



# Mabanaft Group – Sustainability Report

Financial year 2021





# 1.

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# Letter from Management

GRI 2-22

## Dear readers,

Welcome to the first issue of the Mabanaft Sustainability Report. Here we want to provide a transparent overview of our key developments and figures in the area of sustainability.

As a leading independent and integrated energy company, Mabanaft is active in the import, storage, distribution and marketing of petroleum products, natural gas liquids, chemicals, and biofuels. The year 2022 marks the 75<sup>th</sup> anniversary of our founding, and throughout this long history our core purpose has been, and continues to be, securing energy supply for our customers. We are fully committed to play our part in driving the energy transition to a secure, lower carbon energy landscape. We have an ambition to repurpose our assets and capabilities to facilitate the growth of innovative lower carbon energy products, so that we can support our customers in meeting their own sustainability targets.

Over the past year, we as an organisation have been taking a close and hard look at our business and at how we work together. In a market environment that is changing very rapidly in any case, it is key for us to be able to make quick and efficient decisions. That is why we embarked on a transformation journey in the form of ONE Mabanaft, which allows us to be more agile and take control of our own destiny. Starting already in the end of 2020, we've reorganised the business units, created a new Executive Committee, and updated and adapted policies and guidelines specifically to our business. A further step towards independence, was the establishment of a Mabanaft Supervisory Board in mid-2022.

Independence has also allowed us to create our own enabling functions, for example our People and HSSE & Sustainability functions. For us, it is important to have these capacities directly inside the company

– close to our business, close to our processes, and close to our teams. We are committed to conducting our business in an economically, environmentally and socially responsible way, and in line with our values, we strive to support the local communities in which we operate. Through our corporate citizenship activities, which mainly focus on environment, education, health, culture & sports, and humanitarian aid, we can create additional value for society.

I'm very proud of what we have accomplished as a team. In these uncertain times, staying on course is not a given. All employees have been very committed, have done an extraordinary job, and have never lost sight of our customers despite what has sometimes been difficult circumstances.

After all, sustainability – in all its dimensions – is a critical topic for us. As a responsible company, we have an obligation to focus much more on the ecological impacts of our business than we've done in the past. This includes lowering our own environmental footprint – with fixed CO<sub>2</sub>-reduction targets. This includes setting up a system for sustainability management and reporting. This includes thinking about how we can contribute to the achievement of the UN's Sustainable Development Goals. And this includes anchoring CSR principles and good corporate governance in the company in a holistic manner – and, most importantly, living them. After all, our ambition for both today and tomorrow is clear: We want to create added value for everyone who is affected by what we do – be it our employees, customers, or shareholders.



Jonathan Perkins  
Chief Executive Officer (CEO)

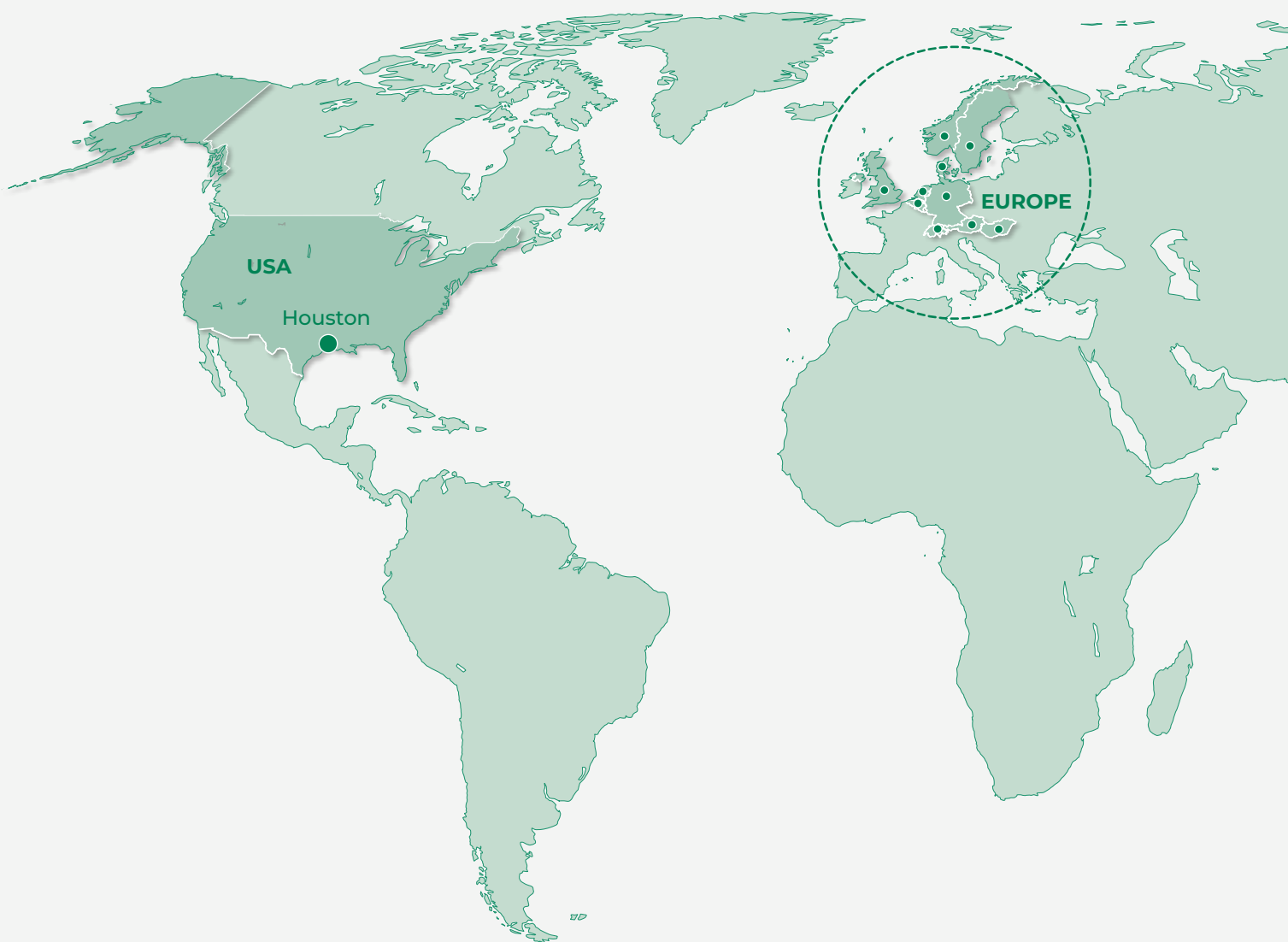


Mark Probyn  
Chief Financial Officer (CFO)

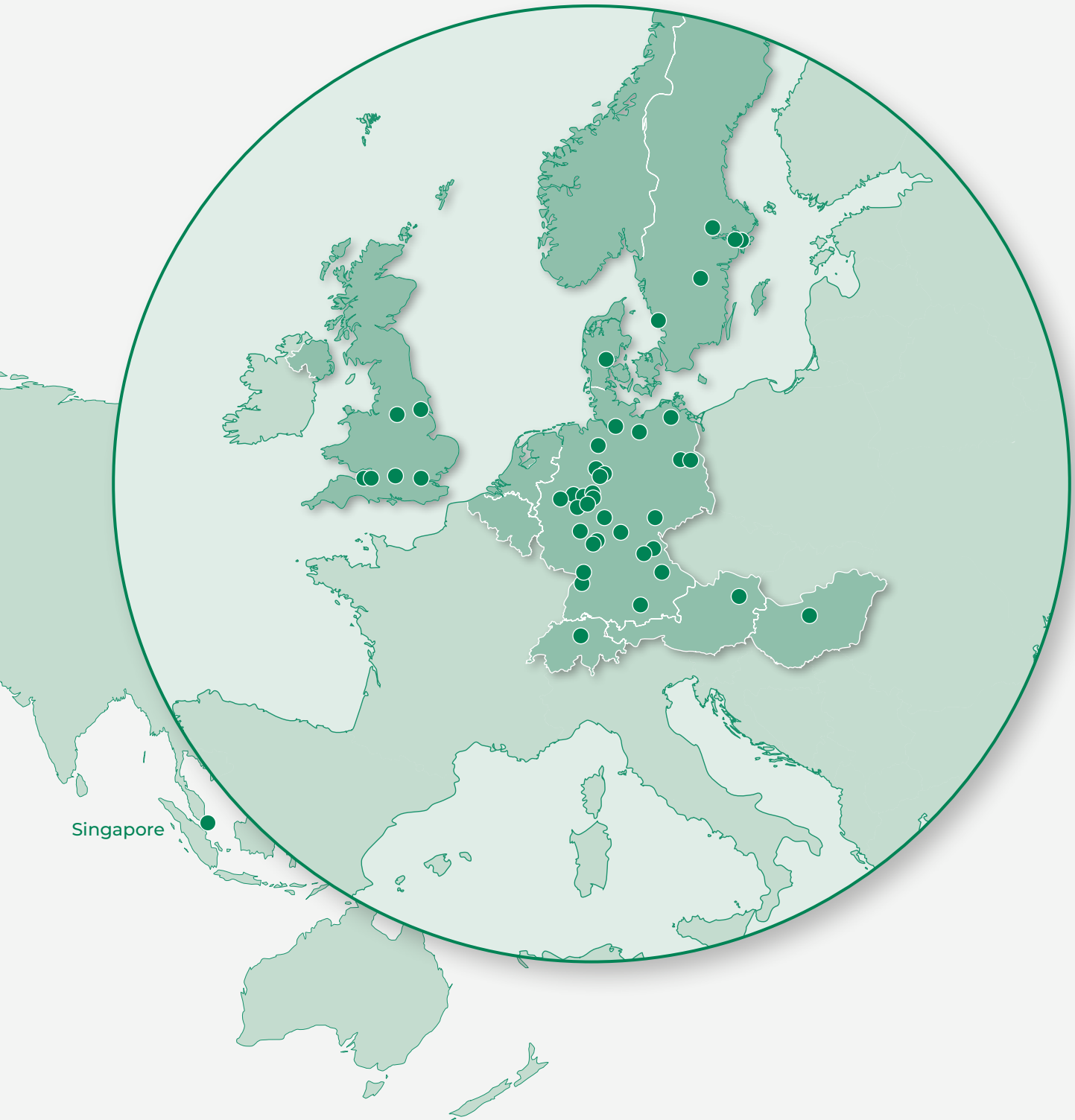


# Our locations

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● Mabanaft Group



As of 31 December 2021



## 2. Sustainability at Mabanaft

### The Mabanaft Group – Who we are

GRI 2-1, 2-2,  
2-6, 2-7

Mabanaft is a leading independent integrated energy company headquartered in Hamburg, Germany, and provides its customers with innovative energy solutions for their transportation, heating, industrial and agricultural needs. The company plays an active role in the energy transition by working to expand the range of alternative options available for these areas. The Mabanaft group is active in import, distribution and marketing of petroleum products, natural gas liquids, chemicals and biofuels, and supports its customers' transition to cleaner fuels by providing alternative long-term solutions.



