# Sustainability

Marquard & Bahls AG

Report 2011



Family-owned companies are often characterized by a distinct sense of responsibility for their employees, society and the environment. They build on virtues such as loyalty, fairness and honesty. 65 years ago, Theodor Weisser set the corner stones for Marquard & Bahls based on these values. I am proud that we managed to stay true to our principles despite our substantial growth in the past decades.

Hellmuth Weisser Chairman of the Supervisory Board, Marquard & Bahls



Marquard & Bahls has been operating successfully in the international oil and energy business for 65 years. As a privately owned company, we are free of the constraints created by short-term trends on financial markets and have great flexibility in pursuing our goal of controlled and long-term growth.

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

independent, sound, individual



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# Letter from the CEO



#### Dear Readers,

the last year was an exciting and challenging one in the history of Marquard & Bahls. It was characterized by both successes and set-backs – including from a sustainability point of view.

While our tank storage network and aviation fuelling sites continued to grow successfully, the international trading business saw losses due to extremely testing markets. This led to the decision in early 2012 to reorganize our trading business by withdrawing from international trading due to the inherent incompatibility of this business with the company's conservative approach to risk-taking. In line with this strategy, the Mabanaft trading group will be focusing on the physical trade in mineral oil products, above all in the wholesale, service station, end-consumer and bunker business.

The second half of 2011 was overshadowed by a serious incident in Goa, India. While unloading a vessel carrying naphtha, fires started close to a regularly patrolled product pipeline belonging to Zuari Indian Oiltanking Limited (ZIOL) – a 25-percent joint venture of Oiltanking. An investigation has revealed that the pipeline leak which led to the fires was caused by an external contractor during unauthorized road works. The damage to the empty pipeline went unreported and was even covered up by the road builders responsible. The fires resulted in loss of life and property. Marquard & Bahls deeply regrets this tragedy and extends its sympathy to the victims' families.

External developments and events also moved us and influenced our long-term business strategy. At the end of October, the "jubilee baby" was born in the Philippines, increasing the world's population to the symbolic number of seven billion. Up to now, global population growth has always gone hand in hand with an increasing demand for energy. How can this hunger be satisfied? Fossil fuels were once again called into question in the course of last year. Although our companies are not active in oil exploration, the Deep Water Horizon disaster in the Gulf of Mexico underlined the risks of oil exploitation by deep-sea drilling, which forms part of the upstream value chain. Nonetheless, fossil resources like oil, natural gas and coal are the most important energy sources as renewable energies will be unable to meet the rising global energy demand in the foreseeable future. We are convinced of the need for a combination of fossil and renewable energy in the coming decades. It is therefore our long-term strategy to keep concentrating on our core activity, the fossil energy business, whilst exploring opportunities related to renewable energies further.

Our mission remains to do our part for global energy security by being a competitive trading partner and independent, efficient provider of tank space, aviation fuelling services and bunker fuels all over the world and exploiting openings in renewable energies. To achieve our goals, we proceed to invest in the development of our people and in the further growth of our global network and continuous operational improvements. We once again underline our commitment to being a fair employer and good corporate citizen and strive to conduct our business activities in a safe, healthy and environmentally-friendly manner.

As for 2012, we will ingrain sustainability more deeply on all levels of the organization and enhance our corporate responsibility strategy. Accompany us on our journey.

Hamburg, August 2012

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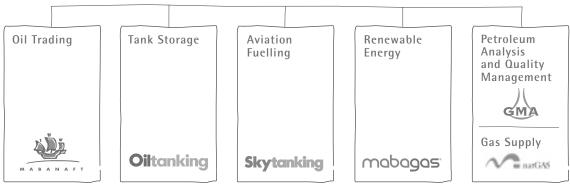
Christian Flach - CEO Marquard & Bahls AG

# Marquard & Bahls Portrait

Based in Hamburg, we meet our customers' needs around the globe. Our core business activities include oil trading, tank storage, aviation fuelling and renewable energies. Furthermore, we are involved in gas supply and petroleum analysis.

Through its subsidiaries, Marquard & Bahls is active in 30 countries, which are grouped into the following seven regions in this report: Germany, Europe (excl. Germany), North America, Latin America, Middle East & Africa, India and Asia Pacific. In 2011, an average of 7,750 employees worked for Marquard & Bahls and made up our vibrant corporate culture. Of these employees, 4,214 worked for fully consolidated companies.



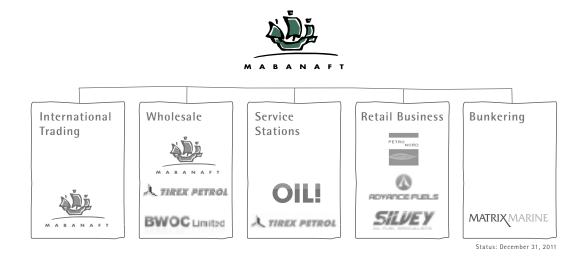


Status: December 31, 2011

Our diversified risk profile ensured that we also made sound profits and increased our equity considerably last year despite the turbulent markets affecting our international trading. While the profits after income tax were 66.5 million Euros, the equity increased by more than 11% to 1,343 million Euros. Moreover, consolidated revenues (energy tax deducted) increased to 17,300 million Euros. Total assets amounted to 4,045 million Euros, of which 1,872 million Euros were non-current assets. Costs of sales – mainly oil product purchases – totaled 16,608 million Euros. Further economic indicators are provided in the chapter "Financial Performance" and in the Marquard & Bahls Annual Report.

	2011 Million €	2010 Million €
Consolidated revenues	17,300	12,588
Costs of sales (mainly oil purchases)	16,608	11,828
Profits after income tax	66.5	150.2
Equity	1,343	1,190
Total assets	4,045	3,864
Thereof non-current assets	1,872	1,797





### Mabanaft

Mabanaft is the trading division of Marquard & Bahls. The product trade in Northwestern Europe forms the historical base of the business. The business encompasses the import and wholesale of petroleum products. Furthermore, the company is active in service stations, heating-oil retail, lubricants, biofuels, biomass, carbon trade and bunker services. Mabanaft increased the sales volume from 20 million t in 2010 to 22 million t in 2011 and employed an average of 1,890 people over the year (1,795 in 2010). Mabanaft is well positioned for the future, also financially, as evidenced by the year-on-year rise in the Mabanaft group's equity, now at 326 million Euros.

#### → International Trading

After thorough consideration, Mabanaft has decided to withdraw from international trading. The reasons are mainly significant changes in the market place and the associated incompatibility of this business with the company's conservative approach to risk-taking. The Rotterdam-based carbon trade business will be continued while the office in Singapore will focus on the regional physical trading business in future and act as a regional center of expertise for Marquard & Bahls. Affected employees will be offered positions within the group wherever possible or offered help in finding new positions outside the company.

In line with this strategy, the Mabanaft trading group will continue to expand its wholesale, service station, retailing and bunkering businesses. From an environmental perspective, this strategic decision will lead to a decrease in chartered vessels at Mabanaft and thus a reduction of associated risks for product releases and carbon emissions from transportation.

### → Wholesale

In Northwestern Europe, Mabanaft is a leading independent importer and wholesaler of petroleum products. The company has earned an excellent reputation as a reliable partner in Germany, Austria, Great Britain and is also active in Hungary and Moldova. Its subsidiaries B.W.O.C. in the United Kingdom (UK) and Tirex in Moldova are also involved in wholesale business. The network includes more than 100 delivery points, guaranteeing reliable supplies for both wholesale customers and end-consumers. In order to diversify further, liquefied petroleum gas (LPG) and wood pellets were added to the product portfolio.

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Mabanaft operates a network of 480 service stations. The company is represented in Germany, Austria, and Switzerland with more than 250 OIL! service stations. Petronord's network encompasses approximately 130 service stations throughout Germany, most of which are self-service stations for commercial trucking fleets. Tirex Petrol has a network of 100 service stations in Moldova.

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Through the Petronord holding, retailing activities have continuously been expanded over the last few years. With 22 affiliates in Germany and Austria, Petronord is well established in the heating-oil and diesel fuel end-consumer business, lubricant distribution, the operation of service stations for commercial trucking fleets, and the trade in bitumen and base oils. In the UK, the end-consumer business is represented by Advance Fuels and Thomas Silvey.

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

As distinct growth potential can be seen in the international bunkering business, Mabanaft acquired the Bominflot group in September 2011, which will operate as part of the Mabanaft organization in future. All bunkering operations of Bominflot and Matrix Marine are planned to be merged into the Bomin group. Bomin's business portfolio covers the supply of bunker fuels, lubricants and other services for the shipping industry with 300 employees at 36 locations.



#### Oiltanking

Our subsidiary Oiltanking has been successful in the tank storage business since 1972. Today, it is the world's second largest independent tank storage provider for petroleum products, chemicals, gases and bio-fuels. Oiltanking owns and operates 72 tank terminals in 22 countries in Europe, North America, Latin America, the Middle East, India and Asia Pacific, with a total throughput of 148.5 million t (145.9 million t in 2010). Between 2010 and 2011, the capacity increased again from 17.6 million m<sup>3</sup> to 19.6 million m<sup>3</sup> at the end of 2011. Oiltanking is also involved in Engineering, Procurement and Construction (EPC), Operation & Maintenance (O&M) services and directional drilling, seismic services and pet coke handling.

In 2011, our Indian subsidiary IOT set the course to aquire the majority share of the Canadian company Newsco, which is involved in horizontal drilling activities.

The successful placement on the New York Stock Exchange of 29% of Oiltanking Partners, in which the tank storage activities of Oiltanking Houston and Oiltanking Beaumont are bundled, led to an added liquidity of 176 million Euros and was another highlight in 2011.

On average, 4,476 people worked for Oiltanking in 2011 (4,062 in 2010).

#### Skytanking

Skytanking is one of the few international companies offering independent aviation fuel handling services to airlines, airports and oil companies. It is now the largest independent provider of aviation fuelling services in Europe. The company specializes in designing and operating aviation fuel storage and hydrant systems, as well as providing into-plane fuelling services. It operates at airports in Europe, the USA, India and South Africa. Also in 2011, Skytanking continued to branch out and started aviation fuelling services at the airports in Milwaukee, Nice and Bordeaux. This expansion increased the number of fuelling service locations to 49 and the number of aircrafts refuelled to more than 1.5 million per year. A new business line maintaining military fuel storage facilities in the US continues to provide positive results. In 2011, an average of 1,146 employees worked for Skytanking (1,092 in 2010).

### Mabagas

Mabagas concentrates on the realization of waste-to-biogas projects in Germany and on international markets. The services range from project engineering to the planning, financing, construction and operation of plants. Mabagas already constructed a biogas plant in Lünen, Germany, which was successfully sold in 2010. Several new projects are currently being developed in Germany, including the construction of Bio-CNG (compressed natural gas) filling pumps at OIL! fuel stations. After the successful launch of the laboratory of biogas analytics by IOT Mabagas Ltd. – a 50/50 joint venture between IOT Infrastructure & Energy Services Ltd. (IOT) and Mabagas – in Mumbai in December 2010, the expansion of the company's business activities in India is picking up pace. The construction of a first plant in India started in the first quarter of 2011 in Namakkal in Tamil Nadu. Feedstock for this biogas plant are poultry litter and agricultural waste.

