

MARQUARD & BAHL AG
Sustainability Report 2013



”The pursuit of sustainable goals is and will remain the key to our continuous success. Only with this long-term view, which of course can occasionally result in unfulfilled hopes, can we remain a preferred partner for our business partners and a reliable employer for our employees.

Our sustainable goals do not just relate to the aspect of long-term planning; as a family-owned business the social and environmental repercussions of our activities are also very important. This report highlights our efforts in these areas and describes specific measures to achieve our high standards.“

Hellmuth Weisser

Chairman of the Supervisory Board, Marquard & Bahls AG



WHO WE ARE

Marquard & Bahls is a family-owned company based in Hamburg. Founded in 1947, over the decades Marquard & Bahls has grown into one of the leading independent companies in the international oil and energy business.

WHAT WE DO

In addition to oil trading, tank storage, aviation fuelling and renewable energies are our key lines of business; beyond that, we are active in gas supply and fuel analysis. Through its subsidiaries, Marquard & Bahls is represented in more than 40 countries on five continents and employs over 9,000 people worldwide.

VISION & MISSION

Our vision is to be the preferred partner in energy supply, trading and logistics. We provide our customers with tailor-made solutions ensuring high quality and safe operations. As a family-owned company we care about our people and strive for long-term profitability and controlled growth while maintaining our independence as well as our culture.

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FOREWORD BY THE EXECUTIVE BOARD



Executive Board (from left to right): Julio Tellechea, Christian Flach, Claus-Georg Nette

To ensure that our company remains on course, we reformulated our strategy and defined many framework conditions and objectives in this connection during last year. We have re-determined the role of Marquard & Bahls as a strategic holding, analyzed potential areas of growth, and drawn up frameworks for the strategies of the various business divisions.

Achieving sustainability in our businesses is a priority and is firmly rooted in our values. Accordingly, our goal is to prevent accidents, injuries and occupational illness and to protect the environment. In 2013, we were able to further reduce almost all of these indicators, in particular the frequency and severity of accidents. The rate of product releases was also significantly reduced again.

Despite these positive developments, we also had setbacks last year, such as two fatal accidents involving contractors. Marquard & Bahls deeply regrets these tragic events. One of our main goals for 2014 is therefore to further increase the safety awareness of contractors, as well as that of our employees. To achieve this, for example, a new behavioral-safety campaign was rolled out at all Oiltanking terminals. Processes including the selection, monitoring and evaluation of contractors are being defined in a comprehensive manual on contractor safety, and in future will be documented in a database.

Having redefined the company's strategy, we intend to further develop our sustainability strategy in the foreseeable future. One important element in this is moving forward with stakeholder management. The focus on energy savings was taken into account during the past year in new construction projects, and specific energy-saving programs were launched at tank terminals. We achieved our plan of setting additional quantifiable targets in our sustainability report last year, and will continue to pursue this goal in future.

The EU Member States' decision in February 2014 to introduce mandatory Corporate Responsibility (CR) reporting shows that we are on the right track in disclosing our sustainability performance. In future, major companies will be held accountable for environmental risks, corruption, and human rights aspects. We see it is a matter of course that we transparently disclose the environmental and social impact of our activities. By practicing voluntary and comprehensive sustainability reporting since 2010, we have underscored our proactive approach and responsibility towards stakeholders. We will continue to follow this approach in future.

We wish you an enjoyable read!

Hamburg, August 2014



Christian Flach
CEO



Claus-Georg Nette
CFO



Julio Tellechea
Executive Board Member –
Trading

ABOUT THIS REPORT

This fourth Marquard & Bahls Sustainability Report provides an accounting of our sustainability activities in 2013. The report covers all Marquard & Bahls companies including joint ventures, even if only a minority stake is held. natGAS is the only company we have not included – except for its revenues and headcount – as we have no appreciable influence on its activities under company law. The appendix contains a list of all companies included in the report.

As in the previous year, the report was written in accordance with the GRI guidelines (version 3.0). A list of the GRI indicators can be found in the appendix. In total, we report on 29 indicators fully and on 30 in part. According to a self-assessment on the basis of the GRI Guidelines and a review by the GRI, application level B applies. The structure of the report is based on the “Temple of Corporate Responsibility” shown on page 22. Its color-coded columns represent the thematic areas of our sustainability activities. Declared targets and goals are highlighted in the text margin with a bull's-eye symbol, and are summarized in a table on page 26. As Marquard & Bahls did not receive any external sustainability awards during the reporting period, we do not provide any information on this aspect.

All financial information is expressed in euros (€). All foreign currencies have been converted to euros at the average exchange rates for 2013.

This report is available in German and English. The German version takes precedence. The editorial deadline for this report was July 31, 2014. A print run of 2,800 copies was printed climate-neutrally. The previous report was published in August 2013. The next report is scheduled for summer 2015.

The report was compiled by the Marquard & Bahls Department of HSSE & Corporate Communication in Hamburg, in cooperation with the subsidiaries and departments, and was approved for publication by the Marquard & Bahls Executive Board. The report can also be downloaded from our website. Please refer to our Annual Report and our website at www.marquard-bahls.com for further information about the company.

If you have any questions or feedback about the Sustainability Report, please email us at:

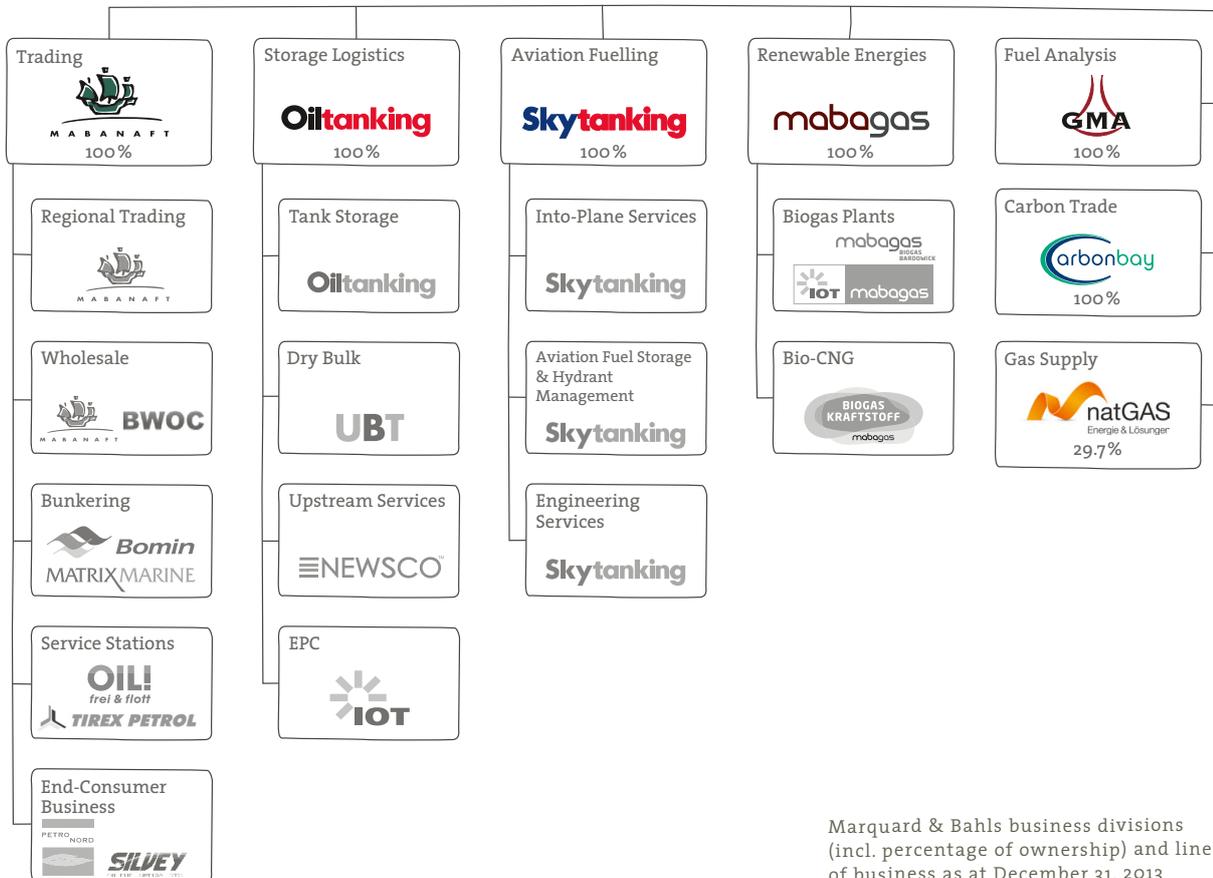
sustainability@marquard-bahls.com



MARQUARD & BAHL'S PORTRAIT

We derive our strength from the entire range of our business segments, which make Marquard & Bahls what it has been for over 65 years – an independent, sound and individual company in the international oil and energy business.

Headquartered in Hamburg, Marquard & Bahls does business in over 40 countries worldwide with its subsidiaries. For the purposes of this report, they are summarized in the following seven regions: Germany, Europe (excluding Germany), North America, Latin America, Middle East & Africa, India, and Asia Pacific. In 2013, Marquard & Bahls employed an average workforce of 9,247 employees and at year-end had 9,281 employees. 4,920 of them work for fully consolidated companies. Last year, our company generated consolidated revenues of 17.0 billion euros (including energy tax) and consolidated income before taxes of 174.9 million euros.



Marquard & Bahls business divisions (incl. percentage of ownership) and lines of business as at December 31, 2013

---> SUBSIDIARIES

TRADING >> MABANAFT

Mabanaft is the trading division of Marquard & Bahls. Its core business is the physical oil trade, including both regional trading and wholesale. In addition, the company is involved in bunkering, retail of heating oil to end consumers, service stations as well as lubricants, liquid and solid biofuels. As in the previous year, the sales volume was close to 21.1 million tons. Average headcount during the year was 2,188 employees (2,064 in 2012).

▶ Regional Trading

Mabanaft's trading strategy centers on physical oil trading. In Singapore, Mabanaft focuses on regional physical trading in Asia, while Mabanaft International concentrates on trading in the Mediterranean and Black Sea regions.

▶ Wholesale

In northwestern Europe, Mabanaft is a leading independent importer and wholesaler of petroleum products. The company has established itself as a reliable partner in Germany, Austria, the United Kingdom, Hungary and Moldova. Mabanaft Deutschland e.g. supplies its customers with heating oil, diesel, gasoline, jet fuel, liquefied petroleum gas, as well as biofuel and biomass fuels such as wood pellets. In the U.K. Mabanaft operates a wholesale business under the name B.W.O.C.

▶ Bunkering

Bomin is a leading supplier of bunker fuels worldwide, with more than 35 years of market experience. Its business activities range from trading in fuels and lubricants to other services in the shipping industry, such as the removal and disposal of heavy oil residues and lubricants. The company does business at 36 sites around the globe and maintains a fleet of 40 own bunker vessels.

In order to supply ship owners and operators with environmentally friendly fuel in future, a 50/50 joint venture between Bomin and Linde – Bomin Linde LNG – was founded in 2012. Its aim is to build a reliable liquefied natural gas (LNG) marine bunkering infrastructure in northwestern Europe.



► End-Consumer Business

Our end-consumer business activities have been steadily expanded in recent years under the Petronord umbrella. With 24 companies in Germany and Austria, Petronord is a major player in the supply of heating oil, diesel, lubricating oils, natural gas, wood pellets and bitumen. In the U.K., the end-consumer business is operated by Thomas Silvey.

► Service Stations

Through its subsidiaries, Mabanafit has an extensive network of over 600 service stations. OIL! Tankstellen now operates 270 service stations in Germany, Austria and Switzerland. In October 2013, OIL! took over 20 service stations in the metropolitan Rhine-Ruhr region, expanding the company's service station network in Germany to 222 service stations. The Petronord network comprises more than 220 unmanned filling stations for commercial trucking fleets throughout Germany. Tirex Petrol in Moldova has a network of more than 110 service stations.

STORAGE LOGISTICS >> OILTANKING

Oiltanking has been successful in the tank storage business since 1972. In 2013, an average of 5,374 people were employed at Oiltanking (2012: 4,794). The company has a broad portfolio that also encompasses – beyond tank storage – dry bulk handling, upstream services and EPC (engineering, procurement and construction).

► Tank Storage

Oiltanking is the world's second-largest independent tank storage provider for oils, chemicals and gases. Oiltanking owns and operates 73 tank terminals as well as dry bulk storage terminals in 23 countries in Europe, North America, Latin America, the Middle East & Africa, India, and the Asia Pacific region. In 2013, the total throughput amounted to 201.7 million tons. Between 2012 and 2013, the storage capacity for liquids increased by 2.9 million m³ to 23.1 million m³ at year-end. Additionally, last year Oiltanking invested in two tank terminals in South Africa, began the construction of a tank terminal on the Indonesian island of Karimun, acquired a tank terminal in Deggendorf, Germany, and sold 45 percent of its shares in the Helios tank terminal in Singapore.

► Dry Bulk Handling

With the acquisition in June 2012 of United Bulk Terminals in Davant, Louisiana, one of the largest export terminals for coal and petroleum coke in the United States, Oiltanking took a major step into the dry bulk sector. At the Corpus Christi location in the U.S., petroleum coke and sulfur are transshipped for refineries. In 2013, Oiltanking had a total storage capacity of 4.3 million tons at the two locations in Davant and Corpus Christi, and total throughput amounted to 10.1 million tons.

► Upstream Services

In the upstream services segment, Newsco, in which Marquard & Bahls holds a stake of 30 percent via the subsidiary Indian Oiltanking (IOT), offers services for directional drilling and seismic investigations. The majority shareholding in the Canadian company Newsco was acquired in 2008. Newsco's portfolio of services includes horizontal directional drilling, the development of sensors for measurement while drilling (MWD), and the construction of drilling motors. Now headquartered in Houston in the U.S., the company also has operations in Canada, Peru, Russia, Kazakhstan, and India.

► EPC

Oiltanking is also involved in the engineering, procurement and construction (EPC) of large industrial facilities. The core competencies of the EPC segment of our Indian subsidiary IOT Infrastructure & Energy Services Ltd lie in the engineering, planning and construction of tank storage terminals for petroleum products and chemicals, as well as facilities for power plants and refineries. In addition, IOT engineers work on projects in the Middle East, Africa, and Asia.



AVIATION FUELLING >> SKYTANKING

Skytanking is one of the few international companies that cover the entire range of fuelling services at airports. The company is now the largest independent supplier of aircraft fuelling services in Europe. Beyond Europe, Skytanking was present at airports in the U.S., India, and South Africa as of 31 December 2013, and employed an average of 1,387 people in 2013.

► Into-plane Services

Skytanking continued its expansion in 2013 and took over aircraft fuelling services at the airports in Austin, U.S., and Venice, Italy. At year-end 2013, this gave Skytanking a presence at 53 airports in 12 countries, where it fuelled approximately 1.7 million aircraft. Throughput rose to around 13 billion liters (excluding tank farm throughput).

► Aviation Fuel Storage & Hydrant Management

Besides aircraft fuelling, Skytanking operates and maintains airport fuel storage and hydrant systems, both its own and those owned by third parties.

► Engineering Services

Skytanking has an experienced team of engineers based in Brussels that supports airports, airlines and oil companies in the areas of project management, construction supervision, and planning, as well as in the delivery and commissioning of aircraft refuelling infrastructure.

RENEWABLE ENERGIES >> MABAGAS

Mabagas was founded in late 2008 to realize biogas projects in the German and international markets. These projects generate energy from organic residuals and waste to avoid competing with food production. In 2013, the company employed an average of 51 employees in Germany and India.

► Biogas Plants

The services offered by Mabagas range from project planning, financing and construction to the operation of plants. The biogas plant in Bardowick, Germany, acquired by Mabagas in 2012, specializes in recycling organic waste according to the German regulation for organic waste (BioAbfV). The biogas plant in Namakkal, India, which went into operation at the end of 2012, uses only organic waste in the form of poultry manure and residues from the sugar industry.

► Bio-CNG

In 2013, Mabagas sold compressed biomethane (CNG – compressed natural gas) at nine OIL! service stations, an increase of 50 percent compared to 2012. Against the backdrop of climate change, Bio-CNG is not only a particularly cost-effective, but also an environmentally friendly alternative to conventional fuels.

FUEL ANALYSIS >> GMA

The quality of its products and services is of crucial importance for Marquard & Bahls. Therefore, the company is involved in fuel analysis and quality management through its subsidiary, GMA. GMA's services include the analysis of fossil and biogenic fuels as well as technical support. In addition, the company is involved in the development of product standards. GMA has its own DAkkS (German Accreditation Service) accredited laboratory. Its services also include consultation on fuel additives and the development of customized solutions related to additives.

CARBON TRADING >> CARBONBAY

Since late 2009, Mabanaft has been developing climate protection projects in compliance with the United Nations Kyoto Protocol. The company has since built up a considerable portfolio of renewable energy and energy efficiency projects. They are located in Latin America, South Africa, Kenya, India and Vietnam. In order to better leverage synergies in the field of renewable energies, during the year under review all climate-protection-related activities were assigned to Mabagas in Hamburg and on December 31, 2013 were pooled in Carbonbay GmbH & Co. KG.

GAS SUPPLY >> NATGAS

To meet the growing demand for gas supply, in 2000 Marquard & Bahls became the second-largest founding shareholder in natGAS, a gas supplier based in Potsdam, Germany. natGAS has expanded its market position through long-term agreements for gas supply and by gaining new customers, and today is one of the leading independent market participants in Germany. natGAS has also successfully expanded internationally and now operates in France, Belgium, Austria and Switzerland. natGAS relies on customized services as well as professional portfolio management. In 2013, natGAS therefore added the supply of electricity to its portfolio.



---> LOCATIONS



- Marquard & Bahls
- Mabanaft
- Oiltanking
- Skytanking
- Others



As at December 31, 2013

Please click on the following link to watch the Marquard & Bahls image film, which presents our various lines of business:
www.marquard-bahls.com/en/imagefilm



STRATEGY & SUSTAINABILITY

The repercussions of our activities can have environmental as well as social relevance. We take this fact into account by focusing on the goals of sustainable development in our activities.

During the past year, we initiated an extensive strategy process at the level of the holding, and in this context also formally anchored sustainability in our values.

--> STRATEGIC APPROACH

In the past ten years, Marquard & Bahls has seen rapid growth and its portfolio has changed and expanded significantly. The market environment has also changed dramatically. We took this as an opportunity to revise our strategy for the entire group.

As part of this realignment, we revised the role of Marquard & Bahls as a strategic holding company, analyzed new growth opportunities, defined guidelines for the individual divisions' strategies, and formulated our vision & mission, which arches over everything and determines the long-term policy for Marquard & Bahls. We also confirmed our priorities and values and placed them in an overall context with our philosophy. Together they form our strategic approach, which applies to the entire group and has been included in our revised Code of Conduct due to its comprehensive significance.



Fig. 1: Strategic Approach of Marquard & Bahls



---> ORGANIZATIONAL STRUCTURE

Marquard & Bahls is governed by an Executive Board, which is supported by a Supervisory Board as an advisory and monitoring body. The Executive Board determines the company's strategy and regularly updates the Supervisory Board on the company's situation and performance. A lively, consultative exchange on all the major matters at hand takes place between the two bodies. The Supervisory Board also approves key corporate decisions, such as major investments. In 2013, Marquard & Bahls set up the Group Management Committee (GMC) as a further body to support the Executive Board in an advisory capacity in selected areas. The Managing Directors of Skytanking and Mabagas sit on the GMC, as do the heads of important central departments at Marquard & Bahls.