Altogether the Mabanaft Group comprises activities on three continents. The activities are divided into the business units (BUs) Supply, Infrastructure & Trading, Marketing, and New Energy, Chemicals & Gas.

The **Supply, Infrastructure & Trading** business unit consists of various trading offices worldwide as well as our nationwide network of tank terminals in Germany. The BU handles the Group's global oil and renewables trading activities and the overall supply of Mabanaft's wholesale markets. This is done from offices in Hamburg, London, Houston and Singapore. **Oiltanking Deutschland**, the Mabanaft Group's tank storage subsidiary, is one of the largest independent operators of tank terminals for oils and biofuels in Germany.

The **Marketing** business unit covers our customer facing activities. This includes our wholesaling activities to customers in the marine, aviation, industry and agricultural segments, and our Energy Distribution business, delivering products to B2B and B2C customers in Germany, Sweden and UK. Furthermore, our retail network covers around 340 service stations in Germany, Austria, Switzerland, and Denmark. A further 40 retail stations are operated on a franchise basis in Hungary. Our Commercial Road Transport activities, comprise around 270 automated service stations for commercial haulage fleets. They form part of the European refuelling network tankpool24, which ensures comprehensive fuel availability for commercial transport companies across the continent. In addition, a network of manned truckstops serves customers in the UK. The CRT business also serves B2B customers with fuel cards.



**Business Unit**  
Supply, Infrastructure  
& Trading



**Business Unit**  
Marketing



**Business Unit**  
**New Energy, Chemicals & Gas**

The business unit **New Energy, Chemicals & Gas** is focused on building our portfolio of low carbon solutions/fuels. Liquid fuels will continue to play an important role in fuelling the mobility of tomorrow in the trucking, marine/aviation, and agriculture segments. We want to support our customers' transition to cleaner fuels by providing alternative long-term solutions. Our sustainable fuels pipeline continues to grow and covers power-to-liquid (PtL), (synthetic) e-fuels, hydrogen opportunities, sustainable aviation fuels, drop-in biofuels, and other reduced-carbon fuels.

Mabanaft had an average of 1,375 employees in 2021 (2020: 1,067 employees) in the Group of fully consolidated entities.

Employees of the Mabanaft Group  
Average for the year



## Organisational and management structure

### GRI 2-9

Following the reorganisation of the Mabanaft Group that took place in the reporting year, the holding company Marquard & Bahls and its Supervisory Board now act as the sole strategic architect and ultimate governance body for the Group. For its part, Mabanaft manages its operating business fully independently and is therefore also responsible for sustainability management.

The Executive Committee has overall operational responsibility for the Mabanaft Group. It consists of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), and the Chief Operating Officer (COO), as well as the Senior Vice Presidents responsible for the three business units. The latter ensure that the different perspectives and interests of

the business units are represented. The Executive Committee defines the company's strategic direction and its corporate objectives. It also coordinates and monitors the implementation of the strategy and is responsible for the budget and investments. The roles on the Executive Committee are divided almost equally between genders. Its members also represent different nationalities, backgrounds, and age groups. The Group Health, Safety, Security & Environment (HSSE) & Sustainability has functional responsibility for managing sustainability topics and for sustainability reporting. It reports directly to the CEO. The CEO or the Executive Committee in turn informs the Supervisory Board of Marquard & Bahls AG about sustainability topics.<sup>1</sup>

## Principles of our corporate management

Even today, we have already embedded a variety of mechanisms within the company to ensure its sustainable development. Based on our corporate values of respect, accountability, integrity, and responsibility, we have drawn up a code of conduct to define basic principles for how people must behave and how decisions are taken within the company. It can be found on our website. In addition, we have developed other policies that give specific guidance on a range of internal topics. Via our HR system, with additional supporting communication internally, we ensure that all employees are notified of new policies, have access to these, and can internalise them. If significant revisions are made, we provide additional information on the intranet or via email and in the majority of cases organise mandatory training sessions for our staff.

Strict compliance with the code of conduct and company policies is crucial for our work together within the company and with third parties. We also promote a culture of open and honest debate. Various mechanisms have been implemented to identify and follow up cases of non-compliance:

- We encourage our employees to address critical questions or concerns with their line manager. Furthermore, we provide the opportunity in our groupwide quarterly Townhalls to ask questions to the Executive Committee. The Townhalls are recorded, all questions are tracked, and answers published.

GRI 2-23, 2-24



GRI 2-26

<sup>1)</sup> Before this report was published another change was made to the organisational structure, in which the enabling functions were restructured. In this context, the role of the COO was eliminated. Since mid-2022 the Executive Committee of the Mabanafit Group no longer reports to the Supervisory Board of Marquard & Bahls, but to a separate Supervisory Board set up especially for the Group.



→ Furthermore, a **Trust Team** has been established at Mabanaft Group. This team offers support by colleagues for colleagues and was created as a resource for anyone who is experiencing particular professional or personal challenges. Additional information on this subject is also available in the chapter “Compliance”.

→ Employees and external stakeholders can additionally report breaches of the code of conduct anonymously via the online reporting channel CARE (Concerns And Reporting). Our CARE platform acts as a confidential case management system, which actively encourages staff to express their concerns. The website is hosted by an independent provider and is available around the clock in several languages.

## Our strategic foundations

As part of the reorganisation of the Group in 2021 we also presented our new **ONE Mabanaft Group Strategy** and began implementing it. In the ONE Mabanaft Group Strategy, we concentrate on the following three strategic building blocks:



**1.** Optimise and sustain the core business



**2.** Grow end-customer access in “hard to electrify” sectors



### 3. Establish low-carbon fuel offering



In order to achieve the best possible results in all three areas, we have set ourselves concrete financial goals, launched the necessary initiatives, and are working across functions on the continuous improvement of our internal processes.

The ONE Mabanaft Group Strategy also sets out our understanding of and commitment to assuming our corporate responsibility for more sustainability. As of today, we are already involved within a number of projects aimed at fostering an intact environment and society. Moreover, we have committed ourselves to international guidelines and frameworks and have set ourselves overarching goals for more sustainability within the company.

Corporate responsibility  
for more sustainability

→ Mabanaft is committed to the United Nations Sustainable Development Goals (SDGs), the OECD Guidelines for Multinational Enterprises, the Ten Principles of the UN Global Compact, and the Paris Climate Agreement.

Sustainable Development  
Goals (SDGs)

→ We participate in the EcoVadis assessment since 2021, meaning that we have our sustainability performance rated by an external agency. Our objective for the years ahead is to steadily improve this rating by means of our sustainability activities.

→ Furthermore, we aim to maintain a close dialogue with our most important stakeholder groups. In order to adapt our sustainability commitment to changing demands, expectations, and contexts, we particularly want to involve banks, customers, suppliers, contractors, and employees in our decision-making. Our employees are particularly important for us. To ensure we take them with us on our journey to become a more sustainable company and increase their awareness for sustainability topics, we are conducting regular internal staff surveys, as well as holistic surveys as part of what we

GRI 2-29


call pulse checks. Our new company intranet and our new website also give us the possibility to reach our employees even more easily and to share information quickly, digitally, and transparently. We intend to continue making good use of this opportunity.

GRI 3-1  
Refining our sustainability management


In the years ahead our focus will be on refining our sustainability management to enable us to manage our activities and ambitions even more strategically. To ensure that we can concentrate on those sustainability topics that give us the greatest leverage for positive change, we carried out a materiality analysis in spring 2022. For this structured, multi-stage analytic process we drew on sector-specific and sustainability standards, among other things, as well as on existing requirements and factors relating to our specific operating environment. This enabled us to ascertain the areas that are potentially relevant for our Group and our stakeholders. These were then ranked by managers and the responsible departments from two perspectives: in terms of the ecological and social impact caused by Mabanaft (inside-out perspective), and the economic impact on Mabanaft (outside-in perspective). Following this, the Executive Committee validated these assessments of the topics and approved them.

GRI 3-2 On the basis of the materiality analysis, we identified eight priority topics, which we intend to address even more extensively in the future, and which are also the main focus of this report:


Eight topics based on materiality analysis




Climate-neutral operations



Product releases



Innovative energy solutions



Occupational health and safety



The next step is for us to further develop targets, key performance indicators (KPIs), and activities for the eight topics identified, in other words to draw up a detailed sustainability road map for the years ahead, and to ensure that it is closely integrated with the three strategic building blocks of our ONE Mabanaft Group Strategy.

## About this report

This is the first Mabanaft Group sustainability report. Earlier sustainability activities were described in the sustainability report for the entire Marquard & Bahls Group. The sustainability report for the Mabanaft Group will be published annually from now on. As the highest management body for the Mabanaft Group, the Executive Committee reviews and approves the information in the report, including the organisation's material topics.

GRI 2-3, 2-14

This report is structured in line with these material topics. They are allocated to the three overarching areas of action: environmental (E), social (S), and governance (G). A consolidated table of key performance indicators can be found in the appendix to this report.

Reference is made in this report to the reporting standards of the Global Reporting Initiative (GRI Standards) for 2021. The corresponding GRI content index is also included in the appendix. The reporting period covers the financial year 2021 (1 January to 31 December). Selected information from financial year 2022 is also included for the sake of completeness. The editorial deadline was September 30, 2022. This sustainability report was made public on the company website in German and English on April 11, 2023.

Global Reporting Initiative  
(GRI Standards)



# 3.

## Environmental

The Mabanaft Group is proactively engaged in the fight against climate change and for the environment. As an energy company we are an indispensable part of a successful energy transition: we are working to make our sites climate-neutral, endeavour to find solutions that yield further reductions of greenhouse gas emissions along our supply chain, and make investments that facilitate the diffusion and further development of innovative energy solutions. We want to ensure that environmental damage due to product releases is avoided and therefore follow a zero-spill strategy. Furthermore, we want to make economic and efficient use of resources. For this reason, we work ceaselessly to reduce our relative energy and water consumption, to optimise our management of waste and wastewater, and to encourage environmental awareness among our employees.



## Climate-neutral operations

In order to meet the targets of the Paris Agreement, Germany (by 2045) and the EU (by 2050) have committed to become climate neutral. We believe we are able to make a key contribution to achieving these targets and strive as a group to make our sites neutral in terms of their greenhouse gas emissions. We are currently concentrating on reducing the energy consumption at our sites and therefore our direct and indirect CO<sub>2</sub> emissions (Scopes 1 and 2), but are also addressing emissions in our value chain.

