

# CO<sub>2</sub> POLICY 2021

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**Release date:** 26-7-2021



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## 1 | Introduction

The CO<sub>2</sub> Performance Ladder challenges and stimulates organisations to map and reduce their own CO<sub>2</sub> emissions. The more attention a company pays to reducing their CO<sub>2</sub> emissions, the higher the chance of receiving fictional advantage in a tender or the more competitive they can be in the eyes of customers and external stakeholders (ports, financial institutions, governmental authorities).

The CO<sub>2</sub> Performance Ladder is based on four pillars:

**A. Insight**

Drawing up an undisputable CO<sub>2</sub> footprint in accordance with the ISO 14064-1 norm to provide insight in the CO<sub>2</sub> emissions of the company.

**B. CO<sub>2</sub> reduction**

The ambition of the company to reduce the CO<sub>2</sub> emissions.

**C. Transparency**

The way a company communicates about their CO<sub>2</sub> footprint and reduction measures, both internally and externally.

**D. Participation**

(in sector and/or value chain initiatives) to reduce CO<sub>2</sub> emissions.

Every pillar of the CO<sub>2</sub> Performance Ladder has five levels, ascending from 1 to 5. A higher level on the ladder will provide a higher award advantage in tenders. The activities are being assessed by an authorised certifying organization to determine the level on the CO<sub>2</sub> Performance Ladder. To achieve a certain level, actions have to be taken on every pillar of the ladder. In order to do so, steps have to be made on every pillar of the ladder.

This report is a summary of the CO<sub>2</sub> policy of Alkion Terminals. This document contains a description of the organisation and the calculated emissions are shown. Also the measures, objective and progress will be shared, as well as participation in initiatives.

## 2 | Description of the organisation

This is the first audit for Alkion for the CO<sub>2</sub> Performance Ladder. The process to achieve the certification started in 2020.

Alkion provides forward-thinking bulk liquid storage services at ten terminal sites in France, Italy, Spain, Portugal and the Netherlands. We act as an essential link in the global network that facilitates modern life and our objective is to help our customers operate seamless supply chains. We go to great lengths to store and handle liquid products prudently and competently. In doing so we strive for resource efficient operations with lower emissions, striving to excel in customer service with positive impact on society and minimizing the impact on the environment, while introducing best practices throughout the organization. In order to achieve this Alkion explores and invests in storage solutions that expedite the transition to a more sustainable world. Alkion is working on greenfield and brownfield growth projects, with the focus on biofuels expansions, such as feedstocks, biodiesel and bioethanol, as long as looking into growing its assets through M&A (if fitting the current portfolio of supply chain integrated terminals).

### 2.1 Statement organisational size

The total CO<sub>2</sub> emissions of Alkion Terminals amount to 11.330 tons CO<sub>2</sub> in 2019. Of these emissions, 11.148 ton originates from the terminal locations themselves and 181 tons from offices and holding structures. Alkion Terminals thereby classifies as a large organisation in terms of CO<sub>2</sub> emissions.

### 2.2 Tenders with award advantage

A tender with award advantage is a tender in which the CO<sub>2</sub>-Performance Ladder certificate has played a role in the tender notice. It is not relevant whether the advantage has been decisive in being awarded the procurement (winning storage contract), or in which way the CO<sub>2</sub>-Performance Ladder was requested in the tender notice. With this definition in mind, Alkion Terminals did not obtain any projects with award advantage in 2020 through the CO<sub>2</sub> Performance Ladder.

Alkion Terminals B.V. provides storage and handling services for liquid bulk products. For Alkion Terminals clients are mainly producers, manufacturers, fuel distributors and traders including leading international, regional and national chemical, oil and biofuel companies. These customers may use award advantage in their tenders favouring Alkion, however Alkion Terminals gets contracts through tenders only at exceptional occasions (tenders for storage are organized if oils majors are looking for strategic storage dedicated to a new project or a new hub). Overall, the CO<sub>2</sub> Performance Ladder serves a strategic competitive advantage for Alkion Terminals.

### 3 | Energy policy and targets

The importance of sustainability is a given in the present times. To consciously deal with sustainability in our business actions we aim to do business in CO<sub>2</sub> conscious manner. We strive for continuous improvement of the emission reduction policy and a growing consciousness of the employees for reducing emissions in our business activities.