As part of the strategy process, the Executive Board has defined a specific role in the company's portfolio for each division, and set clear strategic and financial targets. The independent divisions are responsible for developing and implementing their own strategies within this framework. The idea is to intensify coordination between the central and local or regional departments, optimize processes, and leverage synergies. To achieve this in a systematic manner, reporting structures were established as part of the strategy process. They determine which activities the central, local or regional departments are responsible for, respectively.

2013 was the first full fiscal year with an expanded Executive Board. Since the end of March 2014, this body has only had three members for a transitional period, as one of the Executive Board members resigned for personal reasons. Until a successor is appointed, the other Executive Board members are covering all duties.

Members of the Executive Board:

Christian Flach – Chief Executive Officer (CEO)

Claus-Georg Nette – Chief Financial Officer (CFO)

Julio Tellechea – Executive Board Member – Trading
Managing Director, Mabanaft GmbH & Co. KG

Members of the Supervisory Board:

Hellmuth Weisser (Chairman)

A. Wim Lokhorst, Stacy Methvin, Benedikt Niemeyer, Jörg Weisser, Liesel Weisser

---> SUSTAINABILITY MANAGEMENT



In defining our strategy, sustainability was deliberately anchored as a binding value for our company. We are aware of the potential impact of our business activities on people and the environment, and therefore try to integrate the principle of sustainable development

in all our activities and to promote the welfare of our employees, the environment, and the surrounding communities.

In accordance with our core business, our sustainability management focuses on the areas of health, safety, security & environment (HSSE), and is therefore based on the activities coordinated by the HSSE & Corporate Communication Department. All of the larger Marquard & Bahls companies, especially Oiltanking and Skytanking, have a designated HSSE manager to supervise all HSSE-related topics and questions. Since 2010 there has been a separate Sustainability team within the HSSE & Corporate Communication Department. It pools all related activities and further develops them in close coordination with local HSSE managers.

Sustainability issues are reported directly to the CEO via the Head of the HSSE & Corporate Communication Department. Figure 2 shows how sustainability is integrated in Marquard & Bahls' overall management approach.

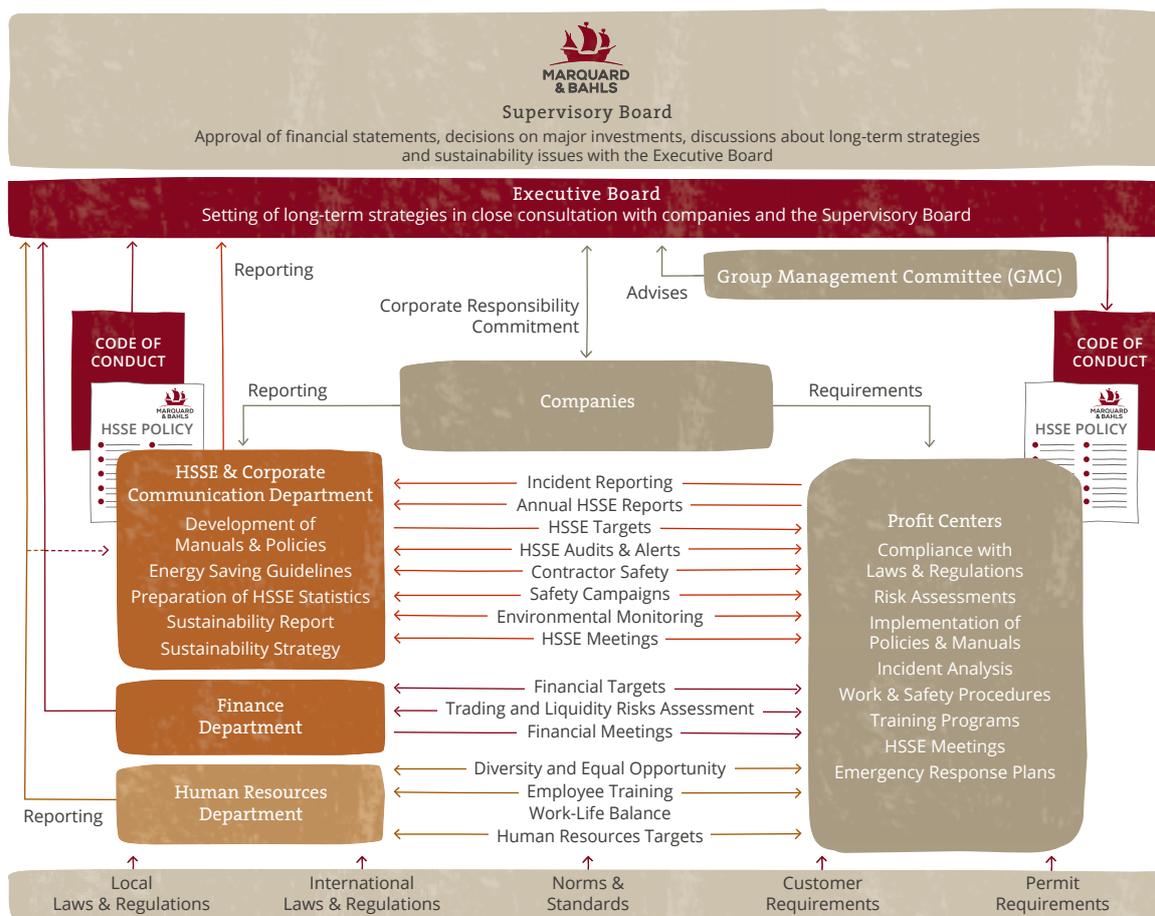


Fig. 2: Integration of sustainability in the management approach



Our long-term goal is to more firmly mainstream our centrally defined sustainability management worldwide, and to lend a greater impact to sustainability activities developed at local level. In the regions Asia Pacific and Latin America we have already appointed Corporate Responsibility (CR) coordinators to advance the issue locally. We will successively transfer this model to other regions.

To identify the issues that are relevant for our sustainability efforts, we monitor changes in legal requirements and relevant standards, such as the Global Reporting Initiative (GRI). In addition, we survey our stakeholders about what issues are important to them. In a materiality analysis, we periodically compare the significance of the aspects identified from an external perspective with our own assessment of their importance, in order to determine the issues we focus on.

OUR STAKEHOLDERS

We have identified the most important stakeholders for us through internal discussions, workshops, external analyses, and industry comparisons. As shown in figure 3, both the frequency of contact with stakeholders and the relevant issues vary.

While contact with employees, shareholders, customers or business partners usually takes place on a daily or weekly basis, with other stakeholders it is less frequent.



Fig. 3: Marquard & Bahls stakeholders

To systematize our stakeholder dialog, a Stakeholder Management Guideline was prepared in 2012. It sets out the key objectives and activities of the stakeholder strategy and explains in detail the principles for implementing stakeholder dialogs using various instruments. Dialogs have been in place at the holding company and local level since 2011. In 2013, this process developed more slowly than planned, so we did not achieve our goal of increasing the number of stakeholder conversations. However, regional CR managers held training seminars to create a deeper understanding of sustainability and the need for a systematic stakeholder dialog. We see this awareness-building as a good basis for further pursuing our goal of successively increasing the number of such conversations and incorporating the results into our sustainability strategy.





OUR SUSTAINABILITY ISSUES

As a family-owned business that operates in the fields of energy supply, trading and logistics, the following strategic core issues determine our success:

- Ensuring health and safety at work
- Spill prevention
- Climate protection
- Education and training
- Welfare of the communities we operate in or near to

Using the process described above, we have broken the core issues out into other, more detailed sustainability topics. Together they form our “Temple of Corporate Responsibility”, which is shown in figure 4.



Fig. 4: Marquard & Bahls “Temple of Corporate Responsibility”

So our corporate responsibility efforts can be divided into five areas that cover the full spectrum of topics we see as our sustainability priorities. The following chapters of this Sustainability Report are structured according to these areas.

The temple should be regarded as a dynamically developing structure, since we keep examining the relevance of existing and new issues as part of our sustainability management.

OTHER INSTRUMENTS & MEASURES

We use various instruments and measures to anchor the aforementioned five key strategic issues in our global activities.

▶ **HSSE Policy**

To firmly establish responsibility for environmental and social concerns at the highest level, the relevant principles are reflected in our HSSE Policy, which was ratified by the Marquard & Bahls Executive Board. The managements of all subsidiaries worldwide have also signed corresponding corporate HSSE policies and displayed them on the premises.

▶ **Guidelines and Standards**

We develop our internal policies and standards based on internationally recognized principles of responsible entrepreneurship. The basis for this is our binding Code of Conduct for all employees. Furthermore, we respect the Universal Declaration of Human Rights and the eight core labor standards of the International Labour Organization (ILO). We will further embed the ten principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises as well as the principles of the German Corporate Governance Code and the German Sustainability Code in our processes, even if we are not yet an active signatory.

▶ **Audits**

We use internal HSSE audits to continually improve our performance and review our progress in the areas of Health, Safety, Security & Environment. On behalf of the Executive Board, the HSSE & Corporate Communication Department monitors Oiltanking and Skytanking locations worldwide for their compliance with company standards. In 2013, Oiltanking, Skytanking, Petronord, and OIL! underwent a total of 71 internal and 270 external audits – the latter included audits by authorities, customers, and insurance companies.

▶ **Key Performance Indicators**

Key performance indicators (KPIs) are another tool used to audit and improve the system. Detailed HSSE statistics with “leading” (forward-looking) and “lagging” (retrospective) indicators are prepared for the whole group (except Petronord and Bomin) and for each profit center. Since 2011, indicators such as near misses, accident rate, and product spills have been a bonus-related element of management remuneration at Oiltanking.



► Certified Management Systems

A total of 35 of the 75 operative Oiltanking locations worldwide (47 percent) have been certified for quality management (ISO 9001), 20 locations (27 percent) for environmental management (ISO 14001) and 21 locations (28 percent) for health and safety management (OHSAS 18001). Of these, 18 locations (24 percent) have triple certification. The remaining locations have not had any of their quality, environmental or occupational health and safety management systems certified. At Skytanking too, five of the 53 locations have now been certified in accordance with ISO 9001 (nine percent); three of these have also had their environmental management systems certified to ISO 14001. These management systems have been developed to continuously increase the effectiveness and efficiency of the business processes. Several other Marquard & Bahls companies have organized their management processes in a very similar way.

INVOLVEMENT IN ASSOCIATIONS & POLITICS

As part of our national and international lobbying, we are involved in several national and international organizations to develop and implement industry-wide sustainability standards. These include:

INTERNATIONAL

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
NGVA	Natural & bio Gas Vehicle Association

NATIONAL

AFM+E	Foreign Trade Association for Petroleum and Energy (Aussenhandelsverband für Mineralöl und Energie e.V.)
UTV	umbrella organisation for the small and medium-sized petroleum and energy industry in Germany
MEW	Mittelständische Energiewirtschaft Deutschland e.V.
BFT	Federal Association of Independent Service Stations (Bundesverband freier Tankstellen e.V.)
FPE	Society for the Promotion of Inexpensive Energy (Förderkreis Preiswert-Energie e.V.)

The Public Affairs Department in Hamburg works in the field of association work and energy policy. In this connection, it actively participates in debates with decision makers, and works closely with the relevant associations. Furthermore, the department communicates the role of oil as an energy source, and the position of small and medium-sized oil companies to the outside. There is a particularly great need for information on oil logistics, which is met among other things by organizing visits to tank terminals for representatives from government and ministries. Marquard & Bahls has maintained a liaison office in Berlin since 2009.

---> SUSTAINABILITY TARGETS

To better assess current and future challenges and risks and identify opportunities, the process of analyzing our value chain was continued in 2013. The initial partial results are presented in a Bachelor's Thesis that analyzed Oiltanking's value chain in the field of tank storage with a view to sustainability-related topics and offset existing challenges against measures that are already in place. The recommendations for action developed based on this will be incorporated into the analysis of other divisions, and into the development of our long-term sustainability strategy. We are therefore sticking to our goal of mapping our entire value chain in the coming year, analyzing it for sustainability-related risks and opportunities, and taking the results into account in the further development of our sustainability strategy.



The following table gives a detailed overview of our targets for the various strategic issues in our sustainability activities, including information about achievements and things that were not achieved.

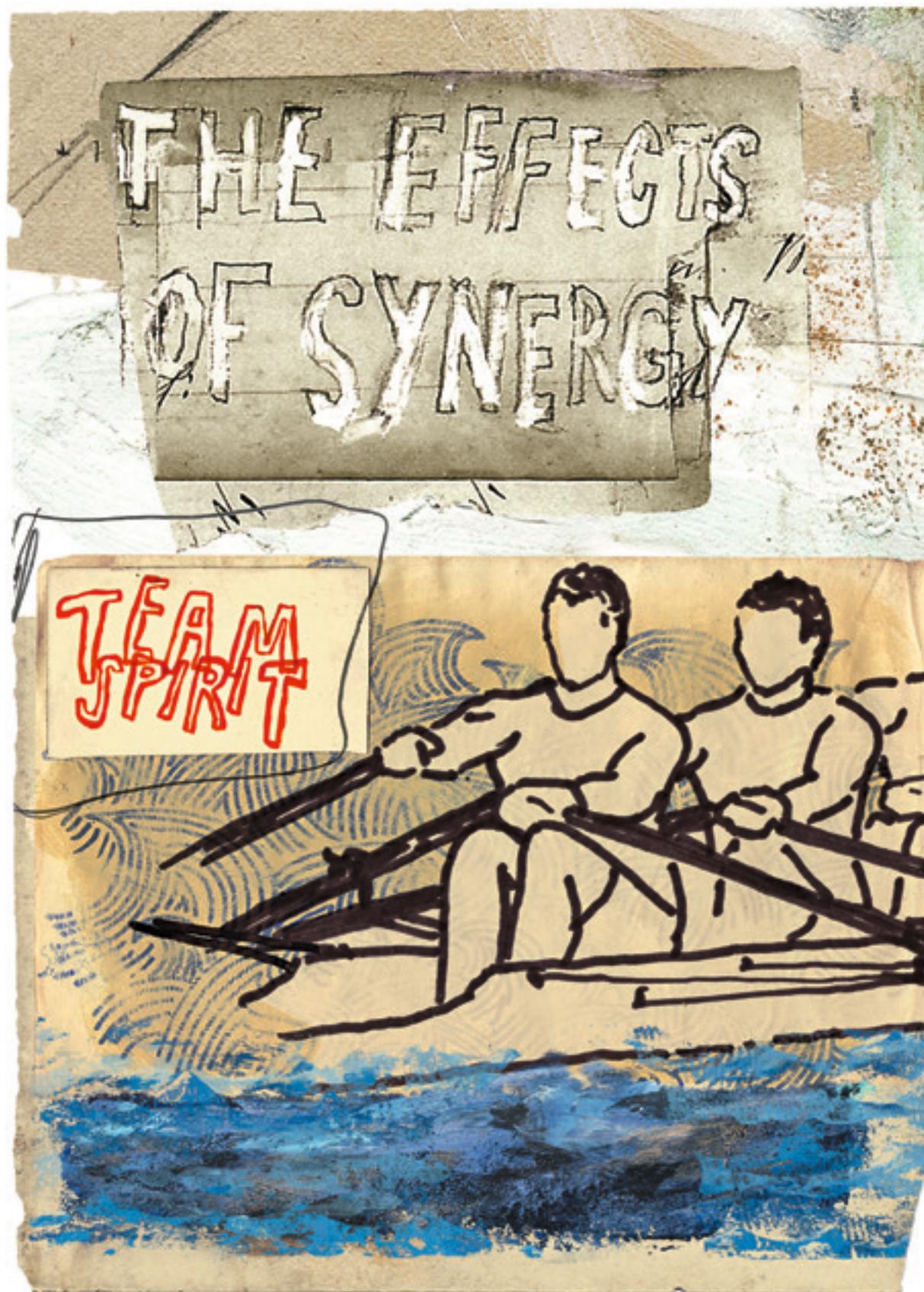


---> SUSTAINABILITY TARGETS

TOPIC	TARGET	ACHIEVEMENT	STATUS	TIMING	PAGE
MANAGEMENT APPROACH					
Sustainability Management	Integrate sustainability aspects in the strategy of the whole group of companies	Anchor sustainability in the values system of our strategic approach	●	2015	18
Sustainability Strategy	Further develop the Sustainability Strategy in line with stakeholder expectations	Parts of the sustainability strategy have been developed further	●	2015	21
★	Analyze the group-wide value chain for CR-related opportunities and risks	Exemplary analysis of the Oiltanking value chain (tank storage) as part of a Bachelor's thesis	●	2015	25
★	Appoint further regional CR coordinators at Oiltanking	Use regional CR coordinator system at Oiltanking Asia-Pacific and Latin America as a model	●	2015	20
Stakeholder Management	Develop a strategy for managing stakeholders	No further dialogs in 2013; Stakeholder management strategy is being further developed as part of the sustainability strategy	○	2015	6
Sustainability Reporting	Develop key indicators to measure sustainability performance and define quantifiable, measurable targets	Reporting on existing key indicators was continued	●	ongoing	6
CORPORATE GOVERNANCE					
✦	Legal Compliance	Further reduce fines due to non-compliance with laws and regulations	●	2014	31
	Anti-Corruption	Develop programs to completely eliminate corruption	○	2015	32
	Transparency	Ongoing disclosure of sustainability-related performance indicators to stakeholders	●	ongoing	6
ECONOMIC RESPONSIBILITY					
	Financial Performance	Long-term, profitable growth, no short-term profit maximization, appropriate return on capital	●	ongoing	36
	Risk Management	Implement group-wide risk managements taking into consideration ecological and social matters	●	2015	38

★ = new target ● = achieved/implemented and ongoing ● = partly achieved/implemented ○ = not achieved/in progress

TOPIC	TARGET	ACHIEVEMENT	STATUS	TIMING	PAGE
Supplier Relations	Develop an integrated management program at Oiltanking for contractor safety	Developed a safety guideline for contractors; in-depth discussions with in-house stakeholders: concept for database to support sites with implementation	●	2014	74
ECOLOGICAL RESPONSIBILITY					
Spill Prevention	Reduce product releases at Oiltanking by 10 % compared to the previous year; agree targets with subsidiaries and monitor results	Total product releases across all Oiltanking sites reduced by over 70 %; new target: reduce relative product release at Marquard & Bahls by 10 % by 2015	●	2015	43
Energy Saving & Climate Protection	Reduce energy consumption in tank storage activities by 10 % by 2015 and develop and implement energy saving programs	Oiltanking reduced its relative energy consumption by 3 %; absolute energy consumption across the company (direct and indirect) has risen by 21 % due to the added consumption by Bomin sites and ships that were not previously part of the reporting	●	2015	44
	Reduce greenhouse gas emissions against the background of company's growth as far as possible	Total direct and indirect CO ₂ emissions increased by 45 % in 2013, mainly attributable to the company's growth	○	2020	48
Conservation of Natural Resources	Intensify efforts to reduce water consumption	Relative water consumption at Oiltanking reduced by 2 %	●	2015	56
SOCIAL RESPONSIBILITY					
Education & Training	Improve the training and coaching offered to our staff	The group-wide international trainee program FUEL will be launched in 2014; 67 trainees are currently in training	●	ongoing	67
Equal Opportunity	Further increase the proportion of female employees and employees of different nationalities	A balanced ration between female and male candidates has been achieved in hiring new staff; the overall share of female employees has dropped from 14.0 % to 13.2 %	○	ongoing	70
Health & Safety	10 % year-on-year reduction in the relative frequency of accidents that result in lost workdays	Reduced by 16 % compared with 2012; new target: reduce by another 10 % by the end of 2014	●	2014	74
	Further reduce the number of fires and explosions	Increase in number of fires and explosions in 2013; our goal remains: prevent fires and explosions	○	2015	75
CORPORATE CITIZENSHIP					
Corporate Citizenship	Develop a Corporate Citizenship strategy featuring global "lighthouse" projects	Developed a first draft for a Corporate Citizenship concept, to be finalized in 2015	●	2015	78





CORPORATE GOVERNANCE

---> Corporate Governance refers to the rules and practices that govern the relationships between a company's managers, shareholders and employees, as well as those to the customers, business partners, institutions and communities it is in contact with.

