

MARQUARD & BAHL AG

*Sustainability*  
Report 2010



“ Entrepreneurial responsibility has a long tradition in Hamburg. The family-owned company Marquard & Bahls carries on this tradition by taking over responsibility for the environment, employees and the community.

Hamburg is the European Environmental Capital 2011. Marquard & Bahls is living up our title by granting highest priority to the protection of the environment.”

Olaf Scholz First Mayor of the Free and Hanseatic City of Hamburg

Living up to Corporate

## Responsibility

Marquard & Bahls has been working successfully in the international oil trade, storage of oil, gas and chemicals as well as in the area of renewable energies for over 60 years. Our financial soundness, flat decision-making structures and balanced risk management enable us to seize market opportunities.

We are aware that oil and chemicals are environmentally sensitive products. Therefore, we strive to act responsibly in all aspects of our activities regarding the well-being of our people, the environment and communities where we operate.

i n d e p e n d e n t , s o u n d , i n d i v i d u a l

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# Letter from the CEO



Dear readers,

As a globally acting oil trader and one of the largest tank storage providers worldwide, we have a strong corporate responsibility. What does this mean for our company? We treat our employees respectfully and our customers and suppliers fairly. We take responsibility for our society and the environment. These are values that we live by today and will continue to do so in the future. Our primary aim is to prevent negative consequences for society and the environment and contribute towards sustainable development.

In the wake of recent far-reaching events like the oil spill in the Gulf of Mexico, rising oil prices due to the unrest in North Africa and the nuclear disaster in Japan, the discussions surrounding the future energy supply have gained new momentum. We are aware that the world's oil resources are not unlimited. Nonetheless, fossil resources like oil and natural gas are still the most important energy sources, since renewable energies are unlikely to be able to meet the increasing global energy demand in the foreseeable future. We are convinced of the need for a combination of fossil and renewable energy in the coming decades. Our long-term strategy is therefore to remain focused on our core activity, the oil business, combined with an increased engagement in renewable energies.

Our Corporate Responsibility (CR) strategy is to integrate social and environmental concerns in all our business activities to realize long-term, profitable growth. We are committed to being a fair employer and good corporate citizen. We also aim to conduct our business activities in a safe, healthy and environmentally friendly manner. To do so, we will invest in the further training and education of our people in the coming years. To avoid incidents or their reoccurrence, all events are carefully reviewed and analyzed to share lessons learned globally.



To mitigate our impact on climate change, we aim to use energy – no matter what kind – in more efficient ways. We therefore plan to expand energy saving programs at our subsidiaries in the short term. The majority of our revenue comes from the trade in mineral oil products. The more we sell, the better it is for us, which could be seen as a conflicting goal with a view to our environmental responsibility. We wish to underline that our aim is not to increase the overall fuel consumption but increase our market share.

We also take our corporate philosophy – independent, sound, individual – to heart in our human resources strategy. One challenge in a globalized business environment is the recruitment of people with high potential. We aim to be the employer of choice. To do so, we take measures to improve the work-life balance and offer a wide range of possibilities for professional development.

By respecting human rights everywhere and being committed to stamping out corruption, we comply with the standards of the International Labor Organization. As a fast-growing company, it is both our aim and a challenge to maintain our high values throughout the group and safeguard our reputation. Our Code of Conduct comprising 16 principles, which was handed out to all our employees in 2010, is designed to provide a solid set of values and guidance on what Marquard & Bahls stands for and how we should behave when interacting with others.

In 2011, we will continue to ingrain sustainability on all levels of the organization and enhance our CR strategy. We will step up our efforts in the field of corporate citizenship by sharing best-practice examples throughout the group.

Life is all about change and so we will develop and continue to adapt. In January 2011, I took over the job of guiding and governing the fortunes of Marquard & Bahls. Personally, this is both a new chapter and a challenge I am really looking forward to. I can vouch that the corporate culture and values that are the hallmarks of our company will be preserved in the future. It is my aim to keep the Marquard & Bahls cog successfully on course.

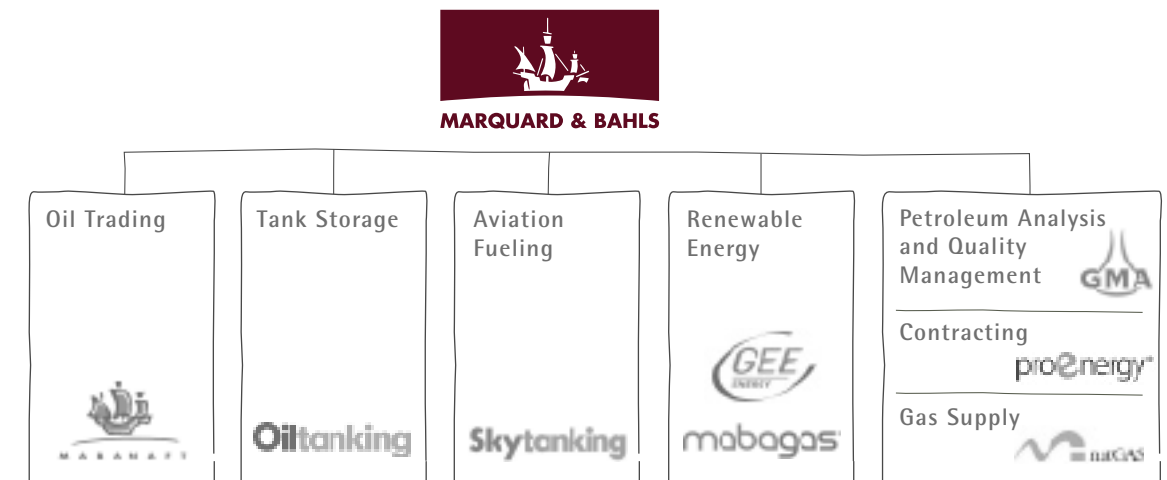
Hamburg, July 20, 2011

Christian Flach – CEO Marquard & Bahls AG

## Marquard & Bahls Portrait

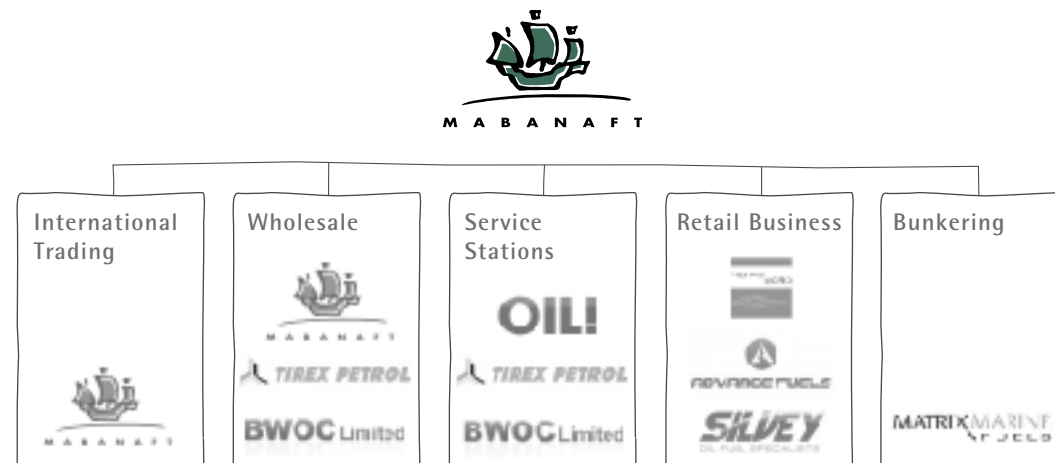
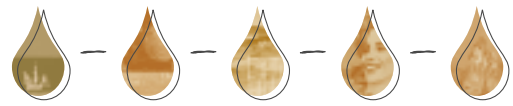
Marquard & Bahls' headquarter is located in Hamburg, Germany. Our core business activities include oil trading, tank storage, aviation fueling and renewable energies. Furthermore, we are involved in gas supply and petroleum analysis.

Through our subsidiaries, Marquard & Bahls is active in 30 countries worldwide, which are grouped into the following seven regions in this report: Germany, Europe (excl. Germany), North America, South America, Middle East & Africa, Asia Pacific, and India. In 2010, a total of 7,240 employees worked for Marquard & Bahls and made up our vibrant corporate culture. Of these employees, 4,076 worked for fully consolidated companies.



In the 2010 financial year, consolidated revenues amounted to € 12,588 million (energy tax deducted) with a profit after tax of € 150.2 million. The equity was € 1,190 million and the total assets € 3,866 million (out of which € 1,796 million were non-current assets). Sales costs (mainly oil product purchases) totaled € 11,828 million.





## Mabanaft

Mabanaft is the trading division of Marquard & Bahls. The middle distillate trade in Northwestern Europe forms the historical base of the business. Through its subsidiaries and representative offices, the company is positioned in all major regions worldwide. The business encompasses international trading and the import and wholesale of petroleum products. Furthermore, the company is active in bunker services, service stations, heating oil retail, lubricants, bio-fuels and wood pellets. In 2010, Mabanaft increased the sales volume from 18 million t in 2009 to 20 million t and employed an average of 1,795 people over the year.

### → International Trading

Offices in the Netherlands, United States (US) and Singapore provide a strategic base for international trading. The close cooperation between the subsidiaries enhances global trading activities. Thanks to our proximity to the markets, we can take advantage of arbitrages and seize export opportunities.

### → Wholesale

In Northwestern Europe, Mabanaft is a leading independent importer and wholesaler of petroleum products. The company has earned an excellent reputation as a reliable partner in Germany, Austria, Great Britain and is furthermore active in Hungary and Moldova. Its subsidiaries B.W.O.C. in the United Kingdom (UK) and Tirex in Moldova are also involved in wholesale business. The network includes more than 100 delivery points, guaranteeing reliable supplies for both wholesale customers and end-consumers. In 2010, Mabanaft Deutschland launched low-sulfur heating oil on the market and has been able to successfully supply this more environmentally friendly heating oil from all its storage locations. In order to diversify further, Liquefied Petroleum Gas (LPG) and wood pellets were added to the product portfolio.

### → Service Stations

Mabanaft operates a network of 460 service stations. We are represented in Germany, Austria, and Switzerland with nearly 250 OIL! service stations, thereof almost 200 in Germany. Petronord's network encompasses approximately 130 service stations throughout Germany, most of which are self-service stations for commercial trucking fleets ("pool stations"). Tirex Petrol has a network of 80 service stations in Moldova. Through our subsidiary B.W.O.C., 40 more service stations are supplied in Great Britain.

### → Retail Business

Through the Petronord holding, retailing activities have continuously been expanded over the last few years. With 21 affiliates in Germany and Austria, we are well established in the heating-oil and diesel fuel end-consumer business, lubricant distribution, the operation of service stations for commercial trucking fleets, and the trade in bitumen and base oils. In the UK, the end-consumer business is represented by Advance Fuels and Thomas Silvey.

### → Bunkering

Matrix Marine is one of the leading suppliers of bunker fuels owing to its focus on product and service quality, not to mention efficient customer care. The company is currently represented in Singapore, India, Oman and on the US Golf Coast.

## Oiltanking

Our subsidiary Oiltanking has successfully been involved in the tank storage business since 1972. Today, it is the world's second largest independent tank storage provider for petroleum products, chemicals, gases and bio-fuels. Oiltanking owns and operates 71 tank terminals in 22 countries in Europe, North America, South America, as well as the Middle East, India and Asia Pacific, with a total throughput of 145.9 million t (135.7 million t in 2009). Between 2009 and 2010, the capacity increased from 17.0 to 17.6 million m<sup>3</sup> due to expansions and new acquisitions. With a view to exploring new markets, Oiltanking is involved in Engineering, Procurement and Construction (EPC), Operation & Maintenance (O&M) projects and drilling, seismic services as well as pet coke handling. In 2010, an average of 4,062 people worked for Oiltanking.



## Skytanking

Skytanking is one of the few international companies offering independent aviation fuel handling services to airlines, airports and oil companies. It is now the largest independent provider of aviation fueling services in Europe. The company specializes in designing and operating aviation fuel storage and hydrant systems, as well as providing into-plane fueling services. It operates at airports in Europe, the USA and India. In 2010, Skytanking continued to branch out into more countries, namely the UK, Italy, and South Africa. This expansion increased the number of fueling service locations to 46 and the number of refuels to more than 1 million aircraft per year. In 2010, an average of 1,092 employees worked for Skytanking.

## GEE Energy

Marquard & Bahls founded GEE Energy in 2002. Under the brand name celsico®, the company sold wood pellets and wood firelighters in European countries. In Germany, GEE Energy has a stake in a biomass power plant and pellet production plant in Ingolstadt. Besides, the company was shareholder in a briquette factory in Bodelshausen. In 2010, 44 people worked for GEE Energy at average. In 2010, a strategic reorientation of the biomass activities was agreed. To offer Mabanaft's trading customers a diverse product portfolio – including renewable energies – the trading branch of GEE Energy was transferred to Mabanaft at the beginning of 2011. Briquette production, the trade in industrial pellets and activities in Denmark and Austria are to be discontinued.

## Mabagas

Mabagas concentrates on the realization of biogas projects on the German and international markets using both agriculture raw materials and waste products. The services range from project engineering to the planning, financing, constructing and operating of plants all the way through to the delivery of biogas or biomethane to customers. Mabagas already constructed a biogas plant in Lünen, Germany, which was successfully sold in 2010. Several new projects are currently being evaluated in Germany, including the construction of Compressed Natural Gas (CNG) filling pumps on existing fuel stations. In December 2009, a 50/50 joint venture between IOT Infrastructure & Energy Services Ltd. (IOT) and Mabagas was agreed to explore the Indian biogas market. The construction of a first plant in India is underway in Namakkal in Tamil Nadu. Feedstocks for this biogas plant are poultry dung and waste from the production of sugar and starch. Several other projects are presently under development.

## Proenergy

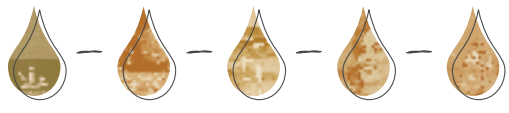
Proenergy offers customized energy concepts for industry, business, hotels, hospitals and private residences with the aim of more efficient energy use. Services include the planning, constructing and operating of heating units and power plants. Proenergy currently operates more than 3,000 installations in Germany, Austria, Hungary and Romania with a relatively small workforce of 100 people. Although Proenergy has successfully expanded its business under the management of Marquard & Bahls, a sales agreement was signed in October 2010. The decision was made because Proenergy has too few elements in common with the core business activities of Marquard & Bahls.

## natGAS

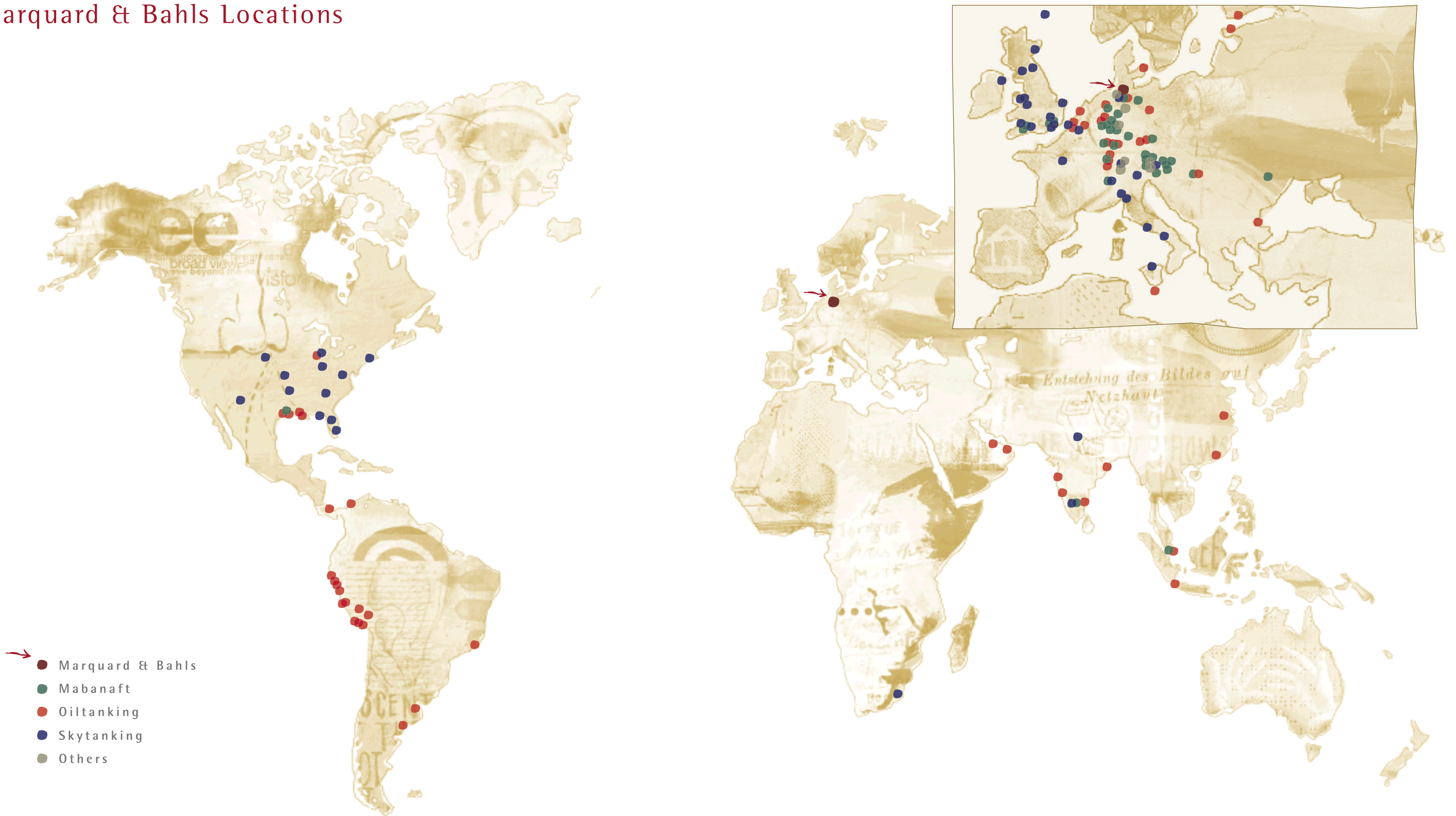
To meet the growing demand for gas supplies and storage, Marquard & Bahls became a founding shareholder of natGAS in 2000, a gas supplier based in Potsdam. natGAS has expanded its market position through long-term agreements for gas supply and storage, and is one of the leading independent market participants in Germany today.