### → Getting started

The transition to a less carbon-intensive economy calls for concrete targets to be defined to minimise greenhouse gas emissions. Going forward, Mabanaft is striving to reduce its Scope 1 and Scope 2 emissions to zero. In addition, we want to continually reduce the carbon intensity of the products we sell. We will soon be finalising a detailed road map for this – including targets and sub-targets, timelines, measures, and responsibilities – as part of our sustainability strategy.

### → Energy use and conservation

We use direct forms of energy such as natural gas and petrol/diesel to operate our facilities and vehicles. Indirect energy – mostly electricity – is used to operate pumps, for lighting, and for IT, among other things. We also use district heating as an indirect source of energy. In order to manage our energy use effectively, we record total consumption by energy source in our annual reporting database.

Our subsidiary **Oiltanking Deutschland GmbH & Co. KG** is already certified in line with ISO 50001. With the help of this energy management system, we are able to keep improving the energy efficiency at these sites systematically and continuously.

### → Direct and indirect greenhouse gas emissions

Mabanaft measures its own carbon footprint in accordance with the **Greenhouse Gas Protocol**. We define our carbon footprint as the total volume of the six greenhouse gases listed in the Kyoto Protocol, expressed as tonnes of CO<sub>2</sub> equivalent (CO<sub>2</sub>e), that we produce directly or indirectly.

GRI 3-3

Paris Agreement

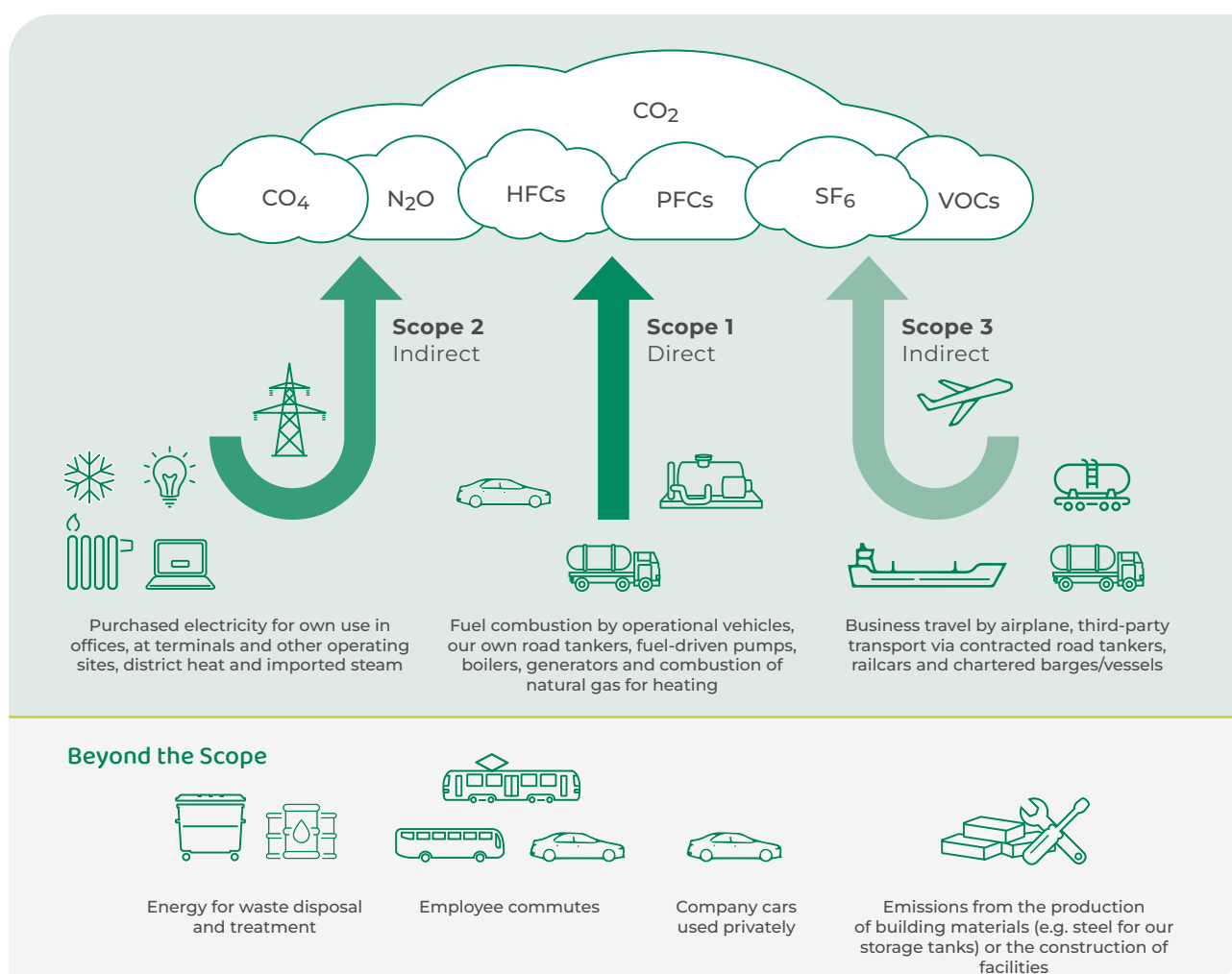


GRI 305-1, 305-2, 305-3

Annual reporting  
database

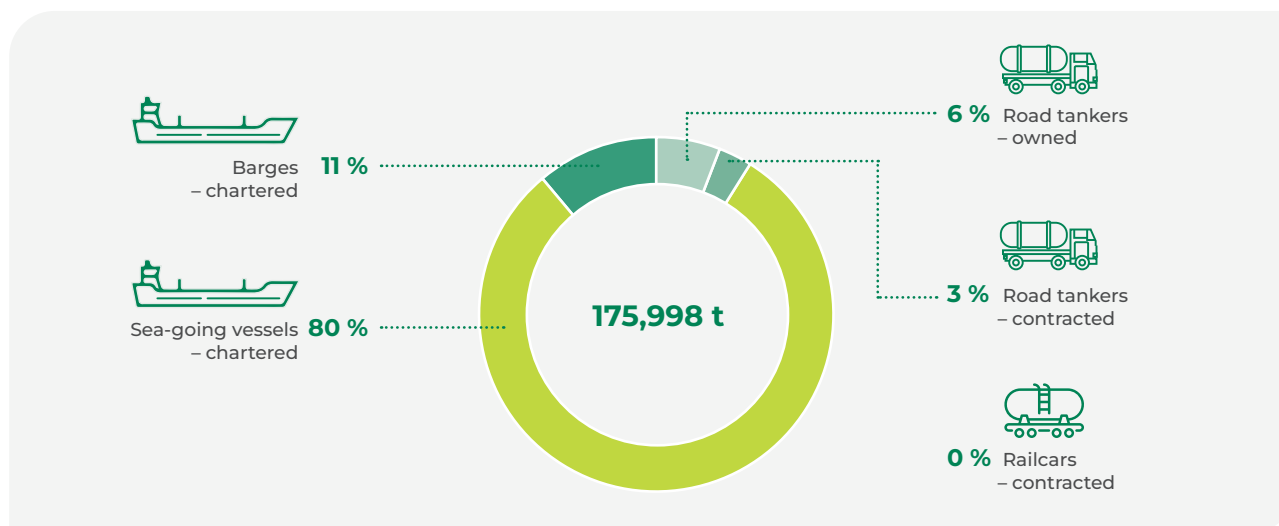
The Mabanaft Group's Scope 1 emissions consist largely of emissions from the road tanker and vehicle fleets at the individual companies. In addition to these, there are emissions from consumption of heating oil and gas at the various sites. Under Scope 2 emissions we record indirect emissions resulting from the consumption of purchased electricity and district heating. Consumption data from the sites entered in the annual reporting database is used to calculate these. Data is converted on the basis of the emissions factors defined by the **Intergovernmental Panel on Climate Change (IPCC)** and the **Greenhouse Gas Protocol**. In the case of emissions factors for electricity, we use the applicable energy mix in the countries that are relevant for us.

Emissions caused when our products are transported by service providers are recorded as Scope 3 emissions, as these are beyond our direct control. The means of transport used include sea-going vessels, barges, road tankers, and railcars. Emissions from business flights are also included in the Scope 3 category.



Reporting scopes for greenhouse gas emissions at Mabanaft

Emissions caused by the transport of our products are responsible for most of the Scope 3 emissions. Chartered sea-going vessels are the biggest driver. Our calculation for 2021 included 169 transports with chartered sea-going tankers (2020: 184 transports) and 1,112 transports with barges (2020: 1,566).



Transport-related CO<sub>2</sub>e emissions by mode of transportation

### → Reducing emissions

To reduce emissions by our company cars, Mabanaft uses modern vehicles with more efficient engines or hybrid vehicles. Charging points supplying 100% green power are also provided free of charge at the company headquarters for users of company cars with a hybrid engine. Going forward, we plan to offer special driving training. This will include both road safety aspects and advice on how to drive fuel-efficiently.

Charging points supplying  
100% green power

In order to save additional energy and reduce emissions, the service stations operated by our subsidiary **OIL! Tankstellen** are being successively transitioned to LED lighting and energy-saving refrigeration technology.

To address our transport-related emissions we calculate the most efficient form of transport for our products, with the lowest climate impact, whenever possible and choose this accordingly. Thus, when chartering sea-going tankers, the energy efficiency of the vessel is a selection criteria. Our subsidiary **OIL! Tankstellen** also uses road tankers from selected third-party companies with energy-efficient fleets to deliver the products to the contracting service stations.

As well as striving to reduce CO<sub>2</sub> emissions by means of various activities in the company, we also support selected projects to offset our emissions. For instance, in cooperation with the organisation Tree Nation we offset emissions generated by our business flights in the reporting period, by planting trees.



## Innovative energy solutions

GRI 3-3

Biofuels, e-fuels,  
hydrogen derivatives

Our most important contribution to a successful energy transition is to provide cutting-edge reduced-carbon fuels for industrial transportation and heating needs. We are convinced, that liquid fuels will continue to play an important role. By leveraging our core strengths of sourcing, storing, handling and distributing liquid fuels, our focus is on helping our customers in the hard to electrify sectors decarbonise. For this reason, we offer a range of liquid fuel alternatives such as biofuels, e-fuels, and other hydrogen derivatives.

### → Supporting alternative fuels

The New Energy, Chemicals & Gas business unit is responsible for establishing our lower-carbon fuel offering and developing innovative solutions. The BU is currently working on a detailed road map to achieve our targets in this area.