Good corporate governance ensures fairness, transparency and responsibility, which makes it an important element in our company's integrity. It builds trust and lets us make reliable commitments to our employees, shareholders and business partners, which also makes it an essential prerequisite for access to external financing.



---> RESPONSIBLE LEADERSHIP

Good corporate governance has a direct influence on our reputation. Safeguarding it is a high priority for us, so we have developed various guidelines and procedures to preserve it and prevent non-compliant actions. They include our Code of Conduct and the group-wide internal whistleblowing system, along with a Compliance team and procurement guidelines.

Our Code of Conduct is based on 16 principles, which are divided into four chapters:

- Business & Finance
- Safeguarding
- Integrity
- People

These principles provide a uniform set of values, along with guidance for how individuals are expected to behave in the context of the Marquard & Bahls philosophy. In 2013, the Code of Conduct was amended to include the strategic approach of Marquard & Bahls, and in early 2014 was made accessible to all employees worldwide. It can be downloaded from our website (www.marquard-bahls.com) in 20 languages.

In the "Anti-Corruption" section, we describe our whistleblowing system for reporting cases of non-compliance. This central system gives all employees worldwide a tool for reporting violations of the Code of Conduct, while allowing them to remain anonymous if they wish. Every reported incident is investigated thoroughly. The Executive Board is informed of the nature of reported incidents and the status of the investigation, but is not given any information regarding personal details.

---> LEGAL COMPLIANCE

We see compliance with the law as a matter of course. Both national and international laws and regulations are important in this connection. Legal developments are monitored and reviewed for their relevance for Marquard & Bahls. One important indicator of regulatory compliance is the number of fines and penalties, with fines over 1,000 euros defined as essential. In 2013 we were fined a worldwide total of 13,976 euros (2012: 30,030 euros) for non-compliance with laws and regulations. Five cases, which accounted for 86 percent of the fines, were in connection with environmental infringements such as fines for minor product releases, which are described in more detail in the section on "Spill Prevention". The remaining 14 percent of the fines were imposed on a tank terminal because it slightly exceeded the permitted measuring inaccuracies in shortfall quantities allowed by the



customs office. All in all, in 2013 we clearly achieved our target of steadily reducing our fines compared to the base year of 2011 (18,100 euros), with a more than 20-percent reduction. Our target for the year ahead is to achieve a further ten-percent reduction in fines.

The products traded, transported, handled, and stored by our group are subject to national and international i.e. European legislation, and must therefore comply with hazard communication maintained, including accurate product labeling and the provision of safety data sheets at Mabanaft. Most of the products traded by Mabanaft are classified as hazardous and are therefore subject to strict product information requirements. In addition, Oiltanking has maintained a central database for product information sheets for over ten years, which now contains data for more than 1,000 products.

---> FAIR COMPETITION

Marquard & Bahls is committed to fair competition. Our subsidiaries involved in procurement have introduced formal procurement guidelines that define fundamental values, conduct and responsibilities to ensure fair competition even in keenly competitive markets.

Procurement plays an important role especially at Oiltanking and Skytanking, where materials are needed for the construction or expansion of terminals as well as for technical equipment. In accordance with our formal procurement guidelines, staff is obliged to promote fair and transparent competition, avoid any kind of personal obligations to vendors, act honestly and report all forms of malpractice to their supervisors and/or the company management. Our standards are asserted by imposing sanctions on suppliers who violate our Code of Conduct. As a further tool to ensure fair competition, an international procurement and contracting training program has been carried out with the relevant employees for many years.

---> FAIR REMUNERATION

As employing the best people is one of our most fundamental interests, Marquard & Bahls pays its staff fair remuneration as a matter of course. This remuneration practice applies to all employees, whether they are employed full-time or on a temporary basis. We also operate in low-wage countries such as China or India. As in other countries, we do not set any rules for minimum wages at regional level, but our salaries are generally higher than the industry average.



---> **ANTI-CORRUPTION**

Marquard & Bahls does not tolerate corruption and bribery. In our Code of Conduct, we inform employees about our principles in this matter and call on them to report specific cases of or concerns about possible corruption to our Compliance team. To further increase our employees' awareness of corruption, we have carried out customized training programs for years.

In 2013, there were a total of five whistleblowing cases that were immediately investigated and resolved by our Compliance team. One case involved suspected embezzlement. On the basis of this, an audit was performed at the site concerned, but no evidence of improper conduct was found. In another case, allegations of irregularities in the awarding of a contract also proved to be unfounded. The other three whistleblowing cases were not connected with corruption, but were related to criticism of superiors' leadership style. In all cases, a cooperative solution was found.

To detect potential corruption risks, as in 2012 our sites were subjected to an analysis in accordance with the Transparency International Corruption Perception Index (2013). Some of our companies and joint ventures are located in countries with a high corruption risk (see figure 5). Here, we continue to strengthen our activities to preclude corruption from the outset. Most sites are located in countries with medium risk, whereas most of our revenues are generated in low-risk countries such as Germany, the U.S., the Netherlands, the U.K., and Singapore.

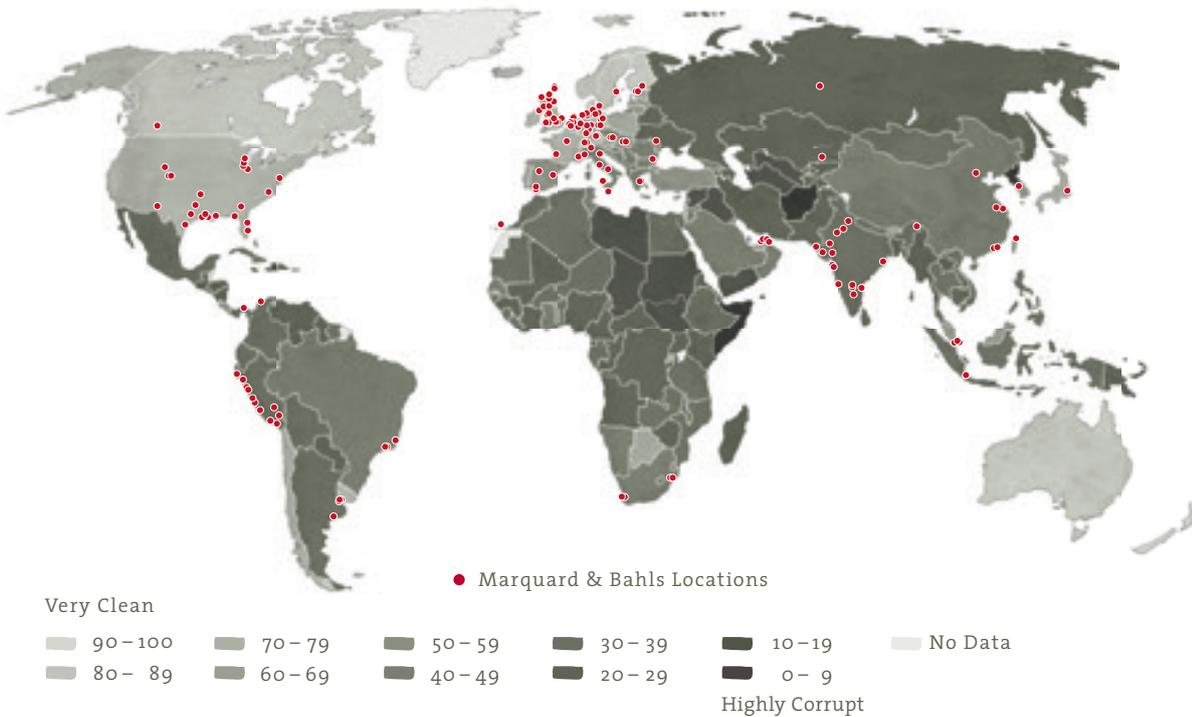


Fig. 5: Corruption risk according to the Transparency International Corruption Perception Index (2013)

--> TRANSPARENCY

The comprehensive disclosure of relevant information to our employees and other stakeholders is a high priority. At group level, this task is the responsibility of our HSSE & Corporate Communication Department, in close coordination with the Executive Board and the respective Managing Directors. New developments and important company information are regularly communicated through emailings and notices posted on our bulletin boards. Beyond this, we communicate with our employees through in-house magazines like Fleetpost (Marquard & Bahls), connections (Oiltanking), Skytanking Life (Skytanking), and OIL! INSIDE (OIL! Tankstellen), and on digital employee portals.

Press releases and other publications can be found on the company websites that are also accessible to external users. Because we have no points of contact with consumers – except for the heating oil retail business and the service stations under the Mabanaft umbrella – there are no specific group-wide rules on responsible marketing. However, matters such as environmental aspects are included in the form of energy-saving tips on the website of Mabanaft's Initiative Pro Klima.

Another important area where transparency represents a basic principle is privacy and data protection. At Marquard & Bahls, this topic is the responsibility of the HSSE & Corporate Communication Department. Important measures in Germany in this area include providing an extensive Data Protection Manual, and carrying out staff training, topical consultation and audits. In addition, the latest legislative initiatives are continually monitored in order to ensure present and future compliance with data protection laws. At an international level, the data protection laws of all countries where Marquard & Bahls is active are analyzed. Extensive IT security systems ensure high-grade protection of employee, customer, supplier, and other business data.





ECONOMIC RESPONSIBILITY

- > Companies are meant to make a profit. At the same time they are expected to conduct their business activities within the existing legal framework and to ensure that the regions in which they operate also derive economic benefit.

Our independence from the capital markets allows our company to act independently of their daily fluctuations and short-lived management practices. Instead of maximizing short-term stock price or profit, we strive for long-term profitability and controlled growth.



---> MANAGEMENT FOR LONG-TERM SUCCESS



To achieve long-term success and controlled growth, we rely on a healthy mix of risk between the divisions. While they act as independent business units, they are strategically linked.

We publish our key financials in detail in our Annual Report, which is available for download in both German and English from the Marquard & Bahls website (www.marquard-bahls.com). By additionally publishing economic indicators in accordance with GRI requirements in this document, we present a comprehensive picture of Marquard & Bahls' contribution to the sustainability of a larger economic system. In Hamburg and many other places around the world, we pay taxes, create jobs and invest in infrastructure.

---> FINANCIAL PERFORMANCE

Marquard & Bahls looks back on an eventful and successful 2013. The storage logistics division (Oiltanking) continued the successful performance seen in previous years and achieved another record result. The trading division (Mabanaft) reached calmer waters again after two years, but still ended the year with a loss. While the service station and end-consumer business saw an especially gratifying development, and the trading business of Mabanaft Deutschland and Mabanaft International in the Mediterranean region was also successful, developments in the bunkering business remained significantly below our expectations. In conjunction with an overall challenging market and unforeseen effects, this meant that Mabanaft was unable to report a positive result. It was very gratifying that the third-largest division, aviation fuelling (Skytanking), again made a significant positive contribution to the overall group result.

Consolidated net profit before income tax increased from 163.8 million euros to 174.9 million euros. This good result is supplemented by income from the issue of shares in Oiltanking Partners in the U.S. and the sale of a minority stake in the Helios tank terminal in Singapore. According to current IFRS rules, this income of 63 million euros may not be shown in the profit and loss account, but it strengthens our equity. Group sales and expenses for the cost of sales each fell by around 1.2 billion euros due to price and currency effects. After deducting the administration costs, operating expenses, and depreciation and amortization, the operating result was significantly up year-on-year at 238 million euros. Total assets increased to 4.9 billion euros as investment activity continued strong. Marquard & Bahls increased its equity by 214 million euros to 1.6 billion euros. The consolidated net profit achieved, as well as cash inflows totaling 205 million euros from the above-mentioned capital increase in the U.S., and the sale in Singapore, were partially offset by negative currency effects and dividend payouts.

Tab. 1: Consolidated figures in accordance with the audited consolidated financial statement

		2013 million €	2012 million €	2011 million €
Monetary value generated	Revenues before energy taxes	16,977.0	18,258.9	18,564.7
Monetary value distributed	Cost of materials, mainly oil purchases	14,948.1	16,258.8*	16,608.1
	Current salaries	241.6	229.3	217.5
	Interest income	3.1	11.6	6.1
	Interest expenses	72.8	65.8	70.9
	Dividends for the previous year	10.1	15.0	18.1
	Tax expense	62.7	56.5*	42.9
	of which current taxes paid in:	41.2	48.1	42.9
	Germany	10.6	11.8	10.5
	The United States	0.6	17.1	5.8
	The Netherlands	5.2	1.8	7.5
	Malta	2.2	1.9	1.1
	Belgium	6.2	11.8	6.3
	Singapore	9.0	6.5	6.4
	Argentina	4.0	4.8	3.1
	United Kingdom	0.0	-0.5	0.2
	Other countries	3.3	1.1	2.1
	Investments in the community (donations, community projects, etc.)	0.6	0.4	0.3
Income before income taxes		174.9	163.8	113.3
Net income		112.3	107.4*	70.3

*Figures were adjusted retroactively due to a change in IFRS regulations

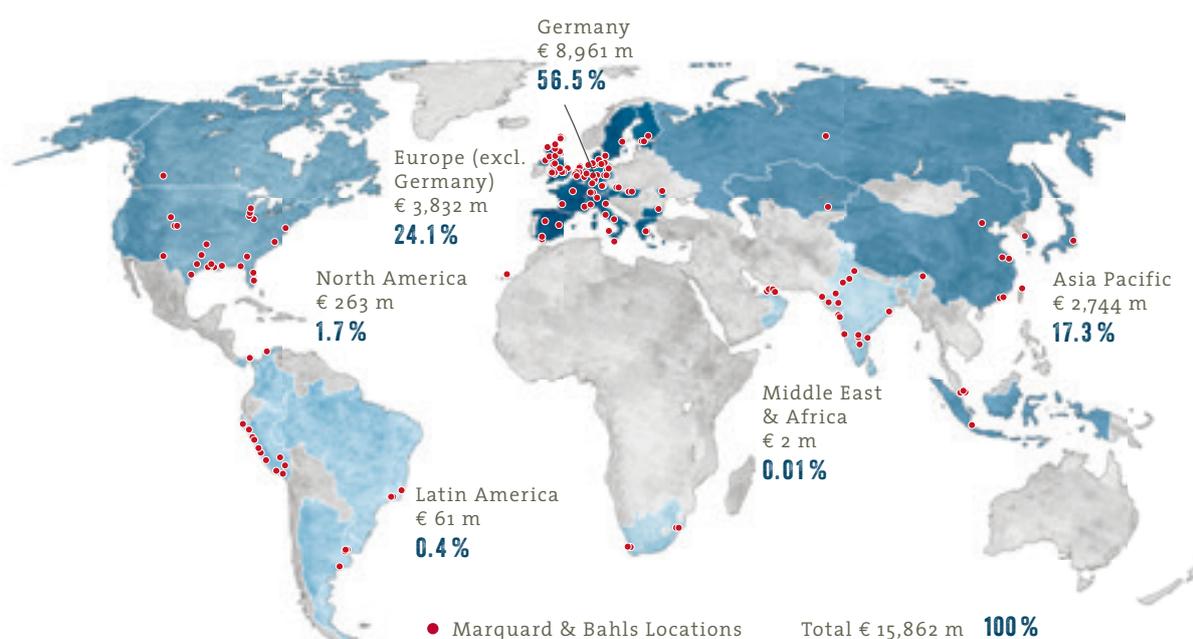


Fig. 6: Revenues of fully consolidated companies by region in millions of euros, net of energy tax expenditure (2013)



---> RISK MANAGEMENT



One of our greatest challenges as we pursue our strategy of controlled, long-term growth is to limit the manifold financial, operational and HSSE risks. That is why we work based on a permanent and thorough risk management scheme that individually rates all risks and defines tailor-made mandates, tasks, and responsibilities. To further ensure a healthy mix of risk, all risks – including social and environmental ones – are evaluated in the context of the entire group of companies. We take a decentralized approach in which risks are broken out to the individual companies and responsibility is assigned at divisional level. The principal risks that may affect future business performance include:

- Another international financial crisis flare-up and/or sustained economic downturn
- Political conflict in countries with oil deposits and the resultant tensions in oil markets
- A further fall of the U.S. dollar or currency turbulence in general
- Persistently high oil price volatility
- Rising prices for natural resources and purchased energy
- Significantly reduced use of oil for heat generation
- Environmental and natural disasters
- Increased country risks
- Stricter environmental laws and regulations

▶ Trading Risks

For Mabanaft, the relevant trading risks are those caused by the high level of volatility in commodity prices, currency exchange rates, and interest rates. These risks are hedged by the systematic use of financial instruments such as derivatives and forward transactions. Mabanaft protects itself against bad debt through credit insurance, banking securities, and the settlement of commodity futures transactions via segregated brokerage accounts. Group-wide controlling ensures that the rules laid down are adhered to.

▶ HSSE Risks

The main risks to which the storage logistics and aviation fuelling businesses as well as the service station and end-consumer businesses are exposed stand in connection with the handling of flammable and sometimes toxic products. Prevention of any risks resulting from this, such as accident, leakage and fire hazards, is therefore a special focus of risk management at Marquard & Bahls. This falls within the remit of the central HSSE & Corporate Communication Department. Based on detailed regulations, site-specific operating instructions for which regular training is carried out, clear communications, and detailed reporting, the HSSE teams ensure a proactive safety culture to avoid HSSE risks.

---> SYNERGIES

Good cooperation – especially between the individual companies – and the leveraging of synergies are very important for our business success. The combination of its different lines of business makes Marquard & Bahls what it is – more than the sum of its divisions. This aspect is one of five priorities in our strategy. The New Business Ventures unit was established in 2012 as a think tank for potential business developments. It was merged with the new Corporate Development Department (CDD) in 2013. This unit will substantially carry out the strategic planning process in future, leverage synergies and provide soundly researched support to the Executive Board in making decisions about new business opportunities.

