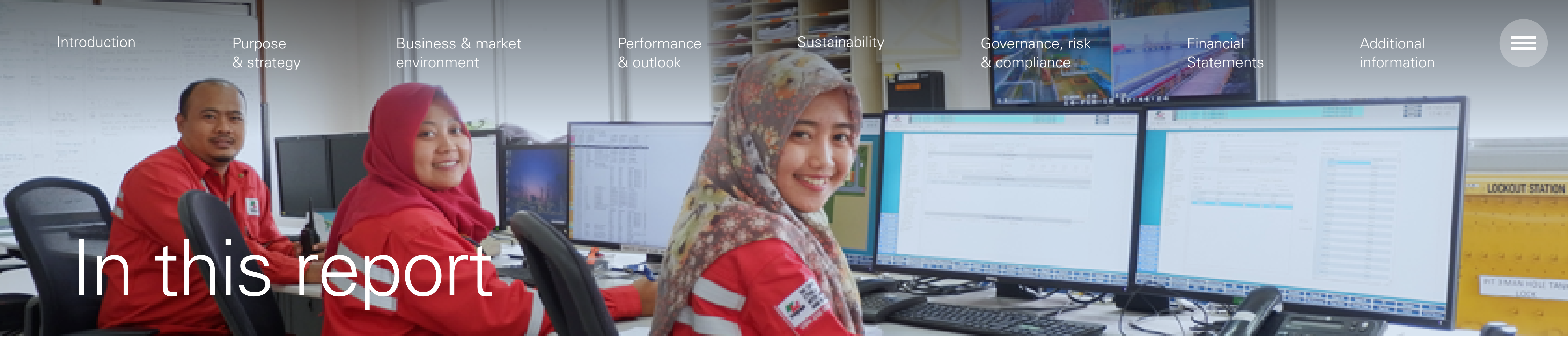
Storing vital products with care

Annual Report 2021

Storing vital products with care

We store products that are vital for everyday life. The energy that allow people to cook, heat or cool their homes and for transportation. The chemicals that enable companies to manufacture millions of useful products. The edible oils to prepare food. Vopak is the world's leading independent tank storage company and we take pride in **storing vital products with care**, for a growing world population. We are developing new infrastructure solutions to actively contribute to the introduction of future vital products, focusing on zero- and low-carbon hydrogen, ammonia, CO_2, flow batteries and sustainable feedstocks.

Cover page
The symbols used on the cover represent just some of the end-uses of the products we carefully store: energy to heat houses and charge electric cars, polymers in clothes, fuel for airplanes, chemicals used in computers, mobile phones and many other consumer products.



In this report

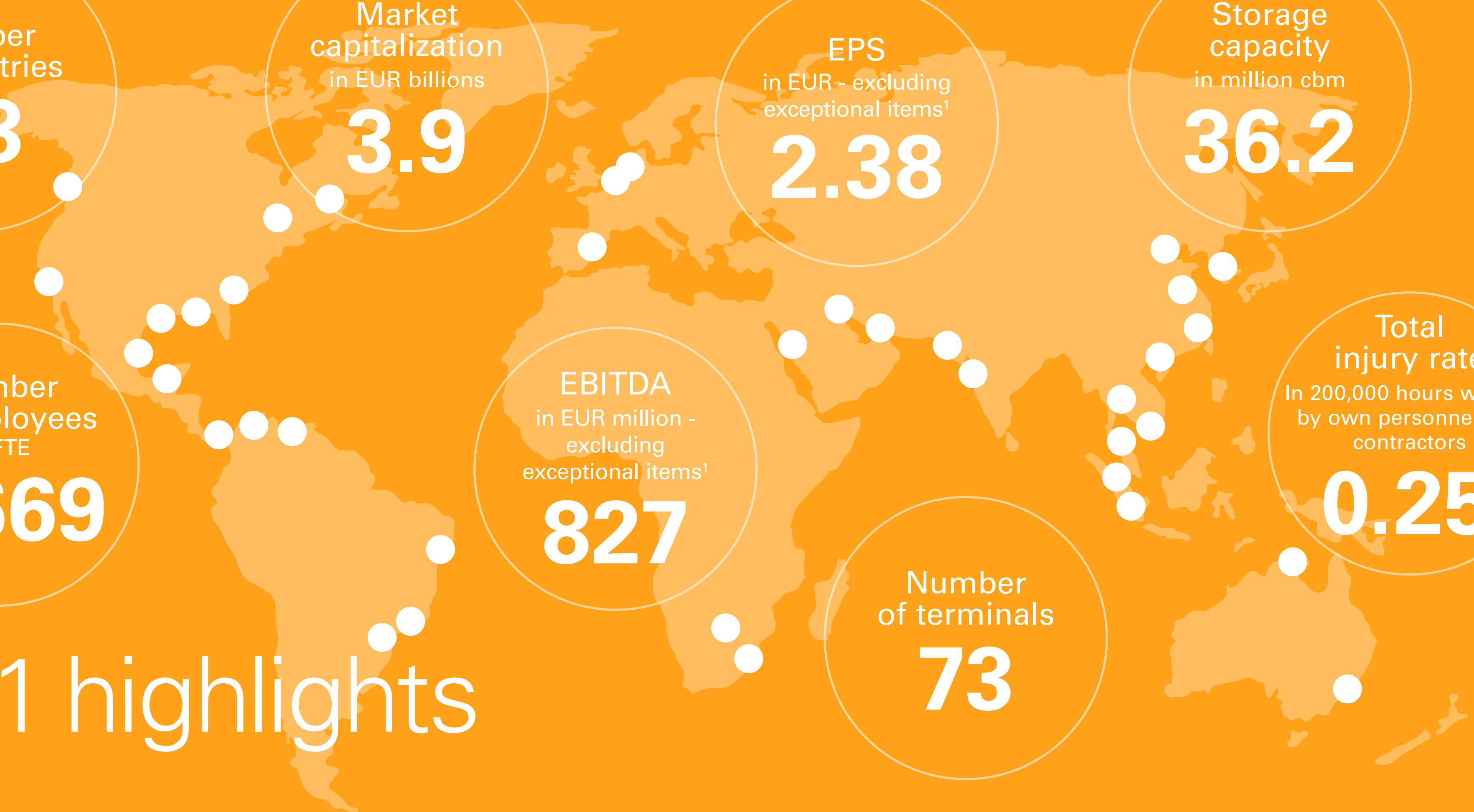
Any statement, presentation or other information contained herein that relates to future events, goals or conditions is, or should be considered, a forward-looking statement.

Although the Company believes these forward-looking statements are reasonable, based on the information available to the Company on the date such statements are made, such statements are not guarantees of future performance and readers are cautioned against placing undue reliance on these forward-looking statements. The Company's outlook does not represent a forecast or any expectation of future results or financial performance.

The actual future results, timing and scope of a forward-looking statement may vary subject to (amongst others) changes in laws and regulations including international treaties, political and foreign exchange developments, technical and/or operational capabilities and developments, environmental and physical risks, (energy) resources reasonably available for our operations, developments regarding the potential capital raising, exceptional income and expense items, changes in the overall economy and market in which we operate, including actions of competitors, preferences of customers, society and/or the overall mixture of services we provide and products we store and handle.

The Company does not undertake to publicly update or revise any of these forward-looking statements.

Introduction



Number of countries
23

Market capitalization in EUR billions
3.9

EPS in EUR - excluding exceptional items[1]
2.38

Storage capacity in million cbm
36.2

Number of employees in FTE
5,669

EBITDA in EUR million - excluding exceptional items[1]
827

Total injury rate In 200,000 hours worked by own personnel and contractors
0.25

Number of terminals
73

2021 highlights

at year-end

Royal Vopak is the world's leading independent tank storage company. With over 400 years of history and a focus on sustainability, we ensure safe, clean and efficient storage and handling of bulk liquid products and gases for our customers. By doing so, we enable the delivery of products that are vital to the economy and the daily lives of people across the globe, ranging from chemicals, oils, gases and LNG to biofuels and vegoils. We are developing new infrastructure solutions to actively contribute to the introduction of future vital products, focusing on low-carbon and renewable hydrogen, ammonia, CO_2, flow batteries and sustainable feedstocks. We invest in digitalization and innovation to improve our performance and our service to our customers. Vopak is listed on Euronext Amsterdam and is headquartered in Rotterdam, the Netherlands.

1 For a reconciliation between the IFRS numbers and the amounts excluding exceptional items, reference is made to note 2.2 of the financial statements.

Q1

January

- Vopak and Rotterdam Shore Power to conduct a feasibility study for the use of shore-based power for tankers in the Port of Rotterdam. A key benefit of shore-based power is that less nitrogen dioxide, particulate matter and CO_2 are released into the atmosphere, which reduces air pollution and combats climate change.

February

- Vopak is investing in the Port of Rotterdam, for the storage of waste-based feedstocks for the production of biofuels such as biodiesel and bio-jet-fuel. In total 16 new tanks with a combined capacity of 64,000 cbm will be built at Vopak Terminal Vlaardingen.

March

- Vopak LNG, which already partners in four liquefied natural gas (LNG) storage facilities globally, is investigating the feasibility of developing a similar facility in Port Phillip Bay offshore at North Avalon, Victoria, Australia.

Q2

April

- The greenfield joint venture industrial terminal in Qinzhou, China, with an initial capacity of 290,000 cbm started operations.
- Vopak announced that it signed a Joint Development Agreement with Elestor for the development of a hydrogen bromine flow battery. The joint ambition is to scale up the electricity storage capacity of these flow batteries from 200 kWh to 3,000 kWh in a period of 2 years and then further develop it to industrial scale. This development is part of Vopak's New Energy strategy.

May

- Keppel Data Centres, Kawasaki Heavy Industries, Linde Gas Singapore, Mitsui O.S.K. Lines and Vopak LNG have entered into a Memorandum of Understanding (MOU) to jointly explore the concept development of a supply infrastructure to bring liquefied hydrogen (LH2) into Singapore to power Keppel's data centres.

June

- Vopak has been awarded by Huizhou QuanMei Petrochemical Terminal Co., Ltd., a long-term contract for storage and services of a liquid products terminal in China. The planned terminal would be constructed and operated as part of ExxonMobil's Huizhou chemical complex.

Q3

July

- Vopak and Aegis announced that the companies have decided to combine efforts in a joint venture in India with the aim to grow together in the LPG and chemicals storage and handling business in India with a total capacity of 960,000 cbm starting in 2022 depending on the fulfilment of certain conditions.
- Gate LNG terminal successfully managed its once in a decade maintenance turnaround program, and plans to invest in a further regasification capacity expansion of 1.0 bcm per year. Together with the earlier announced investments to increase the capacity by 0.5 bcm per year this will result in a total capacity of 13.5 bcm per year. The 12.5% additional send-out capacity is planned to become available at the end of 2024.

September

- The newly built Vopak Moda terminal in Houston received the first ammonia tanker. The new terminal fits Vopak's strategy of developing new infrastructure solutions for products like ammonia.

Q4

October

- Vopak announces the opening of a new Vopak industrial terminal in the U.S. Gulf Coast. The new terminal has been designed and built by Vopak to serve Gulf Coast Growth Ventures, a joint venture by ExxonMobil and SABIC to build and operate a world-scale plastics manufacturing facility.
- Vopak, Groningen Seaports and PATRIZIA opened a 25 MW solar park in The Netherlands. The opening of the park marks Vopak's transition to green electricity in the Netherlands.

November

- Vopak investigates strategic options for its oil terminals in Australia. This may include continued operations or divestment.

December

- Mitsui O.S.K. Lines (MOL) and Vopak reach agreement to jointly own and operate the FSRU for the new LNG terminal in Hong Kong. This new joint venture company between MOL and Vopak in Hong Kong will own the world's largest floating storage and regasification unit (FSRU) and have a long-term contract with Hong Kong LNG Terminal Limited.

CEO statement

I am enthusiastic about how we are successfully growing and transforming our company, actively positioning ourselves towards the future, while delivering short term performance.

Dick Richelle
Chairman of the Executive Board and CEO of Royal Vopak as per 1 January 2022

Vopak is solidly positioned towards the future and ready to take the next step in serving our customers and society in the fast-paced transition to a sustainable world.

Dear reader,

Thank you for your interest in Vopak. Every day, we work hard to store the vital products that society needs, and do so with care, as society expects of us. I am grateful for the enormous commitment and team spirit our employees have demonstrated again to realize our purpose, and proud of what we have achieved in 2021.

We are performance-driven people with a future mindset, guided by our values. I am enthusiastic about how we are successfully growing and transforming our company, actively positioning ourselves towards the future. Because of who we are as a company: our ability to build partnerships across cultures, our independent position and our open and inclusive culture. Because of our physical network of terminals at locations where infrastructure is needed to deliver products that society needs today and tomorrow. And because of our capabilities to handle vital products with care.

Performance-driven

2021, like 2020, was again an atypical year due to the pandemic - with high volatility and lower demand for storage across the industry due to tight supplies. Vopak has proven its resilience and ability to continue delivering while adapting to change. Over the past years, we have been steadily shifting towards storing cleaner conventional products, stepping up efforts in new energies and sustainable feedstocks, and embracing the digital age. At the same time, we realize that long-term value creation is enabled by our relentless focus on sustainability, service and efficiency in our day-to-day performance. We did well in that area. On safety, the cornerstone of our sustainability policy, we had no major incidents in 2021 and continued to improve our performance versus previous years. Our service delivery was well perceived by our customers, which led to sustained high net promoter scores. Our financial results in 2021 were better than in 2020, thanks to the sizable contribution of delivered growth projects and our ability to control costs.

We made good progress on our portfolio and growth agenda. We reached new milestones in industrial terminals. In the US Gulf Coast, Vopak Terminal Corpus Christi started to service the joint venture of ExxonMobil and SABIC, which operates a world-scale plastics manufacturing facility. We also realized the integration of the three industrial terminals from Dow into our network, through our joint venture with BlackRock in Vopak Industrial Infrastructures America. In China, we started the operation of the industrial terminal in Qinzhou. In addition, we were awarded an industrial contract for storage and services of a liquid products terminal to be constructed and operated as part of ExxonMobil's projected chemical complex project in Huizhou, China. Finally, we delivered new storage capacity and infrastructure at Antwerp Linkeroever, Belgium; Veracruz, Mexico; Deer Park, USA; Rotterdam Botlek, the Netherlands; and Sydney, Australia.

We are pleased with the progress towards starting up our new joint venture in India in 2022. As the Indian government has earmarked LPG to provide cleaner and safe cooking fuels for households, we are joining forces with Aegis to create one of the largest independent tank storage companies for

LPG and chemicals in the country. Gate terminal (Gasunie/Vopak) for LNG in Rotterdam is making an important contribution to the security of natural gas supplies in the Netherlands and Northwest Europe and will add additional capacity to serve increased demand. We reached an agreement with Mitsui O.S.K. Lines to jointly own and operate the floating storage and regasification unit for the new offshore LNG terminal in Hong Kong to support regional electricity demand.

Future mindset

As the pace of change accelerates, I am excited about our positioning towards the many opportunities ahead. In 2021, we progressed again in developing infrastructure solutions for new vital products – our name for low- and zero-carbon new energies and sustainable feedstocks. Building on our experience in storing and handling ammonia at five other locations around the world, we commissioned ammonia operations in the new Vopak Moda Houston terminal. This positions us well to contribute to future flows of low-carbon and renewable ammonia, which can be used as a hydrogen carrier, a shipping fuel or a feedstock. We also work with various partners on setting up new hydrogen supply chains via various technologies - liquid organic hydrogen carriers to enable hydrogen imports from various potential locations into Northern Europe, and liquefied hydrogen in the long run, to, for instance, Singapore. In the H-vision project, we are part of a consortium that aims to significantly lower CO_2 emissions in the Rotterdam industry by using residual gases to produce low-carbon hydrogen, for use as a fuel. We are also investing in new tanks in the Port of Rotterdam to store waste-based feedstocks for the production of biofuels such as biodiesel and bio-jet-fuel. On CO_2, Gasunie, Vopak and their joint venture Gate terminal are investigating the joint development of an independent hub terminal for CO_2 in the port of Rotterdam, to receive and deliver liquid CO_2 via ship for market parties. Finally, we are developing redox flow battery solutions with partners in Singapore and in the Netherlands, where we aim to scale up electricity storage capacity from pilot to industrial scale.

The execution of our digital strategy is progressing well. The terminal management system for operations and customer services, a software program that we developed in-house, will be live at all terminals within project scope at the end of 2023. At the same time, we continue to transform into a data-driven company and invest in digital innovation. From its launch in 2018 until year-end 2021, Vopak Ventures has built a portfolio of 14 start-ups and scale-ups with the aim to deliver stakeholder value and innovate in three areas: digital & data platforms; operations & asset management; and sustainability & new vital products. Examples include water treatment, hydrogen logistics and data connectivity.

People

I want to thank our customers, shareholders, authorities and people in our communities for their trust and support, which allow us to play our role in society. I want to thank all the colleagues, contractors and partners working at Vopak and our joint ventures for maintaining the highest standards on safety, sustainability and service despite the continued impact of the pandemic on people's physical and mental health. I also want to thank all the colleagues who contributed to Vopak WeConnect projects for creating opportunities for youth in the communities in which we operate. Engaging with our communities is one of the 12 key topics of our updated sustainability roadmap, which reflects the outcome of our engagement with internal and external stakeholders, including employees, customers, authorities and neighbors. The roadmap establishes a balanced approach on where we can have a positive impact for people, planet and profit and the United Nations Sustainable Development Goals. The roadmap includes targets for each topic, including on safety, reducing our greenhouse gas and VOC emissions and inclusion & diversity.

Finally, on behalf of the Vopak people around the globe, I had the privilege to say thank you to Eelco Hoekstra for his leadership, trust and friendship. He led the company for almost 12 years. I feel honored to succeed him and humbled to serve as CEO of this great company.

In the past months, I had meetings and calls with customers, partners and investors across the globe. These introductions were extremely helpful to understand where we stand. I will continue listening to and engaging with a wide range of stakeholders inside and outside Vopak and use their valuable input in setting our priorities for the future. At the start of 2022, Vopak is solidly positioned towards the future and ready to take the next step in serving our customers and society in the fast-paced transition to a sustainable world.

Dick Richelle

Chairman of the Executive Board and CEO of Royal Vopak

Purpose & strategy

Our purpose: storing vital products with care

The global population is increasing and becoming more affluent in general. Vital products like energy, food, and chemicals are in growing demand. As the world's leading independent tank storage and infrastructure company, we connect supply and demand for these products and enable the delivery of products that are vital to the economy and the daily lives of people around the world.

To do so, we operate a global network of storage terminals at strategic seaport locations along major trade routes. We ensure safe, clean and efficient storage and handling of bulk liquid products and gases for our customers.

Storing vital products

We help provide the energy that allows people to cook, heat their homes and travel around. Chemicals for the production of many different products. Today's world is in the midst of a profound transformation with the energy and feedstock transitions and the revolution in digital technology. Our long-term success depends on our ability to innovate and respond to changing demands from society and the markets in which we operate. Vopak is developing new infrastructure solutions to actively contribute to the global energy and feedstock transitions, which can only succeed with adequate storage and infrastructure solutions. Today, we store chemicals, oil, gases, biofuels and edible oils. For the future we are developing new infrastructure solutions to actively contribute to the introduction of new vital products - our name for low- and zero-carbon new energies and sustainable feedstocks.

...with care

We strive to be a responsible member of society and the communities in which we operate. We are mindful of the potential impact of our business activities on people's safety, health and well-being and on the environment.

The energy transition needs adequate infrastructure solutions.

Our strategy

Vopak operates a global network of terminals worldwide. Around the world, we connect the supply of and demand for vital products and resources. Energy that allows people to cook, heat their homes and travel the world. Chemicals for many useful products. We ensure the safe, efficient and clean storage and handling of such vital products. This way, our contribution to the world extends far beyond storage alone.

Vopak is excited to be at the heart of the energy transition. The energy transition requires new supply chains connecting supply and demand around the world. We believe adequate storage and infrastructure solutions are critical for its success. Our customers – and potential new partners – play a key role in this transformation, as they are large producers and users of energy and feedstocks. Our customers count on us, for enabling them to optimize these new energy and feedstocks flows for the benefit of business and society.

In 2021, Vopak continued to effectively manage the company during the Covid-19 pandemic. Our strategy proved to be resilient. The control and governance structure that we put in place to respond to the pandemic proved effective to support decision-making and business execution while protecting the well-being of employees, contractors and local communities. All terminals remained operational and there were no significant disruptions to business continuity.

Vopak Navigator

The Vopak Navigator guides us in creating value for our stakeholders and society: storing vital products with care, by performance driven people with a future mindset.

Performance driven

We fulfill our purpose by being performance driven. We do this by excelling in sustainability, service and efficiency. In this way, we contribute to society every day.

- **Sustainability:** we are ambitious and performance driven with a balanced roadmap focusing on care for people, planet and profit. Safety is our first priority. We want to reduce our own environmental footprint while facilitating the introduction of vital products of the future. We need to be profitable to have access to resources to drive our strategy.
- **Service:** we always try to meet our customers' needs and expectations, enabling them to reach their present and future goals and ambitions. Customer loyalty and maintaining a healthy profit is of the utmost importance to us.
- **Efficiency:** to stay ahead of competition, we are optimizing our core processes including operations, maintenance, and project execution, continuously bringing in more efficient and where appropriate digital solutions.

People

People are the heart of our company. Our people bring our purpose to life, by adopting a future mindset and continuously driving performance.

- **One team:** we are all part of one Vopak team. Working at our international company feels like being part of a global team.
- **Open & inclusive:** we're committed to an open and inclusive culture where our people can work safely and develop their full potential.
- **Diverse:** we value and are inspired by a diverse workforce reflecting the societies we serve.

Future mindset

We work with the future in mind, always ready for the potential of new developments and change. For our future success and our license to operate in society, we believe we need to focus on three important drivers: leading locations, new vital products and being data driven.

- **Leading locations:** location is everything in our business. Around the world, we connect supply and demand for vital products and resources. Our global network of terminals determines our strategic position and how we are valued by our customers and other stakeholders. We have the expertise to determine the right locations to store and provide infrastructure for the vital products of today and tomorrow.
- **New vital products:** Vopak's contribution to a climate-neutral society is to develop infrastructure solutions for zero and low-carbon new energies and sustainable feedstocks, focusing on hydrogen and ammonia, CO_2, flow batteries, biofuels and sustainable feedstocks.
- **Being data driven:** investment in digital innovation gives us more access to data across our business. By analyzing this data, we are able to improve safety, provide better customer service, and increase efficiency.

Guided by our values

Our values guide us in making decisions, and our actions testify to our values. We have five core values that guide everyone at Vopak in their daily work:

- Care for safety, health & environment (SHE)
- Integrity
- Team spirit
- Commitment
- Agility

Together, our five core values provide the foundation for a unique Vopak culture that helps us live up to our purpose and take decisions in line with our strategy. They enable us to earn and strengthen our license to operate for the benefit of our company, our people, our communities and all other stakeholders.

Our value creation

We aim to create long-term value for all our stakeholders – from customers and business partners to investors, employees and local communities. Vopak's business, financial and investor strategies are founded on this principle.

We believe in the strength of who we are, what we do and where we are located.

The products we store provide light, power, energy for cooking and heating, and form the basis of millions of useful products and household goods.

Through dividends for shareholders, salaries for employees and the payment of taxes and suppliers, we create financial value. We enable efficient services that benefit our customers and the wider communities we serve. We also create social value – our engagements with different stakeholders like governments, business partners and our communities are proactive and transparent, and help us to work together in a mutually beneficial manner, building long-lasting relationships based on trust.

At the same time, we are aware that, through our business activities, we may also deplete value – through accidents, for example, or impact to the environment. That's why we work hard to reduce these impacts. In operating our business, we also consume resources – we invest in our facilities and terminals and make use of natural resources like water and energy. We aim to manage these resources as responsibly as possible.

Value creation model

Our value creation model[1] is shown on page 15. This model describes both the resources we consume (inputs) and the value we create or deplete during the course of our business (outputs). Importantly, this model allows us to identify where particular strategies or investments may create value for one stakeholder group, but reduce value for another. The table below shows the principal value created per stakeholder group.

1 Vopak's model is based on the framework published by the Value Reporting Foundation. For more information, see www.valuereportingfoundation.org.

We aim to create value for all stakeholders

Input

People
Our employees are part of an inclusive workforce that provide the company with their expertise, talent and resources. We invest in training, talent development and diversity.
- **5,669 employees and more than 10,000 contractor person-year**
- **Annual average of 41 training hours per employee**

Systems & Processes
Our processes and procedures ensure that we store products safely and efficiently. We develop our own software & IT systems and have embedded Vopak Standards globally.
- **EUR 32 million IT investment program**
- **Vopak Standards and blueprints**

Social & Relationships
We engage with various stakeholders such as customers, suppliers, governments, unions, local communities and society at large. Together, these relationships provide our social 'license to operate and grow'.
- **More than 50 long-term joint venture partners**
- **More than 500 customers globally**

Financial
Our shareholders and creditors provide the funds that we use to create value by investing to grow our business.
- **EUR 3.2 billion shareholder's equity**
- **EUR 2.9 billion net debt**

Terminals & Equipment
We operate and maintain a well-diversified portfolio of tank terminal assets around the world to facilitate product movements and connect supply and demand market.
- **73 terminals in 23 countries**
- **36.2 million cbm of storage capacity**

Natural
Our business makes use of natural resources such as energy and water. We hold land and sea to build and operate our tank terminal assets.
- **17,791 terajoules of direct and indirect energy use of which 55% renewable energy**

Business environment changes: energy & feedstock transitions & digital transformation

Outputs

Impact[1]

People
- **Employee engagement score of 7.6 based on an 82% participation rate**
- **EUR 409 million in salaries, benefits and pension contributions**
- **Total Injury Rate of 0.25[2]**

Systems & Processes
- **Real-time data driven terminal management system (MyService)**
- **Top quartile customer satisfaction (NPS: 74)**
- **Process Safety Event Rate of 0.09**

Social & Relationships
- **We ecourage employees to take an active role in our communities, including by supporting young people through the Vopak WeConnect Fundation**

Financial
- **EUR 151 million paid to investors in dividends and interest**
- **EUR 366 million Free Cash Flow before growth**
- **EUR 65 million paid in taxes**
- **Our equity has grown by 8% to EUR 3.2 billion**

Terminals & Equipment
- **EUR 284 million spent on sustaining and service improvements**
- **Increase in total storage capacity of 0.6 million cbm**

Natural
- **GHG emissions of 577,195 metric tons of CO_2 equivalents**
- **Societal impact of VOC emissions reduced by 23% compared to 2016**

Outcomes

Customers
We continued to deliver product to customers safely and efficiently – without serious process incidents; we were able to maintain operations through the year. Customer loyalty levels, as measured by NPS, increased further – confirming that customers appreciate our service levels.

Employees & contractors
Total injury rate improved and severity of personal incidents was lower than last year. The sickness absence rate was kept low at 2.4%, despite Covid-19 challenges. Salaries, benefits and pension contributions were in line with last year. Employees receive a fair and liveable compensation; again, all countries were found to be compliant with the living wage principle.

Investors
Payments to investors via dividends were EUR 151 million. The share price declined by 28%. We continued to invest in our business, increasing overall storage capacity by 0.6 million cbm mainly in China and the Americas. New growth projects were announced in China, US and Asia & Middle East.

Governments & authorities
We continued to support public services through tax payments. We paid a fair tax in the countries in which we operate. We also complied with all safety, health an d environmental protection laws. In 2021, we received EUR 0.032 million in fines.

Local communities
Our most material issue towards our communities is process safety, which was improved in 2021. It is our responsibility to keep our neighbors safe during the operation of our facilities by reducing spills, emission and nuisance. Process safety is one of the 12 key elements in our sustainability roadmap. We encourage employees to take an active part in their local communities including via WeConnect projects.

Business partners & suppliers
In 2021, total payments to suppliers and other business partners reduced. We continued to invest in joint ventures around the world. New opportunities for business partners were also created through capacity expansion and conversions at several major terminals.

1 More information on the United Nations Sustainable Development Goals that connect to the heart of our activities can be found on page 17.
2 Number of injuries for every 200,000 hours worked by employees and contractors.

The Vopak Values are the foundation of our approach to business.

Our responsible business conduct

Vopak aims to create value for all our stakeholders and society. Our approach to responsible business conduct is about caring for people and planet, as well as profits.

This principle is built into our purpose as a company: storing vital products with care. We strive to be a responsible member of society and the communities in which we operate, a company that our employees and contractors may be proud to work for. To achieve this, everyone at Vopak is provided clear guidance, through values and policies.

Our moral compass

Vopak Values

The Vopak Values are the foundation of our approach to business. It's vital that our employees, contractors and joint venture partners understand and share these values.

There are five values in all:

- Care for safety, health and the environment
- Integrity
- Team spirit
- Commitment
- Agility

These values are embedded in our policies and (performance-review) frameworks, including our Code of Conduct. They act as a guide to decision-making, and serve as the company's moral compass.

Code of Conduct

Vopak's Code of Conduct sets out our expectations with regard not only to safety and the environment, but also to human rights, non-discrimination, fraud and corruption. The Code also includes provisions on anti-money laundering and compliance with international sanction laws. These are important topics for Vopak as we operate worldwide, including in countries with a higher risk of corruption and poorer human rights records. The Code is applicable to all Vopak employees – we provide regular training in the Code to ensure high standards. We also have a whistleblower policy, allowing employees and other stakeholders to report in confidence alleged violations to laws, regulations and the Code of Conduct. We follow up on all complaints, and take remedial action where needed.

Sustainability Policy

Sustainability is about meeting the needs of the present without compromising the ability of future generations to meet their own needs. To live up to our purpose, we act to help future generations meet their needs and contribute to a more sustainable economy by developing infrastructure for the introduction of vital products of the future. We are mindful of the potential impact of our business activities on people's safety, health and well-being and on the environment. Through our care for people, planet and profit, we aim to create value for all our stakeholders, including customers, investors, employees, authorities, local communities and society at large. Our choices today should therefore contribute to our long-term relevance for society and the well-being and development of current and future generations. On page 36-38, we have published our updated roadmap, which provides a framework to implement the strategic transformation of our portfolio towards cleaner products and new energies and helps us further integrate sustainability into our global processes and investment decisions in cooperation with our customers and other partners.

Sustainable Development Goals

Vopak supports the UN Sustainable Development Goals (SDGs) and specifically embraces five SDGs, where we believe we can create the most value for stakeholders and society as a whole – by supporting the energy and feedstock transitions, in providing a safe working environment, in avoiding air, water and soil pollution, and in building resilient, sustainable infrastructure at ports around the world.

SDG		Vopak's contribution	Ambitions & targets
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all	Vopak aims to contribute to the dual objective of limiting climate change, while providing access to affordable, reliable and sustainable energy and feedstocks for all. We help customers reduce their environmental and carbon footprint and contribute to the energy and feedstocks transition around the world. At the same time, we are taking effective measures to reduce our own environmental and carbon footprint, including CO_2.	We adopted three lines of action: • First, develop infrastructure solutions to accelerate a switch to cleaner conventional fuels and feedstocks for all; • Second, develop infrastructure solutions for zero and low-carbon new energies and sustainable feedstocks; • Third, reduce our greenhouse gas emissions by 30% by 2030 and be climate neutral by 2050.
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts		
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	In storing vital products with care, safety is our first and foremost priority. This includes ensuring a safe and secure working environment for all people working at and for Vopak and caring for the communities in which we operate.	• Zero fatalities, life changing injuries & catastrophic process incidents and reduce Total Injury Rate (TIR) • Improve diversity in management in terms of gender, regional origin and competences • Respect human rights and contribute to realizing decent work for all people who operate, build and maintain our terminals • Being a good neighbor and engaging with our local communities.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	To realize our purpose, we develop, maintain and operate reliable, sustainable terminal infrastructure in ports around the world. We adopt and invest in environmentally sound technologies and processes. We explore the introduction of more sustainable technologies and processes and work on the digital transformation of our company.	We have high standards in: • Sustainability, service delivery and efficiency • Design and engineering of new assets • Project management and commissioning of new assets • Operating and maintaining existing assets throughout the Vopak network
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	We work hard to reduce any negative impact of our activities on people's health and well-being, on the environment and on climate, in particular by reducing emissions to air, water and soil and managing waste and wastewater. Underlying these efforts is our ambition to preserve biodiversity.	• Reduce Process Safety Event Rate (PSER) • Reduce releases of harmful products to the environment, including emissions of Volatile Organic Compounds (VOCs) • No uncontained spills

Safety and health

We handle hazardous products. In addition to complying with laws and regulations, we have company-wide safety principles, the Vopak fundamentals. Care for safety, health and the environment is built into both our Code of Conduct and our Supplier Code. We provide rigorous safety training to those working at Vopak locations.

Vopak's safety fundamentals include essentials on transferring products, managing change, on permits, lock-out - tag-out, excavation, use of motorized vehicles, and working in confined spaces and at heights – a common cause of accidents in the industry. We systematically discuss and report work related injuries, fatalities and illnesses if and when they occur[1], as well as process safety incidents like spills and fires, with a view to further strengthening our Safety, Health & Environment (SHE) performance. We have implemented our Trust & Verify program. The aim of this program is to increase awareness of safety issues, and to encourage a culture of personal accountability throughout the company. We are also bringing in more technology which helps us to identify risks sooner, often in real time. This gives us the opportunity to intervene early and prevent incidents before they happen; it also allows us to work more remotely, and reduce the number of employees and contractors potentially at risk. All incidents – no matter how small – are reported, as are all near-misses. Reports are made directly in Enablon, our incident reporting system. Alerts are sent out following incidents, and every week terminal management discusses safety performance and lessons learned.

Environment

We work to reduce our impact on the environment. We have a clear responsibility to the communities in which we operate. Vopak has a robust environmental management process. We use API RP 754. Our Environmental Management System is included in Vopak's internal standards (as part of our Environmental Impact Assessment and Soil & Groundwater Management).

We take measures to realize an reduction of our greenhouse gas emissions in line with our ambition to be climate neutral by 2050. We have put in place a program of improvements at our terminals to further reduce emissions of VOCs (volatile organic compounds). VOCs can cause air pollution and may pose a health risk, which is why we assess not only the emissions themselves, but also their overall societal impact. Worldwide, we are responsible for approximately 1,500 hectares of land. So, it is important that we avoid spills that may contaminate local soil, groundwater, or the sea. Our aim is to have no uncontained spills. As part of our standards, we require our terminals to have secondary containment, often additional barriers or walls where there is risk of a spill – in tank pits, for example, pumps or loading stations. This secondary containment helps prevent spills seeping into the nearby environment. As a result, spills that do occur are contained and cleaned up as quickly as possible.

With regard to biodiversity, Vopak's impact assessments cover not only air quality and possible contaminations, but also emissions of light (which can have an effect on bird behavior and migration), as well as noise and possible risks to archaeological sites. Hazardous waste is regulated through our Waste Management standard; this applies to all entities.

Focus on major accident prevention

Given the nature of our business, there's always the risk of a safety incident. Our Terminal Health Assessment (THA) and Assure program focus on major accident prevention. Terminals are regularly audited to make sure they meet the standards. Our assets – tanks, pipelines, pumps and jetties – are regularly maintained. We have a rolling three-year maintenance program. All assets are designed, with safety as a first priority. The program also helps ensure we have employees able to respond quickly to emergencies and a safety-first culture to prevent accidents.

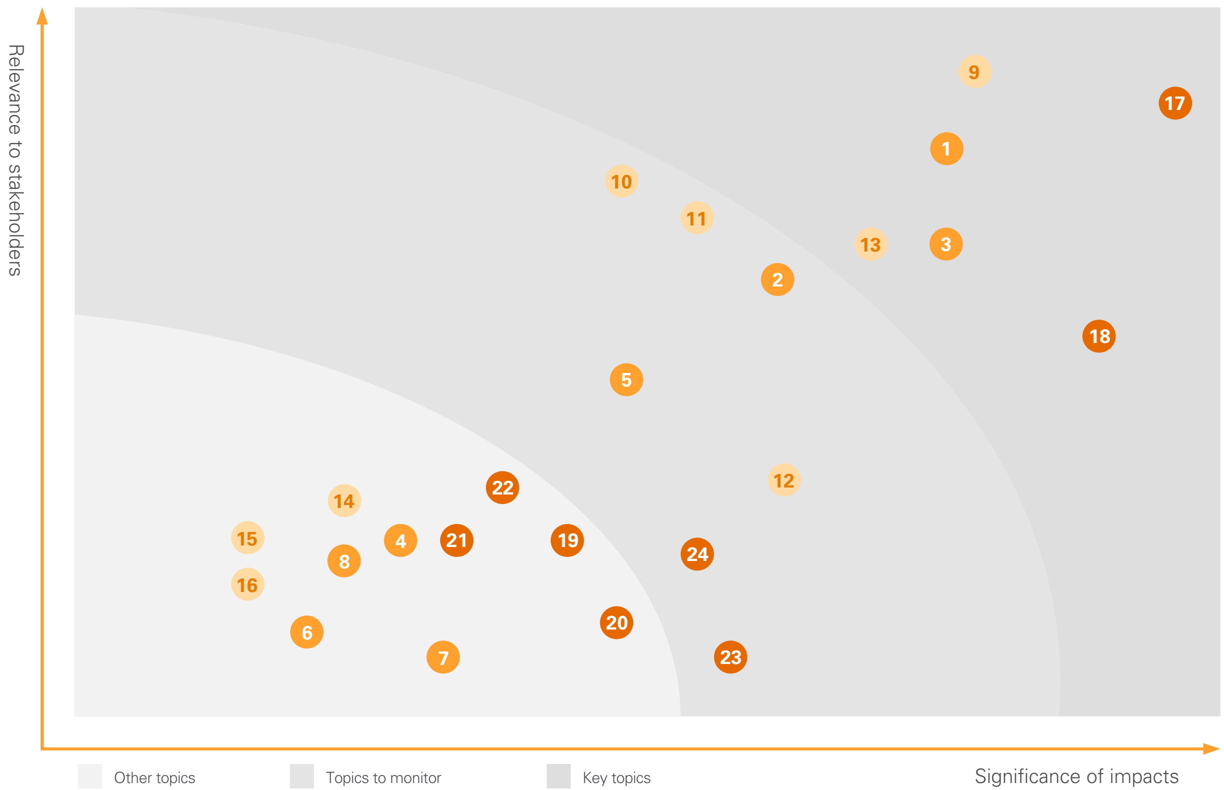
Vopak's terminals are equipped and tested annually on their emergency and crisis response. At our terminals, a typical Emergency Response Plan (ERP) includes different scenarios, as well as recommended responses and escalation procedures. Local authorities are also involved closely in drawing up these ERPs. During the year we carried out a cybersecurity exercise to test our processes and policies in the event of a cyber attack. With our frequent anti-phishing campaigns, we can see an increased awareness as well as greater vigilance of our staff.

1 Vopak applies OSHA 1904, relating to record-keeping and reporting of occupational injuries, fatalities and illnesses.

Human & labor rights

We respect international human and labor rights[1]. For employees, we provide competitive salaries and benefits – we reward performance and work closely with trade unions and other employee representative groups at our terminals and facilities. In addition to our own staff, we employ thousands of contractors across our operations. During 2021, these contractors outnumbered Vopak employees. Contractors often work on construction sites, or on maintenance projects. We work directly with contractors on health & safety standards and training, human rights, ethics and integrity; their obligations are set out clearly in our Code of Conduct and Supplier Code. Contractors and suppliers should comply with this Code, as well as with Vopak's sustainability policy, living wage approach and international human and labor rights standards[2]. We screen major investments for potential human rights issues, in particular related to contractors. With regard to labor rights, we have identified locations most at risk of violations – in these

Material sustainability topics



Environmental topics
1 **Air quality: VOC and other air emissions**
2 Soil and groundwater pollution
3 **Water pollution**
4 Waste
5 Greenhouse Gas (GHG) emissions
6 Energy use
7 Water management
8 Biodiversity

Economic topics
9 **Business ethics and integrity**
10 Application of best practices
11 Customer acceptance and continuation
12 Financial performance
13 **Innovation**
14 Remuneration
15 Supplier acceptance and continuation
16 Taxation

Societal topics
17 **Process safety**
18 **Occupational health and safety**
19 Training and education
20 Nuisance
21 Labor conditions
22 Human rights
23 Diversity
24 Community engagement and charity

1 As set out in the International Bill of Human Rights (which includes the Universal Declaration of Human Rights, the International Covenant on Civil & Political Rights and the International Covenant on Economic, Social & Cultural Rights). Vopak's policies are also based on a number of other international agreements and guidelines, including the International Labor Organization's (ILO) fundamental principles, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. Vopak seeks to uphold international labor and human rights across its operations, as well as with suppliers, business partners, works councils and trade unions, within the limits of local laws and regulations.

2 As set out by the International Labor Organization's (ILO) fundamental principles and the OECD Guidelines for Multinational Enterprises.

locations, we verify that at least minimum conditions are being met. We are reviewing our governance and due diligence to decide if we need to include more specific checks on conditions on human rights and decent work with regard to contractors and suppliers.

Transparency

Our material issues

Vopak carries out periodic materiality exercises. These enable us to identify material societal, environmental and economic issues – topics that are most relevant to our stakeholders. A full materiality assessment – based on input from various stakeholder groups – was performed in 2019. The most material issues are: process safety, business ethics & integrity, air quality (other greenhouse gas and VOC emissions), occupational health & safety, water pollution and innovation. These issues carry both opportunities and risks. Each topic is addressed directly by our strategy, as set out in the connectivity table in the sustainability section (see page 83). Our materiality matrix is stated on the previous page. Our approach and detailed performance on each material topic and information on the methodology used and process of the materiality analysis may also be found in the sustainability section.

Risk management

Safety, health and the environment are also built into our approach to risk management. We carry out regular risk surveys – and take action to mitigate risks. For 2021, the principal risks included climate change, an inaccurate anticipation on the energy and feedstock transitions and the risk of a major safety incident. The company's principal risks remain largely unchanged compared with 2020. However, the Covid-19 pandemic has led to higher levels of uncertainty in these risk areas.

Furthermore, three particular risks – market volatility, movements in oil & gas prices and cyber breaches in IT/OT systems – have become more apparent or have accelerated during 2021 (i.e. they have increased in probability, not impact, compared with the previous year).

Since the start of the Covid-19 pandemic, the company has monitored developments closely. Scenario-based contingency plans and other mitigating actions are ready to be implemented, if needed. Fortunately, there were no significant disruptions to business continuity and only limited impact on our operations – all terminals remained operational during the year.

Vopak's Executive Board has responsibility for risk management – we have an internal control framework, based on three lines of defense: operational controls at our terminals, oversight by divisional and global management, and internal audit, ensuring full compliance. Our internal control framework is regularly reviewed and updated, where necessary.

Climate change and societal developments are becoming increasingly important topics. On climate-related controls, we support recommendations from the TCFD (Task Force for Climate-Related Financial Disclosures), and use this framework to assess climate-related risks and opportunities, and to stress-test our portfolio and strategy by using scenario analysis. Based on our annual assessment, we are confident that Vopak's strategy sufficiently addresses both the risks and opportunities arising from the transitional and physical effects of climate change. For further details see climate impact on Vopak in the Sustainability chapter.

Responsible tax

Vopak acknowledges that paying tax is part of its social responsibility. In 2021, Vopak paid EUR 65 million in corporate income tax. Vopak complies with the letter and spirit of the law. As a matter of principle, we pay tax in countries where we do business. We don't operate businesses purely for tax purposes.

Additional information

Further information on these subjects and Vopak's system of corporate governance may be found in the back-end of this Report in sections on Sustainability (pages 75-124) and Governance, Risk and Compliance (pages 125-175).

Business & market environment

Letter of the Executive Board

Vopak made further progress in 2021 in terms of both strategic delivery and financial performance, supported by new growth projects and cost efficiency. Our contribution extended beyond storage to enable efficient and effective distribution of energy and feedstocks. Around the world, we continued to connect supply and demand for vital products and resources. We also updated our sustainability roadmap to navigate us in the coming years and live up to our purpose, storing vital products with care.

We focused on short-term performance by delivering growth projects and services to our customers, and prioritizing the health and safety of people working at our terminals. In 2021, we continued to execute our strategy to create long-term value by moving toward cleaner conventional fuels and feedstocks in our network of terminals and infrastructure, while also working on infrastructure solutions for low- and zero-carbon new energies & sustainable feedstocks including bio-based energy blends and feedstocks.

During the year, there is no doubt we operated in a more volatile and unpredictable business environment whereas the basis of our business is stable and robust. Society is going through a profound transformation with the energy transition and the rapid adoption of new and digital technologies. We are positive about how quickly we are shifting our portfolio toward industrial and gas infrastructure, and stepping up our efforts with regard to new energies, sustainable feedstocks, and innovative technologies such as for water treatment and drone based digital inspections. We are pursuing various options for new infrastructure solutions for hydrogen, ammonia, CO_2 and sustainable feedstocks, as well as flow batteries.

For 2022 and beyond, we will remain true to our purpose: to store vital products with care. And, in doing so, we will make a meaningful contribution to society, supported by our financial performance. We are performance driven people with a future mindset, guided by our values recognizing people, planet and profit.

Delivering on our strategy towards energy transition

This past year was marked by a strong economic rebound in developed countries, resulting in tight energy and feedstock supply chains and lower demand for storage. In 2021, we made good progress on delivering our strategy and continued to invest in growth – a total of EUR 269 million during the year, resulting in an additional 0.6 million cbm in capacity to meet growing customer demand, particularly in China and the Americas.

We achieved our goal in allocating more capital to gas markets. In addition, our Gate LNG terminal successfully completed its maintenance turnaround program. By the end of 2021, the Gate terminal was operating at full capacity, able to supply 25% of the Netherlands' gas needs. During the year, we agreed on a joint venture with Mitsui O.S.K. Lines (MOL) to jointly own and operate the floating storage and regasification unit at the new LNG terminal in Hong Kong. We also announced a new partnership with Aegis, which aimes at expanding our LPG and chemicals storage position in India.

During 2021, we continued to expand our portfolio of terminals. We signed a contract for an industrial terminal as part of ExxonMobil's proposed new chemical complex in Huizhou, China. We further strengthened our leading position in industrial terminals by commissioning new capacity at Qinzhou in China and Corpus Christi in the US. In the same year, we also brought new chemicals capacity on line in the Netherlands and the US.

Meanwhile, implementation of our digital strategy is progressing well. We continued to roll out a new cloud based system for our terminals. This digital strategy – including the increased use of data and platforms – is key to both our short-term performance as well as our longer-term value creation. Accelerating our digital transformation will also help us improve safety, service, efficiency and provide better service to customers. In 2021, we invested a total of EUR 32 million in new technology, innovation and digital and data platforms.

Performance driven

We defined a balanced Sustainability Roadmap, containing the 12 key sustainability topics that matter most to our stakeholders and where we can have the highest impact for people, planet and profit. On safety performance, the cornerstone of our 12 key sustainability topics, we had no major safety incidents and the total injury rate stood at 0.25, a significant improvement compared to last year. We continued with our Trust & Verify program. The aim of Trust & Verify is to further increase safety awareness and encourage a culture of personal accountability throughout the company, helping us prevent severe incidents and ensure a safe working environment. We have included the living wage principle in our supplier code and worked during the year with contractors to uphold health & safety standards, human and labor rights, ethics and integrity. Meanwhile, we are continuing efforts to build an inclusive environment with a more diverse workforce. Developing new skills, particularly in digital and data, remains a strategic priority for the company.

We are also looking for opportunities to further reduce our environmental and carbon footprint. On greenhouse gas emissions, our ambition is to be climate neutral by 2050. To support the goal of a climate-neutral society, we opened the Vopak Solar Park at Eemshaven, a joint venture with Groningen Seaports and PATRIZIA, which will deliver enough electricity to power the equivalent of around 8,000 households in the Netherlands. We also switched completely to green electricity for all our Dutch terminals. Our multi-year improvement program to reduce VOC emissions made clear progress over the past year.

In 2021, we further strengthened customer satisfaction, increasing our Net Promoter Score (NPS) to 74, up from 67 in 2020. Our focus on short-term performance and long-term value creation supported an improvement in our financial performance, with EBITDA increase. Our proposal will be to increase our annual dividend for 2021 by 4% to EUR 1.25.

As the world continues to be impacted by Covid-19, we appreciate the extraordinary efforts and commitment of our employees and contractors to keep Vopak performing well and safely, serving both our customers and society by storing vital products with care. Our number one priority is to continue protecting the health, safety and well-being of our people, their families and the communities in which we operate. During the pandemic, we adapted our governance and control measures, so that we were able to pick up our regular business plans and continue delivering on our strategy, as scheduled.

Some of our principal risks – the risk of a major safety incident, climate change, or a failure to respond timely to the current energy transition - did not significantly change during 2021. Other risks, however, became more prominent, including market volatility, oil and gas prices, and the risks of serious cyber breaches. On these risks, we monitored developments closely throughout the year, and developed scenario-based contingency plans and other mitigation measures, ready to implement if needed.

Following our annual climate day in November 2021, we reconfirmed that we are well-positioned to respond to risks and capture new opportunities arising from the transitional and physical impacts of climate change.

Future mindset

Over the past year, we have seized new opportunities to serve large-scale industrial clusters, and will continue to transform our portfolio and position our company in leading locations toward more sustainable energies and feedstocks. On sustainability, we are ambitious and performance driven with a balanced roadmap focusing on care for people, planet and profit.

We also continued to explore opportunities in new vital products. An important milestone was the opening of the Vopak Moda Houston terminal – Houston's first greenfield terminal in more than a decade. The terminal is capable of handling ammonia, and is therefore well positioned to become the premier US Gulf Coast hub for hydrogen and low-carbon ammonia . At the same time, we moved forward with other development projects in hydrogen, ammonia, CO_2 infrastructure and flow batteries, notably in Europe, the Middle East and Asia.

We remain committed to the course set in previous years to strategically position Vopak for the energy transition and the shift to new, digital technologies. We will update investors on our progress and priorities during our Capital Market Day in 2022. As part of our growth strategy, we will be further expanding storage and infrastructure in the years ahead, especially in industrial, gas and new energies in our terminal network. We aim to contribute to a more sustainable world by actively innovating and investing in infrastructure for the introduction of the new vital products of the future.

The Executive Board

The Executive Board of Royal Vopak (left to right):
Gerard Paulides
Member of the Executive Board and CFO
Dick Richelle
Chairman of the Executive Board and CEO
Frits Eulderink
Member of the Executive Board and COO

Our business environment

Market participants are looking at various options to reduce CO_2 emissions.

Covid-19 and its economic impact

Following the outbreak of Covid-19, most economies where Vopak operates reopened in 2021 as vaccines became available. Consequently, demand for energy, chemicals and other products recovered. Global GDP for 2021 increased by an estimated 6%, with growth forecast to continue into 2022. However, the economic recovery has been uneven across regions due to a variety of factors, including wide gaps in vaccination rates. The economic recovery was adversely affected by high energy and commodity prices as well as supply constraints, coinciding with the increase in global demand, which led to rising inflation. With uncertainty surrounding the pandemic, volatility in international commodity markets is expected to continue into 2022.

Covid-19 pandemic continues to impact the industries we serve and the disruptions in supply and demand of products indirectly impacted performance. The tank storage industry faced supply tightness leading to a lower requirement for storage of products. During these challenging times, we were able to safely serve and support our customers and society at all our locations around the world.

Energy transition and sustainability

From a climate change perspective, 2021 saw many countries and organizations such as the United Nations working together to develop scenarios for a decarbonized economy. Many countries announced new pledges and low-carbon policies to fight climate change. COP26 held in Glasgow in November 2021 recognized the urgent need to reduce CO_2 and methane emissions to limit global warming.

Overall market participants are looking at various options to reduce CO_2 emissions through energy efficiency, process improvements, transitioning to low- and zero-carbon energy sources as well as using carbon capture and storage (CCS).

Long-term developments

Longer term, demand for energy and feedstocks is expected to continue growing in non-OECD countries while demand will plateau in more mature economies. Oil and gas will continue to play a key role in the energy mix, stimulated by economic and population growth, increasing urbanization and the rise of the middle class in non-OECD countries. The energy transition will change the energy mix.

Trends in our markets

We provide storage and handling services to three principal end markets: energy, manufacturing and food & agriculture. Our terminals play a key role in supplying vital products to people and communities around the world. 2021 was an atypical year due to the pandemic with high volatility in product markets and tight supply chains leading to lower demand for storage across the industry. Below is a summary on the performance of these product markets in 2021.

Chemicals

Chemicals demand rebounded strongly in 2021, particularly from durable end-market sectors such as construction, electronics, automotives, and household goods, with the resumption of economic activity. However, some sectors such as automotives and electronics remain disrupted by a shortage in semiconductors.

Despite a recovery in demand, the global trade in liquid chemicals in 2021 was heavily restricted by several factors. To name a few: adverse weather conditions, rising self-sufficiency in China, high gas prices which increased ethane costs and narrowed the usual US ethane advantage, and uneven demand recovery across the world. Strong demand recovery in the US coupled with supply disruptions such as the US deep winter freeze and Hurricane Ida reduced availability of export flows, especially to Europe. The Middle East continued to benefit from low-cost ethane production, while also gaining from an increase in ethane prices due to global market tightness. Meanwhile, China continued to see massive expansions in especially refinery-integrated production, reducing demand for imports. In South & Southeast Asia, demand recovery in 2021 was slower due to the onset of the Covid-19 variants, which prompted governments to re-impose lockdown measures in 2021.

Refinery-petrochemical integration remained on the agendas of major oil & chemical companies as they looked to tap into growing petrochemical demand to satisfy both durable and non-durable goods demand. Examples of durable goods include automotive and construction and non-durable goods include packaging. The number of alliances and projects to reduce plastic waste and increase circulairy increased materially, and Vopak actively participates in business development around plastic recycling.

Oil

At the start of 2021, demand for storage was higher, with large global stock levels for crude and products following the drop in demand during 2020. OPEC+'s production quota limited crude supply, and excess crude and product stock decreased substantially during the year. The second half of 2021 saw a tighter commodity market environment with limited demand for storage in the key hubs, or for products not requiring value-added services like make-break bulk, blending, trading and distribution to end markets.

By the end of 2021, global consumption had recovered to close to 99 mb/d – a higher rate than in 2020, but still below the average seen in 2019. Demand increased throughout 2021 as countries opened their borders to international travel, demand for transport increased and economies recovered. Demand for gasoline was strong as people chose to travel by car instead of public transport. Demand for petrochemical naphtha, meanwhile, was solid. The weakest part of the market remains jet fuel. Though demand has recovered from 2020 with the lifting of international travel restrictions, pre-Covid-19 levels were not yet reached.

During 2021, Brent crude rose to above $80 per barrel for the first time in three years due to restrained OPEC+ supply and unplanned outages that temporarily halted the uptrend in world oil production. The tight crude market, combined with high energy prices, affected refinery runs where low margins exacerbated the market tightness.

Gas

Growth in global LPG supplies was limited in 2021, impacted by low oil demand as well as a more capital-disciplined US shale industry. However, demand growth continues to be strong with the start-up of several LPG-fed petrochemical projects in China, driving an increase in LPG trade flows. In China, the rise in demand for imports was met largely by US exports, as Middle East LPG exports were curtailed by OPEC+ oil cuts. In Europe, lower domestic production from refineries and lower imports from Russia resulted in strong demand for LPG imports via Northwest Europe. With the tightness in the global LPG market, price-sensitive petrochemical demand was limited and is expected to remain so in the near term.

It was a record year for LNG. The unprecedented surge in LNG spot prices around the world was triggered by a colder than average winter in 2020 that resulted in lower inventories at the start of the year. Demand for LNG was fueled further by the economic recovery, heat waves across North Asia and drought in Brazil that all increased demand for power generation. During 2021, these factors – along with supply disruptions toward the end of the year – pushed LNG prices significantly higher. These higher prices should result in more liquefaction projects coming onstream (especially in North America, which has a shorter time-to-market), increasing LNG supply and supporting the construction of new LNG terminals.

Vegoils & biofuels

In 2021, higher export duties in Indonesia, a labor shortage in Malaysia, and weather concerns in South America pushed vegoil prices to multi-year highs. Global consumption was supported by steady demand from the food and personal care sectors, while demand increased for vegoils used to make biodiesel.

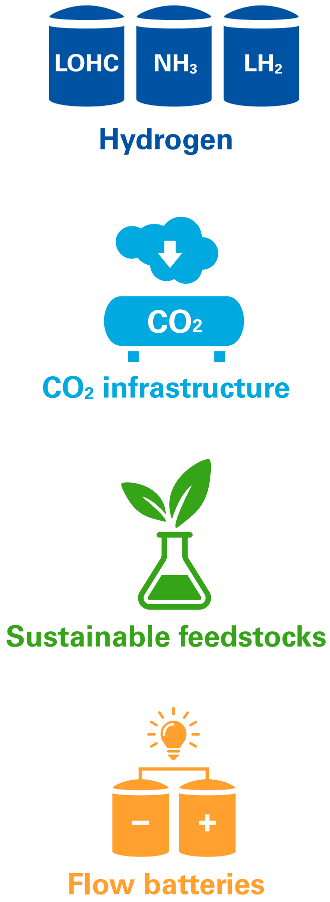
During the year, biofuels played an increasing role in the energy transition. Government mandates increased in Europe and the Americas, which resulted in an increased demand for biofuels in the overall energy mix. There were also announcements of new production facilities, as well as conversions of existing oil refineries into bio-refineries in Europe and the Americas. These developments lead to increased demand for storage and blending within existing streams, as well as handling of feedstocks or end-products.

New energies & sustainable feedstocks

With more renewable electricity going into the grid, solutions are needed to balance demand and supply effectively. Lithium-ion (li-on) batteries have proved profitable at both utility and residential scales, but redox flow batteries are expected to play a more prominent role in the coming years. In fact, flow batteries are more competitive at longer storage durations (over four hours). A considerable number of alternatives to li-on batteries are now appearing, based on cheaper electrolytes.

At the same time, carbon-neutral liquid and gaseous energy sources and feedstocks are needed alongside electricity. This is likely to create significant demand for hydrogen, with 75 million tonnes in additional low- and zero-carbon annual capacity forecast by 2030. This directly relates to increased interest in carbon, capture and storage (CCS) technologies connected with the production of hydrogen. Ammonia benefits from the same trend, as one of the most promising carriers for hydrogen, in combination with its potential direct use as a low- or zero-carbon feedstock in some end sectors. Currently, Vopak operates 6 ammonnia terminals. Liquefied hydrogen did not get the momentum in 2021 and the popularity of liquid organic hydrogen carriers (LOHCs) carriers increased slightly.

Vopak intends to support the acceleration of the energy transition, and is actively pursuing opportunities in new energies projects. Our portfolio is uniquely well-positioned to capture opportunities for investments in new energies and sustainable feedstocks given our existing activities in major sea ports and industrial clusters. In 2021, we were pursuing more than 10 new energies infrastructure projects.



Competition

2021 saw announcements of private equity and terminal players expanding into new energies. Key hubs, like Singapore and Rotterdam, saw end-of-life tankage replaced by new builds while occupancy rates were lower.

We have been serving customers for more than 400 years. We know how to adapt to changing times.

Our business

We ensure safe, clean and efficient storage and handling of bulk liquid products and gases for our customers. By doing so, we enable the delivery of products that are vital to the economy and the daily lives of people across the globe.

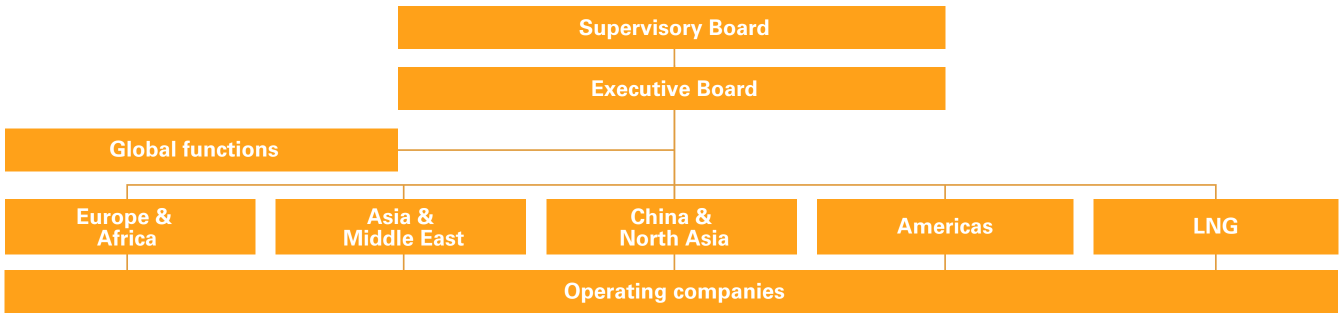
Vopak and its predecessors have been serving customers for more than 400 years. We know how to adapt to changing times and identify opportunities in a world transforming faster than ever. We are building an organization that reflects smart insights from innovation and digitalization. Our business is organized into five divisions: Americas, Asia & Middle East, China & North Asia, Europe & Africa and LNG. Vopak is headquartered in Rotterdam, and listed on Euronext Amsterdam.

Products we store

We store and handle a variety of liquid products. These include:

- Chemicals (methanol, xylenes, styrene, alpha olefins, mono-ethylene glycol (MEG))
- Gas (LNG, LPG, ethylene, butadiene, ammonia)
- Oil products (crude oil, fuel oil, diesel, jet fuel, gasoline, naphtha)
- Vegoils and biofuels

As an independent service provider, Vopak never owns the products that it stores for its customers.



Our business

We operate storage terminals at seaports around the world; these terminals comprise storage tanks, jetties, truck loading stations and pipelines, and provide access to road, rail and pipeline networks. In many instances, we store our customers' products for extended periods at these terminals. Vopak provides common storage and logistics services to customers. Consequently, our customers are able to benefit from economies of scale; they do not have the direct cost of owning and maintaining complex infrastructure. By optimizing storage and handling processes and operating more efficiently, we save our customers time and money, and allow them to concentrate on their core business.

At our terminals, we take bulk delivery of products. These products are unloaded into our storage tanks. During storage, we maintain product quality, often under tightly controlled conditions – in some cases, we heat or blend products together, according to customer specifications. In all processes, we follow strict rules that stress the importance of safety and protecting the environment. On request, products are pumped from storage tanks to our customers. Our aim is to transit products as quickly and efficiently as possible, ensuring delivery of vital products to society.

Our customers

Our customers are producers, manufacturers, distributors, governments and traders. They include leading international, regional and national chemical and energy companies. Most of our customers have been with us for several decades. Vopak's terminals connect directly with national grids and distribution networks. In many cases, we handle feedstock (products used in industrial processes); in others, products go directly to end-users. Around 80% of our revenue comes from take-or-pay storage fees paid by customers. Vopak's ambition is to be a strong link in customers' supply chains. Much of our business is long term: typically, contracts for gas and industrial terminals last 5-20 years. Chemicals and oil storage contracts tend to be shorter term, with tenures of 0-5 years. In 2021, over 50% of our revenue came from contracts with an original contract duration of three years or more.

Our suppliers

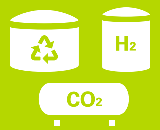
Our suppliers vary from global qualified vendors, used for equipment and IT automation, to local service and construction suppliers. We aim for long-term partnerships and ensure continuous improvement on quality, efficiency and safety. In line with our Sustainability Policy and Vopak's Code of Conduct, our suppliers, contractors (and their sub-tier suppliers and contractors) adhere to our Supplier Code.

Vopak's role in different value chains

We provide storage and handling services to three principal end markets: energy, manufacturing and food & agriculture. Our terminals play a key role in supplying vital products to people and communities around the world.

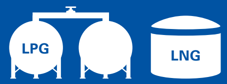
Vopak's role in different value chains

New energies & feedstocks



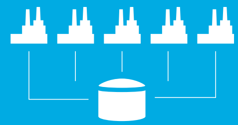
Vopak is developing infrastructure solutions for the world's changing energy and feedstock systems. Our strategy for zero- and low- carbon new energies and feedstocks is to facilitate new supply chains for hydrogen and ammonia, CO_2, sustainable feedstocks and biofuels, as well as develop flow batteries. Vopak has made its first investments in hydrogen and ammonia and is exploring further opportunities in Europe, Asia and the Americas. In Europe and Asia, we are also exploring the potential of flow batteries.

Gas terminals



Vopak is expanding its gas storage – in response to increased demand from petrochemical producers, gas-fired power plants and the transportation sector. Vopak continues to contribute to the energy transition by introducing new infrastructure for cleaner conventional fuels and feedstocks like LPG and LNG. We own and operate LPG terminals in the Netherlands, China, Canada and Singapore; we have LNG facilities in Colombia, Mexico, the Netherlands and Pakistan.

Industrial terminals



Petrochemical clusters are becoming larger and more complex, making logistics integration even more crucial. Because of this, many petrochemical clusters adopt the 'industrial terminal' model; industrial terminals tend to have a single operator, typically serving multiple plants at the same time, making it easier to optimize terminal logistics. Usually, industrial terminals have long-term customer contracts – since terminals are fully integrated into the customer's facility. Vopak operates industrial terminals in the US, Europe, Middle East, Asia and China.

Chemical terminals

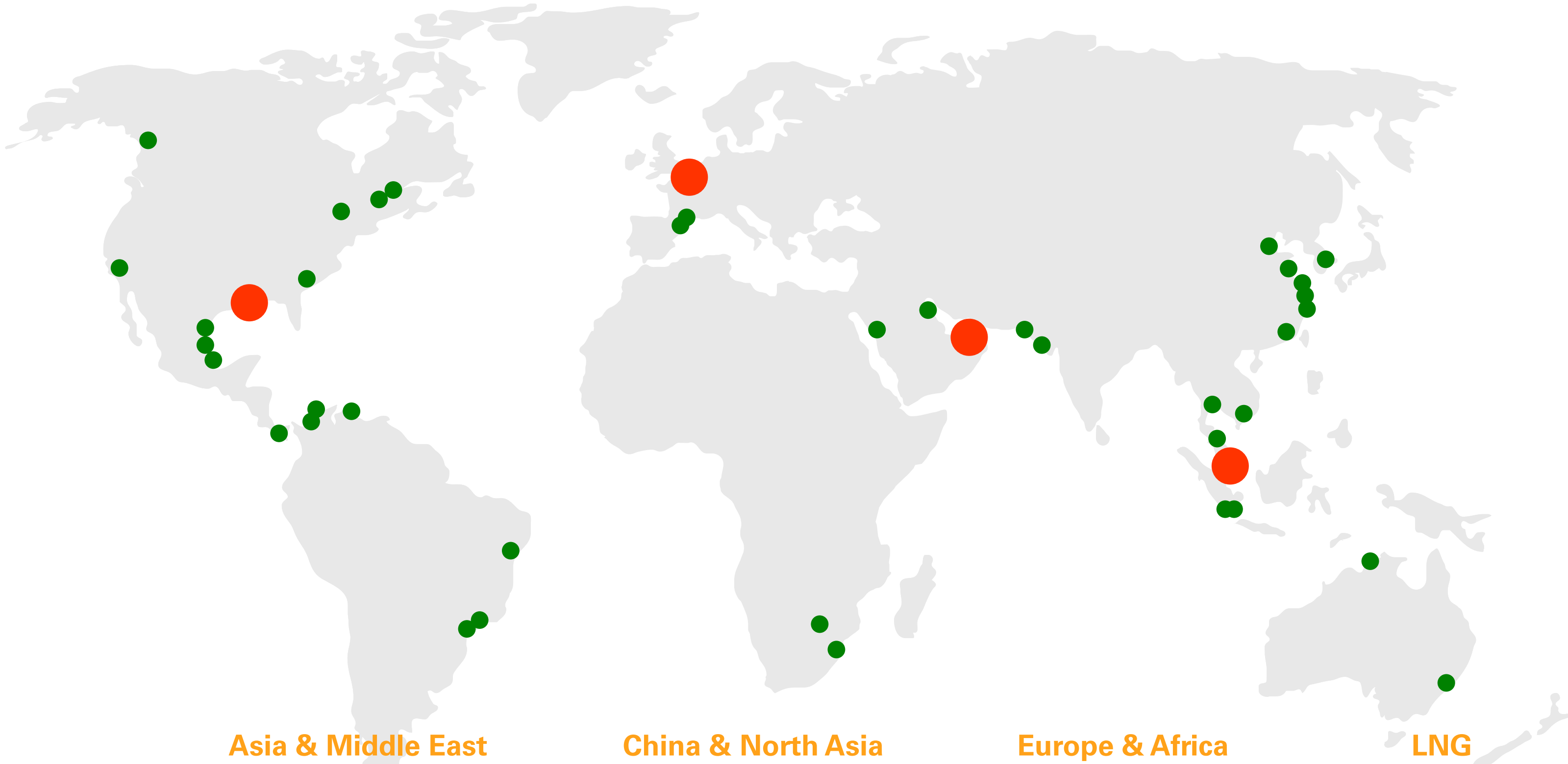
Demand for chemicals storage is growing. Vopak operates a global network of chemicals terminals; in particular, we have a strong presence in key hub locations, including Antwerp, Rotterdam, Singapore and Houston. Besides pursuing growth opportunities, we are also looking at ways of operating our terminals more efficiently and further strengthening customer service.

Oil terminals

Vopak operates oil hub terminals located strategically along major shipping routes, where suppliers, customers and traders are active. These include Rotterdam, Fujairah and the Singapore Straits. We also play an important role in ensuring countries with structural oil supply deficits have adequate access to energy imports. These include countries such as Canada, Brazil, Mexico, South Africa, Indonesia and Australia.

End markets

Energy | **Manufacturing** | **Food & agriculture**



Americas

Canada: RIPET, Hamilton, Montreal East, Montreal West, Quebec City
US: Corpus Christi, Deer Park (Houston), Freeport, Moda, Plaquemine, St. Charles, Long Beach, Los Angeles, Savannah
Brazil: União Vopak, Alemoa, Aratu
Colombia: Barranquilla, Cartagena
Mexico: Altamira, Coatzacoalcos, Veracruz
Panama: Bahia Las Minas, Vopak Panama

Number of terminals: 24
Storage capacity: 5.5 million cbm

Asia & Middle East

India: Kandla
Indonesia: Jakarta, Merak
Australia: Darwin, Sydney
Malaysia: Kertih, PITSB, PT2SB
Singapore: Banyan, Penjuru, Sakra, Sebarok, Jurong Rock Caverns
Thailand: Thai Tank Terminal
Saudi Arabia: Chemtank, SabTank – Al Jubail, Sab Tank – Yanbu
Pakistan: Engro Vopak Terminal
UAE: Vopak Horizon Fujairah

Number of terminals: 19
Storage capacity: 15.6 million cbm

China & North Asia

China: Caojing (Shanghai), Haiteng, Ningbo, Shandong Lanshan, Tianjin Lingang, Qinzhou, Zhangjiagang
South Korea: Vopak Terminal Korea
Vietnam: Vopak Vietnam

Number of terminals: 9
Storage capacity: 3.1 million cbm

Europe & Africa

Belgium: ACS (Antwerp), Eurotank (Antwerp), Linkeroever (Antwerp)
Spain: Terquimsa Barcelona, Terquimsa Tarragona
Netherlands: Maasvlakte Oil Terminal (Rotterdam), Botlek (Rotterdam), Chemiehaven (Rotterdam), Eemshaven, Europoort (Rotterdam), Laurenshaven (Rotterdam), TTR (Rotterdam), Vlaardingen, Vlissingen
South Africa: Durban, Lesedi

Number of terminals: 16
Storage capacity: 10.7 million cbm

LNG

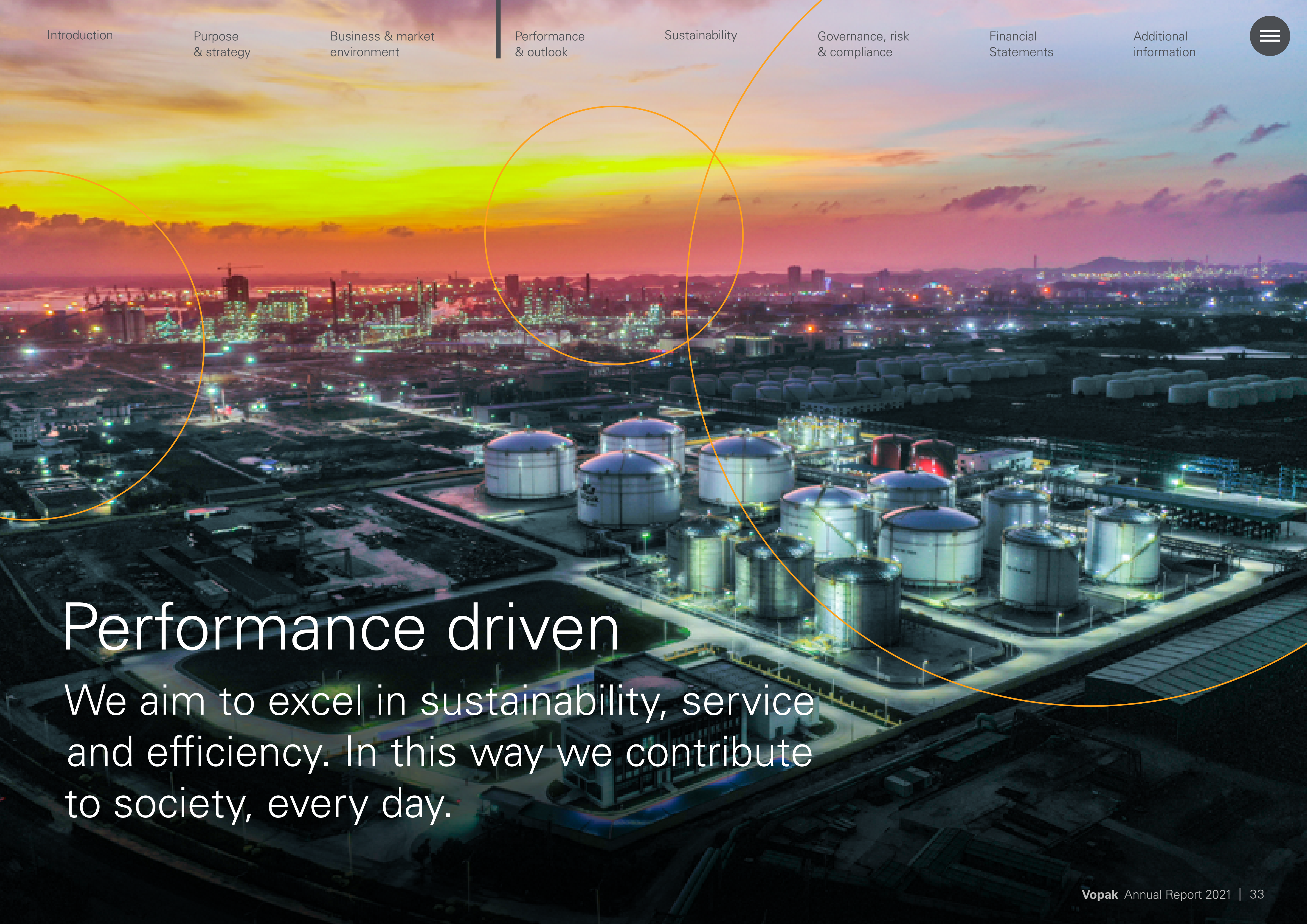
Colombia: SPEC LNG
Mexico: LNG Terminal Altamira
Netherlands: Gate terminal (Rotterdam)
Pakistan: Engro Elengy Terminal

Number of terminals: 4
Storage capacity: 1.2 million cbm

Hub terminal Terminal

Note 1: Map shows Vopak terminals in operation at 15 February 2022.
Note 2: Our terminal in Venezuela is formally part of the Global functions and is not part of any of the divisions.

Performance & outlook



Performance driven

We aim to excel in sustainability, service and efficiency. In this way we contribute to society, every day.

Our performance

Key performance figures

	2021	2020 (restated)
Safety performance		
Total Injury Rate (TIR), own employees and contractors (per 200,000 hours worked)	0.25	0.37
Lost Time Injury Rate (LTIR), own employees and contractors (per 200,000 hours worked)	0.11	0.17
Process Safety Events Rate (PSER), own employees and contractors (per 200,000 hours worked)	0.09	0.14
Financial performance (in EUR millions)		
Revenues	1,227.9	1,190.0
Group operating profit before depreciation and amortization (EBITDA)	741.5	777.6
Group operating profit before depreciation and amortization (EBITDA) - excluding exceptional items -	826.6	779.7
Group operating profit (EBIT)	409.7	481.6
Group operating profit (EBIT) - excluding exceptional items -	494.8	483.7
Net profit attributable to holders of ordinary shares	214.2	294.6
Net profit attributable to holders of ordinary shares - excluding exceptional items -	298.3	299.5
Cash flows from operating activities (gross excluding derivatives)	786.2	751.5
Cash flows from operating activities (gross)	741.2	810.4
Cash flows from investing activities (including derivatives)	- 588.4	- 572.7
Average capital employed	4,755.1	4,159.4
Return On Capital Employed (ROCE)	10.2%	11.4%
Return On Equity (ROE)	9.7%	10.0%
EBITDA margin excluding result of joint ventures and associates	50.5%	50.4%
Capital and financing (in EUR millions)		
Equity attributable to owners of parent	3,188.7	2,961.4
Net interest-bearing debt	2,925.1	2,589.4
Senior net debt : EBITDA	2.93	2.58
Interest cover (EBITDA : net finance costs)	8.4	10.7

The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.

For a reconciliation between the IFRS numbers and the amounts excluding exceptional items, reference is made to Note 2.2 of the Financial Statements.

	2021	2020 (restated)
Key figures per ordinary share (in EUR)		
Basic earnings	1.71	2.33
Basic earnings - excluding exceptional items -	2.38	2.37
Diluted earnings	1.70	2.33
Diluted earnings - excluding exceptional items -	2.37	2.36
Total number of ordinary shares outstanding end of period	125,740,586	125,740,586
(Proposed) dividend	1.25	1.20
Business performance		
Storage capacity end of period (in million cbm)	36.2	35.6
- subsidiaries	18.5	18.2
- joint ventures and associates	13.8	13.5
- operatorships	3.9	3.9
Occupancy rate subsidiaries	87%	88%
Total number of employees end of period (in FTE)	5,669	5,637
Contracts > 3 years (as % of revenues)	50%	49%
Contracts > 1 year (as % of revenues)	89%	91%
Information on a proportional basis		
Proportional EBITDA - excluding exceptional items -	999.6	960.5
Proportional occupancy rate	88%	90%
Net interest-bearing debt	3,971.5	3,620.5
Sustaining, service improvement and IT capex	355.2	317.4
Environmental performance		
Societal impact reduction of our VOC emissions	23%	19%
Total amount of uncontained spills (metric tons)	12	327
Soil & groundwater (metric tons)	6	301
Water (metric tons)	6	26
Total carbon emissions (kilotons - scopes 1 and 2) [1]	577.2	444.2
Business ethics & integrity		
Fines from permit violations (amount, EUR thousands)	32	0
Employees completed the Code of Conduct training (in %)	89%	88%

1 scope 1 relates to direct emissions (from sources owned or controlled by Vopak), scope 2 relates to indirect emissions (from generation of purchased energy).

This project is in line with Vopak's strategy of developing new infrastructure solutions for products like ammonia and hydrogen

New ammonia terminal in Port of Houston

The new marine terminal of Vopak Moda Houston, a joint venture between Vopak and Moda Midstream became fully operational in December 2021. It is the only waterborne ammonia terminal in the Port of Houston with deepwater capabilities and is directly connected via pipeline to the port's petrochemical complex. Vopak's expertise and presence in the main industrial clusters makes Vopak well-equipped to actively contribute to the development of new supply chains for the energy and feedstocks of the future.

Our sustainability roadmap

People
Care for our societal impact

- Safety & occupational health
- Inclusion & diversity
- Human rights & decent work
- Being a good neighbor & community engagement

Planet
Care for our environment & climate

- Becoming climate neutral
- VOC and other emissions to air
- Spills to soil and water
- Waste & wastewater
- Preserving biodiversity

Profit
Care for our economic impact

- Switch to cleaner conventional fuels and feedstocks
- New energies & feedstocks
- Climate impact on assets and operations

Sustainability

We want to contribute to the introduction of vital products of the future.

On sustainability, we are ambitious and performance driven with a balanced roadmap focusing on care for people, planet and profit. Safety is our first priority. We want to facilitate the introduction of vital products of the future and reduce our own environmental and carbon footprint.