Mabanaft will continually increase the proportion of cleaner fuels in its energy product sales. We also want to continuously increase the New Energy, Chemicals & Gas business unit's contribution to gross margin



and to thereby set our business up for even more sustainable growth. In addition, we plan to boost our investments in projects for less carbon-intensive energy. No key performance indicators were yet available for the reporting year to measure and manage these targets. These indicators were defined in the first half of 2022 as part of the sustainability strategy, and measurements are planned from 2022.

#### → Shaping the fuel world of tomorrow

In order to play an active role in shaping tomorrow's fuel world we have joined forces with some strong partners and are implementing various joint projects together with them.

Mabanaft began a joint venture with the H&R Group in early 2021 to drive the transition to climate neutrality in mobility, heating, and chemicals. **P2X-Europe** is an international power-to-liquid (PtL) business that develops vertically integrated, commercially proven innovative end-to-end technology solutions that enable the production and marketing of synthetic hydrocarbons on an industrial scale. This will particularly benefit the aviation industry, the commercial road traffic sector, and also the chemicals/pharmaceutical industry. The first PtL demonstration plant in Hamburg is currently in the final phase of its operational launch. **P2X-Europe** and **The Navigator Company** announced the establishment of a joint venture in Portugal in 2022. **P2X-Portugal** will develop the first industrial-scale PtL production plant in Portugal. The joint venture opens up the prospect of 80,000 tonnes per year of renewable power-to-liquid products, with a focus on more-sustainable aviation fuels. The project aims to start commercial production in 2026.

PtL demonstration plant in Hamburg in the final phase





**eFUEL-TODAY**



In order to be one of the first companies in Germany and Europe capable of supplying our customers with climate-neutral e-fuels at scale, we signed an MoU in 2021 with the project management company **Highly Innovative Fuels** to distribute synthetic petrol made from green hydrogen from the Haru Oni project in Chile within a few years. We are also involved as a partner and member of the **eFUEL-TODAY** and **eFuel Alliance** initiatives, which aim to increase public and political acceptance of e-fuels and include them as an important contribution to sustainable climate action.



**NACOMPEX**

Mabanaft also acquired a minority stake in **NACOMPEX GmbH** in the reporting year. The company is running two projects to research and develop an innovative decentralised system for the storage and transport of green hydrogen. The projects have received funding of €1.8 million from the German federal government and the state of Saxony as part of Germany's National Hydrogen Strategy. We are also a found-



ing member of the **AquaVentus** development association that aims to install offshore wind turbines with a capacity of ten gigawatts – as well as the corresponding transport infrastructure – to produce green hydrogen in the North Sea.

As a shareholder in the **Gulf Coast Ammonia** Project we are also involved in the construction of a world-scale highly efficient ammonia production plant in the US state of Texas. From 2023 onwards we intend to market some 500,000 tonnes of ammonia produced in the plant for agricultural and industrial use. Furthermore, ammonia offers the prospect of decarbonising the shipping industry and possibly other means of transport as well. In the long term, the production plant is also intended to manufacture blue ammonia. the possibilities of carbon capture and storage to enable this are currently under review.



## Preventing product releases

Many of our facilities store and handle products that can cause damage to human health and the environment if they are not dealt with properly. Because potential environmental risks are linked above all to product releases, we do everything we can to avoid them.

GRI 3-3

### → Zero-spill strategy

Product releases of any kind are not acceptable to us. As a Group we therefore pursue a zero-spill strategy that enables us to take both preventive and acute action against product releases. The core preventive components of the strategy are technical and structural precautions at our facilities, regular safety inspections, operating procedures designed for maximum safety, and effective maintenance and inspection programmes.



#### Fail-safe blocking systems

#### → Preventive measures

In our tank terminals, we use, among other measures, fail-safe blocking systems which securely separate the product from the environment. We have also installed magnetic-drive pumps that physically encapsulate the product. State-of-the-art technical permanent seal systems are used if sealing systems are required. Monitoring of our facilities is rounded out by a modern preventive maintenance strategy. All this makes a leak unlikely, but should one occur, technical aids are available at the relevant facilities in the tank terminals and the service stations, which include oil binding agents as well as effective retention systems like sumps. We will continue to invest in this area going forward and provide additional protective equipment and systems. Our employees inspect all the facilities regularly in the course of mandatory safety checks.

#### Fire safety training at least once every three years

In addition, we rely on the safety competences of our staff and train them accordingly. At **Oiltanking Deutschland**, for example, all employees attend fire safety training at least once every three years, in addition to the annual HSSE training. The terminal fire department at the Hamburg-Blumensand site is made up of operating staff from the tank terminal and carries out regular exercises to avoid spills. The concept also provides for training courses to be offered to employees at smaller sites that do not have the capacities for their own terminal fire department. This knowledge transfer is intended to further increase the overall competences for preventing and dealing with product releases.



An additional component of our strategy, is to ensure exceptionally high levels of safety when products are transported on sea-going vessels. To ensure this, we completely revised Mabanaft's ship charter policy in February 2021. This policy includes detailed requirements for release of chartered or accepted vessels and barges, which in many cases go beyond the statutory minimum requirements. In order to assess sea-going vessels quickly and easily in accordance with the

policy, we have been working with a global player in the maritime safety sector for many years and employ a web-based information system tailored to Mabanaft's needs. This enables us to ensure that our products are only transported on vessels that meet our high safety standards. Mabanaft is also an active member of the Oil Companies International Marine Forum (OCIMF), a voluntary association of oil companies which aims to ensure the safe and ecologically responsible operation of oil tankers and tank terminals.

#### → Clear emergency procedures

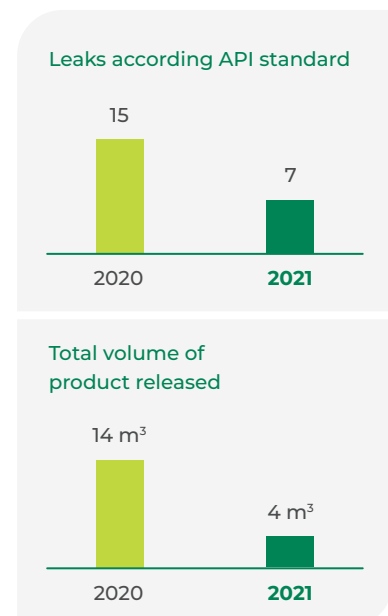
In addition to preventive measures, we have established **emergency plans for acute product releases**. If a spill actually occurs, we are therefore able at all times to stop it as swiftly as possible, recover the product quickly and effectively, and thus largely avoid adverse impacts on nature and the environment. The General Risk Mitigation Plan defines the procedures to be carried out in various scenarios, including product spills. All the relevant tank terminals have developed scenario-specific emergency plans and conduct practically oriented training programmes. The fact that our holding company Marquard & Bahls is a shareholder on behalf of the Mabanaft Group of the world's largest oil spill response specialist, Oil Spill Response Limited, also provides additional security.

#### → Tracking effectiveness

In order to measure the effectiveness of our zero-spill strategy and manage our safety precautions, we document the frequency and volume of product releases at our sites. Data is obtained from our HSSE database, which is implemented globally. Performance indicators for spills are reported according to the API Recommended Practice (RP) 754, **Process Safety Performance Indicator for the Refining and Petrochemical Industries**. Applying these reporting standards enables us to compare the indicators better with those for the industry as a whole. According to this API standard, seven leaks defined as a Loss of Primary Containment<sup>1</sup> were recorded in the reporting year (2020: 15). The total volume of product released in the reporting year fell to 4 m<sup>3</sup> (2020: 14 m<sup>3</sup>). In addition to the total volume, we measure the number of product releases in relation to throughput in millions of tonnes. In the reporting year the rate was 0.3. We also document the effects of the product releases, investigate the causes, and adjust our precautionary measures accordingly in order to prevent repeat events.



GRI 306-3 (GRI 2016)



<sup>1)</sup> Loss of Primary Containment (LOPC): an unplanned or uncontrolled release of materials from the primary container, including non-toxic and non-flammable materials (e.g. steam, hot water, nitrogen, compressed CO<sub>2</sub>, or compressed air). API RP 754 covers incidents resulting in direct costs of more than US\$ 100,000 (Tier 1) and US\$ 2,500 (Tier 2).



## Other relevant environmental topics



In addition to CO<sub>2</sub> emissions, the Mabanaft Group also causes other air emissions in connection with its business activities. Furthermore, we consume water and produce wastewater as well as other waste. To take future developments and regulatory requirements into account, we are intensifying our efforts in these areas to promote a cleaner environment and conserve resources such as raw materials and reusable materials.

### → Air emissions

Air pollution causes health problems for people all over the world and has a wide range of far-reaching effects on our ecosystems, which can in turn have economic consequences.

In our business operations, the emission of nitrogen oxides, sulphur dioxides, and other substances that damage the ozone layer only plays a subordinate role. However, volatile organic compounds (VOCs) may escape during tank breathing or when our tank terminals are being filled or emptied. We control and minimise these to avoid adverse impacts on health and the environment, as well as product losses.



For many years we have met the strict statutory requirements for our tank terminals. Many of our tanks already satisfy the requirements of the Technical Instructions on Air Quality Control (TA Luft 2021), although their application permits a long transition period. This is partly achieved by taking into account the remission ratio of the materials used for carrying out anti-corrosion work on the tanks.

For products with a high vapour pressure, we have also installed additional technologies to reduce air emissions. These include vapour balancing, vapour treatment, and vapour recovery systems. Regular inspections of tank terminals, for instance with special infrared gas detection cameras, enable the early detection and prevention of emissions.

### GRI 305-7

Emissions of VOCs were measured at all twelve tank terminals in the Mabanaft Group (of which eleven are in Germany and one in Hungary) in 2021. The volume of VOCs emitted in relation to tank terminal activity was 9.9 grams per tonne of throughput.

## → Resource management

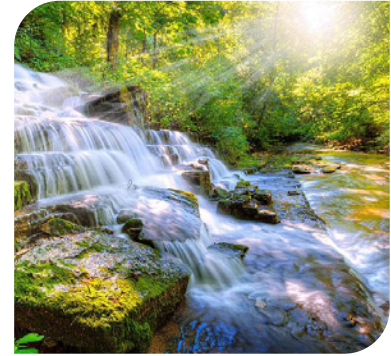
Water is one of Earth's most precious resources and is essential for life, but it is particularly rare and is unequally distributed. It therefore goes without saying for Mabanaft that we make a contribution to protecting natural water resources. We do this by making efficient use of the water we need for our operating processes.

