CO₂ POLICY ALKION

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1 | Introduction

Alkion Terminals B.V. ("Alkion Terminals") 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, but overall the CO_2 Performance Ladder serves a strategic competitive advantage for Alkion Terminals.

The CO_2 Performance Ladder challenges and stimulates organisations to map and reduce their own CO_2 emissions. The more attention a company pays to reducing their CO_2 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_2 Performance Ladder is based on four pillars:

A. Insight
Drawing up an undisputable CO_2 footprint in accordance with the ISO 14064-1 norm to provide insight in the CO_2 emissions of the company.

B. CO_2 reduction

The ambition of the company to reduce the CO_2 emissions.

C. Transparency
The way a company communicates about their CO_2 footprint and reduction measures, both internally and externally.

D. Participation
(in sector and/or value chain initiatives) to reduce CO_2 emissions.

Every pillar of the CO_2 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_2 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_2 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.

1.1 | Description of the organisation

Alkion provides forward-thinking bulk liquid storage services at nine 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 though M&A (if fitting the current portfolio of supply chain integrated terminals).

1.2   Statement organisational size

The total CO_2 emissions of Alkion Terminals amount to 9.617 tons CO_2 in 2022. Of these emissions, 9.464 tons originates from the terminal locations and 153 tons from offices and other business facilities. Alkion Terminals thereby classifies as a medium-sized organisation in terms of CO_2 emissions.

1.3   Tenders with award advantage

A tender with award advantage is a tender in which the CO_2-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_2-Performance Ladder was requested in the tender notice. With this definition in mind, Alkion Terminals did not obtain any projects with award advantage in 2022 and 2023 through the CO_2 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_2-Performance Ladder serves a strategic competitive advantage for Alkion Terminals.

2 | 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_2 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_2 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_2 emissions. This insight can be found in the CO_2 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_2 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_2 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.

3 | Calculated CO$_2$ emissions

In this paragraph the Greenhouse Gas emissions (short: GHG emissions) are elaborated. The Greenhouse Gas Protocol differentiates three scopes of CO$_2$ 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$_2$ footprint for 2022.

4.1. Direct and indirect GHG emissions

The direct and indirect emissions of Alkion Terminal amounted to 9.617 tonnes of CO$_2$ in 2022. Of this amount, 5.766 tonnes were caused by direct GHG emissions (scope 1), 3.751 tonnes by indirect emissions (scope 2) and 98,7 tonnes by business travel (scope 3).

TYPE EMISSION FLOWS SCOPE 1	AMOUNT	UNIT	EMISSION FACTOR (g CO$_2$ per unit)	EMISSION (tonnes CO$_2$)
Gas consumption	2.497.414	m3	2.085	5.207,1
Propane	119.670	liter	1.725	206,4
Fuel consumption transport - diesel	60.876	liter	3.262	198,6
Fuel consumption - gnr	22.789	liter	3.262	74,3
Fuel consumption - petrol	21.726	liter	2.784	60,5
Fuel consumption - lpg	150	liter	1.798	0,3
Terpentine	6.014	kg	3.196	19,2
			Total scope 1	**5.766**

TYPE EMISSION FLOWS SCOPE 2	AMOUNT	UNIT	EMISSION FACTOR (g CO$_2$ per unit)	EMISSION (tonnes CO$_2$)
Electricity purchased - grey	13.148.337	kWh	varying	1.577,5
Electricity purchased - green	0	kWh	0	0
Generated electricity consumed	797.242	kwh	0	0
Generated electricity returned to grid	520.959	kwh	varying	-178,6
Electricity cars - grey	6.173	kWh	varying	3,2
Heat supply	87.197	GJ	varying	2.349,4
			Total scope 2	**3.751**

TYPE EMISSION FLOWS BUSINESS TRAVEL	AMOUNT	UNIT	EMISSION FACTOR (g CO$_2$ per unit)	EMISSION (tonnes CO$_2$)
Declared kilometers	126.566	km	193	24,4
Public transport	6.430	km	15	0,1
Air travel <700 km	28.221	km	297	6,6
Air travel 700-2500 km	377.146	km	200	64,9
Air travel >2500 km	17.270	km	147	1,7
			Total business travel	**99**
TOTAL EMISSIONS SCOPE 1, 2 AND BUSINESS TRAVEL				**9.617**

Table 1: CO$_2$ emissions 2022 (in tonnes of CO$_2$)

4 | CO₂ 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	
Total on gas consumption	**13%**

Measures fuel consumption	Reduction on flow
Install charging stations at the terminals powered by solar Revise the corporate policy to improve the maximum requirement CO2/km Focus on leasing/renting hybrid and electric cars Promote lease e-bikes	
Total on fuel consumption	**20%**

Measures electricity consumption	Reduction on flow
Grey vs green electricity 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 **Energy efficiency** Switch to LED lightening Pumps variable speed drive (inverters) and/or automatic pumps flow regulation Smart lightening at night at the terminals/Cut off light at night where possible Inductive filter data (e-power system) Improve air compressors efficiencies	
Total on electricity consumption	**25%**

Measures heat supply	Reduction

	on flow
Switch to a more sustainable steam source	
Total on heat supply	**26,5%**

Measures business travel	Reduction on flow
KLM Corporate Biofuels Program	
Total on business travel	**70%**