Our Sustainability Roadmap

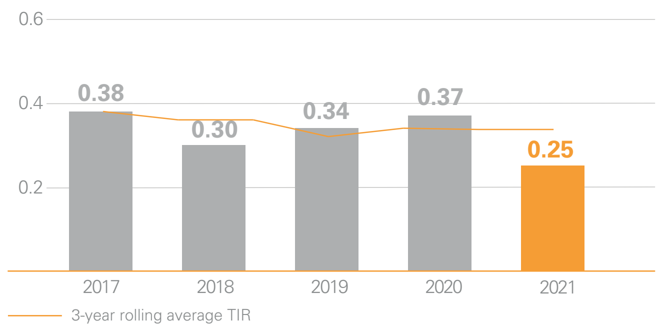
Based on our purpose of storing vital products with care, the United Nations Sustainable Development Goals and the priorities indicated by our stakeholders, Vopak defined a balanced Sustainability Roadmap. It contains Environment, Social and Governance (ESG) targets and actions on the 12 key sustainability topics that matter most to our stakeholders and where we can have the highest impact for people, planet and profit. The roadmap provides a sustainability framework to implement the strategic transformation of our portfolio towards cleaner conventional products and low- and zero-carbon new energies & feedstocks and helps us further integrate sustainability into our global processes and investment decisions. Finally, it aims to guide our organization in translating key sustainability topics into clear actions and priorities and integrating them into our annual budget cycles, business agendas, work programs and our daily drive for performance.

Care for our societal impact (People)

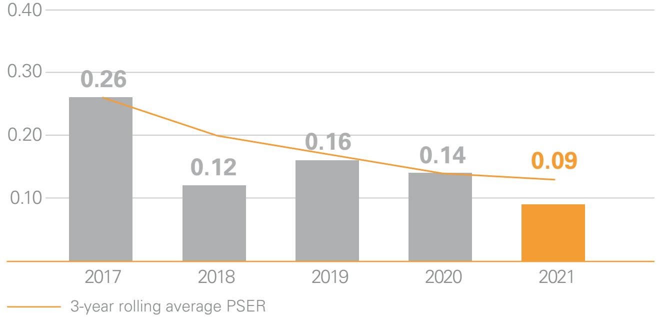
Our care starts with the people who work for our company and extends to the communities in which we operate and society at large. In 2021 we managed to significantly improve our safety performance. In line with our ambitions we did not have a fatality, life changing injury or catastrophic incident. We managed to reduce our Total Injury Rate (TIR) from 0.37 to 0.25, on course to reach our target of 0.20 (3 year rolling average) in 2024. Within process safety we also saw a further improvement of our performance with a reduction of our process safety event rate from 0.14 to 0.09. Our target for 2024 is a PSER of 0.16 (3 year rolling average.

Total Injury Rate

Own employees and contractors per 200,000 hours worked



Process Safety Event Rate
Own employees and contractors per 200,000 hours worked



We strive for a workforce that is diverse and includes people from many different cultures, nationalities and backgrounds. In 2021, 74% of senior management (target 2023: 75%) in divisions and operating companies were from local origin. The percentage of women in senior management positions increased during 2021 to 17% (target 2023: 20%).

Vopak has embraced the UN Sustainable Development Goal 8, as it is committed to contribute to decent work for all. During 2021 we refined our approach to strengthen the governance and due diligence on conditions on human rights and decent work, including Tier 1 Divisional suppliers and major construction companies working on our projects worldwide.

Care for environment & climate (Planet)

As citizens of this planet, we share concerns with people around the world: how the world can be provided with the energy and products it needs while reducing pollution and greenhouse gas emissions.

We want to contribute to the dual objective of limiting climate change in line with the Paris Agreement and SDG13, while at the same time providing access to affordable, reliable and sustainable energy and feedstocks for all, in line with other UN Sustainable Development Goals (SDGs 7, 8 and 9).

This is why we adopted three lines of parallel action:
- First, we develop infrastructure solutions to accelerate a switch to cleaner conventional fuels and feedstocks for all;
- Second, we develop infrastructure solutions for zero- and low-carbon new energies and sustainable feedstocks like renewable hydrogen and ammonia;
- Third, we reduce our own environmental and carbon footprint.

Our strategy is to continue transforming and growing our portfolio of terminals towards cleaner fuels, gas and chemicals, while developing infrastructure solutions for vital products of the future. This helps customers reduce their environmental and carbon footprint and contributes to the energy and feedstocks transition around the world (action line 1 and 2). To reduce our own carbon footprint (action line 3), we will take effective measures that deliver results in the short to medium term, on which more information can be found on page 97.

As part of our sustainability journey, Vopak first set the ambition to become climate neutral in 2050 (scope 1 and 2). As a next step, in 2021, we conducted research on concrete measures and intermediate steps that would enable us to reach that goal. As a result, we now have a clear view of how we can lower our CO_2 emissions while transforming and growing our company. Vopak has committed itself to the following intermediary target: we will reduce our CO_2 emissions by 30% by 2030 (vs 2021, scope 1 and 2 emissions)[1]. Vopak is committed to validate its GHG targets by the Science Based Targets initiative (SBTi) and is currently working on submission of science-based targets to SBTi. Science based targets provide companies with a clearly defined sector specific pathway to reduce greenhouse gas emissions in line with the Paris Agreement goals, helping prevent the worst impacts of climate change and future proof business growth. Information on VOC and other emissions to air, spills to soil and water, waste & wastewater and preserving biodiversity, can be found in the sustainability chapter of this report.

Our economic impact (Profit)

As an infrastructure and service provider, Vopak actively supports the energy transition and feedstock transitions around the world. We facilitate access to energy, help introduce cleaner conventional fuels to improve air quality and advance solutions to lower carbon emissions. In 2021 we have continued the shift of our portfolio towards cleaner fuels, gas and chemicals and growing our activities to serve large industrial complexes, while stepping up our efforts in new energies and feedstocks. Information on the climate impact on our assets and operation can be found on page 113.

1 Vopak's CO_2 target includes other greenhouse gas (GHG) emissions; in Vopak's case, the only other GHG emissions are a very limited amount of methane and N_2O emissions; we report on total GHG and on methane emissions in our annual report.

Service

We always try to meet our customer's expectations, enabling them to reach their present and future goals.

In recent years, there has been a steady increase in our Net Promoter Score (NPS) that improved again in 2021, reflecting our commitment to continuously improve service delivery to customers. With new digital technologies, we have an opportunity to further improve customer service and make supply chains safer and more efficient. During the second year of the Covid-19 pandemic we were able to continue servicing our customers globally due to our robust business continuity plans.

There are several factors driving our continued focus on improving service:

- Increased availability of real-time data, fueled by the advance in new digital technologies
- Demand among customers for higher standards of service and efficiency, as well as for more sustainable processes and business practices
- Competition development in key hub locations
- Customers are increasingly tendering out gas and industrial terminal projects.

Vopak continues to invest in resources to support and review service delivery. In 2021, we invested around EUR 284 million in sustaining and service capex to ensure our assets remain fit for purpose and enable us to provide safe, reliable and excellent service to our customers.

Continued focus on service

We strive to be "best in port" and to improve our service in three focus areas:

- Using digital technology and real-time data to optimize our supply chains
- Upgrading our assets to optimize operational capabilities and efficiency
- Continuously improving our processes and learning from service incidents.

Digital and real-time data

In 2021, we continued to roll out our MOVES program, in which we continued to improve our IT landscape, and implemented our new terminal management system 'MyService', with the total reaching 22 terminals. With MyService, we will be able to optimize process efficiency, service to our customers and enable real-time data sharing and communications with our customers. Our multi-channel data connectivity strategy is offering our customers a tailored approach to exchange real-time data about their operations using different types of technologies. During the year, NxtPort, the innovative logistics data-sharing platform originated in Antwerp, signed a partnership with Vopak. NxtPort's main goal is to unlock the potential of sharing existing data amongst many stakeholders in ports across the world. The platform allows faster, more cost-effective, as well as more efficient transfers of data between the different market players.

In 2021, we successfully concluded development and implementation of a new Customer Relationship Management system (MyCRM). MyCRM supports our key commercial processes and will help us better understand customer needs. It uses the same platform as MyService, allowing us to further integrate our core processes.

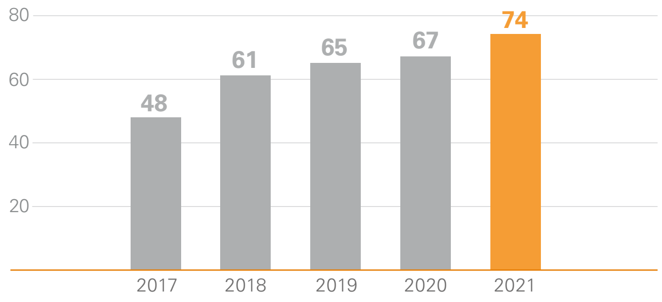
We place strong emphasis on learning from incidents and sharing lessons learnt across our network of terminals. We use data analytics and dashboards to analyze and improve service delivery. Our terminals are connected digitally in such a way that we can now safely share information on lessons learnt and service performance for specific customers across the network. Through regular operational reviews and stewardship meetings, we work closely together with our customers to continuously improve our service delivery.

Customer experience and loyalty

Our customers expect high levels of service from Vopak. Company-wide standards in areas such as safety and sustainability proved to be in line with customer expectations.

Through our Net Promoter Score (NPS) survey, we continuously measure customer loyalty. In 2021, our NPS rose further to 74 points, a steady increase from the 61 points in 2018. This is a reflection that our customers appreciated and valued our consistently high standards of service. Each customer response is carefully followed up and translated into service improvements. We are committed to making further improvements – which is important if we are to protect our leadership position in the industry.

Net Promoter Score



Efficiency

We optimize our core processes and project execution.

To maintain performance and stay ahead of competition, we are working to optimize our core processes; these include order management, operations, project execution and maintenance. Going into 2022, we will continue to manage our cost levels by further strengthening efficiency.

Improving efficiency in our operations

We strive to continuously strengthen performance by improving the efficiency of our operations. As mentioned before, our new terminal management system, MyService, continues to be rolled out. The system enables our terminals to improve process efficiency, adopt real-time working and performance management, using performance dashboards. Through innovative digital solutions we aim to further excel, for instance in the area of energy efficiency. Several pilots have been carried out at our Savannah terminal in the US. The pilots delivered new operational insights using our terminal management system coupled with the Internet of Things (IoT), which resulted in a reduction in gas consumption of 26% and abated 2400 metric tons of CO_2, equivalent to ~290 homes.

Designing the right terminals for the future and delivering projects according to plan

Design of new terminals and expansions is conducted centrally to create maximum synergies. During 2021, our Global Engineering group delivered many engineering packages, worked on new energy projects and professionalized the cost estimating capabilities. Engineering packages are conceptual drawings and outlines of the terminal site, considering many factors such as the customer's requirements and local operating environment.

Effective asset management

We carry out regular maintenance of our terminals and other facilities to ensure continued efficiency. Maintenance may be needed to correct existing operational problems, or to prevent new problems from developing. Our maintenance staff receive regular training and instruction to enhance their skills and further improve efficiency.

During 2021, we pressed ahead with our Maintenance Improvement Project, to update our processes, enhance system support and add new functionalities to improve effectiveness and efficiency. Of all our facilities, tanks require the most maintenance and consequently, in 2021, we continued our Tank Turnaround Excellence program in our key hub locations to increase efficiency.

Financial performance

Good progress on our portfolio and growth agenda.

Operating results

Revenues

During 2021, Vopak generated revenues of EUR 1,227.9 million, compared to EUR 1,190.0 million in 2020. Excluding the negative currency translation effect of EUR 8.0 million, the increase amounted to EUR 45.9 million (3.9%). Higher revenues of EUR 14.9 million were generated by the contribution of growth projects mainly in the Americas and Europe & Africa division.

No exceptional items were reported in both years on the revenue line.

The average occupancy rate for Vopak's subsidiaries (i.e. excluding joint ventures and associates) in 2021 was 87% compared to 88% in 2020. The decrease is reflecting soft market conditions in oil and chemicals in the Netherlands and Singapore.

Vopak's worldwide storage capacity increased with 0.6 million cbm from 35.6 million cbm per the end of 2020 to 36.2 million cbm per the end of 2021, reflecting newly commissioned capacity.

Expenses

Personnel expenses

In 2021, personnel expenses - excluding exceptional items - amounted to EUR 342.7 million, an increase of EUR 10.8 million (3.3%) compared to EUR 331.9 million in 2020. Excluding the positive currency translation effect of EUR 1.9 million, the increase amounted to EUR 12.7 million. This increase can be attributed to lower capitalized personnel expenses and a regular annual merit increase.

During 2021, Vopak employed, in FTEs, an average of 4,250 employees (2020: 4,355), excluding joint ventures and associates. This comprises 3,750 own employees (2020: 3,758) and 500 temporary employees (2020: 597).

In 2021 no exceptional results were recorded in the personnel expenses, while in 2020 an exceptional gain of EUR 0.7 million was recognized. Including exceptional items, total personnel expenses in 2021 amounted to EUR 342.7 million compared to EUR 331.2 million in 2020.

Other operating expenses

Operating expenses - excluding exceptional items - increased by EUR 14.0 million (5.2%) to EUR 285.4 million (2020: EUR 271.4 million). Excluding the positive currency translation effect of EUR 1.8 million, the increase amounted to EUR 15.8 million. This increase can be largely attributed to higher energy and utilities expenses with EUR 16.5 million as well as higher expenses related to new capacity, business development projects and IT projects.

In 2021 an exceptional loss of EUR 0.7 million was recorded (2020: EUR 0.9 million loss). This exceptional item is related to a partial divestment of a 3% equity stake in our Chemtank terminal located in Saudi Arabia. After divestment Vopak holds a 22% equity stake in this associate.

Including exceptional items, total other operating expenses in 2021 amounted to EUR 286.1 million compared to EUR 272.3 million in 2020.

Result joint ventures and associates

In 2021, the result of joint ventures and associates - excluding exceptional items - amounted to EUR 185.7 million, an increase of EUR 19.7 million (11.9%) compared to EUR 166.0 million in 2020. The currency translation effect had a downward effect of EUR 1.9 million. Improved results from joint ventures and associates in the Asia & Middle East division as well as a EUR 10.0 million reclass from withholding tax on undistributed reserves of associates and joint ventures to the income tax line were the main causes for the higher results. Improved results for the Asia & Middle East division is, for a large part, driven by our associate industrial terminal (PT2SB) in Malaysia, as an unfavorable accounting adjustment was recognized in the 2020 results.

In March 2020, one of PT2SB's anchor customers had to close the facility as a result of a fire incident in this adjacent RAPID facility. The anchor customer has since been out of operation, while plans to restart the refinery have repeatedly been delayed, most recently due to technical issues in the hydrogen production units. As at 31 December 2021, our PT2SB associate has reported net accounts receivable balances for contractually delivered services of approximately EUR 88 million (on a 100% JV basis). The prolonged refinery closure may impact PT2SB's financial performance in 2022. Mitigating the situation is a priority for PT2SB and its shareholders.

Exceptional results were recorded in 2021 in the result of joint ventures with a total negative impact of EUR 13.4 million. The exceptional results consisted of an exceptional loss of EUR 4.8 million in the Moda Houston terminal (VMH) for business development costs, an exceptional loss of EUR 10.8 million because of discontinuation of our active participation in the German LNG project partly offset by an exceptional gain of EUR 2.2 million relating to a partial release of a tax provision that was recognized in a joint venture terminal within the Asia & Middle East division at the end of 2019.

The Group's result of joint ventures and associates - including exceptional items - for 2021 amounted to EUR 172.3 million compared to EUR 161.2 million in 2020.

Group operating profit before depreciation and amortization

Full year 2021 Group operating profit before depreciation and amortization (EBITDA) - excluding exceptional items - increased by EUR 46.9 million (6.0%) to EUR 826.6 million (2020: EUR 779.7 million). Adjusted for EUR 5.9 million negative currency translation effects, EBITDA increased by EUR 52.8 million. Growth project contribution is driving positive EBITDA (EUR 50 million (6%) in soft business conditions.

Including exceptional items, Group operating profit before depreciation and amortization (EBITDA) for 2021 amounted to EUR 741.5 million compared to EUR 777.6 million in 2020. The exceptional items for 2021 also includes an incremental impairment recognized in the first half year for the Vopak Bahia las Minas terminal in Panama for the amount of EUR 71.0 million. This impairment, which is identified as an exceptional item, is the result of a further deteriorating business environment and lower occupancy rates.

Group operating profit

Group operating profit (EBIT) - excluding exceptional items - amounted to EUR 494.8 million. Group operating profit increased with EUR 11.1 million (2.3%) compared to EUR 483.7 million in the same period of 2020. Excluding the negative currency translation effect of EUR 4.6 million, the increase amounted to EUR 15.7 million.

Including exceptional items, Group operating profit (EBIT) for 2021 amounted to EUR 409.7 million compared to EUR 481.6 million in 2020. This decrease is largely attributable to the EUR 71.0 million Panama impairment recorded in the first half of 2021.

ROCE - excluding exceptional items - of 10.2% compared to 11.4% in 2020.

Cash flows from operating activities and working capital

Cash flows from operating activities (gross) amounted to EUR 741.2 million in 2021 (2020: EUR 810.4 million). The decrease of EUR 69.2 million was mainly related to net cash outflows from non-hedging derivatives positions held for intra-group financing positions as well as working capital developments due to timing differences. Excluding derivatives impact and working capital movements, CFFO increased by EUR 42.2 million. Business related cash flows from operating activities including dividends received from joint ventures and associates was resilient.

Strategic investments and divestments

Cash flows from investing activities

Total cash flows from investing activities (including derivatives) for 2021 amounted to a net cash outflow of EUR 588.4 million (2020: net cash outflow of EUR 572.7 million).

Total investments amounted to EUR 592.3 million (2020: EUR 832.2 million). These cash outflows are mainly related to EUR 493.0 million (2020: EUR 612.5 million) of investments in property, plant and equipment and to EUR 66.8 million (2020: EUR 189.7 million) of investments in joint ventures, associates and other equity investments, including acquisitions.

For the period 2020-2022, Vopak expects to be at the higher end of the range of EUR 750 million to EUR 850 million for sustaining and service improvement capex, subject to additional discretionary decisions, policy changes and regulatory environment. The sustaining and service improvement capex for 2021 amounted to EUR 284.3 million (2020: EUR 271.1 million).

As part of the strategic direction for the period 2020-2022, Vopak indicated to invest annually up to a maximum EUR 45 in IT capex to complete Vopak's digital terminal management system. In 2021, EUR 31.6 million was invested in new technology, innovation programs and IT projects (2020: EUR 44.0 million - including Cloud Computing expenditures).

Divestments and repayments

Total cash inflows from disposals and repayments in 2021 amounted to EUR 16.7 million (2020: EUR 256.8 million). Cash inflows were lower compared to 2020 mainly in relation to the incoming cash flows in 2020 for the repayment in respect of joint ventures and associates and cash receipt from divestments of our terminal in Algeciras, Spain and the divestment of 49% equity share in the joint venture Vopak SDIC Yangpu Terminal in Hainan, China.

Depreciation and amortization

Depreciation and amortization charges amounted to EUR 331.8 million, which was EUR 35.8 million (12.1%) higher than prior year (2020: EUR 296.0 million). Excluding the positive currency translation effect of EUR 1.3 million, the increase amounted to EUR 37.1 million. Higher depreciation and amortization charges are the result of the increase in commissioned assets.

Impairments

In 2021, net impairments on property, plant and equipment and intangible assets were recognized for the amount of EUR 71.0 million (2020: EUR 30.1 million). In the first half year of 2021, an incremental impairment was recognized for the Vopak Bahia las Minas terminal in Panama for the amount of EUR 71.0 million. This impairment, which is identified as an exceptional item, is the result of a further deteriorating business environment and lower occupancy rates. In 2020 an impairment of EUR 42.9 million for this terminal was recognized. Additionally, the 2020 exceptional result included an exceptional gain of EUR 12.8 million for the reversal of an impairment for our Quebec City terminal in Canada.

Capital structure

Equity

The equity attributable to holders of ordinary shares increased by EUR 227.3 million to EUR 3,188.7 million (31 December 2020: EUR 2,961.4 million). The increase mainly resulted from net profit for the period of EUR 214.2 million and the impact of other comprehensive income of EUR 160.3 million, partly offset by the ordinary shareholder dividend payments in cash of EUR 150.5 million. The other comprehensive income includes an overall positive valuation impact of EUR 33.2 million related to the valuation of equity investments held at Fair Value through Other Comprehensive Income (FVOCI).

Debt

The total interest-bearing debt increased by EUR 335.7 million to EUR 2,925.1 million (31 December 2020: EUR 2,589.4 million). The main increase was with the short-term bank loan facility for a total amount of EUR 462 million as at year-end 2021 (2020: EUR 205 million).

Net repayments of interest-bearing loans and short-term borrowings during 2021 amounted to EUR 223.2 million (2020: EUR 207.0 million). The Revolving Credit Facility was available for the total amount of EUR 0.9 billion as at year-end 2021 (2020: EUR 1.0 billion).

As at 31 December 2021, an equivalent of EUR 1,582.1 million (2020: EUR 1,606.2 million) was drawn under private placement programs with an average remaining term of 6.5 years (2020: 6.8 years). In addition, a bank loan for an amount of EUR 130.6 million (SGD 200 million) at the level of Vopak

Terminals Singapore, with an average remaining term of 1.6 years was outstanding per 31 December 2021.

The Senior net debt: EBITDA ratio was 2.93 as at year-end 2021 (31 December 2020: 2.58), well below the maximum agreed ratios in the covenants with the lenders and private placement investors.

Net finance costs

In 2021, the Group's net finance costs amounted to EUR 106.5 million compared to EUR 86.3 million in 2020. The increase is resulting from lower interest capitalization on qualifying projects and higher interest expenses as a result of increased interest-bearing debt compared to 2020.

The average fixed interest and the average floating interest on the interest-bearing loans and bank loans on 31 December 2021 were 3.8% (2020: 3.9%) and 1.3% (2020: 1.4%) respectively.

Cash flows from financing activities

The cash outflow from financing activities amounted to EUR 84.8 million (2020: EUR 218.7 million). The cash outflows from financing activities mainly consisted of dividend payments of EUR 150.5 million to ordinary shareholders, dividend payments of EUR 25.0 million to non-controlling interests, finance costs payments of EUR 76.5 million and lease payments of EUR 56.7 million partly offset by net proceeds from interest-bearing loans and short-term financing for an amount of EUR 223.2 million (2020: payments of EUR 207.0 million).

Income taxes

Income tax expenses - excluding exceptional items - amounted to EUR 61.0 million in 2021, a decrease of EUR 7.3 million compared to EUR 68.3 million in 2020. The effective tax rate - excluding exceptional items - was 15.7% compared to 17.2% in 2020. This decrease was mainly due to changes in profit before income taxes, the applicability of participation exemptions thereto, differences in corrections for previous years and partly offset by withholding tax on undistributed reserves of associates and joint ventures.

Income tax expenses - including exceptional items - amounted to EUR 60.0 million in 2021, a decrease of EUR 11.1 million compared to EUR 71.1 million in 2020. The effective tax rate - including exceptional items - was 19.8% compared to 18.0% in 2020.

Net profit attributable to holders of ordinary shares

Net profit attributable to holders of ordinary shares - excluding exceptional items - amounted to EUR 298.3 million which is in line with the 2020 net profit of EUR 299.5 million in 2020. Earnings per ordinary share - excluding exceptional items - amounted to EUR 2.38 in 2021 and EUR 2.37 in 2020.

Net profit attributable to holders of ordinary shares - including exceptional items - amounted to EUR 214.2 million compared to EUR 294.6 million in 2020. Earnings per ordinary share - including exceptional items - amounted to EUR 1.71 (2020: EUR 2.33).

Joint ventures and associates

Joint ventures and associates are an important part of the Group for which equity accounting is applied. In the section Additional Information in this report the effects of non-IFRS proportional consolidation on the statement of financial position and statement of income of the Group are presented.

Dividend proposal

Vopak's dividend policy targets to pay an annual stable to rising cash dividend in balance with a management view on a payout ratio range of 25-75% of the net profit excluding exceptional items attributable to holders of ordinary shares and subject to market circumstances. The net profit excluding exceptional items that forms the basis for dividends to be declared may be adjusted for instance for the financial effects of one-off events, such as changes in accounting policies, acquisitions and divestments.

Vopak proposes a dividend of EUR 1.25 per ordinary share over 2021 (2020: EUR 1.20) to the Annual General Meeting of 20 April 2022. The dividend increase of EUR 0.05 or 4% reflects Vopak's performance throughout a turbulent 2021. The dividend payout ratio will amount to 53% of earnings per ordinary share excluding exceptional items (2020: 51%).

People

People are the heart of our company. Our people bring our purpose to life, by adopting a future mindset and continuously driving performance. If asked ‘what makes Vopak special?’, many will say it is our culture. Vopak employs an international workforce of almost 6,000 people (headcount). This includes the employees of our joint ventures and associated companies.

Open & inclusive

Our people can work safely and develop their full potential.

We're committed to an open and inclusive culture where our people can work safely and develop their full potential. We believe that each individual has the right to be treated with respect and dignity, and work in a professional atmosphere that promotes equal opportunities and prohibits discrimination or harassment on the basis of race, color, national origin, religion, gender, sexual orientation, age, political orientation or trade union membership.

Whether it's about becoming more digital and data-driven or more diverse, or about shifting our product portfolio towards more sustainable and new products and solutions, to prepare our people for the future. We have identified five major transitions shaping our approach to workforce planning at Vopak:

1. **Energy Transition:** Rebalance staff competencies in response to the shift in the Vopak portfolio to industrial, gas and new energies infrastructures.
2. **Employee Value Transition:** Promote the Vopak Employee Value Proposition (EVP), positioning Vopak as an employer of choice
3. **Organizational Efficiency Transition:** Improve company performance, (cost) efficiency, and individual productivity.
4. **Digital Transition:** Rebalance roles, responsibilities, and competencies in sync with process and system standardization, implement a data driven way of working, and automation and robotization
5. **Geographical Transition:** Recruit and develop top talent in all Vopak locations, with a focus on growth areas.

Below, we have detailed our approach to each of these transitions.

We believe our previous approach was effective in running our existing business, but not to face future challenges brought by the energy transition. Our Sustainability Roadmap provides the basis for a strong narrative regarding Vopak's transition to a more sustainable future, which we believe is key to attract and retain talent. We are evolving as an organization to ensure the right focus and resources are allocated to achieve our goals as laid out in the Sustainability Roadmap, for example to achieve our 2030 CO_2 reduction target and become climate neutral by 2050. Initial steps were taken in 2021 with the creation of a dedicated new energies team at the headquarters, where already 30% of our business development people work.

As part of our Employee Value Transition, we embarked on collecting feedback from the organization via a people engagement survey. Our engagement survey was sent out to more than 6,000 employees and we achieved a solid participation rate of 82%. Results show that Vopak engagement scores are at par with the external benchmarks (composed of similar energy sector companies). Our employee Net Promoter Score

(NPS), a way of measuring how our employees feel about Vopak, is slightly above the benchmark, with major variation across the global network. Two areas identified as opportunities to improve are communicating changes and diversity.

Lessons from Covid-19 will become part of a new reality and our new way of working. Important to make a distinction here between our front-line execution and office based employees.

Our front-line execution, i.e. the people occupying operational roles at the terminals, cannot work from home and follow strict business continuity plans to ensure continued and safe operation. For our office based employees, the new reality of Covid-19 certainly has some positive aspects – for example, lower travel costs and reduced need for office space. However, it might also reduce the effectiveness of working together, weaken company culture if not managed well.

Operating as one team

We all feel part of one Vopak team. Working at our international company feels like being part of a global team.

Over the past year, we have devoted considerable time and effort on the Digital Transition and making our HR Global Platform (Workday/MyPulse) the single source of HR data across Vopak.

This common tool has now been deployed across 90% of Vopak sites and it's allowing us to run all our HR processes in a consistent and efficient way, including payroll data, workforce planning, performance management, compensation & benefits, time & attendance, expenses, feedback, talent acquisition, learning and people analytics. Using common data supports our approach to the remaining four other transitions.

Part of our Digital Transition is our MOVES program. This program involves implementing Global Applications & Systems. We use e-learning programs to help our employees adapt to these new ways of working. In doing so, our purpose is to "assign the right learnings to the right audiences at the right time." This keeps our workforce motivated to learn, and able to adapt to future changes in their work environment. Global Learning & Development team oversees the use of MyPulse as the platform to support training and skills development.

Working at Vopak feels like being part of one team.

Supporting greater diversity

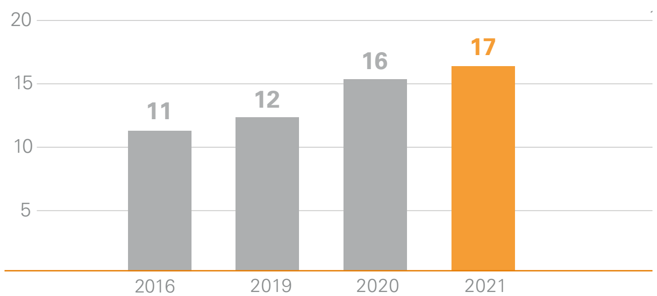
We value a diverse workforce that reflects the societies that we serve.

We believe that diversity in its broadest sense contributes to the long-term success of our company. We are committed to having both an inclusive culture where all individuals feel welcome and a diverse workforce that reflects the societies we serve. Our talent is becoming more diverse in gender and nationality, with local talent replacing expats.

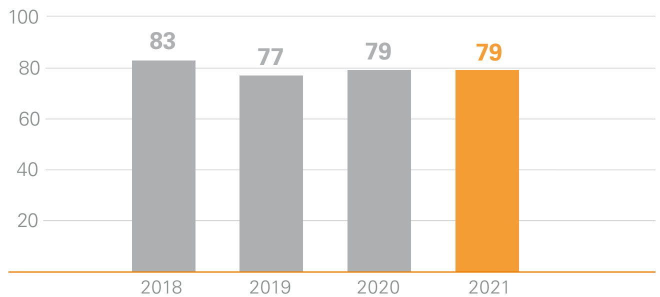
Our focus is on diversity in terms of gender, regional origin and competences. Our aim is to increase the percentage of women in senior management positions to at least 20% by 2023. In addition, we aim to have at least 75% local employees in senior management in divisions and operating companies, and 25% international talents in senior management in global roles and the LNG division. We see several trends in our workforce. We notice that our talent pools (identified as part of succession planning) are becoming more diverse both in gender and national origin. For talent pool 1 (our first-time leaders), we nominated 34% women in 2022. Women, meanwhile, make up 27% of pool 2 (our "top 100"). Both pools have a majority of internationals participants: pool 1 55% and pool 2 52%.

Goal	Ambition & targets	Timeline
More women in Vopak's senior management positions	Share of women in senior management positions of at least 20%	2023
More diversity in terms of regional origin in senior management (Hay 19 and above)	Senior management in divisions and operating companies at least 75% local	2023
More diversity in terms of regional origin in senior management (Hay 19 and above)	Senior management in global roles and the LNG division at least 25% international talents	2023

Women in Vopak senior management
in %

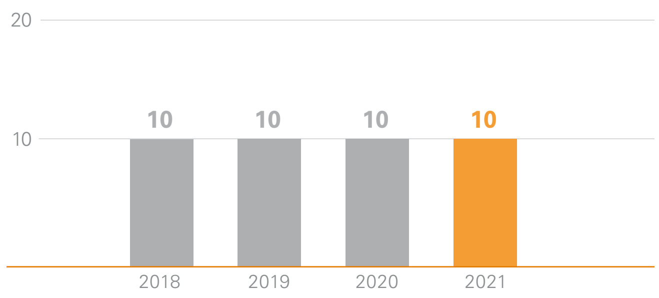


Senior management nationality diversity in divisions and operating companies
in %



Senior management nationality diversity in global roles and the LNG division

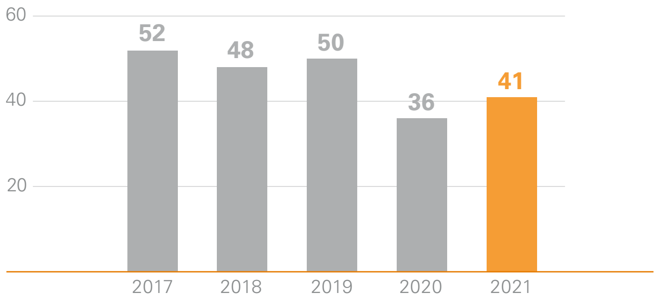
in %



In 2021, our diverse participants in the talent pool were successfully promoted to senior roles. The senior talent pools that we use for our most senior executive and other key roles show gender and regional diversity. Also, two thirds of the participants in our most recent Oxford University leadership program now hold "top 100" roles in our organization.

Annual training hours

Average number of training hours by employee during year



Being a good neighbor & community engagement

We involve communities at the early development stages of growth projects and continue our engagement throughout the lifetime of our terminals. For our communities, priorities that we address include topics ranging from stench and nuisance, plastics clean up, preservation of archeological sites and mitigating the impact of truck movements during construction activities up to improving roads and local education. We are aware that stakeholder engagement requires an ongoing dialogue, with regular contacts and two-way communication

Vopak encourages its employees to take an active part in their local communities. Through the Vopak WeConnect Foundation, employees work on projects to help young people in our local communities, in cooperation with schools, community groups and NGOs. Vopak WeConnect has a clear mission: to open up professional horizons for young people, to increase their job readiness and to inspire them to work with others across cultures, languages and social backgrounds.

Living wage

In line with our commitments under the UN Global Compact, Vopak supports the "living wage" principle in the UN's Declaration on Human Rights. The goal of a living wage is to allow workers to afford a basic, adequate standard of living through employment without government subsidies. Our policy is to pay all Vopak staff the living wage at a minimum. According to our whistleblower policy, breaches can be reported in confidence by all employees and other stakeholders. Additionally, the living wage principle is included in the Vopak Global Supplier Code and in the global supplier and contractor performance management program, so the principle also applies to Vopak all suppliers and contractors.

To ensure we meet (or exceed) living wage standards, we carry out a living wage assessment annually. Please note that, in Venezuela, this assessment is informal because of a lack of official indicators to measure basic work and living standards. In 2021, all Vopak countries were found compliant with the living wage principle unchanged from 2020.

Go Alemoa Go from Brazil is one of many successful Vopak WeConnect projects in the past years

Engaging with local communities and empowering young people

The Vopak WeConnect Foundation was set up in 2017 to encourage Vopak employees to empower young people in surrounding communities, by opening up new horizons for them and inspiring them to work together with others across various backgrounds. Despite the pandemic, projects continue to flourish with already more than 6,000 young people involved. The Go Alemoa Go project serves to empower young people and revitalize the community with a broad range of activities such as sports and educational events.

Future mindset

We work with the future in mind, always ready for the potential of new developments and change. For our continued success and our license to operate in society, we believe we need to focus on three important drivers that make for a successful future mindset: leading locations, new vital products and being data driven.

Leading locations

Location is everything in our business. We connect supply and demand for vital products.

Vopak is continuously developing its portfolio of terminals to make sure we have leading assets in leading locations. Along with conventional product and market reporting, we increasingly deploy digital solutions to have more accurate and real-time views on product movements around the world. As a result, we are better able to predict where additional capacity or new locations may be needed.

In line with our strategy, our new locations are shifting geographically toward East of Suez and the Americas, and – from a terminal type perspective – toward more industrial and gas terminals. We are also putting more focus on new energies and sustainable feedstocks.

Over the past year, the implementation of our growth strategy has been affected by the Covid-19 pandemic, both in developing new projects and executing existing ones. There has also been continued uncertainty surrounding recovery. During 2021, Vopak approved final investment proposals for a total capacity of 1.8 mln cbm. Major projects include:

- **Industrial terminals (ITL):** Vopak was awarded a contract for storage and services for a new liquid products terminal by Huizhou QuanMei Petrochemical Terminal Co., Ltd. in China. The planned terminal would be constructed and operated as part of ExxonMobil's proposed Huizhou chemical complex project.
- **Gas & chemicals:** Vopak will join forces with Aegis to expand in the LPG and chemicals storage and handling business in India. The new partnership – Aegis Vopak Terminals Ltd. – will operate a network of eight terminals, located in five strategic ports along the east and west coasts of India. With a total capacity of around 960,000 cbm, the partnership will become one of the largest independent tank storage companies for LPG and chemicals in the country. The newly built Vopak Moda terminal in Houston received the first ammonia tanker. The new terminal very well fits Vopak's strategy of developing new infrastructure solutions for products like ammonia. Gate LNG terminal will expand its regas capacity by 12.5% in 2024.
- **Brownfield expansions at existing locations:** including Vlaardingen, which will increase its capacity by 64,000 cbm to store renewable feedstocks in 2022.

Looking ahead to 2022, Vopak will continue to allocate the majority of its growth investments in industrial, gas and new energies. We have numerous projects in development across the organization:

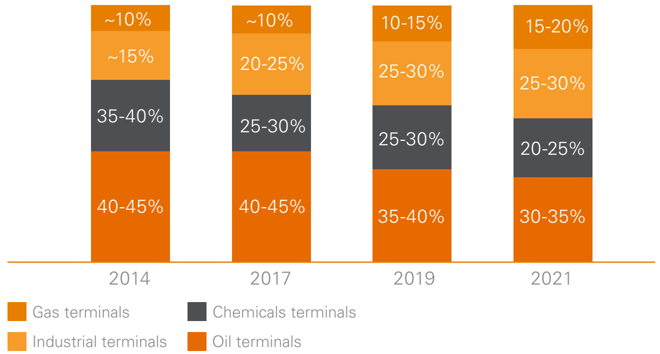
- Asia Middle East aims to pursue growth projects to strengthen its position in key hub and industrial locations.
- After successfully completing a number of key projects, the Americas will focus on execution and growth within its existing terminals. Following the integration of the three industrial terminals we acquired from Dow in 2019, the team is actively looking for further development opportunities. Also a number of new energies projects are being assessed.

- Europe & Africa commissioned several brownfield chemical projects in 2021, and will focus in 2022 on further developing new energies projects as well as strengthening our position in industrial and gas terminals.
- China will focus on growth in ITL, chemicals and gas.
- Vopak LNG will focus on further enhancing value creation at its existing terminals as well as pursuing more advanced projects, while pursuing opportunities in new energies and increasing longer-term sustainability by monitoring and reducing both methane and CO_2 emissions.
- New energies is developing new infrastructure solutions to actively contribute to the introduction of future vital products, focusing on low-carbon and renewable hydrogen, ammonia, CO_2, flow batteries and sustainable feedstocks. We currently pursue 10+ infrastructure projects and studies.

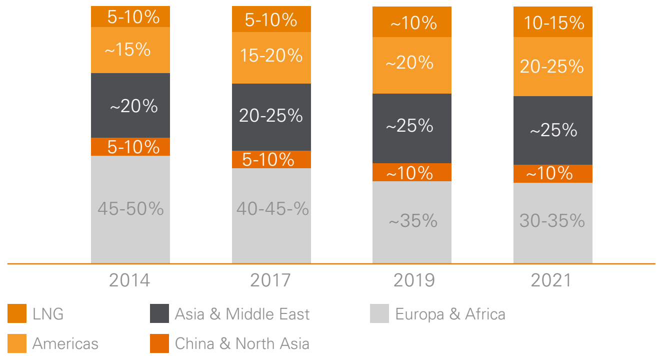
Strategic portfolio shift

Since our strategic review in 2014, Vopak has divested more than 10 oil terminals. These terminals were located in the Netherlands, UK, Sweden, Germany, Estonia, Spain, USA and China. In this same period, we have added more than 10 terminals to our network. These new locations within our network are mainly industrial terminals and terminals for LNG, gasses and chemicals. Vopak is also developing new infrastructure solutions to actively contribute to the introduction of future vital products, focusing on low-carbon and renewable hydrogen, ammonia, CO_2, flow batteries and sustainable feedstocks.

Proportional revenue by product category



Proportional revenue by division



The investment fits into Vopak's strategy of allocating capital for our growth in the gas markets

Partnership for LPG and chemical storage in India

Vopak has joined forces with Aegis to invest in the growth of LPG and chemical storage in India, as LPG is earmarked by the local government for providing cleaner and safer cooking fuels for households. This new partnership, Aegis Vopak Terminals Ltd, will become one of the largest independent tank storage companies for LPG and chemicals in India, operating a network of eight terminals that are located in five strategic ports along the coasts of India.

New vital products

We are developing new infrastructure solutions to contribute to the introduction of future vital products.

New energies & sustainable feedstocks
Renewable energy sources like solar and wind create supply peaks and troughs, which need to be managed. Furthermore, some regions are better suited to producing renewable energy than others, which means there will be a geographical imbalance between supply and demand of renewable energy. As a consequence, storing and transporting electricity is a key challenge for the renewable energy sector. In addition to sustainable electrons, society will need more sustainable molecules, both as a source of energy and as a feedstock. Developing infrastructure solutions for low- and zero-carbon new energies and sustainable feedstocks will be critical for supporting the wide scale deployment of renewable energy sources and the transition to a climate-neutral society.

In response, Vopak has developed a new energies and sustainable feedstocks strategy, focused on four pillars, which are stated below. New energies is a long-term growth segment for Vopak, and is primarily about capital allocation in the coming years.

First, we are developing infrastructure solutions in ports to enable exports, imports, transportation and storage of low- and zero-carbon hydrogen. The way to do this is by transforming hydrogen into a liquid. We are exploring three routes for transportation and storage of hydrogen: liquefied hydrogen (LH2), liquid organic hydrogen carriers (LOHCs) and ammonia. Vopak already stores ammonia at six sites, and is able to make use of its existing ammonia locations and capabilities to safely store and handle this product. LOHC can be stored in existing petroleum-like infrastructure, which is an advantage of this carrier. Liquefied hydrogen has benefits in terms of its purity as it is not mixed with other molecules, which makes it suitable for specific applications. However, LH2 needs to be stored at -253 °C, which means there needs to be attention to safety risks requiring experienced infrastructure operators. In all cases the storage and handlin of hydrogen requires more energy than conventional fuels.

Second, we are investigating CO_2 storage infrastructure through the development of open access infrastructure that is needed in CCS (carbon capture and storage) and CCU (carbon capture and utilization) supply chains, starting in the Amsterdam-Rotterdam-Antwerp region. For example in the Port of Rotterdam, Vopak is together with Gasunie and Gate terminal exploring the development of an independent terminal to receive and deliver liquid CO_2. This project is named CO_2nnect. Currently, many industrial companies and clusters will not be able to make use of depleted gas fields because they are not directly connected to a CO_2 pipeline. Transporting liquefied CO_2 by ship offers these companies an option to connect to this infrastructure. As a pressurized liquid, CO_2 volumes shrink 550 times compared to CO_2 under atmospheric conditions, making it easier and efficient to transport it by ship similar to LNG.

Third, flow batteries will be needed to cover energy surpluses and shortages for multiple hours, days, or

potentially even weeks depending on the renewable energy penetration in the overall energy mix.
Apart from vanadium, which has dominated this sector so far, Vopak is also investigating other promising technologies, based on cheaper electrolytes such as bromine. Vopak is partnering with Elestor for the development of a hydrogen bromine flow battery.
The joint ambition is to scale up the electricity storage capacity of these flow batteries. Vopak is piloting the vanadium redox flow battery technology in Singapore and Australia together with partners. Our presence in the main industrial clusters makes us well-positioned for this development.

Finally, we already invested in storage for waste-based biofuels in Rotterdam and are active in contributing to the usage of more sustainable feedstocks – for example, bio-based feedstocks (such as organic waste) that can be used to produce biofuels.
Non-organic recycled plastics, we believe, have even greater potential. These can be used to produce energy, but also as feedstock to create those chemical elements and compounds such as feedstock for automotivate, construction and plastics production.

Vopak Ventures

We have set up Vopak Ventures to identify investment opportunities in start-ups and scale-ups in new technologies and emerging value chains. In this, we focus on three areas:

- Operational excellence and asset management – this is about “optimizing the way we work”
- Platforms, data and digital – “Connecting supply chains”
- New energies, feedstock and sustainability – “Products and flows of the future”

Vopak Ventures invests as a minority shareholder and aims to maintain the entrepreneurial spirit in each of our investments.

Since 2018, Vopak Ventures has made 14 investments, ranging from minor amounts up to EUR 15 million.
In 2021, we were in a position to have an overall positive revaluation on our portfolio of EUR 39 million versus 2020, recorded in other comprehensive income in equity (on the balance sheet).

Vopak Ventures is well positioned and organized to make further investments in the years to come.
This will continue to support the Vopak strategy, while optimizing its investment portfolio.

Our joint ambition with Elestor is to scale up to industrial scale

Development of a hydrogen bromine flow battery

Developing large scale and low cost electricity storage will become increasingly important, and with this promising technology, electricity can be stored in molecules on a large scale. This is an excellent collaboration with Elestor, who brings in its knowledge of its unique HBr flow battery technology. Large-scale storage of hydrogen and bromine forms an important part of the HBr flow battery and fits well with Vopak's locations, core activities and competence.

Data driven

Digital innovation provides more data of all aspects of our business.

Investments in digital innovation will allow us to have more access to data in all aspects of our business. By analyzing this data, we will be able to improve safety, provide better customer service, and increase efficiency.

Implementing MOVES

Vopak's own developed software for our terminal operations has now been extended to all our joint ventures, bringing substantial value for real-time operations. In total, 23 terminals are now using the new IT/OT (information and operational technology) environment and customers appreciate the new service, leading to a higher customer satisfaction reflected in higher NPS scores. The coming two years will be used to implement this new software at all remaining terminals. During 2021, we continued to implement our important digital transformation program MOVES.

By the end of the year, 47 terminals were using the new Finance & Procurement Cloud platform, standardizing our ways of working and creating an efficient global shared service center. As part of our HR platform, we have introduced a full learning environment for staff and contractors to ensure that our people are trained efficiently and reliably. Payroll integration with our HR platform continues.

During 2021, we also rolled out our own CRM application at 67 terminals on the low code platform to optimally serve our customers. In 2022, we will introduce our advanced Tank Planning service that is built upon this new foundation of our digital processes. The advanced Tank Planning service will allow us to efficiently and digitally match customer's requests with actual tank storage opportunities, whilst taking into consideration constraints such as product requirements, out-of-service capacity etc.

Strengthening cybersecurity

In 2021, we finalized the IT workstreams in all our terminals and started the OT security components of the project COINS (converged IT and OT networks securely). During the year, we continued the ongoing implementation of our secured Edge infrastructure, for segmentations of our IT and OT domains. We also carried out a cybersecurity exercise to test our processes and policies in the event of a cyber attack. With our frequent anti-phishing campaigns, we can see an increased awareness as well as a greater vigilance of our staff. Penetration testing takes place on a continuous basis aiming to increase awareness across the organization.

Supply chain platform

In January 2021, we launched a partnership with NxtPort to develop and roll out the NxtPort International data sharing platform. Houston went live with the platform in 2021; Singapore will follow suit in 2022. Through this real-time data sharing platform, we help the industry save substantial supply chain related costs. The data sharing enables real-time insight in processes with all parties involved.

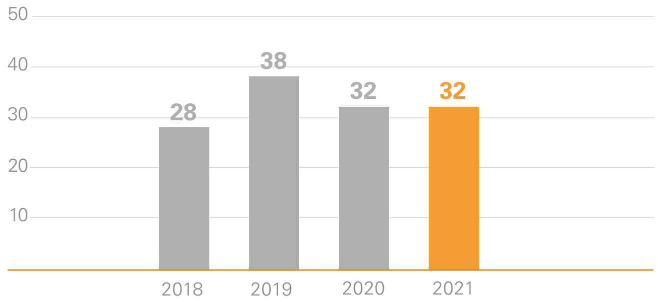
Asset management platform

In selected terminals, we have implemented new innovative solutions that help our employees monitor and manage our assets and processes. These include sensors for valves, temperature and vibration, which help us to change the way we operate and maintain our assets, for example to do predictive maintenance on tanks in order to maximize their lifetime. Our aim is to digitize our operational environment with smart and affordable solutions. Cooperation with our joint ventures has been very successful in co-developing such solutions.

Being data driven

To benefit fully from our investments in new technologies, we need to further strengthen data governance and broaden employees' access to data ("democratization"). In 2021, Vopak's top management received an introduction to AI and machine learning; we are now expanding this training to other teams within the company. Excellent data management is a key to ensuring teams have access to the data they need to complete their tasks. Our strong data driven competencies in areas such as service using NPS as a metric and reducing energy consumption through operational IoT capabilities support our ambitions for energy savings or maintenance improvements at all our terminals which we aim to scale up. Our data integration platform with real time API functionality for internal and external data sharing has been implemented to bring reliable services to our clients. The platform draws on the foundations laid by the MOVES program, and clients use the API to optimize their supply chains by having access to data such as the berthing time of a vessel at a jetty and real-time information on their stock and throughput levels.

Investments in IT
in EUR million



Key developments by division

Americas

Share of EBITDA[1]

In % of EBITDA from all divisions
- excluding exceptional items -

22% 2020 **22%**

Share of proportional EBITDA[1]

In % of proportional EBITDA from all divisions
- excluding exceptional items -

20% 2020 **18%**

Total Injury Rate (TIR)

For every 200,000 hours worked for own personnel and contractors

0.23 2020 **0.40**

1 Share of (proportional) EBITDA is calculated excluding global functions.

Americas division (left to right)
Mark Verwest, Director Finance & Control
Heidi Herzog, Director Commercial & Business Development
Gert-Jan Krispijn, Director Operations & Technology
Chris Robblee, Division President
Luis Palacios, Director Human Resources

"In 2021, Vopak Americas faced numerous challenges – including the Texas winter freeze, Hurricane Ida and Covid-19 surges across the region. That said, our people, assets and business strategies ensured that we delivered the expected positive results. The terminals we acquired in December 2020 from Dow, with our joint venture partner BlackRock, were fully integrated into the Vopak network during the year and are performing well. In addition, we commissioned a new industrial terminal in Corpus Christi, Texas, an ammonia and gas terminal in Houston at JV Vopak Moda Houston, two chemical projects at our Deer Park terminal and the second phase of our Veracruz, Mexico, expansion for Clean Petroleum Products. In addition to the growth we achieved during the year, I am exceptionally proud of the progress our team has made with respect to safety, service, diversity, digitalization and transitioning to new energies."

Chris Robblee, President of Vopak Americas

Americas

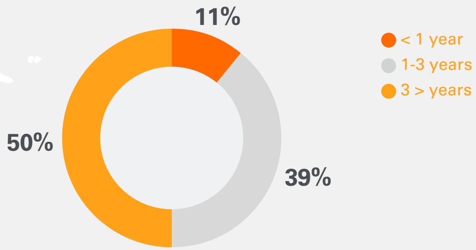
Americas
Number of terminals[2]

24

Total storage capacity
In million cbm[2]

5.5 2020 **5.3**

Original contract duration



Division developments

2021 was an exceptional year for the Americas, as our team continued to work and thrive despite the pandemic. We executed on our growth strategy by commissioning six projects, including two new terminals.

On the US Gulf Coast, we opened a new industrial terminal in Corpus Christi to serve the 1.8 MT/year ethane cracker run by Gulf Coast Growth Ventures, a joint venture between ExxonMobil and SABIC (Saudi Basic Industries Corp.). We also commissioned a new ammonia terminal, namely Vopak Moda Houston, first greenfield terminal in the Port of Houston in more than a decade. This terminal is positioned to become the premier US Gulf Coast hydrogen and low-carbon ammonia hub. Furthermore, we partially commissioned new chemicals infrastructure at our Deer Park terminal, which is fully leased to chemical customers. We took a step forward in sustainability by repurposing existing infrastructure to lighter fuels, whereby a considerable percentage of our total capacity transitioned from fuel oil to clean petroleum.

Market overview

In 2021, Vopak Americas' storage and handling business remained steady despite unforeseen issues affecting our key markets and customers. Our US Gulf Coast Industrial Terminals experienced several major weather events, causing major supply disruptions and a tightening of global chemical markets. A gradual return to economic growth during the year supported demand for the products we store.

Our industrial terminals captured market opportunities which were, partially offset by the negative impact of the weather events. On the US West Coast, terminals benefitted from the rebound in air travel. Our distribution terminals in key Latin American markets – Mexico and Brazil – continued to benefit from growing imports of chemicals, vegetable oils and petroleum products. Other markets were challenged by the negative market structure for petroleum product storage. Our Veracruz terminal in Mexico has seen consistently high throughput since the completion of the expansion earlier in the year.

Financial performance

In 2021, despite the negative impact of winter freezes and hurricanes in Texas, the Americas division continued to show solid growth, supported by new project commissioning and rigorous cost efficiency measures. Revenue increased 1% year-on-year supported by new growth projects in Mexico and the US, which offset the negative impact of Covid-19 disruptions. EBIT[1] also increased by 1% driven by higher revenue and cost efficiency measures.

In EUR millions	2021	2020 (restated)
Revenues	326.6	322.9
Operating profit before depreciation and amortization (EBITDA) [1]	190.0	186.5
Operating profit (EBIT) [1]	125.7	124.4
Average capital employed	963.3	829.1
Storage capacity (in million cbm) [2]	5.5	5.3
Occupancy rate subsidiaries	90%	92%
Proportional occupancy rate	90%	92%
Proportional EBITDA [1]	206.7	186.3

1 Excluding exceptional items.
2 At 15 February 2022.

Asia & Middle East

Asia & Middle East division (top left to bottom right)
Janhein van den Eijnden, Director Operations and Technology
Mariah Ismail, Director Human Resources & Communications
Marina Surzhenko, Director Commercial & Business Development
Michiel Gilsing, Division President
Samantha Xu, Director Finance & Control
Sjoerd Bazen, Managing Director Vopak Singapore

Share of EBITDA[1]

In % of EBITDA from all divisions
- excluding exceptional items -

32% 2020 **33%**

Share of proportional EBITDA[1]

In % of proportional EBITDA from all divisions
- excluding exceptional items -

29% 2020 **31%**

Total Injury Rate (TIR)

For every 200,000 hours worked for own personnel and contractors

0.14 2020 **0.22**

"Across the region, we have made significant progress in implementing our strategy, despite the challenges of Covid-19 and soft market conditions. Our growth projects and developments in industrial terminals are progressing well. Our digital transformation is also progressing well as we continued the efficient, online roll-out of the IT systems and ramp-up of innovation deployments. Safety performance continues to improve despite a difficult start at the beginning of the year. Our service delivery is at a high standard and customer satisfaction reached an all-time high. All of this was possible thanks to the commitment and dedication of our people who worked tirelessly to ensure we continued to live up to our purpose: storing vital products with care. In 2022 and beyond, we will continue to invest across the region in our well-diversified portfolio, in digitizing our processes and most importantly in our people.
I believe that by investing and empowering our people to lead us out of these extraordinary times, we may emerge more resilient and with a market position that can differentiate us from our competitors."

Michiel Gilsing,
President of Vopak Asia & Middle East

1 Share of (proportional) EBITDA is calculated excluding global functions.

Asia & Middle East

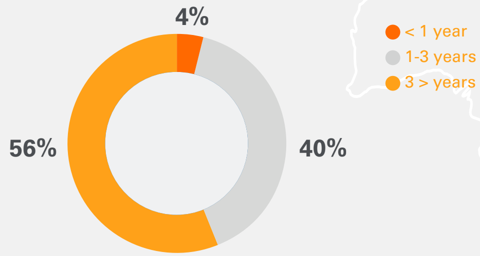
Asia & Middle East
Number of terminals[2]

19

Total storage capacity
In million cbm[2]

15.6 2020 **15.5**

Original contract duration



Division developments

On safety and sustainability, we continued to operate with high standards by focusing on improving the integrity of our assets, personal safety and processes. Over the past year, we devoted time and resources to further improving our safety culture, with a strong focus on our Trust & Verify program. Our customers also appreciated and valued our consistently high standards of service. We reached an all time high in terms of customer satisfaction.

In H2 2021, we commissioned our expansion project in Sydney, Australia. We are investigating the strategic options for our terminals in Australia. This may include continued operations or divestment. We decided to join forces with Aegis in India, creating a joint venture, with the aim to grow together in the LPG and chemicals storage and handling business. The deal is expected to be closed during 2022, and provides an excellent foothold for further expansion in this growing market. PT2SB terminal in Pengerang is expected to become fully operational during 2022 following several delays related to the refinery start-up of our main customers. With regard to new energies, in Singapore, we have successfully completed testing on the potential use of flow batteries in storing and supplying green energy at industrial locations. We are in the process of defining a project to scale up such a flow battery concept for industrial usage.

Market overview

Our well-balanced portfolio and contract structure tend to support business performance during soft market conditions. The start of 2021 was relatively strong for our oil business in the hub locations Singapore, Pengerang and Fujairah. However, during the year the market weakened due to a lack of demand as a result of continued Covid-19 restrictions and a backwardation. The fuel distribution in Australia remained strong supported by new capacities while Jakarta distribution market remained challenging. Demand in chemical distribution markets increased in the final quarter of 2021.

Financial performance

The Asia & Middle East division reported a 1% increase in EBIT[1] for 2021. The growth was driven by the results from PT2SB and an improved performance from Australia and Jubail. Revenue was lower in Singapore, Fujairah and Jakarta. Efficiency measures supported margin developments. Occupancy rates were stable for the main group companies. For joint ventures, occupancy was stable for industrial terminals, but lower in Fujairah and Indonesia.

In EUR millions	2021	2020 (restated)
Revenues	284.1	289.3
Operating profit before depreciation and amortization (EBITDA) [1]	280.8	274.8
Operating profit (EBIT) [1]	214.4	211.4
Average capital employed	1,212.5	1,123.1
Storage capacity (in million cbm) [2]	15.6	15.5
Occupancy rate subsidiaries	87%	87%
Proportional occupancy rate	86%	91%
Proportional EBITDA [1]	302.2	317.8

1 Excluding exceptional items.
2 At 15 February 2022.

China & North Asia

Share of EBITDA[1]

In % of EBITDA from all divisions
- excluding exceptional items -

8% 2020 **7%**

Share of proportional EBITDA[1]

In % of proportional EBITDA from all divisions
- excluding exceptional items -

9% 2020 **9%**

Total Injury Rate (TIR)

For every 200,000 hours worked for own personnel and contractors

0.17 2020 **0.11**

1 Share of (proportional) EBITDA is calculated excluding global functions.

China & North Asia division (top left to bottom right)
Yan Chen, Division President
David Gai, Director Project & Engineering
Peng Chen, Director Business Development & Commercial
Mike Lai, Director Operational Excellence
Whitney Wu, Director Human Resources
Wim Samlal, Director Finance & Control

"2021 was another successful year for our China & North Asia division despite the challenges for the entire world due to Covid-19 pandemic. We achieved very good results in terms of safety, service, growth and financial performance. We were awarded a contract for storage and services of a liquid products terminal in China by Huizhou QuanMei Petrochemical Terminal Co., Ltd. We are excited for this opportunity to serve ExxonMobil via this greenfield industrial terminal in a safe, sustainable and efficient way. We believe our business will remain strong and robust in the coming years, and plan to further expand our network across the region, especially in China."

Yan Chen, President of Vopak China & North Asia

China & North Asia

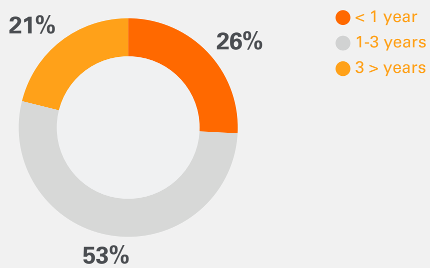
China & North Asia
Number of terminals[2]

9

Total storage capacity
In million cbm[2]

3.1 2020 **2.8**

Original contract duration



Division developments

Vopak operations in China and North Asia continued to manage the Covid-19 situation well in 2021. The economic performance of the countries in our division varied by macroeconomic developments in China, South Korea and Vietnam. Vopak's China & North Asia division continued to deliver strong performance in 2021. We further expanded our business by adding capacity and securing new long-term industrial contracts.

Our new industrial terminal in Qinzhou, China was successfully commissioned in May 2021. Meanwhile, work has begun on Qinzhou Phase 2 – a 50,000 GT liquefied gas jetty and is expected to be operational in the third quarter of 2022. Work on expanding our Caojing terminal, with the construction of ammonia and butadiene storage capacity, has also started and will be commissioned in the second quarter of 2022. During the year, we also secured a new industrial project in Huizhou, serving ExxonMobil with an additional storage capacity of 559,700 cbm. Construction is expected to start in 2022; the terminal is expected to come online in the fourth quarter of 2023.

Market overview

In China, the petrochemical industry did well in 2021. Most petrochemical manufacturers enjoyed good business, even with addition of significant capacity from recently commissioned mega plants.

Vopak's performance in China was strong: most of our industrial customers – typically large operators, enjoyed high run rates during the year. As a result, our industrial terminals were able to run at full capacity. Our distribution business in general performed well even though we experienced some business slow down in the second half of the year for various reasons, including temporary product flow changes.

In South Korea, our tanks continued to maintain high occupancy rates. With the recovery in exports, our throughput numbers improved compared with 2020. In Vietnam, longer-term contracts protected most of our business from the effects of Covid-19.

Financial performance

EBIT - excluding exceptional items - from China & North Asia in 2021 increased by 24% driven by growth project contributions. Our results in 2020 included an exceptional gain of EUR 33 million relating to the sale of our stake in the Yangpu terminal.

In EUR millions	2021	2020 (restated)
Revenues	44.7	42.0
Operating profit before depreciation and amortization (EBITDA) [1]	68.4	56.9
Operating profit (EBIT) [1]	56.5	45.4
Average capital employed	421.9	420.0
Storage capacity (in million cbm) [2]	3.1	2.8
Occupancy rate subsidiaries	75%	80%
Proportional occupancy rate	86%	89%
Proportional EBITDA [1]	97.2	86.9

1 Excluding exceptional items.
2 At 15 February 2022.

Europe & Africa

Share of EBITDA[1]

In % of EBITDA from all divisions
- excluding exceptional items -

34% 2020 **33%**

Share of proportional EBITDA[1]

In % of proportional EBITDA from all divisions
- excluding exceptional items -

28% 2020 **27%**

Total Injury Rate (TIR)

For every 200,000 hours worked for own personnel and contractors

0.51 2020 **0.82**

1 Share of (proportional) EBITDA is calculated excluding global functions.

Europe & Africa division (left to right)
René van Tatenhove, Director Finance & Control
Patrick van der Voort, Division President
Maarten Smeets, Director Commercial & Business Development
Mathilde de Winter, Director Human Resources
Harold Corstjens, Director SHEQ
Frank Jan Thijssen, Director Operations & Technology

"2021 was a rewarding year in many aspects. The Covid-19 pandemic continued to have a significant influence on our markets. Even so, we were able to serve our customers throughout the year without interruption. We were also able to successfully exploit the new capacity that came on stream in the Europe & Africa region in 2020 and 2021. Looking beyond 2021, we see that the energy landscape in Europe is changing rapidly. The energy transition will create opportunities for new low-carbon or carbon-neutral infrastructure – we intend to play a major role in this transition. In the refinery sector in Rotterdam and Antwerp, Vopak has an excellent position to service these industry clusters and maintain an effective distribution hub for the region, both for current products and new, more sustainable fuels."

Patrick van der Voort, President of Europe & Africa

Europe & Africa

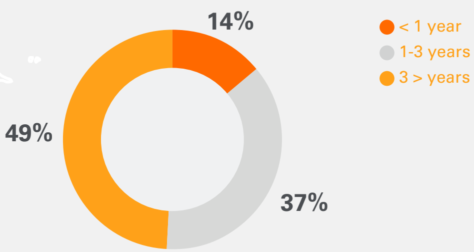
Europe & Africa
Number of terminals[2]

16

Total storage capacity
In million cbm[2]

10.7 2020 **10.7**

Original contract duration



Division developments

During 2021, our operations continued to be influenced by Covid-19. Our new way of working, with staff partly working from home, partly in the office or at the terminal, became the norm.

In Belgium, we completed the expansion of our Linkeroever terminal, expanding capacity by 50,000 cbm for the glycol market. At our Botlek terminal in Rotterdam, we commissioned our new styrene facility of 63,000 cbm and finalized the overhaul of our ethanol storage facility. In addition, we saw our first full year of operation for additional capacity in Durban, as well as at our new Lesedi terminal, both in South Africa. In Lesedi near Johannesburg, we are now operating a 100,000 cbm fuel storage facility connected by pipeline to our Durban terminal.

Meanwhile, we are currently expanding our terminal in Vlaardingen with the addition of 64,000 cbm for the storage of waste-based feedstock for renewable diesel. During 2021, we also continued to develop projects in green hydrogen (carrier) or ammonia storage, CO_2 storage and flow batteries, supporting the further decarbonization of industry in the Europe & Africa region.

Market overview

Covid-19 continued to have a significant effect on our markets in Europe & Africa. During the year, several oil products and fuel components remained in backwardation, limiting demand for storage. In the chemicals sector, there was a recovery in throughput levels and a mix of storage demand for various products. Markets for edible oils, biodiesel, LPG and chemical gases remained strong throughout 2021.

Across Europe, sustainability and the energy transition continued to grow in importance; Vopak aims to capture new market opportunities in this sector. This has implications over the mid-to-long term, not least the need to transition existing markets to sustainable alternatives, and for more investment in response to new emission restrictions. Meanwhile, we expect imports of chemicals and gases into Europe to continue growing, given the increased availability of competitive chemical feedstocks in both North America and the Middle East.

Financial performance

Compared with 2020, our operations in Europe & Africa saw a significant increase in revenue and EBITDA[1] in 2021 – due to new capacity. We saw lower occupancy rates as a result of soft market conditions. With the overhaul of our terminal infrastructure in Botlek and regular out-of-service and repair activities at Europoort, we were able to reduce our out-of-service capacity.

In EUR millions	2021	2020 (restated)
Revenues	566.0	532.9
Operating profit before depreciation and amortization (EBITDA) [1]	299.7	273.0
Operating profit (EBIT) [1]	128.3	128.3
Average capital employed	1,717.0	1,381.6
Storage capacity (in million cbm) [2]	10.7	10.7
Occupancy rate subsidiaries	87%	88%
Proportional occupancy rate	87%	88%
Proportional EBITDA [1]	295.4	274.0

1 Excluding exceptional items.
2 At 15 February 2022.

LNG

Share of EBITDA[1]

In % of EBITDA from all divisions
- excluding exceptional items -

4% 2020 **5%**

Share of proportional EBITDA[1]

In % of proportional EBITDA from all divisions
- excluding exceptional items -

14% 2020 **15%**

Total Injury Rate (TIR)

For every 200,000 hours worked for own personnel and contractors

0.36 2020 **0.38**

1 Share of (proportional) EBITDA is calculated excluding global functions.

LNG division (left to right)
Michael Naërt, Director Technology & Projects
Kees van Seventer, Division President
Stella Zerbo, Human Resources & Communications Director
Casper Pieper, Commercial & Business Development Director
Anne-Marie Kroon, Director Finance & Control
Jarmo Stoopman, General Manager

"Based on 2021 we remain very positive on the growth opportunities for LNG infrastructure which will continue for at least the next 15 years. The global demand volumes are expected to almost double due to different drivers like autonomous gas consumption, switching from oil/coal to gas, gas enabling intermittent renewables and gas facilitating the energy transition overall. We can leverage on synergies and/or existing gas infrastructure for new energy storage like hydrogen or ammonia. With our execution power and excellent network, we are fully equipped to anticipate future technology and unknown market developments."

Kees van Seventer, President of Vopak LNG

LNG

LNG
Number of terminals[2]

4

Total storage capacity
In million cbm[2]

1.2 2020 **1.2**

Division developments

The Covid-19 pandemic did not substantially impact the safety or operations of our LNG terminals in 2021 and we were able to focus on the growth of terminals and our projects pipeline. We secured the long-term future of our terminal in Mexico and performed a large maintenance program at Gate (Rotterdam) where we also took FID on expansion of our send-out capacity. By the end of 2021, the Gate terminal was operating at full capacity, able to supply 25% of the Netherlands' gas needs. We added viable projects to our portfolio like in Australia and Singapore. We secured our agreement with MOL (Japan) to co-own the FSRU and perform jetty operations in Hong Kong. This 5th LNG terminal will be commissioned in 2022 and will serve two power plants switching from coal to gas. For 2022 we expect to merge Vopak New Energies ventures with the executing power of the LNG group.

Market overview

The tight market fundamentals have resulted in an unprecedented volatility in the LNG market in 2021. Record gas prices up to $30/mmbtu were observed in the months leading up to winter before adjusting downwards due to warmer weather, higher inventory levels in North Asia and fuel switching amidst the high gas price environment. Despite the roller coaster market conditions, global LNG trade grew over 5% on a year over year basis. Supply and demand growth were dominated by the United States as an exporter; and China as the new largest global importer exceeding Japan, highlighting the evolving shape of the LNG trade. We expect the long term outlook for LNG to remain positive with high prices supporting investments in new LNG liquefaction projects.

Besides the growth in LNG demand, the focus on sustainability has spurred the development of green and bio LNG and raised the scrutiny on the carbon footprint of the LNG supply chain. We aim to continue to develop new LNG infrastructure, considering the future fuel mix in selected growth markets and facilitate the energy transition globally.

Financial performance

The LNG division comprises joint venture and associate terminals and therefore has no revenues recognized at subsidiaries. The LNG results include all costs related to the LNG divisional and business development activities. EBIT[1] from our LNG division amounts to EUR 39.9 million and shows a stable performance despite executing large maintenance projects (2020: EUR 42.6 million).

In EUR millions	2021	2020 (restated)
Operating profit before depreciation and amortization (EBITDA) [1]	39.9	42.6
Operating profit (EBIT) [1]	39.9	42.6
Average capital employed	404.3	364.5
Storage capacity (in million cbm) [2]	1.2	1.2
Proportional occupancy rate	96%	97%
Proportional EBITDA [1]	150.3	149.6

1 Excluding exceptional items.
2 At 15 February 2022.

We will continue to execute on our growth strategy, investing in additional infrastructure and storage capacity and further expanding our use of new digital technologies.

Outlook

The Covid-19 pandemic will continue to impact economies even after the virus is fully under control. Any resurgence in infections due to new variants may force countries once more to restrict travel and avoid large-scale gatherings; this, inevitably, will affect consumer behavior, GDP growth and energy demand. The decisive economic and monetary policy measures from governments and central banks in 2021 have led to a strong economic rebound, which resulted in unusually high levels of inflation. In 2022, governments and central banks will have to balance stimulus and inflationary pressures.

- Worldwide, the shift to sustainability is gaining momentum. Changes in the world's energy mix and measures to reduce CO_2 emissions to limit the impact of climate change are likely to accelerate.
- Many countries have taken exceptional tax measures to stimulate local business and economy after the severe impact of Covid-19. Based on the duration of the crisis, governments may amend their local fiscal policies.
- Lessons from Covid-19 will become part of a new reality and our new way of working. This has positive aspects – for example, lower travel costs and reduced need for office space. However, it might also reduce the effectiveness of working together, weaken company culture if not managed well.

Clearly, the pandemic has introduced more uncertainty into our business environment. We see opportunities for growth, but we recognize that growth is unlikely to be linear. In 2022, we will continue to seek opportunities to reduce our environmental footprint and implement our sustainability roadmap, working towards our ambition to be climate neutral by 2050.

Vopak is actively contributing to the greening of the logistics chains of its customers

Dutch Vopak terminal switching to green electricity

Vopak Solar Park Eemshaven, a new solar park that was opened in 2021, is a joint venture between Vopak, Groningen Seaports, and funds managed by PATRIZIA. The park has a capacity of approximately 25 megawatts, which is equivalent to an average consumption of approximately 8,000 Dutch households. The green energy certificates are purchased by local companies within Groningen Seaports and by Vopak.

Sustainability

Sustainability performance and notes

Introduction to sustainability

Sustainability is about meeting the needs of the present without compromising the ability of future generations to meet their own needs. To live up to our purpose, we act to help future generations meet their needs and contribute to a more sustainable economy by facilitating the introduction of vital products of the future. At the same time, we strive to be a responsible member of society and the communities in which we operate, a company that our employees and contractors are proud to work for. We are mindful of the potential impact of our business activities on people's safety, health and well-being and on the environment. Through our care for people, planet and profit, we aim to create value for all our stakeholders, including customers, investors, employees, authorities, local communities and society at large. Our choices today should thus contribute to our long-term relevance for society and the well-being and development of current and future generations.

The Executive Board determines Vopak's purpose, strategy, value creation, business conduct and performance (all including sustainability) and is responsible for the implementation of Vopak's Sustainability Policy. This responsibility is delegated to division management and to the management of our operating companies. The global departments support the divisions and operating companies in acting on this responsibility. All Vopak employees have a shared responsibility with regard to sustainability as laid down in the Vopak Values, Code of Conduct, our Sustainability Policy and our sustainability targets.

On sustainability, we are ambitious and performance driven with a balanced roadmap focusing on care for people, planet and profit. The approach and programs to achieve this are integrated into our business decision making.

Targets on our key indicators are set at group, divisional and operating company levels. Progress is monitored by the Executive Board and Supervisory Board as part of regular business monitoring and systematically reviewed on a quarterly basis.

Structure of this sustainability section

The purpose of the sustainability information in our Annual Report covering the financial year 2021, is to:

- Respond to the key topics and expectations from our stakeholders
- Respond to relevant societal topics
- Comply with laws and regulations.

This, together with our interpretation of people, planet and profit, and our acknowledgment of their interdependencies, is used as the basis for the structure and information in this section:

- Care for our societal impact (people)
- Care for our environment & climate (planet)
- Care for our economic impact (profit).

Impact of Vopak versus impact on Vopak

This sustainability section presents information about the impacts of Vopak's activities on the society, environment and economy linked to our value creation process. The determination of (sustainability related) threats and opportunities that could potentially impact Vopak's portfolio and/or strategy forms an integral part of our strategic planning cycle. This is fully integrated into our risk management process, reference is made to the Governance, risk & compliance section.

Disclosures on the potential impact(s) of climate change on both Vopak's physical assets and our business activities are reported as part of the Care for our economic impact (profit) section and our impact on climate change (through GHG emissions) are included within the Care for our environmental & climate impact (planet) section in this sustainability section.

We aim to be clear and transparent towards our stakeholders regarding our vision, our sustainability policy, objectives and performance. Vopak informs its stakeholders actively about its sustainability performance. This has two benefits:

- It enhances the support for and credibility with regard to the way Vopak manages its sustainability goals and related topics.
- It enables a dialogue with stakeholders and the communities in which Vopak operates, which helps us gain insights and improve our performance in the area of sustainability.

Materiality versus demand for other topics to be reported

We strive to be transparent and report relevant and balanced information. This section contains an explanation of (1) our societal, environmental and economic impacts, (2) our ambitions, how we want to achieve these and presents the developments and (3) performance in 2021 based on topics identified as material for Vopak.

Vopak's GRI Content Index provides all necessary references to those GRI indicators in scope (as well as explanations for any indicators not reported on). This Index may be found on our website: www.vopak.com/sustainability/gri-content-index.

Impact of Covid-19 pandemic

Also in 2021, the spread of Covid-19 has had a significant impact on all people and organizations around the world. Regrettably also our colleagues were confronted with tragic personal situations caused by the pandemic. Related to our operations we have so far observed limited impact. All our terminals have stayed operational and there have been no significant disruptions to business continuity. Our main focus is on the health of the people working at our terminals, offices or at home around the world and to limit the spread of the Coronavirus, to manage the impact on our business and to assess the impact on the economy and society. Therefore, we have put global and local measures into place to protect our employees, their families and our operations based on information provided by the World Health Organization, national and local health authorities. The new circumstances did not lead to a deteriorated performance on safety and environmental impacts.

Governance and basis of preparation

Note 1. Basis of preparation

Reporting criteria

In recognition of the fact that sustainability is a core element of and integrated into our strategy and operations, we combine our Sustainability Report with our Annual Report.

The information on Vopak's sustainability performance in this report has been prepared in accordance with the Sustainability Reporting Standards Comprehensive option of the Global Reporting Initiative (GRI Standards as published in 2016, unless stated otherwise), to communicate and understand organizations' societal, environmental and economic impacts. The Standards were designed to enhance the global comparability and quality of information on these impacts, thereby enabling greater transparency and accountability for organizations.

GRI

On 2 July 2021, final approval was granted for the revised GRI Universal Standards, which will be in effect for reporting from 1 January 2023. For our 2021 Annual Report the GRI standards as published in 2016 are applied.

We subscribe to the view that good corporate reporting should result in the communication of a clear, concise and integrated story that explains how our company's resources are creating value for its stakeholders. As such, Vopak's Annual Report also applies the principles of the Integrated Reporting Framework by the International Integrated Reporting Council (IIRC).

Climate-related disclosures have been prepared by using the framework as issued by the Task force on Climate-related Financial Disclosures (TCFD). Disclosures on the potential impact(s) of climate change on Vopak including a description of our governance, strategy and risk management in line with the requirements of TCFD are reported as part of the Care for our economic impact (profit) section. Our impact on climate change (through GHG emissions) is further explained in Note 11. Our impact on climate change: GHG emissions.

Financial KPIs are reported based on information included in the company's Financial Statements, prepared in accordance with IFRS as adopted by the European Union.

EU Taxonomy

Vopak, subject to the Non-Financial Reporting Directive ('NFRD') via Part 9 of Book 2 of the Dutch Civil Code, is required to apply the Taxonomy Regulation for the Annual Report 2021. Reference is made to the Note 25. EU Taxonomy.

Sustainability Roadmap

In 2021, the updated Sustainability Roadmap was approved by the Strategic Committee, Executive Board and the Supervisory Board. The Roadmap provides an improved overview of the key sustainability topics with clear objectives that we focus on as a company. It specifies our actions and integrates sustainability even stronger into our global processes and investment decisions. The Sustainability Roadmap has led to updated target settings which are also included more specifically in the incentive programs of senior management.

Reporting principles

Our sustainability reporting principles are based on the reporting principles in the GRI Standards and when necessary supported by internally developed standards and guidelines unless otherwise specified. Throughout the Annual Report, we have indicated how we applied the GRI reporting principles, such as materiality, stakeholder inclusiveness and reliability.

Reporting period

The reporting period for the sustainability information in this Annual Report is the 2021 financial year, covering Vopak's activities from 1 January 2021 to 31 December 2021. This report builds on the previous Annual (Sustainability) Reports.

Reporting process and assurance

As in previous years, Vopak has voluntarily requested its external auditor to provide limited assurance on its sustainability reporting. For the Assurance Report of our independent auditor, reference is made to the Assurance report of the independent auditor.

The sustainability data used in this report was obtained from our global consolidation and management reporting system, and additionally from the HR management, compliance management, operational (safety and environment) management reporting systems and other management reporting systems.

All data is consolidated by our Global Operations function and reviewed by the Global Control and Business Analysis function. Responsibility for reporting on sustainability is currently assigned to the Global Operations function. We have a continuous focus to further embed the material topics into the responsibilities of relevant departments, strengthening our non-financial data collection process and proceeding with further integration into our reporting processes. At least on a quarterly basis, key sustainability topics are reported to the Strategic Committee, Executive Board and the Supervisory Board. Once a year, we organize a review of our strategy and a thematic day on climate change. Key topics and stakeholder concerns were discussed in Supervisory Board meetings. For more information, reference is made to the Supervisory Board report.

For further details on the governance and control framework, reference is made to the Governance, risk & compliance section.

Change in reporting policies for 2021

Vopak has not applied any new reporting standards for 2021.

Reporting adjustments of historical data

There have been no adjustments to information provided in previous reports.

Basis of consolidation

For sustainability reporting purposes, Vopak consolidates data from its headquarters, division offices and those entities under its operational control (unless acquired within the last 12 months[1]), and from entities that are not under our operational control who report voluntarily.

Unless otherwise stated, the sustainability information in this report includes all information for Vopak's principal subsidiaries, joint ventures and associates (as noted in Note 9.11 Principal subsidiaries, joint ventures, associates and investments of the Consolidated Financial Statements).

An entity under operational control implies:

- Application of Vopak´s operational standards
- Adoption of Vopak´s Code of Conduct
- Being part of the three-year cycle of Vopak´s Terminal Health Assessments (THA) or equivalent

In consolidating data, we apply the following principles:

- **Greenfield** Undeveloped land acquired to build a new terminal is deemed to be within reporting scope from the day of acquisition;
- **Brownfield** When an existing terminal is expanded, these activities are deemed to be within reporting scope;
- **Acquisition** When a terminal is acquired and operations are continued, there is a grace period of one year before the terminal is brought within the scope of sustainability reporting. During this grace year, all data must be reported and monitored in our internal reporting system;
- **Divestment** When terminals are closed or sold, they are removed from reporting scope from the date of divestment, data until the date of divestment is still included.

