



# Vopak and Sustainability

## Policy Document

### 1 Introduction

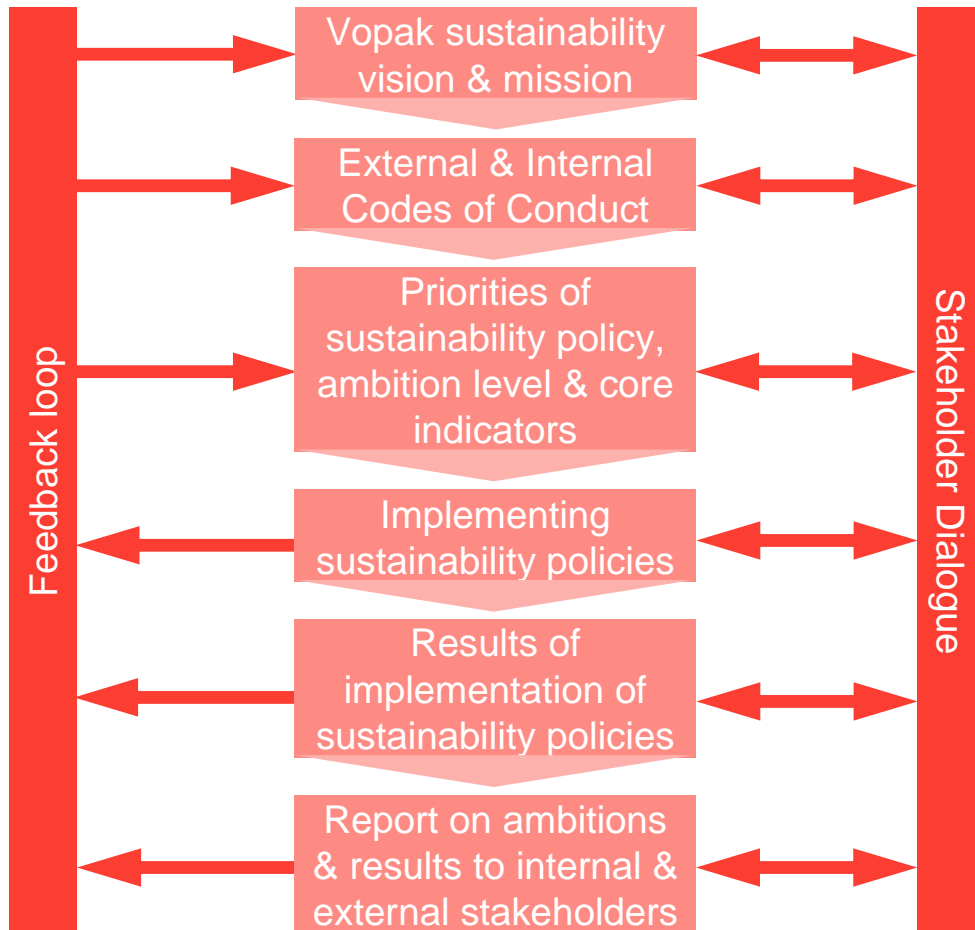
Royal Vopak (“Vopak”) provides essential infrastructure to allow its customers to store important liquid bulk products such as petroleum and chemicals but also vegetable oils, biofuels, and in the near future Liquefied Natural Gases (LNGs). Vopak is the world’s largest provider of such conditioned storage facilities for bulk liquids, handling more than 100 million tons of products annually. By providing the necessary storage capacity to all market participants, Vopak supports the global economy and the efficient development of the regions in which it is present. Vopak’s activities are vital to the global economy.

It is Vopak’s ambition to contribute to optimizing the reliability and efficiency of its customers’ regional or global supply chain processes by leveraging its network of storage terminals around the world, its almost 400 years experience, its logistics and storage specific know-how and solution driven and agile attitude. When Vopak starts an activity it will invest at a certain location with the view of staying there for at least half a century. This long term commitment includes a promise to sustain our relationship with stakeholders. Vopak aspires to be the world’s most admired independent storage terminal company, admired by its:

- customers, because Vopak contributes to their commercial success in an environmental and socially responsible way
- employees, as Vopak offers them equal opportunities to develop themselves
- shareholders, because Vopak brings them added value
- partners, because Vopak is a trustworthy and reliable long term business partner
- Society, because Vopak is aware of its roles and responsibilities and acts accordingly.