---> SUPPLIER RELATIONS

We treat our suppliers with respect, maintain an honest relationship with everyone involved in the business processes, and strive to establish long-term cooperative partnerships. For us, this means not only acting responsibly on our own premises, but along the entire supply chain. The diversity of our businesses is reflected in the spectrum of our suppliers, which range from vendors of technical equipment for our tank terminals to office equipment suppliers. If a supplier violates our Code of Conduct or HSSE standards or does not meet our quality requirements, we will terminate the business relationship. Internal supplier lists increase transparency regarding the quality and performance of our business partners, with the ultimate goal of giving our customers excellent services and products. At our sites we also place great importance on safe working procedures for employees from third-party contractors. Measures currently employed range from HSSE guidelines and detailed work instructions to safety briefings at our sites. An integrated contractor management program was developed for Oiltanking in 2013, which is described in detail in the “Health & Safety” section.

---> CUSTOMER SATISFACTION

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





ECOLOGICAL RESPONSIBILITY

- > The world faces a host of serious environmental problems that affect the wellbeing of humans and the environment alike: global warming, loss of biodiversity, deforestation, and water pollution. Companies often profit from the earth's ecosystems, and yet at the same time they contribute to these environmental problems.

Taking responsibility for our environment is a priority in everything we do. We are committed to the efficient use of energy and natural resources and strive to minimize the airborne emissions, solid waste and wastewater generated in the course of our activities.



---> MANAGING ECOLOGICAL RESPONSIBILITY

Our activities impact the environment both directly and indirectly. For instance, the storage and transportation of petroleum products and chemicals carries a risk of spillage. In addition, our sites use energy, water, various raw materials and building materials, and generate airborne emissions, waste and wastewater.

We are committed to minimizing our environmental footprint. Environmental issues are therefore an integral part of the HSSE management system across Marquard & Bahls. According to the HSSE Policy signed by the Marquard & Bahls Executive Board and the management of all subsidiaries worldwide, we make efficient use of energy and resources, avoid pollution, and promote the environmental awareness of employees in order to minimize harmful effects. By increasing the number of staff at the corporate HSSE Department, the number of internal HSSE audits has been increased worldwide. This permits a faster implementation of company standards, which in many areas are well above statutory requirements, at new sites as well.

At Oiltanking, for example, we have for many years recorded the amount of energy and water used, the frequency of product releases and their volume, as well as the waste produced, and have established appropriate indicators for each of these. In recent years, we have included these indicators in our other subsidiaries' reporting as well.

---> SPILL PREVENTION

► Spills

Preventing spills is a challenge for any company that handles petroleum, gas and chemical products. Modern facilities and efficient workflows combined with preventive maintenance programs serve to minimize the risk of spills. In 2013, the number of incidents involving more than 100 liters of product release per million tons of throughput was 0.27, a reduction of eight percent compared to 2012. Across the group, despite all our efforts, there were 62 – mostly minor – product releases of more than 100 liters.

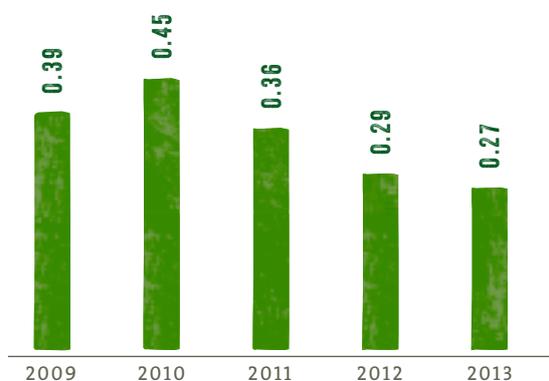


Fig. 7: Product releases ≥ 100 l per 1 million t of throughput at Marquard & Bahls

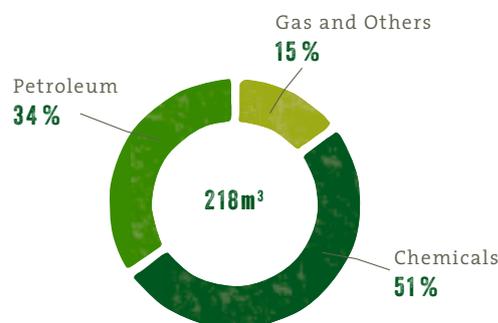


Fig. 8: Product releases ≥ 100 l by product type (2013)

The total volume of product released on our collective premises fell from 789 m³ in 2012 to 218 m³ in 2013. The releases mainly involved chemicals (51 percent) and petroleum products (34 percent). Overall, 51 m³ of product could not be recovered. The contaminated soil was excavated and disposed of as hazardous waste or cleaned up. For the Oiltanking sites, our goal was to reduce product spills by ten percent compared to the previous year. Because we achieved this goal in 2013, we have set ourselves a new goal: to reduce product releases of over 100 liters at Marquard & Bahls in proportion to the throughput by ten percent by 2015.



► Precautions in Case of Spills in Water

To ensure professional support in the event of major oil spills, Marquard & Bahls has been a shareholder in Oil Spill Response Limited, the world's largest oil spill response company, since 2004. Oil Spill Response Limited was founded in 1984 and is wholly owned by international oil companies. At Oiltanking, scenario-specific contingency plans were developed for all relevant sites, and practical training and drills were carried out. Marquard & Bahls is also an active member of the Oil Companies International Marine Forum (OCIMF), a voluntary association of oil companies that works to ensure a safe and ecologically responsible operation of oil tankers and tank terminals.



Ecological Responsibility |

► Ship Charter Policy

To avoid petroleum products being transported by ships that do not meet our standards, Mabanft has a Ship Charter Policy that defines detailed minimum requirements for chartered or accepted ships (C-term purchases). Its overriding goal is to ensure safe transport of the products at all times, and strict adherence to the changing requirements and rules of international tanker shipping – e.g. the requirements of the International Maritime Organization (IMO), which among other things sets limits for the age or hull type. The guideline also contains evaluations of the flag state organizations. To enable a quick and up-to-date assessment of ships in accordance with this policy, we have commissioned the development of a customized web-based information system.

---> ENERGY SAVING & CLIMATE PROTECTION

► Energy Consumption

Marquard & Bahls uses direct and indirect energy sources to operate its facilities, sites, and vehicles. In 2013, direct energy consumption totaled 1,560,487 gigajoules (GJ). This includes natural gas, heating oil and fuel for the operation of our pumps, boilers, owned bunker ships, operational vehicles, and road tankers (2012: 1,234,332 GJ). Indirect energy – mainly electricity – is used among other things for product pumps and lighting at our tank terminals and for the hydrant systems at our aircraft fuelling sites. The computers in our offices are also constant consumers of energy. Other indirect sources of energy that we use include district heating and, to a lesser extent, imported steam. In 2013, indirect energy consumption totaled 850,637 GJ (2012: 758,604 GJ), bringing the total amount of direct and indirect energy to 2,411,124 GJ (2012: 1,992,936 GJ). 2013 saw the addition of the electricity consumption of the global Bomin sites as well as the fuel consumption of 40 Bomin bunker ships (barges and seagoing vessels), which explains the 21-percent increase in absolute consumption.

Due to the diversity of our group, our consumption figures are only partly comparable with those of other companies. Because of this, for purposes of comparison we show the figures of our tank storage activities as consumption per 1 million tons of throughput. Figure 9 clearly shows the 11.5-percent year-on-year reduction in megajoule (MJ) achieved in 2013 (from 10.4 MJ in 2012 to 9.2 MJ in 2013). This was achieved by raising employee awareness and through improved processes and systems. So we are well on the way to achieving our goal of reducing relative energy consumption at our tank storage activities by another ten percent by the end of 2015.



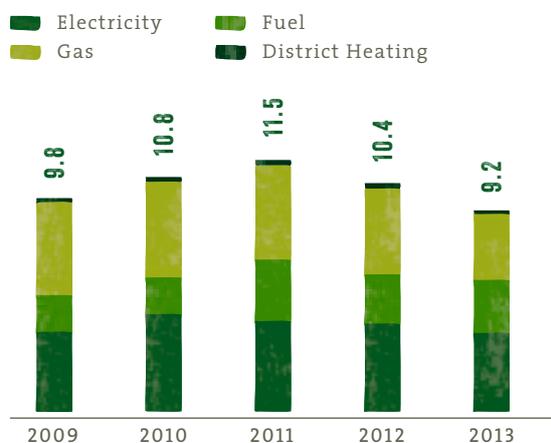


Fig. 9: Energy consumption in tank storage activities per throughput (MJ/t)

*Due to a subsequent correction of the throughput calculation at some tank terminals, all annual values have increased in comparison to the 2011 report.

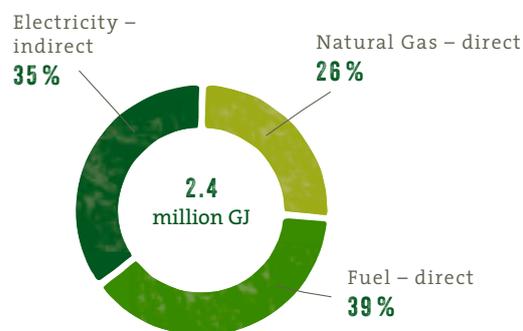


Fig. 10: Total direct and indirect energy consumption by type (2013)

To date, only a small number of our sites buy green electricity: seven Oiltanking sites, four Skytanking sites and 21 OIL! service stations reported a proportion of more than 20 percent of green energy in their energy mix. This means that the share at Oiltanking and Skytanking has increased by 50 percent compared to 2012. On-site power generation takes place only in a few cases, e.g. at our tank terminal in Colombia, where the loading rack for road tankers was equipped with solar panels, as well as at the Mabagas biogas plants. The biogas plants in Bardowick near Lüneburg and Namakkal, India, have a total electrical output of about 5.9 megawatts (MWel), which is fed into the grid.

Figure 10 shows the total energy consumption of all Marquard & Bahls subsidiaries with the exception of natGAS and ten tank terminals in India, where Oiltanking is responsible for their operation and maintenance, but only has a limited influence on the infrastructure and processes. Furthermore, 226 automated service stations of Petronord subsidiaries are excluded because the energy data was incomplete: in most cases, their energy consumption cannot be measured separately because they share sites with other owners, or the energy costs are covered in the rental agreement. In the case of the 21 Skytanking sites in the U.K. and several other sites around the world, only limited energy data was available, as energy is usually invoiced directly via the airports or is included in the lease agreement. Nevertheless, we were able to include data on the fuel and electricity consumption at most of these Skytanking sites. In order to show a complete picture, we have also included all of our joint ventures. We received data from 130 OIL! service stations in 2012 and calculated average values for another 140. For 2013, the consumption based on this data has been included as an estimate. We were also able to include the fuel consumption of all 40 Bomin bunker ships.



Ecological Responsibility |

► Reducing Energy Consumption

The most energy-consuming activity at Marquard & Bahls is the pumping that takes place at the Oiltanking tank terminals. To detect potential savings and take measures to improve energy efficiency, a detailed Energy Saving Guideline with background information and practical recommendations was prepared and distributed in May 2011. While putting it into action at various sites, further potential for savings was identified and general recommendations were derived. For instance, Oiltanking in Vitória, Brazil, subscribed to an online monitoring device and found out that its contracted demand could be reduced. Due to an observed increase in the consumption of reactive energy, the terminal installed a capacitor bank to reduce the amount of reactive power used. This measure alone resulted in significant savings of kilowatt-hours (kWh) in the first six months of operation and reduced costs for reactive energy surplus by nearly 30 percent.

Oiltanking Terneuzen also devoted itself to the issue, equipping pumps with frequency converters and installing additional electricity meters to better monitor the consumption of certain areas. A new transformer was also installed on the jetty to reduce distance-related energy losses. In 2012, Skytanking in Italy had already implemented a project to improve the ratio of diesel consumption to the number of aircraft refuelled. In 2013, Skytanking carried out various tests at the airport in Rome Fiumicino including switching off vehicle engines during aircraft refuelling as part of the project. It was found that this has great potential for achieving energy savings of up to 50 percent for diesel used by hydrant dispensers.

We will continue to document our energy-saving measures and support our subsidiaries in establishing energy-saving programs.

► Carbon Footprint and Emissions

Climate change is one of the greatest environmental challenges we face as a society. Companies contribute to climate change by emitting greenhouse gases. We cannot yet assess the financial implications, risks and opportunities of climate change. Potential impacts on our activities include an increase in extreme weather events (storms, floods) that could pose a risk to our tank terminals and office buildings. Rising temperatures could lead to a decrease in demand, thereby decreasing heating oil sales. Stricter international regulations on marine fuels could increase the cost of product transports by ship. A further increase in fuel taxes could also have negative consequences for fuel revenues. In order to evaluate our own impact on climate change, we have calculated the carbon dioxide (CO₂) footprint for the entire group. The following section contains detailed information on this.

There are various ways of calculating a corporate carbon footprint. In accordance with the Greenhouse Gas Protocol (GHG Protocol), we define our carbon footprint as the total amount of the six greenhouse gases listed in the Kyoto Protocol, measured in tons of CO₂ equivalent (CO₂e), caused directly or indirectly by our company. The relevant greenhouse gases resulting from our operations are CO₂, methane (CH₄) and nitrous oxide (N₂O). Other air pollutants such as nitrogen dioxide (NO₂), sulfur dioxide (SO₂) emitted by third-party shipping, or volatile organic compounds (VOCs) from our tank terminals, are measured separately.

► **Direct and Indirect Greenhouse Gas Emissions**

Since 2010, we have calculated our corporate carbon footprint according to the GHG Protocol, by first determining reporting scopes for each company. To get a complete picture, we decided to include 100 percent of emissions from all subsidiaries and joint ventures, only excluding those sites already mentioned in the section “Reducing Energy Consumption”.

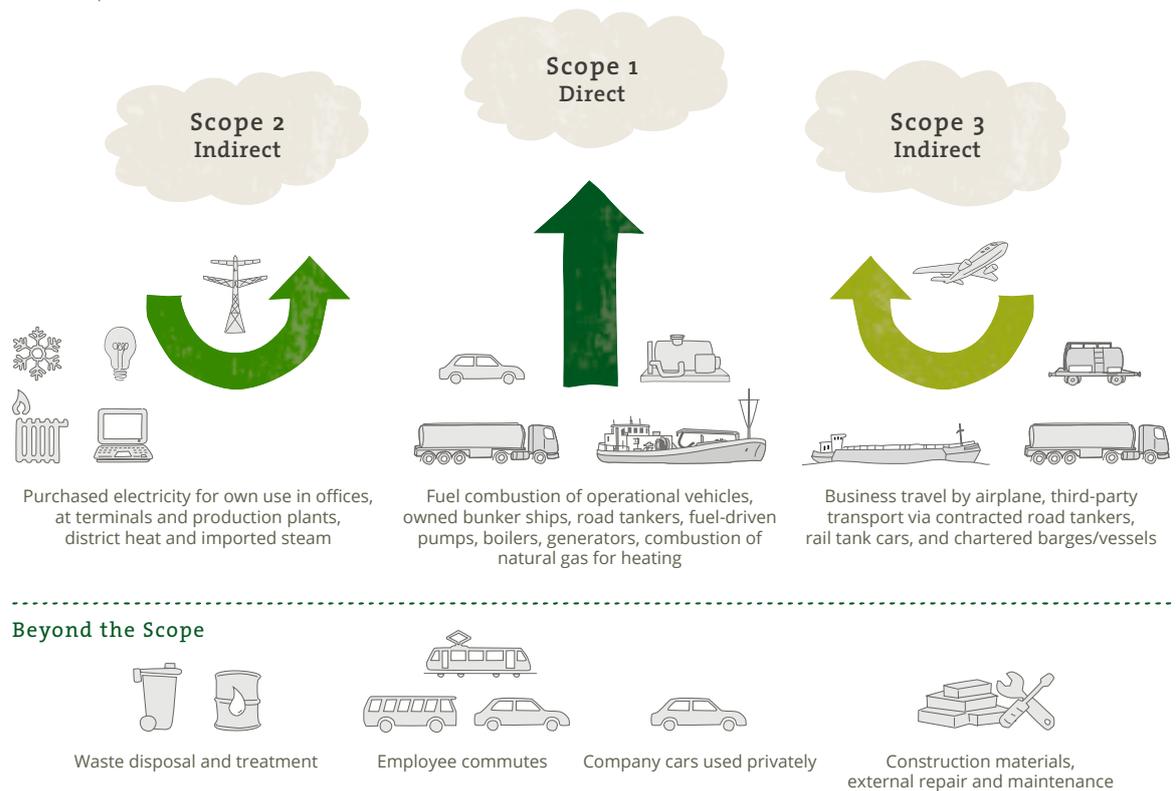


Fig. 11: Reporting scopes for greenhouse gas emissions at Marquard & Bahls



Ecological Responsibility

Direct emissions (Scope 1) arise from sources that are owned or controlled by Marquard & Bahls subsidiaries. Indirect emissions (Scope 2) originate from electricity, steam and district heating purchased and consumed by us. Emissions arising from third parties fall within Scope 3, where we have included emissions arising from the transport of fuel by third-party logistics companies, and from business trips by air. We have not included emissions generated during the production of building materials (e.g. steel for our storage tanks), the construction of facilities, or the energy required for waste disposal (see figure 11), as these should be reported by the respective suppliers and service providers.

- Scope 3
- Scope 2
- Scope 1

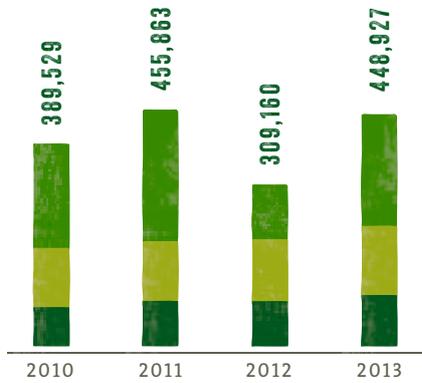


Fig. 12: Total CO₂e emissions by scope

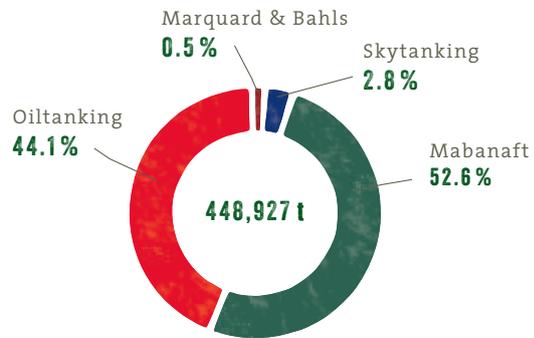


Fig. 13: Total CO₂e emissions by company (2013)

The greenhouse gas emissions were calculated using the latest Intergovernmental Panel on Climate Change (IPCC) emission factors and the GHG Protocol. In the case of emission factors for electricity, the energy mix of various countries was also taken into consideration. As the data collection and calculation of emissions from product transports turned out to be the most difficult part, we address this topic in a separate section. Transport-related emissions are shown in figures 12 and 13. In 2013, direct and indirect CO₂e emissions amounted to 448,927 tons (2012: 309,160 tons), representing an increase of 45 percent. Our goal – against the background of the company's growth – is to reduce our emissions as far as possible. Scope 1 emissions have risen, as they now include the fuel consumption of Bomin's own bunker ships. There was an increase in Scope 3 as well, due to the ships chartered by Bomin and an increase in transport activity at Mabanaft.