1 Please note that Vopak Industrial Infrastructure terminals on the U.S. Gulf Coast were included in the grace period.

Consolidation scope and boundaries

Entities that do not meet the consolidation criteria are shown in the table below, which reconciles the storage capacity reported in the financial statements to that used for sustainability reporting purposes:

In million cbm	2021	2020	2019	2018	2017
Total storage capacity according to Vopak Financial Statements [1]	**36.2**	**35.6**	**34.4**	**37.0**	**35.9**
Temporarily out-of-scope due to grace period after acquisition [2]					
Elengy Terminal Pakistan	–	–	- 0.2	- 0.2	n/a
SPEC, Colombia	–	- 0.2	- 0.2	n/a	n/a
Vopak Industrial Infrastructure Americas, United States	–	- 0.8	n/a	n/a	n/a
Out-of-scope as no operational control					
Sabtank (Jubail), Saudi Arabia	- 1.5	- 1.5	- 1.5	- 1.5	- 1.5
Sabtank (Yanbu), Saudi Arabia	- 0.3	- 0.3	- 0.3	- 0.3	- 0.3
Chemtank (Jubail), Saudi Arabia	- 0.6	- 0.6	- 0.6	- 0.5	- 0.5
Maasvlakte Olie Terminal (MOT), The Netherlands	- 1.1	- 1.1	- 1.1	- 1.1	- 1.1
Ridley Island Propane Export Terminal (RIPET), Canada	- 0.1	- 0.1	- 0.1	n/a	n/a
Vopak Ventures - equity investments	–	–	–	–	n/a
Estonian Railway Services (ERS - part of Vopak E.O.S.), Estonia [3]	n/a	n/a	n/a	–	–
Total out of scope for sustainability reporting	**- 3.6**	**- 4.6**	**- 4.0**	**- 3.6**	**- 3.4**
Total storage capacity according to the sustainability reporting scope	**32.6**	**31.0**	**30.4**	**33.4**	**32.5**

1 Vopak Terminals Korea does not meet the consolidation criteria, but reports sustainability information voluntarily.
2 In 2016, Vopak started to manage and operate Chevron's existing 509,000 cbm terminal at Bahia Las Minas, in Panama. According to the consolidation criteria, the terminal is in scope for sustainability reporting as from 1 January 2017. Elengy Terminal Pakistan (acquired at the end of December 2018) is in scope as from 1 January 2020. SPEC, Colombia (acquired as per end of September 2019) and the three Vopak Industrial Infrastructure terminals on the U.S. Gulf Coast (acquired as of December 2020) are in scope as from 1 January 2021.
3 Vopak E.O.S. is divested as per April 2019.

For capacity developments, reference is made to the Leading locations section of the Annual report, and notes 3.1 Acquisition and divestment of subsidiaries and 3.5 Joint ventures and associates of the Consolidated Financial Statements.

Note 2. From stakeholder engagement to materiality

Together with our stakeholders, we define the material societal, environmental and economic topics for our company. In 2019, we conducted a full materiality assessment. For the methodology used, details on the materiality process and changes since our last report, reference is made to our website: www.vopak.com/sustainability/stakeholder-engagement.

The table below summarizes the expectations and interests of our stakeholders and the topics that they regard as key topics. It should be noted that this reflects the overall outcome per stakeholder group from our stakeholder engagement. Expectations, interests and key topics vary for each individual stakeholder.

Our response to the overall key topics and concerns of our stakeholders is embedded in the notes to the topics in this Sustainability section.

Stakeholder group	Expectations	Key topics	How we engage them
Youth	To be relevant in the future, young people deem it important that a company as Vopak acts responsible in its environmental and societal behavior.	• Air quality: VOC and other air emissions • Greenhouse gas emissions • Soil and groundwater pollution • Water pollution	• Vopak WeConnect projects • Face-to-face meetings • Information on our website and social media channels
Customers	Increasingly put sustainability high on their agenda and require Vopak, as an important link in their supply chain, to at least align its sustainability policy with theirs.	• Business ethics and integrity • Applications of best practices • Occupational health and safety • Process safety	• Face-to-face meetings • Calls, emails, conferences • Net Promoter Score (NPS) survey to measure customer satisfaction • Internal & external audits
Business partners	Looking for long-term relationships to realize growth based on mutual trust and value creation.	• Application of best practices • Process safety • Customer acceptance and continuation	• Face-to-face meetings • Calls, emails, conferences • Internal & external audits
Authorities & governmental organizations	Respect (stricter) regulations, control and perform safely.	• Business ethics and integrity • Nuisance • Air quality: VOC and other air emissions • GHG emissions	• Face-to-face meetings • Written contacts • Information on our website • Open houses & site visits • Participation in public hearings & conferences
Financial and capital markets	Increasingly take a long-term appreciative view of companies that aim for sustainable profitability.	• Financial performance • Business ethics and integrity • Customer acceptance and continuation	• Presentations, webcasts, roadshows with analysts and investors at least every quarter • Individual meetings • Capital Markets Day • General Meeting of Shareholders
Neighbors and local communities	Increasingly require Vopak to engage with them to address issues such as stench and odors.	• Air quality: VOC and other air emissions • Business ethics and integrity	• Face-to-face meetings • Written contacts • Information on our websites and social media channels • Open houses & site visits • Participation in public hearings & conferences • Vopak WeConnect projects
NGOs	NGOs expect Vopak to be a responsible, transparent, cooperative and trustworthy partner.	• Air quality: VOC and other air emissions • Business ethics and integrity • Process safety • Water pollution	• Face-to-face meetings • Written communications • Information on our websites and social media channels • Open houses & site visits • Participation in public hearings & conferences • Vopak WeConnect projects
Suppliers	Suppliers of assets value long-term relationships. Suppliers of services (e.g. contractors) expect a safe and healthy workspace and fair treatment.	• Suppliers acceptance and continuation • Customer acceptance and continuation • Financial performance	• Face-to-face meetings • Quarterly calls with Tier 1 and Tier 2 suppliers • Contracts • Site visits • Supplier visits
Employees	Value a company that cares, helps to develop their talents and offers training programs to develop the full potential of every individual.	• Process safety • Financial performance • Occupational health and safety	• Daily work relationships • Training and human resources cycles • Biennial employee engagement survey • Intranet, mail, internal social media - townhall sessions (digital)
Senior management	Determines the overall long-term strategy on our 'License to Operate' and our expansion plans and ensure continued value creation for stakeholders.	• Process safety • Business ethics and integrity	• Ongoing internal dialogues • LEAD program

Materiality

Our materiality topics reflect the impacts of Vopak on the society, the environment and the economy. The 24 topics that are identified, are classified as either:

- Key topics: We aim to fulfill a leading role with regard to these topics and have integrated these topics into our strategic sustainability priorities;
- Topics to monitor: We want to demonstrate our social responsibility with regard to these topics. We measure and report on parts of these topics in our report;
- Other topics: These are important topics for Vopak and are managed accordingly.

The materiality matrix showing the ranking of the 24 topics can be found at the Purpose & strategy section. According to the ranking of topics determined as most relevant across stakeholder groups and ranked as the most significant impact of our business, six key topics emerged as being the most material. We report in detail on the six key topics. All other topics reported in this section are based on compliance with regulatory requirements and our response to actual societal topics. On these other topics, we report on our management approach.

Vopak's Executive Board was closely involved in the process and approved the materiality matrix, acknowledging that the matrix provides a fitting overview of the relevant aspects for Vopak and its stakeholders.

In 2022, a full materiality assessment will be performed.

This figure shows the 24 topics included in our materiality assessment. The six items in bold emerged as the most material:

Care for our social impact **People**	Care for our environmental & climate impact **Planet**	Care for our economic impact **Profit**
17 **Process safety**	1 **Air quality: VOC and other air emissions**	9 **Business ethics and integrity**
18 **Occupational health and safety**	2 Soil and groundwater pollution	10 Application of best practices
19 Training and education	3 **Water pollution**	11 Customer acceptance and continuation
20 Nuisance	4 Waste	12 Financial performance
21 Labor conditions	5 Greenhouse Gas (GHG) emissions[1]	13 **Innovation**
22 Human rights	6 Energy use	14 Remuneration
23 Diversity	7 Water management	15 Supplier acceptance and continuation
24 Community engagement and charity	8 Biodiversity	16 Taxation

1 Although GHG emissions is not ranked as key topic in our stakeholder engagement, the Executive Board considers this to be strategic. Therefore, we have set a long-term target and report transparently on our GHG emissions. Reference is made to Note 11. Our impact on climate change: GHG emissions.

Note 3. Connectivity

The set-up of this sustainability section is based on the topics and outcomes from Vopak's materiality assessment. The table below reconciles the six key topics to our value creation model, the strategic Vopak Navigator areas, the corresponding risks, disclosures on management approach, performance and outlook, and the topic-specific GRI Standards. It also provides a link with the UN Sustainable Development Goals (SDGs).

For more information on our strategic leadership areas, reference is made to the Performance & outlook section. Our governance with regard to the sustainability-related risks and opportunities is integrated into our governance and risk management processes; for more information, reference is made to the Governance, risk & compliance section. Topic-related KPIs are included in Consolidated Sustainability Performance and corresponding notes.

Key topic Vopak	Corresponding value creation capital	Corresponding SDG	Corresponding topic Vopak Navigator	Corresponding risk in Risk Paragraph	Corresponding performance notes	Corresponding GRI Standard
Care for our societal impact						
Occupational health and safety	People	8 DECENT WORK AND ECONOMIC GROWTH	• Sustainability	8	Note 4. Occupational health and safety	• GRI 403: Occupational Health and Safety (2018 version)
Process safety	Natural Social & Relationships	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Sustainability • Service	8	Note 5. Process safety	No corresponding GRI topic-specific standard
Care for our environmental & climate impact (planet)						
Air quality: VOC and other air emissions	People Natural	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Sustainability	8	Note 12. Air quality: VOC and other emissions	• GRI 305: Emissions
Water pollution	Natural	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Sustainability	8	Note 13. Water pollution	No corresponding GRI topic-specific standard
Care for our economic impact (profit)						
Business ethics and integrity	People Social & Relationships		• Open & inclusive • One team • Diverse	13	Note 20. Business ethics and integrity	• GRI 205: Anti-Corruption • GRI 307: Environmental Compliance • GRI 419: Socio-economic Compliance
Innovation	Systems & Processes	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION	• New vital products • Data driven	3 10	Note 21. Innovation	No corresponding GRI topic-specific standard

Consolidated Sustainability Performance

	2021 target	Performance					2022 target	Long-term target	Note
		2021	2020	2019	2018	2017			
Care for our societal impact (people)									
Occupational health and safety									4
Fatalities, own employees and contractors	0	0	0	1	2	2	0	Our first priority is to have zero fatalities and life changing injuries each year	
Total Injury Rate (TIR), own employees and contractors (per 200,000 hours worked)	0.27	0.25	0.37	0.34	0.30	0.38	0.24		
TIR 3 year rolling average	Progress to achieve long-term target	0.32	0.33	0.34	0.32	0.36	Progress to achieve long-term target	TIR 3 year rolling average of maximum 0.20 in 2024	
Process safety									5
Major process incidents	0	0	0	0	0	0	0	Our first priority is to have zero major process incidents	
Process Safety Events Rate (PSER), own employees and contractors (per 200,000 hours worked)	0.16	0.09	0.14	0.16	0.12	0.26	0.15		
PSER 3 year rolling average	Progress to achieve long-term target	0.13	0.14	0.17	0.20	0.26	Progress to achieve long-term target	PSER 3 year rolling average of maximum 0.16 in 2024	
Human rights and decent work									6
Total number of employees (in headcount)		5,816	5,688	5,697	5,833	5,657			
Percentage of employees with a living wage	100%	100%	100%	100%	100%	100%	100%	A living wage for all own employees and our main suppliers and contractors	
Diversity									7
Percentage of women in senior management positions		17%	16%	12%	N.R.	N.R.		Increase the proportion of women in Vopak's senior management positions to at least 20%	
Percentage of regional origin in senior management positions (divisions and operating companies)	Progress to achieve long-term target	84%	N.R.	N.R.	N.R.	N.R.	Progress to achieve long-term target	Senior management in divisions and operating companies at least 75% local in 2023	
Percentage of regional origin in senior management (global roles and LNG)		9%	N.R.	N.R.	N.R.	N.R.		Senior management in global roles and the LNG division at least 25% international talents in 2023	
Care for our environment and climate impact (planet)									
GHG emissions									11
Total GHG emissions - scope 1 & 2 (metric tons)	Increase energy efficiency and seek opportunities for renewables	577,195	444,150	408,475	417,409	402,256	Increase energy efficiency and seek opportunities for renewables	Our ambition is to be climate neutral by 2050. Our 2030 target is a 30% reduction of GHG emissions compared to 2021	
- Direct GHG emissions - scope 1 (metric tons)		349,356	207,078	154,807	165,720	166,917			
- Indirect GHG emissions - scope 2 (metric tons)		227,839	237,072	253,668	251,689	235,339			
Air quality: VOC and other air emissions									12
Societal impact reduction of our VOC emissions		23%	19%	6%	Q.R.	Q.R.	Progress to achieve long-term targe	Reduce our societal impact by 30% in 2025 compared to 2016	
Water pollution									13
Total number of reportable spills	Ensure effective spill prevention and secondary containment in high risk areas	2	8	6	4	1	Ensure effective spill prevention and secondary containment in high risk areas	Ensure integrity of the environment: Zero uncontained spills of harmful products	
Total product spilled (reportable spills in metric tons)		6	26	2	1	1			
Soil and groundwater pollution									14
Total number of uncontained reportable spills		11	6	6	4	7			
Total product spilled (uncontained reportable spills in metric tons)		6	301	19	29	25			

N.R. Not reported as topic was not in sustainability reporting scope.
Q.R. Only qualitative reporting.

Consolidated Sustainability Performance

	2021 target	Performance					2022 target	Long-term target	Note
		2021	2020	2019	2018	2017			
Our economic impact (profit)									
Business ethics and integrity									20
Number of fines from permit violations	0	2	0	1	0	2	0	Zero permit violations and no violations of Code of Conduct	
Amount of fines from permit violations (in EUR thousands)	0	32	0	0	0	2,124	0		
Total number of breaches of Code of Conduct	0	3	6	13	3	8	0		
Innovation	Investments to achieve long-term target	Q.R.	Q.R.	Q.R.	N.R.	N.R.	Investments to achieve long-term target	Our aim is to continuously improve our safety, service and efficiency performance	21

N.R. Not reported as topic was not in sustainability reporting scope.
Q.R. Only qualitative reporting.

Care for our societal impact (people)

Vopak is storing vital products with care. Our care starts with the people who work for our company and extends to the communities in which we operate and society at large. Vopak wants to be a force for good. We aim to ensure that all the products we store are taken care of in the right environment and the right manner. The products we store are useful for society, but can potentially be harmful to the environment or can endanger people's health if stored or handled inappropriately. Our first responsibility is to provide safe, clean and efficient storage. We must ensure that our employees and contractors can return home safely after each working day. Furthermore, with operations around the globe, Vopak is a multicultural company. Therefore we strive for a workforce that is diverse and inclusive.

Value creation capital	Input	Output & Outcome	Impact
People	Employees provide their time, expertise and knowledge. We also use contractors and other service providers in our operations. We invest in training and talent development to build a skilled, diverse workforce.	We develop our people, train them in new skills, motivate them, and aim to provide them career opportunities and offer a healthy, safe and rewarding working environment for both employees and contractors.	8 DECENT WORK AND ECONOMIC GROWTH
Social & Relationships	To carry out our business, we rely on relationships with stakeholders. These include our customers – in addition to our employees, suppliers, business partners and governments. We also need the continued goodwill of the local communities in which we operate. Together, these relationships provide our 'license to operate and grow'.	At Vopak, we handle hazardous products with care. We ensure safe delivery of these products to our customers, providing a vital link in the supply chains for products that are vital for everyday life. We facilitate novel clean(er) products through appropriate infrastructure.	7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Natural	To run our business, we use natural resources, such as energy and water. We also hold areas of land and sea to build and operate our terminals.	We work to reduce our negative effects on the environment – by reducing both vapor and GHG emissions and pollution to air, water and soil.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION

Note 4. Occupational health and safety

Definition, reporting policies and boundaries

Related topic	Materiality matrix no. 18
Occupational health and safety	*This includes the impact of fatalities, incidents, sickness, exposures to operational hazards and long-term exposure to chemicals.*

8 DECENT WORK AND ECONOMIC GROWTH

Reporting policies

Occupational health and safety are managed and reported according to OSHA 1904.

The safety rates (Total Injury Rate (TIR) and Lost Time Injury Rate (LTIR)) are calculated as the number of incidents per 200,000 hours worked.

Boundaries

Safety relates not only to Vopak employees, but also to the employees of our contractors when they are working on our sites. Sickness is only reported for our own employees.

Management approach

At Vopak, we operate a global network of terminals and we handle a wide range of liquid and gaseous products and feedstock that are vital for everyday life. If handled incorrectly the products that we store can endanger the health and safety of our employees, contractors and everyone within the community surrounding our facilities.

Therefore, we store and handle these products according to the latest standards, best practices and applicable legislation. It is our responsibility to keep our employees, contractors and neighbors safe from any incident occurring during the operation of our facilities and storage of the products.

Our global standards cover key operational and maintenance processes. In the daily operation and maintenance of our terminals, we encounter non-routine activities that are managed with additional control measures such as control of work procedures. Every Vopak employee, contractor and service provider is required to adhere to our Safety, Health and Environmental requirements, which are formalized through employment and service contracts, in all locations and at all times. Safety committees are organized on a terminal level at all terminals. In addition to safety, we strive for a healthy workforce. In several countries, Vopak encourages its employees to incorporate more healthy elements into their lifestyle through, for instance, company sports events, health checks, advice on diet, a healthy variety of food in the company's canteens and work-life balance initiatives.

We monitor and report any safety incident at our facilities involving our own employees, contractors and third parties. We also monitor our employees periodically for any effects of exposure to the chemicals we handle and store. It is the obligation of everyone at a Vopak facility to report any (potential) safety or health issue in the reporting system Enablon accessible by all employees. We strongly believe that all safety incidents can be prevented and are committed to the goal of zero personal incidents.

Occupational safety

	2021 Target	2021 Performance	Our ambition
Occupational health and safety Fatalities, own employees and contractors	0	0	Our first priority is to have zero fatalities and life changing injuries each year
Total Injury Rate (TIR), own employees and contractors (per 200,000 hours worked)	0.27	0.25	
TIR 3 year rolling average	Progress to achieve long-term target	0.32	TIR 3 year rolling average of maximum 0.20 in 2024

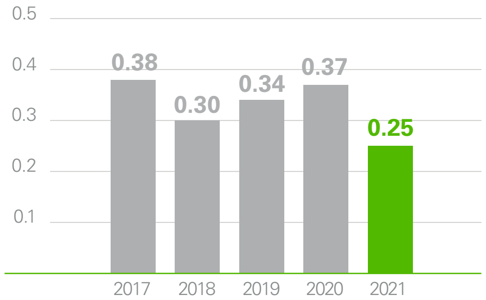
In 2021, we did not have a fatality, nor any major injury leading to a permanent disability of one of our employees or contractors. This is in line with our targets of zero fatalities and major incidents (those incidents leading to life changing injuries).

Safety is our first and foremost priority. At the end of every working day, each person at our terminals should return safely to their homes and families. We have to maintain our focus on our safety culture, systems and hardware to ensure a safe working place for all and continuous improvement in these areas.

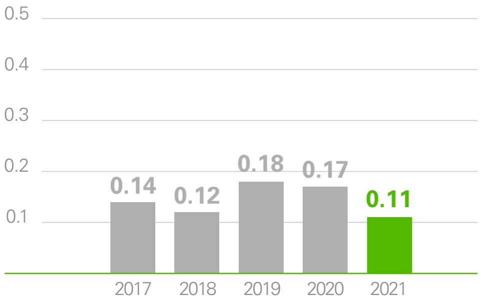
Occupational safety performance

	Own employees		Contractors		Combined	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Fatalities	0	0	0	0	0	0
Lost time injuries (LTIs)	8	13	9	15	17	28
Restricted work cases (RWCs)	5	8	8	8	13	16
Medical treatment cases (MTCs)	3	4	6	14	9	18
Total Injury Count (TIC)	**16**	**25**	**23**	**37**	**39**	**62**
Total Injury Rate (TIR)	**0.30**	**0.47**	**0.23**	**0.32**	**0.25**	**0.37**
Lost Time Injury Rate (LTIR)	**0.15**	**0.25**	**0.09**	**0.13**	**0.11**	**0.17**

Total Injury Rate



Lost Time Injury Rate



Occupational safety rates per division

	Total Injury Rate		Lost Time Injury Rate	
	2021	**2020**	**2021**	**2020**
Americas	0.23	0.40	0.11	0.11
Asia & Middle East	0.14	0.22	0.02	0.11
China & North Asia	0.17	0.11	0.09	0.03
Europe & Africa	0.51	0.82	0.20	0.42
LNG	0.36	0.38	0.24	0.19
Global HQ	0.18	0.00	0.18	0.00
Total	**0.25**	**0.37**	**0.11**	**0.17**

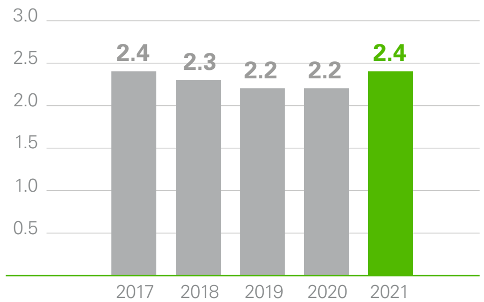
In 2021, we were able to improve our performance compared to 2020 with regard to personal safety.

For the (high potential) incidents that occur, evaluation of the root causes of the personal incidents has identified that most cases still occur primarily due to impact on or by an object (construction/maintenance) slips, trips and falls.

In 2021, we fully implemented our 'Trust & Verify!' program that was launched in 2018, including the leadership review process through the leadership hierarchy (including the executive board). This program further increases safety awareness and encourages a culture of personal accountability and safety leadership throughout the company, helping us prevent incidents and ensure a safe working environment. In 2022, we will continue with our focus on further embedding Trust & Verify! and supervision on site throughout the organization.

Occupational health

Sickness rate
in %



Sickness rate per division

	Sickness rate %	
	2021	**2020**
Americas	1.3	1.5
Asia & Middle East	1.9	1.6
China & North Asia	0.8	0.7
Europe & Africa	5.2	4.4
LNG	2.1	2.8
Global HQ	2.5	2.1
Total	**2.4**	**2.2**

In 2021, 46% (2020: 47%) of Vopak staff worked in areas of higher accident risk (mainly operational and maintenance staff at our terminals). There remains no reported cases of employees suffering from occupational diseases in 2021.

Note 5. Process safety

Definition, reporting policies and boundaries

Related topic	Materiality matrix no. 17
Process safety	*This includes incidents of product contaminations, damages to installations, spills and other product losses of primary containment.*

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Reporting policies

Process safety is managed and reported according to the API standard RP 754 and events are measured based on the significance of the incident, with Tier 1 as the most significant.

Major process incidents are those Tier 1 events with the highest severity and catastrophic impact.

According to our materiality assessment, the topic of process safety includes incidents of loss of primary containment (LOPC), contamination, fires, damage and fires.

All Tier 1 and Tier 2 LOPCs are reported in this note. For more detailed reporting on spills, reference is made to Note 13. Water pollution and Note 14. Soil and groundwater pollution. Both terms – 'spills' and 'LOPCs' – are used to refer to the same definition: an unplanned or uncontrolled release of material from primary containment, including non-toxic and non-flammable materials.

A (product) contamination is any situation where a customer's product is out of contract specification and cannot be used as intended or is reduced in value, or needs unplanned after treatment (e.g. mixing, blending, sparging) due to the action of another substance on that product.

Contaminations and damages could be both process and non-process related. Both types of incidents are reported in this note. Examples of non-process contaminations are products damaged by overheating due to tank or line heating systems or due to lack or failure of nitrogen inerted atmosphere.

The process safety event rate (PSER) is calculated as the total number of Tier 1 and Tier 2 incidents per 200,000 hours worked.

Boundaries

All Tier 1 and Tier 2 process safety events are reported in this note. This includes process-related incidents that create personal injuries involving employees, contractors and third parties.

With regard to damages, we have only included damages with a cost larger than EUR 50,000.

Management approach

The processes of storing and handling liquids and gasses at a Vopak facility requires safety measures to prevent any incident related to the operations. All staff working at Vopak facilities are obliged to report process safety incidents via Enablon (or for joint ventures comparable systems). Another core element is the constant monitoring and reporting of every process incident at our facilities and investigating the root cause in order to prevent similar incidents. For major incidents, we share the results of these investigations with all of our facilities by means of a written safety alert.

In 2021, we relaunched the Terminal Health Assessment, referred to as THA2.0, which is an audit program that has been used within Vopak for over 15 years. It is a key governance tool within Vopak's integrated management system, providing the leadership with assurance that terminals are implementing and maintaining their assets, processes, procedures and knowledge in accordance with the legal regulations, Vopak standards and best practices. It was relaunched based on a combination of lessons learned from our Assure program of 2016-2020, and improvements based on the latest industry standards, and a new tool for capturing the audit results and follow up (Enablon audit module).

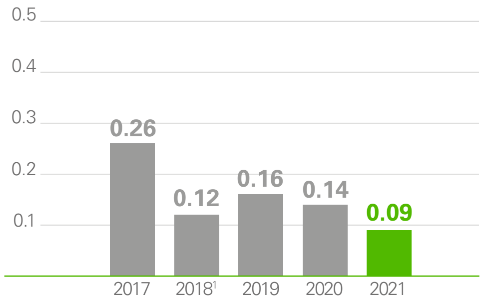
Asset integrity is secured through the 3-Year Maintenance Program (3YMP), in which a risk-based approach is used to determine the level of maintenance required for key assets such as tanks, pipelines and plant control systems. The 3YMP is reviewed annually during the budget cycle, in addition to the routine maintenance activities.

Consequently, the progress against this program is measured quarterly and benchmarked against the original plan, as part of our divisional reviews. In cases where additional maintenance is required, these requests are assessed and resourced to ensure that asset integrity is not at risk.

For all products stored at our terminals, we require a Material Safety Data Sheet from our customers in order to appropriately store and handle these products.

	2021 Target	2021 Performance	Our ambition
Process safety			
Major process incidents	0	0	Our first priority is to have zero major process incidents each year
Process Safety Event Rate (PSER), own employees and contractors (per 200,000 hours worked)	0.16	0.09	
PSER 3 year rolling average	Progress to achieve long-term target	0.13	PSER 3 year rolling average of maximum 0.16 in 2024

Process Safety Event Rate



1 The significant improvement in our 2018 process safety performance is partially explained by the changed threshold levels of API RP 754. Our process safety incident classification has been aligned with the new API 754 standard. This means that some incidents have been downscaled to a lower tier classification, due to the impact of the incident (such as non-flammable edible oils). The impact of the application of the new standard in 2018 is that six LOPCs occurred in 2018, are classified as Tier 3 instead of Tier 2.

Process safety performance per division

	Tier 1 PSE Count		Tier 2 PSE Count		Tier 1 & Tier 2 PSER	
	2021	2020	2021	2020	2021	2020
Americas	2	0	3	3	0.15	0.12
Asia & Middle East	1	2	5	6	0.14	0.15
China & North Asia	0	1	0	1	0.00	0.09
Europe & Africa	1	3	1	3	0.07	0.17
LNG	0	2	0	0	0.00	0.38
Global HQ	0	0	0	0	0.00	0
Total	**4**	**8**	**9**	**13**	**0.09**	**0.14**

For 2021, we were able to meet our target (PSER of 0.16).

Process safety events per type

	Tier 1 PSE Count		Tier 2 PSE Count		Tier 1 & Tier 2 PSE Count	
	2021	2020	2021	2020	2021	2020
Fatalities	0	0	0	0	0	0
Lost time injuries (LTIs)	2	1	0	0	2	1
Restricted work cases (RWCs)	0	0	0	1	0	1
Medical treatment cases (MTCs)	0	0	0	0	0	0
Loss of primary containments (LOPCs)	3	7	9	12	12	19
Fires	0	0	0	0	0	0
Pressure Relief Device activations	0	0	0	0	0	0
Total	**5**	**8**	**9**	**13**	**14**	**21**

In 2021, a Tier 1 LTI and a Tier 1 LOPC occurred at the same event, therefore counted as one event in the total Tier 1 PSE Count.

Product contaminations

	2021			2020		
	PSE	Non-PSE	Total	PSE	Non-PSE	Total
Americas	1	1	2	2	3	5
Asia & Middle East	1	0	1	1	1	2
China & North Asia	0	1	1	0	3	3
Europe & Africa	4	2	6	4	4	8
LNG	0	0	0	0	0	0
Global HQ	0	0	0	0	0	0
Total	**6**	**4**	**10**	**7**	**11**	**18**

Damages (>50k EUR)

	2021			2020		
	Property	Product	Total	Property	Product	Total
Americas	3	0	3	1	0	1
Asia & Middle East	3	0	3	4	1	5
China & North Asia	0	0	0	1	0	1
Europe & Africa	6	1	7	7	1	8
LNG	0	0	0	1	0	1
Global HQ	0	0	0	0	0	0
Total	**12**	**1**	**13**	**14**	**2**	**16**

Note 6. Human rights and decent work

Related topic	Materiality matrix no. 22
Human rights	*This includes (but is not limited to) the fair treatment of employees and (sub-)contractors, respect for the rights of indigenous people and land use rights, as stated in our Code of Conduct and Supplier Code.*

Related topic	Materiality matrix no. 21
Decent work	*This includes, (but is not limited to) complying with the OECD guidelines, the possibility for employees to participate in collective labour agreements and Vopak ensuring that all its employees and contractors earn a living wage as stated in our Code of Conduct and Suppliers Code.*

8 DECENT WORK AND ECONOMIC GROWTH

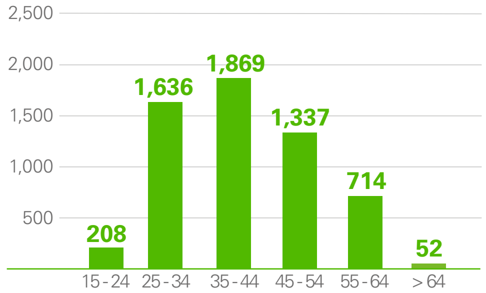
	2021 Target	2021 Performance	Our ambition
Human rights and decent work Total number of employees (in headcount)		5,816	
Percentage of employees with a living wage	100%	100%	A living wage for all own employees and our main suppliers and contractors

Our workforce

	2021	2020	2019	2018	2017
Total number of employees (in headcount)	5,816	5,688	5,697	5,833	5,657
- Percentage of male employees	82%	83%	84%	84%	84%
- Percentage of female employees	18%	17%	16%	16%	16%
- Percentage employees with a living wage	100%	100%	100%	100%	100%

	Headcount	Gender		Employment type		Employment contract	
	31-Dec-21	Men	Women	Full-time	Part-time	Permanent	Fixed term
Americas	1,057	81%	19%	100%	0%	99%	1%
Asia & Middle East	1,403	84%	16%	99%	1%	94%	6%
China & North Asia	1,040	84%	16%	100%	0%	52%	48%
Europe & Africa	1,573	83%	17%	92%	8%	93%	7%
LNG	266	80%	20%	96%	4%	95%	5%
Global HQ	477	73%	27%	86%	14%	91%	9%
Total	**5,816**	**82%**	**18%**	**96%**	**4%**	**87%**	**13%**

Age distribution



Approximately 40% (2020: 41%) of our employees are employed under a Collective Labor Agreement (CLA), most of these employees work in the operations and maintenance departments at our terminals. We strive for long-lasting and healthy relationships with unions and works councils all over the world in the best interest of our employees and the Company.

Number of contractors

During 2021, Vopak hired contractors for in total over 10,000 person-years. The majority of our contractors are working on construction and maintenance projects.

Human rights

Vopak respects human rights as described in the United Nations (UN) Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, and accepts the responsibility for ensuring that all our entities respect human rights when conducting business.

The risks of potential human rights issues lay mainly in the area of construction and maintenance activities, which are often performed by contractors under our supervision. Driven by the many greenfield projects, as well as maintenance activities at our existing terminals, our contractors' exposure hours equal and mostly exceed that of our own employees, making contractor management equally important as that of Vopak employees.

Major investment proposals are required to be screened for potential human rights issues. Our screening is based on the country in which the project is being carried out and the characteristics of the investment proposal. The screening includes an assessment of the regions where the risks of human rights issues are high. For these projects, specific agreements are made between all the stakeholders in the project which detail the manner in which parties will uphold human rights. All partners, contractors and suppliers are required to adhere to the Vopak Code of Conduct and the Supplier Code, which also cover human rights.

According to our whistleblower policy, all employees and other stakeholders to speak up and to report any human rights issues or other violations of our Code of Conduct or Supplier Code in confidence. The Trusted Person follows up on all complaints and takes remedial action where needed. For all cases reported during 2021, reference is made to Note 20. Business ethics and integrity.

Specific actions to ensure compliance with our standards include:

- All the wages of all of our employees in the countries in which we operate in, meet or exceed the living wage standards in 2021.
- In 2021 we further improved our checklist and screening process for EPC contractors. This checklist covers, amongst others, human rights and decent work topics. It is applied to EPC contractors that work on larger projects that involve our global and divisional organizations.
- Global Procurement and Global Projects carried out a gap analysis, an assessment of our main risks on human rights and decent work, and proposed next steps to incorporate human rights and decent work even further at global, divisional and local level.

Decent work

Labor rights

In line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, we base our decent work objectives and commitments on the International Covenant on Civil and Political Rights, on the International Covenant on Economic, Social and Cultural rights and on the fundamental rights set out in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

We seek to uphold these rights in our operations and in relationships with our suppliers, business partners, work councils and unions within the boundaries of local laws and regulations.

Living wages

In line with Vopak's commitments under the UN Global Compact, Vopak supports the 'living wage' principle in the UN's Declaration on Human Rights. The goal of a living wage is to allow a worker to afford a basic, adequate standard of living through employment without government subsidies. Our policy is to pay local Vopak staff at least the living wage norms reflecting the wage levels required to meet their basic needs for living. According to our whistleblower policy, breaches to our living wage principle can be reported by all employees and other stakeholders.

To ensure the wages provided to all of our employees in the countries we operate in, meet (or exceed) the living wage standards, we carry out a 'living wage' assessment annually, in order to verify that the company's wages meet or exceed the living wage standards. Please note that due to the lack of official indicators and accurate benchmarks available to measure basic work and living standards as a result of the economic situation in the country, the Vopak wages paid to staff in

Venezuela can only be assessed informally. In 2021, all countries were found compliant with the living wage principle and no issues were noted (2020: no issues).

Additionally, the living wage principle is included in the Vopak Global Supplier Code and in the Global supplier and contractor performance management program, so that its application is not limited to Vopak employees only.

Pay ratios

For our countries of significant operations (Netherlands, Singapore, US), we disclose the ratio between the total remuneration package of the highest paid employee and the total average remuneration of Vopak employees in that country, in accordance with the GRI Standards.

The calculation method for the calculation of these pay ratios is consistent with the method used to calculate the CEO Pay Ratio as shown in the Remuneration report in this 2021 Annual Report. The latter calculation method is adjusted compared to previous years based on the recommendations made by the Monitoring Committee Corporate Governance. This adjusted method has been applied to the compensation ratios shown in this table as well.

	2021	2020 [1]
Pay ratio The Netherlands	19.4	17.7
Pay ratio Singapore	10.3	8.9
Pay ratio United States	4.2	4.2

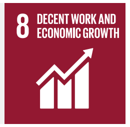
1 The 2020 pay ratios shown in this table are recalculated on the basis of the calculation method recommended by the Monitoring Committee Corporate Governance in order to facilitate a like-for-like comparison with the 2021 pay ratios stated in this table. Under the calculation method used by Vopak in previous years, the 2020 pay ratio for The Netherlands is 17.9, the 2020 pay ratio for Singapore is 9.6, and the 2020 pay ratio for the United States is 4.9, as stated in the 2020 Annual Report.

Employee hires and turnover

The relative turnover is 12%. 77% of the leavers were voluntary. The staff turnover rate is acceptable for the markets we operate in and we believe, as also apparent from the employee engagement survey, that the intention to stay with the company is strengthened by good leadership, good career and development opportunities and working together based on our values and a positive working environment. When a divestment is made, Vopak will do its utmost to ensure that the employees working at the specific location are transferred under the same contractual arrangements as of when they were working for Vopak.

Note 7. Diversity

Related topic	Materiality matrix no. 23
Diversity	*This includes diversity in gender, nationality, culture, age, physical abilities and competencies.*



Vopak is a multicultural company with operations around the globe. This means our workforce is diverse and includes people from many different cultures, nationalities and beliefs. We respect this diversity and nurture the many different approaches and perspectives each culture brings to our business. Whatever their backgrounds, our people share our company's passion for service and want to perform to the best of their ability. We believe that each individual has the right to be treated with respect and dignity, and work in a professional atmosphere that promotes equal opportunities and prohibits discrimination or harassment on the basis of amongst others race, color, national origin, religion, sex, sexual orientation, age, political orientation or trade union membership, allowing everyone at Vopak to develop their full potential.

We have started on a journey to become a more diverse company. On a senior management level, we strive to be a reflection of the countries we operate in with a balanced gender diversity. We are not there yet, but we are making progress. Our industry has traditionally been male-dominated, and our company is no exception.

Becoming more diverse will enable us to stay relevant to society and live up to our purpose, today and in the future. Until 2023, our diversity policy will focus on increasing diversity in senior management (Hay 19+) in terms of gender, regional origin and competences. To reach that goal, we are taking a step by step approach, starting with clear targets for 2023. For more details, refer to the People chapter.

Senior management composition (salary scales at or above 19, excluding Board level)

	2021 Performance	2023 Target
Diversity Percentage of women in senior management positions	17%	Increase the proportion of women in Vopak's senior management positions to at least 20% in 2023

Management composition (salary scales at or above 15)

	Executive Board		Terminal and divisional management		Global staff directors		Global staff HQ	
% employees	2021	2020	2021	2020	2021	2020	2021	2020
Gender								
Men	100%	100%	77%	77%	75%	75%	75%	77%
Women	0%	0%	23%	23%	25%	25%	25%	23%
Nationality								
Dutch	100%	100%	26%	27%	92%	92%	77%	78%
Other	0%	0%	74%	73%	8%	8%	23%	22%

Senior management composition (salary scales at or above 19, excluding Board level)

On a senior management level, we strive to be a reflection of the countries we operate in with a balanced gender diversity.

	2021 Performance	Our ambition
Diversity Percentage of regional origin in senior management positions *(divisions and operating companies)*	84%	Senior management in divisions and operating companies at least 75% local in 2023
Percentage of regional origin in senior management *(global roles and LNG)*	9%	Senior management in global roles and the LNG division at least 25% international talents in 2023

Note 8. Training and education

Related topic	Materiality matrix no. 19
Training and education	*This refers to having competent people qualified to do their job and awareness of any safety topic related to their jobs.*

8 DECENT WORK AND ECONOMIC GROWTH

Attracting, developing and retaining talent is critical to our success. Vopak's environment is changing rapidly. Therefore, different skills and backgrounds are needed, now and in the future. At the same time, we need to retain critical skills to build on our existing experience and knowledge. This is even more challenging outside Europe where the Vopak brand is less visible and less well known outside the industry. These are often the countries of high growth or higher growth potential.

Our core approach to talent management is having a strong development focus and facilitating learning on the job. Another important program that we have used successfully is our Management Trainee program. As part of our Employee Value Proposition, we grow careers internally and promote career development within the company. This approach allows us to rejuvenate our workforce, and ensure that critical skills and experience can be passed from one generation to the next.

We believe in internal career growth and development and therefore we focus as much as possible on recruitment from within the company where possible to fill vacancies.

People development

Our people development efforts are geared towards having the right people with the right skills in the right place at the right time in order to strengthen our organization and enable further growth. Opportunities for personal growth and development are also a key component for retention of our staff.

Our performance review process not only focuses on measuring employees' past performance, but also on steering long-term development. Many Vopak employees participate in this process. The Vopak performance management process has a strong focus on performance delivery, (360 degree) feedback and the Vopak Values. Development needs are identified and translated into plans based on a yearly cycle.

We believe that leadership behavior is crucial in embedding and sustaining the Vopak Values in the organization. In 2021, we also continued our cooperation with the Oxford Saïd Business School, implementing our Accelerate 2 Lead program. For more details refer to the People chapter.

Equipping our people - Vopak fundamentals and processes

Vopak expects all employees and contractors working at its terminals to care for safety, health and the environment. It is part of our company values. My Learning Operation (MLO) has been one of our most effective tools in training and assessing proficiency in the Vopak Fundamentals on Safety. In 2021, 87% (2020: 91%) of our employees completed compulsory annual training on the Vopak Fundamentals. The percentage is below 100% due to joiners during the year. In addition to our Vopak Fundamentals, we have 14 other safety-critical modules available within MLO (e.g. personal protective equipment (PPE), pumps, lines and valves, etc), which are also used to train and assess our field employees.

We are also using MLO to train and assess operational employees on our core operational processes, such as ship and truck handling. These training programs will be administered and monitored through our MLO system.

We created an online Code of Conduct training for all Vopak employees. More than 89% of invited employees have completed this training by the end of December 2021.

Training hours per employee

	2021	2020
Americas	35	27
Asia & Middle East	49	43
China & North Asia	68	49
Europe & Africa	33	33
LNG	28	55
Global HQ	N.R.	N.R.
Total	**41**	**36**

In 2021, Vopak employees spent an average 41 hours in training compared to 36 hours in 2020.

Note 9. Nuisance

Related topic	Materiality matrix no. 20
Nuisance	*This refers to the fact that Vopak is trying to reduce its effects from nuisance on its neighbors by monitoring and addressing smell, noise and other complaints, by installing facilities to mitigate these nuisances.*

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We strive to increase our positive impact and reduce the negative impact on the communities where we operate.

Nuisance: vapor, odor, stench and noise complaints

	2021	2020
Americas	5	2
Asia & Middle East	0	0
China & North Asia	0	0
Europe & Africa	45	52
LNG	0	0
Global HQ	0	0
Total	**50**	**54**

During 2021, in total we received 9 stench complaints (2020: 9), that originated from 9 individual incidents (2020: 9) at 4 locations (2020: 5). We also received 41 noise complaints (2020: 45) for two terminals located in The Netherlands. The noise complaints were all related to ship engines during the night hours.

Note 10. Community engagement

Related topic	Materiality matrix no. 24
Community engagement and charity	*This refers to the ambition of Vopak to support the local communities in which Vopak operates (e.g. through our We-Connect program).*

We strive to be a responsible and active member of the communities in which we operate. This includes hiring and training local staff, stimulating economic growth through business investments and minimizing harm to the environment.

While topics identified through the materiality survey are relevant to Vopak's operations worldwide, other topics are essentially at a local level. We involve communities at the early development stages of growth projects and continue our engagement throughout the lifetime of our terminals. For our communities, priorities that we address include topics ranging from plastics clean up, preservation of archeological sites and mitigating the impact of truck movements during construction activities up to improving roads and local education. We are aware that stakeholder engagement requires an ongoing dialogue, with regular contacts and two-way communication. Depending on the stakeholders and the topic, communication is maintained through face-to-face meetings, letters and emails, information on our websites, social media, open houses & site visits and participation in public hearing. Engaging with our neighbors and local communities is an essential part of our business to address these concerns and respond to them in a timely manner.

This is why Vopak requires stakeholder management to be an integral part of project management and regular business management, regular business cycles and terminal audits (including at joint ventures):

- Being a good neighbor & community engagement is one of the 12 key topics of our Sustainability Roadmap;
- The Vopak Project Management standard (VPM) requires active and structured stakeholder management;
- Internal guidance on stakeholder engagement has been strengthened through the adoption of a stakeholder engagement policy in 2021, which will be rolled out in the coming years;
- Every three years, local communities are one of the stakeholder groups that contribute to the materiality assessment that guides our prioritization of sustainability topics.

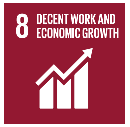
Vopak WeConnect Foundation

In storing vital products with care, our care extends to our communities. We strive to be responsible and active members of the communities in which we operate and to build sustainable relationships.

Vopak encourages employees to take an active part in their local communities. This is happening in numerous ways at Vopak locations around the world. One common vehicle to help engage with our communities is the Vopak WeConnect Foundation, which supports employees in setting up sustainable projects to empower young people in our communities, in cooperation with local schools, community groups, or NGOs. Set up in 2017, the foundation's mission is to broaden young people's horizons, improve their opportunities in life and inspire them to work with others across cultures, languages, and social backgrounds. Through the Vopak WeConnect Foundation, employees can make a difference in the lives of many young people in our local communities. Refer to the People chapter for more details including 2021 developments on the Foundation.

Care for our environmental & climate impact (planet)

We aim to reduce the negative impact of our activities on people's health and well-being, on the environment and on climate. Underlying Vopak's decision to focus on reducing emissions (to air, water and soil) and managing waste and wastewater, is our ambition to protect biodiversity.

Value creation capital	Input	Output & Outcome	Impact
Natural	To run our business, we use natural resources, such as energy and water. We also hold areas of land and sea to build and operate our terminals.	We work to reduce our negative effects on the environment – by reducing both vapor and GHG emissions and pollution to air, water and soil.	 
People	Employees provide their time, expertise and knowledge. We also use contractors and other service providers in our operations. We invest in training and talent development to build a skilled, diverse workforce.	We develop our people, train them in new skills, motivate them, and aim to provide them career opportunities and offer a healthy, safe and rewarding working environment for both employees and contractors.	

Note 11. Our impact on climate change: GHG emissions

Definition, reporting policies and boundaries

Related topic	Materiality matrix no. 5
Greenhouse Gas (GHG) emissions	*This refers to CO_2 and other greenhouse gas emissions resulting from direct energy use in Vopak's own operations (Scope 1) and indirect energy use resulting from energy electricity Vopak purchased (Scope 2).*

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

As citizens of this planet, we share concerns with people around the world: how the world can be provided with the energy and products it needs while reducing pollution and greenhouse gas emissions. We want to contribute to the dual objective of limiting climate change in line with the Paris Agreement and SDG13, while at the same time providing access to affordable, reliable and sustainable energy and feedstocks for all, in line with SDGs 7, 8 and 9.

This is why we adopted **three lines of action**:

- First, we develop infrastructure solutions to accelerate a switch to **cleaner conventional fuels and feedstocks for all**;
- Second, we develop infrastructure solutions for zero and low-carbon **new energies and sustainable feedstocks**, like hydrogen and ammonia;
- Third, we reduce our **own environmental and carbon footprint**, including CO_2.

By acting along these three lines, we contribute to a more sustainable and climate neutral society. Our strategy is to continue transforming and growing our portfolio of terminals towards cleaner fuels, gas and chemicals, while developing infrastructure solutions for vital products of the future. This helps customers reduce their environmental and carbon footprint and contributes to the energy and feedstocks transition around the world (action line 1 and 2). To reduce our own carbon footprint (action line 3), we will take effective measures that deliver results in the short to medium term.

GHG emissions targets

As part of our sustainability journey, Vopak first set the ambition to become **climate neutral in 2050** (scope 1 and 2). As a next step, in 2021, we conducted research on concrete measures and intermediate steps that would enable us to reach that goal. As a result, we now have a clear view of how we can lower our CO2 emissions while transforming and growing our company. Vopak has committed itself to the following intermediary target: we will **reduce our GHG emissions by 30% by 2030** (vs 2021, scope 1 and 2 emissions), including future growth of our business. Our target implies a GHG reduction between 45%-60% of our existing business in 2030.

Vopak is also committed to validate its GHG targets by the Science Based Targets initiative (SBTi) and is currently working on submission of science-based targets to SBTi. Science-based targets provide companies with a clearly-defined sector specific pathway to reduce greenhouse gas emissions in line with the Paris Agreement goals, helping prevent the worst impacts of climate change and future-proof business growth.

To achieve our 2030 target, we will:

- further improve energy efficiency,
- switch to renewable electricity where possible
- seek to electrify our operations
- generate our own renewable electricity where possible
- aim to use new energies in our own operations

We aim to use offsetting of CO_2 emissions only as a last resort and a temporary solution. We will seek to collaborate with customers, suppliers and contractors to jointly reduce emissions to reinforce our impact. At the same time, we will continue to pursue our targets on the other sustainability topics where we can make a positive contribution to people, planet and profit and the SDGs. In particular, we will develop infrastructure to support the energy and feedstock transition, with a focus on hydrogen, ammonia, CO_2, sustainable feedstocks and flow batteries.

We feel motivated to do our part to reduce our own footprint while helping customers reduce theirs, by developing solutions for a more sustainable, climate neutral society.

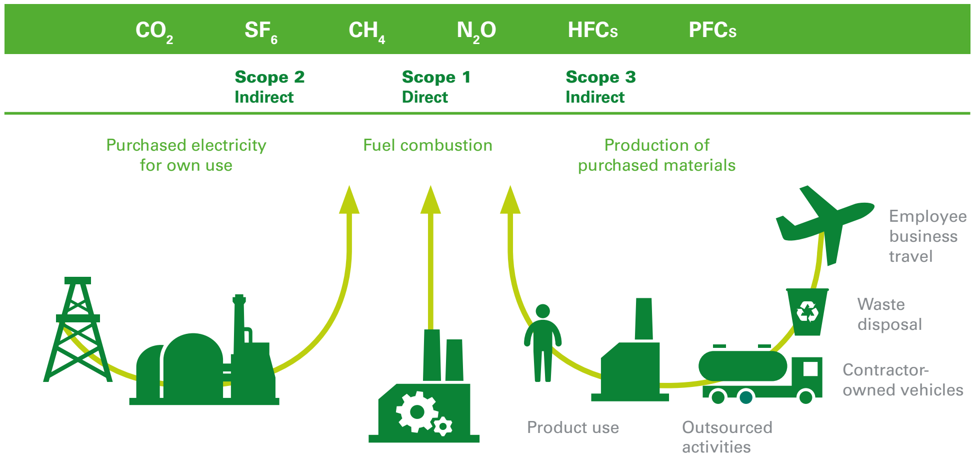
Reporting policies

To calculate GHG emissions from energy use, we have applied the following conversion factors:

- Direct energy conversion to carbon emissions: **Dutch list of fuels and standard CO_2 emission factors, version January 2021 (from the Netherlands Enterprise Agency)**
- Conversion of electricity to carbon emissions: **the International Energy Agency (IEA)**
- For the conversion of Methane emissions (CH4) and Nitrous oxide (N2O) to CO_2 equivalents, we have used: **Global Warming Potential Value from IPCC Fifth Assessment Report (AR5)**. Under AR5, we also account for methane slip in our combustion processes in addition to the venting of methane in our LNG activities.

Boundaries

Vopak's reporting on GHG emissions (calculated based on energy use), encompasses scope 1 (direct energy use and emissions from the combustion of fossil fuels) and scope 2 emissions (indirect energy use and emissions from electricity and steam purchased for our own use). Our reporting on GHG emissions includes carbon dioxide (CO_2), methane (CH4) and N2O.



When storing or handling products no other GHG emissions such as hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF6) are emitted.

For 2021 the GHG emissions are provided in the table below. For the three Vopak Industrial Infrastructure terminals in the U.S. Gulf Coast, part of the energy use is based on contracted energy data rather than actual usage. This accounts for <5% of the total GHG emissions for Vopak.

	2021 Target	2021 Performance	Our ambition
GHG emissions - operational control	Increase energy efficiency and seek opportunities for renewables		Our ambition is to be climate neutral by 2050. Our 2030 target is a 30% reduction of GHG emissions compared to 2021
Total GHG emissions - scope 1 & 2 (metric tons)		577,195	
- Direct GHG emissions - scope 1 (metric tons)		*349,356*	
- Indirect GHG emissions - scope 2 (metric tons)		*227,839*	
GHG emissions - equity stake[1]			Not applicable, targets are set on operational control scope level
Total GHG emissions - scope 1 & 2 (metric tons)		363,293	
- Direct GHG emissions - scope 1 (metric tons)		*226,126*	
- Indirect GHG emissions - scope 2 (metric tons)		*137,167*	

1 For sustainability reporting purposes, Vopak consolidates data from its headquarters, division offices and those entities under its operational control. As the Vopak Group includes a relatively high number of joint ventures and associates, equity stake reporting actually leads to lower GHG emissions. Vopak's targets and ambitions are set at the larger operational control scope level, taking responsibility also for those terminals over which we do not have financial control. These figures exclude the entities which are out-of-scope as mentioned in the consolidation scope and boundaries.

The majority of our scope 1 and scope 2 GHG emissions are generated through operational processes such as production of steam for heating purposes (gas consumption) or through electricity consumption for powering our pumps and, on a lower level, for heating and cooling. The amount depends on (1) the products we store for our customers, (2) the weather conditions and (3) the amount of product transferred (electricity consumption).

GHG emissions by emission type

In metric tons of CO_2 equivalents	2021	2020	2019	2018	2017
Carbon dioxide (CO_2)	570,559	443,341	406,244	416,561	401,377
Methane (CH_4)	6,440	675	2,110	718	747
Nitrous oxide (N_2O)	196	134	121	130	132
Total GHG emissions	**577,195**	**444,150**	**408,475**	**417,409**	**402,256**

Vopak does not have emissions of: SF6, HFCx and PFCx components. Methane emissions are mainly caused by venting in our LNG operations as a result of cleaning activities.

In 2021 our GHG emissions increased compared to previous years. This was largely due to the fact that new terminals in our network were added to the 2021 reporting scope, increasing our scope 1 carbon emissions with 139,490 metric tons and our scope 2 carbon emissions with 10,466 metric tons. The switch to green electricity of our Dutch subsidiaries in the fourth quarter of 2021 and of our Terquimsa terminals in June 2021 compensated for the increase with a reduction of approximately 18,700 metric tons of scope 2 carbon emissions. In 2022 more terminals will switch to renewable electricity.

Over the past couple of years our emissions increased mainly due to our portfolio transformation towards cleaner fuels and gasses. LNG in particular led to increased use of energy in our own operations and therefore higher CO_2 emissions. Additionally, future growth in other gasses, like ammonia, will also require cryogenic storage, with temperatures well below zero leading to relatively high amounts of energy use.

Therefore, our strategy of investing in cleaner fuel solutions for our customers and society makes it challenging for us to reduce our own CO_2 footprint, as storing and handling products like LNG lead to an increase of our own CO_2 emissions, even though it contributes to the climate goals, for instance in countries where LNG replaces coal for power generation.

One way to avoid an increase of carbon emissions from our LNG operations is via renewable energy sources. At Gate Terminal (the Netherlands), we convert the imported LNG into gas using process water from a nearby electrical power plant. At our LNG Terminals in Altamira (Mexico), Elengy (Pakistan) and SPEC (Colombia) we use regular (i.e. unprocessed) sea water. Additionally, the Dutch LNG joint venture terminal Gate is planning to switch to green electricity.

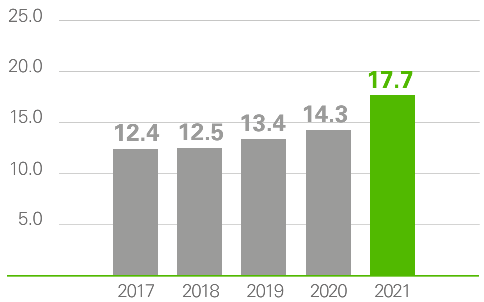
More broadly, within the Vopak group, we are trying to lower GHG emissions via for example:

- We conducted a successful pilot with solar foil pilot at our terminal in Vlaardingen (the Netherlands) and will extend this in 2022 too.
- As from the third quarter of 2021 the Vopak Solar Park Eemshaven (the Netherlands) was fully operational. The green energy certificates were mainly purchased by local companies within Groningen Seaports and by Vopak.
- Vopak switched completely to green electricity for its Dutch subsidiaries. In 2022 more locations will switch to green electricity.

For more details on the steps that we have made in improving energy efficiency, reference is made to Note 16. Energy use.

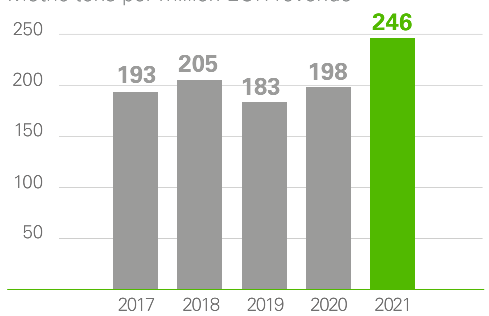
GHG emissions intensity

Metric tons per thousand cbm storage capacity [1]



GHG emissions intensity

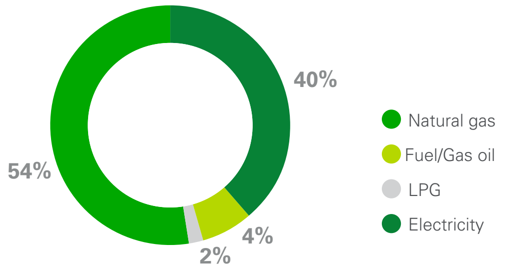
Metric tons per million EUR revenue [2]



1 Storage capacity as per 31 December of the reporting year for the entities in-scope for sustainability reporting.
2 Revenue on a 100% basis for the entities in-scope for sustainability reporting.

Consistent with the increase of our absolute GHG emissions, our GHG emissions intensity per cbm of storage capacity and revenues also showed an increase compared to previous years. This is for a large part due to our strategic portfolio shift including the expansion of our LNG operations.

GHG emissions by energy source



Dilemma: Vapor Treatment versus GHG reduction

We are installing Vapor Treatment Units (VTUs) in order to reduce our VOC emissions. The use of these VTUs will result in an increase of carbon emissions as gas for combustion (mostly LPG) is needed. While we expect that the use of VTUs will increase in the near future we will be confronted with this challenge. We continuously seek opportunities to handle vapors in a more sustainable manner. Refer for more details on VOC emissions to Note 12. Air quality: VOC and other air emissions

GHG emissions per division

In metric tons of CO_2 equivalents	2021	2020	2019	2018	2017
Direct GHG emissions (scope 1)	**349,356**	**207,078**	**154,807**	**165,720**	**166,917**
of which Americas	120,789	63,401	69,863	59,670	57,445
of which Asia & Middle East	19,763	21,652	27,386	29,369	29,838
of which China & North Asia	1,975	1,771	1,516	2,465	2,981
of which Europe & Africa	44,464	41,506	53,790	73,450	75,856
of which LNG	162,306	78,660	2,098	764	797
of which Global HQ	59	88	154	2	0
Direct GHG emissions (scope 2)	**227,839**	**237,072**	**253,668**	**251,689**	**235,339**
of which Americas	29,350	18,847	19,008	22,820	23,313
of which Asia & Middle East	60,084	64,930	56,256	49,430	46,807
of which China & North Asia	49,374	47,204	47,327	46,845	45,716
of which Europe & Africa	28,585	40,688	54,124	75,253	77,912
of which LNG	59,598	64,328	75,728	56,384	40,747
of which Global HQ	848	1,075	1,225	957	844
Total GHG emissions	**577,195**	**444,150**	**408,475**	**417,409**	**402,256**

Other indirect GHG emissions (scope 3)

Our scope 3 GHG emissions mainly result from the steel and concrete that we buy to build and maintain our terminals and our tanks, waste that can not yet be recycled and is treated offsite by third parties and business travel and employee commuting.

While we are planning to further expand scope 3 emission reporting, as a next step, in our 2021 report we have further detailed our scope 3 emissions reporting with the purpose of providing insight into the nature and the potential extent of our scope 3 emissions.

In 2021, the scope 3 emissions that we were able to measure and report were:

- Emissions from purchased steel and concrete for construction and maintenance projects. In 2021 for 10 large projects their steel and concrete purchases were measured with calculated CO_2 emissions of 58,038 metric tons. Emissions from steel and concrete purchase may vary year-over-year depending on the amount and size of projects taking place at out terminals;
- Emissions related to waste that can not yet be recycled and is treated offsite by third parties (Vopak aims to return as much waste as possible to its customers for re-use). In 2021, 41 the terminals reported their waste with calculated CO_2 emissions of 28,358 metric tons;
- Emissions from business travel and employee commuting is 2,789 metric tons (2020: 2,803). This includes transportation of employees for business-related activities (air travel and automotive travel by leased cars). Emissions from fuels used in vehicles at our terminals are reported as part of our scope 1 emissions.

For more details on how Vopak embraces the energy and feedstock transitions, reference is made to New vital products and Note 21. Innovation.

Note 12. Air quality: VOC and other air emissions

Definition, reporting policies and boundaries

Related topic	Materiality matrix no. 1
Air quality: VOC and other air emissions	*This refers to the reporting of Vopak's VOC and other emissions and its program to reduce the emissions based on the societal impact of these emissions.*

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Reporting policies

As field measurement to obtain a total emission figures is not yet feasible, we make use of globally acknowledged calculation programs (TANKS 4.0 and Caruso) to assess our Volatile Organic Compound (VOC) emissions. These emissions occur during the storage and handling of products and are therefore a result of our own operations.

The NO_x, SO_x and PM2.5 emissions are calculated based on our energy consumption. We have applied the following conversion factors:

- NO_x emissions: **IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories**
- SO_x emissions: **2015 Specific emission factors per energy source stream**
- PM2.5 emissions: **Database for particulate matters from Dutch National Institute for Public Health and the Environment**

Boundaries

Data in this note includes information for all in-scope entities as noted in Note 1. Basis of preparation.

Management approach

Our prime responsibility is to comply with (local) legislation on air emissions. Our objective is to reduce our VOC emissions, in order to reduce our societal impact by 30% in 2025. To meet this objective, we are focusing our efforts on those areas where the societal impact is largest. We developed a model in 2017 to provide guidance to the organization on possible reduction measures and their societal impact (according to the True Value method). This helps us ensure that our efforts and investments, beyond what is required from a regulatory perspective, are targeted at areas where the impact on society is highest.

	2021 Performance	Our ambition
Air quality: VOC and other air emissions Societal impact reduction of our VOC emissions	23% reduction compared to 2016	Reduce our societal impact by 30% in 2025 compared to 2016

VOC reduction program

In 2017, we analyzed our VOC emissions based on 2016 data for our 17 largest terminals. We estimated that these represent roughly 75% of our emissions globally. For this assessment, we applied the emission calculation model used by the authorities in the Netherlands (Caruso 4.0). Approximately 15-20% of the emissions at these terminals relate to standing emissions from storage. The remaining 80-85% is due to handling (loading, unloading, roof landings).

We aim to mitigate our vapor emissions to reduce the societal impact by 30% in 2025 compared to 2016.

In 2021, 78 projects were completed at 19 locations with a total spend of over EUR 24 million, resulting in a societal impact reduction of 23% compared to 2016.

Other air emissions

In metric tons	2021	2020	2019	2018	2017
NO_x emissions	905	543	402	434	439
SO_x emissions	5.4	3.7	2.7	2.9	2.8
Particulate matters (PM2.5)	14.8	13.0	15.0	15.8	16.0

Approximately 70-75% of our NO_x emissions originate from the combustion of natural gas and 75-80% of all our fine dust (PM2.5) emissions originate from the combustion of diesel oil.

The increase of our 2021 NO_x emissions are caused by increased natural gas usage as a result of the new terminals being added to our reporting scope.

Note 13. Water pollution

Definition, reporting policies and boundaries

Related topic	Materiality matrix no. 3
Water pollution	*This includes the quantity and quality of discharge into surface water.*

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Reporting policies

All spills of more than 200kg are reported as reportable spills. This also includes process safety-related Tier 1 and Tier 2 loss of primary containment according to API RP 754 (and thus includes the Tier 1 and Tier 2 less than 200kg).

Boundaries

Data in this note includes information for all in-scope entities as noted in Note 1. Basis of preparation.

Management approach

As almost all our terminals are situated by open waterways, we particularly seek to prevent any unwanted discharge of product to the surface water. Prevention takes place through our focus on asset integrity, adherence to operational procedures, specifically designed containment and drainage facilities at our jetties and piers. In the event that product is discharged to the surface water, mitigation takes place through specific equipment present at every pier or jetty, supported by services to recover and prevent further spread of contaminants.

Vopak principle on water pollution

The principle of our Environmental Management System (EMS), set out in the Vopak Way Standards, based on international laws and regulations, are:

- Prevention: for water contamination, this means that secondary containment, which is mandatory at every new terminal, should also be implemented at our older terminals (whenever this can be implemented simultaneously with our maintenance schedules)
- A spill response program on how to act in case of a spill occurs, applicable to both soil and water.

We measure the effectiveness of the prevention of spills to surface and sewage water as part of our Assure and Terminal Health Assessment (THA) programs.

	2021 Target	2021 Performance	Our ambition
Water pollution Total number of reportable spills Total product spilled (reportable spills in metric tons)	Ensure effective spill prevention and secondary containment in high risk areas	2 6	Ensure integrity of the environment: Zero uncontained spills of harmful products

Performance

	2021	2020	2019	2018	2017
Total number reportable spills	2	8	6	4	1
Total product spilled (reportable spills in metric tons)	6	26	2	1	1

We had 2 reportable spills into surface and sewage water in 2021 (2020: 8), with a total of 6 metric tons (2020: 26 metric tons) of products being spilled.

The 2 spills of fuel oil occurred at our Fujairah terminal (United Arab Emirates). Where possible, all product that was spilled into water has been removed.

Note 14. Soil and groundwater pollution

Related topic	Materiality matrix no. 2
Soil and ground-water pollution	*This is related to soil and groundwater pollution caused by Vopak's operations, controlling existing soil contamination and taking remediation measures in case of the event that an accident occurs.*

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Reporting policies

All spills of more than 200kg are reported as reportable spills. This includes process safety-related Tier 1, Tier 2 and Tier 3 loss of primary containment according to API RP 754.

The identification and remediation of emissions to soil and groundwater are guided by local legislation and the requirements stated in our Vopak Way Standards 'Spill control' and 'Soil and groundwater management'.

	2021 Target	2021 Performance	Our ambition
Soil and groundwater pollution Total number of uncontained reportable spills	Ensure effective spill prevention and secondary containment in high risk areas	11	Ensure integrity of the environment: Zero uncontained spills of harmful products
Total amount of uncontained reportable spills (metric tons)		6	

As the owner and/or user of approximately 1,550 hectares of land, with almost 5,000 tanks, Vopak has a responsibility for taking care of this land. The majority of our tanks are equipped with a secondary protection system to prevent spills and other contaminants from entering the soil and groundwater.

Vopak Principles on soil contamination

The principles of our Environmental Management System (EMS), set out in our Vopak Way standards, based on international laws and regulations, are:

- Prevention: for soil contamination, this means that secondary containment, which is mandatory at every new terminal, should also be implemented at our older terminals (whenever this can be implemented simultaneously with our maintenance schedules)
- A spill response program on how to act in case of a spill occurs, applicable to both soil and water.

Specific locations where the risk of spillage is higher, such as pumping pits, truck loading stations and jetty manifolds, are already equipped with secondary containment to prevent damage to the environment. We continue to improve the coverage of secondary containment and, led by a risk-based approach, we continue to improve the protection of the subsoil and groundwater at our terminals.

In this risk-based approach, we took into account that 78% of our terminals are in the vicinity of areas of high biodiversity and that extra precautions (e.g. vertical barrier that isolates the Vopak location from external areas) are taken to prevent any contamination of these areas. If a spill or any unwanted discharge takes place, emergency mitigation procedures (e.g. scooping up contaminated soil) are in place at all our terminals, in accordance with the Vopak Standards: 'Spill control' and 'Soil and groundwater management'.

Performance

	2021	2020	2019	2018	2017
Total number of uncontained reportable spills	11	6	6	4	7
Total product spilled (uncontained reportable spills in metric tons)	6	301	19	29	25

All reportable spills were remediated immediately according to the requirements stated in our Vopak Way standards 'Spill control' and 'Soil and groundwater management'; however, our aim is to have no uncontained spills.

Besides prevention, Vopak is also engaged in a process of remediation of 13 existing contaminated locations, reference is made to environmental provisions in Note 9.5 Provisions of the Consolidated Financial Statements. The cost of remediation is reported as part of environmental, safety and cleaning expenses under Note 2.6 Other operating expenses of the Consolidated Financial Statements.

Uncontained spills to water, soil and groundwater pollution (Note 13 &14)

	2021			2020		
	Contained	Uncontained	Total	Contained	Uncontained	Total
Total number of reportable spills	27	13	40	41	14	55
Total product spilled (reportable spills in metric tons)	3,645	12	3,657	175	327	502

We work to prevent spills; our goal is zero uncontained spills. In 2021, uncontained spills amounted to 12 metric tons (2020: 327 metric tons).

Note 15. Biodiversity

Related topic	Materiality matrix no. 8
Biodiversity	*This applies to 78% of Vopak terminals and specifically refers to areas and classified as:* • *Natura 2000 sites (Europe)* • *Areas falling under the UNESCO and the Biosphere Program* • *Areas defined by Bird Life International* • *Wetlands according to the Ramsar Convention.*

We acknowledge that preserving and restoring biodiversity in and around our terminals is fundamental to our long-term business survival. Healthy ecosystems are fundamental for sustaining production of energy, food and manufactured goods for society in the long term; they also enable us to treat and dissipate waste, maintain soil and water quality and help control pollution. We aim to avoid damage to ecosystems and contribute to preserving biodiversity. In our efforts to preserve biodiversity, we focus primarily on areas that are most at risk as a consequence of our operations.

At the beginning of the United Nations decade of biodiversity, in 2011, Vopak identified the areas of high biodiversity in the vicinity of its terminals. For this, Vopak asked the University of Wageningen to conduct a study of the impacts that terminals could have on its environment. The study proved that the impact could be significant (NO_x depositions, sound and light disturbances) at a distance of 5 miles from the terminal.

Based on these conclusions, Vopak has identified the following areas of special concern: Natura 2000 sites (Europe); areas falling under the UNESCO MaWn and the Biosphere Program; areas defined by BirdLife International; Wetlands as defined by the Ramsar Convention. When applying this definition, it appears that 78% of all our terminals can have a negative impact on biodiversity in areas of special concern. Vopak has also drawn up a comprehensive list of species (birds, mammals, amphibians, plants and other living organisms) that may be affected in these areas of special concern. If terminals are located in the direct vicinity of areas of ecological diversity, extra care is taken to prevent any damage to the neighboring area through air, soil, groundwater and surface water contamination.

Measures taken are, amongst others, installing groundwater protection to prevent contaminated groundwater flowing towards these area's and adapting the lighting of our terminals to minimize the disturbances for bird migrations. For new terminals, biodiversity matters are taken into account in the design phase of every new terminal through our global standard on Environmental Impact Assessment. For example, the jetty at the terminal in Panama was designed to prevent the disturbance of a (small) coral reef.

Vopak will continue its approach to biodiversity. We remain committed to reducing our impact on the identified areas of special concern where protection of ecological diversity is most urgent. In 2022, our Global Environmental Impact Assessment standard will be updated into a general standard on Biodiversity formally including the principles, which we are already adhering to in practice.

Note 16. Energy use

Related topic	Materiality matrix no. 6
Energy use	*This includes energy derived from natural gas, LNG/propane, heating fuel, gas/diesel oil, biofuels, purchased steam, district heating, and renewable energy.*

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Reporting policies

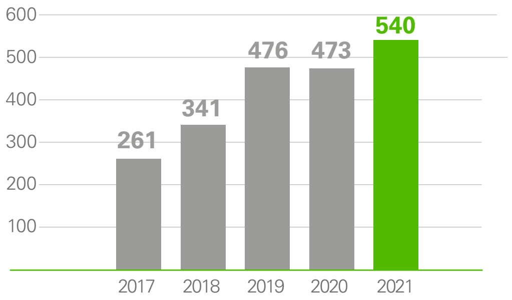
Vopak's reporting on energy use encompasses direct energy use from the combustion of fossil fuels (scope 1) and indirect energy use from electricity and steam purchased for our own use (scope 2). To calculate energy, we have applied the following conversion factors:

- Conversion of consumption to energy in terajoules: **Dutch list of fuels and standard CO_2 emission factors, version January 2021 (from the Netherlands Enterprise Agency)**
- Conversion of natural gas consumption to energy in terajoules: **the Energy Information Administration (EIA) and for Belgium and Singapore location-specific conversion factors**.

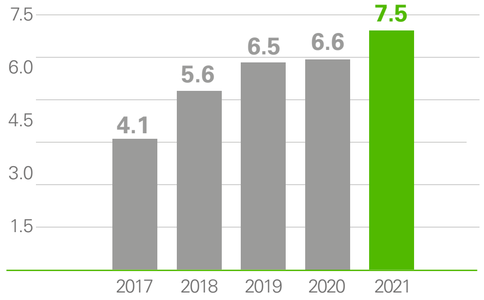
In terajoules (TJ)	2021	2020	2019	2018	2017
Natural gas	5,426	3,004	1,917	2,143	2,180
LPG / Propane	211	203	220	171	150
Heating fuel	14	18	18	19	15
Gas / Diesel Oil	282	291	387	416	427
Total direct energy	**5,933**	**3,516**	**2,542**	**2,749**	**2,772**
Electricity	1,744	1,730	1,852	1,706	1,595
Steam	76	10	31	4	1
Renewable energy	9,849	9,415	10,058	6,944	4,125
Total indirect energy	**11,669**	**11,155**	**11,941**	**8,654**	**5,721**
Total energy	**17,602**	**14,671**	**14,483**	**11,403**	**8,493**
Total renewable energy as a % of total energy	**56%**	**64%**	**69%**	**61%**	**49%**

The increased energy consumption over the past years is mainly due to the increased activities at our LNG operations.

Energy use intensity
Terajoules per million cbm storage capacity



Energy use intensity
Terajoules per million EUR revenue



The energy consumption for our conventional liquid bulk storage and handling operations is used for the production of steam for heating purposes (gas consumption) or through electricity consumption for powering our pumps and, to a lesser extent, for heating and cooling. The amount depends on (1) the product mix we store for our customers, (2) the weather conditions and (3) the amount of product transferred (electricity consumption). Energy consumption for our LNG operations and other cryogenic gasses is significantly more intensive than our conventional liquid bulk storage and handling operations. For more details on the impact of our LNG operations, reference is made to Note 11. Our impact on climate change: GHG emissions.

We see greater energy efficiency as a way to reduce our carbon footprint. Energy efficiency teams at our terminals strive to reduce our energy use through smarter equipment, smarter processes and digital innovation, including the use of sensors. We are driving various efficiency improvement projects in different parts of our network. Some of the examples are:

- The energy-efficiency program in the Netherlands (reduction of the energy consumption with more than 8% in 2017 - 2020) now serves as a blueprint to increase our energy efficiency around the globe. With the implementation of the EED (European Energy Efficiency Directive) in 2021, Vopak continued working on its energy efficiency by further reducing energy consumption.
- Ongoing program for insulating our tanks
- Energy dashboarding at several terminals in order to monitor usage
- Installation of industrial LED lighting.

For more details on the steps that we have made in improving energy efficiency, reference is made to Note 11. Our impact on climate change: GHG emissions.

Note 17. Water management

Related topic	Materiality matrix no. 7
Water management	*This refers to the, e.g. treatment of rainwater, of water used for tank cleaning and discharged.*

Water management is an important responsibility, especially the quality and quantity of discharge to surface water. We are committed to responsible water-care systems at our terminals. The objective is to make a clear distinction between flows of good quality water (i.e. clean rainwater) and contaminated water.

The principle is that clean water should remain clean and not be mixed with process water, while process water will be treated in a water treatment plant. Water used during operations is recycled through a water treatment plant (at or outside Vopak) before release into surface water or sewers.

Vopak has developed a modular model for engineering and optimizing the design of wastewater treatment plants. This model is based on local legislation and the amount and composition of the wastewater that needs to be cleaned. Next to this engineering tool, we are supporting the developments of new innovative wastewater cleaning techniques.

Note 18. Waste

Related topic	Materiality matrix no. 4
Waste	*This refers to the amounts of hazardous waste streams that are not reused by the customers. This flow is, in general, less than 10% of the total amount.*

In addition to the waste water as described in Note 17. Water management, during operations there are several types of waste:

- **Hazardous waste**: Slobs and residual products from tanks, pipelines. Each time a tank is empty, a (small) amount of residual product, contaminated with other material (such as water), remains. This product is mostly returned to the owner of the product. The remaining part is treated as chemical waste by specialized waste treatment companies outside our terminals;
- **Industrial waste**: Generated by means of maintenance and/or demolition. Demolition waste, e.g. steel from the tanks, is directly recycled by the contractor;
- **Soil remediation waste**: Contaminated soil transported out of the Vopak site for treatment and replaced by clean soil. Further reference is made to Note 14. Soil and groundwater pollution;
- **Household waste**: Normal garbage waste generated by offices.

All waste has to be treated according to the Vopak Way Standard on Waste Management, even when the terminal's host country requires a lower standard.

For every source of waste, Vopak has currently specific standards/procedures:

- Spills to soil: Every spill that occurs at a terminal must be cleaned immediately and the contaminated soil disposed of;
- Residual waste management: When tanks change service to another product, small amounts of product may remain in the tanks and pipelines. This is currently treated as chemical waste and treated by specialized companies. However, in some instances we make use of companies that can upgrade residual waste into a product with a value;
- Slops: When tanks are cleaned for inspection, residual waste (called slob) has to be removed from the tank and processed elsewhere. Our aim is to recollect as much product as possible and transfer that back to our customer. On average (1/3) is

transferred back to the customer and (2/3) is to be processed elsewhere (mostly incinerated);
- Sludges from our waste water treatment plants;
- Demolishment of assets: old assets (mainly steel & concrete), which are recycled).

Note 19. Circularity

Circularity for Vopak is to reduce waste and to increase the reuse of waste of construction, operating and demolishing our assets, in such following the Cradle to Cradle principles.

1. **Design for the future**: We are incorporating (new) digital technologies in our design process. Furthermore, we are bound by our standards to the right materials, to design for appropriate lifetime and for extended future use. This is embedded in the Vopak way standards and our - repeatable formula, where we define the building blocks for our assets.
2. **Supply**: We work together throughout the supply chain, internally within organizations and with the public sector to increase transparency and create joint values, as laid down in our supplier policy.
3. **Use of assets**: While assets are in use, we will maintain, repair and upgrade our assets to maximize their lifetime.
4. **Demolition of assets**: We have a system in place to reuse the main materials of our assets, such as steel and concrete.

Since 2020 Vopak, via Vopak Ventures, is a shareholder in Xirqulate. This entity uses a proven technique that converts low-calorific residual flows and high-calorific waste flows into a clay substitute as a secondary raw material for the ceramic industry or as an additive in concrete products.

Care for our economic impact (profit)

Sustainability is about caring for people and the planet while sustaining profit. This means innovating, bringing in new digital technologies, transforming our company and holding the course we set out in previous years, while living the Vopak Values and staying true to our business ethics. Through our storage and handling services, the payment of taxes, dividends for shareholders and salaries for employees, we create economic value.

Value creation capital	Input	Output & Outcome	Impact
Knowledge	We have company-wide standards. Our processes and systems ensure we handle products efficiently and safely. In our core areas, we also develop our own software.	We work to continuously strengthen customer service and improve the efficiency of our systems and processes. To support this, we are digitizing more of our operations.	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION
Financial	Our shareholders and creditors provide funds. We rely on these funds to invest in our business, expand storage capacity, and explore new opportunities for growth.	We generate cash flows from our business. We use this to operate our terminals and invest in new growth; we also pay interest to our creditors, tax and dividends to our shareholders, as well as salaries and benefits to our employees.	8 DECENT WORK AND ECONOMIC GROWTH
Manufactured	We operate a network of terminals around the world. These include storage tanks, pipelines, jetties and other facilities. It is this network that enables us to move products and connect up supply and demand.	We maintain our terminals and other facilities – and invest in new storage capacity to open up flows of product to areas of high demand.	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION
People	Employees provide their time, expertise and knowledge. We also use contractors and other service providers in our operations. We invest in training and talent development to build a skilled, diverse workforce.	We develop our people, train them in new skills, motivate them, and aim to provide them career opportunities and offer a healthy, safe and rewarding working environment for both employees and contractors.	8 DECENT WORK AND ECONOMIC GROWTH
Social & Relationships	To carry out our business, we rely on relationships with stakeholders. These include our customers – in addition to our employees, suppliers, business partners and governments. We also need the continued goodwill of the local communities in which we operate. Together, these relationships provide our 'license to operate and grow'.	At Vopak, we often handle hazardous products with care. We ensure safe delivery of these products to our customers, providing a vital link in the supply chains for oil, gas, chemicals and vegoils. We facilitate novel clean(er) products through appropriate infrastructure.	7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Note 20. Business ethics and integrity

Definition, reporting policies and boundaries

Related topic	Materiality matrix no. 9
Business ethics and integrity	*Ethical behavior refers to behavior in accordance with the Vopak Values and Code of Conduct, including anti-corruption and anti-bribery, compliance with legislative regulations, prevention of fraud and political funding.*

Reporting policies

All significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the societal, environmental and economic area are reported.

Boundaries

Data in this note includes information for all in-scope entities as noted in Note 1. Basis of preparation.

Management approach

In order to fulfill our role in society, we consider it vital that employees, contractors, suppliers and joint venture partners understand and share our Vopak Values, i.e. Care for Safety, Health & Environment, Integrity, Team Spirit, Commitment and Agility. We expect them to act accordingly when conducting business.

The company encourages employees and other stakeholders to raise any concern or doubt they may have with regard to business conduct. In the case of employees, this can be with their direct manager. Employees as well as external parties can contact the Vopak contact person or the designated Trusted Person (via mail: whistleblower@vopak.com). Concerns raised are addressed with care, confidentiality and respect.

