role in realising our vision of becoming Africa's most respected energy business. Further information is available within the Strategic Report on pages 46 to 47.

Reinforcing our culture:

The Group's culture is a focus area for the Board. We believe that the right culture and values, supported by effective leadership and a consistent tone from the top, are crucial to the success of the Group. During the year, the Directors evaluated organisational culture in different contexts, discussed the Group's culture and considered reports from the nominated Employee Engagement Champion and senior management. The Board also considered the annual culture report which details how the Group has 'lived' its operating culture and values.

This report covered:

- the way in which Vivo Energy's culture is embedded throughout the organisation;
- the mechanisms in place to provide insight and feedback on Vivo Energy's culture; and
- focus areas and timelines for 2022 engagement.

To allow the Directors to maintain a continuous overview of the Group's cultural temperature, a culture dashboard was introduced as an additional reporting tool. The dashboard covers headcount, vacancies, appointments, employee survey results and diversity.

The annual whistle-blowing report was also presented to the Board, providing an update on the whistle-blowing programme.

How the Board monitors culture:

Listing to our employees – We use many different channels to understand how our people experience working for Vivo Energy. These engagements aid us in shaping our culture, policies and practices to ensure Vivo Energy is an attractive place to work.

The Group undertakes an employee engagement survey every two years. Survey questions allow employees to share their views on key topics, which provide valuable insight into employee engagement and the Group's culture. This year's survey consisted of 41 questions and, with an overall response rate of 88.4%, continues to reflect high levels of employee engagement. The key findings were presented to the Nominations and Governance Committee and also discussed by the full Board. Local focus groups were held in every OU following which action plans were prepared to address the priority issues.

Hixonia Nyasulu, the Senior Independent Director, is the Group's Employee Engagement Champion and the Chair of Vivo Energy's Employee Engagement Champion Committee. Hixonia was appointed to this role after discussions by the Board and the Nominations and Governance Committee where the role requirements, existing time commitments, suitability and the Directors' interests were considered. Hixonia's passion for talent development gained through running her own businesses and her understanding of the African continent and related employment matters were important considerations when making the selection.

Hixonia's main objective is to provide an open line of communication between the Board and our people. To assist Hixonia in her role, the Employee Engagement Champion Committee was formed in 2020. In addition to Hixonia, the Committee comprises six members representing the Group's different operating regions. The Committee met twice in 2021 to discuss and consider the employee engagement activities across the Group, employee wellbeing, post COVID-19 ways of working, employee engagement survey results and Vitol's offer. The Committee also received health and safety updates and reviewed its own effectiveness.

Hixonia has reported to the Nominations and Governance Committee and the Board on the Committee's work and provided feedback on employee opinions and the alignment of our culture and values across the various aspects of our business, strategy and purpose. The Board was pleased to receive employees' endorsement on the Group's efforts during the pandemic to keep our people, customers and communities safe and to protect jobs.

Further details on the Committee's work can be found on page 95.

The Board has been mindful of employees' views and concerns and towards the end of the year, the Group launched a pilot Employee Assistance Programme in six of our operating units providing practical information and confidential counselling to employees and their close family members on a wide range of work and personal issues. This pilot programme is being monitored, with the intention of rolling it out across the Group during 2022.

Furthermore, in addition to the suggestion boxes already in the OUs, in the latter part of the year we also launched an electronic employee suggestion tool, 'Your Voice'. Your Voice is an easy to use platform that allows employees to submit ideas on a wide range of topics including our business principles, careers, business growth, innovation, leadership, workplace and culture. Between November and January, we received 86 suggestions, of which 21 have been or are in the process of being implemented.

Whistle-blowing – Employees can report incidents of wrongdoing through both internal and external mechanisms. In addition to the reports raised through line managers, the Vivo Energy Global 'Speak Up' helpline enables employees and third parties to raise concerns in relation to suspected violations of the law or the Vivo Energy General Business Principles (such reports may be raised anonymously, 24 hours a day, seven days a week via this independent helpline). Any reports are then referred to the Head of Ethics & Compliance and are investigated or escalated to the General Counsel, the Chairman and the Chair of the Audit and Risk Committee as required.

To deal with any wrongdoing effectively, honest communication is vital and we encourage our employees to raise any such concerns of misconduct. The Board is provided with periodic reports on whistle-blowing.

Ethics, bribery and fraud – Respect for human rights is a fundamental part of operating as a responsible business. Any exploitation of human beings is entirely at odds with our core values of honesty, integrity and respect for people and we are committed to building awareness and working with our partners to ensure that all those working within Vivo Energy or our supplier chain are treated with respect and dignity.

During the year the Board approved the Company's Modern Slavery Statement which is published on our website www.vivoenergy.com/About/Our-Principles-Policies/Modern-Slavery-Statement and was also submitted to the UK online registry. We also formalised our Supplier Code of Conduct and Human Rights Policy Statement and both are available on our website www.vivoenergy.com/About/Our-Principles-Policies. In addition, we issued written guidance to our retail network on what modern slavery is, how to recognise it and how to report issues to us.

Vivo Energy recognises that corruption undermines the rule of law and democratic process, impoverishes states and distorts free trade and competition. We have established policies and governance procedures that set and monitor our approach to preventing fraud, bribery and corruption, including our Code of Conduct and Anti-Bribery and Corruption Manual. We conduct mandatory e-learning courses for all employees to ensure that they understand the Group's zero-tolerance approach to fraud, bribery, and corruption of any kind.

The Audit and Risk Committee regularly monitors and reviews the Company's policies, incidents and trends arising from any such incidents and provides updates of key matters to the Board.

Social engagement – We employ local people and serve local businesses and individuals; engaging with our communities is vital as it helps us earn their trust and respect and allows us to support them and promote a better quality of life and a more sustainable future. We do this through partnerships, employee engagement and non-political donations.

In 2021 we supported over 120 community investment projects across the Group. These were primarily focused on our core areas of education, environment and road safety, and also included health and female empowerment projects.

Risk management and internal controls – The Board is responsible for the Company's systems of internal control and risk management. The Audit and Risk Committee annually reviews the effectiveness of the Group's system of internal controls and risk management. The results of the Committee's review are presented to the Board. During 2021, the Board assessed the Committee's review and confirmed it concurred with the Committee's assessment that the risk management and internal controls of the Group remain effective.

Promoting the success of the Company – The Directors, in conducting Board business and taking decisions at Board meetings, act in a way that is most likely to promote the success of the Company for the benefit of its members as a whole, while having due regard and taking into account the likely short- and long-term consequences of any decision on the Company and its business, the interests of all the Company's stakeholders, including employees, and the impact on the community and environment in which the Company conducts its business.

The Board's section 172(1) statement is included within the Strategic Report on page 63.

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED

KEY ACTIVITIES TO COMPLY WITH THE 2018 CODE

Term	Description
Purpose, Culture and Values	During the year the Board considered the Employee Engagement Survey results, the culture report and feedback from the nominated Employee Engagement Champion. The Board is responsible for the Group's whistle-blowing processes and received periodic reviews during the year. Further details on the Board's involvement with purpose, culture and values can be found on pages 78 to 79.
Remuneration	The Remuneration Committee reviews workforce compensation, related policies and the alignment of incentives and rewards with the Group's culture and takes these reviews into account in the setting of the policy for Executive Director remuneration. During 2021, the Remuneration Committee considered Stan Mittelman's remuneration package and Christian Chammas' retirement terms, received updates on workforce remuneration and considered share plans and retention arrangements relating to Vitol's offer. The Committee also reviewed the Company's Remuneration Policy and consulted with shareholders on the proposed changes. The revised policy will be put to shareholder vote at the AGM. Further details on the Committee's activities can be found on pages 100 to 117.
Nominations and Governance Committee	The Nominations and Governance Committee is responsible for ensuring plans are in place for orderly succession to both the Board and senior management positions, and for overseeing the development of a diverse pipeline for succession. During the year the Group's senior management succession plans and talent pipeline were discussed and reviewed by both the Nominations and Governance Committee and the Board. A successor to the Chief Executive Officer was identified and the Committee recommended to the Board the appointment of Stan Mittelman as Chief Executive Officer Designate from 14 February 2022. After an initial transition period Stan will be appointed a Director of the Company and become CEO. The appointment was preceded by a confidential market search and the selection process was carried out with the assistance of Russell Reynolds Associates, an independent external executive search and leadership consultancy, which has no other connection with the Group. The Committee ensured that the procedure for the appointment was rigorous, transparent, objective and merit-based. Further details can be found on page 95. The Committee also received ESG and corporate governance updates, reviewed the results of the Board effectiveness evaluation and considered the Group's social initiatives. Further details on the Committee's activities can be found on pages 93 to 95.
Audit and Risk Committee	The role of the Audit and Risk Committee is to monitor and review the Group's financial reporting, the effectiveness of risk management and internal controls, the Group's whistle-blowing procedures, the integrity of the internal and external audit processes, and the appointment and performance of the external auditor. This year the Committee placed particular focus on strengthening the control framework and ensuring compliance across the Group; climate change and its impact on corporate reporting, as well as long-term viability assessment and regulatory and accounting considerations relating to Vitol's offer. Further details can be found on pages 96 to 99.
Workforce and Stakeholder Engagement	The 2018 Code emphasises that the Board should understand the views of key stakeholders and be in a position to explain how their interests have been considered in decision-making. During Director discussions, factors set out in our section 172(1) statement on page 63 are considered, where relevant to the Board's decision-making. The Board has formalised this within its decision-making processes, by ensuring that the consideration of stakeholder interests is set out in all Board and Committee papers in a proportionate and appropriate way, relevant to the matter to be considered. This will enable the Board and its Committees to effectively address stakeholder concerns.
Employee Engagement Champion	The Senior Independent Director, Hixonia Nyasulu, is the Company's nominated Employee Engagement Champion. Hixonia is assisted in this role by the Employee Engagement Champion Committee. In her role, Hixonia has engaged with the VP HR and regional HR representatives to obtain an understanding of the issues and concerns of the workforce and received feedback and business improvement suggestions from the employees. In conjunction with the Committee Hixonia has: – brought employee perspectives to the Board to increase Board effectiveness and decision-making; – reviewed employee engagement and feedback mechanisms to ensure they remain effective and appropriate; – reviewed the output of the Employee Engagement Survey; – received and discussed regional employee engagement reports; – received and considered health and safety updates; – considered the Group's culture; and – discussed and provided employee feedback on Vitol's offer. In the coming year the Committee plans to continue engaging with and receiving feedback from employees via various channels, exploring ways to increase employee engagement including embedding the new 'Your Voice' tool and following up on Employee Engagement Survey action points. Details on the 2022 engagement activities will be reported in the 2022 Annual Report.
Other activities	The Board reviewed matters reserved for its consideration and resolved to include environment and climate in the schedule of Matters Reserved for the Board. A copy of the revised document is available on the Group's website. The Board also reviewed the Group's Manual of Authorities to ensure the approval levels in place remain appropriate.

STAKEHOLDERS

Engaging with stakeholders and understanding their views is vital to the Board and underpins effective decision-making. The Board is committed to building positive relationships with all stakeholders and recognises that this is not only essential to building a sustainable business but also the right thing to do. Multiple stakeholders are impacted by our business, including shareholders, employees, customers, partners and the communities and governments of the countries in which we operate. As we enter another year in the midst of a global pandemic, we continue to be mindful of the needs and expectations of our stakeholders.

During the year, the Group undertook a number of stakeholder engagement initiatives. Further information on how the Group engages with all its stakeholders is available within the Strategic Report on pages 40 to 43. In addition to the Group activities, the Board undertook the following stakeholder activities:

SHAREHOLDERS

Investor Relations

The Board and Management believe that having transparent and regular communication with the capital markets is an essential element of being a listed company. In order to achieve this, the Company has a designated investor relations function, which is the primary point of contact with equity and debt investors, sell-side analysts and other financial market participants.

During the year, the continuing impact of COVID-19 meant that the vast majority of engagements took place virtually, although the Company was able to resume some limited face-to-face interactions in the second half of 2021. While we welcomed the opportunity to re-engage in person, with all of the benefits that it entails, the continuing programme of virtual engagements enabled a significantly broader outreach into a range of territories that both expanded our activities and made them more efficient.

The Company conducted an extensive programme of scheduled and ad hoc engagements with institutions and analysts during the year. These were undertaken by a combination of Executive Management and the Investor Relations function. As part of this, we conducted virtual investor roadshows and attended virtual investor conferences that were primarily aimed at investors based in the United Kingdom, United States, South Africa and Europe. Due to the restrictions on travel, the Group did not host any investors in our OUs in the first nine months of the year, but in Q4 hosted investors in both Morocco and Uganda.

Our engagements with capital markets stakeholders cover a broad range of topics, but in 2021 the primary focus was on the Group's recovery from impacts of COVID-19 related mobility restrictions and the recovery of our host countries' economies. In addition to this, we continued to engage with stakeholders on capital allocation following the enhancement of the dividend policy in March 2021, management succession, executive remuneration, governance and Group strategy. There has also been considerable focus on ESG matters, and in particular, climate-related strategy and disclosure. Following the announcement of the agreed transaction with BidCo in November 2021, engagement with investors moved to a more prescriptive approach to ensure that investors' views were heard whilst maintaining compliance with Takeover Panel rules.

Investor Relations regularly presents to, and discusses developments in the capital markets, with the Board, as well as sharing sell-side research and investor feedback. Due to the importance that the Board places on communication with shareholders, arrangements can be made for major shareholders to meet with the Chairman, the Chief Executive Officer, the Chief Financial Officer, the Senior Independent Director and the Independent Non-Executive Directors, as required.

Annual General Meeting (AGM)

The Company's AGM will be held at 2:00 p.m. on 17 May 2022. The Notice of the AGM will include further details, including the venue.

Details of the business to be proposed at the meeting are contained in the Notice of AGM which will be sent to shareholders at least 20 working days prior to the date of the meeting. Voting at the AGM will be conducted by way of a poll and the results will be announced through the Regulatory News Service and made available on our website following the meeting.

To encourage shareholders to participate in the AGM process, the Company will offer electronic proxy voting through both our registrar's website and, for CREST members, the CREST service.

Although it is our intention to hold the AGM at the time set out above, we will continue to closely monitor the impact of the COVID-19 outbreak in the United Kingdom and how it may affect the arrangements for this year's AGM, particularly in relation to social distancing, large gatherings and travel.

We do not anticipate that all of our Board of Directors will be able to attend the meeting in-person due to travel restrictions and health and safety requirements. If any Director is unable to attend in person, we will endeavour to ensure that he/she can attend virtually or by phone.

EMPLOYEES

Our people are our most important asset and central to us delivering our strategic objectives and our vision of becoming Africa's most respected energy business. Our success is reliant on our culture and the Board is committed to ensuring that our workforce policies and practices are aligned with the purpose, values and culture of Vivo Energy. Further information on employee engagement programmes is set out in the Strategic Report on pages 48 to 49.

OTHER STAKEHOLDERS

Alongside our shareholders and employees, we have identified customers, partners, communities, governments and investors as our main stakeholders. Where the Board does not engage directly with the stakeholders, it is kept updated so that the Directors maintain an effective understanding of what matters to our stakeholders and can draw on these perspectives in Board decision-making and strategy development. Updates are provided in a variety of formats including face-to-face presentations, reports by the Chief Executive Officer or Chief Financial Officer as well as by the senior management of the Group's businesses. Senior management is requested, when presenting or providing reports to the Board on strategy and principal decisions, to ensure that the presentations cover what impact the strategy/principal decision has on the relevant stakeholders and how the views of those stakeholders have been taken into account.

For details of how the Board complied with section 172 of the Companies Act 2006 and how it further engaged with other stakeholders, see page 63.

VISITS TO OUR LOCAL OPERATING UNITS

Visiting our local OUs is an important way for Directors to meet with local senior management, engage with employees and other stakeholders and to gain a better understanding and insight into particular issues faced by the OUs and the business in general. The Board had hoped to resume these visits in 2021. However, due to the continuing COVID-19 travel restrictions, the Board's travel plans remain on hold. Board visits to the Group's OUs will continue as soon as it is safe to travel again.

In the meantime, the Board's learning and understanding of our business has continued through virtual deep dives. These have consisted of reports and virtual presentations by senior management and external experts and have covered topics such as solar, non-fuel retail, African economies, TCFD requirements, African consumers, use of real estate, culture and share price.

BOARD OF DIRECTORS

Committee membership key

- A Audit and Risk Committee
- N Nominations and Governance Committee
- R Remuneration Committee
- Chair

JOHN DALY CHAIRMAN

Independent on appointment
Appointment Date: 20 April 2018

Skills and Experience

John brings strong international and consumer expertise to the Board having held various executive leadership positions over the course of 20 years at British American Tobacco plc (BAT). His most recent positions at BAT were chief operating officer (2010-2014) and regional director for Asia Pacific, based in Hong Kong (2004-2010). John is a former director of Reynolds American Inc., a US public company owned 42% by BAT. Prior to his time with BAT, John held various sales and marketing positions with Johnson & Johnson, Bristol-Myers Squibb, Pennwalt Corporation and Schering-Plough.

External Public Appointments

Britvic plc – non-executive chairman

Committee Membership

N R

Nationality

CHRISTIAN CHAMMAS CHIEF EXECUTIVE OFFICER

Appointment Date: 20 April 2018[1]

Skills and Experience

Christian has extensive experience in the energy sector and has a deep knowledge of Africa and emerging markets. Prior to joining the Group, Christian was at Total for 31 years where he held several executive positions in Central America, the Caribbean, Pacific and India. Christian served as chief executive officer for the Total group of companies in Nigeria, Cameroon and Kenya, followed by successive positions as executive vice president for the Total group of companies for Central Africa, executive vice president for the Total group of companies for Caribbean and Central America, and as Total group representative for India and executive country chairman for downstream companies. His last position at Total was as executive vice president for the MENA region in the downstream division.

External Public Appointments

None

Committee Membership

None

Nationality

STAN MITTELMAN CHIEF EXECUTIVE OFFICER DESIGNATE

Appointment Date: March 2022[2]

Skills and Experience

Stan brings over 30 years of downstream energy experience to Vivo Energy and has spent a substantial part of his career operating in Africa. Before joining Vivo Energy, Stan was SVP Africa at TotalEnergies Marketing & Services, where he led the fuel retailing and marketing business across 40 countries in Africa. Prior to this, Stan held a range of senior positions at TotalEnergies, including CEO of Total Marketing France, and a number of roles on the continent, including EVP West Africa for Total Marketing Services and MD Total Zimbabwe. Stan became Chief Executive Officer Designate on 14 February 2022. After an initial transition period Stan will be appointed a Director of the Company and become CEO.

External Public Appointments

None

Committee Membership

None

Nationality

DOUG LAFFERTY CHIEF FINANCIAL OFFICER

Appointment Date: 1 February 2021[3]

Skills and Experience

Doug Lafferty was appointed as Chief Financial Officer Designate in February 2021 before becoming Chief Financial Officer in March 2021. His responsibilities include financial control, treasury & credit, IT and procurement. Prior to joining the Group, Doug spent three years as CFO and Executive Director for Williams Grand Prix Holdings plc. Doug has also held a range of senior positions during a 16-year international career with British American Tobacco, including Group Head of Commercial Finance and Regional Head of Finance for the Americas.

External Public Appointments

None

Committee Membership

None

Nationality

1 Prior to this Christian was Chief Executive Officer of the Group with effect from 2 January 2012.

2 Date to be confirmed.

3 Doug was appointed as the Chief Financial Officer Designate on 1 February 2021 and Chief Financial Officer on 5 March 2021. Johan Depraetere was the Chief Financial Officer from April 2018 to 5 March 2021.

THEMBALIHLE HIXONIA NYASULU

SENIOR INDEPENDENT DIRECTOR

Appointment Date: 20 April 2018

Skills and Experience

Hixonia has global experience across multiple sectors in South Africa and Europe for blue-chip companies, as well as on the Banking Enquiry panel for the South African Competition Commission. Hixonia held numerous management roles at Unilever in South Africa between 1978 and 1984, and subsequently founded two highly successful companies. She has substantial experience as a non-executive director having held non-executive director positions at Unilever plc, Sasol Ltd, Anglo Platinum Ltd, the Development Bank of Southern Africa, Nedbank and served as a member of the JPMorgan Advisory Board for South Africa until October 2013.

External Public Appointments

Anglo American plc – non-executive director

Committee Membership

A N R

Nationality

CAROL ARROWSMITH

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointment Date: 20 April 2018

Skills and Experience

Carol has extensive experience of executive remuneration. For over 20 years, she specialised in advising boards of directors on executive remuneration across a range of sectors. Carol is a former vice chair and senior partner of Deloitte LLP, a global partner in Arthur Andersen and managing director of New Bridge Street Consultants. Carol is a fellow of the Chartered Institute of Personnel and Development.

External Public Appointments

Compass Group plc – non-executive director and chair of their remuneration committee
Centrica plc – non-executive director and chair of their remuneration committee

Committee Membership

A N R

Nationality

CHRISTOPHER ROGERS

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointment Date: 22 April 2018

Skills and Experience

Chris is a Chartered Accountant and has extensive financial and commercial experience. Chris was a director of Whitbread plc from 2005 to 2016 where he served as group finance director from 2005 to 2012 and managing director of Costa Coffee from 2012 to 2016. He was group finance director of Woolworth Group plc and chairman of the Woolworth Entertainment businesses from 2001 to 2005. Previously Chris held senior roles in both finance and commercial functions in Comet Group plc and Kingfisher.

External Public Appointments

Wickes Group plc – chairman
Kerry Group plc – non-executive director
Sanderson Design Group plc – non-executive director

Committee Membership

A N R

Nationality

GAWAD ABAZA

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointment Date: 1 December 2018

Skills and Experience

Gawad has a wealth of African commercial experience. He has significant operational knowledge of running consumer-focused businesses across the African continent having held several senior management positions in the Middle East and Africa at Kraft and Cadbury.

External Appointments

Gama Transformation Consultancy LLC – managing director

Committee Membership

A N R

Nationality

JAVED AHMED

NON-EXECUTIVE DIRECTOR (VITOL APPOINTED DIRECTOR)

Appointment Date: 12 March 2018[4]

Skills and Experience

Javed joined Vitol in 2009 and leads its global investing activity. Prior to this, Javed was with Morgan Stanley from 1997 to 2009 where he held positions including managing director and the head of acquisitions and structured transactions for Morgan Stanley's commodities group.

External Appointments

Positions at a number of Vitol's portfolio companies, including Petrol Ofisi, VTTI, VPI Holding and OVH Holding

Committee Membership

N

Nationality

TEMITOPE LAWANI

NON-EXECUTIVE DIRECTOR (HELIOS APPOINTED DIRECTOR)

Appointment Date: 16 March 2018[4]

Skills and Experience

Temitope is a co-founder and managing partner of Helios Investment Partners, the largest Africa-focused private investment firm. He is also co-CEO and a director of Helios Fairfax Partners. Prior to this, Temitope was a principal at TPG Capital. After beginning his career at the Walt Disney Company as an M&A and corporate development analyst, he went on to serve on the boards of various corporate enterprises. Temitope is currently a member of the MIT Corporation, the MIT School of Engineering Dean's Advisory Council, the Harvard Law School's Dean's Advisory Board, and on the board of the END Fund.

External Public Appointments

Helios Towers plc – non-executive Director
Pershing Square Holdings Ltd – non-executive director
Positions at a number of Helios' portfolio companies including OVH Energy and Axxela

Nationality

4 Previously a supervisory board member of Vivo Energy Holding B.V. (the former Group holding company).

SENIOR EXECUTIVE TEAM

CHRISTIAN CHAMMAS

CHIEF EXECUTIVE OFFICER

See Christian's biography on page 82.

STAN MITTELMAN

CHIEF EXECUTIVE OFFICER DESIGNATE

See Stan's biography on page 82.

DOUG LAFFERTY[1]

CHIEF FINANCIAL OFFICER

See Doug's biography on page 82.

FRANCK KONAN-YAHAUT

EVP WEST AFRICA

Franck is the EVP West Africa, a position he has held since February 2019. He previously held the positions of Managing Director, Shell Côte d'Ivoire and Burkina Faso Cluster and Managing Director of Côte d'Ivoire, before taking up his previous role of Managing Director, Senegal in September 2014.

Following the sale of the Africa Downstream business in 2011, Franck transferred from Royal Dutch Shell to Vivo Energy. Franck joined Royal Dutch Shell in 1996 from PwC, and following a number of years as finance manager in Guinea, Ghana and West Africa, he moved to West Africa Gas Pipeline Company in the Shell upstream business as general manager Finance and Administration.

Nationality

HANS PAULSEN

EVP EAST AND SOUTHERN AFRICA

Hans is the EVP East and Southern Africa, a role he has held since 1 July 2019. Prior to his current role, Hans served as the Group Programme Manager leading the SAP implementation project for the Group. Hans joined Vivo Energy in 2013 as Managing Director Uganda.

Before joining Vivo Energy, Hans held senior management roles in the telecoms sector both in Uganda and Zambia. He also previously worked in the oil and gas industry with Royal Dutch Shell in Uganda and Kenya from 1997 to 2002.

Nationality

"Our Senior Management Team embodies Vivo Energy's effective operating culture to focus, simplify and perform. Through its agility and speed of decision-making, this team leads Vivo Energy's performance-driven approach."

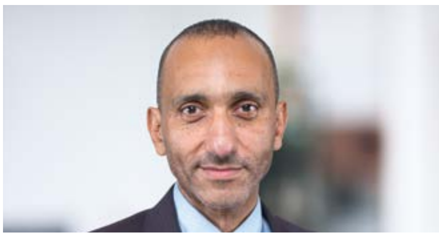
ERIC GOSSE

EVP BUSINESS DEVELOPMENT, SUPPORT AND INDIAN OCEAN ISLANDS

Eric is the EVP, Business Development, Support and Indian Ocean Islands, a position he has held since January 2019. Eric is responsible for business development (including power and solar), supply, distribution, engineering and HSSEQ. Eric is also the Chairman of Vivo Energy's lubricant joint venture with Shell.

Eric joined the Group from Total where he held various senior positions over the course of more than 25 years. He brings a wealth of commercial and industry experience to the Group.

Nationality



OMAR BENSON

EVP SALES AND MARKETING

Omar is the EVP Sales and Marketing, a role he has held since January 2021. During 2020, Omar was the Acting EVP Sales and Marketing before being permanently appointed to his current role.

Prior to this Omar has held various other senior positions at Vivo Energy, including Head of Fuel Retail from 2013, adding Convenience Retail to that from 2015. In 2018 he was appointed VP Retail, CR, QSR and ONFR. Before joining Vivo Energy, Omar held various roles at Shell where he spent 11 years and before that Omar worked for Air Liquide, Mobil Oil and Copharmed.

Nationality

1 Doug was appointed as the Chief Financial Officer Designate on 1 February 2021 and Chief Financial Officer on 5 March 2021. Johan Depraetere was the Chief Financial Officer from April 2018 to 5 March 2021.

HERMAN NIEUWOUDT

CHIEF OF STAFF

Herman is the Chief of Staff for the Group, a role which he has held since September 2018. Prior to this he was the Vice President Human Resources, a position he held since the inception of Vivo Energy. He is primarily responsible for executive compensation and resourcing and the Chairman's and CEO's office.

Herman transferred from Royal Dutch Shell to Vivo Energy following the sale of the Africa Downstream business in 2011. During his 17 years with Shell he held various roles including downstream policy and compensation manager for the Africa region and general manager HR for Shell Oil Products Africa. Herman joined Shell in 1995 from Dulux South Africa where he was the head of HR for the industrial coatings division.

Nationality

MEHDI ABAGHAD

VP RETAIL

Mehdi is the Vice President for Retail, a role he has held since October 2020. Prior to this Mehdi was the Retail Manager in Morocco where he successfully grew and developed the service station network and Retail offer in that market.

Before joining Vivo Energy, Mehdi was the Commercial Manager for Shell Morocco and before that he worked as the Commercial and Export Director for Nexans and as a trader for the investment bank Upline Securities.

Nationality

NAOUFEL AISSA

VP LUBRICANTS & COMMERCIAL

Naoufel is the VP Lubricants & Commercial, a role he has held since July 2017. Prior to this, Naoufel held various senior roles at Vivo Energy, including Head of Lubricants from July 2015 and Managing Director, Tunisia until July 2015.

Naoufel transferred from Royal Dutch Shell to Vivo Energy following the sale of the Africa Downstream business in 2011. He has over 25 years' experience in the industry and throughout Africa.

Nationality

REINETTE WESSELS

VP HUMAN RESOURCES

Reinette is the VP Human Resources, a position she has held since September 2018, having joined the Group in October 2013 as Head of Talent and Development. Reinette is responsible for providing strategic leadership and direction for the HR Function across the Group.

Prior to joining the Group, as an independent consultant, Reinette provided specialised consulting to a number of listed companies in the areas of reward and talent management strategies and deployment. Her knowledge and experience of the human resources field spans a period of over 30 years, across a number of diverse sectors, including holding various generalist, specialist and executive HR positions at British American Tobacco, where Reinette worked for 12 years and as remuneration consultant at Old Mutual for seven years.

Nationality

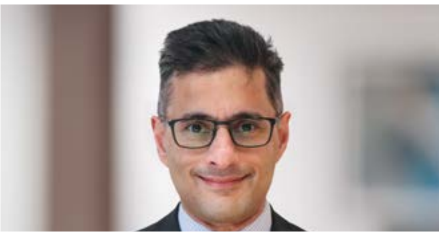
ASIF LAKHANY

HEAD OF BUSINESS STRATEGY & TRANSFORMATION

Asif is the Head of Business Strategy and Transformation. Asif has over 25 years of leadership experience in Strategic Marketing roles, focused on developing and implementing digital transformation plans as well as more traditional business transformations.

Throughout his career, Asif has worked across a number of industries, including downstream oil marketing, minerals & mining, and financial services. Before joining Vivo Energy Asif held the position of Director of Organisation Effectiveness at Dixons Carphone plc.

Nationality



ADRIAN DE SOUZA

GENERAL COUNSEL

Adrian is the Group's General Counsel, a role he has held since July 2020. He is responsible for the Group's Legal, Ethics, Compliance, Forensic Investigations and Company Secretarial functions and has extensive experience working for listed and multinational companies across a number of sectors.

Adrian qualified as a solicitor in 1997, working in private practice with Hogan Lovells and Clifford Chance before joining SABMiller plc.

Adrian then became General Counsel and Company Secretary at the FTSE 100 company Land Securities Group plc, a position he held for five years, before taking a similar role at a Goldman Sachs private equity business. Before joining the Group, Adrian was Company Secretary at Barclays Bank UK plc.

Nationality

THE ROLE OF THE BOARD

An effective board comprises a diverse group of individuals, each contributing different experiences, skills and backgrounds enabling the Board as a whole to provide challenge, informed opinions and advice on strategy and relevant topics.

Collectively, the Board is responsible for promoting the long-term success of the Group by setting strategic priorities, generating value for stakeholders and ensuring that the Group continues to contribute to wider society. In particular, the Board is responsible for reviewing opportunities and maintaining effective risk management and internal control systems.

In line with other large companies, the Vivo Energy Board relies on Executive Management to run the business with the Board monitoring management activities and holding them to account against targets and standards.

The Board discharges some of its responsibilities directly while others are discharged through its principal Board Committees and through management. In order to retain control of key decisions and ensure there is a clear division of responsibilities between the Board and the running of the business, the Board has a clear framework for determining the matters within its remit, including an agreed schedule of Matters Reserved for the Board and has approved Terms of Reference for the matters delegated to its Committees. The Terms of Reference and the schedule of Matters Reserved for the Board are available on our website.

Matters Reserved for the Board and all Committee Terms of Reference were reviewed during the year. Following the review, environmental and climate-related matters were added to the schedule of Matters Reserved for the Board. Nominations and Governance Committee Terms of Reference were amended accordingly. No changes to the Terms of Reference of the other Committees were deemed necessary.

The Board's reserved matters include:

- Group strategy;
- governance and regulatory compliance;
- financial reporting;
- major capital commitments;
- major contracts and agreements;
- internal controls;
- significant remuneration changes;
- stakeholder engagement;
- material corporate transactions;
- assessing and monitoring the culture of the Group;
- environmental and climate-related matters;
- ensuring effective arrangements to engage with employees; and
- ensuring effective whistle-blowing arrangements are in place.

OUR GOVERNANCE STRUCTURE

THE BOARD

AUDIT AND RISK COMMITTEE

The role of the Committee is to assist the Board in fulfilling its corporate governance obligations in relation to the Group's financial reporting, internal control and risk management systems. In addition, it provides oversight of the Internal Audit function and the external auditors.

NOMINATIONS AND GOVERNANCE COMMITTEE

The Committee leads the process for, and makes recommendations to the Board regarding the appointment of new Directors to the Board. In addition, the Committee supports the Board with the succession planning process, implementation and delivery against the Board Diversity Policy and employee engagement process.

The Committee also monitors corporate governance and regulatory developments.

REMUNERATION COMMITTEE

The role of the Committee is to set, review and recommend the policy on remuneration of the Chairman, Executives, Company Secretary and Senior Management team.

In addition, it monitors the implementation of the Remuneration Policy.

Following each Committee meeting, the Chair of the Committee provides an update to the Board, detailing decisions made and key matters discussed. Copies of the Committee minutes are circulated to all Board members to the extent appropriate.

BOARD AND COMMITTEE ATTENDANCE

A comprehensive annual programme of meetings enables the Board to monitor and review strategy across all the elements of the Group's business model. In 2021, five Board meetings were scheduled. A number of additional meetings were held to consider Vitol's proposals and the appointment of Stan Mittelman. The Chairman ensures that regular meetings are also held with the Non-Executive Directors without the presence of the Executive Directors.

All Directors are expected to attend all Board and relevant Committee meetings unless prevented from doing so by illness or conflict of interest. Senior executives below Board level are invited, when appropriate, to attend Board meetings to make presentations on the results, opportunities, deep dives and strategies relating to their OUs.

Board agendas are carefully planned to ensure that sufficient time and consideration are given to the Group's strategic priorities and key monitoring activities as well as reviews of strategic issues.

In advance of each meeting, papers and relevant materials are provided to Directors via a secure web portal which also provides access to a library of relevant information about the Company and Board procedures. Directors unable to attend specific Board or Committee meetings are asked to provide comments in advance and if necessary follow up with the relevant Chair of the meeting.

Since the outbreak of the COVID-19 pandemic, Directors have been able to participate in meetings using secure virtual meeting technology. The following table shows the attendance of Directors at scheduled Board and Committee meetings during the year:

Board		Audit and Risk Committee	Nominations and Governance Committee	Remuneration Committee
John Daly	5/5	n/a	3/3	5/5
Christian Chammas	5/5	n/a	n/a	n/a
Johan Depraetere	1/1	n/a	n/a	n/a
Doug Lafferty	5/5	n/a	n/a	n/a
Hixonia Nyasulu	5/5	5/5	3/3	5/5
Javed Ahmed[1]	5/5	n/a	2/3	n/a
Temitope Lawani	5/5	n/a	n/a	n/a
Carol Arrowsmith	5/5	5/5	3/3	5/5
Christopher Rogers	5/5	5/5	3/3	5/5
Gawad Abaza[2]	5/5	5/5	3/3	4/5

Notes:

The maximum number of scheduled meetings held during the year that each Director could attend is shown next to the number attended. Additional meetings were held as required. Minutes of Board and Committee meetings are made available to all Directors.

1 Javed Ahmed was unable to attend one Nominations and Governance Committee meeting due to a conflicting business engagement.

2 Gawad Abaza was unable to attend one Remuneration Committee meeting due to a conflicting business engagement.

BOARD ACTIVITY

During the year the Board has considered all relevant matters within its remit, including the following:

STRATEGY AND FINANCE

- Continued the review of the Group's long-term strategy
- Considered the Group's plan for 2022-2026
- Monitored the Group's performance against the annual plan for 2021 and approved the annual plan for 2022
- Reviewed and approved the 2020 final dividend recommendation
- Reviewed and approved the 2021 interim dividend recommendation
- Considered and approved revised Dividend Policy
- Reviewed and approved the preliminary and interim results announcements
- Received and considered COVID-19 updates and the Group's response
- Received and discussed Investor Perception Survey
- Considered and resolved to recommend Vitol's cash offer to the shareholders
- Considered and discussed the Group's ESG approach and TCFD disclosures
- Considered Materiality Assessment
- Received updates on the Group's solar project and discussed alternative energies
- Considered presentations on African Economies and on African Consumer

PEOPLE AND CULTURE

- Reviewed senior management succession plans and the Group's internal talent pipeline
- Received reports from the nominated Employee Engagement Champion
- Received Health & Safety updates
- Received and considered updates on culture
- Considered diversity initiatives
- Considered the Group's Supplier Code of Conduct
- Considered the Group's Human Rights Policy Statement
- Approved Stan Mittelman's appointment
- Approved Christian Chammas' retirement terms
- Approved the Company's Modern Slavery Statement

GOVERNANCE, COMPLIANCE AND RISK

- Reviewed and approved the 2020 Annual Report and Accounts and Notice of AGM
- Undertook an assessment of the effectiveness of the Group's risk management and internal controls framework, concluding that they remain effective
- Reviewed risk appetite and top 10 risks
- Reviewed Matters Reserved for the Board
- Reviewed Manual of Authorities
- Received updates on the 2018 Code and its implementation
- Received regular Investor Relations reports
- Considered revised Directors' Remuneration Policy
- Considered the output of the 2021 Board Effectiveness Review

STANDING AGENDA ITEMS

- Received reports from the Chief Executive Officer
- Received reports from the Chief Financial Officer
- Received Investor Relations updates
- Received updates from the Board's Committees
- Reviewed and approved the previous meeting minutes

ESG

- Received and considered the results of externally conducted materiality and TCFD assessments
- Received CEO's ESG & Climate Management Committee updates
- Attended training on TCFD reporting obligations
- Received an update on the Group's social engagement initiatives

THE BOARD'S COMMITTEES AND THEIR ROLES

The Board has established three principal Committees: the Audit and Risk Committee, the Nominations and Governance Committee and the Remuneration Committee. Each Committee has its own terms of reference approved by the Board which are available on our website. Membership of each Committee is determined by the Board on the recommendation of the Nominations and Governance Committee. The Board structure is set out on page 86. In addition to the principal Committees, the Board is also supported by the Market Disclosure Committee, Employee Engagement Champion Committee and the newly formed ESG & Climate Management Committee.

The membership, roles and duties discharged during 2021 for each Committee is detailed in their respective Committee reports on pages 93 to 117.

The Employee Engagement Champion Committee's primary function is to assist the nominated Employee Engagement Champion in furthering employee engagement and understanding and listening to employees' views and suggestions. Further details are provided on pages 79 and 95.

The Market Disclosure Committee ensures the legal and regulatory obligations and requirements arising from the listing of the Company's securities on the London and Johannesburg Stock Exchanges are met. This includes the timely and accurate disclosure to the market of all relevant information.

The Market Disclosure Committee meets at such times as is necessary or appropriate. The members of the Committee are the Chairman, Chief Executive Officer, Chief Financial Officer, Group Financial Controller, General Counsel and Head of Investor Relations.

In addition to the oversight provided by the Board and its Committees, the Executive Directors are supported by the Senior Executive Team which helps them discharge their duties. The Senior Executive Team comprises the senior leadership team, who have management responsibility for the business operations and support functions. The Senior Executive Team supports the Executive Directors in the discharge of their duties.

The membership of the Senior Executive Team can be found on pages 84 and 85.

The Senior Executive Team holds regular meetings and relevant matters are reported to the Board by the Chief Executive Officer and, as appropriate, the Chief Financial Officer.

DIRECTORS

Led by the Chairman, the Board of Directors comprises four Independent Non-Executive Directors, two Executive Directors and two representatives from our major shareholders, Vitol and Helios. Together, they ensure high standards of governance and bring a broad range of skills and experience to our business. All Directors are encouraged to use their independent judgement and to constructively challenge all matters, whether strategic or operational.

All Directors are required to devote sufficient time and to demonstrate commitment to their role. There is a process for the approval of any additional external appointments for the Executive Directors or Independent Non-Executive Directors. All additional appointments are to be approved by the Board in advance of such appointments being accepted.

During 2021 the Board approved Chris Rogers' appointment to Wickes Group plc as the chairman of the board and Temitope Lawani's non-executive director appointment to Pershing Square Holdings limited. These appointments were not considered to unduly affect Chris' or Temitope's time commitment to the Company, nor impair their ability to serve as Directors of the Company. Following an internal review, it was confirmed that no conflict of interest would arise through either of these additional appointments.