The general purpose of the energy management plan is to continuously improve the energy efficiency and reduce the CO<sub>2</sub> emissions of the business activities. In doing so, it has to be taken into account the amount of work and the composition of business activities (use of assets) are object to fluctuation. As a result, the absolute energy consumption can be higher, even though the relative consumption is lower.

The first step is providing insight in the energy consumption of the business. Based on these insights a conclusion can be drawn in which aspect of the business most effectively can be targeted to reduce CO<sub>2</sub> emissions. This insight can be found in the CO<sub>2</sub> footprint. Periodically (every 6 months) this list is being evaluated and cross-checked on completeness and precision of the data for each of the energy flows.

Alkion Terminals specific target is to reduce the CO<sub>2</sub> emissions in 2025 by 20% in comparison to 2019. This target assumes a similar amount of work has been conducted per year (revenue, working hours and type of business activities) as in 2019. The absolute reduction progress will be monitored to check the progress. In addition, to track relative progress of CO<sub>2</sub> reduction, four KPI's have been selected. The reduction goal will be linked (related to) the throughput (volumes of product passing through the terminals), FTE and Revenues (Normalized). Furthermore, the grey/green electricity ratio will be monitored.

### 4 | Calculated CO<sub>2</sub> emissions

In this paragraph the Greenhouse Gas emissions (short: GHG emissions) are elaborated. The Greenhouse Gas Protocol differentiates three scopes of CO<sub>2</sub> emissions based on the origin of the emissions. These scopes shape the so-called 'emission inventory', that can be quantified and managed. Scope 1 and 2 emissions are the emissions caused by the organisational activities. The next paragraph shows the CO<sub>2</sub> footprint for 2020.

#### 4.1. Direct and indirect GHG emissions

The direct and indirect emissions of Alkion Terminal amounted to 12.183 tonnes of CO<sub>2</sub> in 2020. Of this amount, 9.146 tonnes were caused by direct GHG emissions (scope 1), 2.976 tonnes by indirect emissions (scope 2) and 61 tonnes by business travel (scope 3).

TABLE F1. OVERVIEW CO <sub>2</sub> EMISSIONS				2019	Full year
TYPE EMISSION FLOWS SCOPE 1	AMOUNT	UNIT	EMISSION FACTOR (g CO <sub>2</sub> per unit)	EMISSION (tonnes CO <sub>2</sub> )	
<b>Gas consumption</b>	4.054.713	m <sup>3</sup>	1.890	7.663,4	
<b>Propane</b>	67.921	litre	1.725	117,2	
<b>Fuel consumption transport - diesel</b>	77.172	litre	3.309	255,4	
<b>Fuel consumption power - diesel</b>	27.953	litre	3.309	92,5	
<b>Fuel consumption - gnr</b>	26.326	litre	3.309	87,1	
<b>Fuel consumption - petrol</b>	11.338	litre	2.884	32,7	
<b>Total scope 1</b>				<b>8.248,2</b>	

TYPE EMISSION FLOWS SCOPE 2	AMOUNT	UNIT	EMISSION FACTOR (g CO2 per unit)	EMISSION (tonnes CO2)
Electricity - grey	12.370.891	kWh		1.546,8
Electricity - green	460.065	kWh	0	-
Generated electricity	115.212	kWh	-466	-53,7
Heat supply	39.594	GJ	35.970	1.424,2
<b>Total scope 2</b>				<b>2.917</b>

TYPE EMISSION FLOWS BUSINESS TRAVEL	AMOUNT	UNIT	EMISSION FACTOR (g CO2 per unit)	EMISSION (tonnes CO2)
Declared kilometers	10.233	km	220	2,3
Public transport	5.447	km	36	0,2
Air travel <700 km	23.690	km	297	7,0
Air travel 700-2500 km	422.687	km	200	84,5
Air travel >2500 km	478.110	km	147	70,3
<b>Total business travel</b>				<b>164</b>