#### GMA

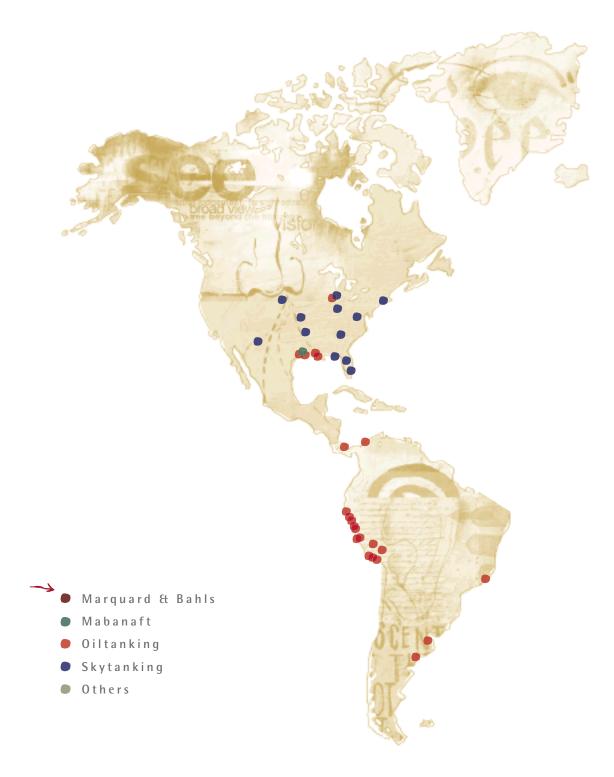
The quality of our services and products is of paramount importance to us. We are therefore active in petroleum analysis and quality management through our subsidiary GMA. GMA operates its own laboratory in Frankfurt for quality control for automotive fuels, bio-fuels and heating oils. In accordance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

#### natGAS

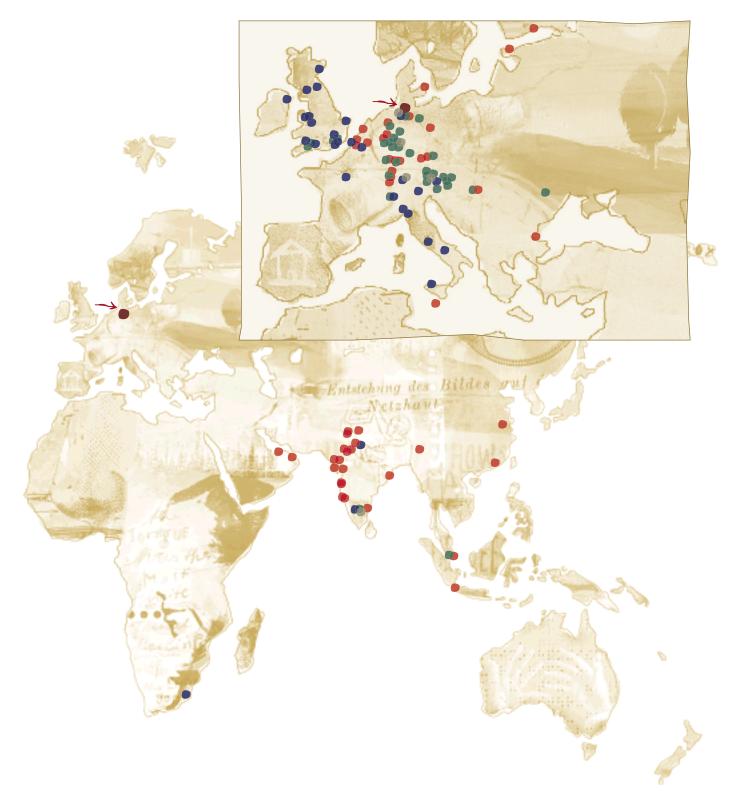
To meet the growing demand for gas supplies, Marquard & Bahls became a founding shareholder of natGAS in 2000, a gas supplier based in Potsdam. natGAS has expanded its market position through long-term gas-supply agreements, and is one of the leading independent market participants in Germany today.



# Marquard & Bahls Locations







Status: December 31, 2011



Our financial soundness, flat organizational structures and a high level of independent decision-making at our individual locations enable us to seize opportunities and react swiftly to market demands.

Marquard & Bahls is governed by the Executive and Supervisory Boards. The Executive Board devises the companies' long-term strategies based on thorough analyses and discussions with the group companies. The Supervisory Board receives regular updates from the Executive Board on the state and development of the group.

#### Members of the Executive Board:

Christian Flach – Chief Executive Officer (CEO) Position: Chairman of the AFM+E Board (Foreign Trade Association for Petroleum and Energy / Außenhandelsverband für Mineralöl und Energie e. V.)

Claus-Georg Nette – Chief Financial Officer (CFO) Positions: Chairman of the Economic Committee EBV (German strategic storage organization) Chairman of the Advisory Board Peter Cremer Holding GmbH & Co. KG Vice Chairman of the Supervisory Board Neumann Gruppe GmbH

#### Members of the Supervisory Board:

Hellmuth Weisser (Chairman) Rolf Kirchfeld (Vice-Chairman) Wim Lokhorst Benedikt Niemeyer Jörg Weisser Liesel Weisser

The members of the Supervisory Board discuss all major issues – including economic, social and environmental topics – with the Executive Board and approve integral business decisions, i.a. all major investments. After an external audit and an internal review, the Supervisory Board approves the financial statements and common report on the state of Marquard & Bahls to be published in the Annual Report.

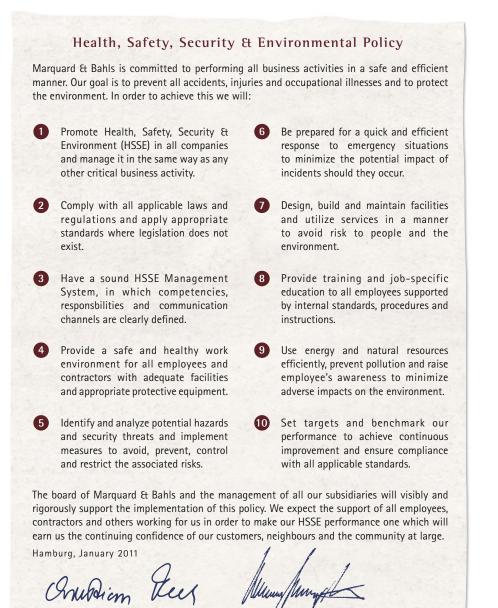
Our shareholders provide recommendations for the Supervisory and Executive Boards at regular meetings. Some of them are also members of the Supervisory Board and of management teams in some companies.

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

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

of view. In 2011, the first employees were assigned to foster corporate responsibility locally, starting with the regions Asia Pacific and Latin America.

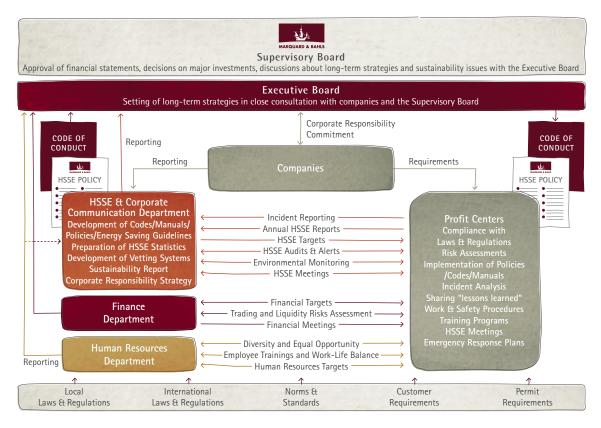
To firmly anchor the responsibility for environmental and social concerns at the highest levels, the relevant principles are reflected in our HSSE Policy, which was signed by the Executive Board of Marquard & Bahls. Corporate HSSE Policies were signed by the respective Managing Directors and displayed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



Christian Flach Chief Executive Officer

Claus-Goorg Nette Chief Financial Officer

The group's HSSE & Corporate Communication Department draws up manuals, guidelines and standards in accordance with the risks related to the companies' specific activities, which often go beyond legal requirements. Besides, the sustainability reporting and the Code of Conduct fall into the scope of the HSSE & Corporate Communication Department. The head of the department reports directly to the CEO. At Oiltanking, the HSSE targets are formulated locally as well as centrally and their achievement is considered in the bonus scheme of the management. The performance is monitored in internal HSSE audits with a view to continuous improvement. In 2011, first internal audits were conducted at Skytanking, which was an aim in our last report. Over the year, a total of 384 external and internal audits, such as by insurances, authorities, customers or our own personnel, took place at Oiltanking and Skytanking.



#### Fig. 1: Management approach to sustainability

To foster a fruitful exchange of HSSE topics, every year Oiltanking HSSE managers from all over the world convene for a week to discuss current issues related to HSSE management, exchange ideas and experiences, and create synergies. Skytanking started to implement similar meetings in 2011.

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

# Strategic Outlook

### Strategic Core Topics and Outlook on Targets

As an oil trading company and one of the largest tank storage providers worldwide, our strategic core topics related to sustainability remain health & safety, spill prevention, climate protection, the education & training of our people, and the wellbeing of communities in which we operate. We deal with your employees, customers and suppliers respectfully and fairly. We take responsibility for our society and the environment. Our overall aim is to prevent negative social and environmental impacts and contribute to sustainable development.

**Health & Safety:** To avoid incidents or their reoccurrence, all events (including all near misses and unsafe acts and conditions) are carefully reviewed and analyzed to share lessons learned globally. We have implemented a system of regular internal Health, Safety, Security and Environmental (HSSE) audits to monitor compliance and benchmark our performance. Our target is of course zero accidents, fires and explosions. Apart from that, we also aim to promote the concepts of "Just Culture" and behavioural safety further at all our locations.

**Spill Prevention:** State-of-the-art technology and operational practices, combined with preventive maintenance programs, are implemented to minimize the risk of spills. It is our overall aim to reduce product releases as much as possible. To enhance our performance, individual targets have been incorporated into the bonus system of the Oiltanking management as of 2011. To have guaranteed additional support in case of major oil spills, we became a shareholder of Oil Spill Response Limited in 2004, the world's largest oil spill response company.

**Climate Protection:** As an emitter of carbon emissions, we take climate change seriously. We aim to use energy – no matter what kind – in more efficient ways. We therefore plan to expand Energy Saving Programs further at our subsidiaries in the short term and measure the results. Targets for the coming three to five years are to reduce the relative energy consumption in storage activities (per tons of throughput) by 10% and invest in environmentally-friendly technologies and climate research.

Education & Training: To conduct our business activities in a safe, healthy and environmentally-friendly manner, we will invest in the training and education of our people in the coming years. One aim for the next three to five years is to increase the HSSE training hours of operators further. During last year we offered a wide range of opportunities for professional development and will continue on this course.

### Risks from Sustainability Trends

According to their relevance for our long-term organizational strategy, our key challenges from global sustainability trends – such as the depletion of natural resources or climate change – lie in the environmental and social sphere:

- Rapidly changing legislation for renewable energies
- Increasing prices for natural resources such as water and rising transportation costs
- Demographic change and resulting "war for talents"
- High financing costs due to turmoil on financial markets
- High oil price fluctuations
- Political conflicts in countries with oil reserves and tensions on oil markets
- → Threats of terrorism

Our mechanisms and measures to manage these risks and identify others are addressed in the various chapters under "Sustainability Performance". Here, our key impacts and opportunities are also described.

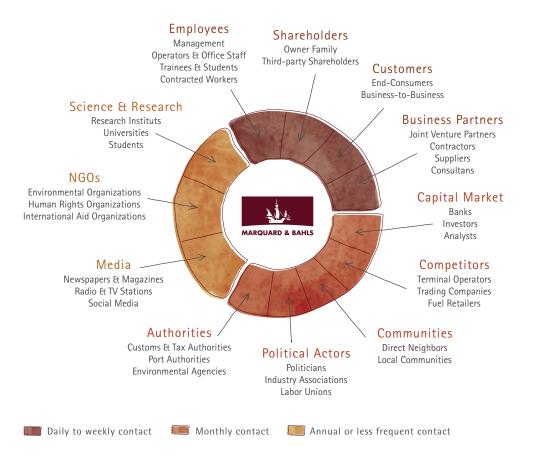
#### Performance Against Target

In the course of 2011, we successfully implemented a platform to share best practice examples of corporate responsibility within the group. A short-term goal is to implement our stakeholder management further by conducting more local dialogues with stakeholders and including their concerns in our corporate responsibility strategy. Several dialogues at holding and local level already took place in 2011 and at the beginning of 2012 with more to follow.

Regarding our sustainability report, we improved the reporting from GRI level A to B, as planned. We received feedback from external stakeholders suggesting we make a greater effort to understand and mitigate our impact on our supply chains. The first aspects have been included in this report. Energy Saving programs were started at new locations, yet we are aware that more locations must step up their efforts in the coming years. An overview of our performance against targets, the main targets for the next reporting period and mid-term goals is provided at the end of this report.

# Stakeholder Dialogue

Stakeholders are people, groups or organizations with a direct or indirect stake in our company because they can affect or be affected by the companies' actions, objectives and policies. Our activities bring us into contact with many different stakeholders. We have identified the most important of these in internal discussions, external analyses and industry comparisons.



#### Fig. 2: Marquard & Bahls Stakeholders



We developed a stakeholder management strategy in 2011 which we had set as a target in our last sustainability report. A guideline for implementing a local stakeholder management was finalized in March 2012 and several dialogues were conducted at holding and local level. It is our aim to increase the number of dialogues over the next few years and align our CR strategy with their outcomes.

Due to the diversity of our companies, the intensity of stakeholder contacts and topics vary. While contact with employees, shareholders, customers or business partners usually takes place on a daily or weekly basis, it is normally less frequent with other stakeholders.

Some of our operations affect the people who live in the vicinity of our facilities. We believe that entering into a dialogue is a helpful instrument to address a community's expectations at an early stage.

With regard to public policy participation, we are proactively involved in several national and international associations, including UPEI (Union of European Petroleum Independents), FETSA (Federation of European Tank Storage Associations), EPCA (European Petrochemical Association), AEBIOM (European Biomass Association), OCIMF (Oil Companies International Marine Forum) and several national associations. We are an active member of the European Barge Inspection Scheme (EBIS) to promote the continuous improvement of design and operation standards for tank barges. Our subsidiary GMA is involved in developing further mineral oil product and testing standards, in particular through working in national and international standardization committees.

The Public Affairs Department in Hamburg takes care of tracking the latest political decisions and regulations, and participates in debates with decision makers. Furthermore, a Marquard & Bahls representative in Berlin has been supporting public affairs since 2009. A key issue in our public affairs work is the harmonization of national and European energy policies. Several EU directives that came into force in 2008 make a considerable contribution towards this goal by creating uniform and binding standards for fuel quality and sustainability criteria for renewable energies. From beginning of 2012, our public affairs work has focused on the Energy Efficiency Directive proposed by the European Commission. The directive brings forward measures to step up the efforts of EU member states to use energy more efficiently at all stages of the energy chain.