## GMA

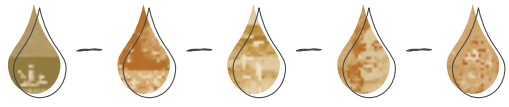
The quality of our services and products is of paramount importance to us. We are therefore active in petroleum analysis and quality management through our subsidiary GMA. GMA operates its own laboratory in Frankfurt for quality control for automotive fuels, bio-fuels and heating oils. In accordance with the customers' needs, and in cooperation with manufacturers, customized additives are developed and provided to group companies and external clients. In addition, GMA is involved in developing product standards, in particular through its membership in national and international standardization committees.



## Marquard & Bahls Locations







## Management Approach to Sustainability

A flat organizational structure, combined with a high level of independent decision making at our individual locations enables us to react swiftly to market demands and respond to our customers' changing needs.

As a privately owned corporation, we are free of the constraints created by constant changes on the financial markets and have great flexibility in pursuing our goal of controlled and long-term growth. Marquard & Bahls is governed by the Executive Board and the Supervisory Board.

### Members of the Executive Board:

**Christian Flach** – Chief Executive Officer (CEO)

Position:  
Chairman of the AFM+E Board  
(Foreign Trade Association for Petroleum and Energy /  
Außenhandelsverband für Mineralöl und Energie e.V.)

**Claus-Georg Nette** – Chief Financial Officer (CFO)

Positions:  
Chairman of the Credit Committee EBV (German strategic storage organization)  
Chairman of the Advisory Board of Peter Cremer Holding GmbH & Co. KG  
Member of the Supervisory Board of Neumann Kaffee Gruppe GmbH

### Members of the Supervisory Board:

**Hellmuth Weisser** (Chairman)

**Rolf Kirchfeld** (Vice-Chairman)

**Wim Lokhorst**

**Benedikt Niemeyer**

The Executive Board sets the companies' long-term strategies based on thorough analyses and discussions with the group companies. The Supervisory Board receives regular updates from the Executive Board on the state and development of the group. The members of the Supervisory Board discuss all major issues – including economic, social and environmental topics – with the Executive Board and approve integral business decisions, i.a. all major investments. After an external audit and an internal review, the Supervisory Board approves the financial statements and common report on the state of Marquard & Bahls to be published in the Annual Report.

Our shareholders provide recommendations to the Supervisory and Executive Boards at regular meetings. They are also members of management teams in some companies.

Due to our flat hierarchical structure, it is common practice that employees directly address their superiors or the Executive Board in exceptional cases. They can also offer recommendations via locally conducted employee talks. Employees are regularly informed about latest developments within the group through information mails from the Human Resources Department, the Corporate Communications Department, the in-house magazines of Marquard & Bahls, Oiltanking, Skytanking, OIL!, Petronord, and via an employee portal / intranet and websites.

In keeping with our core business, the main focus of our sustainability management lies in the areas of health, safety, security and environmental protection. Each company within Marquard & Bahls has nominated an HSSE (Health, Safety, Security & Environment) coordinator who manages all activities that require particular attention from an HSSE point of view.

To firmly anchor the responsibility for environmental and social concerns at the highest levels, the relevant principles are reflected in our HSSE Policy, which was signed by the Executive Board of Marquard & Bahls. Corporate HSSE Policies were signed by the respective Managing Directors and displayed at the worldwide subsidiaries.

### Health, Safety, Security & Environmental Policy

Marquard & Bahls is committed to performing all business activities in a safe and efficient manner. Our goal is to prevent all accidents, injuries and occupational illnesses and to protect the environment. In order to achieve this we will:

- 1 Promote Health, Safety, Security & Environment (HSSE) in all companies and manage it in the same way as any other critical business activity.
- 2 Comply with all applicable laws and regulations and apply appropriate standards where legislation does not exist.
- 3 Have a sound HSSE Management System, in which competencies, responsibilities and communication channels are clearly defined.
- 4 Provide a safe and healthy work environment for all employees and contractors with adequate facilities and appropriate protective equipment.
- 5 Identify and analyze potential hazards and security threats and implement measures to avoid, prevent, control and restrict the associated risks.
- 6 Be prepared for a quick and efficient response to emergency situations to minimize the potential impact of incidents should they occur.
- 7 Design, build and maintain facilities and utilize services in a manner to avoid risk to people and the environment.
- 8 Provide training and job-specific education to all employees supported by internal standards, procedures and instructions.
- 9 Use energy and natural resources efficiently, prevent pollution and raise employee's awareness to minimize adverse impacts on the environment.
- 10 Set targets and benchmark our performance to achieve continuous improvement and ensure compliance with all applicable standards.

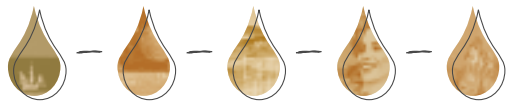
The board of Marquard & Bahls and the management of all our subsidiaries will visibly and rigorously support the implementation of this policy. We expect the support of all employees, contractors and others working for us in order to make our HSSE performance one which will earn us the continuing confidence of our customers, neighbours and the community at large.

Hamburg, January 2011

Christian Flach  
Chief Executive Officer

Claus-Georg Nette  
Chief Financial Officer





The group's HSSE Department draws up manuals, guidelines and minimum standards in accordance with the risks related to the companies' specific activities, which often go beyond legal requirements. Besides, the sustainability reporting and the Code of Conduct fall into the scope of the HSSE Department. The head of the Department reports directly to the CEO. At Oiltanking, the HSSE targets are formulated locally as well as centrally. The performance is monitored in internal HSSE audits with a view to continuous improvement. As of 2011, internal audits will also be conducted at Skytanking. The various HSSE programs and tools are described in detail in the chapters "Spill Prevention", "Health & Safety" and "Education & Training".

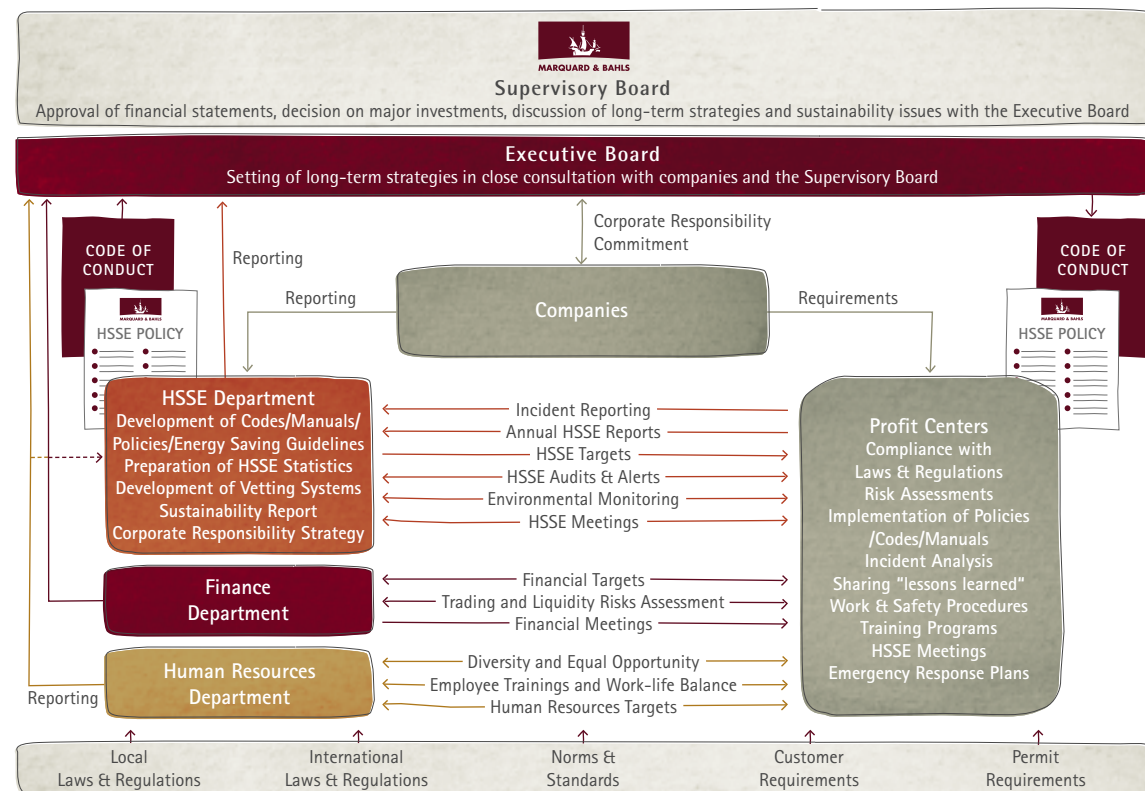


Fig. 1: Management approach to sustainability

To foster a fruitful exchange of HSSE topics, every year the Oiltanking HSSE managers from all over the world convene for a week to discuss current issues related to HSSE management, exchange ideas and experiences, and create synergies. Skytanking will be holding similar meetings as of next year.

Strategic programs related to our social responsibility, including recruitment, equal opportunities, health check-ups, training or the work-life balance, are developed by the Central Human Resources Department in close consultation with the individual companies. Short-term and long-term financial stability is secured by our Central Finance Department and Accounting. To conduct our investment-intensive business, the departments assure financial liquidity and set financial targets in dialogue with the companies. Financial risk assessments are carried out and new projects are carefully evaluated to enable the long-term, profitable growth of the group.

## Stakeholder Dialogue

Stakeholders are people, groups or organizations with a direct or indirect stake in our company because they can affect or be affected by the companies' actions, objectives and policies.

Our activities bring us into contact with many different stakeholders. We have identified the most important of these in internal discussions, external analyses and industry comparisons. At the moment, we do not have a systematic stakeholder management system in place on a group level, but our aim is to develop a strategy in 2011/2012 and implement it over the next few years in order to engage in dialogues on a national, regional and local level in the countries in which we operate.

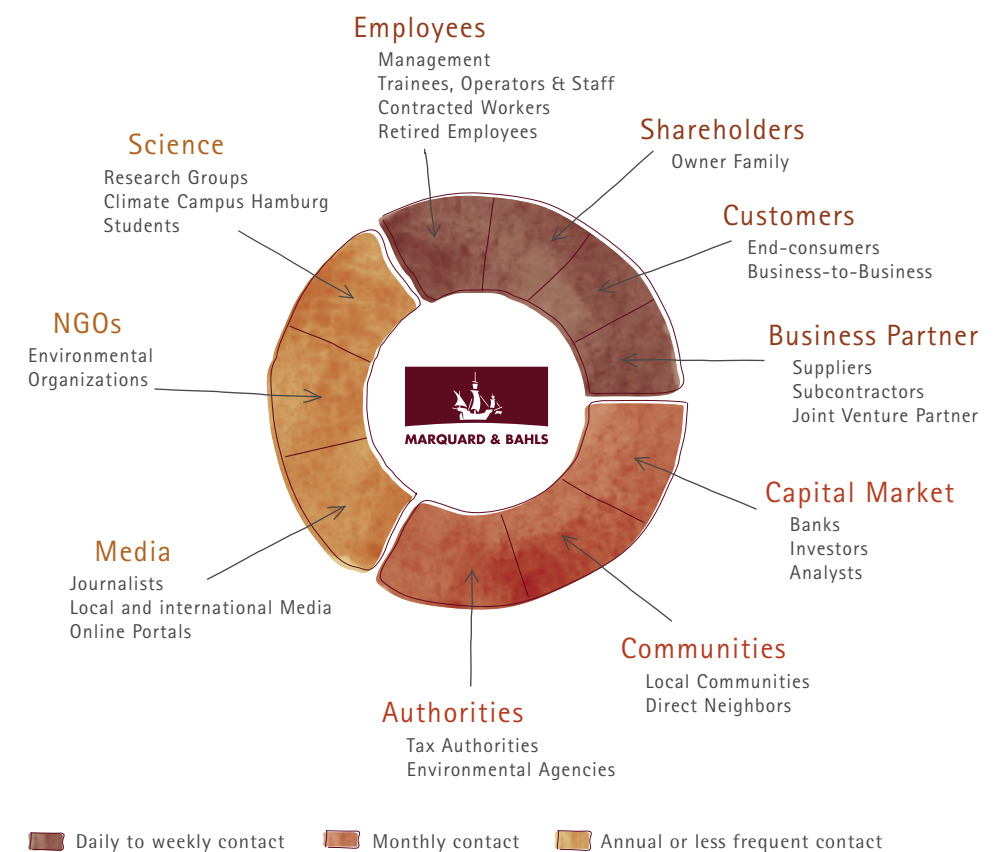
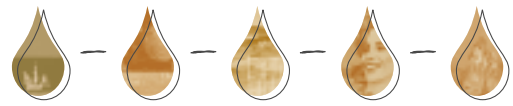


Fig. 2: Stakeholders of Marquard & Bahls

Due to the diversity of our companies, the intensity of stakeholder contacts and topics vary. While the contact with employees, shareholders, customers or business partners usually takes place on a daily or weekly basis, contact with authorities, media, Non-Governmental Organizations (NGOs) or science is normally less frequent.



Some of our operations affect the people who live in the vicinity of our facilities. We believe that entering into a dialogue is a helpful instrument to address a community's expectations at an early stage. For this reason, for example, Oiltanking Merak (Indonesia) ordered a community needs assessment by an external consultant prior to constructing a new terminal in 2008 with a view to identifying the problems and expectations of the local community.

With regard to public policy participation, we are proactively involved in several national and international associations, including AFM+E (Foreign Trade Association for Petroleum and Energy), UPEI (Union of European Petroleum Independents), FETSA (Federation of European Tank Storage Associations), EPCA (European Petrochemical Association), AEBIOM (European Biomass Association) and OCIMF (Oil Companies International Marine Forum). The Public Affairs Department in Hamburg takes care of tracking latest political decisions and regulations, and participates in debates with decision makers. Furthermore, a Marquard & Bahls representative in Berlin has been supporting public affairs since 2009.

A key issue in our public affairs work is the harmonization of German and European energy policy. Several EU directives that came into force in 2008 make a considerable contribution towards this goal by creating uniform and binding standards for fuel quality and sustainability criteria for renewable energies. For us, the EU directive for renewable energies and the directive on fuel quality are especially relevant.

**Actively involved in several associations**

**AFM+E** (Foreign Trade Association for Petroleum and Energy)

**UPEI** (Union of European Petroleum Independents)

**FETSA** (Federation of European Tank Storage Associations)

**EPCA** (European Petrochemical Association)

**AEBIOM** (European Biomass Association)

**OCIMF** (Oil Companies International Marine Forum)

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## About this Report

The first Sustainability Report of Marquard & Bahls covers the 2010 calendar year. We provide performance data on all companies of Marquard & Bahls, which means we include joint ventures, even if we only have a minority share. We only exclude our affiliate natGAS as we have no significant influence on its operations. A list of all the companies included in this report is provided in the appendices.

All financial information is provided in euros (€); foreign currencies have been converted at the average exchange rates for 2010. This report is available in English and German. The editorial deadline for publication was July 01, 2011. The next report is planned to be published in the summer of 2012. In case of any questions concerning our sustainability reporting or to offer feedback, Marquard & Bahls can be contacted under the following e-mail address:

[sustainability@mbholding.de](mailto:sustainability@mbholding.de)

The report was compiled by the Marquard & Bahls HSSE Department in Hamburg in close cooperation with the group companies and approved by the Executive Board as well as the Supervisory Board of Marquard & Bahls. The report can be downloaded from our website. An edition of 2,000 copies was printed climate neutrally.

“ This report pays tribute to our social and ecological commitment and highlights our tools for achieving these high standards. - It should not be forgotten, however, that the individual human being and his or her moral strength are finally the guarantors for attaining our goals.

'Can I tell my Kids' was my best personal control tool during my long time as CEO of Marquard & Bahls - independent of procedures and rules.”

**Hellmuth Weisser** Chairman of the Supervisory Board, Marquard & Bahls



## Topics of Concern

We went through several phases to identify the most relevant topics from the areas of corporate responsibility. First, we made a list of various topics we considered to be relevant to both us and our stakeholders. These were then prioritized by assessing our companies' impact and our scope to exercise control. We also took the recommendations of the Global Reporting Initiative (GRI) and the International Petroleum Industry Environmental Conservation Association (IPIECA) into account. To assess the various topics raised, we conducted an internal materiality analysis for each of our stakeholders and prioritized the topics accordingly. The topics of high importance (as circled in Fig. 3) were translated into our "Corporate Responsibility Temple" (see Fig. 4) and are to be seen as a first baseline inventory, which will be refined in future stakeholder dialogues.



Fig. 3: Identified topics of importance (our extend of control is highlighted by letter size)

Although the topics in the field of corporate citizenship are presumably of lesser importance for most of our stakeholders, we added them to our CR strategy because we see this commitment as an important pillar of our corporate responsibility. To identify new and important topics at an early stage, we are planning to evaluate economic, environmental and social issues every two years and gauge their relevance for Marquard & Bahls.



Fig. 4: Corporate Responsibility Temple of Marquard & Bahls

The temple is therefore not to be seen as a static element but can be expanded to include new strategic areas and topics in years to come. To facilitate the comparison of our performance with other companies, the relevant data is provided in accordance with the GRI Guidelines (2006). We decided to structure the report according to both the Marquard & Bahls "Corporate Responsibility Temple" and the GRI Guidelines by selecting performance indicators from all GRI areas. The report constitutes a balanced and reasonable representation of our organization's economic, environmental and social performance. Each section is color-coded according to the aforementioned temple and presents the challenges we face, our targets, initiatives to reach our goals, best-practice examples, management approach and performance data. The targets are highlighted by a symbol next to the text and summarized in a table at the end of the report. We want to set more quantifiable targets in future reports and relate our progress.



