

# Shared Values in Times of Change



“As part of the revision of our strategic approach, we have anchored responsibility as a corporate value. For us, this means giving top priority to health, safety and environmental protection in all our business activities and acting ethically. We also promote sustainability through charitable projects, donations, and volunteer work by our employees.”

A handwritten signature in black ink, appearing to read 'D. Weisser', with a stylized, flowing script.

Daniel Weisser

Chairman of the Supervisory Board, Marquard & Bahls AG



## Who We Are

Since 1947, Marquard & Bahls has successfully pursued its course as an independent, sound, and reliable player in the international oil and energy business. Over the decades, we have grown into a leading independent energy supply, trading and logistics company. Based in Hamburg, Germany, we are active in 36 countries across Europe, America, Asia and Africa through our subsidiaries, and employ more than 7,500 people worldwide.

## What We Do

Our three Operating Units (OUs) are Oiltanking (tank storage logistics), Mabanaf (trading) and Skytanking (aviation fuelling). Further fields of activity are dry bulk handling, fuel analysis and energy services.

## What We Stand For

Our vision is to be the preferred partner in the supply, trading and logistics of energy & chemicals. To achieve this, we focus on our customers' needs, providing high-quality products and services. We encourage entrepreneurship and innovation through leadership and collaboration. We strive for growth and long-term profitability while upholding our values.

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# Foreword by the Executive Board



Dear Readers,

Entrepreneurship has always meant acting in the present – while keeping a firm eye on the future. We have a future ahead of us that could not be more challenging, because hardly any other sector is as affected by change as the energy markets are at present. Fossil fuels, renewable energy,

energy efficiency, energy sustainability – every day we encounter a lot of terms and models for the future. The solutions for tomorrow's energy supply – can we find those that meet all expectations, consumer wishes as well as environmental requirements? There are far more questions than answers, but we are confident that the future of energy will be diverse and open to a variety of technologies. What is also certain is that we look forward to tackling the challenges ahead.

In doing so, we will remain a fair and responsible employer and committed corporate citizen, and will assume responsibility by considering the principles of sustainable business in all our activities. For example, the number of employees who volunteered for charitable causes increased again last year. We had improvements in some of our environmental key indicators, and there are successes to report such as energy-saving projects implemented at our sites. At the beginning of the year, our tank farm in Raipur installed photovoltaic systems on the roofs of office buildings whose modules contribute to a sustainable and economical power supply for the terminal. Skytanking in Turkey launched the "Green Airport" project. Oiltanking rolled out a detailed e-learning program on the topic of sustainability. And our company headquarters took part in Hamburg's annual Climate Week with lectures and special events.

This report sums up what sustainability means to us, what measures we took in the past financial year to master the business, ecological, and social challenges we face, and what we achieved in the process. It is based on the internationally accepted standards of the Global Reporting Initiative (GRI) and the German Sustainability Code (DNK). Our strategy, which we continue to follow, is to anchor sustainability even more firmly in our core business.

We wish you happy reading and look forward to your feedback!

Hamburg, July 2019

**Mark Garrett**  
Chief Executive Officer (CEO)

**Lorenz Zwingmann**  
Chief Financial Officer (CFO)

# About this Report

This – our ninth – Sustainability Report was prepared by the Sustainability Team at Marquard & Bahls' Group Function HSSE (Health, Safety, Security & Environment) in Hamburg, and was approved for publication by the Executive Board. It provides a summary of our sustainability-related activities in the 2018 calendar year. Published yearly, our Sustainability Report covers all Marquard & Bahls companies, including joint ventures and even minority holdings. natGAS is the only company we have not included – except for its revenues and headcount – as under company law we have no appreciable influence on its activities. A list of all companies covered is appended to this report. The present report has been drawn up on the basis of the Sustainability Reporting Standards of the GRI. Our assessment is that the sustainability reporting complies with the requirements of the Core option of the GRI Standards. The GRI Content Index in the appendix outlines where specific GRI reporting elements and indicators are addressed in the report. The structure of this report is based on the six action areas of our sustainability strategy.



**Fig. 1: Action Areas in the Group-wide sustainability strategy**



We use a target symbol in the margins of the text to highlight the goals we have set ourselves for the future, and summarize them in a table. In 2018, we again improved the quality of our data and assumptions. There may be year-on-year discrepancies in the data; if so, they are marked with an asterisk (\*). For the sake of readability, we have dispensed with gender-specific differentiation throughout the report. All financial information is given in euros (€). All foreign currencies have been converted to euros at the average exchange rates for 2018. This report is available in German and English. For more information about the company, please visit our website at [www.marquard-bahls.com](http://www.marquard-bahls.com). If you have any questions or feedback about the Sustainability Report, please send an email to Anna Weritz and Sarah Dannenfeldt from the Sustainability Team in Hamburg:

[sustainability@marquard-bahls.com](mailto:sustainability@marquard-bahls.com)

# A Portrait of Marquard & Bahls

We derive our strength from the full range of our business segments and the efforts of our employees. They make Marquard & Bahls what it is – an independent, sound and reliable company in the international petroleum and energy business.

Responsible action, active collaboration, and a passion for their work unite our employees worldwide. In addition to mineral oil trading, the origin of our business activities, our range of services also includes tank terminal logistics, aviation fuelling, dry bulk handling, fuel analysis and energy services. Today and in the future, we are committed to success through long-term and sustainable growth.

Our worldwide business operations converge at our Hamburg headquarters. Marquard & Bahls operates in 36 countries worldwide through its subsidiaries. For the purposes of this report, they are summarized into the following seven regions: Germany, Europe, North America, Latin America, Middle East & Africa, India, and Asia Pacific. In 2018, Marquard & Bahls employed an average workforce of 7,890, and at year-end had 7,561 employees. While the Group of companies posted consolidated revenues of 14.7 billion euros (including energy tax), the year ended with a consolidated net loss due to unscheduled write-downs and restructuring expenses. However, in light of the adjustments made to the portfolio, we are confident that we will soon return to positive figures. A detailed breakdown of the key financials can be found in the Annual Report.

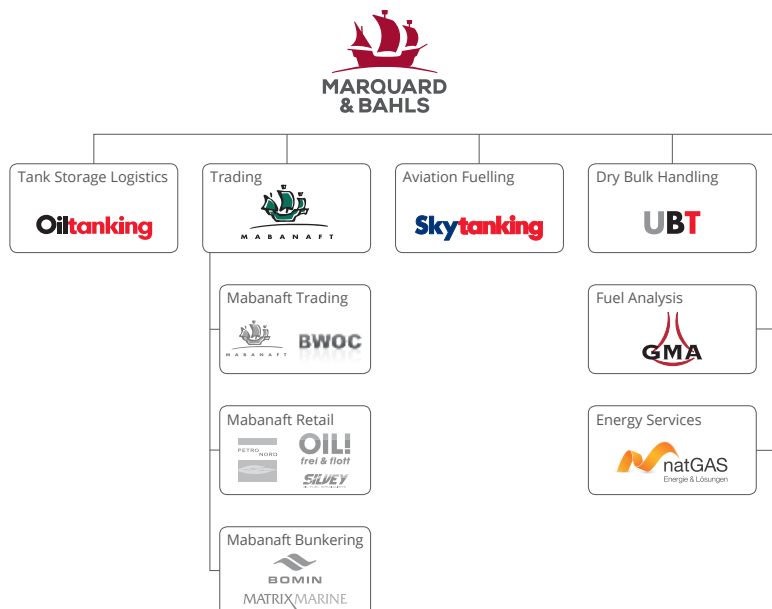
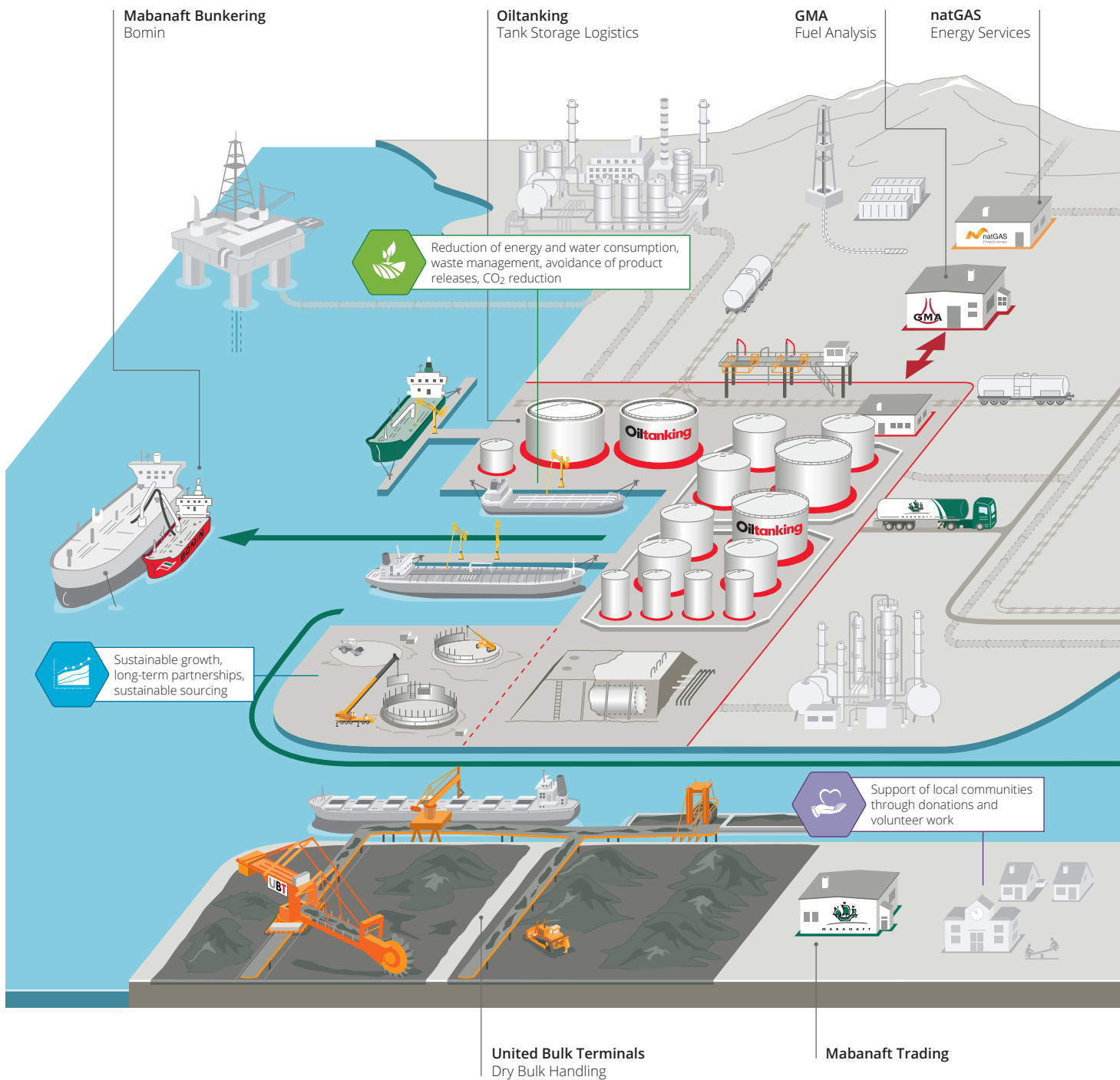


Fig. 2: Marquard & Bahls business areas as at December 31, 2018

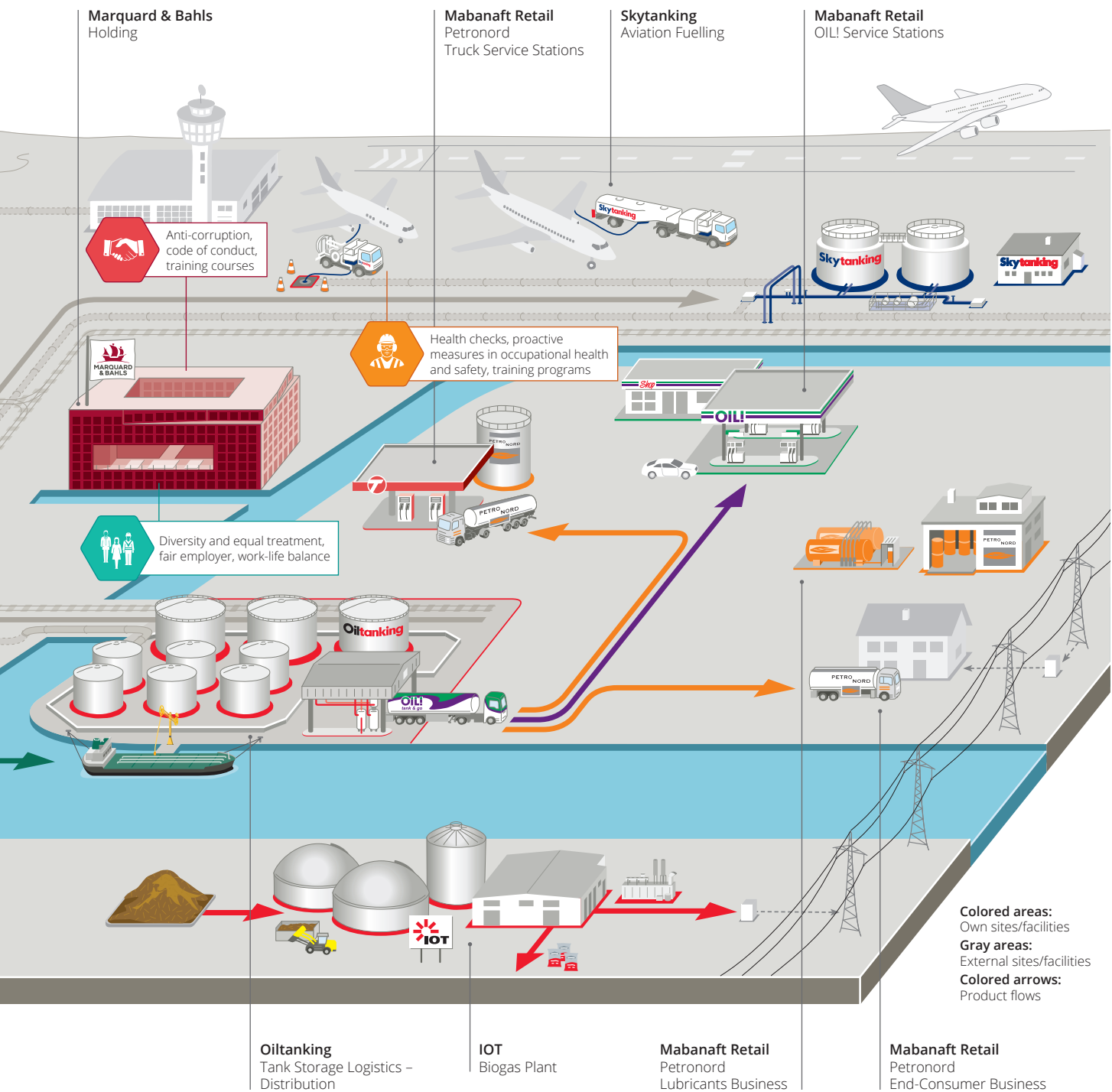
## Our Value Chain

The oil, gas and chemicals value chain covers a broad spectrum of activities, from the exploration and production of crude oil to the processing and refining of products as well as their transport, delivery, and sale.





Our companies operate primarily in the midstream and downstream sectors. Our subsidiaries are not active in extraction or refining. The trade, transport, storage, handling and sale of petroleum products, gases and chemicals entail potential environmental and, in some cases, social risks. To counter these, we rely on a proactive HSSE management system to further advance sustainability.



An overview of potential environmental and social challenges of the oil and gas value chain is provided on our website.  
<https://www.marquard-bahls.com/en/ecological-social-challenges.html>



## Active Around the Globe



**€ 14.7 billion**  
revenues (before energy tax)



**7,561 employees**  
as at December 31, 2018



**36 countries**  
in which we operate





At December 31, 2018



**20.3 million m<sup>3</sup>**  
tank storage capacity at Oiltanking



**20.8 million tons**  
sales at Mabanafit



**23.2 million m<sup>3</sup>**  
jet fuel throughput at Skytanking

The Marquard & Bahls image film presents our various business areas:  
<https://www.marquard-bahls.com/en/de/about-us/image-film.html>



## Our Business Areas

Tank storage logistics, trading and aviation fuelling are the three core lines of business of our company, which is also active in dry bulk handling, fuel analysis and energy service. In this regard, we continue to develop. Like every successful company, Marquard & Bahls is also always looking for new business opportunities, innovative concepts and new ideas that will help us to complement the existing portfolio in a meaningful way.

### Tank Storage Logistics

**Oiltanking** has been active in tank storage logistics since 1972, and is one of the largest independent operators of tank terminals for oil, chemicals and gases worldwide. The company owns and operates 73 terminals in 24 countries with a total storage capacity of 20 million m<sup>3</sup>, on five continents – in Europe, North America, Latin America, the Middle East, Africa, India and the Asia-Pacific region. At the tank terminals, Oiltanking stores and handles nearly 1,000 different products including crude oil, petroleum products, biofuels, chemicals and gases. The total throughput of all terminals in 2018 was around 153.1 million tons, and the company had an average of 3,359 employees during the year (2017: 3,490).



### Trading

**Mabanaft** is the trading division of Marquard & Bahls. The Mabanaft Group is an independent supplier focused on the physical trading of petroleum products. Its core activities include regional and wholesale trading, retailing to end consumers, the operation of service stations and bunkering. The Group is also involved in trading liquid gas as well as liquid and solid biofuels. The Mabanaft Group consists of more than 100 companies spread across five continents and three business units: Mabanaft Trading, Mabanaft Retail and Mabanaft Bunkering. The sales volume in 2018 was approx. 20.8 million tons. Mabanaft and its subsidiaries employed an average of 1,886 employees in 2018 (2017: 2,013).



### Aviation Fuelling

**Skytanking** provides a full range of aviation fuelling services. Besides into-plane fuelling, these include aviation fuel storage and hydrant management, investment in aviation fuel facilities at airports and engineering. Its customers are airlines, airports, and oil companies. The company handled 23.2 million m<sup>3</sup> of aviation fuel in 2018, refuelling 2 million aircraft – which is equal to four fuellings per minute – and currently has operations at 81 airports in 14 countries in Europe, Asia, Africa and North America. In 2018, Skytanking employed an average workforce of 1,814 people (2017: 1,544).





## RESPONSIBLE CORPORATE GOVERNANCE

We preserve our corporate culture and take responsibility for our actions.  
We maintain transparency vis-à-vis all stakeholders and are committed to fair competition.  
We take measures to preclude corruption and bribery from the outset.





## Key Performance Indicators

# RESPONSIBLE CORPORATE GOVERNANCE

	2016	2017	2018	Change 2017/18
<b>HSSE-related Audits</b>				
Total number of audits	374	425	570	+ 34.1 %
Number of internal audits	101	93	167	+ 79.6 %
Number of external audits	273	332	403	+ 21.4 %
<b>Certified Management Systems</b>				
Share of ISO 50001 certified				
Oiltanking sites	18 %	18 %	20 %	↗
Share of ISO 9001 certified				
Oiltanking sites	51 %	60 %	57 %	↘
Share of ISO 14001 certified				
Oiltanking sites	25 %	27 %	33 %	↗
Share of OHSAS 18001 certified				
Oiltanking sites	25 %	26 %	32 %	↗
Share of ISO 9001 certified				
Skytanking sites	15 %	10 %	6 %	↘
Share of ISO 14001 certified				
Skytanking sites	15 %	10 %	31 %	↗
Share of OHSAS 18001 certified				
Skytanking sites	10 %	7 %	5 %	↘
<b>Reports of Misconduct</b>				
Number of whistleblowing cases	2	11	27	↗
<b>Legal Compliance</b>				
Total sum of penalties and fines in €	156,279	6,399	16,887	+ 163.9 %
Thereof environmentally related fines in €	143,632	4,252	3,002	- 29.4 %

### Penalties and fines

Change 2017 - 2018

+163.9%

### Years of continuous reporting

2018

9



### Total number of HSSE-related audits

Change 2017 - 2018

+34.1%

### Defined targets as part of our sustainability strategy

2018

23





# Responsible Corporate Governance

Our activities are not only economically relevant for our companies, they also have ecological and social effects. For us, responsible corporate governance means ensuring our company's future viability and strong reputation and integrating the expectations of our stakeholders into our business activities.

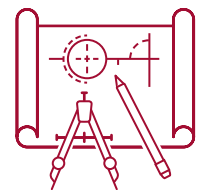
## Corporate Strategy

Our corporate strategy revolves around our focus on the business areas tank terminal logistics, trading, and aviation fuelling, which we will continue to expand in a systematic manner. To further develop Marquard & Bahls, we are concentrating on energy and chemicals – markets in which we have the necessary management expertise. And even though we have withdrawn from areas such as emissions trading and biogas production, sustainability remains an important value for us. Sustainability aspects will continue to play a decisive role in our investment strategy and in our development of new projects.

In addition, we will continue to focus on strengthening our organizational structure. The company is in a transformation phase, which also includes the introduction of better process management. The holding company's role in this is to provide the best support possible for the Operating Units.