#### Actively involved in several associations

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

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

EPCA (European Petrochemical Association)

AEBIOM (European Biomass Association)

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

EBIS (European Barge Inspection Scheme)

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## About this Report

This Marquard & Bahls Sustainability Report covers the calendar year 2011. We provide performance data on all companies of Marquard & Bahls, which means we include joint ventures, even if we only have a minority share. We only exclude our affiliate natGAS as we have no significant influence on its operations. Performance data of Bomin is not covered in this report as the closing for the Bominflot takeover took place on June 1, 2012, after antitrust regulators approved the planned acquisition. A list of all the companies included in this report is provided in the appendices. Proenergy was sold in 2010 and is therefore not covered. No re-statements of information provided in earlier reports have to be made. During the reporting period, we received no external awards related to sustainability and therefore do not report on this topic.

All financial information is provided in Euros (€); foreign currencies have been converted at the average exchange rates for 2011. This report is available in English and German. The editorial deadline for publication was July 2, 2012. The most recent previous report was published in September 2011. The next report is scheduled for publication in the summer of 2013. In case of any questions concerning our sustainability reporting or to offer feedback, Marquard & Bahls can be contacted at the following email address:

#### sustainability@mbholding.de

The report was compiled by the Marquard & Bahls HSSE & Corporate Communication Department in Hamburg in cooperation with the group companies and approved by the Executive Board of Marquard & Bahls. The report can be downloaded from our website. An edition of 2,500 copies was printed climate-neutrally.

# **Topics of Concern**

We went through several phases to identify our most relevant topics from the areas of corporate responsibility, which are addressed in this report. In accordance with the Global Reporting Initiative (GRI), the process to define the report content took place in three steps: identification, prioritization and validation. We first listed various topics we considered to be relevant to both us and our stakeholders and prioritized the topics by assessing our companies' impact and our scope to exercise control. We conducted internal materiality analyses for each of our stakeholders and clustered the topics accordingly. The topics of high importance (as circled in Fig. 3) were translated into our "Corporate Responsibility Temple" (see Fig. 4) and are to be seen as a first baseline inventory, which was refined in stakeholder dialogues and will be refined further in future. Topics include health & safety, risk management and spill prevention. We validated the report content regarding its completeness and applied the "GRI Reporting Principles for Defining Content" in the process. Stakeholders the organization expects to use the report are described in the chapter "Stakeholder Dialogue".





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



#### Fig. 4: Corporate Responsibility Temple of Marquard & Bahls

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



You will find a list of the GRI indicators in the appendices. In total, we report 20 indicators fully and 15 indicators in part. According to a self-assessment based on the GRI Guidelines and a check by GRI, application level B applies. Our target is to improve the reporting of several indicators, such as by depicting more trend graphs.







<sup>page</sup>25

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

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



Sustainability Performance

Corporate Governance



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

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





Corporate Governance

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

----> Business & Finance

- → Safeguarding
- → Integrity
- ----> People

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

In the section "Compliance with the Code", we describe our internal whistleblowing system for reporting violations. It is a tool to offer our employees worldwide a central system for reporting violations of the Code of Conduct while preserving the employees' anonymity should they so desire. Every incident reported is investigated independently. The Board receives regular updates on the type, materiality and status of reported cases, but without information on personal details. The Marquard & Bahls Code of Conduct can be downloaded from our website (www.mbholding.com) in 18 different languages.

### Legal Compliance

Guaranteeing legal compliance is an important factor in safeguarding our license to operate and gaining the trust of our business partners. Of importance are both national and international laws and regulations. The number of fines and sanctions is one indicator of legal compliance. In 2011, we were fined 18,100 Euros (44,234 Euros in 2010) globally for non-compliance with laws and regulations. 50% of this had an environmental background, such as fines for minor spills. We define any fine above 1,000 Euros as significant. We thus reached our goal set in 2010 of reducing these fines further and will continue on this course.

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

### Fair Competition

At Marquard & Bahls, we respect fair competition. Subsidiaries involved in procurement have implemented formal procurement policies to secure fair competition on competitive markets with a view to establishing basic values and defining roles and responsibilities for these activities.

A relevance analysis revealed that procurement mainly takes place at Oiltanking, where materials and technical appliances for terminal construction and expansions are procured. According to our formal procurement policy, employees are obliged to foster fair and open competition, avoid any type of personal obligations to vendors, act with honesty and report all forms of improper business practice to their superior and/or the senior management. The enforcement of our standards is guaranteed by sanctioning suppliers when contravening our policies or the principles of our Code of Conduct. As a further tool to foster fair competition, an international procurement and contracting training program for employees involved in procurement started in 2006.



'Corporate Governance

#### Fair Compensation

To attract the best employees, it goes without saying that they are compensated according to fair schemes. This remuneration practice applies to all employees – regardless of whether they are salaried personnel or temporary workers. Marquard & Bahls offers competitive salaries to be the employer of choice and retain the best people. We are also active in low-wage countries, such as in India or China. As in other countries, we define no minimum wages here, but the entry salaries are usually higher than at industry average.

### Anti-Corruption

To further increase our employees' awareness of the topic of corruption, we developed tailor-made training programs that were launched in mid-2011 at subsidiaries where this topic is relevant. To gain a better understanding of corruption risks, all locations were analyzed according to the Transparency International Corruption Perceptions Index 2011. Some of our businesses and joint ventures are located in countries with a high corruption risk. Here, we aim to step up our efforts to preclude corruption from the outset. Most sites are located in countries with a medium risk, while the majority of revenue is generated in low-risk countries, namely Germany, USA, UK, The Netherlands and Singapore. No cases of corruption were reported in 2011. Therefore, there were no responses to any incidents of corruption.

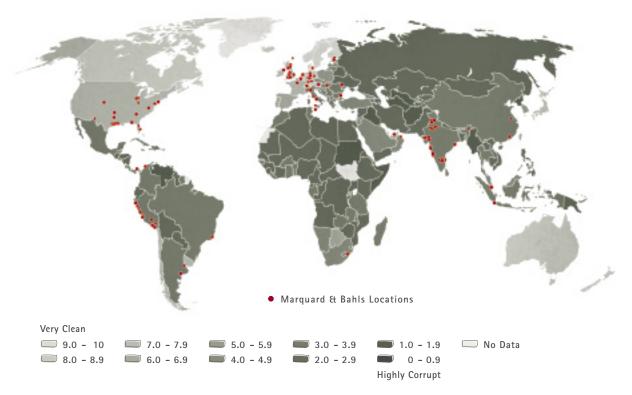


Fig. 5: Corruption risk according to the Corruption Perceptions Index of Transparency International (2011)

### Transparency

The transparent and comprehensive disclosure of information to our employees and other interested stakeholders is a priority for our HSSE & Corporate Communication Department. Current developments and key company information are regularly announced on our bulletin boards in hard copy and in digital form on our websites.

Furthermore, we also communicate with our employees via the in-house magazines Fleetpost (Marquard & Bahls), connections (Oiltanking), Skytanking Life (Skytanking), OIL! INSIDE (OIL!) and via online employee portals.

#### Responsible Marketing Communications

As our end-consumer marketing is limited to the retail business and service stations under Mabanaft, we do not have specific, group-wide programs related to marketing communications in place. However, environmental aspects are covered by the energy saving tips on the Pro Climate Initiative website of Mabanaft, for instance.

#### 

Another important topic related to transparency is data protection, which has been covered by the central HSSE & Corporate Communication Department of Marquard & Bahls since 2010. Activities in Germany are the publication of a comprehensive management handbook about the current data protection provisions, individual support of all German subsidiaries, the preparation of training documents for all employees and a critical review of video cameras in use. With the data protection measures developed for OIL! service stations in cooperation with an external specialist, we are a pioneer in the sector. A review of local data protection legislation in all countries where we are active in is nearly complete. Besides, we have state-of-the-art IT systems in place to guarantee the protection of employee, customer and other business data.





'Economic Responsibility



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

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





Economic Responsibility

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

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

### **Financial Performance**

After a series of extremely successful years, 2011 was a challenging one for the company, especially in international trading. Oiltanking and Skytanking contributed significantly to the positive group result in 2011. On the back of our strategy of controlled growth and concentration on our core businesses, we were able to increase the product throughput and expand existing sites. Reduced market opportunities in arbitrage deals with small margins lead to losses in international trading at Mabanaft. Although Mabanaft accounts for over 90% of the group sales revenues, the international trade generated a negative contribution of operating income, which could not be compensated by other Mabanaft units. The sector of renewables contributed to a smaller extent to the positive group result, as the pellet trade at Mabanaft accounts for a smaller share.

In order to be consistent with our Annual Report, the financial data listed in the following table and worldmap – except the profit after tax – does not include partially consolidated or non-consolidated companies such as IOT in India, Consorcio Terminales in Peru, Star Energy Oiltanking in Dubai, Oiltanking Odfjell Oman and Oiltanking Odfjell Singapore. Therefore, the actual amounts of salaries and taxes paid are substantially higher.

		2011 Million €	2010 Million €
Generated value	Revenue pre energy tax	18,565.0	13,800.0
Distributed value	Cost of sales, mainly oil purchases	16,608.0	11,828.0
	Current salaries	217.5	214.0
	Interest earned	6.1	4.1
	Interest costs	70.9	72.5
	Dividends for the previous year	18.1	16.7
	Income taxes	42.9	56.5
	Current income taxes	42.9	44.4
	Thereof paid in:		
	Germany	10.5	10.9
	United States	5.8	6.5
	The Netherlands	7.5	5.5
	Malta	1.1	5.5
	Belgium	6.3	5.3
	Singapore	6.4	4.4
	Argentina	3.1	2.7
	United Kingdom	0.2	2.3
	Others	2.1	1.3
	Community investments	0.3	0.2
	(donations, charitable projects etc.) approx.		
Profit after tax		66.5	150.2
		Section Street and	

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

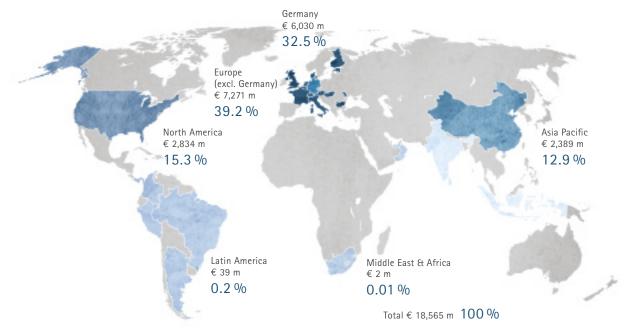


Fig. 6: Generated revenues of fully consolidated companies by region in million (m) Euros



'Economic Responsibility

#### ----> Financial Implications due to Climate Change

We have not yet identified the financial implications, risks and opportunities for our activities due to climate change. Possible effects for our activities are more frequent weather extremes causing rising sea levels or floods, which could pose risks for our tank terminals. Higher temperatures could lead to less demand for heating oil, resulting in fewer sales. More stringent international regulations for marine fuels could increase costs for product transport with ships. Growing fuel taxation could also influence sales. To assess our impact on climate change, we have calculated the carbon footprint for the whole group. Detailed information is presented in the chapter "Climate Protection". In 2011, we initiated a tsunami risk analysis matrix for all sites and detailed studies for the two sites at higher risk were prepared by an external specialist.

#### Other Financial Obligations

State pensions are a major pillar of retirement provisions but rarely sufficient to satisfy financial needs when retired. At Marquard & Bahls, we care about the future of our employees, so we grant additional pension schemes in most countries. Shortly after the foundation of the company in 1947, a pension commitment was implemented as a voluntary social contribution. It was a defined benefit plan based on salary. As it was difficult to calculate from a financial liability standpoint, the defined benefit plan was abolished in Germany in 1985. Only in Belgium, the Netherlands and the USA are defined benefit plans still in place. The current liabilities of all these schemes amount to a total of 34 million Euros. Since 1985, in Germany and most European countries the provisions for company pensions have been based on a defined contribution plan administered by an external provider. Usually, the employer's share is two thirds and the employee's share one third. The contributions to this plan are paid into direct insurances. Above that, the company offers several schemes with excellent conditions for early retirement provisions based on deferred compensation, where employees can profit from tax reliefs, for instance.

#### **Risk Management**



One of our major challenges is to control various financial, operational and environmental risks while following a strategy of controlled growth. In view of the variety of activities within Marquard & Bahls, it is important to evaluate all risks individually. Based on this analysis, we establish tailor-made mandates, duties & authorities. Although we believe this individual approach is important and sensible, our goal in future is to assess risks in the context of the whole group and include environmental and social issues. We have a specialized risk team at Mabanaft that deals with the specific risks associated with trading activities. Risk assessments in an integrated, holistic approach have been conducted from a group perspective since 2011.

### → Trading Risks

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

### 

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

### 

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

# **Resource Efficiency**

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

# -> Energy

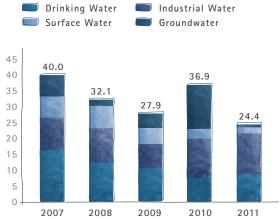
To understand energy consumption patterns better and reduce consumption and related costs, we launched an energy-saving program at Oiltanking in 2010. At some terminals, for example, we evaluated how much energy can be saved with regard to pump efficiencies and terminal lighting. Resource efficiency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



Economic Responsibility

# → Water

Although our activities are not water-intensive, we consume fresh water at our terminals for tank-cleaning purposes, product heating, hydrostatic tank testing and sanitation systems in offices. In 2011, the total water consumption of the group was 682,277 m<sup>3</sup>, the majority of which being drinking water, followed by industrial water, surface water and ground water. (897,623 m<sup>3</sup> in 2010).