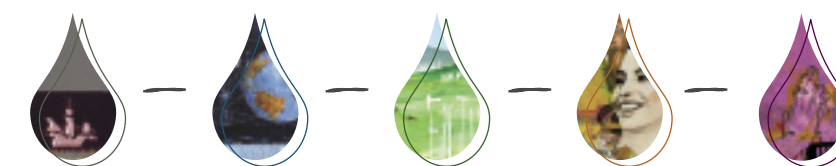
You will find a list of the GRI indicators reported in the appendices. In total, we report 20 indicators fully and 15 indicators in part. According to a self-assessment based on the GRI Guidelines, application level C applies. Our target is to expand our reporting in the next report to GRI level B.







## Sustainability Performance



In a globalized world, companies face various challenges in the economic, environmental and social sphere.

We intend to meet these challenges with sound and individual solutions. Our primary aim is to prevent negative consequences for society and the environment, and contribute towards sustainable development.

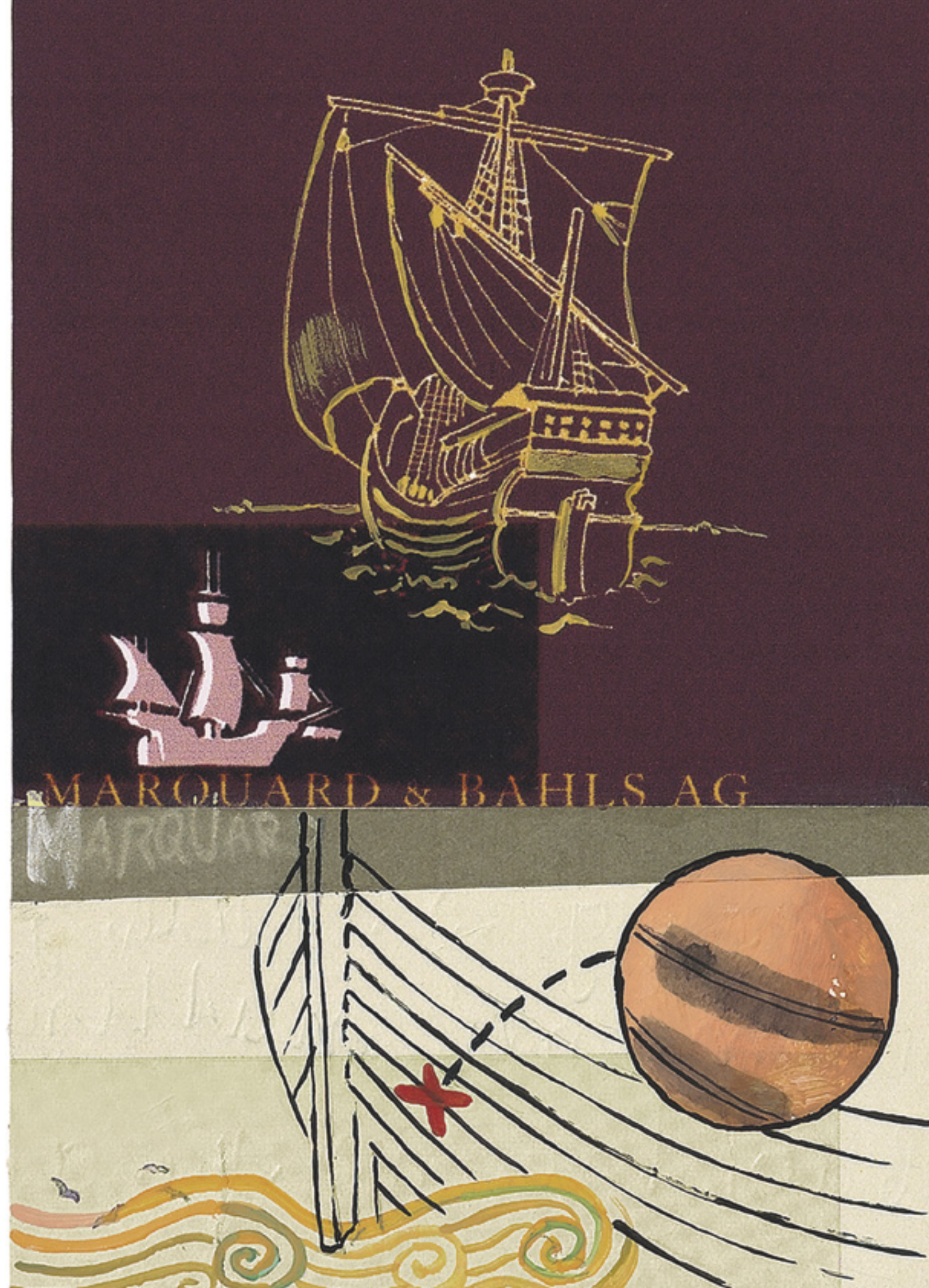




## Corporate Governance

Corporate Governance is a synonym for the rules and practices that govern the relationships between the managers and shareholders of a company, as well as its employees, institutions and local communities.

For us, good corporate governance ensures fairness, transparency and accountability, and is therefore contributing towards the integrity of our company. It is a precondition to gain access to external finances and enables us to make reliable commitments to our employees, shareholders and creditors by building confidence and trust.







Corporate Governance

Good corporate governance directly affects our reputation, which is one of our key assets and must be at all times safeguarded. We have several tools and procedures to monitor compliance and prevent non-compliant actions. These include our Code of Conduct, the group-wide Whistleblowing System and procurement guidelines. The 16 principles of the Marquard & Bahls Code of Conduct are compiled in the following four chapters:

- Business & Finance
- Safeguarding
- Integrity
- People

These principles are designed to provide a consistent set of values and guidance on what Marquard & Bahls stands for and how we should behave when interacting with others. In keeping with our Corporate Responsibility Temple, several of them are also addressed in this report.

*“The aim of our Code of Conduct is to support our staff in their everyday decision-making with concrete rules of conduct and thus safeguard the good name and success of Marquard & Bahls. With the code, we are also documenting that we are aware of our role in society and our duty towards business partners, staff and the environment.”*

Jörg Walter Head of HSSE, Marquard & Bahls

In the section "Compliance with the Code", we describe our internal Whistleblowing System for reporting violations. It is a tool to offer our employees worldwide a central system for reporting violations of the Code of Conduct while preserving the employee's anonymity should they so desire. Every incident reported is investigated independently. The Board receives regular updates on the type, materiality and status of reported cases. The Marquard & Bahls Code of Conduct was printed climate neutrally and distributed to all employees in 2010. It can be downloaded from our website ([www.mbholding.com](http://www.mbholding.com)) in 18 different languages. IOT, India, developed an amended Code of Conduct on basis of the Marquard & Bahls Code. Here, the Whistleblowing System was slightly adapted to better fit the local context. The IOT Code of Conduct was handed out to all IOT employees in 2011.

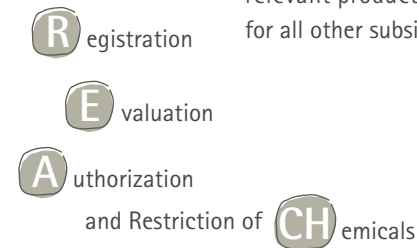
### Legal Compliance

Guaranteeing legal compliance is an important factor in safeguarding our license to operate and gaining the trust of our business partners. Of importance are international as well as national laws and regulations. The number of fines and sanctions is an indicator of legal compliance. In 2010, we were filed with € 44,234 fines globally for non-compliance with laws and regulations. Out of these, 15% had an environmental background, such as exceeding emission limits or remediation deadlines for smaller spills. We defined any fine above € 1,000 as significant. Our aim is to constantly reduce these fines, losses and claims. To do so, we will continue to rely on the awareness of all our employees and expert knowledge of our companies and corporate departments instead of a central compliance management.



The products traded, transported, handled and stored in our group are subject to national and European laws and must comply with hazard communication requirements, including labeling and the provision of safety data sheets. Most of the products traded at Mabanaft are classified as hazardous and therefore subject to strict information requirements.

The implementation of the European regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and information on the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) are coordinated by the Marquard & Bahls HSSE Department. In close cooperation with Mabanaft and GMA, the substances for final registration were identified and license agreements have been signed to take part in joint registrations. All the Mabanaft units affected registered the relevant products on time by November 31, 2010. The department also provided guidance for all other subsidiaries to ensure full compliance with REACH.



### Fair Competition

At Marquard & Bahls, we respect fair competition. Subsidiaries involved in procurement have implemented formal procurement policies to secure fair competition on competitive markets with a view to establishing basic values and defining roles and responsibilities for these activities. According to the policy, employees are obliged to foster fair and open competition, avoid any type of personal obligations to vendors, act with honesty and report all forms of improper business practice to their superior and/or the senior management. An international procurement and contracting training program is currently in the pipeline and is due to start in mid-2011.

### Fair Compensation

To hire the best employees, it goes without saying that they are compensated according to fair schemes. Marquard & Bahls offers competitive salaries to be the employer of choice and retain the best people. No regional minimum wage rules are defined, but usually the entry salaries are higher than the industry average.

### Anti-Corruption



To further increase the sensitization of our employees for the topic corruption, we develop tailor-made training programs that are scheduled to start in mid-2011. To get a better understanding of corruption risks, all locations were analyzed according to the Transparency International Corruption Perceptions Index 2010. Some of our businesses and joint ventures are located in countries with a high corruption risk. Here, we will step up our efforts to preclude corruption from the outset. Most sites are located in countries with a medium risk, while the majority of revenue is generated in low-risk countries, namely Germany, the USA, the UK, the Netherlands and Singapore. No cases of corruption were reported in 2010. Therefore, there were no responses to any incidents of corruption.

### Transparency



The transparent and comprehensive disclosure of information to our employees and other interested stakeholders is a priority for our Corporate Communications Department. Current developments and key company information are regularly announced on our bulletin boards as a hard copy and in digital form on our websites. The Marquard & Bahls consolidated financial statements in the Annual Report are compiled in accordance with the principles of the International Financial Reporting Standards (IFRS), and the annual financial statements in conformity with the provisions of the German Commercial Code (HGB) to guarantee a high level of transparency. We aim to continuously expand our transparency and to include sustainability topics – as this report demonstrates.

Furthermore, our employees are also communicated to via the in-house magazines Fleetpost (Marquard & Bahls), connections (Oiltanking), Life (Skytanking), NEWS (Petronord), OIL!INSIDE (OIL!) and via online employee portals.

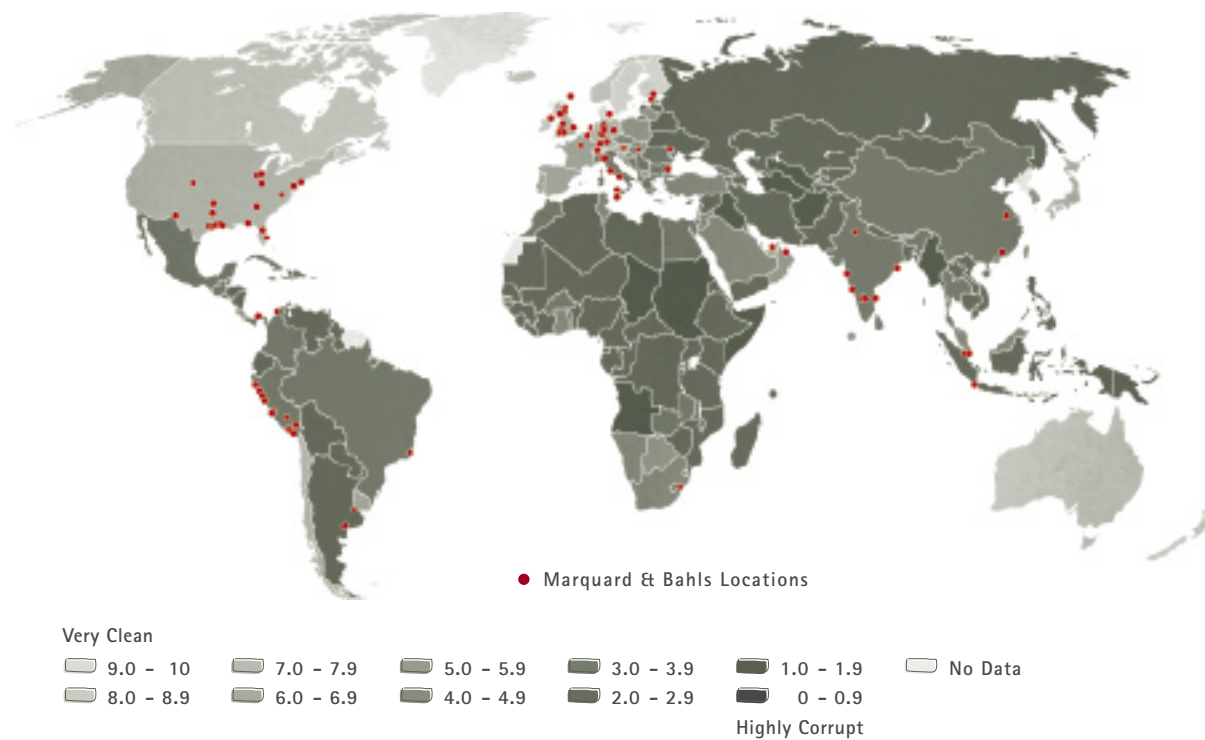


Fig. 5: Corruption risk according to the Corruption Perceptions Index of Transparency International (2010)

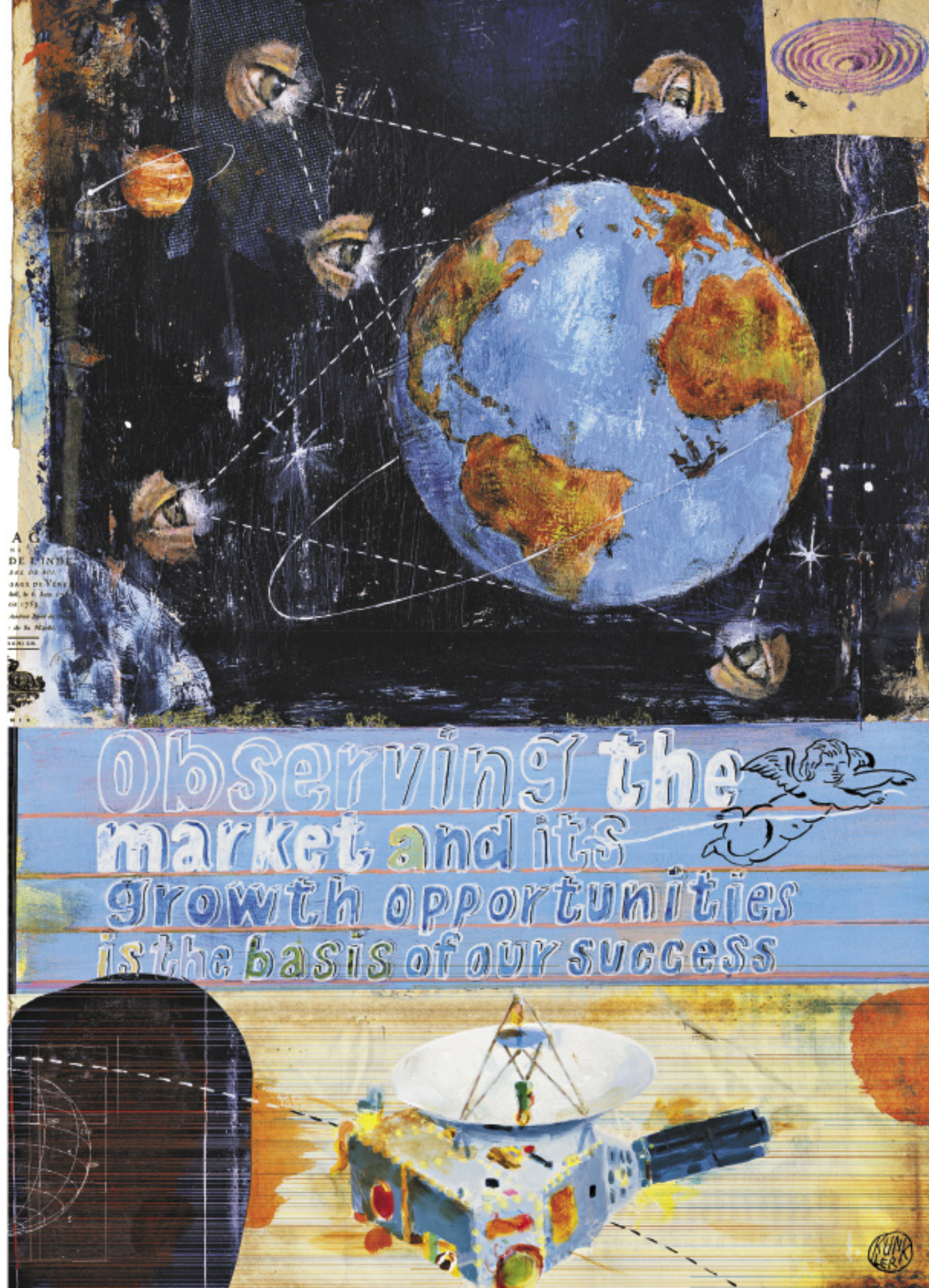




## Economic Responsibility

Companies conduct business to make profit. At the same time, they are expected to pursue their businesses within the given legal framework and ensure that there is an economic benefit for the regions in which they are active.

Our independence from capital markets enables our companies to act free from moment-to-moment financial fluctuations and short-lived management trends. Instead of maximizing the short-term share price or profit, we focus on sustained profitable growth.







With regard to our management approach and financial strategy, our aim is long-term, profitable growth with an adequate return on investment. We disclose our financial performance in detail in our award-winning Annual Reports, which are available for download on the Marquard & Bahls website in English and German.

By additionally publishing the economic indicators according to GRI in this document, we want to paint a comprehensive picture of Marquard & Bahls' contribution towards the sustainability of a larger economic system. In Hamburg and other regions in the world, we pay taxes, provide jobs and invest in infrastructure.