In addition to the above appointments, the Board also noted that Chris Rogers stepped down from the Board of Travis Perkins plc.

Further information on the skills and experience, committee membership and other appointments of each Director can be found in their individual biographies on pages 82 and 83.

INDEPENDENCE

With the exception of Javed Ahmed and Temitope Lawani, the Non-Executive Directors were considered to be independent on appointment and are still considered to be independent, in accordance with the criteria outlined within the 2018 Code.

They are considered free from any business interest, which could materially interfere with the exercise of their judgement. In addition, the Board is satisfied that each Non-Executive Director dedicates the necessary amount of time to the Company's affairs and to their role.

The Board has agreed that each Director shall stand for appointment or reappointment as appropriate at each AGM. All Independent Directors are appointed and reappointed by a dual vote, where the approval of shareholders excludes the major shareholders.

In accordance with the respective relationship agreements, should either of the two shareholder nominated Directors not be reappointed by a vote at the AGM, the respective shareholder would be entitled to nominate them for reappointment to the Board.

Copies of the Executive Directors' service contracts and letters of appointment for the Non-Executive Directors are available for inspection by shareholders at each AGM and during normal business hours at the Company's registered office.

CONFLICTS OF INTEREST

Directors have a statutory duty to avoid situations in which they may have interests which conflict with those of the Company. The Board has adopted procedures as provided for in the Company's Articles of Association for authorising existing conflicts of interest and for the consideration of, and if appropriate, authorisation of new situations which may arise.

A register setting out each Director's interests is maintained and records both Javed Ahmed's and Temitope Lawani's appointments on behalf of the Company's major shareholders. In addition, where a Director holds directorships or other similar appointments in companies or organisations not connected with the Company where no conflict of interest has been identified, such appointments are registered as potential conflicts and are authorised and recorded.

As good practice, the Chairman requests each of the Directors to declare any conflict of interest at each Board meeting.

ESG & CLIMATE MANAGEMENT COMMITTEE

During the year the Group formed an ESG & Climate Management Committee to help guide the Group's approach to these topics. The Committee is chaired by the CEO and the members are the Head of HSSEQ, General Counsel, Head of Investor Relations and Corporate Development and Strategy Manager with the CFO regularly in attendance. The Committee met five times during 2021.

The Committee focused on three main areas in its inaugural year; the Company's first TCFD disclosures, undertaking a materiality assessment, and reviewing GHG emissions, measurements and reporting, including the role of carbon offsets going forward. As part of its work, the Committee met regularly, receiving presentations on each of the workstreams from both internal and external counterparts enabling the Committee to lead and support delivery against each Workstream and to drive further integration of sustainability and climate matters across the Group. The CEO regularly reported to the Board on the Committee's discussions and received feedback on the same.

DIVISION OF RESPONSIBILITIES CONTINUED

In line with best practice, the roles of our Chairman and Chief Executive Officer are separate, clearly defined and set out in writing. The role profiles have been approved by the Board and are available on our website. The key roles of Board members are set out below:

Chairman

The Chairman's primary role is to lead the Board and ensure that it operates effectively. In particular, he sets the Board's agenda and promotes a culture of open discussion and debate between Executive and Non-Executive Directors. He also has a pivotal role in ensuring effective communication with shareholders and other stakeholders and ensures that the members of the Board are kept aware of the views of the major investors.

Chief Executive Officer

The Chief Executive Officer develops the Group's strategic direction for consideration and approval by the Board and represents the Group to external stakeholders. He is responsible for running the business of the Group and ensuring the delivery of the strategy agreed by the Board. The CEO does this in close collaboration with, and with the support of, the Senior Executive Team.

Chief Financial Officer

The Chief Financial Officer is responsible for providing strategic financial leadership, establishing financial planning and maintaining adequate internal controls over financial reporting, representing the Group to external stakeholders as well as the day-to-day management of the finance function. In addition to the finance function, IT and procurement functions also report to the Chief Financial Officer.

Senior Independent Director

The Senior Independent Director is an Independent Non-Executive Director of the Board. This role provides advice and additional support and experience to the Chairman and where necessary, performs an intermediary role for other Directors. The Senior Independent Director leads the annual appraisal and review of the Chairman's performance and is available to respond to shareholder concerns when contact through the normal channels is inappropriate.

The Senior Independent Director is also the Board's nominated Employee Engagement Champion and Chair of the Employee Engagement Champion Committee.

Non-Executive Directors

The Non-Executive Directors are responsible for contributing sound judgement and objectivity to the Board's deliberations and overall decision-making process, providing independent challenge, and monitoring the delivery of the strategy within the Board's risk and governance framework.

Company Secretary

It is the responsibility of the Company Secretary to ensure that there are good information flows to the Board and its Committees. The Company Secretary advises the Board on corporate governance and best practice and assists the Chairman in ensuring that the Directors have a suitably tailored and detailed induction and ongoing professional development programmes. The removal of the Company Secretary is a matter for the Board as a whole.

All Directors have access to the advice and services of both the Group General Counsel and the Company Secretary. Directors may take independent legal and/or financial advice at the Company's expense when it is deemed necessary in order to discharge their responsibilities effectively. No such independent advice was sought during the year to 31 December 2021.

BOARD AND COMMITTEE EFFECTIVENESS REVIEW

In accordance with Provision 21 of the 2018 Code, a formal rigorous assessment and evaluation of the performance and effectiveness of the Board, its Committees and individual Directors including the Chairman took place over the second and third quarters of 2021. The purpose of the evaluation was to review and evaluate how the Board and its Committees operate and measure against corporate governance principles, current best practice, the requirements of the 2018 Code and to identify any areas for potential improvements in Board processes. The evaluation also measured the Board against sector and market cap peers.

This was the first triennial external Board evaluation undertaken by Vivo Energy. It was facilitated by Lisa Thomas of Independent Board Evaluation (IBE). Neither Lisa Thomas nor IBE have any other connections with Vivo Energy and were appointed following a competitive tender overseen by the Nominations and Governance Committee.

Selection process

As both previous evaluations were carried out internally, in accordance with the 2018 Code, this year's evaluation was to be facilitated externally. At its December 2020 meeting, the Nominations and Governance Committee approved the initiation of a tender process which was carried out during the first quarter of 2021 with potential evaluators providing written proposals for review by the Company Secretary. Three selected reviewers gave presentations to a panel of Non-Executive Directors, the Chairman and the Company Secretary. At the completion of the process, IBE was selected as the reviewer and the evaluation method was agreed with Lisa Thomas as part of the selection process.

Evaluation process

A comprehensive brief was given to Lisa Thomas by the Chairman in June 2021. Given the travel restrictions in place at the time, careful thought was given as to how to carry out an effective review and the Chairman and the Company Secretary worked closely with IBE to agree the sequencing and timetable for the review.

EXTERNAL EVALUATION PROCESS

Lisa Thomas observed Board and Committee meetings in July 2021. Access to supporting materials was provided for briefing purposes.

▼

Following the July meetings, Lisa Thomas conducted one-to-one interviews with the Directors, the Company Secretary and selected regular Board contributors and external advisers. Due to the travel restrictions necessitated by the COVID-19 pandemic, many of these interviews were conducted virtually.

▼

The reports prepared by Lisa Thomas were discussed with the Chairman and the Committee Chairs followed by the Nominations and Governance Committee and the Board as a whole in the October 2021 meetings. The Senior Independent Director discussed the Chairman's performance with the Board, without the Chairman present, at the same time.

▼

Feedback on the individual Directors was presented to the Chairman for him to use as part of his annual appraisal of Board members, to ensure that each continues to perform to his or her best ability.

▼

Audit and Risk and Remuneration Committee reports were discussed in the Committee meetings in December 2021.

COMPOSITION, SUCCESSION AND EVALUATION CONTINUED

Findings

The feedback received was positive and confirmed that the Board and its Committees are well run and continue to operate effectively.

The feedback confirmed that the Board's diversity of thought, experience and culture, along with the collective professional experience of Board members were positives; all of these have helped in setting the right tone for sound plc governance post IPO. Board composition was a strength with some suggested adjustments around better gender balance, and some additional skills. Relationships with the majority shareholders were working well, ensuring an appropriate balance in and outside the room and supporting decision-making in the interests of all shareholders. The Chairman was credited with keeping the dynamics positive and ensuring good dialogue, and his style and experience were seen as key in ensuring the smooth continuation of Board discussions.

The feedback also considered the need to drive to action on strategy, to formulate an overall ESG narrative, and to ensure a smooth CEO succession as areas of focus for the Board in the coming year.

Board Committees were also reviewed and were considered to be fulfilling their remit. The Committees have strong, capable and inclusive Chairs who maintain a supportive environment and promote quality conversation and challenge.

2022 priorities

The review identified opportunities for the Board as a maturing plc, and recommended areas of focus and action. In the context of overseeing a smooth CEO transition and preparing for the expected delisting of the Company, both announced after completion of the review, the Board has decided to focus on the following actions for 2022:

- review attendees at Committee meetings to ensure aligned discussions;
- arrange for the Directors to be exposed to more external insights to help challenge convention and provoke new discussions and perspectives to support strategy discussions;
- continue to enhance the Board's understanding of the Group's customers and performance relative to competitors;
- increase the level of engagement between the Board and the senior executives; and
- continue to focus on improving Board reporting and to build on the progress already made.

The development areas identified will influence the Board and Committee meeting agendas for the coming year to ensure that each area receives the Board's focus and there is a good balance between operational, strategic and governance topics. We will report on our progress in next year's Annual Report.

Progress on 2021 priorities

The Board has made good progress in meeting its priorities and all improvement suggestions from the 2020 review have received attention from the Board and its Committees during the year, with the exception that, due to travel restrictions as a result of the COVID-19 pandemic, it has not been possible to visit OUs. These visits offer important engagement and learning opportunities for the Board and this area will be prioritised in the coming year.

In accordance with best practice, Independent Board Evaluation has reviewed and approved the narrative in this section of the Governance Report.

It should be noted that the review was carried out before the announcement of 25 November 2021 and should be read in that context.

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

JOHN DALY
COMMITTEE CHAIR

"We're ensuring we have the right talent to build Vivo Energy for the future."

JOHN DALY
CHAIRMAN

INTRODUCTION

This has been another busy year for the Committee.

The key areas of activity have been the search for our new Chief Executive Officer, succession planning for our senior management, diversity across the business and ESG related matters.

ROLE OF THE COMMITTEE

The Committee reviews the executive and identified senior leadership and succession needs of the organisation and ensures that appropriate procedures are in place for nominating, training and evaluating Directors. In particular, the Committee reviews the size, structure and composition of the Board in the context of the current and future needs of the business and makes recommendations to the whole Board.

It is also responsible for considering and monitoring changes in the governance environment promulgated by its various stakeholders and adopting the relevant aspects in a way that promotes efficient, effective and entrepreneurial management for the long-term success of the Company.

MEMBERSHIP

During the year under review, the following Directors were members of the Committee:

– John Daly – Chair
– Gawad Abaza
– Javed Ahmed
– Carol Arrowsmith
– Hixonia Nyasulu
– Christopher Rogers.

All of the members are independent Non-Executive Directors, with the exception of Javed Ahmed who is deemed not to be independent by virtue of his appointment by Vitol. Their biographies appear on pages 82 and 83.

In addition to its Members, the Committee Chair invites other Non-Executive Directors, the Chief Executive Officer and senior managers to attend meetings, as appropriate. The Company Secretary, Chief of Staff, Vice President, Human Resources and General Counsel have standing invitations to attend.

MEETINGS

In addition to the three scheduled meetings the Committee met as needed during the year, and considered the following:

– the search for and appointment of the Group's new Chief Executive Officer;
– succession planning for Directors and senior managers;
– diversity within the Group and initiatives for the improvement of gender diversity;
– governance especially around the impact of climate change;
– feedback from the Employee Engagement Champion Committee meetings;
– update on the Group's culture and social engagement activities;
– a corporate governance update;
– Employee Engagement Survey results; and
– Board evaluation.

BOARD APPOINTMENTS

All appointments are subject to a formal, rigorous and transparent process. The Board supports the provisions of the Voluntary Code of Conduct for Executive Search firms. It will only engage executive search firms that are signatories to this code, which includes the adoption of measures designed to improve ethnic and gender diversity on boards.

The Committee reviews the terms of appointment for all Directors and makes recommendations to the Board.

During the year, the Committee conducted the process for the recruitment of a new Group CEO, leading to the appointment of Stan Mittelman who joined the Company as its Chief Executive Officer Designate on 14 February 2022. Details of the process around his appointment are set out on page 95.

BOARD DIVERSITY

A well-governed company exposes itself to the widest possible sources of information and experience, both in the people it employs and the voices to which it listens. The Committee recognises that diversity, in the broadest sense, enables wider perspectives which encourage more effective discussions and better decision-making, and is crucial for an effective Board. In considering any appointment to the Board, the Committee identifies the set of skills and experience required and appointments are made on merit according to the balance of skills and experience offered by the prospective candidates.

The Board adopted a diversity policy in 2019. This formally recognises the value that diversity brings to the Board and aims to promote the recruitment of people who are diverse in terms of ethnicity, age, skills, background, gender and perspective.

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT CONTINUED

The Committee is aware of and supports the Parker and FTSE Women Leaders (previously Hampton-Alexander Review) initiatives. The Company comfortably meets the Parker recommendation of having at least one Director from an ethnic minority background, with four Directors meeting that criteria. The Committee is very aware that there is more to be done on gender diversity, with women making up 22% of the Board at year-end.

Shareholders should not assume that this means the Board lacks diversity. The Board's Directors are drawn from seven different nationalities and the conversations, perspectives, challenge and insights shared around the Board table are those of a very diverse group of people.

Our Directors have experience working across a number of industries and territories that complement our business. They have had executive careers in a broad range of industries including FMCG, Energy, Engineering, Marketing, Commodities, Professional Services, Corporate Finance, and General Management and many of them have experienced significant regulation and change.

The Board has given great consideration to this mix, which is essential to the advancement of its strategy and given the nature of the business and the diverse range of cultures and territories in which the Group operates.

Details regarding diversity of our senior management, their direct reports and the Group more widely can be found on page 49.

SENIOR MANAGEMENT SUCCESSION PLANNING

The Committee recognises that diversity extends beyond the Boardroom and we support the management in its efforts to build a diverse organisation to ensure we have the right talent in place to deliver further growth.

Achieving a diverse pipeline at the most senior levels will be possible only if efforts have been made to develop and retain diverse candidates in the layers below. In 2021, on average, 31% of all new key roles in the business were filled with female talent but we recognise that this is an area which requires further improvement.

During the year the Committee discussed succession planning, reviewed the Group's talent pipeline and received a detailed report on diversity among senior managers and their direct reports. Management also took the Committee through a series of initiatives that would address the gender imbalance in the short, medium and longer term.

CONFLICTS OF INTEREST

The Board operates a policy to identify and, where appropriate, manage any potential conflicts of interest that Directors may have. The Nominations and Governance Committee monitors the situation and determines the actions necessary to address potential conflicts of interest.

During the year conflicts of interest were reviewed and, bar those relating to the announcement of 25 November 2021, no new conflicts of interest were noted.

INDEPENDENCE AND RE-ELECTION TO THE BOARD

The Committee reviewed the independence, effectiveness and time commitment for each of the Non-Executives and was satisfied with the Directors' contributions.

During the year, Chris Rogers stepped down as a non-executive director of Travis Perkins plc and was appointed as the chairman of Wickes Group plc. Temitope Lawani took on an additional non-executive appointment at Pershing Square Holdings limited.

The Committee and the Board considered the likely time commitments for each role, whether they would negatively impact on their roles with the Company and whether any conflicts of interest would arise. The Board was satisfied on all of these matters and approved the new positions prior to Chris and Temitope taking them up.

In addition, the Committee re-considered all external appointments of Directors (including the Chairman) in terms of their time requirements and potential conflict of interests. The Committee is satisfied that each Director will be in a position to effectively discharge their duties in the coming year.

The Committee also considered whether Non-Executive Directors designated as independent last year remain so, and confirms that they do. Accordingly, for the purposes of the 2018 UK Corporate Governance Code, the Board as a whole is independent.

With the exception of Christian Chammas who will retire from the Board in early March 2022 and Doug Lafferty who will leave the Group during the first half of the year, all other Directors will stand for re-election, with the support of the Board. The shareholders will also be asked to confirm Stan Mittelman's appointment at the Annual General Meeting in May.

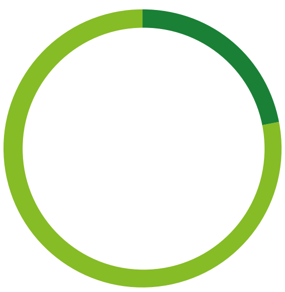
GOVERNANCE

The Committee oversees the governance agenda on behalf of the Board and considers papers and proposals issued by governments, regulatory bodies and investor groups and their application to the Group. It ensures that the decisions taken by the Board and its delegated Committees are made in the best interests of the Company and that they address any wider implications that may affect stakeholders.

In the year under review, the Committee received a governance update covering the short and medium term as well as trends likely to affect the Company in the longer term, and their implications for governance proposals.

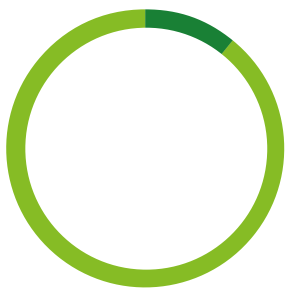
The Committee considered the Group's anti-modern slavery and anti-bribery obligations and received presentations on governance requirements reflecting best practice in climate change reporting. These were referred to the whole Board for consideration. Details of the impacts of climate change on the Group and its approach to mitigating them can be found on pages 52 to 55 and TCFD disclosures on pages 58 to 62.

BOARD DIVERSITY



2 females	22%
7 males	78%

BOARD TENURE



0-3 years	11%
3-5 years	89%

BOARD INDEPENDENCE

Chairman	11%
4 Independent Non-Executives	45%
2 Shareholder appointed Non-Executives	22%
2 Executive Directors	22%

All figures are as at year-end.

EMPLOYEE ENGAGEMENT CHAMPION COMMITTEE

During the year the Committee received updates on employee engagement from the Company's Employee Engagement Champion and the Chair of the Employee Engagement Champion Committee, Hixonia Nyasulu.

Employee engagement in 2021 took place via existing colleague suggestion boxes, regular town hall meetings held with employees, breakfast meetings held with local Managing Directors, an Employee Engagement Survey, the results of which feature on pages 40 and 46, and other formal and informal channels tailored to individual businesses and countries.

The Committee met twice during the year and considered regional updates, employee wellbeing, post COVID-19 ways of working and Employee Engagement Survey results. The Committee also received detailed updates on health and safety and provided employee feedback on the cash offer made by Vitol.

Priorities set for 2021 were reviewed as part of the Committee's effectiveness evaluation as well as additional priorities for 2022 discussed. These centre around the Employee Engagement Survey follow up actions, diversity and inclusion and employee wellbeing and will inform the setting of agendas for the year.

In 2022 the regional representatives will also spend time on employee suggestions received via the Your Voice e-suggestion box launched in November 2021.

BOARD AND COMMITTEE EFFECTIVENESS

This year's effectiveness reviews were carried out by Lisa Thomas of Independent Board Evaluation. The Committee considered the results and was satisfied that the Board continues to be of adequate size and composition to suit the current scale of the Group's operations and has an appropriate balance of skills, knowledge, experience and diversity to enable it to effectively discharge its duties.

The Committee also reviewed the results of its own effectiveness. Overall, the feedback received was positive and confirmed that the Committee is functioning well and fulfilling its remit. More on the effectiveness evaluation is provided on pages 91 to 92.

JOHN DALY
CHAIRMAN

CEO DESIGNATE

"I am delighted that the Board has put its trust in me to take the Group forward. Having spent much of my career in Africa, I know first-hand the vast opportunity that exists on the continent and I look forward to working with my new colleagues to continue Vivo Energy's growth story."

STAN MITTELMAN
CHIEF EXECUTIVE OFFICER DESIGNATE

THE APPOINTMENT OF OUR NEW CHIEF EXECUTIVE OFFICER DESIGNATE

During the course of the year, the Group's Chief Executive Officer, Christian Chammas, informed us of his intention to stand down from his position, indicating that he would give the Board as much time as it needed to find a suitable replacement and facilitate an orderly handover.

Christian joined Vivo Energy in January 2012, shortly after its formation, following the acquisition of Shell's downstream business in Africa. Christian has been instrumental in transforming, developing and growing the business and has led the Group's sustained growth, its listing on the London and Johannesburg stock exchanges in 2018, and acquisition of part of Engen. Christian has been an excellent CEO and will be missed by us all.

The Board and the Committee have regularly considered executive succession planning, both formally and informally. This preparation meant that the search process could begin quickly and, following confirmation of the role specification, Russell Reynolds Associates was appointed to lead the search. The firm was chosen on the basis of the strength and credibility of its CEO practice and its global reach, as well as its understanding of the business and culture. Russell Reynolds has no connection with the individual Directors or the Company, other than to provide recruitment services.

Russell Reynolds is a signatory to the Enhanced Code of Conduct for Executive Search Firms.

The key search criteria were to identify candidates with considerable experience in large international organisations with exposure to emerging markets and who had worked successfully across a wide range of cultures. Candidates would be required to demonstrate experience of leading change, driving results, strong commercial orientation, leading people from a range of backgrounds and a commitment to strong governance.

The Committee was very conscious of the need to improve gender diversity on the Board and required Russell Reynolds to ensure their shortlist included a number of female candidates.

Russell Reynolds conducted the search, considering a number of different candidates from a number of different countries and sectors. Their initial search identified more than 60 potential candidates for this role, from across the world. This list was reduced to 12, and following two rounds of screening interviews six candidates were shortlisted. The shortlist reflected the requirement for gender diversity.

The selection process was run by the Chairman and the Chief of Staff. The candidates were interviewed by the Board members and the Chief of Staff. Following the extensive and rigorous selection process, Stan Mittelman was selected and we are delighted that he agreed to accept our offer to join the Group and the Board.

AUDIT AND RISK COMMITTEE REPORT

CHRISTOPHER ROGERS
COMMITTEE CHAIR

"The Committee, together with management, has remained agile and adapted its focus to strengthen our risk management. Through this agility, we have ensured the integrity of our financial statements."

CHRISTOPHER ROGERS
COMMITTEE CHAIR

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

The primary role of the Audit and Risk Committee ('Committee') is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring the:

- Integrity of the financial and narrative statements of the Company, including its full year and half year reports, preliminary results announcements and any other formal announcements relating to its financial reporting information;
- Assumptions or qualifications in support of the going concern and long-term viability statements;
- The robust assessment of emerging and principal risks facing the Group as well as the adequacy and effectiveness of the Group's internal control and risk management systems;
- The Group's internal financial controls system to identify, assess, manage and monitor financial risks;
- Effectiveness of the Internal Audit function at least annually;
- Ensure the Head of Internal Audit has direct access to the Board Chair and the Committee Chair, providing independence from the executives and accountability to the Committee;
- Relationship with external auditors, including reviewing the independence, objectivity and effectiveness of the audit process, taking account of relevant professional, regulatory and ethical guidance;
- The appointment, reappointment and removal of the external auditor and making a formal recommendation to the Board;
- Processes for compliance with laws, regulations and ethical codes of conduct;
- The adequacy and security of the Company's arrangements for its employees, contractors and external parties to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters; and
- The Directors' duties in relation to the Companies Act and various other applicable governance codes.

The terms of reference, which outline the Committee's responsibilities can be found on the Group's website: www.vivoenergy.com. The Board reviews and approves the terms of reference on an annual basis.

If the Committee is not satisfied with, or believes that an action or improvement is required concerning any aspect of financial reporting, risk management and internal control, compliance or audit-related activities, the Committee reports and proposes corrective action on these matters to the Board.

This year the Committee placed particular focus on the following key areas:

- Strengthening the control framework and ensuring compliance across the Group;
- The Vitol takeover offer; and
- Climate change and its impact on corporate reporting, the going concern and long-term viability assessment.

COMMITTEE STRUCTURE

There have been no changes to the composition of the Committee in the current year. The Committee has maintained its compliance with the 2018 Code. All Committee members remain Independent Non-Executive Directors. The Board is satisfied that Christopher Rogers, the Chairman of the Committee, meets the relevant recent financial experience as outlined in the UK Corporate Governance Rules in the Disclosure Guidance and Transparency Rules 7. It further considers the Committee as a whole to have the appropriate experience and blend of commercial, financial and audit knowledge. The biographies of all Committee members can be found on page 83.

COMMITTEE MEETINGS

During the year, the Committee held five scheduled meetings, of which three meetings were held virtually due to the restrictions of COVID-19. The attendance details of members at Committee meetings can be found on page 87. The Board Chairman, Chief Financial Officer, Company Secretary, General Counsel, Group Financial Controller, Head of Internal Audit and external auditor also attended Committee meetings by invitation of the Committee Chair.

The Committee regularly meets, individually, with the external auditor and the Head of Internal Audit to discuss any issues which may have arisen.

The Committee keeps the Board informed of its activities and recommendations, with the Committee Chair providing an update to the Board after every Committee meeting. The Committee promptly reports concerns to the Board if it's not satisfied with or believes that actions or improvements are required concerning any aspect of financial reporting, risk management, internal controls, compliance or audit-related activities. In 2021, all recommendations set forth by the Committee, to the Board, were accepted.

COMMITTEE ACTIVITIES

Financial disclosure

The Committee reviewed the half year and annual financial statements published for the 2021 financial year with management. Particular focus was placed on the clarity of disclosures, integrity of the financial reporting process, compliance with legal and financial reporting standards and the application of accounting policies and judgements. As part of its review the Committee received regular updates from management and the external auditors in relation to various accounting judgements and estimates and concluded these to be appropriate and balanced.

The Committee endorsed the 2021 Annual Report and Accounts ('Annual Report'), and assessed it to be fair, balanced and understandable to shareholders. In making these assessments the Committee reviewed disclosures, discussed the requirements with senior management and inspected representations made to the auditors. The Committee further concluded the Annual Report provides adequate information for shareholders to assess the performance, business model and strategy of the Group. Based on the Committee's endorsement a recommendation to the Board was made and following the review of the report as a whole, the Board confirmed the assessment and approved the publication of the 2021 Annual Report.

The Committee reviewed the reports to support the going concern assumption and long-term viability of the Group. The Committee has given due consideration to the announcement of the recommended total cash offer of $1.85 per share to be made by Vitol for Vivo Energy plc. The Committee agreed with management's conclusion that in the normal course of business, management's business plans and the existing debt facilities provide an adequate basis for the going concern and long-term viability assessment. However, the Committee does not have access to Vitol's detailed plans for the business or the post-acquisition debt structure and therefore there is no certainty that the going concern assessment incorporates these plans. The Committee also reviewed the long-term viability assessment performed by management and agreed with the conclusion. The Committee therefore deemed the Group's statements on these topics to be appropriate. Note 2 of the notes to the consolidated financial statements, on pages 136 and 137, provides further insight into the going concern assessment. Further details regarding the long-term viability assessment can be found on page 74.

In preparing the consolidated financial statements management has considered the impact that climate change may have. The Task Force on Climate-Related Financial Disclosures (TCFD) is a reporting framework that consists of a list of recommendations for companies to consider, with the aim to improve and increase the reporting of climate-related financial information. In accordance with the TCFD reporting framework, management has assessed the impact of the scenario assessments on the Group's physical and transitional risks. Additional information can be found on pages 58 to 62. Based on this assessment, climate change is not expected to have a significant or material impact on key accounting judgements and estimates, underpinning the current year's financial statements, including asset useful economic lives and asset valuations and impairments. Management will continue to assess and account for the impact of climate change in future years. The Committee has agreed on management's conclusion following the review of the assessment outcomes.

The 2020 Annual Report was included in the Financial Reporting Council's (FRC) sample for its limited scope thematic review of companies' disclosure relating to provisions, contingent liabilities and contingent assets under IAS 37 Provisions, contingent liabilities and contingent assets. The Committee is pleased to report there were no questions or queries as a result of the FRC's review. However, the FRC did suggest some possible enhancements to the financial statement disclosure and they have been included in the 2021 Annual Report. The Committee has reviewed the enhancements made to the financial statements disclosure based on the letter received from the FRC. The FRC review provides no assurance that the 2020 Annual Report was correct in all material aspects. The FRC's role is not to verify the information provided but to consider compliance with reporting requirements. The letter is drafted on the basis that the FRC (which includes the FRC's officers, employees and agents) accepts no liability for reliance on them by the Group or any third party, including but not limited to investors and shareholders.

Other activities and disclosures reviewed by the Committee over the course of the year:

- Assessment of the Group's ongoing legal cases and regulatory investigations;
- Impairments assessment of receivables, including amounts due from joint ventures;
- Existing and new special items;
- Useful life review of property, plant and equipment;
- Implementation of SAP Analytics Cloud;
- Impairment trigger assessment of the carrying value of the parent companies' investment in the Group; and
- Changes and amendments in the International Financial Reporting Standards (IFRS).

AUDIT AND RISK COMMITTEE REPORT CONTINUED

Significant financial reporting judgements considered by the Committee were as follows:

Key judgements and estimates	Committee actions	Conclusions
Other Government Benefits Receivable		
Other government benefits receivable are subsidies received from national governments for fuel sold as part of the Group's ordinary course of business.	The assessment of recoverability risk related to other government benefits receivable was considered by the Committee by taking into consideration the: – Stability of the macroeconomic and political environment; and – Credit risk and governmental policy changes.	Based on the assessment, the Committee concluded that the receivables were properly stated and the level of provisioning was appropriate. Further information on other government benefits receivable can be found in note 4 of the consolidated financial statements.
Tax Positions		
Determining the Group's income and other tax positions requires interpretation of the tax laws in numerous jurisdictions. Resolution of uncertain tax positions can take several years to complete and can be difficult to predict. Therefore, judgement is required to determine the Group's income tax liability related to uncertain tax positions.	Considered the appropriateness of the key judgements and estimates in relation to the uncertain tax positions. Factors considered include the: – Status of recent current tax audits and enquiries; – Results of previous claims; – Transfer pricing policies of the Group; and – Any changes to the relevant tax environments.	The Committee concluded that the related tax positions are appropriate. Further information on the tax positions can be found in note 4 of the consolidated financial statements.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Committee is tasked with the responsibility of reviewing and assessing risks and their impact as well as ensuring that appropriate controls are designed and implemented to mitigate these risks. The Group's risk assessment process and the way in which significant business risks are managed remains a key area of focus for the Committee, the Internal Audit and Internal Controls functions.

The risk register is one of the key components of the risk management structure, which covers the regular ongoing identification, assessment, mitigation and management of risks and is monitored regularly by the Committee. The areas of focus remain largely unchanged and address both the current and emerging risks of the Group.

The Committee reviewed and approved the principal risk factors and their impacts. Further details on these areas can be found on pages 66 to 73 in the Strategic Report.

The internal control framework was reviewed by the Committee. The internal control framework is intended to manage rather than eliminate the risk of failure to achieve the business objectives and can only provide reasonable and not absolute assurance against material misstatement.

In 2021, the Group has enhanced its risk appetite framework. This included a definition of the Group's risk appetite scale and an in-depth review of the Group's appetite for each of its principal risks. Furthermore, key risk indicators were developed and designed to measure the residual level of the Group's principal risks against the agreed risk appetite.

No material weaknesses or instances of significant control failure were identified during the year. The Committee completed its review of the effectiveness of the Group's system of internal controls and risk management. The review covered the full year up to the date of this Annual Report. The Committee is confident in its conclusion of the effectiveness of the internal controls and risk management system. The Committee has set forth this conclusion to the Board.

INTERNAL AUDIT

The Committee reviewed and approved the internal audit plan and the progress of audits performed for the year. The Committee is regularly updated on the actions taken and status of the audit recommendations. Internal audit findings including remedial action plans were presented and discussed in detail with the Committee. There is continuous communication between the Head of Internal Audit and the Chair of the Committee to ensure that all the information required by the Committee to perform its duties are made available.

In 2021, the Internal Audit function has continued to apply its SAP-based audit methodology, ensuring remote auditing capability, to adapt to the persistent travel restrictions and border closures across the African continent. During the last quarter of the year, the Internal Audit team has been able to resume its audits on-site. This is expected to continue in 2022, while closely monitoring the COVID-19 restrictions and adapting their approach accordingly.

The Committee considers the experience and expertise of the function appropriate to address all categories of risk within the business. The Internal Audit function's performance was assessed against the approved internal audit plan. The Committee concluded that the Internal Audit function was effective for the year and is satisfied that the scope, extent and effectiveness of the internal audit activities were appropriate.

ETHICS AND COMPLIANCE

The Committee discussed with the Head of Ethics and Compliance and Investigations on the ethics and compliance environment of the Group. The Committee reviewed the following activities:

- Conflict of interest risk assessment;
- ISO 37001 Anti-bribery management system audit;
- Board approved Modern Slavery statement; and
- Mandatory Cyber security and Code of Conduct trainings.

The Committee reviewed the ongoing developments in the Group's cyber security landscape, the oil and gas industry and events within the Group itself. The review focused on the strengthened approach in order to manage the increased threat of cyber security. The Committee is satisfied with the progress made in this area and continues to focus on the digital transformation across the Group.

The Head of Ethics and Compliance and Investigations and the Head of Forensics are involved in mitigating fraudulent activities within the Group. The Committee is kept informed of all ongoing investigations and has agreed with management's approach and resolutions.

EXTERNAL AUDIT

Independence

The auditor independence policy, which is designed to safeguard the continued independence of the external audit firm, has been reviewed by the Committee. The policy sets out:

- The audit fee;
- Oversight of audit firms who perform audit services;
- Audit-related and non-audit services provided to the Group; and
- Tender of the external auditor and key audit partners.

PwC, the Group's external auditor, has confirmed to the Committee its independence in accordance with the Ethical Standard for Auditors issued by the FRC. The Committee continues to assess the independence of the external auditor on an ongoing basis.

External auditors are only permitted to perform certain non-audit services as directed by the FRC Revised Ethical Standard 2019. Any approved non-audit services with fees exceeding the threshold set to identify trivial services or which are not stipulated within the policy must be reviewed and approved by the Committee. The external auditor is only considered for non-audit services in instances where they have the most appropriate technical skills and expertise.

The Committee reviews the external audit fee structure, resourcing and terms of the engagement on an annual basis. On a regular basis, the Committee reviews the non-audit services provided by the Group's auditors.

The Committee is responsible for overseeing the process of approving all non-audit services provided by the external auditor. In doing so, it ensures the objectivity and independence of the auditor is safeguarded. Prior to approval, consideration is given to whether it is in the interest of the Company that the services are purchased from PwC instead of another supplier. For the 2021 financial year, the total amount paid to PwC for non-audit services does not represent a significant portion of their total revenues.

Audit fees

In 2021, the Group incurred total fees of \$3.1 million (2020: \$3.0 million) to PwC. Of this total, \$2.7 million (2020: \$2.4 million) related to audit work and \$0.4 million (2020: \$0.6 million) to audit-related services. Audit fees are disclosed in note 7 of the consolidated financial statements. The Committee is satisfied that this level of fees is appropriate in respect of the audit services provided and enables the conduct of an effective audit process.

Appointment and effectiveness

PricewaterhouseCoopers LLP has been the Group's external auditors since 2018, with Nicholas Stevenson appointed as lead audit engagement partner. Prior to the incorporation of Vivo Energy plc, PricewaterhouseCoopers Accountants N.V. were the Group's external auditors. The Committee is tasked with the primary responsibility of overseeing the relationship and work performed by the Group's auditors.

Oversight activities by the Committee include, but is not limited to, the recommendation of the appointment, reappointment and removal of the external auditor, assessing their independence on an ongoing basis, involvement in fee negotiations, approving the statutory audit fee, the scope of the statutory audit and appointment of the lead audit engagement partner. Mandatory partner rotation is applicable to the lead audit engagement partner.

The external auditor had presented the 2021 financial audit plan, which included the proposed audit scope as well as the assessment of key audit risks. The Committee reviewed the audit plan and assessed it to be appropriate.

The Committee reviewed the quality, cost and independence of the external audit and is satisfied with each of these elements. Senior finance personnel are required to complete the Group's auditor effectiveness review template which provides insight into various aspects of the audit and the quality of work performed by PwC. The Committee further considered its own assessment and feedback from senior finance personnel across the Group. Based on these reviews, the Committee concluded that there had been appropriate focus and challenge by PwC on the primary areas of the audit and that PwC had applied an appropriate level of scepticism and conducted the audit with the required level of skills and expertise. The Committee recommended to reappoint PwC as the Group's external auditor for 2021 and this was accepted at the Annual General Meeting held on 18 May 2021. The Committee will recommend to reappoint of PwC as the Group's external auditors for the 2022 financial year at the 2022 Annual General Meeting.

The Committee has discussed the re-tender of the Company's audit. If the Company remains listed, it will tender its audit during the course of 2023, with the successful firm conducting the audit of the Company's 2023 financial statements. Any re-tender will be carried out in accordance with the guidance provided by the FRC and Competition and Markets Authority.

COMMITTEE EFFECTIVENESS

Each year the Board undertakes an evaluation of the performance of the Audit and Risk Committee in which efficiencies can be identified, strengths maximised and areas for further development highlighted. Overall feedback provided by the Board was positive and the Committee is considered to be functioning effectively in meeting its objectives.

CHRISTOPHER ROGERS
COMMITTEE CHAIR

1 MARCH 2022

REMUNERATION COMMITTEE

CAROL ARROWSMITH
COMMITTEE CHAIR

"The Committee continues to endorse and support the strong pay for performance ethos which runs across the entire organisation."

CAROL ARROWSMITH
COMMITTEE CHAIR

DEAR SHAREHOLDER

On behalf of the Board, I am pleased to present our Directors' Remuneration Report for the financial year ending 31 December 2021.

As announced on 25 November 2021, the Board agreed to recommend a transaction with BidCo, a wholly owned, indirect subsidiary of Vitol Investment Partnership II Limited, itself being an investment vehicle advised by employees of the Vitol Group ('the Vitol Offer'), to acquire all of the shares in the Company that Vitol Group don't currently own. Shareholder support for the transaction was obtained at the Court and General Meetings on 20 January 2022, and it is currently expected that the scheme of arrangement will take effect during the third quarter of 2022. This provides a relatively unusual backdrop to the preparation of this year's Remuneration Report.

Notwithstanding the above, the Remuneration Committee continues to operate under the existing Remuneration Policy approved by our shareholders and in this report we have set out details of key decisions in line with normal good practice. The previous Remuneration Policy was last approved in 2018. We will be seeking approval for a new Remuneration Policy at the 2022 AGM, albeit it is not anticipated that it will run its course. Further details are set out below and in the main body of the report.

PERFORMANCE DURING 2021

In a year where the business has once again had to manage around the uncertainties presented by COVID-19, the Group has performed strongly, with business recovery from the lows of Q2 2020 remaining firmly on track. Volumes have continued to improve, and together with strong gross cash unit margin, this led to gross cash profit of $777 million. Adjusted EBITDA for the year was $447 million, which represents a 24% improvement on 2020.

In the Retail segment we opened a record number of new service stations, with a net total of 133 new sites opened during the year, ahead of the original guidance. This represents an outstanding achievement.

We achieved another strong health and safety performance, ahead of targets and industry benchmarks. Progress in ESG was also made, reporting our first TCFD and completing a materiality assessment to identify and confirm the Group's key sustainability topics.

Throughout the year we continued to engage, support and develop employees. A full employee engagement survey was conducted in June, with improved performance across all categories from when last completed in 2018. Nine out of ten employees reported they are proud to work for Vivo Energy.

We remain focused on capturing the long-term structural growth opportunities in our markets and creating sustainable value for all of our stakeholders.

The bonus outcomes for the year reflect this performance context. Based on performance against the targets set, the bonus outcome for the CEO was 80% of maximum. Having reflected on the results for the year and the strategic progress made, which will position the Company for future growth, the Committee determined that this represented a fair reflection of performance in the year.

The 2019 LTIP was based on a combination of relative TSR, EPS and ROACE targets. The performance targets for this award were set prior to the onset of the pandemic and therefore envisioned a more positive trading environment. The vesting outcome for this award is expected to be 16.4% of maximum. Vested awards held by Christian Chammas will be subject to a holding period. Doug Lafferty did not participate in this scheme.

REMUNERATION POLICY FOR THE WIDER WORKFORCE

The Committee continues to endorse and support the strong pay for performance ethos which runs across the entire organisation. It is very mindful of the great commitment that all our employees have shown throughout this difficult year and has had regular updates and briefings throughout the year on how employees have been coping during the pandemic, and the steps taken to provide support. The Committee has oversight of the budget and the distribution of annual pay increases and it has been particularly mindful this year on how incentive plan performance has been measured and payouts determined to ensure that the immense effort that employees have put in is recognised and rewarded.