*“The secret of change is to focus all  
of your energy, not on fighting the old,  
but on building the new.”*

*Socrates*



## Vision & Mission and Values

In times of change, a clear vision and values provide orientation for our daily actions. Values are the guiding principles of our behavior, for which we are responsible, and on which others can rely. Because they serve as an important basis for the new Marquard & Bahls strategy, and also to align it with the principles of the shareholders, changes became necessary. Our vision was expanded to include the Chemicals business unit. The values “Sustainability” and “Excellence in Health & Safety” were merged into the value “Responsibility”.





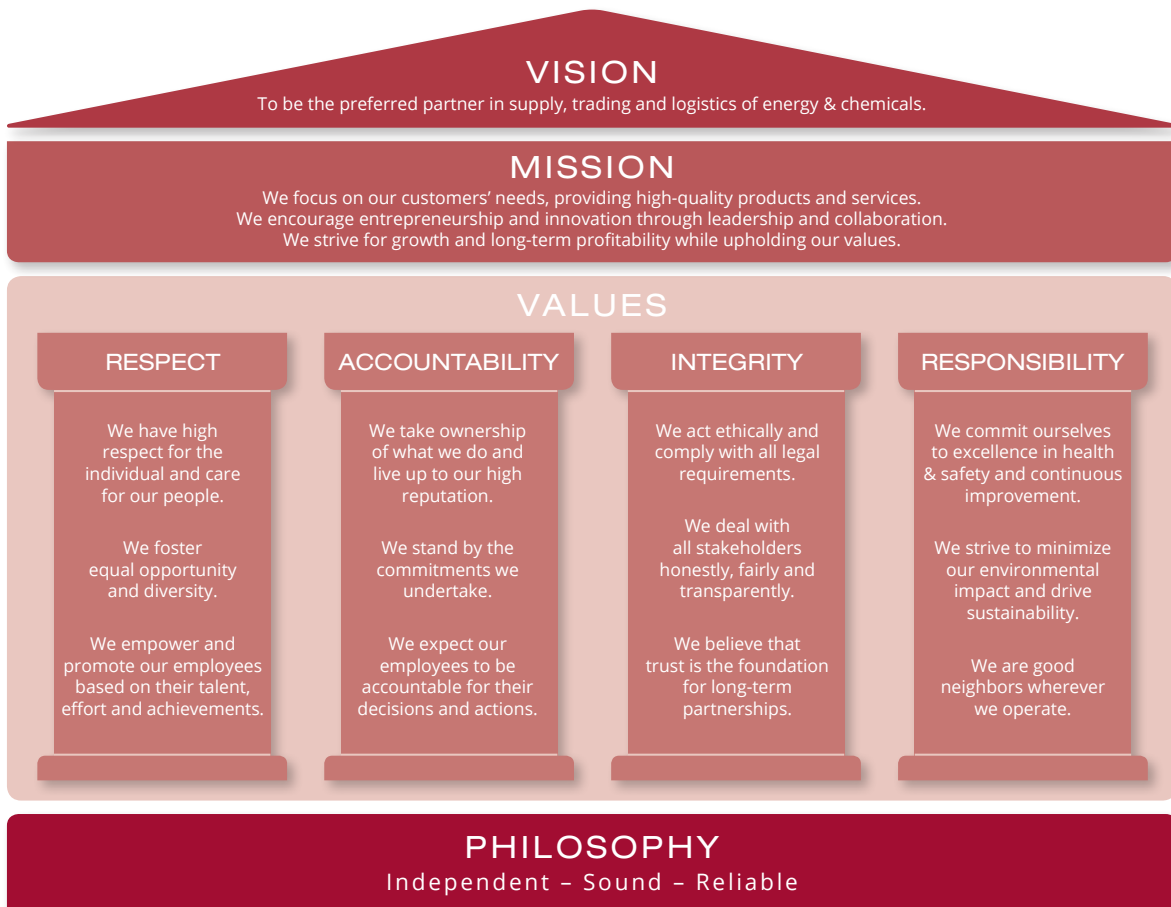


Fig. 3: Marquard & Bahls' revised strategic approach

## Integrating Sustainability

In our third sustainability survey at the beginning of 2019, we asked participants what they considered to be the most important values for Marquard & Bahls. "Respect", "integrity" and "responsibility" were the most frequently cited. Other frequently cited values were "sustainability", "independence", "trust", "honesty" and "safety". Despite the already high level of agreement on our understanding of values, we will implement measures in the coming months to train our employees in the values and to continue to integrate the values into the daily work routine.



*"Values cannot be taught,  
they can only be modeled."*

Viktor Frankl







## Organizational Structure

Marquard & Bahls is managed by an Executive Board, which is supported by a Supervisory Board as a monitoring and advisory body. The Executive Board determines the company's strategy and regularly updates the Supervisory Board on the company's situation and performance. A lively, consultative exchange on all major matters at hand takes place between the two bodies. The Supervisory Board also approves key corporate decisions, such as major investments.

A new CFO and a new CEO came on board in 2018: Lorenz Zwingmann and Mark Garrett. Margarete Haase was appointed to the Supervisory Board.

### Members of the Executive Board:

**Mark Garrett** – Chief Executive Officer (CEO)  
**Lorenz Zwingmann** – Chief Financial Officer (CFO)

### Members of the Supervisory Board:

**Daniel Weisser** (Chairman),  
**Margarete Haase, Tom Intrator,**  
**Stacy Methvin, Paul Reed, Maxim Weisser**

## Sustainability Management

We generate most of our income from fossil fuels. For many, this in itself may be in contradiction to the issue of sustainability, but humanity will continue to be dependent on the use of fossil fuels for many years to come. Our core objective is to make our activities as safe and environmentally friendly as possible. We can only be successful over the long term if we meet the needs of our customers today without compromising the quality of life of future generations or the environment.

Because we are aware of the potential impact of our business activities on people and the environment, we want to integrate the principle of sustainable development in all our activities. Our sustainability management focuses on Health, Safety, Security & Environment (HSSE), and is therefore based on activities coordinated by the Group Function HSSE. All of the larger Marquard & Bahls companies, especially Oiltanking and Skytanking, have a designated local HSSE manager to cover all HSSE-related topics and questions. A separate Team Sustainability within the Group Function HSSE pools all related activities and further develops them in close coordination with the Operating Units, the local HSSE managers, and other Group Functions. Sustainability issues are reported directly to the CEO via the Head of the Group Function HSSE. To lend greater impact to the sustainability activities developing at the local level, our aim is to anchor our centrally defined sustainability strategy worldwide, and bring it to life through specific measures and projects.

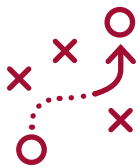


## Sustainability Strategy

With our services related to the trading, transportation, storage and handling of petroleum products, gases and chemicals, we contribute to coping with several global challenges such as the rising demand for energy coupled with increasing resource scarcity and help promote sustainable, inclusive and sustainable economic growth and work while ensuring compliance with high social standards.



We deliver on our claim of harmonizing our socio-ecological responsibility with our business interests in our six action areas. Our mission statement summarizes our identity and highlights what is important to us. Our strategy continues to include long-term goals with a time horizon to 2025, as well as corresponding measures at the level of the holding company and the Operating Units. Following approval by the new Executive Board, the strategy will now gradually be put into action. A close link between the sustainability strategy and the new corporate strategy, which is slated for approval by the Supervisory Board in the third quarter of 2019, will be ensured by coordinating closely with the Executive Board.



*“The essence of strategy is choosing what not to do.”*

*Michael E. Porter*



On the following pages, we describe our long-term goals in the action areas, report on what we achieved in 2018, and present specific measures. We reaffirm our commitment to the UN Sustainable Development Goals (SDGs). As a globally active company, several of the sustainable development goals are relevant for us, and we contribute to achieving these goals in a variety of ways with our measures.



Fig. 4: The 17 goals of the 2030 Agenda for Sustainable Development





*“Only the one who knows his goal  
will find the path.”*

Laozi



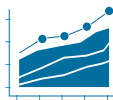
## Sustainability Targets

Topic	Targets	Achievements	Page
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### Responsible Corporate Governance

<b>Stakeholder Expectations</b>	Incorporate stakeholder expectations in our strategic approach	Conducted a stakeholder analysis in March 2019; results to be included in the further strategy process. Stakeholder dialogs with external stakeholders	26–27
		Stakeholder dialogs with external stakeholders	25–26
<b>Sustainable Alignment</b>	Strengthen our sustainability management and our ability to innovate	Sustainability defined as a core management competence as part of the project “FunC”	-
		Developed comprehensive e-learning program on sustainability; continued its roll-out in 2018	3, 54, 59
<b>Sustainability Network</b>	Establish a sustainability dialog with HSSE managers worldwide and collaborate with strategic policy initiatives and sustainability networks to maintain and strengthen our strong reputation	Sustainability-related exchange and communication, e.g. with HSSE managers at the Oiltanking HSSE meeting	59–60
		Regular exchange in regional sustainability networks and interest groups	32
<b>Beyond Compliance Approach</b>	Preclude fraud, money laundering, and risk of child and compulsory labor from the outset	Further established the global compliance platform “CARE”	29, 65–66
		Issued Group-wide guidelines on corruption and bribery; expanded anti-corruption training	28–30
		Revised the Group-wide Code of Conduct, which was rolled-out in April 2019	28



### Sustainable Growth

<b>Sustainable Business Development</b>	Incorporate sustainability aspects in strategic corporate development and decision-making processes	Continued developing a sustainability checklist for new projects and acquisitions that gives greater consideration to sustainability risks and challenges	37
		Increased consideration of social and ethical criteria in future investment decisions, and development of a corresponding process	13
		Sustainability aspects were considered in construction activities	44
<b>Value Chain</b>	Assess and address ecological and social risks along our entire value chain	Analyzed supply chain challenges and opportunities in connection with the process of developing the sustainability strategy	-
		Included sustainability aspects in the project that aims to centralize purchasing at Oiltanking	38





Topic	Targets	Achievements	Page
<b>Environmental Protection</b>			
<b>Product Releases</b>	Cause zero environmental impact due to spilled products	Continued the roll-out of stricter requirements for tank overfill alarms at Oiltanking	-
		Regular drills to combat oil spills at our tank terminals	42
		Reduced release volume by nearly 80 percent in 2018	42
<b>Energy Consumption</b>	Cut relative energy consumption in relation to the business activity	ISO 50001 certification of further Oiltanking tank terminals	24
		Various ongoing energy-saving projects	5, 45
		Initiated the "Green Spots" project group to reduce energy, water and waste at Oiltanking in the ARA Region	-
		Workshops to promote energy savings as part of Oiltanking Safety Day 2018	73
<b>Greenhouse Gas Emissions</b>	Reduce relative carbon emissions and other ozone-depleting gases in relation to the business activity	Fine-tuned the calculation of Scope 3 emissions	46-47
		Various activities during Climate Week at the company's Hamburg headquarters	52
<b>Water Consumption</b>	Cut relative water consumption in relation to the business activity	Improved water consumption monitoring and data quality in order to identify the total water demand and further potential savings	53-54
		Use of WBCSD's global water tool to identify corporate water risks	-
		Workshops to identify water risks and water-saving potential as part of Oiltanking Safety Day 2018	54
<b>Waste &amp; Wastewater Management</b>	Ensure zero environmental damage from waste and wastewater generation and disposal, and optimize waste management	Introduced various waste reduction measures at local level	55-56
		Significant decrease in hazardous waste (absolute volume)	55
		Various activities such as tree planting, beach cleanups, employee training, etc. at various sites on World Environment Day, under the heading "Beat Plastic Pollution"	56



## Our Employees

<b>Shaping Change</b>	Establish and integrate employees to serve as change makers and process designers in the company	Realigned the holding company's organizational and governance structures	60
<b>Talent Retention</b>	Retain skilled and talented employees in our company	Continued the international FUEL trainee program; in 2018, eleven FUEL trainees were undergoing training in Germany, another 21 at subsidiaries worldwide	63
<b>Employee Training</b>	Offer training and coaching programs to our staff	Continued the three leadership development programs for executives, which expired at the end of 2018	62
		Developed further e-tutorials as part of the "FunC" project, e.g. on HSSE Leadership	-
		Realigned the language lessons offered to employees and switched to an online provider to enable all employees, including those outside Hamburg, to participate	62



Topic	Targets	Achievements	Page
<b>Diversity &amp; Equal Opportunity</b>	Foster diversity and equal opportunity, particularly with regard to gender, nationality and age	Developed an e-tutorial on the binding Code of Conduct that addresses personal diversity and equal opportunities among other topics; rolled-out in April 2019	29
<b>Employee Well-being</b>	Consider employee needs	Introduced flexible working hours and sabbaticals at company headquarters	65
<b>Equitable Compensation</b>	Simplify pay structures and processes and realize fair compensation for all employees	Continued implementing the new Group-wide HR management system "Workday" to enable an industry comparison of salaries in a regional context in the future	59



## Occupational Health & Safety

<b>Zero Accidents</b>	Strive for an accident rate of zero	Carried out a global survey on "safety culture" at Oiltanking	63
		Organized another Global Safety Day, in which all Oiltanking employees worldwide participated	73
		Developed a computer-based HSSE learning program (tutorial) for Oiltanking executives	71
		Revised the HSSE content of Skytanking's Learning Management System (LMS)	71
<b>Safe, Ergonomic Workplaces</b>	Attract and retain talented employees by offering healthy, ergonomic and safe workplaces	Various health campaigns at Oiltanking sites	71
		Hosted a Health Day for all employees at the company's Hamburg headquarters	71
<b>Zero Fires</b>	Prevent fires	Local fire-fighting trainings/drills	74
		Further improved the fire rate	74



## Corporate Citizenship

<b>Donations and Sponsorships</b>	Increase amount of donations and sponsorships	Continued rolling-out specific criteria for donations and sponsorship activities	79
		Donation and sponsorship amounts remained constant year-on-year	78
<b>Employee Volunteering</b>	Further support employee volunteering	Social activity in cooperation with SOS Children's Villages at the Oiltanking Spring Meeting 2018; some 120 managers volunteered one day of their time for charity	-
		Started new projects and continued existing projects with a focus on employee volunteering	79-83
<b>Corporate Citizenship Projects</b>	Increase the share of local projects in line with our focus areas to at least one project, activity, or initiative per location and year	Many sites are committed to charities	82-83
		Significant increase in employee volunteering referring to the number of volunteers	77



## Sustainability Commitment & Strategic Action Areas

### Our Sustainability Commitment

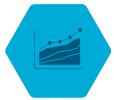
By ensuring an outstanding sustainability performance, we aim to create added value for our employees, our shareholders, as well as society, while also protecting the environment. We put our values into action, integrate the principles of sustainable development across our entire value chain, and encourage our employees to participate in them.



### Responsible Corporate Governance

We preserve our corporate culture and take responsibility for our actions. We maintain transparency vis-à-vis all stakeholders and are committed to fair competition. We take measures to preclude corruption and bribery from the outset.

- Ensure the future viability and high reputation of our company by pursuing an approach that goes beyond mere compliance and integrates our stakeholders' expectations into our business activities.



### Sustainable Growth

We believe in controlled growth and long-term partnerships. We safeguard our future success with a healthy mix of risks across the business areas, without neglecting ecological and social aspects. We strive to steadily improve our services and offer the highest-quality products and services.

- Realize the ambitious growth targets of the company strategy without neglecting sustainability aspects.



### Environmental Protection

We always strive to prevent product releases, minimize our environmental footprint, and use resources efficiently. At the same time, we aim to reduce our relative energy consumption as well as water consumption, reduce ozone-depleting emissions and further optimize our waste and wastewater management.

- Position ourselves as a company that is environmentally friendly in the context of our business activities; one that minimizes its negative impact on the environment wherever possible.



### Our Employees

We promote equal opportunities and diversity and invest in the professional development of our employees. We seek to attract qualified, talented employees and retain them long-term.

- Be a fair and preferred employer and support company growth by winning qualified employees and providing them with a diverse and healthy work environment.



### Occupational Health & Safety

Occupational health & safety have the highest priority in all our activities. We identify and analyze potential risks and take measures to avoid, prevent, control and limit them.

- Establish a proactive safety culture and continuously improve all our activities with regard to technological, organizational and behavioral safety.



### Corporate Citizenship

We also take responsibility beyond our core business and support surrounding communities in our five focus areas: environment, education, health, culture & sports and humanitarian aid. We encourage and support our employees in their volunteer work.

- Improve the well-being of our surrounding communities by providing appropriate financial support and promoting employee volunteering.



## Instruments & Measures

We employ a variety of instruments and measures to anchor the programs and activities in the strategic action areas in our processes, to implement them locally and to ensure continuous improvement.

### HSSE Policy

Responsibility for environmental and social concerns has been firmly anchored at the highest level through our HSSE corporate policy, signed by the Executive Board of Marquard & Bahls. The managements of all subsidiaries worldwide have also acknowledged the centrally defined principles and have signed HSSE company policies to this effect.

### Guidelines and Standards

We develop our internal policies and standards based on internationally recognized principles of responsible entrepreneurship. This is based on our Code of Conduct, which is binding for all employees and was revised in 2019. We also respect the Universal Declaration of Human Rights as well as the four basic principles of the International Labor Organization (ILO) – freedom of association and the right to collective bargaining, elimination of all forms of forced or compulsory labor, effective abolition of child labor, and elimination of discrimination in respect of employment and occupation – and the eight fundamental conventions derived from them.

### Audits

Our internal audits serve to continuously improve our performance in the areas of health, safety, security and environmental protection and to review our progress. The HSSE Group Function regularly audits compliance with company standards at all our sites around the world. In 2018, the number of HSSE audits at Oiltanking and Skytanking increased to 167 internal (2017: 93) and 403 external (2017: 332) audits. The latter refers to audits by public authorities, customers or insurance companies.



## Key Performance Indicators & Statistics

To continuously monitor and improve our HSSE performance, we use Key Performance Indicators (KPIs), a selection of which we publish in our annual Sustainability Report. As part of our sustainability strategy, we have defined specific key indicators that allow us to measure and evaluate our performance even more accurately. In addition, detailed HSSE statistics are prepared with “leading” (forward-looking) and “lagging” (retrospective) indicators for the Group, all of the Operating Units and their profit centers. Indicators like Total Recordable Injury Rate (TRI-R), near-misses, product releases and fire & explosions are a bonus-relevant component of Oiltanking’s management remuneration. To be able to respond even more quickly to developments in the HSSE indicators in the future, dashboards were introduced across the Group at the end of 2018. Based on the existing accident databases, the statistics for all HSSE KPIs can now be retrieved worldwide and updated daily.

## Certified Management Systems

Management systems are meant to continuously improve the effectiveness and efficiency of business processes. In 2018, 57 percent of Oiltanking’s global operations were certified for quality management (ISO 9001), 33 percent for environmental management (ISO 14001) and 32 percent for health and safety management (OHSAS 18001, in future ISO 45001). In addition, 20 percent of Oiltanking’s sites are certified compliant with the ISO 50001 energy management system. Our Indian subsidiary IOT Infrastructure & Energy Services is successfully certified in accordance with ISO 9001, ISO 14001 and OHSAS 18001. At Skytanking, 6 percent of our sites are certified to ISO 9001, 31 percent to ISO 14001 and 5 percent to OHSAS 18001. In addition, GMA and Mabanaft Deutschland have held ISO 50001 certification since 2016; Mabanaft Deutschland also has ISO 9001 and GMA ISO/IEC 17025 certifications.

Several other Marquard & Bahls companies have organized their management processes in a very similar way, but have not had their quality, environmental or health and safety management systems certified.



### Triple certification

After a year of hard work, the terminals in Puerto Rosales and Brandsen, Argentina, were awarded triple certification in accordance with ISO 9001, ISO 14001 and OHSAS 18001.





## Stakeholders

A stakeholder is a person or group who has or might have a legitimate interest in a business. We identified our most important stakeholders through in-house discussions, workshops, external analyses and industry comparisons. The contact frequency and salient topics vary depending on the stakeholder group.



**Fig. 5: Marquard & Bahls stakeholders**

One important criterion in the GRI standard is that the contents of the report be compiled in accordance with stakeholder requirements. To identify and prioritize the relevant issues for our sustainability commitment, we survey our stakeholders every two years. In spring 2019, we conducted our third online stakeholder survey, to which we again invited all employees of Marquard & Bahls and its subsidiaries worldwide. We also monitor changes in legal guidelines and relevant standards, such as the GRI Guidelines and Team Sustainability regularly participates in dialogs, discussions, surveys and research studies. Our public affairs department and branch office in Berlin also actively participate in discussions and dialogs, for example on LNG (Liquefied Natural Gas).





© Gate Terminal

### In dialogue with citizens

German LNG Terminal GmbH, the joint venture between Gasunie, Vopak and Oiltanking collaborated with the Climate Alliance against LNG (an alliance of citizens' initiatives critical of the project), to carry out an early-stage citizen participation regarding the LNG terminal project in Brunsbüttel. The company thus deliberately faced up to its critics. At two evening events, representatives of the company and the Climate Alliance joined external experts in discussing with citizens from Brunsbüttel and the region all key questions concerning the planned combined import and distribution terminal for LNG on the Elbe River. In addition, further public presentations of the project will take place in Brunsbüttel and the region. More information about German LNG can be found at [www.GermanLNG.com](http://www.GermanLNG.com).