### Financial Performance

In 2010, we faced economic challenges due to the global financial crisis in a time of rapid growth within the group. We overcame these difficult tasks by maintaining our cautious trade policy and conservative financing and investments in our fixed assets at Oiltanking and Skytanking. On the back of our strategy of controlled growth and concentration on our core businesses, we were able to expand existing sites and build or acquire new ones. On the other hand, Proenergy was sold in October 2010 as there were too few synergies with the group. To offer Mabanaft's trade customers a diverse product portfolio – including renewable energies – the decision was made to integrate the wood pellet business of GEE Energy into Mabanaft at the outset of 2011. In order to be consistent with our Annual Report, the financial data listed in the table below – except the profit after tax – does not include not fully consolidated or not consolidated companies such as IOT in India, Consorcio Terminales in Peru, Star Energy Oiltanking in Dubai, Oiltanking Odfjell Oman or Oiltanking Odfjell Singapore. Therefore the actual amounts of salaries and taxes paid are substantially higher.

Tab. 1: Consolidated figures in accordance with the audited Annual Report

	Million €	
<b>Generated value</b>	Revenue pre energy tax	13,777.7
<b>Distributed value</b>	Cost of sales, mainly oil purchases	11,827.5
	Current salaries	214.5
	Interest income	4.1
	Interest expenses	72.5
	Dividends for 2009	16.7
	Income taxes	56.5
	Thereof current income taxes	44.4
	paid in:	
	Germany	10.9
	United States	6.5
	Netherlands	5.5
	Malta	5.5
	Belgium	5.3
	Singapore	4.4
	Argentina	2.7
	United Kingdom	2.3
	Others	1.3
<b>Profit after tax</b>		150.2

#### Financial Implications due to Climate Change

We have not yet identified the financial implications, risks and opportunities for our activities due to climate change. Possible effects for our activities are more frequent weather extremes causing rising sea levels, tsunamis or floods, which could pose risks for our tank terminals. Higher temperatures could lead to less demand for heating oil, resulting in fewer sales. More stringent regulations for marine fuels could increase costs for chartered ship transport. Growing fuel taxation could also influence sales. To assess our impact on climate change, we have calculated the carbon footprint for the whole group. Detailed information is presented in the chapter "Climate Protection."

#### Other Financial Obligations

State pensions are a major pillar of retirement provisions but rarely sufficient to satisfy financial needs in old age. We care about the future of our employees at Marquard & Bahls, so we grant additional pension schemes in most countries. Shortly after the foundation of the company in 1947, a pension commitment was implemented as a voluntary social contribution. It was a defined benefit plan based on salary. Although it could be easily administered, it was difficult to calculate from a financial liability standpoint. Therefore, the defined benefit plan was abolished in Germany in 1985. Only in Belgium, the Netherlands and the USA are defined benefit plans still in place. The current liabilities of all these schemes amount to a total of € 33 million. Since 1985, in Germany and most European countries, the provisions for company pensions have been based on a defined contribution plan administered by an external provider. Regularly, the employer's share is two third and the employee's share one third. The contributions to this plan are payed into direct insurances. Above that, the company offers several schemes with excellent conditions for early retirement provisions.

### Risk Management

One of our major challenges is to control various financial, operational and environmental risks while following a strategy of controlled growth. In view of the variety of activities within Marquard & Bahls, it is important to evaluate all risks individually. Based on this analysis, we establish tailor-made standards and work procedures. Although we believe this individual approach is important and sensible, our goal in future is to assess risks in the context of the whole group and include environmental and social issues. We have a specialized risk team at Mabanaft that deals with the specific risks associated with trading activities. A risk assessment from a group perspective started on a holding level in January 2011.

“Not all risks associated with our business can be avoided, they have to be managed by experts, mitigated and monitored to ensure that our corporate goals are achieved.”

Thomas Roller Head of Risk Management, Marquard & Bahls

→ Trading Risks

The risk management team at Mabanaft is primarily concerned with the determination of market risks, which are caused by fluctuations in commodity prices, foreign exchange rates and interest rates. These market risks are chiefly hedged with financial instruments, so-called derivatives, which can be used to protect the physical business from adverse price movements by curtailing losses. Mabanaft mainly trades in futures, swaps and, less frequently, options. Apart from that, the department manages clearing activities and creates daily risk profiles relating to the trading activities of each Mabanaft company.

→ Liquidity Risks

Our businesses require sound financial positioning. To overcome the risks pertaining to financial liquidity to conduct our investment intensive businesses, we pursue a conservative approach. In the trade sector, we have successfully extended all credit lines to the desired levels, proving the considerable confidence of the banks in our trading company's solid business profile. At the end of the year, the group did not use € 785 million of credit lines.

High investments at Oiltanking were fully covered by credit lines already secured in 2009 by issuing new, private placements in Europe and the USA. Both private placements were highly oversubscribed. This emphasizes that Oiltanking's long-term business strategy is of interest to many investors. The loan requirements of our other subsidiaries have also been secured without any difficulties. Capital expenditures of € 108 million were financed by means of cash flow from financing activities and liquid funds. Liquid funds as of December 31, 2010 amounted to € 249 million. Against this background, Marquard & Bahls is well-equipped with a very solid financial positioning for the year to come.

“Since decades, the Deutsche Bank has a comprehensive and considerable business relationship with the Marquard & Bahls group on a global scale - also as a major creditor. Over the years, we have made good experience with the conservative decision making as well as solid and successful business model of the company.”

Jürgen Fitschen Member of the Management Board, Deutsche Bank AG

→ Country Risks

As an international company with an overall growth strategy, we also explore business opportunities and start-up operations in high-risk countries. Our senior managers and business developers especially face different legal and regulatory environments, political rivalries and potential instability that can affect the success of these new activities. Understanding, monitoring and preparing for these risks, as well as conducting a detailed and focused risk assessment for new investments can provide a competitive edge. Prior to any business activity in countries with increased political risks, we seek expert advice.

→ HSSE Risks

In recent years, Marquard & Bahls has expanded rapidly in storage, aviation fueling and trading. This goes hand in hand with an increased potential risk of accidents, product releases and fires. These risks are countered with a proactive safety culture, including technical, organizational and behavioral measures. For example, detailed HSSE Manuals for Oiltanking, Skytanking and OIL!, as well as local procedures and training, are implemented. More details on our commitment towards minimizing HSSE risks are provided in the chapters "Spill Prevention", "Health & Safety" and "Education & Training".

Resource Efficiency

Fossil fuels, electricity, water and production material account for a significant part of the operational costs at some of our companies. It is therefore also in our financial interests to use resources as efficiently as possible.

→ Energy

To understand energy consumption patterns better and reduce consumption and related costs, we launched an energy-saving program at Oiltanking in 2010. We for example evaluated how much energy can be saved with regard to pump efficiencies and terminal lighting. Resource efficiency projects were also set up at OIL! service stations and Petronord. Please refer to the chapter "Energy Saving" for detailed information on our total direct and indirect energy consumption and programs to reduce it.

→ Water

Although our activities are not water-intensive, we consume fresh water at our terminals for tank-cleaning purposes, product heating, hydrostatic tank testing and sanitation systems in offices. In 2010, the total water consumption of the group was 897,623 m<sup>3</sup>, the majority of which being drinking water followed by ground water, industrial water and surface water.

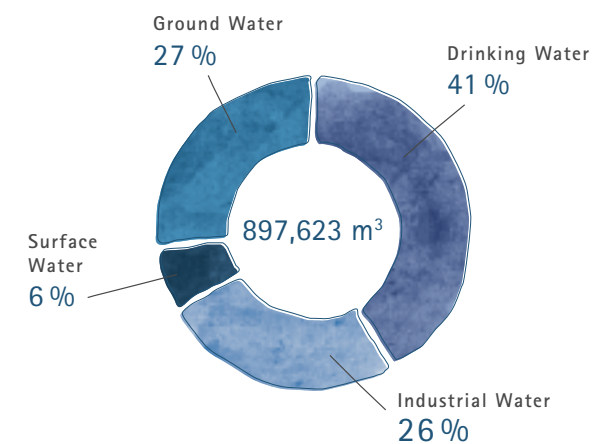


Fig. 6: Total water consumption by source

As it is the most water-intensive company within the group, Oiltanking's water consumption has been monitored since 2002. The water consumption per m<sup>3</sup> of storage capacity could be reduced from 66.9 l in 2002 to 36.9 l in 2010 due to an increase in awareness and improved processes. The main reduction was in drinking water.



From 2011 onwards, we will be intensifying our efforts to reduce water consumption. To reach this goal, water management has been incorporated into Oiltanking's energy-saving program. Areas where water consumption can be minimized include tank-cleaning operations and boiler operations. We are also evaluating ways to substitute drinking water with rain water and recycle cleaning or cooling water. At OILL, water-saving carwash units are being installed whenever old ones need replacing. Information on the disposal of waste water and the usage of chemicals in car wash units are presented in the chapter "Waste Management".



#### → Material Consumption

Efficient use is not only an aim for water consumption but also for construction and production materials. Apart from the construction materials and equipment needed to build or expand our tank-storage and aviation fueling sites, our core businesses are not material-intensive. These construction materials are not measured. In future, we will be assessing how we can influence efficient material use in construction. The production materials needed in our group in 2010 were wood, bark and sawdust for GEE Energy's pellet and briquette production plants. In total, approximately 37,000 t of sawdust and 29,400 m<sup>3</sup> of bark were used, all sourced from sustainably-grown wood. The amount of material for packing at GEE Energy was minimal and therefore not measured.

In the two Proenergy biomass power plants, circa 170,000 t of wood chips were used to generate heat and electricity. Materials for the construction and operation of heating units for industry, business, hotels, hospitals and private residences were not reported as they depend entirely on customer demand.

As Mabagas does currently not operate any biogas plants, no materials are reported here.

## Supplier Relations

We deal respectfully with our suppliers, treating all those in our supply chain honestly and supporting them by respecting the well-being of their employees and the environment. The diversity of our businesses is also reflected in the scope of our suppliers, who specialize in anything from infrastructural equipment for our terminals to office equipment.

Should a supplier fail to behave in accordance with our Code of Conduct and HSSE standards or does not match our quality requirements, Marquard & Bahls terminates the business relationship with him. Supplier lists increase transparency as regard the quality and performance of our business partners with the ultimate aim of offering our customers excellent services and products. We will be evaluating the topic supply chain management in more detail in the future.

## Customer Satisfaction

Our employees play a key role in guaranteeing customer satisfaction. Responsible and dedicated people ensure excellent services, which in turn leads to customer loyalty. We therefore believe in encouraging employees to make their own decisions and be able to respond flexibly to customer demands. This understanding is deeply rooted in our philosophy – independent, sound and individual.

Six Oiltanking terminals have received a triple certification in quality management (ISO 9001), environmental management (ISO 14001) and health and safety management (OHSAS 18001) in 2010. These integrated management systems are built around the operational processes with a view to continuous improvement with the overall aim to also increase customer satisfaction. Several other companies in our group manage their businesses in a very similar manner but have decided not to apply for certification.





## Ecological Responsibility

The world faces such severe environmental problems as global warming, loss of biodiversity, deforestation, water pollution and resource depletion – all affecting the well-being of humans and animals alike. Companies benefit from the earth's ecosystems and, at the same time, contribute to environmental problems.

Taking responsibility for the environment is the top priority in all our activities. We commit ourselves to using energy and natural resources efficiently. The amount of wastewater, emissions and solid waste generated is monitored and reduced wherever possible.







Within Marquard & Bahls, environmental issues are tackled by our integrated HSSE management system. At Oiltanking, we have already been monitoring the amount of energy and water used and the waste we produce for several years and implemented suitable Key Performance Indicators (KPI). We have included them in the reporting of all the other companies in the last few years. For the future, our aim is to set more formal environmental targets. To enhance our management of environmental issues further, several sites have chosen to implement an environmental management system and certify it according to ISO 14001.

### Spill Prevention

One major challenge for companies dealing with petroleum or chemical products is the prevention of product releases. State-of-the-art technology and operational practices, combined with preventive maintenance programs, are implemented to minimize the risk of spills. Although the total number of smaller spills at Oiltanking has risen due to an increase in throughput, larger spills have continuously been reduced in recent years. The number of incidents with  $\geq 0.1 \text{ m}^3$  of product release per 1 million tons of throughput was 0.4. On a group level, 87 spills above  $0.1 \text{ m}^3$  with a total volume of  $185 \text{ m}^3$  released product occurred on our premises. None of these spills went into the sea, rivers, other surface waters or protected areas. In total,  $63 \text{ m}^3$  of products could not be recovered and are currently being removed from the soil and treated as hazardous waste. It is our aim to reduce product spills further.



#### Spill Preparedness

To manage resources effectively in cases of oil spills, the oil industry has established a tiered response concept: Tier 1 refers to minor operational spills, for which companies have sufficient equipment and resources on site; Tier 2 spills can be covered by the personnel and equipment shared in a regional mutual aid agreement or by local authorities; Tier 3 refers to major spills that require additional expertise and resources. To have guaranteed additional support in case of major oil spills and technical support for all tiers, Marquard & Bahls became a shareholder in Oil Spill Response in 2004, the world's largest oil spill response company founded in 1984 and owned entirely by international oil companies. As for Oiltanking, scenario-based emergency response plans were developed by all facilities and programs involving practical training and drills were implemented.

“A safe, prompt and efficient response to oil spill incidents remains the primary role of Oil Spill Response. We pride ourselves on the quality of our people and the reliability of our equipment to meet response needs. Marquard & Bahls has demonstrated its corporate responsibility by becoming one of our shareholders and taking action proactively to be well prepared for any spill-related emergency.”

Archie Smith CEO, Oil Spill Response

Marquard & Bahls is an active member of the Oil Companies International Marine Forum (OCIMF), a voluntary association of oil companies with the mission of ensuring the safe and environmentally responsible operation of oil tankers and terminals.



Internal Oil Spill Exercise at Oiltanking Malta.

#### Ship Charter Policy

Mabanaft has a Ship Charter Policy which defines the minimum ship acceptance criteria for chartered ships and accepted ships (C-term purchases). Its main purpose is to ensure the safe transportation of products at all times and the strict adherence to the ever-changing requirements and regulations of the international tanker shipping world. This includes, amongst others, the requirements of the International Maritime Organization (IMO). To avoid having oil transported on sub-standard ships, the ship acceptance criteria defined in the Ship Charter Policy have to be fulfilled.

To allow for a quick and up-to-date evaluation of sea-going vessels in accordance with our Ship Charter Policy, Marquard & Bahls contracted the market leader RightShip to develop a tailor-made, web-based Ship Vetting Information System.

Mabanaft is an active member of the European Barge Inspection Scheme (EBIS) to promote the continuous improvement of design and operation standards for tank barges.

### Energy Saving



Marquard & Bahls uses direct and indirect sources of energy to run its operations (mainly for product storage, transportation and office use). Our objective is to reduce energy consumption as much as possible.

→ Direct and Indirect Energy Consumption

The direct energy consumption in 2010 amounted to 1,185,000 gigajoules (GJ), including natural gas, heating fuel, and fuel for the pumps, boilers, operational vehicles and road tankers we own. Indirect energy – mainly electricity – is used, among other things, to power the pumps and lights at our storage terminals, hydrant systems at our aviation fueling sites and carwash units at our OIL! service stations. Office computers are further constant consumers. Other indirect sources of energy used include district heat and, in minor shares, imported steam. In 2010, the indirect energy utilization totaled 795,000 GJ and the overall direct and indirect energy consumption was 1,980,000 GJ. The unique range of businesses in our group makes an industry comparison of this figure difficult.

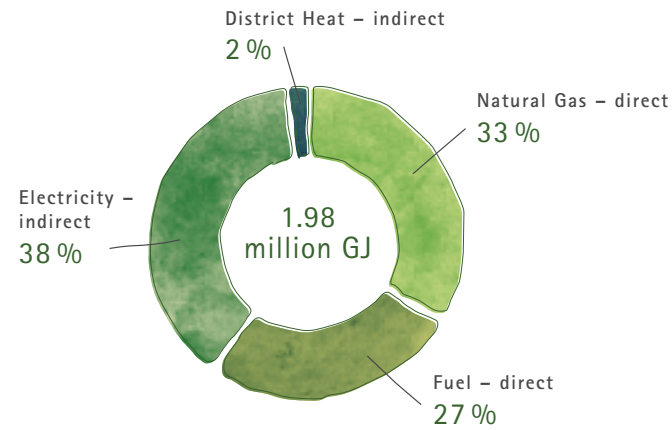


Fig. 7: Total direct and indirect energy consumption

The above figures comprise the total consumption of all companies, the only exception being natGAS and 12 Oiltanking Operation & Maintenance sites in India as we have a limited influence to change the infrastructure or processes there. 130 service stations under Petronord have been excluded as the energy data was often unavailable. This is because energy of these self-service stations is not measured separately due to shared estates or covered in the lease agreement with the tenant. In case of the 17 newly acquired Skytanking locations in the UK, limited data was available as electricity is usually invoiced via the airports or is incorporated in rental agreements. Nevertheless, we could gather and include data on fuel consumption of these sites. We also decided to include all of our joint ventures as several of them do not yet disclose information on energy consumption and carbon emissions in own sustainability reports. We are aware of possible double counting in the future, but decided to report 100% of the energy consumed for all companies in order to present a comprehensive picture of the energy consumption and emissions. All the data was obtained from a report annually prepared by all worldwide locations. As regards OIL! service stations, the energy data was received by 84 representative stations out of 243, and the arithmetic average was calculated.

At Oiltanking, the direct and indirect energy consumption has already been measured for several years now. Since 2002, the energy consumption per 1 million tons of throughput was reduced by approximately 30%.

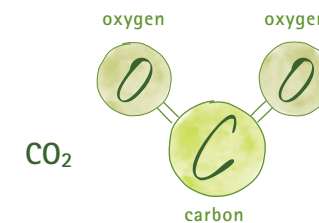
→ Reducing Energy Consumption

The most effective way to reduce indirect energy consumption is to increase energy efficiency – in other words, minimize the amount of energy needed for a given process. The most energy-intensive activity within Marquard & Bahls is the pumping of products at the Oiltanking terminals. An energy-saving program was launched to identify savings potential and implement specific measures to increase energy efficiency. First of all, a pump inventory was initiated and energy efficiency measures were evaluated. The metal halide lamps at Oiltanking Malta were partially replaced with LEDs, offering savings potential of approximately 70%. Our target is to extend such programs to more terminals and include the heavy consumers like pumps or boilers. In May 2011, a detailed Energy Saving Guideline with background information and hands-on recommendations was prepared and distributed. Another area where we can potentially reduce energy consumption is product transport, which is addressed in detail in the following chapter.