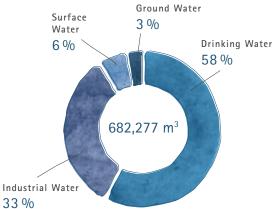


Fig. 8: Total water consumption by source

in storage activities

The water consumption in storage activities per m<sup>3</sup> of capacity peaked in 2010 due to simultaneous hydrostatic tests required for several new tanks. The used groundwater could be led back into the water cycle after testings proved that the water was not contaminated at all.

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

### ᆇ Material Consumption

Efficient use is not only an aim for water consumption but also for construction and production materials. Apart from the construction materials and equipment needed to build or expand our tank-storage and aviation fuelling sites, our core businesses are not material-intensive. These construction materials are not measured. In future, we will be assessing how we can influence efficient material use in construction.

As the Mabagas biogas plant in India is not yet operational, no input materials were sourced in 2011. Marquard & Bahls holds a stake in a pellet production plant, which is currently up for sale. Here, approximately 32,100 t of sawdust and 1,800 t of wooden chips were used, all sourced from sustainably-grown forests.

# Supplier Relations

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

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

# **Customer Satisfaction**

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

In total, 25 out of 72 Oiltanking sites (35%) have a certified management system like quality management (ISO 9001), environmental management (ISO 14001) or health and safety management (OHSAS 18001) in place. 18 of them even gained a triple certification. These integrated management systems are built around the operational processes with a view to continuous improvement with the overall aim to also increase customer satisfaction. Several other companies in our group manage their businesses in a very similar manner. In the last quarter of 2011, Oiltanking added a HSSE highlight for its network in Peru: The re-certification of the nine Consorcio Terminales terminals and the first-time triple certification of the Logística de Químicos del Sur terminal.



Sustainability Performance

Ecological Responsibility



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

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





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

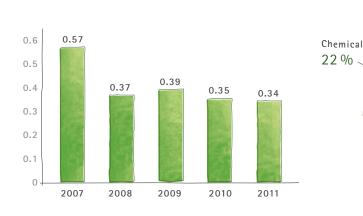
## **Spill Prevention**

Ecological Responsibility

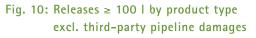
One major challenge for companies dealing with petroleum or chemical products is the prevention of product releases. State-of-the-art technology and operational practices, combined with preventive maintenance programs, are implemented to minimize the risk of spills. The number of incidents with  $\geq$  100 l of product released per 1 million tons of throughput was 0.34 (0.35 in 2010). On a group level, 70 spills above 100 l occurred.

Others

1 %







308 m<sup>3</sup>

Gas

2%

Petroleum

75%

The released volume increased from 185 m<sup>3</sup> in 2010 to 308 m<sup>3</sup> in 2011 due to more smaller spills. Most spills were caused by third parties during loading and unloading processes. The main share of spilled products was in petroleum products (75%) followed by chemicals (22%) and only lesser gases or others (3%). In total, 30 m<sup>3</sup> of products could not be recovered. They were removed from the soil and treated as hazardous waste. It is our aim to continuously reduce product spills.

### 

To have guaranteed support in case of major spills, Marquard & Bahls is a shareholder of Oil Spill Response Limited, the world's largest oil spill response company founded in 1984 and owned entirely by international oil companies. At Oiltanking, scenario-based emergency response plans were developed by all relevant facilities and programs involving practical training and drills were implemented. In 2012, one such an oil spill response excercise took place close to the Camisea platform off the coast of Pisco, Peru.

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



An oil spill response exercise took place close to the Oiltanking Camisea platform off the coast of Pisco, Peru.

#### → Ship Charter Policy

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

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

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

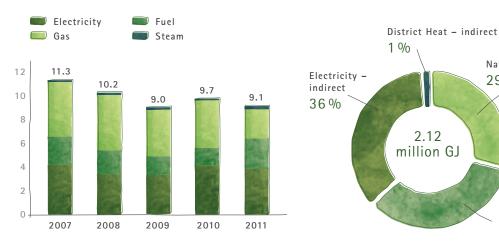
Ecological Responsibility

# Energy Saving

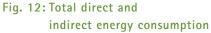
Marquard & Bahls uses direct and indirect sources of energy to run its operations (mainly for product storage, transportation and office use). Our objective is to reduce our relative energy consumption (MJ/t throughput) in storage activities by 10 % in the next three to five years.

# ---> Direct and Indirect Energy Consumption

The direct energy consumption in 2011 amounted to 1,351,518 gigajoules (GJ), including natural gas, heating oil, and fuel for pumps, boilers, operational vehicles and road tankers we own (1,185,000 GJ in 2010). Indirect energy – mainly electricity – is used, among other things, to power the pumps and lights at our storage terminals, hydrant systems at our aviation fuelling sites and car wash units at our OIL! service stations. Office computers are further constant consumers. Other indirect sources of energy used include district heat and, in minor shares, imported steam. In 2011, the indirect energy utilization totaled 771,991 GJ (795,000 GJ in 2010) and the overall direct and indirect energy consumption was 2,123,509 GJ (1,980,000 GJ in 2010). The unique range of businesses in our group makes an industry comparison of this figure difficult. The share of renewable energy in the energy mix is not measured for all sites yet, but we aim to include this indicator in future reporting.



# Fig. 11: Energy consumption per throughput (MJ/t) in storage activities



Natural Gas - direct

Fuel - direct

34%

29%

Figure 12 above comprises the total consumption of all companies, the only exception being natGAS and the ten Oiltanking Operation & Maintenance sites in India as we have a limited influence to change the infrastructure or processes. 130 service stations under Petronord have been excluded as the energy data was often unavailable. This is because the energy of these self-service stations is not measured separately due to shared estates or covered in the lease agreement with the tenant. In the case of the 17 Skytanking locations in the UK, limited data was available as electricity is usually invoiced via the airports or incorporated in rental agreements. Nevertheless, we could gather and include data on the fuel consumption and electricity consumption of most sites. We included all of our joint ventures as several

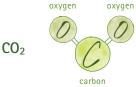


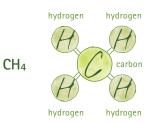
of them do not yet disclose information on energy consumption and carbon emissions in their own sustainability reports. We are aware of possible double counting in the future, but decided to report 100% of the energy consumed for all companies in order to present a comprehensive picture of the energy consumption and emissions. All the data was obtained from a report compiled annually by all worldwide locations. As regards OIL! service stations, we calculated an estimate based on the 2010 figures provided.

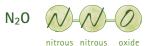
Regarding the relative consumption in storage activities, the energy consumption per 1 million tons of throughput was reduced from 11.3 MJ in 2007 to 9.1 MJ in 2011 due to an increase in awareness, improved processes and equipment. We aim to decrease the relative consumption further.

# 

The most effective way to reduce indirect energy consumption is to increase energy efficiency - in other words, minimize the amount of energy needed for a given process. The most energy-intensive activity within Marguard & Bahls is the pumping of products at the Oiltanking terminals. In May 2011, a detailed Energy Saving Guideline with background information and hands-on recommendations was prepared and distributed. Later that year, the program was adopted by one of the larger sites - Oiltanking Singapore - where the light system was improved. The exchange of old motors with high running hours for new, energyefficient electric motors is currently being analyzed. Oiltanking Cartagena installed solar panels on a truck-loading rack while at Oiltanking Tallinn the boiler house was changed from using heating oil to natural gas and light sensors in traffic areas were installed. Our target is to extend such programs to more terminals. The question of how to make Oiltanking terminals more energy efficient was evaluated by an internal advanced management program group. The results and recommendations - such as the installation of frequency converters on pumps or light sensors - are planned to be implemented by three major terminals in 2012/2013.







We will measure and monitor the reductions achieved and support other subsidiaries in establishing energy-saving programs.

# Climate Protection

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

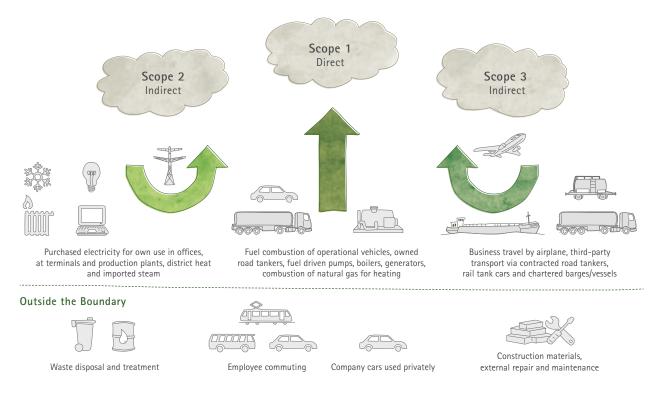




Ecological Responsibility

### → Direct and Indirect Greenhouse Gas Emissions

In 2010, we started evaluating the Corporate Carbon Footprint according to the GHG Protocol by determining the boundaries for each company. To present a comprehensive picture, we chose an operational control approach and included 100% of emissions from all companies and joint ventures. We only excluded the sites stated in the chapter "Energy Saving".



#### Fig. 13: Marquard & Bahls' greenhouse gas boundaries

Direct emissions (scope 1) arise from sources that are owned or controlled by Marquard & Bahls. Indirect emissions (scope 2) come from electricity, steam and district heat that we have purchased and consumed. In scope 3, we calculated the emissions from the third-party transportation of fuels and business travel by air, which are by far the most significant sources. Emissions from the production of building materials (such as steel for our storage tanks), construction of facilities, employee commuting, and the energy used for waste disposal, external recycling or treatment are not reported (see Fig. 13).

The greenhouse gas emissions were calculated by applying the latest emission factors from the International Panel on Climate Change (IPCC) and the GHG Protocol. The calculation was spot-checked by atmosfair gGmbH on the basis of the data sets provided. In the case of

emission factors for electricity, the energy mix for the different countries was also taken into consideration. As the collection and calculation of data for product transportation proved the most challenging part, we address it in a separate chapter. Transport-related emissions are included in Fig. 14 and Fig. 15. The total direct and indirect  $CO_2e$  emissions amounted to 455,863 t in 2011 (389,529 t in 2010). We aim to continuously reduce these emissions, which we accomplished in 2011 regarding our scope 2 emissions. Due to an increase in contracted transport with chartered vessels, the amount of scope 3 emissions rose.

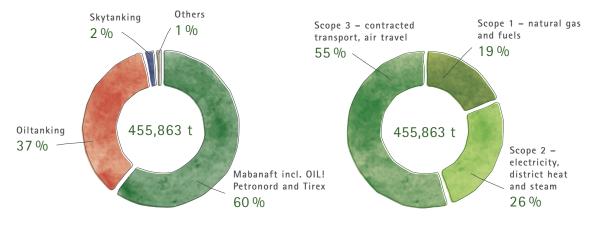




Fig. 15: Total CO<sub>2</sub>e emissions by scope

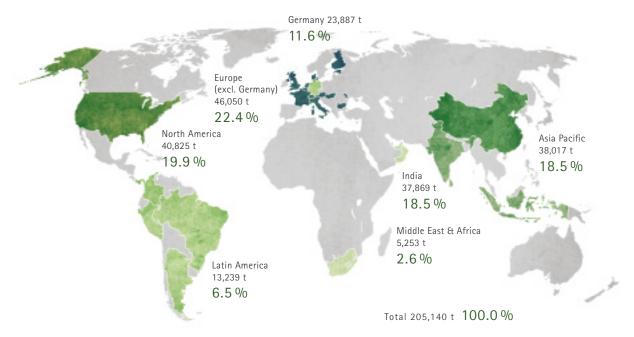


Fig. 16: CO<sub>2</sub>e emissions from scope 1 & scope 2 by region



Ecological Responsibility

#### → Product Transport

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

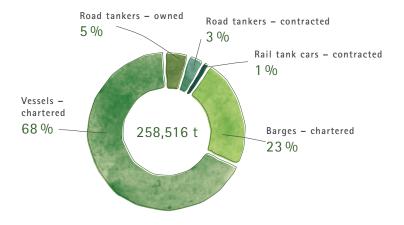
Regarding the emissions from owned road tankers at Petronord, Advance Fuels, Silvey and B.W.O.C., our logistics concept is to invest in new, energy-efficient models and perform fuel-efficient driver training. B.W.O.C., for instance, has worked together with the road tanker operator Turners Ltd. and the manufacturer Feldbinder to design innovative, energy-efficient urban fuel tankers. With an increased payload and the optimization of delivery patterns, the vehicles help to reduce  $CO_2$  emissions.



To transport products, Mabanaft uses i.a. its own tank trucks but also charters vessels.

At OIL!, third-party road tankers are contracted to supply fuel to the 250 service stations in Germany, Austria and Switzerland. Only the fuel consumption for the road tankers in Switzerland and Austria was excluded as absolute figures were not available for 2011.