We do not pay contributions to any political party nor related purposes, worldwide.

In 2021, we have devoted considerable time and effort on the Digital Transition and making our HR Global Platform (Workday/MyPulse) the single source of HR data across Vopak. This common tool has now been deployed across 90% of Vopak sites.

We have incorporated many learnings to our HR system (MyPulse) including learnings related to the Code of Conduct, Privacy Code, Sanctions Compliance, etcetera. As MyPulse allows us to reach all Vopak employees, this contributes in making sure all employees perform quality learnings in a timely manner.

Completion of Code of Conduct training

In 2021, 89% of all employees in MyPulse have completed company-wide training on all aspects of the Code of Conduct, including anti-corruption as per end of December 2021 (2020: 88%).

Incidents of discrimination, fraud, corruption and bribery

In 2021, 36 whistleblower and fraud cases (2020: 53) were reported to the Trusted Person. All whistleblower and fraud cases were followed up and reported to the Executive Board and Supervisory Board. Appropriate action was taken, including further strengthening of internal controls where necessary. There were no alledged cases of discrimination reported during 2021 (2020: 3). In 3 cases, the investigation led to evidence that supported the allegations (2020: 6). None of these cases have had a material financial consequence. All our employees are required to adhere to our anti-corruption and anti-bribery policy and our Code of Conduct.

Permit violations

In general, permit violations and fines are related to three compliance issues:

- Non-compliance with operating permits (or expired permits);
- Non-compliance with environmental regulations and/or limits;
- Non-compliance with safety regulations.

Two of the permit violations in 2021 resulted in fines amounting to EUR 32,000 in total (2020: EUR 0).

Note 21. Innovation

Related topic	Materiality matrix no. 13
Innovation	*Innovation relates to the digital transformation of the company, as well as other innovations that improve efficiency, safety and logistics.*

By innovating and bringing in new digital technologies, our aim is to improve our services to the customers, operational performance and getting ahead of the energy and feedstock transition and climate change.

As part of the strategic direction for the period 2020-2022, Vopak indicated to invest annually up to a maximum of EUR 45 million in IT capex, to complete Vopak's digital terminal management system. Our Moves program, in which we renew our IT landscape, is being implemented. We expect both service and efficiency to be benefited from the rolling out of new systems and functionality. For further information, reference is made to Data driven.

During the year, Vopak signed a partnership with NxtPort, the innovative logistics data-sharing platform. NxtPort's main goal is to unlock the potential of sharing existing data amongst many stakeholders in ports across the world. The Platform allows faster, more cost-effective, as well as more efficient transfers of data between the different market players. New technologies will drive further improvements in customer service, efficiency and safety. For more details, reference is made to Data driven.

In 2021, Vopak is, amongst others, involved in the following sustainability related innovation projects:
- Drone inspection of VOC emissions at the terminal: In 2021, we conducted two tests to measure the real time emissions of VOC at two terminals. One terminal, Vopak terminal Vlissingen, is a gas storage terminal, the other terminal, Vopak terminal Europoort, is an oil terminal. Both tests showed the concentrations of various (identified) products emitted at the specific sites. These inspections can be used either for maintenance purposes as well as indicating the amounts of VOC emitted at a specific location (i.e. a pump pit, tank, pipeline or loading platform). The tests will be further implemented in our operating procedures in 2022 and 2023.
- Waste water treatment using Aquacycl technology: In 2021, we started a test with a new concept of water treatment. This concept is based on a bio electrochemical treatment technique and is energy neutral, which means that it is using the electricity that is generated during the breakdown of the organic components. Another advantage is that this technique is capable of breaking down organics completely and much faster (hours) than normal biological treatment. The test at our terminal in Deer Park, Houston will continue in the first quarter of 2022, after which we will decide how to implement this system in our projects.

Vopak embraces the energy and feedstock transitions. This is why we are developing partnerships and exploring ways to facilitate the introduction of new technologies, processes and products to advance a sustainable, low-carbon future. A few examples are:
- We are developing infrastructure solutions in ports to enable exports, imports, transportation and storage of low- and zero-carbon hydrogen. The way to do this is by transforming hydrogen into a liquid.
- In the Port of Rotterdam, Vopak, as a member of the CO_2nnect project, is exploring the development of an independent terminal to receive and deliver liquid CO_2.
- Vopak is partnering with Elestor for the development of a hydrogen bromine flow battery.

For more details, reference is made to New vital products and Data driven.

Note 22. Climate impact on Vopak

Introduction

We acknowledge the Intergovernmental Panel on Climate Change (IPCC) assessment that human influence is clear and physical impacts are already being felt. There is a growing need for governments, business and citizens to adapt to and mitigate the impacts and risks of climate change.

In this note we aim to provide transparency about the potential impact of climate change on both Vopak's physical assets and our business activities, by disclosing the information on our efforts in line with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD).

For the impact of Vopak on climate change, reference is made to Note 11. Our impact on climate change: GHG emissions.

Governance, strategy and risk management

The determination of threats and opportunities driven by climate change forms an integral part of the company's strategic planning cycle. Our governance with regard to climate-related risks and opportunities is integrated into our governance and risk management processes. For more information, reference is made to the Governance, risk & compliance chapter.

Our journey on addressing climate-related risks and opportunities for Vopak

Since 2014, we assess the risks and opportunities related to climate change as part of the sustainability program and reported on this in our Annual Report.

In 2017, we started using the TCFD framework in our reporting.

As of 2018 we organize an annual Climate Day to stress test our strategy, including growth and our asset portfolio against the International Energy Agency (IEA) scenarios (transitional) and the IPCC scenarios (physical).

In 2021, we again conducted our Climate Day, together with our Strategic Committee (including the Executive Board) and external guest speakers, with the purpose to stress test our strategy, including growth and our asset portfolio against physical and transitional climate-change impacts. We went through updated IEA scenarios and performed a more in- depth analysis on the higher risk areas for physical impacts. More details are included below.

Climate-related risks and opportunities

The risks and opportunities may be categorized into the following segments:

- **Transition:** This includes changes in market dynamics, policy actions, reputation and new technology and product developments.
- **Physical risks:** This includes acute risks such as increased severity of extreme weather events and chronic risks such as rising sea levels, temperature and precipitation changes.

Transitional risks and opportunities

The international commitment to combat climate change and lower CO_2 emissions is having a profound impact on energy markets and industries. This development represents risks for Vopak, as a part of our current business relates to fossil-based products. At the same time, we see tremendous opportunities, given the fact that the daily and seasonal fluctuations in wind and solar energy are likely to increase the need for storage of low-carbon and clean energy sources like hydrogen, as well as CO_2 storage solutions, pipeline infrastructure and new technologies.

In the 2021 stress-testing of the IEA scenarios and assessing policy developments around the world learned that the main insights are:

- Covid-19 disrupted GDP growth, energy demand and global emissions resulting in new energy scenarios. The rapid but uneven economic recovery from last year's Covid-induced recession is putting major strains on parts of today's energy system, sparking sharp price rises in natural gas, coal and electricity markets. For all the advances being made by renewables and electric mobility, 2021 is seeing a large rebound in coal and oil use. Largely for this reason, it is also seeing the second-largest annual increase in CO_2 emissions in history.
- In all scenarios, renewable energy will grow considerably and demand for coal will decline over time.

- Demand outlook for coal, oil, gas and renewables will depend on policy setting and investments.
- The energy mix in OECD countries will move away from fossil to renewables - whereby policy setting drives the speed of the transition. Energy demand in non-OECD countries will grow strongly with fossil energy needed to support this growth.

The speed of change increases with a lower peak in energy demand and an enhanced role for renewables. IEA scenarios are aligned with Vopak's strategy to transform the portfolio towards cleaner products and new energies.

Physical risks and opportunities

To assess the physical climate-related risks, in 2021, we re-assessed the 2020 outcome of the potential impact of three IPCC scenarios for 2050 (RCP 2.6, 4.5/6.0, 8.5), which are based on global warming of respectively 1.5 degrees, 2 degrees, 3 degrees and 4.5 degrees Celsius. The sensitivity analysis demonstrated the following potential acute and chronic climate impacts with the highest risk on our current assets by 2050:

1. Heavy rainfall causing river flooding:
   - This is a threat to the terminals in the Netherlands (Botlek, Vlaardingen & Europoort)
   - Other countries that are impacted by this are Vietnam (Mekong river) and Louisiana (Mississippi)
2. Increase intensity of tropical storms and hurricanes:
   - In general it is predicted that tropical storms are increasing in severity. Not in frequency. This is caused by higher seawater temperatures
   - Locations that will be impacted are: US Gulf and East coast, Western India and China
3. Excessive heat:
   - The normal average temperature rise is expected to be around 2-3C, however, days with extreme temperatures are likely to increase
   - Locations affected are most likely the US, India, Pakistan, Singapore and Malaysia
4. Increased windforce in normal weather conditions:
   - Next to the increase in windforce of tropical storms, we already noticed an increase of the windforce in other regions
   - All locations may be impacted. In the recent past we have experienced this for example in Belgium and The Netherlands

The consequence of these potential developments could be an increase in (preventive and maintenance) investments and an increase in insurance costs for these areas. This concerns not only Vopak, but also other actors in affected port areas. Therefore, we will engage with these stakeholders and strive to stay ahead with the developments.

Our response to potential risks and opportunities on Vopak

Based on the stress test and subsequent analysis in 2021, we are confident that our strategy sufficiently addresses both the risks and opportunities arising from the physical effects of climate change, as well as those related to the transition to a low-carbon economy.

We adopted three lines of action to contribute to the dual objective of limiting climate change in line with the Paris Agreement and SDG13, while at the same time providing access to affordable, reliable and sustainable energy and feedstocks for all, in line with other UN Sustainable Development Goals (SDGs 7, 8 and 9):

- First, we develop infrastructure solutions to accelerate a switch to cleaner conventional fuels and feedstocks for all;
- Second, we develop infrastructure solutions for zero- and low-carbon new energies and sustainable feedstocks like renewable hydrogen and ammonia;
- Third, we reduce our own environmental and carbon footprint. Refer to Note 11. Our impact on climate change: GHG emissions.

We welcome and support the new initiatives to improve and drive the convergence of standards and practices in business disclosures related to climate risks, such as the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD). We will continue to engage with investors and other stakeholders in order to further improve our disclosures of material climate-related risks and opportunities, taking into consideration the recommendations of the TCFD and other relevant developments.

Note 23. Our responsibility towards taxation

Related topic	Materiality matrix no. 16
Taxation	*This refers to the transparency of Vopak's reporting on tax and its responsibility towards taxation.*

Approach towards taxation

Vopak's approach towards taxation

We consider our tax payments as a contribution to the communities in which we operate. It is therefore important that we pay our fair share of tax and that we adequately explain the taxes paid. This is one of the key principles underlying our "approach to tax" as further explained in section 2 of this note.

Part of this "approach to tax" and our tax principles is our acknowledgment of the importance of being transparent on our tax position and tax contribution. We acknowledge global and local initiatives. As such, this note will be an example of our commitment to transparency. It brings together information about our tax strategy and our worldwide income tax contribution in 2021.

Our behavior related to tax is based on and in line with Vopak's purpose, values and its Global Code of Conduct (i.e. the Vopak Navigator). We are a responsible taxpayer and we pay tax where we operate: we declare profits and pay taxes where the economic activities occur. In this respect we have defined a set of guiding tax principles to which we adhere.

Vopak's tax principles

Compliance

We act in accordance with the law and with regulatory requirements of the countries in which we operate and we are guided by relevant international standards (e.g. OECD guidelines). We comply with the letter of the law and take into account the spirit as well. Where tax laws do not give clear guidance, prudence and transparency shall be the guiding principles.

We are committed to file all relevant tax filings and make all relevant payments, domestic and foreign, with accuracy, in good faith and on time and to have the relevant substantiating documents in place. Where tax law is unclear or subject to interpretation, we evaluate the likelihood or seek external advice to ensure that our position would, more likely than not, be upheld. In doing so, we take due care of a sustainable relationship with relevant tax authorities.

Business rationale and transfer pricing

Our business structure is driven by commercial considerations, is aligned with business activity and has genuine substance. Following the principle that tax should follow business, profits are allocated to the countries in which business value is created. For calculating transfer prices, we apply the arm's length principle. We ensure that our transfer pricing documentation comply with applicable internationally agreed and recognized principles as outlined in the OECD guidelines.

We do not enter into aggressive and contrived tax planning structures. We therefore do not use secrecy jurisdictions or so-called 'tax havens' for tax avoidance, nor artificial tax structures that have no commercial or operational substance. In the rare situations where an entity in a 'tax haven' is acquired as part of a larger transaction, Vopak will assess whether the entity meets the requirements of the Global Tax policy and will take appropriate actions where necessary. We carry out risk assessments as part of any tax planning on significant transactions.

The Global Tax department is aligned with the business and is not a profit center by itself. Vopak may engage in tax planning initiatives and can make use of incentives promoted by government authorities but due consideration is given to Vopak's interest, reputation, brand and corporate social responsibility. Where we claim tax incentives, we seek to ensure that they are aligned with our business and operational objectives and have sufficient economic substance in order for the tax incentive to be granted.

Relationship with tax authorities

Vopak seeks to develop strong and cooperative relationships with national tax authorities which are based on mutual respect, transparency and trust. Vopak strives to enter into cooperative compliance programs with the tax authorities.

Transparency

We are transparent about our approach to tax. We provide information to our stakeholders, including investors, employees, professional service providers and the general public about our approach to tax and taxes paid.

Disclosures are made in accordance with relevant domestic regulations, as well as applicable reporting requirements and standards.

Our approach to tax and our tax principles are laid down in our Tax policy which has been approved by the Executive Board. The tax policy is periodically reviewed by our Executive Board and the Global Tax team and will be updated if necessary to continuously reflect our purpose, values, regulations, international tax standards and other relevant developments in society.

The tax policy is applicable to all Vopak majority owned and/or (jointly) controlled entities. Where Vopak only has a minority interest in a business or entity, Vopak shall, in its role as shareholder, encourage and support the application of the contents of the tax policy.

Tax technology

Vopak recognizes the importance of a technology enabled Global Tax Function in order to ensure and further improve the accuracy and reliability of all its tax and customs processes and the related tax reporting and compliance obligations, but also to make data driven decisions. In this respect, the Global Tax Function has prepared a Road Map in which it sets out the steps to become more and more technology enabled.

Tax governance, control and risk management

Tax governance

Management of Vopak's tax affairs requires good governance. The responsibility of the Executive Board for Vopak's tax affairs is managed through the portfolio of the CFO in the executive board. Our CFO delegates the day-to-day management of our tax affairs to our Global Tax team. The Global Tax team reports to the CFO on a quarterly basis and has regular meetings to discuss the daily topics.

The Global Tax team advises management and the business on the tax implications of decisions, performs appropriate tax planning to support business goals and ensures compliance with all tax laws. Advice is sought from external advisors on material transactions and whenever the necessary expertise is not available in-house. Local finance managers are responsible for the tax position and tax filings in their respective country and are assisted by the Global Tax team and local external tax advisors.

Tax control and risk management

Following Vopak's international focussed business, we are subject to taxation in the many countries in which we operate. The tax legislation in these countries differs, is often complex and subject to interpretation by management and the government authorities. Recent developments in the international tax arena (e.g. introduction of public CbCr and Pillar 2) have increased the likelihood of changes to tax systems in the countries where we operate, and this creates added uncertainty.

Tax Risk Management guidelines are available to provide guidance to ensure that decision-making on corporate transactions and strategy takes proper account of the tax implications to:

1. ensure that Vopak is compliant with tax regulations;
2. ensure transparency on tax planning and the tax contributions of Vopak towards society;
3. minimize the (unforeseen) tax impact of any changing regulations or new business initiatives.

Tax is an integral part of the risk management process of the company. For an overview of the principal risks of the company, reference is made to the section Risk management and internal control in the Governance, risk & compliance section. Vopak's Key Control Framework has a dedicated section stipulating the internal controls which enforce compliance with the global tax policy.

On a regular basis, all Vopak staff are trained on the Vopak Value, for example as part of informal ethical dilemma dialogues. As part of the informal ethical dilemma dialogues. This approach ensures that our staff is sufficiently equipped to identify and address tax dilemmas when encountered. Processes and procedures are implemented to guarantee adherence to Vopak's tax policy and guidelines, which is actively monitored by the Global Tax team. Severe violation of these guidelines or any identified matters that could lead to a severe violation should be reported to Global Tax. Employees of Vopak are encouraged to report serious concerns through the normal reporting channels, however, they can also voice concerns outside these channels through the Vopak Whistleblower channel.

The In-control statement by the Executive Board, as included in this Annual Report, is based on the effectiveness of Vopak's internal controls, including those relating to tax. For more information, including the involvement of Global Internal Audit in the monitoring of the effectiveness of internal controls, reference is made to section Risk management and internal control in the Governance, risk & compliance section.

Furthermore, the company's external auditor provides assurance on our financials, including our tax positions, and taxes paid. We refer to the independent auditor's report of our external auditor on the Annual Report 2021.

Stakeholder engagement and management of concerns related to tax

Engagement with tax authorities

One of our tax principles is that we seek to develop good and cooperative relationships with national tax authorities which are based on mutual respect, transparency and trust and where possible we try to enter into cooperative compliance programs.

In the Netherlands, Vopak is considered as one of the top 100 companies for which the Individual Tax Monitoring Plan is applicable. The Individual Tax Monitoring Plan has been implemented in the course of 2021 with a formal agreement. In this new set up, Vopak will continue its existing good and transparent relationship with the tax authorities in the Netherlands and internationally.

In periodical meetings with tax authorities, we discuss relevant business developments and we actively approach tax authorities to discuss facts and circumstances and the tax impact thereof to come to an aligned view on the tax treatment.

Stakeholder engagement

Vopak aims for transparency and an open dialogue with its various stakeholders. Transparency is key to creating trust. It provides us with valuable insights into our business and operating environments and helps us to be a responsive and responsible member for the communities in which we operate. In order to substantiate this, Vopak regularly engages with its stakeholders (e.g. business partners, authorities, customers, employees, financial and capital market, neighbors and/or local communities, NGO's, suppliers, youth and senior management) as part of the stakeholder engagement dialogue.

Tax developments in 2021

Measures taken by governments

Governments have issued Covid-19 measures in 2020 and 2021 to support local businesses. For example, companies affected by the economic consequences of Covid-19 could apply for a deferral of payment of CIT, VAT and Payroll Tax. Vopak did not apply for any of these arrangements.

Pillar 2

On 1 July 2021, 130 countries of the 139 members of the OECD Inclusive Framework on BEPS committed to fundamental changes to the international corporate tax system. This change includes a jurisdictional-level minimum taxation of 15% for multinational companies with a turnover of €750m. Draft legislation has been published late December 2021. It is expected that the legislation will enter into force as from January 2023. It is expected that this will impact Vopak to a certain extent. The exact impact will be analyzed in Q1 of 2022. In addition, it is expected that certain countries in which Vopak operates will introduce a global minimum tax rate of 15%. Any developments in this respect are closely monitored.

Public County-by-Country reporting (CbCr)
On December 1, 2021 the Directive on public CbCr was published in the Official Journal of the EU. Public CbCr will apply to companies that are (non-)EU based multinational corporations with a total consolidated revenue of more than €750m in each of the last two consecutive financial years.

The rules require the EU-based multinational corporation to disclose publicly the income taxes paid and other tax related information such as a breakdown of profits, revenues and employees per country. Such information needs to be disclosed for all EU member states and the countries on the EU list of non-cooperative jurisdictions for tax purposes. For all other jurisdictions it is sufficient for aggregated data to be disclosed.

Member states need to transpose the directive into national law by 22 June 2023. The first financial year of reporting on income tax information will be the first financial year starting on or after 11 June 2024. Reporting needs to take place within 12 months from the date of the balance sheet of the financial year in question.

In principle, IFRS requires that the Vopak Group is consolidated in the financial statements of HAL Holding N.V. (HAL), a company listed and traded on the Euronext in Amsterdam. As a result, Vopak is not obliged to file its own CbCr with the tax authorities, but Hal includes this information in their CbCr reporting. The same will apply to the Public CbCr rules and therefore the exact impact needs to be discussed with Hal.

DAC6
Following the implementation of the European Directive Mandatory Disclosure Rules / DAC6 per 1 January 2021, intermediaries and/or taxpayers must report qualifying (potential) cross-border transactions to the Dutch tax authorities. The Directive has a retrospective effect to 25 June 2018, hence any transaction as from that time needed to be reported in January 2021. All transactions in 2021 need to be disclosed within 30 days after it is ready for implementation.

Vopak did not need to report a transaction under the Mandatory Disclosure Rules in 2021.

Effective tax rate overview

Vopak pays a fair tax in the countries in which it operates. The largest operations are located in the Netherlands, Singapore and the United States.

For an overview of the effective tax rate per main country per (geographical) division, reference is made to the table in this section and the Financial performance chapter where a narrative explanation on the effective tax rate for the year is provided. For more information on the segments and other financial information per segment, reference is made to note 2.1 of the Consolidated Financial Statements.

For more information on the total tax position and tax charge of the Group (including the weighted average statutory tax rate and the mandatory effective tax rate reconciliation), reference is made to section 8 of the Consolidated Financial Statements.

	Including exceptional items		Excluding exceptional items	
	Statutory tax rate	**Effective tax rate**	**Statutory tax rate**	**Effective tax rate**
Americas	**25.9%**	**79.0%**	**25.1%**	**26.4%**
of which:				
United States of America	21.0%	19.6%	21.0%	19.7%
Mexico	30.0%	40.6%	30.0%	40.6%
Asia & Middle East	**21.4%**	**14.6%**	**21.1%**	**15.1%**
of which:				
Australia	30.0%	29.5%	30.0%	29.5%
Singapore	17.0%	15.1%	17.0%	15.1%
China & North Asia	**24.9%**	**15.3%**	**24.9%**	**15.3%**
Europe & Africa	**28.0%**	**39.6%**	**30.8%**	**76.4%**
of which:				
Netherlands (incl. head office)	25.0%	1.4%	25.0%	1.3%
Belgium	28.0%	27.1%	28.0%	27.1%
LNG	**22.4%**	**4.4%**	**22.4%**	**4.4%**
Total Vopak	**23.3%**	**18.1%**	**23.3%**	**17.3%**

The effective tax rate -excluding exceptional items- based on the proportional financial information was 26.2% (2020: 27.9%). For more information, reference is made to the Statement of income in the chapter Non-IFRS proportionate financial information.

Effects of the joint ventures and associates on the effective rate

As the Group extensively operates via investments in joint venture and associates, which fall under the Dutch participation exemption, and of which the profits have been taxed in the country of establishment while the net profits of these entities are part of the EBIT(DA) of the Group, the effective tax rate of the Vopak Group is per definition always lower than the weighted average tax rate of that of its subsidiaries.

To obtain a proper insight into the economic effective tax rate of the Group, including the tax paid by the joint ventures and associates, reference is made to the Non-IFRS proportionate financial information that is included in the Additional information section.

Assurance on tax and tax related matters

We see taxation and/or tax related matters as an integral part of our business. In this respect the Executive Board gives a full in-control statement in the Financial Statements section of this Report of which taxation and tax related matters are an integral part. Nonetheless, we find it valuable in light of being transparent to make a separate tax in-control statement in this note.

The Executive Board confirms that:

- the internal risk management and control systems and processes of the Group provide reasonable assurance that the tax items in our financial statements and this note give a true and fair view of the Group's tax position;
- there have been no material failings in the effectiveness of the internal risk management and control systems and processes of the Group in relation to taxes.

In this respect, we refer to the note the Executive Board makes in its full in-control statement in the Financial Statements section that similarly applies to this tax-incontrol statement.

Note 24. Participation and partnerships

Vopak participates in numerous forums, industry associations, think tanks and research institutes, technical working groups, corporate networks and public-private partnerships, at local, national, regional and international levels. These partnerships and memberships help us to stay tuned to changing stakeholder demands and societal needs, signal new laws and changing market conditions, share best practice and learn from other individuals or organizations. They also allow us to participate in international and national debates on policy issues, to contribute to the energy and feedstock transition, for example, and to support our own internal digital transformation.

New energies & innovation

Currently, we are participating in several feasibility studies to explore the potential of hydrogen as a source of low-carbon energy for the industry and power sector in the Netherlands and elsewhere, including through the H-vision project in Rotterdam and the Institute for Sustainable Process Technology (ISPT). We are also a member of the international Hydrogen Council, Hydrogen Europe, the European Clean Hydrogen Alliance, the Dutch H2Platform,the Global CCS Institute (Americas), the Ammonia Energy Association and the Getting to Zero Coalition (re marine fuels) while exploring possible partnerships to develop new hydrogen supply chains, CO_2 infrastructure and services, new feedstocks and flow batteries.

We also engage in dialogues and studies about sustainability, climate change and the energy and feedstock transition as part of the Clingendael International Energy Program (CIEP), the International Energy Forum (IEF), the World Energy Council (WEC) and the World Economic Forum (WEF).

In the field of innovation, our partnerships include SmartPorts, which supports the port of Rotterdam in its ambition to develop into Europe's leading port and industrial complex of the future, as well as PortXL and iTanks, fostering innovation in the port and accelerating startups.

We have set up Vopak Ventures to identify investment opportunities in start-ups and scale-ups in new technologies and emerging value chains. For further information, reference is made to chapters Sustainability and Data driven.

We value these platforms and partnerships, as we realize that they are becoming increasingly important to keep our company relevant, healthy and fit for the future, and help us deliver on our commitment to continue storing the vital products that society will need tomorrow.

Industry associations

Our memberships of industry associations include, but are not limited to:

- The Dutch association of tank storage companies (VOTOB) that aim in particular to lift industry safety and sustainability standards, as well as tank storage associations in other countries; various national and regional associations of the chemical, gas or petrochemical industries, like the European Petrochemical Association (EPCA)
- Technical affiliations like the Chemical Distribution Institute - Terminals (CDI-T)
- The Engineering Equipment and Materials Users' Association (EEMUA)
- The Nederlands Normalisatie Instituut which sets guidelines and technical standards in the Netherlands (NEN)
- A sub-committee of the World Association for Waterborne Transport Infrastructure (PIANC), where we helped design technical guidelines for marine terminal infrastructure.

External benchmarks

Participation in various benchmarks, as well as feedback from the organizations behind them, also trigger reflection and action on sustainability topics. Although benchmarks certainly have a clear added value, completing questionnaires requires time and effort that cannot be devoted to other activities. We, therefore, decided to limit our active participation to benchmarks that are either leading at a global level or relevant in a local context (these are detailed in the table hereafter).

Benchmark	Brief description	Rating	Strengths	Weaknesses
Sustainalytics	The ESG risk rating measures a company's exposure to industry-specific material ESG risks and how well a company is managing those risks.	November 2021: **23.1** July 2020: **19.2** (0 = Low exposure, 50 = High exposure)	• Environmental performance (carbon emissions & environmental impact, land use & biodiversity)	• Community relations • Waste reduction
ISS	ISS QualityScore is a data-driven scoring and screening solution designed to help institutional investors (1) to review a company's governance quality and assess risk and (2) to measure and identify areas of environmental and social risk through company disclosure.	Score as per January 2021: Environmental: **3** (Jan 2020: **2**) Social: **3** (Jan 2020: **2**) Governance: **2** (Jan 2020: **2**) (10 = High risk, 1 = Low risk)	• Audit & risk oversight • Environmental risk & opportunities • Labor, health & safety	• Shareholder rights • Waste & toxicity
CDP	CDP represents institutional investors; its aim is to offer transparent guidance to investors on climate-related opportunities and risks for companies.	December 2021: **C** (climate), **C** (water) December 2020: **D** (climate), **C** (water)		• No targets on waste
EcoVadis	EcoVadis operates the first online platform providing Supplier Sustainability Ratings for global supply chains that enables companies to monitor the CSR performance of their suppliers worldwide. EcoVadis analyses CSR policy, implementation and performance with respect to environmental and social aspects, in the area of ethics and supply chain responsibility.	December 2021: *pending review* December 2019: **57** (rating scale: 0 – 100)	• Labor practices	• No information on reporting on sustainable procurement issues • No third party due diligence on ethics issues • Environmental fines during the past 5 years
NL Transparency Benchmark	The Transparency Benchmark is a biennial study by the Ministry of Economic Affairs and Climate and the Dutch Professional Association of Accountants (NBA) into the transparency of corporate social reporting at Dutch companies.	November 2021: **73** (scale 0 – 100) November 2020: **74** (scale 0 – 200) (0 = Low, 100 = High) Bi annual	• Governance • Communication on issues • Environmental policies	• Stakeholder management • Impacts of value creation • Limited instead of reasonable assurance • Reporting on CO_2 in the supply chain
VBDO Tax	The Dutch Tax Transparency Benchmark provides an overview of Dutch stock listed companies' fiscal transparency and is based on the principles for good tax governance. Each principle is further separated into various elements and converted into measurable criteria. These measurable criteria are tested against publicly available information on tax payments.	October 2021: **27** July 2020: **26** (rating scale: 0 – 35)	• Define and communicate a clear strategy • Respect the spirit of the law. Tax-compliant behaviour is the norm • Know and manage tax risks	• Disclosure of country-by-country tax • Tax assurance

Other topics

Note 25. EU Taxonomy

EU Taxonomy
The EU Taxonomy constitutes one of the cornerstones for both the European Green Deal as well as the EU Action Plan on Sustainable Finance. The ultimate goal is to help shift the capital flow towards more sustainable investments in the EU. However, to do so, a clear definition of what constitutes "sustainable" is needed. And this is what the EU Taxonomy is aimed at – providing clear guidance on when an activity can be deemed sustainable.

Reporting requirements

Vopak, subject to the Non-Financial Reporting Directive ('NFRD') via Part 9 of Book 2 of the Dutch Civil Code, is required to apply the Taxonomy Regulation for the Annual Report 2021.

The first Delegated Act concerning the technical screening criteria for economic activities with significant contribution to climate change mitigation and adptation (the 'Climate Delegated Act') was adopted on 4 June 2021 and is effective as of 1 January 2022. Therefore, for the Annual Report 2021, Vopak disclosed the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities of the total revenues, capital and operational expenditures related to **climate change mitigation** and **climate change adaptation**.

Basis of preparation

For sustainability reporting purposes, Vopak consolidates data from its headquarters, division offices and those entities under its operational control and from entities that report voluntarily although they are not under our operational control. This means that all subsidiaries and joint ventures & associates over which Vopak has operational control are included in the scope of notes 4 - 24 on a 100% basis despite the actual shareholding percentage.

On the contrary, the EU Taxonomy includes reporting of entities which are consolidated in the Group's Financial Statements in line with the requirements of IFRS 10. As such the EU Taxonomy reporting scope is limited to subsidiaries. Joint ventures and associates are not included for EU Taxonomy purposes as no revenues, opex and capex are shown in the Consolidated Financial figures, because of accounting under the equity method for these types of investments.

However, after release of additional guidance, non-financial undertakings like Vopak, may disclose additional KPIs based on revenues, capex and opex that include investments in equity accounted in joint ventures and associates, pursuant to IAS 28, on a pro rata basis corresponding to their share in the equity of the joint venture. As the Vopak Group consists of a relatively high number of joint ventures and associates, information is reported both including and excluding the proportional consolidation of subsidiaries, joint ventures and associates.

Other matters of interest are the following:

IFRS 9 - Equity investments measured against fair value through other comprehensive income (FVOCI): In addition to joint ventures and associates, Vopak Group has investments in the equity of other entities which do not classify as either a subsidiary, joint venture or associate. The Taxonomy regulation currently does not include these types of investments and capital allocated to these investments is thus excluded. In 2021 an amount of EUR 7.2 million was invested in equity investments that perform hydrogen-related economic activities.

IFRS 16 - Lessor accounting for finance leases: Lessor accounting for finance leases is applicable to some arrangements within the Vopak Group. In case of lessor accounting, Vopak recognizes a finance lease receivable and interest income over time rather than recording PP&E, revenues and depreciation. As such, the revenue and capex KPI are affected by this IFRS 16 accounting treatment. While the substance of our services provided are the same, we believe that this may lead to an incorrect representation of the revenue and capex KPIs under the Taxonomy. Given that no guidance is identified in the regulations and the complexity that comes with reversing lessor accounting, the 2021 financial figures were not adjusted.

Operating expenses: Annex I of the Delegated Act July 2021 defines operating expenses as *'direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets'.* Therefore the operating expenses include the 'personnel expenses' as well as 'other operating expenses' as reported in the Consolidated and Proportional Financial Statements.

Below the results of our Taxonomy assessment are reported:

Activity	Code	Activity category	Performance IFRS Consolidated Financial Statements						Performance Non-IFRS proportional financial information					
			Revenues		Opex		Capex		Revenues		Opex		Capex	
Climate change mitigation														
Hydrogen & ammonia Storage of ammonia	4.12/ 3.15	Own performance Enabling activity	8	1%	1	0%	–	0%	11	1%	5	1%	32	5%
Biofuels Biofuels storage services [1]	4.13	Enabling activity	50	4%	19	3%	20	4%	50	3%	19	2%	20	3%
LNG LNG storage services [1,2]	n.a.	Transitional activity	–	0%	11	2%	–	0%	152	9%	58	7%	18	3%
Business development (Flow) batteries	4.10	Own performance	–	0%	0	0%	–	0%	–	0%	–	0%	–	0%
CO_2 capture and storage	5.10/12/9.12	Own performance	–	0%	1	0%	–	0%	–	0%	1	0%	–	0%
Hydrogen & ammonia	4,12	Own performance	–	0%	1	0%	–	0%	–	0%	1	0%	–	0%
Energy effiency measures Energy effiency measures [3]	n.a.	Own performance	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Climate change adaptation														
Not in scope[4]	n.a.	Enabling activity	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
		Taxonomy-eligible	**58**	**5%**	**35**	**5%**	**20**	**4%**	**213**	**13%**	**84**	**10%**	**70**	**11%**
		Taxonomy-eligible (excluding LNG)	**58**	**5%**	**23**	**4%**	**20**	**4%**	**61**	**4%**	**26**	**3%**	**52**	**8%**
		Total Revenues - Opex - Capex	**1.228**		**629**		**518**		**1.665**		**800**		**640**	

Reporting against EU Taxonomy is new for all companies, with the added complexity that not all of the regulation has been published yet. As multiple understandings and interpretations may exist on how to apply the EU Taxonomy, Vopak's interpretations have been explained below:

1. **Storage and infrastructure services biofuels & LNG**: Our services have the objective of enabling a substantial reduction of GHG emissions in another sector of the economy. Both biofuels and LNG can only be stored in dedicated specific tanks and related infrastructure; storage facilities/tanks are not interchangeable. For biofuels, this is also corroborated by the fact that, for a large part of our biofuels services, specific certification is required before storage activities can be performed by Vopak. Therefore these activities were identified as enabling activities.
2. **Inclusion of LNG**: Natural gas is at the heart of a heated debate over whether it should be included in the Taxonomy as a transitional Taxonomy aligned activity for climate change mitigation. The Climate Delegated Act neither includes nor excludes gas. Instead, it was decided to postpone a decision until further technical assessment was performed. On February 2, 2022 a Complementary Climate Delegated Act was published which now includes gas-related activities. Herewith, the Act recognizes the role that certain energy activities can play in supporting decarbonization, for a limited period of time, until better alternatives based on renewable or low-carbon technologies are sufficiently developed. As the Complementary Climate Act is not yet formal, our 2021 disclosures are shown both including and excluding LNG activities with the purpose of providing transparent and complete disclosures.
3. **Energy efficiency measures**: Purchase of outputs of Taxonomy-eligible activities is not by definition Taxonomy-eligible. The purchase of Taxonomy-eligible output is only eligible when it can be reported as one of the various types of Capex described in Annex I to the Disclosures Delegated Act (Section 1.1.2.2). Our interpretation of Section 1.1.2.2. (category III) is that only energy efficiency measures related to target activities can be included. This implies that energy measures taken at, for example, chemical storage facilities are non-eligible. For the Annual Report 2021, the approach was taken to not report any eligible capex and opex from energy efficiency measures despite the fact that various measures were undertaken in 2021. Another interpretation or reasoning, that was not applied in the Annual Report 2021, may be that as the nature of Vopak's business is (at least partly) similar to real estate, energy efficiency measures for our storage services may well opt for inclusion (economic activity 7.3 - 7.6).
4. **Climate change adaptation**: As climate change is likely to affect all sectors of the economy, all sectors will need to be adapted to the adverse impact of the current climate and the expected future climate. Despite this fact, the current Taxonomy only allows for inclusion of climate change adaptation activities if these are related to the economic activities that are covered by the technical screening criteria for climate change mitigation. As such, for the Annual Report 2021 no eligible activities were identified.

The EU Taxonomy regulation developments will be closely monitored to ensure transparent and complete disclosures, also in future years.

Governance, risk & compliance

Supervisory Board report

Supervision

The Supervisory Board oversees and advises the Executive Board in performing its management tasks and guides the company's operational and financial development. In performing their duties, the members of the Supervisory Board are guided by the interests of Vopak and all its stakeholders.

During 2021 the Supervisory Board held seven regular meetings and two extra meetings. One meeting was held face-to-face and eight meetings via video conference due to the Covid-19 restrictive measures. All regular meetings were held jointly with the full Executive Board present. All plenary sessions of the Supervisory Board were accompanied by an executive session with the CEO in attendance and by a session held solely between the members of the Supervisory Board. Between meetings, the Chairman of the Supervisory Board had regular contact with the CEO to discuss the current state of affairs of the company and to prepare for meetings, as was the case for the Chairman of the Audit Committee with the CFO.

In 2021, the average attendance at the regular and additional meetings combined was 96.3%.

Strategy is one of the Supervisory Board's main priorities and is an integral part of its considerations and decision making processes. In 2021, a session spread over two days was fully dedicated to discuss the execution of the Vopak strategy with the Executive Board centering around growth, autonomous performance, competitive efficiency and the application of innovative technologies aimed at long-term value creation. Other topics discussed during the strategy session were sustainability, transformation programs for certain hub locations, sustaining capex programs next to the opportunities pursued in new energies and digital innovations. By means of an in-depth and permanent dialogue, the Supervisory Board is constantly involved in developing, regularly monitoring and evaluating the company's strategy. For instance, new business opportunities are always assessed against their strategic rationale and the principal risks both for the short and long-term are evaluated thoroughly. Choices proposed by management can thereby be challenged and the underlying arguments weighed against each other.

Sustainability is an important driver for the strategy. This year the Supervisory Board considered the sustainability roadmap that lays down the ESG topics in focus for the company. It provides a good framework to further integrate sustainability and care for the environment into how the business is run and for instance how to take investment decisions. In this way the company remains a responsible member of society, being mindful of the potential impact of the business activities on people's safety and health and on the environment. Safety is an ESG topic that has first and foremost priority and ample time is spent on this topic in the Supervisory Board meetings. This is also the case for diversity and human rights. Vopak is a multicultural company that keeps striving for a workforce that is diverse and includes people from different cultures, nationalities and beliefs. The standards on human rights and decent work are laid down in Vopak's Code of Conduct. The company aspires to play an active role in the energy and feedstock transition and become climate neutral by 2050 by constantly reducing its environmental footprint and lowering its emissions of greenhouse gases. This ambition of the company is laid down in a comprehensive plan with a CO_2 reduction target of 30% versus 2021 to be achieved in the year 2030.

The Supervisory Board approved the strategy as being effectuated by the Executive Board. The fundamentals of the current strategy are considered still valid and a refined look has been taken to determine the strategy ambitions for the period after 2021. In executing the strategy, the company will make clear choices while continuing to allocate the available capital in the right manner and to the right locations. The Destination 2030 process has started to determine the strategic view on the coming decade and formulate the strategy going forward.

During its 2021 meetings, the Supervisory Board discussed a number of recurring topics at each meeting including the company's operational and financial performance, the financing of the company and succession planning for senior management. The Supervisory Board discussed and approved the 2022 budget, quarterly reports and numerous investment proposals related to greenfield projects, expansions at several existing locations and acquisition opportunities. An important attention point this year was the new partnership with Aegis in India with the aim to grow together in the LPG and chemicals storage and the contract awarded by ExxonMobil for a greenfield industrial terminal in China. The Supervisory Board also reviewed the progress of ongoing projects and the portfolio of new projects. During the year, several representatives of senior management were invited to give presentations to the Supervisory Board.

An important development this year was the succession of both the CEO and CFO. After having served 11 years as Chairman of the Executive Board and CEO, Eelco Hoekstra was succeeded by Dick Richelle as per 1 January 2022. Michiel Gilsing was nominated incoming CFO and member of the Executive Board as per the date of the AGM scheduled for 20 April 2022. At the same time Frits Eulderink was nominated for a next term as COO and member of the Executive Board. The Supervisory Board would like to thank Eelco Hoekstra and Gerard Paulides for their individual contributions made to Royal Vopak and wish both of them the very best for their future.

The global economic contraction caused by the Covid-19 pandemic has impacted the company in many ways. Since the start of the pandemic, the developments have been closely monitored. There were limited consequences for the operations with no significant disruptions to business continuity, confirming the relative resilience of the company to the crisis. Overall the existing governance structure of the company continued to work well. The Supervisory Board was able to uphold the quality and effectiveness of the collaboration throughout the year, despite the fact that it was possible to only hold one physical meeting and the usual annual site visit had to be cancelled.

External auditors were present at two meetings of the Supervisory Board in which the annual results and half-year results were discussed. The interim report and auditor's report issued by the external auditors were reviewed during these meetings. The minutes of all the meetings of the Audit Committee, Remuneration Committee and the Selection and Appointment Committee were shared with and reviewed by the Supervisory Board.

The Supervisory Board discussed the operation of the company's risk management and control systems. In the absence of the Executive Board members, the Supervisory Board discussed the performance of the Executive Board and the proposal by the Remuneration Committee for the remuneration of the Executive Board.

The Supervisory Board evaluated its own performance in 2021 and that of its committees. In preparation and as part of the self-assessment procedure, each member completed a questionnaire. Observations in regard to the functioning of the Supervisory Board, its relationship with the Executive Board and other stakeholders of the company were hereby taken into account. This was discussed and assessed by the Supervisory Board. Main topics and conclusions of the evaluation related to the effectiveness of the Supervisory Board in fulfilling its tasks, the effectiveness of the committees and of the individual members. Where necessary appropriate actions were taken. The relationship with the Executive Board and engagement with the organization were also included in the evaluation process. The outcome of the evaluation process showed that it meets the governance requirements. The self-assessment gives insight in how the Supervisory Board effectively functions and contributes to the corporate decision making process. Certain boardroom challenges were identified in the self-assessment that can further improve the performance of the Supervisory Board and that will encourage and support the Executive Board in its efforts to create an inclusive and safe culture throughout the organization.

Composition of the Supervisory Board

The Supervisory Board currently comprises six members: Mr Noteboom (Chairman), Mr Groot (Vice-Chairman), Mrs Foufopoulos - De Ridder, Mrs Giadrossi, Mr Hookway and Mr Van der Veer. At the AGM held on 21 April 2021, Mr Richard Hookway was appointed as a member of the Supervisory Board for a term of four years. As per the same date and in accordance with the resignation schedule, Mr Zwitserloot stepped down from the Supervisory Board. The Supervisory Board would like to thank Mr Zwitserloot for his valuable contributions to the company during his multiple year tenure.

For more information about the Supervisory Board members, reference is made to the Supervisory Board members paragraph in this report.

The Supervisory Board recognizes its own role in the company's corporate governance structure, with members receiving updates and information to adequately fulfill their roles and responsibilities. Ongoing education is an important part of good governance. As part of the induction program, new members of the Supervisory Board visit various terminal locations and meet with divisional and local management. They also attend induction sessions at which they are informed about financial, reporting, internal audit, HR, commercial and business development, IT, legal and governance related affairs. The induction program for Mr. Hookway is experiencing delays because of the Covid-19 restrictions.

All Supervisory Board members, except for one, as permitted by the Code, qualify as independent in the meaning of best practice provision 2.1.7 of the Dutch Corporate Governance Code. Mr Groot does not satisfy all independence criteria. If a member of the Supervisory Board has a direct or indirect personal conflict of interest with Vopak, such member will not participate in the deliberations and the decision-making of the Supervisory Board on the matter concerned.

The Supervisory Board has three committees: the Audit Committee, the Selection and Appointment Committee and the Remuneration Committee. Their roles are described below in more detail. The committees generate, review and discuss detailed information and prepare recommendations relating to their specific areas while the full Supervisory Board retains overall responsibility and always takes the final decisions. In each case, the Committee Chair reports the Committee's main considerations and findings to the full Supervisory Board, usually immediately after the relevant Committee meeting.

The Audit Committee assists the Supervisory Board in its responsibility to oversee Vopak's financing, financial statements, financial reporting, compliance and system of internal business controls, risk management and audit findings. Non-financial topics are also reviewed as part of risk management including whistleblower cases. The Remuneration Committee primarily makes recommendations regarding the remuneration and the remuneration policy of the Executive Board and the Supervisory Board.

Audit Committee

The Audit Committee met five times in 2021. The attendance rate was 100%. All meetings were attended by the CFO, the Global Finance Director and the Global Director Internal Audit.

The external auditor was also present at all of these meetings. The Audit Committee discussed with the external auditor at the end of the meetings for the half year and full year, without management being present, its assessment of Vopak's activities, risk assessment and internal control systems as well as collaboration with the Executive Board and the organization.

A core task of the Audit Committee was to extensively review the financial reports and the budget before consideration by the full Supervisory Board. The Audit Committee also discussed topics related to Vopak's financing structure, analyses of the financial ratios, pensions, status of legal claims and proceedings, tax matters, sustainability, IT and cyber security, fraud and whistleblowing reports, reports on the risks associated with the company's operational, commercial, financial and other activities, compliance matters as well as the company's management reporting. It also discussed the dividend proposal, The company's views on notifications from Dutch corporate governance platform organizations were also reviewed.

The Audit Committee considered the 2021 audit plan of the external auditor and the Internal Audit department's plan for 2022. Both audit plans were approved by the Supervisory Board. The main topics of the external audit plan include the materiality levels, the audit scope, the key audit risks and the key elements of the audit approach as well as the auditor's assessment of the risk of fraud within the company. The audit reports from Internal Audit performed during 2021 and the progress realized in implementing recommendations from audits, were also considered. The Audit Committee reviewed the risk management and internal control processes. No significant changes to the internal risk management and control systems were made during the year under review. It discussed the recommendations in the management letter and the relationship with the external auditor. Deloitte Accountants B.V. was nominated as the external auditor of the company to audit the annual statements of the company for the financial year ending 31 December 2022.

The Audit Committee monitored the independence of the external auditor. During 2021, non-audit services were not provided by the group's external auditor but only audit or audit-related services were provided. The performance of the external auditor was assessed by the Audit Committee itself in which process satisfaction survey was used as conducted among the divisions, operating companies and relevant global functions. This assessment included a consideration of the quality of the audit work, the expertise and composition of the audit team, the audit fee and the quality control within the audit firm.

Finally, the Audit Committee assessed its own performance throughout the year and its regulations, supported by an extensive questionnaire that was discussed by the Audit Committee members. The Audit Committee's performance met the requirements in all areas. During 2021, Mr Van der Veer acted as financial expert.

Selection and Appointment Committee

The Selection and Appointment Committee is primarily tasked with advising on candidates to fill vacancies in both the Executive Board and the Supervisory Board. An important activity of the Selection and Appointment Committee is also succession planning of senior management up to and including the members of the Executive Board. The Selection and Appointment Committee met three times in 2021, two regular meetings and one extra meeting.

The attendance rate was 100%. During its meetings the Selection and Appointment Committee discussed various relevant topics in detail. This includes diversity-related topics to ensure that the composition of both Boards represents a good balance in terms of diversity (including experience, gender, and nationality). Diversity in a broad sense continues to be a topic on the Supervisory Board agenda and is therefore discussed by the Selection and Appointment Committee on a regular basis. In line with the company's diversity program, the Supervisory Board supports the efforts of the company to strive for a global workforce that is a reflection of society and to create a working environment where all employees feel included. As part of its regular activities, the Selection and Appointment Committee discussed extensively, among others, the rotation schedule, the future composition of the Supervisory Board and the specific profiles of the Supervisory Board members. In 2021 the members of the Selection and Appointment Committee performed on behalf of the Supervisory Board an evaluation of the effectiveness of the Executive Board members both individually as well as performing as a team in leading the company and implementing the strategy. This evaluation was performed in consultation with the Executive Board members and based on the Supervisory Board members' own knowledge and opinions. The conclusion of this evaluation was positive and no major actions were considered necessary in view of the conclusions of the evaluations which conclusion was supported by the full Supervisory Board.

The recruitment process makes use of the specific profiles for the various positions within the Executive Board and the Supervisory Board. These profiles are drawn up against the background of the full Executive and Supervisory Board's profile. These profiles take into account the specific nature of the company, its stakeholders and its activities.

The desired expertise and background relating to economic, environmental and social topics are also considered. The process is aimed at maintaining a composition consisting of a well-balanced mix of competencies and experienced professionals who deal with key areas in an appropriate manner. External search agencies are being engaged for the fielding of candidates for succession and nomination.

The attendance rate was 100%. During its meetings the Selection and Appointment Committee discussed various relevant topics in detail. This includes diversity-related topics to ensure that the composition of both Boards represents a good balance in terms of diversity (including experience, gender, and nationality). Diversity in a broad sense continues to be a topic on the Supervisory Board agenda and is therefore discussed by the Selection and Appointment Committee on a regular basis. In line with the company's diversity program, the Supervisory Board supports the efforts of the company to strive for a global workforce that is a reflection of society and to create a working environment where all employees feel included. As part of its regular activities, the Selection and Appointment Committee discussed extensively, among others, the rotation schedule, the future composition of the Supervisory Board and the specific profiles of the Supervisory Board members. In 2021 the members of the Selection and Appointment Committee performed on behalf of the Supervisory Board an evaluation of the effectiveness of the Executive Board members both individually as well as performing as a team in leading the company and implementing the strategy. This evaluation was performed in consultation with the Executive Board members and based on the Supervisory Board members' own knowledge and opinions. The conclusion of this evaluation was positive and no major actions were considered necessary in view of the conclusions of the evaluations which conclusion was supported by the full Supervisory Board.

The recruitment process makes use of the specific profiles for the various positions within the Executive Board and the Supervisory Board. These profiles are drawn up against the background of the full Executive and Supervisory Board's profile. These profiles take into account the specific nature of the company, its stakeholders and its activities.

The desired expertise and background relating to economic, environmental and social topics are also considered. The process is aimed at maintaining a composition consisting of a well-balanced mix of competencies and experienced professionals

who deal with key areas in an appropriate manner. External search agencies are being engaged for the fielding of candidates for succession and nomination.

Remuneration Committee

The Remuneration Committee met four times in regular meetings in 2021. The attendance rate was 91.7%. In addition, the Committee held regular informal consultations and consulted professional internal and external advisors. For the following topics that recur annually, proposals were developed and submitted to the Supervisory Board for approval:

- The annual base salary and variable pay opportunities in 2022;
- The key performance indicators and target setting for the 2022 short-term incentive plan and the 2022 - 2024 long-term incentive plan;
- The actual short-term incentive for 2021; and
- The vesting of the long-term incentive plan 2018 – 2020.

The remuneration policies for the Executive Board and the Supervisory Board are designed in a manner that is reflective of the Vopak values and to ensure alignment with the company's stakeholders interests and expectations. The Remuneration Committee reviewed these policies during 2021 and no material changes were made to these two remuneration policies.

As part of this review, the Remuneration Committee conducted its annual comprehensive and in-depth analysis of the total compensation levels and individual components thereof. The Remuneration Committee took into consideration various benchmarks and other market data, as well as information on pay developments of senior management of the company.

For the remuneration policies and the proposals for the remuneration of the individual Executive Board members, the Remuneration Committee took into account the applicable legal requirements, the Dutch Corporate Governance Code and other relevant remuneration governance requirements and shareholders views. The Remuneration Committee took note of the views of the individual Executive Board members on the structure and amount of their total remuneration. The Remuneration Committee also took notice of the views of other stakeholders, such as customers, suppliers, business partners, authorities, the works council of Koninklijke Vopak N.V. and employees in general.

The policy review resulted in a decision to adjust the Supervisory Board fees which were lastly determined in 2017, going forward for 2022 and beyond. With regard to the other aspects of the Executive Board and Supervisory Board remuneration polices, taking into account the approval rate for the current remuneration policies at the Annual General Meeting in 2020 and the feedback shared by investors and other shareholders as well as Vopak's works council, these policies are kept materially unaltered going forward. Nevertheless, the review opportunity was used to further clarify and elaborate these policies within their boundaries. With respect to the short-term incentive plan 2021 and the long-term incentive plan 2021–2023, the Remuneration Committee proposed to largely maintain the set-up.

The 2021 and proposed 2022 remuneration packages of the Executive Board are well-positioned against relevant peers and:

- have a focus on long-term value creation
- take into account the internal pay ratios within Vopak on a total remuneration basis
- are reflective of the outcomes of scenario analyses carried out to validate payout results.

For further details on the actual remuneration during 2021 and the shareholding positions of the Executive Board and the Supervisory Board, reference is made to the Remuneration report. For further details on the remuneration policies, reference is made to the Vopak website.

Rotterdam, 15 February 2022

The Supervisory Board
B.J. Noteboom (Chairman)
M.F. Groot (Vice-Chairman)
L.J.I. Foufopoulos – De Ridder
N. Giadrossi
R.M. Hookway
B. van der Veer

2021 attendance at regular Supervisory Board and committee meetings for the appointment period

Member	Supervisory Board	Audit Committee	Selection & Appointment Committee	Remuneration Committee
B.J. Noteboom	100%		100%	
M.F. Groot	100%	100%	100%	
L.J.I. Foufopoulos – De Ridder	85.7%	100%		75%
N. Giadrossi	100%	100%		100%
R.M. Hookway	100%	100%		
B. van der Veer	85.7%	100%		
R.G.M. Zwitserloot	100%			100%

Supervisory Board members

Mr. Ben Noteboom (Chair)

Chair of the Selection and Appointment Committee and Member of the Remuneration Committee

Mr. Ben Noteboom (Dutch, 1958) was previously CEO of Randstad Holding N.V. Mr. Noteboom was first appointed to the Supervisory Board on 20 April 2016. His current term ends in 2024. He is a member of the Supervisory Board of Aegon N.V. He is also chairman of Stichting Prioriteit Ordina Groep and board member of the Amsterdam Cancer Center. He owns 3,500 Vopak shares.

Mr. Mel Groot (Vice-chair)

Member of the Audit Committee and Member of the Selection and Appointment Committee

Mr. Mel Groot (Dutch, 1959) is Chairman of the Executive Board of HAL Holding N.V. Mr. Groot was first appointed to the Supervisory Board on 18 December 2014. His current term ends in 2022. Mr. Groot is a member of the Supervisory Board of Anthony Veder Group N.V. and he is the chairman of the Board of Chile Holding Optico S.A the holding company of Rotter y Krauss Lta. Mr. Groot is also a Non-Executive Director of Safilo Group SpA. Mr. Groot does not own any Vopak shares.

Mrs. Lucrèce Foufopoulos - De Ridder (Member)

Member of the Audit Committee and Member of the Remuneration Committee

Mrs. Lucrèce Foufopoulos – De Ridder (Belgian, 1967) is currently member of the Executive Board of Borealis AG as Executive Vice President Polyolefins and Innovation & Technology. Mrs. Foufopoulos – De Ridder was first appointed to the Supervisory Board on 18 April 2018. Her current term ends in 2022. She is member of the Supervisory Board of Borouge Pte. Ltd. She does not own any Vopak shares.

Mrs. Nicoletta Giadrossi (Member)

Chair Remuneration Committee
Member of the Audit Committee

Mrs. Nicoletta Giadrossi (Italian, 1966) was President of Technip Europe, Africa India, and Executive VP/Head of Operations Aker Solutions Asa. Mrs. Nicoletta Giadrossi was first appointed to the Supervisory Board on 17 April 2019. Her current term ends in 2023. She is Chair of the Board of Cairn Energy plc and Chair of the Board of Ferrovie dello Stato Italiane. She is also Senior Advisor of Bain Capital Partners and Chair of TecHouse A.S. in Norway. She does not own any Vopak shares.

Mr. Ben van der Veer (Member)

Chair of the Audit Committee

Mr. Ben van der Veer (Dutch, 1951) was previously Chairman of the Executive Board of KPMG N.V., until September 2008. Mr. Van der Veer was first appointed to the Supervisory Board on 18 April 2018. He is board member of Stichting Preferente Aandelen Heijmans. His current term ends in 2022. He does not own any Vopak shares.

Mr. Richard Hookway (Member)

Member of the Audit Committee

Mr. Richard Hookway (British, 1961) is currently a non-executive board member of Parkland Corp. and of the UK Atomic Energy Authority. He is also a member of the board of trustees of the British Council and is the Chair of Swim England. Previously he held positions as a board member of Centrica plc and Chief Executive Officer of Centrica Business and prior to that various executive positions at BP, including serving as Group Chief Operating Officer for Global Business Services and IT and CFO BP Downstream. Mr. Hookway was first appointed to the Supervisory Board on 21 April 2021. His current term ends in 2025. He does not own any Vopak shares.

Executive Board members

Dick Richelle

Chairman Executive Board and CEO, Royal Vopak (as per 01-01-2022)
Nationality Dutch
Year of birth 1970
Education Master's Degree in Business Economics
Career Dick Richelle started his career with Royal Vopak in 1995 as a management trainee. He brings over 25 years of experience and in-depth knowledge of the business activities of Royal Vopak having served in a variety of management roles in Latin America, Europe and as Head of Investor Relations. The last 12 years he led the Vopak divisions Americas and Asia & Middle East as President and most recently headed the Global Commercial and Business Development department.

Eelco Hoekstra

Chairman Executive Board and CEO, Royal Vopak (until 31-12-2021)
Nationality Dutch
Year of birth 1971
Education Master's Degree in Economics
Career Eelco Hoekstra has over twenty five years of experience in the international tank storage industry and joined Vopak in 2003. At Vopak, he held various management positions in the Middle East, Latin America and Asia. Eelco Hoekstra was President of Vopak Asia until his appointment to the Executive Board in November 2010. He has been Chairman of the Executive Board and Chief Executive Officer of Royal Vopak since January 2011.

Gerard Paulides

Member of the Executive Board and CFO of Royal Vopak
Nationality Dutch
Year of birth 1963
Education Master's Degree in Business Economics
Career Gerard Paulides joined Vopak in 2017. He previously worked at Royal Dutch Shell as Executive Vice President and was a member of the Board of Directors of Shell Midstream Partners. Gerard Paulides has a track record as CFO by fulfilling several leadership roles in investor relations, finance and mergers & acquisitions in the gas, chemicals and oil industry. He has been a member of the Executive Board and Chief Financial Officer of Royal Vopak since February 2018.

Frits Eulderink

Member Executive Board and COO, Royal Vopak
Nationality Dutch
Year of birth 1961
Education PhD in Astrophysics and two cum laude Master's Degrees in Mathematics and in Astronomy
Career Frits Eulderink joined the Royal Dutch Shell Group in 1990, where he held various technical and management positions in the Netherlands, North America, Africa and the Middle East, including in the fields of Research, Manufacturing, Exploration and Production. Until the end of 2009, Frits Eulderink was Vice-President Unconventional Oil in Houston (United States). He has been a member of the Executive Board and Chief Operating Officer of Royal Vopak since April 2010.

Remuneration report

Letter of the chair of the remuneration committee

Dear shareholders,

On behalf of the Supervisory Board and the Remuneration Committee, I present you this 2021 Remuneration Report. We have taken into account feedback received at the last AGM session on incentive compensation disclosure for the Executive Board, and have made our report clearer.

2021 was a dynamic year for Vopak. Several changes in the Boards' composition took place. Richard Hookway was appointed, and I succeeded Rien Zwitserloot as Chair of the Committee. The Executive Board composition is also changing with the arrival of Dick Richelle and Michiel Gilsing. Additionally, it was decided to nominate Frits Eulderink for re-appointment for the next 4 years at the upcoming Annual General Meeting.

The year ahead contains many promises and challenges. Vopak has shown resilience and capacity to adapt to the instability given by the COVID-19 pandemic. Vopak also worked on enhancing clarity on the company's longer-term strategic sustainability agenda which will be led by our new CEO. The strategic Sustainability Roadmap will become part of the Executive Board incentive compensation KPIs.

In 2022, the Committee will seek to continue the alignment and transparency between our remuneration policies, incentive remuneration, company results, and the larger societal contribution of Vopak. Personally, I would like to thank you as shareholders for your continued support, and I am looking forward to further engagement with you in the coming years.

Nicoletta Giadrossi
Chair of the Remuneration Committee

This section of the Annual Report provides an overview of the implementation of Vopak's remuneration policies for the members of the Executive Board and the Supervisory Board during 2021, as well as the Vopak's remuneration policies for the members of the Supervisory Board and the Executive Board going forward.

This Directors' Remuneration Report for 2021 has been prepared in accordance with relevant Dutch corporate governance and legal requirements. The Supervisory Board approved this report. This report contains 2 main sections:

- the Annual Report on Remuneration, describing the implementation of the company's Board Remuneration Policies applicable in 2021 and the details of the 2021 Executive Board and Supervisory Board remuneration packages; and
- the company's Supervisory Board and Executive Board remuneration policies for 2022 and beyond.

The implementation of the company's remuneration policy in 2021 and the details of the 2021 Executive Board and Supervisory Board remuneration packages as described in the section 'Annual Report on Remuneration' of this Remuneration Report will be put forward for an advisory vote to the General Meeting on 20 April 2022. The Supervisory Board remuneration policy for 2022 and beyond will be put forward for approval to the General Meeting on the same date.

The annual report on remuneration

This section of the Remuneration Report describes the implementation of the company's Board Remuneration Policies applicable in 2021 and the details of the 2021 Executive Board and Supervisory Board remuneration packages.

Board composition in 2021

Rien Zwitserloot stepped down as member of the Supervisory Board on 21 April, 2021, while Richard Hookway joined Vopak as member of the Supervisory Board on that same date. Following the announcement on 20 October, 2021, and the

Extraordinary General Meeting on 17 December, 2021, Eelco Hoekstra stepped down as CEO and member of the Executive Board on 31 December, 2021. Following the announcement on 10 December, 2021, Gerard Paulides will step down as CFO and member of the Executive Board on 20 April, 2022. For further details on the composition of the Supervisory Board and the Executive Board during 2021 reference is made to pages 133 and 134 in the Governance section of this Annual Report.

Voting results at the 2021 General Meeting

During the Annual General Meeting on 21 April 2021, the implementation of the company's remuneration policy in 2020, as disclosed in the Remuneration Report of the company's 2020 Annual Report, was presented to the company's shareholders for an advisory vote. The voting result was 78.70% in favor.

Executive Board Remuneration in 2021

During 2021, the Executive Board remuneration policy was executed in line with the resolutions adopted at the Annual General Meeting in April 2020.

No deviation or derogation was applied. Neither was any claw back applied to (variable) compensation provided to individual Executive Board members in earlier years.

2021 Executive Board total remuneration

The table on the next page shows the total 2021 remuneration to which each member of the Executive Board was entitled, as well as the break-down in components. Also the related costs for the company (as recognized in the 2021 Consolidated Statement of Income) are shown.

Executive Board Remuneration - components

2021 individual remuneration packages for Executive Board members are designed in a manner that ensures external competitiveness and internal consistency. Their 2021 remuneration packages are comprised of the following main elements:

- Annual base salary.
- Short-term variable compensation; an annual cash-based incentive opportunity related to the achievement of financial and non-financial targets for the year (1-year performance period).
- Long-term variable compensation; a share-based incentive opportunity related to the achievement of financial and strategic targets during a three-year performance period.
- Pension arrangements.

Eelco Hoekstra left the company on 31 January 2022 as a result of his (reduced) notice period which will end on that date. In 2021, he continued to be paid in line with Vopak's Executive Board remuneration policy until the end of his service on 31 December, 2021. In January 2022, he received the fixed part of his package only. Governed by the Executive Board Long-Term Incentive Plan Rules and the discretionary decision by the Supervisory Board, Eelco Hoekstra remains eligible for full vesting of the unvested performance shares granted conditionally to him under the Executive Board Long-Term Share Plans 2019 – 2021, 2020 – 2022 and 2021 – 2023; no accelerated vesting applies.

Gerard Paulides will continue to be paid in line with Vopak's Executive Board remuneration policy until the end of his scheduled Board appointment on 20 April, 2022. From April 21 until 30 June, 2022, he will receive the fixed part of his package only. Governed by the Executive Board Long-Term Incentive Plan Rules and the decision by the Supervisory Board, Gerard Paulides remains eligible for full vesting of the unvested performance shares granted conditionally to him under the Executive Board Long-Term Share Plans 2019 – 2021, 2020 – 2022 and 2021 – 2023; no accelerated vesting applies.

Under IFRS, the costs that occur after the termination of their Board appointment, i.e. after the date of the termination of their services to the company (for Eelco Hoekstra, this was on 31 December 2021, and for Gerard Paulides, this is scheduled to be on 20 April, 2022), are accelerated in 2021. These IFRS-labeled termination benefits are explained in more detail in the footnotes to the table '2021 Executive Board remuneration entitlements and IFRS costs for the company' of this Remuneration Report on the next page.

Additionally, benefits and other emoluments were provided for in 2021 in line with the Vopak Netherlands policies, plans and arrangements which apply to all Vopak staff in the Netherlands.

2021 Executive Board remuneration entitlements[1] and IFRS costs (audited) for the company

	Fixed compensation						Variable compensation						Proportion fixed vs variable compensation (%)	
	Annual base salary		Pension contributions [2]		Other [3]		Short-term incentive		Long-term incentive		Total			
In EUR thousands	2021	2020	2021	2020	2021	2020	2021 [4]	2020 [5]	2021	2020	2021	2020	2021	2020
E.M. Hoekstra														
entitlement	746	735	174	172	12	12	671	622	736 [6]	679 [9]	2,339	2,220	39.8% / 60.2%	41.4% / 58.6%
costs (IFRS)					196[7]	12			1,734 [7,8]	735 [10]	3,521	2,275		
F. Eulderink														
entitlement	568	560	186	184	1	1	426	395	458 [6]	435 [9]	1,639	1,574	46.1% / 53.9%	47.3% / 52.7%
costs (IFRS)					1	1			570 [8]	462 [10]	1,751	1,601		
G.B. Paulides														
entitlement	568	545	134	128	9	9	426	384	426 [6]	394 [9]	1,563	1,461	45.5% / 54.5%	46.7% / 53.3%
costs (IFRS)					833[11]	9			832 [8,11]	393 [10]	2,793	1,460		
Total entitlements	**1,882**	**1,840**	**494**	**484**	**22**	**22**	**1,523**	**1,401**	**1,620 [6]**	**1,508 [9]**	**5,541**	**5,255**	**43.3% / 56.7%**	**44.6% / 55.4%**
Total costs (IFRS)					**1,030**	**22**			**3,136 [7,8,11]**	**1,590 [10,12]**	**8,065**	**5,336 [10]**		

1 Entitlements are defined as payments (cash) and vestings (shares) which relate to the financial year at hand, i.e. fixed remuneration (annual base salary, pension contributions, and other fixed remuneration), the short-term variable incentive which relates to the performance year 2021 and which will be paid out in 2022, and the long-term variable incentive of which the performance period ended on 31 December 2021 (2019 – 2021 LTSP), and which is scheduled to vest in 2022.
2 For Executive Board members who were in service prior to January 1, 2015 (in 2021: Eelco Hoekstra and Frits Eulderink), the difference between the Vopak contributions to the current pension plan and the Vopak contributions to the pension arrangement in place prior to January 1, 2015, is compensated for by a separate pension contribution allowance paid out to the individual, subject to statutory tax withholdings. The gross value of these allowances is included in the pension contributions as stated in this table.
3 The column 'Other' includes certain perquisites provided to individual Executive Board members in 2021, such as a life-cycle allowance and an employer contribution to the Dutch statutory health insurance. The IFRS costs shown in this column are excluding the annual employer contributions to the Dutch social security. For Eelco Hoekstra, Gerard Paulides, and Frits Eulderink, the 2021 employer social security contributions amounted to EUR 13K (2019: EUR 10K).
4 This is the STIP related to the 2021 performance year which will be paid out in 2022.
5 This is the STIP related to the 2020 performance year which was paid out in 2021.
6 This is the value of the 2019 – 2021 LTSP performance shares at 31 December 2021 based on the performance realized and the closing share price at 31 December 2021 of EUR 30.80. These shares are scheduled to vest in April 2022.
7 The IFRS costs shown in the columns 'Other' and 'Long-term incentive' in this table for Eelco Hoekstra include the regular costs the company incurred in 2021, as well as the costs which the company would have incurred in 2022 and beyond, if his Board appointment had not been terminated, and which are now accelerated in 2021. The costs for the period 1 January to 31 January, 2022 plus the cash value of the paid leave days still unused on 31 January, 2022 amount to EUR 126K in total. In addition, employer contributions to the Dutch social security in relation to the 2022 payments to the amount of EUR 1K will also be paid in 2022. The accelerated costs for the unvested 2020 – 2022 and 2021 – 2023 LTSP grants which are expected to vest in 2023 and 2024, respectively, are based on modelled vesting results and amount to EUR 821K in total. The estimated total tax levy on the payments and (estimated) vestings to Eelco Hoekstra in 2022, 2023 and 2024 required under the Dutch income tax law 32ba/ 32bb regarding excessive severance payments ("pseudo-eindheffing excessieve vertrekvergoedingen") amounts to EUR 57K.
8 This amount reflects the recognized IFRS costs accrued by the company during the financial year 2021 for the unvested performance shares awarded conditionally to individual Executive Board members under the Long-Term Share Plans 2019 – 2021, 2020 – 2022, and 2021 – 2023.
9 This is the value of the 2018 – 2020 LTIP performance shares based on the performance realized and the closing share price at 31 December 2020 of EUR 42.99. These shares vested in April 2021 based on a share price of EUR 39.90, resulting in the following values at the date of vesting: Eelco Hoekstra: EUR 630,380; Frits Eulderink: EUR 403,469; and Gerard Paulides: EUR 365,684. These values are also shown in the table '2021 movements in outstanding LTSP awards made to the Executive Board' in this Remuneration Report.
10 This amount reflects the recognized IFRS costs accrued by the company during the financial year 2020 for the unvested performance shares awarded conditionally to individual Executive Board members under Long-Term Share Plans 2018 – 2020, 2019 – 2021, and 2020 – 2022.
11 The IFRS costs shown in the columns 'Other' and 'Long-term incentive' in this table for Gerard Paulides include the regular costs in 2021 the company incurred in relation to his Board services, as well as the costs which the company would have incurred after 20 April, 2022, if his Board appointment would not be terminated, and which are now accelerated in 2021. The costs for the period 21 April to 30 June, 2022 amount to EUR 157K in total. In addition, employer contributions to the Dutch social security in relation to the 2022 payments after 20 April, 2022, to the amount of EUR 3K will also be paid in 2022. The accelerated costs for the unvested 2020 – 2022 and 2021 – 2023 LTSP grants that which are expected to vest in 2023 and 2024, respectively, are based on modelled vesting results and amount to EUR 344K in total. The estimated total tax levy on the payments and (estimated) vestings to Gerard Paulides in 2022, 2023 and 2024 required under the Dutch income tax law 32ba/ 32bb regarding excessive severance payments ("pseudo-eindheffing excessieve vertrekvergoedingen") amounts to EUR 666K in total.
12 The amount shown here is excluding the 2020 long-term incentive costs for Jack de Kreij (EUR 38K) as shown in this same table in the Remuneration Report of the 2020 Annual Report.

The 2021 total remuneration amounts are within the limits of the Executive Board remuneration policy. The overall costs increased from EUR 5.4 million in 2020 to EUR 8.1 million in 2021. This increase is mainly due to the acceleration of costs in 2021 under the IFRS regulations as a result of the termination of the Board appointments of Eelco Hoekstra and Gerard Paulides. For further details on the costs of the Long-Term Share Plans for the company, reference is made to note 7.2 to the Consolidated Financial Statements.

By rewarding Executive Board members in 2021 for the achievement of specific objectives of short-term and longer-term value creation, in particular (but not limited to) the company's financial, safety and customer satisfaction performance as well as the execution of the company's strategy, their remuneration packages contribute to the longer-term value creation for the company and remain aligned with the company's shareholders', employees and other stakeholders' interests.

2021 annual base salary

The 2021 annual base salaries of the Executive Board are as follows:

- Eelco Hoekstra: EUR 746,025
- Frits Eulderink: EUR 568,400
- Gerard Paulides: EUR 568,400

In its review of the Executive Board members' remuneration in December 2020, the Supervisory Board considered both internal consistency, in particular staff salary increases, as well as the results of external benchmarking against similar positions in AEX and AMX listed companies in the Netherlands, and selected European reference companies. Benchmarks were carried out on the basis of similar job size, board position, the company's revenues and market capitalization, such in various compositions, before arriving at an informed decision.

Per January 2021, the base salaries of individual Executive Board members were increased in order to strengthen the longer-term stable position around market median for the Executive Board total remuneration packages aimed for under the policy. Also, through the 2021 salary increases, the desired internal equity between the remuneration packages of the COO and the CFO has been achieved.

2021 Short-term variable compensation

At the beginning of 2022, the results against targets for the 2021 Executive Board short-term incentive (STIP) were evaluated. The Supervisory Board decided not to apply any discretionary adjustments upward or downward to the STIP payouts. The table below shows the 2021 STIP payouts for each Board member, both in target and actual percentage of their annual base salary, and split per KPI. The 2021 STIP will be paid out in April 2022, after approval of the 2021 financial results by the General Meeting.

Financial KPIs

Over 2021, Vopak reports an EBIT (excluding exceptional items) of EUR 494.8 million. This is a maximum result compared to the 2021 target, resulting in a corresponding payout on this KPI. For further details on the EBIT performance during 2021, reference is made to the section Financial performance in the performance & outlook section. Compared to the 2021 target, the achieved result

2021 STIP for the Executive Board

	2021 payout opportunity[1]			2021 realized performance as a % of the overall payout										Total 2021 STIP	
	2020 Target	2021 Target	Max	EBIT		Cost		Safety		Customer Satisfaction		Executive Board Effectiveness		Actual payout	
	% of base salary			Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	% [2]	In EUR thousands
E.M. Hoekstra	60%	60%	90%	18%	36%	12%	24%	9%	9%	9%	9%	12%	12%	90%	671
F. Eulderink	50%	50%	75%	15%	30%	10%	20%	7.5%	7.5%	7.5%	7.5%	10%	10%	75%	426
G.B. Paulides	50%	50%	75%	15%	30%	10%	20%	7.5%	7.5%	7.5%	7.5%	10%	10%	75%	426

1 Expressed as a percentage of their annual base salary.

on the Cost KPI of EUR 628.1 million (excluding exceptional items) is at maximum, resulting in a corresponding payout on this KPI.

Non-financial KPIs

The 2021 performance on the non-financial KPIs Safety, Customer Satisfaction and Executive Board Effectiveness, is as follows:

Safety

Vopak's 'License to Operate' and its 'License to Grow' are conditional upon its ability to operate safely and responsibly. Vopak's long-term aim is zero incidents and no harm to anybody working at a Vopak facility. Process safety and the occupational health and safety of employees and contractors are the company's top priorities. The personal safety KPI is measured by the Total Injury Rate (TIR). The actual TIR realization for Vopak as a whole is 0.25 against the 2021 TIR target for Vopak as a whole. No fatal incidents occurred during the year. The target is met and there will be a corresponding payout on this KPI. The process safety KPI is measured by the Process Safety Event Rate (PSER). The actual PSER realization for Vopak as a whole is 0.09 against the 2021 PSER target for Vopak as a whole. The target is met and there will be a corresponding payout on this KPI. For further details on the results on Safety, reference is made to the Sustainability chapter in this Annual Report.

Customer Satisfaction

To realize our ambition of continuous improvement of our service performance, ambitious Net Promoter Score targets are set at various levels within the organization, as well as for Vopak as a whole. With an achieved result of 74, this target is met compared to the 2021 target, resulting in a corresponding payout on this KPI.

Executive Board effectiveness

Based on individual evaluation meetings with the Executive Board, in which the implementation and realization of the agenda of the Executive Board for 2021 set at the beginning of the year was discussed, the Supervisory Board assessed the performance of the Executive Board as effective.

2021 Long-term variable compensation

The performance period of the conditional awards made under the Long-Term Share Plan 2018 – 2020, ended on 31 December 2020. The realized EPS performance resulted in vesting at 90% of the target level. After the Annual General Meeting of shareholders on 21 April 2021, the conditionally granted performance shares under this Plan vested and were fully settled in shares in accordance with the Plan rules. The Supervisory Board decided not to apply any discretionary adjustments upward or downward. The (gross) value of the vested shares to each Executive Board member is shown in the table below as well as in the table '2021 Executive Board remuneration entitlements and IFRS costs for the company' in this Remuneration Report.

The performance period of the conditional awards made under the Long-Term Share Plan 2019 – 2021 ended on 31 December 2021. The average 2019, 2020 and 2021 EPS performance realized is EUR 2.52 (excluding exceptional items), resulting in a vesting at maximum for this KPI compared to the target. The Supervisory Board also assessed the company's Strategy Realization (named Strategic Direction earlier) during the performance period, and determined a vesting outcome between target and maximum for this KPI on the basis of the results achieved. The overall vesting outcome achieved is therefore also between target and maximum. The Supervisory Board decided not to apply any discretionary adjustments upward or downward. Vesting is subject to and will take place after approval of the 2021 financial results by the General Meeting on 20 April 2022.

At the beginning of 2021, a conditional award of performance shares under the 2021 – 2023 LTSP was made to each Executive Board member. These conditional awards are scheduled to vest in 2024, subject to performance realization. During the whole of 2021, the conditional awards of performance shares made under the Long-Term Share Plans 2020 – 2022 were outstanding. These conditional awards are scheduled to vest in 2023, subject to performance realization.

The table on the next page shows the LTSP movements during the year.

2021 movements in outstanding LTSP awards made to the Executive Board [1,2]

	LTSP	Start date performance period	End date performance period	(Scheduled) vesting date	Gross value of target award at the date of award (EUR)	Share price at the date of award [3] (EUR)	Gross # of shares awarded (target) at the date of award[4]	Gross # of shares under deferral at 1 January 2021	Gross # of shares held under deferral at 31 December 2021	Gross # of shares that lapsed during 2020	Gross # of shares that vested during 2021	Share price at the date of vesting (EUR)	Gross market value of vested award at the date of vesting (EUR)
E.M. Hoekstra	LTSP 2018-2020	1 Jan 2018	31 Dec 2020	AGM 2021	634,375	36.138	17,544	17,544	0	1,755	15,799	39.900	630,380
	LTSP 2019-2021	1 Jan 2019	31 Dec 2021	AGM 2022	700,000	40.274	17,380	17,380	17,380	0	0	n/a	n/a
	LTSP 2020-2022	1 Jan 2020	31 Dec 2022	AGM 2023	808,500	48.580	16,643	16,643	16,643	0	0	n/a	n/a
	LTSP 2021-2023	1 Jan 2021	31 Dec 2023	AGM 2024	820,628	45.150	18,176	n/a	18,176	0	0	n/a	n/a
F. Eulderink	LTSP 2018-2020	1 Jan 2018	31 Dec 2020	AGM 2021	406,000	36.138	11,235	11,235	0	1,123	10,112	39.900	403,469
	LTSP 2019-2021	1 Jan 2019	31 Dec 2021	AGM 2022	436,000	40.274	10,826	10,826	10,826	0	0	n/a	n/a
	LTSP 2020-2022	1 Jan 2020	31 Dec 2022	AGM 2023	504,000	48.580	10,375	10,375	10,375	0	0	n/a	n/a
	LTSP 2021-2023	1 Jan 2021	31 Dec 2023	AGM 2024	511,560	45.150	11,330	n/a	11,330	0	0	n/a	n/a
G.B. Paulides	LTSP 2018-2020	1 Jan 2018	31 Dec 2020	AGM 2021	368,000	36.138	10,183	10,183	0	1,018	9,165	39.900	365,684
	LTSP 2019-2021	1 Jan 2019	31 Dec 2021	AGM 2022	404,800	40.274	10,051	10,051	10,051	0	0	n/a	n/a
	LTSP 2020-2022	1 Jan 2020	31 Dec 2022	AGM 2023	490,500	48.580	10,097	10,097	10,097	0	0	n/a	n/a
	LTSP 2021-2023	1 Jan 2021	31 Dec 2023	AGM 2024	511,560	45.150	11,330	n/a	11,330	0	0	n/a	n/a

1 Reference is made to note 7.2 of the Consolidated Financial Statements for more details on the costs of these awards for the company.
2 Because Executive Board members are required to hold a continuous portfolio of Vopak shares calculated as a percentage of their annual base salary (200% for the CEO, and 100% for the CFO and COO), the retention periods for the vested shares under each of the LTSPs are not included in this table. For the number of vested performance shares held by individual Executive Board members, reference is made to the table in the section 'Share Ownership' below.
3 The share price at the date of award is the average closing price of a Royal Vopak NV ordinary share listed on Euronext Amsterdam during the calendar quarter immediately preceding the performance period of the respective LTSP.
4 All shares awarded conditionally under the company's LTSPs to Executive Board members are subject to performance conditions.