### Materiality Analysis

At least every two years, we assess the significance of the aspects identified in our stakeholder survey in a materiality analysis and in this way determine the issues we focus on in our sustainability strategy and reporting. We do not report on aspects we have identified as immaterial, such as child labor. We can rule out child labor in our company due to the high degree of specialization required from our employees and strict regulations. An assessment of our supply chain shows a similar picture, as most of our business partners and customers in the oil or chemical industry require highly specialized employees for their companies.

The most recent stakeholder survey took place in March 2019. All in all, there were no significant surprises compared to the last stakeholder survey two years ago. The stakeholders surveyed assessed the fields of action as very important and largely homogeneous. For internal and external stakeholders, "Environmental Protection" and "Our Employees" are the most important action areas, while "Corporate Citizenship" received the least relevance within the fields of action. An interesting result is that most of the fields of action were rated even higher than in 2017, in particular "Occupational Health & Safety". While "Corporate Citizenship" generally declined in importance, stakeholders rated "corporate citizenship in the environmental sector" as very important.

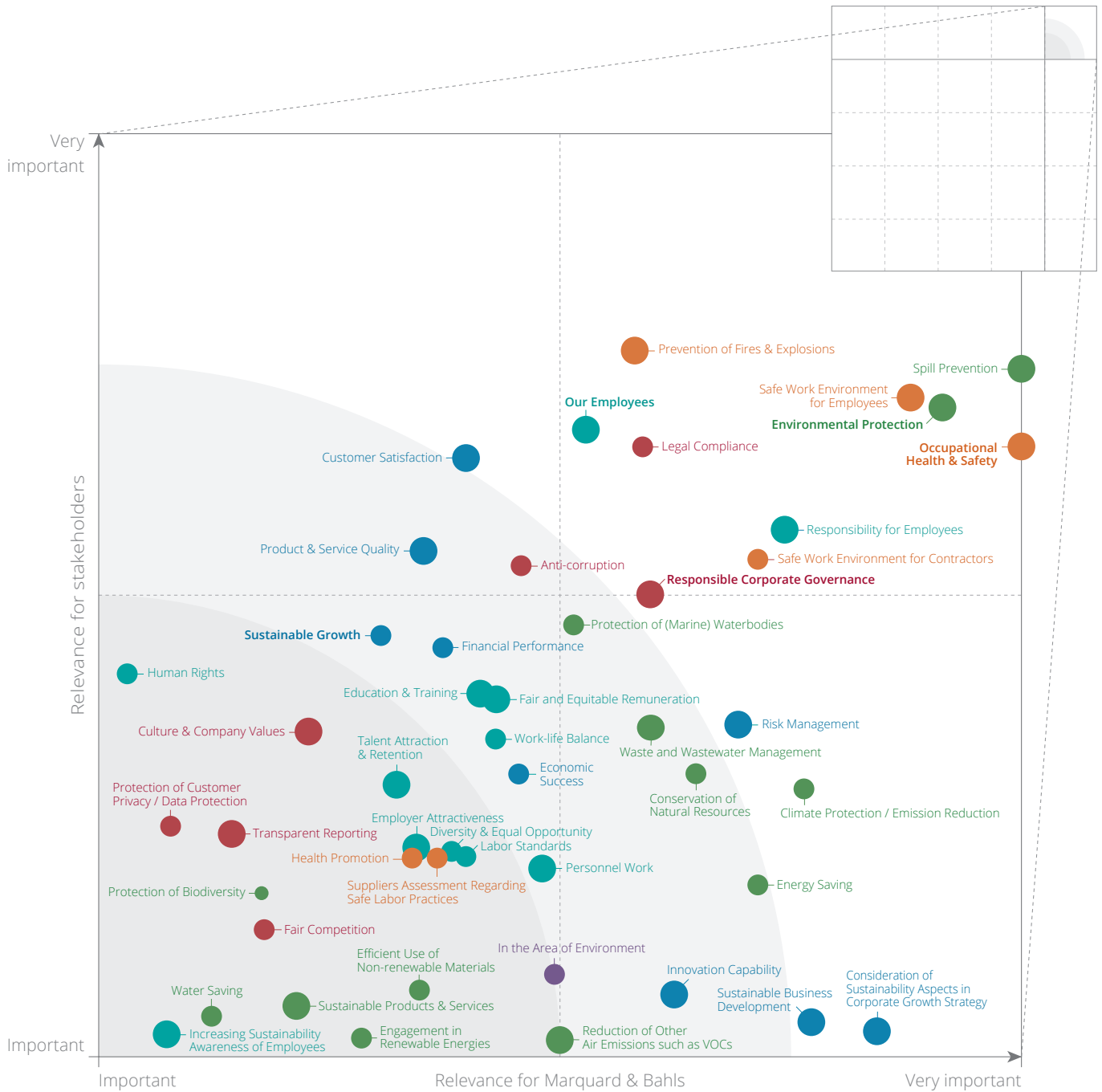
The topics identified as material are shown in the materiality matrix (Fig. 6). Although the matrix shows a smaller section than before, the number of topics has increased. This is due to the higher weighting of the topics by both stakeholders and Marquard & Bahls.





**Color Code:**

-  Responsible Corporate Governance
-  Our Employees
-  Sustainable Growth
-  Occupational Health & Safety
-  Environmental Protection
-  Corporate Citizenship



**Fig. 6: Issues of particular significance (our power of influence is reflected in the size of the icon); strategic action areas are shown in bold type**



## Compliance

Our reputation is a valuable asset that must be protected. To safeguard it and ensure proper, lawful conduct, we have developed various guidelines and procedures as part of our Compliance Management System. These include our Code of Conduct or the Group-wide whistleblowing system for suspected misconduct. The Group Function Compliance identifies compliance risks and works with the operating units to develop appropriate programs focused on the prevention of corruption, bribery and fraud as well as on antitrust law and sanction issues. Since the beginning of 2019, the Group Function Compliance has also assumed responsibility for the Compliance Management System for matters relating to data protection law.

### Code of Conduct

The principles of the Code of Conduct, revised in 2019, serve to create a uniform value horizon and provide guidance for individual behavior in the context of Marquard & Bahls' corporate philosophy and values. While we are aware that the individuality of our employees forms part of Marquard & Bahls' success, we also expect all our employees to act ethically at all times. We aim to create a fair and safe working environment, as well as long-term business relationships with our customers and other business partners. We expect our employees, subcontractors, business partners and suppliers to comply with this Code. The Code of Conduct is available for download in ten languages on our website ([www.marquard-bahls.com](http://www.marquard-bahls.com)).



Fig. 7: The 16 principles of the Code of Conduct





## Reporting Misconduct

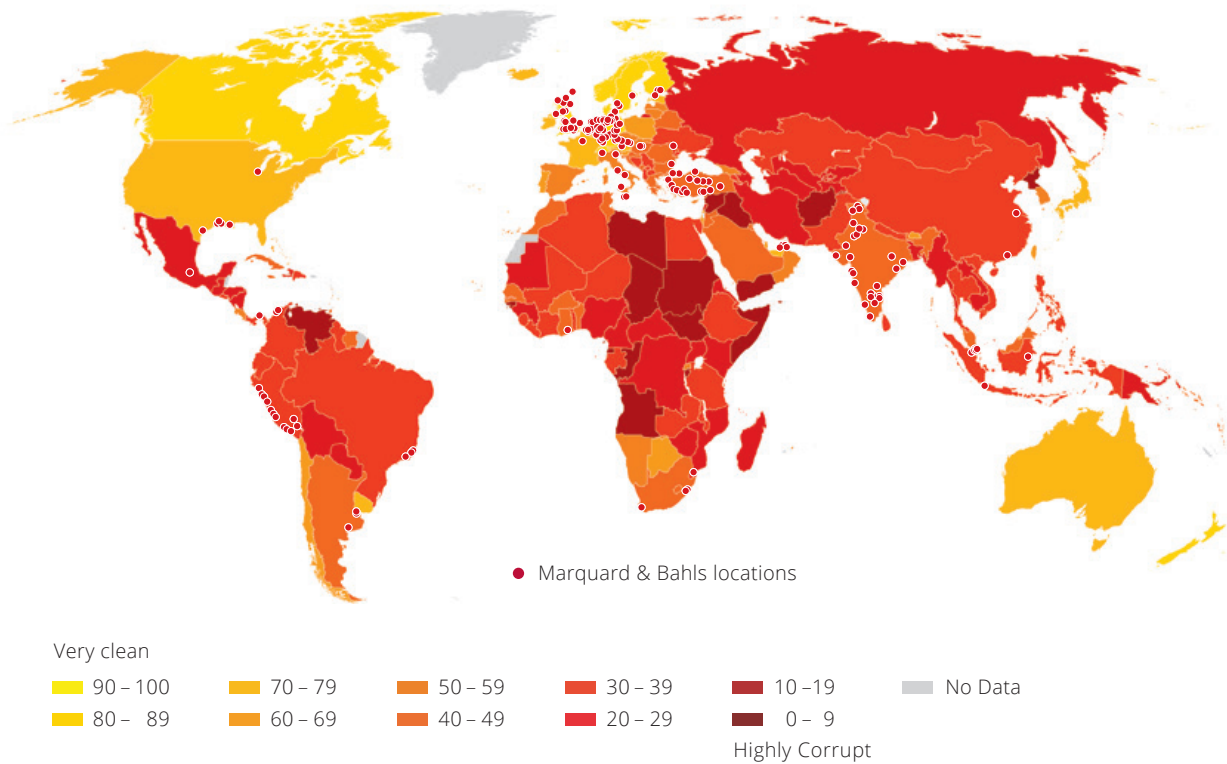
The online platform CARE (“Concerns And REporting”) serves, alongside the usual reporting channels, as our Group-wide whistleblowing system and offers employees and business partners a safe and uncomplicated way to report suspected misconduct. At <https://marquard-bahls.integrityplatform.org> for example, incorrect, deceptive, or even corrupt behavior can be reported in the country’s respective language, anonymously and 24/7. Compliance takes over the independent management of all cases and commissions appropriate, internal or external, investigators.

Since the launch of the CARE platform in April 2017, 38 cases from all over the world have been submitted, reviewed and investigated and there is an upward trend in usage. The reports vary in nature and range from unspecified concerns to specific allegations of misconduct or potentially illegal behavior. 35 percent of the cases that were investigated and closed were classified as well-founded or partially well-founded, meaning that there was some kind of misconduct involved. In other cases, no misconduct was detected, but in many of the cases this nevertheless led to corrective measures and process improvements. The CARE platform has become an important element in protecting the company’s reputation and integrity and we continue to encourage employees to address and report suspected misconduct. The platform offers a secure, anonymous and confidential way to report, in particular, concerns about accounting fraud, banking and financial crime, corruption and other criminal activities.

## Anti-Corruption

Marquard & Bahls does not tolerate corruption or bribery. In our Code of Conduct, we inform employees about our principles in this matter and call on them to report specific cases of – or concerns about – possible corruption via our CARE platform. To further increase awareness of these issues among our employees, we have issued Group-wide guidelines and have provided specific anti-corruption training since 2017. Since then, more than 1,200 employee training sessions have been held, primarily for employees in management positions and those with direct contact with customers or public authorities.





**Fig. 8: Corruption risk according to the Transparency International Corruption Perception Index**

To preclude corruption from the outset, we subject our business activities to an annual risk analysis. In countries with a high risk of corruption, we are stepping up our activities against corruption, although our revenues are largely generated in low-risk countries.

## Legal Compliance

We see compliance with the law as a matter of course. This applies to both national and international laws and regulations. One important indicator of regulatory compliance is the number of fines and penalties. 2018 we were fined a worldwide total of 16,887 euros (2017: 6,399 euros) for non-compliance with laws and regulations. 18 percent of the fines had an ecological background.



### Product Responsibility

The products traded, transported, handled and stored by our Group are subject to national and international or European legislation and must therefore comply with hazard communication provisions. Requirements at Mabanaft include accurate product labelling and the provision of safety data sheets. Given that most of the products traded by Mabanaft are classified as dangerous, they are subject to strict product information requirements. Oiltanking's product database now includes data sheets on more than 1,000 products.

### Transparency

It is part of our value "Integrity" that we are honest, fair and transparent in our dealings with all stakeholders. The comprehensive disclosure of relevant information to our employees and other stakeholders is therefore a high priority. At Group level, this task is the responsibility of the Group Function Corporate Communication, in close coordination with the Executive Board and the respective Managing Directors. All progress in the area of our sustainability management is transparently reported in the annual sustainability reports. Internally, we provide regular updates on the latest developments at regular Townhall meetings and through our global communication and collaboration platform, connect. Other media are the "Logbook," a monthly newsletter for employees, as well as emailings and notices posted on our bulletin boards. Press releases and other publications can be found on the company websites.

### Data Protection

Data protection is another important issue. Measures in Germany in this area include providing an extensive Data Protection Manual and carrying out staff training, topical consultation and audits. Extensive IT security systems guarantee the protection of employee, customer, supplier and other business data at a high level. In addition, the latest legislative initiatives are continually monitored to ensure present and future compliance with data protection laws. In particular, this concerns the EU General Data Protection Regulation, which took effect in all EU Member States in May 2018.



## Involvement in Associations & Politics

As part of the work done by our Hamburg Public Affairs department and our representative office in Berlin, we are active in various networks. On a national and international level, we are an active member of the following associations, among others:

### International

- UPEI** » Union of European Petroleum Independents
- FETSA** » Federation of European Tank Storage Association
- EPCA** » European Petrochemical Association
- AEBIOM** » European Biomass Association
- EFET** » European Federation of Energy Traders

### Germany

- MEW** » Mittelständische Energiewirtschaft Deutschland e.V. und seine Mitgliedsverbände  
(Umbrella organization for petroleum and energy SMEs in Germany)
- AFM+E** » Außenhandelsverband für Mineralöl und Energie e.V.  
(Foreign Trade Association for Petroleum and Energy)
- UTV** » Unabhängiger Tanklagerverband e.V.  
(Association for independent tank storage providers)
- BFT** » Bundesverband freier Tankstellen und unabhängiger Mineralölhändler e.V.  
(Federal Association of Independent Service Stations)
- FPE** » Förderkreis Preiswert-Energie e.V.  
(Society for the Promotion of Inexpensive Energy)

We are also active in the following HSSE-related industry associations:

- OCIMF** » Oil Companies International Marine Forum
- EBIS** » European Barge Inspection Scheme
- OSRL** » Oil Spill Response Limited, the world's largest organization for oil spill response services
- INTERTANKO** » Association of independent tanker owners and operators of oil, chemical and gas tankers

The focus of Public Affairs is on active participation in associations, energy policy and the technical development of alternative energies as part of the energy transition. In this connection, Public Affairs closely follows political discussions and decisions on legal regulations, evaluates them, actively participates in debates with decision-makers and works together closely with the relevant associations in Berlin and Brussels.

Marquard & Bahls supports the various petroleum associations in highlighting the potential of CO<sub>2</sub>-neutral energy sources – known as e-fuels – and is intensively exploring the future of liquid energy sources.







## SUSTAINABLE GROWTH

We believe in controlled growth and long-term partnerships. We safeguard our future success with a healthy mix of risks across the business areas, without neglecting ecological and social aspects.

We strive to steadily improve our services and offer the highest-quality products and services.





## Key Performance Indicators

# SUSTAINABLE GROWTH

	2016	2017	2018	Change 2017/18
	in T €	in T €	in T €	
<b>Generated Monetary Value</b>				
Revenues before energy taxes	11,545,951	13,508,950	14,727,762	+ 9.0 %
Revenues after energy taxes	10,104,303	11,943,117	13,285,765	+ 11.2 %
<b>Monetary Value Paid Out</b>				
Cost of materials, mainly oil purchases	9,091,569	11,045,531	12,387,299	+ 12.1 %
Wages and salaries	298,419	298,369	325,457	+ 9.1 %
Social security contributions	49,058	49,962	58,012	+ 16.1 %
Expenses for pensions	10,228	8,851	10,349	+ 16.9 %
Interest expense	79,789	85,780	94,079	+ 9.7 %
Investments in the community (donations & sponsorship)	617*	743	738	- 0.7 %

\* Corrected after publication of the Sustainability Report 2016

Countries where we pay taxes  
2018

36



Wages and salaries  
Change 2017 - 2018

+9.1%



Revenues before energy taxes  
Change 2017 - 2018

+9.0%



Active, consolidated companies  
included in this report  
2018

137





# Sustainable Growth



By relying on a healthy risk mix between the business areas and upholding our values, we can be successful over the long-term and grow in a controlled way. We intend to achieve the growth targets in our corporate strategy without neglecting sustainability aspects or ethical principles.

## Financial Performance

We publish our consolidated financial statements in our Annual Report. By additionally publishing economic indicators in accordance with GRI requirements in this document, we present a comprehensive picture of Marquard & Bahls' contribution to the sustainability of a larger economic system. We pay taxes, create jobs and invest in the local infrastructure in Hamburg and many other places around the world.

The Marquard & Bahls Group had a challenging business year in 2018. While the core Operating Units achieved good results, unscheduled write-downs and restructuring expenditure, which in addition to individual Oiltanking sites primarily affected the companies Bomin and United Bulk Terminals, led to a Group net loss for the year. In view of the portfolio adjustments made, however, we are confident that we will soon make a return to positive figures.

Among the year's key decisions was the disposal of several of the Group's activities: In bunkering, sites were shut down or sold; emissions trading was divested; and the biogas activities were pooled in the IOT joint venture.

Apart from this, there are also many positive developments to report. Oiltanking continues to grow, especially in tank storage and the handling of gas and chemicals. Mabanaft is very successful in the retail sector and is launching new trading activities in the U.S. Skytanking is expanding in several countries and the holding company is optimizing its processes and seeing initial successes from this.

In 2019, the business areas tank storage logistics, trading, and aviation fuelling will be further strengthened. Costs will continue to be a focus. Another focus is on the company's values. To understand, internalize and actively live them is a central task for employees and especially for the management. The aim is to significantly increase Group net income for the year, thereby simultaneously improving the return on equity. We are confident that in 2019, we will be able to continue our successes in our core businesses and take decisive steps towards future growth.



## Innovation

Innovative strength and the ability to adapt to changing market requirements are of immense importance if we are to continue to be successful in the future. Oiltanking continued its innovation initiatives in 2018 and explored opportunities in market segments adjacent to its core business. Another important focus is on the implementation of the gas strategy. For instance, in Antwerp, Oiltanking is currently building the world's largest butane tank with a capacity of 135,000 m<sup>3</sup>. Further projects, particularly in the gas and chemicals sectors, are in the pipeline – always with a focus on compliance with the highest safety standards and on solution-oriented thinking and action for our customers.



*“The dream of yesterday is the hope of today and the reality of tomorrow.”*

*Robert H. Goddard*



### Innovation workshop at Oiltanking in Colombia

In an innovation workshop at the tank terminal in Cartagena, Colombia, ideas were identified in a creative process and then examined for their feasibility and cost/benefit. This resulted in four specific innovation projects to be implemented in 2019. These innovation projects are simple ideas that increase productivity and improve safety at the tank terminal. The multidisciplinary team of 23 people from the two Colombian tank terminals worked hard together, sharing different perspectives to achieve a common goal.





## Risk Management

One of the greatest challenges as we pursue our strategy of controlled, long-term growth is to limit the manifold financial, operational and HSSE risks. That is why we work based on a permanent and thorough risk management scheme that individually evaluates all risks and defines tailor-made mandates, tasks and responsibilities. All risks – including social and environmental ones – are evaluated for all subsidiaries. Key risks that could impact our future business performance are summarized in the following. These risks include currency turbulence, a renewed flare-up of the international financial crisis, political conflicts and military clashes – especially in oil-producing countries – and the resulting tensions on the global oil markets. Other risks include rising prices for natural resources and purchased energy, environmental and natural catastrophes, the effects of climate change and an increase in country-specific risks.

### Trading Risks

For Mabanaft, relevant trading risks are those caused by volatility in commodity prices, currency exchange rates and interest rates. In 2018, the oil markets were again in backwardation for long stretches of the year. There was strong demand for crude oil and petroleum products – both from industrialized countries and from developing economies. At the same time, competitive pressure increased and in many places trading was hampered by global-political and economic uncertainties. The trading risks in our markets are hedged by the systematic use of financial instruments such as derivatives and forward transactions. Mabanaft protects itself against bad debt through credit insurance, banking securities and the settlement of commodity futures transactions using segregated brokerage accounts. Our controlling ensures that the rules laid down are adhered to.

### HSSE Risks

Our main HSSE risks arise from working with highly flammable substances as well as environmentally harmful and sometimes toxic products. The tank storage and aviation fuelling divisions are especially exposed to these hazards, as are the service station and end-consumer businesses. Preventing potential hazards resulting from this, such as accident, leakage, and fire, is therefore a special focus of risk management at Marquard & Bahls. This falls within the remit of the Group Function HSSE. Based on detailed regulations, site-specific risk assessments, an operating instruction for which regular training is carried out, as well as clear communications and detailed reporting, the Line Management and HSSE teams foster a proactive safety culture. The Group Function HSSE works together closely with the local HSSE managers to achieve this.