<b>TOTAL EMISSIONS SCOPE 1, 2 AND BUSINESS TRAVEL</b>				<b>11.330</b>
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Table 1: CO<sub>2</sub> emissions 2019 (in tonnes of CO<sub>2</sub>)

TABLE F1. OVERVIEW CO2 EMISSIONS				2020 Full year
TYPE EMISSION FLOWS SCOPE 1	AMOUNT	UNIT	EMISSION FACTOR (g CO2 per unit)	EMISSION (tonnes CO2)
Gas consumption	4.541.361	m3	1.884	8.555,9
Propane	90.470	liter	1.725	156,1
Fuel consumption transport - diesel	63.628	liter	3.262	207,6
Fuel consumption power - diesel	39.000	liter	3.262	127,2
Fuel consumption - gnr	20.155	liter	3.262	65,7
Fuel consumption - petrol	11.864	liter	2.784	33,0
<b>Total scope 1</b>				<b>9.146</b>

TYPE EMISSION FLOWS SCOPE 2	AMOUNT	UNIT	EMISSION FACTOR (g CO2 per unit)	EMISSION (tonnes CO2)
Electricity - grey	12.342.658	kWh		1.538,1
Electricity - green	356.349	kWh	0	-
Generated electricity	145.791	kWh	-466	-67,9
Heat supply	41.876	GJ	35.970	1.506,3
<b>Total scope 2</b>				<b>2.976</b>

TYPE EMISSION FLOWS BUSINESS TRAVEL	AMOUNT	UNIT	EMISSION FACTOR (g CO2 per unit)	EMISSION (tonnes CO2)
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<b>Declared kilometres</b>	15.415	km	195	3,0
<b>Public transport</b>	904	km	36	0,0
<b>Air travel &lt;700 km</b>	5.601	km	297	1,7
<b>Air travel 700-2500 km</b>	179.651	km	200	35,9
<b>Air travel &gt;2500 km</b>	139.468	km	147	20,5
			<b>Total business travel</b>	<b>61</b>
<b>TOTAL EMISSIONS SCOPE 1, 2 AND BUSINESS TRAVEL</b>				<b>12.183</b>

Table 2: CO<sub>2</sub> emissions 2020 (in tonnes of CO<sub>2</sub>)

## 5 | CO<sub>2</sub> reduction measures

Measures gas consumption	Reduction on flow
Reassess most efficient & sustainable heating option (electricity sources, neighbouring plants) Improve insulation on tanks and pipelines Assess the impact of replacing boilers for more efficient ones Cover part of the natural gas consumption by biogas Apply smarter temperature control for tank heating	
<b>Total on gas consumption</b>	<b>13%</b>

Measures fuel consumption	Reduction on flow
Install charging stations at the terminals powered by solar Revise the corporate policy to improve the maximum requirement CO <sub>2</sub> /km Focus on leasing/renting hybrid and electric cars Promote lease e-bikes	
<b>Total on fuel consumption</b>	<b>20%</b>

Measures electricity consumption	Reduction on flow
<b>Grey vs green electricity</b> Preparing business case and acquiring permits for solar panels Installing & commissioning solar panels capacities Looking for energy suppliers able to ensure Green Electricity Supply with Guarantees of Origin (GOs) and switching to those if available <b>Energy efficiency</b> Analyse in depth the positive impact on CO <sub>2</sub> reductions of transitioning the business from ATSOT to ATLH Switch to LED lightning Pumps variable speed drive (inverters) and/or automatic pumps flow regulation Smart lightning at night at the terminals/Cut off light at night where possible Inductive filter data (e-power system) Improve air compressors efficiencies	
<b>Total on electricity consumption</b>	<b>37%</b>

<b>Measures heat supply</b>	<b>Reduction on flow</b>
Switch to a more sustainable steam source	
<b>Total on heat supply</b>	<b>26,5 %</b>

<b>Measures business travel</b>	<b>Reduction on flow</b>
KLM Corporate Biofuels Program	
<b>Total on business travel</b>	<b>90%</b>

## 6 | Objectives

Alkion Terminals has set out to reach the following objective in the coming years:

### SCOPE 1 AND 2 OBJECTIVE

**Alkion Terminals aims at reducing their CO<sub>2</sub> emissions by 20% in 2025 compared to 2019**

The absolute reduction goal indicated above is complemented with four defined KPIs (selected out of 9) to track relative progress of CO<sub>2</sub> reduction, four KPI's have been selected. The reduction goal will be linked (related to) the throughput (volumes of product passing through the terminals), FTE and Revenues (Normalized, meaning revenues linked to the business activity and excluding CAPEX contribution fees). Furthermore, the grey/green electricity ratio will be monitored. The further specified goals for scope 1 and 2 are formulated as followed:

### SUB OBJECTIVES

<b>Scope 1</b>	<b>10.5%</b>
<b>Scope 2</b>	<b>8.2%</b>
<b>Business travel</b>	<b>1.3%</b>
<b>Electricity consumption</b>	<b>5%</b>

## 7 | Progress

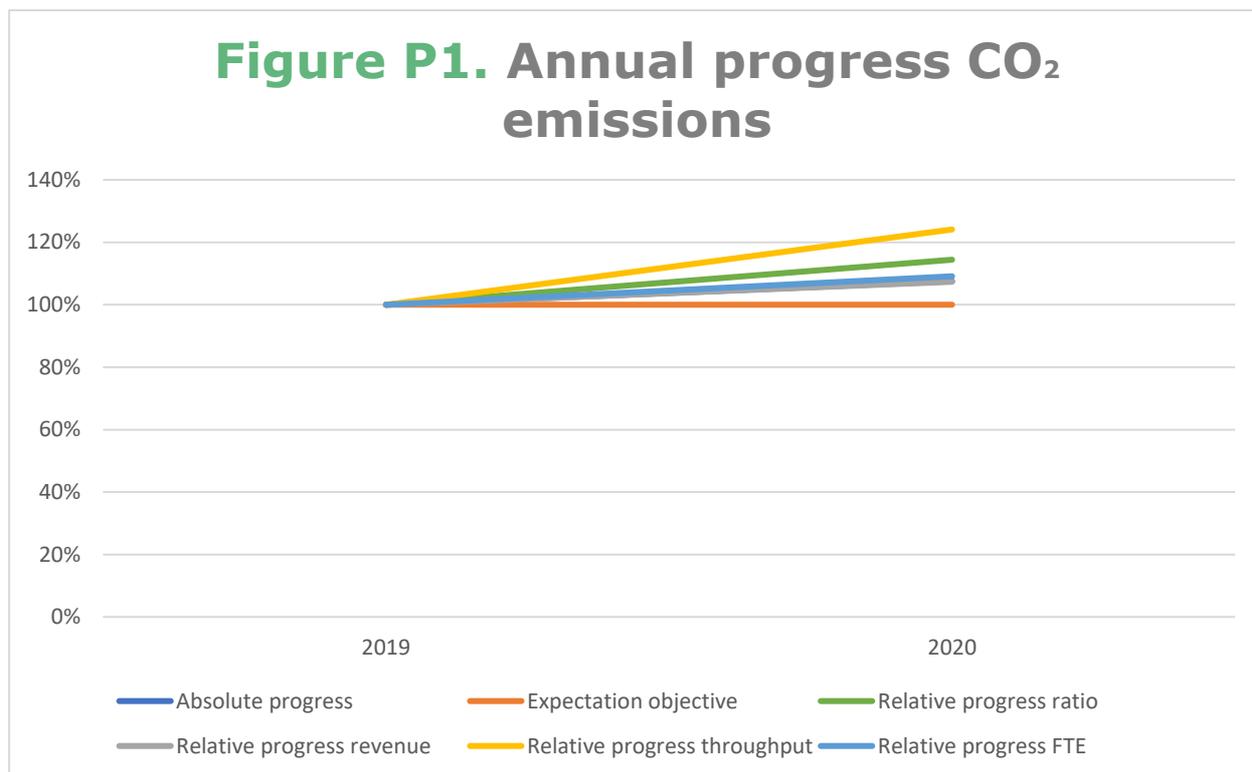


Figure 2 | Progress in CO<sub>2</sub> reduction

The figure below shows the progress in CO<sub>2</sub> emission reduction in scope 1 and 2 for Alkion Terminals. A more detailed table and figure can be found in the Excel document 'CO<sub>2</sub> footprint & progress'.