Share ownership

Executive Board members' ownership of Vopak shares is shown in the table on the right. This table contains the total number of shares acquired by the individual Executive Board members as a result of performance shares vesting under the company's Long-Term Share Plans, as well as any additional ordinary shares acquired at the individual Board member's own expense (personal investments).

In 2021, the CEO was required to own a minimum number of company shares with a value equivalent to two (2) times his 2021 annual base salary. For Vopak's CFO and COO, this minimum shareholding requirement was one (1) time their 2021 annual base salary.

Vopak shares owned by individual Executive Board members

Number of shares	# of vested performance shares on 31 December 2021	# of privately invested shares on 31 December 2021	Total # of shares owned on 31 December 2021 [1]	Total # of shares owned on 31 December 2020 [2]
E.M. Hoekstra	57,802	9,582	67,384	59,406
F. Eulderink	33,431	1,750	35,181	30,075
G.B. Paulides	4,628	6,200	11,828	6,200

1 The share price at the end of 2021 was EUR 30.80.
2 The share price at the end of 2020 was EUR 42.99.

Other

Executive Board members did not receive any remuneration from group companies. Vopak has not provided any personal loans, advances or guarantees to Executive Board members.

Remuneration of the Supervisory Board in 2021

The remuneration of Supervisory Board members consists of fixed fees for general membership and committee memberships, paid in cash only. It is not subject to the achievements of the company. In addition, Supervisory Board members are reimbursed for actual business expenses made, and, when living outside the Netherlands, for actual travel expenses made.

2021 Supervisory Board total remuneration

During 2021, the Supervisory Board remuneration policy was executed in line with the resolutions adopted at the Annual General Meeting in April 2020. No deviation or derogation was applied.

The table below shows the gross amounts of Supervisory Board fees each Supervisory Board member received in 2021, resulting in a total cost to the company of EUR 0.54 million, as compared to EUR 0.50 million in 2020. The increase in costs was due to changes in the composition of the Board. For further details, reference is made to note 7.3 of the Consolidated Financial Statements.

Supervisory Board members did not receive any other fixed allowances or performance-related incentives (neither in cash nor in shares), nor any other remuneration, such in accordance with the policy. Nor did Vopak provide any personal loans, advances or guarantees to Supervisory Board members.

No Supervisory Board members held any Vopak shares at year-end 2021, except for Ben Noteboom, who held 3,500 shares (2020: 3,500).

Terms of engagement

During 2021, Supervisory Board and Executive Board members had a board agreement with Koninklijke Vopak N.V. in line with the provisions on appointment and termination in their respective remuneration policies.

2021 Supervisory Board remuneration [1,2]

In EUR thousands	Supervisory Board	Audit Committee	Selection and Appointment Committee	Remuneration Committee	Total 2021	Total 2020
B.J. Noteboom (Chair)	97.5	n/a	7.0	7.0	111.5	111.5
M.F. Groot (vice-Chair)	65.0	8.5	5.0	n/a	78.5	78.5
L.J.I. Foufopoulos – De Ridder (member)	65.0	8.5	n/a	7.0	80.5	80.5
N. Giadrossi (member) [3]	65.0	8.5	n/a	9.0	82.5	77.0
R. Hookway (member) [4]	75.83	5.67	n/a	n/a	81.5	n/a
B. van der Veer (member)	65.0	15.0	n/a	n/a	80.0	80.0
R.G.M. Zwitserloot (former member) [5]	21.67	n/a	n/a	3.33	25.0	75.0
Total	**455.0**	**46.17**	**12.0**	**26.33**	**539.5**	**502.5**

1 Reimbursements of actual expenses made by individual Supervisory Board members are not included in this table as these do not qualify as remuneration.
2 Amounts stated are gross, and excluding VAT, where applicable.
3 Nicoletta Giadrossi is a member of the Remuneration Committee as of 1 July 2020, and Chair of the Remuneration Committee since 21 April 2021.
4 Richard Hookway was appointed as a member of the Supervisory Board, and as a member of the Audit Committee on 21 April 2021. The fees shown in this table include an amount of EUR 32,500 which was provided to him as compensation for his activities for the Supervisory Board prior to his appointment.
5 Rien Zwitserloot stepped down as a member of the Supervisory Board, and Chair of the Remuneration Committee on 21 April 2021.

5-Year comparison

The annual change of Vopak's Supervisory Board and Executive Board Members' remuneration, the performance of the company, and the average remuneration of employees of the company over the five most recent financial years, are presented in a comparative manner in this section.

The tables on the next page jointly provide a 5-year comparative overview of the performance of the company (as reflected by the results on the individual KPIs used in the Executive Board STIP and LTSP, as well as captured in the Executive Board STIP and LTSP overall outcomes) and the annual total remuneration of Executive Board members (market value). In order to provide a full comparison, the increases in annual base salary of individual Board members are also included in this table.

CEO pay ratio

The comparison between the developments in the annual total remuneration of Executive Board members and average remuneration on a fulltime equivalent basis of employees of the company other than directors is shown by the developments in the CEO pay ratio, the CEO being the highest paid Executive Board member. The CEO pay ratio reflects the value of the CEO's annual total remuneration as a percentage of the value of the annual average total remuneration of Vopak employees globally in the respective financial year. 5-year developments of this ratio are shown in the graph on next page. In 2021, the Monitoring Committee Corporate Governance recommended to understand the concept of pay ratios to mean the ratio between (i) the total annual remuneration of the CEO and (ii) the average annual remuneration of the employees of the company and group companies whose financial data is consolidated by the company, whereby:

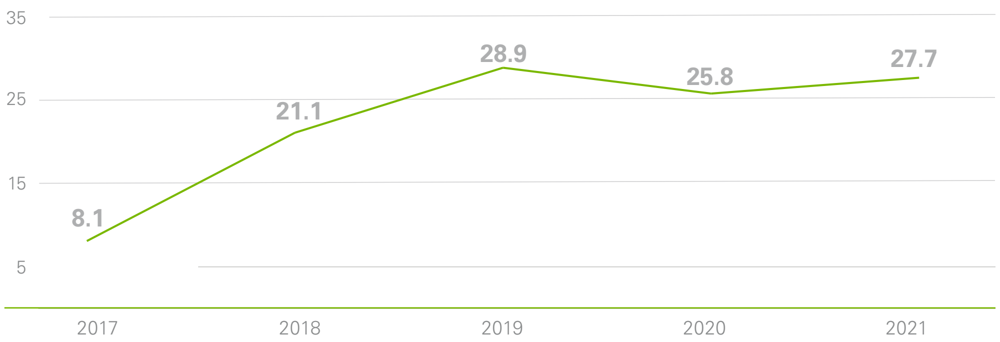
- the total annual remuneration of the CEO includes all the remuneration components (such as fixed remuneration, variable cash remuneration (bonus), share-based part of the remuneration, social contributions, pension, expense allowance, etc.) included in the consolidated annual accounts on an IFRS basis;
- the average annual remuneration of the employees is determined by dividing the total wage costs in the financial year (as included in the consolidated annual accounts on an IFRS basis) by the average number of FTEs during the financial year; in addition, the hiring of external employees is taken into account pro-rata, insofar as they are hired for at least three months during the financial year; and
- the value of the share-based component of the remuneration is determined at the time of assignment in accordance with the applicable rules under IFRS.

The CEO pay ratio calculation method Vopak used in previous years equaled this recommended method with the exception of using a historical 3-year average for the IFRS costs of the long-term incentive awards which were awarded, outstanding and vested in the financial year at hand. Going forward, the calculation method recommended by the Monitoring Committee Corporate Governance will be used. Using this calculation method, the CEO pay ratio is 27.7 in 2021 (25.8 in 2020).

5-year comparison between company performance, Supervisory Board and Executive Board total remuneration, and average total employee remuneration

Company performance	2017	2018	2019	2020 [1]	2021
EBIT [2]	490.4	463.3	539.1	483.7	494.8
EBITDA [2]	763.2	734.3	829.8	779.7	826.6
Cost [2]	675.9	666.0	632.7	603.3	628.1
EPS [3]	2.25	2.27	2.80	2.37	2.52
TIR [4]	0.38	0.30	0.34	0.37	0.25
PSER [4]	0.26	0.12	0.16	0.14	0.09
NPS	48	62	65	67	74
Overall STIP result [5]	41.67%	142.5%	142.5%	141%	150%
Overall LTSP result [5]	50%	50%	120%	90%	137.5%

CEO Pay ratio [9,10]



Executive Board total remuneration [6,7]	2017	2018	2019	2020	2021
CEO	1,145	1,633	2,323	2,220	2,339
COO	910	1,224	1,651	1,574	1,639
CFO (current)	46	882	995	1,461	1,563
CFO (former)	966	243	499	n/a	n/a

Executive Board annual base salary increases [8]	2017	2018	2019	2020	2021
CEO	0.0%	1.5%	10.3%	5%	1.5%
COO	0.0%	1.5%	7.4%	2.75%	1.5%
CFO (current)	n/a	n/a	10%	7.7%	4.3%
CFO (former)	0.0%	n/a	n/a	n/a	n/a

Supervisory Board total remuneration [6]	2017	2018	2019	2020	2021
Chairman (current)	100.1	111.5	111.5	111.5	111.5
Vice-chairman (current)	78.5	78.5	78.5	78.5	78.5
Member (current)	n/a	56.5	80.5	80.5	82.5
Member (current)	n/a	21.67	73.5	77.0	77.0
Member (current)	n/a	n/a	n/a	n/a	81.5
Member (current)	n/a	78.0	80.0	80.0	80.0
Chairman (former)	33.57	n/a	n/a	n/a	n/a
Member (former)	75.0	75.0	75.0	75.0	25.0
Member (former)	80.0	23.9	n/a	n/a	n/a
Member (former)	70.0	20.9	n/a	n/a	n/a
Member (former)	51.14	9.5	n/a	n/a	n/a

1 The 2020 EBIT, EBITDA, Cost and EPS figures shown in this table are the restated company performance results reflecting the change in the IFRS policies for accounting cloud computing arrangements. Prior to this accounting restatement, these results were 492.0, 791.6, and 591.4 million EUR and EUR 2.42 respectively, as stated in the Remuneration Report of the 2020 Annual Report.
2 In EUR million. EBITDA was used as a financial KPI in the Executive Board short-term incentive plan up until and including 2017; as of 2018, EBITDA was replaced by EBIT and Cost. Cost figures shown reflect personnel expenses and other operating expenses. EBIT, EBITDA and Cost figures shown are excluding exceptional items.
3 In EUR. EPS figures shown are excluding exceptional items.
4 Expressed as a percentage per 200,000 hours worked (own personnel and contractors). For TIR and PSER, a decrease is aimed for year-on-year, i.e. a decline in injuries and events.
5 Payout/ vesting as a % of target (=100%).
6 In EUR thousands.
7 Entitlements of total remuneration figures are shown. Payouts under the Executive Board STIP are included in the financial year which also encompasses the performance year. Vestings of the Executive Board LTSP are included in the year in which the performance period ended (year 3).
8 As a % of the annual base salary of the previous year.
9 The 2021 IFRS costs shown for Eelco Hoekstra in the table "2021 Executive Board remuneration entitlements and IFRS costs (audited) for the company" in this Remuneration Report include the costs the company incurred in 2021 as well as the costs which the company would have incurred in 2022 and beyond, if his Board appointment had not been terminated, and which are now accelerated in 2021. Under IFRS, these latter costs are accelerated in 2021 because they occur after the termination of his Board appointment on 31 December 2021, i.e. the termination of his services to the company. The 2021 CEO pay ratio shown in this 5-year graph is normalized by calculating this ratio without the costs for 2022 and beyond which are accelerated in 2021 under IFRS. This is done in order to facilitate a like-for-like comparison with the CEO pay ratios in previous and future years. If these accelerated costs are included, the 2021 CEO pay ratio would be 38.8.
10 The CEO pay ratio graph shows the 2017 – 2020 CEO pay ratios recalculated on the basis of the calculation method recommended by the Monitoring Committee Corporate Governance. Under the calculation method used by Vopak in previous years, the 2020 CEO pay ratio is 26.1, the 2019 CEO pay ratio is 21.5, the 2018 CEO pay ratio is 20.8, and the 2017 CEO pay ratio is 17.3, as stated in the previous Annual Reports. If the calculation method used by Vopak in previous years is applied, the normalized 2021 CEO pay ratio is 27.6, and 32.7 without normalization (see previous footnote).

Board remuneration policies in 2022 and beyond

This section of the Remuneration Report describes the company's Supervisory Board and Executive Board Remuneration Policies for 2022 and beyond. These policies can also be found on the company's website.

Policy review

The Supervisory Board and Executive Board remuneration policies are evaluated for revision by the Supervisory Board on a regular basis and at least every four years. The Remuneration Committee advises the Supervisory Board on these policies and individual remuneration packages, as well as any changes thereto.

The Supervisory Board reviewed these policies during 2021. The review resulted in a decision to adjust the Supervisory Board fees which were lastly determined in 2017. With regard to the other aspects of the Supervisory Board and Executive Board Remuneration polices, taking into account the approval rate for the current Supervisory Board and Executive Board Remuneration policies at the Annual General Meeting in 2020 and the feedback shared by investors and other shareholders as well as Vopak's works council, the Supervisory is of the opinion to keep these policies materially unaltered going forward. Nevertheless, the review opportunity was used to further clarify and elaborate these policies within their boundaries.

The revised Supervisory Board remuneration policy for 2022 and beyond will be put forward for approval to the General Meeting on 20 April 2022.

Governance

The Supervisory Board and Executive Board remuneration policies and actual remuneration provided to individual Supervisory Board and Executive Board members are set by the Supervisory Board, based on proposals of the Remuneration Committee which is supported by internal and external independent specialists. Decisions on the Executive Board remuneration policy and the remuneration of individual Executive Board members are made in the absence of the Executive Board.

The Supervisory Board considers the design of these remuneration policies in line with the company's purpose, business strategy and business environment, applicable laws and regulations, as well as the views of its stakeholders and society at large.

The Supervisory Board ensures transparency by disclosing the Supervisory Board and the Executive Board remuneration policies in the Remuneration Report section of the company's Annual Report. They are also made available on the company's website. Furthermore, in the Remuneration Report section of the company's Annual Report the application of the policy in the financial year at hand is set out in detail.

In case of material alterations and/ or revisions to these policies, these are put forward to the General Meeting for approval. If any of these two policies remains unaltered during a period of four years from the last change, it will again be put forward to the General Meeting for confirmation of approval.

Changes in the Vopak Netherlands benefits and emoluments policies, plans and/ or arrangements applicable to all Vopak non-CLA staff, and for which Executive Board members are also eligible, follow the regular legal and company governance processes for such changes. In case a change in any of these policies, plans and/ or arrangements would affect the entitlements of Executive Board members under these policies, such changes are not subject to the approval of the General Meeting.

For further information on governance please refer to the section Corporate Governance in this Annual Report.

Stakeholder engagement

Investors, and other shareholders, customers, suppliers, business partners, authorities and employees are among others important stakeholder groups with whom Vopak is in continuous contact. Investors and shareholders as well as the works council of Koninklijke Vopak N.V. are consulted when Vopak's Supervisory Board and Executive Board remuneration policies and any changes thereto requires approval from the Annual General Meeting. In the past years, proposals for Vopak's Supervisory Board and Executive Board remuneration policies and any changes thereto have consistently been adopted by the General Meeting with approval rates exceeding 95%.

Every two to three years, Vopak asks a broad group of internal and external stakeholders directly about the key sustainability topics that they want us to address. The most recent materiality survey, which includes feedback on remuneration within Vopak, was conducted in 2019. In addition, Vopak highly values the employee and customer satisfaction surveys as a tool to verify the implementation of earlier suggestions, comments and recommendations, as well as to gather additional feedback and identify new topics. Feedback received from investors and other shareholders, the works council of Koninklijke Vopak N.V., employees and customers and additional desk research shows that remuneration is ranked as important, yet not requiring continuous monitoring or being a key topic of concern.

Remuneration objectives and principles

The Vopak Supervisory Board and the Executive Board remuneration policies support the company's purpose of storing vital products with care. Also, the Supervisory Board and the Executive Board remuneration policies are reflective of the Vopak Values. They are clear and transparent, and developed in order to foster in particular Integrity, Commitment and Team Spirit among Supervisory Board and Executive Board members in their dealings with each other, as well as other Vopak staff, partners, customers, shareholders and other stakeholders. Vopak's Values Care for Health, Safety and Environment, as well as Agility, are promoted in particular via the Executive Board variable remuneration plans and related Key Performance Indicators ('KPIs') and targets.

The Supervisory Board and the Executive Board remuneration policies aim to attract and retain Board members the right level of experience and competencies to drive the achievement of the company's purpose and strategic objectives.

The Supervisory Board remuneration policy supports the Supervisory Board to duly execute its duties and responsibilities independently, and, hence, contribute as best as possible to the realization of the company's strategic objectives, including the longer-term value creation for the company and its stakeholders. This is to ensure alignment with the (longer-term) interests of the company's stakeholders and society at large. It achieves these objectives by providing remuneration that consists of fixed elements only, with remuneration levels that are sustainable within the level playing field in the Netherlands.

The Executive Board remuneration policy provides for remuneration packages that consist of a balanced mix of fixed and variable compensation, with remuneration levels that are in line with the relevant level playing field. Also, the Executive Board remuneration policy is aligned with those of Vopak senior executives.

By rewarding Executive Board members for the achievement of specific objectives of short-term and longer-term value creation, this policy ensures alignment with the company's shareholders', employees' and other stakeholders' interests. In its day-to-day operations, care for people's safety and health and for the environment are the company's first and foremost priority. Therefore, the Executive Board remuneration policy links the Executive Board remuneration to the company's safety performance, with short-term incentive targets on both people safety and process safety. Targets on EBIT, cost-effectiveness and customer satisfaction are also included in the short-term incentives, as they measure the company's success in creating value today for its stakeholders. At the same time, the Executive Board needs to ensure that the company stays relevant to the market and the society at large by facilitating flows of products that are vital to people in their daily lives, today and in the future. Therefore, the Executive Board remuneration policy links the long-term rewards to the Executive Board's performance on steering the company in the agreed strategic direction and creating value for its stakeholders.

All Vopak's remuneration policies, including those for the Supervisory Board and the Executive Board, are designed to balance the following remuneration principles.

External competitiveness

The Remuneration Committee is informed by external advisors about the total remuneration levels of similar board memberships and other positions in relevant markets on a regular basis. The Remuneration Committee considers the benchmark against the bottom 10 AEX and top 10 AMX companies excluding companies in the financial and real estate industry*, and ranked on the basis of their market capitalization, most relevant.

* For 2022, this peer group will consist of the following companies: (a) bottom 10 AEX companies: Akzo Nobel, ArcelorMittal, ASM International, BE Semiconductor Industries, IMCD, Just Eat Takeaway.com, KPN, Randstad, Signify, and Wolters Kluwer; (b) top 10 AMX companies: Aalberts, Aperam, Arcadis, Corbion, Galapagos, InPost, JDE Peets, OCI, Royal Boskalis Westminster, and SBM Offshore.

A longer-term stable position around market median against this peer group is aimed for. Other remuneration data from other benchmarks and/ or other companies may be used in order to gain an improved understanding of the Dutch and European longer-term market developments and trends in Board remuneration.

Internal consistency
Equally, the Remuneration Committee values internal consistency. Executive Board remuneration is aligned with the remuneration of senior executives by using the same job evaluation methodology. Alignment between the remuneration packages for the Executive Board members and senior executives is also ensured through a similar design in the remuneration policies, plans and components.

Strategic alignment
The Supervisory Board remuneration only consists of fixed compensation, i.e. it is not subject to the achievements of the company, and is paid in cash only.

The Executive Board remuneration policy aims for a balance between fixed and (short-term and long-term) variable compensation, with a relative emphasis on long-term variable compensation. This emphasis is aligned with the company's longer-term strategy, which requires multi-year decisions on and realization of major capital investments in assets and often longer-term customer and partner contracts. In addition, the KPIs in the Executive Board variable compensation plans are selected to motivate them to steer the company's strategy execution in the short and longer term.

Pay for performance
As a reflection of Vopak's performance culture, the short-term and long-term variable compensation plans for the Executive Board, senior executives and other key staff are incentive-driven rather than reward-based. Under these plans, non-performance is not rewarded (nor through other remuneration components).

Supervisory board remuneration

Board membership fees
Supervisory Board remuneration comprises of two types of fees:
1. General fee for Board membership
2. Committee membership fee

Fees are set and adjusted within the boundaries of the longer-term median fee levels of the relevant benchmark(s).

Candidates for Supervisory Board positions who have been nominated but not yet appointed by the General Meeting, may be eligible for receiving (prorated) remuneration on the basis of the above listed fees in light of the amount of preparatory and advisory work these candidates would be required to deliver prior to their appointment.

Travel expenses and other expenses
Supervisory Board members may be reimbursed for actual travel expenses made for company-related travel outside the Netherlands, and, if they live outside the Netherlands, also for company-related travel to the Netherlands.

Other reasonable expenses made by Supervisory Board members will only be reimbursed if these are incurred in the course of performing their duties and qualify as business expenses.

Other compensation
No other compensation, benefits, reimbursement or emoluments are provided for to Supervisory Board members. Neither is Supervisory Board remuneration tax protected.

The company will not provide any personal loan, advance or guarantee to Supervisory Board members.

Appointment and termination of Supervisory Board Members

Supervisory Board appointments are governed by Dutch employment law and aligned with the current Dutch Corporate Governance Code. Supervisory Board members are (re-)appointed for a term of four years in accordance with legal and regulatory requirements.

No additional remuneration ("sign-on") is paid upon recruitment. Compensation for a (non-voluntary) termination of appointment or a change-in-control will not be provided for.

Executive board remuneration

Annually, the Remuneration Committee reviews the Executive Board total remuneration levels, as well as each remuneration component of their package, such on behalf of the Supervisory Board. In doing so, the Remuneration Committee takes the earlier stated remuneration objectives and principles into account.

The remuneration package of individual Executive Board members comprises of the following main elements:

1. Annual base salary;
2. Short-term variable compensation: an annual cash-based incentive opportunity related to the achievement on financial and non-financial targets for the respective financial (performance) year;
3. Long-term variable compensation: a share-based incentive opportunity related to the achievement of financial and strategic targets during a three-year performance period;
4. Pension arrangement.

Additionally, benefits and other emoluments are provided for in line with the Vopak Netherlands policies, plans and arrangements which apply to all Vopak staff in the Netherlands.

Annual base salary

Upon review, the annual base salary levels of the Executive Board are based on the external and internal consistency considerations as described in the section 'Remuneration objectives and principles' of the policy.

Variable compensation

Executive Board members are eligible for both a short-term and a long-term incentive opportunity. The Executive Board Short-term incentive plan (STIP) and the Executive Board Long-term share plan (LTSP) are 100% performance-driven and forward-looking. No guaranteed variable pay is offered. In determining (the changes to) the design of the variable compensation plans, scenarios on possible outcomes and consequences of these outcomes on the total remuneration levels are analyzed and taken into consideration.

The pay-out opportunities for individual Executive Board members under these plans are outlined in the table below.

Executive Board variable compensation plan	Type of incentive	Performance result	Incentive opportunity as a % of annual base salary		
			CEO	CFO	COO
Short-term incentive plan (STIP)	Cash	Maximum	90%	75%	75%
		Target	60%	50%	50%
		Minimum (= threshold)	15%	12.5%	12.5%
		Below threshold	0%	0%	0%
Long-term share plan (LTSP)[1]	Perfromance shares	Maximum	165%	135%	135%
		Target	110%	90%	90%
		Minimum (= threshold)	55%	45%	45%
		Below threshold	0%	0%	0%
Target total variable compensation opportunity as a proportion of the Annual Base Salary (%)			170%	140%	140%
Target total variable compensation opportunity as a proportion of Target Total Direct Compensation[2] (%)			63%	58.33%	58.33%

1 Awards as a % of annual base salary at 1 January of the first year of the applicable performance period.

2 Target Total Direct Compensation = annual base salary + the target short-term incentive and the target long-term incentive.

The Supervisory Board sets the targets for each of the STIP and LTSP key performance indicators (KPIs) for the Executive Board at the beginning of the performance period of each plan.

The Supervisory Board has the discretionary authority to adjust the payout of the STIP as well as the number of performance shares that will vest under the LTSP, if the Supervisory Board is of the opinion that such adjustment(s) would produce a fairer reflection of the performance of Vopak and/ or of the individual members of the Executive Board. Upward or downward adjustment(s) may be made within the limits of the policy.

All performance-based incentive plans are subject to 'claw-back' provisions which may apply in the event that the company would be obliged to make a financial restatement. The Supervisory Board may decide to apply these claw-back provisions up to three years after the respective variable compensation was paid out/ vested. A 'change in control' provision is incorporated in plan rules of the LTSP.

Short-term incentive plan (STIP)

Executive Board members are eligible for a Short-term Incentive Plan (STIP) which incentivizes achievements of Vopak as well as the performance of the Executive Board, such to be realized in the performance year at hand. A mix of financial KPIs, which are an indicator of the financial soundness of the company, and non-financial KPIs, which reflect the company's frontline execution and are enablers of future growth, are selected. The STIP rewards the Executive Board if ambitious financial and non-financial targets are met.

Currently, the KPIs for the Executive Board STIP are as follows:

- **Profitability (EBIT):** EBIT is defined as Net income, before income taxes, and before net finance costs. This performance indicator is used by the company to evaluate the financial performance of its operating entities. Targets are set with a clear focus on sustainable EBIT improvements.
- **Efficiency (Cost):** An ambitious cost efficiency program runs throughout the entire company. This performance indicator is used by the company in order to create and maintain cost awareness to ensure productivity improvements.
- **Frontline execution (safety):** Vopak's 'License to Operate' and its 'License to Grow' are conditional upon its ability to operate with care for safety, health and the environment. Our ambition is to be the sustainability leader in our industry and to be as good as the safest and most sustainable of our customers. Safety is measured by means of 2 equally weighted quantitative performance criteria: Process Safety Event Rate (PSER) and Total Injury Rate (TIR). Process safety and the occupational health and safety of employees and contractors are the company's top priorities. The long-term aim is zero incidents and no serious harm to anybody working at a Vopak facility. Note that the pay-out on TIR will be reduced to 50%, in case of one fatal incident, and to zero in case of two or more fatal incidents during the performance year.
- **Frontline execution (customer service):** Vopak focuses on driving service performance to the next level in order to achieve its commercial and customer satisfaction goals. The realization of our customer service goals are directed by ambitious, quantitative Net Promoter Scores.
- **Growth (EB effectiveness):** EB effectiveness is a qualitative performance indicator, whereby the Supervisory Board assesses how well the Executive Board has implemented and realized the Board agenda for the financial year at hand. Both individual performance and the Executive Board's performance as a team are taken into account.

The table below is a graphic display of the Executive Board STIP design, including the KPIs and their weights:

KPIs in the STIP and their weights

Strategy theme	KPI	Nature	Threshold	Target	Max
Profitability	EBIT	Financial	15%	30%	60%
Efficiency	Cost		10%	20%	40%
Frontline execution	Safety	Non-Financial		15%	
	Customer service			15%	
Growth	EB Effectiveness			20%	
		Total	**25%**	**100%**	**150%**

For the Executive Board, targets for each of the financial and non-financial KPIs are set at the level of Vopak as a whole. Financial KPIs are measured on a sliding scale ranging from a minimum target level which has to be met before any payout occurs (= threshold) to a maximum target level which results in a maximum payout if this level is met or exceeded. Target realization for the non-financial Vopak KPIs in the STIP is on a 'Meet – Not Meet' basis, i.e. no payout occurs in case performance is below target levels.

Long-term share plan (LTSP)

The Long-term Share Plan (LTSP) rewards the Executive Board for the profitable growth of the company during a three-year period. The LTSP is intended to align the longer-term interests' of the Executive Board and other senior executives with the longer-term interests of investors and other shareholders, as well as serve as a retention tool for this group of staff.

The design of the LTSP is as follows:

- **Performance period**: three years, from 1 January of the year in which the conditional award is made (= year 1) until 31 December of year 3.
- **KPIs**: Three (3) key performance indicators ('KPIs') are used, Earnings per Share (EPS), Strategy Execution (previously named "Strategic Direction"), and Sustainability Execution.
- **Weights**: EPS has a weight of 50%. Strategy Execution and Sustainability Execution are weighted equally, i.e. 25% – 25%.
- **EPS** is used as the main financial indicator to measure shareholder value creation for the Plans under this policy. Actual EPS realization during the performance period is measured against pre-set targets derived from the company's longer-term planning.
- **Strategy Execution** is used to focus on the company's longer-term value creation. Realization of the company's strategic agenda during the performance period is rewarded, in particular the strategic shift in Vopak's asset portfolio, and the transition to global, standardized and digitized systems and processes, which the Executive Board and Supervisory Board have set out to achieve for the next years. The Supervisory Board, upon recommendation of the Remuneration Committee, will assess the progress made in the realization of the company's strategic agenda at the end of each year during the performance period; a final assessment will be made at the end of year 3. For this, it will take into account both quantitative and qualitative achievements.
- **Sustainability Execution** is used to focus on the longer-term sustainability of the company's operations. The realization of the longer-term Vopak sustainability agenda during the performance period is rewarded. The Supervisory Board, upon recommendation of the Remuneration Committee, will assess the progress made in the realization of the entire company's longer-term sustainability agenda at the end of year 3. For this, it will take into account both quantitative and qualitative achievements.
- **Fairness**: The Supervisory Board may decide to adjust the overall outcome upwards or downwards discretionarily, if this would produce a fairer reflection of the results achieved.
- **Vesting**: Vesting takes place at the date of the first Annual General Meeting held after the end of the performance period, such subject to the satisfaction of the performance and other conditions and approval of the General Meeting. Any vesting will be in Vopak shares.

The table below is a graphic display of the LTSP programs and grants thereunder that are awarded conditionally and their scheduled vesting in the period 2022 – 2025 i.e. the period which includes the entire performance and vesting period of the conditional grants under LTSP 2022 – 2024 program issued in the financial year 2022 to individual Executive Board members. The performance period of each LTSP program issued in this period is marked green. LTSP awards from earlier years which are scheduled to vest in the period 2022 – 2025 are also shown (in grey) for a full understanding of the workings of the LTSP.

LTSP plan	Plan period and years of award and vesting									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
LTSP 2019-2021	conditional award			vesting						
LTSP 2020-2022		conditional award			vesting					
LTSP 2021-2023			conditional award			vesting				
LTSP 2022-2024				conditional award			vesting			
LTSP 2023-2025					conditional award			vesting		
LTSP 2024-2026						conditional award			vesting	
LTSP 2025-2027							conditional award			vesting

Share ownership

The CEO is required to keep a portfolio of Vopak shares to the value of two (2) years of the annual base salary. For the CFO and COO, this requirement is to keep a portfolio of Vopak shares to the value of one (1) year annual base salary. Similar shareholding requirements are in place for senior executives. New Executive Board members are expected to accrue their required shareholding over time via the vesting of the LTSP grants.

Under the Dutch Corporate Governance Code, Executive Board members are required to hold shares acquired under company long-term share compensation plans for a minimum of 5 years after the date on which these shares were (conditionally) granted. The Supervisory Board considers the requirement that a certain minimum portfolio of shares is held continuously during the entire Board membership with the company more suited to the longer-term nature of Vopak's strategy and the business Vopak is in. On a day-to-day continuous basis, Vopak's shareholding requirement for Executive Board members results in a total number of shares vested and delivered to individual Executive Board members, and subsequently restricted from further sale, that is similar or higher compared to the shareholding requirement arrangement included in the Dutch Corporate Governance Code, such depending on the number of shares granted that actually vest.

Executive Board members may choose to sell the performance shares they receive as a result of vesting under the company's LTSP plans (if any), in accordance with the company's insider trading rules. After such sale, the value of their portfolio of performance shares will still need to meet the applicable shareholding requirement.

Other compensation

For Executive Board members who are recruited externally, the Supervisory Board may decide to provide additional one-off remuneration in the form of a sign-on bonus and/ or a buy-out arrangement (to compensate for any variable compensation forfeited as a result of joining Vopak), if this would be deemed fair and appropriate and in line with established market practices. In addition, if such Executive Board members would come from abroad, they may be eligible for expatriate benefits in cash or in kind, including tax assistance, in line with the Vopak Global Mobility policies applicable to all Vopak staff, such depending on their personal circumstances.

Benefits and other emoluments

Executive Board members are entitled to certain company benefits and emoluments per the policies, plans and arrangements for all Vopak non-CLA staff in the Netherlands. Certain emoluments are subject to personal choice. Of these the Vopak pension plan is most notable.

Executive Board pension arrangements

Vopak's Executive Board members participate in the same company pension plan as other staff employed by Vopak in the Netherlands. As of January 1, 2018, this plan is a defined contribution plan funded by contributions from both Vopak and participants. The retirement age under the Vopak pension plan has been set at age 68 and includes various early retirement options on a cost neutral basis. In the calculation of the pensionable base salary, an offset for state pension entitlements, and a part of the actual annual bonus paid out in the year at hand under the Short-Term Incentive Plan (STIP), such to a maximum of 15% of the pensionable base salary, are included. With regard to death and disability, risk insurances apply. The pension plan includes three contribution arrangements, dependent on annual pensionable salary levels:

- Basic arrangement for that part of the annual pensionable salary up to EUR 62,210 (2022).
- Surplus arrangement for that part of the annual pensionable salary from EUR 62,210 up to EUR 114,866 (2022).
- Net Surplus arrangement for that part of the annual pensionable salary above EUR 114,866 (2022). Due to Dutch fiscal regulations, the employer contributions to this arrangement are made to participants in the form of gross cash compensation subject to tax withholdings, which can be used to fund a voluntary net defined contribution plan.

The caps in these three arrangements are set by the Board of the Vopak Pension Plan, and are largely driven by fiscal considerations as offered by the Dutch tax authorities. They apply to all participants in the Vopak NL Pension Plan, including to Executive Board members. Any changes in these caps are not subject to further approval of the General Meeting.

For Executive Board members who are appointed as Executive Board member after 1 January 2015, a 4% employee contribution is withheld from their gross salary, in line with the employee contribution obligations for all Vopak employees in the Netherlands. For Executive Board members who were in service prior to 1 January 2015, the difference between the Vopak contributions to the current pension plan and to the Executive Board pension arrangement in place prior to 1 January 2015, is compensated for by a separate gross pension contribution allowance paid out to the individual (subject to tax withholdings).

In line with the arrangements in place for all Vopak employees in the Netherlands, Executive Board members who were employees of the company prior to 1 January 2006, and Executive Board members who are appointed as Executive Board member after 1 January 2015, are eligible for a gross cash allowance of 1.5% of their annual base salary (subject to tax withholdings), which replaces the company contributions to earlier pre-pension arrangements abolished in 2006.

Other

The company will provide the necessary business means to Executive Board members as required for the execution of their role and responsibilities. Their use is for business purposes only, and is subject to the general policies as applicable to all staff, which among others restricts the use of these means for private purposes, where applicable.

Reasonable expenses will only be reimbursed to individual Executive Board members, if these are incurred in the course of performing their duties; approval of such business expenses is per the Vopak policies and procedures for such expenses.

The company will not provide any personal loan, advance or guarantee to Executive Board members.

Appointment and termination of Executive Board Members

Executive Board appointments are governed by Dutch employment law and aligned with the current Dutch Corporate Governance Code. Executive Board members are (re-)appointed for a term of four years in accordance with legal and regulatory requirements.

For Executive Board members, any additional remuneration (“sign-on”) paid upon recruitment, compensation for a (non-voluntary) (early) termination of appointment (“severance pay”), or a change-in-control will be decided upon by the Supervisory Board thereby taking into account standards of reasonableness and fairness and the Dutch Corporate Governance Code. In any case, a severance will not exceed one year’s fixed remuneration. No severance will be paid in the event of voluntary resignation by or seriously culpable or negligent behavior on the part of the individual Executive Board member.

Corporate Governance

Vopak is incorporated and based in the Netherlands. As a result, Vopak's governance structure is based on the requirements of Dutch legislation including securities laws, the company's articles of association, complemented by internal policies and procedures. Given the worldwide exposure of its businesses, the international context is of vital importance and relevant international developments are closely monitored.

Good corporate governance is a key component of Vopak's way of doing business and is embedded in its core values. The corporate governance is supported by a strong focus on integrity, transparency and clear and timely communication. Good governance and proper supervision are important prerequisites for generating and maintaining trust in the company.

Vopak's business, financial and investor strategy is focused on long-term value creation for the company and its affiliated enterprises as formulated by the Executive Board under the guidance of the Supervisory Board. Value creation is closely connected with the culture within the company, the view on sustainability matters and long-term value creation requires a culture aimed at that. Long-term value creation also requires awareness and anticipation of new developments in technology that can contribute to the continuing success of the company. All stakeholder interests are hereby taken into careful consideration.

The leadership style within Vopak stimulates a culture that promotes desired behavior and encourages employees to act with integrity and to lead by example. By communicating this culture with its corresponding values, incorporating it into the enterprise and maintaining it, guidance is provided in making everyday decisions and monitoring ethical conduct by people in all tiers of the organization.

The top of the company has regular contact with employees at all levels of the company as it is essential to know how the culture is experienced within the organization. Culture is also monitored via the employee engagement survey. More information on the culture within Vopak is provided in the People Leadership chapter.

The Vopak Code of Conduct is based on the Vopak corporate values to provide the conditions for a healthy culture and effectively encourage an atmosphere of openness. Neither leadership nor culture are considered tick the box items or treated as such. All Vopak employees, partners, contractors and suppliers are required to adhere explicitly to the Code of Conduct. Compliance is regularly checked for example as part of the CSRA and internal business audits. These monitoring tools also show and measure the effectiveness of the Code of Conduct.

Vopak complies with the vast majority of the principles and best practices laid down in the 2016 Dutch Corporate Governance Code (the Code). The exceptions are explained in the following paragraphs.

Set-up and policy

Vopak aims to strike a sound balance between the interests of the company's various stakeholders. Integrity, openness, supervision, transparent reporting and accountability are the cornerstones of the corporate governance policy. The company has also developed a clear policy with regard to reporting for financial matters and sustainability. For details of the Sustainability Policy, reference is made to the Vopak website.

Vopak confirms that the principles reflected in the Code are applied by Vopak except for the deviations from the Code that are explained in the following paragraphs.

Vopak has a two-tier governance structure requiring a well-managed relationship between the Executive Board solely composed of executive directors and the Supervisory Board solely composed of non-executive directors. The two Boards are independent of each other and have their own roles and responsibilities in the governance structure.

The Executive Board is responsible for the management of the company and for the realization of its objectives. These include the objectives for strategy and policy, health, safety, the environment (part of sustainability), quality, as well as results.

The Executive Board is assisted in fulfilling its responsibilities by the Risk Committee, the Compliance Committee and the Disclosure Committee. The activities of the Risk Committee include facilitating and challenging risk reporting within the company, providing oversight of main risks and related risk management activities. The primary objective of the Compliance Committee is to support and advise the Executive Board in fulfilling its oversight responsibilities on all compliance matters relevant to Vopak's activities. The Disclosure Committee assists the Executive Board with ensuring that information is disclosed accurately and timely to the outside world in line with the applicable laws and regulations.

The Supervisory Board reviews Vopak's overall performance, including the policies pursued and results achieved by the Executive Board, the company's financial situation, its financial statements, key risks and opportunities.

The Supervisory Board also reviews and approves the strategy of Vopak, as proposed by the Executive Board. Similarly, it approves important proposals for capital expenditure, acquisitions and divestments, changes in financial and other corporate policies and the annual budget. The Supervisory Board evaluates the performance of the Executive Board as a whole and that of its individual members, and proposes any changes to the composition of the Executive Board to the General Meeting. Similarly, the Supervisory Board reviews its own performance annually and proposes changes to the composition of the Supervisory Board to the General Meeting.

Finally, the Supervisory Board ensures that the company's policies are formulated and pursued in the interest of all its stakeholders, including shareholders and employees, and that these policies are sustainable and meet the highest ethical standards.

The Supervisory Board is carefully selected to include members with diverse backgrounds and experience in areas relevant to Vopak's core business and the foreign markets in which it operates. Their experience ranges from economic, financial, technical, operational and social areas, to political and business-related areas. The Supervisory Board, in performing its duties, focuses on the realization of the objectives of the company, the strategy and its implementation. The Supervisory Board appoints an Audit Committee, a Remuneration Committee and a Selection and Appointment Committee from among its members. In accordance with the provisions of the Code, Vopak has further specified the role and powers of these committees in specific regulations that apply to them.

The General Meeting has the authority to appoint, suspend and dismiss members of the Executive Board and Supervisory Board and other authorities such as passing resolutions for legal mergers and split-offs, adopting financial statements, and the appropriation of profits available for distribution on ordinary shares. Furthermore, the General Meeting determines the remuneration policy for the Executive Board and sets the remuneration of the members of the Supervisory Board. The remuneration of the members of the Executive Board is set by the Supervisory Board on the basis of a proposal from the Remuneration Committee, in accordance with the remuneration policy as adopted by the General Meeting.

Vopak will continue to facilitate proxy voting. Dutch law provides for a mandatory registration date to exercise voting and attendance rights 28 days before the date of the General Meeting.

The Dutch Corporate Governance Code

Vopak has evaluated its corporate governance structure against the Code and concluded that in 2021 it satisfied the principles and best practice provisions of the Code, with the exception of the following item:

1. Best practice provision 3.1.2 (blocking period of five years for shares granted to the Executive Board without financial consideration)

Shares that vest to individual Executive Board members under the Executive Board Long-Term Share Plans (LTIPs) are not subject to a blocking period of in total 5 years from the date of the (conditional) grants. Instead, as an alternative measure, the total value of the portfolio of Vopak shares vested to individual Executive Board members under these LTSPs which they are required to keep at all times during their Board membership, must be at least equal to two years of the gross annual base salary for the CEO, and one year of the gross annual base salary for the CFO and COO. The Supervisory Board considers the requirement that a certain minimum portfolio of shares is held continuously during their Board membership with the company more suited to the longer-term nature of Vopak's strategy and the business Vopak is in. On a day-to-day continuous basis, Vopak's shareholding requirement for Executive Board members results in a total number of shares vested and delivered to individual Executive Board members, and subsequently restricted from further sale, that is similar or higher compared to the shareholding requirement arrangement included in the Dutch Corporate Governance Code, such depending on the number of shares granted that actually vest.

Vopak has several regulations in place governing the performance of its various bodies and ensuring implementation of the rules applicable within Vopak. These regulations are drafted in line with the Code, applicable legislation and decisions made by the Executive Board and the Supervisory Board. The regulations can be found in the Corporate Governance section of the Vopak website.

These regulations concern:
- Regulations of the Supervisory Board
- Regulations of the Audit Committee of the Supervisory Board
- Regulations of the Remuneration Committee of the Supervisory Board
- Regulations of the Selection and Appointment Committee of the Supervisory Board
- Vopak Insider Trading Policy
- Regulations on suspected irregularities ('whistleblower regulations')
- Diversity policy.

The following items also appear on the Vopak website:
- Articles of Association
- Information on the members of the Executive Board and Supervisory Board and the composition of the core committees
- Profile of the Supervisory Board
- Schedule of resignation for the Supervisory Board members
- Schedule of resignation for the Executive Board members
- Policy related to bilateral contacts with shareholders
- Code of Conduct
- Sustainability Policy
- Corporate Governance Compliance Manual
- Remuneration report, containing the main points of the remuneration policy

Response measures

Vopak's principal defense against a (hostile) takeover is the ability to issue cumulative preference shares ('protective preference shares') to Stichting Vopak. Such defensive preference shares will be issued in the event that Stichting Vopak exercises its option right. On 18 October 1999, the General Meeting decided to grant Stichting Vopak the right to take up protective preference shares up to a maximum nominal amount equal to 100% of the share capital issued at that time to third parties in the form of ordinary and financing preference shares, less one ordinary share. Vopak and Stichting Vopak further formalized their relationship with regard to the option right in an option agreement of 1 November 1999. This agreement was amended on 5 May 2004, whereby the original put option granted to Vopak was cancelled. In light of the possible introduction in the future of other classes of shares, the Extraordinary General Meeting of 17 September 2013 resolved to expand Stichting Vopak's right to acquire protective preference shares in such a way that it is not only related to share capital issued to third parties in the form of ordinary and financing preference shares at the time Stichting Vopak exercises this, but to all shares in the share capital of Vopak issued to third parties at such time, less one ordinary share. The option agreement with Stichting Vopak was amended on 17 September 2013 to reflect this change. Exercise by Stichting Vopak of its option right in part does not affect its right to acquire the remaining protective preference shares under the option granted to Stichting Vopak. The option agreement provides that in the event that Stichting Vopak exercises its option right and the results thereof are fully or partially cancelled (for instance as a result of the cancellation of the protective preference shares issued), Stichting Vopak will continue to be able to exercise its option right.

The granting of the call option to Stichting Vopak has been entered in the Company Registry. The objective of Stichting Vopak is to promote the interests of Vopak and companies affiliated to the Vopak group. It does this in a way that safeguards the interests of Vopak and its stakeholders to the greatest possible extent and, to the best of its ability, it resists influences opposing those interests, which could impair the independence and/or continuity and/or identity of Vopak. It undertakes all actions relating to or conducive to these objectives. The board of Stichting Vopak therefore determines whether and when it is necessary to issue the protective preference shares.

These measures can be taken for example (but not necessarily limited to) in the event of a (hostile) takeover bid if the board of Stichting Vopak believes it is in the interest of Vopak and its stakeholders to establish its position in respect of the hostile party and its plans, and to create opportunities to seek alternative scenarios.

Information referred to in Section 1 of the Takeover Directive (Article 10) Decree

Capital structure

A description of Vopak's capital structure, the various classes of shares and the rights and obligations attached to them can be found in note 5.1 to the Consolidated Financial Statements. On 31 December 2021 a total of 125,740,586 ordinary shares had been issued with a nominal value of EUR 0.50 each. No financing preference shares and no protective preference shares have been issued on 31 December 2021.

Restrictions on the transfer of shares

Vopak's Articles of Association do not provide for a restriction on the transfer of ordinary shares. They do, however, provide for a restriction on the transfer of financing preference shares. Financing preference shares may only be transferred to natural persons, subject to specific exceptions for a legal entity holding the financing preference shares for the purpose of administration and other parties pursuant to Article 10A, paragraph 7 of the Articles of Association. With regard to the protective preference shares, the Articles of Association provide that any transfer requires the approval of the Executive Board.

Major holdings subject to mandatory disclosure

More information on major shareholdings that are subject to mandatory disclosure pursuant to the Financial Markets Supervision Act can be found in the section Shareholder information. Furthermore, additional information on the transactions with major shareholders can be found in note 7.3 of the Consolidated Financial Statements.

System of control over employee share plans

Information on share plans can be found in note 7.2 to the Consolidated Financial Statements of this Annual Report.

Rules governing the appointment and dismissal of members of the Executive Board and Supervisory Board and the amendment of the Articles of Association

Under Vopak's Articles of Association, members of the Executive Board and Supervisory Board are appointed and dismissed by the General Meeting. The Supervisory Board makes a non-binding nomination for the appointment of members of the Executive Board. Upon the appointment of members of the Supervisory Board, the Supervisory Board may make a non-binding nomination.

The General Meeting may only resolve to amend the Articles of Association following a proposal from the Executive Board that is subject to approval by the Supervisory Board. Such a resolution of the General Meeting requires a majority of at least two-thirds of the number of votes validly cast.

Share issuance and repurchase

The General Meeting or the Executive Board, if so designated by the General Meeting, resolves or decides on the issuance of shares. Any share issuance is subject to approval by the Supervisory Board. On 31 December 2021, no authorization to issue shares had been granted to the Executive Board.

The Executive Board is authorized until 20 October 2022 to repurchase fully paid-up ordinary shares in Vopak's capital, subject to approval by the Supervisory Board. Any repurchase must be limited to the maximum number held by virtue of the law and the Articles of Association (10% at 31 December 2021). Their purchase price must be between the nominal value of the ordinary shares and 110% of the average share price listed on the five most recent trading days prior to the date of the purchase.

Key agreements containing change of control provisions

Reference is made to the change of control provisions in connection with loans in note 5.5 to the Consolidated Financial Statements.

With respect to agreements entered into with members of the Executive Board and employees that provide for payment upon termination of their employment following a public bid, reference is made to the description of the remuneration policy on the Vopak website.

Corporate Governance statement

Introduction

This statement is included in pursuance of Section 2a of the Decree of 23 December 2004 for the adoption of further regulations governing the contents of the management report (the 'Decree'). It sets out the statements referred to in Sections 3, 3a, and 3b of the Decree.

Compliance with the Dutch Corporate Governance Code

Vopak complies with the 2016 Dutch Corporate Governance Code (the 'Code') and has amended its rules and policies accordingly. The English and Dutch versions of the Code can be downloaded from www.commissiecorporategovernance.nl. The statement on compliance with the principles and best practice provisions of the Code addressed specifically to the Executive Board or Supervisory Board can be found in the 'Corporate Governance' section of the Annual Report.

Management and control systems

The statement on the principal features of the management and control systems of Vopak and of the group whose financial information is included in its financial statements can be found in the 'Risk management and internal control' section of the Annual Report.

The general meetings

Vopak's shareholders exercise their rights in the annual and extraordinary general meetings. The annual general meeting must be held no later than 30 June each year. The agenda for the meeting must state certain subjects as described in Vopak's Articles of Association or in the law, including the adoption of the financial statements. Extraordinary general meetings are held at the request of the Executive Board, the Supervisory Board, or one or more holders of shares or depositary receipts that, solely or jointly, represent at least one tenth of the company's issued share capital.

A subject for which discussion has been requested in writing by one or more holders of shares or depositary receipts that, solely or jointly, represent at least one-hundredth of the company's issued share capital, will be stated in the convocation of the meeting or announced in the same manner, provided that Vopak receives such request no later than on the sixtieth day before the date of the meeting.

In general meetings, resolutions may be passed by absolute majority of the number of votes cast, unless Vopak's Articles of Association or the law prescribe a larger majority. The principal powers of the general meeting are:

- adopting the financial statements;
- approving a dividend proposal;
- discharging members of the Executive Board from liability;
- discharging members of the Supervisory Board from liability;
- adopting the remuneration policy with respect to the members of the Executive Board;
- adopting the remuneration of the members of the Supervisory Board;
- appointing, suspending, and dismissing members of the Executive Board;
- appointing, suspending, and dismissing members of the Supervisory Board;
- appointing an external auditor;
- authorizing the Executive Board to repurchase shares;
- issuing shares and granting rights to acquire shares (option rights), and designating the Executive Board as the body competent to make such decisions during a set period;
- excluding or limiting shareholders' rights of first refusal when issuing shares and granting rights to acquire shares, and designating the Executive Board as the body competent to make such decisions during a set period;
- approving decisions taken by the Executive Board pertaining to a major change in Vopak's identity, nature or enterprise; and
- resolving to amend Vopak's Articles of Association, dissolve Vopak, or enter into a merger or demerger.

Membership and working methods of the Executive Board

Details of the members of the Executive Board can be found in section 'Executive Board members' in the section 'Executive Board report' of the Annual Report.

The members of the Executive Board are collectively responsible for managing Vopak as well as for its general affairs and that of the group companies affiliated with it. In doing so, they aim to create long-term shareholder value.

A more detailed description of the working methods of the Executive Board can be found in the Executive Board Rules, which have been posted on the Vopak website (www.vopak.com), in the section Investors -Corporate Governance.

The responsibilities of the Executive Board include:

- evaluating Vopak's objectives from time to time and, where appropriate, adjusting them;
- achieving Vopak's objectives;
- determining the strategy and associated risk profile and the policy designed for the achievement of Vopak's objectives;
- managing Vopak's general affairs and results;
- the financing of Vopak;
- identifying and managing the risks connected to the business activities;
- seeking to make ongoing improvements to safety, health, and environmental performance;
- considering corporate social responsibility issues that are relevant to Vopak's activities;
- ensuring effective internal risk management and control systems and reporting on this in the Annual Report;
- adopting values that contribute to a culture aimed at long-term value creation for Vopak;
- making preparations for and managing the financial reporting process, which includes safeguarding the quality and completeness of the financial reports to be published;
- closely involving the Supervisory Board in a takeover process if a takeover bid for the shares in Vopak is under preparation or has been made;
- complying with legislation and regulations;
- complying with the Code and maintaining Vopak's corporate governance structure;
- publishing in Vopak's Annual Report, on its website and otherwise, the corporate governance structure and other information required under the Code and providing an explanation regarding compliance with the Code;
- preparing Vopak's financial statements, annual budget and important capital investments;
- rendering advice for the nomination of Vopak's external auditor.

The Executive Board Rules include rules for internal decision-making, which are in compliance with the relevant provisions of the Code and follow broadly applicable laws and regulations in case of a conflict of interest of one or more members of the Executive Board. Both Vopak's Articles of Association and the Executive Board Rules can be found on Vopak's website.

Details of the remuneration of the members of the Executive Board can be found in the section 'Remuneration report' of the Annual Report.

Membership and working methods of the Supervisory Board and its committees

Details of the members of the Supervisory Board and membership of its committees can be found in the section 'Supervisory Board members' of the Annual Report.

The Supervisory Board's duty is to supervise and advise on the management of Vopak and the general affairs of Vopak and the enterprise connected with it. In discharging its duties, the Supervisory Board is guided by the interests of Vopak and its group companies, taking into account the relevant interests of Vopak's stakeholders (which include its shareholders), aimed at creating long-term value for Vopak. The Supervisory Board is responsible for the quality of its own performance.

The responsibilities of the Supervisory Board include:

- supervising, monitoring and advising the Executive Board on: (i) the achievement of Vopak's objectives, (ii) Vopak's strategy and the risks inherent to its business activities, (iii) the structure and management of the internal risk management and control systems including the internal audit function, (iv) the financial reporting process, (v) the application of information and communication

technology (ICT), (vi) compliance with legislation and regulations; (vii) the relationship with shareholders; (viii) a takeover process if a takeover bid for the shares in Vopak is under preparation or has been made; and (ix) the aspects of corporate social responsibility that are relevant to the enterprise and (x) the values that contribute to a culture aimed at long-term value creation for Vopak;
- disclosing, complying with and enforcing Vopak's corporate governance structure;
- approving Vopak's annual accounts, annual budget, and major capital expenditures;
- selecting, nominating and evaluating Vopak's external auditor;
- selecting and nominating members of the Executive Board for appointment, proposing the remuneration policy for members of the Executive Board for adoption by the general meeting, setting the remuneration (in accordance with the remuneration policy) and the contractual terms and conditions of employment of the members of the Executive Board;
- selecting and nominating members of the Supervisory Board for appointment by the general meeting and proposing the remuneration of its members for adoption by the general meeting;
- evaluating and assessing the functioning of the Executive Board and the Supervisory Board as well as their individual members, and evaluating the profile for the Supervisory Board and the induction, education and training program;
- handling and deciding on reported (potential) conflicts of interest between Vopak, on the one hand, and members of the Executive Board, the external auditor, or the major shareholder(s), on the other;
- handling and deciding on reported alleged irregularities that relate to the functioning of the Executive Board.

The Supervisory Board Rules include rules for internal decision-making which are in compliance with the relevant provisions of the Code and follow broadly applicable laws and regulations in case of a conflict of interest of one or more Supervisory Board members and Vopak. The Supervisory Board Rules have been posted on Vopak's website.

Details of the remuneration of the members of the Supervisory Board can be found in the section 'Remuneration report' in the subsection 'Remuneration of the Supervisory Board 2021' of the Annual Report.

Details on the committees of the Supervisory Board can be found in the section 'Supervisory Board report' of the Annual Report.

The Supervisory Board has drawn up a diversity policy for the composition of the Executive Board and the Supervisory Board addressing the diversity aspects, the specific objectives set in relation to diversity; and the policy implementation. The diversity policy can be found on Vopak's website.

For information referred to in Section 1 of the Takeover Directive (Article 10) Decree, reference is made to the statement in this respect as included in the Annual Report in the section 'Corporate Governance' of the Annual Report.

Risk management & internal control

Vopak Control Framework – Risk Management and Internal Control Components

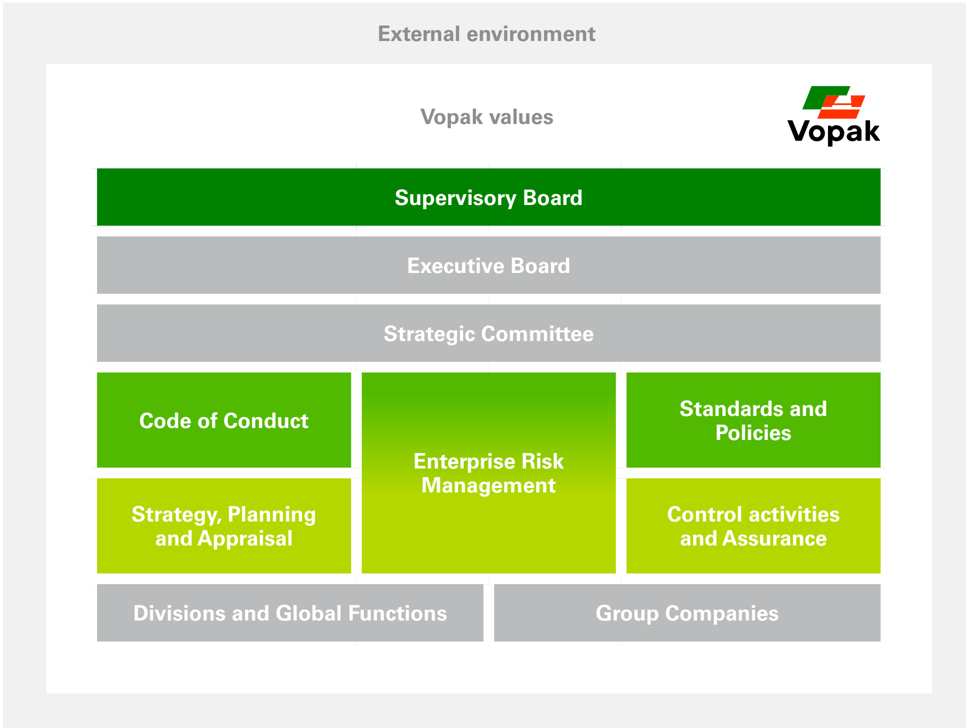
Risk Management and internal control activities are at the core of the Vopak Control Framework. This framework is applied at all layers and locations within the Group. These principles are also applied at the joint ventures and associates of the Group.

Risk Management and Internal Control

The Executive Board, under the supervision of the Supervisory Board, bears the responsibility for identifying and managing the risks associated with the company's strategy and activities. The Executive Board is assisted in carrying out these responsibilities by senior management across the business in managing (line management), monitoring (Divisions and Global Functions), advising (Risk Committee and Compliance Committee) and assurance (Global Internal Audit) activities.

Vopak applies the principles of the COSO Integrated framework – Internal Control and Risk Management – resulting in an integrated cohesive approach starting with determining Vopak's risk appetite, identifying the key risks that may prevent the Group from achieving the strategic objectives and then and how the identified risks are to be managed through internal controls.

Vopak Control Framework



- The foundation elements of the Vopak control framework define the principles that underpin the Vopak Group's activities.
- The management processes define activities critical to an effective control framework.
- The organization component defines how divisions and global functions organize and manage their activities and how the various operating companies involved relate to each other.

A cohesive approach: Managing risks and internal control

Strategy & Objectives

- Leading assets in leading locations
- Service leadership
- Operational leadership
- Technology leadership
- People leadership
- Founder's mentality
- Vopak values

Risks & Risk appetite

Strategic
Operational
Legal & Compliance
Financial & Reporting

Risk appetite determined per risk

Risk response

Vopak Key Control Frame-work[1]

- Standards, Procedures & Guidelines
- Communication, training
- Organizational set-up
- Global – Functional
- Divisional – Regional

Monitoring & Assurance

Self assesssments:

- CRSA[2]: operating companies level
- DMCSA[3]: Divisions
- Functional self-assessments
- Second line specific topic reviews
- External run surveys
- Management review cycle

Internal audit

Code of Conduct, Culture & Values, Recognition, Whistleblower

1 Vopak's Key Control Framework covering 16 processes providing for effective management through effective controls for risks to be within the risk appetite.
2 Control Risk Self-Assessment.
3 Divisional Monitoring Controls Self-Assessment.

Enterprise Risk Management

Our Enterprise Risk Management (ERM) Framework, which is based on the principles of the 'COSO Enterprise Risk Management — Integrated Framework', is embedded within the quarterly functional performance reviews, the divisional performance reviews and the mandatory Enterprise Risk Management (ERM) reporting which takes place on a biannual basis.

Vopak's Risk Management Framework

Risk exposures aligned with the strategic objectives

1. Identify	2. Measure	3. Manage	4. Monitor	5. Report
• Risks identified by the individual terminals and divisions • Strategic risk discussions with global senior management • Global principal risks reviewed by the Risk Committee and agreed with the Executive Board	• Risk appetites of all principal risks are determined by the Executive Board and shared within the organization • A standard risk management methodology facilitates communication within the group	• Mitigating actions are established for the identified risks and reviewed by the Risk Committee • Separate action plans are established and executed for risks, which exceed the risk appetite	• Effectiveness of the mitigating actions is monitored across the three lines of defense • Risk Committee reviews effectiveness of risk management process and acts as the steward of risk management	• The Risk Committee informs the Executive Board and the Supervisory Board on the principal risks and the effectiveness of the risk management process

Embedded in a risk conscious culture

Vopak's ERM process is guided and overseen by a global Risk Committee. The ERM process is aimed at ensuring the timely identification and mitigation of risks and risk trends while at the same monitoring that the Group remains within the defined risk appetite. It requires all operating companies to assess and report their principal risks, the likelihood, financial impact and the mitigating actions in place plus an assessment of the effectiveness of these actions. Divisions review, discuss, supplement and report on these risks as the basis for the biannual discussions between Division Management and representatives of the Risk Committee. A dialogue also takes place with Global Directors and other members of senior management and the outcome of the process is discussed by the full Risk Committee. The in-depth dialogue with the Executive Board concludes the process prior to sharing and discussion with the Audit Committee and the Supervisory Board.

Confirmation of the process is provided through the work of Global Internal Audit, which ensures that operating companies have a robust ERM process at the local level and that the Control Risk Self-Assessments (CRSAs) are providing a true and fair view. The Executive Board accordingly considers the ERM process to be effective.

Risk-reward appetite

The applicable risk-reward appetite for each risk category (in accordance with the COSO) framework is defined by the Executive Board. It guides decisions on the types and amount of risk the Group is willing to accept in order to meet its strategic objectives, while ensuring compliance with laws and regulations. Our risk-reward appetite throughout 2021 remained unchanged compared to prior year.

Risk Category (COSO)	Strategic themes	Vopak's risk-reward appetite	Very low	Low	Moderate	High	Very high
Strategic risks	• Leading assets in leading locations	Dependent on the fit-for-purpose value creation opportunities and the corresponding future incremental expansion and growth options, the company evaluates the entrepreneurial risk-return profiles on an individual merit basis by consistently applying different metrics for different purposes		●	●	●	
Operational risks	• Operational leadership • Service leadership • Technology leadership • People leadership	Safety and sustainability	●				
		Other areas/topics with alignment of targets and related cost, and a clear focus on sustainable EBIT growth.	●	●	●		
Legal and Compliance risks	• Operational leadership • People leadership	The objective is to ensure full compliance with legal and regulatory environments.	●				
Financial and reporting risks		Aligned with the long-term nature of the business, the company wants to ensure a robust financing position and solid cash flow performance. Furthermore, the objective is to ensure full compliance with financial and non-financial reporting laws and regulations.	●	●			

Our principal risks and uncertainties and how we mitigate these General

The principal risks that could prevent Vopak from achieving its strategic objectives are described in the table below, together with their mitigating actions applied. When identifying our principal risks, we also take into account the industry-related trends that could lead to future opportunities and uncertainties as described in the chapter 'Storing vital products with care' of this Annual Report. Fourteen principal risks are reported.

The nature of Vopak's business model is long term, resulting in many risks being enduring in nature. Nonetheless, risks may develop and evolve over time due to internal and external developments. The risk overview should be read carefully when making an assessment of the company's business model, its historical and potential future performance, and the forward-looking statements contained in this Annual Report. Although the risk management process followed is considered to be effective, there is no absolute certainty that the mitigating actions with respect to the principal risks will be effective or that other risks may be prevented from occurring.

Covid-19 impact on our principal risks:

Whilst our principal risks have not changed as compared to those disclosed within the 2020 Annual Report, the pandemic spread of Covid-19 has impacted the company in many ways. The pandemic has led to higher levels of uncertainty in areas that were already addressed by our principal risks.

Since the start of the pandemic the company has monitored the latest developments closely. Scenario based contingency plans and other mitigating actions were prepared and were ready to be put in place when needed. To date, we have observed a limited impact on our operations. All our terminals are operational and there have been no significant disruptions to business continuity, notwithstanding the soft markets that characterized the years 2020-21.

Risk developments

Increasingly a number of principal risks mutually influence and potentially strengthen each other. Although the speed of change is uncertain and may differ from region to region, it is imminent that the global energy market is transitioning (principle risk #3). This also has an impact on market volatility (principal risk #2), representing both risks and opportunities to Vopak. Similarly it impacts price developments in the oil and gas markets (principal risk #4). This combination of factors, including increasing competition and overcapacity (principal risk #6) may pose risks to Vopak's ability to successfully execute its growth strategy (principal risk #1), but it also presents new and potentially sizable avenues for growth.

Also, the frequency of cyber attacks and ransom demands (principal risk #11) is clearly on the rise. Vopak is actively mitigating these cyber security risks, amongst others through a comprehensive IT/OT security program, effectively reducing the residual risk.

The risk matrix and table below provides an overview of the principal risks of the company and management's current view of the effects of mitigating actions in place:

From Inherent Risks to Residual Risks

Strategic Risks

1 Unable to deliver on growth strategy
2 Market volatility
3 Energy Transition
4 (Crude) Oil and Gas market price movements
5 Geopolitical developments
6 Increasing competition and overcapacity

Operational Risks

7 Climate change
8 Major safety incident
9 Large complex construction projects
10 Unable to deliver digitalization strategy
11 Risk of cyber breach of IT and/or OT systems

Legal and Compliance Risks

12 Complex and changing laws and regulations
13 Behavior not in line with Vopak Values
14 Reputational damage to Vopak

- Very low
- Low
- Medium
- High
- Very high

Strategic risks

Risk	Risk description	Risk Horizon	Risk appetite	Mitigating actions	Development
1	**Unable to deliver on our growth strategy** Achieving our strategic goals could be prevented by: • Not being able to find the right locations and right partners. • Not having the right skills and capabilities to enable successful business development execution given the complexities involved. • Estimated Project returns not meeting risk/return requirements. • Not being able to successfully convert existing terminals to meet customer demands due to changing product flows. • Projects being delayed or demand for storage and handling services decreasing due to the negative effects that the Covid-19 pandemic may have on the business of our customers. • **PT2SB**. In March 2020 a fire incident took place in the adjacent RAPID facility, leading to a subsequent closure of the facility. One of PT2SB's anchor customers has since been out of operation, while plans to restart the refinery have repeatedly been delayed, most recently due to technical issues in the hydrogen production units. The prolonged refinery closure may impact PT2SB's financial performance in 2022. Mitigating the situation is a priority for PT2SB and its shareholders.	**Medium to long term**	**Low to high**	**Clear growth strategy in place; fully understood by all relevant staff; Project evaluation criteria on a merit-by-merit basis, ensuring we have the right staff at the right location** • Dedicated Divisional Business Development Teams supported by the Global Commercial and Business Development. • Growth Funnel Execution Focus • Dedicated team of central commercial analysts monitoring market developments among others in connection with the energy transition • Relationship programs with customers, port authorities and other potential partners for growth projects. • Instilling the Founder's Mentality in our culture, among others via the LEAD program for senior management. • Applying a multi-dimensional and disciplined Risk/return approach to growth opportunities.	
2	**Market volatility resulting in changing product flows with, in some circumstances, unprecedented speed of market change** Changing industry market dynamics leading to structural changes in product flows and increased volatility which are not adequately addressed timely by the company.	**Short, medium to long term**	**Low to high**	**Successful execution of our strategy, while maintaining a diversified global terminal network based on clear strategic criteria for certain product/ market combinations** Continuous in-depth analyses of scenarios and global trends by Global Commercial & Business Development in conjunction with Divisions and Local teams with the objective that the company is able to timely identify changing market developments and respond accordingly. Updating our terminal portfolio based on the strategic criteria, shifting our portfolio further towards industrial terminals, chemicals, LNG, LPG and chemical gasses.	
3	**Energy Transition brings both opportunities and uncertainties** The speed and precise direction of the energy transition is not fully known. At the same time, it is observed that the Covid-19 pandemic appears to accelerate the energy transition. Nevertheless, it is clear that this development impacts global products flows: • Increased environmental legislation leading to higher capital expenditure levels (e.g.: improved vapor recovering treatment systems) and changing operating requirements. • Environment-induced regulations also create opportunities (Europe: IMO 2020) with the need for further segregation of products considered to increase in storage tank demand. • Demand for oil-based fuels decreasing in specific regions due to lower economic growth, electrification of vehicles, changes in oil-based fuels (diesel v gasoline) and more fuel-efficient cars. This may result in assets that service certain fuel types becoming obsolete. • Increasing overall negative sentiment towards fossil fuel usage. This can for example have a negative impact on recruitment possibilities as potential employees inappropriately consider the company a pure fossil fuel player.	**Medium to long term**	**Low** (legislation and infrastructure protection) **to High** (opportunities and adapting to changing market needs)	**Strategic assessment program takes into account the long-term impact of the energy transition** Dedicated focus in considering potential energy market transition impacts and opportunities. Active role in developments demonstrating commitment to opportunities that the energy transition could bring: • Emphasizing the company as logistics service provider of vital products for end consumer use demonstrating a broad product base. • Setting up a new global New Energies unit ensuring focus on technology and business development in the field of other vital products such as renewable energies. • Continuous assessment of the impact on Vopak and the oil and gas industry of agreements and directions per United Nations Global Climate Change Conference (latest being COP26) and development of other international and national agreements • Sustainability being an integral part of the management agenda. Effective monitoring of: • Existing and changing compliance requirements in place and follow up of requirements as necessary. • Longer-term expected changes in demand for certain product types in order to adjust the asset base in a timely manner (e.g. conversions, divestments, demolitions) to successfully adapt to these expected changes.	

Risk	Risk description	Risk Horizon	Risk appetite	Mitigating actions	Development
4	**Exposure to (crude) oil and gas market price developments leading to risks and opportunities** Fluctuating movements in (crude) oil and gas market pricing has consequences for our customers putting pressure on the value chain although this can offer storage opportunities in the short term. Differences per region are observed.	**Short to medium term**	**Low - high**	**Continued focused strategy execution** Providing storage and handling services for structural product flows; limiting exposure to potentially more volatile trading markets. In addition, having a well-diversified global terminal network supporting different market/product combinations.	→
5	**Geopolitical developments, unpredictable by nature, continue to present challenges to our business going forward in both emerging and non-emerging markets** Geopolitical developments such as trade sanctions and renegotiation of trade agreements can lead to unexpected and significant changes in product flows. In addition, changes in governments can lead to uncertainty of the Government's stance towards energy programs.	**Medium to long term**	**Low - medium**	**The well-diversified global terminal network of Vopak supports different market/product combinations, reducing dependency of locations and products** In seeking growth opportunities, Vopak avoids business development projects in countries with an undue high geopolitical risk profile unless the risk can be mitigated or is compensated by higher returns. Developments are continuously monitored – including impact assessments by a combination of local management, Division and Global. The diversified terminal portfolio of the Group ensures that adverse geopolitical developments in a specific region has a significant undue effect.	→
6	**Increasing competition and overcapacity can affect our market position and earnings potential** Increased storage capacity constructed by existing and new competitors, which increases competition, together with the potential future effects of the energy transition, puts pressure on our occupancy rates, pricing and contract durations. The extent varies per location and terminal type.	**Medium to long term**	**Low - medium**	**Service Leadership and Operational Leadership are cornerstones of our competitive position** Service improvement objectives and optimisation of assets are key elements of our strategy to at least maintain our competitive position in each market in which we operate. Good insight into existing markets combined with local entrepreneurship which ensure that we capture business development opportunities before the competition does. Leadership programs for senior management aimed at harnessing a better competitive position and improving our way of doing business. Increasing digitisation (MOVES) moving to real-time data to improve service performance and cost efficiency. Dedicated programs to invest in innovation and new technologies will further improve Vopak's service offering and reduce costs.	→

Operational risks

Risk	Risk description	Risk Horizon	Risk appetite	Mitigating actions	Development
7	**Climate Change: a global issue presenting both risks and opportunities for Vopak** Climate Change consists of various segments of risks to which Vopak is (potentially) exposed. These segments could briefly be categorized in physical risks (chronic risks and extreme weather events), market risks (changing market dynamics, product- and technological developments) and policy developments (legislation, reputation).	**Medium to long term**	**Low to high**	**Vopak has embraced and embedded the TCFD framework in its process to create awareness and assess exposures and developments** The process is guided by a multidisciplinary team and resulted in a risk and opportunity assessment, based on IPCC and IEA scenarios, regarding physical risks, market risks and policy developments. The results of the assessment were shared during the 'Climate Day', involving senior management of Vopak. Regarding the physical risks, Vopak has performed stress tests for various terminals to identify the exposure to climate change and extreme weather events. This has led to enhanced investments in measures against adverse weather and climate induced conditions and leverage of Global expertise and technical knowledge for optimal cost-effective solutions. Vopak has set ambitious targets of reducing its own environmental footprint and lowering its own emissions of greenhouse gasses (GHG). While Vopak's direct carbon footprint is relatively small, it aims at making it even smaller. Vopak's ambition is to be climate neutral by 2050. In this respect Volatile Organic Compounds (VOCs) are one of the important issues for Vopak to address. VOCs cause air pollution and may pose health risks due to their toxicity. Reducing VOC emissions is one of the priorities addressed in the Sustainability Roadmap. By 2020, 55 projects were completed at 17 locations with a total spend of over EUR 20 million, resulting in a societal impact reduction of 19% compared to 2016. Actions are defined to meet the 30% reduction target (versus 2016) by 2025.	→
8	**Occurrence of a major personal and/or process safety incident and environmental risk** Incidents negatively affect the lives and health of not only staff working at a Vopak location but also those in close proximity. Our 'License to Operate' could be affected, impacting our earnings. Indicidents expose the company to potential liabilities and will most likely have an adverse effect on the company's reputation.	**Short term**	**Very low**	**Safety is our highest priority** Within Vopak, we have continuous attention to ensuring our safety culture is at the required high level, through every level of the organization. Vopak Fundamentals, Safety Standards and Vopak Way Standards are critical tools for clearly providing procedures and instructions for safe working practices – regardless of geography or local laws and regulations that could be less strict. We have an Annual Audit Plan, 'Trust and Verify' Program, and a 'Terminal Health Assessment' Program in place to safeguard adherence to the required safety and quality standards.	→
9	**Large complex construction projects, not delivered timely, within budget or with the required quality** Projects under development represent sizeable long-term investments and are recognized as being individually complex due to different business, engineering, financing, environmental, cultural and political circumstances. When projects are not effectively managed in terms of safety, cost, time and quality, increased costs and lost revenues can be detrimental to the desired end result.	**Medium to long term**	**Low**	**Vopak Project Management standard for mandatory application to all projects that fit within the criteria for its usage** A robust multi-disciplinary investment proposal decision-making process is in place. Guidance is provided by the global functions and (external) experts during all stages of the project. The use of Global Engineering and Global Projects provides a common approach and the sharing of experience in developing new projects. Lessons learned reviews are performed and shared within the company for future developments.	→

Risk	Risk description	Risk Horizon	Risk appetite	Mitigating actions	Development
10	**Unable to deliver digitalization strategy** Key to our strategy is effective digitalization including innovation, organized centrally providing improved service offering and process efficiency through real-time data availability. The impact on our current way of working and organizational change is significant but necessary in order to harness the full benefits. This requires clear leadership embracing the changes and opportunities offered. Legacy systems until full roll-out of new systems have to be maintained but are ageing with the risk of disruption.	**Medium to long term**	**Low**	**Dedicated approach and governance structure for program management in place for MOVES with full Senior Leadership Focus** Vopak considers full embedding of system usage critical for success. Dedicated sessions at Leadership courses have been organized to ensure Senior Leadership is trained to embrace and drive the change that successful digitalisation requires. A Business Impact Analysis is taking place at each location prior to the roll-out. A robust project management approach is applied and governance in place ensuring sufficient attention is given to the needs of legacy systems. Core systems are developed in-house to ensure that the functionality of the systems meets the business requirements to the highest extent possible. At the end of 2021 significant progress is made in implementing the MOVES program.	→
11	**Risk of cyber breach of our IT and/or OT systems** A cyber breach could have various causes, e.g. via virus and malware attacks, ransomware and unauthorized access attempts. Such a breach could lead to confidentiality, integrity and availability (data) issues for the company or hamper our operations, negatively impacting our reputation, financial position, operations, and potentially lead to costs related to recovery and forensic activities.	**Short to medium term**	**Low**	**Cyber security is a 'top of mind' priority within Vopak** We have our comprehensive IT/OT security program (COINS) in place to address IT and OT security globally. On a daily basis we monitor 'cyber' attacks on our global systems for follow up. At the end of 2021 significant progress is made with regard to the implementation of the COINS program.	→

Legal, compliance and social risks

Risk	Risk description	Risk Horizon	Risk appetite	Mitigating actions	Development
12	**Complex and changing laws and regulations can negatively impact being Business, Operational and Environmental compliant** Obtaining, renewal and/or revisions to permits and licenses for product storage from local and national governments, as well as compliance with local laws and regulations are essential to start or continue operating our terminals. Governments are becoming stricter often due to failings/incidents in the industry, regulations are frequently changing and/or can be unclear making 100% compliance at all times at all locations globally a challenge. However, Vopak's objective is to ensure full compliance. Uncertainties given changing or unclear requirements can also arise when applying for permit renewals/ applications. More stringent demands on environmental requirements as required by our permits may lead to additional sustaining capex investments which can not always be recovered from customers.	**Short to medium term**	**Very low**	**Operating and Business compliance is non-negotiable** Terminal management is primarily responsible for maintaining a robust general and permit compliance program. Division/Global support and involvement of external specialists is used when necessary. Operating permit compliance is being monitored at various levels within the company and is a critical element of Vopak's Terminal Health Assessment program. Permit status is considered a critical path in all project development activity and is actively monitored through Steering Committees. Global policies and guidelines are in place addressing business compliance requirements. The compliance committee ensures that appropriate compliance processes are in place for dedicated compliance topics and that the principal compliance risks are identified and mitigated Commercial teams are in continuous dialogue with our customers on increasing compliance and sustainability investment with the aim of recovering (part of) these additional investments via the storage and handling fees.	➡
13	**Behavior not in line with Vopak values** Individuals and/or groups of individuals can behave in a manner that is not in line with our values which can lead to financial, business and reputational consequences. It is recognized that certain regions/countries are more susceptible to having a culture not in line with the Vopak Values.	**Short to medium term**		**Clear guidance on culture, values and behavior for every employee** At all levels of the company, management sets the highest standards in respect of desired culture, values and behavior based on the five global Vopak Values and the Vopak Code of Conduct. Our Vopak Values are globally implemented and positively and actively embedded in our culture. Adhering to the Vopak Values is non-negotiable. Whistleblower rules are available globally for all terminals. All whistleblower cases are followed up and investigated in line with Vopak's policies.	➡
14	**Reputational damage to Vopak as a brand, company and employer** Sustainability, Climate Change and societal developments are becoming increasingly important topics. The (public) perception in terms of sustainable developments and societal developments is both a risk and opportunity to Vopak.	**Short to medium term**	**Very low**	**Vopak is very much aware of its social responsibility, role and involvement in today's society** It is Vopak's responsibility to do what is reasonably possible to contribute to society and the environment and minimize the negative impact the company may have on both. We work hard to reduce our environmental footprint and minimize any negative impact of our operations on people's safety, health and wellbeing. The Vopak Values and Code of Conduct serve as our moral compass and we embrace selected UN Sustainable Development Goals (SDGs) to create a focus on where we can contribute to society. Our ambition is to be the sustainability leader in our industry and to be as good as the safest and most sustainable of our customers.	➡

Other general (inherent) risks not considered principal risks

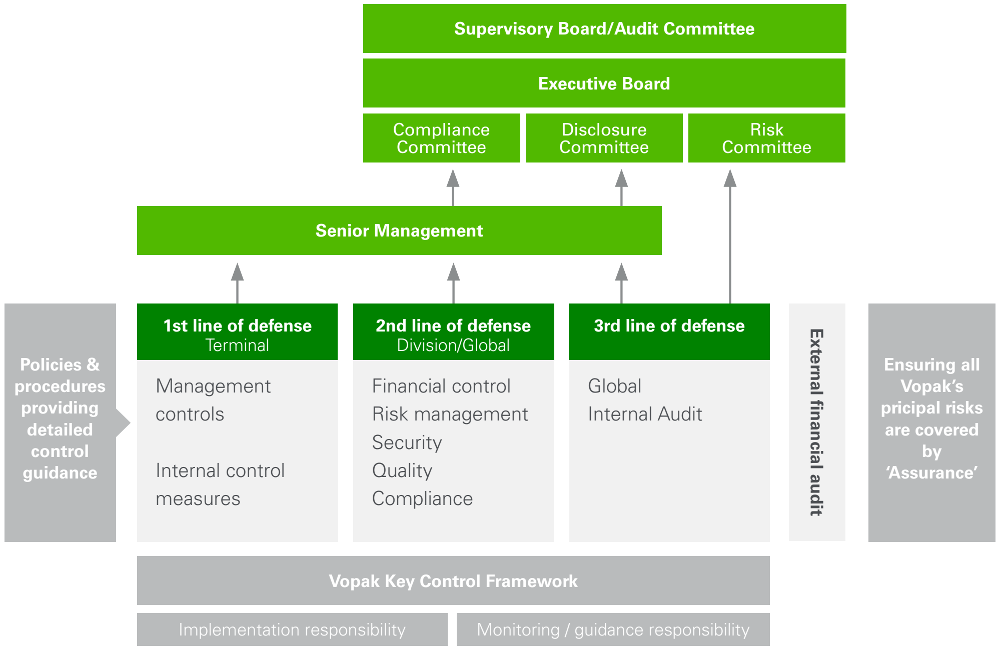
Theme	Description
Foreign Exchange	As a globally-operated company, Vopak is confronted with money flows that are not in its functional (Euro) currency. Operating globally provides an extent of 'natural hedging' but foreign exchange exposure risk exists. This risk is continuously reviewed and measures taken to limit the exposure in line with the foreign exchange policy of Global Treasury. Our financial risks are described in detail in Section 6 of the Consolidated Financial Statements.
Refinancing and liquidity	Vopak is a capital-intensive company with long-term investments. Long-term access to funds is critical for achieving the strategic objectives of the company. Refinancing and liquidity risks are not considered principal risks due to the effectiveness of the mitigating actions. Vopak's funding strategy is focused on ensuring continued access to capital markets so that funding capital is available at a time of our choice and at an acceptable cost. The development of our Senior Net Debt: EBITDA ratio is continuously monitored and discussed on a regular basis in the Strategic Finance Committee, the Executive Board, the Audit Committee and the Supervisory Board to ensure that the company remains within its covenant ratios. A clear funding policy with respect to subsidiaries and joint ventures is in place. Group liquidity requirements are monitored continuously. Long-term liquidity risks are reviewed each quarter and before every significant investment. Active cash management takes place on a daily basis. Liquidity risks are described in more detail in Section 6 of the Consolidated Financial Statements.
Insurance	A general business risk exists that losses are suffered due to inappropriate coverage of the incident by third-party insurers. Our Global Insurance Policy aims to strike the right balance between arranging insurance to cover Vopak's risks and financing adverse implications ourselves. The principal factors underlying our insurance policy are risk tolerance and risk transfer costs. On this basis, Vopak has purchased worldwide insurance cover for a wide range of risks, such as environmental and third-party liability, property damage, business interruption and cyber-related activities. The financial credit ratings of the insurance companies involved are reviewed on a regular basis and, where appropriate, risks are spread across several insurance companies.
Tax and Tax related	Vopak operates terminals and other activities in many different countries. As tax laws and regulations differ per country and can be complex, the company runs the inherent risk of non-compliance with the local tax legislation and the tax policy of the company. The Vopak Control Framework has a dedicated section stipulating the internal controls to address the risks related to tax and which enforce compliance with the group tax policy. Furthermore, the highly skilled tax experts at the Global Tax department assist local and divisional management in complying with the tax requirements and monitoring the effectiveness of the internal controls relating to tax as well as the tax position of the group.