A careful investigation of incidents and near-misses as well as uncertain conditions and behaviors is an essential success factor for continuous improvement and hence for avoiding incidents with similar causes. In 2018, the new classification and investigation matrix for accidents was rolled out further at Oiltanking and local and regional management was involved even more closely than before in the investigation of accident causes.

## Supplier & Customer Relations

It is part of our understanding of values that trust forms the basis for long-term business relationships and that we honor commitments we have made. We treat our suppliers with respect and cultivate honest dealings with everyone involved in the business processes. We strive for responsible conduct not only at our own sites, but across the entire supply chain. The diversity of our company is reflected in the broad spectrum of our suppliers, ranging from vendors of technical equipment for our tank terminals to office equipment suppliers. Internal supplier lists increase transparency in the quality and performance of our business partners, with the ultimate goal of giving our customers excellent products and services. The project launched at Oiltanking in 2017 to systematize and, where appropriate, centralize global purchasing and procurement processes was continued last year. Team Sustainability provides input to this project to ensure that sustainability criteria are integrated into the processes.

We also place great importance on safe working practices for contractors' employees on our sites. At Oiltanking, an integrated contractor management program is in place. It is described in more detail in the section on "Occupational Health & Safety".

Building long-term cooperative partnerships with our customers is another key strategic priority. Our employees play a central role in ensuring the satisfaction of our customers. Responsible and dedicated teams guarantee excellent services, which in turn lead to customer loyalty. We therefore feel it is important that our employees can make decisions autonomously, enabling them to respond flexibly to customer requests.





## ENVIRONMENTAL PROTECTION

We always strive to prevent product releases, minimize our environmental footprint and use resources efficiently. At the same time, we aim to reduce our relative energy consumption as well as water consumption, reduce ozone-depleting emissions and further optimize our waste and wastewater management.





## Key Performance Indicators

# ENVIRONMENTAL PROTECTION

	2016	2017	2018	Change 2017/18
<b>Product Releases</b>				
Number of incidents with product releases ≥ 100 liters	53	59	56	- 5.1 %
Incidents with ≥ 100 liters of released product per 1 million tons of throughput	0.22	0.27**	0.27	+/- 0.0 %
Total volume of product released in m <sup>3</sup>	567	323	65	- 79.7 %
Thereof unrecovered product in m <sup>3</sup>	61	137	23	- 83.2 %
<b>Energy Consumption</b>				
Total amount of direct and indirect energy consumption in GJ (Scope 1 & 2)	2,252,039*	2,188,826**	2,233,846	+ 2.1 %
Thereof direct energy consumption in GJ (Scope 1)	1,296,634*	1,176,887**	1,246,958	+ 6.0 %
Thereof indirect energy consumption in GJ (Scope 2)	955,404	1,011,939	986,888	- 2.5 %
Relative energy consumption of the tank terminals (MJ / tons of throughput)	9.5	9.2	9.4	+ 2.0 %
<b>Carbon Footprint &amp; Emissions</b>				
Total CO <sub>2</sub> e emissions in t	362,005	394,898	348,210	- 11.8 %
Direct CO <sub>2</sub> e emissions Scope 1 in t	83,521	77,320	82,852	+ 7.2 %
Indirect CO <sub>2</sub> e emissions Scope 2 in t	179,959	159,875	151,439	- 5.3 %
Indirect CO <sub>2</sub> e emissions Scope 3 in t	98,525	157,703	113,919	- 27.8 %
Transport-related CO <sub>2</sub> e emissions, by means of transport in t	102,866	163,175	118,873	- 27.1 %
CO <sub>2</sub> e emissions caused by air travel in t	11,025	11,766	13,062	+ 11.0 %
VOCs in relation to the tank terminal throughput (g/t)	37.2	27.0	31.0	+ 14.5 %
<b>Conserving Natural Water Resources</b>				
Total water consumption in m <sup>3</sup>	930,723	1,007,236	1,084,676	+ 7.7 %
Thereof drinking water in tank storage activities	26 %	25 %	26 %	↗
Relative water consumption in tank storage activities per capacity (l / m <sup>3</sup> )	28.9	33.2	35.4	+ 6.6 %
<b>Waste and Wastewater Management</b>				
Total amount of waste in t	56,745*	58,793	41,984	- 28.6 %
Total amount of industrial wastewater in m <sup>3</sup>	601,026	646,568	525,131	- 18.8 %

\* Corrected after publication of the Sustainability Report 2016

\*\* Corrected after publication of the Sustainability Report 2017

Number of incidents with product  
releases ≥ 100 liters

Change 2017 – 2018

-5.1%



Local environmental initiatives or  
campaigns

2018

32



Trees planted as part of our  
climate-protection initiatives

2018

10,000



Share of drinking water in water  
consumption

2018

26%







# Environmental Protection

There is an inherent risk of spillage in the storage and transport of petroleum products and chemicals. Our sites also consume energy, water and building materials, and generate air emissions, waste and wastewater. Our activities therefore have a direct as well as an indirect impact on the environment. At the same time, we are confronted with global megatrends such as climate change and increasing environmental degradation. We therefore want to do everything in our power to keep negative impacts on the environment as low as possible within the scope of our influence.

## Environmental Management

Environmental issues are an integral part of our HSSE management system. Our HSSE company policy stipulates that we use energy and raw materials efficiently, avoid environmental pollution, and promote environmental awareness among our employees so as to minimize harmful influences. For many years, we have recorded the frequency and volume of product releases, the amount of energy and water used, and the waste produced at our sites, and have established key indicators for this purpose so that we can keep improving our performance.

## Spill Prevention

### Product Releases

As a company that handles petroleum, gases, and chemicals, we place the highest priority on preventing product releases. Modern facilities and efficient workflows, combined with preventive maintenance programs, serve to minimize the risk of spills. If product releases nevertheless occur, we are prepared to recover the product quickly and effectively and not leave it to pollute the environment. We document every product release, no matter how small. Despite all the proactive measures taken, there were 56 product releases of more than 100 liters across the whole company during the year 2018.

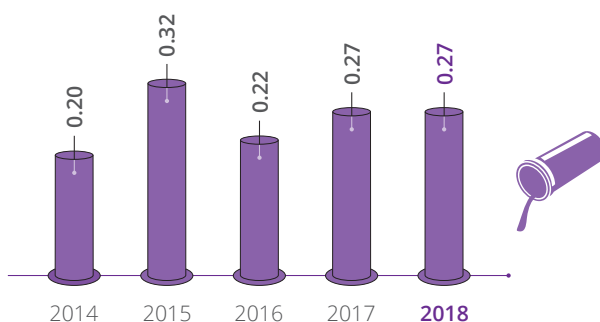


Fig. 9: Product releases  $\geq 100$  liters per 1 million tons throughput

Compared with the previous year (2017: 323 m<sup>3</sup>), the total volume of product released at our sites fell to nearly 65 m<sup>3</sup>. While the total volume decreased significantly, the number of incidents with more than 100 liters of product released per one million tons of throughput remained constant at 0.27 compared to the previous year (2017: 0.27\*). Of the total volume released, 42 m<sup>3</sup> were recovered. In those cases where product was released into the environment, appropriate remediation measures such as soil extraction were initiated.

The largest release of 27 m<sup>3</sup> occurred at a tank terminal in Peru within a pumping station, where the entire product was recovered.

In the future, we will align our external reporting of product releases and fires with the API Recommended Practice (RP) 754, Process Safety Performance Indicators for the Refining and Petrochemical Industries. The use of this reporting standard will enable us to better benchmark the indicator across the industry. Internally, however, we will also continue to use our existing KPIs for product releases.

### Precautions in Case of Spills in Water

As a shareholder in OSRL, the world's largest oil spill response organization, Marquard & Bahls receives professional support in the event of major oil spills. OSRL was founded in 1984 and is 100 percent owned by international oil companies. All the relevant Oiltanking sites have developed scenario-specific contingency plans and conducted practical training programs. Marquard & Bahls is also a member of OCIMF, a voluntary association of oil companies. OCIMF aims to ensure the safe and ecologically responsible operation of oil tankers and tank terminals.



#### Exercises to combat oil spills

Some of our Oiltanking sites again worked with OSRL employees to run practical training sessions on combatting oil spills last year. In April 2018, for example, Oiltanking in Singapore (OTCS) joined neighboring oil companies in training for the eventuality of a serious spill in water. The exercise was conducted at the Shell jetty in Jurong Island and drew on resources from OTCS, Shell, Power Seraya and the Singapore Oil Spill Response Centre.

### Ship Charter Policy

To prevent petroleum products being transported by ships that do not meet our standards, Mabanft has a Ship Charter Policy that defines detailed minimum requirements for the clearance of chartered or accepted ships (C-term purchases). Its overriding goal is to ensure safe

\* After publication of the Sustainability Report 2017, the figure was corrected from 0.28 to 0.27 due to an error.





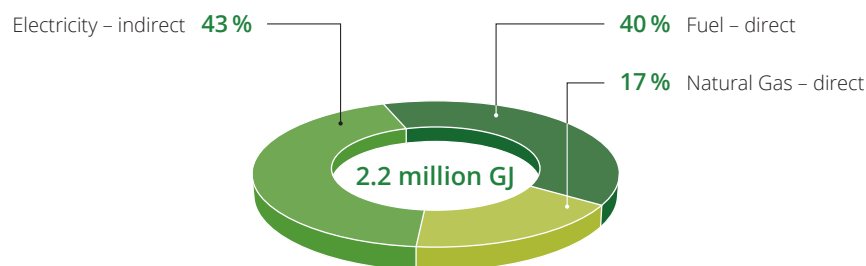
transport of the products at all times, and strict adherence to the changing requirements and rules of international tanker shipping – including the requirements of the International Maritime Organization (IMO). The criteria in the requirements exceed the statutory minimum standard and therefore result in improved environmental protection through prevention of oil spills. To enable a quick and up-to-date assessment of ships in accordance with this policy, we have commissioned a customized web-based information system which has been in use for many years.

## Energy Saving & Climate Protection

Climate change is currently regarded as the world's most serious megatrend, as well as one of the greatest global risks. Extreme weather events such as prolonged high temperatures and droughts, severe storms and floods and a rise in the sea level are just a few examples of possible consequences that can severely affect Marquard & Bahls' business. For example, many of our tank terminals are located by the sea and are therefore directly affected by a potential rise in sea level. As per the Paris Climate Agreement of 2015, the increase in global average temperatures is to be limited to a maximum of 2°C compared to preindustrial levels. The challenge, around the world, is to meet rising energy demand while also achieving this ambitious goal – and we are no exception.

### Energy Consumption

We use direct forms of energy such as natural gas, heating oil and fuels to operate our sites as well as operational vehicles such as road tankers. Indirect energy – mainly electricity – is used among other things to operate product pumps, lighting, and hydrant systems for our aircraft fuelling systems as well as the servers and computers in our offices around the world. Other indirect energy sources that we use include district heating and, to a lesser extent, imported steam. In 2018, our absolute energy consumption amounted to 2,233,846 gigajoules (GJ), meaning it remained nearly constant (2017: 2,188,826 GJ\*). Detailed year-on-year consumption figures have been compiled on the "Key Performance Indicators" page at the beginning of this chapter.



**Fig. 10: Absolute energy consumption by type**

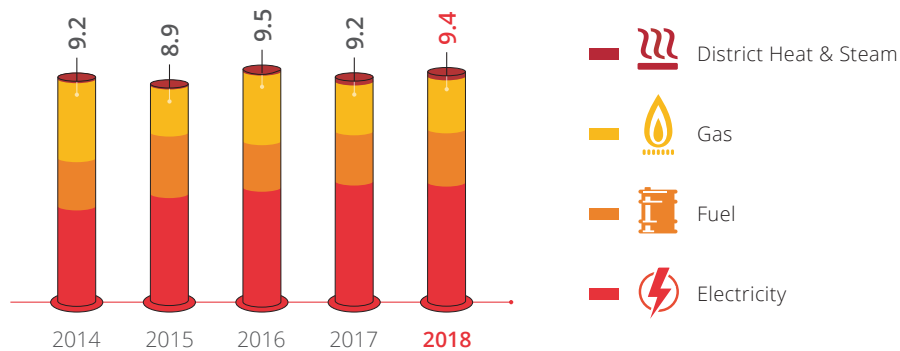
\* After publication of the Sustainability Report 2017, absolute energy consumption had to be corrected from 2,010,822 GJ to 2,188,826 GJ by a subsequent report.



Due to the diversity of our Group, there is limited comparability between our companies' consumption figures. For this reason, we calculate consumption in our tank terminal activities per ton of throughput as a relative indicator, because they represent the highest consumption levels in our company.



Fig. 11 shows that the megajoules (MJ) required to transship one ton of product increased from 9.2 to 9.4 MJ compared to the previous year. Unfortunately, this development did not bring us closer to our long-term goal of significantly reducing relative energy consumption. We will work to improve continuously in the coming year, for example by rolling out our Energy Saving Policy Guideline to other Oiltanking locations and incorporating recommendations into the specifications for new tank terminals.



**Fig. 11: Energy consumption in Oiltanking tank storage activities (MJ per 1 ton of throughput)**

Total energy consumption includes the consumption at all subsidiaries. In addition to natGAS, Petronord's more than 250 automated service stations, 45 automated stations operated under the name OIL! tank & go in Denmark and eight Skytanking sites are an exception to this rule. Their data is not or only partly included because their energy consumption cannot be measured separately as they share sites with other owners, or the energy costs are covered in the rental agreement. Where possible, we have included estimates in place of missing information. We also exclude facilities currently under construction, like the tank terminal in Saldanha Bay. In order to show a complete picture, we have included all of our joint ventures. Outside the organization, fuel is mainly used for product transports. Usually, we do not get absolute consumption figures from external service providers, but calculate the CO<sub>2</sub> emissions as stated in the "Emissions Related to Product Transport" section, based on the quantities and distances transported.



At our company headquarters, both the holding offices of the subsidiaries and Marquard & Bahls AG itself are supplied with 100 percent green electricity. In addition, electricity from renewable sources is currently purchased at 24 locations and various OIL! filling stations. Electricity generation only takes place in a few cases, for example at the IOT biogas plant in Namakkal, India, and at our tank terminal in Malta. Further information can be found in the section on “Renewable Energies & Alternative Products.”

### Reducing Energy Consumption

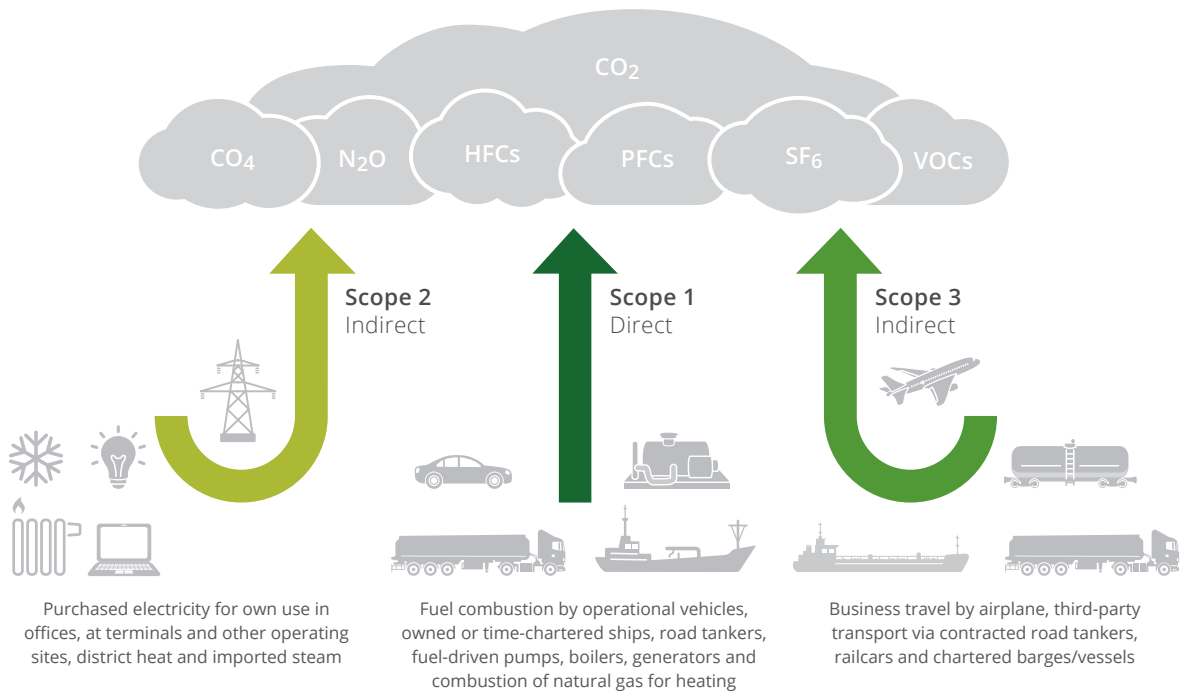
Pumping operations at the tank terminals require the most power across the Group. Our detailed Oiltanking Energy Saving Guideline provides background information and practical recommendations for identifying potential savings and taking measures to increase energy efficiency. In 2018, our sites were again able to identify new savings potentials and implement the necessary measures. In addition to executing measures, raising employee awareness is also an important objective. To this end, more and more sites are organizing World Environment Day activities every year. We will continue to document our energy-saving measures and support our subsidiaries in establishing energy-saving programs.

### Carbon Footprint and Other Air Emissions

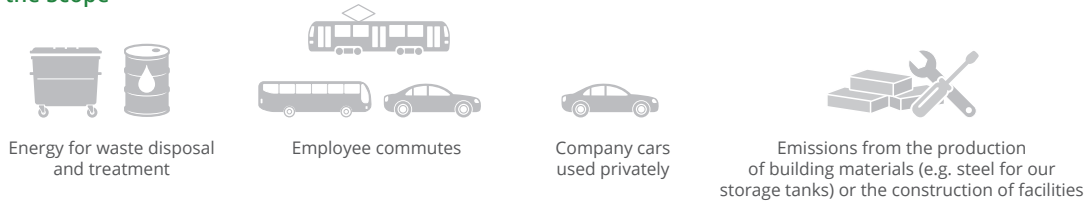
We calculate the annual carbon dioxide (CO<sub>2</sub>) footprint of the entire group of companies. In accordance with the Greenhouse Gas Protocol (GHG Protocol), we do so by calculating the total quantity of the six greenhouse gases listed in the Kyoto Protocol, measured in tons of CO<sub>2</sub> equivalent (CO<sub>2</sub>e). In our case, these are primarily CO<sub>2</sub>, methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). To gain a comprehensive picture of our impact on the climate, we include 100 percent of the emissions from all subsidiaries and joint ventures. The only exceptions are the sites already referred to in the section “Energy Consumption”, which were unable to report their energy consumption.

Other air pollutants such as nitrogen dioxide (NO<sub>2</sub>), sulfur dioxide (SO<sub>2</sub>) emitted by third-party shipping, or volatile organic compounds (VOCs) from our tank terminals, are recorded separately. We calculate the greenhouse gas emissions based on the latest Intergovernmental Panel on Climate Change (IPCC) emission factors and the GHG Protocol. In the case of emission factors for electricity, we take the energy mix of various countries into consideration.





**Beyond the Scope**



**Fig. 12: Reporting scopes for greenhouse gas emissions at Marquard & Bahls**



*“The greatest threat to our planet is the belief that someone else will save it.”*

*Robert Swan*





### Direct and Indirect Greenhouse Gas Emissions

In 2018, direct and indirect CO<sub>2</sub>e emissions totaled 348,210 metric tons (2017: 394,898 metric tons), reflecting a 12-percent reduction in our CO<sub>2</sub>e footprint. In particular, there was a decline in Scope 3 emissions from contracted transports in trading activities. Fortunately, we were again able to achieve a year-on-year reduction in emissions caused by our electricity consumption. Our goal continues to be to reduce our emissions to an absolute minimum.