Bonus awards have been made in the wider organisation, with higher payouts in jurisdictions where the local business has particularly outperformed.

EXECUTIVE CHANGES

We are delighted to welcome Stan Mittelman, whose appointment as CEO to succeed Christian Chammas was announced in November last year. Christian has led the business for ten years, during which he has demonstrated leadership, drive, focus on performance and an absolute fixation on the health and safety of our employees, customers and partners. Christian has been integral to the remarkable growth and success of Vivo Energy since its formation a decade ago. Of special mention is the way in which he has managed the business through the pandemic with his total focus on our people's safety and wellbeing.

As potential successors were considered, the Committee was mindful of the need to enable an orderly transition, especially given that there would be a degree of uncertainty as to when candidates would be available to join the business. Therefore, the Committee agreed that Christian would remain employed and continue to support the business until November 2022. This was to provide the business with a degree of stability during a period of potential uncertainty. There will be no payment in lieu of notice.

Christian's departure terms are consistent with the Remuneration Policy previously approved by shareholders. In light of Christian's tenure and performance, he will be treated as a good leaver for bonus and share plan purposes, with all awards remaining subject to performance in line with other participants and time pro-rating in line with the plan rules. Christian will also adhere with the post-employment shareholding guidelines that were introduced in 2019.

Stan has been appointed on a salary of £585,000, which is lower than his predecessor, and with retirement benefits in line with other UK employees. The remaining elements of his package are in line with the Remuneration Policy and previous practice. Stan was also granted a buyout for arrangements forfeited on joining the business. The buyout arrangement is in shares, replacing the value forfeited from his previous employer on a broadly like-for-like basis.

In January 2022, Doug Lafferty announced his resignation from the Board in order to take up a new external position. He will remain a Director until he leaves the business. During his tenure, Doug has made a big impact on our business, contributing significantly to the development of our strategy and helping drive the continued recovery following the impacts of COVID-19. The Board wishes him all the best for the future. In line with our standard policy, Doug will not receive a bonus in respect of 2021 and 2022, and all unvested share awards will lapse on departure. Further detail on the above is set out in the main body of the report.

REMUNERATION POLICY RENEWAL

As noted above, the Remuneration Policy is due for renewal at the 2022 AGM. During 2021, and prior to the cash offer being received, we reviewed our Remuneration Policy which had been in place since the IPO in 2018. The current approach is aligned with mainstream FTSE practices comprising fixed pay, bonus (partly deferred into shares) and performance-based long-term incentives. Following a review of how the policy had operated since adoption, the Committee concluded that this structure remains largely fit for purpose.

The proposed updates to the policy are relatively minor in nature. They include changes intended to align with best practice, such as making future bonuses subject to deferral irrespective of shareholding. We consulted with our major shareholders and the proxy agencies on the proposed changes in the autumn of 2021, they were generally received positively, and shareholders indicated their support. Although the new policy is not expected to be in force for a prolonged period, the proposed new policy is included in full in this report for all shareholders to review.

REMUNERATION FOR 2022

In light of the potential transaction, we are not proposing any major changes to our approach to pay for 2022.

As noted above, Stan Mittelman has been appointed at a lower salary than his predecessor, and Christian Chammas and Doug Lafferty will not receive any increase to base salary for 2022. Incentives will also continue to be operated consistently with prior years.

We have retained the same bonus measures as for previous years with a focus on adjusted EBITDA, gross cash profit and non-financial metrics. We believe that this continues to give us a good balance between top line growth, bottom line delivery and focus on strategic development areas for the business.

In light of the potential transaction, no LTIP awards are currently proposed for 2022. In the event that the transaction does not proceed, the Committee shall consider whether LTIP awards should be granted in respect of the year.

In the event that the transaction proceeds, the Committee will need to consider the impact of any change of control on outstanding incentive awards. All such awards will be treated in line with the relevant plan rules and the terms of the Remuneration Policy. In the event of any accelerated release of share awards, it is expected that vesting would take into account both performance and the proportion of the performance period that has elapsed at the relevant time.

I would like to thank all shareholders for the level of their engagement and feedback during 2021 and more generally since the Company's listing in 2018. We have sought to operate our remuneration arrangements in a responsible manner, and we look forward to maintaining support at the 2022 AGM.

CAROL ARROWSMITH
COMMITTEE CHAIR

1 MARCH 2022

AGM VOTING OUTCOMES

At the 2021 AGM, shareholders voted on the 2020 Remuneration Report. Shareholders approved the Remuneration Policy at the AGM in 2019.

	Number of votes 'For'	% of votes cast	Number of votes 'Against'	% of votes cast	Total number of votes cast	Number of votes 'Withheld'
Remuneration Policy (2019 AGM)	1,120,880,170	99.84%	1,785,050	0.16%	1,122,665,220	1,000
Remuneration Report (2021 AGM)	1,181,967,490	100.00%	27,685	0.00%	1,181,995,175	2,500,449

SUMMARY OF OUR APPROACH

OUR REMUNERATION PRINCIPLES

Our approach to remuneration is intended to reflect our core values and remain consistent with our vision to become the most respected energy business in Africa.

Maintain a highly driven performance culture

Reward for execution of strategy and align pay with shareholders' interests

Reflect our values – notably on risk HSSEQ and good business practice

Commitment to openness and transparency

OUR REMUNERATION POLICY

Our current approach is aligned with mainstream FTSE practices and remains unchanged, comprising:

- Base salary
- Benefits aligned to the local market
- Retirement benefits in line with the UK workforce
- Bonus
- Performance based long-term incentives

Proposed changes:

- Automatic deferral of 50% of any bonus into shares for two years, irrespective of an Executive Directors' current shareholding
- Finalising Policy decisions taken in prior years, such as capping retirement benefits and extending shareholding guidelines to apply after departure from the Board
- Increase in notice periods to maximum of 12 months

BUSINESS PERFORMANCE IN 2021

REVENUES
US$ million
8,458
+22%

VOLUME
Million litres
10,302
+7%

GROSS CASH PROFIT
US$ million
777
+11%

ADJUSTED EBITDA
US$ million
447
+24%

SERVICE STATIONS ADDED
Net total
133

TOTAL RECORDABLE CASE FREQUENCY
Per million exposure hours
0.04

REMUNERATION FOR EXECUTIVE DIRECTORS IN 2022

Pay element	Approach	Remuneration for 2022	
Base Salary	Fixed pay levels set at competitive levels with role-appropriate benefits.	Christian Chammas (departing CEO):	£640,000 (no change)
		Doug Lafferty (departing CFO):	£400,000 (no change)
		Stan Mittelman (incoming CEO):	£585,000
Benefits		Benefits package includes private medical care cover, life assurance and annual medical screening. Retirement benefits capped at 10% of salary, consistent with other UK employees.	
Annual Bonus	Incentive linked to short-term targets.	**Maximum opportunity unchanged at:**	
		CEO: 200% of salary	
		Performance targets for Executive Directors remain weighted at 70% on financial performance and 30% on non-financial performance.	
		Adjusted EBITDA 40%	
		Gross cash profit 30%	
		Strategic goals 30%	
		50% of any bonus achieved will ordinarily be deferred in shares over a two-year period.	
		The detailed targets for the 2022 bonus are deemed to be commercially sensitive as they are closely linked to our internal business plans and are therefore excluded from this report. Retrospective disclosure of targets for the 2021 bonus are shown on pages 110 to 112.	
LTIP	Incentive linked to long-term priorities.	In light of the potential transaction, no LTIP awards are currently proposed for 2022. In the event that the transaction does not proceed, the Committee shall consider whether LTIP awards should be granted in respect of the year. Any future awards will be made in line with the Remuneration Policy. No changes to maximum opportunities are currently proposed.	

Additional Safeguards

SHAREHOLDING

Executive Directors are expected to build up a holding of 2x salary.

Shareholding guidelines apply for two years after stepping down from the Board.

DISCRETION AND JUDGEMENT

A key feature of the Directors' Remuneration Policy, to ensure pay reflects performance.

MALUS AND CLAWBACK

Provisions in place to prevent payments for failure.

REMUNERATION COMMITTEE GOVERNANCE

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

The Remuneration Committee operates with a delegated authority from the Board and is responsible for:

- Determining and agreeing with the Board the Remuneration Policy for the Executive Directors;
- Setting individual remuneration packages and terms and conditions for the Executive Directors and other senior executives;
- Reviewing and noting the remuneration trends and practices across the Company and taking these into account when reaching any decisions;
- Evaluating the achievement of performance conditions under the annual bonus and LTIP; and
- Determining the Chair's remuneration, though the Board itself determines the levels of fees for the Non-Executive Directors.

No individual is present when his or her remuneration is being determined.

MEMBERSHIP

All members of the Committee are Non-Executive Directors.

Committee members

All members were appointed in May 2018, unless otherwise stated in their biographies on pages 82 to 83:

- Carol Arrowsmith – Chair
- John Daly
- Hixonia Nyasulu
- Christopher Rogers
- Gawad Abaza

MEETINGS

The Committee held five scheduled meetings during 2021, plus additional meetings as required. Details of attendance by members at Committee meetings can be found on page 87. The Committee normally invites the Chief Executive Officer, the Chief Financial Officer, the General Counsel, the Company Secretary and the Chief of Staff to attend appropriate elements of the scheduled meetings.

ADVISERS TO THE REMUNERATION COMMITTEE

Deloitte LLP were appointed as independent advisers by the Committee in 2018 following a competitive tender process and attend meetings to provide external context. Deloitte are members of the Remuneration Consultants Group and, as such, voluntarily operate under the code of conduct in relation to executive remuneration consulting in the UK. Total fees received by Deloitte in relation to the remuneration advice provided to the Committee during 2021 amounted to £102,950 (2020: £40,350). Fees are based on hours spent. Deloitte LLP in the UK do not provide any further services to the Company. Carol Arrowsmith was formerly a partner at Deloitte LLP, retiring in May 2014. No other Directors have any connection with Deloitte LLP. The Committee is satisfied that the advice provided by Deloitte is independent.

In reaching decisions on both rewarding performance in 2021, revising the Remuneration Policy and setting remuneration for 2022, the Committee was mindful of the UK Corporate Governance Code and considers that the remuneration framework appropriately addresses the following factors:

Clarity	The Committee believes that the remuneration framework provides clear and transparent disclosure in relation to our executive remuneration arrangements. Incentives are linked to clear performance criteria that are communicated to participants at the start of the performance period. This provides a clear link between reward and the successful execution of our strategy. The Committee also places emphasis on ensuring that the Remuneration Report provides a transparent disclosure. Since the IPO, we have also had regular engagement with our shareholders on pay matters.
Simplicity	Remuneration arrangements for Executive Directors are well understood by participants and we have sought to clearly explain our approach to shareholders. The ongoing structure of executive remuneration consists of fixed pay, annual bonus award and the LTIP award.
Risk	The Committee believes that the structure of Executive Directors' remuneration does not encourage inappropriate risk-taking. Malus and clawback provisions also apply to both the annual bonus and LTIP award. The Committee also retains scope to exercise discretion to ensure outcomes are appropriate.
Predictability	Our remuneration policy contains detail of maximum opportunity levels for each component of variable pay.
Proportionality	The Committee believes that poor performance should not be rewarded. For both incentive awards, achievement requires performance against challenging performance targets.
Alignment to culture	The Committee believes that the framework is well aligned to the culture of the business, with performance measures for variable awards being aligned to the Company's wider strategy.

2021 DIRECTORS' REMUNERATION REPORT

This Directors' Remuneration Report (DRR) has been prepared on behalf of the Board by the Committee in accordance with the relevant requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended.

DIRECTORS' REMUNERATION POLICY

The following sections set out our Directors' Remuneration Policy ('Policy'), which, with the AGM voting outcomes on page 101, will be put forward for a binding shareholder vote at the 2022 AGM. Subject to shareholder approval, the Policy will take effect from the date of the AGM.

SUMMARY OF DECISION-MAKING PROCESS

During 2021, a review was conducted to assess how well the previous policy had operated since IPO in 2018 and whether any changes were necessary, taking into account the strategic priorities of the business. The Committee sought the views of all Board Directors, including executive management, while ensuring that conflicts of interest were suitably mitigated. An external perspective was provided by our independent remuneration adviser. The review took into account evolving corporate governance developments, latest investor views and relevant market practice. The Committee also remained mindful of remuneration policies and practices across the wider workforce.

As part of the decision-making process, shareholders were consulted on key changes to the Policy and its operation, with their feedback directly shaping proposals.

CHANGES TO THE REMUNERATION POLICY

The previous Remuneration Policy was approved at the 2019 AGM, with 99.84% of votes cast in favour. The Committee believes that the Policy has operated as intended and, as such, no fundamental changes are proposed. However, the Policy has been reviewed against evolving market and best practice developments and various minor changes have been made to the proposed Policy.

The most material change is that future bonuses will be subject to compulsory deferral into shares, irrespective of the Executive Directors' current shareholding. Further changes have also been made to finalise Policy decisions taken in prior years (e.g. capping retirement benefits and extending shareholding guidelines to apply after departure from the Board). The maximum potential notice period in service contracts has been increased from six to 12 months.

POLICY TABLE

FIXED PAY

Base salary	
Purpose and link to strategy	Provides the fixed element of the remuneration package. Set at competitive levels against the market in order to attract and retain the calibre of executives required to execute the strategy.
Operation	Base salaries are normally reviewed annually. The Committee will consider various factors when determining salary levels, including individual contribution, business performance, role scope, practice in relevant talent markets and the range of salary increases applying across the Group.
Maximum opportunity	There is no maximum salary. However, salary increases for Executive Directors will normally be within the range of increases for the general employee population over the period of this Policy. Increases in excess of those for the wider employee population may be awarded in certain circumstances including instances of sustained strong individual performance, if there is a material change in the responsibility, size or complexity of the role, or if an individual was intentionally appointed on a below-market salary. In such circumstances, the Committee will provide the rationale for the increase in the relevant year's Annual Report on Remuneration. Details of current salary levels for Executive Directors are set out in the Annual Report on Remuneration.
Performance metrics	Not applicable.

Benefits	
Purpose and link to strategy	Benefits to be competitive in the market in which the individual is employed.
Operation	Can include Company benefits such as permanent health insurance, healthcare and life insurance. The Committee retains the ability to approve additional role appropriate benefits in certain circumstances (e.g. participation in all-employee share incentives, relocation allowances and expenses, expatriation allowances etc.). Benefits in respect of the year under review are disclosed in the Annual Report on Remuneration.
Maximum opportunity	There is no maximum limit. However, role appropriate benefits are capped at a suitable level reflecting the local market and jurisdiction.
Performance metrics	Not applicable.

Retirement benefits	
Purpose and link to strategy	Provides benefits which enable executives to plan for retirement. Retirement benefits are designed to be cost effective and competitive in the market in which the individual is employed.
Operation	Defined contribution scheme (and/or a cash allowance in lieu thereof).
Maximum opportunity	The maximum defined contribution (or cash in lieu thereof) will be in line with retirement benefits provided to the majority of the UK employee population (or other relevant jurisdictions, where relevant). This limit is currently 10% of base salary in the UK.
Performance metrics	Not applicable.

POLICY TABLE CONTINUED

VARIABLE PAY

Annual bonus	
Purpose and link to strategy	Incentivises the achievement of specific goals over the short term that are also aligned to the long-term business strategy.
Operation	Performance measures are set by the Committee and are weighted to reflect a balance of financial, strategic and individual objectives. Following the end of the year the Committee reviews performance and determines the extent to which objectives have been achieved in order to determine the payout level. Executive Directors will normally be required to defer up to 50% of any resulting annual bonus into shares for two years. The remaining balance of the annual bonus is paid in cash. Where bonuses are deferred into shares, dividend equivalents may accrue. Deferred awards are not subject to any further performance criteria. Cash and share bonuses awarded for annual bonuses will be subject to malus and/or clawback. Further details of our Malus and Clawback Policy are set out on page 107.
Maximum opportunity	Maximum opportunity of 200% of base salary. Currently a maximum opportunity of 200% of base salary applies to the CEO. In prior years, the maximum bonus opportunity was 150% of base salary for the CFO. The payout for threshold performance may vary year-on-year depending on the nature and stretch of the hurdle set but will normally not exceed 25% of the maximum opportunity.
Performance metrics	Bonuses for the Executive Directors may be based on a combination of financial and non-financial measures. The exact performance measures and targets for each financial year may be varied to reflect the priorities for the business. Financial measures will represent at least 50% of any award.

Long-Term Incentive Plan (LTIP)	
Purpose and link to strategy	Aligns the interests of executives and shareholders by delivering shares to Executive Directors and other senior executives as a reward for delivery of long-term performance objectives aligned to the strategy.
Operation	The Committee has the authority to grant awards under the LTIP to Executive Directors. Typically awards will be granted annually. Awards are normally conditional on achievement of performance conditions assessed over three years. Awards to Executive Directors will normally also be subject to a holding period of two years post vesting. Details of the performance period and holding period will be disclosed in the Annual Report on Remuneration for the year in which the relevant award is made. Dividend equivalents may accrue on any shares that vest. Awards are subject to malus and/or clawback for a period of five years from the date of grant. Further details of the Malus and Clawback Policy are set out on page 107.
Maximum opportunity	The LTIP provides for a conditional award of shares (or economic equivalent) up to an annual limit of 250% of base salary. Under the plan rules an award of up to 300% of base salary can be granted in exceptional circumstances. The normal operational maximum for the incoming CEO is 250% of base salary. In prior years, grants of up to 200% of base salary have been granted for the CFO. The vesting level for the threshold performance hurdle may vary year-on-year depending on the nature and stretch of the hurdle set but will normally not exceed 25% of the maximum opportunity.
Performance metrics	The vesting of awards is usually subject to continued employment and the Group's performance over the performance period. The Remuneration Committee will set the performance targets for each award in light of the appropriate business priorities at the relevant time. The Committee may vary the performance measures, targets and weightings as well as the period of assessment for future awards to ensure that they continue to align with the Group's strategy. In light of the potential transaction, no LTIP awards are currently proposed for 2022. In the event that the transaction does not proceed, the Committee shall review and consider the performance metrics that would apply to any LTIP awards granted in respect of the year.

Shareholding guidelines	
Purpose and link to strategy	Alignment of Executive Directors with shareholders.
Operation	Guidelines are 200% of base salary for all Executive Directors. Shareholdings are expected to be built up and maintained over the course of tenure. Directors are also required to retain shares post the cessation of employment with the Company. They are required to hold 200% of base salary (or full actual holding if lower) for the first 12 months and 100% of base salary for the second 12 months.

PERFORMANCE CRITERIA FOR INCENTIVES – SELECTING MEASURES, TARGET SETTING AND ASSESSMENT

Performance criteria for annual bonus and LTIP awards are designed to support the execution of the short-term and long-term business strategy and to provide alignment with our shareholders' interests. The combination of financial, strategic and individual objectives enables the Committee to achieve a balanced assessment of performance.

Performance targets for each award are intended to be suitably challenging, taking into account internal and external forecasts, as well as market conditions and the strategic ambitions and risk appetite of the Group. Outcomes at the maximum level are intended to represent exceptional performance.

Further details of the current performance measures and targets for bonus and LTIP awards are set out in the Annual Report on Remuneration.

Consistent with best practice, the Remuneration Committee will seek to ensure that outcomes from incentive plans suitably reflect performance. As well as exercising suitable judgement when assessing performance, the Committee may exercise discretion and make adjustments to any formulaic results, if the outcome is not considered to be appropriate or is not reflective of overall performance over the relevant period. When making this judgement, the Committee has scope to consider any such factors as it deems relevant in the circumstances. To ensure that awards continue to operate in the manner intended, the Committee may also adjust the targets for awards or the calculation of performance measures and vesting outcomes for certain events (e.g. major acquisition).

MALUS AND CLAWBACK

The annual bonus and LTIP are subject to malus and clawback in certain scenarios. Such scenarios. include, but are not limited to:

- material misstatement of the Company's financial accounts;
- a material failure of risk management by the Company or any Group company;
- an error in calculation of any awards based on false or misleading information;
- gross misconduct by the relevant participant;
- any action or omission on the part of a participant resulting in serious reputational damage to the Company or any member of the Group; and
- a serious breach or non-observance of any code of conduct, policy or procedure operated by the Group.

ILLUSTRATION OF THE REMUNERATION POLICY

The Executive Directors' remuneration arrangements have been designed to ensure that a significant proportion of pay is dependent on the delivery of stretching short-term and long-term performance targets, aligned with the creation of sustainable shareholder value and the delivery of the Group's objectives. The Committee considers the level of remuneration that may be received under different performance outcomes and ensures that this is appropriate in the context of the performance delivered and the value added for shareholders.

The chart that follows provides illustrative values of the ongoing annual remuneration package for the CEO in 2022 under three assumed performance scenarios. As noted elsewhere in this report, the current intention is that no LTIP awards would be granted in 2022.

However, in the interest of full transparency, the charts below show values assuming an LTIP grant in line with our normal operational grant policy.

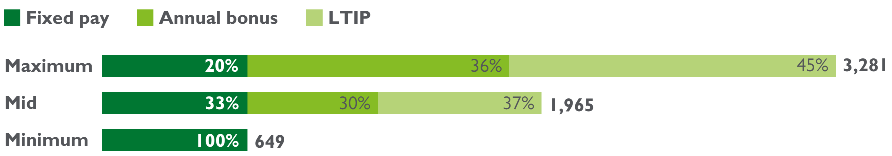
This chart is for illustrative purposes only and actual outcomes may differ from those shown.

Impact of share price increase

As LTIP awards are granted in shares, the value of the award can vary significantly depending on the extent to which the performance criteria are achieved and the movement of the share price over the relevant vesting and holding period. For example, if the share price increased by 50% over the relevant vesting and holding period, the maximum values shown in the charts below would increase to £4.0 million for Stan Mittelman. Similarly, if the share price was to fall by 50%, the maximum values shown in the charts below would reduce to £2.5 million for Stan Mittelman.

STAN MITTELMAN

£'000



Notes

The charts have been prepared using the following assumptions[1,2].

	Component	Minimum	Mid	Maximum
Fixed pay	Base salary	Base salary on appointment		
	Retirement benefits	10% of base salary		
	Benefits[3]	Estimation of benefit figures based on previous incumbent		
Variable pay	Annual bonus	Nil	50% of maximum (CEO: 100% of salary)	100% of maximum (CEO: 200% of salary)
	LTIP	Nil	50% of maximum (CEO: 125% of salary)	100% of maximum (CEO: 250% of salary)

1 As announced on 9 November 2021, Christian Chammas has informed the Board of his intention to retire. As he will step down from the Board in March 2022, his remuneration arrangements have not been shown in the table above.

2 As announced on 14 January 2022, Doug Lafferty has informed the Board of his resignation and he will be stepping down from the Board no later than 13 July 2022. He will therefore not receive any incentive awards for 2022 (see page 114 for further details). As his remuneration for 2022 will be limited to fixed pay only, he has not been included in the charts above. His annualised fixed pay for 2022 is estimated to be £440,000.

3 Stan Mittelman joined the Company as CEO Designate on 14 February 2022. His benefits figure is based on the value received by the previous incumbent for 2021.

RECRUITMENT POLICY

When determining remuneration for a new Executive Director, the Remuneration Committee will consider the requirements of the role, the needs of the business, the relevant skills and experience of the individual and the external talent market relevant to the role. Normally the Committee would seek to align the new Executive Director's remuneration package to the remuneration policy.

Base salary and benefits (including pension) will be determined in accordance with the policy table. If an individual is appointed on a base salary below the desired market positioning, the Committee retains the ability to re-align the base salary over time, reflecting development in the role, which may result in a higher rate of annual increase.

Where necessary, additional benefits may also be provided (e.g. relocation support, tax equalisation). In addition for an overseas appointment, the Committee may offer cost effective benefits and pension provisions, which reflect local market practice and relevant legislation.

Where retirement benefits are set by reference to practices outside of the UK, they will be capped based on benefits locally available to wider employees in the relevant jurisdiction.

Notice periods in service contracts for any new appointment would not exceed 12 months.

Incentive opportunities (excluding any buy-out) will be consistent with the policy. As noted in the LTIP policy table, in exceptional circumstances a maximum LTIP award of up to 300% of base salary may be granted in accordance with the LTIP rules. The Company would provide clear disclosure regarding any such awards. The Committee may tailor the targets for initial incentive awards to reflect the circumstances on recruitment.

The Committee may consider buying out remuneration forfeited by an executive on joining the Company. Any such buy-out will be of comparable commercial value to the arrangements forfeited and capped as appropriate.

When determining the terms of the buy-out award, the Committee may tailor the terms, taking into account the structure, time horizons, value and performance targets associated with arrangements forfeited. The Committee may also require the appointee to purchase shares in the Company in accordance with its shareholding policy. The Committee would subsequently provide suitable disclosure regarding any such award granted on recruitment to the Board.

Where an individual is appointed to the Board as a result of internal promotion or following a corporate transaction (e.g. following an acquisition), the Committee retains the ability to honour any legacy arrangements agreed prior to the individual's appointment to the Board.

On the appointment of a new Non-Executive Chairman or Non-Executive Director, the terms and fees will normally be consistent with the fee policy.

Executive Directors: service contracts and loss of office provisions	
Notice Period	Up to 12 months' notice from the Company or the Executive Director.
Termination Payments	The Company will also be entitled to terminate an Executive Director's service agreement with immediate effect by making a payment in lieu of notice, equal to (i) the base salary that would have been payable, and (ii) the cost that would have been incurred in providing the Executive Director with the contractual benefits which the Executive Director would have been entitled to receive during the notice period. The Company can alternatively, in its sole discretion, continue to provide such contractual benefits instead of paying a sum representing their cost. The payment in lieu of notice may be subject to mitigation and therefore payable in equal monthly instalments over the notice period, conditional on the relevant Executive Director making reasonable efforts to secure alternative employment or engagements. Certain benefits in connection with departure (e.g. legal costs, outplacement costs) may be payable in certain circumstances.
Incentive Awards	The treatment of incentive awards will depend on the circumstances of departure. Normally no bonus is payable if, on the date on which any bonus is paid, the Executive Director has (i) left the Company, (ii) given or received notice of termination, or is (iii) under suspension for disciplinary matters which could result in dismissal. In certain circumstances, the Committee may determine that a departing executive will retain the ability to earn a bonus award subject to performance and time pro-rating to reflect the period employed. Any bonus deferred into shares will normally be released at the end of the deferral period, unless the Committee determines otherwise. Unvested long-term incentive awards will normally lapse on termination, unless the Committee determines that an Executive Director is deemed to be a 'good leaver'. For good leavers, any unvested awards may run until the normal vesting date, with any vesting normally on a time apportioned basis and subject to the achievement of the performance conditions. If the Committee thinks there are circumstances that justify it, the Committee may release shares early, having regard to performance achieved to the date of leaving, if applicable. Holding periods will generally continue to apply, unless the Committee determines otherwise.
Restrictive Covenants	Executive Directors will be subject to a confidentiality undertaking without limitation in time, and non-solicitation and non-compete restrictive covenants for a period of 12 months after the termination of their employment.
Change of Control	No special contractual provisions apply in the event of change of control.
External Appointments	Executive Directors may normally accept up to one position as a non-executive director of another publicly listed company, subject to prior approval from the Board. Executive Directors are not entitled to accept a position as an executive director in any company that is not a Group Company. Any fees from such an appointment may be retained by the Executive Director.

The Executive Directors' service contracts are available for inspection by shareholders at the Company's registered office.

Non-Executive Director Remuneration	
Purpose and link to strategy	To attract and retain high calibre individuals by offering market competitive fee arrangements.
Operation	Non-Executive Directors receive a basic fee in respect of their Board duties. Additional fees are paid to Non-Executive Directors for additional Board responsibilities, including Chairing of Board Committees. The Non-Executive Chair receives an all-inclusive fee for the role. The Remuneration Committee sets the remuneration of the Chair, whilst the Board as a whole is responsible for determining Non-Executive Director fees. Fees are typically reviewed annually. Where appropriate, role-appropriate benefits may be provided. This may include travel and other expenses incurred in the performance of Non-Executive duties for the Company, which may be reimbursed or paid for directly by the Company, as appropriate, including any tax due on the benefits.
Maximum Opportunity	Fee levels are capped in accordance with the Articles of Association. Current fee levels can be found on page 115. Fees are set at a level, which is considered appropriate to attract and retain the calibre of individual required by the Company. These fees are the sole element of Non-Executive remuneration and they are not eligible for participation in Group incentive awards, nor do they receive any retirement benefits.

The Chair's appointment may be terminated at any time by either side by giving six months' written notice or in accordance with the articles. The Non-Executive Directors' appointments may be terminated at any time by either side, giving one month's written notice or in accordance with the articles.

The Chair's appointment and Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office.

DETAILED PROVISIONS

The Committee may adjust or amend incentive awards only in accordance with the provisions of the relevant plan rules. This includes making adjustments to awards to reflect one-off corporate events, such as a change in the Company's capital structure. In accordance with the plan rules, awards may be settled in cash rather than shares, where the Committee considers this appropriate (e.g. to comply with local securities law). For the avoidance of doubt, the Company intends to settle LTIP awards in shares in the normal course of events and would clearly explain the reasons for any cash settlement.

The Committee may make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above, where the terms of the payment were agreed either: (i) during the term of, and were consistent with any previous policy; or (ii) at a time when the relevant individual was not a Director of the Company and the payment was not in consideration for the individual becoming a Director of the Company.

The Committee may make minor amendments to the Remuneration Policy to aid its operation or implementation without seeking shareholder approvals (e.g. for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) provided that any such change is not to the material advantage of the Director.

PAY IN THE WIDER WORKFORCE

When determining the approach to pay for the Executive Directors, the Committee is very mindful of pay and employment conditions for the wider employee base as this provides valuable context and ensures consistency in how pay principles are applied across the organisation.

Historically a key feature of the Company's operating model has been a strong pay for performance ethos, which runs through the entire organisation, from the CEO to every employee in the Group. The Committee endorses this approach to remuneration and will support the Executive Directors and senior executives in ensuring this remains in place. Bonus plans are operated across the Company with objectives and award levels tailored based on the nature of the role and seniority. Senior executives participate in the LTIP based on the same targets as Executive Directors. Long-term incentives for the wider management team are generally based on financial performance criteria.

As a Company, we value the opinions of our people and take into consideration the wider workforce. During the course of the year, we conducted an employee engagement survey and local town hall meetings, encouraging employees to provide feedback. Our 'Your Voice' programme also provided employees with the opportunity to ask questions and suggest topics for discussions. While we do not directly engage with the workforce on executive pay, we do have access to employee feedback on employment conditions across the organisation and encourage participation in our employee engagement channels. Further detail on the Board's approach to engagement with employees is set out on page 79.

We are not currently required to provide disclosure of our CEO pay ratio or gender pay gaps, as there are less than 250 employees in the UK. Such metrics are problematic due to the limits on sample size and the challenges of comparing pay in the UK to pay practices in the various jurisdictions in which we operate.

CONSIDERATION OF SHAREHOLDERS' VIEWS

The Company places significant value on engagement with our major shareholders and we seek to ensure that shareholders clearly understand key decisions relating to executive pay.

During the second half of 2021, we consulted with our major shareholders to seek their feedback on the proposed changes to our Remuneration Policy. The shareholders we consulted with were supportive of the proposals. The detail of the proposals is laid out in this Remuneration Report and all shareholders will have the opportunity to vote on them at our upcoming AGM. We will continue to consult with shareholders over the next months as required and are committed to an open dialogue with them.

ANNUAL REPORT ON REMUNERATION

This section of the DRR sets out how the Policy has been applied in the year and how it will be applied in the coming year. In accordance with the legislative requirements, this DRR, along with the Remuneration Committee Chair's Statement, will be subject to an advisory shareholder vote at the 2022 AGM. Sections of this report that are subject to audit, in line with disclosure regulations, have been flagged below.

SINGLE TOTAL FIGURE OF REMUNERATION (AUDITED)

Executive Directors

The following table sets out the total remuneration for the Executive Directors for the year ended 31 December 2021.

	Christian Chammas (£'000)		Doug Lafferty[6] (£'000)	Johan Depraetere[7] (£'000)	
	FY 2021	FY2020	FY 2021	FY 2021	FY2020
Salary	640	640	367	84	450
Benefits[1]	5	5	5	1	5
Retirement benefits[2]	64	64	37	8	45
Total Fixed Pay	**709**	**709**	**409**	**93**	**500**
Annual bonus[3]	1,029	384	n/a	88	203
Long-Term Incentive Plan[4]	232	432	n/a	104	243
Legacy incentives: IPO Share Award[5]	n/a	412	n/a	n/a	290
Total Variable Pay including Legacy Incentives	**1,261**	**1,228**	**–**	**192**	**736**
Total Pay	**1,970**	**1,937**	**409**	**285**	**1,236**
Less Legacy Incentives	n/a	(412)	n/a	n/a	(290)
Total: Less Legacy Incentives	**1,970**	**1,525**	**409**	**285**	**946**

1 The benefits consist of private medical cover. Directors also receive life assurance and have an annual medical screening.

2 The retirement benefits represent the Company's contribution to the Executive Directors' retirement planning at a rate of 10% of base salary. This benefit level is consistent with the level provided to other UK employees.

3 Doug Lafferty is not eligible to receive a bonus for 2021 as he has resigned.

4 The 2018 LTIP awards vested in 2021. The value of the awards vesting has been restated from last year to use the actual share price on vesting of 106.8p. The 2019 LTIP awards will vest in 2022. An estimated value of the awards vesting has been shown based on the average share price over the fourth quarter of 2021 (115.79p). The 2019 LTIP awards were formally granted on 12 March 2019 when the share price was 131p.

5 The third and final tranche of this legacy award vested in May 2021. The value of this third tranche has been restated based on the share price at the vesting date (106.8p). No more awards have been made or will be made under this plan. Full details of the targets and the performance against them can be found in the 2020 Report and Accounts.

6 Doug Lafferty was appointed to the Board as Chief Financial Officer Designate on 1 February 2021 and as Chief Financial Officer on 5 March 2021.

7 The figures for Johan Depraetere are in relation to the period to 5 March 2021, when he stepped down from the Board as Chief Financial Officer. He remained an employee of the Company until 25 May 2021. His annual bonus and LTIP awards for the year were pro-rated to 25 May 2021. His salary, benefits and retirement benefits from 1 January to 25 May 2021 were £177,692, £2,000 and £17,768 respectively. The full bonus paid for the financial year was £198,305.

ANNUAL BONUS – 2021 (AUDITED)

The Executive Directors' annual bonus targets for 2021 were set against a combination of financial and non-financial performance measures.

The measures for financial performance were adjusted EBITDA and gross cash profit weighted at 40% and 30% of the bonus opportunity respectively. The remaining 30% was based on a number of strategic and operational objectives.

Details of the performance targets and the outcomes are set out below.

As noted above, Doug Lafferty was not eligible to receive a bonus for 2021.

FINANCIAL PERFORMANCE – 70% OF THE AWARD

Performance measure	% of element						Actual performance	
	10%	20%	40%	60%	80%	100%	Result	% of element
Adjusted EBITDA (40%)	$422m	$426m	$434m	$442m	$455m	$467m	$447m	27.15%
Gross cash profit (30%)	$746m	$750m	$758m	$766m	$779m	$791m	$777m	23.25%

STRATEGIC AND OPERATIONAL OBJECTIVES – 30% OF THE AWARD

CHRISTIAN CHAMMAS		FINAL ACHIEVEMENT: 30%
Area	**Focus**	**Outcome**
Business Strategy	Deliver the strategic business review and plan for the next phase of the business.	Delivered a five-year strategic plan, which included detailing the foundations for the key elements of the strategy around growth in the LPG business, delivering a solar/hybrid offering to commercial customers and exploring alternative energy solutions. A number of key initiatives aligned to the new strategic plan were already underway by the end of the year.
Growth Agenda	Identify growth opportunities aligned with strategic business aspirations.	Identified growth opportunities are already contributing to the bottom line. These include acceleration of new retail site openings, four new Food joint ventures delivered and five retail alliance projects completed.
HSSEQ	Demonstrate focus on and personal leadership of the HSSEQ agenda, in particular the continuing impact and response to COVID-19 on staff, customers and business partners.	Another outstanding HSSEQ year. All performance measures of TRCF, spills and consequential lost volume significantly exceeded in both Shell and Engen-branded OUs. A relentless focus on COVID-19 protocols across all countries and sites was maintained to ensure the safety and well-being of customers, employees and business partners. 82% of employees feel proud about how the Group has managed its approach to the pandemic.
Human Capital	Contribute to the recruitment of a new CEO Develop clear succession plans at next level of leadership, with focus on diversity.	Female representation across the senior management population increased from 9.1% to 11.5% during the year. Succession plans in place for all senior management roles, with a clear focus on diversity. New CEO has been recruited and a full induction and transition plan developed.
ESG	Develop the ESG strategy and implementation plan.	Key elements of the ESG strategy and implementation plan were developed and implemented during 2021, including: – Completion of a materiality assessment to identify and prioritise sustainability topics; – First year of reporting against TCFD; – Expansion of the measurement of the Group's GHG emissions to include 10 Scope 3 categories; – Evaluation of the use of carbon offsets for both corporate and client use; – Extension of the solar programme for retail sites.

ANNUAL REPORT ON REMUNERATION CONTINUED

OVERALL OUTCOME

	Maximum opportunity % of salary	Outcome % of salary	Outcome £'000
Christian Chammas (maximum – 200% of salary)			
Adjusted EBITDA	80%	54.3%	347,520
Gross cash profit	60%	46.5%	297,600
Non-financial objectives	60%	60.0%	384,000
Total	**200%**	**160.8%**	**1,029,120**

Business performance through the year has been strong, particularly with the uncertain operating environment created by COVID-19. Business recovery from the lows of Q2 2020 has remained firmly on track, demonstrating the underlying resilience of the business. Volumes have continued to improve and are 7% up on 2020. Gross cash profit at $777 million is up 11% on 2020 and adjusted EBITDA at $447 million is a 24% improvement. Retail growth has been outstanding with 133 net new service stations, ahead of guidance. It was another year of strong HSSEQ performance and significant progress was made on ESG, with reporting on TCFD for the first time and the completion of a materiality assessment to identify and prioritise the Group's sustainability topics. Work on succession planning has continued, with plans in place for all key management roles. There has been good progress in female representation and a clear focus on diversity. The Committee noted the strong financial performance for the year combined with the excellent progress made against the strategic objectives and therefore determined that the payout of 80.4% of the maximum bonus for the CEO was a fair reflection of performance in the year.

In line with the existing shareholder approved Remuneration Policy, approved at the 2018 AGM, Christian Chammas has a shareholding which significantly exceeds the shareholding guidelines. His 2021 bonus awards is therefore payable in cash and not subject to deferral.

LONG-TERM INCENTIVE AWARDS

2019 LTIP AWARD (AUDITED)

The performance period for this award under the Long-Term Incentive Plan (LTIP) ended on 31 December 2021. The 2019 LTIP award was subject to EPS, ROACE and Relative TSR performance targets. The performance achieved in the three-year performance period and the consequent vesting levels are shown in the table below. The Committee reviewed the outcome of the awards in the context of the business performance over the three-year performance period and determined the vesting level of 16.4% was appropriate.

Any shares vesting are subject to a two-year holding period, which will ensure continued alignment with our shareholders.

2019 Awards	Weighting	Threshold (20% of award vests)	Target (50% of award vests)	Maximum (100% of award vests)	Achieved	% of award vesting
EPS Compound annual growth	40%	6%	8%	12%	-6%	0%
ROACE Weighted average over performance period	40%	16%	18%	20%	17.4%	16.4%
Relative TSR v. FTSE 350 (exc. financial services)	20%	Median	–	Upper quartile	Below median	0%
Total vesting level in respect of 2019 Awards						**16.4%**

The 2019 LTIP was based on a combination of relative TSR, EPS and ROACE targets. The performance targets for this award were set prior to the onset of the pandemic and therefore envisioned a more positive trading environment. The final vesting outcome for this award was 16.4% of maximum. Vested awards held by Christian Chammas will be subject to a holding period. Doug Lafferty did not participate in this scheme.

Taking into account the strength of performance over the last three years, including the strong response to the pandemic, the Committee is satisfied that the vesting levels are warranted.