Vopak aims to conduct business in the most responsible and sustainable manner. For this goal, the Vopak Values have been developed. The seven Vopak Values are: integrity, professionalism, improvement, ownership, service, passion and agility. Vopak believes that it can only achieve its ambitions by living and acting according to these values which relate to the economic, social, and environmental responsibilities of business and society.

This Sustainability Policy describes the Sustainability mission, policy, timelines, and aspirations of Vopak. With this strategy Vopak will be able to better reach its aim of “being a profitable operation with added value for all its stakeholders and without causing any negative social or environmental impact” (Sustainability mission) and on a higher level contribute to its aim of “being the world’s most admired independent storage company” (Corporate mission).





## 2 Vision & mission statement

### **Vopak sustainability**

For Vopak, sustainability means a profitable operation with added value for all its stakeholders and without causing any negative social or environmental impact. Vopak is moving from a Safety Health and Environment (SHE) strategy to an all-encompassing Sustainability strategy. Vopak commits itself to strive for the reduction of natural resources, energy and water consumption as well as emissions and spills to soil, air and surface water. Furthermore, Vopak recognizes the fact that it needs to minimize the negative, and maximize the positive, impact on the community.

### **Integrity and ethics**

As a leading service provider in conditioned storage, Vopak has a responsibility towards investors, employees and business partners to operate ethically and with integrity in every element of its activities, anywhere in the world. Integrity has been and will be the key in establishing and maintaining Vopak's reputation and providing quality services to its customers. Vopak deems its reputation an asset just like its employees, the installations it operates, and the services it provides. The Vopak business principles, based on integrity, are laid down in the Code of Conduct.

### **Human Rights**

Vopak respects the Human Rights as stated in the Universal Declaration of Human Rights. Vopak believes it has a responsibility to ensure that local subsidiaries ensure whether Human Rights are respected - while conducting our business.

### **Fair treatment of employees**

Vopak supports the principles of the International Labour Organization. Vopak has a long history of being committed to providing a safe and healthy environment for employees. This commitment is deeply rooted in Vopak's policies and monitoring structures. Furthermore, Vopak sees that it is crucial to ensure that Vopak maintains a right balance among the factors which employees regard as important in their work.

### **Community**

Vopak is committed to work in and engaging with the communities in which Vopak is present. Vopak will strive to minimize the negative impact of its services to the community it operates in. Simultaneously Vopak aims to support employees and their families, as well as the local communities, with assistance and/or expertise.

### **Sustainable suppliers and customers**

Vopak will collaborate with customers and suppliers to maintain long term partnerships and thereby ensure continuous improvement in its approach to sustainability. Vopak's aim is to be the supplier of choice due to its high quality of performance and initiatives in Sustainability.

### **Sustainable services**

Vopak will develop its services in accordance with high safety and environmental standards in cooperation with the communities it operates in. By continuously assessing the 'health' of its terminals Vopak maintains the highest level of quality for its customers.



### **3 Opportunities & risks**

#### **Financial performance**

Sustainability opens opportunities to reduce present and future operational and opportunity costs to business and serves to improve competitiveness, market positioning and profitability. Various recent studies have shown financial benefits for companies with sustainable strategies. A comprehensive sustainability strategy in turn reduces the risk of incurring costs which can be associated with negative internal (e.g., spills, accidents) or external (e.g., active pressure groups, change in legislation) events.

#### **Competitiveness and market positioning**

Vopak cannot sustain its competitive advantage unless it cares for its customers, its services, the environment, and the communities in which it operates. Vopak will take on a certain level of responsibility in creating a multi-way dialogue with various stakeholders, such as customers and important players in the supply chain. Hence, Vopak aims to outpace its competitors by meeting external sustainability requirements, making sure anticipated changes in e.g., legislation are known. Hereby Vopak will increase the interest of (sustainable) investors.

#### **Reputational benefits**

Reputation is critical in our industry. Reputation seems an intangible or immeasurable subject matter. All the same, there are numerous means of appearing in a ranking of some kind. Working towards a specific goal in a comprehensible manner, Vopak's sustainability strategy will increase the probability to score high on these rankings, resulting in a more positive reputation and more favourable publicity. However, Vopak feels that its customers' perception of its performance is the driving force of Vopak's reputation.