Internal Control

Vopak has identified sixteen key business processes and has internal controls, designed in a principle-based manner, to address risks foreseen in each of the processes. This principle-based internal control framework is rolled out to all operating companies.

Local management ('first line'), supported by Divisions and Global Functions, is responsible for ensuring this framework is implemented, operating effectively and key risks are managed. Divisions and Global Functions are 'second line' responsible for the monitoring of internal controls locally including assessing their effectiveness. The 'third line' is Global Internal Audit providing independent assurance on internal control existence and effectiveness.

Internal control framework



In addition to audits executed by Global Internal Audit, which includes a fraud vulnerability assessment when a business process audit is executed, the maturity of key control implementation per operating company is assessed each year through the completion of the Control Risk Self-Assessment (CRSA). The CRSA covers the sixteen key processes and related controls including those specifically directed at fraud and corruption.

Complementing the CRSA, are a number of additional functional- and regional-specific monitoring activities undertaken throughout the year by the Global Functions all with the objective to assess the extent of implementation and effectiveness of expected controls and establish further improvements from a functional responsibility perspective.

Policies continued to be updated as appropriate during 2021. The introduction of new IT systems via the MOVES program improves our control environment through the further standardization of processes, systems and allowing for increased transparency and monitoring of actions.

The Executive Board is assisted in fulfilling its responsibilities with regards to internal controls by the Risk Committee, the Compliance Committee and the Disclosure Committee. These three Committees have an important role in the company's overall internal control framework by providing cross-functional and cross-divisional advisory insight on key topics directly to the Executive Board.

The internal control framework is reviewed and updated periodically to ensure control design and guidance remains relevant and effective for the organization.

Management Review Cycle

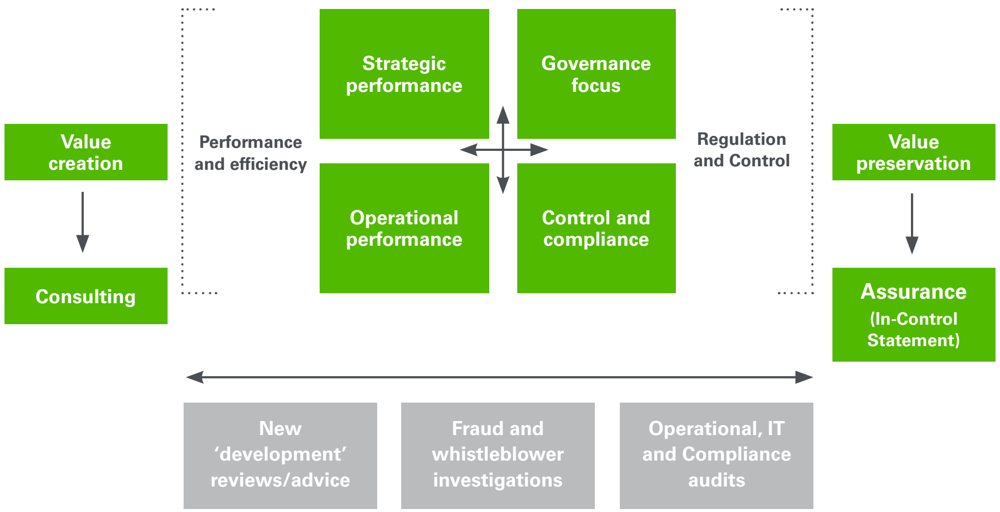
Key to the control process is the regular reporting cycle. Monthly and quarterly management reports are prepared by all operating companies and Divisions including joint ventures in line with clearly defined mandatory reporting requirements. The reports and related discussions between senior management, including but not limited to the Executive Board, cover not only financial but also key operational, sustainability, human resources and commercial performance indicators aimed at monitoring the achievement of strategic objectives.

A critical element of these discussions is comparing progress against prior-year performance and Vopak's Annual Budget which, together with the two subsequent plan years, is reviewed and approved by the Executive Board for all Divisions and operating companies each year.

Role of Internal Audit

The primary role of Global Internal Audit is to provide independent assurance and advise the Executive Board in relation to its responsibility to ensure both the existence and effectiveness of internal controls in order to safeguard the company's goals. A broad range of audits are executed of an operational, investigative and compliance nature with the audit of financial external reports being the responsibility of Vopak's external statutory auditor. Advising and consulting activities also take place providing internal control input to projects undertaken by the organization to support functional owners.

Internal audit to preserve and create value



Clear and objective in findings;
Constructive and realistic in recommendations

Global Internal Audit reports directly to the Executive Board. Its activities are also overseen by the (Audit Committee of the) Supervisory Board. The Internal Audit Charter is endorsed by both the Executive Board and the Audit Committee. The core audit team is located at the Global Head office, often supplemented by subject matter experts either from the business or external support as appropriate.

The annual internal audit plan is developed using a risk-based approach focusing on key objectives of the company and risks relating to those objectives. The Global Internal audit universe includes all processes, entities and activities within the company, including Global and Divisional functions. The plan takes into account the feedback resulting from the dialogue with Senior Leadership. Throughout the year, the results of all audits and advisory activities are shared and discussed with the Executive Board and discussed each quarter with the Audit Committee. Progress against the plan is reported.

The follow up of audit findings is the responsibility of the auditee with monitoring thereof and subsequent closure being the responsibility of the Division and/or Global as appropriate. The outcome of this process is formalized biannually with reporting to Global Internal Audit through the 'audit findings follow-up' system. Exceptions to what is expected are followed up proactively with Divisions by Global Internal Audit. The audit findings follow-up meetings also take into account follow-up from reviews undertaken by commercial and external financial auditors.

Continuous evaluation of the Global Internal Audit function takes place. The results are reported to the Executive Board and Audit Committee on an annual basis. In addition, an externally performed quality assurance audit by the Dutch Institute of Internal Auditors takes place on a five-year basis. The first review at the end of 2016 was positive and re-confirmed that work is performed in accordance with the International Internal Auditing Standards. An evaluation of the function by the Executive Board and the Audit Committee has taken place during the year.

Management assessment, Letters of Representation and In-Control Statement

Management consider that the processes in place as described including those in the Corporate Governance chapter are of a maturity that enables implementation and effectiveness of risk management and internal control to be assessed with the view that there have been no material deficiencies in the internal risk management and control systems relating to the risks observed during the financial year. Further improvements noted, such as ongoing policy refinement and the update of the IT systems, serve to further improve our maturity level and not to change the processes. The view that there are no material deficiencies is underpinned by the Letter of Representation that is signed by Terminal Management, Divisional Finance Directors, Division Presidents and Global Directors at the end of each half year and full year. This Letter represents the key elements of internal control and full disclosure of deviations to that control as appropriate. The results of this process including deviations are specifically discussed with the Executive Board and, together with the results of the various monitoring and assurance activities as described above (which are explicitly re-evaluated by both Global Control & Business Analysis and Global Internal Audit for the purposes of the In-Control Statement at year end) provide input for the In-control statement issued by our Executive Board.

The In-Control Statement issued by the Executive Board is included directly after the Financial Statements.

Shareholder information

In EUR	2021	2020
Share price start of the year	43.28	48.60
Highest share price	44.40	54.24
Average closing share price	37.54	47.31
Lowest share price	29.47	40.27
Share price at year-end	30.80	42.99
Free float	52%	52%
Average number of shares traded per day	382,508	398,654
Market capitalization at year-end (in EUR billion)	3.9	5.4

Share price movement in 2021

In %

Investor Relations

Vopak conducts an open and active information policy for all its stakeholders. The aim of Vopak's investor relations is to provide relevant information to all stakeholders and to ensure that this information is complete, consistent, accurate, relevant and timely disclosed to all parties. Information is provided through annual and half year reports, quarterly interim updates, press releases and investor presentations, which are all available on the Vopak website. Vopak is transparent and non-discriminatory in disclosing information to investors and other stakeholders. A separate agreement on information sharing has been concluded with our major shareholder HAL Holding N.V. We refer to note 7.3 of the Consolidated Financial Statements for more information.

Vopak participated in international roadshows, attended broker-organized equity conferences and undertook investor telephone calls to engage with shareholders and investors. Due to Covid-19, most of these engagements were hosted in a virtual manner in 2021. Vopak held more than 200 meetings with shareholders and investors this year.

Vopak held press conferences and hosted live webcasts for financial analysts, investors and other stakeholders following the publication of the annual results and half-year results. The publication of the quarterly interim results were followed by live webcasts. All webcasts could be attended live and on-demand via Vopak's website. Information presented at these meetings was also published on the website.

Vopak complies with the rules and regulations of the Dutch Financial Markets Authority (AFM) and International Financial Reporting Standards (IFRS), as endorsed by the European Union, in all its publications.

Information per ordinary share

In EUR	2021	Restated 2020
Basic earnings	1.71	2.33
Basic earnings -excluding exceptional items-	2.38	2.37
Diluted earnings	1.70	2.33
Diltuted earnings -excluding exceptional items-	2.37	2.36
Equity attributable to holders of ordinary shares	25.36	23.55
Dividend (proposal)	1.25	1.20
Payout ratio -excluding exceptional items-	53%	51%

Shares outstanding

	2021	2020
Basic weighted average number of ordinary shares	125,416,945	126,524,451
Weighted average number of ordinary shares including dilutive effect	125,609,790	126,690,044
Total number of shares outstanding (including treasury shares end of period)	**125,740,586**	**125,740,586**
Treasury shares end of period	392,016	345,736
Total voting rights at year-end	**125,348,570**	**125,394,850**

Share price movement last 5 years
In EUR

Stock exchange listing

Vopak shares are listed on the Euronext stock exchange in Amsterdam, the Netherlands, and Vopak is a constituent of the Amsterdam Midkap Index (AMX), ticker symbol VPK (ISIN no. NL0009432491). Options on Vopak shares are also traded on Euronext Amsterdam.

Silent periods

Silent periods are the periods prior to the publication of financial results. In principle, no meetings are held with and no presentations are given to financial analysts and investors during this period. No other communication with analysts and investors takes place unless it relates to the factual clarification of previously disclosed information. Usually, the length of the silent period is four weeks prior to publication of the annual and half year results and quarterly interim updates.

Bilateral contacts

Vopak may engage in bilateral contacts with existing and potential shareholders. The main objective would be to explain Vopak's strategy and operational performance and answer questions. Vopak takes the Dutch Corporate Governance Code (December 2016) into account when engaging in bilateral contacts with shareholders.

The following guidelines apply:

- A dialogue with shareholders outside the context of a formal shareholders' meeting can be useful for both investors and Vopak.
- Vopak reserves the right to determine, at its sole discretion, whether it will accept invitations from shareholders, or parties representing shareholders, to engage in such a dialogue. Vopak may ask for further clarification of the views, aims and investment objectives of such shareholders before accepting or rejecting an invitation to engage in dialogue outside the context of a formal shareholders' meeting.
- Vopak communicates as openly as possible to maximize transparency.
- Responses to third-party publications, such as analyst reports or draft reports, are only given by referring to public information and published guidance. Comments on these reports are given only with regard to incorrect factual information.

- Vopak's contacts with investors and sell-side analysts shall, at all times, comply with the applicable rules and regulations, in particular those concerning selective disclosure, price sensitive information and equal treatment.

Dividend policy

Vopak's dividend policy targets to pay an annual stable to rising cash dividend in balance with a management view on a payout ratio range of 25-75% of the net profit excluding exceptional items attributable to holders of ordinary shares and subject to market circumstances.

The net profit excluding exceptional items that forms the basis for dividends to be declared may be adjusted, for instance, for the financial effects of one-off events, such as changes in accounting policies, acquisitions and divestments.

Vopak proposes a dividend of EUR 1.25 per ordinary share over 2021 (2020: EUR 1.20) to the Annual General Meeting of 20 April 2022. The dividend increase of EUR 0.05 or 4% reflects Vopak's performance throughout a turbulent 2021. The dividend payout ratio will amount to 53% of earnings per ordinary share excluding exceptional items (2020: 51%).

Vopak shareholders

Vopak's shares are held by an international and diversified shareholder base. Pursuant to the Financial Supervision Act, a shareholding of 3% or more in a Dutch company must be disclosed to the AFM. As per the AFM register, the largest shareholders in Vopak at 31 December 2021 were:

	Ordinary shareholdings	Date of notification
HAL Trust	48.15%	01/01/2015
Maple-Brown Abbott	>3.00%	23/04/2021
Sprucegrove Investment Management	>3.00%	18/11/2021

20 April 2022	Publication of 2022 first-quarter interim update
20 April 2022	Annual General Meeting
22 April 2022	Ex-dividend quotation
25 April 2022	Dividend record rate
28 April 2022	Dividend payment date
27 July 2022	Publication of 2022 half-year results
11 November 2022	Publication of 2022 third-quarter interim update
15 February 2023	Publication of 2022 full-year results

Financial Statements

Financial Statements and notes

Consolidated Financial Statements

Consolidated Statement of Income

In EUR millions	Note	2021	Restated 2020 [1]
Revenues	2.3	1,227.9	1,190.0
Other operating income	2.4	41.1	60.0
Total operating income		**1,269.0**	**1,250.0**
Personnel expenses	2.5	342.7	331.2
Depreciation and amortization	3.7	331.8	296.0
Impairment	3.8	71.0	30.1
Other operating expenses	2.6	286.1	272.3
Total operating expenses		**1,031.6**	**929.6**
Operating profit		**237.4**	**320.4**
Result joint ventures and associates	2.7	172.3	161.2
Group operating profit (EBIT)		**409.7**	**481.6**
Interest and dividend income	5.6	5.6	5.9
Finance costs	5.6	- 112.1	- 92.2
Net finance costs		**- 106.5**	**- 86.3**
Profit before income tax		**303.2**	**395.3**
Income tax	8.1	- 60.0	- 71.1
Net profit		**243.2**	**324.2**
Attributable to:			
Holders of ordinary shares		214.2	294.6
Non-controlling interests	5.4	29.0	29.6
Net profit		**243.2**	**324.2**
Basic earnings per ordinary share (in EUR)	9.1	**1.71**	**2.33**
Diluted earnings per ordinary share (in EUR)	9.1	**1.70**	**2.33**

Consolidated Statement of Comprehensive Income

In EUR millions	Note	2021	Restated 2020 [1]
Net profit		**243.2**	**324.2**
Exchange differences on translation of foreign operations	5.2, 5.4	174.5	- 191.0
Net investment hedges	5.2	- 72.1	61.5
Use of exchange rate differences on translation of foreign operations and use of net investment hedges	5.2, 5.4	0.5	2.4
Effective portion of changes in fair value of cash flow hedges	5.2, 5.4	- 2.5	3.1
Use of effective portion of cash flow hedges to statement of income	5.2	1.7	- 0.3
Share in other comprehensive income of joint ventures and associates	5.2	19.4	- 0.8
Other comprehensive income that may be reclassified to statement of income in subsequent periods		**121.5**	**- 125.1**
Fair value change other investments	5.2, 9.6	33.2	- 1.9
Remeasurement of defined benefit plans	5.3, 9.4	13.6	- 5.2
Other comprehensive income that will not be reclassified to statement of income in subsequent periods		**46.8**	**- 7.1**
Other comprehensive income, net of tax		**168.3**	**- 132.2**
Total comprehensive income		**411.5**	**192.0**
Attributable to:			
Holders of ordinary shares		374.5	174.1
Non-controlling interests		37.0	17.9
Total comprehensive income		**411.5**	**192.0**

Items are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in Note 8.1.

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.

Consolidated Statement of Financial Position

In EUR millions	Note	31-Dec-21	Restated 31-Dec-20 [1]
ASSETS			
Intangible assets	3.2	111.0	147.6
Property, plant and equipment - owned assets	3.3	3,834.9	3,798.9
Property, plant and equipment - right-of-use assets	3.4	640.2	632.2
- Joint ventures and associates	3.5	1,583.3	1,319.4
- Finance lease receivable	9.2	127.6	28.6
- Loans granted	9.2	44.8	91.0
- Other financial assets	9.6	83.6	36.5
Total financial assets		1,839.3	1,475.5
Deferred taxes	8.2	50.6	43.2
Derivative financial instruments	6.2	35.6	9.1
Other non-current assets		7.4	6.0
Total non-current assets		**6,519.0**	**6,112.5**
Trade and other receivables	4.2	259.6	276.1
Loans granted and finance lease receivables	9.2	4.4	–
Prepayments		30.0	36.6
Derivative financial instruments	6.2	8.0	5.1
Cash and cash equivalents	5.5	73.4	68.3
Assets held for sale	3.6	192.3	–
Total current assets		**567.7**	**386.1**
Total assets		**7,086.7**	**6,498.6**

In EUR millions	Note	31-Dec-21	Restated 31-Dec-20 [1]
EQUITY			
- Issued capital	5.1	62.9	62.9
- Share premium	5.1	194.4	194.4
- Treasury shares	5.1	- 15.7	- 15.0
- Other reserves	5.2	- 157.0	- 317.0
- Retained earnings	5.3	3,104.1	3,036.1
Equity attributable to owners of parent		**3,188.7**	**2,961.4**
Non-controlling interests	5.4	156.9	144.9
Total equity		**3,345.6**	**3,106.3**
LIABILITIES			
Interest-bearing loans	5.5	1,822.3	1,616.3
Lease liabilities	5.5	676.1	668.5
Derivative financial instruments	6.2	–	5.4
Pensions and other employee benefits	9.4	34.7	49.0
Deferred taxes	8.2	217.4	183.3
Provisions	9.5	16.8	22.2
Other non-current liabilities		13.4	14.3
Total non-current liabilities		**2,780.7**	**2,559.0**
Bank overdrafts and short-term borrowings	5.5	464.6	214.3
Interest-bearing loans	5.5	0.3	127.9
Lease liabilities	5.5	35.2	30.7
Derivative financial instruments	6.2	7.6	20.6
Trade and other payables	4.3	330.1	361.7
Taxes payable		47.9	55.5
Pensions and other employee benefits	9.4	0.2	0.2
Provisions	9.5	24.3	22.4
Liabilities related to assets held for sale	3.6	50.2	–
Total current liabilities		**960.4**	**833.3**
Total liabilities		**3,741.1**	**3,392.3**
Total equity and liabilities		**7,086.7**	**6,498.6**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.

Consolidated Statement of Changes in Equity

In EUR millions	Note	Equity attributable to owners of parent: Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2019		**63.9**	**194.4**	**- 8.9**	**- 105.9**	**2,903.8**	**3,047.3**	**147.8**	**3,195.1**
Change in accounting policy [1]		–	–	–	–	- 13.0	- 13.0	–	- 13.0
Balance at 1 January 2020 (restated)		**63.9**	**194.4**	**- 8.9**	**- 105.9**	**2,890.8**	**3,034.3**	**147.8**	**3,182.1**
Net profit		–	–	–	–	294.6	294.6	29.6	324.2
Other comprehensive income, net of tax		–	–	–	- 120.5	–	- 120.5	- 11.7	- 132.2
Total comprehensive income		**–**	**–**	**–**	**- 120.5**	**294.6**	**174.1**	**17.9**	**192.0**
Dividend paid in cash	5.3, 5.4	–	–	–	–	- 146.1	- 146.1	- 24.6	- 170.7
Capital injection	5.4	–	–	–	–	–	–	3.8	3.8
Purchase treasury shares	5.1	–	–	- 8.0	–	–	- 8.0	–	- 8.0
Share buyback/cancellation of shares issued	5.1	- 1.0	–	–	- 99.1	–	- 100.1	–	- 100.1
Measurement of equity-settled share-based payment arrangements	5.3, 7.2	–	–	–	–	4.5	4.5	–	4.5
Vested shares under equity-settled share-based payment arrangements	5.3, 7.2	–	–	1.9	–	- 4.0	- 2.1	–	- 2.1
Other		–	–	–	8.5	- 3.7	4.8	–	4.8
Total transactions with owners		**- 1.0**	**–**	**- 6.1**	**- 90.6**	**- 149.3**	**- 247.0**	**- 20.8**	**- 267.8**
Balance at 31 December 2020 (restated)		**62.9**	**194.4**	**- 15.0**	**- 317.0**	**3,036.1**	**2,961.4**	**144.9**	**3,106.3**
Net profit		–	–	–	–	214.2	214.2	29.0	243.2
Other comprehensive income, net of tax		–	–	–	160.3	–	160.3	8.0	168.3
Total comprehensive income		**–**	**–**	**–**	**160.3**	**214.2**	**374.5**	**37.0**	**411.5**
Dividend paid in cash	5.3, 5.4	–	–	–	–	- 150.5	- 150.5	- 25.0	- 175.5
Purchase treasury shares	5.1	–	–	- 2.9	–	–	- 2.9	–	- 2.9
Measurement of equity-settled share-based payment arrangements	5.3, 7.2	–	–	–	–	7.8	7.8	–	7.8
Vested shares under equity-settled share-based payment arrangements	5.3, 7.2	–	–	2.2	–	- 3.5	- 1.3	–	- 1.3
Other		–	–	–	- 0.3	–	- 0.3	–	- 0.3
Total transactions with owners		**–**	**–**	**- 0.7**	**- 0.3**	**- 146.2**	**- 147.2**	**- 25.0**	**- 172.2**
Balance at 31 December 2021		**62.9**	**194.4**	**- 15.7**	**- 157.0**	**3,104.1**	**3,188.7**	**156.9**	**3,345.6**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.

Consolidated Statement of Cash Flows

In EUR millions	Note	2021	Restated 2020 [1]
Cash flows from operating activities (gross)	2.9	**741.2**	**810.4**
Interest received	5.6	5.8	6.7
Income tax paid		- 65.0	- 54.9
Cash flows from operating activities (net)		**682.0**	**762.2**
Investments:			
Intangible assets	3.2	- 25.4	- 26.5
Property, plant and equipment - growth capex	3.3	- 202.5	- 335.6
Property, plant and equipment - sustaining, service improvement and IT capex	3.3	- 290.5	- 276.9
Joint ventures and associates	3.5	- 53.0	- 73.8
Other equity investments	3.5	- 13.8	- 8.5
Loans granted	9.2	- 5.8	- 3.0
Other non-current assets		- 1.3	- 0.5
Acquisitions of joint ventures and associates	3.5	–	- 107.4
Total investments		**- 592.3**	**- 832.2**
Disposals and repayments:			
Intangible assets	3.2	- 0.1	–
Property, plant and equipment	3.3	3.5	2.1
Joint ventures and associates	3.5	1.2	118.2
Loans granted	9.2	2.6	0.1
Finance lease receivable	9.2	9.5	5.1
Assets held for sale/divestments	3.1	–	131.3
Total disposals and repayments		**16.7**	**256.8**
Cash flows from investing activities (excluding derivatives)		**- 575.6**	**- 575.4**
Settlement of derivatives (net investment hedges)		- 12.8	2.7
Cash flows from investing activities (including derivatives)		**- 588.4**	**- 572.7**

In EUR millions	Note	2021	Restated 2020 [1]
Financing:			
Repayment from interest-bearing loans	5.5	- 210.9	- 669.1
Proceeds from interest-bearing loans	5.5	177.1	849.1
Repayment lease liabilities	3.4	- 34.3	- 26.7
Interest expenses paid on lease liabilities	3.4	- 22.4	- 21.1
Finance expenses paid		- 76.5	- 94.0
Settlement of derivative financial instruments		3.6	- 5.1
Dividend paid in cash	5.3	- 150.5	- 146.1
Dividend paid to non-controlling interests	5.4	- 25.0	- 24.6
Share buyback/purchase treasury shares	5.1	- 2.9	- 108.1
Proceeds and repayments in short-term financing	5.5	257.0	27.0
Cash flows from financing activities		**- 84.8**	**-218.7**
Net cash flows		**8.8**	**- 29.2**
Exchange differences		3.1	- 2.3
Net change in cash and cash equivalents due to assets held for sale		- 0.1	2.5
Net change in cash and cash equivalents (including bank overdrafts)		**11.8**	**-29.0**
Net cash and cash equivalents at 1 January (including bank overdrafts)		**59.0**	**88.0**
Net cash and cash equivalents at 31 December (including bank overdrafts)		**70.8**	**59.0**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.

Section 1 Basis of preparation

Taking into account the characteristics of Vopak's business and business model, the notes to the financial statements have been grouped into eight thematic sections rather than in consecutive order based on line items in the Consolidated primary statements. Each note in a section starts with the Group's accounting policies as well as the critical accounting estimates and judgments made.

This section contains the disclosures relevant for understanding the basis of preparation of the Consolidated financial statements:

- Reporting entity
- Statement of compliance
- Functional and presentation currency
- Basis of measurement
- Changes in accounting policies for 2021
- Going concern
- Basis of consolidation
- Foreign currency translation
- Accounting policies, not attributable to a specific section
- Use of key accounting estimates and judgments

Note 1.1 Basis of preparation

Reporting entity

Koninklijke Vopak N.V. (Royal Vopak) has its registered office in Rotterdam (the Netherlands). Vopak is listed on the Euronext Amsterdam. The Consolidated financial statements of the company for the year ending on 31 December 2021 contain the financial figures of the company and its subsidiaries (jointly referred to as the 'Group'), as well as the interests of the Group in joint ventures and associates.

Vopak is the world's leading independent tank storage provider, specialized in the storage and handling of liquid chemicals, gases and oil products.

Statement of compliance

The Consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code, as far as applicable. The accounting policies based on IFRS, as described in this section, have been applied consistently for the years presented by all entities. There were no material changes in the accounting policies applied compared to the previous year.

The financial statements were prepared by the Executive Board and approved by the Supervisory Board on 15 February 2022 and are subject to adoption by the shareholders during the Annual General Meeting.

Functional and presentation currency

The Consolidated financial statements are presented in euros (EUR), which is the functional and presentation currency of the Vopak Group. All amounts are presented in EUR million and have been rounded to the nearest EUR 100k, unless otherwise stated.

Basis of measurement

The Consolidated financial statements are based on the historical cost basis except for the following assets and liabilities, which are measured at fair value: derivative financial instruments, other financial assets (measured at fair value through other comprehensive income), assets held for sale (when measured at fair value less cost of disposal) and defined benefit pension plans (plan assets measured at fair value).

Changes in accounting policies for 2021

The applied accounting principles adopted in the preparation of the Consolidated financial statements are consistent with those described in Vopak's 2020 Annual Report, except for the following:

Interest Rate Benchmark Reform

Already in 2019, Vopak Group adopted the Interest Rate Benchmark Reform Amendments to IFRS 9, IAS 39 and IFRS 7 as published by the IASB in September 2019 and endorsed by the EU on 15 January 2020.

The Group has initially adopted Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) from 1 January 2021. In accordance with the exceptions permitted in the Phase 2 amendments, Vopak Group has elected not to restate comparatives for the prior periods to reflect the application of these amendments. The 2021 figures are not materially affected by the replacement of existing interest benchmarks.

IFRIC agenda decision on Configuration or Customization Costs in a Cloud Computing Arrangement
In April 2021, the IFRS interpretation committee published the agenda decision 'Configuration or customization costs in a cloud computing arrangement' which considers whether an intangible asset can be recognized in relation to configuration or customization of application software. Vopak has identified several assets that have configuration or customization costs included in the asset's cost base. The IFRIC agenda decision sets out the following options for accounting for costs incurred for customization of cloud computing arrangements that are considered to follow service contract accounting as follows:

- If the services received are distinct, the costs are recognized as an expense when the supplier configures or customizes the application software; or
- If the services are not distinct, the costs are recognized as an expense when the supplier provides access to the application software over the contract term; or
- When a third-party supplier, employees or inhouse contractors configure or customize the application software, costs are recognised as an expense when incurred.
- In limited circumstances, certain configuration and custimization activities under taken in implementing cloud computing arrangements may give rise to a separate intangible asset. This may be the case if the arrangement results, for example in additional software code (for interfaces with other software applications) from which the Group has the power to obtain the future economic benefits and to restrict others' access to those benefits. The Group recognizes an intangible asset if the additional code is 'identifiable' and meets the recognition criteria for an intangible asset.

The Group has considered the impact of the change in accounting policy on the results reported in the current and comparative reporting periods. The Group has retrospectively adjusted the carrying values of intangible software assets and related assets under construction. As at 31 December 2021 the impact of this change in accounting policy was a decrease in software intangible assets and related assets under construction of EUR 28.1 million (2020: EUR 25.6 million), a decrease in software amortization expense of EUR 4.9 million (2020: EUR 3.5 million) and an increase in other operating expenses of EUR 7.4 million (2020: EUR 11.8 million). The combined deferred income tax impacts on the above, resulted in net income tax benefits of EUR 0.5 million (2020: EUR 2.0 million).

Impact of the change in accounting policy
The table below summarizes the impact of the change in accounting policy on the Consolidated Financial Statements:

In EUR millions		Reported	Increase/ (decrease)	Restated
Consolidated Statement of Financial Position		**31-12-2019**	**1-1-2020**	**1-1-2020**
Intangible assets	3.2	164.8	-17.3	147.5
Deferred taxes	8.2	30.8	4.3	35.1
Retained earnings	5.3	- 2,903.8	13.0	- 2,890.8
Consolidated Statement of Income		**2020**	**2020**	**2020**
Depreciation and amortization	3.7	299.5	-3.5	296.0
Other operating expenses	2.6	260.5	11.8	272.3
Profit before income tax		**403.6**	**-8.3**	**395.3**
Income tax	8.1	-73.1	2.0	-71.1
Net profit		**330.5**	**-6.3**	**324.2**
Earnings per share - basic	9.1	**2.38**	**-0.05**	**2.33**
Earnings per share - diluted	9.1	**2.38**	**-0.05**	**2.33**
Consolidated Statement of Cash Flows		**2020**	**2020**	**2020**
Net profit		330.5	-6.3	324.2
Adjustments for depreciation and amortization	3.7	299.5	-3.5	296.0
Adjustments for income tax	8.1	73.1	-2.0	71.1
Cash flows from operating activities (gross)	2.9	**822.2**	**-11.8**	**810.4**
Investment intangibles	3.2	-38.3	11.8	-26.5
Cash flows from investing activities (including derivatives)		**-584.5**	**11.8**	**-572.7**

Impact on segment disclosures

The following operating segments were affected by the change in accounting policy for the period ended 31 December 2020:

Restated segment information

In EUR millions	Reported	Americas	Asia & Middle East	China & North Asia	Europe & Africa	LNG	Global functions and corporate activities	Total
Statement of income	**2020**							**2020**
Operating expenses	- 591.5	- 1.9	- 1.8	–	- 2.1	–	- 6.0	- 603.3
EBITDA	**791.5**	**- 1.9**	**- 1.8**	**–**	**- 2.1**	**–**	**- 6.0**	**779.7**
Depreciation and amortization	- 299.5	0.3	0.1	–	0.5	–	2.6	- 296.0
Total EBIT excluding exceptional items	**492.0**	**- 1.6**	**- 1.7**	**–**	**- 1.6**	**–**	**- 3.4**	**483.7**
Statement of financial position 31 December	**2020**							**2020**
Assets of subsidiaries	5,198.5	- 2.5	-1.5	–	- 3.2	–	- 12.1	5,179.2
Investments	**2020**							**2020**
Intangible assets	38.3	- 1.9	- 1.8	–	- 2.1	–	- 6.0	26.5

Several other amendments and interpretations apply for the Group for the first time for the period beginning 1 January 2021, but do not have an impact on the consolidated financial statements of the Group. For an overview of the estimated effect of issued, but not yet effective new and amended IFRS standards and IFRICs on the Vopak Group, reference is made to note 9.10.

Going concern

The Executive Board has assessed the going-concern assumptions, during the preparation of the Group's Consolidated financial statements. The Executive Board believes that no events or conditions, including those related to the current COVID-19 pandemic, give rise to doubt about the ability of the Group to continue in operation in the next reporting period. This conclusion is drawn based on knowledge of the Group, the estimated economic outlook and identified risks and uncertainties in relation thereto.

Furthermore, this conclusion is based on a review of the budget for the next financial year, including expected developments in liquidity and capital, current credit facilities available including contractual and expected maturities and covenants. Consequently, it has been concluded that it is reasonable to apply the going-concern concept as the underlying assumption for the financial statements.

For further details on the impact of the Covid-19 pandemic to the Vopak Group, reference is made to note 9.3.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Vopak controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated financial statements from the date on which control commences until the date on which control ceases, using consistent accounting policies.

Non-controlling interests in equity and in results are presented separately. Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with shareholders. For purchases of non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the net asset of the subsidiary is recorded directly in equity. Gains or losses on disposals of non-controlling interests are also recorded directly in equity.

Upon initial recognition, a non-controlling interest is measured either at its proportionate interest in the fair value of the net assets acquired or full fair value, which is elected on a transaction-by-transaction basis.

The Group's interests in equity-accounted investees comprise interests in joint ventures and associates.

A ***joint venture*** is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Associates are entities in which the Group has significant influence, but no control or joint control, over the financial and operating policies.

Upon ***loss of control***, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income are reclassified to the income statement.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

Transactions eliminated on consolidation: all inter-company balances and transactions, including unrealized gains and losses on transactions, are eliminated on consolidation. Unrealized gains arising from transactions with joint ventures and associates are eliminated to the extent of the Group's interest in the equity. Unrealized losses are eliminated in the same manner as unrealized gains, but only to the extent that there is no evidence of impairment.

For a list of the principal subsidiaries, joint ventures and associates, reference is made to note 9.11 of this report.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Foreign currency transactions are translated into the functional currency using the exchange rate at the dates of the transactions, or valuation date where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income, except when deferred in other comprehensive income as qualifying cash flow hedges or net investment hedges.

Upon consolidation, the assets and liabilities of non-Euro entities, including goodwill and fair value adjustments at the time of the acquisition, are translated into euros at the year-end rates of exchange (closing exchange rates). The items of the statement of income of foreign activities are translated at the average exchange rates for the reporting period.

The resulting translation differences of the net investments in foreign operations are recognized as foreign currency translation reserve movements (translation reserve) in other comprehensive income. The same applies to exchange differences arising from loans drawn and other financial instruments to the extent that these hedge the currency risk related to the net investment.

Upon disposal of all or part of an interest in an entity, or upon liquidation of an entity, cumulative currency translation differences related to that entity are recognized in the income statement. When the Group disposes of only part of its interest in a subsidiary with a foreign operation, while retaining control, the relevant portion of the cumulative amount is not transferred to profit or loss but reattributed to non-controlling interests. Upon disposal of a foreign activity with a non-controlling interest, the cumulative amount relating to the non-controlling interests shall be derecognized, but shall not be reclassified to profit or loss. A share capital or share premium distribution by an entity is not considered to be a partial disposal when the Group retains its relative legal share in the entity.

The following main exchange rates are used in the financial statements:

	Closing exchange rate		Average exchange rate	
EUR 1.00 is equivalent to	2021	2020	2021	2020
US dollar	1.13	1.23	1.18	1.14
Singapore dollar	1.53	1.63	1.59	1.57
Chinese yuan	7.22	8.01	7.63	7.87
Australian dollar	1.56	1.60	1.57	1.66
Brazilian real	6.31	6.38	6.38	5.89

Accounting policies, not attributable to a specific section

The Group's significant accounting policies are described in the relevant individual notes to the Consolidated financial statements or otherwise stated below. A list of the notes is shown in the table of contents preceding the financial statements.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Cash flow statement

The cash flow statement is prepared based on the indirect method. Cash flows denominated in foreign currencies are translated at average exchange rates. Exchange and translation gains and losses on cash and cash equivalents (including current liabilities arising from short-term credit facilities) are presented separately.

The Consolidated statement of cash flows shows the Group's cash flows from operating, investing and financing activities for the year.

Use of key accounting estimates and judgments

Preparing the Consolidated financial statements means that the Group must use insights, estimates and assumptions that could affect the reported assets and liabilities and the information provided on contingent assets and liabilities as at the statement of financial position date as well as the reported income and expenses. The actual results may ultimately differ from these estimates. The estimates and the underlying assumptions are reviewed on a regular basis. Adjustments are made in the period in which the estimates were reviewed if the adjustment affects that period, or in the relevant period and the future periods if the adjustment affects both current and future periods.

Management insights, estimates and assumptions that could have a significant impact on the financial statements are:

- The lease term of our land lease contracts (note 3.4)
- Assets held for sale (note 3.6)
- Useful life and residual value of property, plant and equipment (note 3.7)
- Impairment tests (note 3.8)
- Derivative financial instruments (note 6.2)
- Deferred tax (note 8.2)
- Provisions (note 9.5).

Although the COVID-19 pandemic has a limited impact on the Vopak Group, a comprehensive overview of the impact of the COVID-19 pandemic is included in note 9.3.

Climate risk

Vopak's business model of 'storing vital products with care' means that the Group connects supply and demand for products and enables the delivery of products that are vital to the economy and daily lives of people across the globe. Supply and demand and subsequent imbalances remain a key driver behind storage and it is not foreseen that these imbalances will be resolved in the near future, although demand for some of the products may change as a result of substitution for cleaner products. Nevertheless, as a large part of our current business relates to fossil-based products, climate change and the transition to a lower carbon economy were considered in preparing the Consolidated financial statements.

The Group reviewed key accounting estimates in the financial statements, including among others useful lives of fixed assets (note 3.7), impairment considerations (note 3.8) and/or environmental provisions (note 9.5). There is significant uncertainty surrounding the ways in which society and the world economy will change over the next 30 years and the extent to which such changes will meet the aspirations of the Paris Agreement. The pace and severity of climate change, as well as accompanying government policy and the energy transition, impact the estimates. Therefore these remain subject to constant review and monitoring.

For our 2021 Financial Statements, the Group does not see any evidence that Vopak's balance sheet materially overstated assets or materially understated liabilities.

Section 2 Group operating performance

This section comprises notes which provide specifications and explanations related to the Group's operating performance for the year, including disclosures on segmentation.

The following notes are presented in this section:

- 2.1 Segment information
- 2.2 Exceptional items
- 2.3 Revenues
- 2.4 Other operating income
- 2.5 Personnel expenses
- 2.6 Other operating expenses
- 2.7 Result of joint ventures and associates
- 2.8 Translation and operational currency risk
- 2.9 Cash flows from operating activities (gross)

Note 2.1 Segment information

Accounting policies

The accounting policies of the reportable segments are the same as the Group's accounting policies described throughout the notes when relevant.

Reportable segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Board, which is the chief operating decision maker. The division structure is primarily based on geographical markets. Business activities that cannot be allocated to any other segment are reported under 'Global functions and corporate activities'. These include primarily the head office costs, the Global IT costs and expenses related to other interests.

Vopak's five divisions are Americas, Asia & Middle East, China & North Asia, Europe & Africa and LNG.

The EBITDA and Group operating profit of the divisions include the net effects of the company-wide cost allocations. Costs that cannot be allocated to the divisions are part of the 'Global functions, and corporate activities'. The actual allocated costs can differ per reporting period.

Statement of income

In EUR millions	Americas		of which United States		Asia & Middle East		of which Singapore		China & North Asia		Europe & Africa		of which Netherlands		LNG		Global functions and corporate activities		Total	
	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]
Revenues[1]	326.6	322.9	184.7	184.6	284.1	289.3	217.7	224.3	44.7	42.0	566.0	532.9	421.1	412.3	n.a.	n.a.	6.5	2.9	1,227.9	1,190.0
Other operating income	11.3	2.1	8.6	0.6	12.8	14.7	1.3	2.0	6.9	4.0	6.5	2.0	3.0	1.8	3.7	4.2	- 0.1	–	41.1	27.0
Operating expenses	- 159.9	- 149.8	- 92.3	- 84.8	- 100.0	- 99.4	- 62.4	- 64.6	- 22.1	- 22.4	- 276.8	- 265.2	- 202.1	- 200.6	- 11.1	- 9.5	- 58.2	- 57.0	- 628.1	- 603.3
Result joint ventures and associates	12.0	11.3	1.5	0.8	83.9	70.2	0.5	0.7	38.9	33.3	4.0	3.3	1.0	0.8	47.3	47.9	- 0.4	–	185.7	166.0
EBITDA	**190.0**	**186.5**	**102.5**	**101.2**	**280.8**	**274.8**	**157.1**	**162.4**	**68.4**	**56.9**	**299.7**	**273.0**	**223.0**	**214.3**	**39.9**	**42.6**	**- 52.2**	**- 54.1**	**826.6**	**779.7**
Depreciation and amortization	- 64.3	- 62.1	- 34.9	- 33.3	- 66.4	- 63.4	- 48.4	- 46.3	- 11.9	- 11.5	- 171.4	- 144.7	- 120.5	- 108.8	–	–	- 17.8	- 14.3	- 331.8	- 296.0
Total EBIT excluding exceptional items	**125.7**	**124.4**	**67.6**	**67.9**	**214.4**	**211.4**	**108.7**	**116.1**	**56.5**	**45.4**	**128.3**	**128.3**	**102.5**	**105.5**	**39.9**	**42.6**	**- 70.0**	**- 68.4**	**494.8**	**483.7**
Exceptional items	- 75.8	- 33.4			1.5	–			–	33.0	–	- 1.7			- 10.8	–	–	–	- 85.1	- 2.1
Total EBIT including exceptional items	**49.9**	**91.0**			**215.9**	**211.4**			**56.5**	**78.4**	**128.3**	**126.6**			**29.1**	**42.6**	**-70.0**	**- 68.4**	**409.7**	**481.6**
Reconciliation consolidated net profit [2]																				
Net finance costs																			- 106.5	- 86.3
Profit before income tax																			**303.2**	**395.3**
Income tax																			- 60.0	- 71.1
Net profit																			**243.2**	**324.2**
Non-controlling interests																			29.0	29.6
Net profit holders of ordinary shares																			**214.2**	**294.6**
Occupancy rate subsidiaries	**90%**	**92%**			**87%**	**87%**			**75%**	**80%**	**87%**	**88%**							**87%**	**88%**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.
2 The Group has one single global customer who contributed both years presented just above 10% of the consolidated revenues. All divisions provided services to this single global customer.
3 As the Group neither allocates interest expenses to segments, nor accounts for taxes in them, there is no segmented disclosure of the net profit.

Statement of financial position at 31 December

In EUR millions	Americas		of which United States		Asia & Middle East		of which Singapore		China & North Asia		Europe & Africa		of which Netherlands		LNG		Global functions and corporate activities		Total	
	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]
Assets of subsidiaries	1,176.1	1,049.0	582.9	442.6	1,250.8	1,256.5	860.9	825.3	233.3	198.1	2,500.2	2,423.8	1,751.2	1,683.7	0.5	1.2	342.5	250.6	5,503.4	5,179.2
Joint ventures and associates	292.3	256.2	203.6	174.1	486.5	369.6	1.1	1.1	343.4	297.2	20.0	19.5	1.5	1.5	440.2	376.9	0.9	–	1,583.3	1,319.4
Total assets	**1,468.4**	**1,305.2**	**786.5**	**616.7**	**1,737.3**	**1,626.1**	**862.0**	**826.4**	**576.7**	**495.3**	**2,520.2**	**2,443.3**	**1,752.7**	**1,685.2**	**440.7**	**378.1**	**343.4**	**250.6**	**7,086.7**	**6,498.6**
Total liabilities	**255.7**	**225.8**	**143.4**	**121.9**	**625.2**	**624.6**	**490.9**	**482.7**	**49.1**	**41.4**	**548.9**	**544.4**	**409.5**	**397.7**	**8.1**	**4.1**	**2,254.1**	**1,952.0**	**3,741.1**	**3,392.3**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.

Investments [1]

In EUR millions	Americas		of which United States		Asia & Middle East		of which Singapore		China & North Asia		Europe & Africa		of which Netherlands		LNG		Global functions and corporate activities		Total	
	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]
Intangible assets	3.0	3.0	2.1	1.5	0.6	3.8	0.5	4.6	0.3	0.1	3.8	4.9	3.0	2.2	–	–	17.7	14.7	25.4	26.5
Property, plant and equipment [2]	172.4	189.1	122.1	99.9	63.9	75.5	40.6	40.7	13.0	12.1	230.2	340.2	177.6	184.3	–	–	1.8	2.5	481.3	619.4
Joint ventures and associates	25.5	32.0	24.9	27.5	57.0	0.1	–	–	9.6	22.4	–	–	–	–	16.5	13.5	1.4	0.5	110.0	68.5
Other non-current assets	0.2	0.2	–	–	- 0.2	0.3	- 0.2	0.2	0.2	–	1.1	–	1.1	–	–	–	–	–	1.3	0.5
Total	**201.1**	**224.3**	**149.1**	**128.9**	**121.3**	**79.7**	**40.9**	**45.5**	**23.1**	**34.6**	**235.1**	**345.1**	**181.7**	**186.5**	**16.5**	**13.5**	**20.9**	**17.7**	**618.0**	**714.9**

1 Excluding loans granted, finance lease receivables and acquisition of subsidiaries, joint ventures and associates.
2 Relates only to Property, plant and equipment - owned assets.
3 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.

Note 2.2 Exceptional items

Group policy

The items in the statement of income include items that are exceptional by nature from a management perspective based on their size and/or nature. For the definition of exceptional items applied by the company, reference is made to the Glossary. The material exceptional items are disclosed separately in the notes when relevant in order to increase transparency.

Exceptional items

In EUR millions	Note	2021	2020
Gains on assets held for sale/divestments	2.4	–	33.0
Loss on assets held for sale/divestments	2.6	- 0.7	- 1.7
Impairment	3.8	- 71.0	- 42.9
Reversal impairment	3.8	–	12.8
Personnel expenses	2.5	–	0.7
Other operating expenses	2.6	–	0.8
Operating profit		**- 71.7**	**2.7**
Result joint ventures and associates	2.7	- 13.4	- 4.8
Group operating profit		**- 85.1**	**- 2.1**
Finance costs	5.6	–	–
Profit before income tax		**- 85.1**	**- 2.1**
Tax on above-mentioned items	8.1	1.0	- 2.8
Total effect on net profit		**- 84.1**	**- 4.9**

For more information on the individual exceptional items, including their amount and nature, reference is made to the corresponding notes. A reconciliation between the income statement based on IFRS and the income statement excluding exceptional items, is presented in the next table.

	2021			Restated 2020 [1]
In EUR millions	IFRS figures	Exceptional items	Excluding exceptional items	Excluding exceptional items
Revenues	1,227.9	–	1,227.9	1,190.0
Other operating income	41.1	–	41.1	27.0
Total operating income	**1,269.0**	**–**	**1,269.0**	**1,217.0**
Personnel expenses	- 342.7	–	- 342.7	- 331.9
Impairment	- 71.0	- 71.0	–	–
Other operating expenses	- 286.1	- 0.7	- 285.4	- 271.4
Result joint ventures and associates	172.3	- 13.4	185.7	166.0
Group operating profit before depreciation and amortization (EBITDA)	**741.5**	**- 85.1**	**826.6**	**779.7**
Depreciation and amortization	- 331.8	–	- 331.8	- 296.0
Group operating profit (EBIT)	**409.7**	**- 85.1**	**494.8**	**483.7**
Interest and dividend income	5.6	–	5.6	5.9
Finance costs	- 112.1	–	- 112.1	- 92.2
Net finance costs	**- 106.5**	**–**	**- 106.5**	**- 86.3**
Profit before income tax	**303.2**	**- 85.1**	**388.3**	**397.4**
Income tax	- 60.0	1.0	- 61.0	- 68.3
Net profit	**243.2**	**- 84.1**	**327.3**	**329.1**
Attributable to:				
Holders of ordinary shares	214.2	- 84.1	298.3	299.5
Non-controlling interests	29.0	–	29.0	29.6
Net profit	**243.2**	**- 84.1**	**327.3**	**329.1**
Basic earnings per ordinary share (in EUR)	**1.71**		**2.38**	**2.37**
Diluted earnings per ordinary share (in EUR)	**1.70**		**2.37**	**2.36**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.

Note 2.3 Revenues

The Group operates bulk liquids and gas storage terminals in key strategic ports. The Group owns and operates specialized facilities including tanks, jetties, truck loading stations and pipelines. In many instances, the Group stores the customers´ products for extended periods at the terminals, often under strict specified conditions such as controlled temperatures. The Group also blends components according to customer specifications.

The Group ensures safe, clean and efficient storage and handling of bulk liquid products and gases for its customers. By doing so, the Group enables the delivery of vital products, ranging from chemicals, oil, gases and LNG to biofuels and vegoils.

Accounting policies

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services or goods. Revenues excludes amounts collected on behalf of third parties and are net of discounts and value added taxes. Monthly storage rates and prices for other services are contractually agreed before the services are rendered and do not contain material variable components. When it is probable that the Group will collect the consideration to which it will be entitled, the recognition in the statement of income is in proportion to the stage of the rendered performance as at the end of the reporting period.

The Group has a right to a consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's services completed to date. Tank storage rentals, including minimum guaranteed throughputs, are recognized evenly over the contractual period during which the services are rendered. Revenues from excess throughputs, heating/cooling, homogenization, product movements and other services are recognized when these services are rendered. Customers simultaneously consume and benefit from the services at the moment that these are rendered, resulting in a situation where revenue is recognized over time. Modifications of property, plant and equipment upfront paid by customers are accounted for as prepaid revenues and recognized in the statement of income over the contractual period on a straight-line basis.

Storage fees are mostly invoiced upfront in the month preceding the month to which the storage fees relate. Handling and other services are generally invoiced afterwards, based on the actual usage. Invoices are generally paid by customers at relatively short notice in agreement with the payment terms of the contracts.

Within the revenue related to storage and handling services, the following categorization is made:

- ***Storage services***: relates to revenues from renting of storage capacity
- ***Product movements***: revenues related to product movements
- ***Storage and handling related services:*** relates to revenues for storage and handling related services, such as blending, homogenization, temperature control.
- ***Other services***: primarily relates to the agency services that vopak provides to customers via Vopak Agencies.

The Group does not make any significant judgments with regards to revenue recognition, among others due to the nature of the business.

Revenues

The table below provides an overview of the revenue per type of service that the Group provides to its customers.

In EUR millions	2021	2020
Storage services	986.5	960.2
Product movements	101.8	98.2
Storage and handling related services	93.7	74.1
Other services	45.9	57.5
Revenues	**1,227.9**	**1,190.0**

The table below provides an overview of the revenues per product type per reportable segment (product-market combinations).

	Americas		Asia & Middle East		China & North Asia		Europe & Africa		Other		Total	
In EUR millions	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Chemical products	144.0	150.5	115.3	123.3	43.7	40.4	192.0	186.3	–	–	495.0	500.5
Oil products	136.5	123.7	148.5	141.8	1.0	1.4	259.4	238.0	–	–	545.4	504.9
Vegoils and biofuels	38.0	36.6	2.0	2.0	–	–	61.8	59.2	–	–	101.8	97.8
Gas products	–	–	5.6	9.5	–	0.2	35.8	32.9	–	–	41.4	42.6
Others	8.1	12.1	12.8	12.7	–	–	17.0	16.5	6.4	2.9	44.3	44.2
Revenues	**326.6**	**322.9**	**284.2**	**289.3**	**44.7**	**42.0**	**566.0**	**532.9**	**6.4**	**2.9**	**1,227.9**	**1,190.0**

The table below provides an overview of the assets and liabilities recognized in relation to contracts with customers and their movements during the periods presented.

	2021				2020			
In EUR millions	Trade receivables	Provision for impairment	Deferred revenues	Total	Trade receivables	Provision for impairment	Deferred revenues	Total
Balance at 1 January	**103.9**	**- 2.4**	**- 18.6**	**82.9**	**115.1**	**- 0.4**	**- 16.6**	**98.1**
Recognized as revenue in current period	1,209.3	–	18.6	1,227.9	1,173.4	–	16.6	1,190.0
Payments	- 1,206.1	–	- 32.0	- 1,238.1	- 1,179.7	–	- 18.6	- 1,198.3
Impairments	–	- 4.5	–	- 4.5	–	- 2.1	–	- 2.1
Reversal of impairments	–	1.8	–	1.8	–	–	–	–
Exchange differences	4.1	0.1	–	4.2	- 4.9	0.1	–	- 4.8
Closing balance at 31 December	**111.2**	**- 5.0**	**- 32.0**	**74.2**	**103.9**	**- 2.4**	**- 18.6**	**82.9**

Note 2.4 Other operating income

Accounting policies

Gains on the sale of assets and the divestment of interests in other entities are deemed realized at the time the benefits and the risks of the assets are entirely borne by the buyer and there is no uncertainty as to whether the agreed payment will be received. Gains on the sale of subsidiaries, joint ventures and associates are realized at the time control respectively joint-control or significant influence is no longer exercised.

Dividend income is recognized when the right to receive payment is established. All dividend income is related to dividends from equity investments held at Fair value through Other comprehensive income (FVOCI). Reference is also made to note 9.6.

Other operating income

In EUR millions	2021	2020
Management fee joint ventures and associates	13.9	9.4
Gains on sale of property, plant and equipment	1.3	0.1
Gains on divestments	–	33.0
Dividends received from other financial assets	0.5	2.2
Other	25.4	15.3
Total	**41.1**	**60.0**

2021

There were no individually material items recognized in Other operating income in 2021.

2020

In the second and third quarter of 2020, Vopak received the remaining consideration of EUR 33.0 million relating to the December 2019 divestment of its 49% equity share in the joint venture Vopak SDIC Yangpu Terminal in Hainan, China. This receipt resulted in the recognition of an exceptional gain for the same amount in 2020.

There were no other individually material items recognized in Other operating income in 2020.

Note 2.5 Personnel expenses

Accounting policies

Short-term employee benefits: wages, salaries, social security contributions, annual leave and sickness absenteeism, incentives and non-monetary benefits are recognized in the year in which the related services are rendered by employees.

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes a restructuring provision that involves the payment of termination benefits.

The Group recognizes a provision for *incentive plans* where contractually obliged or where there is a past practice that has created a constructive obligation.

For the accounting policies related to share-based compensation, other types of remuneration and pensions and other employee benefits reference is made to note 7.2 and note 9.4.

Capitalized personnel expenses: costs of employee benefits arising directly from the construction of Intangible assets or Property, plant and equipment and which meet the recognition criteria, are capitalized as part of the cost of the asset concerned.

Personnel expenses

In EUR millions	Note	2021	2020
Wages and salaries		300.1	302.2
Social security charges		36.4	35.4
Contribution to pension schemes (defined contribution)		31.8	32.6
Pension charges (defined benefit plans)	9.4	7.4	6.7
Long-term incentive plans	7.2	8.5	4.9
Early retirement		4.7	3.8
Other personnel expenses		20.5	19.9
Capitalized personnel expenses		- 66.7	- 74.3
Total		**342.7**	**331.2**

2021

There were no individually material items recognized in Personnel expenses in 2021. For the impact of the change in board composition, reference is made to the Remuneration report.

2020

During 2020, several of our legal entities in China and Singapore received in total EUR 4.0 million of COVID-19 related incentives in connection with job support or other employee related matters. These were general incentive schemes that were automatically provided to all legal entities in these countries which met the requirements. There were no Vopak subsidaries which actively applied for COVID-19 support measures.

An exceptional gain was recognized for the amount of EUR 0.7 million relating to the reversal of a provision for reorganization at our terminal in Quebec City in Canada, as the prior year uncertainty with respect to renewal of an expiring land lease contract was resolved during 2020.

Average number of employees (in FTEs)

During the year under review, the Group employed on average 4,250 employees and temporary staff (in FTEs) (2020: 4,355). The movements in the number of own employees at subsidiaries (in FTEs) were as follows:

In FTEs	2021	2020
Number at 1 January	**3,713**	**3,722**
Joiners	475	450
Leavers	- 458	- 407
Divestment/deconsolidation	–	- 52
Number at 31 December	**3,730**	**3,713**

Note 2.6 Other operating expenses

Accounting policies

Operating expenses are recognized in the income statement when incurred, e.g. when services are received or goods are consumed. In addition, operating expenses can result from a decrease in future economic benefits related to a decrease of an asset or an increase of a liability that has arisen and which can be measured reliably.

Losses on the sale of assets are presented under Other operating expenses and are recognized as soon as they are foreseen. Costs relating to the identification and selection phases of business development projects are recognized in the statement of income in the year in which the costs are incurred.

Other operating expenses

In EUR millions	2021	Restated 2020 [1]
Maintenance	54.1	52.9
Energy and utilities	49.2	32.7
Environmental, safety and cleaning	37.9	28.5
Advisory fees	23.8	29.2
Insurance	14.2	17.9
Rents and rates	22.2	23.3
Third party logistics	12.2	8.4
IT	33.8	39.6
Lease expenses - variable expenses, short and low value leases	5.7	0.6
Other	33.0	39.2
Total	**286.1**	**272.3**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.

2021

In the fourth quarter of 2021 an exceptional loss of EUR 0.7 million was recorded related to a partial divestment of a 3% equity stake in the terminal Jubail Chemicals Storage and Services Company (JCSSC) located in Saudi Arabia. After divestment Vopak holds a 22% equity stake in this associate.

There were no other individually material items recognized in Other operating expenses in 2021.

2020

On 31 January 2020, Vopak completed the earlier announced divestment of its 100% shareholding in the terminal in Algeciras, Spain, generating a cash inflow of EUR 135 million. The recognized exceptional loss before taxation was EUR 1.7 million and was recognized under the Other operating expenses. This completed the divestment program of the terminals in Algeciras, Amsterdam and Hamburg with a total exceptional gain of EUR 200 million recognized in the periods 2019 and Q1 2020.

In December 2020, an exceptional gain of EUR 0.8 million was recognized in relation to the partial reversal of an environmental provision for our terminal in Quebec City in Canada as a result of the uncertainty with respect to renewal of the land lease contract thas was resolved during the year.

In the Europe & Africa division, settlement of a legal dispute relating to historical positions of several long-term contracts with one of our suppliers resulted in a release of accruals for the amount of EUR 7.4 million. In addition, an increase in indirect taxes raised by local authorities relating to multiple years, led to a one-off increase in the Operating expenses of EUR 4.3 million in the Europe & Africa division.

Note 2.7 Result of joint ventures and associates

Accounting policies

Joint ventures and associates are accounted for using the equity method. For the accounting policies relating to joint ventures and associates, reference is made to note 3.5.

Result of joint ventures and associates

In EUR millions	Note	2021	2020
Result of joint ventures and associates	3.5	215.8	161.2
Impairments joint ventures and associates	3.5, 3.8	- 43.5	–
Total		**172.3**	**161.2**

Joint ventures are an important part of the Group. Summarized financial information of our joint ventures and associates on an IFRS basis is presented in note 3.5.

In addition, the effects of unaudited non-IFRS proportional consolidation on the statement of financial position and statement of income of the Group are presented under 'Additional information' accompanying this report.

2021

Exceptional gains/losses, were reported in Result of joint ventures and associates as follows:

In 2021, an exceptional gain of EUR 2.2 million was recognized in the result of joint ventures and associates relating to a partial release of a tax provision that was recognized in a joint venture terminal within the Asia & Middle East division at the end of 2019.

In the fourth quarter of 2021, an exceptional loss of EUR 4.8 million was recognized in the Moda Houston terminal (VMH) for business development costs. This impairment is the result of a strategic review after which it was concluded that VMH will focus on ammonia and gas projects going forward leading to a write-off of certain business development projects.

The results of joint ventures and associates were impacted by impairments recorded in 2021. Reference is made to note 3.8 for more details.

2020

In 2020, other operating expenses were recognized as exceptional items for the total amount of EUR 4.8 million in connection with the acquisition of the three industrial joint venture terminals from Dow on the U.S. Gulf Coast. For more information, reference is made to note 3.5.

Note 2.8 Translation and operational currency risk

The Group is exposed to a low level of currency risk on the transaction level, since operating income and operating expenses are, as a rule, largely denominated in the same currency. However, in some countries (in particular, in Latin America and Asia), a substantial portion of the income flow is in US dollars, whereas the operating expenses are largely denominated in local currencies. In these countries, the aim is to hedge the transaction risk naturally. Any material net transaction position can be hedged in full by means of forward exchange contracts or other derivatives.

The Group is, however, exposed to risk in connection with the translation of income statements and net assets of foreign entities into euros, since a significant portion of the Group's results is generated in foreign entities.

Sensitivity to exchange rates arising from the translation of the results of foreign currency operations

The translation risk of converting the net result of foreign entities into euros mainly concerns the Singapore dollar and the US dollar. The sensitivity to these currencies, based on a reasonable change in the exchange rate at the reporting date, is as follows:

A 10 dollar cent change in the EUR/USD exchange rate approximately affects Vopak's figures as follows (based on figures for 2021, excluding exceptional items):

- Revenues would differ by EUR 22.2 million (2020: EUR 22.7 million)
- Group operating profit before depreciation and amortization (EBITDA) would differ by EUR 20.6 million (2020: EUR 17.2 million)
- Group operating profit (EBIT) would differ by EUR 16.1 million (2020: EUR 12.8 million)
- Net profit would differ by EUR 13.4 million (2020: EUR 10.1 million).

A 10 dollar cent change in the EUR/SGD exchange rate approximately affects Vopak's figures as follows (based on figures for 2021 excluding exceptional items):

- Revenues would differ by EUR 13.8 million (2020: EUR 14.3 million)
- Group operating profit before depreciation and amortization (EBITDA) would differ by EUR 10.9 million (2020: EUR 11.0 million)
- Group operating profit (EBIT) would differ by EUR 7.8 million (2020: EUR 8.0 million)
- Net profit would differ by EUR 4.5 million (2020: EUR 4.2 million).

Note 2.9 Cash flows from operating activities (gross)

In EUR millions	Note	2021	Restated 2020 [1]
Net profit		**243.2**	**324.2**
Adjustments for:			
- Depreciation and amortization	3.7	331.8	296.0
- Impairment	3.8	71.0	30.1
- Net finance costs	5.6	106.5	86.3
- Income tax	8.1	60.0	71.1
- Movements in other non-current assets		- 6.3	- 4.8
- Movements in other long-term liabilities		- 1.8	- 8.1
- Movements in provisions excluding deferred taxes		- 0.4	- 8.1
- Result joint ventures and associates	2.7	- 172.3	- 161.2
- Measurement of equity-settled share-based payment arrangements	5.3	6.1	- 1.3
- Result on sale of assets held for sale excluding transaction expenses	3.1	0.7	- 31.3
Total adjustments		**395.3**	**268.7**
Realized value adjustments of derivative financial instruments		- 45.0	58.9
Movements in other current assets (excluding cash and cash equivalents)		43.8	- 15.5
Movements in other current liabilities (excluding bank overdrafts and dividends)		- 17.8	49.0
Dividends received from joint ventures and associates	3.5	133.3	134.2
Effect of changes in exchange rates on other current assets and liabilities		- 11.6	- 9.1
Cash flows from operating activities (gross)		**741.2**	**810.4**
Realized value adjustments of derivative financial instruments		45.0	- 58.9
Cash flows from operating activities (gross excluding derivatives)		**786.2**	**751.5**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.

Section 3 Strategic investments and divestments

This section presents details on the core operating assets that form the basis for the activities of the Vopak Group, including the main developments with regard to these assets during the financial years presented.

The following notes are presented in this section:
3.1 Acquisition and divestment of subsidiaries
- 3.2 Intangible assets
- 3.3 Property, plant and equipment
- 3.4 Leases
- 3.5 Joint ventures and associates
- 3.6 Assets held for sale
- 3.7 Depreciation and amortization
- 3.8 Impairment tests and impairments

Note 3.1 Acquisition and divestment of subsidiaries

Accounting policies

Business combinations

Acquired businesses are recognized in the Consolidated financial statements from the acquisition date, which is the date when the Group effectively obtains control of the acquired business. Businesses that are divested or wound up are recognized in the Consolidated financial statements until the date of divestment or winding up. Comparative figures are not restated for businesses acquired, divested or wound up.

When the Group obtains control of a business, the acquisition method is applied. The identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognized if separable or if they arise from contractual or other legal rights. Deferred tax related to fair value adjustments is also recognized.

Any excess of the fair value of the consideration transferred, the recognized amount of any non-controlling interests and the fair value of any existing equity interest in the acquired entity over the fair value of identifiable assets, liabilities and contingent liabilities, is recognized as goodwill. When the excess is negative, a bargain purchase gain is recognized in the statement of income at the acquisition date.

If parts of the consideration are conditional upon future events (contingent consideration) or satisfaction of agreed terms, these parts are recognized at fair value at the acquisition date. Transaction costs that the Group incurs in connection with the business combination are expensed as incurred under Other operating expenses.

Divestments

Gains or losses on the divestments or winding-up of subsidiaries, joint ventures or associates are measured as the difference between the consideration received adjusted for directly related divestment or winding-up costs and the carrying amount of the net assets at the time of disposal or winding-up including any carrying amount of allocated goodwill.

Acquisitions and divestments

The table below provides an overview of the results realized as either part of the Other operating income or Other operating expenses on all (step-)acquisitions and divestments completed during the years presented, including joint ventures and associates. Reference is also made to note 2.4.

In EUR millions	Note	2021	2020
Share dilution JCSSC	3.5	- 0.7	–
Sale of subsidiary Algeciras		–	- 1.7
Sale joint venture SDIC Yangpu Terminal		–	33.0
Total		**- 0.7**	**31.3**

For more information on the cash proceeds, reference is made to the Consolidated Statement of Cash Flows.

The results realized on (step-)acquisitions and divestments of subsidiaries are disclosed in the paragraph below. For an overview of the acquisitions and divestments of joint ventures and associates, reference is made to note 3.5.

Acquisitions of subsidiaries
There were no acquisitions of subsidiaries in 2021 and 2020.

Divestments of subsidiaries
2021
There were no divestments of subsidiaries in 2021.

2020
On 31 January 2020, Vopak completed the earlier announced divestment of its 100% shareholding in the terminal in Algeciras, Spain, generating a cash inflow of EUR 135 million. The recognized exceptional loss before taxation was EUR 1.7 million. This completed the divestment program of the terminals in Algeciras, Amsterdam and Hamburg with a total exceptional gain of EUR 200 million recognized in the periods 2019 and Q1 2020.

In the second and third quarter of 2020, Vopak received the remaining consideration of EUR 33.0 million relating to the December 2019 divestment of its 49% equity share in the joint venture Vopak SDIC Yangpu Terminal in Hainan, China. This receipt resulted in the recognition of an exceptional gain for the same amount in 2020.

Note 3.2 Intangible assets

Accounting policies
Intangible assets include goodwill, internally developed software, contractual relationships, concessions and favourable leases ensuing from business combinations. For accounting policy of Cloud Computing Arrangements, reference is made to note 1.1. Goodwill represents the difference between the purchase price and Vopak's share in the fair value of the acquired identifiable assets, liabilities and contingent liabilities of the company acquired at the time Vopak obtains control (acquisition method). Goodwill is carried at cost less accumulated impairments.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the operating segments (divisions), which represents the lowest level within the Vopak Group at which the goodwill is monitored for internal management purposes.

Goodwill relating to an associate or joint venture is included in the carrying amount of the investment in the associate or joint venture and is not tested for impairment separately, but is part of the impairment testing of the investment in the associate or joint venture.

Software is carried at historical cost, net of straight-line amortization based on its expected useful life and any potential impairment.

Other intangible assets are carried at their initial fair value at the time of the acquisition, net of straight-line amortization and impairments.

Other items are mainly licenses that are carried at historical cost, net of straight-line amortization.

Movements in intangible assets

In EUR millions	Note	Goodwill	Software	Other	Under develop-ment	Total
Purchase price of operating assets		41.4	142.2	55.2	27.7	266.5
Accumulated amortization and impairment		–	- 90.0	- 11.7	–	- 101.7
Carrying amount at 31 December 2019		**41.4**	**52.2**	**43.5**	**27.7**	**164.8**
Change in accounting policy [1]		–	- 10.6	–	- 6.7	- 17.3
Carrying amount at 1 January 2020		**41.4**	**41.6**	**43.5**	**21.0**	**147.5**
Movements:						
Additions		–	3.0	–	23.5	26.5
Reclassification		–	13.5	–	- 10.8	2.7
Amortization	3.7	–	- 13.0	- 1.1	–	- 14.1
Impairment	3.8	–	- 0.2	- 8.6	–	- 8.8
Exchange differences		- 2.9	–	- 3.1	- 0.2	- 6.2
Carrying amount at 31 December 2020 (restated)		**38.5**	**44.9**	**30.7**	**33.5**	**147.6**
Purchase price of operating assets		38.5	130.3	50.5	33.5	252.8
Accumulated amortization and impairment		–	- 85.4	- 19.8	–	- 105.2
Carrying amount at 31 December 2020 (restated)		**38.5**	**44.9**	**30.7**	**33.5**	**147.6**
Movements:						
Additions		–	1.4	–	24.0	25.4
Disposal		–	–	0.1	–	0.1
Reclassification to held for sale/divestments	3.6	- 35.1	- 0.1	- 1.3	- 0.8	- 37.3
Reclassification		–	32.5	–	- 29.4	3.1
Amortization	3.7	–	- 16.8	- 0.8	–	- 17.6
Impairment	3.8	–	- 0.3	- 15.6	–	- 15.9
Exchange differences		2.8	0.3	1.9	0.6	5.6
Carrying amount at 31 December 2021		**6.2**	**61.9**	**15.0**	**27.9**	**111.0**
Purchase price of operating assets		6.2	164.5	47.8	27.9	246.4
Accumulated amortization and impairment		–	- 102.6	- 32.8	–	- 135.4
Carrying amount at 31 December 2021		**6.2**	**61.9**	**15.0**	**27.9**	**111.0**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.

The increase in software assets in both years presented, is primarily related to internally developed IT projects. For more information on the impairments recognized in 2021 and 2020, reference is made to note 3.8.

In 2021, as a result of the held for sale classification of the CRL terminal entity in Kandla and four Canadian terminals located in Hamilton, Montreal East and West and Quebec City, goodwill and intangibles allocated to these terminals have been presented as held for sale for respectively EUR 19.3 million and EUR 18.0 million. For more details, reference is made to note 3.6.

Note 3.3 Property, plant and equipment - owned assets

Accounting policies

Property, plant and equipment mainly relate to the owned terminals assets of the company which are used to service the customers in the various countries where the Group operates. Property, plant and equipment are broken down into their components and carried at historical cost, net of accumulated straight-line depreciation and less any impairment losses. Interest during construction is capitalized (see also note 5.6). Historical cost includes the initial acquisition cost plus other direct acquisition costs (such as unrecoverable taxes or transport) and construction costs that can be allocated directly (such as hours of own employees and advisory fees). To the extent that dismantling obligations exist at the end of the useful life, these estimated costs and any amendments thereto are included in the cost of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. Costs of repairs and maintenance that do not increase the future economic benefits and are part of the day-to-day servicing of the assets are recognized as expenses.

Movements in property, plant and equipment - owned assets

In EUR millions	Note	Land	Buildings	Tank storage terminals	Machinery and equipment	Under development	Total
Purchase price of operating assets		44.4	285.7	5,404.3	134.2	676.8	6,545.4
Accumulated depreciation and impairment		–	- 147.7	- 2,661.8	- 95.1	–	- 2,904.6
Carrying amount at 31 December 2019		**44.4**	**138.0**	**2,742.5**	**39.1**	**676.8**	**3,640.8**
Movements:							
Additions		–	4.9	78.1	3.2	533.2	619.4
Disposals		–	- 0.2	- 0.6	- 0.9	- 1.5	- 3.2
Reclassification		–	39.9	407.6	7.3	- 457.6	- 2.8
Depreciation	3.7	–	- 15.0	- 225.6	- 4.1	–	- 244.7
Impairment	3.8	–	- 1.2	- 20.5	0.4	–	- 21.3
Exchange differences		- 5.2	- 5.7	- 135.3	- 1.5	- 41.6	- 189.3
Carrying amount at 31 December 2020		**39.2**	**160.7**	**2,846.2**	**43.5**	**709.3**	**3,798.9**
Purchase price of operating assets		39.2	315.7	5,638.1	132.3	709.3	6,834.6
Accumulated depreciation and impairment		–	- 155.0	- 2,791.9	- 88.8	–	- 3,035.7
Carrying amount at 31 December 2020		**39.2**	**160.7**	**2,846.2**	**43.5**	**709.3**	**3,798.9**
Movements:							
Additions		–	4.0	54.8	2.8	419.7	481.3
Disposals		- 0.3	- 0.6	- 2.8	0.1	0.1	- 3.5
Reclassification to assets held for sale/divestments	3.6	- 17.9	- 6.6	- 83.2	- 3.3	- 12.3	- 123.3
Reclassification		–	27.1	729.3	25.5	- 785.0	- 3.1
Reclassification to finance lease	9.2	–	–	- 104.1	–	–	- 104.1
Depreciation	3.7	–	- 14.3	- 249.4	- 10.6	–	- 274.3
Impairment	3.8	–	- 2.4	- 52.5	- 0.2	–	- 55.1
Exchange differences		2.8	4.0	83.6	2.0	25.7	118.1
Carrying amount at 31 December 2021		**23.8**	**171.9**	**3,221.9**	**59.8**	**357.5**	**3,834.9**
Purchase price of operating assets		23.8	348.4	6,312.3	156.2	357.5	7,198.2
Accumulated depreciation and impairment		–	- 176.5	- 3,090.4	- 96.4	–	- 3,363.3
Carrying amount at 31 December 2021		**23.8**	**171.9**	**3,221.9**	**59.8**	**357.5**	**3,834.9**

For an overview of the investment commitments of the Group in relation to property, plant and equipment reference is made to note 9.7.

Note 3.4 Leases

Accounting policies

In line with the nature of its activities, the Group has a large portfolio of long-term land leases and leases of other non-current assets such as jetties, offices and other equipment. Most of the contracts contain extension options.

Contracts typically contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The non-lease components are normally relatively small.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements in general do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets cannot be used as security for borrowing purposes by the Group.

Determining the right-of-use asset and the lease liability

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees (normally not present)
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

When it is reasonably certain that a lease extension option will be exercised, lease payments that are to be made under these extension options are also included in the measurement of the liability.

Determining the discount rate

The lease payments are in almost all instances discounted using the incremental borrowing rate of the Vopak entity entering into the lease. This is because the interest rate implicit in the lease can in most instances not be readily determined. The incremental borrowing rate is the rate that the individual entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset, in a similar economic environment with similar terms, security and conditions.

Lease expenses

Lease payments are allocated between a principal and interest expense. The interest expense is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Short-term and low-value leases

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets primarily comprise IT and communication equipment and small items of office furniture. Short-term leases may also relate to long-term (land) leases for which the original maximum contract term has expired and a new contract is currently under negotiation.

The risks associated with leases

The group is exposed to the risk of potential future increases in the periodic lease payments based on an index or rate, which are not included in the lease liability until they take effect. When such adjustments to lease payments occur, the lease liability is reassessed and adjusted against the right-of-use asset.

Furthermore, the Group also runs the risks that critical lease contracts expire and cannot be renewed. In such instances the Group has to decommission the terminal by either handing over the site together with the assets to the lessor, or by demolishing the assets, cleaning up the site and handing over the site to the lessor. In most instances the Group is able to enter into a new lease contract, yet frequently at higher rates.

Key accounting estimates and judgments

Determining the term of a lease contract

Extension and termination options are included in most lease contracts held by the Group. These options are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. This is explicitly the case for the land lease contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or to not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of land, sea and jetties the following factors are normally the most relevant:

- Remaining useful lives of the tank terminal assets which depend on the lease term of the lease contract
- Remaining duration of long-term customer contracts
- The amount of the penalties to terminate (or not extend)
- Other factors, including historical lease durations and the costs and business disruption that is expected to be incurred to replace the leased asset.

For most of the land lease contracts it was assessed by management that it was reasonably certain that the extension options will be exercised. The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

No other material estimates and judgments are applied by the Group with regards to leases.

Movements in right-of-use assets and related lease liabilities

Set out below, are the carrying amounts of the Group's leased (right-of-use) assets and lease liabilities and the movements during the period.