LTIP AWARDS GRANTED IN 2021 (AUDITED)

Awards were made under the LTIP during 2021. These awards were granted in the form of nil-cost options over Vivo Energy plc shares, with the number of shares that may vest conditional upon performance to the end of the 2023 financial year. In line with the Remuneration Policy, the awards made represented 250% of base salary for Christian Chammas and 200% for Doug Lafferty. Any shares vesting to Executive Directors will ordinarily also be subject to an additional two-year holding period.

As with previous awards, the 2021 LTIP awards are subject to performance targets based on earnings per share (EPS), return on average capital employed (ROACE) and relative total shareholder return (Relative TSR). The Committee determined that this mix of performance measures continued to ensure focus on delivery of strategic and operational goals and management of capital within the business, which is a key strategic focus and aligns with shareholder value creation.

Details of the performance measures with their weightings and targets are shown below:

2021 Awards	Weighting	Nil	Threshold 20% of element vests	Maximum 100% of element vests
EPS Cumulative over the performance period	40%	Less than 36.7p	36.7p	43.7p
ROACE Weighted average over the performance period	40%	Less than 16%	16%	20%
Relative TSR v. FTSE 350 (exc. financial services)	20%	Below Median	Median	Upper-quartile

Note: There is straight-line vesting between the points shown in the table.

The following table provides details of the awards made on 7 April 2021:

Name	Number of shares awarded	Face value at grant (£'000)	End of performance period
Christian Chammas	1,651,528	1,600	31 December 2023
Doug Lafferty	825,764	800	31 December 2023

The share price for the award was 96.88p being the average closing share price over the five trading days immediately prior to 7 April 2021. As noted below the award to Doug Lafferty will lapse in full following his resignation.

LTIP AWARDS TO BE GRANTED IN 2022 (NOT AUDITED)

In light of the potential transaction, no LTIP awards are currently proposed for 2022. In the event that the transaction does not proceed, the Committee shall consider whether LTIP awards should be granted in respect of the year.

Such future awards would be made in line with the Remuneration Policy. No changes to maximum opportunities are currently proposed.

In the event that the transaction proceeds, the Committee will consider the impact of any change of control on all outstanding LTIP awards. The treatment of the award will be in line with the relevant plan rules and the terms of the Remuneration Policy. In line with best practice, it is expected that any accelerated release of share awards will take into account performance and time pro-rating.

ANNUAL REPORT ON REMUNERATION CONTINUED

DETAILS OF LONG-TERM INCENTIVE AWARDS HELD BY EXECUTIVE DIRECTORS

LTIP

Current Directors	Date of award	Share price for award[1]	Option price	Number of options held as at 31 Dec 2020	Number of options awarded during the year	Number of options exercised during the year	Number of options lapsed during the year	End of performance period	Number of options held as at 31 Dec 2021
Christian Chammas	8 Aug 2018	148p	nil	1,081,081	–	–	676,757	31 Dec 2020	404,324
	12 Mar 2019	131p	nil	1,222,420	–	–	–	31 Dec 2021	1,222,420
	11 Mar 2020	110p	nil	1,454,548	–	–	–	31 Dec 2022	1,454,548
	7 April 2021	97p	nil	–	1,651,528	–	–	31 Dec 2023	1,651,528
Doug Lafferty	7 April 2021	97p	nil	–	825,764	–	–	31 Dec 2023	825,764
Previous Directors									
Johan Depraetere[1]	8 Aug 2018	148p	nil	608,108	–	–	380,676	31 Dec 2020	227,432
	12 Mar 2019	131p	nil	687,613	–	–	–	31 Dec 2021	687,613
	11 Mar 2020	110p	nil	818,183	–	–	–	31 Dec 2022	818,183

1 Johan Depraetere stepped down from the Board on 5 March 2021 and left the business on 25 May 2021.

DEPARTURE TERMS FOR CHRISTIAN CHAMMAS (AUDITED)

As announced in November 2021, Christian Chammas will be retiring from Board in 2022. As we began to discuss potential successors, the Committee were mindful of the need to enable an orderly transition, especially given that there was a degree of uncertainty as to when candidates would be able to join the business. Therefore, the Committee agreed that Christian would remain employed and continue to support the business until at least through his notice period. He will step down from the Board in March 2022. He will not receive any payment in lieu of notice.

In line with the shareholder approved Remuneration Policy, the Remuneration Committee has approved good leaver status for Christian in relation to his LTIP awards which will be outstanding when he leaves the Company. In line with the plan rules, awards will vest taking into account performance and the portion of the performance period elapsed on departure. Ordinarily performance would be assessed at the end of the performance period, however in light of the change of control the intention would be to treat Christian consistently with other employees. He will ordinarily be required to hold 200% of his base salary in shares for the first 12 months after his departure and 100% of his base salary for a further 12 months. Shareholding during this period will be monitored by the Company, and shares may only be sold with the prior consent of the Board Chair or by compulsory purchase.

The Committee has determined that Christian will be eligible to participate in the 2022 Annual Bonus Plan given that he will continue to be employed for the majority of the financial year. Any payout will be made after the end of the 2022 financial year and will be pro-rated for the period up until his departure from the organisation. He will not receive an LTIP award in 2022.

Christian's salary and benefits will continue until he leaves the Company.

DEPARTURE TERMS FOR DOUG LAFFERTY (AUDITED)

As announced on 14 January 2022, Doug Lafferty has resigned from the business to take up a new role. He will remain a Director of the Company until he leaves and will be focused on the delivery of the Company's full year results and on ensuring the effective transition of his responsibilities.

In line with the Remuneration Policy, Doug will not be eligible to receive a bonus for 2021 nor 2022. He will forfeit his 2021 LTIP award and is not eligible to participate in the 2022 LTIP award. His salary and benefits will continue until he leaves the Company.

REMUNERATION PACKAGE FOR STAN MITTELMAN

Stan Mittelman joined the Company on 14 February 2022 as CEO Designate. After an initial transition period he will be appointed a Director of the Company and become CEO.

He was appointed on a base salary of £585,000 per annum. His incentive opportunities are in line with the Remuneration Policy, and are expected to be consistent with the previous maxima that applied to Christian Chammas. He will be required to defer 50% of any bonus earned and have a shareholding requirement of 200% of base salary.

His benefits package is in line with his predecessor and the rest of the UK workforce, with a cash allowance in lieu of pension of 10% of base salary, four times base salary life assurance, family medical cover and an annual medical screening. His contract includes a 12-month notice period.

On joining the Company, Stan forfeited various time vested stock awards. He will therefore receive an initial award of 800,000 shares which will vest over two years and will be subject to a further 12-month holding period. This award is being made to compensate him for the loss of awards from his previous employer. The timeframe for release of shares mirrors the arrangements which they replace. He will also receive relocation assistance for him and his family.

DEPARTURE TERMS FOR JOHAN DEPRAETERE (AUDITED)

Johan Depraetere stepped down from the Board on 5 March 2021 and remained an employee until he left the business on 25 May 2021 at the end of his six-month notice period. As reported last year, the Remuneration Committee approved good leaver status in relation to his LTIP awards. Details of the vesting level of his 2019 award is shown in the table above. His 2020 LTIP award will be subject to time pro-rating and performance.

The Committee had also determined that he would be eligible to participate in the 2021 Annual Bonus Plan. He will be eligible to receive a payout of £198,305, which reflects the performance against the financial targets, his performance versus his personal strategic objectives and is pro-rated for his leaving date of 25 May 2021. Financial targets were the same as other Executive Directors as described above. His personal objectives were based on ensuring the completion of the SAP implementation across all the businesses; the delivery of the year-end results for 2020 and the successful on-boarding of his successor. The Committee concluded that he had delivered strongly in all these areas and agreed a payout of 24% against his individual performance objectives. This will result in Johan receiving an annual bonus of 111.7% of pro-rated base salary.

NON-EXECUTIVE DIRECTORS (AUDITED)

The fees for the Chair and Non-Executive Directors were reviewed in 2021, but it was determined not to increase them. The fees remain unchanged since Admission in 2018. The fee structure for 2021 is shown below.

Role	Fee
Chair	£275,000
Basic fee for Non-Executive Directors	£62,500
Additional fee for Senior Independent Director	£15,000
Additional fee for Chair of a Board Committee	£15,000

The following table sets out the total remuneration for the Chair and the Non-Executive Directors for the years ended 31 December 2021 and 2020.

Director	FY2021 £'000	FY2020 £'000
John Daly	275	275
Gawad Abaza	62.5	62.5
Carol Arrowsmith	77.5	77.5
Hixonia Nyasulu	77.5	77.5
Christopher Rogers	77.5	77.5
Javed Ahmed[1]	–	–
Temitope Lawani[1]	–	–
Total	**575**	**575**

1 The Non-Executive Directors nominated by Vitol and Helios, subject to the Relationship Agreement, do not receive any fees.

DIRECTORS' APPOINTMENT DATES

Director	Date of appointment
John Daly	20 April 2018
Christian Chammas	2 January 2012[1]
Doug Lafferty	1 February 2021
Gawad Abaza	1 December 2018
Carol Arrowsmith	20 April 2018
Hixonia Nyasulu	20 April 2018
Christopher Rogers	22 April 2018
Javed Ahmed	12 March 2018
Temitope Lawani	16 March 2018

1 Original appointment date.

Non-Executive Directors are subject to annual re-election at the AGM as their service contracts have no fixed term. Christian Chammas and Doug Lafferty were appointed on rolling service contracts, but will not be standing for re-election this year.

ANNUAL REPORT ON REMUNERATION CONTINUED

SHAREHOLDING REQUIREMENT

A minimum shareholding requirement is in place for Executive Directors to build and maintain a value of shares over the course of their tenure equal to 200% of base salary. A post-employment shareholding policy is also in place, which requires Executive Directors to retain their shares post the cessation of employment with the Company. They are required to hold 200% of base salary (or full actual holding if lower) for the first 12 months and 100% of base salary for the second 12 months.

STATEMENT OF DIRECTORS' SHAREHOLDING AND SHARE INTERESTS (AUDITED)

The table below sets out the Directors' and their connected persons' share interests in the ordinary shares of the Company. Executive Directors are expected to build up and maintain a shareholding of at least 200% of salary in Vivo Energy plc shares. This policy will apply to both the current Executive Directors as well as any future appointments to the Board.

As at the year-end, Christian Chammas had interests in shares which substantially exceed the minimum shareholding guideline. There have been no changes in the interests of each Director between 31 December 2021 and the date of this report. As Doug Lafferty was only appointed in 2021 and had not received any vested share awards, he had not yet begun building an interest in shares.

Director	Shares owned outright at 31 December 2021	LTIP (subject to performance conditions)	LTIP (subject to holding period only)
John Daly	271,666	n/a	n/a
Christian Chammas	7,367,949	4,328,496	404,324
Doug Lafferty	n/a	825,764	n/a
Gawad Abaza	20,000	n/a	n/a
Carol Arrowsmith	37,878	n/a	n/a
Hixonia Nyasulu	22,000	n/a	n/a
Christopher Rogers	65,803	n/a	n/a
Javed Ahmed	n/a	n/a	n/a
Temitope Lawani	19,560,150	n/a	n/a
Previous Directors			
Johan Depraetere[1]	5,542,299	1,505,796	227,432

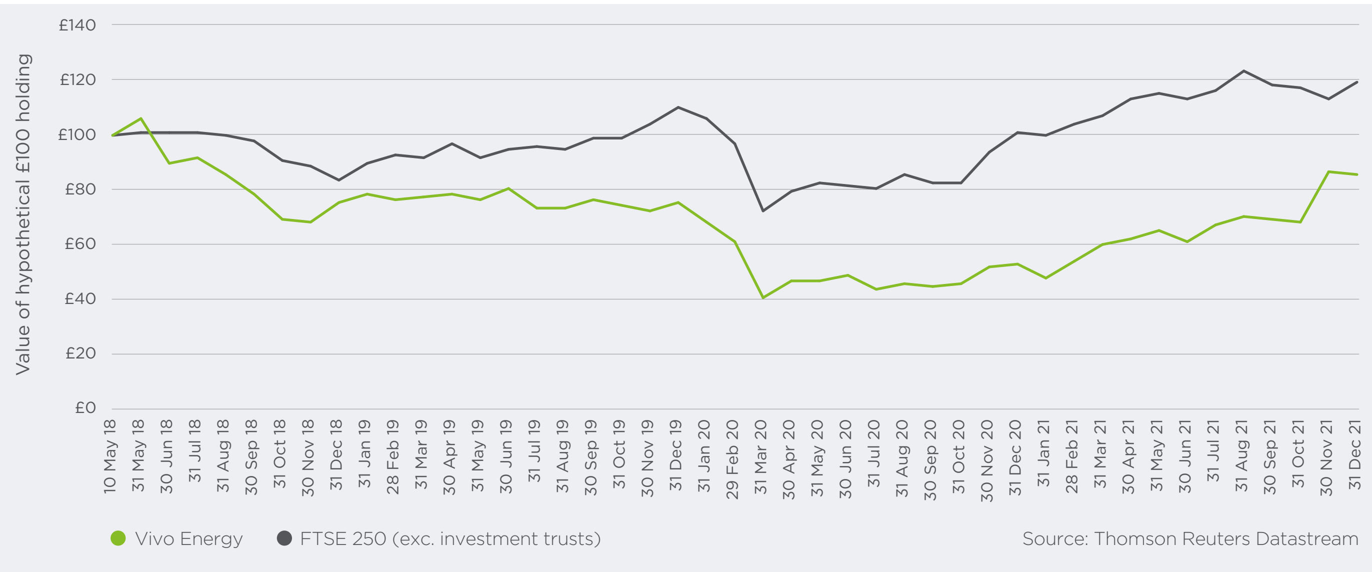
1 Johan Depraetere's share interests are shown as at 25 May 2021, being his departure date.

DILUTION

The Company ensures that the level of shares granted under the Company's share plans and the means of satisfying such awards remain within best practice guidelines so that dilution from employee share awards does not exceed 10% of the Company's issued share capital for all employee share plans and 5% in respect of executive share plans in any ten-year rolling period. The Company will monitor dilution levels on a regular basis.

PERFORMANCE GRAPH AND TABLE

The graph below shows the TSR of the Company and the UK FTSE 250 index since the Admission of the Company to 31 December 2021. The FTSE 250 index was selected on the basis that the Company has been a member of the FTSE 250 in the UK since 24 September 2018.



COMPANY PERFORMANCE

The following table sets out the CEO's pay since Admission on 10 May 2018. The data for 2018 is therefore on a part year only basis.

£'000 CEO remuneration	2021	2020	2019	2018[1]
CEO single figure of remuneration	**1,970**	1,937	1,947	1,570
Annual bonus payout (% of Maximum)	**80%**	30%	73%	72%
Long-term incentive vesting (% of Maximum)	**41.0%**	37.4%	n/a	n/a
Legacy IPO share award vesting (% of Maximum)[2]	**n/a**	96.8%	96%	99.96%

1 Figures for 2018 were stated on a part year basis covering the period from Admission (10 May 2018) to 31 December 2018.
2 The final tranche of the Legacy IPO share awards vested in 2020. There are no further awards to vest under this plan.

PERCENTAGE CHANGE IN DIRECTORS' REMUNERATION

The table below shows the percentage change in the salary, benefits and bonus of the Board Directors between 2020 and 2021, compared with the percentage change for the same components of pay for employees of Vivo Energy plc.

	Average % change 2020 to 2021			Average % change 2019 to 2020		
	Salary/fee % change	Benefits % change	Annual bonus % change	Salary/fee % change	Benefits % change	Annual bonus % change
Executive Directors						
Christian Chammas	0%	0%	168%	0%	0%	-59%
Doug Lafferty	n/a	n/a	n/a	n/a	n/a	n/a
Previous Executive Directors						
Johan Depraetere	0%	0%	-2%	0%	0%	-59%
Non-Executive Directors						
John Daly	0%	n/a	n/a	0%	n/a	n/a
Gawad Abaza	0%	n/a	n/a	0%	n/a	n/a
Carol Arrowsmith	0%	n/a	n/a	0%	n/a	n/a
Hixonia Nyasulu	0%	n/a	n/a	0%	n/a	n/a
Christopher Rogers	0%	n/a	n/a	0%	n/a	n/a
Javed Ahmed	n/a	n/a	n/a	n/a	n/a	n/a
Temitope Lawani	n/a	n/a	n/a	n/a	n/a	n/a
Vivo Energy plc employees	**2.22%**	**0%**	**85.52%**	**2.9%**	**0%**	**-17%**

RELATIVE IMPORTANCE OF SPEND ON PAY

The following table shows the relationship between distributions to shareholders and the total remuneration paid to all employees for the years ending 31 December 2020 and 2021.

US$ million	2021	2020	Change
Shareholder distributions	69	34	103%
Total employee expenditure	199	180	11%

Approved by the Board and signed on its behalf

CAROL ARROWSMITH
CHAIR OF THE REMUNERATION COMMITTEE

1 MARCH 2022

The Directors present their Report and the audited consolidated and Company financial statements for the year ended 31 December 2021:

COMPANY DETAILS AND CONSTITUTION

Vivo Energy plc is a company incorporated in England and Wales with company number 11250655. The Company's Articles of Association (the 'Articles') may only be amended by a special resolution at a general meeting of the shareholders.

DIRECTORS' REPORT CONTENT

The Strategic Report, the Corporate Governance Report and Directors' Remuneration Report are all incorporated by reference into this Directors' Report and should be read as part of this Report.

STRATEGIC REPORT

The Company has chosen, in accordance with section 414C(11) of the Act, to include certain matters in its Strategic Report that would otherwise be disclosed in this Directors' Report. Such information is referenced below.

MANAGEMENT REPORT

For the purposes of Disclosure Guidance and Transparency Rules ('DTR') 4, the Strategic Report and this Directors' Report on pages 118 to 121 comprise the Management Report.

IMPORTANT EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 25 November 2021, the Boards of the Company and BidCo announced that they have reached agreement on the terms of a recommended cash offer for all of the issued and to be issued ordinary share capital of the Company not already owned by the existing Vitol shareholders. The Offer is to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Act.

On 20 January 2022 Court and General meetings were held to consider and, if thought fit, approve the Scheme and to consider, and if thought fit, pass the Special Resolution relating to the Offer:

- at the Court meeting the requisite majority of eligible scheme shareholders voted in favour of the Scheme; and
- at the General Meeting the requisite majority of eligible Vivo Energy shareholders voted to pass the Special Resolution to implement the Scheme, including the amendment of Vivo Energy's Articles of Association ('Articles') and the re-registration of Vivo Energy as a private limited company under the Companies Act 2006.

The Scheme remains subject to the sanction by the Court at the Court Hearing, which is expected to take place in the third quarter of 2022, and the satisfaction (or, if capable of waiver, the waiver by BidCo) of the other conditions to the Scheme that remain outstanding. Subject to the Scheme receiving the sanction of the Court, the Scheme is expected to become effective in the third quarter of 2022.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for monitoring the Group's system of internal control and risk management and for carrying out a review of its effectiveness. In discharging that responsibility, the Board confirms that it has established the procedures necessary to apply the provisions of the 2018 Code, including clear operating procedures, lines of responsibility and delegated authority.

Business performance is managed closely and the Board and the Senior Executive Team have established processes to monitor:

- strategic plan achievement, through a regular review of progress towards strategic objectives;
- monitoring and maintenance of insurance cover to adequately protect risk areas of the Group;
- financial performance, within a comprehensive financial planning and accounting framework, including budgeting and forecasting, financial reporting, analysing variances against plan and taking appropriate management action;
- capital investment and asset management performance, with detailed appraisal, authorisation and post-investment reviews; and
- the emerging and principal risks facing the Group, ensuring that they are being identified, evaluated and appropriately managed.

The Board is supported by the Audit and Risk Committee in reviewing the effectiveness of the Group's risk processes and internal control systems. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and it must be recognised that it can only provide reasonable and not absolute assurance against material misstatement or loss. A robust assessment of the principal and emerging risks faced by the Company has been undertaken by the Board (for further information please see pages 64 to 73 in the Strategic Report). The Board has established a framework of controls, which enable risk to be assessed and managed, which is annually reviewed to ensure it remains prudent and effective.

The Chief Financial Officer, with the assistance of the finance function, is responsible for the appropriate maintenance of financial records and processes. This ensures that all financial information is relevant, reliable, in accordance with the applicable laws and regulations and distributed both internally and externally in a timely manner. A review of the consolidated financial position and financial statements is completed by the Chief Financial Officer to ensure that the financial position and results of the Group are appropriately recorded, circulated to members of the Board and published where appropriate. All financial information published by the Group is subject to the approval of the Board, on the recommendation of the Audit and Risk Committee.

FAIR, BALANCED AND UNDERSTANDABLE

The Board considers the Annual Report and financial statements, when taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. There are various activities, policies and procedures in place for the Board to ensure a fair, balanced and understandable Annual Report. These include, but are not limited to:

- The Annual Report and the financial statements have been prepared in accordance with the applicable reporting and regulatory frameworks, including International Financial Reporting Standards (IFRS), FRS 102, 2006 Act, 2018 Code, the DTR and UK GAAP.
- Accounting policies are used company-wide to ensure accurate and correct accounting treatment. All financial information is maintained according to those guidelines which ensure compliance with IFRS.
- The Company has an extensive set of internal controls covering various areas of the business. The internal control KPIs are monitored and measured on a monthly basis. The finance function uses department manuals which detail the reporting process to be followed and the controls in place to mitigate risk. These include the Finance manual, Credit & Treasury manual and Tax manual.
- Monthly reporting to the Board on financial performance.

OVERSEAS BRANCHES

As at 31 December 2021, the Group had the following branches:

- Vivo Energy Tanzania Marketing Limited (branch registered in Tanzania, company registered in Bahamas). The branch name remains Engen Marketing Tanzania Limited.
- Plateau Africa Holdings Limited (branch registered in Mauritius, company registered in Canada).
- Vivo Energy Namibia Ltd. (branch registered in Namibia, company registered in the UK).
- Vivo Energy Overseas Holdings Limited (branch registered in Kenya, the company registered in Mauritius).

POWERS OF THE DIRECTORS

The powers of the Directors are determined by the Act and the Company's Articles. The Directors have been authorised to issue and allot shares. These powers are subject to annual shareholder approval at the AGM, and at the 2022 AGM shareholders will be asked to renew and extend the authority to allot shares in the Company, or grant rights to subscribe for, or to convert any security into, shares in the Company for the purposes of section 551 of the Act (the 'Allotment Resolution').

The authority in the first part of the Allotment Resolution will allow the Directors to allot new shares in the Company, or to grant rights to subscribe for, or convert any security into, shares in the Company up to a nominal value which is equivalent to approximately one third of the total issued ordinary share capital of the Company.

The authority in the second part of the Allotment Resolution will allow the Directors to allot new shares in the Company, or to grant rights to subscribe for, or convert any security into, shares in the Company, only in connection with a rights issue, up to a nominal value which is equivalent to approximately an additional third of the total issued ordinary share capital of the Company. This is in line with corporate governance guidelines.

In addition, shareholders will be asked at the 2022 AGM to grant the Directors authority to disapply pre-emption rights in line with corporate governance guidelines.

There are no present plans to undertake a rights issue or to allot any further new shares other than in connection with the Company's share schemes and plans.

The Company did not repurchase any shares during the financial year ended 31 December 2021. At the 2022 AGM shareholders will be asked to grant authority to the Directors under section 701 of the Act to make market purchases of ordinary shares up to a maximum of 126,694,189 shares.

In May 2019 the Company established an employee benefit trust. At 28 February 2022 the trust held 3,039,550 remaining shares which are accounted for as treasury shares in the consolidated financial statements of the Group. The Company's issued share capital at 28 February 2022 is composed of a single class of 1,266,941,899 ordinary shares of US$0.50, including 3,039,550 of treasury shares. The shares held by the Trust are not considered as treasury shares for the purposes of Listing Rules disclosure.

DIRECTORS' INDEMNITIES

In accordance with the Company's Articles and to the extent permitted by law, Directors are granted a deed of indemnity from the Company in respect of liability incurred as a result of their office. Qualifying third party indemnity provisions (as defined by section 234 of the Act) were in force during the year ended 31 December 2021 and remain in force.

In addition, the Company provides Board members with Directors' and Officers' Liability Insurance. Neither the indemnity nor the insurance provides cover in the event that a Director is proven to have acted dishonestly or fraudulently.

DIRECTORS' INTERESTS

No Director has any other interest in any shares or loan stock of any Group company. No Director was or is materially interested in any contract, other than under their service contract or letter of appointment, which was subsisting during or existing at the end of year and which was significant to the Group's business.

SHARE CAPITAL

As at the date of this Report, the Company's issued share capital is composed of a single class of 1,266,941,899 ordinary shares of US$0.50 each.

SHAREHOLDERS' RIGHTS

Each ordinary share of the Company carries one vote at general meetings of the Company. Except as set out in the Articles or in applicable legislation, there are no restrictions on the transfer of shares or on the voting rights in the Company.

In accordance with applicable law and the Company's share dealing policy, Directors and certain employees are required to seek approval before dealing in any Company securities.

The holders of ordinary shares are entitled to receive the Company's reports and accounts, attend and speak at general meetings of the Company, appoint proxies and exercise voting rights. None of the shares carry any special rights with regards to control of the Company. There are no arrangements of which the Company is aware under which financial rights are held by a person other than the holder of the shares, and no known agreements relating to, or places restrictions on, share transfers or voting rights.

EMPLOYEE BENEFIT TRUST

On 10 May 2019 the Company established the Vivo Energy Employee Benefit Trust (the 'EBT'). This is a discretionary trust formed to enable the Company to issue shares to certain employees under the Company's share plans, namely the IPO Share Award, Long-Term Incentive Plan and any other share plan that the Company may establish in the future.

The EBT purchased in the market a total of 4,000,000 shares to satisfy option exercises made under the Company's IPO Share Plan (the 'IPO Award Shares') and the Long Term Incentive Plan (the 'LTIP') on 9 and 10 March 2021. As at 31 December 2021 the EBT held 3,039,550 shares. Dividends on shares held by the EBT are waived.

DISCLOSURES REQUIRED UNDER LISTING RULE 9.8.4R

The information that fulfils the reporting requirements relating to the following matters can be found at the pages identified below.

Information	Requirement	Location	Page(s)
Information in Strategic Report	2008 Accounts Regulations Sch 7 para 1A	Strategic Report	1-74
Directors' compensation	Listing Rule 9.8.4R	Remuneration Report	100-117
Details of long-term incentive schemes	Listing Rule 9.8.4R	Remuneration Report	112-114
Stakeholder engagement activities including section 172 statement	Companies Act 2006 s414CZA 2018 Code	Resources and relationships – Engaging with our Stakeholders	40-43, 63
Corporate Governance statement	DTR 7.2.1 R – 7.2.8A R LR 9.8.6 (5) R, 9.8 6(6) R and 9.8.10 R	Compliance statement	75
Description of the composition and operation of the board and its Committee	DTR 7.2.7R	Governance	82-83, 86-90
Going concern statement	LR 9.8.6(3) R, 9.8.10 R	Long-term viability and going concern	74
Long-term viability statement	LR 9.8.6(3) R, 9.8.10 R	Long-term viability and going concern	74
Financial risk management objectives and policies, including policy for hedging	2008 Accounts Regulations Sch 7 para 6 (as amended by Accounts and Reports (Amendment) (EU Exit) Regulations 2019)	Consolidated financial statements, Note 3	146-148
Important events since the end of the financial year	2008 Accounts Regulations Sch 7 para 7(1)(a)	Consolidated financial statements, Note 32	173
Directors who held office during the year and up to the date of signing this report	Companies Act 2006 s416 (1) (a)	Board of Directors	82-83
Controlling interest – Group's relationship with Vitol and Helios	LR 9.8.4 R	Directors' Report – Relationship agreement	121
Procedures to deal with any conflicts of interests	GC100 2008 Guidance on directors' conflicts of interest ABI's 2009 Companies Act and articles of association guidance	Division of responsibilities	89
Directors' interests	LR 9.8.6 R (1)	Remuneration Report	116
Responsibility statement	DTR 4.1.12 R	Responsibility Statement	122
Statement about auditing functions required by DTR 7.1.3 R	DTR 7.1.5 R	Directors' Report Responsibility Statement	118 122
Statement on internal control and risk management systems	DTR 7.1.5 R	Directors' Report Responsibility Statement	118 122
Major shareholder's interests	LR 9.8.6 (2) R DTR 5	Shareholder information – Major shareholders	185
Dividend – policy	Pensions and Lifetime Savings Association (PLSA) 2020 guidance	Shareholder information	184
Dividend – declared further interim dividend for year ended 31 December 2021	Companies Act 2006 s416 (3)	Company financial statements, Note 11 Consolidated financial statements, Note 22	179 163
Related party transactions (transactions under the supply agreement which took place during the year)	LR 9.8.4 (10) – (13) R	Company financial statements, Note 12 Consolidated financial statements, Note 31	179 172-173
Principal activities	2018 Code – provision 2	Strategic Report	8-11
Possible future developments	2008 Accounts Regulations Sch 7 para 7 (1) (b) DTR 4.1.11 R (2)	Strategic Report Consolidated financial statements	22-27, 118, 136-137
Sustainability and greenhouse gas emissions	2008 Accounts Regulations Sch 7 para 15 (2)	Strategic Report – Resources and relationships	40-56
Statement setting out Task Force on Climate-Related Financial Disclosures (TCFD)	LR 9.8.6(8) R, 9.8.6B G, 9.8.6C G, 9.8.6D G, 9.8.6E G	Strategic Report – TCFD Directors' Report	58-62 121
Employee engagement and involvement	2008 Accounts Regulations Sch paras 11 and (amended by the Companies (Miscellaneous Reporting) Regulations 2018)	Strategic Report – Resources and relationships and Governance Report –Board leadership and Company Purpose and Nominations and Governance Committee Report	46-51 79-80, 88, 95
Engagement with suppliers, customers and others in a business relationship with the company	2008 Accounts Regulations Sch 7 paras 11B and 11C (amended by the Companies (Miscellaneous Reporting) Regulations 2018)	Strategic Report – Business model and value creation	14-15
Employment of disabled people	2008 Accounts Regulations Sch 7 para 7 (1) (b)	Strategic Report – Resources and relationships	40-56
Modern Slavery statement	Modern Slavery Act 2016	Vivo Energy website	79, 185

SUBSTANTIAL SHAREHOLDINGS

The major shareholders of the Company are Vitol Africa B.V. and VIP Africa II B.V. (together 'Vitol') and HIP Oils Mauritius Limited, Helios Investors II, Africa Ltd and Peak Co-Investment Partners (together 'Helios').

RELATIONSHIP AGREEMENTS

As at 31 December 2021, Helios held 27% and Vitol held 36% of the Company's shares in issue. Vitol was therefore classified as a controlling shareholder under the Listing Rules.

Pursuant to Listing Rule 9.2.2AD(1) the Company has entered into relationship agreements with both Helios and Vitol which shall only be terminated in the event that the respective shareholder and its associates ceases to hold at least 10% of the shares in the Company, or if the Company ceases to be admitted to listing on the premium segment of the Official List and traded on London Stock Exchange's Main Market for listed securities. Throughout the period under review, the Company has complied with provisions and obligations in the relationship agreements, and as far as the Company is aware, both Helios and Vitol have also complied.

CHANGE OF CONTROL

The Company's subsidiary, Vivo Energy Investments B.V. has in place a credit facility agreement and senior notes under which a change in control of the Company would in certain circumstances trigger prepayment and/or redemption or repurchase provisions respectively. The provision for the credit facility may trigger if the Vitol Offer is completed. The provision for the senior notes will not be triggered by the Vitol Offer.

In addition, the Group's arrangements with brand partners and the shareholders' agreement in relation to Shell and Vivo Lubricants B.V. could be subject to change of control termination provisions in limited circumstances. These provisions will not be triggered by the Vitol Offer.

The Company's share plans (including the IPO and Long-Term Incentive Plan Share Awards granted to the Executive Directors and Senior Management) contain clauses which may cause options and awards to vest on a change in control, in some cases subject to the satisfaction of performance conditions at that time. The Company is not party to any other significant agreements that would take effect, alter or terminate upon a change of control following a takeover.

No Director or employee is contractually entitled to compensation for loss of office or employment as a result of a change in control.

RELATED PARTY TRANSACTIONS

The Group sources fuel products from Vitol S.A. and certain of its affiliates together, ('Vitol Fuel') under a supply agreement. The supply agreement is a framework agreement under which Vitol Fuel is the Group's preferred supplier.

POLITICAL DONATIONS

No political donations were made during the financial year. The Company's policy is that no political donations be made or political expenditure incurred.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Group has made good progress on its initial disclosures under the Task Force on Climate-Related Financial Disclosures ('TCFD') framework and addressing the associated recommendations and substantially complies with the requirements.

Full implementation of the Metrics and Targets recommendations was not attained for this reporting period since the Group's focus was on achieving an accurate GHG emissions baseline, as such the Group is not yet in a position to set targets relating to climate and link them to executive compensation. The setting of formal GHG emissions reduction targets is outlined for the next implementation phase.

Further details on TCFD disclosures can be found on pages 58 to 62.

EXTERNAL AUDITORS

So far as each Director is aware, there is no relevant audit information of which the Company's External Auditor is unaware. Each Director has taken all steps he or she should have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that PricewaterhouseCoopers LLP (PwC) is aware of that information.

As detailed on page 99, the Audit and Risk Committee recommended, and the Board approved, the proposal that PwC be reappointed as Auditors of the Company at the AGM. Resolutions to reappoint PwC as the Company's Auditors until the conclusion of the AGM in 2023 and to authorise the Directors to determine their remuneration, will be proposed to shareholders at the AGM.

AGM

The Company's fourth AGM will be held at 2:00 p.m. on 17 May 2022. The Notice of the AGM will include further details, including the venue.

The Notice of the AGM contains a full explanation of the business to be conducted at the meeting and can be found on our website.

EMPLOYEE INVOLVEMENT

The Company considers it important that its employees are involved and engaged at all levels within the organisation. Through channels such as Vivo Energy's town hall meetings which are undertaken on a monthly basis within each OU, management ensures that employees are updated with matters of interest, including updates on Company performance. In the latter part of the year an online employee suggestion toolbox, You Voice, that complements existing two-way communications already in place, was introduced.

The Directors' Report was approved by the Board on 1 March 2022.

JOHN DALY
CHAIRMAN OF THE BOARD

1 MARCH 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Group financial statements in accordance with UK adopted International Accountings Standards in conformity with the requirements of the Companies Act 2006.

The Company financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland, and applicable law.

In preparing these financial statements, the Directors are required to:

- adopt the going concern basis unless it is inappropriate to do so;
- select suitable accounting policies and then apply them consistently from year to year;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether the UK adopted International Accountings Standards in conformity with the requirements of the Companies Act 2006 have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 102, have been followed for the Company financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy, at any time, the financial position of the Group and the Company and to enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DECLARATION

Each of the Directors, whose names and functions are listed on pages 82 to 83 of the Annual Report, confirm to the best of their knowledge, that:

- the Group financial statements, which have been prepared in accordance with International Financial Reporting Standards as adopted by the UK and applicable law, and give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces; and
- as at the date of this Report, there is no relevant audit information of which the Company's auditor is unaware. Each Director has taken all the steps he or she should have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Board confirms that the Annual Report and financial statements when taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the strategy, position and performance and business model of the Group.

For and on behalf of the Board

CHRISTIAN CHAMMAS
CHIEF EXECUTIVE OFFICER

1 MARCH 2022

DOUG LAFFERTY
CHIEF FINANCIAL OFFICER

1 MARCH 2022

FINANCIAL STATEMENTS

Here we set out our statutory accounts and supporting notes, which are independently audited and provide in-depth disclosure on the financial performance of our business.

CONTENTS

"The financial statements are assessed to be fair, balanced and understandable, with a focus on the clarity of disclosures."

DOUG LAFFERTY
CHIEF FINANCIAL OFFICER

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIVO ENERGY PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion:

- Vivo Energy plc'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 31 December 2021 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Accounts 2021 (the 'Annual Report'), which comprise: the Consolidated and Company statements of financial position as at 31 December 2021; the Consolidated statement of comprehensive income, the Consolidated statement of cash flows, and the Consolidated and Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

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 FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 7 to the financial statements, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2.1 to the Consolidated financial statements and note 2.9 to the Company financial statements concerning the Group's and the Company's ability to continue as a going concern. The Directors have assessed the going concern status of the Company and the Group based on the business plans approved by the current Board in December 2021 and the existing debt facilities and concluded that sufficient liquidity headroom exists in both 'base case' and 'severe but plausible downside' scenarios to enable the Company and the Group to meet their obligations as they fall due during the going concern period. However, on 25 November 2021, the Boards of Vivo Energy plc and a newly formed company, being a wholly-owned indirect subsidiary of Vitol Investment Partnership II Limited, itself being an investment vehicle advised by employees of the Vitol Group, announced that they had reached agreement on the terms of a recommended total cash offer for all of the issued and to be issued ordinary share capital of the Company not already owned by the existing Vitol shareholders. The arrangement was approved by shareholder special resolution on 20 January 2022 but remains subject to competition and regulatory approvals in certain territories. Following completion of the transaction, currently anticipated in Q3 2022, the current Board is not expected to continue in position and will therefore not be exercising oversight of the Group's strategy and business plan. In performing the going concern assessment the Directors are required to consider the potential impact of the proposed transaction. While the Directors are not aware of any matters arising from the proposed transaction which would materially impact the Group's or Company's future cash generation or funding and liquidity positions, they do not have access to the acquirer's detailed plans for the business including the post transaction debt structures and the potential renewal or replacement of the revolving credit facility ('RCF'). Consequently, there is no certainty that the basis upon which the going concern assessment has been performed by the current Board of Directors includes these plans. This condition, along with the other matters explained in the notes to the financial statements, indicates the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Considering the reasonableness of the period covered by management's going concern assessment.
- Agreeing management's going concern assessment to the five-year strategic plan approved by the current Board and ensuring that the 'base case' scenario indicates that sufficient cash flow is generated by the Group during the going concern period to meet its obligations while complying with its covenant arrangements.
- Evaluating management's forecasts by analysing the cash flows to identify unexpected trends and relationships; ensuring the mathematical accuracy of management's models and by assessing the appropriateness of key assumptions of gross cash unit margin and expected volume growth to historical experience.
- Identifying the covenant terms from the facility agreements and ensuring that there are no forecast covenant breaches during the going concern period.
- Reperforming management's sensitivity to identify the scenario that would result in a breach of covenants and concurred that such a scenario was not plausible being more severe than the impact of the COVID-19 pandemic on the Group in 2020.
- Evaluating the reasonableness of the severe but plausible scenarios identified by management and ensuring that under such scenarios the Group is expected to meet its obligations as these fall due.
- Evaluating the Directors' assessment of the impact of the announced transaction with Vitol on going concern, including change of control clauses in existing finance arrangements and the availability of information relating to the future plans of the acquirer.
- Confirming that the financial statement disclosures relating to going concern were accurate and appropriate.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, other than the material uncertainty identified in note 2.1 to the Consolidated financial statements and note 2.9 to the Company financial statements, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting, or in respect of the Directors' identification in the financial statements of any other material uncertainties to the Group's and the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

OUR AUDIT APPROACH

Context

Climate change

In planning our audit, we have considered the potential impact of climate change on the Group financial statements. Given the principal activities of the Group it is highly likely that climate risk will have a significant impact on the Group's business. As part of our audit, we have evaluated management's climate change risk assessment including the identified physical and transition risks and the assessment of the impact of those risks on the Group and Company financial statements. We note management's conclusion that material physical risks are likely to arise in the longer term and therefore have no current financial statement impacts. Transitional risks are considered to have a more significant impact on the business. However, these are only expected to arise in the medium to long-term given that the energy transition in Africa is likely to operate on an extended timeline. We have performed procedures to evaluate the appropriateness of management's risk assessment including the use of our climate change experts and researching the legislative landscape within the principal locations in which the Group operates. We assessed that the key financial statement line items and estimates which are more likely to be impacted by climate risks are those associated with forecasting of future cash flows, given the more notable impacts of climate change on the business are expected to arise in the medium to long-term. These include the impairment assessment of goodwill and the viability assessment as well as the useful economic life of non-current assets. However, our procedures did not identify any material impact on either the Group financial statements or our key audit matters for the year ended 31 December 2021. We have reviewed management's financial statement disclosures relating to climate change to confirm that they are consistent with the results of management's risk assessment and our audit procedures.