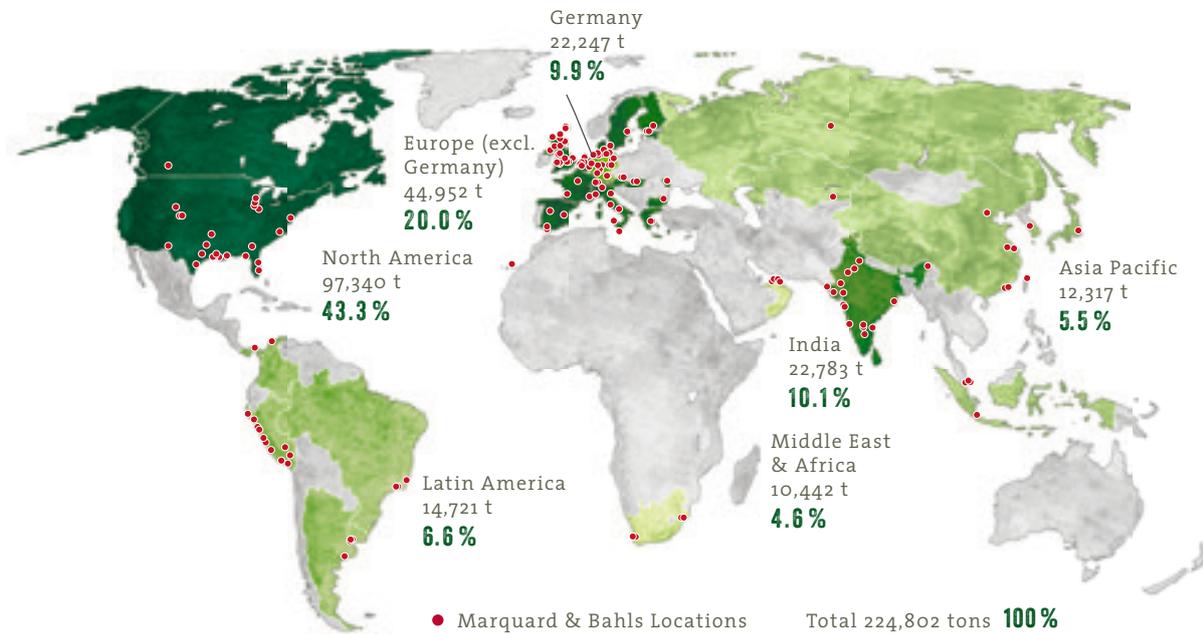


Fig. 14: CO₂e emissions from Scope 1 and Scope 2 by region (2013)

► Emissions Related to Product Transport

Marquard & Bahls subsidiaries use tank trucks, rail cars, barges and seagoing vessels to transport their products. We try to identify and use the types of transport with the least impact on the climate. We calculate emissions from our own fleet of ships and road tankers under Scope 1, and emissions from service providers who transport our products under Scope 3. To reduce emissions from our own road-tanker fleets at Petronord subsidiaries and Thomas Silvey, our logistics policy is to invest in latest-model vehicles with energy-efficient engines and to carry out training programs for fuel-efficient driving. At OIL! Tankstellen, road tankers from reputable third-party companies with fuel-efficient fleets are contracted to deliver fuel to the approximately 270 service stations in Germany, Austria, and Switzerland.



Ecological Responsibility

With regard to marine transport at Mabanaft, we have included emissions from chartered vessels, but not from vessels that were chartered by third parties, as these are beyond our scope of influence. In 2013, Mabanaft chartered 271 seagoing vessels (2012: 104), 1,427 barges (2012: 1,468), 5,075 tank trucks (2012: 9,001), and 217 rail cars (2012: 877). When chartering seagoing vessels, the energy efficiency of the ships is taken into account.

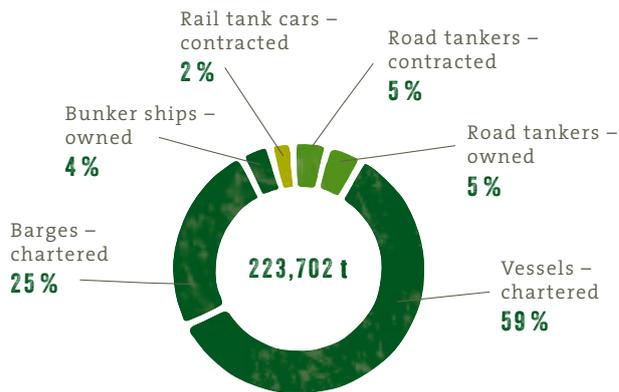


Abb. 15: Transport-related CO₂e emissions by mode of transport (2013)

The annual CO₂e emissions arising from the transport of our products are shown in figure 15. The doubling from 106,045 tons of CO₂e in 2012 to 223,702 tons in 2013 is due to the fact that the consumption of Bomin's own bunker ships was included and Mabanaft chartered more ships for product transport overall. We continue to place a clear focus on waterborne transport, as this is the most efficient mode of transportation. To calculate the CO₂e emissions, emission factors were used – provided data on total consumption was available. For transport using third parties, we chose the Ecological Transport Information Tool (EcoTransIT) as the most informative and detailed procedure. The tool allows for quick calculation based on the cargo volume and the loading and unloading ports. EcoTransIT was developed by the Institute for Energy and Environmental Research (IFEU) in Heidelberg, the Öko-Institut (Institute for Applied Ecology) in Berlin, and the Ingenieurgesellschaft für Verkehr und Eisenbahntechnik (IVE mbH, Consulting Company for Traffic and Railway Engineering) in Hannover.

► Emissions from Business Travel

Due to the international nature of our business, many of our employees travel by air. Our goal is to plan the safest and fastest possible routes and to keep air travel to a minimum. In 2013, employees of Marquard & Bahls and its subsidiaries flew 18,291 routes (2012: 16,942), circumnavigating the world 905 times in the process (38,007,087 kilometers covered).

CO₂e emissions from air travel were calculated by Atmosfair gGmbH based on data made available by Marquard & Bahls. This comprehensive method takes into account the effects of different air pollutants at high altitudes, as well as the aircraft, engine types, and booking class. In 2013, group-wide emissions from air travel amounted to 12,589 tons of CO₂e (8,900 in 2012). This is a 41-percent increase compared to 2012 and correlates with the increase in the number of employees in the past year (nine percent) and the proliferation of international projects, which leads to increased business travel by our employees.

We have not generally included company cars in our calculations, as they are mainly used privately. Only the company cars used by OIL! Tankstellen field staff are included in Scope 1, as these are used primarily for business purposes. The vast majority of our employees use public transport or private cars for their commute. Another measure to reduce travel-related CO₂e emissions is the increased use of video-conferencing systems. This is being taken into account in the construction of the new Marquard & Bahls headquarters.

► Other Emissions

Aside from volatile organic compounds (VOCs), our activities do not cause significant emissions of nitrogen oxides, sulfur oxides or ozone-depleting substances, which are mainly emitted during cooling or flaring processes.

VOCs at our tank terminals are mainly produced through evaporations from tanks (tank breathing) and during loading and unloading. VOC emissions should be minimized because of their adverse effects on health and the environment. For this reason, internal floating roofs have been installed on the vast majority of tanks containing volatile products. The floating roofs prevent evaporation by covering the surface of the liquid. Other techniques used by Oiltanking to reduce emissions are vapor balancing, vapor treatment, and vapor recovery systems, which have been installed at many sites.



Ecological Responsibility |

The emission of VOCs is currently calculated at 21 Oiltanking sites and in 2013 showed a year-on-year increase to a total of 1,027 tons (2012: 694 tons). This is due to the fact that VOCs are now recorded at three additional sites. The data is based on complex calculations, as the emissions are highly dependent on various factors such as the vapor pressure of the product, the size, paint, and insulation of tanks, the average ambient temperature, and the efficiency of the vapor recovery system. In 2013, measurements were carried out at five sites using a special infrared gas detection camera, which makes it possible to detect any escaping VOCs. In this way, even the smallest gas leaks can be identified and rectified so as to further minimize emissions.

Since ships often use sulfurous bunker fuel, transport via ship generates significant amounts of nitrogen oxides (NO_x) and sulfur oxides (SO_x). NO_x and SO_x can significantly contribute to environmental problems such as acidification, eutrophication (nutrient enrichment) and summer smog, and are among the substances that are toxic for humans. In 2013, the ships we chartered emitted 2,113 tons of NO₂ (1,410 tons in 2012) and 1,223 tons of SO₂ (2012: 825 tons). These figures are based on the IFEU Ecotransit method, which was also used to calculate the CO₂e emissions caused by third-party transport. In addition, 88 tons of non-methane hydrocarbons (NMHC) (2012: 78 tons) and 137 tons of particulate matter (PM) (2012: 99 tons) were emitted during the marine transport of products. The increase is due to the vessels chartered by Bomin and an increase in shipments at Mabanaf.

► Climate Initiatives

--- B.W.O.C.

We are aware that petroleum products have an impact on the environment, and therefore work to develop alternatives and to improve energy efficiency. We have introduced an option for customers who are willing to contribute to the protection of the environment through carbon capture. Our subsidiary B.W.O.C. has set up a program that offers customers with a fuel card the ability to capture emissions from fuels they have purchased by making a contribution to reforestation projects. In any case, ten percent of the emissions bought with a B.W.O.C. fuel card are captured in carbon capture projects, paid for by B.W.O.C. Customers can decide whether they want to pay extra to capture an additional 50 percent or 90 percent of the CO₂.

As part of the program, 20,600 trees were planted on eight hectares at the Yoxall site in Staffordshire in 2013. In all, 124,975 trees have been planted since 2010. As part of the overall project, B.W.O.C. calculates its own carbon footprint and captures this CO₂ through reforestation.

--- *Initiative Pro Klima*

In 2008, Mabanaf, Petronord, and OIL! Tankstellen launched the Initiative Pro Klima. Its efforts focus on three areas: offering energy-efficient products; advice on environmental and energy issues; and promoting projects to protect the climate. Its projects concentrate on two activities – climate research and reforestation. In collaboration with the Schleswig-Holstein State Forestry and the Schutzgemeinschaft Deutscher Wald e. V. (German Forest Protection Association) more than 142,000 trees have already been planted in recent years. Besides producing oxygen and capturing CO₂, forests improve the water storage capacity of the soil, prevent erosion, and are home to a great diversity of plants and animals. The sustainable cultivation of the areas is ensured by the German Federal Forest Act and by participation in the leading forest certification systems of the Program for Endorsement of Forest Certification Schemes (PEFC) and the Forest Stewardship Council (FSC). In November 2013, as part of the Initiative Pro Klima, OIL! Tankstellen employees joined children from a school and kindergarten in planting the first of a total of 20,000 trees on a 3.2-hectare site in Hasloh, Germany. Further information about our reforestation projects is summarized in the “Corporate Citizenship” chapter.

► **Renewable Energy**

--- *Biogas*

Mabagas' business objective is to realize biogas projects to produce energy from organic waste and residual substances, in the German and international markets. The Mabagas biogas plant in Bardowick specializes in recycling organic waste according to the German regulation for organic waste (BioAbfV). The delivered waste is separated from extraneous material, and the organic matter is fermented. The biogas plant in Namakkal, India only uses organic waste material such as dry poultry manure and agricultural waste. The fermentation residues produced in the process are separated, dried in the sun and then used as fertilizer on the surrounding farmland.



Ecological Responsibility |

--- *Biofuels*

In Germany, the introduction of compressed biomethane (Bio-CNG) is being advanced at selected OIL! service stations. The Bio-CNG is made from 100 percent residual and waste materials and was available at nine OIL! service stations in 2013. Besides, OIL! Tankstellen offers – in cooperation with CropEnergies AG – biofuel with an 85 percent bioethanol content as the first service-station operator in Germany since 2006.

--- *Wood Pellets*

Since early 2011, the Mabanaft Deutschland portfolio has included wood pellets. Burning wood for energy is CO₂-neutral and therefore has less impact on climate change than fossil fuels as it only emits the CO₂ that was previously stored in the tree. Also, small amounts of emissions are caused by its production and transport. Mabanaft primarily offers premium wood pellets, but also other solid biofuels under the name celsico®. The products meet the highest quality standards of their respective sales markets, such as DINplus/ENplus certification for celsico® premium pellets

--- *Carbon Trading*

Since late 2009, Mabanaft has been developing climate protection projects in compliance with the United Nations Kyoto Protocol. The company has since built up a considerable portfolio of renewable energy and energy efficiency projects. They are located in Latin America, South Africa, Kenya, India and Vietnam.

In order to better leverage synergies in the field of renewable energies, during the year under review all climate protection-related activities were assigned to Mabagas in Hamburg and on December 31, 2013 were pooled in Carbonbay GmbH & Co. KG. Due to political indecision the wind has largely been taken out of the sails of emissions trading. This is reflected in a dramatic fall in prices for emission trading rights. Due to the difficult market environment, the company is focusing on managing and marketing its portfolio of projects.

→ CONSERVATION OF NATURAL RESOURCES

► Water

Water is a precious resource. To raise awareness of the escalating water-related problems worldwide, the UN General Assembly declared 2013 International Year of Water Cooperation. Essentially, our activities do not require a high level of water consumption. At our tank terminals, we use fresh water for cleaning tanks, hydrostatic tank testing, heating products, and the sanitary facilities in the offices.

In 2013, the group's water consumption totaled 748,524 m³ (2012: 651,897 m³), mainly drinking water (60 percent) and industrial water (32 percent) (see figure 17).

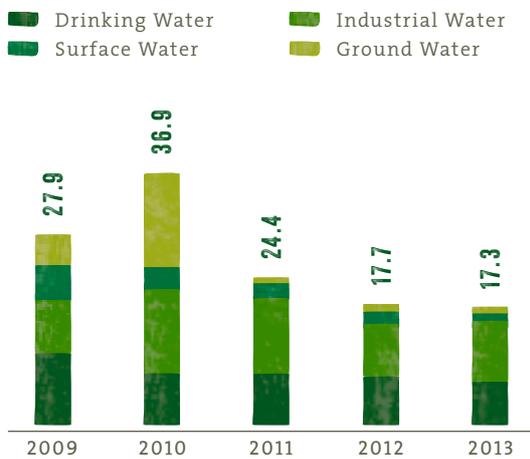


Fig. 16: Water consumption per capacity (l/m³) for tank storage activities*

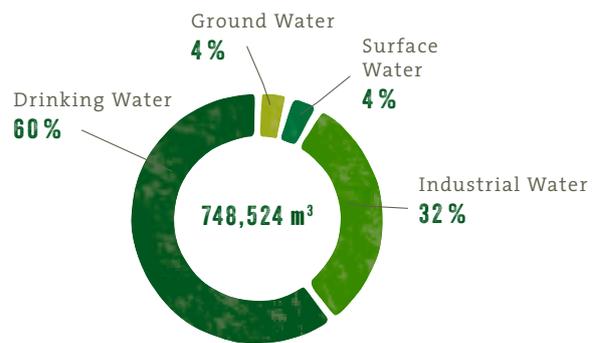


Fig. 17: Total water consumption by source (2013)

In 2013, relative water consumption in our tank storage activities per m³ of storage capacity (see figure 16) fell by two percent year-on-year to 17.3 l/m³ (2012: 17.7 l/m³*). This continues the steady reduction in relative water consumption seen over the past few years, with the exception of 2010 when there was a peak in water consumption due to simultaneous hydrostatic tests required for several newly built tanks.

*Due to an addendum after the editorial deadline, the value of 17.2 in 2012 was changed to 17.7



Ecological Responsibility |



We have integrated water management into Oiltanking's Energy Saving Program. Areas where water consumption can be minimized include tank cleaning, vapor production in boiler operations, and sanitary facilities. We are also examining the possibility of replacing the drinking water currently used for industrial activities with rainwater, and recycling our cleaning or cooling water.

At OIL! Tankstellen, older carwashes – usually owned by the station operator – are successively being replaced by water-saving models. The section on “Waste & Wastewater Management” contains information about the disposal of wastewater.

► Materials

Efficient use is not only a priority in the consumption of water and energy, but also applies to construction and production materials. Apart from the building materials and technical equipment required for the construction or expansion of tank terminals and aircraft fuelling systems, our business is not material-intensive. We do not measure the use of materials in these areas.

Our biogas plants use residual materials from the agro-food industry and leftovers that are – according to the German regulation for organic waste (BioAbfV) – designated as waste. From our perspective, however, it represents a substrate for gas production and thus a commodity. The relevant indicators here are the amount of substrate used, the volume of packaging materials and impurities filtered out which are then partly recycled and partly thermally utilized, the fermentation residues obtained during fermentation, which are then rendered for agricultural reuse as fertilizer, and the amount of power and heat generated. The biogas plants in Bardowick near Lüneburg, Germany and in Namakkal, India, used 27,217 tons (Bardowick) and 29,456 tons (Namakkal) of materials, respectively. This included substrates, packaging materials and fermentation residue. A total of 11,200 megawatt-hours (MWh) of electricity was generated in Bardowick and 4,733 MWh in Namakkal.

Regarding the use of other materials such as paper in offices, we strive to use recycled material and raw materials produced in an ecologically compatible manner.



... MABAGAS BIOGAS PLANTS

Acquired in 2012, the waste biogas plant in Bardowick, Germany can process up to 36,500 tons of organic residues and waste materials from the region each year. From this, Mabagas produces up to 17 million kWh of electricity annually. The biogas plant in Namakkal, India also exclusively uses waste materials, e.g. dry poultry manure and agricultural waste from the local starch and sugar industry. IOT Mabagas deliberately forgoes the use of energy crops so as not to compete with food production. The biogas plant put into operation at the end of 2012 uses up to 110,000 tons of poultry manure and other organic residues and waste materials each year to produce electricity and fertilizer. During operation, it can generate approximately 40 million kWh of biogas per year, which is then converted into up to 15 million kWh of electricity using two cogeneration plants.

--> WASTE & WASTEWATER MANAGEMENT

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

► Waste Production

In 2013 the total waste generated by the group came to 36,779 tons. Compared to the previous year (2012: 29,348 tons), this is a 25-percent increase (see figure 18). It is important to note that a large part of this overall waste reduction resulted from a significant increase in tank cleaning, which our tank storage customers often demand and which is therefore difficult to plan for. The increase in industrial waste is mainly due to tank terminal construction.



Ecological Responsibility

The total waste in 2013 is comprised of approximately 42 percent industrial waste and 58 percent hazardous waste. This was a similar ratio to that of the previous year. Most of the industrial waste is recycled.

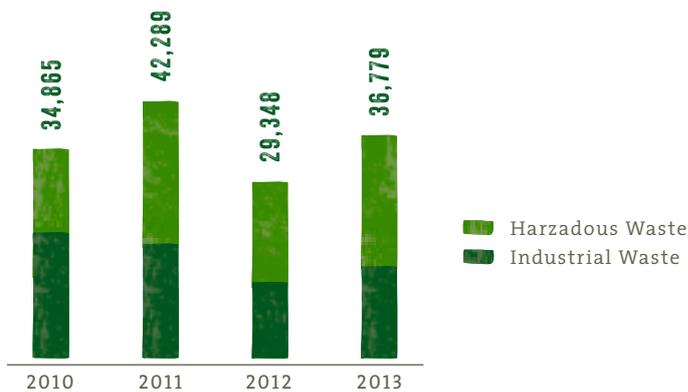


Fig 18: Total waste by type (in tons)

A doubling was also seen in the ratio of hazardous waste in relation to total storage capacity in our tank storage activities, from 0.26 kg/m³ in 2012 to 0.53 kg/m³ in 2013. This increase is explained by the fact that the tank cleaning described above primarily affects the amount of hazardous waste generated.