Further energy-saving programs have also been set up at OIL! service stations. In a pilot project at 17 twenty-four-hour stations, nearly 200 light sources were replaced with more efficient LED downlights. The gradual replacement of old open freezers with more energy-efficient, closed models is another feature of the program. Our goal is to measure and monitor the reductions achieved and support other subsidiaries in establishing energy-saving programs. For example, Petronord is also planning to evaluate the replacement of light sources with LED downlights at its self-service stations.

Climate Protection

Climate change is one of the biggest environmental challenges. Companies contribute to the problem by emitting greenhouse gases. There are different methods to calculate the so-called Corporate Carbon Footprint. In keeping with the Greenhouse Gas Protocol (GHG Protocol), we determine our Corporate Carbon Footprint as the total amount of the six greenhouse gases defined under the Kyoto Protocol and measured in tons of carbon dioxide equivalents (CO<sub>2</sub>e) caused directly or indirectly by our company's operations. The relevant greenhouse gases in our operations are CO<sub>2</sub>, methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). Other air pollutants, such as nitrogen dioxide (NO<sub>2</sub>) or sulfur dioxide (SO<sub>2</sub>) from third-party shipping or the emission of Volatile Organic Compounds (VOCs) at our terminals are reported separately.



→ Direct and Indirect Greenhouse Gas Emissions

In 2010, the HSSE Department started evaluating the Corporate Carbon Footprint according to the GHG Protocol by determining the boundaries for each company. To present a comprehensive picture, we chose an operational control approach and include 100% of emissions from all companies and joint ventures. We only exclude the sites stated in the chapter "Energy Saving". A list of all the companies reported is included in the appendices to this report. The emissions reported correspond to the direct and indirect energy reported in the previous chapter.

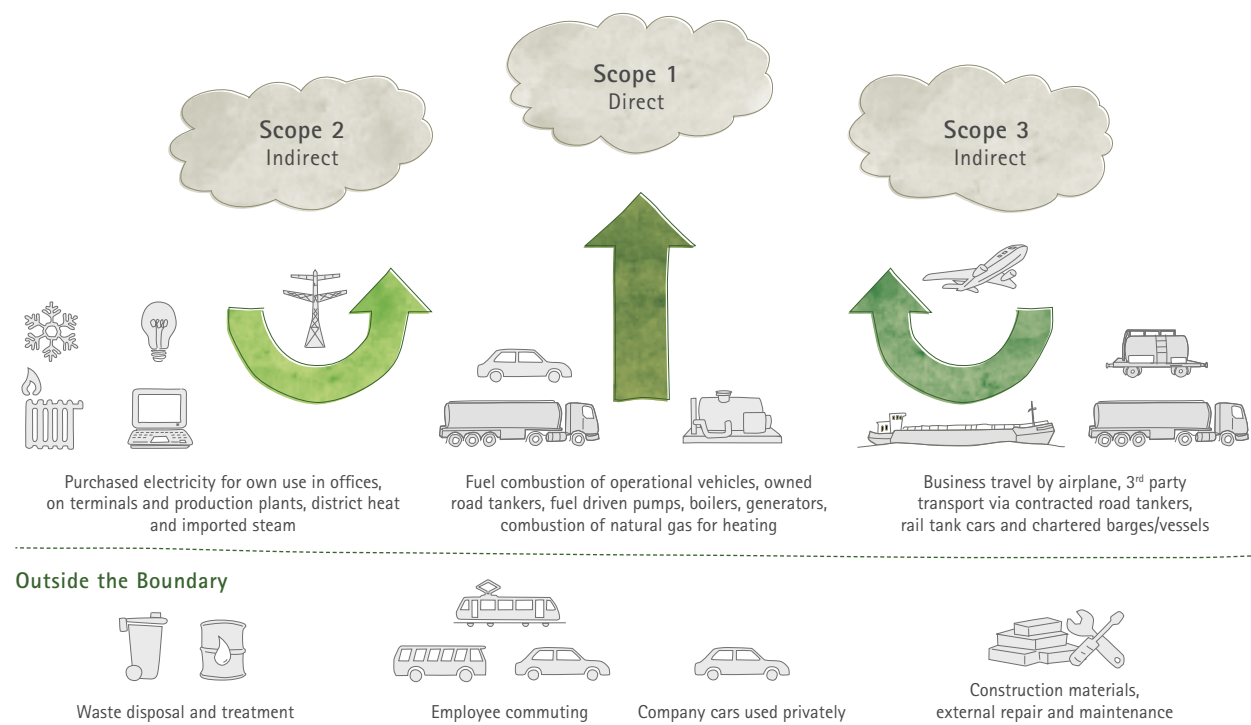


Fig. 8: Marquard & Bahls' greenhouse gas boundaries

Direct emissions (scope 1) arise from sources that are owned or controlled by Marquard & Bahls. We include emissions resulting from the combustion of fuels (in pumps, operational vehicles, road tankers we own or heating systems) and natural gas. Indirect emissions (scope 2) come from electricity, steam and district heat that we have purchased and consumed. The reporting of emissions produced at third parties (scope 3) is optional according to the GHG Protocol, but it offers an opportunity to present a comprehensive picture of the emissions caused by our business activities. We therefore calculate the emissions from the third-party transportation of fuels at Mabanaft and business travel by air, which are by far the most significant sources. Emissions from the production of building materials (e.g. steel for our storage tanks), construction of facilities, employee commuting, and the energy used for waste disposal, external recycling or treatment are not reported (see Fig. 8).

The greenhouse gas emissions were calculated by applying the latest emission factors from the International Panel on Climate Change (IPCC) and the GHG Protocol. The calculation was spot-checked by atmosfair gGmbH on the basis of the data sets provided. In the case of emission factors for electricity, the energy mix for the different countries was also taken into consideration. As the collection and calculation of data for product transportation proved the most challenging part, we address it in a separate chapter. Transport related emissions are included in Fig. 9 and Fig. 10. The total direct and indirect CO<sub>2</sub>e emissions amounted to 389,529 t in 2010. We aim to continuously reduce these emissions.

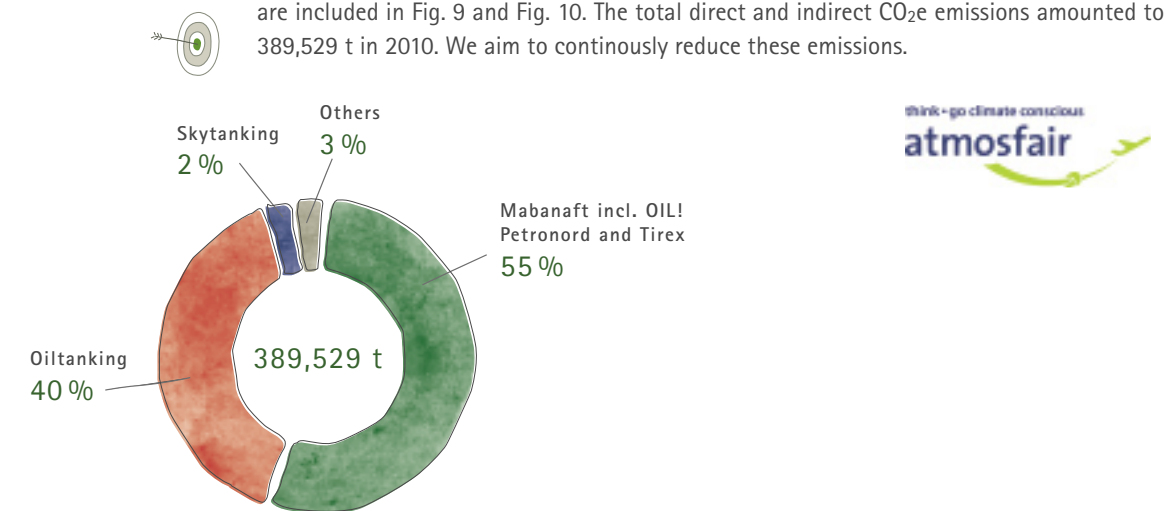


Fig. 9: Total CO<sub>2</sub>e emissions by company

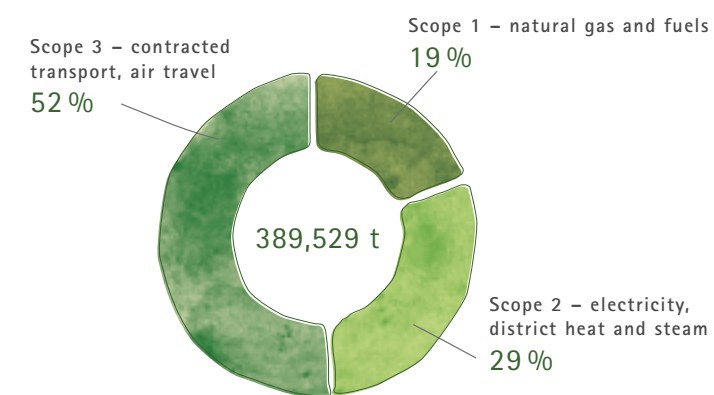


Fig. 10: Total CO<sub>2</sub>e emissions by scope

→ Product Transport

Marquard & Bahls companies rely on the transportation of oil products via road tankers, rail tank cars, barges and sea-going vessels. We strive to analyze modes of transportation in order to identify potential for minimizing the negative impact on the climate. We count emissions from our own road tanker fleet under scope 1; emissions from third-party transport are included under scope 3.

The 21 end-consumer affiliates under Petronord use their own modern fleet but also contract third-party logistics providers. Consequently, the scope of influence on the fleet and routings is limited. However, a spot-check of the main contractors revealed that most already use new vehicles with efficient engines. They usually renew their fleet every three to five years and conduct driver training courses.

Advance Fuels and Thomas Silvey in the UK also have their own fleet of modern road tankers to distribute products. Important variables like the age of the fleet, engine and gearbox specifications of the vehicles, loading factor, delivery location and conditions are optimized as they influence fuel consumption. Fuel-efficient driver training courses are carried out annually at both companies.

Moreover, at OIL! third-party road tankers are contracted to supply fuel to the 250 service stations in Germany, Austria and Switzerland. The fuel consumption for the road tankers in Switzerland and Austria has not been included as the data was unavailable for 2010. However, it will be included in the next report.

Mabanaft uses various third-party transportation modes. As for water-borne transport, we included emissions from chartered ships but excluded any transportation by ship arranged by third parties as it does not come under our sphere of influence.

The annual CO<sub>2</sub>e emissions produced by the transportation of products are shown in Fig. 11. To calculate the CO<sub>2</sub>e, emission factors were applied wherever data on the total consumption was available. For contracted transport, we used a distance-based freight approach. After a thorough analysis of seven different methods for ship transport in a scientific thesis, we chose the Ecological Transport Information Tool (EcoTransIT World) as the most comprehensive and detailed method. The tool allows for quick calculations based on the cargo volume, and the loading and discharge port. EcoTransIT was developed by the Institute for Energy and Environmental Research (IFEU; Heidelberg), the Institute for Applied Ecology (Öko-Institut; Berlin) and the Consulting Company for Traffic and Railway Engineering Ltd (IVE mbH).



The majority of transport emissions is caused by chartered vessels and barges. The further optimization of fuel efficiency is a measure that will be considered in the future to reduce CO<sub>2</sub>e emissions. Our target for 2011 is to integrate efficiency aspects in the chartering procedure for vessels at Mabanaft.

→ Business Travel and Employee Commuting

Due to the international character of our business, many employees travel by air. Our goal is to make the routes as safe and quick as possible and keep air travel to a minimum. In 2010, Marquard & Bahls employees flew 13,240 flight segments – and orbited the earth 611 times.

CO<sub>2</sub>e emissions from air travel were calculated by atmosfair gGmbH based on data provided by Marquard & Bahls. All the travel agencies or travel departments over the world were asked to submit the relevant information for calculation. Atmosfair gGmbH used its state-of-the-art CO<sub>2</sub> balancing method, which was adapted to the characteristics of business travel at Marquard & Bahls. The comprehensive approach includes the effects of the different pollutants according to their impact at high altitude and data on aircraft types, engines and booking class. Group-wide emissions from air travel in 2010 amounted to 7,976 t of CO<sub>2</sub>e.

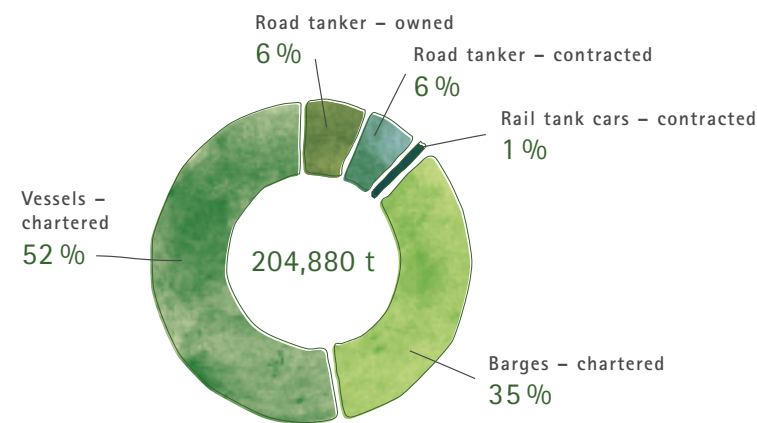


Fig. 11: CO<sub>2</sub>e emissions by transport mode

“For the calculation of CO<sub>2</sub> emissions from business air travel, Marquard & Bahls has chosen an environmentally sound approach. The inclusion of these emissions helps external stakeholders get a full picture of greenhouse gas emissions.”

Dietrich Brockhagen CEO, Atmosfair



Generally, company cars are not included in our boundary as they are used privately in most cases. Besides, the vast majority of employees use public transport and private cars to come to work. The company cars used by field staff at OIL! are included in scope 1 as they are frequently used for business trips.

So far, we have implemented two measures to reduce travel-related CO<sub>2</sub>e emissions. In the Mabanft trading business, a video conferencing system was installed to link up traders in key locations, thereby reducing the need for air travel. However, we are aware that personal contact with our business partners and colleagues is important and can therefore not be substituted completely by modern technology. To support the use of public transport to commute to work, Marquard & Bahls for example sponsors about 25% of the costs for monthly tickets. 152 employees – i.e. approximately 50% of the total staff in Hamburg – took advantage of this offer in 2010.

#### → Other Emissions

Apart from Volatile Organic Compounds (VOCs), our operations do not emit significant amounts of nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>) or ozone-depleting substances that are mainly present in cooling or flaring operations. VOCs are carbonic substances with significant vapor pressures. Usually they are not acutely toxic but, instead, have compounding long-term health effects. VOCs in tank terminal operations mainly occur due to tank breathing and during the loading and unloading operations. VOC emissions should be limited because of their negative impact on health and the environment. To reduce emissions from tank breathing, the tanks are painted white at all sites and internal floating roofs are installed for volatile products (high vapor pressure) with only a few exceptions. The principle of floating roofs is to prevent evaporation by covering the liquid surface. The most advanced technologies for emission control are vapor balancing, vapor treatment and vapor recovery units, which have been installed in many Oiltanking locations.

VOCs are currently locally calculated at 21 Oiltanking sites with a total amount of 928 t in 2010. The data is based on calculations instead of measurements as emissions depend heavily on several factors, including product vapor pressure, tank size and painting/insulation, the ambient average temperature, or the efficiency of vapor recovery systems.

To further improve the methods for calculating VOCs, an Oiltanking terminal in Texas volunteered for a study conducted by the Texas Commission on Environmental Quality (TCEQ) in 2007, which was aimed at finding ways to improve VOC measurements, and reduce tank emissions in future. In the study, the VOC emissions from petrochemical sites in the Houston area were measured using a technique that operates in the infrared and ultraviolet spectral ranges, allowing for the coverage of a large number of atmospheric emissions. The study helped identify areas for further investigation in order to improve measurement techniques.

Significant amounts of nitrogen oxide (NO<sub>x</sub>) and sulfur oxide (SO<sub>x</sub>) are emitted during chartered transportation by ship as sulfurous bunker fuels are often used.

NO<sub>x</sub> and SO<sub>x</sub> can contribute significantly to a number of environmental problems such as acidification, eutrophication, human toxicity and summer smog. Chartered ships caused nitrogen dioxide (NO<sub>2</sub>) emissions of 3,234 t and sulfur dioxide (SO<sub>2</sub>) emissions of 1,870 t. These figures are based on the IFEU EcoTransit calculation tool also used to calculate CO<sub>2</sub>e for contracted transport. The emission factors for SO<sub>2</sub> are derived from the actual sulfur content of the fuel. The sulfur content of diesel is assumed to comply with valid legislations. Additionally, 202 t of non-methane hydrocarbons (NMHC) and 217 t of exhaust particulate matter (PM) are emitted in contracted water-borne product transport.

#### → Renewable Energies

The provision of energy-efficient or renewable energy-based products helps our customers to reduce their carbon footprint. The production and trade in wood pellets and briquettes formed the core business of GEE Energy. Since the beginning of 2011, the wood pellet trade has been integrated into Mabanft to diversify the product portfolio. Wood pellets have a lesser impact on climate change than burning fossil fuels as they only emit the CO<sub>2</sub> that was absorbed from the atmosphere by trees or plants as they grew.

As the first service station operator in Germany, OIL! has been providing fuel with a high bio-ethanol share of 85% in cooperation with CropEnergies AG since 2006. The bio-ethanol for CropPower85 comes from renewable sources and produces fewer carbon emissions. The majority of the bio-ethanol is obtained from suppliers in Germany, where intermediate products from the production of sugar (syrup) are primarily used to produce it. We are aware that biomass sourcing for bio-fuel production can be associated with negative consequences. Experts fear that growing the share of crops used for bio-fuels could lead to the expansion of areas planted with monocultures and, in turn, increasing pressure on the environment. The use of crops for bio-fuel production can also diminish the availability of food, which has a social impact. The EU sustainability directive for biofuels is met by us. Concerning the production of biofuels, we very much concentrate on the generation of biogas from wastes.