Proposed Transaction with Vitol

On 25 November 2021, the Boards of Vivo Energy plc and a newly formed company, being a wholly-owned indirect subsidiary of Vitol Investment Partnership II Limited, itself being an investment vehicle advised by employees of the Vitol Group, announced that they had reached agreement on the terms of a recommended total cash offer for all of the issued and to be issued ordinary share capital of the Company not already owned by the existing Vitol shareholders. As part of our audit planning we have considered the impact of the proposed transaction on our audit risk assessment including evaluating management's analysis of its impact on the Group and Company financial statements. As part of this risk assessment we have considered change of control clauses within the Group's debt facilities and the statement of intentions issued by the acquirer at the time the transaction was announced. We note that the only material impact is in respect to the going concern assessment where as a result of the Directors not having access to the acquirer's detailed plans for the business, including the future debt structure, a material uncertainty is considered to exist. Further details relating to both the material uncertainty and the procedures we have performed over going concern are included in the 'Material uncertainty related to going concern' section of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIVO ENERGY PLC CONTINUED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS CONTINUED

Overview

Audit scope
- Ten components engaged to perform audit of their complete financial information.
- Three components engaged to perform audits of specific balances.
- Two components engaged to perform specified procedures.
- Overall coverage of 72% revenue, 87% profit before tax, and 66% total assets was obtained.

Key audit matters
- Material uncertainty related to going concern (Group and Company).
- Government Benefits Receivable (Group).
- Tax audits and Transfer Pricing (Group).

Materiality
- Overall group materiality: US$12,900,000 (2020: US$11,500,000) based on 5% of earnings before tax and special items (2020: 5% of average earnings before tax and special items for the last three years).
- Overall company materiality: US$19,000,000 (2020: US$19,000,000) based on 1% of net assets.
- Performance materiality: US$9,675,000 (2020: US$8,625,000) (Group) and US$14,250,000 (2020: US$14,250,000) (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.

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.

In addition to going concern, described in the Material uncertainty related to going concern section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

Goodwill Impairment and COVID-19, which were key audit matters last year, are no longer included because they are not considered to represent a higher than normal risk of material misstatement to the financial statements. Otherwise, the key audit matters below are consistent with last year.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Government Benefits Receivable (Group)	
Refer to notes 2, 4 and 16 in the Group financial statements.	We performed procedures over the accuracy of the material receivables recognised in the year for government benefit receivables in each country by obtaining and testing the movement schedules. We further performed confirmations directly with the governments and, where these were ineffective, alternative procedures. In addition, we assessed each government's ability to pay through review of credit ratings, reports from international bodies (e.g. the International Monetary Fund) and media searches.
The Group has $124 million of receivables (offset by provisions of $10m) from governments principally related to subsidies for product prices, transport costs or incidental costs where regulated price mechanisms exist. The recoverability of these receivables is not always certain with some outstanding balances being aged and with governments with poor or no credit ratings.	Where considering the extent to which a provision should be recognised, we have assessed management's position against the communications with the local authorities, historical precedent of similar matters being resolved, and evidence of the Group's efforts to secure payment. In addition, we sought independent evidence of the government's ability and willingness to pay by considering third party published views on the economic and fiscal positions of each country including credit ratings, and meeting with government representatives.
Rising oil prices during the year has resulted in additional subsidies being generated and the level of gross receivables has risen. Although these new subsidies are not significantly aged, the ability of governments to make repayments has been adversely impacted by the deterioration in government finances as a result of the COVID-19 pandemic.	For Senegal we verified the claims arising in the year to the underlying transactions and verified payments back to bank statements. We obtained confirmations of the amounts due from government representatives and verified that repayment of the receivables was incorporated into the most recent government budgets.
Determination of the provisioning required against these receivables requires consideration of the willingness and ability of the counterparties to meet their obligations. This can often be complex and highly judgemental. Due to the nature and aging of the receivables in Senegal we identified these to be where particular audit focus was required.	Based on our work performed, we found the judgments and assumptions used by management in the recoverability assessment of government benefits receivables to be supportable based on the available evidence.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Tax audits and Transfer Pricing (Group)	
Refer to notes 2, 4 and 10 in the Group financial statements.	With the assistance of our local and international tax specialists including transfer pricing specialists, we evaluated management's judgements in respect of the likelihood of tax positions being challenged. For each material position we looked at the nature of the underlying transactions, the technical merits of the position and the local tax authorities' track record of challenging similar tax positions.
The Group operates in a number of tax jurisdictions and recognises tax based on interpretation of local laws and regulations which are sometimes uncertain and requires interpretation. In several territories tax audits are performed and significant tax assessments are raised. However these are often settled for much lower amounts once further information is supplied. The claims often focus on the application of transfer pricing policies. Management are required to make judgements on whether it is probable that the tax authorities will accept the current treatment and, where it is not considered probable, estimate the expected value or the most likely value of the pay-out.	We also challenged management on the level of provisioning booked for each uncertain tax position, considering both whether the level of provisioning was too prudent or too optimistic. We considered management's assessment through the examination of their analysis of these positions, including testing of their detailed workings and consideration of advice received from their tax advisers.
We focused on the judgements and estimates made by management in assessing the likelihood and quantification of material exposures and treatment of uncertain tax position provisions.	We determined that the provisions recognised and the disclosures in the financial statements were reasonable.

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.

The Group operates in 23 countries across North, West, East and Southern Africa. It is structured such that each country operates semi-autonomously with oversight, consolidation, and certain activities performed by Group management. Each country can contain many legal entities, associates and joint ventures for which separate financial information is prepared and monitored. In general, each country will have a single large operating legal entity that holds most of the assets, liabilities and transactions.

Reporting packs are prepared by local management for each legal entity except in some specific cases where a sub-consolidation is performed and a single reporting pack is prepared for a number of related legal entities. We have scoped our audit on the basis that a component is identified by a reporting pack.

We identified Morocco and Kenya as financially significant components based on their size compared to the consolidated financial statements of the Group. A further six, large components were identified and engaged to perform audits of their complete financial information in order to provide appropriate coverage over the operations of the Group. In addition, the components of Mauritius and Namibia were identified to perform an audit of the revenue balances in order to provide sufficient coverage over the revenue financial statement line item. Mauritius was further identified to perform procedures over retirement benefit obligations given its relative contribution to this financial statement line item.

Senegal was identified as a significant risk component relating to the recoverability of other government benefits receivable as described in the key audit matters. Senegal was engaged to perform an audit of their complete financial information as one of the six components identified above.

Gabon and Cape Verde were engaged to perform an audit of their complete financial information. These components provided limited contribution to the consolidated results of the Group however represent entities which have not previously been included within the audit scope.

In addition, we have engaged Mali and Burkina Faso to perform specified procedures. The procedures requested were selected to reflect the relevant significant risks to the Group and to obtain a deeper understanding of the activities of the component. The procedures performed do not form part of the audit coverage described below.

Procedures were also performed at a Group level over balances including goodwill and tax as well as procedures over centralised controls and IT functions. The aggregation of all the holding entities are treated as a single component with testing performed over balances including cash, finance expenses, external borrowings and cost of sales.

Overall coverage of 72% revenue, 87% profit before tax, and 66% total assets was obtained. None of the operating units excluded from our Group audit scope individually contributed more than 5% to consolidated revenue.

Interactions with component teams varied depending on their size, complexity and risk. Interactions with each component included: detailed instruction; a risk assessment and audit approach planning meeting; detailed deliverables identifying significant matters and procedures performed over significant risks; status and clearance meetings at key stages of the audit; and file reviews tailored to the specifics of the component. This was in addition to further ad hoc discussions on matters of interest. Due to COVID-19 physical oversight visits were not possible. Instead, additional virtual meetings were held between the group engagement team, local senior management and local component teams of Morocco, Kenya, Uganda and Senegal. Combined with virtual file reviews these meetings were considered appropriate replacements for the usual in person interaction.

The Company only audit was performed independently by the group engagement team. This did not contribute to the scope of work performed on the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIVO ENERGY PLC CONTINUED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 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:

	FINANCIAL STATEMENTS – GROUP	FINANCIAL STATEMENTS – COMPANY
Overall materiality	US$12,900,000 (2020: US$11,500,000).	US$19,000,000 (2020: US$19,000,000).
How we determined it	5% of earnings before tax and special items (2020: 5% of average earnings before tax and special items for the last three years).	1% of net assets.
Rationale for benchmark applied	The Group is profit-oriented; therefore it is considered most appropriate to use a profit-based benchmark. The Directors, management and the users of the Group financial statements focus on adjusted numbers, being adjusted EBITDA, adjusted EBIT and adjusted net income. The Group defines 'adjusted' as excluding special items. Based on this, we consider an adjusted metric of average earnings before tax and special items to be the most appropriate benchmark.	The entity is a holding company of the rest of the Group and is not a trading entity. Therefore, an asset based measure is considered appropriate. The strength of the Statement of financial position is the key measure of financial health that is important to shareholders since the primary concern for the Company is the payment of dividends.

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 US$1.3m and US$12.0m. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to US$9,675,000 (2020: US$8,625,000) for the Group financial statements and US$14,250,000 (2020: US$14,250,000) for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above US$1.0m (Group audit) (2020: US$0.7m) and US$1.0m (Company audit) (2020: US$0.7m) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

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, which includes reporting based on the Task Force on Climate-Related Financial Disclosures ('TCFD') recommendations. 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.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

STRATEGIC REPORT AND DIRECTORS' REPORT

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

DIRECTORS' REMUNERATION

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

CORPORATE GOVERNANCE STATEMENT

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Governance section of the Annual Report is materially consistent with the financial statements and our knowledge obtained during the audit, and, except for the matters reported in the section headed 'Material uncertainty related to going concern', we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIVO ENERGY PLC CONTINUED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS CONTINUED

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of anti-bribery and corruption laws, health and safety regulations and competition laws and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and local tax laws and regulations in each territory. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and management bias in accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Inquiries of the wider senior management team including members of the Senior Executive Team, Country Leadership Teams, Internal Audit, Finance, Operations, Ethics and Compliance and Forensics. These inquiries included consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Making inquiries of the Group General Counsel regarding the status and expected outcome of legal cases and regulatory matters and reviewing the Group legal case tracker, maintained by the General Counsel, in respect to all significant legal matters.
- Evaluation of management's controls designed to prevent and detect irregularities, in particular their anti-bribery controls. For example, understanding the Group's bid and contracting approval controls, the extent to which the Group's anti-bribery and corruption programme is embedded in operating units, assessment of procedures associated with making one-off payments to counterparties and searching third party sources for allegations of corruption made against the Group and its employees.
- Assessment of matters reported on the Group's whistleblowing helpline or through other mediums and the results of management's investigation of such matters.
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to government benefits receivables, the future growth forecasts and the impact of climate change.
- Identifying and testing journal entries both at a local operating unit level and as part of the Group consolidation, in particular any journal entries posted with unusual account combinations or posted by senior management.
- Review of correspondence with, or reports issued by, competition authorities and assessment of external legal advice received in respect of any matters raised.
- Incorporating an element of unpredictability into our audit procedures through the variation of the nature, timing and extent of the procedures performed and the inclusion of new components within the Group audit scope.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC'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 Chapter 3 of Part 16 of the Companies Act 2006 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.

OTHER REQUIRED REPORTING

COMPANIES ACT 2006 EXCEPTION REPORTING

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

APPOINTMENT

Following the recommendation of the Audit and Risk Committee, we were appointed by the Directors on 20 April 2018 to audit the financial statements for the year ended 31 December 2018 and subsequent financial periods. The period of total uninterrupted engagement is four years, covering the years ended 31 December 2018 to 31 December 2021.

OTHER MATTERS

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

Nicholas Stevenson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
1 March 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

US$ million	Notes	2021	2020
Revenues	5	8,458	6,918
Cost of sales		(7,765)	(6,301)
Gross profit	5	**693**	**617**
Selling and marketing cost		(222)	(226)
General and administrative cost	7	(185)	(176)
Share of profit of joint ventures and associates	13	27	16
Other income/(expense)	8	(1)	4
Earnings before interest and tax (EBIT)	6	**312**	**235**
Finance income		9	12
Finance expense		(68)	(72)
Finance expense – net	9	**(59)**	**(60)**
Earnings before tax (EBT)		**253**	**175**
Income taxes	10	(101)	(85)
Net income	6	**152**	**90**
Net income attributable to:			
Equity holders of Vivo Energy plc		140	80
Non-controlling interest (NCI)		12	10
		152	**90**
Other comprehensive income (OCI)			
Items that may be reclassified to profit or loss			
Currency translation differences		(27)	(23)
Net investment hedge gain/(loss)		12	(17)
Items that will not be reclassified to profit or loss			
Re-measurement of retirement benefits		5	(5)
Income tax relating to retirement benefits		(1)	1
Change in fair value of financial instruments through OCI	14	1	1
Other comprehensive income, net of tax		**(10)**	**(43)**
Total comprehensive income		**142**	**47**
Total comprehensive income attributable to:			
Equity holders of Vivo Energy plc		134	41
Non-controlling interest (NCI)		8	6
		142	**47**
Earnings per share (US$)	21		
Basic		0.11	0.06
Diluted		0.11	0.06

The notes are an integral part of these consolidated financial statements.

NON-GAAP MEASURES

US$ million, unless otherwise indicated	2021	2020
EBITDA	442	360
Adjusted EBITDA	447	360
Adjusted net income	157	90
Adjusted diluted EPS (US$)	0.11	0.06

Refer to the non-GAAP financial measures definitions and reconciliations to the most comparable IFRS measures on pages 36 and 37.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

US$ million	Notes	31 December 2021	31 December 2020
Assets			
Non-current assets			
Property, plant and equipment	11	938	889
Right-of-use assets	27	219	201
Intangible assets	12	212	222
Investments in joint ventures and associates	13	233	231
Deferred income taxes	10	58	46
Financial assets at fair value through other comprehensive income	14	12	12
Other assets	16	116	117
		1,788	**1,718**
Current assets			
Inventories	17	564	480
Trade receivables	18	461	344
Other assets	16	282	200
Income tax receivables		13	11
Other financial assets	15	6	–
Cash and cash equivalents	19	587	515
		1,913	**1,550**
Total assets		**3,701**	**3,268**
Equity			
Share capital	20	633	633
Share premium		4	4
Retained earnings		335	252
Other reserves		(135)	(122)
Attributable to equity holders of Vivo Energy plc		837	767
Non-controlling interest		46	45
Total equity		**883**	**812**
Liabilities			
Non-current liabilities			
Lease liabilities	27	135	119
Borrowings	23	352	412
Provisions	24, 25	105	104
Deferred income taxes	10	87	72
Other liabilities	26	153	165
		832	**872**
Current liabilities			
Lease liabilities	27	26	24
Trade payables		1,434	1,048
Borrowings	23	277	270
Provisions	24, 25	19	16
Other financial liabilities	15	–	9
Other liabilities	26	187	171
Income tax payables		43	46
		1,986	**1,584**
Total liabilities		**2,818**	**2,456**
Total equity and liabilities		**3,701**	**3,268**

The notes are an integral part of these consolidated financial statements.

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 1 March 2022 and were signed on its behalf by:

CHRISTIAN CHAMMAS
Chief Executive Officer

DOUG LAFFERTY
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to equity holders of Vivo Energy plc										
					Other reserves							
US$ million	Notes	Share capital	Share premium	Retained earnings	Reserves[1,2]	Retirement benefits	Currency translation difference	Fair value reserves	Equity-settled incentive schemes[3]	Total	NCI	Total equity
Balance at 1 January 2021		**633**	**4**	**252**	**(54)**	**(2)**	**(79)**	**3**	**10**	**767**	**45**	**812**
Net income		–	–	140	–	–	–	–	–	**140**	12	**152**
Other comprehensive income		–	–	–	–	4	(11)	1	–	**(6)**	(4)	**(10)**
Total comprehensive income		**–**	**–**	**140**	**–**	**4**	**(11)**	**1**	**–**	**134**	**8**	**142**
Share-based payment expense	30	–	–	–	–	–	–	–	4	**4**	–	**4**
Share awards transactions	30	–	–	6	(5)	–	–	–	(6)	**(5)**	–	**(5)**
Net impact of IAS 29[4]		–	–	6	–	–	–	–	–	**6**	–	**6**
Dividends paid[5]	22	–	–	(69)	–	–	–	–	–	**(69)**	(7)	**(76)**
Balance at 31 December 2021		**633**	**4**	**335**	**(59)**	**2**	**(90)**	**4**	**8**	**837**	**46**	**883**

		Attributable to equity holders of Vivo Energy plc										
					Other reserves							
US$ million	Notes	Share capital	Share premium	Retained earnings	Reserves[1]	Retirement benefits	Currency translation difference	Fair value reserves	Equity-settled incentive schemes[3]	Total	NCI	Total equity
Balance at 1 January 2020		**633**	**4**	**199**	**(54)**	**2**	**(43)**	**2**	**8**	**751**	**53**	**804**
Net income		–	–	80	–	–	–	–	–	**80**	10	**90**
Other comprehensive income		–	–	–	–	(4)	(36)	1	–	**(39)**	(4)	**(43)**
Total comprehensive income		**–**	**–**	**80**	**–**	**(4)**	**(36)**	**1**	**–**	**41**	**6**	**47**
Share-based payment expense	30	–	–	–	–	–	–	–	3	**3**	–	**3**
Share issuance related to share awards	30	–	–	1	–	–	–	–	(1)	**–**	–	**–**
Transactions with NCI		–	–	–	–	–	–	–	–	**–**	(4)	**(4)**
Net impact of IAS 29[4]		–	–	6	–	–	–	–	–	**6**	–	**6**
Dividends paid/declared[5]	22	–	–	(34)	–	–	–	–	–	**(34)**	(10)	**(44)**
Balance at 31 December 2020		**633**	**4**	**252**	**(54)**	**(2)**	**(79)**	**3**	**10**	**767**	**45**	**812**

The notes are an integral part of these consolidated financial statements.

1 Included in reserves is a merger reserve ($82m) relating to the premium on shares issued as part of the consideration of the acquisition of Vivo Energy Overseas Holdings Limited (VEOHL), formerly known as Engen International Holdings (Mauritius) Limited in March 2019.

2 Reserves include $5m related to market purchase of ordinary shares of the Company to satisfy option exercises under the Company's IPO Share Award Plan and Long-Term Incentive Plan (LTIP).

3 Equity-settled incentive schemes include the LTIP, the IPO Share Award Plan (fully vested in 2021) and the Restricted Share Award Plan.

4 The net impact on retained earnings as a result of the index-based adjustments in Zimbabwe under IAS 29 'Financial Reporting in Hyperinflationary Economies'.

5 The dividends paid to the equity holders of Vivo Energy plc were paid out of distributable reserves (refer to note 11 of the Company financial statements).

CONSOLIDATED STATEMENT OF CASH FLOWS

US$ million	Notes	2021	2020
Operating activities			
Net income		152	90
Adjustment for:			
Income taxes	10	101	85
Amortisation, depreciation and impairment	11, 12, 27	130	125
Net gain on disposals of PP&E and intangible assets	8	–	(4)
Share of profit of joint ventures and associates	13	(27)	(16)
Dividends received from joint ventures and associates	13	22	24
Current income tax paid		(102)	(89)
Net change in operating assets and liabilities and other adjustments	28	195	48
Cash flows from operating activities		**471**	**263**
Investing activities			
Acquisition of businesses, net of cash acquired		–	(9)
Purchases of PP&E and intangible assets	11, 12	(168)	(168)
Proceeds from disposals of PP&E and intangible assets	8, 11, 12	1	5
Cash flows from investing activities		**(167)**	**(172)**
Financing activities			
Proceeds from long-term debt	23	–	517
Repayment of long-term debt	23	(60)	(492)
Net (repayments)/proceeds (of)/from bank and other borrowings	23	11	26
Repayment of lease liabilities	27	(33)	(31)
Dividends paid		(76)	(43)
Interest paid		(61)	(62)
Cash flows from financing activities		**(219)**	**(85)**
Effect of exchange rate changes on cash and cash equivalents		(13)	(8)
Net increase/(decrease) in cash and cash equivalents		**72**	**(2)**
Cash and cash equivalents at beginning of the year		**515**	**517**
Cash and cash equivalents at end of the year	19	**587**	**515**

The notes are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

Vivo Energy plc ('Vivo Energy' or the 'Company') a public limited company, was incorporated on 12 March 2018 in the United Kingdom. The Company is registered in England and Wales and is limited by shares (Registration number 11250655) under the Companies Act 2006. The Company is listed on the London Stock Exchange Main Market for listed securities and the Main Board of the securities exchange operated by the Johannesburg Stock Exchange by way of secondary inward listing. References to 'Vivo Energy' or the 'Group' mean the Company and its subsidiaries and subsidiary undertakings. These consolidated financial statements as at and for the period ended 31 December 2021 comprise the Company, its subsidiaries and subsidiary undertakings, joint ventures and associates.

Vivo Energy distributes and sells fuel and lubricants to retail and commercial consumers in Africa and trades under brands owned by the Shell and Engen group of companies and, for aviation fuels only, under the Vitol Aviation brand. Furthermore, Vivo Energy generates revenue from Non-fuel retail activities including convenience retail and quick service restaurants by leveraging on its retail network.

Further details on the nature of the Group's operations and principal activities can be found in the Strategic Report on pages 1 to 74.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below, and have been applied consistently over the years.

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with UK adopted International Accountings Standards in conformity with the requirements of the Companies Act 2006. The consolidated financial statements have been prepared under the historical cost convention unless otherwise indicated.

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

Going concern

IFRS requires the going concern assumption to be assessed over a period of at least 12 months from the date of approval of the financial statements. For the purposes of the going concern assessment, the Directors have considered a period up to 31 December 2023. The Directors have performed a going concern assessment based on the forecasts for this period taken from the five-year strategic plan which includes a detailed analysis of the Group's future financial and operating performance. The five-year strategic plan takes into consideration the impact of the current year performance, future growth expectations and the effect of other macroeconomic factors on the performance of sales volumes, gross cash profit and cash flows.

Based on management's assessment for the next two years, the Group is expected to maintain sufficient available liquidity and generate positive cash flows to meet its obligations as they fall due. As at 31 December 2021, the Group has a committed headroom of $607m which includes the undrawn committed RCF of $300m. In the ordinary course of business majority of the revolving credit facilities (RCF) expires in May 2023, with the arrangement of a new facility, on similar terms, expected to be completed prior to its expiration. The five-year strategic plan indicates that the RCF will remain undrawn throughout the going concern period. The Group maintains its debt structure as described in note 3.2. The notes and the RCF have covenants for which further information can be found in note 23. Breach of these covenants may result in full and immediate repayment of the long-term borrowings and an inability to access the RCF. The Group has met these covenants in the past and expects to continue to do so over the next two years. Management have performed a sensitivity to identify the decrease in the Group's financial performance that would result in a breach of these covenants. Group EBITDA would have to decrease by more than 50% or finance expense increase by more than 140% to result in a breach. During the peak of the COVID-19 pandemic, in April and May 2020, the Group did not experience such severe impacts on liquidity and performance. The likelihood of such impacts is therefore, not considered plausible. As part of the going concern and long-term viability assessments the Directors have also considered a number of severe but plausible downside scenarios and in all cases the sensitised forecasts confirm that the Group has committed liquidity headroom through 31 December 2023. Refer to page 74 for information on the analysis and outcome of the Group's long-term viability assessment where additional severe but plausible scenarios have been modelled.

As of 31 December 2021, the Company has available short-term capital resources of $2,058m, which include $1,171m of uncommitted facilities. Based on the cash flow projections for the next two years, management has confirmed that there is sufficient cash and committed facilities available and the Group is not reliant on these uncommitted facilities. Notwithstanding this analysis, the Group has continued to have access to and utilise the uncommitted short-term funding lines throughout the year, and where necessary renew them in the normal course of business. Therefore, the Directors expect these uncommitted facilities to continue to be available to the Group for the foreseeable future.

As part of the Group's risk management framework, changes in the nature, likelihood and impact of existing and new risks are regularly considered, including the Group's ability to respond to changes in its business and the external environment. There have been no changes in the Group's principal risks that would impact the going concern over the next two years. Further details on the Group's principal risks can be found on pages 66 to 73.

On 25 November 2021 the Group and VIP II Blue B.V. (wholly owned, indirect subsidiary of Vitol Investment Partnership II Limited, itself being an investment vehicle advised by employees of the Vitol Group, referred to as 'Vitol') announced a recommended total cash offer of $1.85 per share to be made by Vitol for Vivo Energy plc. The transaction is expected to complete during the third quarter of 2022 and has a limited impact on the Group's financial statements at 31 December 2021. The Group's principal committed and drawn debt facility contains a change of control clause, which permits Vitol to take over control. However, the change in control clause within the RCF, could result in the facility being withdrawn on completion of the transaction. Future decisions on the structure of the Group's debt facilities, including the renewal or replacement of the RCF, may be dependent upon Vitol. The current Board is not expected to continue in position and will therefore not be exercising oversight of the Group's strategy and business plan. While the intentions statement included within the announcement on 25 November 2021, states that Vitol will continue to support the Group with its strategy and growth ambitions, the Directors do not have access to Vitol's detailed plans for the business including the future financing structure and the potential renewal or replacement of the RCF. Therefore, there is no certainty that the intentions of the acquirer have been incorporated into the Directors' going concern assessment which represents a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. At the time of approving the consolidated financial statements, the Directors maintain a reasonable expectation that the Company and the Group will have adequate resources to continue in operational existence for the foreseeable future. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern. Therefore, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements, notwithstanding the material uncertainty caused by the expected change in ownership of the Company and the Group during the period. Further details are contained within the going concern statement included in the Directors' Report.

Climate change

In preparing the consolidated financial statements management has considered the impact that climate change may have. The Task Force on Climate-Related Financial Disclosures (TCFD) is a reporting framework that consists of a list of recommendations for companies to consider, with the aim to improve and increase the reporting of climate-related financial information. In accordance with the TCFD reporting framework, management has assessed the impact of the scenario assessments on the Group's physical and transitional risks. Additional information can be found on pages 58 to 62. Management have further considered the extent to which these climate-related scenarios impact key areas of accounting judgement and disclosure, including a sensitivity analysis using the assumptions consistent with the TCFD assessment. Based on this assessment, climate change does not currently have a significant or material impact on the outcome of key accounting judgements and estimates, including going concern, asset useful economic lives, asset valuations and impairments as the impact of transitional risks is only forecast to have a significant impact on the Group's business and cash flow beyond the point at which asset carrying values are realised. Management will continue to monitor, assess and account for the impact of climate change in future years. At year-end, whilst a number of countries in which the Group operates are signatories to the Paris Climate Agreement, none of the countries have introduced legislation or detailed policy initiatives associated with transitioning away from carbon based transportation fuels. As set out on pages 52 to 55 of the Strategic Report, whilst the Group continues to introduce initiatives designed to reduce the carbon emissions from its direct operations and develop alternative product offerings, the Group considers that the transition towards a low-carbon economy in its primary markets will be over a longer time period than will be seen in the UK and the European Union. As a result, the Group considers that the market for oil products across Africa will continue to grow within its medium-term planning horizons and this assumption is embedded within the Group's five-year strategic business plan which in turn supports a number of key forward-looking accounting judgements and estimates. Furthermore, the Group continues to experience unrestricted access to capital markets and has demonstrated its ability to raise additional debt and equity funding at competitive market rates in the recent past. Therefore, there is currently no indication that climate change will negatively impact the Group's cost of capital to the extent that changes in the discount rates, used in accounting estimates and judgements, would result in a material adjustment to the financial statement balances.

2.2 Application of new and revised IFRS

The following pronouncements issued by the IASB and endorsed by the United Kingdom are effective for annual periods beginning on 1 January 2021. The Group's financial statements have been prepared in accordance with these standards, which have no material impact on the consolidated financial statements of the Group:

– Amendments to IFRS 16 COVID-19 related rent concessions (May 2020)
– Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39 and IFRS 7)

The decision made by the IFRS IC in April 2021 on the treatment of cloud computing has no material impact on the Group.

2.3 New standards, amendments and interpretations not yet adopted

The following amendments to the standards effective for annual periods beginning on or after 1 January 2022, have not been applied in preparing the consolidated financial statements of the Group:

– Narrow-scoped amendments to IAS 1, IAS 8, IAS 12, IAS 16, IAS 37 and IFRS 3
– Annual improvements 2018-2020

The above amendments which are not yet effective, are not expected to have a material impact on the Group.

2.4 Consolidation

The Group is made up of various entities, subsidiaries, joint ventures and associates. Details regarding all entities are included in note 15 in the Company financial statements.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group reassesses whether or not it controls an investee if the facts and circumstances indicate that there may be changes to one or more of the elements of control. Subsidiaries are consolidated from the effective date of acquisition and de-consolidated from the date that control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group transactions and balances, income, expenses and cash flows are eliminated on consolidation. Where necessary, accounting policies of subsidiaries are adjusted to ensure consistency with the policies adopted by the Group.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.4 Consolidation (continued)

Joint arrangements

Joint arrangements are contractual arrangements whereby the Group and other parties undertake activities that are under joint control, meaning that the relevant activities that significantly affect the investee's returns require the unanimous consent of the parties sharing control. Joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are joint arrangements whereby the parties that have joint control have the rights to the net assets of the arrangement and are accounted for using the equity method.

Under the equity method, the investment is initially recognised at cost adjusted for the post-acquisition changes in the Group's share of net assets of the joint venture, less any impairment in the value of the investment. The Group's share of post-tax profits or losses are recognised in the consolidated income statement. Losses of a joint venture in excess of the Group's interest investment in that joint venture are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, accounting policies of the joint ventures are adjusted to ensure consistency with the policies adopted by the Group.

Investments in associates

Associates are entities where the Group has significant influence and is neither a subsidiary nor an interest in a joint venture.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but where the Group does not have control or joint control over those policies.

At the date of acquisition, any excess of the cost of the acquisition over the Group's share of the net fair value of the identifiable net assets, liabilities and contingent liabilities of the associate is recorded as goodwill. The goodwill is included within the carrying amount of the investment. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost and adjusted for the post-acquisition changes in the Group's share of net assets of the associate, less any impairment in the value of the investment. The Group's share of post-tax profits or losses are recognised in the consolidated income statement. Losses of an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

2.5 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is United States dollars ('US dollars'). These consolidated financial statements are presented in US dollars, which is the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the consolidated statements of comprehensive income.

Foreign exchange gains and losses that relate to monetary items such as borrowings, receivables and cash and cash equivalents are presented in the consolidated statements of comprehensive income within cost of sales for trading related gains and losses and within finance income and expense for non-trading related gains and losses.

Translation differences on non-monetary financial assets, such as equities classified as financial assets at fair value through other comprehensive income (FVTOCI), are included in other comprehensive income.

The financial statements of entities in hyperinflationary economies are translated in accordance with IAS 29 'Financial Reporting in Hyperinflationary Economies'.

Accounting for hyperinflation

The results of the Group's operations within entities based in Zimbabwe have been prepared in accordance with IAS 29 as if the economy had been hyperinflationary from date of acquisition.

Hyperinflationary accounting requires transactions and balances to be stated in terms of the measuring unit, current at the end of the reporting period in order to account for the effect of loss of purchasing power during the period. The Group has elected to use the Zimbabwe Consumer Price Index (CPI), as published by the Zimbabwe Reserve Bank, as the general price index to restate amounts, since CPI provides an official observable indication of the change in the price of goods and services.

The carrying amounts of non-monetary assets and liabilities carried at historical cost have been adjusted to reflect the impact of the CPI. Amortisation, depreciation and impairments shall be recalculated based on the carrying amounts of property, plant and equipment, right-of-use assets and intangible assets restated to reflect the change in the general price index. All other items recognised in the statement of comprehensive income are restated by applying the change in the general price index from the dates when the items of income and expenses were originally recorded. The restatement of income and expenses are carried out on a monthly basis by applying the respective conversion factor. The net impact of these gains or losses, have been recognised in the statement of comprehensive income.

All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period. Following the application of IAS 29, the financial statements of Zimbabwean subsidiaries are translated at the closing exchange rate applicable for the period.

The impact of applying IAS 29 in the current period resulted in an increase in property, plant and equipment of $25m (2020: $20m), an increase in intangible asset of $9m (2020: $7m), a decrease in net income of $1m (2020: $5m) and a nil impact on net finance expense (2020: $3m).

Group companies

The results and financial position of all the Group entities with a functional currency other than the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date;
- Income and expense items and cash flows are translated at the average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- Exchange differences arising are recognised directly in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated accordingly.

2.6 Revenue recognition

When the Group enters into an agreement with a customer, goods and services deliverable under the contract are identified as separate performance obligations ('obligations') to the extent that the customer can benefit from the goods or services on their own and that the separate goods and services are considered distinct from other goods and services in the agreement. Where individual goods and services do not meet the criteria to be identified as separate obligations they are aggregated with other goods and/or services in the agreement until a separate obligation is identified.

Revenue from the sale of goods, such as fuel and lubricants and any other products are recognised when the Group has fulfilled its performance obligation to a customer at a point in time. The performance obligation to customers, including Vivo Energy Kenya Ltd, is fulfilled when the Group's products are delivered to the customer and transfer of title occurs. The Group does not offer bundled products.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer. The transaction price is allocated to the performance obligation in the contracts and excludes amounts collected on behalf of third parties (i.e. sales taxes, excise duties and similar levies). The majority of the markets in which the Group operates are regulated and have fixed prices that are established either by the government or the industry. The Group may offer discounts and volume rebates to customers. Where applicable, discounts are pre-agreed in the contracts that form part of the price determination over the life of the contract. Volume rebates are determined periodically, and recorded against revenue.

Vivo Energy Kenya Ltd, like other oil marketers in Kenya, participates in the Open Tender System (OTS). Oil-marketing companies are legally required to import petroleum products through the OTS, that is centrally coordinated by the Ministry of Energy. This legal notice is governed by the OTS agreements signed between all Kenyan licensed oil marketers. Vivo Energy Kenya Ltd does not only participate in this process but also purchases from the suppliers and sells the petroleum products through the OTS to other oil marketing companies. Related revenues are recognised at the fair value of the consideration received or receivable once Vivo Energy Kenya Ltd has transferred the goods to the customer and fulfilled its performance obligation.

Vivo Energy Supply B.V. was established to consolidate functional activities across the operating units and leverage economics of scale by streamlining sourcing and procurement across markets. Vivo Energy Supply B.V. purchases product from Vitol and third party suppliers and provides products to the Group's operating units and external customers. The contractual responsibility of Vivo Energy Supply B.V. is to provide goods to the customer. The contractual performance obligation is satisfied upon delivery of goods to the customer based on the incoterms. Revenue is recognised once the performance obligation has been fulfilled and presented on a gross basis as Vivo Energy Supply B.V. acts as a principal in the supply of its products.

For sales of services, the total consideration in the service contracts is allocated to all services based on their stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Group sells the services in separate transactions. The transaction price is allocated to the performance obligations identified in the contract. The revenue from services are recognised over a period of time as the performance obligations are met. Rental income is accounted for in revenue and recognised over the duration of the rental contract.

The Group recognises an asset for the incremental costs of obtaining a contract with a customer if the Group expects the benefit of those costs to exceed one year. The Group has determined that certain sales incentive programmes meet the requirements to be capitalised.

The Group applies a practical expedient to expense costs as incurred for costs to obtain a contract when the amortisation period would have been one year or less.

2.7 Finance income and expense

Finance income and expense are recognised in the income statement using the effective interest rate method. All finance costs are recognised in the periods in which they are incurred.

2.8 Consolidated statement of comprehensive income presentation

Cost of sales reflects all costs relating to the revenue recognised, including depreciation costs. Selling and marketing costs reflect the marketing, selling costs, depreciation and amortisation costs. The general and administrative costs reflect all central and corporate costs, including employee and depreciation costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.9 Property, plant and equipment

Property, plant and equipment is carried at historical cost less accumulated depreciation and any accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into operation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the various classes of assets and commences when the asset is ready for use. Land and construction-in-progress are not depreciated.

The following depreciation rates are applied for the Group:

- Buildings: 20 – 50 years
- Machinery and other equipment: 4 – 25 years

Major improvements are capitalised when they are expected to provide future economic benefit. When significant components of property, plant and equipment are required to be replaced at regular intervals, the Group derecognises the replaced part and recognises the new part with its own associated useful life and depreciation. Repairs and maintenance costs are charged to the consolidated statement of comprehensive income as incurred.

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of property, plant and equipment is included in the consolidated statements of comprehensive income when the item is derecognised.

Each asset's estimated useful life, residual value and method of depreciation are reviewed and adjusted, if appropriate, at each year-end.

2.10 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the acquirer's interest in fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

For goodwill recognised in the consolidated statements of financial position, impairment reviews are undertaken annually, once goodwill has been allocated to CGUs, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU to which goodwill is allocated is compared to the recoverable amount. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Shell Licence Agreements ('Licences')

The Licences acquired grant the Company the exclusive right to distribute and market Shell-branded products in the relevant countries. The Licences are recognised at their fair value at the acquisition date and are carried forward at cost less accumulated amortisation calculated using the straight-line method over the expected useful life of 15 years. The Licences expire in December 2031.

Computer software

Computer software comprises software purchased from third parties as well as the cost of internally developed software. Computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. Costs that are directly associated with the production of identifiable and unique software products that are controlled by the Group, and where it is probable of producing future economic benefits, are recognised as intangible assets. Direct costs of software development include employee costs and directly attributable overheads. Costs associated with maintaining software programs are recognised as an expense when they are incurred. Amortisation is charged on a straight-line basis over their estimated useful lives of three to ten years. As at 31 December 2021, internally developed software relating to the ERP system has a remaining useful life of eight years.

Other intangible assets

Other intangible assets include Butagaz brand, LPG retail distributor relationships and Commercial LPG customer relationships recognised at their fair value allocated at acquisition date are subsequently measured at carrying amount less accumulated amortisation calculated using the straight-line method over the expected useful life of 10 to 15 years. The VEOHL business acquisition in 2019 attributed additional intangible assets recognised through application of IFRS 3 'Business combinations'. These intangible assets relate to customer relationships and the use of the Engen brand with useful lives of between 10 to 15 years.

2.11 Impairment of non-financial assets

At least annually, the Group reviews the carrying amount of tangible and intangible assets with finite lives to assess whether there is an indication that those assets may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In assessing its value in use or fair value less cost of disposal, the estimated future cash flows attributable to the asset are discounted to their present value using a pre-tax or post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

A corresponding impairment loss is recognised in the consolidated statements of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the original carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Any impairment reversal is recognised in the consolidated statements of comprehensive income.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct purchase costs (including transportation), cost of production, manufacturing and taxes, and is determined using the weighted average cost method.

2.13 Other government benefits receivable

Other assets include other government benefits receivable that reflect subsidies received from national governments for fuel sold as part of the Group's ordinary course of business.

The following types of compensation are applicable to the Group:

- Amounts due from/to the government for oil purchased at higher/lower prices than the price set by the local authority. Where the oil purchasing price paid by the Group is higher than the price set by the local authorities, a receivable due from the government is recognised by the Group to compensate for the higher price paid. Similarly if the purchasing price of oil is lower than the set price, a liability towards the government is recognised. If collections/payments are expected in one year or less, the receivable/liability are classified as current assets/current liabilities. If not, they are presented as non-current assets/non-current liabilities. As at 31 December 2021, this relates to Vivo Energy Botswana, Guinea, Kenya, Madagascar, Morocco and Senegal.
- Amounts due from/to the government for transport costs incurred to encourage marketers to distribute products to remote areas of the country. The government has introduced a pricing mechanism whereby if the Group only delivers to local areas, then a liability requiring payment to the government will be recognised. If the Group delivers to remote areas then a receivable owing from the government will be due. If collections/payments are expected in one year or less, the receivable/liability are classified as current assets/current liabilities. If not, they are presented as non-current assets/non-current liabilities. As at 31 December 2021, this relates to Vivo Energy Botswana, Guinea, Morocco and Senegal.

The origination of these receivables arises from legal rights based on government schemes of taxation and subsidies and not from any contractual agreements. As such, they are not considered as financial instruments within the scope of IFRS 9 'Financial Instruments' and are accounted for under IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. Other government benefits receivable are recognised initially at fair value, which represents the difference between the market value if sold at arm's length and the price set by the government. The subsidy is accrued to match the associated cost to which the compensation has been granted. Initial recognition and any subsequent adjustments are recognised within cost of sales in the consolidated statement of comprehensive income.

If a receivable is recognised as owing from the government and there is risk over the recoverability of that asset, then a provision for impairment will be recognised.

Where the Group enters into factoring arrangements it transfers and derecognises other government receivables if either:

- The Group has transferred substantially all the risks and rewards of ownership of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of ownership of the asset and no longer retains control of the asset.