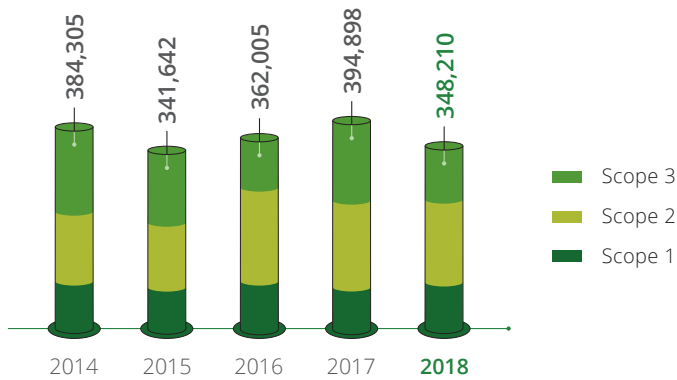


Fig. 13: Total CO<sub>2</sub>e emissions in tons, by scope

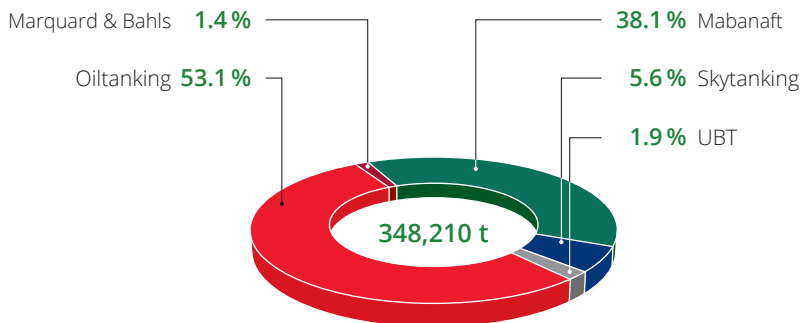


Fig. 14: Total CO<sub>2</sub>e emissions by company

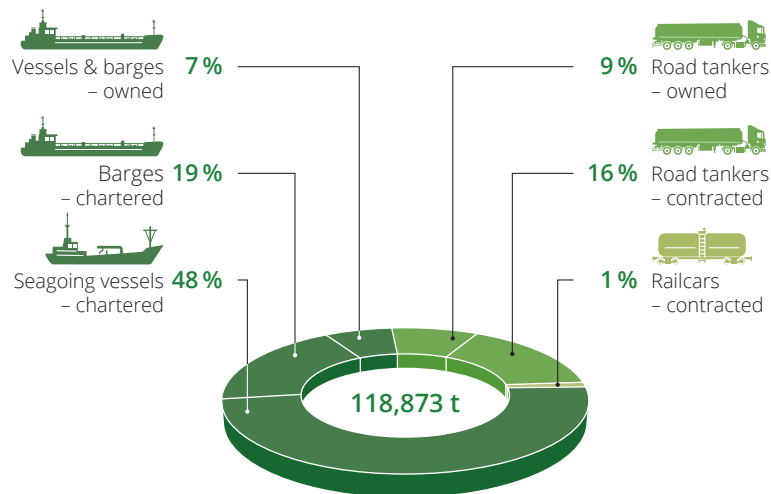
### Emissions Related to Product Transport

Marquard & Bahls subsidiaries transport products by road tankers, railcars, barges and seagoing vessels. We always strive to identify and use the types of transport with the least impact on the climate and continue to place a strong focus on transportation by water, since this is the most efficient option. We calculate the emissions of our own ships and time-chartered ships and our fleet of road tankers under Scope 1 and the emissions of service providers that transport our



products under Scope 3. To reduce emissions from our own road tanker fleets at Petronord subsidiaries and Thomas Silvey, we invest in latest-model vehicles with energy-efficient engines and in some cases carry out training programs for fuel-efficient driving. At OIL! Tankstellen, road tankers from reputable third-party companies with fuel-efficient fleets are contracted to deliver fuel to the service stations. With regard to marine transport at Mabanaft, we have included emissions from chartered vessels, but not from vessels that were chartered by third parties, as these are beyond our scope of influence.

In 2018, Mabanaft chartered 89 sea-going vessels (2017: 144) and 1,287 barges (2017: 2,037) in Germany alone, as well as 19,541 road tankers (2017: 23,213). When chartering ocean-going tankers, Mabanaft takes into account the energy efficiency of the ships wherever possible. As in previous years, transport by sea-going vessels accounts for the largest share at just under 50 percent.



**Fig. 15: Transport-related CO<sub>2</sub>e emissions by mode of transportation**

To calculate CO<sub>2</sub>e emissions, we use emission factors if data on total consumption is available. To calculate the transports carried out by third-party contractors, we have chosen the Business Solution of the Ecological Transport Information Tool (EcoTransIT World) as the most informative and detailed tool. EcoTransIT was developed by the Institute for Energy and Environmental Research (IFEU) in Heidelberg, the Öko-Institut (Institute for Applied Ecology) in Berlin, and the Ingenieurgesellschaft für Verkehr und Eisenbahntechnik (IVE mbH, a consulting company for traffic and railway engineering) in Hannover.







### Emissions from Business Travel

Due to the international nature of our business, employee business travel by air is unavoidable. Our goal is to plan the safest and fastest possible routes and to keep air travel to a minimum. In 2018, employees of Marquard & Bahls and its subsidiaries circumnavigated the earth 925 times by airplane (2017: 821 times). The CO<sub>2</sub> flight emissions were calculated by Atmosfair gGmbH based on data provided by Marquard & Bahls. This comprehensive method takes into account the effects of different air pollutants at high altitudes, as well as the aircraft, engine types, and booking class. In 2018, Group-wide emissions from air travel amounted to 13,062 tons of CO<sub>2</sub>e. This is an increase of around eleven percent compared to the previous year (2017: 11,770 tons). 3,501 tons were generated by flights taken by Holding employees (2017: 5,033 tons), of which 1,395 tons were attributable to Marquard & Bahls employees (2017: 2,324 tons).

Company cars used primarily for business purposes, such as those of the OIL! Tankstellen field staff, are included in Scope 1. Company cars that are predominantly used privately were not included in our emissions calculations. To further reduce the CO<sub>2</sub>e emissions caused by business travel, we will continue to expand our video-conferencing systems worldwide.

### Ozone-Depleting Emissions

Our activities do not cause significant emissions of nitrogen oxides, sulfur oxides or ozone-depleting substances, which are mainly emitted upstream in the value chain during the cooling or flaring processes. However, volatile organic compounds (VOCs) are formed at our tank terminals, mainly during tank respiration and during loading and unloading. Because of their negative impact on human health and the environment, we make every effort to minimize VOCs emissions. To this end, internal floating roofs have been installed on the vast majority of tanks containing volatile products. The floating roofs prevent evaporation by covering the surface of the liquid. Other techniques used by Oiltanking to reduce emissions are vapor balancing, vapor treatment and vapor recovery systems, which have been installed at many sites.

VOC emissions were calculated at 30 Oiltanking sites in 2018. The measured quantity of VOCs emitted in relation to the tank terminal activity was 31.0 g per ton of throughput (2016: 27.0 g/ton). The data is based on complex calculations, as the emissions are highly dependent on various factors such as the vapor pressure of the product, the size, paint, and insulation of tanks, the average ambient temperature and the efficiency of the vapor recovery system. A special infrared gas detection camera can be used by the European tank terminals to detect possibly escaping VOCs. Our German tank terminals in particular used the camera regularly in 2018. In this way, even the smallest gas leaks can be identified and repaired, further minimizing emissions.



Ships are often the most environmentally-friendly mode of transport. Nevertheless, since ships often use sulfurous bunker fuel, their use generates significant volumes of nitrogen oxides (NO<sub>x</sub>) and sulfur oxides (SO<sub>x</sub>). NO<sub>x</sub> and SO<sub>x</sub> can contribute significantly to environmental problems such as acidification, nutrient enrichment and summer smog and are among the substances that are toxic for humans. The ships we chartered were responsible for emissions of 1,299 tons of nitrogen oxides (NO<sub>x</sub>) (2017: 1,447 tons) and 578 tons of sulfur dioxide (SO<sub>2</sub>) (2017: 501 tons) in 2018. In addition, 82 tons of non-methane hydrocarbons (NMHC) (2017: 92 tons) and 73 tons of particulate matter (PM) (2017: 82 tons) were emitted during the sea transport of the products. These figures are based on the IFEU Ecotransit method, which was also used to calculate the CO<sub>2</sub>e emissions caused by third-party transport.

## Climate Protection Initiatives

### Fuel cards that contribute to climate protection

We are aware that petroleum products have a negative impact on the environment and therefore work to develop alternatives and to improve energy efficiency. That is why, for customers who wish to contribute to protecting the environment, we have already introduced the option of supporting afforestation projects and CO<sub>2</sub> capture. Customers can, for example, use the OIL! KlimaCard to support the Initiative Pro Klima and its reforestation projects in Germany with every liter of fuel they buy. The customer's contribution (1.25 cents per liter) is matched by OIL! to double the impact. Our subsidiary BWOC also offers customers a fuel card that empowers them to offset emissions from fuels they have purchased by making a contribution to reforestation projects. Since 2010, BWOC has planted a total of 200,000 trees in the U.K. as part of the Woodland Carbon project.

### Initiative Pro Klima

In 2008, Mabanaft, Petronord, and OIL! Tankstellen launched the Initiative Pro Klima to balance climate protection with trading activities. Its efforts focus on three core areas: offering energy efficient products, providing consultation on environmental and energy issues as well as promoting projects to protect the climate, in particular in the areas of "reforestation" and "climate research". Thus, forests in many regions of Germany have been reforested in the last few years in cooperation with various partners, such as the Schleswig-Holstein State Forests and the Schutzgemeinschaft Deutscher Wald e.V. (German Forest Protection Association). In the research area, the initiative has supported OceanRAIN, a University of Hamburg research project on the effects of climate change, with the funding of a PhD position.





### Ten years of pulling together for the environment

The Initiative Pro Klima has notched up a ten-year success story with around 162,600 trees planted throughout Germany, as well as extensive knowledge and newly acquired data from the OceanRAIN climate research project at the University of Hamburg's CliSAP Excellence Cluster. In 2018, the Pro Klima initiative once again delivered on its promise to make a contribution to climate protection beyond the day-to-day business. In November 2018, a 1.8-hectare forest area with approx. 10,000 new trees was afforested together with the long-standing partner, the Schleswig-Holstein State Forests in Sarlhusen, Schleswig-Holstein.

## Renewable Energy & Alternative Products

### Biogas

Our subsidiary Mabagas produces biogas from organic residues and waste. The biogas plant in Namakkal, India, which has been in operation since 2012, uses only organic waste, chicken manure and agricultural residues. Since 2012, electricity production has been continuously increased and the company has successfully established its own organic fertilizer brand on the market. The facility can produce enough electricity to meet the annual needs of more than 5,000 Indian households.

In recent years, the company's portfolio has been steadily downsized due to the negative development of the German market. After the company had already withdrawn from biogas production in Germany at the end of 2015 and sold its CNG (Compressed Natural Gas) service stations in summer 2018, Mabagas has recently only operated the biogas plant in Namakkal, southern India. As part of the realignment of the Marquard & Bahls Group, it was decided to operate this biogas plant under the umbrella of IOT Infrastructure & Energy Services from 2019.

### Wood Pellets

Some retail companies in the Petronord Group offer their end customers wood pellets as part of their product range. Burning wood for energy is CO<sub>2</sub>-neutral and therefore has less impact on climate change than fossil fuels, as it only emits the CO<sub>2</sub> that was previously stored in the tree.



### Premium KlimaPlus Heating Oil

With their Premium KlimaPlus heating oil, Petronord's retail companies offer a product that ensures that the CO<sub>2</sub> emitted by heating systems is saved elsewhere through the use of climate-friendly technologies. The volume of CO<sub>2</sub> produced by the combustion of the quantity of Premium KlimaPlus heating oil ordered is calculated and a corresponding number of carbon credits is purchased to offset it. The proceeds from the purchase of the carbon credits are used to support climate-protection projects to reduce emissions. These funds are decisive in operating and maintaining these climate-protection projects. For our Petronord Premium KlimaPlus heating oil, the certificates are issued for our IOT biogas plant in the Namakkal region of India.

### Carbon Trading

In recent years, Carbonbay has developed a global portfolio of wind, hydro, biomass and solar power projects to help climate change. The projects managed by the company generated around 170,000 emissions certificates last year. Following successful certification, the initial distribution of certificates from the Guacamaya hydropower program took place in June 2018. As Marquard & Bahls will concentrate on its core activities of tank storage logistics, trading and aviation fuelling in future as part of its overall strategy, Carbonbay was sold with effect from the end of December 2018. Its current managing director, who has worked for the company since January 2015, will continue to head the company.



### Climate Week in Hamburg

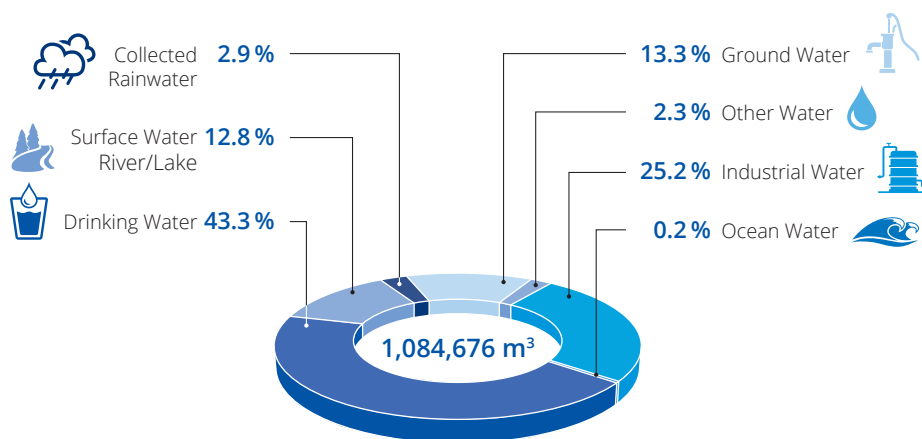
In September 2018, the first ever "Climate Week" was held at the Marquard & Bahls headquarters in Hamburg, and met with great interest among employees. 2018 was not only the 10th anniversary of the Initiative Pro Klima – a joint project between Mabanaf, OIL! Tankstellen, and Petronord – but also the tenth anniversary of Hamburg Climate Week. All week long, numerous participatory activities were hosted at the Group's Hamburg headquarters to mark the occasion. Interesting and instructive lectures on reforestation and the OceanRAIN research project were well attended. Displays in the company restaurant and bistro provided information on the CO<sub>2</sub> and water footprints of individual dishes or beverages. Colleagues from different departments met at a "Random Lunch," where they could grow their networks over a shared meal.



## Conservation of Natural Water Resources

Water is a precious resource whose value becomes even more evident in view of climate change and the droughts it has brought, especially in the poorest countries of the world. Some of our sites are located in regions that are already affected by water shortages or water stress. To identify corporate water risks and derive counter-measures, we started to use the World Business Council for Sustainable Development (WBCSD) global water tool in 2017.

It is an important concern for us to use the water required for our operational processes efficiently and to minimize our negative impact on water quality. In 2018, water consumption of the group of companies totaled 1,084,676 m<sup>3</sup>, which reflected a nearly 8-percent increase over the previous year (2017: 1,007,236 m<sup>3</sup>). Most of the water used is attributable to tank terminal activities. Our tank terminals often use fresh water for the cleaning of tanks, hydrostatic tank tests, steam, fire drills and sanitary facilities in the office. Usually, the hydrostatic tank tests have no environmental impact, because the water can still be reused as industrial water after the tests are completed. The reasons for this year's increase include the commissioning of a new firefighting system at the tank terminal in Amsterdam and increased hydrostatic testing at Oiltanking. A product change at some tank terminals also resulted in increased water consumption due to tank cleanings. Cyclical tests for tank cleaning, which are not carried out every year, affect overall water consumption in that they obscure the savings achieved at individual sites.



**Fig. 16: Total water requirements by source**

In 2018, the relative water consumption for tank storage activities per m<sup>3</sup> of storage capacity (Fig. 17) reflected a further small rise from 33.2 l/m<sup>3</sup> to 35.4 l/m<sup>3</sup>. The reasons for the increase are analogous to those behind the increase in total water consumption. We plan to use the more detailed surveys to develop even more targeted savings measures.



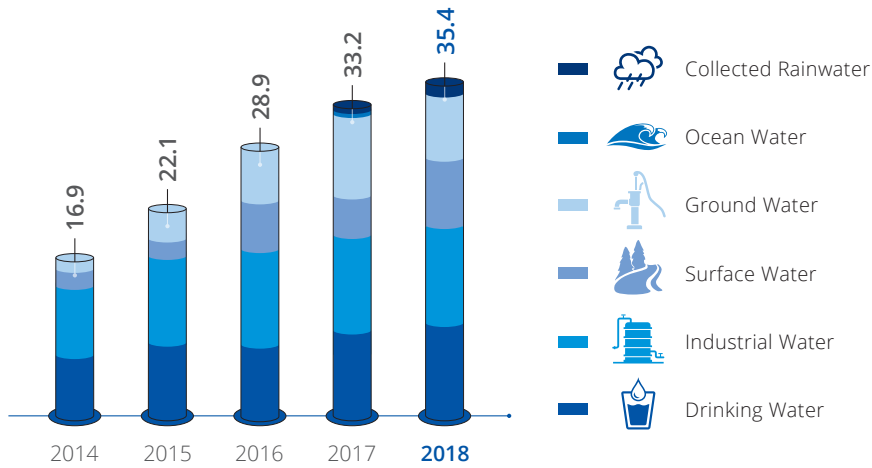


Fig. 17: Water consumption per capita (l/m³) for tank storage activities



Unfortunately, this means that we once again failed to progress towards our goal of further reducing relative water consumption, especially of drinking water, at Oiltanking but we will continue our efforts in the future. To do this, we have integrated water management into Oiltanking’s Energy Saving Program as well as into the sustainability e-learning developed in 2017. Areas where water consumption can be minimized include, first and foremost, tank cleaning and vapor production in boiler operations. At local level, e.g. in India, we are also examining the possibility of replacing the drinking water currently used for industrial activities with rainwater, and recycling our cleaning or cooling water. At OIL! Tankstellen service stations, older car-washing facilities – usually owned by the station operator – are gradually being replaced by water-saving models. The following section on “Waste & Wastewater Management” contains information about the disposal of wastewater.



### Workshops on water risks and conservation

On Oiltanking’s Global Safety Day, many of our sites organized presentations and workshops on water risks and water conservation. The content, along with tools such as the GEMI® LWT™ Local Water Tool were provided by Team Sustainability. The GEMI® LWT™ Tool was developed by the Global Environmental Management Initiative (GEMI), a non-profit organization to help oil and gas companies conduct local water risk assessments at specific sites.



## Waste & Wastewater Management

We encourage our employees around the world to produce as little waste and wastewater as possible. Our basic principle of waste and wastewater management is based on the “4 Rs”: reduce, reuse, recycle and recover.

### Waste Production

Hazardous and industrial waste are the key categories for us. Office waste plays a secondary role and is therefore not recorded for the whole Group. Under hazardous waste, we include all waste with physical properties such as flammability, toxicity or corrosiveness, which require special recycling and disposal, usually in accordance with country-specific requirements. Under industrial waste, we include all waste not normally found in households, such as scrap metal and rubble. In 2018, 38 percent of our waste was classified as hazardous, and 62 percent was industrial waste. In total, our sites generated 41,984 tons (Fig. 18) of waste. Gratifyingly, this means that the total waste volume fell by nearly 30 percent year-on-year (2017: 58,793 tons). After two years of a strong upward trend, the waste volume is now comparable with that of 2015 again. Reasons for the very high volume of waste in 2016 and 2017 include increased construction activity at Oiltanking.

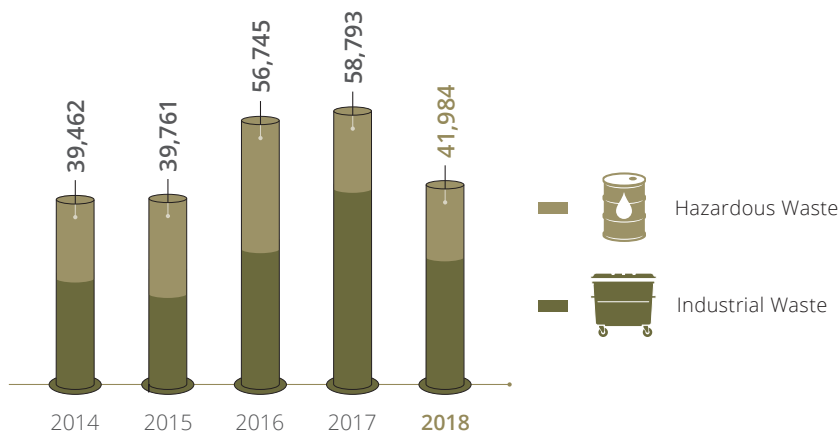


Fig. 18: Total waste by type (in tons)

At Oiltanking, a significant relative decrease is also seen in the ratio of hazardous waste in relation to total storage capacity from 2017 (0.87 kg/m<sup>3</sup>) to 2018 (0.72 kg/m<sup>3</sup>). This is attributable to the fact that the tank cleaning demanded by our customers mainly affects the generation of waste requiring monitoring. The number of tank cleanings can vary greatly from year to year, which is reflected in the fluctuating annual values.

## Handling and Disposal of Waste

The majority of the hazardous waste at our plants continues to consist of contaminated water from oil-water separators and residues from tank and pipeline cleaning. It is collected and processed by us or by licensed contractors. When soil is contaminated with products, the soil must be excavated and treated as hazardous waste. In 2018, close to 25 percent of the hazardous waste was recycled. Our industrial waste is mainly generated by construction activity. Since this often consists of packaging and metals, the recycling rate is usually higher. In 2018 the rate was 32 percent.