The objective Alkion Terminals has formulated, is to reduce the CO<sub>2</sub> emissions by 20% in 2025 compared to 2019. Based on expected estimated timeline of measure implementations, the reduction on the annual basis over 2019-2025 is spread as follows: 0% in 2020, 3.33% in 2021 and 2022, 6.66% in 2023 and 3.33% in 2024 and 2025. This reduction is measured in multiple ways: absolute and compared to four relative KPI's. Each of those five defined numbers has gone up in 2020 compared to 2019. This is due to both higher absolute CO<sub>2</sub> emission in 2020 in comparison to 2019 and changes in number of FTEs, Throughput and Revenues linked to fluctuation of business activity during the COVID year (eg. 16% drop in throughput). Higher 2020 indicators mean that Alkion Terminals has made it even more ambitious to reach the objective in 2025, as 2019 has been taken as a reference year.

Annually, the overall progress as well as the progress per sub-objective will be evaluated.

## 8 | Participation sector and branch initiatives

The CO<sub>2</sub> Performance Ladder requires companies to participate in sector or branch initiatives. The company should thus be aware of the initiatives within the industry and select one to participate in.

### 8.1 Identification sector and branch initiatives

To assess which sector and branch initiatives could be relevant to Alkion Terminals, the website of SKAO has been consulted ([https://www.skao.nl/initiatives\\_programs](https://www.skao.nl/initiatives_programs)). This page contains a comprehensive list of all initiatives and reduction programs. Possible suitable initiatives were discussed with the project leader and management. Alkion Terminals has decided to join TET Talks (Talks Energie Transitie Amsterdam), Nederland CO<sub>2</sub> Neutraal and Unem (Unione Energie per la Mobilità).

Every year the participation in initiatives is assessed on relevance and topicality by the project leader and management.

### 8.2 Active participation

The idea behind participation in an initiative is that through interaction with other companies, information can be shared and through collaboration new ideas can be developed in the field of CO<sub>2</sub> reduction. Therefore, the requirement is that companies should actively participate through, for example, discussion groups. Minutes or recordings of the meeting can serve as proof for the auditor that the company was actively participating.

When a certain initiative becomes irrelevant for the company at some point (when for the period of 6 months no active participation can be shown or no progress has been made) the participation should be terminated. The inventory of initiatives can then serve as a source of inspiration to choose a new initiative.

### 8.3 Ongoing initiatives

#### **TET Talks**

The organization participates in the TET Talks (Talks Energie Transitie Amsterdam) that is organized on the ORAM platform (ORAM is the largest business network in the Amsterdam region bringing around 600 players together, including business, local governments and communities). This initiative focusses on the energy transition and wants to increase the knowledge of its participants and inspire them to participate in a business case relating to the energy transition, as well as boost exchange on new ideas and put different players together to realize energy transition projects in the area of Amsterdam bringing together different expertise.

To prove participation, the following documents are collected:

- Presentation from the working sessions Reports gatherings

#### **Nederland CO<sub>2</sub> Neutraal**

The organization participates in the Nederland CO<sub>2</sub> Neutraal, the sustainability platform in the Netherlands for companies aiming to work on the CO<sub>2</sub> emissions reduction. The main goal of organization is to inspire and motivate the companies on possibilities to reduce the CO<sub>2</sub> footprint, as well as share the knowledge across various sectors and business models.

To prove participation, the following documents are collected:

- Homework from workshops (specific exercises are to be accomplished by Alkion delegate prior to participation in the workshop and to be evaluated/discussed during the workshop) as well as the summary of learnings from workshops
- Minutes from the participation in the events

## UNEM

The Italian branch of Alkion (ATVL) participates in Unem (Unione Energie per la Mobilità), organized by Italian based organisation. This initiative focusses on the development of lower carbon liquid fuels and e-fuels in Italy putting together technical, legislation and market perspective. Working groups on various topics are running in Unem platform and Alkion Terminal Vado Ligure is part of the working group focusing on the decarbonization of the liquid fuels.

To prove participation, the following documents are collected:

- Minutes working group sessions
- Reports gatherings

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Version:	1.0
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