## 4 Sustainability priorities

For Vopak, Sustainability implies a proper balance between People, Planet and Profit (the three 'P's) in doing business. 'People' encompasses the impact a company has on employees and societies. 'Planet' indicates that companies have a responsibility for reducing the impact on the environment. 'Profit' holds 'traditional' indicators as sales and turnover but also less traditional indicators as the prevention of fraud and bribery, sponsoring, community engagement, fair pricing, innovation et cetera.

In the following paragraphs, each 'P' is defined and the impact of Vopak's business and how this impact will be managed is described.

### People

Vopak sees it as its responsibility to provide a safe and healthy environment for employees. Constantly improving the working conditions and monitoring the effectiveness of controls are a baseline for Vopak's health and safety policy.

Furthermore Vopak recognizes that it has a responsibility to respect Human Rights. Therefore Vopak endorses the principles of the International Labour Organization and the United Nations Universal Declaration of Human Rights.

Also Vopak wishes to employ people for the long term by maintaining a right balance between factors that employees regard as important in their work (e.g., interesting job, personal development, competitive employment conditions, and work-life balance).

Vopak understands that it has an impact on its surrounding world. By implementing policies on the following indicators, gaining management information on them and steering on them, the negative impact is reduced.

Impact	Policy/Action
Safety	Reducing or avoiding the number of accidents and incidents by constantly auditing and monitoring compliance with the minimum requirements as set by Vopak. Please refer to our SHE policy.
Health	Monitoring absenteeism and reducing it by supporting employees locally on health issues (e.g. health assessment days, root cause analysis et cetera.)
Wages	It is Vopak's policy to comply with local legislation and provide for adequate wage- and pension-structures.
Human Rights	Vopak respects human rights in general (in line with the United Nations Universal Declaration of Human Rights) and indigenous rights of local communities in particular.



Impact	Policy/Action
Supply Chain Responsibility	<p>Implementing sustainable sourcing, such as by requiring our suppliers and contractors to support the ILO and UN Universal Declaration of Human Rights principles.</p> <p>Being a preferred supplier for our clients, because of Vopak's sustainability policies and performance.</p>
Local Communities	<p>Serve the communities we work in by proactively engaging the communities and having dialogues on possible negative impacts of our activities.</p>
Development of employees	<p>Providing up to date education and training is a part of continuously improving the skills and level of service of our employees.</p>
Customer service	<p>As being a service company our key value is customer service. Not only from our own employees, but also from our contractors and suppliers we expect excellent service. Please refer to the Vopak Service principles.</p>



**Planet**

Vopak is a provider of services in the area of conditioned storage. Vopak does not produce or transport any products itself. Therefore its impact lies in the sphere of responsibilities for the terminal and the product it stores.

Prevention of spills and emissions has always been a focus point of Vopak’s way of work, together with compliance to operating permits and legislations. Further global standardization of Vopak’s approach on environmental and operational impacts should lead to understanding and managing the environmental impacts of Vopak’s activities (e.g., our carbon footprint). Therefore, Vopak commits itself to a proper system of waste management, reduction of energy and resource consumption, emissions to soil, air and surface water as well as the limited withdrawal and use of water to be part of our sustainability way of operation.

Impact	Policy/action
Emissions to soil and surface water = spills	Prevent leakage by building leakage proof floors in terminals. Also through lessons learned from root cause analysis. Please also refer to our SHE-policy.
Emissions to air	Emissions to air can be indirect and direct. Indirect emissions are through energy consumption..
Energy	By implementing an energy monitoring program insight is gained on the level of consumption and how effectively reduction programs work. The products we store cause direct emissions. By improving our processes and facilities these emissions are reduced. First step is to measure the volume of emissions. Second step is to improve facilities and processes, and then measure the reduced emissions
Waste	Implementing a monitoring structure to assess the amount of solid and liquid waste Vopak disposes. Targets will be set in order to decrease the amount of waste and/or waste recycling.
Water usage	Monitor where water is used and implement measures to reduce usage of water. First step is to measure.



**Profit**

Vopak needs to be profitable to be a sustainable company for the long term. Therefore Vopak steers on 'traditional' indicators as profit, sales, cash-flow, turnover, shareholder return et cetera. Apart from these 'traditional' indicators, Vopak has a responsibility for the impact it has on less 'traditional' indicators as prevention of corruption and bribery, serving local communities, total tax contribution, sponsoring, innovation, customer satisfaction, fair pricing et cetera.