► Handling and Disposal of Waste

We record industrial waste (e.g. metals, packaging) as well as hazardous waste (e.g. product remnants, separator residues), which requires special treatment and must be disposed of separately. Most of the hazardous waste at our plants consists of contaminated water from oil-water separators, and residues from tank cleaning. It is collected and processed by us or by licensed contractors. The proportion of office waste is comparatively low and is therefore not recorded globally.

► Wastewater Production

The total amount of industrial wastewater discharged in 2013 was 719,135 m³ (2012: 709,321 m³). This figure includes the rainwater collected from the tank pits, so there are meteorological fluctuations. Residues from wastewater processing are classified as hazardous waste, and are pumped out by vacuum trucks, treated by external companies, and usually recycled.

At our dry bulk terminal in Davant, where coal and petroleum coke is stored, large quantities of rainwater are collected and discharged into public drainage channels after their pH is automatically monitored, and improved as needed. These quantities of water are not included in our statistics.

► **Wastewater Treatment and Disposal**

All of our service stations and approx. 75 percent of our tank terminals use oil-water separators or complex wastewater treatment systems to process wastewater. Samples are regularly taken to monitor the functioning of the wastewater systems and to ensure that safety values are adhered to. At some tank terminals, gravity oil-water separators are combined with coalescing filters, skimmers, activated charcoal filters, or strippers to fulfill all requirements. After treatment, the water at Oiltanking is mostly disposed of in the surface water, and discharged into the public sewerage system at OIL! Tankstellen.

→ BIODIVERSITY

Biodiversity – or biological diversity – encompasses the diversity of species as well as genetic diversity and the diversity of ecosystems. Humankind threatens biodiversity in a variety of ways. Habitat destruction, over-exploitation, introduction of alien species, and climate change are just some of the reasons for the decline in the diversity of species and genes. Industrial usage can also influence or diminish biodiversity in many ways. In our core business, we potentially impact it mainly through the construction of new tank terminals.

Our HSSE management system mandates a site-specific environmental assessment prior to the construction of new tank terminals and major expansions, even where this is not required by law. This includes a careful assessment of the direct and indirect impact on biodiversity. As a preventive measure, the groundwater is checked monthly at nearly all Oiltanking tank terminals. The data obtained in this way is analyzed centrally by environmental experts.

We currently have no operations in regions designated as protected areas by the International Union for Conservation of Nature (IUCN). As most of our sites are located in industrial areas, we have not carried out any renaturation measures to date.





SOCIAL RESPONSIBILITY

--> In a globalized world with fast-changing markets, motivated and dedicated employees are an important competitive advantage. To not only find employees who are actively committed to the company's success, but also to retain them, it is important for a company to take its social responsibility seriously. A balanced staff fluctuation rate has a positive impact on a company's stability.

Our philosophy – independent, sound, individual – is reflected in our corporate culture, which is accompanied by a high level of employee motivation and strong identification with the company. We meet our responsibility to society by offering outstanding working conditions as well as specific opportunities for further training and qualification.



--> MANAGING SOCIAL RESPONSIBILITY

Taking responsibility for what we do, and for the people who work for us, is especially important to us as a family-owned business. Our employees are the foundation of our success and our corporate culture. We want to offer them a working environment in which they feel valued, supported and fairly treated.

On the one hand, our social responsibility includes the careful selection of suitable candidates and the systematic development and training of our employees and managers. We do this partly to encourage employees to stay with the company long-term. On the other hand, the psychological and physical wellbeing of our employees and contractors is a top priority, especially in our operational activities. We address these topic in the "Health & Safety" section.

--> HUMAN RESOURCES WORK

Given our company's strong growth in recent years, forward-looking, active human resources (HR) work plays an important role. Ten years ago Marquard & Bahls employed about 1,500 employees worldwide; in 2013, it employed more than 9,000 people. This exponential growth in headcount has made processes more complex.

The overarching goal of the HR Department is to partner with the operating companies as well as the departments of our holding company to deliver efficient solutions that give our employees the framework for best contributing to the success of the company.

In order to meet internal and external requirements, the organizational setup was restructured in 2012. In the course of this, tasks and responsibilities were specified for the regional and corporate Human Resources teams. The corporate HR teams develop concepts for global HR initiatives. This includes the Talent Management team, which designs instruments and programs for the further employees' professional and personal development. The idea is to have the right person in the right place at the right time. The Compensation & Global Mobility team ensures fair and competitive compensation and coordinates our employees' assignments abroad (expatriates). The HR Systems & Processes team is tasked with structuring HR processes worldwide and setting up a comprehensive employee information system – peopleWeb – which will be rolled out step-by-step during the course of 2014.

The regional or local HR teams and managers put the centrally developed HR initiatives, policies and processes into practice, independently and in accordance with local circumstances. They are also responsible for the day-to-day local tasks and activities and serve as the first point of contact for all HR matters such as recruiting, employee support and payroll. Moreover, they are also responsible for ensuring compliance with local laws and regulations.

Coordinating the activities of the various regional and central HR teams will be one of the priorities for the further development of HR at Marquard & Bahls. This involves optimizing the use of existing skills, knowledge and synergies. Regular international HR meetings ensure closer cooperation and greater efficiency.

► Headcount

In 2013 – including employees from all non-consolidated and affiliated companies – we employed 9,281 people at year-end, and 9,247 employees on average (2012: 8,560). The average number of employees per calendar year was used as a basis for calculating the indicators in this chapter. The vast majority have full-time contracts. In recent years, the ratio of employees in the operational area and in administration has also remained the same, with 58 percent of employees working in operations. The “Equal Opportunity” section shows the distribution of employees by gender.

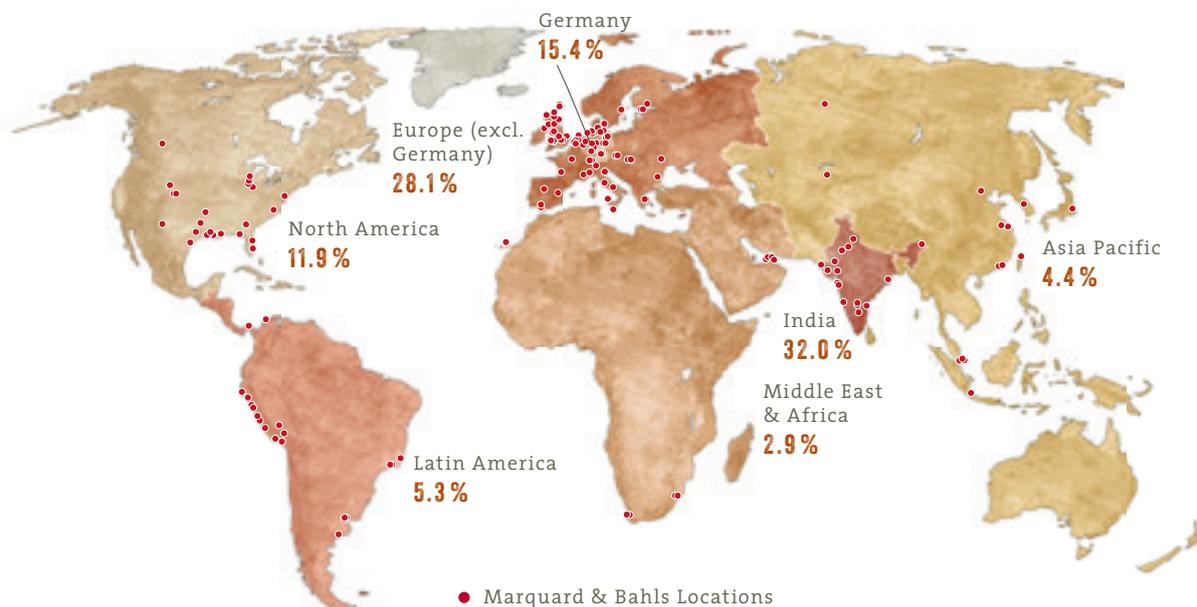


Fig. 19: Employees by region (2013)

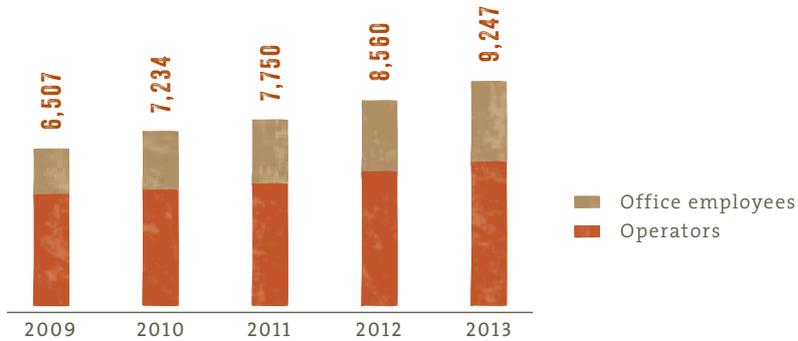


Fig. 20: Average total number of employees per year

► Employee Turnover

In accordance with the requirements of the GRI, we define the turnover rate as the number of employees who left the company voluntarily, were dismissed, or retired, in proportion to the average number of employees during the reporting period.

Employee turnover needs to be seen in context. In view of retirement or other changes in employees' personal lives, it is easy to see fluctuation as a natural process to a certain extent. The key is to achieve a balance of continuity and change. As a tradition-conscious family-owned business we greatly value continuity and long-term relationships. This fact is also reflected in our efforts to retain our employees long-term whenever possible. Continuous education and training has therefore been an integral part of our HR work for many years. We use various HR management tools for this. The growth of recent years and natural fluctuations also require a systematic recruitment of new employees from the labor market.

In 2013, 1,785 employees left the company, representing a turnover rate of 19.3 percent (2012: 20.9 percent). Figure 21 shows a breakdown by reason for leaving, in all the countries we operate in.

Broken down by company (see figure 22), in 2013 the highest turnover was seen at Mabanaft (23.5 percent). The main contributing factor for this was the service station segment in Moldova, which is subject to high fluctuation and special labor regulations. The high fluctuation at Skytanking is due to a generally volatile labor market in aircraft fuelling in the USA.

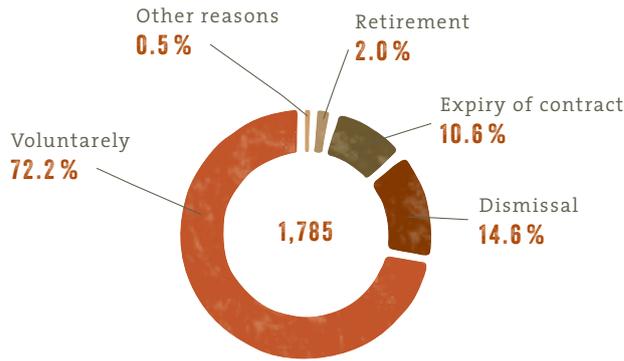


Fig. 21: Employees leaving the company by reason (2013)

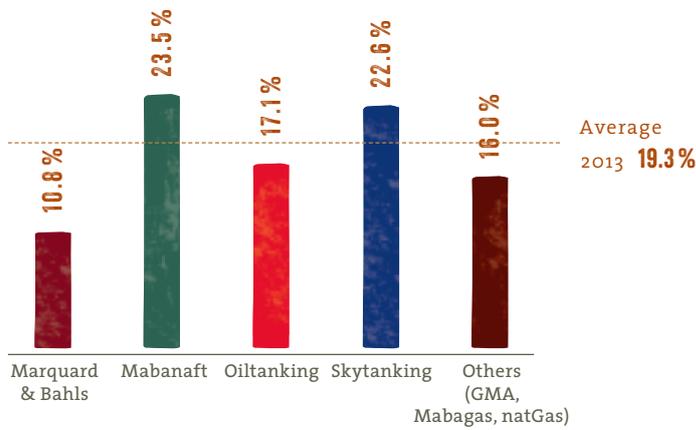


Fig. 22: Staff turnover by company (2013)



Social Responsibility

In regional terms (see figure 23) in 2013 North America and India once again had the highest turnover rates (25.6 and 24.5 percent). Both these figures are down slightly compared to 2012. As in the previous year these high turnover rates are due to a generally volatile regional labor market. Our sites in Latin America once again reduced their fluctuation rates by more than half to 4.0 percent. The strongest reduction was seen in the Middle East & Africa, where the very high turnover of 24.8 percent in 2012 dropped to 3.0 percent in 2013. This decline must be viewed against the background that relatively few employees work in this region (2.9 percent of the global workforce), so that the staff leaving in 2012 had a large impact in terms of percentage.

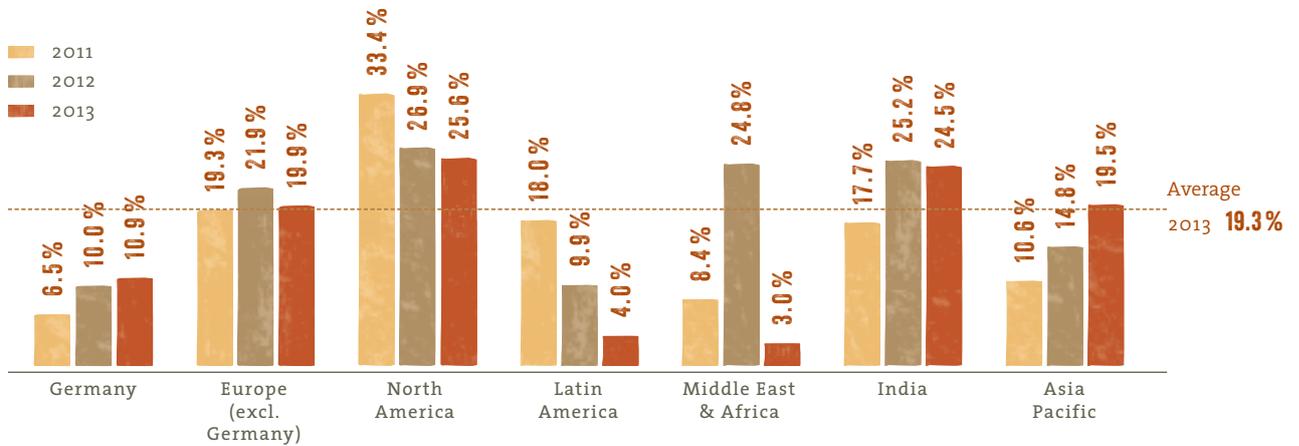


Fig. 23: Staff turnover by region

► Absentee Rate

The absentee rate reflects the days of absence in proportion to the absolute number of days staff should have worked. For 2013, the overall absentee rate was 3.0 percent, up from the 2012 figure (2.3 percent*). Since we regard this value as an indicator of our employees' health and satisfaction, we will continue to monitor it closely. Employee satisfaction is regularly checked at the local level in performance appraisals or employee surveys.

*The figure of 1.5 percent cited in the Sustainability Report 2012 was adjusted based on information subsequently submitted, which was not available at the press deadline on July 31, 2013.

---> EDUCATION & TRAINING



Education and training is an important pillar of our success. Due to demographic change and our company's rapid growth, it is becoming more and more challenging to find qualified staff. To ensure that the right people are available at the right places at the right time, promoting the expertise and talent of our employees is a high priority. Therefore our aim is to further expand and systematize our advanced training programs.

► Staff Development

We see it as our responsibility to support and advise our employees in their development, and address their individual needs with coaching, on-the-job training, and external training. Our superiors are offered international management development programs. Here, cooperation and networking at group level is a priority. In 2013, 37 employees participated in these international programs.

► Young Talent

Our International Trainee program is a pillar in attracting and developing young talent at our company. The Marquard & Bahls trainee program offers the opportunity to get to know all facets of our company and to understand our values and our culture. In particular, the focus is on the long-term development of university graduates.

In 2013, we revised our company-wide trainee program, which is being rolled out globally under the name FUEL – my FUTURE in Energy & Logistics – from 2014. All our divisions can be integrated into the FUEL program, across departmental and national boundaries. In three systematically interrelated modules, the trainees get to know our company, deepen their knowledge in their field of expertise, and gain international or cross-company experience. This enables us to meet future requirements as well as take local circumstances into account, and provide our trainees with structured practical experience and individual development.

In Germany we also offer a dual degree program in Business Administration and Industrial Engineering in cooperation with the Nordakademie in Elmshorn and, from 2014, with the Hamburg School of Business Administration (HSBA) as well. Students receive a sound education in alternating theoretical and practical phases. Another important component in the development of young talent is the in-house vocational training we offer at individual subsidiaries. Likewise, interns in different areas have the opportunity to experience working life in our group and gain insights into our company.



Because we would like to offer all of our in-house graduates a position in our company, we train them in accordance with our own personnel requirements. During the course of 2013 there were 12 apprentices, 13 Nordakademie students, and 67 trainees completing centrally coordinated trainee programs at Marquard & Bahls and its subsidiaries in Germany (2012: 14 Nordakademie students and 21 trainees).

► Career-long Learning

In addition to these tailored programs and training opportunities, we also support the professional and personal development and continuous learning of our employees by offering training in the form of in-house and external seminars and conferences. These range from specialist topics, to IT seminars and language lessons, to workshops on subjects such as intercultural communication and time management. In 2013 about 219,300 euros were invested in training in Germany alone (2012: 175,700 euros).

---> LABOR STANDARDS

We abide by the Universal Declaration of Human Rights and the United Nations (UN) protocols, protecting human rights within our sphere of influence. Compliance with the standards of the International Labour Organization (ILO) is laid down in our Code of Conduct.

We respect employee rights and ensure our employees both freedom of association and the right to collective bargaining. Our employees are organized in trade unions in various countries, including Argentina, Belgium, France, the Netherlands, and Malta. In the event of changes in our operations, we work closely with the relevant social partners.

► Working Hours

As an international company, our working hours reflect local requirements and best practices. Most of our employees have full-time contracts with a 40-hour working week and a minimum of 20 days of vacation.

► **Remuneration Policy**

As described under “Fair Remuneration” we pay competitive salaries combining fixed and variable components. The Marquard & Bahls Code of Conduct specifies that salaries shall be regulated based solely on qualifications, performance, and other work-related factors such as responsibility, skill, and experience. Factors such as gender, age, race, religion, marital status, or disability have no influence on salaries.

In addition to the base salary, we voluntarily offer comprehensive supplementary benefits, which are calculated on the basis of the basic salary. These supplementary benefits are partly dependent on performance. Employees of various subsidiaries participate directly in the company's success through individual, performance-based bonus payments.

► **Pension Schemes**

The state pension is one of the main pillars of retirement arrangements, but it rarely fully covers people's financial needs in old age at this point. Our employees' future is very important to us; that is why in most countries where we are represented, we offer a voluntary, additional employer-financed company pension. The current liabilities of the various occupational pension plans total 47.3 million euros (the previous year value has now been adjusted from 36.0 million euros to 45.4 million euros due to revised IFRS rules). Since 1985, the company pension in Germany and most European countries is based on plans with defined contributions, often administered by an external provider.

► **Child Labor and Forced Labor**

Due to the high degree of specialization required from our employees, we can rule out the risk of child labor in our company. A review of our supply chain yields a similar picture, as most of our business partners and customers need specialist staff for their operations (e.g. oil industry or chemical companies) and publish social KPIs in their sustainability reporting.