As for water-borne transport at Mabanaft, we included emissions from chartered ships but excluded any transportation by ship arranged by third parties as it does not come under our sphere of influence. In 2011, Mabanaft chartered 86 seagoing vessels and 1,705 barges. Besides, 9,056 road tankers and 2,099 rail cars were contracted. The logistic concept for chartered seagoing vessels is to integrate the energy efficiency of ships in the chartering procedures, which was accomplished in 2011.



#### Fig. 17: CO<sub>2</sub>e emissions by transport mode

The annual CO<sub>2</sub>e emissions produced by the transportation of products are shown in Fig. 17. We put a clear focus on water-borne transport, which is the most efficient mode. To calculate the CO<sub>2</sub>e, emission factors were applied wherever data on the total consumption was available. For contracted transport, we chose the Ecological Transport Information Tool (EcoTransIT World) as the most comprehensive and detailed method as it allows for quick calculations based on the cargo volume, and the loading and discharge port. EcoTransIT was developed by the Institute for Energy and Environmental Research (IFEU; Heidelberg), the Institute for Applied Ecology (Öko-Institut; Berlin) and the Consulting Company for Traffic and Railway Engineering Ltd. (IVE mbH).

### Business Travel and Employee Commuting

Due to the international character of our business, many employees travel by air. Our goal is to make the routes as safe and quick as possible and keep air travel to an inevitable minimum. In 2011, Marquard & Bahls employees flew 14,463 flight segments and orbited the earth 657 times, which is an advance of 9 % compared to 2010. This gain correlates with our increase in personnel from 2010 to 2011.

 $CO_2e$  emissions from air travel were calculated by atmosfair gGmbH based on data provided by Marquard & Bahls. In 2011, the Verband Deutsches Reisemanagement (German Association of Travel Management, VDR) and atmosfair gGmbH cooperated and created a consistent standard for the  $CO_2$  calculation of corporate travel. Our emission calculation is based on this state-of-the-art  $CO_2$  balancing method, which was adapted to the characteristics of business travel at Marquard & Bahls. The comprehensive approach includes the effects of the different pollutants according to their impact at high altitude and data on aircraft types, engines and booking class. Group-wide emissions from air travel in 2011 amounted to 8.031 t of  $CO_2e$ .





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

So far, we have implemented three measures to reduce travel-related  $CO_2e$  emissions. In the Mabanaft trading business, a video conferencing system was installed to link up traders in key locations, thereby reducing the need for air travel. However, we are aware that personal contact with our business partners and colleagues is important and can therefore not be substituted completely by modern technology. In 2012, we will also install video conferencing also at the Marquard & Bahls holding, at the Oiltanking Corporate Center and in regional offices. To support the use of public transport to commute to work, Marquard & Bahls sponsors about 25% of the costs for monthly tickets. 166 employees – i.e. approximately 50% of the total staff in Hamburg – took advantage of this offer. Besides, employees are offered a BahnCard at a reduced rate to encourage the use of trains for commuting and business travel but also for private travel.

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Ecological Responsibility

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

VOCs are currently locally calculated at 22 Oiltanking sites with a total amount of 1,162 t in 2011 (928 t in 2010). The data is based on calculations instead of measurements as emissions depend heavily on several factors, including product vapor pressure, tank size and painting/ insulation, the ambient average temperature, or the efficiency of vapor recovery systems.

Significant amounts of nitrogen oxide (NO<sub>x</sub>) and sulfur oxide (SO<sub>x</sub>) are emitted during chartered transportation by ship as sulfurous bunker fuels are often used. NO<sub>x</sub> and SO<sub>x</sub> can contribute significantly to a number of environmental problems such as acidification, eutrophication and summer smog as well as to human toxicity. Chartered ships caused nitrogen dioxide (NO<sub>2</sub>) emissions of 4,284 t (3,234 t in 2010) and sulfur dioxide (SO<sub>2</sub>) emissions of 2,442 t (1,870 t in 2010). These figures are based on the IFEU EcoTransIT calculation tool also used to calculate CO<sub>2</sub>e for contracted transport. Additionally, 238 t (202 t in 2010) of non-methane hydrocarbons (NMHC) and 234 t (217 t in 2010) of exhaust particulate matter (PM) were emitted in contracted water-borne product transport.

### → Noise Emissions



Noise emissions can have adverse effects on the working environment, local inhabitants and animal life. Therefore, it is our aim to minimize noise production wherever possible. Potential noise emitting sources on our sites include pumps, generators or operational vehicles. Noise reduction can be achieved through better maintenance, appropriate shielding or the replacement of obsolete equipment. Noise protection forms part of the mandatory personal protective equipment (PPE) when defined noise levels are exceeded.

### ----> Renewable Energies

We have been diversifying our product portfolio of renewable energies for several years. As we are not involved in conventional product development, we do not yet have criteria for assessing the sustainability of product development or specific instruments in place.

Since the beginning of 2011, the wood pellet trade was integrated into Mabanaft. Wood pellets have a lesser impact on climate change than burning fossil fuels as they only emit the  $CO_2$  that was absorbed from the atmosphere by trees or plants as they grew. Apart from that, minor emissions arise in production and transportation.

As the first service station operator in Germany, OIL! has been providing fuel with a high bioethanol share of 85% in cooperation with Crop Energies AG since 2006. The introduction of this biofuel proved difficult due to the low acceptance by the service station customers and high margin pressures.

Concerning the production of biofuels, we very much concentrate on the generation of biogas from waste.



The objective of Mabagas is the construction and operation of biogas plants utilizing renewable sources such as agriculture waste or animal dung. One plant currently under construction in Namakkal in Tamil Nadu, India, is a one-step wet fermentation plant.



On June 8, 2011 the foundation stone ceremony of the first biogas plant of Mabagas in India was celebrated in Namakkal, Tamil Nadu. A biomethanation research laboratory was put into operation in 2011.

For the production process, approximately 100,000 t of substrates are needed every year, for which only waste materials like dry chicken litter are used. In doing so, IOT Mabagas deliberately refrains from using energy crops, as is often the case in other projects. Once the construction work has been completed, the plant is expected to produce over 15 million kWh of electricity a year – enough to meet the annual electricity needs of over 5,000 households in India. The fermentation residue formed in the process is separated, solar-dried, then used as fertilizer on surrounding farmlands. IOT Mabagas intends to register the project in accordance with the UN climate protection goals for the reduction of harmful greenhouse gases. In January 2011, a biomethanation research laboratory was set up at the IOT terminal in Navghar to perform batch digestion tests to analyze different parameters of potential waste substrates used in the current project and future projects. In Germany, the launch of compressed natural biogas (Bio-CNG) at selected OIL! fuel stations and the acquisition of an existing biogas plant are being promoted.

### → Carbon Capture

We are aware that mineral oil products have an impact on the environment. While we strive to develop alternatives and increase energy efficiency, we have also launched schemes for customers who are willing to pay a supplement for environmental protection. B.W.O.C. has a carbon capture program that offers all fuel-card customers the possibility of capturing emissions from fuels they have bought in reforestation projects. 10 % of emissions from fuels bought with this fuel card are captured in any case, which is paid by B.W.O.C. Customers can decide if they want to pay surplus costs to capture the remaining 50 % or 90 % of the CO<sub>2</sub>.

Under the scheme, more than 48,000 trees have already been planted at Harperrig in West Lothian, UK, ten miles south-west of Edinburgh, in collaboration with the Central Scotland Forest Trust. As part of the overall project, B.W.O.C. calculated its own carbon footprint and is capturing it.

### 

In 2008, Mabanaft, Petronord and OIL! started off the Initiative Pro Climate, the main idea of which is to offer energy-efficient products, provide information regarding energy saving and encourage climate protection. Its ventures involve sowing the seeds of and financing reforestation projects and supporting climate research. In cooperation with the Schleswig-Holstein State Forestry Administration and the German association for the protection of the forest (Schutzgemeinschaft Deutscher Wald e. V.), 125,000 trees have already been planted in the past few years. Besides producing oxygen and binding CO<sub>2</sub>, forests improve the water-storage capability of the soil, prevent erosion and are home to a wide variety of flora and fauna. The sustainable cultivation of the areas is guaranteed by the German Forest Law, and by implementing the leading forest certification systems of the Program for the Endorsement of Forest Certification (PEFC) and the Forest Stewardship Council (FSC).

### -> Carbon Trade

Mabanaft Carbon B. V. in Rotterdam is active in the field of emissions trading and development of Clean Development Mechanism (CDM) projects with the aim of generating tradable carbon certificates. Currently, Mabanaft Carbon is developing CDM programs for, amongst others, small-scale hydro projects in Vietnam and Central America, wind farms in South Africa and Latin America, biogas projects in Central America, and energy efficiency projects in India and South Africa. Next to these programs, Mabanaft Carbon is involved in individual CDM projects, like a biomass project in Tanzania and the already mentioned biogas project in India developed by IOT Mabagas. As most of the projects are currently in the development phase, they will start generating credits in the coming years. With regard to emissions trading, European Emission Allowances and Certified Emission Reduction credits were traded forward on the European Climate Exchange, the pan-European platform for carbon emissions trading.



Ecological Responsibility

# Waste Management

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



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

The total waste reported in 2011 amounted to 42,289 t (34,865 t in 2010). This increase resulted from major tank-bottom replacements and the resulting oil residues from tanks which were decommissioned for maintenance purposes. Circa 45% of the waste is classified as industrial and 55% as hazardous, as shown in Fig. 18. The majority of the industrial waste was collected and recycled.

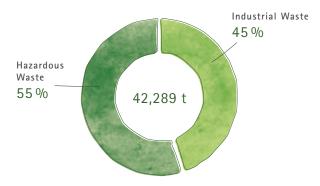


Fig. 18: Total waste by type

In 2011, the hazardous waste rate (kg per m<sup>3</sup> of storage capacity) at Oiltanking increased as it heavily depends on customer demands, such as the need for tank cleaning. We aim to depict a waste rate trend in the next sustainability report.

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

After treatment, the water is mostly disposed of in the surface water at Oiltanking and public sewer systems at OIL! facilities. The total amount of discharged industrial waste-water reported was 702,663 m<sup>3</sup> (540,818 m<sup>3</sup> in 2010). It also includes collected rainwater and therefore varies strongly. Residues from the treatment system are classed as hazardous waste and collected by vacuum trucks to be treated at licensed external plants and are usually reused.

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

# Biodiversity

Biodiversity is the degree of variation of life-forms, species and ecosystems in a region. Industrial use can affect and reduce biodiversity in many ways. With regard to our core businesses, we mainly affect biodiversity by building new tank storage sites and producing carbon emissions.

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

We are not currently operating in any areas designated as a protected area by the International Union for Conservation of Nature (IUCN). However, we do operate near areas with a high biodiversity value, such as close to the Paracas National Park in Peru, for instance, where we run a marine platform owned by an industrial consortium for the handling of diesel, naphtha and Liquefied Petroleum Gas (LPG). Since most of our sites are located in industrial areas, no renaturation measures were taken up to now.



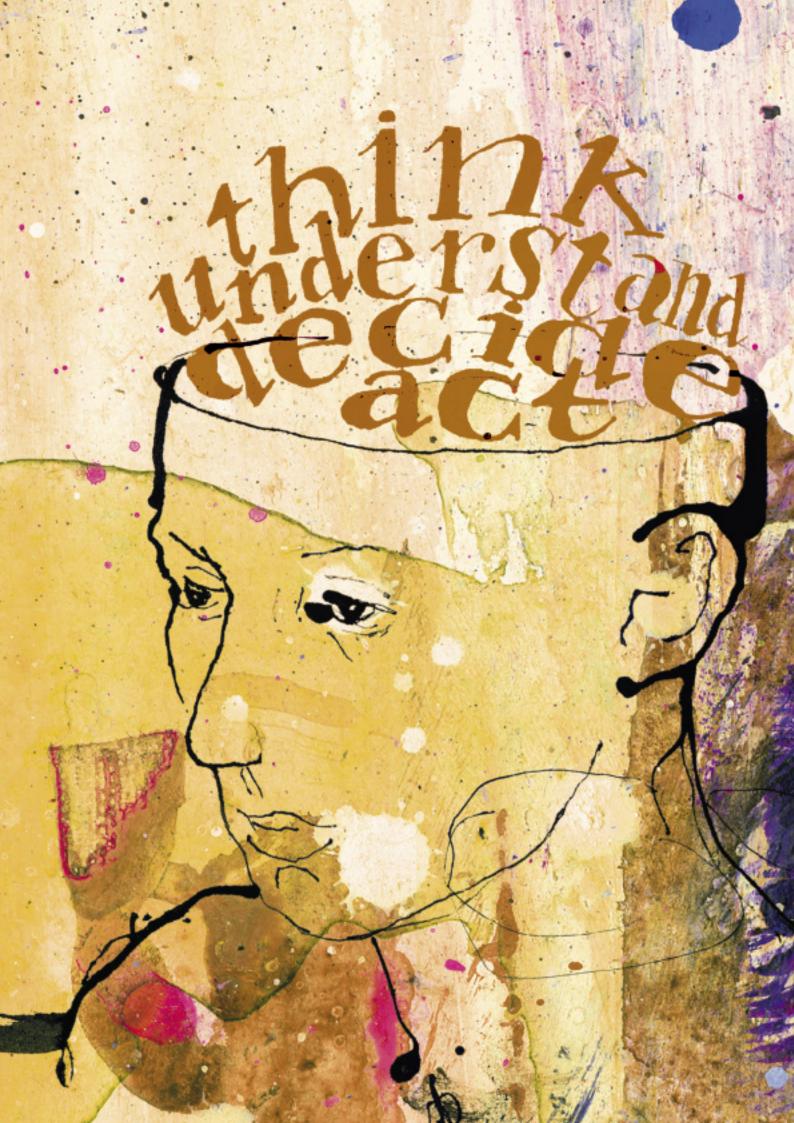
In future, we wish to understand our direct and indirect influence on biodiversity better and find ways to minimize it. This applies especially to grass-root projects.