## Wastewater Production

The total amount of industrial wastewater discharged in 2018 was 525,131 m<sup>3</sup> and decreased markedly compared to the previous year (2017: 646,568 m<sup>3</sup>). The figure also includes the rainwater collected from the tank pits, so there can be meteorological fluctuations. Residues from wastewater processing are classified as hazardous waste and are pumped out by vacuum trucks, treated by external companies and usually recycled. At our dry bulk terminal in Davant, where petcoke and coal are stored, large quantities of rainwater are collected and discharged into public drainage channels after their pH is automatically monitored, and improved as needed. For this reason, we do not include these volumes in the overall statistic.

## Wastewater Treatment and Disposal

All of our service stations and our tank terminals use oil-water separators or complex wastewater treatment systems to process wastewater. Samples are regularly taken to monitor the functioning of the wastewater systems and to ensure that safety values are adhered to. At some tank terminals, gravity oil-water separators are combined with coalescing filters, skimmers, activated charcoal filters or strippers to meet all requirements. After treatment and testing, the water at Oiltanking is mainly disposed of in the surface water and discharged into the public sewage system at OIL! Tankstellen.



### Waste avoidance starts with small changes

On the occasion of World Environment Day under the motto "Beat Plastic Pollution", management distributed environmentally-friendly steel bottles to all employees at the IOT tank terminal in Raipur to replace plastic bottles in the long term.





## OUR EMPLOYEES

We promote equal opportunities and diversity and invest in the professional development of our employees. We seek to attract qualified, talented employees and retain them long-term.





## Key Performance Indicators

# OUR EMPLOYEES

	2016	2017	2018	Change 2017/18
<b>Our Employees in Numbers</b>				
Average number of employees for the year	8,198	7,620	7,890	+ 3.5 %
Proportion of staff in operations	59 %	54 %	54 %	→
<b>Employee Turnover</b>				
Employees who left the company	1,497	1,734	1,006	- 44.2 %
Turnover rate	18.3 %	22.5 %	12.8 %	↘
<b>Absence Rate</b>				
General absence rate	2.3 %	2.6 %	2.7 %	↗
<b>Trainees /Apprentices</b>				
Number of junior staff	84	83	52	- 37.3 %
<b>Equal Opportunity</b>				
Number of different nationalities in the company	62	64	64	→
Rate of disabled employees (Germany)	0.8 %	1.5 %	0.7 %	↘
Share of female employees	15.7 %	18.6 %	16.6 %	↘
<b>Working Time Models</b>				
Share of part-time contracts	3.8 %	3.8 %	8.0 %	↗

Average number of employees for the year  
2018

7,890



Share of female employees  
2018

16.6%



Turnover rate  
2018

12.8%



Number of junior staff  
2018

52





# Our Employees

Our employees are the bedrock of our success and our corporate culture. We want to offer them a diverse working environment in which they feel valued, encouraged, and treated fairly. It is part of our understanding of values that we respect each person's individuality and are committed to the well-being of our employees. It is important to us that we take responsibility for our decisions and actions.



## HR Strategy

Our regional and central human resources teams bring our Human Resources (HR) work to life with specific measures and programs. Key projects of the Group Function HR included the introduction of a new global HR management system. This application combines people and talent management and meets the various requirements of a global and diversified workforce. It allows for harmonizing and standardizing our global HR processes. Our executives and the majority of our employees are already working with the new system, which is available in eleven languages and already includes many cross-functional e-learning programs. Dual students and trainees were again supported during their training. Here, too, increasing use was made of e-learning tools and web seminars. Another HR project was the introduction of a new bonus system for managers, which takes into account the company's long-term performance.

HR will continue to face many challenges in the future: Besides the provision of resources and competencies in the form of qualified employees, the development of an HR Roadmap, the implementation of a Business Service Center, the further step-by-step implementation of the new variable bonus scheme, a global grading as well as a further optimization of all HR processes is of central importance.

*"Well done is better than well said."*

*Benjamin Franklin*

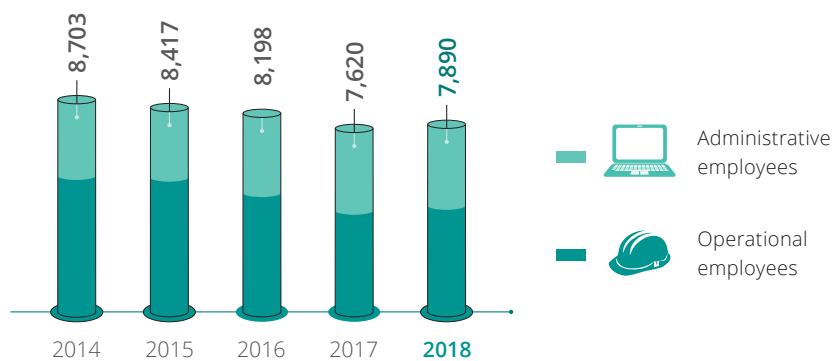


## Employees in Numbers

The number of employees had continuously increased for many decades, but in recent years it has declined, among other things due to the sale of companies such as the tank terminals in Houston and Beaumont, and the subsidiary Newsco. Other reasons include expired operation and maintenance (O&M) contracts and the winding-up of IOT's EPC (Engineering, Procurement & Construction) business in India. In 2018 – including employees from all non-consolidated and affiliated companies – we employed 7,561 employees at year-end, and 7,890 employees



on average (2017: 7,620). The average number of employees per calendar year was used as a basis for calculating the indicators in this chapter. More than 80 percent of our employees have full-time contracts. 54 percent work in operations, and 46 percent are office workers in administration. Not least due to this high proportion of operational activity, we place a special focus on occupational health and safety, and have dedicated a separate strategic action area to such matters.



**Fig. 19: Average number of employees, divided by operational and administrative staff**

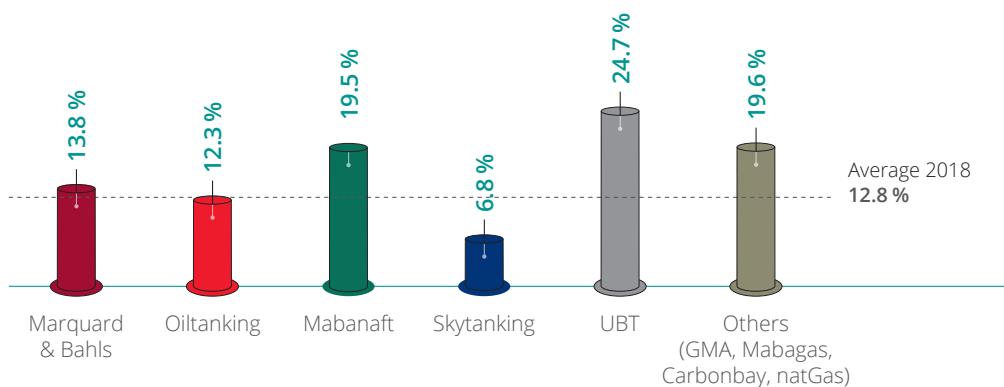
## Employee Turnover

Long-term relationships are very important to us. This is reflected in our efforts to keep talented employees in the company for as long as possible. Our company's growth strategy and the natural turnover that results from retirement or other changes in employees' personal lives require a systematic recruitment of new employees from the labor market. In accordance with the requirements of the GRI, we define the turnover rate as the number of employees who left the company voluntarily, because of dismissal or due to retirement. In 2018, a total of 1,006 employees left the company, representing a turnover rate of 12.8 percent (2017: 22.5 percent). Of these, 282 employees left the company involuntarily i.e. due to dismissal, while 94 left due to an expiring contract. 653 left the company at their own request, 49 of them for retirement. This is offset by 1,263 new hires. In a breakdown by company (Fig. 20), last year the Mabanafit subsidiary Tirex once again had the highest turnover, with 246 employees leaving the company. Business-related staff adjustments that affected employee turnover also became necessary in the dry bulk handling business in the U.S., in IOT's EPC department and at Skytanking in Turkey. In addition, 57 jobs at Marquard & Bahls holding had to be eliminated as part of a cost-cutting program, which increased the rate at Marquard & Bahls AG from



10.0 percent to 13.8 percent. Where possible – jobs at subsidiaries were offered to employees affected by the streamlining of the holding company. The step was necessary because costs have risen drastically in recent years, while the financial results of some operating units have not grown accordingly.

However, the turnover rate is trending downward, especially at Oiltanking (from 27.0 percent to 12.3 percent) but also at Mabanaft (27.9 percent to 19.5 percent) and Skytanking (8.5 percent to 6.8 percent).



**Fig. 20: Staff turnover by company**

Viewed by region, India had the highest fluctuation rate again in 2018, at 20.8 percent. The reasons were major restructuring in the EPC sector and the loss of contracts for operation and maintenance (O&M) at some tank terminals. In Europe and North America, on the other hand, the rate declined last year and in Europe, as in previous years, the main driver of the still relatively high rate is the filling-station sector in Moldova, which suffers from the high fluctuation that is customary in this occupational field.

## Absence

We calculate the absence rate from the absence days in relation to the absolute number of days that the staff should have worked and include all the days of absence from work, including those caused by work-related injury or illness. Authorized leaves of absence such as holidays, study, maternity leave, paternity leave and compassionate leave are excluded. In 2018, the overall absence rate was 2.7 percent – again a slight increase compared to the previous year (2017: 2.6 percent). The highest rates of absence were recorded in Germany and Europe as in the previous year (Fig. 21). In 2018, among other things, we introduced flexible working





hours and a sabbatical at the company's headquarters to provide even greater support for a healthy work-life balance. The section on "Working-Time Models" contains more information on our sabbatical; also, our employee support program has been redesigned, as described in the "Equal Opportunities" section. In addition, the HSSE Group Function once again organized a Health Day at company headquarters which is described in more detail under "Health Management & Prevention."



Fig. 21: Absence rate by region

## Education & Training



We delegate responsibility and develop our employees based on talent, performance and success. To ensure that the right employees are available at the right sites at the right time, we systematically promote our employees' professional expertise and abilities and – in addition – train next-generation talent. Sustainability issues are increasingly being incorporated into the internal knowledge transfer.

### Personal and Professional Development

We feel it is very important to learn by performing practical tasks in the day-to-day routine and in projects as well as by participating in seminars and coaching. Depending on individual needs, these can be specialist training courses, IT seminars, language lessons or, for example, workshops on time management. In recent years, we have trained our executives in various Group-wide executive development programs, including the "GLUE" program for senior and middle management and the "PILOT" program for newly promoted executives worldwide. In these programs, cooperation at Group level and leadership in times of change play a major role. The programs – which were successfully completed by around 140 employees since 2015 – expired at the end of 2018.



## Training Junior Staff

Our social responsibility includes offering young people sound vocational training and accompanying them through the first steps of their professional lives. At the same time, by training junior staff, we ensure that we regularly attract young, motivated people. We deliberately do not train according to a given apprenticeship quota, but according to the needs of our Operating Units – in classical apprenticeship programs, dual-study programs, and in the FUEL trainee program. In the course of 2018, we had 19 trainees (2017: 15) and 12 dual-study students under contract in Germany (2017: 13). As part of FUEL, we offer university graduates practical training in various fields and across national borders. In 2018, eleven FUEL trainees (2017: 12) were supervised in Germany in various areas, e.g. Finance or HR. In 2018, our subsidiaries had another 21 trainees undergoing training (2017: 41 trainees).



### CEO meets Young Professionals

In January 2019, our junior staff, the Young Professionals, had their New Year's meeting at the Hamburg home port – a relaxed get-together at which questions regarding the restructuring at Marquard & Bahls, the future strategy of the company, and opportunities for Young Professionals following their training were discussed.

## Labor Standards

We abide by the Universal Declaration of Human Rights and the UN protocols, protecting human rights within our sphere of influence. Compliance with the standards of the ILO is laid down in our Code of Conduct. We respect employee rights and guarantee our employees freedom of association as well as the right to collective bargaining. Our employees are organized in trade unions in various countries, including Argentina, Belgium, France, the Netherlands and Malta. In the event of changes in our operations or company sales, we work closely with the relevant social partners to ensure that our employees are taken over.

As an international company, our working hours reflect local requirements and best practices. We usually hire our employees under full-time contracts for indefinite periods.





### Fair Wages and Salaries

One of our fundamental interests is to employ the best employees, so it is a matter of course for us to pay our employees fairly. This remuneration practice applies to all employees, whether they are employed full-time or on a temporary basis. We also operate in low-wage countries like India or China. Here, and in other countries, no rules for minimum wages have been set at a regional level yet.

We pay competitive salaries combining fixed and variable components. Our salary regulation is based solely on qualifications, performance, and other work-related factors such as responsibility, skill and experience. The Marquard & Bahls Code of Conduct specifies that factors such as gender, nationality or age have no influence on the salary. In addition to the basic salary, we offer voluntary additional benefits, which are calculated based on the basic salary. Some of these additional benefits are success or performance-related.

### Company Pension

The state pension is one of the main pillars of people's retirement arrangements, but it rarely fully covers their financial needs in old age. Our employees' future is very important to us, so at many subsidiaries and in many countries we offer a voluntary, additional employer-financed company pension.

## Equal Opportunity & Diversity

Our value "Respect" stipulates that we support equal opportunity and diversity. We offer our employees equal opportunities – regardless of distinguishing traits such as age, gender or nationality – and promote diversity, because the diversity of our business areas and our employees is an important success factor. We are proud to have employees from many different cultural backgrounds working for us. Around the world, we employ people from 64 nations. With regard to employing people with disabilities, in Germany our rate of 0.76 percent means we do not meet the 5 percent quota mandated by the Social Code (SGB IX), and make the corresponding compensation payments instead.

Although more and more women are choosing careers in our industry, the oil and energy sector is still largely dominated by men, especially in operational areas of activity. In 2018, the worldwide proportion of women dipped slightly to 16.6 percent (2017: 18.6 percent). We still receive far more applications from men than from women for operational positions. When recruiting employees, we try to maintain a balance between male and female candidates. At job fairs, we specifically make an effort to encourage female talent to join us. We also take care to ensure a balanced ratio in our executive training programs.





It is also part of our values that we do not tolerate discrimination or harassment. All employees can anonymously report cases of discrimination, harassment or other violations of the Code of Conduct via the CARE platform.

## Work-Life Balance

We believe that a good work-life balance contributes to the well-being and performance of our employees. We are aware that this balance can sometimes be difficult to achieve. That is why we provide targeted measures and models to promote a healthy work-life balance – primarily in Germany to date.

### Working-Time Models

To enable more flexible working hours and promote a healthy balance between work and private life, some countries use various models such as part-time, working-time accounts and trust-based working time. The share of part-time contracts worldwide has increased to 8.0 percent (2017: 3.8 percent). There are also working-time models to encourage employees to return to work after parental leave. On average, a total of 28 employees at the German sites were on parental or maternity leave in 2018 (2017: 18); 16.4 percent of them were men. A further 67 employees were on parental leave at our locations worldwide (2017: 67).



#### A temporary professional time-out

Following the introduction of flexible working hours at the beginning of 2018, Marquard & Bahls introduced another modern working-time model – sabbatical – in the headquarters at the beginning of 2019. The offer is aimed at participants in the Life Working Time account. Their respective working time credit can be used for a pension-independent time-out of three to six months. The experience at other companies has been that employees use their free time to do something for their health, to further their education, to travel or to generally broaden their horizons. After the time-out, experience has shown that those who take sabbaticals return to their daily work motivated and with new energy.



### Employee Assistance Program

Seven years ago, as part of our efforts to offer employees support in various life situations, Marquard & Bahls signed a contract for an external Employee Assistance Program (EAP). In all, 73 new cases were recorded last year, which translates to a usage rate of 8.4 percent (2017: 7.2 percent). This figure continues to be slightly above the provider's average. Work-related topics accounted for 36 percent of the cases (2017: 12 percent); the remaining inquiries were personal in nature. In spring 2019, the service was switched to a new provider. In addition to the external employee hotline, our cooperation partner offers many other services for employees. For example, the provider supports employees in matters relating to childcare: it helps them find daycare centers, au pairs or childminders, and provides short-notice childcare for staff children. Employees will also find support and counsel here if they are looking after relatives in need of care, in the event of personal problems, financial squeezes, conflicts or in-life crises. For managers, there are additional special offers such as seminars and a special hotline for leadership topics. This service is available to all employees in Germany as well as to family members living in the household.

### Family-Friendly Employer

For employees in Hamburg, we offer a variety of attractive measures to encourage a healthy work-life balance. These include the coordination of vacation care for the children of employees, a childcare room at headquarters and events for children and families. Many of our locations around the world have also carried out events, projects and measures to promote a healthy work-life balance.

### Employee Satisfaction

To regularly monitor employee satisfaction, surveys are conducted at a local level using paper or electronic questionnaires, or through formal employee interviews. Our third stakeholder survey on sustainability issues in March 2019 was once again used by numerous employees to provide valuable feedback to the company. We have incorporated this feedback into our sustainability strategy process.

Other channels for employees to give feedback to the company or to talk about satisfaction, but also about worries or concerns are – in addition to direct talks with their superiors – the internal discussion rounds that were restarted in April 2019 by our CEO under the motto “Let’s Talk.” These meetings, which are held in small groups of twenty participants, are designed to informally promote open dialog with the Executive Board and facilitate the flow of information across company borders – both of which are important features of our corporate culture. Other channels for employees include regular “Townhall Meetings” with the Executive Board, an internal trust team and a feedback box at Group headquarters, the global CARE platform for compliance-related cases and third-party employee advisory services.





## OCCUPATIONAL HEALTH & SAFETY

Occupational health & safety have the highest priority in all our activities. We identify and analyze potential risks and take measures to avoid, prevent, control and limit them.





## Key Performance Indicators

# OCCUPATIONAL HEALTH & SAFETY

	2016	2017	2018	Change 2017/18
<b>HSSE Training</b>				
Total number of HSSE training hours at Oiltanking and Skytanking	544,028	243,591	230,066	- 5.6 %
Average HSSE training hours per Oiltanking operations employee	78	61	62	+2.1%
<b>Workplace Accidents</b>				
Number of injuries resulting in fatalities, lost time days, restricted work or medical treatment that involved our employees and contractors, per 1 million working hours (TRI-R)	3.7	5.0	4.7	- 6.0 %
Average days of absence per employee incident (accident severity)	24.4*	21.0**	18.7	- 11.0 %
Average days of absence per third party incident at Oiltanking (accident severity)	16.5	23.9**	18.1	- 24.3 %
<b>Fires</b>				
Number of fires according to our internal standards	22*	23	21	-8.7 %
Number of fires according to API RP 754	2	1	0	↘
Fires & explosions per 1 million tons of throughput	0.09	0.11	0.10	- 7.8 %
Total damage caused by fires in €	128,300	127,630	9,143	- 92.8 %

\* Corrected after publication of the Sustainability Report 2016

\*\* Corrected after publication of the Sustainability Report 2017

### Total Recordable Injury Rate (TRI-R)

Change 2017 - 2018

-6.0%



### Average days of absence per employee incident (accident severity)

Change 2017 - 2018

-11.0%



### Fire & Explosion Rate

Change 2017 - 2018

-7.8%



### Average HSSE training hours per Oiltanking operations employee

Change 2017 - 2018

+2.1%







# Occupational Health & Safety



We strive to ensure that every one of our employees and everyone who works at our facilities returns home safely every day. We only engage in businesses that we can conduct safely and ethically. It is our goal to continuously improve our safety standards through technical, organizational and behavioral measures. Ensuring health and safety at work has the highest priority for us. This is reflected in the fact that we have devoted an entire strategic action area to the topic.

## Instruments & Measures

Due to the variety of activities in the Group, we evaluate the associated risks individually and develop systematically customized solutions. One important instrument is comprehensive HSSE manuals that are specifically tailored to the respective subsidiaries. The manuals also serve as a basis for the sites to develop appropriate local management systems. Our globally implemented incident database for all subsidiaries helps us to learn from incidents. To prevent incidents and their reoccurrence, all accidents, incidents, near misses and unsafe acts as well as conditions are carefully analyzed. To better track HSSE performance indicators, a dashboard application has been introduced. This dashboard application provides data that is updated on a daily basis and enables even more detailed analyses based on “leading” (forward-looking) and “lagging” (retrospective) indicators. The application was rolled-out across the Group last year. To monitor our internal standards, the experts in our Group Function HSSE regularly conduct internal HSSE audits at our sites. The HSSE audit programs at Oiltanking, Skytanking and UBT have been established for many years, and OIL! petrol stations and Petronord have also been audited since 2018. Campaigns such as our Golden HSSE Rules or “Take 5 for Safety,” which increase risk awareness in the day-to-day business, support our proactive approach.

To promote a constructive HSSE discourse, the HSSE managers from Oiltanking locations worldwide met again in 2018 for several days to talk about current matters, exchange ideas and experiences, and create synergies. HSSE is also a fixture on the agenda of Oiltanking’s annual Spring Meeting. Skytanking also holds international HSSE meetings as part of its annual global management meetings.

*“Health is not everything,  
but without health everything is nothing.”*

*Arthur Schopenhauer*





### Networking & Exchange

In September 2018, more than 50 international HSSE managers from Oiltanking convened in Munich for the annual HSSE meeting. The agenda included workshops and lectures on sustainability, among other topics, as well as a visit to the airport where our subsidiary Skytanking refuels aircraft. The key question of Team Sustainability's presentation was "How can we drive environmental protection forward?" with a focus on the risks of climate change, our impact on global warming, and local best practices for energy and water conservation.