We continue to have no significant risk of forced or compulsory labor at any of our subsidiaries. To underline our attitude towards preventing forced, compulsory and child labor, and to raise awareness among workers and contractors alike, the issue is covered in our Code of Conduct. As no such incidences have been reported to date, we do not have any specific programs in place.



---> EQUAL OPPORTUNITY



We see diversity as a key to success, both in our lines of business and among our employees. We aim to further increase diversity within our company by employing both male and female employees from many different cultures. Employees from 64 nations work for us around the world – 1.8 percent of them have disabilities (2012: 2.2 percent).

All employees can anonymously report cases of discrimination, harassment or other violations of the Code of Conduct to the Compliance team at any time. In 2013 three whistleblowing cases were reported that related to criticism of superiors' leadership style. In all cases a cooperative solution was found.

The oil and energy industry is still largely dominated by men, though more and more women are choosing careers in our industry. In 2013, the proportion of female employees was 13.2 percent (see figure 24), which represents a slight decrease compared to the previous two years. More men than women still apply for technical positions. When recruiting junior employees, the Human Resources Department tries to maintain a balance between male and female candidates. Because staff are selected for their suitability for a particular job, we currently take a critical view of a women's quota.

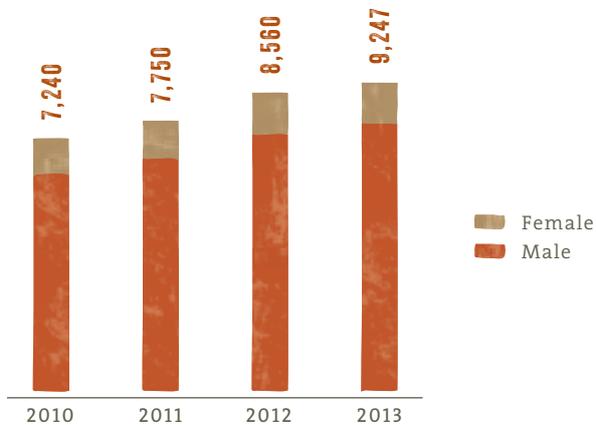


Fig. 24: Employees by gender in all fully consolidated and associated Marquard & Bahls companies (2013)

Figure 25 uses the example of Marquard & Bahls AG in Hamburg to illustrate the diversity seen in management positions and the workforce, in terms of both gender and nationality. In 2013, the Executive Board had four male members, two of whom are not from Germany. 27 percent of the holding company management in Hamburg is female; nine percent are not German. More than 50 percent of the Marquard & Bahls AG staff is female and three percent are from outside Germany. Because of our decentralized management structure, the majority of the employees and management in our subsidiary companies are appointed locally.

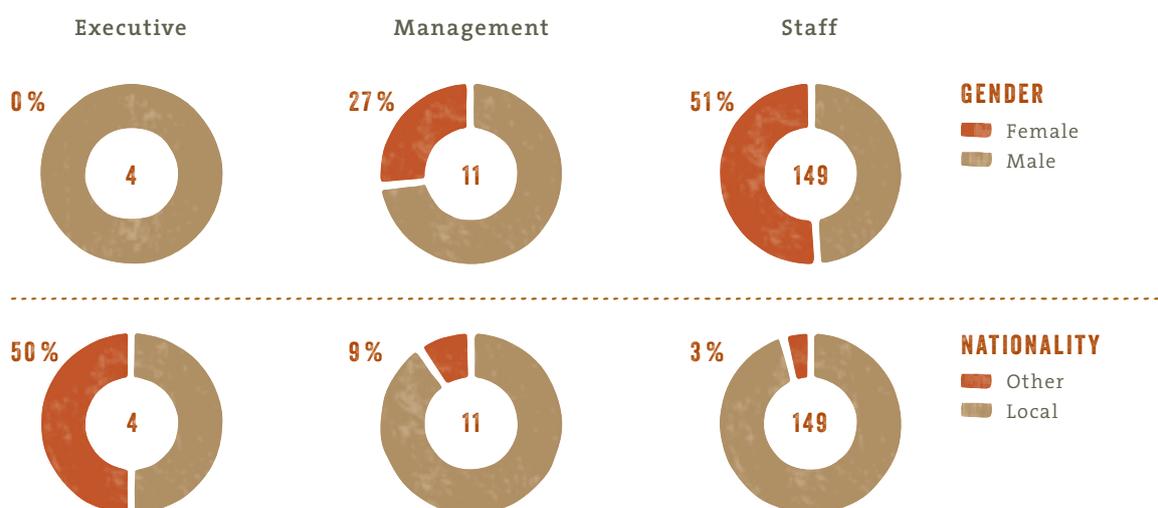


Fig. 25: Composition of management and employees by gender and nationality at Marquard & Bahls AG (2013)

---> WORK-LIFE BALANCE

We are convinced that a good work-life balance contributes to the wellbeing and performance of our employees. We are aware of the fact that this balance can sometimes be difficult to achieve.

► Working-time Models

To make work arrangements more flexible and promote a healthy work-life balance, various models such as part-time, working-time accounts, and trust-based working time are used in conjunction with an individual, case-by-case assessment. In Germany, part-time contracts accounted for twelve percent of all working time in 2013 (2012: ten percent). There are also working-time models to encourage employees to return to work after parental leave. On average, a total of 37 employees at the German sites were on parental or maternity leave in 2013 (2012: 26); 57 percent of them were men.



► Employee Assistance Program

As part of our commitment to offer employees support in different life situations, Marquard & Bahls has contracted the services of an external Employee Assistance Program (EAP). Since February 2012, under this program support has been provided to employees and their family members in Germany on a wide range of issues – from work-related and emotional problems to practical and legal issues. All matters are treated with strict adherence to privacy protection regulations.

Overall, at 6.9 percent, the utilization rate of the employee assistance program declined compared to 2012 (12 percent), but is still slightly higher than the national average of clients. A decline after the first year of introduction is normal, according to the provider. The proportion of work-related topics was 28 percent (17 percent in 2012); the remaining requests related to personal matters. The rate of emotional topics among the work-related questions is higher than the national average of clients. We will consider this information when planning measures for our employees. In our view the continued good response to this offer confirms the usefulness of this support measure.

---> HEALTH & SAFETY

Health and safety are important values at our company. We continually optimize all of our subsidiaries' activities with a view to technical, organizational and behavioral safety, and promote a proactive safety culture. One important measure is the creation of comprehensive HSSE manuals that are specifically tailored to the respective companies – and based on which the sites develop appropriate local management systems. An important tool for learning from accidents is our global incident database. To prevent incidents and their reoccurrence, all incidents, near misses and unsafe acts and conditions are carefully analyzed. If necessary, this results in HSSE alerts being distributed worldwide and discussed with employees. To monitor compliance with the specifications, we regularly perform internal HSSE audits, especially at Oiltanking and Skytanking. Detailed HSSE statistics with "leading" (forward-looking) and "lagging" (retrospective) KPIs are also prepared for each Oiltanking and Skytanking site. To promote a constructive HSSE discourse, once a year HSSE managers from Oiltanking locations worldwide convene for a week to discuss current matters of HSSE management, exchange ideas and experiences, and create synergies. Skytanking also holds international HSSE meetings as part of its annual global management meetings.

► Comprehensive HSSE Training

Our company HSSE Policy requires that all employees receive job-related training and tutorials. This includes tutorials on the risks inherent in dealing with the products that are stored and handled at our sites. New employees as well as contractors are instructed in matters of HSSE before taking up their work. Any persons who have to perform potentially dangerous tasks receive specific training. OIL! Tankstellen has produced a comprehensive training video that covers all aspects of HSSE at service stations and provides practical guidelines for meeting the requirements. The video was made available to all station partners.

At Oiltanking and Skytanking, a total of 250,102 HSSE training hours were completed in 2013 (2012: 272,467 hours). For example, at Oiltanking in 2013, each employee on the operations side received an average of 67 hours of HSSE training. In 2012, staff at two new sites in the Asia Pacific Region had to be given extensive training, which led to a higher number of training hours in the last report.

► HSSE Award

To honor our staff's efforts to work in a safe and environmentally friendly way, an HSSE award has been given out at Oiltanking since 2008. The indicators taken into account are accidents, fires & explosions, product spills, product contaminations, material damages and reporting (quality, timeliness, and near misses). Each year, one profit center receives an award for "Best HSSE Performance", and another is presented with the "Best HSSE Improvement" award. In 2013, the Golden Lighthouse for Best Performance went to Oiltanking Bulgaria in Varna, while the White Lighthouse for Best Improvement was won by Oiltanking Tallinn in Estonia. Skytanking, too, has presented HSSE awards for Best Performance and Best Improvement since 2012. In 2013, the awards went to North Air in the U.K. and Skytanking USA, respectively.

► Workplace Accidents

In 2013, across the group there were 53 accidents resulting in lost workdays that involved our own employees (2012: 54*); 52 occurred in connection with activities in operations. These accidents resulted in a total of 1,025 lost workdays (2012: 1,132). Absences due to commuting accidents or non work-related illnesses are not included in these figures.

*Due to an accident reported after the editorial deadline, the number of accidents in 2012 rose from 53 to 54.



Social Responsibility |

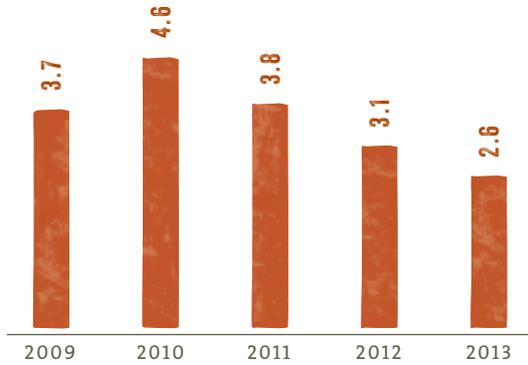


Fig. 26: Number of accidents resulting in lost workdays that involved our own employees, per 1 million hours worked at Marquard & Bahls (total)

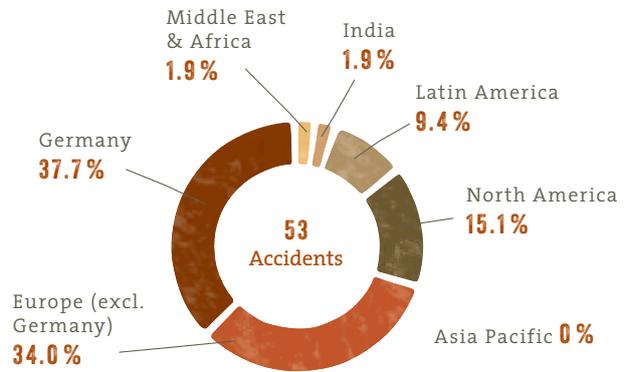


Fig. 27: Number of accidents resulting in lost workdays that involved our own employees, at Marquard & Bahls, by region (2013)

Another 29 accidents involved employees of contracted external companies (2012: 32). Tragically, two of these accidents led to the deaths of two contractors. One fatal accident occurred in January 2013 at a construction site of the EPC division of IOT in India; the other in June 2013 at the Star Energy Oiltanking tank terminal in Dubai during maintenance work. Marquard & Bahls deeply regrets these incidents. As a consequence, we will further tighten the requirements for contractors' HSSE standards, harmonize company-wide internal regulations and be more stringent about establishing Best Practices. For this purpose, last year the HSSE & Corporate Communication Department developed a manual on contractor safety and discussed and coordinated it thoroughly with various in-house departments. Also, the concept for a global, web-based database that will assist the sites in putting the requirements and processes into practice has now been completed. We will also build awareness for the issue of contractor safety among our own staff.



The relative frequency of accidents that resulted in lost workdays was reduced over the past year and now averages 2.6 hours per 1 million working hours, worldwide. This is a 16 percent year-on-year reduction (2012: 3.1 hours, see figure 26). Viewed by region (see figure 27), it can be seen that the total frequency of accidents is highest in Germany and Europe, which correlates with the employee numbers. By the end of 2014, we want to achieve a 10 percent year-on-year reduction in the relative frequency of accidents resulting in lost workdays.



We define the severity of accidents based on the average number of lost workdays per incident. Across the group, the average severity of accidents in 2013 was 19.3 lost workdays per accident (21.0* in 2012). This corresponds to a reduction of eight percent.

► Noise

Noise can have a negative impact on the working environment, local residents, and wildlife, so our goal is to minimize noise production wherever possible. Potential sources of noise are pumps, generators, and industrial vehicles. We reduce noise through better maintenance and shielding, but also by replacing aging equipment. Apart from this, noise protection is part of the mandatory personal protective equipment in the event that specified noise limits are exceeded.

► Fires & Explosions

Past incidents in our industry have shown that technical measures, organizational processes, and rules of conduct are not always sufficient to prevent fires. Oiltanking has prepared a mandatory Fire Protection Standard consisting of 72 specifications that often go beyond legal requirements, to ensure adequate protection against fire and its escalation.

Despite all efforts, in 2013 there were 24 small fires and four deflagrations (2012: 13 fires and three deflagrations). In most cases, the fires were associated with contractors' equipment and non-operational activities at our tank terminals. Although almost all of these were very small-scale fires that were quickly extinguished, this means we have not yet achieved our goal of preventing fires and explosions. It goes without saying that we will continue to pursue this goal in the years ahead.



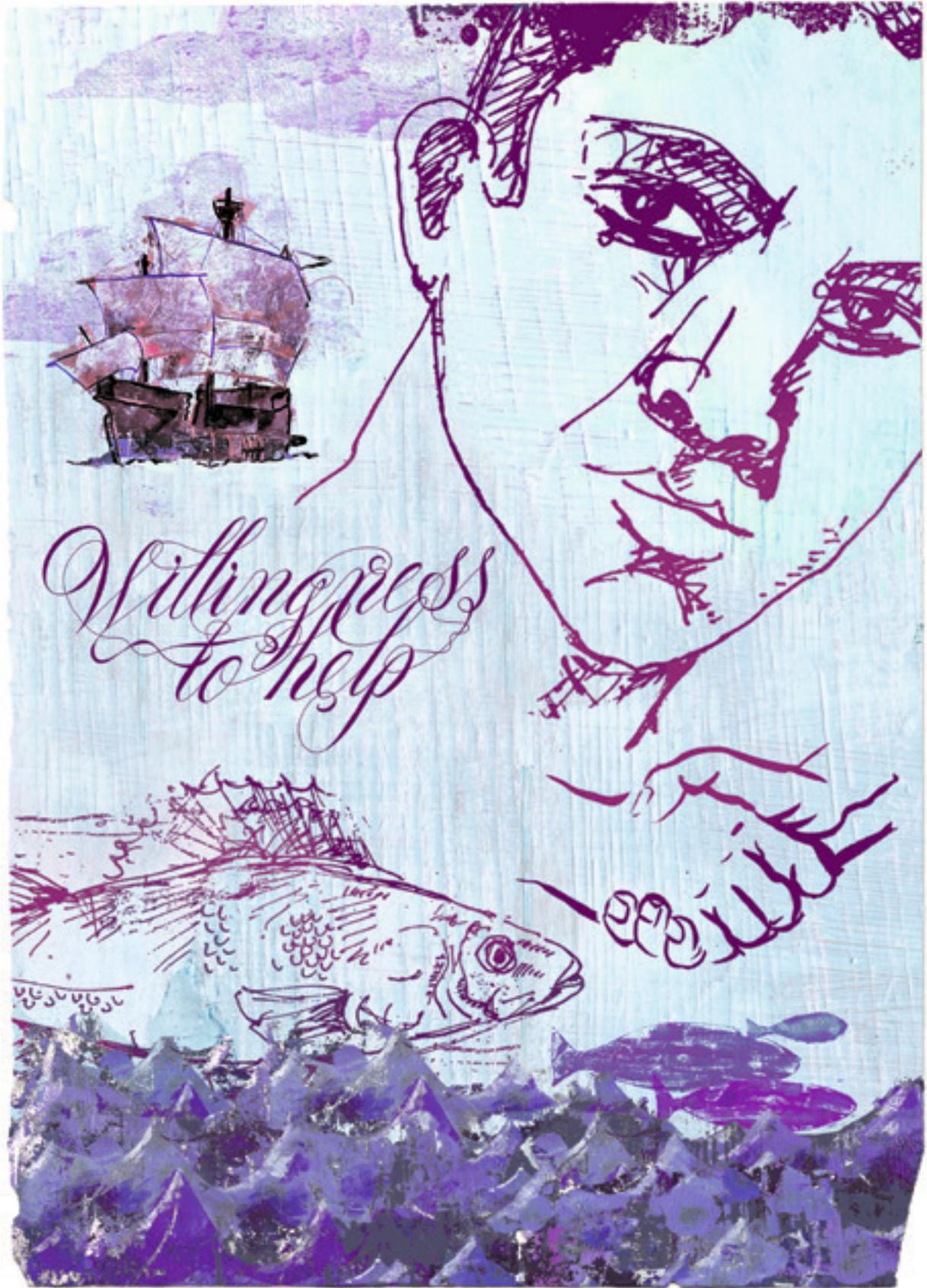
Altogether these incidents resulted in 1.2 million euros of damage (59,500 euros in 2012). The increase in costs is due to an incident at the Upstream Services division at which a fire at a camp destroyed about 900,000 euros worth of seismic instruments. No one was hurt in the incident.

► Safety on Business Trips and Preventive Medical Care

Many of our employees travel frequently as part of their work for Marquard & Bahls. Travel safety is therefore an important issue on our HSSE agenda. In order to provide the best medical advice and services for employees on their travels, as well as for expats, Marquard & Bahls has signed a membership agreement with International SOS, the leading provider of medical assistance, international healthcare, and security services.

To support our employees in planning international business trips, there is also a group-wide manual on travel safety and a web-based airline-vetting database, which is updated daily.

With regard to medical care, most employees based in Germany are entitled to a free preventive medical check-up every three years. The senior management of all sites worldwide is offered a full medical check-up every two years at a specialist clinic in Hamburg. The profit centers are encouraged to develop programs for carrying out regular preventive health checks for their employees locally. In 2013, more than 60 percent of our sites worldwide organized free medical check-ups.





CORPORATE CITIZENSHIP

- ➔ Efforts for the greater, collective good – also called corporate citizenship – are social and environmental efforts for matters that go beyond a company’s operational activities, with the overall aim of creating additional benefit for society.

We are aware that our operations can have an impact on local communities and know that it is our responsibility to act as a good neighbor. Our voluntary community involvement helps us to build and maintain understanding and trust in our activities among all stakeholders.



MANAGING CORPORATE CITIZENSHIP

In line with our values, we strive to make a contribution to the welfare of the communities in which we operate. We show our commitment in the form of financial contributions and in-kind donations, as well as volunteer work by our employees.

In 2013, altogether nearly 600,000 euros were donated, a considerable increase over the previous year's total (2012: 355,000 euros). Our staff also volunteered more than 5,380 hours of their time for various projects (2012: 4,100 hours). Please note that not all of our employees' volunteering is documented, so the actual number of hours is much higher.

Marquard & Bahls' efforts are decentralized and are reported to headquarters annually by the individual sites, as well as shared on an internal web-based knowledge-sharing platform. We are working on an overarching concept for our corporate citizenship that promotes the local efforts of the sites as well as centrally initiated projects. An exception to this is Marquard & Bahls' annual corporate donation to international aid projects.