	Note	Land	Buildings	Tank storage terminals	Machinery and equipment	Total	Lease liabilities
Purchase price of operating assets		488.4	32.8	6.5	8.7	536.4	–
Accumulated depreciation and impairment		- 23.7	- 6.4	- 0.5	- 2.8	- 33.4	–
Opening balance at 31 December 2019		**464.7**	**26.4**	**6.0**	**5.9**	**503.0**	**- 564.9**
Movements:							
Additions		47.8	34.0	–	5.4	87.2	- 87.2
Disposal		–	- 0.5	–	–	- 0.5	1.5
Depreciation	3.7	- 28.2	- 4.6	- 0.5	- 3.9	- 37.2	–
Remeasurement		115.4	- 16.9	0.1	0.4	99.0	- 99.0
Unwinding interest		–	–	–	–	–	- 21.1
Payments		–	–	–	–	–	47.8
Exchange rate differences		- 18.8	- 0.4	- 0.1	–	- 19.3	23.7
Carrying amount at 31 December 2020		**580.9**	**38.0**	**5.5**	**7.8**	**632.2**	**- 699.2**
Purchase price of operating assets		631.0	41.7	6.5	13.1	692.3	–
Accumulated depreciation and impairment		- 50.1	- 3.7	- 1.0	- 5.3	- 60.1	–
Carrying amount at 31 December 2020		**580.9**	**38.0**	**5.5**	**7.8**	**632.2**	**- 699.2**
Movements:							
Additions		–	1.7	–	5.6	7.3	- 7.3
Depreciation	3.7	- 30.8	- 4.2	- 0.5	- 4.4	- 39.9	–
Remeasurement		44.7	0.6	- 0.4	1.1	46.0	- 46.0
Unwinding interest		–	–	–	–	–	- 22.4
Payments		–	–	–	–	–	56.7
Divestments/reclassification to assets held for sale	3.6	- 21.7	- 0.7	–	–	- 22.4	26.5
Reclassifications		0.9	- 0.6	- 0.9	–	- 0.6	–
Exchange rate differences		17.1	0.2	0.3	–	17.6	- 19.6
Carrying amount at 31 December 2021		**591.1**	**35.0**	**4.0**	**10.1**	**640.2**	**- 711.3**
Purchase price of operating assets		669.5	42.4	5.4	18.1	735.4	–
Accumulated depreciation and impairment		- 78.4	- 7.4	- 1.4	- 8.0	- 95.2	–
Carrying amount at 31 December 2021		**591.1**	**35.0**	**4.0**	**10.1**	**640.2**	**- 711.3**

The weighted average incremental borrowing rate applied to the lease liabilities (excluding those classified as held for sale) recognized at the end of 2021 was 3.1% (2020: 3.2%). The remaining weighted average lease term was 25.0 years at 31 December 2021 (2020: 25.9 years).

The total cash outflows for leases for the year presented, including short-term and low-value leases, amounted to EUR 62.4 million (2020: EUR 53.4 million).

Amounts recognized in the income statement

Set out below are the amounts recognized in the income statement during the period.

In EUR millions	2021	2020
Low-value assets lease expenses	1.0	1.0
Short-term leases expenses	3.6	2.8
Short-term/variable lease expenses - reversal due to settlements	–	- 5.0
Variable lease expenses	1.1	1.8
Depreciation right-of-use assets	39.9	37.2
Interest expenses on lease liabilities	22.4	21.1
Total	**68.0**	**58.9**

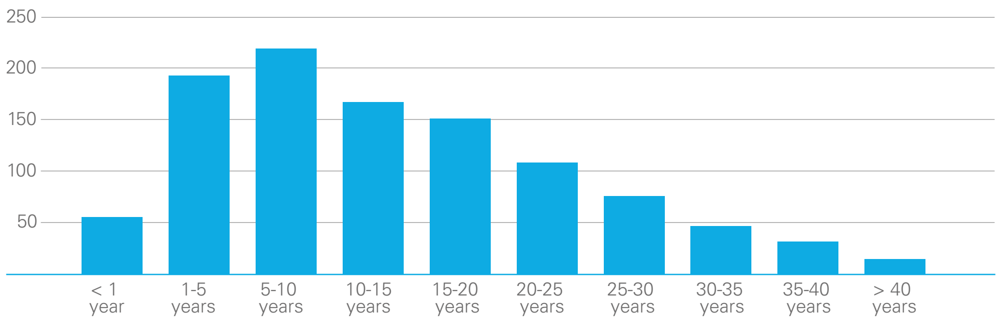
Maturity profile of lease contract portfolio

The table below analyzes the Group's contractual lease obligations into relevant maturity categories based on the remaining period at the end of the reporting period. It includes the nominal payments of the lease liabilities that are recognized in the balance sheet as well as the nominal payments related to the short-term and low-value lease contracts. In addition, also a graph is including depicting the maturity profile of the lease contract portfolio in a graphical manner.

In EUR millions	< 1 year	1-5 years	5-10 year	10-15 years	15-20 years	20-25 years	25-30 years	30-35 years	35-40 years	> 40 years	Total
Nominal contractual lease obligation	55.3	193.4	219.5	167.6	151.5	108.3	75.7	46.6	31.8	14.4	1,064.1

Nominal contractual lease obligation

In EUR millions



As per 31 December 2021, there are no material lease contracts to which the Group is committed but which have not yet commenced.

Note 3.5 Joint ventures and associates

Vopak's interest in the principal joint ventures and associates at year-end 2021 consisted of 26 (2020: 27) unlisted joint ventures and 9 (2020: 8) unlisted associates. Although the Group conducts a large part of its activities by means of these joint ventures and associates, none of these entities are currently individually material for the Group. The nature of, and changes in, the risks associated with its interests in joint ventures and associates is primarily linked to the region and/or the activities. For the disclosure of the nature, extent and financial effects of our joint ventures and associates, we make a distinction in the activities of the divisions Europe & Africa (limited number of oil and chemical terminals), Asia & Middle East, (all types of storage terminals, except LNG), LNG (joint ventures and associates with long-term contracts), and China & North Asia (mainly industrial terminals). The Americas division currently has a number of joint ventures and associates mainly operating gas and industrial terminals.

No significant judgments were made by the Group with regard to the classification of joint ventures and associates. All material joint arrangements are currently classified as joint ventures because joint control is established by contract and the Group only has rights to the net assets of these entities. The Group currently has no material investment in a joint operation.

The Group has four majority ownerships which qualify as joint ventures: a 60% majority ownership in LNG Terminal Altamira in Mexico, a 51% majority ownership in Vopak Terminals Korea Ltd. and a 51% majority ownership in Vopak (Qinzhou) Jetty Co., Ltd. and in Guangxi Hualin Jetty Co., Ltd, both in China. In Mexico, the Group has 50% of the voting rights. In Korea, the partner owns an exercisable call option right at any time of 1% of the shares and therefore the substantive voting rights of the Group are limited to 50%. In China, for both entities all decisions about the relevant activities of the entity are made based on unanimous consent of the shareholders in accordance with the shareholders agreement concerned.

The Group has a 10% equity interest in Vopak Terminal Eemshaven in the Netherlands which is classified as an associate as it was concluded that the Group has significant influence. The Group has been appointed as operator of this terminal. As operator, Vopak has the right to appoint the management board of the terminal. In addition, as 10% shareholder in the entity, Vopak is entitled to appoint one of the three members of the Supervisory Board and is able to participate in the decision-making process of the entity.

Reference is made to note 9.11 for an overview of the principal joint ventures and associates.

Accounting policies

Joint ventures and associates are accounted for using the equity method, which involves recognition in the Consolidated statement of income of Vopak's share of the net result of the joint ventures and associates for the year. Accounting policies of joint ventures and associates have been aligned where necessary to ensure consistency with the policies adopted by the Group. Vopak's interest in a joint venture or associate is carried in the statement of financial position at its share in the net assets of the joint venture or associate together with goodwill paid on acquisition, less any impairment loss. When the share in the losses exceeds the carrying amount of an equity-accounted company (including any other receivables forming part of the net investment in the company), the carrying amount is written down to nil and recognition of further losses is discontinued, unless we have incurred legal or constructive obligations relating to the company in question.

Group's share of the total comprehensive income and the carrying amount of joint ventures and associates

		Joint ventures		Associates		Total	
In EUR millions		2021	2020	2021	2020	2021	2020
Vopak's share in net assets		887.4	721.6	347.9	473.9	1,235.3	1,195.5
Goodwill on acquisition		74.2	66.9	9.9	10.4	84.1	77.3
Carrying amount at 31 December		**961.6**	**788.5**	**357.8**	**484.3**	**1,319.4**	**1,272.8**
Share in profit or loss	2.7	156.6	114.0	59.2	47.2	215.8	161.2
Impairments	2.7, 3.8	- 43.5	–	–	–	- 43.5	–
Net profit		**113.1**	**114.0**	**59.2**	**47.2**	**172.3**	**161.2**
Other comprehensive income	5.2	9.7	4.9	10.5	- 5.0	20.2	- 0.1
Comprehensive income		**122.8**	**118.9**	**69.7**	**42.2**	**192.5**	**161.1**
Dividends received	2.9	- 91.9	- 75.9	- 42.7	- 58.3	- 134.6	- 134.2
Investments		104.3	63.9	5.7	4.6	110.0	68.5
Acquisitions		–	107.4	–	–	–	107.4
Redemption share capital		–	–	–	- 85.2	–	- 85.2
Transfers due to change in ownership		–	–	- 7.7	–	- 7.7	–
Other		- 0.4	8.7	0.1	- 0.2	- 0.3	8.5
Exchange differences		69.1	- 49.9	34.9	- 29.6	104.0	- 79.5
Carrying amount at 31 December		**1,165.5**	**961.6**	**417.8**	**357.8**	**1,583.3**	**1,319.4**
Vopak's share in net assets		1,098.2	887.4	406.9	347.9	1,505.1	1,235.3
Goodwill on acquisition		67.3	74.2	10.9	9.9	78.2	84.1
Carrying amount at 31 December		**1,165.5**	**961.6**	**417.8**	**357.8**	**1,583.3**	**1,319.4**

Other comprehensive income is primarily related to the effective portion of changes in the fair value of cash flow hedges within the joint ventures, which are recognized through the statement of comprehensive income.

For more information on the impairments recognized on the investments in joint ventures and associates, reference is made to note 3.8.

Investments and divestments of joint ventures and associates

2021

Jubail Chemicals Storage and Services Company - partial divestment

In the fourth quarter of 2021 an exceptional loss of EUR 0.7 million was recorded related to a partial divestment of a 3% equity stake in the terminal Jubail Chemicals Storage and Services Company (JCSSC) located in Saudi Arabia. After divestment Vopak holds a 22% equity stake in the associate.

2020

United states - acquisition

In December 2020, Vopak and BlackRock (50/50) acquired three industrial terminals from Dow on the U.S. Gulf Coast. The new joint venture named Vopak Industrial Infrastructure Americas (VIIA), LLC, has a diversified set of infrastructure assets, in three locations, with each situated alongside an active Dow production complex.

The total consideration paid for this 50% shareholding, including transaction costs, amounted to EUR 107.4 million (USD 132.1 million). In connection with this acquisition, transaction expenses were incurred for the total amount of EUR 4.8 million, which were classified as an exceptional item.

China - divestment

In the second and third quarter of 2020, Vopak received the remaining consideration of EUR 33.0 million relating to the December 2019 divestment of its 49% equity share in the joint venture Vopak SDIC Yangpu Terminal in Hainan, China. Due to earlier uncertainty this deferred consideration was not yet recognized in 2019. As a result, the receipt of this amount also led to the recognition of an exceptional gain of EUR 33.0 million. Reference is also made to note 2.4.

United States - newly established terminal

On 21 April 2020, Vopak announced its initial investment in the 50/50 joint venture Vopak Moda Houston terminal located in the Houston Ship Channel. The investment includes 46,000 cbm of various gas tanks and a new jetty for the storage and handling of chemical gases. The storage capacity has been fully rented out under long-term contracts.

Summarized information of joint ventures and associates on a 100% basis

The following information reflects the amounts presented in the financial statements of the joint ventures and associates adjusted for differences in accounting policies between the Group and the joint ventures and associates and, when applicable, the effects of the purchase price allocation performed by the Group with regard to the acquisition of the joint venture or associate.

Summarized statement of total comprehensive income

	Americas		Asia & Middle East		China & North Asia		Europe & Africa		LNG		Others		**Total joint ventures and associates**		Of which joint ventures		Of which associates	
In EUR millions	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues	155.6	43.7	606.4	654.0	213.8	194.5	52.0	49.5	303.2	326.4	–	–	1,331.0	1,268.1	810.1	727.7	520.9	540.4
Other income	39.1	34.6	10.7	4.0	12.0	7.2	- 0.2	–	155.3	72.7	–	–	216.9	118.5	109.9	8.8	107.0	109.7
Operating expenses	- 123.3	- 51.9	- 133.8	- 150.1	- 58.3	- 42.7	- 18.5	- 17.2	- 99.9	- 94.2	- 0.9	0.1	- 434.7	- 356.0	- 276.8	- 196.0	- 157.9	- 160.0
EBITDA	**71.4**	**26.4**	**483.3**	**507.9**	**167.5**	**159.0**	**33.3**	**32.3**	**358.6**	**304.9**	**- 0.9**	**0.1**	**1,113.2**	**1,030.6**	**643.2**	**540.5**	**470.0**	**490.1**
Depreciation and amortization	- 20.4	- 1.9	- 158.7	- 173.5	- 49.4	- 40.9	- 13.2	- 12.8	- 91.4	- 95.6	–	–	- 333.1	- 324.7	- 187.1	- 163.0	- 146.0	- 161.7
Impairment	- 9.7	–	- 2.1	–	- 0.5	–	–	–	- 29.0	–	–	–	- 41.3	–	- 41.2	–	- 0.1	–
Operating profit (EBIT)	**41.3**	**24.5**	**322.5**	**334.4**	**117.6**	**118.1**	**20.1**	**19.5**	**238.2**	**209.3**	**- 0.9**	**0.1**	**738.8**	**705.9**	**414.9**	**377.5**	**323.9**	**328.4**
Net finance costs	- 12.9	2.4	- 47.6	- 70.5	- 9.1	- 6.8	- 5.6	- 9.8	- 65.5	- 78.0	–	–	- 140.7	- 162.7	- 52.3	- 46.3	- 88.4	- 116.4
Income tax	- 0.2	- 0.1	- 20.8	- 61.5	- 16.6	- 29.4	- 2.7	- 1.5	- 62.1	- 40.6	–	–	- 102.4	- 133.1	- 78.5	- 80.5	- 23.9	- 52.6
Net profit	**28.2**	**26.8**	**254.1**	**202.4**	**91.9**	**81.9**	**11.8**	**8.2**	**110.6**	**90.7**	**- 0.9**	**0.1**	**495.7**	**410.1**	**284.1**	**250.7**	**211.6**	**159.4**
Other comprehensive income	- 7.4	–	44.2	- 21.0	–	–	–	–	22.9	11.5	–	–	59.7	- 9.5	19.9	9.4	39.8	- 18.9
Total comprehensive income	**20.8**	**26.8**	**298.3**	**181.4**	**91.9**	**81.9**	**11.8**	**8.2**	**133.5**	**102.2**	**- 0.9**	**0.1**	**555.4**	**400.6**	**304.0**	**260.1**	**251.4**	**140.5**
Vopak's share of net profit	7.2	6.4	86.1	70.2	38.9	33.3	4.0	3.3	36.5	48.0	- 0.4	–	172.3	161.2	113.1	114.0	59.2	47.2
Vopak's share of other comprehensive income	- 3.7	–	12.5	- 5.9	–	–	–	–	11.4	5.8	–	–	20.2	- 0.1	9.7	4.9	10.5	- 5.0
Vopak's share of total comprehensive income	**3.5**	**6.4**	**98.6**	**64.3**	**38.9**	**33.3**	**4.0**	**3.3**	**47.9**	**53.8**	**- 0.4**	**–**	**192.5**	**161.1**	**122.8**	**118.9**	**69.7**	**42.2**

2021

In the third quarter of 2021, an exceptional gain of EUR 2.2 million was recognized in the result of joint ventures and associates relating to a partial release of a tax provision that was recognized in a joint venture terminal within the Asia & Middle East division at the end of 2019.

In March 2020 a fire incident took place in the adjacent RAPID facility, leading to a subsequent closure of the facility. One of PT2SB's anchor customers has since been out of operation, while plans to restart the refinery have repeatedly been delayed, most recently due to technical issues in the hydrogen production units. The prolonged refinery closure may impact PT2SB's financial performance in 2022. Mitigating the situation is a priority for PT2SB and its shareholders. As at 31 December 2021, our PT2SB joint venture has reported net accounts receivable balances for contractually delivered services of approximately EUR 88 million.

For more information on the impairments recognized on the investments in joint ventures and associates, reference is made to note 3.8.

2020

In January 2020, the associate PT2SB repaid part of its preference share capital, which resulted in a cash inflow of EUR 85.2 milion for the Group.

Furthermore, in the fourth quarter of 2020, our associate industrial terminal (PT2SB) in Malaysia recognized an accounting loss of EUR 19.8 million (Vopak share), partly in connection with prior year. This was related to this terminal being fully commissioned, and settlement of various customer contract discussions. As well as finalizing the accounting of several specific non-cash items related to depreciation charges on fixed assets and deferred tax liabilities in connection with the complex tax environment.

Summarized statement of financial position at 31 December

	Americas		Asia & Middle East		China & North Asia		Europe & Africa		LNG		Others		Total joint ventures and associates		Of which joint ventures		Of which associates	
In EUR millions	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Non-current assets	1,130.6	992.5	2,771.0	2,710.0	1,000.8	809.2	209.9	208.1	1,984.8	1,979.2	0.2	–	7,097.3	6,699.0	3,977.2	3,696.4	3,120.1	3,002.6
Cash and cash equivalents	18.6	9.7	319.2	294.6	146.2	133.0	10.6	10.4	139.4	108.3	1.0	–	635.0	556.0	308.4	263.4	326.6	292.6
Other current assets	50.2	25.6	222.8	310.5	51.1	79.1	17.3	21.3	104.1	66.5	0.9	–	446.4	503.0	169.1	288.0	277.3	215.0
Total assets	**1,199.4**	**1,027.8**	**3,313.0**	**3,315.1**	**1,198.1**	**1,021.3**	**237.8**	**239.8**	**2,228.3**	**2,154.0**	**2.1**	**–**	**8,178.7**	**7,758.0**	**4,454.7**	**4,247.8**	**3,724.0**	**3,510.2**
Financial non-current liabilities	363.1	324.8	1,476.0	1,526.6	319.2	207.6	149.6	151.1	989.3	1,098.4	–	–	3,297.2	3,308.5	1,470.7	1,475.2	1,826.5	1,833.3
Other non-current liabilities	9.1	–	154.2	296.1	25.5	30.3	13.8	14.1	250.8	238.4	–	–	453.4	578.9	205.4	316.5	248.0	262.4
Financial current liabilities	16.6	4.5	164.4	126.0	12.9	29.5	17.6	18.1	125.6	126.3	–	–	337.1	304.4	150.0	149.6	187.1	154.8
Other current liabilities	47.8	21.2	170.6	316.8	92.9	104.4	13.9	14.6	62.6	58.9	0.2	–	388.0	515.9	234.2	343.0	153.8	172.9
Total liabilities	**436.6**	**350.5**	**1,965.2**	**2,265.5**	**450.5**	**371.8**	**194.9**	**197.9**	**1,428.3**	**1,522.0**	**0.2**	**–**	**4,475.7**	**4,707.7**	**2,060.3**	**2,284.3**	**2,415.4**	**2,423.4**
Net assets	**762.8**	**677.3**	**1,347.8**	**1,049.6**	**747.6**	**649.5**	**42.9**	**41.9**	**800.0**	**632.0**	**1.9**	**–**	**3,703.0**	**3,050.3**	**2,394.4**	**1,963.5**	**1,308.6**	**1,086.8**
Vopak's share of net assets	257.9	245.4	481.1	364.5	336.5	290.9	20.0	19.5	408.7	315.0	0.9	–	1,505.1	1,235.3	1,098.2	887.4	406.9	347.9
Goodwill on acquisition	34.4	10.8	5.5	5.1	6.9	6.3	–	–	31.4	61.9	–	–	78.2	84.1	67.3	74.2	10.9	9.9
Vopak's carrying amount of net assets	**292.3**	**256.2**	**486.6**	**369.6**	**343.4**	**297.2**	**20.0**	**19.5**	**440.1**	**376.9**	**0.9**	**–**	**1,583.3**	**1,319.4**	**1,165.5**	**961.6**	**417.8**	**357.8**

2021

After completion of the purchase price allocation for the Vopak Industrial Infrastructure Americas (VIIA) joint venture in the fourth quarter of 2021, the confirmed goodwill balance amounts to EUR 34.4 million (2020 preliminary goodwill balance: EUR 10.8 million).

Contingent assets and liabilities

The joint ventures and associates of the Group are currently, and may from time to time become, involved in a number of legal proceedings, including inquiries from, or discussions with, governmental authorities (including tax authorities) that are incidental to their operations. For the contingent liabilities of the joint ventures and associates as at year-end related to legal cases, it is based on the current facts and circumstances not believed that they may have a material adverse effect on the financial position or profitability of the Group. Due to inherent uncertainties, the Group cannot make any accurate quantification of any cost, or timing of such cost, which may arise from any of the legal proceedings referred to in this report, however costs in complex litigation may be substantial.

For an overview of the commitments and contingent liabilities relating to our joint ventures and associates, reference is made to note 9.8.

Note 3.6 Assets held for sale

Accounting policies

Non-current assets and disposal groups are classified as held for sale when their carrying amount is to be recovered principally through a sales transaction and a sale is considered highly probable at the end of the reporting period. They are stated at the lower value of the carrying amount and the fair value less expected selling costs. When the criteria for the held for sale classification have been met, the non-current assets subject to depreciation and amortization are no longer depreciated or amortized. In addition, equity accounting for joint ventures and associates ceases once classified as held for sale.

Key accounting estimates and judgments

At the end of the reporting period, management has to assess if the value of the assets will be recovered principally through a divestment transaction rather than through continued use and what the likelihood is that an asset will be divested within a year. This assessment is based on the facts and circumstances at that date. These facts and circumstances may change and could result in a situation where assets are divested, which were not classified as held for sale at year-end. When classifying non-current assets as held for sale, management makes estimates of their fair value (sales price and expected costs to sell). Depending on the nature of the non-current assets, the estimated fair value may be associated with uncertainty and possibly adjusted subsequently. Measurement of the fair value of non-current assets is categorized as level 2 in the fair value hierarchy as measurement is not based on observable market data.

Assets and liabilities classified as held for sale

In EUR millions	31-Dec-21	31-Dec-20
Property, plant and equipment	145.7	–
Other non-current assets	38.7	–
Current assets	7.9	–
Total assets held for sale	**192.3**	**–**
Provisions	11.1	–
Other non-current liabilities	32.4	–
Current liabilities	6.7	–
Total liabilities related to assets held for sale	**50.2**	**–**
Net assets held for sale of disposal groups	**142.1**	**–**

For the divestments realized during the years presented, reference is made to note 3.1 and note 3.5.

2021

On 12 July 2021, Vopak announced that it has joined forces with Aegis in India with the aim to grow together in the LPG and chemicals storage and handling business. The new joint venture Aegis Vopak Terminals Ltd will operate a network of 8 terminals with a total capacity of around 960 thousand cbm. The transaction is expected to close early 2022, subject to customary closing conditions. Upon closing, Vopak's existing CRL terminal entity in Kandla will become a wholly owned subsidiary of Aegis Vopak Terminals Ltd. This terminal was identified as held for sale as per 30 June 2021. In addition to the net assets of CRL, an amount of EUR 19.3 million of goodwill that can be allocated to the CRL terminal was classified as held for sale. At year-end the net assets held for sale for the terminal amounted to EUR 37.5 million and have been reported in the Asia & Middle East operating segment.

In 2021, Vopak initiated the review of the strategic options for four Canadian terminals located in Hamilton, Montreal East and West and Quebec City. On 4 January 2022, Vopak signed a letter of intent for the sale of 100% of the shares in Vopak Terminals of Canada Inc. and Vopak Terminals of Eastern Canada Inc. These terminals were identified as held for sale as per 30 November 2021. In addition to the net assets of the four Canadian terminals, an amount of EUR 15.8 million of goodwill that can be allocated to these terminals was classified as held for sale. At year-end the net assets held for sale for the terminals amounted to EUR 104.6 million and have been reported in the Americas operating segment.

Both transactions are currently expected to close before half-year 2022.

2020
As at year-end 2020 there were no assets and liabilities classified as held for sale.

Note 3.7 Depreciation and amortization

Accounting policies

The expected useful life of software intangible assets is normally subject to a maximum of seven years. Amortization of other intangible assets and licenses is based on the term of the validity of the contract or term of the validity period and varies from 5-30 years.

Depreciation of property, plant and equipment is computed from the date the asset is available for use, using the straight-line method over the expected useful life and taking the estimated residual value into account. The useful life of the main assets is as follows:

- for buildings 10-40 years
- for main components of tank storage terminals 10-40 years
- for IT hardware 3-5 years
- for machinery, equipment and fixtures 3-10 years.
- Land is not depreciated.

The residual value and useful life of intangible assets and property, plant and equipment are reviewed annually and adjusted if necessary.

For the accounting policies related to the amortization of the right-of-use assets recognized in relation to the leases of the Group, reference is made to note 3.4.

Key accounting estimates and judgments

Property, plant and equipment form a substantial part of the total assets of the company, while periodic depreciation charges form a substantial part of the annual operating expenses. The useful life and residual value determined by the Executive Board based on its estimates and assumptions have a major impact on the measurement and determination of results of property, plant and equipment. The useful life of property, plant and equipment is partly estimated based on their useful productive lives, experiences related to such assets, the maintenance history and the period during which the company has the economic benefits from the utilization of the assets. Periodic reviews show whether changes have occurred in estimates and assumptions as a result of which the useful life and/or residual value need to be adjusted. Such an adjustment will be made prospectively.

For the key accounting estimates and judgments made with regards to the right-of-use assets recognized in relation to the leases of the Group, reference is made to note 3.4.

Depreciation and amortization

In EUR millions	Note	2021	Restated 2020 [1]
Amortization intangible assets	3.2	17.6	14.1
Depreciation owned assets	3.3	274.3	244.7
Depreciation right-of-use assets	3.4	39.9	37.2
Total		**331.8**	**296.0**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.

Note 3.8 Impairment tests and impairments

Accounting policies

The carrying amount of goodwill is tested for impairment annually in the fourth quarter (unless there is reason to do so more frequently), while all assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable. If it is determined that assets are impaired, the carrying amounts of those assets are written down to their recoverable amount, which is the higher of fair value less costs of disposal and value in use.

Impairments of a cash-generating unit are allocated to the assets of the cash-generating unit on a proportionate basis. Impairments of intangible assets and property, plant and equipment are presented in the statement of income under Impairment. Impairments, except those related to goodwill, are reversed as applicable to the extent that the events or circumstances that triggered the original impairment have changed.

All financial assets, including joint ventures and associates, are reviewed for impairment. If there is objective evidence of impairment as a result of one or more events after initial recognition, an impairment loss is recognized in the statement of income. The impairments for joint ventures and associates are presented under Result of joint ventures and associates.

Estimates used to measure the recoverable amount

Value in use is determined as the amount of estimated discounted future cash flows. For this purpose, assets are grouped into cash-generating units based on separately identifiable and largely independent cash flows. The cash flow projections are based on revenues, operating expenses and sustaining capital expenditures of the approved budget for the coming year and the two subsequent planning years. Cash flows beyond the previously mentioned period of three years are extrapolated, using a stable or decreasing growth rate, unless an increasing rate can be substantiated. Given that the cash flows are estimated before taxes, the discount rates used to calculate the present value of the cash flows are pre-tax rates based on the risk-free rates for 15-year bonds issued by the government in the relevant market, adjusted for a risk premium and specific risks relating to the countries and risks specific to the assets. The 15-year bonds period reflects the average remaining useful life of the principal assets. As a company based in Europe, the Group assumes the long-term market equity risk premium to be 6.5% (2020: 6.4%).

Key accounting estimates and judgments

Impairment analysis

When performing an impairment test, management makes an assessment of whether the cash-generating unit (mostly an individual terminal) will be able to generate positive net cash flows that are sufficient to support the value of the intangible assets, property, plant and equipment, and financial assets.

For value in use, the assessment is based on estimates of future expected cash flows (value in use) made on the basis of the budget for the coming year and two subsequent plan years, which form the basis for the 15-year period discounted cash flow model. Key assumptions applied are generally: the expected occupancy, the estimated storage rate per cbm (for revenues not covered by long-term contracts), sustaining capex expenditures, expected growth rates and the estimated terminal value after the 15-year period, together with the applied discount rates.

Fair value less cost of disposal is primarily based either on comparable market-multiples and/or (indicative) (non-)binding bids or discounted cash flow models from the perspective of a willing buyer in an orderly transaction.

In certain situations, the fair value less cost of disposal of a terminal may be based on (preliminary) offers received from interested parties (level 2 fair value). Although such offers are conditional/preliminary by nature, management considers whether these offers may be representative of the fair value of the terminals concerned and assesses whether it is probable that these terminals will be sold in the coming twelve months after the reporting period, resulting in a situation where the carrying amount will be recovered principally through a sale instead of through continued use.

These key assumptions are based on the current facts and circumstances and information available to management. By nature, these assumptions are subject to developments and change in later periods. This could potentially lead to (reversal of) impairments of individual terminals going forward.

Impairment test results

In EUR millions	Note	2021	2020
Intangible assets	3.2	15.9	9.6
Reversal impairment intangible assets	3.2	–	- 0.8
Property, plant and equipment - owned assets	3.3	55.1	33.3
Reversal impairment property, plant and equipment - owned assets	3.3	–	- 12.0
Impairment		**71.0**	**30.1**

Intangible assets - Goodwill

A summary of the carrying amount of goodwill by geographical area, which is equal to the operating segments, is presented below. An operating segment is also the level at which goodwill is tested for impairment.

In EUR millions	2021	2020
Americas	–	14.5
Asia & Middle East	–	18.2
China & North Asia	4.4	4.0
Europe & Africa	1.8	1.8
Carrying amount at 31 December	**6.2**	**38.5**

The Group has limited goodwill balances as it mostly develops its own greenfield terminals instead of acquiring new subsidiary terminals. At 31 December 2021, the goodwill carrying amounts of the operating segments Americas and Asia & Middle East have been presented as held for sale. No impairments of goodwill were recognized in 2021 and 2020.

Assumptions applied

The recoverable value of an operating segment, which includes goodwill, is based on the value in use. In the impairment tests, the growth factors for years four through fifteen were based on the inflation rate within the range of 1.5% to 2.5% depending on the operating segment (2020: 1.8% to 2.4%). The pre-tax discount rate used depends on the (average) risk profile of the cash-generating unit and was 10.7% (2020: 10.4%) for China & North Asia. The operating profit included in the calculations is based on the approved budget for 2022 and the subsequent plan years.

Sensitivity

The value in use calculations indicated more than sufficient headroom, such that a reasonably possible change in key assumptions would not result in an impairment of the related goodwill.

Other intangible assets

No material impairments were recognized in other intangible assets in 2021 relating to individual projects and/or assets. The net impairment of EUR 15.9 million was recognized in connection with the impairment of the cash generating unit in Panama. For more information reference is made to the paragraph on the Property, plant and equipment later in this note.

The net impairment of EUR 8.8 million that was recognized in 2020 relates to the (reversal of) impairment of the cash generating units in Panama and Canada.

Property, plant and equipment

Cancelled projects

There were no material impairments related to cancelled projects in both years presented.

Terminals in operation

Based on consistently applied methodology, management has assessed that the value in use for a very limited number of terminals in operation, is lower than the carrying amount. For these individual terminals, also the fair value less cost of disposal has been calculated in order to assess whether this value exceeds the value in use and the carrying amount of the assets. In such situations, the fair value less cost of disposal for terminals or assets which are actively being marketed by the company, may be based primarily on offers received from interested parties (level 2 fair value).

The value in use assessments may change over time, among others due to changes in the business environment and/or outcome of decisions taken by management, and when applicable could result in (reversal of) impairment.

2021 and 2020

Vopak Bahia las Minas terminal - Panama (impairment)

In the fourth quarter of 2020 an impairment was recognized for the Vopak Bahia las Minas terminal in Panama for an amount of EUR 42.9 million. The impairment is primarily related to the business environment in which the terminal currently operates. Slow progress with offshore bunkering opportunities is limiting the demand and the growth potential of the Atlantic bunker market in Panama.

In the first half year of 2021, an incremental impairment was recognized for the Vopak Bahia las Minas terminal in Panama for the amount of EUR 71.0 million. This impairment is the result of a further deteriorating business environment and lower occupancy rates.

2020

Vopak Terminals of Canada - Quebec City (reversal of impairment)

In 2019, the Quebec City terminal in Canada was fully impaired due to uncertainty with respect to renewal of the land lease contract. In 2020, this impairment has been fully reversed which, offset by depreciation of expenses, resulted in an exceptional item of EUR 12.8 million in 2020. This reversal was the result of positive and ongoing discussions with the local authorities. Reversal of the provisions that were recorded in 2019, together with the impairment resulted in additional exceptional items of EUR 1.5 million.

Joint ventures and associates

Impairment test results for joint ventures and associates can be summarized as follows:

2021

German LNG Terminal (impairment)

After a strategic review, Vopak decided to discontinue its active participation in the German LNG project leading to an exceptional loss of EUR 10.8 million recognized in the third quarter of 2021.

LNG Terminal Altamira (impairment)

Due to a new commercial agreement in place for our LNG Terminal Altamira in Mexico the major assets in this joint venture are held under a finance lease arrangement. As a result, the carrying amount of the joint venture increased significantly and exceeded its recoverable amount resulting in a write down of the goodwill balance for an amount of EUR 32.7 million. The overall positive result from this transaction recognized in the fourth quarter of 2021 amounts to EUR 2.8 million.

Section 4 Working capital

This section presents details on the working capital items that the Group uses for operating our assets and providing services to our customers. In line with the nature of the business, the net working capital is only a relatively small part of the total assets of the Group.

This section comprises notes to understand the developments in working capital:
- 4.1 Changes in working capital
- 4.2 Trade and other receivables and related credit risk
- 4.3 Trade and other payables

Note 4.1 Changes in working capital

In EUR millions	Note	2021	2020
Movements in other current assets (excluding cash and cash equivalents)	2.9	43.8	- 15.5
Movements in other current liabilities (excluding bank overdrafts and dividends)	2.9	- 17.8	49.0
Total		**26.0**	**33.5**

Note 4.2 Trade and other receivables and related credit risk

Trade and other receivables are exposed to credit risk which could result in impairment losses. This note includes general information about trade and other receivables as well as specifications and explanations of the related risk.

Accounting policies

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. Trade and other receivables are recognized initially at fair value. The Group holds trade receivables with the objective to collect the contractual cash flows and therefore the Group measures them subsequently at amortized cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

The group applies the simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Trade receivables are written off (impaired) when objective evidence indicates that there is no reasonable expectation of recovery. This is based on an individual review for impairment due to an increase of the credit risk of the customer, past due amounts and taking into account any retention right on product stored for this customer.

The creation and release of a provision for impaired trade receivables are recognized under Other operating expenses in the income statement.

Other receivables include amongst others contract assets for services transferred to the customer and the dividend receivables from joint ventures and associates for which the decision about dividend distribution was taken before year-end.

Trade and other receivables

In EUR millions	2021	2020
Trade debtors gross	111.2	103.9
Provision for impairment of trade debtors	- 5.0	- 2.4
Trade debtors net	**106.2**	**101.5**
Taxes receivable	49.1	55.1
Other receivables	104.3	119.5
Total	**259.6**	**276.1**

The effect of the recognized expected credit losses is negligible for both years presented. There was no indication as at the statement of financial position date that these receivables will not be recovered, other than as already provided for. The Group does not have a significant credit risk exposure on a single customer. For more information reference is also made to note 2.3.

Trade receivables

Ageing of trade receivables

	2021			2020		
In EUR millions	Gross	Provision	Net	Gross	Provision	Net
Not past due	76.3	–	76.3	70.1	–	70.1
Past due up to 3 months	20.8	–	20.8	25.0	- 1.7	23.3
Past due 3 to 6 months	4.9	–	4.9	3.9	–	3.9
Past due more than 6 months	9.2	- 5.0	4.2	4.9	- 0.7	4.2
Total	**111.2**	**- 5.0**	**106.2**	**103.9**	**- 2.4**	**101.5**

Provision for bad debt

In EUR millions	2021	2020
Balance at 1 January	**- 2.4**	**- 0.4**
Impairments	- 4.4	- 2.0
Reversal of impairments	1.8	–
Balance at 31 December	**- 5.0**	**- 2.4**

Exposure to bad debts is mostly related to rendering services to international manufacturers and traders. The value of the products stored for these customers usually exceeds the value of the receivables and Vopak generally has the right of retention.

Historically, amounts written off as uncollectible have been very low, in line with the nature of the business model, which is also the case for the years presented. Also the COVID-19 pandemic did not result in a material increase in the provision for bad debt as no material increase in the credit risk of the accounts receivable portfolio was observed, despite the fact that the monitoring of the credit risk of our customers was further intensified in connection with the pandemic.

Other receivables

The total dividend receivable from joint ventures and associates amounted to EUR 1.3 million at the end of 2021 (2020: nil). There were also no material amounts overdue nor impaired for the other items included in the Other receivables.

Note 4.3 Trade and other payables

Accounting policies

Trade and other payables represent liabilities for goods and services provided by suppliers to the Group prior to the end of the financial year which are unpaid. These are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Trade and other payables are initially recognized at their fair value and subsequently measured at amortized cost using the effective interest method.

Trade and other payables

In EUR millions	2021	2020
Trade payables	70.1	51.4
Accrued expenses	107.3	147.8
Deferred revenues	32.0	18.6
Accrued interest expenses	4.0	4.8
Wage tax and social security charges	6.7	6.9
Other creditors	110.0	132.2
Total	**330.1**	**361.7**

Section 5 Capital structure

Vopak is a capital-intensive company. Vopak's funding strategy is focused on ensuring continuous access to capital markets so that funding capital is available at a time of the company's choice and at an acceptable cost. The notes in this section provide insight into the capital structure and financing items of the Group.

In this section, the following notes are presented:

Equity:
- 5.1 Issued capital, share premium, treasury shares and capital management
- 5.2 Other reserves
- 5.3 Retained earnings
- 5.4 Non-controlling interests

Borrowings:
- 5.5 Interest-bearing loans and net debt
- 5.6 Net finance costs

The financial risk management applied by the Group can be found in Section 6 Financial Risk Management.

EQUITY

Note 5.1 Issued capital, share premium, treasury shares and capital management

Accounting policies

Treasury shares that are reacquired are recognized at cost and deducted from equity until the shares are cancelled or reissued. Upon cancellation, treasury shares are deducted from the share capital at their nominal value of EUR 0.50 per share. Any difference between the carrying amount and the consideration received when treasury shares are reissued, is recognized directly in equity.

Share capital

The company´s authorized share capital amounted to EUR 190,800,000 as at 31 December 2021 divided into 140,000,000 ordinary shares, 190,800,000 protective preference shares and 50,800,000 cumulative finance preference shares, all with a nominal value of EUR 0.50 each.

The issued share capital at 31 December 2021 consisted of 125,740,586 (2020: 125,740,586) ordinary shares, of which 392,016 (2020: 345,736) were held in the treasury stock in connection with existing commitments under the long-term incentive plans. No cumulative finance preference shares were issued during the years presented.

During 2020, the company completed a share buyback program to return approximately EUR 100 million to shareholders. In the period 13 February 2020 up to and including 23 October 2020, a total of 2,094,844 ordinary shares, 1.6% of the company's outstanding shares, were repurchased, at an average price of EUR 47.74 per share.

	Numbers				Amounts in EUR millions		
	Issued ordinary shares	Financing preference shares	Total shares	Treasury shares	Issued capital	Share premium	Treasury shares reserve
Balance at 31 December 2019	**127,835,430**	**–**	**127,835,430**	**- 209,984**	**63.9**	**194.4**	**- 8.9**
Purchase treasury shares	–	–	–	- 180,000	–	–	- 8.0
Share buyback	–	–	–	- 2,094,844	–	–	- 100.1
Cancellation of shared issued	- 2,094,844	–	- 2,094,844	2,094,844	- 1.0	–	100.1
Vested shares under equity-settled share-based payment arrangements	–	–	–	44,248	–	–	1.9
Balance at 31 December 2020	**125,740,586**	**–**	**125,740,586**	**- 345,736**	**62.9**	**194.4**	**- 15.0**
Purchase treasury shares	–	–	–	- 91,714	–	–	- 2.9
Vested shares under equity-settled share-based payment arrangements	–	–	–	45,434	–	–	2.2
Balance at 31 December 2021	**125,740,586**	**–**	**125,740,586**	**- 392,016**	**62.9**	**194.4**	**- 15.7**

Capital management

Vopak is a capital-intensive company. Vopak's funding strategy is directed at establishing and maintaining an optimal financing structure that takes due account of the current asset base and the current and future investment programs. Vopak seeks access to capital markets and flexibility at acceptable terms and conditions, including finance cost.

A solid capital structure supports Vopak's objective to create long-term shareholder value while meeting the agreed financial ratios included in the debt covenants (see note 5.5) and other requirements with its other capital providers. Vopak aims to maintain a healthy financial position through capital-disciplined investment decisions, effective working capital management, long-term funding and a balanced dividend policy and is continuously reviewing its capital structure options, including but not limited to equity(-linked) or other (debt) capital instruments, to effectively finance the future growth that Vopak aims for. The Group works actively to maintain and further develop the already established diversified funding base, with regard to the number of markets and the number of investors.

Note 5.2 Other reserves

In EUR millions	Translation reserve	Revaluation reserve derivatives	Revaluation reserve financial assets	Other reserves	Total other reserves
Balance at 31 December 2019	**- 8.5**	**- 117.2**	**18.5**	**1.3**	**- 105.9**
Exchange differences on net investments	- 180.6	–	–	–	- 180.6
Effective part of hedges of net investments	61.5	–	–	–	61.5
Tax effect on exchange differences and hedges	1.2	–	–	–	1.2
Use of exchange differences on net investments (to statement of income)	- 0.1	–	–	–	- 0.1
Use of effective part of hedges of net investments (to statement of income)	2.5	–	–	–	2.5
Fair value change other investments	–	–	- 1.9	–	- 1.9
Movements in effective part of cash flow hedges	–	3.7	–	–	3.7
Tax effect on movements in cash flow hedges	–	- 0.5	–	–	- 0.5
Use of effective part of cash flow hedges (to statement of income)	–	- 0.4	–	–	- 0.4
Tax effect on use of cash flow hedges	–	0.1	–	–	0.1
Movements in effective part of cash flow hedges joint ventures	–	- 0.8	–	–	- 0.8
Other	–	–	–	8.5	8.5
Cancellation of shares issued	–	–	–	- 99.1	- 99.1
Remeasurements of defined benefit plans [1]	–	–	–	- 6.8	- 6.8
Tax on remeasurements of defined benefit plans	–	–	–	1.6	1.6
Balance at 31 December 2020	**- 124.0**	**- 115.1**	**16.6**	**- 94.5**	**- 317.0**
Exchange differences on net investments	167.3	–	–	–	167.3
Effective part of hedges of net investments	- 72.1	–	–	–	- 72.1
Tax effect on exchange differences and hedges	- 2.4	–	–	–	- 2.4
Use of exchange differences on net investments (to statement of income)	0.5	–	–	–	0.5
Fair value change other investments	–	–	33.2	–	33.2
Movements in effective part of cash flow hedges	–	- 1.2	–	–	- 1.2
Tax effect on movements in cash flow hedges	–	0.3	–	–	0.3
Use of effective part of cash flow hedges (to statement of income)	–	1.6	–	–	1.6
Tax effect on use of cash flow hedges	–	0.1	–	–	0.1
Movements in effective part of cash flow hedges joint ventures	–	19.4	–	–	19.4
Other	–	–	–	- 0.3	- 0.3
Remeasurements of defined benefit plans [1]	–	–	–	17.8	17.8
Tax on remeasurements of defined benefit plans	–	–	–	- 4.2	- 4.2
Balance at 31 December 2021	**- 30.7**	**- 94.9**	**49.8**	**- 81.2**	**- 157.0**

1 Remeasurements of defined benefit plans includes defined benefit costs included in other comprehensive income of joint ventures for EUR 0.3 million (2020: nihil).

The translation reserve includes all exchange differences resulting from the translation of the financial statements of foreign entities. It also includes the exchange differences on liabilities and the effective currency component of fair value changes of derivative financial instruments (net of tax), to the extent that they hedge the net investments of the Group in foreign entities and hedge accounting is applied.

The Group has elected to recognize changes in the fair value of specific investments in equity securities in other comprehensive income. These changes are accumulated within the Revaluation reserve financial assets. Amounts are transferred from this reserve to retained earnings when the equity securities concerned are derecognized.

The revaluation reserve derivatives contains the effective part of the accumulated change in the fair value of the cash flow hedges, net of tax, in respect of which the hedged future transaction has not yet taken place. The table below provides an overview of the estimated maturity profile of the revaluation reserve derivatives.

In EUR millions	2022	2023	2024	2025	2026	> 2026	Total
Use of revaluation reserve derivatives	14.4	71.0	8.3	7.3	4.0	- 10.1	94.9

Note 5.3 Retained earnings

In EUR millions	2021	Restated 2020 [1]
Balance at 31 December	**3,036.1**	**2,903.8**
Change in accounting policy [1]	–	- 13.0
Balance at 1 January	**3,036.1**	**2,890.8**
Dividend paid in cash	- 150.5	- 146.1
Measurement of equity-settled share-based payment arrangements	7.8	4.5
Vested shares under equity-settled share-based payment arrangements	- 3.5	- 4.0
Net profit attributable to owners of parent	214.2	294.6
Other	–	- 3.7
Balance at 31 December	**3,104.1**	**3,036.1**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.

Of the reserves, EUR 2,273.5 million (2020: EUR 2,203.9 million) can be distributed freely (see note 4 of the Company Financial Statements). The actual dividend paid in cash per ordinary share paid in 2021 was EUR 1.20 (2020: EUR 1.15).

For the proposed dividend per share, reference is made to the paragraph Profit Appropriation.

Note 5.4 Non-controlling interests

In EUR millions	2021	2020
Balance at 31 December	**144.9**	**147.8**
Net profit	29.0	29.6
Dividend paid in cash	- 25.0	- 24.6
Capital injection	–	3.8
Movements in effective part of cash flow hedges	- 1.6	- 0.1
Exchange differences	9.6	- 11.6
Balance at 31 December	**156.9**	**144.9**

The Group has one subsidiary with a material non-controlling interest (NCI). The aggregated information of NCI and the information of the material subsidiary is shown in the table below.

	NCI %		Profit allocated to NCI (in EUR millions)		Dividends paid to NCI (in EUR millions)		Accumulated NCI (in EUR millions)	
	2021	2020	2021	2020	2021	2020	31-Dec-21	31-Dec-20
Total			**29.0**	**29.6**	**25.0**	**24.6**	**156.9**	**144.9**
of which Vopak Terminals Singapore Pte. Ltd.	30.5%	30.5%	25.3	25.8	24.1	21.1	109.9	101.3

The summarized financial information (at 100%) regarding Vopak Terminals Singapore Pte. Ltd. is as follows:

In EUR millions	31-Dec-21	31-Dec-20
Total non-current assets	778.3	740.5
Cash and cash equivalents	5.5	8.7
Other current assets	54.1	51.3
Total assets	**837.9**	**800.5**
Current liabilities	51.4	76.3
Total non-current liabilities	442.9	409.2
Total liabilities	**494.3**	**485.5**
Total net assets	**343.6**	**315.0**

In EUR millions	2021	2020
Revenues	217.7	224.3
Net profit	83.1	83.1
Other comprehensive income	22.9	- 26.0
Total comprehensive income	**106.0**	**57.1**
Operating cash flow	127.0	96.6
Increase/decrease (-) in cash and cash equivalents	- 3.2	- 0.5

Borrowings

Note 5.5 Interest-bearing loans and net debt

Accounting policies

Interest-bearing loans and borrowings are recognized initially at fair value net of directly attributable transaction costs. After initial recognition, these items are subsequently measured at amortized cost, applying the effective interest method unless the interest rate has been converted in a hedge relation from fixed into floating by means of a fair value hedge. In that case, the carrying amount is adjusted for the fair value changes caused by the hedged risk.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as pre-payment for liquidity services and amortized on a straight-line basis over the period of the facility to which it relates.

For the accounting policies of the Lease liabilities, reference is made to note 3.4.

(Net) Debt reconciliation

In EUR millions	Cash and cash equivalents	Short-term borrowings	Interest-bearing loans	Net interest-bearing debt [1]	Interest-bearing loans - lease liabilities	Total interest-bearing debt
Carrying amount at 31 December 2019	**88.0**	**- 178.0**	**- 1,680.4**	**- 1,770.4**	**- 564.9**	**- 2,335.3**
Cash flows	- 29.2	- 27.0	- 180.0	- 236.2	47.8	- 188.4
Other non-cash movements	2.5	–	- 1.1	1.4	- 205.9	- 204.5
Exchange differences	- 2.3	–	117.3	115.0	23.8	138.8
Carrying amount at 31 December 2020	**59.0**	**- 205.0**	**- 1,744.2**	**- 1,890.2**	**- 699.2**	**- 2,589.4**
Cash flows	8.8	- 257.0	33.8	- 214.4	56.7	- 157.7
Other non-cash movements	- 0.1	–	5.1	5.0	- 49.3	- 44.3
Exchange differences	3.1	–	- 117.2	- 114.1	- 19.5	- 133.6
Carrying amount at 31 December 2021	**70.8**	**- 462.0**	**- 1,822.6**	**- 2,213.8**	**- 711.3**	**- 2,925.1**
Current assets	73.4	–	–	73.4	–	73.4
Non-current liabilities	–	–	- 1,822.3	- 1,822.3	- 676.1	- 2,498.4
Current liabilities	- 2.6	- 462.0	- 0.3	- 464.9	- 35.2	- 500.1
Carrying amount at 31 December 2021	**70.8**	**- 462.0**	**- 1,822.6**	**- 2,213.8**	**- 711.3**	**- 2,925.1**

1 Net interest-bearing debt forms the basis for the net-debt : EBITDA calculation mentioned in our financial ratios.

2021

In December 2021, the Group repaid part of the US Private Placement 2009 (USPP 2009) for an amount of USD 150 million (approximately EUR 133 million).

In the fourth quarter of 2021 Vopak Vietnam fully repaid its bank loan amounting to VND 60 million (approximately EUR 2 million).

For draw downs under credit facilities, reference is made to note 6.7 Cash management.

2020

In July 2020, Vopak entered into agreements for a new debt issuance in the US Private Placement (USPP) market consisting of senior tranches with a total value of USD 150 million and EUR 150 million and subordinated tranches with a total value of USD 200 million. The notional amounts of these USPPs were received in the fourth quarter of 2020.

In July 2020, Vopak Terminals Singapore completed its refinancing by entering into a new 3-year financing of SGD 300 million (approximately EUR 190 million), consisting of a term loan and a revolving credit facility.

Financial ratios reconciliation

To provide insight into how financial ratios for debt covenant purposes are calculated and on how these reconcile to the IFRS figures, a financial ratios reconciliation is provided in the table below:

In EUR millions	Note	2021	Restated 2020 [2]
EBITDA		741.5	**777.6**
-/- Result joint ventures and associates		172.3	161.2
+/+ Gross dividend received from joint ventures and associates		134.1	142.4
-/- IFRS 16 Adjustment in operating expenses for former operating leases	1.1, 3.4	53.8	46.2
-/- Exceptional items		- 71.7	2.7
-/- Divestments full year adjustment		–	1.1
EBITDA for ratio calculation		**721.2**	**708.8**
Net interest-bearing debt		- 2,925.1	**- 2,589.4**
-/- IFRS 16 Adjustment in lease liabilities for former operating leases	1.1, 3.4	- 702.1	- 689.8
Derivative financial instruments (currency)		31.0	3.3
Credit replacement guarantees	9.8, 9.9	- 85.8	- 80.8
-/- Subordinated loans		- 176.6	- 162.6
Cash equivalent included in HFS assets		- 5.9	–
Restricted Cash		- 7.8	- 13.0
Senior net debt for ratio calculation		**- 2,114.9**	**- 1,827.5**
Financial ratios			
Senior net debt : EBITDA		2.93	2.58
Interest cover [1]		8.4	10.7

1 Interest cover is the ratio of the EBITDA and the net finance costs.
2 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.

With a Senior net debt : EBITDA ratio of 2.93 (2020: 2.58) and an interest cover ratio of 8.4 (2020: 10.7), Vopak met the applicable financial ratios as at 31 December 2021.

Like prior year, the application of IFRS 16 has no effect on the debt covenants of the Group as the related ratios are based on the accounting policies that were applicable on the date of entering into the debt agreements ('frozen GAAP').

Average remaining maturities and main covenant ratios

At year-end 2021, the interest-bearing loans mainly consisted of unsecured Private Placements (PPs) in the US and Asian market, the Revolving credit facility of Royal Vopak, Money Market Loans as well as a bank loan and a credit facility of Vopak Terminal Singapore Pte Ltd. (VTS). The PPs consisted of various financing programs entered into in 2009, 2012 and 2020. For further details on currency and interest rate risks, reference is made to notes 6.3 and 6.4 and 9.9.

	Interest-bearing loans								
In EUR millions	USPPs	Asian PPs	VTS Bankloan	RCFs	Other	Bank loans	Total	Interest-bearing loans - lease liabilities	Total interest-bearing loans
Non-current	1,327.3	157.6	122.9	–	8.5	–	1,616.3	668.5	2,284.8
Current	121.3	–	–	6.7	–	205.0	333.0	30.7	363.7
Carrying amount at 31 December 2020	**1,448.6**	**157.6**	**122.9**	**6.7**	**8.5**	**205.0**	**1,949.3**	**699.2**	**2,648.5**
Average remaining terms (in years)	5.8	20.0	2.6	2.5	1.9	–	6.1	25.9	
Non-current	1,429.1	153.5	130.6	109.1	–	–	1,822.3	676.1	2,498.4
Current	- 0.5	–	–	–	0.8	462.0	462.3	35.2	497.5
Carrying amount at 31 December 2021	**1,428.6**	**153.5**	**130.6**	**109.1**	**0.8**	**462.0**	**2,284.6**	**711.3**	**2,995.9**
Average remaining terms (in years)	5.2	19.0	1.6	1.4	0.2	–	4.7	24.9	
Required ratios									
Senior net debt : EBITDA (maximum)	3.75	3.75	3.75	3.75	3.75	3.75			
Interest cover (minimum) [1]	3.50	3.50	3.50	3.50	3.50	3.50			

1 Interest cover is the ratio of the EBITDA and the net finance costs.

The fair value of the interest-bearing loans is disclosed in note 9.9.

Change of control clauses

Certain lenders have the right to demand complete repayment of outstanding amounts in case any person or any group of persons acting together, other than HAL Holding N.V, acquires control, directly or indirectly, of more than 50% of the voting rights of the Koninklijke Vopak N.V.

Cash and cash equivalents

In EUR millions	31-Dec-21	31-Dec-20
Cash and bank	58.2	60.9
Short-term deposits	15.2	7.4
Total	**73.4**	**68.3**

Cash and cash equivalents include all cash balances, short-term deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of specific outstanding bank overdrafts when they are considered an integral part of the Group's cash management. For the years presented, there were no material short-term deposits positions outstanding per year-end.

The reconciliation with the Consolidated Cash Flow Statement and the net debt reconciliation is as follows:

In EUR millions	31-Dec-21	31-Dec-20
Cash and cash equivalents	73.4	68.3
Bank overdrafts	- 2.6	- 9.3
Total	**70.8**	**59.0**

The cash and cash equivalents were at the free disposal of the Group for the years presented, except for cash and cash equivalent balances amounting to EUR 7.8 million (2020: EUR 13.0 million) for which certain usage restrictions apply.

Note 5.6 Net finance costs

Accounting policies

General and specific borrowing costs, including the cost of hedging, that are directly attributable to the acquisition or construction of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time (> 1 year) to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

Interest income from granted loans and dividends from other financial assets (over whose financial and operating policies the Group has no significant influence) are presented under Interest and dividend income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend income is recognized when the right to receive payment is established. All dividend income is related to dividends from equity investments held at Fair value through Other comprehensive income (FVOCI). This dividend income is presented as part of Other income as it relates to income from investments which are related to the core activities of the Group. Reference is also made to note 2.4.

Finance costs consist primarily of interest, fair value gains/losses on derivatives not in a hedge relationship and exchange differences on loans drawn and of results on hedging instruments recognized in the statement of income. Interest expenses are recognized in the period to which they relate, taking into account the effective interest rate.

Net finance costs

In EUR millions	2021	2020
Interest income	5.6	5.9
Interest and dividend income	**5.6**	**5.9**
Interest expense on interest-bearing loans [1]	89.5	79.1
Interest expense on lease liabilities	22.4	21.1
Capitalized interest	- 5.9	- 18.5
Interest component of provisions	0.2	0.2
Fair value movements of (part of) derivative financial instruments (no hedge accounting)	- 7.4	- 23.9
Exchange differences on underlying items [2]	9.3	30.6
Other	4.0	3.6
Finance costs	**112.1**	**92.2**
Net finance costs	**106.5**	**86.3**

1 Interest expense includes the impact of interest rate derivatives that are part of a fair value hedge accounting relationship and/or the recycling of results from the cash flow hedge reserve.
2 Exchange differences on underlying items includes the impact of foreign currency derivatives that are part of a fair value hedge accounting relationship and/or the recycling of results from the cash flow hedge reserve.

In 2021, the Group's net finance costs amounted to EUR 106.5 million compared to EUR 86.3 million in 2020. The increase is resulting from lower interest capitalization on qualifying projects and higher interest expenses on increased interest-bearing debt compared to 2020.

In 2021, capitalized interest during construction was subject to an average interest rate of 2.7% (2020: 3.3%).

Section 6 Financial risk management

As a global player in the capital-intensive tank terminal industry, the Vopak Group is exposed to a number of financial risks inherent in the nature of its operations. This section comprises the disclosures on the Group's financial risk management objectives and policies, as well as the Vopak Group's exposure to currency risk, interest rate risk, equity securities price risk, liquidity risk and credit risk together with the policies and procedures established to monitor and manage these risks.

In addition, a sensitivity analysis is also provided in this section detailing how these risks could affect the Group's future financial performance.

The following notes are presented in this section:

- 6.1 General
- 6.2 Derivatives and hedge accounting
- 6.3 Currency risk (market risk)
- 6.4 Interest rate risk (market risk)
- 6.5 Equity securities price risk (market risk)
- 6.6 Credit risk
- 6.7 Liquidity risk

Note 6.1 General

Overview of financial risk management by the Group

The table below provides an overview of the financial risks to which the Group is exposed, where these financial risks are arising from and how these risks are measured and managed by the Group.

Note	Risk	Where is the risk exposure arising from	How is the risk exposure measured	How is the risk management by the Group
6.3	**Currency risk** (market risk)	• Recognized financial assets and liabilities denominated in a currency other than the functional currency of the entity concerned • Future transactions • Net investments in foreign operations	• Sensitivity analysis • Cash flow forecasting	Vopak hedges its foreign currency risk exposure resulting from net interest-bearing debt and intercompany positions in principle in full. This is primary done via forward exchange contracts and cross-currency interest rate swaps (CCIRSs). • Of the total interest-bearing debt denominated in another currency than the functional currency concerned, 36% was hedged by means of cash flow hedges per year-end 2021. • Of the total net investments in foreign currencies held by the Group 55% was under a net investment hedge. • The remaining currency risk on the net interest-bearing debt and intercompany positions for which neither cash flow hedge accounting or net investment hedge accounting is applied, is hedged via currency derivatives. Since no hedge accounting is applied the gains and losses on the derivatives and the foreign currency gains and losses on the net interest-bearing debt are always recognized in the income statement in the same period, establishing the same effect as when hedge accounting would be applied.
6.4	**Interest rate risk** (market risk)	• Net interest bearing debt at variable interest rates	• Sensitivity analysis • Fixed-to-floating ratio	Per year-end 2021, 69% of the total interest-bearing loans was financed at a fixed interest rate. For both years presented no use was made of Interest rate swaps (IRSs) and cross-currency interest rate swaps (CCIRSs) to hedge the interest rate risk.
6.5	**Equity securities price risk** (market risk)	• Investments in equity securities	• Sensitivity analysis	The group has a limited number of equity investments which are measured at fair value through OCI. The total carrying value of these investments is EUR 83.6 million.
6.6	**Credit risk** (customer and counterparty)	• Cash and cash equivalents • Trade and other receivables • Finance lease receivables • Derivatives • Loans granted • Committed credit facilities	• Aging analysis • Credit ratings • Exposure per counterparty	• Operational receivables: relatively short payment periods, combined with in many instances a retention right on the stored product in connection with trade receivables. • Loans granted relate to financing of Vopak network companies (joint ventures and associates). • Spreading of liquidity investments across a select group of high rated financial institutions limiting undue exposure to one financial institution. • During the years presented no material impairments were recognized on financial receivables.
6.7	**Liquidity risk**	Net interest bearing debt, other (current) liabilities and off-balance sheet commitments	• Long-term scenario planning • Cash flow forecasts (incl. annual budget cycle) • Amount of unused credit facilities	Diversified funding and availability of committed and uncommitted credit facilities. At year-end 2021 the Group had unused committed credit facilities of EUR 956.2 million.

Financial risk management

The Group is exposed to a number of financial risks inherent in its day-to-day operations. These risks are connected with the effects of movements in exchange rates and interest rates. The Group is also exposed to credit risk and liquidity risk.

Financial risk management, except for customer credit risk and operational working capital management, is controlled by Global Treasury, the central treasury department, based on policies approved by the Executive Board. Global Treasury identifies the financial risks and discusses these, together with the related hedge proposals, in detail with the CFO. The Executive Board provides written principles for overall risk management as well as written policies covering specific areas such as foreign exchange risk, interest risk, counterparty credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. Reports on risk and risk management are submitted on a regular basis.

Hedging alternatives are discussed by the Global Treasury and Global Control departments in close co-operation with the CFO.

In order to control the risks attached to fluctuations in foreign currencies and interest rates, Vopak uses derivative financial instruments in accordance with a currency risk management policy approved by the Executive Board. This financial policy is designed to control the effects of such risks on cash flows, equity and results. Derivatives are used exclusively for hedging purposes and are not permitted to be used as trading or speculative instruments.

The areas involving the most significant financial risks are trade and other receivables, foreign currency exchange risk arising from future commercial transactions, recognized assets and liabilities and net investments in foreign operations, net finance costs resulting from fluctuations in market interest rates and liquidity risks.

Detailed information on the specific risk exposures is included in the relevant disclosure notes in this section.

The Group has not identified additional financial risk exposures in 2021 compared to the previous year. The approach to capital management and financial risk management activities remained unchanged compared to prior year. Reference is also made to note 5.1.

Note 6.2 Derivatives and hedge accounting

In order to control the risks attached to fluctuations in foreign currencies and interest rates, Vopak uses derivative financial instruments in accordance with a financial policy approved by the Executive Board. This financial policy is designed to control the effects of such risks on cash flows, equity and results. Speculative positions are not allowed.

The main derivative financial instruments used by the Group are forward exchange contracts (Forwards), interest rate swaps (IRSs) and cross-currency interest rate swaps (CCIRSs).

Hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognizing interest expense at a fixed interest rate for the hedged loans, and removing the currency exposure from loans and receivables as well as purchases of property, plant and equipment at the fixed foreign currency rate for the hedged items.

Accounting policies

Derivative financial instruments are recognized in the statement of financial position on the transaction date and measured at fair value. Changes in fair value are recognized in the statement of income unless hedge accounting is applied. With respect to hedge accounting, Vopak makes a distinction between fair value hedges, cash flow hedges and hedges of net investments in foreign operations.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedging criteria, they are classified as ‘held for trading’ for accounting purposes.

At the inception of the hedging transaction, the Group formally designates and documents the economic relationship between eligible hedging instruments and hedged items to which it will apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

Fair value hedges

The Group normally only applies fair value hedge accounting for hedging fixed-interest risk on loans drawn. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The gain or loss relating to the effective and ineffective portion of the derivative is recognized in the income statement within Net finance costs, together with changes in the fair value of the hedged fixed-rate borrowings attributable to interest rate risk.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through the income statement over the remaining term of the hedge using the EIR method. The EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to the income statement over the period to maturity using a recalculated effective interest rate.

Cash flow hedges

A cash flow hedge is applicable for those derivatives qualifying and designated as a hedge of the change in cash flows to be received or paid relating to a recognized asset or liability or a highly probable forecasted transaction. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and thus a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the dollar offset method to assess effectiveness.

The effective parts of changes in the fair value of derivative financial instruments are recognized in Other comprehensive income. Ineffectiveness on cash flow hedges is recognized where the cumulative change in the designated component value of the hedging instrument exceeds, on an absolute basis, the change in value of the hedged item attributable to the hedged risk.

The gain or loss as a result of ineffectiveness and the interest component that is a result of the time value of money in the valuation of the derivative financial instrument are recognized directly in the statement of income. This also applies to the credit risks on derivatives, unless the cumulative change in the fair value of the hedging instrument is lower than the hedged item.

Amounts accumulated in equity are reclassified to profit or loss at the same date as the hedged transaction affects profit or loss or if the hedged transaction is no longer probable. The effects are shown under Finance costs. If the established agreement or the foreseeable transaction that is hedged results in the recognition of a non-financial asset, the accumulated gains or losses previously deferred in equity are reclassified from equity and recognized in the initial recognition of the asset or liability.

If a hedging instrument or the hedge relationship is terminated but the hedged transaction is still expected to take place, the accumulated gains or losses will remain in equity at that time and will subsequently be recognized in the statement of income when the previously hedged transaction takes place.

Net investment hedges
Net investments in foreign operations can be hedged (net investment hedge) by qualifying and designated derivative financial instruments or debt instruments denominated in foreign currency. Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in the translation reserve (equity component) via OCI to the extent that they relate to the hedging of net investments in foreign activities. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Reversal through the statement of income takes place proportionately if all or part of the underlying position is sold. The ineffective part and the interest component are recognized directly in the statement of income.

Derivatives that do not qualify for hedge accounting
Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in the income statement and are included in the Finance costs. This mainly comprises derivatives that are used to hedge the foreign currency risk on intra-group positions. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

Key accounting estimates and judgments

The fair value of a derivative financial instrument not traded on active markets is measured as the present value of the expected future cash flows under the contract (level 2 fair value). In determining this value, a valuation model is used that is based on the interest rates and the exchange rates as at the end of the reporting period. Reference is made to note 9.9 for more information.

Reconciliation of derivative financial instruments

The next table shows the effects of combining the currency derivative financial instruments (see note 6.3 and the interest derivative financial instruments (see note 6.4) as well as the offsetting applied on the individual contractual positions and a reconciliation to the Consolidated statement of financial position.

		31 December 2021			31 December 2020		
In EUR millions	Note	Assets	Liabilities	Total	Assets	Liabilities	Total
Currency derivative financial instruments	6.3	43.6	7.6	36.0	14.2	26.0	- 11.8
Total derivative financial instruments		**43.6**	**7.6**	**36.0**	**14.2**	**26.0**	**- 11.8**
Non-current		35.6	–	35.6	9.1	5.4	3.7
Current		8.0	7.6	0.4	5.1	20.6	- 15.5
Total		**43.6**	**7.6**	**36.0**	**14.2**	**26.0**	**- 11.8**

The table below shows the movements in the Group's total derivative portfolio for the year.

In EUR millions	Note	Forwards	Swaps	Total
31 December 2020		**13.1**	**- 24.9**	**- 11.8**
Settlement of derivatives	2.9	57.8	- 3.6	54.2
Effective part of hedges of net investments to other comprehensive income	5.2	- 15.0	–	- 15.0
Effective part of cash flow hedges to other comprehensive Income	5.2	–	- 1.2	- 1.2
Fair value movement of derivatives not in a hedge relationship	5.6	9.8	–	9.8
31 December 2021		**65.7**	**- 29.7**	**36.0**

For an overview of the movements in the hedging reserve in shareholders' equity, reference is made to note 5.2.

Note 6.3 Currency risk

The Group is exposed to foreign currency exchange risks. These arise mainly from the US dollar (USD) and Singapore dollar (SGD). Foreign currency exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

The primary objective of the currency risk management policy is to protect Vopak against fluctuations in the value of the assets, liabilities and expected cash flows caused by changes in currency exchange rates. Account is taken of future cash flows from investments and disposals as well as cash flows from operating and financing activities. Each quarter, currency risks are identified and the hedging strategy is reviewed and subsequently presented to the Executive Board for approval. The main derivative financial instruments used by the Group to hedge currency risks are forward exchange contracts and cross-currency interest rate swaps (CCIRSs).

The table below provides an overview of the contractual currencies of the interest-bearing loans and short-term borrowings (excluding transaction costs):

	Local currency		Euro	
In millions	2021	2020	2021	2020
Euro (EUR)	712.8	355.8	712.8	355.8
US dollar (USD)	1,384.4	1,534.4	1,222.4	1,247.7
Pound sterling (GBP)	35.0	35.0	41.7	38.8
Canadian dollar (CAD)	25.0	25.0	17.3	15.9
Singapore dollar (SGD)	214.0	211.0	139.8	129.6
Japanese yen (JPY)	20,000.0	20,000.0	153.5	157.6
India Rupee (INR)	–	500.0	–	5.6
Vietnam dong (VND)	–	60,000.0	–	2.1
Total			**2,287.5**	**1,953.1**

Currency risk arising from operating activities

The risks associated with commercial transaction positions arising from operating activities are limited for Vopak, as operating income and operating expenses are, as a rule, largely denominated in the same currency. However, in some countries (in particular, in Latin America), a substantial portion of the income flow is in US dollars whereas the operating expenses are largely denominated in local currencies. In these countries, the aim is to hedge the transaction risk naturally. Any material remaining net transaction position can be hedged in full by means of forward exchange contracts.

Intra-group financing

All intra-group long-term financing is provided by Vopak's Global Treasury function which acts as an in-house bank. In principle, all intra-group financing is denominated in the functional currency of the local entity concerned. This set-up exposes the Vopak Group to foreign currency risk for long-term intra-group positions which are not part of a net-investment. Following the Group's currency risk management policy this currency risk is fully hedged by means of derivatives where possible. The derivatives used to hedge these positions are not included in a hedge relationship and as a result movements in the fair value of these derivatives are directly recognized in the income statement. The timing of these fair value movements coincides with the timing of the recognition of the foreign currency gains/losses on the intra-group loans and receivables denominated in a currency other than the Euro, which are effectively offset.

Currency risk arising from the investments in foreign operations

Net investment in foreign activities are hedged by loans in the same currency and/or forward exchange contracts, while applying net investment hedge accounting. The amount of the hedge is determined mainly by limiting the maximum net exposure per currency taking into account a maximum impact on the total net investment position.

Currency risk arising from net-debt position

Due to the Private Placements and other net-debt items in foreign currency, the Group is exposed to currency risk. It is the Group's policy to hedge this exposure to leave the Group with no material risks by making use of foreign currency contracts, cross-currency swaps and natural hedges (net investment hedges). All currency hedges for the years presented were highly effective.

Currency risk arising from lease liabilities

The Group is also exposed to currency risk related to lease liabilities in the limited instances where the contract currency is different from the functional currency of the entity concerned. This primarily concerns joint ventures and associates and not subsidiaries. These currency risks are normally not hedged.

The effects of the foreign currency related hedging instruments on the Group's financial position and financial results are shown in the table below:

		Carrying amount					
In EUR millions	Maturity	Assets [1]	Liabilities[1]	Notional amount	Hedge ratio	Change in value of hedged item	Ineffectiveness recognized in income statement
31 December 2020							
Forward foreign currency contracts [2]	< 1 year	1.4	–	137.4	100%		
Total net investment hedges		**1.4**	**–**	**137.4**	**100%**	**7.5**	**–**
Cross-currency interest rate swaps [3]	1-5 years	9.1	–	307.3	100%		
Cross-currency interest rate swaps [3]	> 5 years	–	5.4	66.6	100%		
Total cash flow hedges		**9.1**	**5.4**	**373.9**	**100%**	**3.7**	**0.4**
Forward foreign currency contracts	< 1 year	3.7	20.6	940.8	N/A		
Total derivatives no hedge accounting		**3.7**	**20.6**	**940.8**	**N/A**	**N/A**	**N/A**
Total derivative financial instruments		**14.2**	**26.0**	**1,452.1**	**100%**	**11.2**	**0.4**
31 December 2021							
Forward foreign currency contracts [2]	< 1 year	–	3.9	189.9	100%		
Total net investment hedges		**–**	**3.9**	**189.9**	**100%**	**- 15.0**	**–**
Cross-currency interest rate swaps [3]	1-5 years	35.1	–	458.6	100%		
Cross-currency interest rate swaps [3]	> 5 years	0.5	–	66.6	100%		
Total cash flow hedges		**35.6**	**–**	**525.2**	**100%**	**- 1.2**	**0.4**
Forward foreign currency contracts	< 1 year	8.0	3.7	836.3	N/A		
Total derivatives no hedge accounting		**8.0**	**3.7**	**836.3**	**N/A**	**N/A**	**N/A**
Total derivative financial instruments [4]		**43.6**	**7.6**	**1,551.4**	**100%**	**- 16.2**	**0.4**

1 At fair value.
2 Foreign currency forwards accounted for as hedges on net investments.
3 Cross currency interest swaps accounted for as cash flow hedges are used to hedge currency (2021: USD 468 million and JPY 20 billion; 2020: USD 468 million) on fixed debt denominated in foreign currency.
4 This is the ineffectiveness resulting from the FX as well as the interest part of the hedge.

Of the total amount of interest-bearings debt denominated in a foreign currency per year-end 2021, 100% (2020: 100%) was hedged via derivatives for which either cash flow hedge accounting, net investment hedge accounting or no hedge accounting was applied. At year-end 2021, 36% (2020: 34%) of the currency risk was hedged via cash flow hedges.

The total nominal amount of net investments (hedged items) included in a net investment hedge relationship amounted to EUR 889.5 million as at year-end 2021 (2020: EUR 955.5 million). Of this amount EUR 695.3 million (2020: EUR 819.2 million) was hedged via foreign currency interest-bearing debt and EUR 194.2 million (2020: EUR 136.3 million) via derivatives. Also taking into account the investment in EUR entities, the total unhedged position amounted to EUR 1,484.7 million or 47% (2020: EUR 1,110.0 million or 38%).

Reference is made to note 6.2 for a reconciliation between the amounts presented in the table above and the amounts recognized in the Consolidated Statement of Financial Position.

For all cash flow hedges related to currency and interest rate risk, a loss of EUR 94.9 million, net of tax was recognized in equity via OCI up to 31 December 2021 (2020: EUR 115.1 million loss) (see note 5.2).

Currency translation risk

Furthermore, a foreign currency translation risk results from investments in foreign operations of which the net assets are exposed to foreign currency translation risk. The Group result is also impacted by translating the results of these foreign currency operations. This non-economic currency risk is caused by the accounting conventions applied for translating the net assets and results of foreign operations to the presentation currency of the Group, which is the euro. For more information, reference is made to note 2.8.

Sensitivity of exchange rate changes of financial instruments on net profit and equity

The value of debt and hedging instruments denominated in currencies other than the functional currency of the entities holding them is subject to exchange rate movements. The sensitivity analysis for the main currencies and their positions at 31 December 2021 and 31 December 2020 shows how changes in exchange rates by 10% affect net profit and equity, while taking into account the effect of the use of derivatives and the hedge accounting applied.

	Depreciation [1]		Appreciation [1]	
In EUR millions	Net profit	Equity	Net profit	Equity
31 December 2020				
USD	- 1.7	- 12.2	2.1	14.7
SGD	- 1.0	- 25.5	1.2	31.2
CNY	- 0.4	- 26.5	0.5	32.3
BRL	- 0.3	- 6.9	0.3	8.4
JPY	–	–	–	–
Total effect	**- 3.4**	**- 71.1**	**4.1**	**86.6**
31 December 2021				
USD	- 1.2	- 32.7	1.5	40.0
SGD	- 0.5	- 30.7	0.7	37.5
CNY	- 1.3	- 30.4	1.5	37.1
BRL	- 0.2	- 7.9	0.3	9.6
JPY	–	- 1.0	–	1.3
Total effect	**- 3.2**	**- 102.7**	**4.0**	**125.5**

1 Foreign currency against the euro.

Note 6.4 Interest rate risk

Vopak's policy on interest rate risks aims to control the interest expenses resulting from fluctuations in the financial market interest rates, to protect the projected gross result of Vopak and taking into account the long-term profile of the company. Fixed-rate debt exposes the Group to fair value risk. Floating-rate debt exposes the Group to cash flow risk. The specification of the total interest-bearing loans is disclosed in note 5.5. It is Vopak's long-term policy to manage its interest exposure to an acceptable level of fixed/floating to optimize net finance expenses and reduce volatility on the net result within the bandwidth of the interest related financial covenants.

Interest rate swaps may be used in order to minimize the interest rate risks associated with the financing of the Group and at the same time optimize the net interest costs. Interest rate risks are identified and possible hedges considered when obtaining or providing new financing.

There were no interest rate derivatives present in the years presented.

As at 31 December 2021, taking into account the interest rate swaps, 69% (2020: 83%) of the total interest-bearing loans and bank loans of EUR 2,284.6 million (2020: EUR 1,949.3 million) was financed at a fixed interest rate with remaining terms of up to 18 years (2020: 19 years).

The average fixed interest and the average floating interest on the interest-bearing loans and bank loans at 31 December 2021 were 3.8% (2020: 3.9%) and 1.3% (2020: 1.4%) respectively. The following statement provides insight into the interest repricing calendar for the interest-bearing loans and the bank loans at the statement of the financial position date, while taking into account the effects of the derivatives that may be present and the hedge accounting applied. All interest-bearing loans with a floating interest rate are re-priced within one year.

	31 December 2021			31 December 2020		
In EUR millions	Floating	Fixed	Total	Floating	Fixed	Total
< 1 year	- 462.0	- 0.3	- 462.3	- 211.8	- 121.2	- 333.0
1-2 years	- 239.8	- 265.2	- 505.0	–	- 2.0	- 2.0
2-3 years	–	- 203.3	- 203.3	- 128.4	- 244.2	- 372.6
3-4 years	–	- 256.9	- 256.9	–	- 187.4	- 187.4
4-5 years	–	- 66.0	- 66.0	–	- 236.6	- 236.6
> 5 years	–	- 791.1	- 791.1	–	- 817.7	- 817.7
Total	**- 701.8**	**- 1,582.8**	**- 2,284.6**	**- 340.2**	**- 1,609.1**	**- 1,949.3**

Sensitivity to changes in market interest rates

The sensitivity analysis shows how changes in market interest rates affect net profit and equity, while taking into account the effects of the derivatives and the hedge accounting applied and assuming that all other variables remain constant. Due to the volatility of market interest rates, Vopak has used a fixed percentage of 25% as a reasonable change at year-end 2021 and year-end 2020.

		Increase 25%		Decrease 25%	
In EUR millions	Closing level 3-month	Net profit	Equity [1]	Net profit	Equity[1]
31 December 2020					
EUR	- 0.55%	0.1	3.4	- 0.1	- 3.5
USD	0.24%	–	0.5	–	- 0.6
SGD	0.20%	- 0.4	0.1	0.4	- 0.1
JPY	- 0.08%	–	–	–	–
Total effect		**- 0.3**	**4.0**	**0.3**	**- 4.2**
31 December 2021					
EUR	- 0.57%	- 1.4	1.0	- 0.4	- 1.0
USD	0.21%	–	2.3	–	- 2.4
SGD	0.36%	- 0.5	0.1	0.5	- 0.1
JPY	- 0.08%	–	–	–	–
Total effect		**- 1.9**	**3.4**	**0.1**	**- 3.5**

1 Revaluation reserve derivatives through Other comprehensive income.

Note 6.5 Equity securities price risk

Accounting policies

Equity investments that are not classified as a subsidiary, joint venture or associate are measured at fair value (level 3). Gains and losses on these investments will either be recorded in the Income statement or Other comprehensive income, depending on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The fair value is based on the discounted cash flow approach or recent market transaction.

Where the Group has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the income statement following the divestment of equity investment. Dividends from equity investments are recognized in the income statement as dividend income, which is classified as Other income, when the Group's right to receive payments is established.

The Group has 15 equity investments (2020: 12) for a total amount of EUR 83.6 million at year-end 2021 (2020: EUR 36.5 million), of which the investment in SabTank (Saudi Arabia) and Hydrogenious are the largest. Our 100% investment in Venezuela is also classified as an equity investment. The other equity investments are investments held by Vopak Ventures B.V. The Group elected to measure all investments at fair value through Other comprehensive income as these entities are part of the Vopak network, provide storage and handling (related services) and are not held for trading.

Deconsolidation of Vopak Venezuela
In 2018, Vopak deconsolidated its wholly-owned terminal in Venezuela (Americas division), reflecting the conclusion that the Group no longer had control from an accounting perspective. It was observed that the economic, legal, social and political environment in which the terminal operates was continuously deteriorating. Strict currency controls continued to be applicable and inflation exceeded one million percent in 2018.

Vopak continues to monitor the situation and will periodically assess whether facts and circumstances have changed and whether control has been regained over the entity in Venezuela. Vopak remains the 100% shareholder in the entity and continues to operate the company in line with Vopak's standards.

For more information on the equity investments, other than investments in subsidiaries, joint ventures and associates, reference is made to note 9.6.

Note 6.6 Credit risk

Credit risk arises when a customer or other counterparty of a financial instrument fails to discharge its contractual obligation.

Vopak's credit risk arises primarily from loans granted, finance lease receivables, trade and other receivables, cash and cash equivalents, and derivative financial instruments. Vopak's maximum exposure to credit risks is the carrying amount of these financial assets, amounting to EUR 553.4 million (2020: EUR 478.2 million), and the credit replacing guarantees amounting to EUR 85.8 million (2020: EUR 80.8 million). Of this amount, nil was recognized in the statement of financial position at year-end 2021 (2020: nil). Furthermore, the COVID-19 pandemic had no material effect on the credit risk exposure of the financial instruments in an asset position.