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

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



Social Responsibility

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

In total, 7,750 employees worked for us in 2011, including those at partially consolidated or non-consolidated companies and counted as an average over the year. The vast majority work on a full-time contract.

In 2011, for instance, 108 new contracts were entered for the German locations, 58% of which were unlimited contracts. Over the last few years, the number of employees grew steadily, both for operators and office personnel. In 2011, 66% were employed as operators and 34% in offices. See the chapter "Equal Opportunity" for the breakdown according to gender.

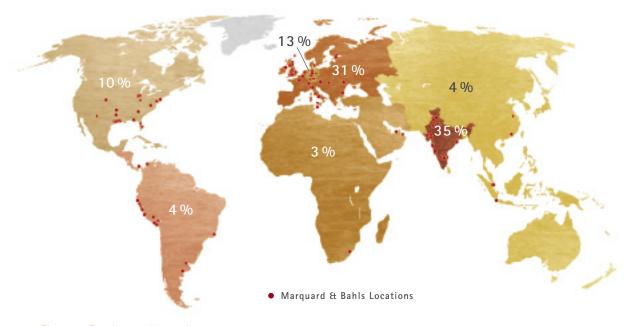


Fig. 19: Employees by region

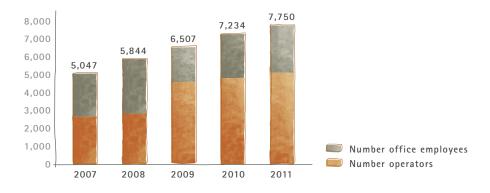
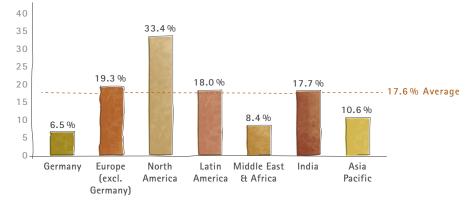


Fig. 20: Total number of employees on average

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Employee turnover changes the human and intellectual capital of a company. Following the GRI definition, we define the turnover rate as the number of personnel who left during the reporting period voluntarily, due to dismissal or retirement compared to the average number of staff during the year. Out of 7,750 employees, 1,362 left during the reporting period, resulting in a turnover rate of 17.6%. By region, the highest rate was again recorded in North America and the lowest rate at our German locations. 67 employees left the German companies (23% of whom due to voluntary leave and 77% due to dismissal, ending contracts or retirement).



#### Fig. 21: Staff turnover rate by region

By company, the highest turnover was at Skytanking (25.0%) resulting from the high turnover rates at the North American sites. At Mabanaft (22.8%), the turnover was higher than the average due to a higher staff turnover at the Tirex service stations in Moldova. The lowest turnover rates were at Oiltanking (13.9%) and other companies (11.4%, including Marquard & Bahls, Mabagas, GMA). Compared to 2010, the turnover rate increased due to the restructuring of GEE Energy and a higher fluctuation in the field of aviation fuelling and filling stations.

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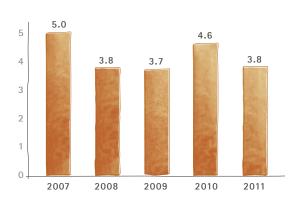
To periodically evaluate the satisfaction of our people, appraisals and surveys are carried out at local level. In 2011, 98 sites conducted paper-based or electronic employee surveys, or held formal appraisal interviews. We encourage all companies to conduct employee surveys and locally evaluate their outcomes as they are a good tool to receive employee feedback and gauge job satisfaction. Social Responsibility

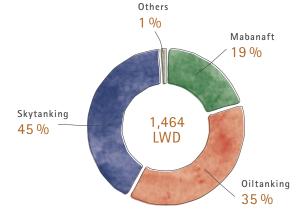
### Health & Safety

Health and Safety are two important pillars of our company. We continuously improve all aspects of our operations with regard to technical, organizational and behavioral safety, and promote a proactive safety culture. One key measure is the development of comprehensive corporate HSSE Manuals for the different companies, based upon which the facilities are asked to prepare and implement adequate management systems at local level. Another important tool to learn from mishaps is our global incident reporting system. To prevent accidents or their reoccurrence, all incidents and near misses are carefully reviewed and analyzed. If necessary, HSSE Alerts are sent out globally to be displayed on the HSSE bulletin boards and discussed with all employees. Furthermore, a poster campaign at Oiltanking supports our proactive approach. We have implemented a system of regular internal HSSE audits for Oiltanking and Skytanking to monitor compliance and benchmark our performance. Detailed HSSE statistics with lagging and leading KPIs are prepared for the group and each Profit Center. Apart from near misses, we also intergrated other leading indicators such as unsafe acts and conditions into our reporting system.

#### 

In 2011, the total, group-wide number of accidents resulting in one or more days off work was 67 (74 in 2010), out of which 62 were related to operations. These accidents resulted in a total of 1,464 Lost Work Days (LWD), which are counted as calendar days (including weekends, holidays or free shifts) starting the day after the accident. Absence because of commuting accidents or non-occupational illnesses is not included. As expected, most LWDs occurred at Oiltanking and Skytanking due to the high share of operatinal work. 22 accidents happened to third-party employees while working at our facilities.





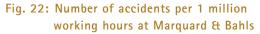
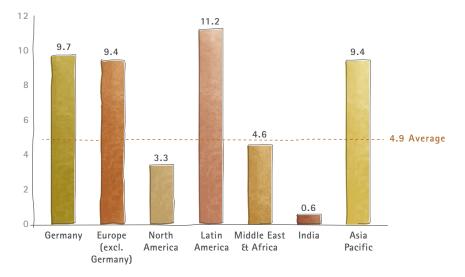


Fig. 23: Total number of Lost Work Days by company

The frequency of accidents resulting in one or more days off work per 1 million working hours (Lost Work Day Case Rate) could be reduced over the last few years and averages out at 3.8 worldwide (4.6 in 2010, see Fig. 22). While we could reduce the number of accidents in Germany and Europe, the number increased in Latin America and Asia Pacific. Therefore, we focus our efforts to reduce accidents particularly in these regions.

The Lost Work Day Case Severity was 21.9 and again showed a slight increase (15.0 in 2010) on the back of more severe accidents in the retail business and aircraft fuelling. The severity of accidents is defined as the average number of work days lost due to work accidents. We aim to focus more on retail business and aircraft fuelling to improve our HSSE performance.





#### 

Technical measures, organizational processes or behavioral procedures are not always sufficient to prevent fires and guarantee an effective response, as past industrial incidents have shown. Therefore, Oiltanking has prepared a binding Fire Protection Standard consisting of 72 requirements – often exceeding the legal ones.

In 2011, one minor explosion and ten small fires mostly related to welding and maintenance work at our tank terminals occurred, causing 31,000 Euros of damage (20,400 Euros in 2010). Therefore, we met our target to further reduce fires and explosions (eleven fires and one explosion in 2010). An incident which is not included in these figures as it was caused by a third party and off-site had a major impact. It took place at ZIOL – a 25-percent joint venture of Oiltanking – after a contractor assigned by a third party ruptured an empty underground

# Social Responsibility

cross-country pipeline during road construction work. The damage was not reported and even covered up. When naphtha was pumped into the previously empty pipeline to discharge a vessel on August 19, 2011, product leaked out unnoticed. Product vapors built up and subsequently ignited in two locations. The fires resulted in the death of five residents, the injury of four others and the destruction of several houses. Marquard & Bahls very much regrets this tragedy and expresses its deepest sympathy to the families affected. ZIOL worked with the local authorities and consultants to support the affected families in an un-bureaucratic way and is conducting a thorough investigation into the cause. Groundwater monitoring and clean-up measures are being carried out.

### 

In 2011, we started to track the absentee rates of all our facilities worldwide, which was 2.0% in 2011 (absentee days per total days scheduled to be worked by the workforce) and is low in comparison to rates in our industry. As for the German facilities, the absentee rate has been evaluated for several years and slightly increased to 4.4% in 2011 (2.8% in 2010). 3.1% had up to 42 days of absentism, 1.5% had more than 42 days (long-term illness). We see these relatively low rates as a positive sign for the health and satisfaction of our people.

### -> HSSE Award

To recognize the tremendous efforts of our work forces to work in a safe and environmentally-friendly manner, an HSSE award was initiated at Oiltanking in 2008. Indicators taken into account are accidents, fires & explosions, loss of primary containment, product contaminations, material damages and reporting (quality, timeliness and near-miss & unsafe acts and conditions). Each year, one Profit Center is rewarded with the award for Best HSSE Performance, and one for Best HSSE Improvement. The Golden Lighthouse for the Best Performance in 2011 went to Oiltanking Colombia, and the White Lighthouse for the Best Improvement to our colleagues from Oiltanking Nanjing.

#### → Duty of Care

Some of our colleagues travel a lot for Marquard & Bahls. Travel safety is therefore an important issue on our HSSE agenda. To provide the best medical advice and services for all travellers, as well as expats, Marquard & Bahls signed a membership agreement with International SOS – the world's leading provider of medical assistance, international health-care and security services. In countries with an increased security risk, training courses and tailor-made personal advice is provided for expats to prepare them for country-related medical or security issues.

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

Regarding medical care, most employees based in Germany can participate in free basic medical check-ups every three years. The global senior management is offered full medical

check-ups every two years at a specialized clinic in Hamburg. Profit Centers are encouraged to develop programs for conducting regular health checks for their employees at local level. Free medical check-ups were organized by more than 60 % of our locations worldwide.



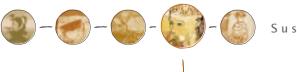
Oiltanking Peru organized healthcare sessions and check-ups for employees and contractors at the terminals in Mollendo and Pisco.

# Education & Training

Education and training is an important pillar of our success. Staff requirements are systematically evaluated at holding level and by Human Resources managers at local level. Due to demographic change and the rapid growth of our company, it is becoming increasingly challenging to find highly qualified staff. To guarantee that the right people are available in the right spot and at the right time, we are focusing on efforts to leverage people's expertise and talents. We see specialized qualifications as one of our most valuable assets. It is therefore our aim to train and develop our employees further.

### 

The recruitment and development of junior staff is the foundation of our Human Resources work. Our trainee programs are designed to give the participants an understanding of our values and culture in order to groom them for further duties within the group. We have therefore placed graduates in trainee programs throughout the organization. In Germany, we invest in training students from the Nordakademie. The Nordakademie offers dual study programs in business administration and industrial engineering, with alternating practical and theoretical phases. We train in accordance with our own requirements for staff as our aim is to offer all alumni a placement in our company. In the course of 2011, we employed a total of 15 students in different grades and more than 20 trainees at Marquard & Bahls and its German subsidiaries. According to the philosophy of "thinking globally, acting locally", we were able to increase the number of trainees employed worldwide. Apprenticeships and vocational training are further openings for young people to gain practical work experience in the group.



Social Responsibility

Due to its number of staff and challenging projects, IOT channels a lot of effort into recruiting trainees from several engineering colleges and other institutes in smaller towns across India and invests in the trainees' further training and development. In total, 146 trainees were recruited in 2011. Consequently, IOT considerably advanced the recruiting rate.



At IOT's Aatmiyata Trade Training Centre, students learn how to handle different types of machinery. The first batch finished succesfully in January 2012.

#### ----> Development Programs for Managers and Specialists

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

In total, 47 employees from all over the world participated in the international programs offered in addition to the local training courses in 2011. This number is smaller than in 2010 with 108 participants as several perennial programs finished last year. They will be taken up in the next few years.

### Contributions to Career-Long Learning

Besides these tailor-made programs, we also support the professional and personal development and career-long learning of our workforce by offering a catalogue of advanced professional training courses in the form of in-house seminars, external seminars or conferences. They range from IT seminars and language courses to intercultural communication seminars or stress management training. In 2011, we already invested approximately 66,000 Euros in Germany for these courses and programs.

### → In-Depth HSSE Training

Our HSSE policy requires that all employees receive training and job-scpecific education. This is especially relevant regarding HSSE and the hazards inherent to the products that are handled and stored at the relevant facilities. If personnel, or others, are required to carry out specialized tasks, they receive formal, additional training. At OIL!, a comprehensive training video was produced covering all the HSSE aspects of service station operations and providing practical guidelines on how to fulfill HSSE requirements. It was made available to all service station partners.