Under the continuing involvement approach, the Group continues to recognise part of the asset. The amount of the asset that continues to be recognised is the maximum amount of the Group's exposure to that particular asset or its previous carrying amount, if lower.

2.14 Financial instruments

Financial instruments consist of:

- Financial assets, which include cash and cash equivalents, trade receivables, lease receivables, employee and other advances, equity investments and derivative financial instruments and eligible current and non-current assets; and
- Financial liabilities, which include long-term and short-term loans and borrowings, bank overdrafts, trade payables, lease liabilities, derivative financial instruments and eligible current and non-current liabilities.

Financial instruments are recognised initially at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. Financial instruments are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Trade receivables are initially recognised when they are originated. Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the Group has not retained control over the financial asset. Financial liabilities are derecognised when its contractual obligations are discharged, cancelled or expired, and when its terms are modified and the cash flows are substantially different. Subsequent to initial recognition, financial instruments are measured as described below.

Financial instruments measured at amortised cost

Except for debt instruments that are designated at fair value through profit or loss (FVTPL) on initial recognition, financial instruments that meet the following criteria are measured at amortised cost using the effective interest method:

- They are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

The amortised cost is reduced by impairment losses. Finance income or expense, foreign exchange gains and losses and impairments are recognised in profit and loss. The following financial assets and liabilities are classified as measured at amortised cost:

Cash and cash equivalents

Cash and cash equivalents, on the statement of financial position and for the purpose of the cash flow statement, includes cash on hand, in banks, placements held at call with banks and other short-term highly-liquid investments with maturities of three months or less. Where the Group does not have the right to offset, bank overdrafts are shown as borrowings in current liabilities on the consolidated statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.14 Financial instruments (continued)

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. The Group may obtain security for certain trade receivables in the form of cash deposit, bank guarantees, credit insurance and assets securities, which can be called upon if the counterparty is in default under the terms of the agreement.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Where trade finance facilities are used to extend payment terms, these facilities are presented as short-term borrowings in the consolidated statement of financial position. Trade payables are measured at amortised cost and the fair value approximates the carrying amount.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income, over the period of the borrowings, using the effective interest method.

Other assets and other liabilities

Other assets such as employee loans, brand promotion fund receivables, customer deposits and other liabilities are measured at amortised cost using the effective interest rate method.

Equity investments at fair value through other comprehensive income (FVTOCI)

For equity investments not held for trading, the Group elected to present subsequent changes in the investment's fair value in other comprehensive income. The Group subsequently measures these assets at fair value with fair value gains and losses recognised in other comprehensive income and never reclassified to profit or loss. Dividends are recognised in profit or loss as other income when the Group's right to receive payment is established.

Financial instruments measured at fair value through profit or loss (FVTPL)

Instruments that are not measured at amortised cost or FVTOCI are measured at FVTPL. These instruments are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The gain or loss on disposal is recognised in profit or loss. Financial instruments at FVTPL include derivative financial instruments.

Derivative financial instruments

The Group is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency.

The Group limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Group enters into derivative contracts where the counterparty is primarily a bank.

Derivative financial instruments are initially recognised and subsequently measured at fair value. Attributable transaction costs are recognised in profit or loss as a cost.

Changes in fair value of foreign currency derivative instruments neither designated as cash flow hedges nor hedges of net investment in foreign operations are recognised in profit or loss and reported within foreign exchange gains, net within results from operating activities.

Changes in fair value and gains or losses on the settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designated as hedges, are recorded in finance expense. Changes in fair value and gains or losses on the settlement of foreign currency derivative financial instruments relating to operational transactions, which have not been designated as hedges, are recorded in other income.

Net investment hedges

When a derivative is designated as the hedging instrument in a hedge of a net investment in a foreign operation, any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in OCI and presented in currency translation reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

2.15 Impairment of financial assets

The Group applies the expected credit loss (ECL) model for recognising impairment losses on financial assets measured at amortised cost. The ECL is the difference between the contractual cash flows and the cash flows that the entity expects to receive discounted using the effective interest rate.

Loss allowance for financial assets other than trade receivables are measured at the amount equal to 12 months' ECL, as they are considered low risk, unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL. Since the contractual terms for most of the Group's financial assets are typically less than 12 months, there is no significant difference between the measurement of 12 months' and lifetime ECL.

For trade receivables, a simplified impairment approach is applied and the ECL is measured at the amount equal to lifetime ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset. Lifetime ECL for trade receivables is computed by taking into account historical credit loss experience adjusted for forward-looking information. Experienced credit judgement is applied to ensure that the weighted probabilities of default are reflective of the credit risk associated with the Group's exposure.

The measurement of the ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss after recovery if there is a default) and the exposure at default (i.e. the asset's carrying amount). The ECL is based on the historical impairment data, of trade receivables, grouped into various age categories and geographical location. The impact of forward-looking macroeconomic factors on the expected credit losses are taken into account in the impairment data used for the ECL model. The Group considers there to be a high magnitude of exposure on default of debt, when the counterparty fails to engage in an acceptable repayment plan or fails to make contractual payments, for a period greater than 180 days past due. The majority of the Group's ECL provision is made up of trade receivables over 180 days. There is no impairment consideration for overdue amounts that are secured with highly liquid collateral. Security held on trade receivables does not have a significant impact on the risk of trade receivables.

Financial assets, including loans to joint ventures, are considered to be impaired when there is reasonable and supportable evidence that one or more events that have a detrimental impact on the estimated future cash flows have occurred. This includes but is not limited to observable data at the reporting date that confirms potential future impairment such as severe financial difficulty of a counterparty; probability that a counterparty will enter bankruptcy; a contract breach; disappearance of an active market for a counterparty's products; concession being granted to a counterparty for economic or contractual reasons due to a financial difficulty that would not otherwise be considered; and other financial reorganisation of a counterparty's business. At the reporting date, any significant change in credit risk arising from these factors results in an adjustment of default probabilities. Where the Group has no reasonable expectation of recovering the debt, for example where all legal avenues for collection of amounts due have been exhausted, the debt (or relevant portion) is written off.

2.16 Share capital

Ordinary shares are classified as equity. Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received is included in equity attributable to the Company's equity holders.

2.17 Non-controlling interest

Non-controlling interests in the Group's equity are stated at the non-controlling interest's proportionate share of the net assets and liabilities of the companies concerned.

2.18 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. The Company recognises the interim dividend in the period in which it is paid.

2.19 Share-based payments

The Group issues equity-settled and cash-settled share-based payments to employees via shares and share option plans.

Equity-settled share-based payments

Equity-settled share-based payments arising from the Long-Term Incentive Plan (LTIP), the IPO Share Award Plan and the Restricted Share Award Plan are measured at fair value (excluding the effect of non-market vesting conditions) at grant date. The fair value determined at grant date is recognised over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market vesting conditions. A corresponding increase in other reserves is also recognised in equity.

Cash-settled share-based payments

Cash-settled share-based payments arising from the Vivo Energy Management Equity Plan are recognised as an expense over the vesting period, measured by reference to the fair value of the corresponding liability which is recognised in the consolidated statements of financial position. The liability is measured at fair value at each reporting date until settlement, with changes in fair value recognised in the consolidated statement of comprehensive income.

2.20 Leases

Leases are included in right-of-use (ROU) assets and lease liabilities on the Group's consolidated statement of financial position.

ROU assets and lease liabilities are recognised based on the present value of the future minimum lease payments over the lease term at commencement date. As most of the leases do not provide an implicit rate, the Group uses the incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The ROU assets also include any lease payments made at or before the commencement date, any initial direct costs incurred and less any lease incentives. The ROU assets acquired under IFRS 16 'Leases' are depreciated on a straight-line basis over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The measurement of the lease liability may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. After the initial measurement at commencement, the carrying amount of the lease liability is increased by interest on the lease liability, reduced by lease payments made and re-measured to reflect any reassessment or lease modifications. Interest on the lease liability is computed based on the initial discount rate used to compute the lease liability at commencement (or if applicable a revised discount rate used in a modification or re-measurement) to produce a constant period rate of interest on the remaining balance of the lease liability.

Lease agreements including a lease and non-lease component are generally accounted for separately. For certain instances where it is impractical to separate the lease from the non-lease component, the Group will account for them as a single lease component. Additionally, the Group applies a portfolio approach to effectively account for the ROU assets and liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.21 Provisions

Provisions are liabilities of uncertain timing or amounts. Provisions are recognised when the Group has a present, legal or constructive obligation as a result of past events, that will result in a probable outflow of economic resources, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of expenditure required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance expense.

Compulsory stock provision

The oil market regulator in Morocco introduced an industry mechanism to enable oil market operators to maintain the necessary compulsory stock volume requirement. The compulsory stock provision relates to amounts due to the oil market regulator in Morocco for cash received to fund the compulsory stock obligation (CSO). The cash received in 1994 was based on the CSO levels and the government regulated oil price at that time. The cash received in 1994 has been agreed with the Government and is classified as a non-current liability in 'Other liabilities' in the consolidated statement of financial position.

The fuel market in Morocco has been deregulated since 1 December 2015 and the LPG market continues to be regulated. Due to the uncertainty on the value at which the CSO will be settled, a provision for the fluctuations in the purchase price of products has been recognised. The provision relates to the difference between the cash received in 1994, to purchase stocks for the CSO, and the oil price at the end of November 2015 and the LPG price to date. As at 31 December 2021, the Moroccan government has not indicated a repayment date for the compulsory stock obligation.

Legal and other provisions

Legal and other provisions include provisions for environmental restoration, restructuring costs and legal claims. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

2.22 Post-employment obligations

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Full actuarial valuation was performed for all the defined benefit plans. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

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.

Current and past service costs are recognised immediately in profit or loss. Net finance expense/income will be calculated as the product of the net defined liability/asset and the discount rate as determined at the beginning of the year and is included in net finance expense in the statement of comprehensive income.

Defined benefit scheme characteristics and funding

The Group operates multiple post-employment defined benefit schemes for its employees in half of its operating countries. The multiple pension schemes provide the employees with a pension or lump sum retirement benefit where the exact pension payments on retirement differ per scheme. For some operating companies (mainly Ghana and Namibia) there is an additional post-employment health scheme.

The Group's funded plans relate to the pension schemes in Mauritius and Gabon. The funded plans are legally separate from the Group and administered by a separate fund and comply with local regulatory and legal requirements.

The schemes are exposed to a number of risks, including:

- Investment risk: movement of discount rate used (high-quality corporate bonds) against the return from plan assets. If plan assets underperform against the yield then this will create a deficit;
- Interest rate risk: decreases/increases in the discount rate used (high-quality corporate bonds) will increase/decrease the defined benefit obligation;
- Longevity risk: changes in the estimation of mortality rates of current and former employees; and
- Salary risk: increases in future salaries increase the gross defined benefit obligation.

Other post-employment obligations

Some Group companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. 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. These obligations are valued annually by independent qualified actuaries.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 'Provisions' and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.23 Current and deferred income tax

The income tax expense for the period comprises current and deferred tax. Income tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the income tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income. The Group periodically evaluates positions taken or intended to be taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It accounts for uncertain tax positions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilised. The criteria considered when recognising deferred income tax assets includes:

- The existence of taxable temporary differences that relate to the same taxation authority and same taxable entity; and
- The expected future taxable profits and tax planning opportunities. In case of a history of recent losses, it has been considered whether other convincing evidence is available to support the recognition of the deferred income tax assets.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk, cash flow interest rate risk and fair value interest rate 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.

Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

Management has set up a policy to require Group companies to manage their foreign exchange risk. Group Treasury is required to approve all hedging plans before execution. The Group has a number of natural hedges in place, where the timing of foreign currency payments is matched with the receipts in a similar currency. Forward contracts are used to manage the foreign exchange risk arising from future obligations.

Foreign currency exposure on the consolidated net monetary position is $254m (2020: $156m). Other monetary balances in other currencies are not material. If the non-US dollar held currency had weakened/strengthened by 10% against the US dollar with all other variables held constant, pre-tax profit for the year would have been $25m (2020: $16m) higher/lower, mainly as a result of foreign exchange gains/losses on translation of non-US dollar denominated receivables and payables.

Price risk

The Group generally seeks to manage its exposure to commodity price risk through careful inventory management and as at 31 December 2021 the Group was not significantly exposed to commodity price risk. In regulated markets, the Group has no price exposure as long as the sale of the inventory is matching the timing of the price structures updates, however in unregulated markets, such as Marine and Aviation, the Group may be exposed to price changes in the short term if inventory is not carefully managed.

In Botswana, Guinea, Kenya, Madagascar, Morocco (for Butane only) and Senegal the Group is financially compensated by the local government for the effect of these price restrictions. For some countries the transport costs are subsidised. For further information see note 16.

The Group does not hold equity securities for trading and is, therefore, not exposed to equity price risk.

Cash flow interest rate risk and fair value interest rate risk

The Group's interest rate risk arises from borrowings. It is Group policy to have short-term loan facilities at floating rate and medium to long-term facilities at floating or fixed rate. The Group has short-term overdraft facilities which carry a fixed interest rate exposing the Group to fair value interest rate risk. However, given that the rate is fixed for a short period of time, and that these facilities terms are subject to renegotiation, should the interest rate move, the exposure is minimal. Long-term borrowings consist of notes at fixed interest rate, which exposes the Group to fair value interest rate risk (refer to note 23).

Credit risk

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. At reporting date, the Group noted no significant concentrations of credit risk to individual customers or counterparties. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables.

All external customers must have their identity checked and credit worthiness assessed and approved prior to the signing of a binding agreement or contract. Credit worthiness is assessed for all customers based on commercial data, but also considers financial data when a credit limit exceeds $15,000 for Retail and $100,000 for Commercial. The utilisation of credit limits is regularly monitored and checks performed on outstanding debt at regular intervals. Where the environment allows, security (bank guarantees) will be taken to secure the Group's exposure. For banks and financial institutions, management of the operating entity are responsible for making the short-term placements with the banks after approval from Group Treasury.

The investment policy is based in order of importance on security, liquidity and yield. Management will assess the counterparty risks of the third party based on financial strength, quality of management, ownership structure, regulatory environment and overall diversification. Group Treasury is required to approve all investment decisions to ensure they are made in line with the Group's credit policies. The Group has provided secured loans to individual employees (note 16).

In Morocco customer receivables to the amount of $17m (2020: $16m) were assigned to a factoring subsidiary of a commercial bank; the assigned amount was received in cash and the corresponding receivable was derecognised. For the late payment risk, the Group capped the exposure to six months' maximum of interest. This resulted in a continuous involvement accounting treatment where a substantial portion of the risk has been transferred. A continuous involvement liability of $0.3m (2020: $0.3m) was recognised. In addition, other government benefits receivable to the amount of $99m (2020: $36m) were assigned to a local commercial bank, the assigned amount was received in cash and the corresponding receivable was derecognised. For the late payment risk, the Group capped the exposure to 5.5 months' maximum of interest. A continuous involvement liability of $1.6m (2020: $0.6m) was recognised. The Group considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost. The Group has arrived at this conclusion because the factoring of the Group's B2B receivables before maturing is done on an infrequent basis.

The Group's cash and cash equivalent balances are primarily held at banks with strong credit ratings where the exposure to credit risk is considered to be limited. The extent to which the Group's cash and cash equivalent balances are held at banks where there is considered to be an exposure to credit risk is set out below:

	31 December 2021		31 December 2020	
	Credit rating	US$ million	Credit rating	US$ million
Banks				
Bank 1	Ba1	97	A+	74
Bank 2	A+	38	Ba1	67
Bank 3	B2	31	Ba2	45

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the cyclical nature of the underlying businesses, the Directors aim to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by Group policies. Where short-term liquidity is needed, the operating entities organise short-term facilities to cover the deficit which have to be authorised by Group Treasury.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	31 December 2021					
US$ million	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	278	13	22	60	368	**741**
Trade payables	1,375	59	–	–	–	**1,434**
Lease liabilities	7	32	32	66	106	**243**
Other liabilities[1]	28	23	18	2	144	**215**
Total	**1,688**	**127**	**72**	**128**	**618**	**2,633**

1 Other liabilities (note 26) exclude the elements that do not qualify as financial instruments.

	31 December 2020					
US$ million	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings	275	12	25	114	386	**812**
Trade payables	1,040	8	–	–	–	**1,048**
Lease liabilities	7	28	29	59	94	**217**
Other liabilities[1]	13	22	17	2	161	**215**
Total	**1,335**	**70**	**71**	**175**	**641**	**2,292**

1 Other liabilities (note 26) exclude the elements that do not qualify as financial instruments.

Net investment hedge

On 24 September 2020, the Group issued $350m notes (refer to note 23). The Group entered into a fixed-fixed cross-currency swap to exchange $150m US dollar denominated bonds to EUR. The cross-currency swap has a maturity of three years and was designated as the hedging instrument of the net investment hedge described below.

Foreign currency exposure arises from the Group's net investment in its several subsidiaries that have the Cape Verde Escudo (CVE) and the CFA Franc BCEAO (XOF) as functional currencies that are 100% pegged to the Euro (EUR). Therefore, the risk arises from fluctuation in spot exchange rates between these currencies (or the EUR) and the US dollar, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedge is the risk of a variation in the CVE and the XOF currencies (or the EUR) against the US dollar which will result in a variation in the carrying amount of the Group's net investment in these foreign operations. The Group has hedged its net investment in subsidiaries with EUR pegged functional currencies.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the hedging instrument that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method).

An economic relationship between the hedged item and hedging instrument exist given that their fair values move in the opposite direction of the same risk, which is the hedged risk. The impact of currency basis spreads and forward elements are excluded from the assessment of hedge effectiveness and are recognised in OCI as cost of hedging reserve. Hedge ineffectiveness would arise to the extent that the net assets of the foreign operations fell below the designated amount of the hedging instrument and due to any inefficiency in the currency markets.

3. FINANCIAL RISK MANAGEMENT CONTINUED

3.1 Financial risk factors (continued)

The amounts related to items designated as hedging instruments in the statement of financial position and the statement of comprehensive income were as follows:

US$ million	Nominal amount	Carrying amount: Assets	Carrying amount: Liabilities	31 December 2021 Line item in the statement of financial position where the hedging instrument is included
Cross currency swap	150	5	–	Other financial assets

	Change in value used for calculating hedge for 2021	Change in value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
Cross currency swap	12	12	–	Not applicable

US$ million	Nominal amount	Carrying amount: Assets	Carrying amount: Liabilities	31 December 2020 Line item in the statement of financial position where the hedging instrument is included
Cross currency swap	150	–	7	Other financial liabilities

	Change in value used for calculating hedge for 2020	Change in value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
Cross currency swap	(7)	(7)	–	Not applicable

3.2 Capital management

The Group's capital management objective is to maintain a commercially sound consolidated statements of financial position with the aim of maximising the net cash return to the shareholders, while maintaining a level of capitalisation that is commercially defensible and which leads to an effective and optimised working capital structure.

Liquidity and capital resources are monitored through a review of the Group's net debt position, leverage ratio and available short-term capital resources. Net debt is calculated as total borrowings and lease liabilities (including current and non-current borrowings and lease liabilities as shown in the consolidated statements of financial position) less cash and cash equivalents. The leverage ratio is calculated as net debt divided by adjusted EBITDA. For details related to key covenants refer to note 23.

US$ million	31 December 2021	31 December 2020
Long-term debt (note 23)	349	408
Lease liabilities (note 27)	161	143
Total debt excluding short-term bank borrowings	**510**	**551**
Short-term bank borrowings (note 23)	280	274
Less: cash and cash equivalents (note 19)	(587)	(515)
Net debt	**203**	**310**

US$ million	31 December 2021	31 December 2020
Net debt	203	310
Adjusted EBITDA[1] (note 6)	447	360
Leverage ratio[1]	**0.45x**	**0.86x**

1 For the description and reconciliation of non-GAAP measures refer to pages 36 and 37.

US$ million	31 December 2021	31 December 2020
Cash and cash equivalents	587	515
Available undrawn credit facilities[1]	1,471	1,563
Available short-term capital resources	**2,058**	**2,078**

1 Of which $1,171m (2020: $1,323m) are uncommitted facilities.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions in order to ensure sound capital management.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 Accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Accounting for leases under IFRS 16

In establishing the lease term for each lease contract that has an option to extend, judgement has been applied to determine the extension period. When it is concluded that it is reasonably certain that the extension option will be utilised, the lease term is extended to include the reasonably certain period of five years. The lease agreements have the option to extend the leases and the option to terminate the leases. The extension options in different contracts vary between five years to an unlimited period. The Group exercises significant judgement that all of the existing leases that are expiring within the following five years, and have an extension option, will be extended for an additional five-year period, when determining the lease term.

In addition, IFRS 16 requires lease payments to be discounted using the interest rate implicit in the lease. In case the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate should be used. That is the rate of interest that a lessee would have to pay to borrow over a similar value to the right-of-use asset in a similar economic environment. Accordingly, the Group elected to use the local borrowing rates for each operating unit at the commencement date. That is the rate at which local operating units would need to borrow to acquire the asset. For additional details relating to leases refer to note 27.

4.2 Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year, are as follows:

Government related assets and liabilities

The Group has various assets from and liabilities to governments and authorities with respect to government benefits receivable as well as for taxes and duties. The Group constantly assesses underlying inherent risks and assumptions and as a consequence related accounting estimates are determined and adjustments are made to the carrying amounts of those assets and liabilities, where necessary. A key element is the recoverability of government benefits receivable; this is considered in note 16. The recoverability assessment takes into account the stability of the macroeconomic and political environment, credit risks including relevant policy changes and governments' track records in settling debts as well as the aging of the outstanding amounts and government confirmations on outstanding balances.

Tax positions

The Group operates across many tax jurisdictions and the interpretation and application of tax law can be complex and requires judgement to assess the risk and estimate the potential outcomes. These outcomes can vary significantly from what has been provided. The Group recognises many individually immaterial provisions with a cumulative amount totalling $18m related to income tax and $42m related to indirect and other tax matters recorded in other assets, other liabilities and provisions. These are recorded for the amount that is expected to be settled where this can be reasonably estimated. This reflects management's assessment of the expected value of such risks based on a multiple scenario outcome and likelihood. Factors considered include the status of recent current tax audits and enquiries; the results of previous claims; the transfer pricing policies of the Group and any changes to the relevant tax environments. The timing of the resolution of the risks is uncertain and may take many years, however it is expected to be within the next five years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

5. SEGMENT REPORTING

The Group operates under three reportable segments: Retail, Commercial and Lubricants.

Retail segment – Retail fuel is aggregated with Non-fuel retail. Both the operating segments derive revenue from Retail customers who visit our Retail sites. Retail fuel and Non-fuel revenues are aggregated as the segments are managed as one unit and have similar customers. The economic indicators that have been addressed in determining that the aggregated segments have similar economic characteristics are that they have similar expected future financial performance and similar operating and competitive risks.

Commercial segment – Commercial fuel, LPG, Aviation and Marine are aggregated in the Commercial segment as the operating segments derive revenues from Commercial customers. The segments have similar economic characteristics. The economic indicators that have been addressed are the long-term growth and average long-term gross margin percentage.

Lubricants segment – Retail, B2C, B2B and Export Lubricants are the remaining operating segments. Since these operating segments meet the majority of aggregation criteria, they are aggregated in the Lubricants segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The Directors monitor the operating results of business units separately for the purpose of making decisions about resource allocation, segment performance assessment and interacting with segment managers.

The following tables present revenues and profit information regarding the Group's operating segments:

				2021
US$ million	**Retail**	**Commercial**	**Lubricants**	**Consolidated**
Revenue from external customers	5,516	2,487	455	**8,458**
Gross profit	436	168	89	**693**
Add back: depreciation and amortisation	54	26	4	**84**
Gross cash profit	490	194	93	**777**
Adjusted EBITDA[1]	259	116	72	**447**

1 Refer to note 6 for the reconciliation to EBIT.

				2020
US$ million	**Retail**	**Commercial**	**Lubricants**	**Consolidated**
Revenue from external customers	4,436	2,116	366	**6,918**
Gross profit	387	156	74	**617**
Add back: depreciation and amortisation	51	25	4	**80**
Gross cash profit	438	181	78	**697**
Adjusted EBITDA[1]	216	92	52	**360**

1 Refer to note 6 for the reconciliation to EBIT.

US$ million	**2021**	**2020**
Share of profit of joint ventures and associates included in segment EBITDA		
Lubricants	15	8
Retail	6	4
Commercial	6	4
Total	**27**	**16**

The amount of revenues from external customers by location of the customers is shown in the table below.

US$ million	2021	2020
Revenue from external customers by principal country		
Morocco	1,441	1,075
Kenya	1,411	1,181
Senegal	727	495
Other	4,879	4,167
Total	**8,458**	**6,918**

US$ million	31 December 2021	31 December 2020
Non-current assets by principal country (excluding deferred tax)		
Morocco	257	245
The Netherlands	246	232
Kenya	157	153
Other	1,070	1,042
Total	**1,730**	**1,672**

6. RECONCILIATION OF NON-GAAP MEASURES

Non-GAAP measures are not defined by International Financial Reporting Standards (IFRS) and, therefore, may not be directly comparable with other companies' non-GAAP measures, including those in the Group's industry. Non-GAAP measures should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements. The exclusion of certain items (special items) from non-GAAP performance measures does not imply that these items are necessarily non-recurring. From time to time, we may exclude additional items if we believe doing so would result in a more transparent and comparable disclosure.

The Directors believe that reporting non-GAAP financial measures in addition to IFRS measures, as well as the exclusion of special items, provides users with enhanced understanding of results and related trends and increases the transparency and clarity of the core results of operations. Non-GAAP measures are used by the Directors and management for performance analysis, planning, reporting and are used in determining senior management remuneration.

US$ million	2021	2020
EBT	**253**	**175**
Finance expense – net	59	60
EBIT	**312**	**235**
Depreciation, amortisation and impairment	130	125
EBITDA	**442**	**360**
Adjustments to EBITDA related to special items:		
IPO[1], Engen acquisition[2] and Vitol Offer related expenses[3]	4	1
Management Equity Plan[4]	1	(3)
Hyperinflation[5]	–	2
Adjusted EBITDA	**447**	**360**

1 IPO related items in 2021 and 2020 concern the IPO share awards which are accrued for over the vesting period.

2 On 1 March 2019 Vivo Energy Investments B.V., a subsidiary of the Group, acquired 100% of the issued shares in Vivo Energy Overseas Holdings Limited (VEOHL) (formerly known as Engen International Holdings (Mauritius) Limited). The cost of the acquisition and related integration project expenses incurred in 2020 are treated as special items.

3 These expenses related to the potential change in control transaction, are treated as special items as they do not form part of the core operational business activities and performance.

4 The Management Equity Plan vested at IPO in May 2018 and was exercisable on the first anniversary of admission for a period of 24 months. Changes in the fair value of the cash-settled share-based payments plan do not form part of the core operational business activities and performance and should, therefore, be treated as a special item. The costs of share-based payment schemes introduced after the IPO are not treated as special items.

5 The impacts of accounting for hyperinflation for Vivo Energy Zimbabwe, in accordance with IAS 29, are treated as special items since they are not considered to represent the underlying operational performance of the Group and based on their significance in size and unusual nature are excluded as the local currency depreciation against the US dollar does not align to the published inflation rates during the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

6. RECONCILIATION OF NON-GAAP MEASURES CONTINUED

US$ million	2021	2020
Net income	**152**	**90**
Adjustments to net income related to special items:		
IPO[1], Engen acquisition[2] and Vitol Offer related expenses[3]	4	1
Management Equity Plan[4]	1	(3)
Hyperinflation[5]	–	2
Adjusted net income	**157**	**90**

US$	2021	2020
Diluted earnings per share	0.11	0.06
Impact of special items	–	–
Adjusted diluted earnings per share	**0.11**	**0.06**

1 IPO related items in 2021 and 2020 concern the IPO share awards which are accrued for over the vesting period.

2 On 1 March 2019 Vivo Energy Investments B.V., a subsidiary of the Group, acquired 100% of the issued shares in Vivo Energy Overseas Holdings Limited (VEOHL) (formerly known as Engen International Holdings (Mauritius) Limited). The cost of the acquisition and related integration project expenses incurred in 2020 are treated as special items.

3 These expenses related to the potential change in control transaction, are treated as special items as they do not form part of the core operational business activities and performance.

4 The Management Equity Plan vested at IPO in May 2018 and was exercisable on the first anniversary of admission for a period of 24 months. Changes in the fair value of the cash-settled share-based payments plan do not form part of the core operational business activities and performance and should, therefore, be treated as a special item. The costs of share-based payment schemes introduced after the IPO are not treated as special items.

5 The impacts of accounting for hyperinflation for Vivo Energy Zimbabwe, in accordance with IAS 29, are treated as special items since they are not considered to represent the underlying operational performance of the Group and based on their significance in size and unusual nature are excluded as the local currency depreciation against the US dollar does not align to the published inflation rates during the period.

The Group defines headline earnings per share as earnings based on net income attributable to owners of the Group, before items of a capital nature, net of income tax as required for companies listed on the Johannesburg Stock Exchange.

US$ million, unless otherwise indicated	2021	2020
Headline earnings per share		
Net income attributable to owners	140	80
Re-measurements:		
Net gain on disposal of PP&E and intangible assets	–	(4)
Income tax on re-measurements	–	1
Headline earnings	**140**	**77**
Weighted average number of ordinary shares (million)	1,264	1,266
Headline earnings per share (US$)	0.11	0.06
Diluted number of shares (million)	1,272	1,266
Diluted headline earnings per share (US$)	0.11	0.06
Effective tax rate	**40%**	**49%**

7. GENERAL AND ADMINISTRATIVE COST

Employee benefits

US$ million	2021	2020
Wages, salaries and other employee benefits	179	163
Restructuring, severance and other involuntary termination costs	5	7
Retirement benefits	10	10
Share-based payment expense	5	–
	199	**180**

Included in the employee benefit expense for the year ended 31 December 2021, was social security expense of $1m (2020: $1m) and other pension costs relating to employees employed in the UK. Refer to note 3 in the Company financial statements.

Employee benefits have been charged in:

US$ million	2021	2020
General and administrative cost	111	102
Selling and marketing cost	49	43
Cost of sales	39	35
	199	**180**

The monthly average number of full time equivalent employees was as follows:

	2021	2020
Sales and distribution	1,945	1,904
Administration and support	822	794
	2,767	**2,698**

Depreciation and amortisation

Depreciation of property, plant and equipment and right-of-use assets as well as amortisation of intangible assets have been charged in:

US$ million	2021	2020
Cost of sales	84	80
Selling and marketing cost	32	31
General and administrative cost	14	14
	130	**125**

Audit fees

US$'000	2021	2020
Parent company and consolidated financial statements	1,463	1,248
Subsidiaries[1]	1,218	1,175
Audit fees	**2,681**	**2,423**
Audit-related fees[2]	377	377
Other assurance services[3]	19	227
Other fees total	**396**	**604**
Total fees	**3,077**	**3,027**

1 Audit fees for foreign entities are expressed at the average exchange rate for the year.
2 Audit-related fees relate to interim financial statements reviews.
3 Other assurance services relate mainly to comfort letter procedures in respect to note issuance and volume certificates to support brand royalty expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

8. OTHER INCOME/(EXPENSE)

US$ million	2021	2020
Net gain on disposals of PP&E and intangible assets	–	4
Other expense	(1)	–
	(1)	**4**

9. FINANCE INCOME AND EXPENSE

US$ million	2021	2020
Finance expense		
Interest on bank and other borrowings and on lease liabilities[1]	(41)	(39)
Interest on long-term debt including amortisation of set-up fees	(20)	(25)
Net impact of hyperinflation[2]	–	(3)
Accretion expense net defined benefit liability	(2)	(2)
Foreign exchange loss	(1)	–
Other	(4)	(3)
	(68)	**(72)**
Finance income		
Interest from cash and cash equivalents	9	8
Foreign exchange gain	–	4
	9	**12**
Finance expense – net	**(59)**	**(60)**

1 Includes an amount of $16m (2020: $12m) finance expense for leases in respect to IFRS 16 'Leases'.

2 Represents the net monetary loss impact from the application of IAS 29 'Financial Reporting in Hyperinflationary Economies'. Refer to note 2.5.

10. INCOME TAXES

Current income taxes

Analysis of income tax expense:

US$ million	2021	2020
Current tax		
Current income tax	(102)	(96)
Current income tax prior years	–	8
	(102)	**(88)**
Deferred tax		
Deferred income tax	2	6
Deferred income tax prior years	(1)	(3)
	1	**3**
Income tax expense	**(101)**	**(85)**

The reconciliation of income taxes, computed at the statutory tax rate, to income tax expense was as follows:

US$ million	2021	2020
EBT	253	175
Statutory tax rate	19%	19%
Income tax expense at statutory tax rate	(48)	(33)
Increase/(decrease) resulting from:		
Impact of tax rates in foreign jurisdictions	(24)	(18)
Income not subject to tax	10	6
Expenses not tax deductible	(10)	(11)
Non-recognition of tax benefits in relation to current period tax losses or temporary differences	(8)	(10)
Recognition and utilisation of previously unrecognised tax losses or temporary differences	–	3
Withholding tax	(18)	(19)
Other[1]	(3)	(3)
Income tax expense	**(101)**	**(85)**
Effective tax rate	**40%**	**49%**

1 Amongst others, includes movements related to uncertain tax positions.

Deferred income taxes

The significant components of the Company's recognised deferred income tax assets and liabilities were as follows:

	31 December 2021		31 December 2020	
US$ million	Asset	Liability	Asset	Liability
Property, plant and equipment	1	(36)	1	(43)
Intangible assets	–	(18)	–	(22)
Retirement benefits	10	(1)	10	(1)
Provisions	13	–	17	–
Withholding taxes	–	(14)	–	(16)
Tax losses carried forward[1]	5	–	13	–
Other	73	(62)	33	(18)
	102	**(131)**	**74**	**(100)**
Offsetting of balances	(44)	44	(28)	28
Total	**58**	**(87)**	**46**	**(72)**

1 The recognised deferred tax asset relates to $2m (2020: $4m) tax losses which is supported by expected future taxable profits.

The changes in the net deferred income tax assets and liabilities were as follows:

US$ million	2021	2020
Balance at the beginning of year, net	(26)	(32)
In profit	1	3
In other comprehensive income	(1)	1
Other	(1)	–
Foreign exchange differences	(2)	2
	(29)	**(26)**

Unrecognised deferred tax assets relate to carry forward losses of $107m (2020: $98m) and tax credit carry forwards of $15m (2020: $12m). Of the unrecognised carry forward losses $1m will expire at the end of 2023, $1m at the end of 2024, $16m at the end of 2025 and $89m at the end of 2026 or later.

The unrecognised taxable temporary differences associated with undistributed retained earnings of investments in subsidiaries, joint ventures and associates amounts to $29m (2020: $25m).

11. PROPERTY, PLANT AND EQUIPMENT

					2021
US$ million	**Land**	**Buildings**	**Machinery and other equipment**	**Construction in progress**	**Total**
Cost at 1 January 2021	**52**	**339**	**642**	**116**	**1,149**
Additions	11	14	30	105	**160**
Disposals	–	(1)	(4)	–	**(5)**
Transfers	2	41	70	(113)	**–**
Foreign exchange differences[1]	(2)	(10)	(19)	(4)	**(35)**
Cost at 31 December 2021	**63**	**383**	**719**	**104**	**1,269**
Accumulated depreciation at 1 January 2021	**–**	**(68)**	**(192)**	**–**	**(260)**
Depreciation	–	(21)	(62)	–	**(83)**
Disposals	–	1	3	–	**4**
Foreign exchange differences[1]	–	2	6	–	**8**
Accumulated depreciation at 31 December 2021	**–**	**(86)**	**(245)**	**–**	**(331)**
Net carrying value at 31 December 2021	**63**	**297**	**474**	**104**	**938**

1 Foreign exchange differences include the impact from the application of IAS 29 'Financial Reporting in Hyperinflationary Economies'. Refer to note 2.5.

					2020
US$ million	**Land**	**Buildings**	**Machinery and other equipment**	**Construction in progress**	**Total**
Cost at 1 January 2020	**55**	**319**	**552**	**92**	**1,018**
Additions	2	16	25	109	**152**
Disposals	(5)	(4)	(17)	(9)	**(35)**
Transfers	–	7	69	(76)	**–**
Foreign exchange differences[1]	–	1	13	–	**14**
Cost at 31 December 2020	**52**	**339**	**642**	**116**	**1,149**
Accumulated depreciation at 1 January 2020	**–**	**(54)**	**(141)**	**–**	**(195)**
Depreciation	–	(17)	(65)	–	**(82)**
Disposals	–	3	17	–	**20**
Foreign exchange differences[1]	–	–	(3)	–	**(3)**
Accumulated depreciation at 31 December 2020	**–**	**(68)**	**(192)**	**–**	**(260)**
Net carrying value at 31 December 2020	**52**	**271**	**450**	**116**	**889**

1 Foreign exchange differences include the impact from the application of IAS 29 'Financial Reporting in Hyperinflationary Economies'. Refer to note 2.5.

No assets have been pledged as security.

12. INTANGIBLE ASSETS

					2021
US$ million	**Shell licence agreement**	**Goodwill**	**Computer software**	**Other**	**Total**
Cost at 1 January 2021	**139**	**79**	**91**	**57**	**366**
Additions	–	–	8	–	**8**
Foreign exchange differences[1]	(2)	2	–	(1)	**(1)**
Cost at 31 December 2021	**137**	**81**	**99**	**56**	**373**
Accumulated amortisation at 1 January 2021	**(87)**	**–**	**(28)**	**(29)**	**(144)**
Amortisation	(5)	–	(9)	(3)	**(17)**
Accumulated amortisation at 31 December 2021	**(92)**	**–**	**(37)**	**(32)**	**(161)**
Net carrying value at 31 December 2021	**45**	**81**	**62**	**24**	**212**

1 Foreign exchange differences include the impact from the application of IAS 29 'Financial Reporting in Hyperinflationary Economies'. Refer to note 2.5.

US$ million	Shell licence agreement	Goodwill	Computer software	Other	Total
					2020
Cost at 1 January 2020	**139**	**81**	**75**	**57**	**352**
Additions	–	–	16	–	**16**
Foreign exchange differences[1]	–	(2)	–	–	**(2)**
Cost at 31 December 2020	**139**	**79**	**91**	**57**	**366**
Accumulated amortisation at 1 January 2020	**(82)**	**–**	**(19)**	**(25)**	**(126)**
Amortisation	(5)	–	(9)	(4)	**(18)**
Accumulated amortisation at 31 December 2020	**(87)**	**–**	**(28)**	**(29)**	**(144)**
Net carrying value at 31 December 2020	**52**	**79**	**63**	**28**	**222**

1 Foreign exchange differences include the impact from the application of IAS 29 'Financial Reporting in Hyperinflationary Economies'. Refer to note 2.5.

Impairment test for goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the CGUs was determined based on a fair value less cost of disposal calculation which requires the use of assumptions. The calculations use cash flow projections based on an approved business plan covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated long-term growth rate as shown below. The terminal value was calculated using the Gordon Growth formula.

Goodwill is monitored at the operating segment level on a non-aggregated basis. The Group has several non-aggregated operating segments, however, the goodwill is allocated to Retail fuel and Commercial fuel given that substantially all activities of the acquired businesses relate to these two operating segments. Both the goodwill acquired in the 2019 VEOHL acquisition and the goodwill acquired from previous acquisitions are allocated and considered for impairment testing together at the non-aggregated operating segments Retail fuel and Commercial fuel. For this purpose, a discounted cash flow analysis was used to compute the recoverable amount using the approved plan. This results in 81% of the carrying amount of goodwill being allocated to Retail fuel and 19% of the carrying amount being allocated to Commercial fuel.

The following table sets out the key assumptions for those CGUs that have a significant goodwill allocated to them:

	Retail fuel	Commercial fuel
		2021
Volume compounded annual growth rate	5.3%	2.8%
Gross cash profit compounded annual growth rate	5.0%	2.4%
Post-tax discount rate	10.6%	10.6%
Long-term growth rate	2.4%	2.4%

The methodology applied to each of the key assumptions used is as follows:

Assumptions	Approach used to determine values
Volume compounded annual growth rate	Volume growth over the five-year forecast period; based on past performance and management expectations of market developments.
Gross cash profit compounded annual growth rate	Based on past performance and management expectations of the future over the five-year forecast period.
Post-tax discount rate	Based on specific risks relating to the industry and country. Factors considered for the industry include regulatory environment, market competition and barriers to entry.
Long-term growth rate	Based on the IMF GDP projections for the markets where Vivo Energy operates.