The objective of Mabagas is the construction and operation of biogas plants utilizing renewable sources such as agriculture waste or animal dung. The construction of a Mabagas biogas plant in India has actually started. Several other projects in Germany, India and other countries are evaluated. Biogas has many advantages: It has an excellent carbon footprint, it can be fed into the natural gas network and can be used to generate electrical power for peak load demand. Biogas plants enable more efficient waste management by transforming organic waste into nutrient-rich organic compost and support rural development by creating business opportunities and employment along with rural electrification.

→ Carbon Capture

We are aware that mineral oil products have an impact on the environment. While we strive to develop alternatives and increase energy efficiency, we have also launched schemes for customers who are willing to pay a supplement for environmental protection. B.W.O.C. got under way a carbon capture program in 2010 that offers all fuel-card customers the possibility of capturing emissions from fuels they have bought in reforestation projects. 10% of emissions from fuels bought with a B.W.O.C fuel card are captured in any case, which is paid by B.W.O.C. Customers can decide if they want to pay surplus costs to capture the remaining 50% or 90% of the CO<sub>2</sub>. Participating customers receive a monthly e-report and capture certificates detailing which trees have been planted and how much carbon is captured in the trees, along with tips for greener driving.

“The oil industry is rarely perceived as “green”. However, we at B.W.O.C. take our responsibility to manage the impact we have on the environment very seriously. By working together with our customers, I believe we can make a difference.”

Mark Wayne Managing Director, B.W.O.C.

To address the concerns of sustainability experts regarding the additionality and permanence of forestation projects, B.W.O.C. has carefully selected Forest Carbon, a UK-based organization for the planting and preservation of British woodlands. The trees planted are audited for 30 years by external parties. To calculate the carbon captured by the trees, only stem timber is included. To guarantee permanence, any tree lost or damaged has to be replaced. Apart from that, UK law forbids a forest from being cut down without a commitment to replace it.

Under the scheme, trees have already been planted at Harperrig in West Lothian, ten miles south-west of Edinburgh, in collaboration with the Central Scotland Forest Trust. The newly planted trees (about 11,000 on 5.2 hectares) will form part of a new 34,000-hectare network of public access woodlands being created in and around the towns of Scotland's degraded central belt. As part of the overall project, B.W.O.C. calculated its own carbon footprint in 2010 and is capturing it.

→ Further Climate Initiatives

In 2008, Mabanaf, Petronord, OIL! and GEE Energy started off the Initiative Pro Climate, the main idea of which is to offer energy-efficient products, provide information regarding energy saving and encourage climate protection. Its ventures involve sowing the seeds of and financing reforestation projects and supporting climate research. In cooperation with the Schleswig-Holstein State Forestry Administration, more than 90,000 trees have already been planted in the past two years. Besides producing oxygen and binding CO<sub>2</sub>, forests improve the water-storage capability of the soil, prevent erosion and are home to a wide

variety of flora and fauna. The sustainable cultivation of the areas is guaranteed by the German Forest Law, and by implementing the leading forest certification systems of the Program for the Endorsement of Forest Certification (PEFC) and the Forest Stewardship Council (FSC). Another reforestation project was realized in April 2011.



Marquard & Bahls employees, their families and customers actively participate in the reforestation projects of the Initiative Pro Climate.

In addition to reforestation, the Initiative Pro Climate also funds a post-doctoral research position at KlimaCampus, Hamburg University's centre for climate research. See the “Research” chapter for more details on this exciting project.

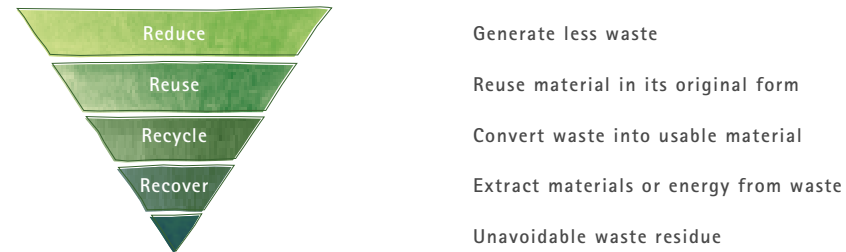
Since 2009, OIL! has been offering its customers the possibility of supporting the Initiative Pro Climate by using the OIL! KlimaCard. For each liter of fuel refueled, the initiative receives 1.25 cents from the customer, which OIL! then doubles so that the environmental contribution increases to 2.50 cents per liter.

→ Carbon Trade

A newly established trading desk at B.V. Mabanaf in Rotterdam is active in the field of emissions trading and involved in clean development mechanism projects with the aim of generating tradable carbon certificates. Currently, Mabanaf B.V. is participating in, amongst others, small-scale hydro projects in Vietnam, a wind farm project in Costa Rica and an energy efficiency project in South Africa. As some of the projects are currently in the development phase, they will only start generating credits in the coming years. With regard to trading, European Emission Allowances and Certified Emission Reduction credits were traded forward on the European Climate Exchange, the pan-European platform for carbon emissions trading.

## Waste Management

We encourage our personnel to minimize waste as much as possible. Our basic principles of waste management are the "4 R's": reduce, reuse, recycle and recover. At Oiltanking, these principles are shared globally in our HSSE Manual.



We monitor industrial waste (e.g. discarded metals or debris) and hazardous waste (e.g. waste that is flammable or toxic) which requires special handling and disposal, separately. The majority of the hazardous waste at our facilities is slops from oil-water separators and residues from tank cleaning. They are collected and treated by licensed contractors. The proportion of office waste is comparatively small and therefore not recorded globally. However, we promote paperless offices and waste separation.

The total waste reported in 2010 amounted to 34,865 t. Approximately 61 % of the waste is classified as industrial and 39 % as hazardous, as shown in Fig. 12. The majority of the industrial waste was collected and recycled.

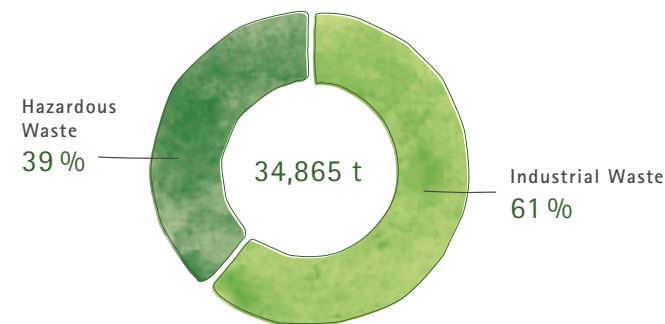


Fig. 12: Total waste by type

At Oiltanking, the total hazardous waste was 10,123 t. Since 2002, we have managed to reduce the hazardous waste rate (kg per m<sup>3</sup> of storage capacity) by 75 % through process improvements and employee training. However, the generation of hazardous waste depends heavily on customer demands. Due to a greater need for tank cleaning, for instance, there was a slight increase in 2010.

With regard to the disposal of waste water, our tank terminals and service stations have oil-water separators or more complex types of waste treatment systems in place. The effluent water is sampled regularly to control the functioning of the treatment system and make sure the relevant limits are observed. For terminals storing petroleum products, the most important parameter to monitor is the Total Petroleum Hydrocarbons (TPH). In some terminals, the gravitative oil-water separator is combined with coalenscers, skimmers, charcoal filters or strippers to fulfill all the requirements.

After treatment, the water is mostly disposed of into the surface water at Oiltanking and public sewer systems at OIL! facilities. The total amount of discharged industrial wastewater reported was 540,818 m<sup>3</sup>. Residues from the treatment system are classed as hazardous waste and collected by vacuum trucks to be treated at licensed external plants and usually reused.

At the OIL! service stations, the amount of chemicals used in the carwash is carefully monitored and kept to a minimum.

## Biodiversity

The United Nations (UN) declared 2010 the International Year of Biodiversity. Biodiversity is the degree of variation of life-forms, species and ecosystems in a region. Businesses can affect and reduce biodiversity in many ways. With regard to our core businesses, we mainly affect biodiversity by building new tank storage sites and producing carbon emissions.

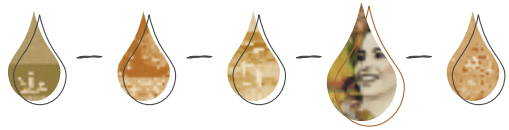
As far as the building of new terminals and major expansions is concerned, our HSSE management system includes performing Environmental Site Assessments and Environmental Impact Assessments prior to their construction. As a preventive measure, the groundwater is monitored at all Oiltanking terminals on a monthly basis. The data obtained is evaluated centrally by environmental experts.

We are currently not operating in any regions designated as a protected area by the International Union for Conservation of Nature (IUCN) since most of our sites are located in industrial areas. But we do operate near areas with a high biodiversity value, such as close to the Paracas National Park in Peru, for instance, where we are the operator of a marine platform owned by an industrial consortium for the handling of diesel, naphtha and Liquefied Petroleum Gas (LPG).



In future, we wish to understand and evaluate our direct and indirect influence on biodiversity better and find ways to minimize it.





Sustainability Performance

Social Responsibility



## Social Responsibility

In a globalized world with rapidly changing markets, dedicated employees yield a competitive edge. Companies that realize the importance of social responsibility usually find and retain employees that are more satisfied with their jobs and thus more committed to achieving success. This has a positive impact on the stability of a company.

Our corporate philosophy — independent, sound, individual — is also reflected in our corporate culture, which is accompanied by a high level of staff dedication and a strong sense of business identification. We fulfill our social responsibility by providing opportunities for development and excellent working conditions.







Social Responsibility

Key aspects of our human resources management include the recruitment of suitable candidates to meet our growth, systematic advancement, training for our employees and management, and the retention of employees in our company for the long-term.

In total, 7,240 employees worked for us in 2010, including those at not consolidated or not fully consolidated companies. The majority works on a full-time contract. 66% are employed as operators and 34% as office personnel. See the chapter "Equal Opportunity" for the breakdown according to gender.

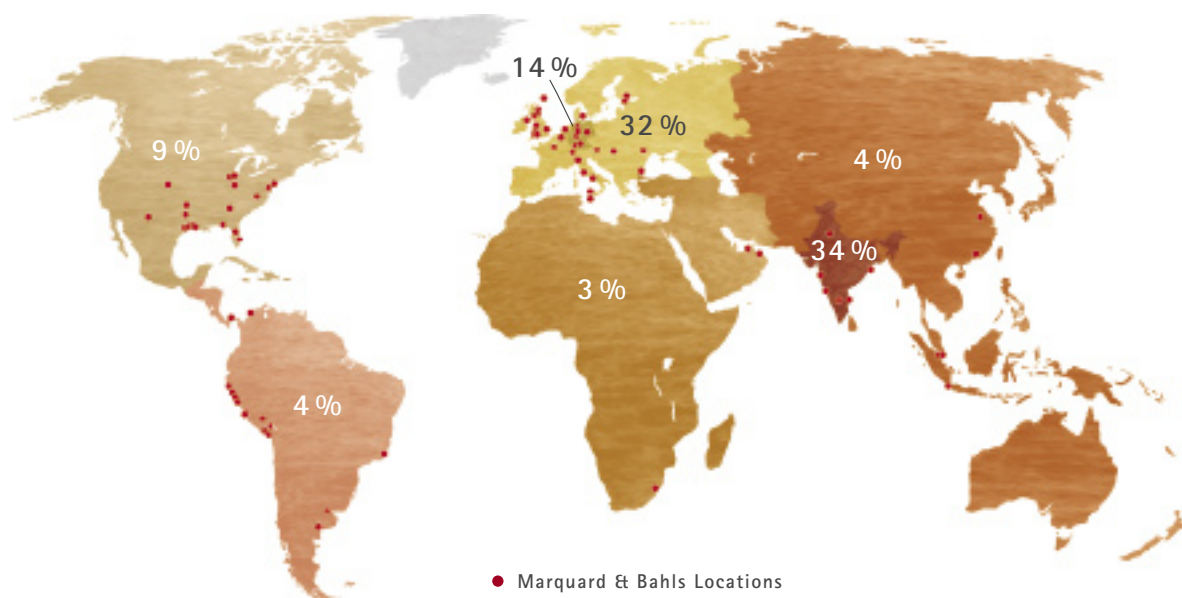


Fig. 13: Employees by region

Employee turnover changes the human and intellectual capital of a company. Following the GRI definition, we define the turnover rate as the number of personnel who left during the reporting period voluntarily, due to dismissal or retirement compared to the average number of staff during the year. Out of 7,240 employees, 1,006 left during the reporting period, resulting in a turnover rate of 13.9%. The rate of employees who left voluntarily is significantly lower. By region, the highest rate was recorded in North America and, at approximately 8.5%, the lowest rate at our German locations.

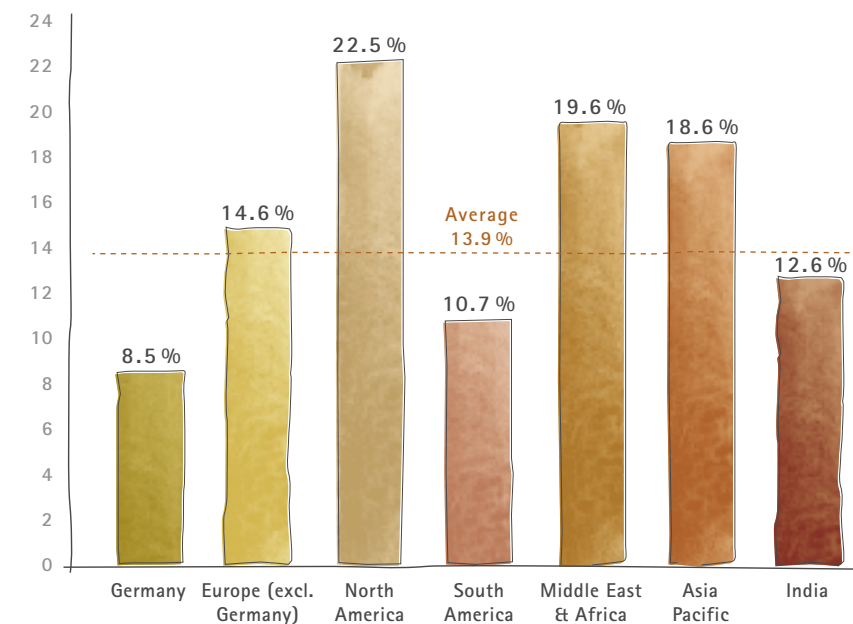


Fig. 14: Staff turnover rate by region

By company, the highest turnover was at Skytanking (20.4%) resulting from the high turnover rates at the North American sites. At Mabanaft (18.7%), the turnover was higher than the average of 13.9% due to a higher staff turnover at the Tirez service stations in Moldova. The lowest turnover rates were at Oiltanking (10.3%) and other companies (9.9%, e.g. GEE Energy, GMA, Mabagas, Proenergy). Compared to other companies in our sectors, our staff turnover rates are below industry averages.

To periodically evaluate the satisfaction of our people, appraisals and surveys are carried out at local level. In 2010, 90 sites conducted paper-based or electronic employee surveys, or held formal appraisal interviews. We encourage all companies to conduct employee surveys as they are a good tool to receive employee feedback and gauge job satisfaction.



Social Responsibility

Health & Safety

Health and Safety are two important pillars of our HSSE culture and philosophy. We continuously improve all aspects of our operations with regard to technical, organizational and behavioral safety, and promote a proactive safety culture. One key measure is the development of comprehensive corporate HSSE Manuals for the different companies, based upon which the facilities are asked to prepare and implement adequate management systems at local level. Another important tool to learn from mishaps is our global incident reporting system. To prevent accidents or their reoccurrence, all incidents and near misses are carefully reviewed and analyzed. If necessary, HSSE Alerts are sent out to the relevant companies to be displayed on the HSSE bulletin boards and discussed with all employees. Furthermore, a poster campaign at Oiltanking supports our proactive approach. We have implemented a system of regular internal HSSE audits for Oiltanking and Skytanking to monitor compliance and benchmark our performance. Detailed HSSE statistics with lagging and leading KPIs are prepared for the group and each Profit Center. For instance, we integrated near misses and unsafe acts & conditions into our reporting system – both examples of leading indicators. Computerized Emergency Response Plans and standardized Emergency Maps are tools to enable us to be well prepared for emergency situations. Third Party HSSE presentations are used to instruct visitors on our basic safety rules.

→ Fires & Explosions

Technical measures, organizational processes or behavioral procedures are not always sufficient to prevent fires and guarantee a quick response, as past industrial incidents have shown. A massive explosion and tank fire at an oil storage terminal in Buncefield in 2005 and two other major terminal fires in 2009 underlined the gravity of fire prevention, adequate fire protection systems and emergency preparedness. Oiltanking initiated a detailed review of its fire protection standard and responded with a comprehensive set of measures. These include the implementation of a "Fire Protection Standard" consisting of 72 requirements – often exceeding the legal requirements.



In 2010, one minor explosion and eleven small fires mostly related to welding and maintenance work at our tank terminals occurred, causing € 20,400 of damage. Our target is to continuously reduce fires and explosions.

→ Work Accidents

In 2010, the total, group-wide number of accidents resulting in one or more days off work was 74, of which 72 were related to operations and two of which occurred in administration. These accidents resulted in a total of 1,125 Lost Work Days (LWD), which are counted as calendar days (including weekends, holidays or free shifts) starting the day after the accident. Absence because of commuting accidents or non-occupational illnesses is not counted. As expected, most LWD occurred at Oiltanking and Skytanking due to the high share of operational work. 19 accidents happened to third-party employees.

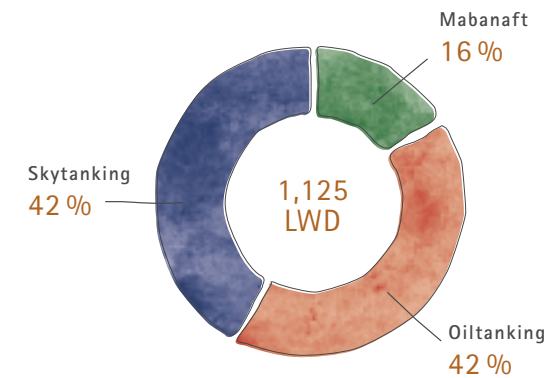


Fig. 15: Total number of Lost Work Days by company

The frequency of accidents resulting in one or more days off work per 1 million working hours (Lost Work Day Case Rate / LWDC-R) averages out at 4.6 worldwide (see Fig. 16). In Germany and Europe, the accident figures have the highest rates. Therefore we focus our efforts to reduce accidents on these regions.