5 | Objectives

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

SCOPE 1 EN 2 OBJECTIVE
Alkion Terminals wants to reduce their CO_2 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_2 reduction. 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	
Scope 1	**10,5%**
Scope 2	**8,2%**
Business travel	**1,3%**
Electricity consumption	**5%**
Green electricity	**100% green electricity at all terminals from 2023 onwards**

6 | Progress

The figure below shows the progress in CO_2 emission reduction in scope 1 and 2 for Alkion Terminals. A more detailed table and figure can be found in the Excel document 'CO$_2$ footprint & progress'.
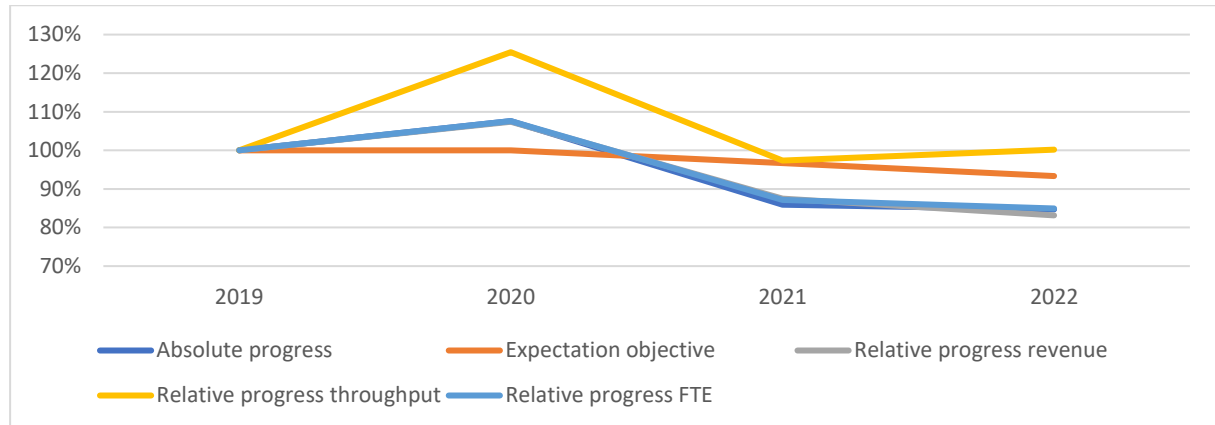

Figure 2 | Progress in CO$_2$ reduction per KPI

The objective Alkion Terminals has formulated, is to reduce the CO_2 emissions by 20% in 2025 compared to 2019, which means a reduction of 3,33% per year. This reduction is measured in multiple ways: absolute and compared to three KPI's. Three of these four numbers have gone down in 2022 compared to 2019, in absolute terms with 15%. Which means that Alkion Terminals is on its way to reach its goals.

7.1   Scope 1 | Sub objective gas consumption

In order to be able to achieve the sub objective for scope 1, potential measures were examined to see how much gas reduction at the terminals is possible. This is estimated at 24% for scope 1, which means 17% reduction in total. The calculation is based on several measures, for example: improve insulation on thanks and pipelines, change natural gas to biogas or electricity, apply smarter temperature control for tank heating, revise the corporate policy to improve the maximum, focus on leasing/renting electric cars. Already, calculations show a reduction in 2022 of 22%.

7.2   Scope 2 | Sub objective electricity and heat

In order to be able to achieve the sub objective for scope 2, potential measures were examined to see how much electricity reduction is possible at the terminals. This is estimated on 32% for scope 2, which means 8% reduction in total. The calculation is based on several measures, for example: preparing solar panels, GO's, change to LED lightning, pumps variable speed drive, improve air compressors efficiencies. Footprint 2022 shows an increase for scope 2: 7,3%. To be able to reach the objective more green electricity has to be purchased. The target of 100% green electricity has not been reached in 2022. It is expected that this will be reached before 2026.

7.3   Business travel | Sub objective

In order to be able to achieve the sub objective for business travel, potential measures were examined to see how much electricity reduction is possible at the terminals. This is estimated on 90% for business travel, which means 1,3% reduction in total. The calculation is based on several measures, for example: online meetings and KLM corporate Biofuels program. There was already a small decrease for business travel emissions: 0,6%.

7 | Participation sector and branch initiatives

The CO_2 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.

7.1 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). 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 CO2 Neutraal, Sustainable Port community Cartagena 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.

7.2 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 CO2 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.

7.3 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$_2$ Neutraal

The organization participates in the Nederland CO_2 Neutraal, the sustainability platform in the Netherlands for companies aiming to work on the CO_2 emissions reduction. The main goal of organization is to inspire and motivate the companies on possibilities to reduce the CO_2 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

Sustainable Port community Cartagena

The Spanish terminal of Alkion in Cartagena (ATC) participates in The Cartagena Puerto Sostenible (Sustainable Port of Cartagena), which is committed to incorporating the 2030 Sustainable Agenda based on 17 UN Sustainable Development Goals into the port's strategy. The aim is to achieve a more sustainable, equitable and prosperous Port Community in Cartagena through the involvement, commitment and collaboration of members that join the initiative, including the private sector. In doing so it promotes and shares experiences and lessons learned as it applies different technologies to minimize impact on environment, CO_2 reduction, etc. It also facilitates the execution of joint projects between various stakeholders.

To prove participation, the following documents are collected:

- Minutes working group sessions

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