The Group considers the post-tax discount rate to be the most sensitive assumption. No impairment would occur, if the post-tax discount rate applied to the cash flow projection of each CGU had been 1% higher than management estimates and all other assumptions in the table above are unchanged. Goodwill in relation to the Retail fuel and Commercial fuel CGUs would only result in an indication of impairment if the post-tax discount rates increased to 20.2% and 22.8%, respectively. There are no reasonable possible changes that could occur to key assumptions that would reduce the recoverable amount below the carrying amount. A sensitivity analysis was performed in line with the Group's TCFD scenario outcomes to simulate the potential impact of climate change on the impairment assessment. Under this scenario, the Group still has sufficient headroom for both the Retail and Commercial fuel segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

13. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The Group also has interests in a number of associates and joint ventures that are accounted for using the equity method. A comprehensive listing of the Group's joint ventures and associates can be found in note 15 of the Company financial statements.

US$ million	2021	2020
At 1 January	**231**	**227**
Acquisition of businesses	–	14
Share of profit	27	16
Dividend received	(22)	(24)
Foreign exchange differences	(3)	(2)
At 31 December	**233**	**231**

In December 2017, the Group acquired a 50% interest in Shell and Vivo Lubricants B.V. (SVL) that is considered a material investment to the Group. SVL is the principal supplier of manufacturing, sales and distribution for lubricants products in Africa. The investment is a joint venture investment and measured using the equity method. SVL is jointly owned by Vivo Energy Investments B.V. (50%) and Shell Overseas Investments B.V. (50%).

The table below provides summarised financial information for the carrying amount of the investment in SVL.

US$ million	2021	2020
At 1 January	**156**	**164**
Share of profit	15	8
Dividend received	(15)	(15)
Foreign exchange differences	–	(1)
At 31 December	**156**	**156**

The total assets of SVL as per 31 December 2021 are $262m (2020: $214m), of which $191m (2020: $134m) relate to current (including cash and cash equivalents of $18m (2020: $30m)) and $71m (2020: $80m) to non-current assets. The current liabilities are $121m (2020: $70m) (including borrowings of $48m (2020: $15m)) and non-current liabilities of $9m (2020: $9m). The revenue for the year ending 31 December 2021 was $364m (2020: $253m), and profit after income tax was $29m (2020: $18m). Other comprehensive loss, net of tax, for the year amounted to $3m (2020: $1m). The 2021 profit includes amortisation and depreciation of $9m (2020: $9m), net finance expense of $2m (2020: $1m) and income tax expense of $10m (2020: $12m).

The carrying value of SVL includes a notional goodwill of $96m calculated as the difference between the cost of the investment and the investor's share of the fair values of the investee's identifiable assets and liabilities acquired. Since the notional goodwill is not shown as a separate asset, and there is no objective evidence of impairment, it is not required to be separately tested for impairment, nor does it trigger an annual impairment test.

There are no contingent liabilities relating to the Group's investments in joint ventures and associates.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group has classified equity investments as financial instruments at FVTOCI (without recycling). These investments are measured using inputs for the asset or liability that are in absence of observable market data, based on net asset value of the related investments (level 3 in the IFRS 13 'Fair Value Measurement' hierarchy) which management considers to best represent the fair value of the associated investment given its nature. The fair value of the financial asset approximates the carrying amount. Since the value is based on the net asset value of the related investment, no sensitivity analysis is presented.

The value is based on the net asset value of the related investments and therefore no sensitivity analysis is presented.

US$ million	2021	2020
At 1 January	**12**	**9**
Fair value adjustment	1	2
Foreign exchange differences	(1)	1
At 31 December	**12**	**12**

Financial assets at fair value through other comprehensive income relate to the Group's investment in Société de Gestion des Stocks Pétroliers de Côte d'Ivoire S.A. (GESTOCI) in which it holds an interest of circa 17%. The Group does not have significant influence or joint control in the investee. The investment is not held for trading and not a contingent consideration recognised by an acquirer in a business combination, therefore, at initial recognition the Group has elected to account for the investment at fair value through other comprehensive income.

No dividends were received from GESTOCI in 2021 and 2020. Financial assets at fair value through other comprehensive income are categorised as level 3 of the fair value hierarchy and are the only level 3 financial assets within the Group. There were no changes made during the year to valuation methods or the processes to determine classification and no transfers were made between the levels in the fair value hierarchy.

15. OTHER FINANCIAL ASSETS AND LIABILITIES

Other financial assets and liabilities are derivative instruments comprising forward foreign exchange contracts and cross-currency swaps with a fair value of $6m (2020: $(9)m). In 2020 the Group settled an interest rate swap on long-term borrowings and entered into a fixed-fixed cross-currency swap. Other financial assets and liabilities are categorised as level 2 of the fair value hierarchy. There have been no transfers between any levels during the year.

The specific valuation techniques used to value financial instruments that are carried at fair value using level 2 techniques are:

- The fair value of cross-currency swaps is calculated as the present value of the estimated future cash flows based on current market data provided by third party banks; and
- The fair value of forward foreign exchange contracts is calculated by comparison with current forward prices of contracts for comparable remaining terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

16. OTHER ASSETS

US$ million	31 December 2021	31 December 2020
Other government benefits receivable	114	45
Prepayments	85	86
VAT and duties receivable	72	59
Amounts due from dealers and joint ventures[1]	64	60
Deposits[1]	16	13
Indemnification asset on legal and tax claims[1]	10	12
Employee loans[1]	7	7
Other[1,2]	30	35
	398	**317**
Current	282	200
Non-current	116	117
	398	**317**

1 Financial assets are measured at amortised cost and the fair value approximates the carrying amount.

2 The amount mainly comprises other non-current receivables.

Other government benefits receivable

US$ million	Credit rating	31 December 2021	31 December 2020
Kenya	B	31	–
Morocco	BB+	23	10
Senegal	Ba3	20	24
Madagascar	None available	12	–
Botswana	BBB+	10	1
Guinea	None available	9	3
Other		9	7
		114	**45**

The Group is exposed to credit risk in relation to other government benefits receivables. Based on management's review on the recoverability of these receivables it believes the credit risk in relation to these balances is relatively low. Other government benefits receivable are partially provided for and presented net of provisions for impairment of $10m (2020: $24m). For the year $336m (2020: $103m) of other government benefits were recognised in cost of sales for compensation of costs incurred.

17. INVENTORIES

US$ million	31 December 2021	31 December 2020
Fuel	433	401
Lubricants	105	77
Other	26	2
	564	**480**

Cost of sales as disclosed on the face of the consolidated statements of comprehensive income include the total expense for inventory during the year for $7,400m (2020: $5,976m). The carrying value of inventory represents the net realisable value. Provisions for write-downs of inventories to the net realisable value amounted to $7m as per 31 December 2021 (2020: $8m). Other inventory consists of energy saving certificates, fittings for LPG and lubricants and spare parts.

18. TRADE RECEIVABLES

Trade receivables are measured at amortised cost and were as follows, as at:

US$ million	31 December 2021	31 December 2020
Trade receivables	521	410
Less: loss allowance of trade receivables	(60)	(66)
Trade receivables – net	**461**	**344**

The fair values of trade receivables approximate their carrying value as they are deemed short-term in their nature and recoverable within 12 months. Trade receivables include credit secured receivables of $223m (2020: $180m).

Movements in the loss allowance of trade receivables are as follows:

US$ million	2021	2020
At 1 January	**66**	**55**
Additions	7	14
Reversals	(6)	(6)
Utilisation	(4)	(1)
Foreign exchange differences	(3)	4
At 31 December	**60**	**66**

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are measured at amortised cost and the fair value approximates the carrying amount.

US$ million	31 December 2021	31 December 2020
Cash	392	479
Cash equivalents:		
Short-term placements	195	36
	587	**515**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

20. SHARE CAPITAL AND RESERVES

Share capital consists of 1,266,941,899 ordinary shares at the nominal value of $0.50 each. At 31 December 2021, 1,263,902,349 shares have been issued and fully paid and entitle the holder to participate in dividends and 3,039,550 treasury shares. In 2019, the Company established an employee benefit trust. This is a discretionary trust formed to enable the Company to issue shares to certain employees under the Company's share plans. The shares held by the trust are not considered as treasury shares for the purposes of Listing Rules disclosure. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote. Shareholders will, under general law, be entitled to participate in any surplus assets in a winding up of the Company in proportion to their shareholding.

Other reserves are disclosed in the consolidated statements of changes in equity.

	2021		2020	
Ordinary shares	**Number of shares**	**US$ million**	**Number of shares**	**US$ million**
At 1 January	1,266,941,899	633	1,266,073,050	633
Share issuance related to share awards	–	–	868,849	–
At 31 December	**1,266,941,899**	**633**	**1,266,941,899**	**633**

21. EARNINGS PER SHARE

Basic and diluted EPS were computed as follows:

US$ million, unless otherwise indicated	2021	2020
Basic earnings per share		
Net income	152	90
Attributable to owners	140	80
Weighted average number of ordinary shares (million)	1,264	1,266
Basic earnings per share (US$)	**0.11**	**0.06**

US$ million, unless otherwise indicated	2021	2020
Diluted earnings per share		
Earnings attributable to owners	140	80
Diluted number of shares (million)	1,272	1,266
Diluted earnings per share (US$)	**0.11**	**0.06**

US$	2021	2020
Adjusted diluted earnings per share		
Diluted earnings per share	0.11	0.06
Impact of special items	–	–
Adjusted diluted earnings per share	**0.11**	**0.06**

22. DIVIDENDS

Given the impact of COVID-19 on the business in the first half of 2020, the Board withdrew its recommendation to pay a final dividend for 2019 and did not declare an interim dividend for the first half of 2020. On 18 December 2020 the Company paid an interim dividend of 2.65 cents per share, which is the amount that would have been paid to shareholders had the final dividend of the year ended 31 December 2019 been paid rather than withdrawn. This interim dividend was paid out of distributable reserves and is reflected in the statement of changes in equity. Payment of the final approved dividend for 2020 of 3.8 cents per share, amounting to $48m, was made on 25 June 2021.

In 2021, the Board approved an interim dividend of 1.7 cents per share, amounting to $21.5m. This dividend was paid on 10 September 2021 to shareholders of record at close of business on 13 August 2021. The dividend was paid out of distributable reserves as at 30 June 2021.

The Board has declared a further interim dividend for the 2021 financial year of 4.0 cents per share, amounting to $51m. Payment of this dividend is expected on 24 June 2022 to shareholders of record at close of business on 27 May 2022. The dividend will be paid out of distributable reserves as at 31 December 2021 and is not recognised in the statement of changes in equity.

US$ million	2021	2020
Interim dividend	21	34
Dividend	51	48
Total	**72**	**82**

23. BORROWINGS

US$ million	Drawn on	Interest rate	Maturity	31 December 2021	31 December 2020
Notes[1]	24/09/2020	5.125%	24/09/2027	349	349
VEI BV Revolving Credit Facility[2]	27/02/2019	Euribor + 1.25%/1.75%		–	59
Bank borrowings				280	274
				629	**682**
Current				277	270
Non-current				352	412
				629	**682**

1 The amounts are net of financing costs. Notes amount is $350m; financing costs are $1m (2020: $1m).

2 The amount included financing costs of circa $1m.

Current borrowings, consist of bank borrowings which carry interest rates between 1.5% and 16.1% per annum, are short-term in nature and the carrying amount approximates the fair value.

In September 2020, the Group issued $350m notes with a coupon rate of 5.125% paid semi-annually and seven-year maturity. The notes are fully redeemed at maturity. The fair value of the notes is approximately $364m based on quoted market prices at the end of the reporting period.

In May 2018, the Company established a multi-currency revolving credit facility of $300m. The multi-currency revolving credit facility was initially utilised, in February 2019, with a drawdown of $64m, to fund the acquisition of VEOHL. The majority of the RCF facility matures in May 2023. The RCF is a floating rate facility and the carrying amount approximates the fair value.

Besides the RCF, the Group has various unsecured short-term bank facilities extended to operating entities for working capital purposes. The undrawn, unsecured short-term bank facilities of $1,171m (2020: $1,323m) include a large number of uncommitted facilities held with a number of different banks. Most of these facilities are subject to an annual renewal process.

23. BORROWINGS CONTINUED

The tables below provide an analysis of cash and non-cash movements in borrowings for the period:

US$ million			2021
	Long-term debt	Bank borrowings	Total
1 January	**408**	**274**	**682**
Repayment of long-term debt	(60)	–	**(60)**
Proceeds/(repayment) of bank borrowings	–	11	**11**
Foreign exchange movements	–	(5)	**(5)**
Other[1]	1	–	**1**
31 December	**349**	**280**	**629**

1 Other includes financing costs and non-cash items.

US$ million			2020
	Long-term debt	Bank borrowings	Total
1 January	**371**	**229**	**600**
Proceeds from long-term debt[1]	517	–	**517**
Repayment of long-term debt[2]	(492)	–	**(492)**
Proceeds/(repayment) of bank borrowings	–	26	**26**
Foreign exchange movements	7	8	**15**
Other[3]	5	11	**16**
31 December	**408**	**274**	**682**

1 Mainly represents the issuance of fully redeemable notes to the amount of $350m on 24 September 2020 and RCF drawdowns.
2 Includes repayments of the Term Loan and RCF.
3 Other includes financing costs and non-cash items.

Key covenants:

The key covenants below relate to the VEI BV Revolving Credit Facility:

– Within 150 calendar days after the Group's year-end its audited annual consolidated financial statements, unaudited annual non-consolidated financial statements and the unaudited annual Group financial statements of each operating unit must be provided to the lender.
  Within 90 days after each half of each financial year, the unaudited non-consolidated financial statements, unaudited consolidated financial statements and unaudited Group financial statements for each operating unit for the financial half-year must be provided to the lender.

– The financial covenants are minimum interest cover of 4x and maximum debt cover of 3x. With each set of financial statements, a financial covenants compliance certificate has to be provided indicating the debt and interest cover. The debt cover follows the Group's leverage ratio calculation and interest cover indicates the Group's ability to service its debt related interest with profits. These calculations take into account bank permitted exemptions stipulated within the contractual agreement. The loan carries some customary negative pledges such as on asset sale, securities over assets, mergers and guarantees subject in each case to some exemptions and permitted baskets. However, a change in control clause within the RCF, could result in the facility being withdrawn on completion of the transaction.

The below key covenants relate to the VEI BV Notes:

– The financial covenants are a minimum fixed charged cover of 2x. The Notes carry customary restrictive covenants such as on asset sale, securities over assets, mergers and guarantees subject in each case to some exemptions and permitted baskets, and a maintenance of listing covenant. It also has a change of control clause giving each noteholder a put right if an entity, other than permitted ones, takes control of the Company (Vitol is included as permitted entity).

No key covenants were breached in the last applicable period.

24. PROVISIONS

Provisions include the following:

US$ million	31 December 2021	31 December 2020
Provisions	94	85
Retirement benefit obligations (note 25)	30	35
	124	**120**
Current	19	16
Non-current	105	104
	124	**120**

	2021				
US$ million	Uncertain tax positions	Compulsory stock obligation	Legal provisions	Other	Total
At 1 January	**31**	**20**	**10**	**24**	**85**
Additions	8	9	4	5	**26**
Utilisation	(2)	–	(1)	(4)	**(7)**
Releases	(4)	–	(1)	(2)	**(7)**
Foreign exchange differences	–	(1)	–	(2)	**(3)**
At 31 December	**33**	**28**	**12**	**21**	**94**
Current	–	–	12	7	**19**
Non-current	33	28	–	14	**75**
	33	**28**	**12**	**21**	**94**

Compulsory stock obligation provision

The oil market regulator in Morocco introduced an industry mechanism to enable oil market operators to maintain the necessary compulsory stock volume requirement. This resulted in the recognition of a provision, which is an amount payable to the Moroccan oil fund regulator in relation to the compulsory stock reserve requirement introduced in 1994. Refer to note 2.21 for further details.

Uncertain tax positions

This amount represents a provision for uncertain tax positions for non-income taxes, interest and penalties of $33m (2020: $31m). Refer to note 4.2 for further details regarding uncertain tax positions and note 16 for further details of the indemnification asset on tax claims.

Legal provision

This amount represents a provision of certain legal claims brought against the Group. The timing of any payout is uncertain as these claims are being disputed by the Group. The Group believes that the outcome of these claims will not give rise to a significant loss beyond the amounts provided against as at 31 December 2021. Refer to note 16 for further details of the indemnification asset on legal claims.

Other

Other provisions include a number of costs to be paid out by the Group that have uncertainty in timing of cash values and total monetary value. Other provisions relate mainly to employee related provisions of $10m (2020: $10m).

25. RETIREMENT BENEFITS

The Group operates defined benefit plans in multiple African countries, which include Cape Verde, Gabon, Ghana, Guinea, Côte d'Ivoire, Mauritius, Morocco, Namibia, Reunion, Rwanda, Senegal, South Africa and Tunisia. The plans operated in Cape Verde, Ghana, Mauritius, Morocco, Senegal and Tunisia combined present approximately 79% of the total liability for the Company. The valuations are carried out in line with the regulatory requirements in each country considering the requirements under IAS 19 'Employee Benefits'. The plans offered in these countries differ in nature and consist of medical plans, pension plans, retirement indemnities, jubilees and long service award plans. These plan benefits are linked to final salary and benefit payments are met as they fall due. The two exceptions to this are Gabon and Mauritius, which both operate a funded plan. The plan in Gabon has a funding level of approximately 65% and Mauritius approximately 110%. In Gabon plan assets are held in the form of insurance contracts. For Mauritius, plan assets are held in vehicles with standard investment risk, following a balanced investment strategy, split between equities, government bonds and asset-backed securities. The plan in Mauritius has been closed to future accrual; from 31 December 2014 onwards. However, the link to final salaries is being maintained for in-service employees.

US$ million	2021	2020
Current service cost	2	1
Accretion expense	2	2
	4	**3**

US$ million	2021	2020
Defined benefit plans	4	3
Defined contribution plans	8	9
Total retirement benefit costs	**12**	**12**

US$ million	31 December 2021	31 December 2020
Consolidated statements of financial position obligations for:		
Pension benefits	25	31
Other post-employment benefits	5	4
Total liability	**30**	**35**

The amounts recognised in the consolidated statements of financial position are determined as follows:

US$ million	31 December 2021	31 December 2020
Present value of funded obligations	(13)	(17)
Fair value of plan assets	13	12
Funded status of funded benefit obligations (net liability)	**–**	**(5)**
Present value of unfunded obligation	(25)	(26)
Unfunded status end of year (net liability)	**(25)**	**(31)**
Net defined benefit obligation	**(25)**	**(31)**

The movements in the defined benefit obligation for funded and unfunded post-employment defined benefits over the year are as follows:

	2021			2020		
US$ million	**Pension benefits**	**Other**	**Total**	**Pension benefits**	**Other**	**Total**
At 1 January	**43**	**4**	**47**	**37**	**5**	**42**
Current service costs	2	–	**2**	1	–	**1**
Benefits paid	(3)	–	**(3)**	(4)	–	**(4)**
Interest costs	1	1	**2**	2	–	**2**
(Gains)/losses from change in financial assumptions	(3)	–	**(3)**	4	–	**4**
(Gains)/losses from change in demographic assumptions	–	–	**–**	1	–	**1**
Actuarial (gains)/losses	1	–	**1**	1	(1)	**–**
Foreign exchange differences	(3)	–	**(3)**	1	–	**1**
At 31 December	**38**	**5**	**43**	**43**	**4**	**47**

The movements in the fair value of plan assets over the year are as follows:

	2021		2020	
US$ million	**Pension benefits**	**Total**	**Pension benefits**	**Total**
At 1 January	**12**	**12**	**11**	**11**
Return on Plan Assets	3	**3**	–	**–**
Employer contributions	2	**2**	3	**3**
Benefits paid	(3)	**(3)**	(2)	**(2)**
Foreign exchange differences	(1)	**(1)**	–	**–**
At 31 December	**13**	**13**	**12**	**12**

The plan assets shown above are invested in equities $7m (2020: $6m), government bonds $3m (2020: $4m), corporate bonds $2m (2020: $2m), insurance contracts $0.3m (2020: $0.4m) and cash and cash equivalents $0.01m (2020: $0.03m).

The sensitivity of the defined benefit obligation to changes in weighted principal assumptions is:

	Assumptions used		Effect of using alternative assumptions	
	31 December 2021	**31 December 2020**	**Range of assumptions**	**Increase/(decrease)**
Rate of increase in pensionable remuneration	4.39%	3.71%	0.50% – (0.50%)	2.67% – (2.54%)
Rate of increase in pensions in payment	2.28%	2.41%	0.50% – (0.50%)	1.53% – (1.42%)
Rate of increase in healthcare costs	13.72%	16.20%	0.50% – (0.50%)	4.21% – (3.90%)
Discount rate for pension plans	5.13%	4.38%	0.50% – (0.50%)	(4.93%) – 5.39%
Discount rate for healthcare plans	18.28%	21.13%	0.50% – (0.50%)	(5.18%) – 5.70%
Expected age at death for persons aged 60:				
Men	79.65	79.86		
Women	83.69	83.61		

25. RETIREMENT BENEFITS CONTINUED

The principal actuarial assumptions were as follows:

2021	Tunisia	Senegal	Cape Verde	Mauritius	Morocco	Côte d'Ivoire	Guinea	Namibia	Ghana	Gabon	Reunion	Rwanda	South Africa
Discount rate	9.50%	8.25%	4.00%	4.75%	2.50%	6.00%	15.00%	12.90%	21.60%	5.25%	1.00%	12.00%	11.30%
Inflation rate	5.50%	1.75%	2.00%	2.50%	2.00%	n/a	n/a	8.10%	10.00%	2.75%	1.80%	4.75%	6.10%
Future salary increases	6.00%	3.00%	2.00%	2.50%	6.00%	3.00%	8.50%	n/a	n/a	3.00%	2.58%	7.50%	n/a
Future pension increases	n/a	n/a	1.00%	2.98%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

2020	Tunisia	Senegal	Cape Verde	Mauritius	Morocco	Côte d'Ivoire	Guinea	Namibia	Ghana	Gabon	Reunion	Rwanda
Discount rate	9.75%	8.00%	4.00%	2.75%	2.50%	6.00%	13.50%	15.60%	23.00%	5.50%	1.00%	11.25%
Inflation rate	4.50%	1.75%	2.00%	0.50%	2.00%	n/a	n/a	10.10%	12.00%	2.75%	1.80%	4.75%
Future salary increases	6.00%	3.00%	2.00%	0.50%	6.00%	3.00%	8.00%	n/a	n/a	3.00%	2.58%	7.50%
Future pension increases	n/a	n/a	1.00%	3.00%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

The weighted average duration of the defined benefit obligation is 10.8 years.

Expected contributions to post-employment benefit plans for the year ending 31 December 2022 are $3m.

26. OTHER LIABILITIES

US$ million	31 December 2021	31 December 2020
Oil fund liabilities[1] (note 2.21)	90	110
Other tax payable[2]	84	75
Deposits owed to customers[1]	75	72
Employee liabilities[1,3]	46	44
Deferred income	17	14
Other[1]	28	21
	340	**336**
Current	187	171
Non-current	153	165
	340	**336**

1 Financial liabilities amounting to $215m (2020: $215m) are measured at amortised cost and its fair value approximates the carrying amount.

2 Other tax payable mainly relates to VAT, withholding taxes and employee taxes.

3 Employee liabilities mainly relate to employee bonuses.

27. LEASES

The Group has leases for motor vehicles, corporate offices, land, buildings and equipment. Leases have remaining lease terms of one year to 99 years, some of which may include options to extend the leases for at least five years and some of which may include options to terminate the leases within one year.

The consolidated statement of financial position shows the following amounts relating to leases:

US$ million	Land and buildings	Motor vehicles	Total
Right-of-use assets, 1 January 2020	**160**	**16**	**176**
Depreciation of right-of-use assets	(22)	(3)	**(25)**
Leases effective in 2020	43	7	**50**
Right-of-use assets, 31 December 2020	**181**	**20**	**201**
Depreciation of right-of-use assets	(26)	(4)	**(30)**
Leases effective in 2021	44	4	**48**
Right-of-use assets, 31 December 2021	**199**	**20**	**219**

Lease liabilities are measured at amortised cost and the fair value approximates the carrying amount.

US$ million	31 December 2021	31 December 2020
Current lease liabilities	26	24
Non-current lease liabilities	135	119
	161	**143**

The consolidated statement of comprehensive income shows the following amounts relating to leases:

US$ million	2021	2020
Interest expense (included in finance cost)	(16)	(12)
Depreciation of right-of-use assets	(30)	(25)
Expenses relating to short-term leases, low-value leases and variable leases not included in the lease liabilities	(7)	(7)

The consolidated statement of cash flows shows the following amounts relating to leases:

US$ million	2021	2020
Cash flows from financing activities		
Principal elements of lease payments	(33)	(31)
Interest paid	(14)	(10)
	(47)	**(41)**

Other information related to leases was as follows:

	2021	2020
Weighted average remaining lease term (years)	11	10
Weighted average discount rate	10%	11%

The Group recognised rental income of $24m (2020: $19m) as revenue in the statement of comprehensive income.

28. NET CHANGE IN OPERATING ASSETS AND LIABILITIES AND OTHER ADJUSTMENTS

US$ million	2021	2020
Trade payables	432	(203)
Trade receivables	(140)	114
Inventories	(104)	40
Other assets	(95)	39
Other liabilities	29	(17)
Provisions	9	1
Other[1]	64	74
	195	**48**

1 Of which $59m relates to net finance expense (2020: $60m).

29. COMMITMENTS AND CONTINGENCIES

Commitments

The Group has purchase obligations for capital and operational expenditure, under various agreements, made in the normal course of business. The purchase obligations are as follows, as at:

US$ million	31 December 2021	31 December 2020
Purchase obligations	21	22

Contingent liabilities and legal proceedings

The Group may from time to time be involved in a number of legal proceedings. The Directors prepare a best estimate of its contingent liabilities that should be recognised or disclosed in respect of legal claims in the course of ordinary business. Furthermore, in many markets there is a high degree of complexity involved in the local tax and other regulatory regimes. The Group is required to exercise judgement in the assessment of any potential exposures in these areas.

The Group's subsidiary in Morocco received a report in January 2020 from the investigators in charge of the Conseil de la Concurrence's ('CDC') ongoing review of the competitive dynamics of the Moroccan fuel retailing industry. Vivo Energy Morocco provided submissions to the CDC at their request. The report and these submissions were discussed at a private hearing of the CDC held on 21 and 22 July 2020 in Morocco. After the hearing, the Royal Cabinet intervened and formed an independent commission to review the CDC investigation. This followed the receipt of allegations regarding the CDC process and conduct. As announced in March 2021, the Royal Cabinet's review concluded that the CDC investigation "was marked by numerous procedural irregularities" and experienced "an obvious deterioration in the climate of deliberations". A new President has now been appointed to lead the CDC. We continue to believe that we have conducted our operations in accordance with applicable competition laws, rules and regulations.

In the ordinary course of business, the Group is subject to a number of contingencies arising from litigation and claims brought by governmental, including tax authorities, and private parties. The operations and earnings of the Group continue, from time to time, to be affected to varying degrees by political, legislative, fiscal and regulatory developments, including those relating to the protection of the environment and indigenous groups in the countries in which they operate. The industries in which the Group is engaged are also subject to physical risks of various types. There remains a high degree of uncertainty around these contingencies, as well as their potential effect on future operations, earnings, cash flows and the Group's financial condition.

The Group is not currently aware of any other litigations, claims, legal proceedings or other contingent liabilities that should be disclosed.

30. SHARE-BASED PAYMENTS

The Group operates share-based payment plans for certain Executive Directors, Senior Managers and other senior employees. Information on these plans is included in the Remuneration Report on page 100.

Management Equity Plan

In 2013, Vivo Energy Holding B.V. awarded to eligible employees either (1) Management equity plan (MEP) phantom options which entitled option holders to a cash payment based on the value of Vivo Energy Holding B.V. shares upon exercise of their MEP phantom options or (2) the opportunity to acquire restricted shares in combination with a linked option right to acquire ordinary shares in Vivo Energy.

Under the terms of the phantom options, all outstanding phantom options would become fully exercisable upon the share admission in May 2018. The option holders subsequently agreed to amend the terms of their outstanding phantom options such that 30% of the outstanding phantom options were deemed to be exercised at share admission and 70% became exercisable on the first anniversary of the share admission being 4 May 2019, for a period of 24 months. Under the amended terms, the option holders' entitlement to the cash payment is based on the market value of the shares at the time of exercise net of a nominal exercise price per share.

The MEP phantom options are fully vested and were fully settled during the year. The MEP related liability as at 31 December 2020 amounted to $4m.

IPO Share Award Plan

In May 2018, Vivo Energy plc granted certain Executive Directors and Senior Managers one-off share awards ('IPO Share Awards') under the 2018 IPO Share Award Plan. The IPO Share Awards vest, subject to continued service and performance conditions relating to consolidated gross cash profit growth and adjusted net income growth being met, in three equal tranches on the first, second and third anniversary of admission. The IPO Share Awards Plan was fully settled during the year with no further outstanding options.

Long-Term Incentive Plan

Vivo Energy plc adopted the Vivo Energy 2018 Long-Term Incentive Plan (the 'LTIP 2018') in May 2018, the Vivo Energy 2019 Long-Term Incentive Plan (the 'LTIP 2019') in March 2019, the Vivo Energy 2020 Long-Term Incentive Plan (the 'LTIP 2020') in March 2020 and the Vivo Energy 2021 Long-Term Incentive Plan (the 'LTIP 2021') in March 2021. The LTIP 2018, LTIP 2019, LTIP 2020 and LTIP 2021 provide for grants of awards over the shares of the Company in the form of share awards subject to continued employment and the performance conditions relating to earnings per share, return on average capital employed and total shareholder returns over a three-year period. Executive Directors and Senior Management of the Group are eligible for grants under the LTIP Incentive Plans. The LTIP 2018 was fully vested and settled during the year.

Restricted Share Award Plan
Vivo Energy plc adopted the Restricted Share Award Plan during the year. The Restricted Share Award Plan provides for grants of awards over the shares of the Company in the form of share awards subject to continued employment over a 16-month period. Certain Senior Managers of the Group are eligible for grants under the Restricted Share Award Plan.

The table below shows the share-based payment expense/(income) recognised in the statements of comprehensive income:

US$ million	2021	2020
Cash-settled share-based payments		
Management Equity Plan	1	(3)
Equity-settled share-based payments		
IPO Share Award Plan	1	1
Long-Term Incentive Plans 2018-2021	2	2
Restricted Share Award Plan	1	–
	5	**–**

Movements in the number of shares and share options outstanding, and their related weighted average exercise prices, are as follows:

				LTIP	IPO	Restricted Share Awards		MEP
In million	**LTIP 2018**	**LTIP 2019**	**LTIP 2020**	**LTIP 2021**	**IPO Share Awards**	**Restricted Share Awards**	**Average exercise price per phantom option US$**	**Phantom Options**
Outstanding at 1 January 2021	**3**	**4**	**5**	**–**	**1**	**–**	**0.05**	**3**
Granted/Lapsed	(1)	–	(1)	6	–	1	–	–
Vested/Exercised	(2)	–	–	–	(1)	–	–	(3)
Outstanding at 31 December 2021	**–**	**4**	**4**	**6**	**–**	**1**	**–**	**–**
Exercisable at 31 December 2021	**1**	**–**	**–**	**–**	**–**	**–**	**n/a**	**–**
Outstanding at 1 January 2020	**3**	**5**	**–**	**–**	**2**	**–**	**0.05**	**7**
Granted/Lapsed	–	(1)	5	–	–	–	–	–
Vested/Exercised	–	–	–	–	(1)	–	–	(4)
Outstanding at 31 December 2020	**3**	**4**	**5**	**–**	**1**	**–**	**0.05**	**3**
Exercisable at 31 December 2020	**–**	**–**	**–**	**–**	**–**	**–**	**n/a**	**3**

The inputs of the valuation model for options granted during the year are as follows:

US$	LTIP 2020	LTIP 2021	Restricted Share Awards
Fair value at grant date	1.22	1.36	1.49
Expected dividends as a dividend yield (%)	0%	0%	0%

31. RELATED PARTIES

Sales and purchases

US$ million	Joint ventures and associates	Shareholders	Total
2021			
Sales of products and services and other income	23	56	**79**
Purchase of products and services, and other expenses	369	887	**1,256**
2020			
Sales of products and services and other income	29	37	**66**
Purchase of products and services, and other expenses	269	837	**1,106**

The following table presents the Company's outstanding balances with related parties:

US$ million	Joint ventures and associates	Shareholders	Total
31 December 2021			
Receivables from related parties	54	5	**59**
Payables to related parties	(81)	(232)	**(313)**
	(27)	**(227)**	**(254)**
31 December 2020			
Receivables from related parties	53	2	**55**
Payables to related parties	(51)	(160)	**(211)**
	2	**(158)**	**(156)**

The receivables from related parties arise from sale transactions and loans to joint ventures. Receivables are due two months after the date of sales, are unsecured in nature and bear no interest. Loans to joint ventures are interest bearing and secured by the entire issued share capital of the joint venture. An expected credit loss of $1m (2020: Nil) was recognised in relation to a joint venture receivable.

The payables to related parties arise mainly from purchase transactions at arm's length, including a supplier agreement with Vitol Supply, and are typically due two months after the date of purchase. These payables bear no interest.

Key management compensation

Key management is considered to be the Directors (Executive and Non-Executive) and Senior Management.

US$'000	2021	2020
Salaries and other short-term employee benefits[1]	9,451	7,339
Share-based payments[2]	2,496	3,087
Service fees	784	731
Post-employment benefits	744	622
	13,475	**11,779**

1 Includes termination benefits in 2020 of $68,141.

2 Share-based payments include LTIP, IPO Share Awards and Restricted Share Awards.

Directors' compensation

Directors' compensations are disclosed from the date of appointment.

US$'000	2021[2]	2020
Salaries and other short-term employee benefits	3,349	2,164
Share-based payments[1]	812	2,202
Service fees	784	731
Post-employment benefits	170	165
	5,115	**5,262**

1 Share-based payments include LTIP and IPO Share Awards.

2 Includes remuneration of the former Chief Financial Officer up to his leaving date of 25 May 2021.

In the year ended 31 December 2021, the aggregate gross pre-tax gain made on the exercise of the options was $1m (2020: $1m).

32. EVENTS AFTER BALANCE SHEET PERIOD

There have been no material subsequent events after the reporting period, up to and including the date that the financial statements were authorised for issue, that would have required disclosure or adjustment of the Consolidated financial statements or the Company financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

US$ million	Notes	31 December 2021	31 December 2020
Fixed assets			
Investments	5	1,913	1,913
		1,913	**1,913**
Current assets			
Debtors	6	7	5
Cash and cash equivalents	7	2	6
		9	**11**
Creditors falling due within one year	8	(7)	(5)
Current assets less current liabilities		**2**	**6**
Total assets less current liabilities		**1,915**	**1,919**
Net assets		**1,915**	**1,919**
Capital and reserves			
Called up share capital	9	633	633
Share premium		4	4
Other reserves	10	1,136	1,210
Equity-settled incentive schemes		4	7
Retained earnings[1]		138	65
Total equity		**1,915**	**1,919**

1 Profit for the financial year ended 31 December 2021 was $68m (2020: $74m).

The notes are an integral part of these consolidated financial statements.

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 1 March 2022 and were signed on its behalf by:

CHRISTIAN CHAMMAS
Chief Executive Officer

DOUG LAFFERTY
Chief Financial Officer

COMPANY STATEMENT OF CHANGES IN EQUITY

US$ million	Called up share capital	Share premium	Other reserve[1,2]	Equity-settled incentive schemes	Retained earnings	Total
At 1 January 2021	**633**	**4**	**1,210**	**7**	**65**	**1,919**
Share awards transactions	–	–	(5)	(5)	5	**(5)**
Equity-settled incentive scheme	–	–	–	2	–	**2**
Profit for the period	–	–	–	–	68	**68**
Dividends	–	–	(69)	–	–	**(69)**
As at 31 December 2021	**633**	**4**	**1,136**	**4**	**138**	**1,915**

US$ million	Called up share capital	Share premium	Other reserve[1]	Equity-settled incentive schemes	Retained earnings	Total
At 1 January 2020	**633**	**4**	**1,244**	**6**	**(10)**	**1,877**
Share issuance related to share awards	–	–	–	(1)	1	**–**
Equity-settled incentive scheme	–	–	–	2	–	**2**
Profit for the period	–	–	–	–	74	**74**
Dividends	–	–	(34)	–	–	**(34)**
As at 31 December 2020	**633**	**4**	**1,210**	**7**	**65**	**1,919**

1 Included in reserves is a merger reserve ($82m) relating to the premium on shares issued as part of the consideration of the acquisition of Vivo Energy Overseas Holdings Limited (VEOHL), formerly known as Engen International Holdings (Mauritius) Limited in March 2019.

2 Reserves include $5m related to market purchase of ordinary shares of the Company to satisfy option exercises under the Company's IPO Share Award Plan and Long-Term Incentive Plan (LTIP).

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Vivo Energy plc ('Vivo Energy' or the 'Company') was incorporated as a private limited company in the United Kingdom on 12 March 2018 and re-registered as a public limited company on 9 April 2018. Vivo Energy plc was incorporated in conjunction with the pre-IPO reorganisation of the Group. On 10 May 2018 the Company listed on the London Stock Exchange Main Market for listed securities and the Main Board of the securities exchange operated by the Johannesburg Stock Exchange by way of secondary inward listing. The Company operates as the holding company of a group which distributes and sells fuel, liquefied petroleum gas (LPG) and lubricants to Retail and Commercial consumers under the Shell and Engen brands. The Group sells Aviation fuels, using the Vitol Aviation brand, as well as unbranded marine fuels. In addition, the Group generates revenue under convenience retail and quick service restaurants by leveraging on its retail network.

The Company is registered in England and Wales and is limited by shares (Registration number 11250655) under the Companies Act 2006. The address of the registered office is 5th floor, The Peak, 5 Wilton Road, London, SW1V 1AN, United Kingdom.

The Company's ownership structure is 36.0% owned by entities that are members of the Vitol Group (comprising Vitol Africa B.V. and VIP Africa II B.V.) and 27.1% owned by entities that are members of Helios Investment Partners (including but not limited to HIP Oils Mauritius Limited and Helios Holdings Limited). The remaining percentage is owned by a number of private shareholders and companies, none of whom own more than 20% of the issued share capital of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently over the years.

2.1 Basis of preparation

The Company financial statements, for the years ended 31 December, have been prepared on a going concern basis, under the historical cost accounting rules, in accordance with Financial Reporting Standard 102 ('FRS 102') and those parts of the UK Companies Act 2006 applicable to companies reporting under FRS 102.

The following disclosure exemptions available under FRS 102 have been applied:

Section 7 Statement of cash flow and section 3 Financial statement presentation paragraph 3.17(d)

Section 26 Share-based payment paragraph 26.18(b), 26.19, 26.21, 26.23

As permitted by section 408(3) of the Companies Act 2006, the income statement of the Company is not presented in this Annual Report. The Company has not published its individual cash flow statement as its liquidity, solvency and financial adaptability are dependent on the Group rather than its own cash flows. The Group consolidated financial statements as presented on page 123 include the financial statements of the Company and all of its subsidiary undertakings together with the Group's share of the results of associates made up to 31 December 2021.

In the process of applying the Company's accounting policies, there are no significant estimates or judgements which have a significant effect on the amounts recognised in the financial statements. In preparing the financial statements management has considered the impact that climate change may have. There is currently no indication that climate change will negatively impact the Company's accounting estimates and judgements, which would result in a material adjustment to the financial statement balances. For further details, refer to note 2.1 in the consolidated financial statements.

2.2 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in United States dollars ('US dollars'), which is also considered to be the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Monetary assets and liabilities expressed in foreign currencies at the end of the reporting period are translated into US dollars at the market rate ruling at the end of the reporting period.

2.3 Income tax

The income tax expense for the period comprises current and deferred tax. Income tax is recognised in the statements of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the income tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where the Company operates and generates a taxable income. The Company periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred income tax is provided on timing differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the timing difference is controlled by the Company and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.4 Financial instruments

The Company has adopted to apply the requirements of IFRS 9 in preparations of the financial statements. Financial instruments are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Trade receivables are initially recognised when they are originated. Financial assets are derecognised when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognised only when the Company has not retained control over the financial asset. Financial liabilities are derecognised when its contractual obligations are discharged, cancelled or expired, and when its terms are modified and the cash flows are substantially different. Subsequent to initial recognition financial instruments are measured as described below.