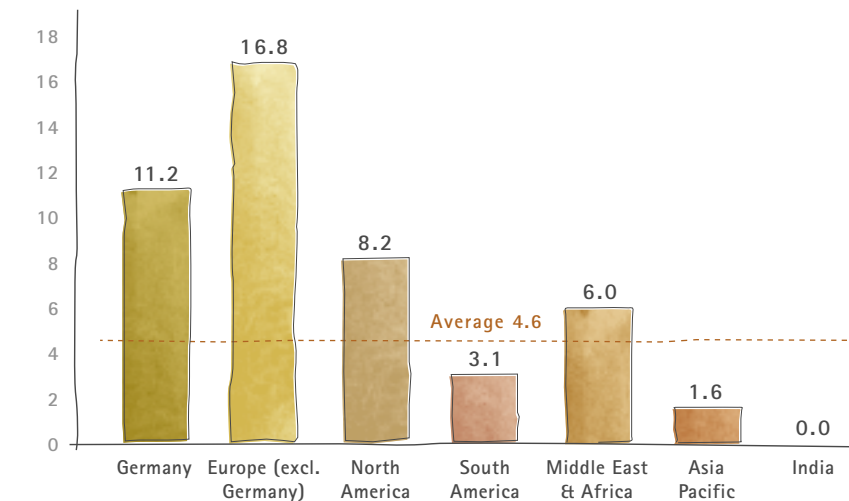


Fig. 16: Number of accidents per 1 million working hours by region

Although we have reduced the accident frequency by 45% since 2005, we saw a slight rise in events in 2010 and therefore have to amend the statement we made in the Annual Report 2010 that the accident frequency and severity had shown a further decline in 2010. The figures published in our Annual Report were based on accidents reported by March 25, 2011. Due to new acquisitions at the end of the year, however, we received accident reports after this reporting deadline.





### Social Responsibility

The Lost Work Day Case Severity was 15.0 and showed a slight increase compared to 2009 on the back of more severe accidents in the retail business and aircraft fueling. The Lost Work Day Case Severity is defined as the average of work days lost due to work accidents resulting in one or more days off work. We aim to focus more on retail business and aircraft fueling to improve our HSSE performance.

Despite all efforts to avoid accidents, an Oiltanking operator in Bulgaria suffered a fatal accident on June 17, 2010 when he fell off a ladder while conducting maintenance work. We deeply regret this loss of life. As an immediate response, the urgency of behavioral safety was highlighted in several local and global meetings and a "Just Culture Guideline" was developed and distributed to all Profit Centers. The guideline is explained in more detail in the next subchapter.



Although we are not currently tracking the absentee rates of all our facilities worldwide, we plan to include this indicator in future reports. The rate of absenteeism has been evaluated for the German facilities for several years. We are proud that, with 2.8% in 2010, this important indicator was again below the industry average. We see this as a positive sign for the health and satisfaction of our people.

To recognize the tremendous efforts of our local work forces regarding their HSSE performance, a HSSE award was initiated at Oiltanking in 2008. Indicators taken into account are accidents, fires & explosions, loss of primary containment, product contaminations, material damages and reporting (quality, timeliness and near-miss reports). Each year, one Profit Center is rewarded with the award for Best HSSE Performance, and one for Best HSSE Improvement. The Lighthouse for the Best Performance in 2010 went to IOT; the award for the Best Improvement to Oiltanking Terminais Ltda. in Brazil.

#### Behavioral Safety and Just Culture

Safety of operations largely depends on human reliability, which goes beyond pure technical qualification. The behavioral safety of employees can be guaranteed by improving the safety culture of the organization. To achieve optimal enhancement, a balanced approach between a purely punitive culture and a no-blame culture has to be found – which we call "just culture". Just culture means to establish a fair and transparent system of sanctions and rewards in response to the behavior of employees. Since learning from mishaps is vital, an internal reporting system that also takes into account the employees' motivation for their conduct is essential. The unique aspect of our system is that it not only analyzes negative behavior, it also rewards exemplary behavior. A Just Culture Guideline containing practical implementation steps and a flowchart to highlight the appropriate responses to both negative and positive behavior was distributed to all Oiltanking Profit Centers in 2010.

#### Duty of Care

Some of our colleagues travel a lot for Marquard & Bahls. Travel safety is therefore a major issue on our HSSE agenda. To provide the best medical advice and services for all colleagues who travel, as well as expats, Marquard & Bahls signed a membership agreement with International SOS – the world's leading provider of medical assistance, international healthcare and security services. With more than 6,000 professionals at 26 alarm centers around the world, they are available on a 24/7/365 basis for all kinds of medical and security issues. At least for all intercontinental travel and journeys to high-risk countries, a visit to the International SOS website prior to departure is mandatory for our employees. In countries with an increased security risk, training courses and tailor-made personal advice is provided for expats to prepare them for country-related medical or security issues.



Our target for 2011 was to develop a group-wide travel manual and airline vetting database to support employees involved in arranging international business trips. This was accomplished in June 2011.

*“Traveling and working abroad heightens the corporate liability of employers, who have a legal and moral duty of care towards their people. Marquard & Bahls demonstrates that it takes this responsibility very seriously by contracting our far-reaching services for its employees.”*

Nicolas Sommer Business Development Director, International SOS

Regarding medical care, most employees based in Germany can participate in free basic medical check-ups every three years. The global senior management is offered full medical check-ups every two years in a specialized clinic in Hamburg. Profit Centers are encouraged to develop programs for conducting regular health checks for their employees at local level. Free medical check-ups were organized by more than 60% of our locations worldwide in 2010.

## Education & Training

Due to demographic changes and the rapid growth of our company, it is becoming increasingly challenging to find highly qualified staff. To guarantee that the right people are available in the right spot and at the right time, we are focusing on efforts to leverage people's expertise and talents. We see specialized qualifications as one of our most valuable assets. It is therefore our aim to train and develop our employees further.



### → Trainee Programs

The recruitment and development of junior staff is the foundation of our Human Resources work. Our trainee programs are designed to give the participants an understanding of our values and culture in order to groom them for further duties within the group. We have therefore placed graduates in trainee programs throughout the organization. In Germany, we invest in training students from the Nordakademie. The Nordakademie offers dual study programs in business administration and industrial engineering. According to the philosophy of "thinking globally, acting locally", we were able to increase the number of trainees employed worldwide. This is an important step for optimizing the allocation and training of personnel according to local needs. Apprenticeships and vocational training are further openings for young people to gain practical work experience in the group.

Due to its number of staff and challenging projects, IOT channels a lot of effort into recruiting trainees from several engineering colleges and other institutes in smaller towns across India and invests in the trainees' further training and development. In total, 300 trainees were recruited between 2007 and 2010. For 2011, IOT aims to recruit 200 trainees in one year, thereby considerably advancing the recruiting rate.



“IOT provides equal opportunities for women not only in the more accepted office based staff functions but also in the more physically demanding traditionally male dominated like operational jobs in terminals.”

Nawin Chandra General Manager Human Resources, IOT

### → Development Programs for Managers and Specialists

A common feature of all our development programs and training is the importance of knowledge management. The programs are taught by an internationally experienced team of trainers with in-depth knowledge of a wide variety of fields. The new feature is the "cross-company" approach, which is an essential to enhance networking at group level and take advantage of synergies.

The Junior Management Development Program (JuMP) is geared towards employees with leadership potential who are to be prepared for executive positions or have recently assumed such a position. Over a period of eighteen months, topics like human resources management, project management and intercultural cooperation are examined. Aimed at executives who already have management experience and need support in their further development, the Senior Management Development Program (SMDP) focuses on strategic and global thinking.

A Specialist Development Program (SDP) was launched in 2010 and is for experts with professional responsibilities that have key skills for the success of the company. The 15 current participants cover subjects such as professional negotiating skills and customer relationship management in three modules spanning nine to twelve months.

In total, 108 employees from all over the world participated in the international programs offered in addition to the local training courses in 2010.

### → Contributions to Career-long Learning

Besides these tailor-made programs, we also support the professional and personal development and career-long learning of our workforce by offering a catalogue of advanced professional training courses in the form of in-house seminars, external seminars or conferences. They range from IT seminars and language courses to intercultural communication seminars or stress management training.

### → In-depth HSSE Training

Our HSSE policy requires that all employees receive safety training, covering the hazards inherent to the products that are handled and stored at the relevant facilities, and attend environmental awareness courses. New employees are instructed on HSSE issues prior to commencing their work. If personnel, or others, are required to carry out specialized tasks, they receive formal training. At OIL, a comprehensive training video was produced covering all the HSSE aspects of service station operations and providing practical guidelines on how to fulfill HSSE requirements. It was made available to all service station partners.

At Oiltanking and Skytanking, a total of 220,763 hours of HSSE training was conducted in 2010. At Oiltanking, for example, each operator received an average of 73 hours of HSSE training – with a steady growth in recent years.



### Labor Standards

We adhere to the Universal Declaration of Human Rights and its protocols. Human rights are protected within our sphere of influence. Compliance with the standards of the International Labor Organization (ILO) is defined in our Code of Conduct.

#### → Child Labor

We rate the actual risk for child labor in our operations – due to the high level of specialized knowledge required from our employees – as very low. An assessment along our supply chain depicts a similar picture as most of our business partners and customers need highly specialized staff for their operations (e.g. the refining industry or chemical companies), are leading in Corporate Social Responsibility (CSR) and address social indicators in their sustainability reporting.

#### → Compulsory Labor

We have not identified any of our operations at significant risk for incidents of forced or compulsory labor. As a measure to help eliminate forced or compulsory labor, we also address the topic in our Code of Conduct. As we do not have any recorded incidences, we do not have any specific programs in place.

### Equal Opportunity



We aim to increase diversity even further by recruiting male and female employees as well as people from many ethnic backgrounds as we see diversity as a key to our success. Although the oil business is still very much male-dominated, more and more women are choosing disciplines or professions in our sector nowadays and we have been able to continuously grow the total number of female employees over the last few years.



Regarding the management and staff of the holding, we are content to have a more or less well-balanced mix of male and female employees. As the proportion of female employees in leading positions at our subsidiaries is only 5%, we will increase our efforts in priming female candidates. To calculate the proportion in the column "Subsidiaries / Management", we included the Managing Directors of the holdings and the worldwide Profit Centers as well as the Regional Managers. Only the leading positions of 21 Petronord affiliates have been excluded. Although we do not have standardized hiring procedures in place at group level, the majority of employees and the subsidiary management is locally sourced due to our decentralized management structure. 27% come from other countries and only 2% from Germany (see Tab. 2). In India, for example, 100% of employees, including the senior management, are hired from the country. For vacant positions, the employees' qualifications, achievements and potential are taken into account – regardless of gender or ethnic background.

Tab. 2: Composition of governance bodies and staff according to gender and nationality

in %	Executive Board	Marquard & Bahls Management	Staff	Subsidiaries Management
<b>Gender</b>				
Male	100	67	56	95
Female	0	33	44	5
<b>Nationality</b>				
Local	100	83	92	71
German (outside Germany)	N/A	N/A	N/A	2
Other	0	17	8	27



Fig. 17: Employees by company and by gender





## Corporate Citizenship

Corporate Citizenship means a social and environmental engagement that goes beyond a company's core activities with the overall aim of creating added value.

We are aware that our operations might have an impact on local communities. Consequently, we believe that it is our responsibility to act as a good neighbor. Our voluntary community involvement helps us to maintain understanding and trust for our actions among all stakeholders.







Our Corporate Citizenship activities can be grouped into five fields: youth education, volunteering, sponsorship, culture & sports, and research. We want to encourage all of our locations around the globe to increase their corporate citizenship activities. With a view to sharing best practice examples, we plan to develop a knowledge-sharing platform on the group-wide intranet in 2012. We will now present a cross-section of the current activities worldwide, showing a panorama of diverse approaches.

### Youth Education

Although elementary education in Indonesia is funded by the government and therefore free, students still have to pay for books and uniforms. Moreover, due to the low quality of education in the area of Merak, most children need extra tuition to catch up on the lessons at their own expense. For poorer families, this is often an insuperable drawback – and an opportunity for Oiltanking Merak to help out by providing textbooks, stationery, uniforms and extra tuition.



Novi Pebriyanto is to receive a scholarship under the "Shabat Pendidikan Program" for better education. Students from the local community of Merak in Indonesia on their way to school.

A total of 24 fifth and sixth graders from low-income or unemployed families were selected in 2010 to participate in the program and receive scholarships. The actual program was launched in January 2011 and includes providing back-to-school packages, annual eye and dental check-ups, as well as revision classes to prepare for examinations.

Our Indian subsidiary IOT set up a comprehensive Youth Education Program in 2010. In one of its projects, IOT is partnering the Asim Chandra's Manav Seva Foundation in Baroda to build and run a center for professional training for trades like carpentry, masonry and welding. The training courses are geared towards youths from economically challenged families. A training venue of more than 2,000 m<sup>2</sup> has been selected to train circa 100 participants in 2011. Successful trainees will be considered for placement in the IOT group wherever possible; others will receive assistance in finding jobs.

### Volunteering

Our volunteering activities cover a wide range of topics from environmental protection to donating blood. In the following, we present some examples.

#### → Beach Clean-Up

Oiltanking Texas City identified marine debris on the shoreline as a local problem. Employees have been volunteering in annual beach clean-ups in Galveston Bay since 2006 in keeping with the guiding principles of the Clean Texas program, an environmental leadership initiative launched by the Texas Commission on Environmental Quality (TCEQ). Oiltanking employees and other participants from local schools, environmental organizations and other companies help out each time in Galveston Bay, collecting garbage on 1.6 km stretches of the beach.



Colleagues from Oiltanking Texas City collecting trash in Galveston Bay. As a little something, the volunteers received potted plants instead of plastic give-aways.

→ Giving Blood

Blood is a life-saving fluid but in short supply. To help reduce this need, blood drives are organized at the Marquard & Bahls headquarters in Hamburg in cooperation with the Asklepios Clinics at least twice a year. 10% of the employees based in Hamburg gave blood at the last drive in December 2010. Moreover, more than 200 colleagues readily donated blood during the annual health week at the IOT construction project in Haryana, Panipat.



Many employees of IOT, India, donated blood during the IOT health week.

→ Waste Reduction and Waste Recycling Trainings

By organizing courses at Miguel Grau School in the community of Matarani in Peru, Oiltanking through its subsidiary Logística de Químicos del Sur S.A.C (LQS) is making a commitment to the community that goes beyond business as usual. The 20-hour program was developed and is taught by LQS employees with the aim of raising awareness of the need for waste separation and recycling. Students are encouraged to separate waste inside the school. As a part of the program, LQS installed special containers for the waste to be disposed of singly in future. The separated waste is then sold to specialized companies and the money collected is used by the school to improve the condition of the facility.



Pre-school children and college students of Matarani, Peru, actively took part in the waste separation program.

→ Creating Positive Change

Employees from Marquard & Bahls in Hamburg offer their professional and corporate knowledge at the Hamburg Chamber of Commerce in a voluntary international network of entrepreneurs and young professionals below 40 years of age (Jaycees) who voluntarily engage with the aim of conducting business in a socially responsible way and personally contributing towards the development of the local economy. Various programs are set up in six different project groups.



On the "Make a Difference Day" in Hamburg, children could try out their skills on the drums or feed the animals on a farm.

The annual highlight for the Jaycees in Hamburg and other German cities is the "Make a Difference Day", a program organized by active and former Jaycees in close cooperation with social initiatives. In September 2010, over 300 children, youths and adults from different charity organizations had an unforgettable day doing various cultural and sportive activities. Mabanft appreciates the voluntary involvement and supports the "Make a Difference Day" financially.



## Sponsorship

Instead of Christmas gifts for employees, Marquard & Bahls has been donating € 50,000 annually to the German Red Cross (DRK) for several years. In 2010, the DRK used the money to organize first-aid courses in the three-country triangle of Peru, Brazil and Colombia in the Amazon. Courses for 40 to 60 people are planned at a health center in Santa Rosa. One challenge of the project is to get the participants together for the courses as they often live in rural areas that are only accessible by boat. For some, it might take days to reach the health center. After the courses, the participants serve as first-aid helpers in their communities and are given first-aid kits, vests, shirts and caps. The aim is for them to make a sustainable contribution in the villages after their return by passing on their fresh medical knowledge. This can lead to the long-term improvement of the health situation, quality of life and supply of medical equipment. The first-aid courses were held in early 2011. The whole project runs for a period of eight months.



For children, the Amazon is a welcome opportunity to cool down during the hot summer months. For villagers in remote areas, however, it is the only way to receive sufficient medical supplies.

Community support is also written with a capital C on the Mediterranean island of Malta and in Indonesia: Oiltanking Malta donates money for poor residents and disabled children, the construction of a library and student funding; Oiltanking Indonesia has made several donations to the local community of Merak.

In Peru, LQS initiated and sponsored medical check-ups for people in the local community in Matarani. To do so, it enlisted the professional services of a group of doctors to conduct free medical check-ups in the communities near the terminal. In 2010, two check-ups were organized in two different locations. Each time, almost 300 patients were treated.



Villagers from communities close to LQS, Peru, receive free medical check-ups.

During the last rainy season from October to November 2010, the natural phenomena "La Niña" inundated several areas in Colombia, especially on the north coast. Approximately 2.3 million people were affected by the floods and many families lost their homes. To lend a helping hand, Oiltanking Colombia S.A. donated approximately two tons of food to the Colombian Red Cross, which delivered it to villagers close to the terminal. During the Christmas celebrations, employees and their families volunteered in a joint initiative to arrange the packages.