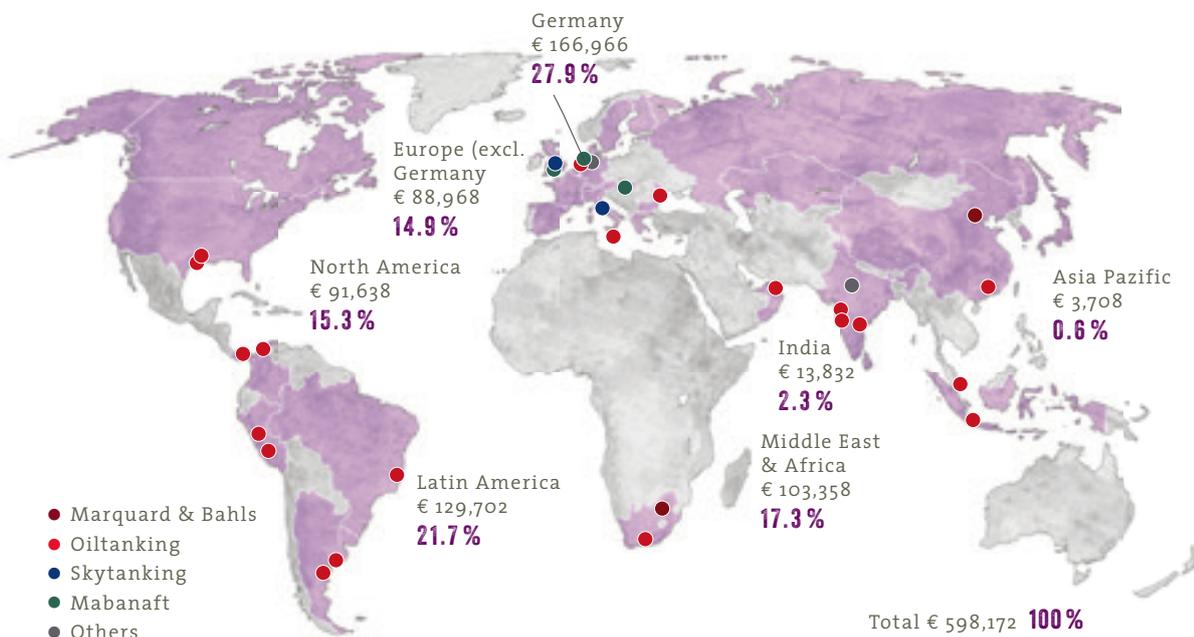


Fig. 28: Volunteer projects by region and company and donations by region (2013)

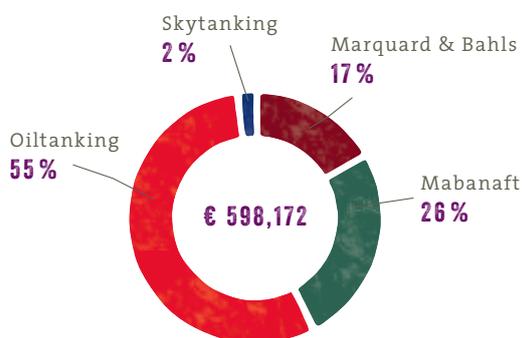


Fig. 29: Donations by company (2013)

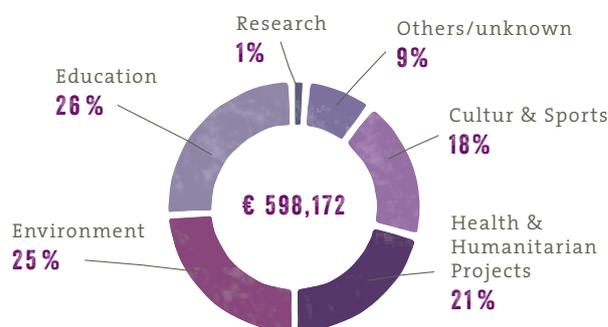


Fig. 30: Donations by issue focused on (2013)

In a breakdown by companies, Oiltanking was the biggest donor in the group in 2013. At group level, Marquard & Bahls's corporate citizenship activities can be broken out into five fields: environment, education, health & humanitarian projects, culture & sports and research.

Below is a cross-section of the initiatives that reflects the spectrum of different activities.

---> ENVIRONMENT

► 'Initiative Pro Klima' tree-planting campaigns

In 2013, the Initiative Pro Klima carried out four reforestation campaigns. One of them took place on November 12, 2013. Initiated by OIL! Tankstellen and funded by the OIL! KlimaCard, it involved a total of 17,605 trees being planted on 3.2 hectares near Hamburg. With the KlimaCard, for every liter of fuel bought, a fixed sum of 1.25 euro cents is donated to the Pro Klima Initiative by the customer, plus another 1.25 euro cents by OIL! The donations support reforestation projects in Germany. Other Initiative Pro Klima reforestation campaigns involved planting roadside and park trees in North Rhine-Westphalia, Germany, to improve the cityscape and climate in urban areas.



TREE-PLANTING CAMPAIGN OIL! Tankstellen employees plant the first 200 seedlings for around 17,000 new trees in Hasloh, Germany, together with children from a school and kindergarten



► Oiltanking Odfjell Oman initiates used battery drives

In Oman, batteries are usually disposed of with household waste rather than collected separately, so they end up in landfills where the heavy metals they contain – such as mercury – in combination with the high outside temperatures pose a serious health and environmental threat. As part of an environmental campaign by the Sohar Environmental Unit and the Environment Society of Oman, the Oiltanking Odfjell Oman HSSE team initiated a used battery drive at a school in Sohar, collecting 120 kilograms of batteries, which were then disposed of in an environmentally sound way. Over the course of the campaign, which ran from November 2012 to December 2013, more than 500 kilograms of batteries were collected at 23 different locations. The project also included seminars to raise environmental awareness.

USED BATTERY DRIVES As part of a campaign initiated by Oiltanking Odfjell Oman, children at the Indian school in Sohar collected 120 kilograms of batteries for subsequent environmentally sound disposal



► Oiltanking Colombia celebrates World Environment Day by cleaning up and replanting in a park

On April 22, 2013 the Oiltanking tank terminal in Cartagena, Colombia actively participated in World Environment Day by cleaning up and replanting nearby Bellavista Park together with employees, contractors and local schoolchildren. The aim of the campaign was to promote the participants' awareness of proper waste disposal.

In 2013, another 16 of our sites took part in World Environment Day, organizing tree-planting or waste-collection campaigns.

WORLD ENVIRONMENT DAY Schoolchildren help with planting and tending the garden at Bellavista Park in Cartagena



---> EDUCATION

► Marquard & Bahls donates to children and young people in South Africa

Instead of giving Christmas presents to our employees, customers and business partners, Marquard & Bahls has a long tradition of donating a large sum to international aid projects at the end of each year. In 2013, Marquard & Bahls doubled the company's donation to 100,000 euros, which covers the annual cost of running two SOS Children's Village projects in South Africa: the SOS Vocational Training Center in Johannesburg, and the Social Centers in Sekhukhune and Qwa Qwa.

At the Johannesburg Training Center, SOS mothers are trained for their job at the local SOS Children's Villages, where they head families of between five and ten people. The training includes lessons on childhood education and psychology, nutrition and domestic skills, and courses on handling HIV/AIDS.



Picture: Joris Lugtigheit

VOCATIONAL TRAINING CENTER

The SOS mothers are trained at the Training Center in Johannesburg. Their tasks include supervising the children's homework

At the Social Centers in Sekhukhune and Qwa Qwa, SOS staff provides support to households outside the local SOS Children's Villages. They run outreach programs in socially at-risk areas, helping families cope with a daily routine usually dominated by the absence of family members lost to AIDS. The families are given food along with medical and psychological care. Children and teenagers are given assistance with their school materials and school fees. The SOS employees also carry out awareness and information campaigns about HIV/AIDS. A drop-in center provides kids with an after-school haven where they receive warm meals, can do their homework in peace and quiet, and learn to grow vegetables in order to feed themselves and their brothers and sisters. Around 1,500 people benefit from SOS family assistance in Qwa Qwa and Sekhukhune.



Picture: SOS Archives

SOCIAL CENTRES

Employees from the Sekhukhune and Qwa Qwa Social Centers visit families in deprived areas and help them to cope with everyday life



► Oiltanking Merak, Indonesia, sets up education program for young people

Although primary school is free in Indonesia, pupils still have to pay for their school uniforms and books. Due to the low educational standards in the Merak region, most students also require tutoring at their own expense in order to keep up at school. This often represents an insurmountable obstacle for poorer families, which is why in 2013 Oiltanking Merak employees expanded the “Sahabat Pendidikan Oiltanking” educational program originally launched in 2010. It helps the children of the region to realize their career aspirations and improve their quality of life through good education. A total of 23 students of different ages from families with low incomes or with unemployed family members were selected for sponsorship. Among other things, Oiltanking Merak supports children and their families by paying for tutors.

EDUCATION PROGRAM Employees at Oiltanking Merak in Indonesia maintain regular contact with the children they sponsor



In 2013, all 23 sponsored children successfully passed their primary school exams. Oiltanking Merak also funded a school building that houses two classrooms, sanitary facilities and a teacher’s office. In the future, Oiltanking Merak plans to further expand the program, and to support the children and their families with school fees, school equipment, and medical care as well as good nutrition.

► IOT supports local schools

IOT initiates various charitable projects in the field of education, including those at state-run primary schools in communities near its tank terminals and EPC construction projects. In 2013, IOT extended this commitment to three more schools and awarded 12 scholarship grants, as well as supplying 220 school bags and renovating a school building. Furthermore, IOT sponsored the education of ten female students from different fields of study via the India Student Educational Aid Foundation (ISEAF).

In June 2013, the IOT Aatmiyata Trade Training Center – a center set up by IOT and IOT Anwasha to provide vocational training to underprivileged youth in Vadodara – was registered under the Modular Employability Scheme of the Indian Ministry of Labour & Employment. Under this scheme, students of the center will be registered for jobs in government organizations once they graduate, thereby increasing their scope of employment. On successful completion of the course at the center, the government also provides students with monetary benefits, thereby encouraging them to complete the course. The first batch of welders studying under this scheme graduated from the center in January 2014.

Another 13 of our sites mounted efforts to assist and promote schools worldwide in 2013.

---> HEALTH & HUMANITARIAN PROJECTS

▶ Oiltanking Copenhagen donates for cancer patients

Oiltanking Copenhagen traditionally makes an annual donation to charities dedicated specifically to the wellbeing of cancer patients. In 2013, Oiltanking Copenhagen supported the FMKB (Foreningen for familier med Børn Kræfttramte) organization, which gives children with cancer moments of joy in a life marred by illness. Support was also given to the organization Kræftens Bekæmpelse, which works on issues related to the fight against cancer.

▶ Oiltanking Ebytem supports people with disabilities

Oiltanking Ebytem in Puerto Rosales, Argentina supports CINDI (Centro Integral del Discapacitado), a local nongovernmental organization (NGO) that helps people with various mental and physical disabilities. In 2013, Oiltanking Ebytem funded an educational psychologist who visits CINDI twice a week with a mobile toy library. Her work helps participants develop and increase their creativity and capacity for learning.



EDUCATIONAL SUPPORT The people cared for by CINDI quickly improve their creativity and capacity for learning thanks to systematic support



► **Oiltanking Joliet sponsors local health and education initiatives**

For many years Oiltanking Joliet has made donations to United Way of Will County. The organization collaborates with 46 other local charities like the Chicago Region Red Cross, Casa of Will County – an organization that works for abused and neglected children – and the Joliet Area Community Hospice.

Oiltanking employees decide how much of their salary should be donated to United Way of Will County, or make a one-off donation. Oiltanking then matches the final sum. In 2013, 98 percent of Oiltanking Joliet employees participated in this campaign, raising a total of 8,483 euros for worthy causes, which United Way of Will County forwarded to local organizations focusing on health, humanitarian assistance and education.

► **IOT organizes health camps**

In 2013, in cooperation with renowned dental clinics and a training center for medical professionals, our Indian subsidiary IOT hosted health camps for nearby communities and schools close to its Chennai and Navghar terminals for the second consecutive year. Altogether, more than 200 villagers were given dental checkups, received instruction in dental hygiene, and could also choose to undergo a general medical checkup.

HEALTH CAMP Pupils from Vidya Mandir primary school in the village of Dhutum near the Navghar tank terminal line up for dental check-ups at an IOT health camp



► **IOT supports residents after flooding**

In June 2013, the monsoon rains came earlier than expected in the Indian state of Uttarakhand in the Himalayas, causing severe flooding. Thousands of people were swept to their deaths and entire villages were washed away, leaving many people homeless. IOT and IOT Anwasha immediately set up a joint project to quickly and efficiently provide help to villagers near the particularly hard-hit pilgrimage town of Kedarnath. In fund drives run at the offices in its Mumbai, Delhi and Vadodara offices, employees donated more than 500 kilograms of supplies and nearly 1,500 euros. A group of volunteers from IOT set out on the long and arduous road to Uttarakhand to deliver the materials, which included warm clothing, grains, flashlights, cooking utensils, milk powder and chlorine tablets, to 35 needy families in remote villages.



RELIEF ITEMS The team of IOT on the way to the pilgrim town of Kedarnath in the Indian state of Uttarakhand, which was particularly hard hit by flooding

---> **CULTURE & SPORTS**

Sports and cultural experiences bring people together, no matter what their age or background. To promote this spirit of community, Marquard & Bahls commits to selected local projects and events.

► **150-mile cycle race for people suffering from multiple sclerosis**

For many years, Oiltanking Partners employees in Houston and the regional office in North America have participated in the MS 150, a two-day, 150-mile cycling race from Houston to Austin in the U.S. state of Texas. In 2013, eleven staff members participated, each raising an entry fee of 300 euros in advance. The race is organized by National Multiple Sclerosis,



a nonprofit that uses the money for research and to improve the lives of people affected by the disease. The Oiltanking team raised more than 5,000 euros in 2013. The goal for next year is to increase the number of participating employees to 20.

FUNDRAISING Eleven Oiltanking employees support the Organization National Multiple Sclerosis by participating in the 150-mile cycling race



---> RESEARCH

As another area of our corporate citizenship, we also support research projects, for example a project supported by the Initiative Pro Klima that aims to better understand the impact of climate change and derive inferences for eco-friendlier behavior.

Among the climate-protection projects sponsored by the company is OceanRAIN (Ocean Rain And Ice-phase precipitation measurement Network for surface validation) at Hamburg's "KlimaCampus". Its objective is to investigate the relationship between climate change and precipitation through long-term measurement of precipitation on the world's oceans. A further aim is to examine satellite data. To collect the data, a total of eight research vessels from various countries, four of which currently have a long-term focus, are equipped with our precipitation gauges. A disdrometer is an instrument that optically records each individual drop of rain or snowflake and from this separately calculates the amount of rain or snowfall per square meter. Thanks to the expansion of the regions of measurement, in 2013 precipitation data from the Antarctic winter at temperatures below -30°C became available for the first time.

CLIMATE PROTECTION PROJECT In 2013, the disdrometer used to measure precipitation on the Maria S. Merian needed to be replaced





APPENDICES

---> ABBREVIATIONS

-----> COMPANIES COVERED

-----> GRI INDEX

-----> REFERENCES

-----> ADDRESSES

---> ABBREVIATIONS

AEBIOM	European Biomass Association (Association Européenne pour la Biomasse)
BIOABFV	German regulation for organic Waste (Bioabfallverordnung)
CH₄	Methane
CNG	Compressed Natural Gas
CO₂	Carbon dioxide
CO₂e	Carbon dioxide equivalents
CR	Corporate Responsibility
CSR	Corporate Social Responsibility
DAKKS	Deutsche Akkreditierungsstelle (German Accreditation Service)
EBIS	European Barge Inspection Scheme
EBV	Erdölbevorratungsverband (German Strategic Storage Organization)
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	Gigajoule
GRI	Global Reporting Initiative
HIV/AIDS	Humane Immundefizienz-Virus
HR	Human Resources
HSBA	Hamburg School of Business Administration
HSSE	Health, Safety, Security & Environment
IFEU	Institut für Energie- und Umweltforschung (Institute for Energy and Environmental Research)
ILO	International Labour Organisation
IMO	International Maritime Organization
IOT	Indian Oiltanking Infrastructure & Energy Services Ltd.
IPCC	International Panel on Climate Change
IPIECA	International Petroleum Industry Environmental Conservation Association
ISEAF	Indian Student Educational Aid Foundation

ISO	International Organization for Standardization
IUCN	International Union for the Conservation of Nature
KPI	Key Performance Indicators
KWH	kilowatt-hour
LAV	Latin America Association/Lateinamerika Verein e. V.
LED	Light Emitting Diode
LPG	Liquefied Petroleum Gas
MJ	Megajoule
MWD	Measurement While Drilling
MW (el)	Electrical megawatt
MWH	Megawatt-hour
N₂O	Nitrous oxide
NGO	non-governmental Organization
NGVA	Natural & bio Gas Vehicle Association
NMHC	Non-methane hydrocarbons
NO₂	Nitrogen dioxide
NO_x	Nitrogen oxide
OCIMF	Oil Companies International Marine Forum
OECD	Organisation for Economic Co-operation and Development
OHSAS	Occupational Health and Safety Assessment Series
O&M	Operation & Maintenance
PEFC	Program for the Endorsement of Forest Certification Schemes
PM	Particulate Matter
SO₂	Sulfur dioxide
SO_x	Sulfur oxides
UN	United Nations
UPEI	Union of European Petroleum Independents
US	United States
UTV	Unabhängiger Tanklagerverband e. V. (Independent Tank Storage Association)
VOCS	Volatile organic compounds

MARQUARD & BAHLS AG

Hamburg, Germany

MABANAFT GMBH & CO. KG

Hamburg, Germany

--- Regional TradingMabanaft International GmbH & Co. KG
Hamburg, GermanyMabanaft Pte. Ltd.
Singapore**--- Wholesale**Mabanaft Austria GmbH & Co. KG
Wien, AustriaMabanaft Deutschland GmbH & Co. KG
Hamburg, GermanyMabanaft Hungary Kft.
Budapest, HungaryMabanaft Limited
London, Great BritainMabanaft Moldova SRL
Chisinau, MoldovaMineralölvertrieb Hameln
GmbH & Co. KG
Hannover, GermanyB.W.O.C. Limited
Weston-super-Mare, Great Britain**--- Retail**Advance Fuels Co. Ltd.
London, Great BritainAUSTROLUB GmbH & Co. KG
Vienna, ÖsterreichBenol Energieservice GmbH & Co. KG
Frankfurt / Main, GermanyBöttcher Energie GmbH & Co. KG
Regensburg, DeutschlandDeglmann Energie GmbH & Co. KG
Weiden / Oberpfalz, GermanyGreiner GmbH
Wabern, DeutschlandHartmann Energie GmbH & Co. KG
Oberleichtersbach, GermanyJB German Oil GmbH & Co. KG
Wittenburg, DeutschlandKaiser Söhne Mineralöle GmbH & Co. KG
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* For natGAS, this report only shows the employee and revenue figures.

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> = Core Indicator ● = fully reported ◐ = partially reported ○ = not reported

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Statement GRI Application Level Check

GRI hereby states that **Marquard & Bahls AG** has presented its report "Marquard & Bahls Sustainability Report 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 06 August 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.
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