A total of 258,941 hours of HSSE training was conducted at Oiltanking and Skytanking in 2011 (220,763 in 2010). At Oiltanking, for example, each operator received an average of 75.9 hours of HSSE training in 2011 – with a steady growth in recent years (73.0 in 2010).

# Labor Standards

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

As stated in the chapter "Fair Compensation", we bank on competitive compensation that is oriented towards criteria of profitability and attractiveness. We combine fixed and variable elements of compensation. Employees of several subsidiaries participate in the company's success by individual, performance-oriented bonuses.

Regarding legal working time regulations, the specific rules of each country are followed. We have no special monitoring systems in place, but usually rely on trust-based working hours.

We affirm strict adherence of employee rights. Freedom of association or the right to collective bargaining are respected and secured. Employees are organized in unions in several countries, such as Argentina, France, the Netherlands or Belgium. In case of works alterations, our companies work together with the relevant social partners.

### → Child Labor & Compulsory Labor

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

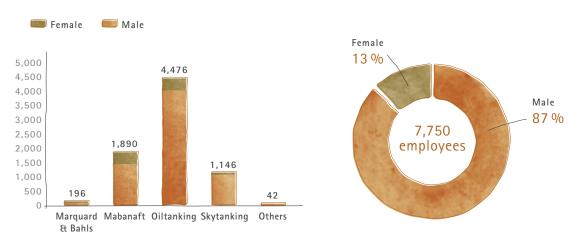


We have not identified any of our operations as being at significant risk for incidents of forced or compulsory labor. To help eliminate child or compulsory labor, we address the topic in our Code of Conduct. As we do not have any recorded incidences, we do not have any specific programs in place.

### **Equal Opportunity**

\*

We aim to increase diversity further by recruiting male and female employees as well as people from many ethnic backgrounds as we see diversity as a key to our success. Although the oil business is still very much male-dominated, more and more women are choosing disciplines or professions in our sector nowadays and we have been able to continuously increase the total number of female employees over the last few years. For the German locations, we employ people from 26 nationalities. Regarding the employment of severely handicapped people, the rate in 2011 was 2.7 %.



#### Fig. 25: Employees by company and gender

More men still apply for technical positions than women. To attract female candidates, gender-neutral advertisements are published. When recruiting junior employees, the Human Resources Department specifically tries to maintain a balance between male and female candidates. As employees are selected based on their capabilities for the specific position, we consider the gender quota regulation currently under discussion as controversial.

	Executive Board		Marquard & Bahls Management		Staff		Subsidiaries Management	
	Total	%	Total	0/0	Total	%	Total	0/0
Gender							23.23	
Male	2	100	7	64	95	52	73	99
Female	0	0	4	36	88	48	1	1
Nationality							STER.	
Local	2	100	9	82	163	89	50	68
Other	0	0	2	18	20	11	24	32

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

As the proportion of female employees in leading positions at our subsidiaries is only 1 %, we will continue our efforts to prime female candidates. Although we do not have standardized hiring procedures in place at group level, the majority of employees and the subsidiary management is locally sourced due to our decentralized management structure. 32 % come from other countries and only 1 % from Germany. To calculate the proportion in the column "Subsidiaries / Management", we included the Managing Directors of the holdings and the worldwide Profit Centers as well as the Regional Managers. Only the leading positions of 22 Petronord affiliates have been excluded. For vacant positions, the employees' qualifications, achievements and potential are taken into account – regardless of gender or ethnic background.

# Work-Life Balance

We are convinced that a good work-life balance contributes to the well-being and performance of our employees.

To make working time arrangements more flexible and reconcile work and family, different models are used after case-to-case decisions, such as part time, home office, flexi-time wage records and trust-based working hours. Additionally, Marquard & Bahls supports staff in Hamburg in organizing childcare during school holidays. The company pays two thirds of the costs of holiday camps for children aged between 6-12 years old arranged by the organization kidz playground. Moreover, the re-entry of employees after parental leave is encouraged and facilitated. At the German locations, 19 employees were on parental leave in 2011, 11 of whom were male. The proportion of part-time contracts in 2011 was 15 % over the year (84 % female and 16 % male employees).

In line with the commitment to implement measures to increase the work-life balance of its employees and offer support in different situations, Marquard & Bahls contracted the services of an Employee Assistance Program (EAP) provider. This program has supported employees and their family members based in Germany since February 2012 in a wide range of issues – from work-related and emotional problems to practical and legal questions. All matters discussed are treated under strictest regulations of data secrecy.



# Corporate Citizenship



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

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





# Corporate Citizenship

Our Corporate Citizenship activities can be grouped into five fields: youth education, volunteering, sponsorship, culture & sports, and research. In 2011, nearly 40 % of our sites reported donations to charitable causes or organizing their own charitable projects. The amount of money donated was reported as 330,000 Euros (240,000 Euros in 2010) and more than 20,000 volunteering hours were counted. We aim to continuously increase our corporate citizenship activities over the next years.



#### Fig. 26: Corporate Citizenship projects in 2011 by region and company

With a view to sharing best practice examples, we developed a knowledge-sharing platform on the group-wide intranet, which was introduced in February 2012. We will now present a cross-section of the current activities worldwide, showing a panorama of diverse approaches.

# Youth Education

Our Indian subsidiary IOT set up a comprehensive Youth Education Program in 2010. During 2011, the terminal in Navghar helped to improve the educational situation of socially underprivileged students of villages nearby. In March, a medical camp was organized for 250 students of the Primary School in Dhutum, at which 2011 a medical practitioner offered treatment free of charge.



IOT Navhgar donated school bags and stationery and organized a medical camp for the students of the Primary School in Dhutum.

Later that year, school bags, stationery and rain coats were distributed to the students. The pupil who secured highest percentage in the federal SSC (Staff Selection Commission) examination, which is held to recruit staff for the Government of India, was awarded a sponsorship. The aim was to encourage other students to perform better. Furthermore, Oiltanking Odfjell Oman granted a scholarship for Omani nationals to study in college.

Oiltanking in Malta supports youth education by sponsoring a library at a local primary school for approximately 600 children in the town Birzebbugia. Around 1,000 books in English and Maltese could be purchased with Oiltanking's donation. Story-reading sessions involving parents and other volunteers are conducted by the school to ensure that students get used to reading books at a young age.



Oiltankings funding enabled the refurbishment of a library hall and the purchase of around 1,000 books for a second library at the primary school in Birzebbugia, Malta.



# Corporate Citizenship

# Volunteering

Our volunteering activities cover a wide range of topics from environmental protection to donating blood. We present some examples below.

### → Planting Trees

On June 5, 2011, the World Environment Day under the theme "Forests: Nature at your Service" was celebrated at the terminals and EPC project sites of IOT. The World Environment Day is an annual event initiated by the United Nations Environment Programme (UNEP) that is aimed at stimulating environmental awareness. Various events were organized, including the joint planting of tree saplings and green-belt development in which numerous IOT employees, contracted workers and security personnel participated.



Employees of IOT and Oiltanking Daya Bay spared no effort to plant plenty of tree saplings for a greener environment.

Moreover, 40 employees from Oiltanking Daya Bay and their families volunteered for a tree-planting campaign, which was organized together with a local non-governmental organization on March 10, 2012. The employees planted 500 tree saplings in the Guangdong Province close to Daya Bay in China.

#### 

Blood is a life-saving fluid but short in supply. To help reduce this need, blood drives are organized at the Marquard & Bahls headquarters in Hamburg in cooperation with the Asklepios Clinics. Nearly 10% of the employees based in Hamburg gave blood at the last drive. In 2011, more locations followed suit. Oiltanking Asia Pacific, for instance, organized a blood drive which was supported by many employees.



Oiltanking Asia Pacific started to organize blood drives in 2011.

## 

Daya Bay followed the good example of some North American terminals and initiated a garbage collection program in 2011. A team of 20 employees and their children volunteered to clean up the hilly countryside close to Daya Bay.



Employees of Oiltanking Daya Bay initiated a garbage collection campaign in the hilly countryside close to Daya Bay.





# Corporate Citizenship

## Sponsorship

Instead of Christmas gifts for employees, Marquard & Bahls has been donating 50,000 Euros annually to the German Red Cross (DRK) for several years. In 2011, the DRK used the money for a blood preservation project in New Delhi, India. Based on the urgent need for essential infrastructure, a 320 kVA-generator was bought to secure the electricity supply for cooling blood bottles in case of power cuts.



A 320 kVA-generator now secures the electricity supply for cooling blood bottles in case of power cuts in a blood preservation project in New Delhi.

Community support is also written with a capital C in Hungary, where Mabanaft donated money to a foundation for disabled children and for the creation of a playground in a local village while Oiltanking Antwerp supported a fight against cancer campaign.

## Culture & Sports

To support culture in the local communities, Oiltanking Terneuzen sponsors cultural festivals in the region, such as the annual Harbor Festival, the Zeeuwsch-Vlaanderen Festival or an ice track in the city center of Terneuzen, which was well appreciated by children and their families.



Oiltanking Terneuzen supports the "Havendagen Terneuzen" – a weekend full of cultural entertainment, music and activities financially.

Sport and the good cause are clubbed together in many countries on the Marquard & Bahls map. Skytanking Rome donated to a local airline soccer club while the women at the Oiltanking Tallinn terminal participated in a women's spring run. In the Netherlands and Belgium, approximately 20 "Oiltankers" participated in the Dutch classic cycling race, a 110 km course from Terneuzen to Antwerp via Ghent.



Employees from Oiltanking Terneuzen, Antwerp and Ghent jointly participated in the classic annual race.

## Research

As a further area of our corporate citizenship, we are also involved in research projects, such as to explore and understand the impact of climate change under the Initiative Pro Climate.

The Initiative extended the funding of a post-doctoral position at the KlimaCampus Hamburg for another three years. The position is aimed at exploring the relationship between climate change and precipitation by installing newly developed precipitation measurement instruments onboard the German research ships Maria S. Merian, Sonne and the icebreaker Polarstern, the Russian research vessel Akademik loffe, the Finnish research vessel Aranda and an Argentinian Coast Guard ship in cooperation with the University Buenos Aires to take continuous, long-term measurements over the world's oceans. With the precipitation data collected, the project has already yielded significant results for international climate research. The results of the first project phase were presented by the sponsored scientist Christian Klepp in April 2011 at the international Conference of the European Geophysical Union (EGU) in Vienna and the Global Precipitation Measurement Conference in Toronto, Canada in July 2012.



Sustainability Targets

# Sustainability Targets

If a company does not know into which direction it develops, it can not reach its vision and mission.

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





# Sustainability Targets

PRIORITY AREAS	TARGETS	ACHIEVEMENTS	STATUS	TIME HORIZON	PAGE
MANAGEMENT A	PPROACH			HUNIZON	
Sustainability Management	Integration of sustainability aspects in overall group strategy	Discussions with Executive Board and Managament of subsidiaries. Inclusion in strategy meetings	In progress	2015	14
	Implementation of corporate HSSE audits and global HSSE meetings at Skytanking	First HSSE meeting was held at Skytanking Germany in 2011	Accomplished 🗸	2011	16
CR Strategy	Further development of a CR strategy that is consistent with stakeholders' expectations	Aligning of CR topics based on outcomes of stakeholder dialogues. Appointment of first local CR managers	In progress	2015	23
Stakeholder Management	Development of a stakeholder management strategy	Stakeholder Management Guideline developed in 2012. First stakeholder dialogues on holding and local level in 2011 and 2012	Partially achieved	2013	19
Sustainability Reporting	Development of core indicators to measure sustainability performance and setting of quantified, measureable targets	Core indicators were implemented in the reporting of all subsidiaries in 2010. First measurable targets were formulated in this report.	Partially achieved	2015	23
	Expansion of reporting to attain GRI B level	More indicators and trends were included in the Sustainability Report 2011, so that GRI B level was achieved	Accomplished 🗸	2011	23
CORPORATE GOVE	ERNANCE				
Legal Compliance	Further reduction of fines for non-compliance with laws and regulations	Fines paid were reduced in 2011	Accomplished 🗸	2012	29
Anti-Corruption	Development of programs to ensure complete eradication of corruption	A program launched in 2011 at Oiltanking. Programs at other subsidiaries to be developed	Partially achieved	2015	30
Transparency	Continuous disclosure of sustain- ability-related performance data to interested stakeholders	Development and publication of Sustainability Reports since 2011	Accomplished 🗸	2012	31
ECONOMIC RESPO	ONSIBILITY				
Financial Performance	Long-term, profitable growth without short-term share price or profit maximization at an adequate return on investment	Diversified risk profile ensured earning of sound profits and an increased equity despite turbulent international markets in 2011	Ongoing	2015	34
Risk Management	Implementation of a group-wide risk management strategy that also considers environmental and social issues	In 2011, e.g., a tsunami risk analysis was conducted with an external specialist	Partially achieved	2015	36
Resource Efficiency	Intensification of efforts to reduce water consumption	Water management incorporated into Oiltanking's energy-saving program in 2011	Ongoing	2015	38
	Efficient use of materials for construction and production	Assessment of how to influence efficient material use in construction and production must be developed	Ongoing	2015	39