Since 2008, we have recognized our Oiltanking sites' commitment to safe work with an award each for the year's best HSSE performance and biggest HSSE improvement. The award criteria include workplace accidents, fires & explosions, product releases, product contaminations, material damage and reporting (quality, timeliness and near-misses, as well as unsafe acts and conditions). In spring 2019, the awards were presented for the eleventh time, and went to Oiltanking locations in Germany and India. Skytanking has also awarded HSSE prizes since 2012. The bronze "HSSE Goal Zero Award" for a year without accidents was awarded to five locations in 2018. Seven locations received the silver award for two consecutive accident-free years. The sites in Delhi, Brussels and Paris received an "HSSE Reporting Excellence Award" in 2018.



### HSSE awards at Oiltanking

The coveted awards went to Germany and India in 2018: the Golden Lighthouse for the best HSSE performance went to the IOT team in Raipur and the White Lighthouse for greatest improvement went to the tank terminal in Hanau. Congratulations!





## Healthcare Management & Prevention

Many of our sites around the world offer preventive measures in addition to the health check-ups required by law. Beyond this, in 2018 many Oiltanking and Skytanking sites conducted health and education campaigns on a variety of topics. The Marquard & Bahls headquarters also has a wide range of health-promoting offers, including a free fitness area, ergonomic office equipment, nutritionally balanced choices in the company restaurant as well as health days on changing topics. On our Health Day in November 2018, the fitness area at the Hamburg headquarters served as the setting for a colorful, inspiring program of events related to exercise, nutrition, cognitive training and healthy sleep. The idea was to provide new ideas and create a balance to desk-work.



### Proactive health management at Oiltanking Mexico

In August 2018, Oiltanking Mexico organized a health and anti-stress campaign for all of its local employees and contractors. The campaign was designed to provide information on how to lead a healthy lifestyle, including healthy nutrition, exercise, stress management and proactive, preventive measures such as regular check-ups.

## HSSE Training

Our company HSSE Policy requires that all employees receive training and job-specific education. This includes trainings on the risks inherent in dealing with the products that are stored and handled at our sites. New employees as well as contractors are instructed in matters of HSSE before taking up their work. Any persons who have to perform potentially dangerous tasks receive specific training. At Oiltanking, Skytanking and UBT, a total of 230,591 HSSE training hours for operational staff were completed in 2018. Last year, each employee at Oiltanking's operations received an average of 62 hours of HSSE training (2017: 61 hours, including EPC 71 hours). To further systematize the training, Oiltanking developed a computer-based HSSE learning program for managers in 2018. At Skytanking, too, important content was added to the existing Learning Management System (LMS). The LMS makes it possible to carry out the many HSSE training courses locally and at one's own pace.



## Workplace Accidents

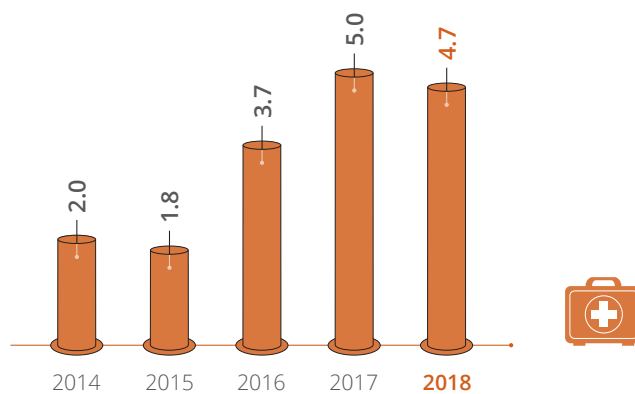
In 2018, three people lost their lives in accidents related to our activities. We deeply regret this. Our thoughts are with those affected and their relatives. One of the accidents occurred on the grounds of Oiltanking MOGS Saldanha, South Africa, where an employee of a third-party company died in the collapse of a reinforcing steel cage. Two more people died in traffic accidents in South Africa that were not caused by our drivers. According to our new OSHA reporting described below, these two fatalities are not counted in the accident statistics; internally, however, we continue to evaluate them. In all cases, we analyzed the causes of the accidents in detail, critically examined processes, and took measures to avoid a recurrence.



In 2018, across the Group there were 73 accidents resulting in lost workdays that involved our own employees (2017: 57\*). These accidents resulted in a total of 1,367 lost work days (2017: 1,198). Another 14 accidents that were reported to us involved employees of contracted companies (2017: 23).

The reporting of accidents leading to fatalities, lost time days, restricted work or medical treatment (Total Recordable Injury Rate – TRI-R) has changed since this reporting year and is now aligned with the OSHA regulation (29 CFR 1904) to allow for a better comparison within the oil & gas industry. According to this regulation, only employee and contractor accidents are to be counted, but no accidents of other third parties such as visitors. However, we count all accidents by third-parties in our internal statistics.

In 2018, the accident frequency for our employees and contractors worldwide decreased to 4.7 accidents per 1 million working hours (2017: 5.0). The low rates of previous years can be explained by the decline in construction activities in the EPC sector in India, where many working hours but few accidents were reported.



**Fig. 22: Number of injuries resulting in fatalities, lost time days, restricted work or medical treatment that involved our employees and contractors, per 1 million working hours**

\*After publication of the Sustainability Report 2017, the number of employee accidents leading to lost time days was corrected from 64 to 57 and the number of employee accidents involving contractors from 24 to 23 as part of a new assessment. However, the number of lost days due to employee accidents increased from 1,141 to 1,198 days due to late notifications.



At Oiltanking, the Group Function HSSE and Oiltanking Assets & Operations perform additional reviews, known as “deep dives,” at sites whose HSSE performance is below average and short-term and long-term potentials for improvement are identified as well as measures are defined. In this connection, we have launched various initiatives at Oiltanking to improve the safety culture, including workshops with senior executives and HSSE managers, the introduction of a “Global Safety Day” in March 2017, Management Safety Walks and Personal Safety Plans. The global safety culture survey conducted during the year showed a slight improvement over the 2014 results. In addition, a computer-based HSSE tutorial for managers was developed, and a uniform root-cause analysis software rolled-out worldwide accompanied by an intensive training program.

We define the severity of accidents of our employees based on the average number of lost work days per incident. Across the Group, the average severity of accidents in 2018 was 18.7 lost work days per accident (2017: 21.0), which means that it was possible to again reduce the severity of workplace accidents. We are also always working to improve HSSE standards for our contractors. To this end, Oiltanking’s contractor program, which includes a safety manual and a global, web-based database for contractor ratings, was further intensified. The good news is that these increased efforts at Oiltanking have borne fruit again and that the number of contractor’s accidents has decreased year-on-year.



### Global Safety Day

In March 2018, Oiltanking held its second Global Safety Day to further promote a culture of safety at its sites. Movies, lectures, discussions and practical exercises at all sites served to build awareness and train employees and contractors in HSSE matters. For example, our tank terminal in Varna, Bulgaria, carried out a practical fire-fighting exercise. The company headquarters also organized a varied program, including first-aid training and workshops on healthy nutrition. Sustainability issues were also on the agenda.

## Prevention of Fires

Oiltanking has prepared a mandatory Fire Protection Standard consisting of 72 rules that often go beyond legal requirements. Incidents within our industry have shown that technical measures and codes of conduct are not always sufficient to prevent fires. In 2018 there were 21 smaller fires, but no explosions (2017: 23 fires, two of which were small deflagrations). In 2018, the fire rate was improved once again. Across the Group, there were 0.10 fires per million tons of throughput (2017: 0.11).



The majority of incidents occurred on construction sites, not in operations at our tank terminals, and remained very localized. In total, however, these incidents resulted in 9,143 euros of damage (2017: 127,630 euros). Damage from product releases are not covered here, as product releases are discussed in the section on “Environmental Protection.”

Unlike our very strict internal reporting, API RP 754 only reports fires related to a loss of primary containment\* that resulted in a direct cost of more than 100,000 US dollars (Tier 1) or 2,500 US dollars (Tier 2) respectively. According to the standard API RP 754, which is now more common in the oil and petrochemical industry and to which we will switch external reporting, there are no fires to report in 2018 and only one in 2017.



### Firefighting drills

In August 2018, a fire-extinguishing exercise took place at the terminal in Brandsen, Argentina, in collaboration with the local fire brigade. One of the advantages of such joint exercises is that the firefighters train with our fixed and mobile equipment and get to know our facilities.

## Noise

As noise can have a negative impact on the working environment, local residents and wildlife, we aim to minimize noise production wherever possible. Potential sources of noise include pumps, generators and industrial vehicles. We reduce noise through regular maintenance and shielding, but also by replacing aging equipment. In the event that specified noise thresholds are exceeded, noise protection is part of our employees' mandatory personal protective equipment.

## Safety on Business Trips

Many of our employees travel as part of their work for Marquard & Bahls. Travel safety is therefore an important issue on our HSE agenda. In order to provide the best medical advice and services for employees on their travels, as well as for expats, Marquard & Bahls has again signed a service contract with International SOS, the leading provider of medical assistance, international healthcare, and security services. To support our employees in planning international business trips, there is also a Group-wide manual on travel safety and a web-based airline-vetting database that is updated daily.

\*An unplanned or uncontrolled release of any material from primary containment, including non-toxic and non-flammable materials such as steam, hot water, nitrogen, compressed CO<sub>2</sub> or compressed air.







## CORPORATE CITIZENSHIP

We also take responsibility beyond our core business and support surrounding communities in our five focus areas: environment, education, health, culture & sports and humanitarian aid. We encourage and support our employees in their volunteer work.





## Key Performance Indicators

# CORPORATE CITIZENSHIP

	2016	2017	2018	Change 2017/18
<b>Financial Support</b>				
Investments in the community (donations & sponsoring) in €	617,234*	743,636	737,669	- 0.8 %
<b>Staff Volunteering</b>				
Number of staff volunteers	1,032	1,352	1,762	+ 30.3 %
Total hours of volunteer work	4,536	4,696	3,889	- 17.2 %
Volunteer work in hours per employee	0.55	0.62	0.49	- 20.0 %

\* Corrected after publication of the Sustainability Report 2016

Investments in the community (donations & sponsoring)  
Change 2017 - 2018

-0.8%



Number of sites that were active in volunteering  
2018

80



Total hours of volunteer work  
Change 2017 - 2018

-17.2%



Hours of volunteer work per employee  
Change 2017 - 2018

-20.0%





# Corporate Citizenship

In line with our value “Responsibility”, we want to contribute to the well-being of our surrounding communities. Within the scope of our five defined focus areas, we therefore engage in the form of financial support, voluntary work by our employees and cooperation with charitable organizations.

## Our Commitment in Numbers

In 2018, Marquard & Bahls and its subsidiaries spent a total of 737,669 euros (2017: 743,636 euros) on charitable purposes, of which 606,604 euros were donations and 131,065 euros sponsoring expenses. Meanwhile, the time volunteered by many of our employees for various initiatives and projects worldwide fell to 3,889 hours (2017: 4,696 hours). In a breakdown by companies, Oiltanking was once again the Group’s biggest donor in 2018, which is partly explained by its operational business, its proximity to the surrounding communities and the fact that it has the largest share of employees in the Marquard & Bahls Group. Also worth mentioning here are the funds donated by Skytanking, which last year went exclusively for the remodeling and expansion of two schools in India.

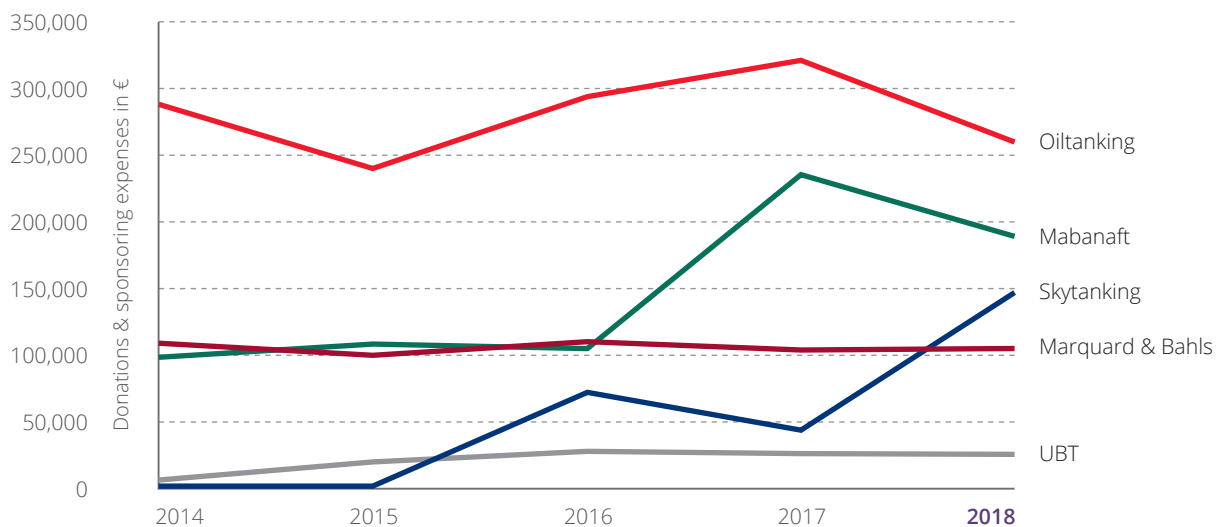
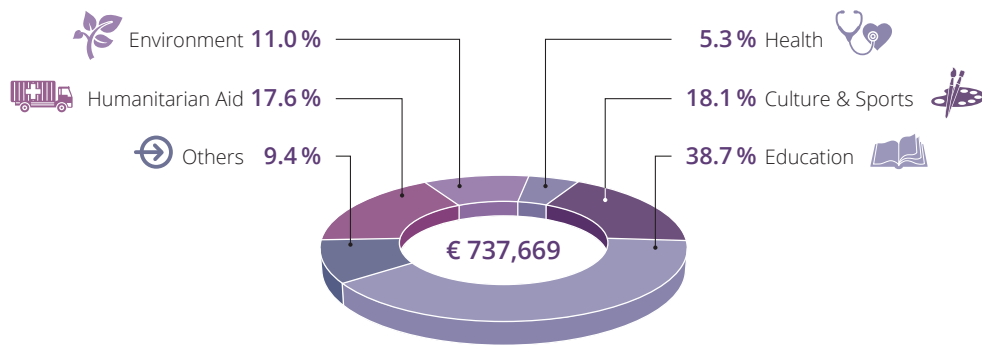


Fig. 23: Corporate citizenship expenditures by company in the last five years



In a breakdown by topical focus, the largest share was invested in education projects and culture & sports (Fig. 24).



**Fig. 24: Corporate citizenship expenditures by topical focus**

Team Sustainability regularly organizes various philanthropic projects at company headquarters, in which employees can actively participate, such as our language tutoring program for young refugees, blood donation campaigns and the “Take a Wish” campaign in the Christmas season. Our sites around the world also organize tree planting campaigns, or community activities such as the “Social Activity” by around 120 managers at the Oiltanking Spring Meeting. Since our sites best understand the needs of the surrounding communities, local community involvement continues to be initiated and organized locally, but as part of a Group-wide corporate citizenship strategy. The corresponding indicators are reported annually to Team Sustainability in Hamburg by the sites and are subjected to random checks by Internal Audit as part of their audits.

In 2018, a total of 80 sites (2017: 86) supported their communities and other sites financially or through voluntary work in various projects.

We have published a brochure to provide guidance regarding the five focus areas we concentrate our charitable efforts on, as well as what support in the respective areas might look like, so that the valuable experiences gained can also be used at other locations. At the same time, we list our criteria and warning signs to ensure an effective, strategic, legally compliant and sustainable commitment. The following shows a cross-section of our local initiatives and projects in 2018; it reflects the spectrum of different activities.



Fig. 25: Important corporate citizenship criteria – published as a brochure on our homepage

*“No one has ever become poor by giving.”*

Anne Frank



## Environment

### Numerous activities at various locations on World Environment Day

On 30 May, a number of locations answered the call from Marquard & Bahls headquarters to mark World Environment Day under the heading “Beat Plastic Pollution” and took the opportunity to draw attention to the global issue of plastic pollution. In Mexico, for example, our Oiltanking employees cleaned a nearby beach that shows especially clearly how vulnerable marine ecosystems are to pollution. In Colón, Panama, Oiltanking employees took action by not only cleaning up the environment, but also planting new trees.



#### Hands on!

25 Oiltanking employees in Mexico rolled up their sleeves and removed rubbish from the beach.

## Education

### Rebuilding of two schools in India

In 2016, IndianOil Skytanking started a corporate social responsibility (CSR) program to renovate and restore school buildings and other infrastructure facilities. The company identified schools in urgent need of support that are located near Bangalore international airport in India. In 2017, the Higher Primary Government School in the village of Bidaluru, which was in very poor condition at the time, was selected. IndianOil Skytanking spent more than 83,000 euros and, with the support of five employees, enabled the construction of several new rooms and improvements in the infrastructure, including of the underground water storage. While the construction works were completed on February 9, 2018 in Bidaluru, the company started a new renovation and remodeling project at a school in Soluru.

In 2018, the company provided more than 114,000 euros for the construction measures. The project comprised the construction of six new classrooms, a staff room, a kitchen, toilet blocks, a stage, drinking-water and rain-water harvesting facilities, as well as new classroom furniture.



#### Inauguration ceremony

The school in Soluru was completed and officially reopened in October 2018.

## Health

### Clean drinking water for schools

The lack of access to clean water is a major health challenge in rural areas of India, and the reason for much disease and sickness among children. At a community school in Paradip, the water had

to be hand-pumped and was contaminated with sediment. Likewise, in the neighboring state of Chhattisgarh, the Gujra school and college had only a single tap to provide water for its entire community of 500 students. The heat of summer regularly exacerbated the situation as warmer temperatures are more conducive to the proliferation of microbes in the water. IOT was able to help both schools by installing filtration systems: Now, the students can enjoy clean, potable water, allowing them to better concentrate on their education.



#### A picture from the past

Where pupils once pumped their water from a well, today they enjoy clean water from a new filtration system.



## Culture & Sports

### Team relay race for charity in Germany

60 runners from the Marquard & Bahls headquarters in Hamburg teamed up for a good cause and headed to the Stadtpark to take part in the annual Mopo Relay Race. After several individual teams had participated in earlier years, this time the number of participants was significantly increased by the commitment of two colleagues. The day of the race dawned bright and sunny, prompting other colleagues to come to the park to cheer on the runners and enjoy a picnic. Meanwhile, several teams gave a peak performance and experienced an unforgettable run in a fantastic atmosphere. The proceeds (ten euros per relay team, with around two thousand teams in total participating) went to the upkeep of Hamburg's Stadtpark, the city's "green lung".



#### Motivated from head to toe

Our employees in Hamburg looking forward to the relay race through Hamburg's city park.

## Humanitarian Aid

### Living the Christmas spirit in Germany

Shining eyes all around: The "Take a Wish" fundraising campaign brought smiles and happiness to many faces again last year. 123 employees at Marquard & Bahls and its subsidiaries participated and fulfilled the wishes of non-profit institutions in Hamburg during Advent: Barbie dolls for children of poor families, packages of coffee and chocolate for the homeless, books and diaries for refugee children. Gifts worth more than 3,270 euros were collected in this way. Marquard & Bahls rounded up and matched the total, donating another 3,500 euros to the Löwenhaus, a Hamburg facility for children with learning difficulties, enabling the kids in its care to go on a skiing holiday in Austria in March 2019.



#### Winter wonderland vacation

The financial support enabled the children to go on a skiing holiday in March 2019 – for many, it will be the only holiday this year.



## Selection of Our Worldwide Engagement

Sites that engaged in volunteer activities, along with some sample projects.

### Lunch for underserved schoolchildren

Since a warm meal after school is not a matter of course for some children, nine Oiltanking employees last year supported the Houston Foodbank in its mission to prepare a meal for these children. While staff members volunteered to slice vegetables, Oiltanking North America sponsored the campaign with around 1,750 euros to cover the cost of 6,000 meals.



### Extracircular lessons

In cooperation with the NGO Junior Achievement, 12 Oiltanking employees visited the Christobal Colón School in Colón, Panama. In special lessons, 90 first-grade students learned about and discussed the importance of family ties.



### The gift of time

Our Oiltanking employees in Cartagena, Colombia, continued to be very active last year as part of our charitable commitment. For example, they repaired a playground and spent time visiting a nearby school and a nursing home to give time and variety.

### Christmas party for kids

In December 2018, our Oiltanking employees in Pisco, Peru, brought some Christmas joy to nearly 130 children from socially disadvantaged families at the educational establishments of Paracas and San Clemente. The kids received small gifts and had a lot of fun playing party games.



### Student workshops

Oiltanking Terminais Ltda in Vitória, Brazil, and Junior Achievement, a social organization that helps students access the labor market, jointly organized student workshops under the headings "Let's Talk about Ethics" and "Attitude for the Planet" last Fall.