As policies around 'traditional' indicators are covered by other policies, attention needs to be drawn to less 'traditional' indicators.

Impact	Policy/action
Prevention of Corruption and Bribery	<p>Vopak conducts its business with integrity, honesty and fairness. Integrity is essential to Vopak's business and is not in any circumstances to be sacrificed for the sake of results or otherwise.</p> <p>Vopak's will make any possible effort to prevent corruption and bribery. Furthermore, audits on possible fraud are included in the work program of the Internal Audit department.</p>
Serving Local Communities	<p>Vopak sees it as its obligation to source as much as possible locally, including employees. Thereby serving the local communities as well as possible. Vopak will behave as a responsible citizen in the neighbourhood where it is active.</p>
Customer Satisfaction	<p>Vopak's business is a long-term activity. Therefore it is in Vopak's interest to engage with customers for longer periods.</p> <p>Customer satisfaction is the result of our Vopak Service principles. In auditing the satisfaction we are able to gain improvement and a better respond to the needs of our customers.</p>
Innovation	<p>Investments in innovation increase the level of our service. Innovation will be primarily aimed at improving the efficiency and integrity of our operations and at social innovation at the workplace.</p>



## 5 Implementation & timelines

Building and expanding on its previous efforts, specifically in regards of safety and quality, Vopak has put careful thought in its Sustainability activities and wishes to implement its plans in a comprehensible and timely manner. Hence, three phases have been designed.

### **Phase 1: Define basic processes (2008 - 2009)**

The first phase in Vopak's Sustainability activities consists of the following activities:

- Vopak sustainability policy in "Vision & mission statement" and "Policy document", including short-term goals
- Reporting Manual
- Report externally in accordance with GRI level C (see appendix A for explanation)
- Develop step-by-step plan for implementation
- Determine detailed time planning for phase 2

### **Phase 2: Embedding policies (2009-2010)**

The second phase in Vopak's Sustainability activities consists of the following activities:

- Implement Vopak Sustainability Policy and measurement systems
- Report externally in accordance with GRI level B
- Determine long-term quantitative sustainability goals
- Determine detailed time planning for phase 3

### **Phase 3: Realise ambitions (2009-2012)**

The third phase in Vopak's Sustainability activities consists of the following activities:

- Final roll out of the sustainability strategy
- Continuous monitoring and evaluation of results
- Continuously improve external reporting, based on GRI Guidelines

## 6 Stakeholder engagement

Vopak has an open information policy for stakeholders interested in the status (financial and otherwise) of the company. In line with that Vopak will engage in a well structured stakeholder dialogue with regards to the Sustainability policy of which the results will be used for the further development of this policy.

Vopak values the opinions of its stakeholders and wishes to take these into account when determining sustainability ambitions and policies. Furthermore, Vopak would like to ask the input from stakeholders in dealing with (perceived) sustainability dilemmas (e.g., the pros and cons of bio fuels and its storage) that arise during daily business.

The first step in coming to a constructive stakeholder dialogue is to identify the impact of Vopak's activities on its surroundings and the stakeholders involved (see figure below).



The next step is to identify those stakeholders that are of particular importance to Vopak, based on their potential influence on Vopak and their legitimacy as perceived by Vopak, and to define the level of engagement. The higher the potential influence and perceived legitimacy, the more important the stakeholder is and, hence, the more intensive the contact with that stakeholder will be. The exact outcome of this analysis will differ from one division to another and will change over time.



The dialogue with stakeholders will be implemented on three levels:

**Daily basis**

This is the primary ongoing process, where customers, employees and suppliers meet on a daily basis and benefit and learn from each other.

Apart from these daily contacts, some 600 audits (2007) are routinely carried out on an annual basis, both by Vopak itself (Insurance, Corporate internal Audits, Terminal Health Assessment, Post Implementation Reviews) as well as by our customers and authorities. These audits provide a continuous source of suggestions to improve our safety, services, and operations.

**Regular contacts**

On a regular basis Vopak has, and maintains, contacts with neighbours, (local) authorities and investors. In having over 250 of these contacts annually (road shows et cetera), Vopak demonstrates its transparency to its neighbours and investors.