Our primary aim is to reduce our consumption of freshwater. We use freshwater above all for cleaning tanks, for hydrostatic tank tests, steam, fire-fighting exercises, sanitary facilities, and in our **OIL! Tankstellen** service stations. We take water conservation aspects into account in almost all operating units, such as in the energy saving programme at **Oiltanking Deutschland**. At **OIL! Tankstellen**, older car-wash equipment – which is mostly owned by the tenants – is successively being replaced by newer models that use less water.

In addition to the reasonable use of water, Mabanaft wants to leverage efficient waste and effluent management to help combat the global increase in waste and marine pollution. In 2021, our operating activities were responsible for water consumption of 272,445 m<sup>3</sup> (2020: 250,860 m<sup>3</sup>).

Mabanaft produces **industrial effluent** almost exclusively in the tank terminals. All tank terminals and service stations use oil–water separators or other wastewater treatment systems to dispose of effluents. Furthermore, we regularly take wastewater samples to check the functionality of the water treatment and to comply with all the relevant limits. After the wastewater has been treated, we classify the residual substances as hazardous waste.

**Hazardous waste** has physical characteristics such as flammability, toxicity, or corrosivity, and requires special collection and disposal – mostly in accordance with country-specific regulations. The majority of the hazardous waste produced by our business consists of the residue from oil–water separators and other oil-soaked materials. These are collected separately and treated either by us or by licensed contractors. If the soil is contaminated by our products, we remove the affected soil and also treat it as hazardous waste. **Industrial waste** mainly comprises scrap metal and debris. In our operations this is generally a result of construction activities. The recycling percentage is higher in this category.



GRI 303-5





# 4.

## Social

Mabanaft is a commercially oriented company which also takes its social and ecological responsibility into account in its operations. The safety and welfare of our employees are vitally important to us. Occupational health and safety therefore have top priority in all our business activities. We also promote diversity and appreciation: we are proud of our employees from different cultural backgrounds and not only stand for fair working conditions, but also act as a responsible company outside our core business. For example, we support social projects in local communities at our company sites.



## Occupational health and safety

We always strive to avoid accidents, work-related injuries, and illnesses. As many of our facilities store and handle products that are potentially hazardous if not treated properly, we have a particularly great responsibility for our employees in this area. To ensure that we fulfil our responsibilities, we insist on proactive safety measures and preventive healthcare activities.

GRI 3-3

### → Zero-incident culture

Responsibility for occupational health and safety is ingrained in all our business units. It is coordinated at operative level by the Group HSSE & Sustainability team in Hamburg, and ultimate responsibility lies with our Executive Committee. In our HSSE policy we lay out our commitment to carrying out our business activities safely and efficiently in order to prevent all accidents, injuries, and occupational health damage.

HSSE policy

We have drawn up HSSE guidelines and process instructions across the company. They apply globally to all units and are supplemented by individual measures at specific sites. With this as their basis, the individual sites develop local management systems. **Oiltanking Deutschland** has also drawn up its own safety rules for contractors. These are a component part of all services carried out at our facilities. A database helps the company to select and rate contractors on the basis of defined criteria. We track compliance with our standards by means of regular HSSE audits, which enable continuous improvements to be made.

HSSE guidelines and process instructions



### → High standards and concrete measures

Mabanaft also strives for excellence in the field of health and safety protection, and we therefore pursue a zero-incident culture. Employees and managers are determined to create a safe working environment – for their own colleagues, the company, and our business partners. To achieve this, we continually optimise and harmonise all the activities of our subsidiaries in terms of technical, organisational, and behaviour-based safety measures.

GRI 403-2



Our focus here is on the prevention of accidents and early identification of risks: we take appropriate measures before any incidents can occur. We urge our employees to make a proactive contribution to the safety culture of our company and to report unsafe situations, working practices, and near misses without delay. All incidents are recorded and managed in the global HSSE database. This enables us to ensure that knowledge of and learnings from incidents can be shared across all business units. To understand the causes and contributory factors behind the reported incidents and take corresponding action, Mabanaft monitors both the proactive (leading) KPIs and the reactive (lagging) KPIs carefully. Leading KPIs include the number of unsafe behavior and situations, exemplary safety behaviour, safety walks, and hours of training given. Lagging KPIs include the injury rate, lost time days, product releases, and the number of near misses.

GRI 403-4,  
403-5

In addition, all employees receive extensive workplace-related safety instruction and trainings. Among other things, these courses provide instructions for our operational areas on how to deal with the products we store and handle. We give new employees and contractors training in all relevant health and safety topics before they start working at Mabanaft. Individuals whose tasks are potentially dangerous also receive specialised functional training. Other steps to increase our employees' awareness for safety topics include what are known as "tool-box talks" and "safety moments" before meetings. We also organise a Group-wide Global Safety Day every year. Despite the pandemic, numerous events were held in 2021, at our tank terminals, service stations, and offices across the Mabanaft Group, covering topics like safety awareness and stress management.

Group-wide  
Global Safety Day

We record and report incidents in accordance with the OSHA Regulation (29 CFR 1904) using the industry-standard Total Recordable Injury Rate (TRI-R). It covers all employees of the Mabanaft Group as well as contractors. In 2021 the rate was 10.4 (per 1 million working hours).

We define the severity of accidents involving our own employees by the average number of workdays lost per incident. Across the Group the average figure for accidents in the reporting year was 10.4 workdays lost (2020: 15.1). For contractors the figure was 5.5 (2020: 17.6). The severity of accidents was therefore reduced significantly.

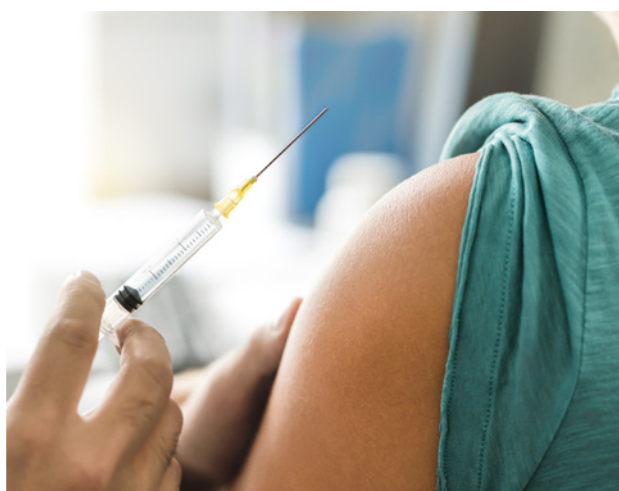
In addition to operational safety, we keep our employees' health in view as well. We have company doctors who provide various preventive medical check-ups for all employees, including mandatory check-ups in some areas. In the reporting year we also carried out vaccinations against Covid-19 and influenza and provided our employees with an international emergency service for business travel. This service enables the employees to receive information about safety precautions and country-entry rules. In the event of an emergency, it additionally provides support with their repatriation. There are also site-specific services: in Hamburg for example, all employees can use the gym at company headquarters free of charge and book additional online fitness and yoga courses. Nutritionally balanced meals at the company restaurant, ergonomically designed office equipment, and health days on a variety of topics round out our programme of health initiatives. Next year, the focus will shift to the topics of stress management and exercise, where various activities will be on offer.

#### GRI 403-9



#### GRI 403-6

Vaccinations against Covid-19 and influenza





## Equality of opportunity and diversity

GRI 3-3

Both the energy and the chemicals industry are still strongly male-dominated. This applies in particular to the operational areas. We consider diversity to be not just an important asset, but also a key resource for innovation and competitiveness. Incorporating different perspectives and cultural experiences into everyday work helps people to understand one another and work together better. We are therefore dedicated to fighting discrimination and promoting equality of opportunity and diversity within the company.



### → Taking first steps

(German)  
Diversity Charter

In 2021, Mabanaft signed the (German) Diversity Charter as an important sign of its commitment to more diversity and appreciation within the company. Our code of conduct sets out the principles of diversity and the promotion of equality of opportunity and equal treatment without discrimination as the foundation for our actions. The responsible People Team in Hamburg is currently working to define overarching goals, interim targets, and timeframes. We intend to define these by the end of 2023 and then communicate them across the company. To raise awareness for diversity, we participated with group-wide activities in the German Diversity Day in May 2022. The intention is for this to be a recurring event from now on.

## → Encourage and support

Mabanaft applies a dual strategy in terms of equality of opportunity and diversity: firstly, we aim to enable all employees, and external partners, to report anonymously any cases of discrimination, harassment, or other breaches of our code of conduct. This can be done at any time via our CARE platform. Secondly, we support a number of projects aimed at, among other things, strengthening the position of women in the company or advancing social inclusion.

In 2021 the network **“Women@Mabanaft”** was founded. The network has its own budget and works on different initiatives to increase diversity and inclusion across the Group. We are also actively involved as sponsors of the **“She Drives Energy – Network of Women in Energy Technology”**. With our involvement we help women to network across the industry, to exchange knowledge and experiences, and to take their place at a time of change in the global energy sector. We organise networking events, discussion forums, and have established our own mentoring programme as part of the **“Women@Mabanaft”** network. An online workshop on **non-violent communication** was also held in December 2021.



Often people from with different social backgrounds have difficulties when it comes to gaining access to education or to social and professional networks. Among other things, this limits their opportunities on the labour market. For this reason, we have been supporting the **“JOBLINGE Kompass”** initiative for several years. This initiative brings together businesses, government, and private individuals with the aim of reducing unemployment amongst young people. We are also sponsors of the **“Hamburg Stipendium”** since 2021. The scholarships are awarded by the **“Studierendenwerk Hamburg”** and is aimed at young people who have overcome particularly difficult personal circumstances to make it to a university or other institute of higher education in Hamburg, where they are studying with great dedication and success.



## Employee satisfaction and participation

Our company performance depends on our employees and on a corporate culture that is characterised by respect and participation. Mabanaft aims to attract qualified and talented staff and ensure their long-term loyalty to the company. We want to do this by positioning ourselves as an attractive employer. Since we also bear a wider responsibility for our employees, we support their ongoing professional and personal development, encourage a healthy work-life balance, and involve them in all our sustainability activities.

GRI 3-3

Responsibility for  
our employees

Survey on the topic  
"Health and well-being"

→ **Satisfied staff**

To boost the satisfaction and participation of our employees, we take active steps to create a healthy and respectful working environment. We inform our employees about important developments, let them participate in internal processes, and offer development opportunities on the basis of talent, performance, and success. In order to better measure staff satisfaction and engagement, the People Team carries out corresponding surveys, the first one in 2022 covering the topic of health and well-being. The intention is to gather ideas and suggestions for improvement so that focused activities can then be developed.