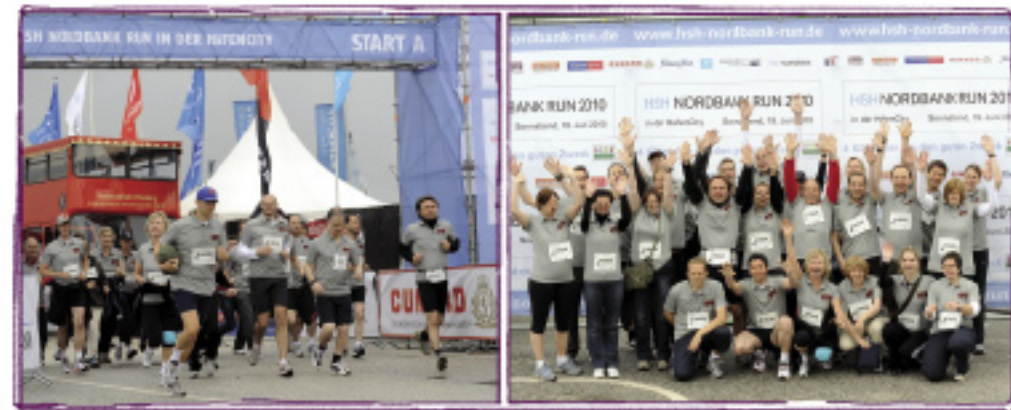
Oiltanking employees and their families helped out in a joint initiative to put together food packages for the victims of "La Niña".

## Culture & Sports

As a company with a strong heritage that has been based in Hamburg for more than 60 years, Marquard & Bahls feels a special commitment to both the city and the whole region. To support culture in the city, for example, Mabanaft GmbH & Co. KG became a sponsor of the Maritime Museum.

For the sixth time in a row, more than 20 employees from different subsidiaries entered a team in the HSH Nordbank Run through the rapidly growing Harbor City in Hamburg, which is organized annually for a charitable cause. The 18,000 runners from various companies raised a total of € 117,000.

The sum was donated to the "Children Help Children Society" to enable children and teenagers from low-income families to join sports clubs. Currently, the society supports approximately 4,000 children financially.



The Marquard & Bahls Team at the 2010 HSH Nordbank Run (©CJP Hamburg GmbH).

Sports and charity events are also clubbed together in other countries on the Marquard & Bahls map: Employees from Oiltanking Malta participated in a swimming marathon to support Maltese families with disabled children; others took part in a bicycle race in Amsterdam, where the money raised was donated to cancer research; employees from Oiltanking Antwerp organized an Industrial Cycling Race & Fair while others participated in the DDV Antwerp 10 Miles & Marathon; the money collected was put towards a charitable cause. Finally, colleagues from Matrix Marine Fuels Houston took part in a charitable bike ride for multiple sclerosis research.

## Research

As a further area of our corporate citizenship, we are also involved in research projects, such as to explore and understand better the impact on climate change under the Initiative Pro Climate. Besides temperature, one indicator for global climate change is the global increase in precipitation. Indirect methods based on satellite data and model calculations are used to measure precipitation. To obtain accurate results, however, direct precipitation measurements on the ground are also necessary. While measurements on land are relatively easy to obtain, measurements over the world's oceans are difficult as only very few ships can be equipped with the necessary technical instruments. Long-term precipitation measurements over the ocean are a central part of a research project at the renowned KlimaCampus at Hamburg University.

“Thanks to the support of Mabanaft, our research team at KlimaCampus can continue to examine the correlation between precipitation and climate change.”

Christian Klepp KlimaCampus Hamburg

The Initiative Pro Climate funds Christian Klepp's three-year post-doctoral position at KlimaCampus. The position is aimed at exploring the relationship between climate change and precipitation by installing newly developed precipitation instruments on the German icebreaker *Polarstern*, the Russian research vessel *Akademik Ioffe* and the Finnish research vessel *Aranda* to take continuous, long-term measurements over the ocean. The project is expected to yield significant results for global climate change research.

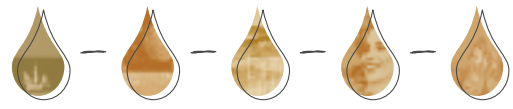


## Sustainability Targets

In compiling the activities and topics in this report, Marquard & Bahls established priorities and goals for managing sustainability. We will continue to develop and report our targets and the management of our sustainability actions.

	PRIORITY AREAS	TARGETS	STATUS	
MANAGEMENT APPROACH	Sustainability Management	Integration of sustainability aspects in overall group strategy	In progress	
		Implementation of corporate HSSE audits and global HSSE meetings at Skytanking	Planned for 2011	
	CR-Strategy	Further development of a CR-strategy that is consistent with stakeholders' expectations	In progress	
	Stakeholder Management	Development of a stakeholder management strategy	In progress, implementation 2011/2012	
CORPORATE GOVERNANCE	Sustainability Reporting	Development of core indicators to measure sustainability performance and setting of quantified, measureable targets Expansion of reporting to attain GRI B level	Partially achieved Planned for 2011	
	Legal Compliance	Further reduction of fines for non-compliance with laws and regulations	Ongoing	
	Anti-Corruption	Development of programs to ensure complete eradication of corruption	Scheduled to be implemented in 2011	
	Transparency	Continuous disclosure of sustainability related performance data to interested stakeholders	Partially achieved by publication of this first report	
	ECONOMIC RESPONSIBILITY	Financial Performance	Long-term, profitable growth, not short-term share price or profit maximization at an adequate return on investment	Ongoing
		Risk Management	Implementation of a group-wide risk management strategy that also considers environmental and social issues	Planned for 2011/2012
Resource Efficiency		Intensification of efforts to reduce water consumption Efficient use of materials for construction and production	Ongoing Ongoing	
ECOLOGICAL RESPONSIBILITY	Spill Prevention	Minimize product releases. Goal-setting with subsidiaries and tracking of achievements	Partially achieved	
	Energy Saving	Reduce energy consumption as much as possible. Development and implementation of energy-saving programs	Ongoing, implementation of a guideline was achieved in May 2011	
	Climate Protection	Further reduction of greenhouse gas emissions	Ongoing	
		Integration of energy efficiency aspects in chartering of vessels at Mabanaft	Scheduled to be implemented in 2011	
SOCIAL RESPONSIBILITY	Biodiversity	Further better understand and evaluate direct and indirect influences on biodiversity and find ways to minimize them	Planned for 2011/2012	
	Health & Safety	Improvement of near miss reporting and inclusion of absentee rates in future reporting of all companies	Ongoing	
		Continuous reduction of fires and explosions	Ongoing	
		Development of a group wide travel manual and an airline vetting database	Already implemented in June 2011	
	Education & Training	Improve the training and development of our employees Increase the recruiting rate for trainees at IOT	Ongoing To be implemented in 2011/2012	
CORPORATE CITIZENSHIP	Equal Opportunity	Continuously increase the recruitment of female employees as well as employees from diverse ethical backgrounds		
	Volunteering & Sponsorship	Development of an intranet platform to share best-practice examples	To be implemented in 2012	





## Appendices

### Abbreviations

AEBIOM	=	European Biomass Association (Association Européenne pour la Biomasse)	IPIECA	=	International Petroleum Industry Environmental Conservation Association
AFM+E	=	Außenhandelsverband für Mineralöl und Energie e.V. (Foreign Trade Association for Petroleum and Energy)	ISO	=	International Organization for Standardization
CDM	=	Clean Development Mechanism	ISOS	=	International SOS
CERP	=	Computerized Emergency Response Plan	IUCN	=	International Union for Conservation of Nature
CH <sub>4</sub>	=	Methane	JACDEC	=	Jet Airliner Crash Data Evaluation Centre
CNG	=	Compressed Natural Gas	JuMP	=	Junior Management Development Program
CO <sub>2</sub>	=	Carbon Dioxide	KPI	=	Key Performance Indicator
CO <sub>2</sub> e	=	Carbon Dioxide Equivalents	kWh	=	Kilowatt hour
CR	=	Corporate Responsibility	LED	=	Light Emitting Diode
CSR	=	Corporate Social Responsibility	LPG	=	Liquefied Petroleum Gas
DRK	=	Deutsches Rotes Kreuz (German Red Cross)	LWD	=	Lost Work Day
EBV	=	Erdölbevorratungsverband (German Strategic Storage Organization)	LWDC	=	Lost Work Day Case
EEG	=	Renewable Energy Sources Act (Germany)	LWDC-R	=	Lost Work Day Case Rate
EPC	=	Engineering Procurement Construction	MJ	=	Mega joule
EPCA	=	European Petrochemical Association	MWh	=	Megawatt hour
ERP	=	Emergency Response Plan	N <sub>2</sub> O	=	Nitrous Oxide
FETSA	=	Federation of European Tank Storage Associations	NO <sub>x</sub>	=	Nitrogen Oxide
FSC	=	Forest Stewardship Council	NO <sub>2</sub>	=	Nitrogen Dioxide
GHG	=	Greenhouse Gases	NGO	=	Non-Governmental Organization
GHG Protocol	=	Greenhouse Gas Protocol	OCIMF	=	Oil Companies International Marine Forum
GHS	=	Globally Harmonized System of Classification and Labelling of Chemicals	OHSAS	=	Occupational Health and Safety Assessment Series
GJ	=	Giga joule	O&M	=	Operation & Maintenance
GRI	=	Global Reporting Initiative	PEFC	=	Program for the Endorsement of Forest Certification
HFCs	=	Hydrofluorocarbons	PFCs	=	Perfluorocarbons
HGB	=	Handelsgesetzbuch (German Commercial Code)	PM	=	Particulate Matter
HSSE	=	Health, Safety, Security & Environment	PPE	=	Personal Protective Equipment
IFRS	=	International Financial Reporting Standards	REACH	=	Registration, Evaluation, Authorization and Restriction of Chemicals
ILO	=	International Labour Organization	SF <sub>6</sub>	=	Sulfur Hexafluoride
IMO	=	International Maritime Organization	UK	=	United Kingdom
IPCC	=	International Panel on Climate Change	UN	=	United Nations
IOT	=	Indian Oiltanking Infrastructure & Energy Services Ltd.	UPEI	=	Union of European Petroleum Independents
			US	=	United States





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Hamburg, Germany

**International trading**

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- Mabanaf Pte. Ltd.  
Singapore

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- Mabanaf Deutschland GmbH & Co. KG  
Hamburg, Germany
- Mabanaf Hungary Kft.  
Budapest, Hungary
- Mabanaf Limited  
London, Great Britain
- Mabanaf Moldova SRL  
Chisinau, Moldova
- Mineralölvertrieb Hameln GmbH & Co. KG  
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**Service stations**

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- OIL! Tankstellen AG  
Rüti, Switzerland
- OIL Tankstellen GmbH  
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- B.W.O.C Limited  
Weston-Super-Mare, Great Britain
- Tirez Petrol S. A.  
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- Kaiser Söhne Mineralöle GmbH & Co. KG  
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- Keck Energieservice GmbH & Co. KG  
Brakel, Germany
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- Lipps Mineralöle GmbH  
Hagen, Germany
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Hamburg, Germany
- Mabanol Deutschland GmbH  
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**Retail**

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Mineralöl Vertriebsgesellschaft mbH  
Neudörfli, Austria
- Mühlenbruch Stinnes GmbH & Co. KG  
Bremen, Germany
- Mühlenbruch Stinnes Schmierstoffservice  
GmbH & Co. KG  
Bremen, Germany
- NEWCo Neue Energie- und  
WärmeConzepte GmbH  
Hiddenhausen, Germany
- Oiltech Lubes Service GmbH & Co. KG  
Düsseldorf, Germany
- Petrocargo Mineralöl-Logistik GmbH  
Hiddenhausen, Germany
- Staack Pooltankstellen GmbH & Co. KG  
Hamburg, Germany
- Thomas Silvey Ltd.  
Bristol, Great Britain
- Wittemöller Energieservice GmbH  
Lübbecke, Germany

**Bunkering**

- Matrix Marine Holding GmbH  
Hamburg, Germany
- Matrix Bharat Marine Services Pte. Ltd.  
Singapore
- Matrix Marine Fuels Pte. Ltd.  
Singapore
- Matrix Marine Fuels L. P.  
Houston, Texas / USA

**OILTANKING GMBH**

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**Europe**

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- Oiltanking Stolthaven Antwerp N. V.  
Antwerp, Belgium
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Amsterdam, Netherlands
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- Oiltanking Copenhagen A/S  
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- Oiltanking Joliet LLC  
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- Oiltanking Andina S. A. C.  
Lima, Peru
- Oiltanking Peru S. A. C.  
Lima, Peru
- Consorcio Terminales  
Lima, Peru
- Logistica de Quimicos del Sur S. A. C.  
Lima, Peru
- Oiltanking Ebytem S. A.  
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- Oiltanking Logistica Argentina S. A.  
Buenos Aires, Argentina
- Oiltanking Terminais Ltda.  
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- Daya Bay Public Pipe Rack  
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Huizhou, China
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- Oiltanking Odfjell Terminal  
Singapore Pte. Ltd.  
Singapore
- Oiltanking Singapore Ltd.  
Singapore
- PT Oiltanking Merak Terminal  
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- Zuari Indian Oiltanking Ltd.  
Goa, India

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- Indian Oiltanking Anwasha  
Mumbai, India
- Indian Oiltanking  
Design & Engineering Co.  
Mumbai, India
- Indian Oiltanking Engineering  
Projects Pvt. Ltd.  
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- IOT Engineering & Construction  
Services Co. Ltd.  
Muscat, Oman
- Newsco Drilling Asia  
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Luxembourg
- North Air Ltd.  
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- PAR S.r.l.  
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Zurich, Switzerland
- Skytanking Stuttgart GmbH & Co. KG  
Hamburg, Germany
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Diegem, Belgium
- Skytanking Ostend N. V.  
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- Skytanking USA Inc.  
Wilmington / Delaware, USA

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Hamburg, Germany
- IN Energie GmbH & Co. Betreiber KG  
Großmehring, Germany

- GMA GMBH & CO. KG  
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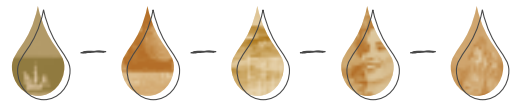
- MABAGAS GMBH & CO. KG  
Hamburg, Germany

- PROENERGY CONTRACTING  
GMBH & CO. KG  
Hamburg, Germany

- Proenergy Biotec  
Rothenburg GmbH & Co. KG  
Rothenburg, Germany

- Proenergy Biotec  
Tangermünde GmbH & Co. KG  
Tangermünde, Germany

**Companies  
Covered by this Report**



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## GRI Content Index

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1.2 Description of key impacts, risks and opportunities.	Partially	5
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2.2 Primary brands, products and/or services.	Complete	7
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures.	Complete	7
2.4 Location of organization's headquarters.	Complete	7
2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Complete	7
2.6 Nature of ownership and legal form.	Complete	14
2.7 Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	Complete	7
2.8 Scale of the reporting organization.	Complete	7
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3.4 Contact point for questions regarding the report or its contents.	Complete	19
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3.5 Process for defining report content.	Complete	20
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3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organizations.	Complete	19
3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Complete	42
3.10 Explanation of the effect of any re-statements of information provided in earlier reports and the reasons for such a re-statement.	Not applicable	
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3.13 Policy and current practice with regard to seeking external assurance for the report.	Complete	21





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4.2	Indicate whether the chairman of the highest governing body is also an executive officer.	Complete 14
4.3	For organizations that have a unitary board structure, state the number of members of the highest governing body that are independent and/or non-executive members.	Complete 14
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governing body.	Complete 14
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation.	Complete 14
4.9	Procedures of the highest governing body to oversee the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles.	Partially 14
<b>Commitments to External Initiatives</b>		
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Complete 5
4.13	Memberships of associations (such as industry associations) and/or national/international advocacy organizations in which the organization has positions in governing bodies; participates in projects or committees; provides substantive funding beyond routine membership dues; or views membership as strategic.	Complete 18
<b>Stakeholder Engagement</b>		
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4.15	Basis for identification and selection of stakeholders to engage with.	Complete 17
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and stakeholder group.	Complete 17
4.17	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded to those key topics and concerns, including through its reporting.	Partially 20
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EN3	Direct energy consumption by primary energy source. (Core)	Complete 42
EN4	Indirect energy consumption by primary source. (Core)	Complete 42
EN6	Initiatives to provide energy-efficient or renewable-energy-based products and services, and reductions in energy requirements as a result of these initiatives. (Additional)	Partially 49

EN7	Initiatives to reduce indirect energy consumption and reductions achieved. (Additional)	Partially 43
EN8	Total water withdrawal by source. (Core)	Complete 35
EN11	Location and size of land owned, leased, managed or adjacent to protected areas and areas of high biodiversity value outside protected areas. (Core)	Partially 53
EN16	Total direct and indirect greenhouse gas emissions by weight. (Core)	Complete 45
EN17	Other relevant indirect greenhouse gas emissions by weight. (Core)	Complete 48
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved. (Additional)	Partially 43
EN19	Emission of ozone-depleting substances by weight. (Core)	Partially 48
EN20	NO <sub>x</sub> , SO <sub>x</sub> and other significant air emissions by type and weight. (Core)	Complete 48
EN21	Total water discharge by quality and destination. (Core)	Complete 53
EN22	Total weight of waste by type and disposal method. (Core)	Complete 52
EN23	Total number and volume of significant spills. (Core)	Complete 40
EN26	Initiatives to mitigate the environmental impact of products and services, and extent of impact mitigation. (Core)	Partially 43
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. (Core)	Complete 27
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. (Additional)	Partially 46
<b>SOCIAL PERFORMANCE INDICATORS: LABOUR PRACTICES AND DECENT WORK</b>		
LA1	Total workforce by employment type, employment contract, and region. (Core)	Complete 56
LA2	Total number and rate of employee turnover by age group, gender and region. (Core)	Partially 56
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region. (Core)	Complete 58
LA8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases. (Core)	Partially 62
LA10	Average hours of training per year, per employee by employee category. (Core)	Partially 63
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. (Additional)	Partially 62
<b>SOCIAL PERFORMANCE INDICATORS: HUMAN RIGHTS</b>		
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor. (Core)	Complete 64
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor. (Core)	Complete 64
<b>SOCIAL PERFORMANCE INDICATORS: SOCIETY</b>		
S02	Percentage and total number of business units analyzed for risks related to corruption. (Core)	Complete 29
S04	Actions taken in response to incidents of corruption. (Core)	Complete 29
S05	Public policy positions and participation in public policy development and lobbying. (Core)	Complete 18
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. (Core)	Complete 27
<b>SOCIAL PERFORMANCE INDICATORS: PRODUCT RESPONSIBILITY</b>		
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements. (Core)	Partially 29

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