**Annual contacts**



On an annual basis Vopak wants to have contacts with the public on local, global and governmental level (including NGOs, sustainability organisations, ministry of foreign affairs, et cetera). A part of these annual contacts will include specific surveys on a rotating time level, over our entire network. The aim of these sustainability related surveys is to verify the implementation of the received suggestions, remarks and considerations on operational and policy level.

In order to optimize the input from Vopak's stakeholders, an annual rotation system will be in place on the basis of which different stakeholders and different subjects relevant to Sustainability will be focussed on. The rotation of stakeholders will depend on the weight appointed to them, and the subjects in focus will be influenced by the outcome of the dialogue with that particular stakeholder.

	Daily	Regular	Annual
<i>Primary contacts</i>			
<b>Customers</b>	X	Audits	
<b>Employees</b>	X	Work councils	
<b>Shareholders / investors</b>		X	X
<b>Joint ventures</b>	X	Board meetings	X
<b>Contractors</b>	X	Review audits	
<i>Secondary contacts</i>			
<b>Suppliers</b>		Audits	
<b>Authorities / governments</b>		X	X
<b>Local communities</b>		X	X
<b>NGOs / interest groups / public</b>		Sustainability organisations/ trade unions	X
<b>Industrial communities / branch</b>		X	X



## 7 Transparency

Vopak wishes to be transparent to all of its stakeholders about its sustainability policy, ambitions and results to all. In order to accomplish this (to be “stakeholder-inclusive”), Vopak will align reporting on its performance regarding sustainability with the sustainability reporting guidelines of the Global Reporting Initiative (GRI, [www.globalreporting.org](http://www.globalreporting.org)).

The advantage of external reporting is to inform stakeholders on performance and improvements. Furthermore there is a gain in scoring better in several ratings, such as in Transparency Benchmarks (e.g. by the Dutch Ministry of Economic Affairs) and the Dow Jones Sustainability Index (DJSI).

Vopak informs stakeholders on its policy on sustainability on a yearly basis through both the Annual Report and the corporate website ([www.vopak.com](http://www.vopak.com)). The information in the annual report will be high-level and qualitative. The website will be used to inform stakeholders more detailed (including quantitative data) regarding sustainability.

The indicators below are 15 selected GRI KPIs that will be used for initial reporting. These indicators represent performance that is both relevant for Vopak and of which reliable information is accessible within the organisation. The list is generated through a quick scan as well as an impact analysis.. When all these indicators are reported on (in 2008), this will be in line with (self declared) GRI application level C (see next page for explanation of GRI application levels). Application level B can be achieved within two or three years.

GRI	Description
LA 1	Total workforce by employment type, employment contract, and region
LA 4	Percentage of employees covered by collective bargaining agreements
LA 7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region
LA 10	Average hours of training per year per employee by employee category
LA 13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity
EN 3	Direct energy consumption by primary energy source
EN 4	Indirect energy consumption by primary source
EN 8	Total water withdrawal by source
EN 16	Total direct and indirect greenhouse gas emissions by weight
EN 19	Emissions of ozone-depleting substances by weight
EN 23	Total number and volume of significant spills
EC 1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments
EC 3	Coverage of the organization’s defined benefit plan obligations
EC 4	Significant financial assistance received from government
EC 8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement

# Appendix A

## Explanation GRI & GRI-application levels

GRI stands for Global Reporting Initiative and is the global accepted way of reporting about sustainable developments. GRI application levels have been defined to indicate the level of sustainability in reporting.

### GRI Application Levels

To indicate that a report is GRI-based, report makers should declare the level to which they have applied the GRI Reporting Framework via the “Application Levels” system.

To meet the needs of beginners, advanced reporters, and those somewhere in between, there are three levels in the system. They are titled C, B, and A. The reporting criteria at each level reflect a measure of the extent of application or coverage of the GRI Reporting Framework. A “plus” (+) is available at each level (ex., C+, B+, A+) if external assurance was utilized for the report.

Application Level Criteria		Reports intended to qualify for level C, C+, B, B+, A or A+ must contain each of the criteria that are presented in the column for the relevant level.					
Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15		Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17		Same as requirement for Level B	
	G3 Management Approach Disclosures	Not Required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach disclosed for each Indicator Category	Report Externally Assured
	G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.		Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	
		*Sector supplement in final version					