→ **Wide-ranging professional development**

Our employees benefit from tailor-made training and development opportunities that fit with their professional activities. The People Team in Hamburg is currently working on a programme to support the personal development of our employees by means of individual needs-based activities, including management training, coaching courses, and specialist qualifications. At the same time, we offer courses and programmes for the whole Group as well. In the reporting year, for example, we created the technical framework for a new **performance management system**, which will support the development of a fair feedback culture and ensure maximum transparency. This includes regular meetings with line managers and within teams to discuss targets and performance. Bonus payments are also closely linked to the performance management approach. The data is recorded and can be accessed at any time. The new Performance management



approach will be implemented for all employees in the Mabanaft Group from 2022 onwards.

### → All-round support and information

We want to offer our staff the best possible professional training and also give them active support to cope with various challenges, inform them about internal company developments, and involve them in ongoing processes.

Whenever it is consistent with technical operating requirements, we enable our employees to work **flexible hours and on a part-time basis** and to take **sabbaticals**. They are also able to choose their workplace flexibly, insofar as this is compatible with operational demands. We give high priority to flexibility, so that our employees can reconcile their professional and private lives. A new mobile working policy was announced in the first half of 2022 before this report was published. The aim is to introduce an integrated, equal, and flexible working culture and to create a workplace where everyone can realise their potential and grow personally and professionally. A wide range of offers from **PME Family Service** make it easier to combine family and work requirements. This service provider enables our staff in Germany to take advantage of support services and advice on topics such as parental leave, childcare, nursing family members, or psychological counselling. Employees can also set up a working-life time account and use the balance they have built up to take paid leave from work or early retirement.

Working-life  
time account



In 2021, a **Trust Team** was established in the Mabanaft Group. This team offers support by colleagues for colleagues and was created as a resource for anyone who is experiencing particular professional or personal challenges. By discussing the available options together, the aim is to find ways to resolve difficult situations without conflicts arising. The **Trust Team** works closely with the People Team and gives the Executive Committee regular anonymised feedback about the number, type, and status of the topics discussed and how the organisation was able to resolve the difficulties.

Every quarter – and more often if there are important changes – we inform all employees about company activities at **Townhall Meetings** with the Executive Committee. On our company intranet, **ONE MabaNet**, we also keep everyone up to date with the latest news and our efforts in the area of sustainability. We also organise an annual **Mabanaft Day** for the whole Group to encourage team spirit and enable networking. The event was successfully held online in 2021. A hybrid event is planned for 2022.

The active involvement of all our employees is very important for us, because it is the only way in which we can realise our full potential as a Group. To reward particularly dedicated employees and teams and showcase their achievements for the benefit of everyone, we introduced the **ONE Mabanaft Awards**. Every year we choose employees or teams that make an outstanding contribution and inspire and motivate others with their commitment. Awards are given in five categories: Safety & Sustainability, Innovation & Ideas, Culture & Values, Customer Focus & Growth, and +Energy. What is important here is not necessarily quantitative performance along the lines of “higher, faster, further”. Rather, the aim is to recognise projects, ideas, and initiatives that make us better or have already done so, or that provide added value for us as a company or a team. The award winners are selected by an internal jury made up of members from different areas of the Group.

ONE Mabanaft Awards:  
“Safety & Sustainability”,  
“Innovation & Ideas”,  
“Culture & Values”,  
“Customer Focus & Growth”,  
“+Energy”



#### → Together against Covid-19

The Covid-19 pandemic continued to pose numerous challenges in the 2021 reporting year, which we would not have been able to overcome without the dedication of our employees. From the outset, our priority was to give them the best possible protection and to keep their motivation up, even in difficult circumstances. We therefore equipped our staff to work from home where necessary and enabled flexible working

by means of a mobile working policy. Furthermore, we switched our Townhall Meeting to an online format in order to give all employees regular updates about current events, for example concerning Covid-19 restrictions in our offices. We also organised deliveries of meals from our company restaurant.



## Additional commitments

In addition to the focus areas mentioned above, Mabanaft gives particular priority to issues relating to working conditions, nature conservation, and local communities. We intend to intensify our efforts in these areas as well and will integrate relevant information in consolidated form in our sustainability report.

### → Working conditions

Our code of conduct not only states that we comply with the standards set by the International Labour Organization (ILO), but also lays out our commitment to paying our employees a fair wage. Fair pay and supplementary benefits are also a prerequisite for us to succeed in recruiting and retaining the best staff for our company.

In addition to the basic salary, we offer our employees supplementary benefits on a voluntary basis, some of which are profit- or performance-related. A transparent bonus system for all employees in the Mabanaft Group has been in place since 2019. It is communicated to the staff at the beginning of each year and includes financial and strategic targets. Mabanaft revised its variable remuneration in 2021 as part of its performance management. From now on, the company's overall result, performance against team targets as well as individual performance will all be factored into the bonus calculation.

We also support employees with pension and insurance contributions that go beyond the statutory requirements. People not covered by mandatory health insurance receive a contribution of up to 50% for their voluntary or private health insurance. If staff are unable to work, we pay the difference between sickness pay and the payment by the statutory health insurance for a period of six months, as long as the employee has been with the company for at least three years.

GRI 401-2



### Employer-financed retirement benefits

All employees can join the company pension scheme when they have been with the company for at least six months. Mabanaft provides employer-financed retirement benefits. If employees also make a contribution of their own, Mabanaft pays an additional allowance that goes beyond the statutory requirement. Furthermore, we offer company accident insurance and disability insurance to anyone in the company who is interested.

### → Commitment to nature conservation

Mabanaft is conscious of its corporate responsibility for actively helping to shape the energy transition. On top of this, we are involved in a variety of projects to protect the environment. Reforestation is a priority area in this field.

More than  
162,000 trees planted

Mabanaft, and subsidiaries **Petronord**, and **OIL! Tankstellen** founded the **Pro Klima** initiative back in 2008. It focuses on supplying energy-efficient products, advising on environmentally relevant energy topics, and sponsoring climate action projects. The latter particularly include reforestation projects, as well as work to protect insects and other local flora and fauna. More than 162,000 trees have been planted in cooperation with the State Forestry Commission of Schleswig-Holstein and the non-profit organisation Schutzgemeinschaft Deutscher Wald e. V.



We are also involved in reforestation in cooperation with the organisation Tree Nation. As an example, Mabanaft had a tree planted for every employee as a Christmas present in 2021. Our subsidiary BWOC plants trees as well. Since 2010, **BWOC** has enabled its fuel card customers to offset emissions from the fuel they buy with a contribution to a reforestation project in the United Kingdom.

### → Engagement on behalf of local communities

Taking responsibility also means looking beyond one's own direct concerns and engaging with the regions where we live and work. Mabanaft endeavours to have a positive impact on its local communities by making donations for charitable and non-profit activities, by engaging in volunteering, and through partnerships, for example.

The traditional Christmas fundraising event for charity at Marquard & Bahls called "Take a Wish" was adopted at Mabanaft in 2021 and continued successfully under the name of "**Social X-Mas Gift**". As part of this event the employees in the Mabanaft Group were able to make donations to one of three project partners: Das Löwenhaus, Arztmobil,

or “KidsWelcome” in Hamburg. A total amount of €2,400 was donated to the three charity partners in December 2021. Mabanaft tripled the amount of the donations and raised the total to €7,200.

Donation to initiative:  
“Das Löwenhaus”, “Arztmobil”,  
“KidsWelcome”

The non-profit initiative “**JOBLINGE Kompass**” helps young people with a refugee background to get started in the world of work. Many employees of the Mabanaft Group volunteer their time and knowledge for this partnership, some of them since 2016; in the context of a mentoring programme, for instance, and by taking part in language learning and conversation sessions. In 2021 Mabanaft also made a donation of €5,000 to “JOBLINGE” for purchasing and repair of loaned laptop computers, among other things.

Donation to initiative:  
“Joblinge Kompass”

Cultural activities are not forgotten either. The Covid-19 pandemic was a particularly difficult time for many musicians and bands, and so in 2021 we sponsored an initiative entitled “Hamburg rockt’s zusammen”, set up to organise a series of streamed live concerts.

After the terrible floods that hit North Rhine-Westphalia, Rhineland-Palatinate, and Bavaria in July 2021 the Mabanaft Group donated over €30,000 to various agencies and aid organisations. While one regional subsidiary of the **Petronord Group** supported the region directly with a donation, Mabanaft itself helped the victims of the flooding, among others with a donation to the organisation “Aktion Deutschland Hilft”.

Donation to various agencies  
and aid organisations



Initiative “Arztmobil”



Initiative “Joblinge”



# 5.

## Governance

Responsible corporate governance for Mabanaft means ensuring the continued viability of our company, taking the expectations of our stakeholders into account, and keeping an eye on how our business activities affect people and the environment. And of course, it certainly also means ensuring that we comply with applicable legislation and regulations. In order to rise to all of these challenges, we attach great importance to the principle of sustainable business. We are committed to conducting our business in an economically, environmentally and socially responsible way. We intend to give this principle even greater weight in our investment decisions going forward and also integrate it more closely into our everyday workflows and processes.



## Financial performance and sustainable earnings

As for any commercial enterprise, our ability to deliver financial performance is vital for Mabanaft in order to maintain our business operations. Furthermore, as a global energy company, we have a wide range of economic responsibilities in many regions of the world. We contribute to securing the energy supply, help drive the development of innovative energy solutions for a sustainable future, create long-term jobs, and invest in infrastructure. Mabanaft sees itself as part of a successful energy transition. And long-term profitability and growth are only possible in this context if we boost our earnings from sustainable activities accordingly.

GRI 3-3

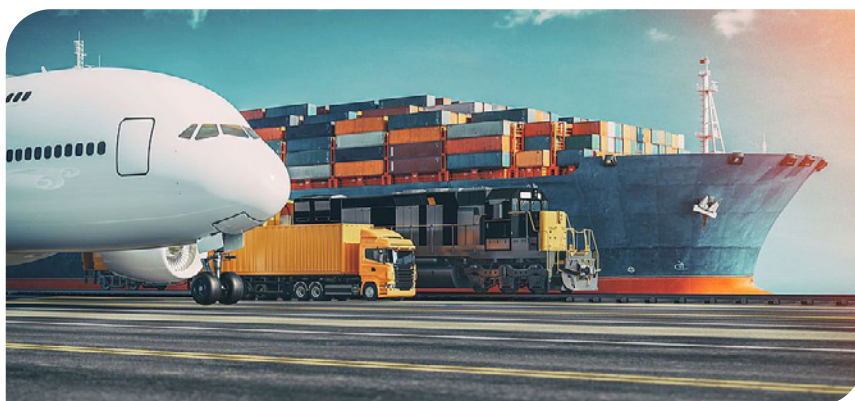
### → Achieving long-term success

Mabanaft has set itself a target of generating consolidated EBT of more than €120 million by 2025 and more than €160 million by 2030. Reaching this ambitious goal will crucially require leveraging all our powers of innovation as well as our ability to adapt to changes in market demands. Thus, as part of the ONE Mabanaft Strategy we have defined a clear focus on expanding our product portfolio with innovative energy solutions that are less carbon-intensive. In the New Energy, Chemicals & Gas business unit we therefore intend to continuously increase the gross margin contribution from and capital expenditure on cleaner energy. More information about the steps that have been taken so far and those that are planned can be found in the chapter “Innovative energy solutions”.