Financial instruments measured at amortised cost

Except for debt instruments that are designated at fair value through profit or loss (FVTPL) on initial recognition, financial instruments that meet the following criteria are measured at amortised cost using the effective interest method.

- They are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

The amortised cost is reduced by impairment losses. Finance income or expense, foreign exchange gains and losses and impairments are recognised in profit and loss. The following financial assets and liabilities are classified as measured at amortised cost:

Cash and cash equivalents

Cash and cash equivalents include cash at bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Other financial liabilities

Financial liabilities are initially measured at fair value, net of transaction cost and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis except for short-term payables when the recognition of interest would be immaterial.

2.5 Investments

Investments in subsidiary undertakings are stated at cost, less any provision for impairment. The Group determines the recoverable amount of an investment in subsidiaries where a trigger for impairment is identified by assessing the external and internal factors to determine indicators for impairment. External factors include market capitalisation, market interest rates, changes in the crude oil prices, changes in the competitive landscape, changes to government regulations and the impact of COVID-19 on the business. Internal factors include year-to-date performance, the five-year strategic plan, outcomes of previous impairment assessments performed and the impact of structural changes in the business.

2.6 Share-based payments

The Group operates a number of share-based payment plans using the Company's equity instruments. The fair value of the compensation given in respect of these share-based payment plans is recognised as a capital contribution to the Company's subsidiaries over the vesting period. The capital contribution is reduced by any payments received from subsidiaries in respect of these share-based payments. Details of the share-based payments, share option schemes and share plans are disclosed in note 30 'Share-based payments' to the consolidated financial statements.

2.7 Dividend policy

Dividends paid and received are included in the Company financial statements in the period in which the related dividends are actually paid or received or, in respect of the Company's final dividend for the year, approved by shareholders.

2.8 Share capital

Ordinary shares are classified as equity.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received is included in equity attributable to the Company's equity holders.

2.9 Going concern basis

The Company operates as an investment holding company for the Vivo Energy Group, holding investments in Vivo Energy Holding B.V. As the Company is an intrinsic part of the Group's structure, the Directors have a reasonable expectation that Group companies will continue to support the Company through trading and cash generated from trading for the foreseeable future. On 25 November 2021 the Company and VIP II Blue B.V. (wholly owned, indirect subsidiary of Vitol Investment Partnership II Limited, itself being an investment vehicle advised by employees of the Vitol Company, referred to as 'Vitol') announced a recommended total cash offer of $1.85 per share to be made by Vitol for Vivo Energy plc. The transaction is expected to complete during the third quarter of 2022 and has a limited impact on the Company's financial statements at 31 December 2021. The current Board is not expected to continue in position and will therefore not be exercising oversight of the Group's strategy and business plan. While the intentions statement included within the announcement on 25 November 2021, states that Vitol will continue to support the Company with its strategy and growth ambitions, the Directors do not have access to Vitol's detailed plans for the business including the future financing structure and therefore, there is no certainty that the intentions of the acquirer have been incorporated into the Directors' going concern assessment which represents a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. At the time of approving the Company's financial statements, the Directors maintain a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern. Therefore, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements, notwithstanding the material uncertainty caused by the expected change in ownership of the Company and the Group during the period. For further details, refer to note 2.1 in the consolidated financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

3. EMPLOYEE COSTS

US$ million	2021	2020
Salaries and wages	9	7
Social security costs	1	1
Share-based payments	2	2
Total	**12**	**10**

The monthly average number of full time equivalent employees as at 31 December:

No.	2021	2020
Directors	6	6
Administration and support	19	18

4. INCOME TAX

The Company is subject to income tax in the United Kingdom on its net income as adjusted for tax purposes, at the rate of 19%. At 31 December 2021, the Company had accumulated tax losses of $2m (2020: $2m).

Deferred tax

No deferred tax asset has been recognised under the Company's accounting policy for recognising deferred tax assets.

A reconciliation between the actual income tax expense and the theoretical amount that would arise using the applicable income tax rate for the Company is as follows:

Reconciliation of effective tax

US$ million	2021	2020
Profit/(loss) before income tax	68	74
Tax calculated at 19%	(13)	(14)
Impact of:		
Dividends received not subject to tax	13	14
Total income tax expense	**–**	**–**

5. INVESTMENTS

The investments relate solely to the 100% shareholding of Vivo Energy Holding B.V. Management have performed an impairment trigger assessment for the investment. On 25 November 2021 the Group and VIP II Blue B.V. (wholly owned, indirect subsidiary of Vitol Investment Partnership II Limited, itself being an investment vehicle advised by employees of the Vitol Group, referred to as 'Vitol') announced a recommended total cash offer of $1.85 per share to be made by Vitol for Vivo Energy plc. At 31 December 2021, the market capitalisation of the investment, following the Vitol Offer announcement, exceeded its carrying amount. Including the assessment of various internal and external factors management have not identified any triggers for impairments. Refer to note 2.5 for further details on the impairment of investments.

6. DEBTORS

US$ million	31 December 2021	31 December 2020
Related party receivable	5	3
Other receivables	2	2
Total	**7**	**5**

Receivable from related party arises from recharges of employee benefit costs. The amounts are unsecured, interest free and have no fixed date of repayment and are repayable on demand. Debtors are measured at amortised cost and the carrying amount is equal to the fair value for the period end.

7. CASH AND CASH EQUIVALENTS

US$ million	31 December 2021	31 December 2020
Bank	2	6

8. CREDITORS

US$ million	31 December 2021	31 December 2020
Due within one year		
Trade and other payables	6	4
Related party payables	1	1
Total	**7**	**5**

Payables to related parties relates to salary related expenses and other costs. The amounts are unsecured, interest free, have no fixed date of repayment and are payable on demand. Creditors are measured at amortised cost and the carrying amount is equal to the fair value for the period end.

9. CALLED UP SHARE CAPITAL

Share capital consists of 1,266,941,899 (2020: 1,266,941,899) ordinary shares at the nominal value of $0.50 each. For further details, refer to note 20 in the consolidated financial statements.

10. OTHER RESERVES

The other reserves include the share capital reduction completed subsequent to the listing on the London and Johannesburg Stock Exchange Market in 2018. Also included in other reserves is a merger reserve ($82m) relating to the premium on shares issued as part of the consideration of the acquisition of VEOHL in March 2019.

11. DIVIDENDS

Given the impact of COVID-19 on the business in the first half of 2020, the Board withdrew its recommendation to pay a final dividend for 2019 and did not declare an interim dividend for the first half of 2020. On 18 December 2020 the Company paid an interim dividend of 2.65 cents per share, which is the amount that would have been paid to shareholders had the final dividend of the year ended 31 December 2019 been paid rather than withdrawn. This interim dividend was paid out of distributable reserves and is reflected in the statement of changes in equity. The 2020 final dividend of circa 3.8 cents per share, amounting to $48m, was paid out on 25 June 2021. The dividend was paid out of distributable reserves and recognised in the statement of changes in equity in 2021.

In 2021, the Board approved an interim dividend of 1.7 cents per share, amounting to $21.5m. This dividend was paid on 10 September 2021 to shareholders of record at close of business on 13 August 2021. The dividend was paid out of distributable reserves as at 30 June 2021.

The Board has declared a further interim dividend for the 2021 financial year of 4.0 cents per share, amounting to $51m. Payment of this dividend is expected on 24 June 2022 to shareholders of record at close of business on 27 May 2022. The dividend will be paid out of distributable reserves as at 31 December 2021 and is not recognised in the statement of changes in equity.

US$ million	2021	2020
Interim dividend	21	34
Dividend	51	48
Total	**72**	**82**

12. RELATED PARTIES

The Company discloses transactions with related parties which are not wholly owned with the same Group. It does not disclose transactions with members of the same Group that are wholly owned. All transactions during the period under review have been with members of the same Group that are wholly owned.

13. EVENTS AFTER BALANCE SHEET PERIOD

For the events after balance sheet period refer to note 32 in the consolidated financial statements.

14. OTHER MATTERS

The auditors' remuneration for the current year in respect of audit and audit-related services was $0.3m (2020: $0.3m). Auditors' remuneration relating to other non-audit services has been disclosed in the consolidated financial statements, refer to note 7. The consolidated financial statements have been completed in accordance with requirements SI 2008/489.

The Directors are remunerated by the Company for their services to the Group as a whole. No remuneration was paid to them specifically in respect of their services to Vivo Energy plc for either year. Full details of the Directors' remuneration are disclosed in 'Directors' compensation' in note 31.

15. COMPANY UNDERTAKINGS

A list of all subsidiaries, indirectly held by Vivo Energy plc, except for Vivo Energy Holding B.V. which is 100% owned directly by Vivo Energy plc, in the Group as at 31 December 2021 are disclosed below. Unless otherwise stated, the share capital disclosed comprises ordinary shares and stated ownership percentages represent the effective equity owned by the Group to the nearest whole number.

Subsidiary	Incorporation	Registered address	Shareholding
Vivo Energy Marketing Tanzania Ltd.	Bahamas	H&J Corporate services, Ocean Centre, Montague Foreshore, East Bay Street, P.O. Box SS-19084, Nassau, Bahamas	100%
Vivo Energy Botswana Pty Ltd.	Botswana	Plot 54349 Field Precinct, Office Block B, Central Business District, Gaborone, Botswana	100%
Vivo Energy Burkina S.A.	Burkina Faso	Rond Point des Nations Unies, Ouagadougou Secteur 4 Section II Lot EX-TF 432 Parcelle III, Burkina Faso	59%
Plateau Africa Holdings Ltd.	Canada	199 Bay Street, Suite No.4000, Toronto ON M5L 1A9, Canada	100%
Vivo Energy Cabo Verde S.A.	Cape Verde	Avenida Amilcar Cabral, C.P 4, Mindelo, São Vicente, Cabo Verde	100%
Sociedade Comercial de Navegacão Concha Verde S.A.	Cape Verde	Avenida Amilcar Cabral, C.P 4, Mindelo, São Vicente, Cabo Verde	100%
Vivo Energy Côte d'Ivoire S.A.	Côte d'Ivoire	Rue des pétroliers, Zone Industrielle de Vridi, 15 BP 378 Abidjan, Côte d'Ivoire	67%
Vivo Energy Gabon S.A.	Gabon	234, BD Bessieux, Face au Lycee Immaculee Conception, BP 224, Libreville, Gabon	60%
Vivo Energy Ghana Ltd.	Ghana	Rangoon Lane, Contonments City, Digital Address: GL-045-46-56, P.O. Box 1097, Accra, Ghana	74%
Vivo Energy de Guinée S.A.	Guinea	Aeroport Gbessia, Commune de Matoto, BP 312, Conakry, Guinea	100%
Vivo Energy Guinée Mining SARL	Guinea	Aeroport Gbessia, Commune de Matoto, BP 312, Conakry, Guinea	100%
Vivo Energy Kenya Ltd.	Kenya	Vienna Court, East Wing, State House Road, P.O. Box 43561-00100, Nairobi, Kenya	100%
Vivo Energy Malindi Ltd.	Kenya	Vienna Court, East Wing, State House Road, P.O. Box 43561-00100, Nairobi, Kenya	100%
Vivo Energy East Africa Ltd.	Kenya	Vienna Court, East Wing, State House Road, P.O. Box 43561-00100, Nairobi, Kenya	100%
Vivo Energy Provident Trust Ltd.	Kenya	Vienna Court, East Wing, State House Road, P.O. Box 43561-00100, Nairobi, Kenya	100%
Vivo Marketing Kenya Ltd.	Kenya	Vienna Court, East Wing, State House Road, P.O. Box 43561-00100, Nairobi, Kenya	100%
Vivo Oil Tanking Kenya Ltd.	Kenya	Vienna Court, East Wing, State House Road, P.O. Box 43561-00100, Nairobi, Kenya	100%
Vivo Energy Liberia Ltd.	Liberia	c/o Law Offices of Yonah, Obey & Associates, 152 Cary Street, P.O. Box 3147, Monrovia Liberia	100%
Société Malgache des Pétroles Vivo Energy S.A.	Madagascar	Bâtiment B4 Golden Business Center – Lot II i A bis Morarano Alarobia-101, Antananarivo-Madagascar	72%
Vivo Energy Ltd.	Malawi	Mission Road, Bulk Oil Sites, Makata Industrial Area, Blantayre, Malawi	100%
Vivo Energy Mali S.A.	Mali	Hippodrome, Route de Koulikoro BP 199, Immeuble N°3293 – Bamako, Mali	77%
Vivo Solar Mali S.A.	Mali	Dépot Vivo Energy Mali, Niaréla Sans fil, Zone Industrielle, BP 199 Bamako, Mali	77%
Vivo Energy Senegal Holdings Ltd.	Mauritius	Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius	100%
Vivo Energy Tunisia Holdings Ltd.	Mauritius	Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius	100%
Vivo Energy Madagascar Holdings Ltd.	Mauritius	Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius	100%
Vivo Energy Africa Holdings Ltd.	Mauritius	Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius	100%
Vivo Energy Mauritius Ltd.	Mauritius	Cemetery Road, Roche Bois, Port Louis, Mauritius	75%
Vivo Energy Overseas Holdings Ltd.	Mauritius	C/O IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324, Mauritius	100%
Vivo Energy Maroc S.A.	Morocco	Immeuble Le Zenith II, Lotissement Attaoufik, Route de Nouaceur, Sidi Maarouf Casablanca, 20190 Maroc	100%
Vivo Energy Africa Services SARL.	Morocco	Casablanca Nearshore Park Shore 14 – 2ème étage Plateau 201, 1100 Bd Al Qods – Quartier Sidi Maârouf, 20270, Casablanca, Morocco	100%
Terminal Energetique Jorf S.A.	Morocco	Immeuble Zenith II, Lotissement Attaoufik, Route de Nouaceur, Sidi Maarouf, Casablanca	100%
Terminal D'hydrocarbures Jorf S.A.	Morocco	Immeuble Zenith II, Lotissement Attaoufik, Route de Nouaceur, Sidi Maarouf, Casablanca	100%
Terminal Energetique Agadir S.A.	Morocco	Zone Industrielle d'Anza (côté mer), Agadir	100%
Tidsi Gaz S.A.	Morocco	Zone Industrielle d'Anza (côté mer), Agadir	100%
VE Mozambique Trading Lda	Mozambique	EN4, Tchumene II, Talhao 19, Parcela 3380, Matola, Mozambique	100%

Subsidiary	Incorporation	Registered address	Shareholding
Vivo Energy Mocambique Lda	Mozambique	Rua dos Desportistas, no.480, Edifício Maputo Business Tower, 110 Andar, Fraccao A, Maputo, Mozambique	100%
Vivo Energy Holding B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Investments B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Cape Verde Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Morocco Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Mauritius Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Mali Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Newco Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Ghana Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Kenya Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Uganda Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Guinea Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Côte d'Ivoire Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Burkina Faso Holdings B.V.	Netherlands	Teleportboulevard 110, 1043 EJ Amsterdam, The Netherlands	100%
Vivo Energy Supply B.V.	Netherlands	Wilhelminakade 99, 3072 AP Rotterdam, The Netherlands	100%
Vivo Energy Sales and Marketing Ltd.	Nigeria	1, Murtala Mohammed Drive, Ikoyi, Lagos, Nigeria	100%
Vivo Energy Reunion S.A.	Reunion	1 Rue Sully Prud'Homme, ZI N°2, Le Port, 97823, Reunion	100%
Vivo Energy Rwanda Ltd.	Rwanda	Kacyiru, Gasabo, Umujyi wa Kigali, Rwanda	100%
Kabuye Depot Holding Company Rwanda Ltd.	Rwanda	Kacyiru, Gasabo, Umujyi wa Kigali, Rwanda	100%
Vivo Energy Senegal S.A.	Senegal	Quartier Bel-Air Route des Hudrocarbores, BP 144 Dakar, Senegal	94%
Vivo Energy Sierra Leone Ltd.	Sierra Leone	37 Siaka Stevens Street, Freetown, Sierra Leone	100%
Vivo Energy South Africa (Pty) Ltd.	South Africa	15th Floor Towers South, The Towers, 2 Heerengracht, cnr Hertzog Boulevard, Foreshore 8001, Cape Town, South Africa	100%
Vivo Energy Tanzania Ltd.	Tanzania	Plot No. 263 Mandela Road, Kurasini, Temeke District, Dar es Salaam, Tanzania	100%
Société Vivo Energy Tunisie S.A.	Tunisia	24-26 place du 14 janvier 2011 – 1001 Tunis, Tunisia	100%
Société Butagaz Tunisie S.A.	Tunisia	24-26 place du 14 janvier 2011 – 1001 Tunis, Tunisia	100%
Société Sudgaz S.A.	Tunisia	24-26 place du 14 janvier 2011 – 1001 Tunis, Tunisia	100%
Société D'Exploitation et de Gestion des Points de Vente S.A.	Tunisia	24-26 place du 14 janvier 2011 – 1001 Tunis, Tunisia	48%
Vivo Energy Uganda Ltd.	Uganda	Plot 9/11 7th Street Industrial Area, Kampala, Uganda	100%
Vivo Energy Malindi Uganda Ltd.	Uganda	Plot 9/11 7th Street Industrial Area, Kampala, Uganda	100%
Vivo Energy Uganda Provident Trust.	Uganda	Plot 9/11 7th Street Industrial Area, Kampala, Uganda	100%
Vivo Energy Namibia Ltd.	United Kingdom	5th Floor – The Peak, 5 Wilton Road, London, SW1V 1AN, United Kingdom	100%
Vivo Energy UK Services Ltd.	United Kingdom	5th Floor – The Peak, 5 Wilton Road, London, SW1V 1AN, United Kingdom	100%
Vivo Energy Zambia Ltd.	Zambia	Plot 3132, Buyantanshi Road, Lusaka, Zambia	100%
VE Zambia Legacy Ltd.	Zambia	1394 Mushemi Road, Rhodes Park, P.O. Box 32256, Lusaka, Zambia	100%
Engen Marketing Ltd.	Zambia	Plot 3132, Buyantanshi Road, Lusaka, Zambia	100%
Vivo Energy Zimbabwe Holdings (Private) Ltd.	Zimbabwe	Engen House 71 Kaguvi Street P.O. Box 372, Harare, Zimbabwe	49%
Vivo Energy Zimbabwe (Private) Ltd.	Zimbabwe	Engen House 71 Kaguvi Street P.O. Box 372, Harare, Zimbabwe	49%
Vivo Energy Zimbabwe Operations (Private) Ltd.	Zimbabwe	Engen House 71 Kaguvi Street P.O. Box 372, Harare, Zimbabwe	49%

15. COMPANY UNDERTAKINGS CONTINUED

A list of all joint ventures and associates, indirectly held by Vivo Energy plc, in the Group as at 31 December 2021 are disclosed below. Unless otherwise stated, the share capital disclosed comprises ordinary shares and stated ownership percentages represent the effective equity owned by the Group to the nearest whole number.

Investment	Incorporation	Registered address	Shareholding
Baobab Energy Botswana Propriety Ltd.	Botswana	Plot 50369 Fairgrounds Office Park, Gaborone, Botswana	50%
Manutenção Caboverdeana Matec S.A.	Cape Verde	Rua dos Bombeiros – Zona Industrial CP 227 Mindelo, São Vicente Republica de Cabo Verde	15%
Baobab Energy Côte d'Ivoire SARL	Côte d'Ivoire	Rue des pétroliers, Zone Industrielle de Vridi, 15 BP 378 Abidjan, Côte d'Ivoire	33%
Stockage Petrolier de Côte d'Ivoire SARL	Côte d'Ivoire	Abidjan Port-bouet vridi canal de Petroliers 12 B.O 2141 Abidjan 12, Côte d'Ivoire	20%
Société Gabonaise D'Entroposage des Produits Pétrolière S.A.	Gabon	P.O. Box 2218, Libreville, Gabon	23%
Société PIZO de Formulation de Lubrifiants S.A.	Gabon	Port Gentil, P.O. Box 699, Port Gentil, Gabon	17%
Chase Logistics Ltd.	Ghana	1 Alema Avenue, Airport Residential Area, Accra, P.O. Box AN 8743 Accra North, Ghana	8%
Road Safety Limited Company	Ghana	Tema Shell Installation, Fishing Harbour Road, Tema, Ghana	37%
Société Guinéene des Pétroles S.A.	Guinea	Boulevard Maritim, Kaloum, BP 656, Conakry, Guinea	17%
Kuku Foods Kenya Ltd.	Kenya	LR No. 20/8342/3 1st Ngong Avenue, P.O. Box 14885, 00100, Nairobi, Kenya	50%
Logistique Pétrolière S.A.	Madagascar	Immeuble FITARATRA- 5 ème étage, Rue Ravoninahitriniarivo, Ankorondrano 101, Antananarivo, Madagascar	33%
Petroleum Importers Ltd.	Malawi	6th Floor Unit House, Off Victoria Avenue, Blantyre, Malawi	25%
Energy Storage Company Ltd.	Mauritius	Cemetery Road, Roche Bois, Port Louis, Mauritius	38%
Mer Rouge Oil Storage Company Ltd.	Mauritius	Edith Cavell Street, Les Cascades, Port Louis, Mauritius	15%
Compagnie D'Entreposage Communautaire S.A.	Morocco	Route cotière 111, Km 6,5, Ghezouane, Mohammedia, Morocco	32%
Ismailia Gaz S.A.	Morocco	Km 9 Route d'El Hajeb, Meknes, Morocco	40%
Maghreb Gaz S.A.	Morocco	Immeuble Tafraouti, Km 7,5 Route de Rabat, Ain Sebaa, Casablanca, Morocco	37%
MFG Vivo Holding S.A.	Morocco	59 Bd Zerktouni, 6eme Etage N°18, Casablanca	50%
Planet Pizza SARL	Morocco	669 Bd El Qods, Ain Chock, Casablanca	50%
Société de Cabotage Pétrolier S.A.	Morocco	27 Bd Zerktouni, Casablance, Morocco	39%
Société Dakhla des Hydrocarbures S.A.	Morocco	11 Avenue de la Marine Royale, Dakhla, Morocco	33%
Société Marocaine de Stockage S.A.	Morocco	Lotissement des Pétroliers, Oued El, Maleh, Mohammedia, Morocco	12%
Sopetrole S.A.	Morocco	Zone Industrielle, lot N°2, Laayoune, Morocco	49%
Stogaz S.A.	Morocco	Rue Ferhat Hachad, Mohammedia, Morocco	50%
Sublime Food SARL	Morocco	Angle Rue Ibnou Al Atir, et 15 Bd Abdelkrim Khettabi, Casablanca	50%
Tadla Gaz S.A.	Morocco	Km 7,5 Route de Rabat, Ain Sebaa, Casablanca, Morocco	50%
TH Energy SARL	Morocco	38 Av Driss Lahrizi N°32, Casablanca, Morocco	50%
Top Gourmandise SARL	Morocco	7 Menara Mall, Av Mohamed VI, Marrakech	50%
Havi Properties (Proprietary) Ltd.	Namibia	12th Floor Sanlam Centre, 157 Independence Avenue, Windhoek, Khomas, 9000, Namibia	50%
Synergy Foods (Proprietary) Ltd.	Namibia	Units 7 & 15 Hidas Shopping Centre, Windhoek, Khomas, 9000, Namibia	50%
Shell and Vivo Lubricants B.V.	Netherlands	Carel van Bylandtlaan 30, 2596 HR The Hague, The Netherlands	50%
Société Réunionnaise d'Entreposage S.A.	Reunion	3 Rue Jacques Prevert, Riviere des Galets, 97420 Le Port	20%
Kuku Foods Rwanda Ltd.	Rwanda	Kimihurura, Gasabo and Umujyi wa Kigalirr, Rwanda	50%
Société de Manutention du Carburants Aviation de Dakar Yoff S.A.	Senegal	Dakar-Yoff, B.P. 8022 Yoff, Senegal	23%
Société Dakaroise D'Entreposage S.A.	Senegal	Cap des Biches, Rufisque, B.P. 59 Rufisque, Senegal	48%
Cimsahel Energy S.A.	Senegal	Sous préfecture de SINDIA, Senegal	47%
Société D'Entrepots Pétroliers de Tunisie S.A.	Tunisia	24-26 place du 14 janvier 2011 – 1001 Tunis, Tunisia	30%
Société Bitumes de Tunis S.A.	Tunisia	24-26 place du 14 janvier 2011 – 1001 Tunis, Tunisia	50%
Viniz Food S.A.	Tunisia	Rue de Syrie bloc C7-1 Tunis, Tunis, 1002, Tunisia	50%
Société d'Exploitation et de Gestion des Pipelines de Rades S.A.	Tunisia	24-26 place du 14 janvier 2011 – 1001 Tunis, Tunisia	25%
Kuku Foods Uganda Ltd.	Uganda	Plot 49, Mackenzie Vale, Kololo, Kampala, Uganda	50%

A list of all joint ventures and associates, indirectly held by Vivo Energy plc, which are part of the Shell and Vivo Lubricants Group as at 31 December 2021 are disclosed below. Unless otherwise stated, the share capital disclosed comprises ordinary shares and stated ownership percentages represent the effective equity owned by the Group to the nearest whole number.

Investment	Incorporation	Registered address	Shareholding
Shell et Vivo Lubrifiants Côte d'Ivoire SARL	Côte d'Ivoire	Zone industrielle de Vridi, Rue des pétroliers à Abidjan, Côte d'Ivoire	50%
Shell and Vivo Lubricants Ghana Ltd.	Ghana	Rangoon Lane, Cantonments City, Accra, Ghana	50%
Shell et Vivo Lubrifiants de Guinee SARL	Guinea	l'Aéroport Gbessia, Commune de Matoto, BP 312 Conakry, Guinea	50%
Société Guineenne des lubrifiants et emballages S.A.	Guinea	Boulevard Maritime, Commune de Kaloum, B.P. 709, Conakry, Guinea	35%
Shell and Vivo Lubricants Kenya Ltd.	Kenya	Vienna Court, State House Road, P.O. Box 43561, 00100, Nairobi, Kenya	50%
Société Shell et Vivo Lubrifiants Africa Services SARL	Morocco	1 Rue Abou Abbas EL Araj Roches Noires, Casablanca, Morocco	50%
Société Shell et Vivo Lubrifiants du Maroc S.A.	Morocco	1 Rue Abou Abbas EL Araj Roches Noires, Casablanca, Morocco	50%
Shell and Vivo Lubricants Nigeria Ltd.	Nigeria	1 Murtala Muhammed Drive, Ikoyi, Lagos state, Nigeria	50%
Société Shell & Vivo Lubrifiants de Tunisie SARL	Tunisia	24/26 place, 14 janvier 2011-1001, Tunisia	50%
Société Tunisienne des Lubricants de Radès S.A.	Tunisia	24/26 place, 14 janvier 2011-1001, Tunisia	30%
Shell Vivo Lubricants Supply DMCC	United Arab Emirates	Almas Tower, 45 A Jumeirah Lakes Tower, P.O. Box 124848, Dubai, United Arab Emirates	50%

SHAREHOLDER INFORMATION

FINANCE CALENDAR 2021/22

Financial year-end	31 December 2021
Annual results announcement	2 March 2022
Annual General Meeting	17 May 2022
Dividend payment	24 June 2022
Interim results announcement	26 July 2022
Interim payment date	9 September 2022

PLEASE NOTE THESE DATES ARE PROVISIONAL AND SUBJECT TO CHANGE.

ANNUAL GENERAL MEETING (AGM)

The Company's AGM will be held at 2:00 p.m. on 17 May 2022. The Notice of the AGM will include further details, including the venue.

DIVIDENDS

In March 2021, the Board decided to increase the minimum payout ratio from 30% to 50% of attributable net income to reflect the Group's cash flows, strong balance sheet and continuing growth ambitions. The dividend remains progressive and the intent is for future dividends to grow in line with earnings.

The Group paid an interim dividend of 1.7 cents per share in September 2021, amounting to $21 million. The Board has declared a further interim dividend for the 2021 financial year of 4.0 cents per share, amounting to $51 million. This will result in a full year dividend of 5.7 cents per share, amounting to $72 million for the year.

	Dividend per share	Record date	Payment date
Interim dividend	1.7 US cents	13 August 2021	10 September 2021
Dividend	4.0 US cents	27 May 2022	24 June 2022

All dividends will be declared in US dollars. Shareholders who hold shares through the London Stock Exchange and are resident in the UK, may elect to receive their dividends in pound sterling and shareholders who hold shares through the Johannesburg Stock Exchange will automatically receive their dividends in South African Rand.

MAJOR SHAREHOLDERS

As at 31 December 2021, the following interests in the ordinary share capital of the Company have been notified to the Directors under the Disclosure Guidance and Transparency Rules (DTR 5).

Shareholder name	31 December 2021 Percentage
Vitol Group[1]	**36.05%**
Helios Investment Partners[2]	**27.09%**
Petronas Marketing International SDN BHD	**3.93%**

1 The Vitol Group includes Vitol Africa B.V. and VIP Africa II B.V.

2 Helios Investment Partners includes but is not limited to HIP Oils Mauritius Limited and Helios Holdings Limited.

As of 1 March 2022, the Directors have not received any notifications of changes in the shareholders' positions from 31 December 2021. The rights attached to the ordinary shares of the Company held by these shareholders are identical in all respects. The threshold for notifications is in accordance with DTR 5.1.2. If the Company has not been informed that interests have fallen below this threshold the last notification is included in this table.

MANAGING YOUR SHAREHOLDING

Equiniti Limited, the Company Registrar, provides our shareholders with online access to information regarding their investments as well as the services to assist in managing your shareholding on an online platform or telephonically.

Equiniti Limited can be contacted via telephone on 0371 384 2030 (+44 371 384 2030 outside the UK). Lines are open between 08:30 – 17:30 (UK Time), Monday to Friday excluding public holidays in England and Wales. Furthermore you may contact the Registrar by emailing enquiries@equinitishareviewdealing.com.

The Registrar is located at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom.

SHAREHOLDER SECURITY

In recent years, share fraud has been increasing at an alarming rate. This entails shareholders receiving unsolicited phone calls or investment opportunities, known as boiler room scams. These opportunities are usually high risk and turn out to be worthless investments. The callers may sometimes imply a connection to Vivo Energy and provide misleading and incorrect information.

Investors are advised to be very wary of unsolicited advice, offers to sell shares at a discount or buy at a premium, or offers of free company reports. If you have been contacted by an unauthorised company or approached by investors with unsolicited advice you should contact the Financial Conduct Authority (FCA) using the share fraud reporting form at www.fca.org.uk/consumers/report-scam-us. You can find out more about investment security by visiting the FCA's website or by calling the helpline on 0800 111 6768 (overseas callers dial +44 207 066 1000).

KEEPING IN CONTACT

Our Annual and Interim Reports, trading results, announcements and presentations can be found on our website, www.vivoenergy.com. Here you can find details of our business and operations and extensive information about the Vivo Energy Group.

To support efficient communication as well as being environmentally friendly, we encourage shareholders to register to the mailing list on the investor relations website.

HISTORICAL FINANCIAL INFORMATION

SUMMARY INCOME STATEMENT

US$ million	2021	2020	2019	2018	2017
Revenues	8,458	6,918	8,302	7,549	6,694
Cost of sales	(7,765)	(6,301)	(7,627)	(6,924)	(6,080)
Gross profit	**693**	**617**	**675**	**625**	**614**
Selling and marketing cost	(222)	(226)	(224)	(197)	(194)
General and administrative cost	(185)	(176)	(165)	(183)	(197)
Share of profit of joint ventures and associates	27	16	22	28	16
Other income/(expense)	(1)	4	2	3	3
Earnings before interest and tax (EBIT)	**312**	**235**	**310**	**276**	**242**
Finance expense – net	(59)	(60)	(64)	(47)	(31)
Earnings before tax (EBT)	**253**	**175**	**246**	**229**	**211**
Income taxes	(101)	(85)	(96)	(83)	(81)
Net income	**152**	**90**	**150**	**146**	**130**

NON-GAAP MEASURES

US$ million, unless otherwise indicated	2021	2020	2019	2018	2017
Volumes (million litres)	10,302	9,637	10,417	9,351	9,026
Gross cash profit	777	697	743	680	666
EBITDA	442	360	416	366	326
Adjusted EBITDA	447	360	431	400	376
Adjusted net income	157	90	162	178	171
Adjusted diluted EPS (US$)[1]	0.11	0.06	0.12	0.14	0.13

1 EPS for 2017 is the updated earnings per share based on the capital structure of the Group at 31 December 2018 (including the IPO reorganisation impacts on the weighted average number of ordinary shares).

SEGMENT INFORMATION

US$ million, unless otherwise indicated	FY 2021	H2 2021	H1 2021	FY 2020	H2 2020	H1 2020
Volumes (million litres)						
Retail	6,090	3,151	2,939	5,456	2,975	2,481
Commercial	4,063	2,068	1,995	4,045	1,974	2,071
Lubricants	149	74	75	136	70	66
Total	**10,302**	**5,293**	**5,009**	**9,637**	**5,019**	**4,618**
Gross cash unit margin ($/'000 litres)						
Retail fuel (excluding Non-fuel retail)	75	72	78	76	83	66
Commercial	48	49	47	45	47	43
Lubricants	628	633	616	570	612	537
Total	**75**	**74**	**77**	**72**	**79**	**65**
Gross cash profit						
Retail (including Non-fuel retail)	490	246	244	438	262	176
Commercial	194	100	94	181	92	89
Lubricants	93	46	47	78	43	35
Total	**777**	**392**	**385**	**697**	**397**	**300**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

US$ million	31 December 2021	31 December 2020	31 December 2019	31 December 2018	31 December 2017
Assets					
Non-current assets					
Property, plant and equipment	938	889	823	622	585
Right-of-use assets	219	201	176	148	148
Intangible assets	212	222	226	134	120
Investments in joint ventures and associates	233	231	227	223	219
Deferred income taxes	58	46	34	36	43
Financial assets at fair value through other comprehensive income	12	12	9	8	6
Other assets	116	117	110	101	83
	1,788	**1,718**	**1,605**	**1,272**	**1,204**
Current assets					
Inventories	564	480	517	441	353
Trade receivables	461	344	451	444	412
Other assets	282	200	257	255	229
Income tax receivables	13	11	9	19	8
Other financial assets	6	–	–	3	–
Cash and cash equivalents	587	515	517	393	423
	1,913	**1,550**	**1,751**	**1,555**	**1,425**
Total assets	**3,701**	**3,268**	**3,356**	**2,827**	**2,629**
Equity and liabilities					
Total equity					
Attributable to equity holders of Vivo Energy	837	767	751	533	402
Non-controlling interest	46	45	53	48	46
	883	**812**	**804**	**581**	**448**
Liabilities					
Non-current liabilities					
Lease liabilities	135	119	104	98	121
Borrowings	352	412	294	314	396
Provisions	105	104	102	75	92
Deferred income taxes	87	72	66	51	51
Other liabilities	153	165	160	143	169
	832	**872**	**726**	**681**	**829**
Current liabilities					
Lease liabilities	26	24	21	13	12
Trade payables	1,434	1,048	1,257	1,062	869
Borrowings	277	270	306	286	259
Provisions	19	16	14	15	21
Other financial liabilities	–	9	3	–	1
Other liabilities	187	171	178	165	152
Income tax payables	43	46	47	24	38
	1,986	**1,584**	**1,826**	**1,565**	**1,352**
Total liabilities	**2,818**	**2,456**	**2,552**	**2,246**	**2,181**
Total equity and liabilities	**3,701**	**3,268**	**3,356**	**2,827**	**2,629**

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ('TCFD') INDEX

Our detailed TCFD disclosures can be found in this Annual Report on the following pages:

	TCFD Recommendation	Reference in the 2021 Annual Report	Page no.
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	– TCFD – Governance – Section 172(1) Statement – Risk Management	58 63 64 to 73
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	– Our Environmental Impact – TCFD – Governance	52 to 55 58
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term.	– TCFD – Strategy – Risk Management	59 to 61 64 to 73
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	– TCFD – Strategy – Risk Management	59 to 61 64 to 73
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	– TCFD – Strategy	59 to 61
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	– TCFD – Risk Management – Risk Management	62 64 to 73
	b) Describe the organisation's processes for managing climate-related risks.	– TCFD – Risk Management – Risk Management	62 64 to 73
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	– TCFD – Risk Management – Risk Management	62 64 to 73
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	– TCFD – Metrics and Targets – Risk Management	62 64 to 73
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	– TCFD – Metrics and Targets – Our Environmental Impact	62 52 to 55
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	– TCFD – Metrics and Targets – Our Environmental Impact	62 52 to 55

GLOSSARY

Term	Description
ABC	Anti-bribery and corruption
AML	Anti-money laundering
ATM	Automated teller machine
B2B	Business to business
B2C	Business to consumer
BCCP	Business Continuity and Contingency Plan
CAGR	Compound annual growth rate
CAPEX	Capital expenditure
CGU	Cash-generating unit
CO_2	Carbon dioxide
COCO	Company-owned and company-operated
CODO	Company-owned and dealer-operated
CSO	Compulsory stock obligation
DODO	Dealer-owned and dealer-operated
DPO	Days purchases outstanding
DSO	Days sales outstanding
DTR	Disclosure Guidance and Transparency Rules
EBIT	Earnings before finance expense, finance income and income taxes
EBITDA	Earnings before finance expense, finance income and income taxes, depreciation and amortisation
EBT	Earnings before income taxes
ECL	Expected credit loss
EPS	Earnings per share
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
ETR	Effective tax rate
EURIBOR	Euro Interbank Offered Rate
FCA	Financial Conduct Authority
FMCG	Fast-moving consumer goods
FRC	Financial Reporting Council
FTSE	Financial Times Stock Exchange
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit and loss
FY	Full year
GAAP	Generally Accepted Accounting Principles
GDP	Gross domestic product
GHG	Greenhouse gas
H1	Six-month period 1 January to 30 June
H2	Six-month period 1 July to 31 December
HR	Human resources

GLOSSARY CONTINUED

Term	Description
HSSEQ	Health, safety, security, environment and quality
IASB	International Accounting Standards Board
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
IFRS IC	IFRS Interpretations Committee
IMF	International Monetary Fund
IMP	Inventory Management Plan
IPO	Initial public offering
IRR	Internal rate of return
JV	Joint venture
KFC	Kentucky Fried Chicken
KPI	Key performance indicator
KT	Kiloton
KYC	Know Your Customer
Leverage Ratio	Net debt, including lease liability, divided by the last 12 months' adjusted EBITDA
LPG	Liquefied petroleum gas
LTIP	Long-Term Incentive Plan
M&A	Mergers and acquisitions
NCI	Non-controlling interest
NGO	Non-governmental organisation
OCI	Other comprehensive income
OTS	Open Tender System
OU	Operating unit
PP&E	Property, plant and equipment
PPE	Personal protective equipment
Q	Quarter
QSR	Quick service restaurant
RCF	Revolving credit facility
ROACE	Return on average capital employed
ROU	Right-of-use
SDG	Sustainable development goal
SVL	Shell and Vivo Lubricants B.V.
TCFD	Task Force on Climate-Related Financial Disclosures
TRCF	Total recordable case frequency
TSR	Total shareholder return
UK	United Kingdom
US	United States
VEI BV	Vivo Energy Investments B.V.
VEOHL	Vivo Energy Overseas Holdings Limited

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as: 'believe', 'expects', 'may', 'will', 'could', 'should', 'shall', 'risk', 'intends', 'estimates', 'aims', 'plans', 'predicts', 'continues', 'assumes', 'positioned', 'anticipates' or 'targets' or the negative thereof, other variations thereon or comparable terminology, but are not the exclusive means of identifying such statements. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report and include statements regarding the intentions, beliefs or current expectations of the Directors or the Group concerning, among other things, the future results of operations, financial condition, prospects, growth, strategies of the Group and the industry in which it operates, which reflect estimates and assumptions made by the Group's management. These estimates and assumptions reflect the Company's best judgement based on currently known market conditions and other factors.

In particular, the statements in the Risk section on page 64 of this report regarding the Group's strategy, targets and other future events or prospects are forward-looking statements. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. In addition, management's assumptions about future events may prove to be inaccurate. You should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

Such forward-looking statements contained in this report are current only as of this report. The Company and the Directors do not intend, and will not update any forward-looking statements set forth in this report. You should interpret all subsequent written or oral forward-looking statements attributable to the Group or to persons acting on the Group's behalf as being qualified by the cautionary statements in this report. As a result, you should not place undue reliance on such forward-looking statements. This report may contain references to Vivo Energy's website. These references are for convenience only and Vivo Energy is not incorporating into this report any material posted on www.vivoenergy.com.

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