### Beach cleanup

Oiltanking employees in Ilo and Pisco, Peru, joined a large-scale beach cleanup campaign. In Pisco alone, our employees removed 110 kilograms of waste from nature.





**Support for young refugees**

Since 2016, Marquard & Bahls has cooperated with JOBLINGE, a non-profit initiative to help young refugees enter the world of business. Last year, we – and above all our employees – continued this commitment with conversation training and 1:1 mentoring.



**OceanRAIN research project**

OceanRAIN, a University of Hamburg research project on the effects of climate change, once again received support as part of our work with Pro Klima initiative. The scientist Christian Klepp presented current research results during the Climate Week at the Marquard & Bahls headquarters.

**Raising awareness among girls**

From April to July 2018, IOT employees visited five schools in Raipur and Mumbai as part of the “Laali” program, a menstrual hygiene education program. In interactive workshops, nearly 900 girls learned how to deal with this sensitive issue properly and how to maintain proper hygiene.



**Tree plantings**

On March 12, Oiltanking celebrated “Tree Day” in Nanjing, China. Our employees planted beautiful fruit trees in a nearby park.

**Support of SOS International College**

Instead of giving out Christmas presents to employees, Marquard & Bahls supported the SOS International College in Tema, Ghana, with 100,000 euros last year, enabling 77 talented young people to spend a year studying at SOS International College.



**Charity run for cancer research**

Some 35 Oiltanking employees and their family members again took part in Singapore’s Run for Hope in 2018 to support the work done by the local cancer research center.

**Small deeds with a big impact**

On June 18, our Oiltanking employees in Cape Town and Durban, South Africa, continued their cherished tradition of devoting a day to the less fortunate people in their city. For example, they visited a children’s home where they spent time with the children and carried out minor repairs.



## Marquard & Bahls AG

Hamburg, Germany

### Oiltanking GmbH

Hamburg, Germany

#### Tank Storage Logistics Europe

Oiltanking Amsterdam B. V.  
Amsterdam, Netherlands

Oiltanking Antwerp Gas Terminal N.V.  
Antwerp, Belgium

Oiltanking Bulgaria A.D.  
Varna, Bulgaria

Oiltanking Copenhagen A/S  
Copenhagen, Denmark

Oiltanking Deutschland GmbH & Co. KG  
Hamburg, Germany

Oiltanking Finance B. V.  
Amsterdam, Netherlands

Oiltanking Finland Oy  
Kotka, Finland

Oiltanking Ghent N. V.  
Ghent, Belgium

Oiltanking Hungary Kft.  
Budapest, Hungary

Oiltanking Malta Ltd.  
Birzebbugia, Malta

Oiltanking Stolthaven Antwerp N. V.  
Antwerp, Belgium

Oiltanking Tallinn AS  
Tallinn, Estonia

Oiltanking Tanklager Waltershof GmbH & Co. KG  
Hamburg, Germany

Oiltanking Terneuzen B. V.  
Terneuzen, Netherlands

TransTank GmbH  
Gelsenkirchen, Germany

#### America

Açu Petroleo S. A.  
Rio de Janeiro, Brazil

Colon Oil and Services S. A.  
Panama City, Panama

Consortio Terminales  
Lima, Peru

Logistica de Quimicos del Sur S.A.C.  
Lima, Peru

Oiltanking Açu Serviços Ltda.  
Rio de Janeiro, Brazil

Oiltanking Andina Services S.A.C.  
Lima, Peru

Oiltanking Colombia S.A.  
Bogota, Colombia

Oiltanking Colombia Servicios S.A.  
Bogota, Colombia

Oiltanking Ebytem S.A.  
Buenos Aires, Argentina

Oiltanking Galveston County, LLC  
City of Wilmington, USA

Oiltanking Joliet LLC  
Joliet, USA

Oiltanking Logistica Brasil Ltda.  
Rio de Janeiro, Brazil

Oiltanking Mexico S. de R.L. de C.V.  
Mexico City, Mexico

Oiltanking Peru S.A.C.  
Lima, Peru

Oiltanking Terminais Ltda.  
Rio de Janeiro, Brazil

Oiltanking Texas City L. P.  
Texas City, USA

Terminales del Peru  
Lima, Peru

#### Middle East & Africa

Oiltanking Terminals & Co. LLC  
Sohar, Oman

Star Energy Resources Ltd.  
Dubai, United Arab Emirates

Oiltanking Ghana Services Limited  
Accra, Ghana

Oiltanking Grindrod Calulo Proprietary Limited  
Cape Town, South Africa

Oiltanking Matola S.A.  
Matola, Mozambique

Oiltanking MOGS Saldanha (RF) Proprietary Limited  
Cape Town, South Africa

#### Asia

Daya Bay Public Pipe Rack Co. Ltd.  
Huizhou, China

Huizhou Daya Bay Oiltanking Petrochemical Public Jetty Co. Ltd.  
Huizhou, China

IOT Infrastructure & Energy Services Ltd.  
Mumbai, India

Oiltanking Daya Bay Co. Ltd.  
Huizhou, China

Oiltanking Helios Singapore Pte. Ltd.  
Singapore

Oiltanking (Nanjing) Co. Ltd.  
Nanjing, China

Oiltanking Singapore Chemical Storage Pte. Ltd.  
Singapore

Oiltanking Singapore Ltd.  
Singapore

PT Oiltanking Karimun  
Jakarta, Indonesia

PT Oiltanking Nusantara Persada  
Jakarta, Indonesia

Zuari Indian Oiltanking Limited  
Goa, India

### Mabanaft GmbH & Co. KG

Hamburg, Germany

#### Trading

B.W.O.C. Limited  
Weston-super-Mare, United Kingdom

Mabanaft Deutschland GmbH & Co. KG  
Hamburg, Germany

Mabanaft Energy Trading Inc.  
Houston, USA

Mabanaft Natural Gas Products Ltd.  
London, United Kingdom

Mabanaft Hungary Kft.  
Budapest, Hungary

Mabanaft Limited  
London, United Kingdom

Mabanaft Pte. Ltd.  
Singapore

#### Retail

Petronord GmbH & Co. KG  
Hamburg, Germany

AUSTROLUB GmbH & Co. KG  
Vienna, Austria

Benol Energieservice GmbH  
Frankfurt/Main, Germany

Böttcher Energie GmbH & Co. KG  
Regensburg, Germany

Deglmann Energie GmbH & Co. KG  
Weiden/Oberpfalz, Germany

EAG Energie Abrechnungs- und Service GmbH  
Hiddenhausen, Germany

Greiner GmbH  
Wabern, Germany

Hartmann Energie GmbH  
Oberleichtersbach, Germany

Hempelmann Wittemöller GmbH  
Hiddenhausen, Germany

JB German Oil GmbH & Co. KG  
Wittenburg, Germany

John Schmierstoff Service GmbH  
Altlandsberg, Germany

Kaiser Söhne Mineralöle GmbH & Co. KG  
Arnsberg, Germany

Keck Energieservice GmbH & Co. KG  
Brakel, Germany

Keck Schmierstoffservice GmbH & Co. KG  
Brakel, Germany

Kiessling Energie GmbH & Co. KG  
Lauterhofen, Germany

Klindworth-Kronol Energie GmbH  
Hamburg, Germany

Lipps Energie GmbH  
Hagen, Germany

LSA Lubes Services GmbH & Co. KG  
Vienna, Austria

LTH Tank- und Haustechnik GmbH  
Purkersdorf, Austria

Mabanol GmbH & Co. KG  
Hamburg, Germany



Mabanol Bitumen GmbH & Co. KG  
Hamburg, Germany

Mabanol Schmierstoffservice  
GmbH & Co. KG  
Bremen, Germany

Manfred Mayer MMM Mineralöl  
Vertriebsgesellschaft m.b.H.  
Neudörfel, Austria

Mühlenbruch Stinnes TOTAL GmbH  
Bremen, Germany

NordBit GmbH & Co. KG  
Hamburg, Germany

Oiltech Lubes Service  
GmbH & Co. KG  
Erkrath-Unterfeldhaus, Germany

Petrocargo Mineralöl-Logistik GmbH  
Hiddenhausen, Germany

PS Olje AB  
Halmstad, Sweden

Schmidt Energiehandel GmbH  
Ascheberg-Herbern, Germany

Staack Pooltankstellen  
GmbH & Co. KG  
Hamburg, Germany

Stockholms Diesel & Oljehandel AB  
Bromma/Stockholm, Sweden

Swelube AB  
Angered, Sweden

Thomas Silvey Ltd.  
Bristol, United Kingdom

Uhlenbruck Energie GmbH & Co. KG  
Mühlheim an der Ruhr, Germany

ZIEGLMEIER Energie GmbH  
Schrobenhausen, Germany

OIL! Tankstellen GmbH & Co. KG  
Hamburg, Germany

OIL! tank & go ApS  
Vejle, Denmark

OIL! Tankstellen AG  
Rüti, Switzerland

OIL Tankstellen GmbH  
Vienna, Austria

Tirex Petrol S. A.  
Chisinau, Moldova

BAT Auerswalde Nord  
GmbH & Co. KG  
Heidenau, Germany

### Bunkering

Bomin Bunker Holding  
GmbH & Co. KG  
Hamburg, Germany

BOMIN Bunker Oil Corp.  
Houston, USA

Bomin Deutschland GmbH & Co. KG  
Hamburg, Germany

### Skytanking Holding GmbH

Hamburg, Germany

Hydrant Refuelling System NV  
Zaventem, Belgium

IndianOil Skytanking Limited  
Bangalore, India

IndianOil Skytanking Delhi Limited  
Delhi, India

Luxfuel S. A.  
Luxembourg

Skytanking Austria GmbH  
Vienna, Austria

Skytanking Calulo (Pty) Ltd.  
Bryanston, South Africa

Skytanking Frankfurt GmbH  
Frankfurt, Germany

Skytanking GmbH  
Zurich, Switzerland

Skytanking GmbH & Co. KG  
Hamburg, Germany

Skytanking Germany GmbH & Co. KG  
Hamburg, Germany

Skytanking Limited  
Birzebbugia, Malta

Skytanking Munich GmbH & Co. KG  
Hamburg, Germany

Skytanking North America, Inc.  
Houston, USA

Skytanking N.V.  
Zaventem, Belgium

Skytanking Ovenon  
Havacilik Hizmetleri A.S.  
Istanbul, Turkey

Skytanking S. R. L.  
Fiumicino, Italy

Skytanking Stuttgart GmbH & Co. KG  
Hamburg, Germany

S & JD Robertson North Air Ltd.  
Aberdeen, United Kingdom

### United Bulk Terminals USA Inc.

Houston, USA

United Bulk Terminals Davant LLC  
Davant, USA

UBT Dupré Corpus Christi, LLC  
Corpus Christi, USA

### GMA Gesellschaft für Mineralöl-Analytik und Qualitätsmanagement mbH + Co. KG

Frankfurt/Main, Germany

### natGAS Aktiengesellschaft

Potsdam, Germany

## Companies Covered

At December 31, 2018



The report is based on the internationally recognized Sustainability Reporting Standards of the GRI, that were newly published in 2016. Our assessment is that the sustainability reporting complies with the requirements of the option "Core" of the GRI Standards and also follows the German Sustainability Code (DNK). This report has not been subjected to an external audit.

## GRI Content Index

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<b>GRI 101: FOUNDATION</b>				
<b>GRI 102: GENERAL DISCLOSURES</b>				
<b>Organizational Profile</b>				
102-1	Name of the organization	7	●	
102-2	Activities, brands, products, and services	7	●	
102-3	Location of headquarters	7	●	
102-4	Location of operations	3, 7, 10-11	●	
102-5	Ownership and legal form	17	●	
102-6	Markets served	7-12	●	
102-7	Scale of the organization	7, 12	●	
102-8	Information on employees and other workers	59-60	●	
102-9	Supply chain	8-9	●	
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102-12	External initiatives	32	●	
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102-14	Statement from senior decision-maker	5	●	
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<b>Ethics and Integrity</b>				
102-16	Values, principles, standards, and norms of behavior	3, 15-16, 23, 28	●	
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<b>Governance</b>				
102-18	Governance structure	17	●	
102-20	Executive-level responsibility for economic, environmental, and social topics	17-18	●	
102-21	Consulting stakeholders on economic, environmental, and social topics	25-26	●	
102-33	Communicating critical concerns	66	●	
102-34	Nature and total number of critical concerns	12, 29	●	
<b>Stakeholder Engagement</b>				
102-40	List of stakeholder groups	25	●	
102-41	Collective bargaining agreements	63	●	
102-42	Identifying and selecting stakeholders	25-26	●	
102-43	Approach to stakeholder engagement	25-27	●	
102-44	Key topics and concerns raised	27	●	
<b>Reporting Practice</b>				
102-45	Entities included in the consolidated financial statements	84-85	●	
102-46	Defining report content and topic Boundaries	6, 26-27	●	
102-47	List of material topics	22-23, 27	●	
102-48	Restatements of information	6	●	
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Reported ● fully ○ partially



GRI Standard	Disclosure	Page number(s)	Reported	Note
<b>GRI 200 ECONOMIC STANDARDS</b>				
<b>Economic Performance</b>				
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103-3	Evaluation of the management approach	35	●	
<b>GRI 201 Economic Performance</b>				
201-1	Direct economic value generated and distributed	34–35	●	
<b>Anti-corruption</b>				
<b>GRI 103 Management Approach</b>				
103-1	Explanation of the material topic and its Boundary	29	●	
103-2	The management approach and its components	29	●	
103-3	Evaluation of the management approach	29	●	
<b>GRI 205 Anti-corruption</b>				
205-1	Operations assessed for risks related to corruption	29–30	●	
205-2	Communication and training about anti-corruption policies and procedures	29	●	
205-3	Confirmed incidents of corruption and actions taken	29	●	
<b>GRI 300 ENVIRONMENTAL STANDARDS</b>				
<b>Energy</b>				
<b>GRI 103 Management Approach</b>				
103-1	Explanation of the material topic and its Boundary	43, 45, 46	●	
103-2	The management approach and its components	43, 45, 46	●	
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<b>GRI 302 Energy</b>				
302-1	Energy consumption within the organization	43–44	●	
302-2	Energy consumption outside of the organization	47–48	●	
302-3	Energy intensity	43–44	◐	Due to the diversity of our Group, there is limited comparability between our companies' consumption figures. That is why, for purposes of comparison, we cite the consumption figures of our tank storage activities, which are our largest, per tons of throughput.
302-4	Reduction of energy consumption	43–45	●	
302-5	Reductions in energy requirements of products and services	45	◐	In addition to absolute demand, we report the relative changes in our tank terminal activities.
<b>Water</b>				
<b>GRI 103 Management Approach</b>				
103-1	Explanation of the material topic and its Boundary	53	●	
103-2	The management approach and its components	53	●	
103-3	Evaluation of the management approach	53	●	
<b>GRI 303 Water</b>				
303-1	Water withdrawal by source	53–54	●	
<b>Emissions</b>				
<b>GRI 103 Management Approach</b>				
103-1	Explanation of the material topic and its Boundary	45	●	
103-2	The management approach and its components	45	●	
103-3	Evaluation of the management approach	45	●	
<b>GRI 305 Emissions</b>				
305-1	Direct (Scope 1) GHG emissions	47–48	●	
305-2	Energy indirect (Scope 2) GHG emissions	47–48	●	
305-3	Other indirect (Scope 3) GHG emissions	49	●	
305-5	Reduction of GHG emissions	47–48	●	
305-6	Emissions of ozone-depleting substances (ODS)	50	●	
305-7	Nitrogen oxides (NO <sub>x</sub> , sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	50	◐	Only emissions such as NO <sub>x</sub> , SO <sub>x</sub> from third-party transports that were calculated using the EcoTransIT method can be reported.



GRI Standard	Disclosure	Page number(s)	Reported	Note
<b>GRI 300 ENVIRONMENTAL STANDARDS</b>				
<b>Effluents and Waste</b>				
<b>GRI 103 Management Approach</b>				
103-1	Explanation of the material topic and its Boundary	55	●	
103-2	The management approach and its components	55	●	
103-3	Evaluation of the management approach	55	●	
<b>GRI 306 Effluents and Waste</b>				
306-1	Water discharge by quality and destination	56	●	
306-2	Waste by type and disposal method	55-56	◐	So far, we can not yet break down the disposal procedures in detail.
306-3	Significant spills	55-56	●	
<b>Environmental Compliance</b>				
<b>GRI 103 Management Approach</b>				
103-1	Explanation of the material topic and its Boundary	30	●	
103-2	The management approach and its components	30	●	
103-3	Evaluation of the management approach	30	●	
<b>GRI 307 Environmental Compliance</b>				
307-1	Non-compliance with environmental laws and regulations	30	●	
<b>GRI 400 SOCIAL STANDARDS</b>				
<b>Employment</b>				
<b>GRI 103 Management Approach</b>				
103-1	Explanation of the material topic and its Boundary	59	●	
103-2	The management approach and its components	59	●	
103-3	Evaluation of the management approach	59	●	
<b>GRI 401 Employment</b>				
401-1	New employee hires and employee turnover	60-61	◐	For reasons related to data protection, we can not disclose the turnover figures by age group and gender, as this would make it possible to make personal inferences at some smaller companies.
401-3	Parental leave	61	◐	The data refers to our German locations.
<b>Occupational Health and Safety</b>				
<b>GRI 103 Management Approach</b>				
103-1	Explanation of the material topic and its Boundary	69	●	
103-2	The management approach and its components	69	●	
103-3	Evaluation of the management approach	69	●	
<b>GRI 403 Occupational Health and Safety</b>				
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	72-73	●	
<b>Training and Education</b>				
<b>GRI 103 Management Approach</b>				
103-1	Explanation of the material topic and its Boundary	62-63, 71	●	
103-2	The management approach and its components	62-63, 71	●	
103-3	Evaluation of the management approach	62-63, 71	●	
<b>GRI 404 Training and Education</b>				
404-1	Average hours of training per year per employee	71	◐	So far, only the training hours for HSSE are recorded worldwide.
<b>Non-discrimination</b>				
<b>GRI 103 Management Approach</b>				
103-1	Explanation of the material topic and its Boundary	64-65	●	
103-2	The management approach and its components	64-65	●	
103-3	Evaluation of the management approach	64-65	●	
<b>GRI 406 Non-discrimination</b>				
406-1	Incidents of discrimination and corrective actions taken	65	●	



GRI Standard	Disclosure	Page number(s)	Reported	Note
<b>GRI 400 SOCIAL STANDARDS</b>				
<b>Local Communities</b>				
<b>GRI 103 Management Approach</b>				
103-1	Explanation of the material topic and its Boundary	77-78	●	
103-2	The management approach and its components	77-78	●	
103-3	Evaluation of the management approach	77-78	●	
<b>GRI 413 Local Communities</b>				
413-1	Operations with local community engagement, impact assessments, and development programs	78-83	○	We only report the proportion of sites that work with charitable projects for the common good.
<b>Socioeconomic Compliance</b>				
<b>GRI 103 Management Approach</b>				
103-1	Explanation of the material topic and its Boundary	30	●	
103-2	The management approach and its components	30	●	
103-3	Evaluation of the management approach	30	●	
<b>GRI 413 Socioeconomic Compliance</b>				
413-1	Non-compliance with laws and regulations in the social and economic area	30	●	

## Abbreviations

<b>API</b> » American Petroleum Institute	<b>NO<sub>2</sub></b> » Nitrogen Dioxide
<b>CARE</b> » Concern And REporting	<b>N<sub>2</sub>O</b> » Nitrous Oxide (Laughing Gas)
<b>CH<sub>4</sub></b> » Methane	<b>NO<sub>x</sub></b> » Nitrogen Oxide
<b>CNG</b> » Compressed Natural Gas	<b>OCIMF</b> » Oil Companies International Marine Forum
<b>CO<sub>2</sub></b> » Carbon Dioxide	<b>OECD</b> » Organisation for Economic Co-operation and Development
<b>CO<sub>2</sub>e</b> » Carbon Dioxide Equivalent	<b>OHSAS</b> » Occupational Health and Safety Assessment Series
<b>EPC</b> » Engineering, Procurement & Construction	<b>OSRL</b> » Oil Spill Response Limited
<b>FUEL</b> » FUTURE in Energy & Logistics	<b>SDGs</b> » Sustainable Development Goals
<b>Func</b> » Functional Competency	<b>SO<sub>2</sub></b> » Sulfur Dioxide
<b>GHG</b> » Greenhouse Gases	<b>SO<sub>x</sub></b> » Sulfur Oxide
<b>GRI</b> » Global Reporting Initiative	<b>TRI-R</b> » Total Recordable Injury Rate
<b>HR</b> » Human Resources	<b>UN</b> » United Nations
<b>HSSE</b> » Health, Safety, Security & Environment	<b>VOCs</b> » Volatile Organic Compounds
<b>ILO</b> » International Labour Organization	<b>WBCSD</b> » World Business Council for Sustainable Development
<b>ISO</b> » International Organization for Standardization	
<b>KPI</b> » Key Performance Indicator	
<b>NMHC</b> » Non-Methane Hydrocarbons	



## Addresses



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# Colophon

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