Focus on expanding our product portfolio with innovative energy solutions that are less carbon-intensive

GRI 201-1

	Unit	2021	2020	2019
Revenues after energy taxes	in euros	<b>10,306,402,686</b>	8,467,385,146	11,950,905,530
Earnings before taxes (EBT)	in euros	<b>50,349,208</b>	53,810,554	37,327,638
Cost of materials, mainly oil purchases	in euros	<b>9,994,760,694</b>	8,267,243,619	11,701,665,979
Wages and salaries	in euros	<b>97,374,118</b>	78,147,986	84,960,391
Social security contributions	in euros	<b>15,316,873</b>	11,084,935	9,430,788
Retirement benefit expenses	in euros	<b>877,132</b>	982,397	1,407,688
Interest expenses	in euros	<b>17,034,808</b>	18,588,909	25,140,146
Investment in the community (donations and sponsoring expenses)	in euros	<b>119,979</b>	n/a	n/a



Mabanaft had a successful year in 2021. Before “extraordinary effects”, the operational profit of the group in the amount of €42 million exceeded that of the previous year (€41 million). After extraordinary effects of €8 million credit relating to the release of provisions for legal risks, Mabanaft reported a consolidated net profit before taxes of €50 million (2020: €54 million).



A look at the business shows that after a difficult, but ultimately very good financial year in 2020, the market environment remained challenging in 2021. Thanks to our ability to cushion delays or interruptions to supply chains we were able to ensure supplies to our customers on an uninterrupted basis. The service station and consumer business continued to supply strong volumes and profited from higher margins. High capacity utilisation in the tank terminal unit enabled us to exceed our budget expectations. In the UK, Mabanaft continued to generate profits significantly above expectations. Sales volumes were stable, despite the lockdown restrictions and historically high prices at the fuel pumps.

The difficult environment for the trading unit persisted in 2021 as well. As a result, we adapted our approach, shifting to a more diversified product range, whereby the supply and optimisation of our own system has top priority. The work that we have carried out to integrate trading, supplies, and infrastructure is now showing promising signs of success.

Last year the New Energy, Chemicals & Gas business unit concentrated primarily on advancing existing projects. Construction work on the ammonia production plant for the **Gulf Coast Ammonia** Project continued according to plan despite the Covid-19 pandemic and the related supply chain problems. Another milestone was reached with the official launch of the joint venture **P2X-Europe** in early 2021.

Advancing  
existing projects

## → Keeping an eye on risks

One of the biggest challenges when pursuing our strategy of long-term growth is to limit the many financial, operating, and HSSE risks. Consistent and systematic risk management that captures and measures all risks individually and defines tailored mandates, tasks, and responsibilities is therefore the basis for our work. In order to ensure a healthy mix of risks, all the risks, including social and environmental exposures, are measured in the context of the entire Group. We take a decentralised approach and break the risks down to the level of the individual companies, with risk owners at the level of the business units.

The Mabanft business units operate worldwide and the Group strives for a holistic and integrated risk management approach, with a clear separation of responsibilities between risk-taking and risk monitoring. The purpose of the risk management functions is to identify, assess, measure and, if necessary, limit all factors that could jeopardise the desired business success, independently of the commercial business functions. The risk management process is based on transparent and systematic reporting.

Among the principal risks that can impair our future business performance are foreign exchange volatility, international financial crises, an ongoing economic downturn, cyberattacks, political disputes, and military conflicts – especially in oil-producing countries – as well as the resulting tensions on global oil markets and a significant reduction in the use of oil for mobility and heating. Other risks include rising prices for natural resources and energy purchases, environmental and natural disasters, climate change effects, and an increase in country risks. The Covid-19 pandemic is not only a threat to the health of our employees, but also a risk for our business. We responded quickly and flexibly on the basis of our long-standing pandemic plans and set up a professional crisis management system. To date, this has enabled us to cope well with the crisis.

The main actively managed risks for the Group result from price fluctuations and the volatility of traded commodities. For market/commodity price risks, it is not only the absolute price levels that are relevant, but also the price differences between locations, products, or delivery periods. Mabanft uses mainly financial commodity derivatives to hedge and manage the exposure.

The foreign exchange risk of all Mabanft's core lines of business is also subject to strict guidelines. Any foreign exchange exposure arising from the Group's trading activities are hedged on a daily basis via foreign exchange Spot, Forward, or Swap transactions, depending on the underlying business.



Transparent and systematic reporting



### Prevent potential threats

The Group applies a stringent and formalised credit process. Within Treasury, the Credit Risk Management key role is to safeguard the Mabanaft Group balance sheet from adverse credit events. The function performs a fundamental and market driven credit analysis, assesses the creditworthiness of counterparties, sets internal limits, and utilises different pre-warning tools to detect deteriorating credit profiles. Existing credit risks are continuously measured and monitored to ensure they remain within the defined credit risk capital limits.

The material HSSE risks for the Mabanaft Group result from handling easily flammable, environmentally hazardous, and in some cases toxic products at our operating sites in the tank terminals, service stations, and consumer business. For this reason, one of the main areas of risk management is to prevent potential threats resulting from handling the products. In particular, risks of accidents, leaks, and fires need special attention. The careful, focused investigation of accidents and near misses and of unsafe behaviour and conditions is a key success factor for continuous improvement and thus for avoiding incidents with a similar cause. Group HSSE & Sustainability and the responsible employees at the level of the subsidiaries work together closely in this field. Cooperation between the global HSSE & Sustainability department and local staff became even more intensive when responsibility was transferred to Mabanaft in the course of the restructuring, and best practices are now shared with all operational units and teams and synergies are realised.



### Compliance

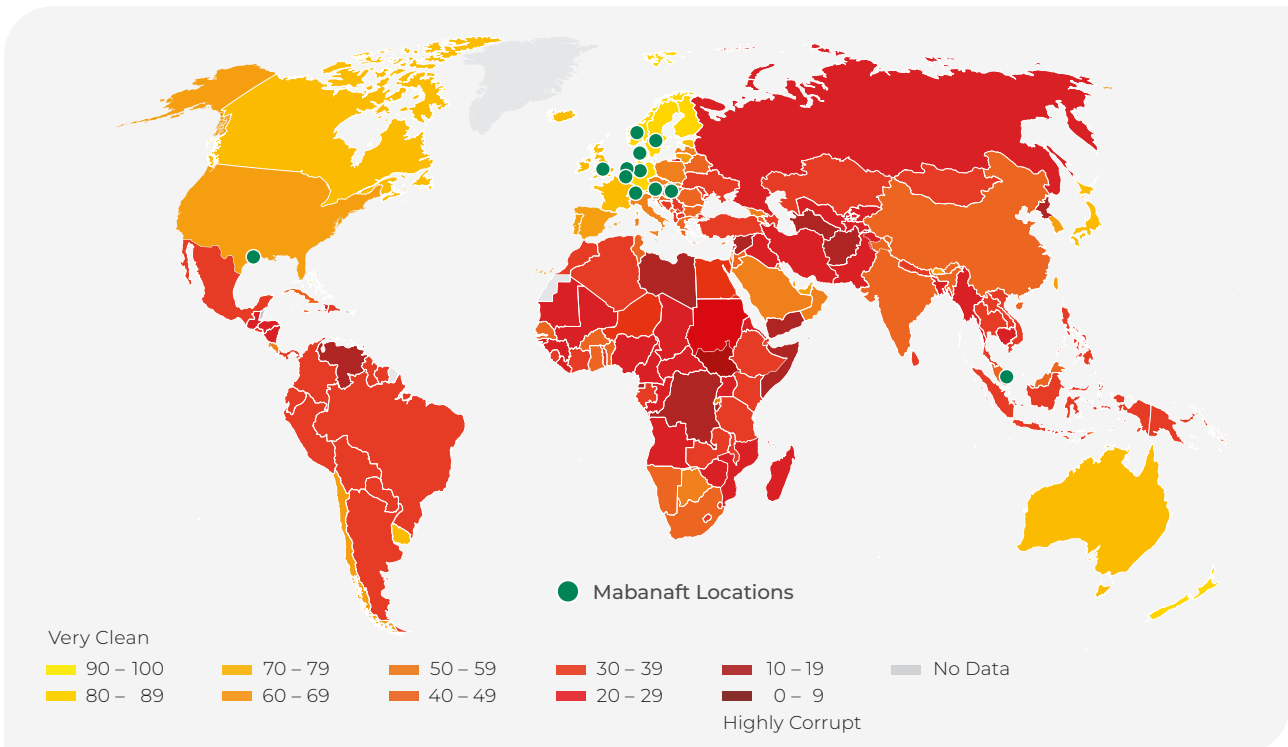
#### GRI 3-3

Compared with other sectors, the oil and gas industry is subject to a high corruption risk, which is partly due to its international scope and partly to the strong market concentration by established companies. Energy markets are also traditionally a focus of public interest and are therefore subject to numerous regulatory requirements and reporting obligations, e.g. in anti-trust law. Trust and trustworthiness are therefore particularly valuable assets in our industry. In order to maintain and protect the positive reputation we have in this area, Mabanaft will continue to concentrate on the systematic avoidance of corruption and on compliance with competition law. This is the only way we can maintain our trust-based business relationships with our customers and suppliers over the long term and at the same time ensure a fair working environment.



→ **Consistently correct**

In the course of the restructuring at Marquard & Bahls in the reporting year, Mabanaft set up its own Compliance department. This enables us to identify suspicious situations even faster and investigate them more consistently. The function identifies potential compliance risks, draws up its own programmes, and puts these into practice. In the future the team's responsibilities will include defining and formulating the corresponding (interim) targets and timeframes as part of our sustainability strategy.



**Corruption risk according to the Transparency International Corruption Perception Index**

Mabanaft generates a large part of its revenues in countries with a low corruption risk. We nevertheless carry out regular risk analyses for all our business activities and take action to address identified risks. Mabanaft uses various codes of conduct and policies to actively prevent corruption and generally uphold competition law.