PRIORITY AREAS	TARGETS	ACHIEVEMENTS	STATUS	TIME	PAGE
ECOLOGICAL RESI	PONSIBILITY			HORIZON	
Spill Prevention	Minimize product releases. Goal-setting with subsidiaries and tracking of achievements	Preventive maintenance, practical training and drills and detailed emergency response plans at Oiltanking. Integration of relevant indicators in management bonus schemes	Partially achieved	2015	42
Energy Saving	Reduce relative energy consumption in storage activities by 10% in the next 3 - 5 years. Development and implementation of energy-saving programs	Oiltanking's energy-saving guideline implemented in May 2011. Reporting of energy consumption integrated in reporting of all subsidiaries as a baseline for future improvements	Ongoing	2015	44
Climate Protection	Further reduction of greenhouse gas emissions	The group-wide absolute emissions in- creased in 2011 while the relative energy consumption in storage activities decreased	Ongoing	2012	47
	Integration of energy efficiency aspects in chartering of vessels at Mabanaft	Energy efficiency aspects and greenhouse gas emissions of vessels have been consid- ered in chartering procedures since 2011	Accomplished 🗸	2011	48
Biodiversity	Improve understanding of direct and indirect influences on biodiversity	In 2011, an assessment of areas used for tank terminal sites was started to understand impact on land use better	In progress	2015	55
SOCIAL RESPONS	IBILITY				
Health & Safety	Improvement of near-miss reporting and inclusion of absentee rates in reporting of all companies	Absentee rates of all facilities worldwide tracked since 2011	Accomplished 🗸	2011	62
	Continuous reduction of fires and explosions	"Fire Protection Standard" at Oiltanking was implemented in 2011, which often exceeds legal requirements. Slight reduction of fires & explosions in 2011	Ongoing	2015	61
	Development of a group-wide Travel Manual and an airline vetting database	Travel Manual and airline vetting database to support employees involved in arranging international business trips implemented in 2011	Accomplished 🗸	2011	62
Education & Training	Improve the training and development of our employees	Placement of trainees throughout the organization and offering a wide scope of training programs for employees	Ongoing	2013	63
	Increase the recruiting rate for trainees at IOT	Recruitment of trainees from several engineering colleges and other institutes across India and establishment of an own training center in 2012	Accomplished 🗸	2011	64
Equal Opportunity	Continuously increase the recruitment of female employees and employees from diverse ethical backgrounds	When recruiting junior employees, a balance between male and female candidates is maintained	Ongoing	2013	66
CORPORATE CITIZ			A	0010	70
Volunteering & Sponsorship	Development of an intranet platform to share best-practice examples	Platform was introduced in February 2012 and new examples are continuously uploaded	Accomplished ✓	2012	70



# Appendices Abbreviations

AEBIOM	=	European Biomass Association
		(Association Européenne pour la Biomasse)
CH <sub>4</sub>	=	Methane
CNG	=	Compressed Natural Gas
CO <sub>2</sub>	=	Carbon Dioxide
CO <sub>2</sub> e	=	Carbon Dioxide Equivalents
CR	=	Corporate Responsibility
CSR	=	Corporate Social Responsibility
EBIS	=	European Barge Inspection Scheme
EBV	=	Erdölbevorratungsverband (German Strategic Storage Organization)
EEG	=	Renewable Energy Sources Act (Germany)
EPC	=	Engineering Procurement Construction
EPCA	=	European Petrochemical Association
ERP	=	Emergency Response Plan
FETSA	=	Federation of European Tank Storage Associations
FSC	=	Forest Stewardship Council
GHG	=	Greenhouse Gases
GJ	=	Giga Joule
GRI	=	Global Reporting Initiative
HFCs	=	Hydrofluorocarbons
HSSE	=	Health, Safety, Security & Environment
IFRS	=	International Financial Reporting Standards
ILO	=	International Labour Organization
IMO	=	International Maritime Organization
IPCC	=	International Panel on Climate Change
IOT	=	Indian Oiltanking Infrastructure & Energy Services Ltd.
IPIECA	=	International Petroleum Industry Environmental
		Conservation Association

1S0 International Organization for Standardization = International SOS ISOS = International Union for Conservation of Nature IUCN = JACDEC Jet Airliner Crash Data Evaluation Center = KPI Key Performance Indicator = kWh = Kilowatt Hour Light Emitting Diode LED = Liquefied Petroleum Gas LPG = LWD Lost Work Day = Lost Work Day Case LWDC = Mega Joule MJ = MWh Megawatt Hour =  $N_2O$ Nitrous Oxide = NGO Non-Governmental Organization = NMHCF Non-Methane Hydrocarbons = NO<sub>x</sub> Nitrogen Oxide =  $NO_2$ = Nitrogen Dioxide OCIMF **Oil Companies International Marine Forum** = OHSAS Occupational Health and Safety Assessment Series = MB0 Operation & Maintenance = Program for the Endorsement of Forest Certification PEFC = Perfluorocarbons PFCs = РМ Particulate Matter = PPE Personal Protective Equipment = Sulfur Hexafluoride  $SF_6$ = UK United Kingdom = UN **United Nations** = UPEI Union of European Petroleum Independents = United States US =

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## MARQUARD & BAHLS AG

Hamburg, Germany

#### MABANAFT GMBH & CO. KG

Hamburg, Germany

#### International trading

- Mabanaft B. V.
  Rotterdam, Netherlands
- Mabanaft Inc.
  Houston, Texas / USA
- Mabanaft Pte. Ltd.
  Singapore

#### Wholesale

- Mabanaft Austria GmbH & Co. KG Vienna, Austria
- Mabanaft Deutschland GmbH & Co. KG Hamburg, Germany
- Mabanaft Hungary Kft. Budapest, Hungary
- Mabanaft Limited London, Great Britain
- Mabanaft Moldova SRL Chisinau, Moldova
- Mineralölvertrieb Hameln GmbH & Co. KG Hameln, Germany
- B.W.O.C. Limited
  Weston-Super-Mare, Great Britain
- Tirex Petrol S. A.
  Chisinau, Moldova

#### Service stations

- OIL! Tankstellen GmbH & Co. KG Hamburg, Germany
- OIL! Tankstellen AG
  Rüti, Switzerland
- OIL Tankstellen GmbH Vienna, Austria
- B.W.O.C. Limited
  Weston-Super-Mare, Great Britain
- Tirex Petrol S. A. Chisinau, Moldova

#### Retail

- Advance Fuels Co. Ltd. London, Great Britain
- Benol Energieservice GmbH & Co. KG Frankfurt / Main, Germany
- Böttcher Energie GmbH & Co. KG Regensburg, Germany
- Deglmann Energie GmbH & Co. KG Weiden / Oberpfalz, Germany
- Greiner GmbH Wabern, Germany
- Hartmann Energie GmbH & Co. KG Oberleichtersbach, Germany
- JB German Oil GmbH & Co. KG Wittenburg, Germany
- Kaiser Söhne Mineralöle GmbH & Co. KG Arnsberg, Germany
- Keck Energieservice GmbH & Co. KG Brakel, Germany
- Klindworth-Kronol Energie GmbH & Co. KG Hamburg, Germany
- Lipps Mineralöle GmbH Hagen, Germany
- LSA Lubes Services GmbH & Co. KG Vienna, Austria
- Mabanol GmbH & Co. KG Hamburg, Germany
- Mabanol Deutschland GmbH Hamburg, Germany
- Mabanol Bitumen GmbH & Co. KG Hamburg, Germany
- Manfred Mayer MMM Mineralöl Vertriebsgesellschaft mbH Neudörfl, Austria

#### Retail

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

#### Bunkering

- Matrix Marine Holding GmbH Hamburg, Germany
- Mabanaft Bunker Holding GmbH & Co. KG Hamburg, Germany
- Matrix Bharat Pte. Ltd. Singapore
- Matrix Fuels DMCC Dubai, United Arab Emirates
- Matrix Kepu Bunkers Ltd. Bryanston, South Africa
- Matrix Marine Fuels L. P. Houston, Texas / USA
- Matrix Marine Fuels Pte. Ltd. Singapore
- Omanoil Matrix Marine Services L.L.C. Al Qurm, Oman

# Companies Covered by this Report



#### OILTANKING GMBH

#### Hamburg, Germany

#### Europe

- Oiltanking Amsterdam B. V. Amsterdam, Netherlands
- Oiltanking Bulgaria AD Varna, Bulgaria
- Oiltanking Copenhagen A/S Copenhagen, Denmark
- Oiltanking Deutschland GmbH & Co. KG Hamburg, Germany
- Oiltanking Finance B. V. Amsterdam, Netherlands
- Oiltanking Ghent N. V. Ghent, Belgium
- Oiltanking Hungary Kft. Budapest, Hungary
- Oiltanking Malta Ltd. Birzebbugia, Malta
- Oiltanking Sonmarin Oy Kotka, Finland
- Oiltanking Stolthaven Antwerp N. V. Antwerp, Belgium
- Oiltanking Tallinn AS Tallinn, Estonia
- Oiltanking Terneuzen B. V. Terneuzen, Netherlands

#### North America

- Oiltanking Beaumont Partners L. P. Beaumont, Texas / USA
- Oiltanking Houston L. P. Houston, Texas / USA
- Oiltanking Joliet LLC Houston, Texas / USA
- Oiltanking Partners L. P. Houston, Texas / USA
- Oiltanking Port Neches LLC Houston, Texas / USA
- Oiltanking Texas City L. P. Texas City, Texas / USA

#### Latin America

- Consorcio Terminales Lima, Peru
- Logística de Químicos del Sur S. A. C. Lima, Peru
- Oiltanking Colombia S. A. Bogotá, Colombia
- Oiltanking Ebytem S. A. Buenos Aires, Argentina
- Oiltanking Logistica Argentina S. A. Buenos Aires, Argentina

#### Latin America

- Oiltanking Panama S. A. Panama City, Panama
- Oiltanking Peru S. A. C. Lima, Peru
- Oiltanking Terminais Ltda.
  Rio de Janeiro, Brazil
- Terminal Industrial Taboquilla S. A. Panama City, Panama

#### Middle East

- Oiltanking Odfjell Terminals
  Oman & Co. LLC
  Hamriya, Oman
- Star Energy Oiltanking Ltd. Dubai, United Arab Emirates

#### Asia Pacific

- Daya Bay Public Pipe Rack Corridor Co., Ltd. Huizhou, China
- Oiltanking Daya Bay Co., Ltd.
  Huizhou, China
- Oiltanking Nanjing Co., Ltd. Nanjing, China
- Oiltanking Odfjell Terminal Singapore Pte. Ltd.
   Singapore
- Oiltanking Singapore Ltd. Singapore
- PT Oiltanking Merak Terminal Jakarta, Indonesia

#### India

- IOT Infrastructure & Energy Services Ltd. Mumbai. India
- Zuari Indian Oiltanking Ltd. Goa, India

#### Engineering

- Indian Oiltanking Anwesha Mumbai, India
- Indian Oiltanking
  Design & Engineering Co.
  Mumbai, India
- Indian Oiltanking Engineering Projects Pvt. Ltd. Mumbai, India
- IOT Engineering & Construction Services Co. Ltd. Muscat, Oman
- Newsco Drilling Asia Singapore
- Stewarts & Lloyds of India Ltd. Calcutta, India

#### SKYTANKING HOLDING GMBH

Hamburg, Germany

#### International

- IndianOil Skytanking Delhi Limited Bangalore, India
- Luxfuel S. A. Luxembourg
- North Air Ltd. Aberdeen, Great Britain
- Skytanking ASIG GmbH & Co. KG Hamburg, Germany
- Skytanking Berlin GmbH & Co. KG Hamburg, Germany
- Skytanking Calulo Ltd. Bryanston, South Africa
- Skytanking France Holding Tremblay, France
- Skytanking GmbH Zurich, Switzerland
- Skytanking N. V. Diegem, Belgium
- Skytanking Ostend N. V.
  Oostende, Belgium
- Skytanking S.R.L. Fiumicino, Italy
- Skytanking Stuttgart GmbH & Co. KG Hamburg, Germany
- Skytanking USA Inc.
  Wilmington / Delaware, USA

#### OTHER COMPANIES

#### MABAGAS GMBH & CO. KG Hamburg, Germany

- IOT Mabagas GmbH & Co. KG
- Chennai, India – Mabagas International GmbH Hamburg, Germany
- Mabagas Kraftstoff GmbH & Co. KG Hamburg, Germany

#### GMA MBH & CO. KG Frankfurt / Main, Germany



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302	related to corruption. (Core)	Complete	30
S04	Actions taken in response to incidents of corruption. (Core)	Complete	30
S05	Public policy positions and participation in public policy development	compiete	50
505	and lobbying. (Core)	Complete	20
S08	Monetary value of significant fines and total number of non-monetary		
	sanctions for non-compliance with laws and regulations. (Core)	Complete	29
SOCI	AL PERFORMANCE INDICATORS: PRODUCT RESPONSIBILITY		
PR3	Type of product and service information required by procedures	AT DO REAL SHO	
-	and percentage of significant products and services subject to such		
	information requirements. (Core)	Partially	29



# Colophon ...

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Marquard & Bahls AG Admiralitätstraße 55 20459 Hamburg Germany