An important basis for compliance in our company is the **Mabanaft Code of Conduct** and various other **compliance policies**. The code of conduct lays out 16 principles, which create a uniform set of values and at the same time offer guidance on how individuals are expected to behave in the light of our company philosophy. In the **compliance policies** we provide specific instructions on dealing with various legal

16 Principles of the  
Code of Conduct

topics, including data protection, fair competition, bribery, and money laundering. The code of conduct as well as all other **compliance policies** are rolled out via our HR system and must be accepted and signed by all employees. They are written in German and English and are available to all staff via the company intranet.



### The 16 Principles of our Code of Conduct

#### → Avoiding misconduct

We employ a wide range of instruments and measures to help avoid misconduct in the company and in our business relations. To convey our core corporate values – respect, accountability, integrity, and responsibility – and create even greater transparency we have, for example, introduced a **third-party management tool** for the compliance assessment process within the Group. As part of the “Know Your Customer” process it covers the material risk categories of fraud/corruption, sanctions/embargoes, money laundering, and human rights.

Respect

Accountability

Integrity

Responsibility



In addition, we use our Group-wide Mabanft reporting system – the **online platform CARE** – to ensure that we act in accordance with the law. Employees and external partners can report compliance violations anonymously, around the clock, and in the relevant national language at [mabanft.integrityline.com](https://mabanft.integrityline.com). Reports of misconduct in the compliance area are followed up swiftly by the responsible department. Training sessions and greater awareness of the subject have resulted in a significant increase in the use of this system, which has more than doubled in the past three years.

GRI 2-26

Our aim is to make our employees even more aware of the need for compliance. To this end we require all employees to take regular and **mandatory training courses via e-learning sessions** on compliance topics. In the reporting year we also introduced the **Compliance Week**, which will take place every year from now on, in which the intention is for all employees to update their knowledge of our code of conduct, policies and procedures, and our corporate values. The compliance page on our new company intranet was also revised in 2021. Contact persons, background information, training materials, and all other important documents on the subject can be found there in both German and English.

Training on  
Compliance topics



# 6. Appendix

Table of key performance indicators  
GRI content index

## Table of key performance indicators

KPI	Unit	2021	2020	Notes and comments	GRI
<b>Employees, total</b>		<b>1,622</b>	n/a	The KPIs were compiled via the HR system as of 31/12/2021. Figures from units that are not included in the HR system were added manually. The units not in the HR system report their figures via the annual reporting database.	2-7
Male		<b>1,141</b>	n/a		2-7
Female		<b>479</b>	n/a		2-7
Non-binary		<b>2</b>	n/a		2-7
<b>Employees by site</b>					
Austria		<b>121</b>	n/a		2-7
Denmark		<b>6</b>	n/a		2-7
Germany		<b>1,162</b>	n/a		2-7
Hungary		<b>21</b>	n/a		2-7
Singapore		<b>14</b>	n/a		2-7
Switzerland		<b>4</b>	n/a		2-7
Sweden		<b>64</b>	n/a		2-7
United Kingdom		<b>208</b>	n/a		2-7
United States of America		<b>22</b>	n/a		2-7

### Climate-neutral operations

Electricity consumption	in kWh	<b>12,997.43</b>	13,605.83	Total consumption is calculated using the individual figures for the sites as recorded in the annual reporting database. Some sites of the OIL! Tankstellen are an exception and their consumption figures were calculated on the basis of consumption by the other service stations.	302-1
Heating oil consumption	in l	<b>1,474,855.22</b>	1,442,478.22		302-1
Gas consumption	in m <sup>3</sup>	<b>2,246,119.00</b>	1,838,054.00		302-1
Steam use	in m <sup>3</sup>	<b>0</b>	0		302-1
Direct GHG emissions (Scope 1)	in t CO <sub>2</sub> e	<b>18,286.38</b>	17,728.00	The carbon footprint is measured in accordance with the Greenhouse Gas Protocol. Consumption data from the sites entered in the annual reporting database is used to calculate these. Data is converted on the basis of the emissions factors defined by the Intergovernmental Panel on Climate Change (IPCC) and the Greenhouse Gas Protocol.	305-1
Indirect energy-related GHG emissions (Scope 2)	in t CO <sub>2</sub> e	<b>12,776.77</b>	13,906.40	The carbon footprint is measured in accordance with the Greenhouse Gas Protocol. Consumption data from the sites entered in the annual reporting database is used to calculate these. Data is converted on the basis of the emissions factors defined by the Intergovernmental Panel on Climate Change (IPCC) and the Greenhouse Gas Protocol. In the case of emissions factors for electricity we use the applicable energy mix in the countries that are relevant for us.	305-2
Other indirect GHG emissions (Scope 3)	in t CO <sub>2</sub> e	<b>166,044.27</b>	220,724.00	The carbon footprint is measured in accordance with the Greenhouse Gas Protocol. Data is converted on the basis of the emissions factors defined by the Intergovernmental Panel on Climate Change (IPCC) and the Greenhouse Gas Protocol. The activities included comprise business air travel and third-party transport with chartered road tankers, rail-cars, sea-going vessels, and barges.	305-3
Flight emissions offset via climate action projects	in t CO <sub>2</sub> e	<b>28.09</b>	n/a		
Volatile organic compounds (VOCs) in relation to tank terminal activities	in g per t throughput	<b>9.9</b>	n/a	Direct measurement at all twelve tank terminals in the Mabanaft Group (of which eleven are in Germany and one is in Hungary).	

### Innovative energy solutions

Key indicators for this topic are currently being prepared and will be included in reporting from 2022.

KPI	Unit	2021	2020	Notes and comments	GRI
<b>Preventing product releases</b>					
Number of incidents with product releases according to API RP 754		<b>7</b>	15	The key figure is reported according to the API Recommended Practice (RP) 754, Process Safety Performance Indicator for the Refining and Petrochemical Industries. Applying this reporting standard enables us to better compare the indicator across the industry.	306-3 (GRI 2016)
Number of product releases according to API RP 754 per 1 million t throughput		<b>0.3</b>	n/a		306-3 (GRI 2016)
Total volume of product released according to API RP 754	in m <sup>3</sup>	<b>4</b>	14		306-3 (GRI 2016)
Of which percentage by volume of unrecovered product	in %	<b>96.6</b>	83.2		

#### Occupational health and safety

Number of work-related fatal injuries		<b>0</b>	0		403-9
Number of fatal injuries, workdays lost, restricted work, or medical treatment of own staff and contractors per 1 million working hours (TRIR)		<b>10.4</b>	n/a		403-9
Number of hours worked, employees and contractors	in m	<b>2.6</b>	n/a		403-9
Average workdays lost per incident, own employees		<b>10.4</b>	15.1		
Average workdays lost per incident, contractors		<b>5.5</b>	17.6		
Number of fires according to API RP 754		<b>0</b>	0	The key figure is reported according to the API Recommended Practice (RP) 754, Process Safety Performance Indicator for the Refining and Petrochemical Industries. Applying this reporting standard enables us to better compare the indicator across the industry.	
Number of non-process-related fires or explosions per 1 million t throughput		<b>0</b>	0		

#### Equality of opportunity and diversity

Key indicators for this topic are currently being prepared and will be included in reporting from 2022.

#### Employee satisfaction and participation

Key indicators for this topic are currently being prepared and will be included in reporting from 2022.

KPI	Unit	2021	2020	2019	Notes and comments	GRI
<b>Financial performance and sustainable earnings</b>						
Revenues after energy taxes	in euros	10,306,402,686	8,467,385,146	11,950,905,530		205-1
Earnings before taxes (EBT)	in euros	50,349,208	53,810,554	37,327,638		205-1
Cost of materials, mainly oil purchases	in euros	9,994,760,694	8,267,243,619	11,701,665,979		205-1
Wages and salaries	in euros	97,374,118	78,147,986	84,960,391		205-1
Social security contributions	in euros	15,316,873	11,084,935	9,430,788		205-1
Retirement benefit expenses	in euros	877,132	982,397	1,407,688		205-1
Interest expenses	in euros	17,034,808	18,588,909	25,140,146		205-1
Investment in the community (donations and sponsoring expenses)	in euros	119,979	n/a	n/a		205-1

## Compliance

The process for recording corresponding key indicators is being revised; these will be included in the reporting from 2022.

## GRI content index

Statement of use: Mabanaft has reported the information cited in this GRI content index for the period January 1 – December 31, 2021 with reference to the GRI Standards.

GRI Disclosure	Location
<b>GRI 1 used: GRI 1: Foundation 2021</b>	
<b>GRI 2: General Disclosures 2021</b>	
2-1 Organizational details	6
2-2 Entities included in the organization's sustainability reporting	6
2-3 Reporting period, frequency and contact point	13, 50
2-4 Restatements of information	Not applicable, as this is the Mabanaft Group's first sustainability report
2-6 Activities, value chain and other business relationships	6
2-7 Employees	6, 47
2-9 Governance structure and composition	8
2-14 Role of the highest governance body in sustainability reporting	13
2-22 Statement on sustainable development strategy	3
2-23 Policy commitments	9
2-24 Embedding policy commitments	9
2-26 Mechanisms for seeking advice and raising concerns	9, 45
2-28 Membership associations	Corporate website > Our main company brands, shareholdings & memberships
2-29 Approach to stakeholder engagement	11
<b>GRI 3: Material Topics 2021</b>	
3-1 Process to determine material topics	12
3-2 List of material topics	12
3-3 Management of material topics	15-18, 18-21, 21-13, 27-29, 30-31, 31-35, 39, 42-45
<b>GRI 201: Economic Performance 2016</b>	
201-1 Direct economic value generated and distributed	39, 49
<b>GRI 302: Energy 2016</b>	
302-1 Energy consumption within the organization	47
<b>GRI 303: Water and Effluents 2018</b>	
303-5 Water consumption	25
<b>GRI 305: Emissions 2016</b>	
305-1 Direct (Scope 1) GHG emissions	15-17, 47
305-2 Energy indirect (Scope 2) GHG emissions	15-17, 47
305-3 Other indirect (Scope 3) GHG emissions	15-17, 47
305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	24, 47
<b>GRI 306: Effluents and Waste 2016</b>	
306-3 Significant spills	23, 48
<b>GRI 401: Employment 2016</b>	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	35-36
<b>GRI 403: Occupational Health and Safety 2018</b>	
403-2 Hazard identification, risk assessment, and incident investigation	28
403-4 Worker participation, consultation, and communication on occupational health and safety	28
403-5 Worker training on occupational health and safety	28
403-6 Promotion of worker health	29
403-9 Work-related injuries	29, 48



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