No loans were granted to joint ventures and associates at year-end 2021. Loans to other third parties are generally secured, and mainly relate to loans to non-controlling shareholders.

For more information on the credit risk of the trade receivables, reference is made to note 4.2.

Risk management

The credit risk with regard to trade receivables and lease receivables from customers is limited as the value of the product stored for these clients usually exceeds the value of the receivables and Vopak generally has the right of retention although other claims may have priority ranking over the right of retention in a bankruptcy case. Vopak constantly monitors the outstanding receivables and the value of the stored products. See note 4.2 for further details.

Vopak has spread its cash and cash equivalents and other liquidity investments across a select group of high rated financial institutions while daily limiting the cash and cash equivalents within the Group and assessing the exposure to each financial institution. Vopak applies credit limits per institution, depending on their credit ratings and credit default swap spread, and regularly reviews these limits. These treasury activities are concluded with financial institutions that have at least an A- Standard & Poor's credit rating. At 31 December 2021, the maximum risk in the event of the default of a single financial institution amounted to EUR 20.7 million (2020: EUR 17.0 million).

The derivative financial instruments will be settled on a gross basis. The credit risk of derivative financial instruments with a positive value is mitigated by ISDA Master Agreements with counterparties, which have the option to settle all gross amounts on a net basis in the event of a default of the counterparty, and by setting qualitative and financial limits for the derivative counterparties. The Group maintains a control system that includes the authorization, reporting and monitoring of derivative activities including the Credit Default Swaps developments of counterparties observed on the secondary market. Vopak believes there are no material credit risks related to derivatives in the Group's financial position. At year-end 2021, the derivatives with a counterparty credit risk amounted to EUR 0.5 million (2020: EUR 3.9 million).

Assessing the financial positions of customers and other counterparties is part of the Group's credit risk management and tendering process; however, this cannot exclude all credit risk.

Note 6.7 Liquidity risk

The primary objective of liquidity management is providing sufficient cash and cash equivalents at all times to enable Vopak to meet its payment obligations.

Cash management

The liquidity requirements are monitored continuously and funding is planned in such a way as to avoid excessive short-term financing needs. The long-term liquidity risk is assessed prior to every major investment obligation. Active cash management is a daily responsibility and the liquidity requirements are identified each quarter based on thorough scenario planning. Surplus cash is invested, if available, in interest-bearing current accounts and deposit accounts.

Vopak's Global Treasury function acts as an in-house bank that allocates funds internally, which are raised centrally within the Group. Surplus cash held by the operating entities over and above balances required for working capital management is transferred to Global Treasury and operating companies are normally funded by a combination of equity and inter-company loans. Exceptions to this are the bank loan of EUR 130.6 million (SGD 200 million), drawdowns under the revolving credit facilities of EUR 9.1 million (SGD 14 million) of Vopak Terminals Singapore Pte. Ltd. and the bank loan of EUR 5.9 million (INR 500 million) of our terminal in India which have been raised locally.

Joint ventures and associates, where possible, are normally funded optimally with external debt on a non-recourse basis for Vopak, taking into account local circumstances and contractual obligations. Reference is made to note 9.8 for more information with regard to commitments and guarantees provided to joint ventures and associates.

Available credit facilities

At year-end 2021, the company had two revolving credit facilities (RCFs) which provide flexibility to finance Vopak´s long-term growth strategy.

	31 December 2021			31 December 2020		
In EUR millions	Total facility[1]	Used	Unused	Total facility[1]	Used	Unused
Royal Vopak - Revolving credit facility	1,000.0	100.0	900.0	1,000.0	–	1,000.0
VTS - Revolving credit facility	65.3	9.1	56.2	61.4	6.7	54.7
Total committed facilities	**1,065.3**	**109.1**	**956.2**	**1,061.4**	**6.7**	**1,054.7**
Royal Vopak - Bank loan facilities	595.0	462.0	133.0	405.0	205.0	200.0
Total uncommitted facilities	**595.0**	**462.0**	**133.0**	**405.0**	**205.0**	**200.0**
Total facilities	**1,660.3**	**571.1**	**1,089.2**	**1,466.4**	**211.7**	**1,254.7**

1 At nominal value.

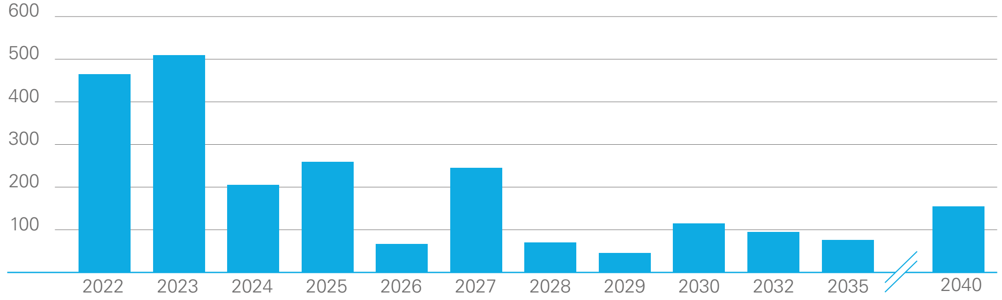
On 1 June 2018, Vopak reached agreement with all 15 lenders of the EUR 1 billion senior unsecured multicurrency revolving credit facility regarding a second extension of the facility. The maturity date has been extended until 1 June 2023. This facility was utilized for an amount of EUR 100.0 million at year-end 2021 (2020: not utilized).

At 31 December 2021, the Group also had unused lines of credit of EUR 133.0 million (2020: EUR 200.0 million) that are available to meet short-term liquidity needs. The Group can be requested to repay these short-term loans on demand. There are no significant restrictions on the use of these facilities.

Maturity analysis

The graph below provides an overview of the repayment profile of the Group's interest-bearing loans (excluding lease liabilities) based on the contractual undiscounted cash flows. For the maturity overview of the lease liabilities, reference is made to note 3.4.

Repayment Schedule Net interest-bearing debt



The table below analyzes the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity categories based on the remaining period at the end of the reporting period to the contractual maturity date. Derivative financial instruments are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The table also analyzes the maturity profile of financial assets in order to provide a complete overview of the contractual commitments and liquidity. The amounts disclosed in the table are the contractual undiscounted cash flows. The financial guarantees and securities issued (see note 9.8) are included for their full amount and it is assumed for disclosure purposes that these can be called within one year.

	< 1 year		1-2 years		2-5 years		> 5 years	
In EUR millions - at 31 December	2021	2020	2021	2020	2021	2020	2021	2020
Cash and cash equivalents	73.4	68.3	–	–	–	–	–	–
Trade and other receivables	259.6	276.1	–	–	–	–	–	–
Loans to joint ventures and associates	–	54.8	–	–	–	–	–	–
Other loans	1.7	–	1.7	–	6.6	–	36.6	36.2
Finance lease receivable	13.2	5.2	13.3	5.3	40.4	22.5	140.5	47.0
Total undiscounted financial assets (excluding gross settled derivatives)	**347.9**	**404.4**	**15.0**	**5.3**	**47.0**	**22.5**	**177.1**	**83.2**
Bank overdrafts	2.6	9.3	–	–	–	–	–	–
Redemption of interest-bearing loans	0.8	128.8	505.5	2.8	527.0	797.9	792.2	818.6
Short-term borrowings	462.0	205.0	–	–	–	–	–	–
Lease liabilities	55.3	51.7	52.9	51.1	140.5	135.8	815.4	824.5
Interest payments	63.6	66.2	57.9	58.8	113.9	133.2	124.8	150.4
Interest rate swaps	4.1	2.5	3.3	2.5	4.4	4.6	1.2	1.5
Trade and other creditors (excluding non-financial instruments)	184.1	206.0	–	–	–	–	–	–
Total undiscounted financial liabilities (excluding gross settled derivatives)	**772.5**	**669.5**	**619.6**	**115.2**	**785.8**	**1,071.5**	**1,733.6**	**1,795.0**
Derivative financial instruments outflow	–	–	- 246.1	–	- 212.6	- 307.3	- 66.6	- 66.6
Derivative financial instruments inflow	–	–	278.0	–	219.7	317.0	68.9	63.4
Total undiscounted gross settled derivatives	**–**	**–**	**31.9**	**–**	**7.1**	**9.7**	**2.3**	**- 3.2**
Financial guarantees and securities issued	116.7	117.9	–	–	–	–	–	–
Total financial guarantees and securities	**116.7**	**117.9**	**–**	**–**	**–**	**–**	**–**	**–**
Liquidity movements	**- 541.3**	**- 383.0**	**- 572.7**	**- 109.9**	**- 731.7**	**- 1,039.3**	**- 1,554.2**	**- 1,715.0**

Section 7 Governance

This section comprises notes related to the Governance of the company, including Board Remuneration, External Auditor fees and transactions with related parties.

The following notes are presented in this section:
- 7.1 Remuneration of Board members
- 7.2 Long-term incentive plans (LTIPs)
- 7.3 Related parties
- 7.4 Fees paid to auditors appointed at the Annual General Meeting

Note 7.1 Remuneration of Board members

Reference is made to the section of the Remuneration report for information regarding the remuneration and related costs of the Supervisory Board members and the Executive Board members.

Note 7.2 Long-term incentive plans (LTIPs)

At year-end 2021, as in prior year, the Group operated three Long-Term Share Plans (LTSPs) and Long-Term Cash Plans (LTCPs).

For the Executive Board, all share-based payment plans are 100% equity-settled. As an exception, the LTSP 2017-2019 was amended into fully cash-settled for the former Executive Board member Jack de Kreij in accordance with the plan rules, following his decision and announcement to step down early 2018.w

For eligible senior management, the LTSPs also consisted of equity-settled share-based compensation plans.

The LTCPs are other long-term remuneration plans settled in cash. LTCPs are granted to staff in countries where local legal, regulatory and/ or tax regulations and requirements make it administratively very complex and burdensome to provide shares of a foreign based company to local staff, or in countries where this is simply not allowed. The periods to which the plans relate are presented below:
- LTSP and LTCP 2019-2021
- LTSP and LTCP 2020-2022
- LTSP and LTCP 2021-2023

The LTSP and LTCP 2018-2020 were vested and settled during 2021.

Accounting policies

Share-based compensation

The fair value of equity-settled share-based compensation plans is determined at the date of granting and expensed in the statement of income based on the Group's estimate of the shares that will eventually vest over the period in which the service is rendered (vesting period) with a corresponding adjustment directly in equity. The fair value of cash-settled share-based compensation plans is determined at the date of granting and is remeasured at each reporting date until the liability is settled and is recognized over the vesting period as an expense to the extent to which participants have rendered services to date.

Generally, the compensation cost is recognized on a straight-line basis over the vesting period. The amounts expensed are adjusted over the vesting period for changes in the estimate of the number of shares and the equivalent in cash that will eventually vest. Adjustments are made at the end of each reporting period to reflect expected and actual forfeitures during the vesting period due to the failure to satisfy service conditions or non-market performance conditions, being profitability growth targets (EPS) and Strategy Execution (previously named “Strategic Direction”) as well as service conditions such as remaining an employee of the Group over a specified time period.

An equity-settled share-based payment award with a net settlement feature for withholding tax obligations is treated as equity-settled in its entirety.

Other long-term remuneration

Long-term remuneration settled in cash that depends on the development of the earnings per ordinary share (EPS) -excluding exceptional items- during a period of three years is allocated to these years based on the latest estimates of the EPS - excluding exceptional items - and are not treated as share-based payment plans. Liabilities are remeasured at the end of each reporting period.

Costs of long-term incentive plans

In EUR thousands	LTSP 2021 equity-settled	LTSP 2020 equity-settled	LTSP 2019 equity-settled	LTSP 2018 equity-settled	Cash Plan	Total 2021	Total 2020
E.M. Hoekstra	673.0	547.1	451.1	63.2	N/A	1,734.4	734.9
F. Eulderink	139.8	170.8	219.2	40.4	N/A	570.2	461.8
G.B. Paulides	321.3	266.0	207.9	36.6	N/A	831.8	393.0
Members Executive Board	**1,134.1**	**983.9**	**878.2**	**140.2**	**N/A**	**3,136.4**	**1,589.7**
J.P. de Kreij (retired)	N/A	N/A	N/A	N/A	N/A	–	37.9
Former members Executive Board	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**–**	**37.9**
Other	1,434.2	1,585.9	1,435.5	198.3	739.2	5,393.1	3,283.4
Total	**2,568.3**	**2,569.8**	**2,313.7**	**338.5**	**739.2**	**8,529.5**	**4,911.0**

1 The total carrying amount of liabilities for cash-settled share-based payment at 31 December 2021 was nil (31 December 2020: nil).

For more information on the remuneration policy and the remuneration of the Executive Board members and the Supervisory Board members, reference is made to the Remuneration report as included in the Governance and compliance chapter.

Long-Term Share Plans

The current Long-Term Share Plan programs reward participants for (considerable and ambitious) improvements in Vopak's Earnings per Share - excluding exceptional items - (EPS) performance and Strategy Execution achievements during the three-year performance period, respectively from start date of the plan to the end date of the plan (either 2019-2021, 2020-2022 or 2021-2023), evaluated against the EPS - excluding exceptional items - and Strategy execution targets.

If the realized EPS - excluding exceptional items - and Strategy Execution which have been achieved during the three-year performance period falls within or exceeds the target range, a long-term remuneration will be awarded based on a percentage of their target grants (i.e. number of shares) made at date of grant, and this for all plans that are active.

The incentive ranges that apply to the various plans for the different groups of participants are presented in the following table.

Incentive opportunities	LTSP 2021	LTSP 2020	LTSP 2019
E.M. Hoekstra	0% to 165%	0% to 165%	0% to 150%
F. Eulderink	0% to 135%	0% to 135%	0% to 120%
G.B. Paulides	0% to 135%	0% to 135%	0% to 120%
Eligible senior management	0% to 60%	0% to 60%	0% to 60%

Long-Term Cash Plans

To senior managers who are eligible for receiving long-term variable remuneration, yet not in shares, grants in (deferred) cash will be made. The company's Long-Term Cash Plan programs operate in a similar way as the company's Long-Term Share Plan programs, with the exception that vesting takes place in cash rather than in shares.

The LTCPs provide for additional pay in the form of deferred compensation under the terms and conditions of the plan after the vesting period. The financial performance is measured by the EPS - excluding exceptional items - development during the three-year performance period, the incentive can rise from 0% to a maximum of 22.5% or 30.0% per annum of the salary at the grant date.

Movements in the number of conditional awards

In numbers	E.M. Hoekstra	F. Eulderink	G.B. Paulides	J.P. de Kreij (retired)	Other	Total
Outstanding at 31 December 2019	**49,570**	**31,338**	**20,234**	**9,322**	**167,517**	**277,981**
Vested and settled	- 14,636	- 9,277	–	- 9,322	- 48,925	- 82,160
Forfeited	–	–	–	–	- 459	- 459
Newly awarded	16,643	10,375	10,097	–	82,661	119,776
Outstanding at 31 December 2020	**51,577**	**32,436**	**30,331**	**–**	**200,794**	**315,138**
Vested and settled	- 17,554	- 11,235	- 10,183	–	- 59,941	- 98,913
Forfeited	–	–	–	–	- 5,393	- 5,393
Newly awarded	18,176	11,330	11,330	–	92,717	133,553
Outstanding at 31 December 2021	**52,199**	**32,531**	**31,478**	**–**	**228,177**	**344,385**

1 For LTSP 2019, 2020 and 2021, the conditional awards are based on the salary on the date of grant.

Valuation and cost allocation

Long-term incentive plans (LTIPs) valuation (former) Executive Board members and other senior executives

	Conditional awards [1]		Number of expected shares [2]			Allocated cost to [3]	
In EUR thousands	Number	Value at grant	Number	Value at vesting	Value for cost allocation	2021	2020
LTSP 2021, equity-settled (conditional)	18,176	659.8	18,539	N/A	673.0	673.0	–
LTSP 2020, equity-settled (conditional)	16,643	803.4	16,975	N/A	819.4	547.1	272.3
LTSP 2019, equity-settled (conditional)	17,380	721.8	23,897	736.0	992.4	451.1	216.5
Total outstanding LTIPs - E.M. Hoekstra	**52,199**	**2,185.0**	**59,411**	**736.0**	**2,484.8**		
LTSP 2018, equity-settled (settled)	17,554	701.7	15,799	630.4	631.5	63.2	176.8
LTSP 2017, equity-settled (settled)	14,636	577.3	17,563	908.4	692.8	–	69.3
Total LTIP cost - E.M. Hoekstra[5]						**1,734.4**	**734.9**
LTSP 2021, equity-settled (conditional)	11,330	411.3	11,556	N/A	419.5	139.8	–
LTSP 2020, equity-settled (conditional)	10,375	500.8	10,582	N/A	510.8	170.8	169.8
LTSP 2019, equity-settled (conditional)	10,826	449.6	14,885	458.5	618.2	219.2	134.9
Total outstanding LTIPs - F. Eulderink	**32,531**	**1,361.7**	**37,023**	**458,5**	**1,548.5**		
LTSP 2018, equity-settled (settled)	11,235	449.1	10,112	403.5	404.1	40.4	113.2
LTSP 2017, equity-settled (settled)	9,277	365.9	11,132	575.7	439.1	–	43.9
Total LTIP cost - F. Eulderink						**570.2**	**461.8**
LTSP 2021, equity-settled (conditional)	11,330	411.3	11,556	N/A	419.5	321.3	–
LTSP 2020, equity-settled (conditional)	10,097	487.4	10,298	N/A	497.1	266.0	165.2
LTSP 2019, equity-settled (conditional)	10,051	417.5	13,821	425.7	574.0	207.9	125.2
Total outstanding LTIPs - G.B. Paulides	**31,478**	**1,316.2**	**35,675**	**425.7**	**1,490.6**		

	Conditional awards [1]		Number of expected shares [2]			Allocated cost to [3]	
In EUR thousands	Number	Value at grant	Number	Value at vesting	Value for cost allocation	2021	2020
LTSP 2018, equity-settled (conditional)	10,183	407.0	9,165	365.7	366.3	36.6	102.6
Total LTIP cost - G.B. Paulides [6]						**831.8**	**393.0**
Total Outstanding LTIPs - Members Executive Board	**116,208**	**4,862.9**	**132,109**	**1,620.2**	**5,523.9**		
Total LTIP cost - Members Executive Board						**3,136.4**	**1,589.7**
LTSP 2017, cash-settled (settled)	9,322	367.7	11,186	578.5	578.5	–	37.9
Total LTIP cost - J.P. de Kreij (retired) [4]						**–**	**37.9**
Total LTIP cost - (former) members Executive Board						**3,324.5**	**1,627.6**
LTSP 2021, equity-settled (conditional)	90,455	3,197.6	92,269	N/A	3,831.9	1,434.2	–
LTSP 2020, equity-settled (conditional)	80,314	3,729.0	81,920	N/A	3,411.1	1,585.9	1,265.7
LTSP 2019, equity-settled (conditional)	57,408	2,390.4	78,932	2,431.1	3,286.7	1,435.5	790.7
Total outstanding LTIPs - Other senior executives	**228,177**	**9,317.0**	**253,121**	**2,431.1**	**10,529.7**		
LTSP 2018, equity-settled (settled)	59,941	2,303.3	53,949	2,319.3	2,073.0	198.3	592.4
LTSP 2017, equity-settled (settled)	46,431	1,851.6	55,717	2,692.8	2,221.9	–	222.2
LTSP 2017, cash-settled (settled)	2,494	99.5	2,992	154.7	154.7	–	10.1
Total LTIP cost - Other senior executives						**4,653.9**	**2,881.1**
Total outstanding LTIPs and total LTIP cost	**344,385**	**14,179.9**	**385,230**	**4,051.3**	**16,053.6**	**7,790.3**	**4,508.7**

1 On a target level of 100%. For the LTSP 2017 of the Executive Board, the conditional awards are based on the average salary over the vesting period since date of appointment. For LTSPs 2018 and 2019 of the Executive Board, the conditional awards are based on the salary on the date of grant. The value at grant is the conditional number of shares multiplied by the average share price at the grant date.

2 The value for cost allocation for the equity-settled LTSPs is based on the number of expected or vested shares and multiplied by the fair value per share award at the grant date, which has been reduced with the expected discounted future dividends payable during the respective vesting periods since the holders of shares are not entitled to receive dividends during the vesting period. The value for cost allocation for the cash-settled LTSPs is based on the number of expected or vested shares and multiplied by the fair value per award at the reporting date less discounted expected future dividend payments. Expected dividends have been applied in accordance with the dividend policy of the company. The estimated vesting percentages of the LTSPs are based on a Monte Carlo simulation scenario analysis.

3 The (fair) value of the employee services received in exchange for the awards is recognized rateably over the vesting period of the plan.

4 On 15 November 2016, Mr. de Kreij, Chief Financial Officer and Vice Chairman of the Executive Board has informed the Supervisory Board that he has decided to step down as per 1 February 2018. The recognition of the LTSP 2016 and 2017 was amended into fully cash settled for Mr De Kreij in accordance with the plan rules, due to his announced resignation early in 2018. The costs of the LTSP were allocated to the remaining period of service.

5 On 19 October 2021, Mr. Hoekstra, Chief Executive Officer and Chairman of the Executive Board has informed the Supervisory Board that he has decided to step down as per 31 December 2021. The recognition of the LTSP 2019, 2020 and 2021 remains fully equity settled for Mr Hoekstra in accordance with the plan rules. The costs of the LTSP were allocated to the remaining period of service.

6 On 10 December 2021, Mr. Paulides, Chief Financial Officer has informed the Supervisory Board that he has decided to step down as per 20 April 2022. The recognition of the LTSP 2019, 2020 and 2021 remains fully equity settled for Mr Paulides in accordance with the plan rules. The costs of the LTSP were allocated to the remaining period of service.

Note 7.3 Related parties

Transactions with Supervisory Board members and Executive Board members

For the remuneration of Supervisory Board members and Executive Board members, the key management of the Group, reference is made to the sections Remuneration of the Supervisory Board in 2021 and Executive Board Remuneration in 2021 of the Remuneration report, which are deemed part of these financial statements.

No loans, advances or guarantees have been provided to current or former members of the Supervisory Board and the Executive Board.

For both years presented, the Group has not conducted any transactions with companies in which Executive Board members and/or persons closely related to them have a significant financial interest.

Transactions with joint ventures and associates

The transactions with our joint ventures and associates, other than providing equity and receiving dividends, principally consist of fees for services provided by the Group, loans issued by the Group and the related interest income.

	Joint ventures		Associates		Total	
In EUR millions	2021	2020	2021	2020	2021	2020
Other operating income	13.6	8.7	0.3	0.7	13.9	9.4
Amounts owed by	–	54.8	–	–	–	54.8

Transactions with major shareholders

Besides the annual dividend distribution, no material related party transactions have been entered into with the major shareholders during the years presented.

Vopak has been informed by HAL Holding N.V. ('HAL'), that it is technically required for HAL to consolidate Vopak in its Consolidated financial statements as from 1 January 2014. Accordingly, HAL has requested Vopak to provide detailed accounting information with respect to the Consolidated financial statements in order for HAL to be able to consolidate Vopak in its Consolidated statements. To facilitate HAL in complying with its obligations under IFRS 10, a Memorandum of Understanding was signed between Vopak and HAL with respect to confidentiality, the process of exchanging information, subsequent events procedures, external auditor involvement and attendance rights to the Audit Committee meetings for an independent financial expert on behalf of HAL.

Transactions with pension funds

Related party transactions with Vopak's pension funds are presented in note 9.4.

Note 7.4 Fees paid to auditors appointed at the Annual General Meeting

The fees listed in the table below relate to the procedures applied to the company and its consolidated Group entities by Deloitte Accountants B.V., the Netherlands, the external auditor as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Dutch acronym: Wta), as well as by other Dutch and foreign-based Deloitte individual partnerships and legal entities, including their tax services and advisory groups.

In EUR millions	2021	2020
Financial statements audit fees	1.6	1.5
Other assurance fees	0.1	0.1
Total	**1.7**	**1.6**

The financial statements audit fees include the aggregate fees in 2021 and 2020 for professional services rendered for the audit of Vopak's annual financial statements and annual statutory financial statements of subsidiaries or services that are normally provided by the auditor in connection with the audits.

The other assurance fees include the aggregate fees invoiced for assurance and services for other audit services, which generally only the company's independent auditor can reasonably provide, such as the sustainability review, comfort letters and audit of grant statements.

In line with the Dutch independence legislation, no tax advisory, compliance services or other non-audit services were provided in the years presented.

The total fees charged by Deloitte Accountants B.V., the Netherlands to the company and its consolidated Group entities amounted to EUR 1.0 million in 2021 (2020: EUR 0.9 million). Of the 2021 fees, an amount of EUR 0.1 million (2020: EUR 0.1 million) relates to non-recurring fees for the 2020 audit.

Section 8 Income taxes

This section comprises all relevant disclosures and specifications regarding tax recognized in the Consolidated financial statements.

The following notes are presented in this section:
- 8.1 Income taxes
- 8.2 Deferred taxes

Note 8.1 Income taxes

Accounting policies

Taxes on profit or loss for the financial year comprise current and deferred taxes. Taxes are recognized in the statement of income unless they relate to items directly recognized in Other comprehensive income or directly in equity.

Current taxes are the expected taxes payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, plus any adjustments to prior-year tax payable.

Deferred taxes are provided for, using the liability method, whereby provisions are made for all taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. No deferred taxes are provided for the following temporary differences: goodwill not deductible for tax purposes; the initial recognition of assets and liabilities that neither affect accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future. The calculation is based on tax rates enacted or substantively enacted, at the end of the reporting period.

Deferred tax assets, including assets arising from losses carried forward, are recognized to the extent that it is probable that future taxable profits will be available against which these temporary differences or unused tax losses can be utilized. Deferred tax assets and liabilities are stated at nominal value.

The Group recognizes liabilities for potential tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters differs from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

A provision is formed for tax, principally regarding withholding tax, for which a liability might arise in connection with the distribution of retained earnings if a decision has been made to distribute such earnings.

Income tax recognized in the Consolidated statement of income

In EUR millions	2021	Restated 2020 [1]
Current taxes		
Current financial year	48.9	60.3
Adjustments for prior years	- 7.3	0.6
	41.6	**60.9**
Deferred taxes		
Adjustments for prior years	2.8	5.3
Temporary differences	42.4	8.4
Recognition of tax losses and tax credits	- 26.5	- 2.0
Changes in tax rates	- 0.3	- 1.5
	18.4	**10.2**
Tax on profit	**60.0**	**71.1**
Income tax paid	65.0	54.9
Movements in current and deferred tax balances	- 5.0	16.2
Income tax expense	**60.0**	**71.1**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.

In 2021, EUR 1.0 million of exceptional tax gains were recognized in the income tax expenses (2020: EUR 2.8 million tax expense). For both years, these are related to the income tax effects on the exceptional items.

The main difference between the tax expenses for the year and the current tax charge was caused by deferred tax expenses mostly related to differences in the depreciation rates of Property, plant and equipment as well as lease accounting. For further details on the deferred tax position, reference is made to note 8.2.

Tax expenses per share

The tax expense per share amounted to EUR 0.48 in 2021 (2020: EUR 0.57).

More information on Vopak's responsibility towards taxation can be found in the Sustainability chapter.

Reconciliation of effective tax rate

In EUR millions	2021		Restated 2020 [1]	
Profit before income tax		303.2		395.3
Tax on profit		60.0		71.1
Effective tax rate		**19.8%**		**18.0%**
Composition:	*Amount*	*%*	*Amount*	*%*
Weighted average statutory tax rate	68.7	22.7	91.9	23.2
Participation exemption	- 40.0	- 13.2	- 45.7	- 11.6
Non-deductible expenses	9.8	3.2	9.0	2.3
Changes in tax rates	- 0.3	- 0.1	- 1.5	- 0.4
Recognition of tax losses and tax credits	20.0	6.6	10.7	2.7
Tax facilities	- 1.0	- 0.3	- 0.9	- 0.2
Movements in prior-year taxes	- 4.5	- 1.5	5.8	1.5
Other effects	7.3	2.4	1.8	0.5
Effective tax (rate)	**60.0**	**19.8**	**71.1**	**18.0**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1.

Income tax expenses -including exceptional items- amounted to EUR 60.0 million in 2021, a decrease of EUR 11.1 million compared to EUR 71.1 million in 2020. The effective tax rate - including exceptional items - was 19.8% compared to 18.0% in 2020. This increase was mainly due to changes in profit before income taxes, the applicability of participation exemptions thereto, corrections for previous years and withholding tax on undistributed reserves of associates and joint ventures.

Income tax expenses - excluding exceptional items - amounted to EUR 61.0 million in 2021, an increase of EUR 7.3 million compared to EUR 68.3 million in 2020. The effective tax rate - excluding exceptional items - was 15.7% compared to 17.2% in 2020.This increase was mainly due to changes in profit before income taxes, the applicability of participation exemptions thereto, corrections for previous years and withholding tax on undistributed reserves of associates and joint ventures.

The non-deductible expenses category which is included as part of the effective tax reconciliation includes business expenses which are not tax deductible under local (tax) law. The movements in prior-year taxes includes several tax positions which have been confirmed by the local tax authorities resulting in a true-up of tax provisions.

As the Group extensively operates via investments in joint ventures and associates, which fall under the Dutch participation exemption, and of which the profits have been taxed in the country of establishment while the net profits of these entities are part of the EBIT(DA) of the Group, the effective tax rate of the Vopak Group is per definition always lower than the weighted average tax rate of that of its subsidiaries.

For an overview of the effects of the joint ventures and associates on the effective tax rate of the Group, as well as the proportionate effective tax rate, reference is made to Note 23 of the Sustainability Section.

Income tax recognized in other comprehensive income

In EUR millions	Note	2021	2020
On changes in the value of cash flow hedges	5.2	- 0.3	0.5
On exchange differences and hedges	5.2	2.4	- 1.2
On use of cash flow hedges	5.2	- 0.1	- 0.1
On remeasurements of defined benefit plans		4.2	- 1.6
Total		**6.2**	**- 2.4**

Note 8.2 Deferred taxes

Key accounting estimates and judgments

Deferred tax assets, including those arising from carry-forward losses, are recognized if it is probable that taxable profit is available against which losses can be offset. In determining this, Vopak uses estimates and assumptions that also affect the measurement of the deferred tax assets. A maturity schedule of the unrecognized carry-forward losses is shown on the next page.

Accounting policies

Deferred tax assets and liabilities are offset against each other to the extent that this is a legally enforceable right and the deferrals belong to the same fiscal unit. The decision to account for deferred tax assets is taken periodically for each fiscal unit after critically assessing whether conditions are sufficient to realize these deferred tax assets, based on the strategic plans and related tax plans.

Deferred tax assets and liabilities

In EUR millions	Carry forward losses	Property, plant and equipment [1]	Loans granted	Employee benefits	Lease liabilities	Other	Offset assets and liabilities	Statement of financial position
	Temporary differences							
Assets	18.9	2.0	0.4	12.6	117.6	24.0	- 144.7	30.8
Liabilities	–	- 309.2	- 0.3	–	–	- 16.7	144.7	- 181.5
Balance 31 December 2019	**18.9**	**- 307.2**	**0.1**	**12.6**	**117.6**	**7.3**	**–**	**- 150.7**
Change in accounting policy	–	–	–	–	–	4.3	–	4.3
Carrying amount at 1 January 2020	**18.9**	**- 307.2**	**0.1**	**12.6**	**117.6**	**11.6**	**–**	**- 146.4**
Movements:								
- Statement of income	7.8	18.1	–	- 0.9	48.9	- 84.1		- 10.2
- Other comprehensive income	–	- 0.1	–	1.6	–	1.6		3.1
- Acquisitions/divestments	–	4.2	–	–	–	- 3.3		0.9
- Exchange differences	- 2.6	15.0	0.1	- 0.8	- 4.0	4.8		12.5
Balance 31 December 2020 (restated)[2]	**24.1**	**- 270.0**	**0.2**	**12.5**	**162.5**	**- 69.4**		**- 140.1**
Assets	24.1	2.1	0.4	12.6	162.5	32.7	- 191.2	43.2
Liabilities	–	- 272.1	- 0.2	- 0.1	–	- 102.1	191.2	- 183.3
Balance 31 December 2020 (restated)[2]	**24.1**	**- 270.0**	**0.2**	**12.5**	**162.5**	**- 69.4**	**–**	**- 140.1**
Movements:								
- Statement of income	30.8	- 50.0	0.5	0.3	2.8	- 2.8		- 18.4
- Other comprehensive income	–	–	- 1.1	- 4.2	–	0.4		- 4.9
- Acquisitions/divestments	–	12.0	–	–	–	- 4.5		7.5
- Exchange differences	0.4	- 10.9	0.2	0.7	3.6	- 4.9		- 10.9
Balance 31 December 2021	**55.3**	**- 318.9**	**- 0.2**	**9.3**	**168.9**	**- 81.2**		**- 166.8**
Assets	55.3	0.1	0.8	9.7	168.9	30.5	- 214.7	50.6
Liabilities	–	- 319.0	- 1.0	- 0.4	–	- 111.7	214.7	- 217.4
Balance 31 December 2021	**55.3**	**- 318.9**	**- 0.2**	**9.3**	**168.9**	**- 81.2**	**–**	**- 166.8**

1 Owned and right of use assets
2 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1

In determining the deferred tax liabilities for taxable temporary differences associated with investments in associates and joint ventures, withholding tax due on undistributed reserves have been recognized to the extent that its probable that these differences will reverse in the foreseeable future. For these temporary differences, deferred tax liabilities amounting to EUR 6.8 million have been recognised at 31 December 2021 (2020: nihil).

In determining the deferred tax liabilities, withholding tax and any other tax due for unremitted earnings of subsidiaries were not recognized. These earnings are deemed to have been permanently reinvested.

Deferred tax assets not recognized in the Consolidated statement of financial position

Carry-forward losses for which deferred tax assets have not been recognized amounted to EUR 0.5 million at 31 December 2021 (2020: EUR 1.3 million). The maturity schedule is as follows:

In EUR millions	2022	2023	2024	2025	2026+	unlimited	Total
Offsettable carry-forward losses	–	–	–	0.1	0.2	0.2	0.5

Deferred tax assets regarding these carry-forward losses have not been recognized because it is not probable that sufficient taxable profit will be available to utilize the deferred tax asset in time.

Section 9 Other disclosures

This section provides details on items that are not included in other sections, but which are of statutory or secondary importance for understanding the Group's financial performance of the Group due to their nature. A list of principal subsidiaries, joint ventures and associates of the Vopak Group is also included in this section.

The following notes are presented in this section:

- 9.1 Earnings per ordinary share - number of shares
- 9.2 Loans granted and finance lease receivables
- 9.3 Impact of COVID-19 pandemic
- 9.4 Pensions and other employee benefits
- 9.5 Provisions
- 9.6 Investments and other financial assets
- 9.7 Investment commitments undertaken
- 9.8 Contingent assets and contingent liabilities
- 9.9 Financial assets and liabilities and credit risk
- 9.10 New standards and interpretations not yet implemented
- 9.11 Principal subsidiaries, joint ventures and associates
- 9.12 Events after the reporting period

Note 9.1 Earnings per ordinary share - number of shares

Basic earnings per ordinary share are calculated by dividing the net profit attributable to holders of ordinary shares by the time-weighted average number of outstanding ordinary shares (excluding the average number of treasury shares). The weighted average number of outstanding shares was 125,416,945 in 2021 (2020: 126,524,451).

In calculating the diluted earnings per ordinary share, the weighted average number of outstanding shares is adjusted for the dilutive effects of all dilutive potential ordinary shares, such as share-based payment arrangements.

The composition of the weighted average number of outstanding shares and of the diluted weighted average number of outstanding shares is as follows:

In thousands	Note	2021	2020
Outstanding ordinary shares at 1 January	5.1	125,395	127,625
Effects of cancellation shares issued/share buyback program	5.1	–	- 1,114
Movements treasury shares	5.1	22	13
Basic weighted average number of ordinary shares		**125,417**	**126,524**
Dilutive effect of LTSPs (equity-settled part)		193	166
Weighted average number of ordinary shares including dilutive effect		**125,610**	**126,690**

At 31 December 2021, the company owned 392,016 treasury shares (2020: 345,736). The treasury shares have no voting rights attached to them, nor are they eligible for dividends during the period when these are held by the company.

When the vesting conditions of the equity-settled share-based payment arrangements are met, the settlement will result in an increase of the number of shares outstanding, which will have a dilutive effect. During 2021, the LTSP 2018-2020 share-based payment arrangement was settled resulting in the transfer of 45,434 treasury shares to eligible employees (2020: 44,248 shares).

The LTSP 2019-2021 will be settled in 2022. For more information, reference is made to note 7.2.

Note 9.2 Loans granted and finance lease receivable

Accounting policies

The Group classifies its loans granted and other debt investments at amortized cost only if both of the following criteria are met:

- the asset is held within a business model with the objective of collecting the contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

All loans granted and other debt investments meet these criteria and are measured at amortized cost.

At initial recognition, the Group measures loans granted at its fair value plus directly attributable transaction costs. Subsequently, these items are carried at amortized cost using the effective interest method.

Assets held under a finance lease are presented in the Statement of financial position as a receivable at an amount equal to the net investment in the lease. The income on the finance lease receivable is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease and is presented as Other income.

The expected credit losses associated with its loans granted and other issued debt instruments carried at amortized cost are assessed by the Group on a forward looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

	Loans to joint ventures and associates		Other loans		Total loans granted		Finance lease receivable	
In EUR millions	2021	2020	2021	2020	2021	2020	2021	2020
Carrying amount at 1 January	**54.8**	**54.9**	**36.2**	**31.8**	**91.0**	**86.7**	**28.6**	**28.5**
Movements:								
Loans granted	–	5.4	13.0	6.8	13.0	12.2	–	–
Repayments	–	–	- 3.8	- 0.1	- 3.8	- 0.1	- 9.5	- 5.1
Reclassification	- 57.0	–	–	–	- 57.0	–	104.7	–
Finance lease interest income	–	–	–	–	–	–	6.6	5.0
Exchange differences	2.2	- 5.5	0.2	- 2.3	2.4	- 7.8	0.8	0.2
Carrying amount at 31 December	**–**	**54.8**	**45.6**	**36.2**	**45.6**	**91.0**	**131.2**	**28.6**
Non-current receivables	–	54.8	44.8	36.2	44.8	91.0	127.6	28.6
Current receivables	–	–	0.8	–	0.8	–	3.6	–
Carrying amount at 31 December	**–**	**54.8**	**45.6**	**36.2**	**45.6**	**91.0**	**131.2**	**28.6**

At 31 December 2021, there were no loans oustanding with joint ventures and associates after the position with one of our joint ventures in the Asia and Middle East division was converted to equity in 2021.

The increase of the Other loans granted for both years presented includes a loan to the non-controlling shareholder of our terminals in South Africa. Apart from these movements, there were no material movements in the loans granted during the years presented.

In 2021 a new finance lease of EUR 104.1 million was recorded by Vopak Terminal Corpus Christi, in the United States, after the assets were commissioned. The commercial contract has a duration of 20-years after which the assets will automatically transfer to the customer.

Loans granted do not include any subordinated loans.

Reference is made to note 9.9 for the fair value information and note 6.7 on the remaining period at the end of the reporting period to the contractual maturity date.

With respect to the loans granted and the finance lease receivables, which are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

Note 9.3 Impact of COVID-19 pandemic

The pandemic spread of COVID-19 (Coronavirus) has a significant impact on all people and organizations around the world. Our main focus remains on the health of the people working at our terminals, offices or at home around the world and to limit the spread of the Coronavirus, to manage the impact on our business and to assess the impact on the economy and society. Therefore, we have put global and local measures into place to protect our employees, their families and our operations based on information provided by the World Health Organization, national and local health authorities. We have monitored developments closely throughout the year and scenario-based contingency plans and other mitigating measures were ready to implement, if needed. To date, thanks to the adjustments and efforts of our people, we have observed a limited impact on our operations. All our terminals are operational and there have been no significant disruptions to business continuity.

Vopak's strategy is robust and unchanged. An effective control and governance structure to respond to the impact of the global pandemic, with continued decision-making to support business execution and well-being of people, has been put in place. Operational and financial performance, cash flows and our financial position have not been significantly affected. Our financial results reflect our resilient business performance.

Our focus in these circumstances is on the short-term delivery and protection of long-term value. Vopak plays an important role within society by storing vital products with care. We are doing our utmost during the COVID-19 pandemic to continue to fulfill this role in all our work locations around the world.

Although the pandemic brings a lot of uncertainty and the estimates remain subject to future events, we expect to continue to manage our performance in line with our original business plans and unchanged strategy.

Note 9.4 Pensions and other employee benefits

The majority of employees are either covered by defined benefit plans, defined contribution plans or mandatory external pension plans. The defined benefit plans are plans that apply in the United States, Germany and Belgium. These countries mostly operate final-pay pension plans, administrated by pension funds separate from the company.

Accounting policies

Defined benefit plans

The Group's net pension obligation is calculated by an independent actuary, using the projected unit credit method. This calculation is performed separately for each plan by estimating the amount of the benefit that employees have earned in relation to their past services. The liability recognized in the balance sheet is the present value of these benefits at the end of the reporting period (defined benefit obligation) less the fair value of plan assets. The defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high-quality corporate bonds with durations matching the terms of the benefits.

The increase in the defined benefit obligation due to the passage of time and the expected return on plan assets, using the same interest rate as for the defined benefit obligation, are included in the pension costs.

Past-service costs are recognized immediately in the statement of income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in equity via Other comprehensive income in the period in which they arise.

When a plan is changed, settled or when a plan is curtailed, the resulting change in the defined benefit obligation that relates to past-service or the gain or loss on curtailment is recognized immediately in the statement of income under Personnel expenses. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plans

Contributions to defined contribution plans are recognized as an expense in the statement of income as incurred.

Accounting estimates and judgments applied

The defined benefit obligation is determined on the basis of assumptions for future developments in variables such as salary increase, price index increase, life expectancy and discount rate. All assumptions are assessed at the reporting date. Changes in the assumptions may significantly affect the liabilities and pension costs under the defined benefit plans. The weighted average of these assumptions as well as sensitivities of key assumptions are disclosed in this note.

Pensions and other employee benefits

The table below provides an overview of the movements in the plan assets and defined benefits obligation for the years presented, showing separately the amounts that were recognized in the income statement, the statement of other comprehensive as well as the cash flows for the period.

	Plan assets		Defined Benefit Obligation		Total	
in EUR millions	2021	2020	2021	2020	2021	2020
Opening balance defined benefits position at 1 January	**117.2**	**115.2**	**- 165.4**	**- 156.5**	**- 48.2**	**- 41.3**
Movements:						
Current service costs	–	–	- 6.2	- 5.3	- 6.2	- 5.3
Administration costs and taxes	–	–	- 0.4	- 0.5	- 0.4	- 0.5
Interest income/(expenses)	3.0	3.5	- 3.8	- 4.4	- 0.8	- 0.9
Components of defined benefit income/(costs) recorded in profit or loss	**3.0**	**3.5**	**- 10.4**	**- 10.2**	**- 7.4**	**- 6.7**
Return on plan assets (excluding interest income on plan assets)	8.4	9.4	–	–	8.4	9.4
Actuarial gains (-) and losses from changes in demographic assumptions (remeasurement)	–	–	2.3	1.5	2.3	1.5
Actuarial gains (-) and losses from experience	–	–	1.2	- 1.1	1.2	- 1.1
Actuarial gains (-) and losses from changes in financial assumptions (remeasurement)	–	–	5.6	- 16.6	5.6	- 16.6
Components of defined benefit income/(costs) recorded in other comprehensive income	**8.4**	**9.4**	**9.1**	**- 16.2**	**17.5**	**- 6.8**
Benefits paid from the pension fund	- 5.6	- 5.4	4.9	4.6	- 0.7	- 0.8
Employer's contibutions	6.5	4.2	0.7	0.8	7.2	5.0
Exchange differences	9.2	- 9.7	- 11.1	12.1	- 1.9	2.4
Closing balance defined benefits position at 31 December	**138.7**	**117.2**	**- 172.2**	**- 165.4**	**- 33.5**	**- 48.2**
Other net pension obligations	–	–	- 1.4	- 1.0	- 1.4	- 1.0
Total pension position recognized at 31 December	**138.7**	**117.2**	**- 173.6**	**- 166.4**	**- 34.9**	**- 49.2**
Current liabilities					- 0.2	- 0.2
Non-current liabilities					- 34.7	- 49.0
Net pension obligation recognized at 31 December					**- 34.9**	**- 49.2**

1 The defined benefits obligation related to unfunded pension plans amounted to EUR 3.0 million at year-end 2021 (2020: EUR 3.3 million).

	Defined Benefit Obligation	
	2021	2020
Defined benefits obligations Allocated to the plans' participants:		
Active members	- 84.8	- 84.1
Deferred members	- 35.9	- 31.8
Pensioners	- 51.5	- 49.5
Defined benefit obligation at 31 December	**- 172.2**	**- 165.4**

Market volatility had a positive impact on the Group's defined benefit plans in 2021, which resulted in a remeasurement gain (gross) of EUR 17.5 million (2020: losses of EUR 6.8 million), being recorded, net of tax, in other comprehensive income. These remeasurements were caused by the defined benefit obligation impact of deviations from the assumptions set at the beginning of the year which were only partly offset by the higher than expected return on plan assets.

Change in the fair value of plan assets and major classes of plan assets

The following tables summarize the characteristics/main elements of the plan assets at 31 December.

	Total	
in EUR millions	2021	2020
Major classes of plan assets		
Bonds - investment grade	47.9	42.5
Bonds - high yield	26.6	24.8
Equity instruments	64.2	49.9
Fair value of plan assets at 31 December	**138.7**	**117.2**

The investments consist of participations in investment funds from reputable asset managers and are therefore well-diversified, such that the failure of any single investment would not have a material impact on the overall value of the investment fund.

The pension fund has not invested directly in shares of Royal Vopak, parts of the Group or in real estate of the Group.

Expected maturity, contribution and impact on result

The expected maturity analysis of undiscounted pension benefits at 31 December 2021 is as follows:

In EUR millions	2022	2023	2024	2025	2026	2027+	Total
Undiscounted pension benefits	5.5	6.0	7.3	6.8	6.8	237.1	269.5

Based on the latest funding agreements, the employer’s contribution is expected to be around EUR 7.0 million in 2022.

Assumptions and sensitivity analysis

Assumptions

	Total	
	2021	2020
Assumptions based on weighted average at 31 December		
Discount rate on net liability	2.62%	2.26%
Expected general salary increase	5.03%	4.18%
Expected price index increase	2.81%	2.74%
Average Life expectancy in years for man:	20.4	20.6
Average Life expectancy in years for women:	22.7	22.9

The discount rates used in the determination of defined benefit obligations and pension expenses are based on high quality corporate bonds (AA) with a duration matching the duration of the pension liabilities. In addition, the calculations were based on recent mortality tables, taking future developments in mortality rates into account through projections or surpluses. Local historical data were used for employee turnover and disability assumptions.

The liabilities and pension expenses related to defined benefit plans are subject to risks regarding changes in discount rates, plan assets and returns derived from these assets, future salary increases, inflation and life expectancy. Such changes can negatively or positively influence the liabilities and necessitate additional future pension charges under IAS 19. The table below shows the estimated impact on the defined benefit obligations for defined benefit plans for each risk variable.

Sensitivity analysis

In EUR millions	Change	Increase	Decrease
Sensitivity assumptions			
Price inflation	1.0%	6.2	- 5.4
Salary growth	0.25%	1.8	- 1.7
Discount rates	1.0%	- 24.4	31.5
Life expectation	1 year	5.4	N/A

The sensitivity analysis is based on changes that are realistically possible as at the end of the financial year. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

Note 9.5 Provisions

Accounting policies

Provisions are recognized for legal or constructive obligations that arose in the past, the amount of which, though uncertain, can be reliably estimated and where it is probable that the settlement of the obligations will entail a cash outflow. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

In accordance with current legislation, environmental plans and other measures to be adopted are agreed with local, regional and national authorities as appropriate. As soon as such plans are approved or other statutory obligations arise, a provision is formed based on the most reliable estimate possible of the future expenses.

A provision for reorganization is formed when Vopak has approved a detailed and formalized reorganization plan and when the reorganization has either commenced or been announced.

Provisions for other deferred long-term employee benefits, other than pensions and other employee benefits, for example, redundancy benefits, anniversary incentives and long-term remuneration settled in cash, are calculated using the method for defined benefit plans. Any actuarial results arising are recognized immediately in the statement of income. The same applies to any changes relating to past service.

Key accounting estimates and judgments

The amount recognized as a provision is management's best estimate of the amount required to settle the obligation. The outcome depends on future events that are uncertain by nature. In assessing the likely outcome of lawsuits and tax disputes, management also bases its assessment on external legal assistance and established precedents.

The Group is exposed to risks regarding environmental obligations arising from past activities. For example, a number of sites have to be decontaminated before being handed back at the end of the contractual period. Under current legislation, environmental plans and any other measures to be adopted have to be agreed with local, regional and national authorities as appropriate. As soon as such plans are approved or other legal obligations arise, a provision is formed based on the most reliable estimate of possible future expenses. Given the degree of difficulty in making estimates, this does not guarantee that no additional costs will arise in the future.

Movements in provisions

In EUR millions	Environmental liabilities	Other	Total
Non-current liabilities	10.8	11.4	22.2
Current liabilities	5.2	17.2	22.4
Balance at 31 December 2020	**16.0**	**28.6**	**44.6**
Movements:			
Additions	5.0	5.7	10.7
Withdrawals	- 1.3	- 7.1	- 8.4
Reclassification assets held for sale	- 2.7	–	- 2.7
Releases	- 0.2	- 3.3	- 3.5
Exchange differences	0.3	0.1	0.4
Balance at 31 December 2021	**17.1**	**24.0**	**41.1**
Non-current liabilities	10.9	5.9	16.8
Current liabilities	6.2	18.1	24.3
Balance at 31 December 2021	**17.1**	**24.0**	**41.1**
Expected withdrawals			
< 1 year	6.2	18.1	24.3
2nd year	2.6	0.6	3.2
3rd year	1.0	0.5	1.5
4th year	0.9	1.1	2.0
5th year	1.4	0.4	1.8
> 5th year	5.0	3.3	8.3
Total	**17.1**	**24.0**	**41.1**

Environmental provisions

Vopak is obliged to clean up soil contamination at different locations. In general, an accurate and reliable estimate of the provision for this environmental risk can only be made after conducting a thorough survey and drawing up a management plan for the site, on the basis of which the governmental authorities issue an order.

The environmental provisions primarily relate to historical contaminations. Financial exposures to potential new soil contaminations in relation to products spills are very limited. If a spill or any unwanted discharge takes place, emergency mitigation procedures are in place at all the terminals which contain and remediate the spill immediately, according to the Vopak standards.

At year-end 2021, the total provision for environmental liabilities amounted to EUR 17.1 million (2020: EUR 16.0 million). The provision is mainly related to environmental liabilities at various terminals in the divisions Europe & Africa and Americas. During 2021 no significant movements have been recorded. For more information, reference is made to note 3.8.

Other provisions

The other provisions primarily relate to legal and claims-related provisions and the provisions for the LTIPs. Many of the claims-related provisions concern insured events, for which the receivable on the insurance company is recognized separately under the Other receivables.

LTIPs

Other provisions included an amount of EUR 2.7 million (2020: EUR 2.6 million) for the LTCPs (see note 7.2), and none for the cash-settled share-based payments of the LTSPs in 2021 and 2020 (see note 1 to the first table of note 7.2). EUR 2.3 million of the total provision in relation to the LTIPs will be settled in 2022 (2020: EUR 1.8 million).

The movement in the provisions in connection with the LTIPs recognized in the income statement amounted to an expense of EUR 0.7 million in 2021 (2020: expense of EUR 0.9 million). Reference is also made to note 7.2.

Other

At year-end 2021, EUR 21.3 million (2020: EUR 25.9 million) was recognized under the Other provisions, which primarily comprises various smaller legal cases and claim settlements of which the larger part was related to insured events. The movement in these other provisions amounted to an expense of EUR 5.3 million in 2021 (2020: EUR 5.1 million).

No other individual items within the remaining provisions are considered to be individually material. The company expects that the current cases provided for will be substantively resolved within the coming five years.

Note 9.6 Investments and other financial assets

The group has investments in the equity of other entities which do not classify as either a subsidiary, joint venture or associate. These investments primarily concern the investments in Sabtank in Saudi Arabia, Vopak Terminal Venezuela and the investments held by Vopak Ventures B.V. These investments in unlisted entities are not held for trading and are considered to be strategic investments.

Accounting policies

The group makes an irrevocable election on an investment-by-investment basis at the time of initial recognition to measure these investments either as:

- Fair value through profit and loss (FVPL); or
- Fair value through Other comprehensive income (FVOCI).

Investments and other financial assets are measured at fair value (level 3). At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets measured at FVPL are expensed in profit or loss, while these are recognized in Other comprehensive income for financial assets measured at FVOCI.

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as dividend income as part of the Other operating income. Reference is also made to note 2.4.

At year-end 2021, all equity investments are classified as FVOCI. The total fair value of the investments amounted to EUR 83.6 million (2020: EUR 36.5 million) at year-end 2021. The total dividend income in 2021 from these investments amounted to EUR 0.5 milion (2020: EUR 2.2 million).

Note 9.7 Investment commitments undertaken

The investment commitments undertaken by the Group for subsidiaries amounted to EUR 85.4 million as at 31 December 2021 (2020: EUR 199.7 million), and were primarily related to property, plant and equipment.

Note 9.8 Contingent assets and contingent liabilities

Contingencies in respect of joint ventures and associates

	Joint ventures		Associates		Total	
In EUR millions	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
Commitments to provide debt or equity funding	16.1	58.5	–	6.3	16.1	64.8
Guarantees and securities provided	98.7	101.3	11.4	10.5	110.1	111.8

The amounts of guarantees and securities can potentially be called within one year.

The joint venture and associates of the Group are currently, and may from time to time become, involved in a number of legal proceedings, including inquiries from, or discussions with, governmental authorities (including tax authorities) that are incidental to their operations. For the contingent liabilities of the joint ventures and associates as at year-end related to legal cases, it is based on the current facts and circumstances not believed that they may have a material adverse effect on the financial position or profitability of the Group. Due to inherent uncertainties, the Group cannot make any accurate quantification of any cost, or timing of such cost, which may arise from any of the legal proceedings referred to in this report, however costs in complex litigation may be substantial.

Guarantees and securities included in ratio calculations

The notional amount of guarantees and securities provided on behalf of participating interests in joint ventures and associates, which is also included in ratios, increased from EUR 80.8 million at 31 December 2020 to EUR 85.8 million at 31 December 2021. Of this amount, nil was recognized in the statement of financial position (2020: nil). Reference is also made to note 5.5.

Other contingencies

Environmental obligations

The Group is exposed to risks regarding environmental obligations arising from past activities. For example, a number of sites have to be decontaminated and restored to their original condition before being handed back at the end of the contractual period. Under current legislation, environmental plans and any other measures to be adopted have to be agreed with local, regional and national authorities as appropriate. As soon as such plans are approved or other legal obligations arise, a provision is formed based on the most reliable estimate possible of future expenses. The Executive Board is of the opinion that the currently recognized provisions are adequate, based on information currently available. However, given the degree of difficulty in making estimates, this does not guarantee that no additional costs will arise going forward.

Other legal proceedings and risks

As a result of its day-to-day activities, the Group is involved in a number of other legal proceedings. The Executive Board is of the opinion that for the legal cases and risks for which no provisions have been recognized, it is not probable at year-end that the final outcome will result in a cash outflow, therefore no provisions have been formed. Furthermore, as explained in the Risks and risk management section, the Group can be held liable for any non-compliance with laws and regulations. The risks in connection with non-compliance, as well as the potential impact on the company, are disclosed in the Internal control and risk management section of this report.

As part of divestments of terminals and assets, Vopak has provided certain customary representations and warranties in the relevant sales purchase agreements. These representations and warranties will generally terminate, depending on their specific features, a number of years after the relevant transaction completion date. Based on the current facts and circumstances, management has determined that for the items for which no provision is currently recognized, the likelihood of a cash outflow relating to these items is considered to be remote.

Note 9.9 Financial assets and liabilities and credit risk

Financial assets and liabilities

		Carrying amount		Fair value	
In EUR millions	Note	2021	2020	2021	2020
Other financial assets	9.6	83.6	36.5	83.6	36.5
Currency derivatives	6.2	36.0	- 11.8	36.0	- 11.8
Financial instruments at fair value		**119.6**	**24.7**	**119.6**	**24.7**
Loans granted	9.2	45.6	91.0	45.6	91.0
Trade and other receivables	4.2	259.6	276.1	259.6	276.1
Cash and cash equivalents	5.5	73.4	68.3	73.4	68.3
Finance lease receivable	9.2	131.2	28.6	131.2	28.6
Loans and receivables		**509.8**	**464.0**	**509.8**	**464.0**
Bank overdrafts and short-term borrowings	5.5	- 464.6	- 214.3	- 464.6	- 214.3
US Private Placements	5.5	- 1,428.6	- 1,448.6	- 1,611.7	- 1,677.1
JPY Private Placement	5.5	- 153.5	- 157.6	- 206.1	- 215.3
Bank loans	5.5	- 130.6	- 122.9	- 132.8	- 126.3
Lease liabilities	5.5	- 711.3	- 699.2	- 711.3	- 699.2
Credit facilities and other long-term loans	5.5	- 109.9	- 15.1	- 109.9	- 15.1
Trade creditors	4.3	- 70.1	- 51.4	- 70.1	- 51.4
Other creditors	4.3	- 110.0	- 132.2	- 110.0	- 132.2
Other financial liabilities		**- 3,178.6**	**- 2,841.3**	**- 3,416.5**	**- 3,130.9**
Net at amortized cost		**- 2,668.8**	**- 2,377.3**	**- 2,906.7**	**- 2,666.9**
Standby credit facility	5.5, 6.7			956.2	1,054.7
Standby bank facility	6.7			133.0	200.0
Unrecognized financial instruments				**1,089.2**	**1,254.7**

Determination of fair value for financial instruments

A number of the Group's accounting policies and disclosures require the determination of fair value for the financial instruments. A fair value measurement is an estimate of the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1). In the absence of such information, other observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices), are used to estimate fair values (level 2). No material financial instruments were measured at fair value using level 3 (inputs not based on observable market data). Inputs derived from external sources are corroborated or otherwise verified, as appropriate.

The fair values of the Private Placements, revolving credit facility and other long-term bank loans are measured by discounting the future cash flows using observable market interest information (level 2) as no similar instrument is available due to the specific profiles of the instruments. The calculations include credit spreads based on the most recent borrowing contracts.

The fair values of interest rate swaps, cross-currency interest rate swaps and forward foreign exchange contracts are determined by discounting the future cash flows using the applicable period-end observable yield curve, taking into account credit risk and the risk of non-performance.

In view of the short-term nature or the magnitude of the amounts, the Group considers that the fair value of loans granted, trade and other receivables, cash and cash equivalents, bank overdrafts, credit facilities, other long-term loans and trade creditors are not materially different from their carrying value.

The fair value of the Other equity investments (level 3) are based on discounted cash flow projections based on reliable estimates of future cash flows or recent transactions.

The initial measurement at the trade date of all financial instruments is the fair value. Except for derivatives, the initial measurement of financial instruments is adjusted for directly attributable transaction costs.

Note 9.10 New standards and interpretations not yet implemented

There are no new accounting standards, amendments to existing standards or new IFRIC interpretations published that are not yet effective that are expected to have a material impact on the Group in future reporting periods and on foreseeable future transactions.

Note 9.11 Principal subsidiaries, joint ventures, associates and investments

Overview as per 31 December 2021

SUBSIDIARIES

Europe, Middle East & Africa

Belgium

Vopak Agencies Antwerpen N.V.
Vopak Terminal Eurotank N.V.
Vopak Chemical Terminals Belgium N.V.

Germany

Vopak Agencies Germany GmbH

The Netherlands

Vopak Agencies Amsterdam B.V.
Vopak Agencies Rotterdam B.V.
Vopak Agencies Terneuzen B.V.
Vopak Chemicals Logistics Netherlands B.V.
Vopak Global Engineering Services B.V.
Vopak Europe & Africa B.V.
Vopak Finance B.V.
Vopak Global IT B.V.
Vopak Global Procurement Services B.V.
Vopak Global Shared Services B.V.
Vopak LNG Holding B.V.
Vopak Maasvlakte Terminal B.V.
Vopak Nederland B.V.
Vopak Energy Terminals Netherlands B.V.
Vopak Terminal Botlek B.V.
Vopak Terminal Chemiehaven B.V.
Vopak Terminal Europoort B.V.
Vopak Terminal Laurenshaven B.V.
Vopak Terminals North Netherlands B.V.
Vopak Terminal TTR B.V.
Vopak Terminal Vlaardingen B.V.
Vopak Terminal Vlissingen B.V.
Vopak Ventures B.V.

South Africa

Vopak Terminal Durban (Pty) Ltd. (70%)
Vopak South Africa Developments (Pty) Ltd. (70%)
Vopak Reatile Richards Bay (Pty) Ltd. (70%)

Switzerland

Monros AG

United Kingdom

Vopak Holding Bacrippuls Ltd.

Asia Pacific

Australia

Vopak Terminals Australia Pty Ltd.
Vopak Terminals Sydney Pty Ltd.
Vopak Terminal Darwin Pty Ltd.

China

Vopak China Management Company Ltd.
Vopak Terminal Zhangjiagang Ltd.
Vopak Terminal Shangdong Lanshan Ltd. (60%)[1]
Vopak Terminal Ningbo Co. Ltd. (85%)
Vopak (Huizhou) Terminal Services Co. Ltd.

India

Vopak Terminals Kandla (CRL Terminals Pvt, Ltd.)

Indonesia

PT Vopak Terminal Merak (95%)

Singapore

Vopak Agency Singapore Pte Ltd.
Vopak Asia Pte. Ltd.
Vopak Terminals Singapore Pte. Ltd. (69.5%)[2]
Vopak Terminal Penjuru Pte. Ltd. (100%)[3]
Vopak Gas Terminal LLP (80%)[4]
Monros Insurance Pte. Ltd.

Vietnam

Vopak Vietnam Co. Ltd.

Americas

Brazil

Vopak Brasil S.A.

Canada

Vopak Terminals of Canada Inc.
Vopak Terminals of Eastern Canada Inc.

Colombia

Vopak Colombia S.A.

Mexico

Vopak Mexico S.A. de C.V.

Panama

Vopak Panama Atlantic Inc.

United States

Vopak North America Inc.
Vopak Terminals North America Inc.
Vopak Terminal Deer Park Inc.
Vopak Terminal Corpus Christi[5]
Vopak Terminal Savannah Inc.
Vopak Terminal Los Angeles Inc.
Vopak Terminal Long Beach Inc.
Vopak Agencies Americas Corp.

JOINT VENTURES

Europe, Middle East & Africa

Germany

German LNG Terminal GmbH (33.3%)

1 Vopak Terminal Penjuru Pte. Ltd. 60% ownership in Vopak Terminals Shangdong Lanshan
2 Vopak Holding Singapore Pte. Ltd 69.5% ownership in Vopak Terminals Singapore Pte. Ltd.
3 Vopak Terminals Singapore Pte. Ltd. 100% ownership in Vopak Terminals Penjuru Pte. Ltd.
4 Vopak Terminals Singapore Pte. Ltd. 80% ownership in Vopak Gas Terminal LLP
5 Legally part of Vopak Terminal Deer Park Inc.

The Netherlands
Gate terminal B.V. (50%)
MultiCore C.V. (25%)
NxtPort B.V. (50%)

Pakistan
Engro Vopak Terminal Ltd. (50%)

Spain
Terminales Quimicos S.A. (Terquimsa) (50%)

Sweden
Vopak Agencies Sweden A.B. (50%)

United Arab Emirates
Vopak Horizon Fujairah Ltd. (33.33%)

Asia Pacific
China
Vopak Shanghai Logistics Co. Ltd. (50%)
Vopak Nanjiang Petrochemicals Terminal Tianjin Co. Ltd. (50%)
Vopak Bohua (Tianjin) Terminal Co. Ltd. (50%)
Tianjin Lingang Vopak Bohua Jetty Co. Ltd. (30%)
Vopak (Qinzhou) Jetty Co. Ltd. (51%)

Indonesia
PT Jakarta Tank Terminal (49%)

Korea
Vopak Terminals Korea Ltd. (51%)

Malaysia
Kertih Terminals Sdn. Bhd. (30%)[6]
Pengerang Terminals Sdn.[7] Bhd. (49%)
Pengerang Independent Terminals Sdn. Bhd. (90%)

Singapore
Banyan Cavern Storage Services Pte. Ltd. (45%)[8]

Thailand
Thai Tank Terminal Ltd. (49%)

Americas
Brazil
Uniao-Vopak Armazens Gerais Ltda. (50%)

Mexico
Terminal de Altamira de S. de R.L. de C.V. (60%)

Panama
Payardi Terminal Company S. de R.L. (50%)

United States
Vopak Industrial Infrastructure Americas LLC (VIIA) (50%)
Vopak Moda Houston LLC (50%)

ASSOCIATES

Canada
Ridley Island LPG Export GP Inc. (30%)

China
Zhangzhou Gulei Haiteng Jetty Investment and Management Co. Ltd. (30%)

Colombia
Sociedad Portuaria El Cayo SA ESP (SPEC) (49%)

Malaysia
Pengerang Terminals (Two) Sdn. Bhd. (25%)

Saudi Arabia
Jubail Chemicals Storage & Services Company LLC / Chemtank (22%)

Pakistan
Engro Elengy Terminal Pakistan Ltd. (44%)

The Netherlands
Vopak Terminal Eemshaven B.V. (10%)
Helios Eemshaven B.V. (8%)[9]
Maasvlakte Olie Terminal N.V. (16.67%)

INVESTMENTS

Germany
Hydrogenious LOHC Technologies GmbH (10.3%)

Netherlands
Falcker Holding B.V. (25.4%)
Harbour Stone B.V. (24.9%)
Harbour Oil B.V. (33.3)
HyET Holding B.V. (5%)
HyET Energy Systems B.V. (13%)
HyET Hydrogen B.V. (5%)
HyperSoniq B.V. (29.7%)
Teqplay B.V. (24%)
TWTG Group B.V. (30.3%)

Saudi Arabia
SABIC Terminal Services Company Ltd. / Sabtank (10%)

Singapore
Performance Rotors Pte. Ltd. (20%)

United Kingdom
Advanced 3D Laser Solutions Limited (25%)

United States
Aquacycl Inc. (9.5%)
Data.world Inc. (2%)

Venezuela
Vopak Venezuela S.A. (100%)

6 Vopak Terminal Penjuru Pte. Ltd. 30% ownership in Kertih Terminals Sdn. Bhd.
7 Vopak Terminal Pengerang B.V. 49% ownership in Pengerang Terminals Sdn. Bhd.
8 Vopak Terminals Singapore Pte. Ltd. 45% ownership in Banyan Cavern Storage Services Pte. Ltd
9 Vopak Terminal Eemshaven B.V,. in which Vopak has a 10% share, holds 80% of the shares in Helios Eemshaven B.V.

Note 9.12 Events after the reporting period

No subsequent events have occured after the reporting date.

Company Financial Statements

Company Statement of Income

In EUR millions	Note	2021	Restated 2020[1]
Other operating income		–	0.7
Total operating income		**–**	**0.7**
Personnel expenses	8	43.8	38.0
Other operating expenses		30.5	26.6
Depreciation and amortization		3.0	3.3
Total operating expenses		**77.3**	**67.9**
Interest and similar expenses		- 72.7	- 62.9
Result before income tax		**- 150.0**	**- 130.1**
Income tax	9	40.5	32.9
Share in result of subsidiaries and participations	2	323.7	391.8
Net profit		**214.2**	**294.6**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1. of the Consolidated Financial Statements.

Company Statement of Financial Position before Profit Appropriation

In EUR millions	Note	31-Dec-21	Restated 31-Dec-20 [1]
Participating interests in group companies	2	2,568.5	2,125.2
Property, plant and equipment - owned assets		5.1	6.0
Property, plant and equipment - right-of-use assets		30.8	32.6
Loans granted	3	2,254.6	2,437.2
Derivative financial instruments	6	35.6	9.1
Deferred taxes		36.6	29.0
Total non-current assets		**4,931.2**	**4,639.1**
Trade and other receivables		1.3	0.9
Prepayments		5.3	0.6
Derivative financial instruments	6	0.1	1.4
Cash and cash equivalents		11.2	1.9
Total current assets		**17.9**	**4.8**
Bank overdrafts		2.6	–
Interest-bearing loans	5	- 0.5	121.2
Lease liabilities		2.2	2.2
Derivative financial instruments	6	3.9	7.1
Trade and other payables		32.8	23.7
Provisions		3.3	2.2
Total current liabilities		**44.3**	**156.4**
Current assets less current liabilities		**- 26.4**	**- 151.6**
Total assets less current liabilities		**4,904.8**	**4,487.5**

In EUR millions	Note	31-Dec-21	Restated 31-Dec-20 [1]
Interest-bearing loans	5	1,682.5	1,485.0
Lease liabilities		29.4	30.9
Derivative financial instruments	6	–	5.4
Provisions		4.2	4.8
Non-current liabilities		**1,716.1**	**1,526.1**
Share capital		62.9	62.9
Share premium		194.4	194.4
Legal reserve for participating interests	4	517.4	404.0
Translation reserve		- 30.7	- 123.9
Revaluation reserve derivatives		- 94.8	- 115.0
Revaluation reserve assets		49.7	16.5
Transaction reserve non-controlling interest		0.9	1.3
Other reserves	4	2,274.7	2,226.6
Unappropriated profit	4	214.2	294.6
Shareholders' equity		**3,188.7**	**2,961.4**
Total		**4,904.8**	**4,487.5**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1. of the Consolidated Financial Statements.

Notes to the Company Financial Statements

Note 1. General

Koninklijke Vopak N.V. (Vopak) has its registered office in Rotterdam, the Netherlands. Vopak is listed on the Euronext Amsterdam and is part of the AMX index. Vopak is the world's leading independent tank storage provider, specialized in the storage and handling of liquid chemicals, gases and oil products.

The company is registered at the Company Registry of the Rotterdam Chamber of Commerce under number 24295332.

All amounts are presented in EUR million and have been rounded to the nearest EUR 100k, unless otherwise stated.

Accounting policies

The Company financial statements have been drawn up in accordance with Dutch law (Part 9 of Book 2 of the Dutch Civil Code). In doing so, the company made use of the possibility to apply the accounting policies (including the policies for the presentation of financial instruments as equity or loan capital) used in the Consolidated financial statements to the Company financial statements, as provided for in Section 362 (8) of Book 2 of the Dutch Civil Code.

The accounting policies applied in the Company financial statements are the same as those applied in the Consolidated financial statements, unless stated otherwise.

In April 2021, the IFRS interpretation committee published agenda decision Configuration or customisation costs in a cloud computing arrangement which considers whether an intangible asset can be recognised in relation to configuration or customisation of application software. Vopak has considered the impact of the accounting policy change on the results reported in the current and comparative reporting periods and applied to the Group. Vopak has retrospectively adjusted the carrying values of intangible software assets. For more information on this topic reference is made to note 1.1. of the Consolidated Financial Statements.

The effect of the IFRIC agenda decision as per 1 January 2020 is summarized below:

- Participating interests in group companies: EUR 13.0 million (decrease)
- Other reserves: EUR 13.0 million (decrease)

Participating interests in Group companies

Interests in Group companies and other companies over which Vopak exercises control or which it manages are carried at net asset value. The net asset value is determined by measuring the assets, provisions and liabilities and calculating the result according to the accounting policies applied in the Consolidated financial statements.

Note 2. Participating interests in Group companies

In EUR millions	2021	Restated 2020 [1]
Carrying amount at 31 December	**2,125.2**	**2,004.7**
Change in accounting policy [1]	–	- 13.0
Carrying amount at 1 January 2020	**2,125.2**	**1,991.7**
Investments	–	130.9
Disposal	- 14.7	–
FV change equity investment	- 33.1	1.9
Dividends received	- 116.9	- 209.1
- Other	–	- 8.5
- Exchange differences	269.1	- 189.4
- Hedging	15.2	15.9
Other comprenhensive income from Participating interests in Group Companies	284.3	- 173.5
Profit	323.7	391.8
Carrying amount at 31 December	**2,568.5**	**2,125.2**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1. of the Consolidated Financial Statements.

The majority of 2021 dividend relates to settlement of intra-group positions by intra-group dividends (upstreaming of dividends).

For an overview of the investments in subsidiaries, joint ventures and associates held (indirectly) by the company, reference is made to note 9.11 of the Consolidated financial statements.

Note 3. Loans granted

In EUR millions	2021	2020
Carrying amount at 1 January	**2,437.2**	**2,486.5**
Loans granted	231.2	421.9
Repayments	- 413.8	- 471.2
Carrying amount at 31 December	**2,254.6**	**2,437.2**

Loans granted mainly related to various loans to subsidiaries. At 31 December 2021 loans granted did not include any subordinated loans (2020: nil).

Note 4. Shareholders' equity

Reference is made to note 5.1 to the Consolidated Financial Statements for movements in the number of shares, share capital and share premium.

The share premium can be distributed in full, free of tax.

For the translation reserve, the revaluation reserve derivatives the revaluation reserve assets and the transaction reserve of non-controlling interests (NCI), reference is made to note 5.2 to the Consolidated Financial Statements.

Movements in the remaining components of shareholders' equity for the years presented are shown in the following tables.

Legal reserve for participating interests

In EUR millions	2021	2020
Carrying amount at 1 January	**404.0**	**383.8**
Dotation from Other reserves	113.4	20.2
Carrying amount at 31 December	**517.4**	**404.0**

Other reserves

In EUR millions	2021	Restated 2020 [1]
Carrying amount at 31 December	**2,226.6**	**1,940.1**
Change in accounting policy [1]	–	- 13.0
Carrying amount at 1 January 2020	**2,226.6**	**1,927.1**
Profit appropriation from Unappropriated profit	144.1	424.9
Measurement of equity-settled share-based payment arrangements	7.8	4.5
Purchase treasury shares	- 2.9	- 8.0
Share buyback	–	- 99.1
Vested shares under equity-settled share-based payment arrangements	- 1.3	- 2.1
Actuarial Reserve	13.8	- 5.3
Other	–	4.8
Release to Legal reserves	- 113.4	- 20.2
Carrying amount at 31 December	**2,274.7**	**2,226.6**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1. of the Consolidated Financial Statements.

The other reserves as presented in the Company Statement of Financial Position includes a legal reserve for internally developed intangibles of EUR 89.8 million (2020: EUR 78.4 million).

Unappropriated profit

In EUR millions	2021	Restated 2020 [1]
Carrying amount at 1 January	**294.6**	**571.0**
Profit appropriation to Other reserves	- 144.1	- 424.9
Dividend in cash	- 150.5	- 146.1
Profit for the year	214.2	294.6
Carrying amount at 31 December	**214.2**	**294.6**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1. of the Consolidated Financial Statements.

After adjustment for the legal reserves at 31 December 2021, a total of EUR 2,273.5 million (2020: EUR 2,203.9 million) is freely distributable from reserves, including unappropriated profit for the year.

Note 5. Interest-bearing loans

	Nominal value in EUR millions		> 5 years in EUR millions		Average term in years		Average interest in %	
	2021	2020	2021	2020	2021	2020	2021	2020
Current portion	-0.5	121.2	–					
Non-current portion	1,682.5	1,485.0	792.2	818.6				
Total	**1,682.0**	**1,606.2**	**792.2**	**818.6**	**6.5**	**7.2**	**3.4**	**3.5**

Note 6. Derivative financial instruments

		31 December 2021			31 December 2020		
In EUR millions	Maturity	Assets[1]	Liabilities[1]	Notional amount	Assets[1]	Liabilities[1]	Notional amount
Forward foreign currency contracts[2]	< 1 year	–	3.9	189.9	1.4	–	137.4
Total net investment hedges		**–**	**3.9**	**189.9**	**1.4**	**–**	**137.4**
Cross-currency interest rate swaps[3]	1-5 years	35.1	–	458.6	9.1	–	307.3
Cross-currency interest rate swaps[3]	> 5 years	0.5	–	66.6	–	5.4	66.6
Total cash flow hedges - currency part		**35.6**	**–**	**525.2**	**9.1**	**5.4**	**373.9**
Forward foreign currency contracts	< 1 year	0.1	–	48.2	–	7.1	205.4
Total derivatives no hedge accounting		**0.1**	**–**	**48.2**	**–**	**7.1**	**205.4**
Total derivative financial instruments		**35.7**	**3.9**	**763.3**	**10.5**	**12.5**	**716.7**
Non-current		35.6	–		9.1	5.4	
Current		0.1	3.9		1.4	7.1	
Total		**35.7**	**3.9**		**10.5**	**12.5**	

1 At fair value.
2 Forward foreign currency contracts accounted for as hedges on net investments.
3 Cross currency interest rate swaps accounted for as cash flow hedges are used to hedge currency (2021: USD 468 million and JPY 20 billion; 2020: USD 468 million) on fixed debt denominated in foreign currency.
4 Interest part of long-term cross currency interest rate swaps entered into in the past for variable interest loans, currently no longer present.

Note 7. Pension and other employee benefits provisions

Reference is made to note 9.4 Pensions and other employee benefits which contains further information on pensions and other employee benefits of the Netherlands.

Note 8. Personnel expenses

During the year under review, the company employed an average of 178 employees and temporary staff (in FTEs) (2020: 170), of which the company employed on average 168 employees (in FTEs) (2020: 158) and on average 10 temporary staff (in FTEs) (2020: 12). They were all posted in the Netherlands, with the exception of 4 average FTEs who worked from abroad in 2021 (2020: 5).

In EUR millions	2021	2020
Wages and salaries	29.1	26.6
Social security charges	1.8	1.7
Contribution to pension schemes (defined contribution)	5.1	4.3
Long-term incentive plans	6.2	2.3
Other personnel expenses	5.6	9.1
Recharged to group companies	- 4.0	- 6.0
Total	**43.8**	**38.0**

Note 9. Income taxes

Royal Vopak is the head of a corporate income tax fiscal unity which includes almost all Dutch wholly-owned subsidiaries. The company is therefore jointly and severally liable for the tax liabilities of the fiscal unity as a whole. The tax expense of Royal Vopak represents the tax impact of its share in the taxable income of the fiscal unity based on Royal Vopak's earnings.

In EUR millions	2021		Restated 2020 [1]	
Result before income tax		- 150.0		- 130.1
Income tax		40.5		32.9
Effective tax rate		**27.0%**		**25.3%**
Composition:	*Amount*	*%*	*Amount*	*%*
Weighted average statutory tax rate	37.5	25.0	32.5	25.0
Non-deductible expenses	1.1	0.7	0.7	0.5
Recognition of tax losses and tax credits	1.9	1.3	- 0.3	- 0.2
Effective tax (rate)	**40.5**	**27.0**	**32.9**	**25.3**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1. of the Consolidated Financial Statements.

The 2021 effective tax rate of 27.0% (2020: 25.3%) deviates from the applicable tax rate of 25.0% as a result of non-deductible expenses and recognition of tax losses and tax credits.

Note 10. Remuneration of Supervisory Board members and Executive Board members

For the remuneration of the Supervisory Board members and the Executive Board members, reference is made to the section of the Remuneration report.

Note 11. Contingent liabilities

Guarantees and security provided on behalf of participating interests and third parties amounted to EUR 107.8 million (2020: EUR 109.7 million). Guarantees and security provided on behalf of Group companies amounted to EUR 49.3 million (2020: EUR 50.2 million).

Joint and several liability undertakings for an amount of EUR 80.0 million (2020: EUR 80.0 million) were issued for bank credits granted to Royal Vopak. Furthermore, joint and several liability undertakings for an amount of EUR 41.5 million (2020: EUR 41.5 million) were issued for bank credits granted to subsidiaries.

The company has filed joint and several liability undertakings (403 exemptions) for a number of its Dutch Group companies at the office of the Company Registry in whose area of jurisdiction the Group company concerned has its registered office. The list of interests filed at the office of the Company Registry for inspection states for which Group companies Royal Vopak has issued joint and several liability undertakings.

The members of the Executive Board and Supervisory Board have signed the financial statements in order to comply with the statutory obligation pursuant to article 2:101 paragraph 2 of the Dutch Civil Code and article 5:25c sub c of the Act on Financial Supervision (Wft).

Rotterdam, 15 February 2022

The Executive Board
D.J.M. Richelle - Chairman of the Executive Board and CEO
F. Eulderink - Member of the Executive Board and COO
G.B. Paulides - Member of the Executive Board and CFO

The Supervisory Board
B.J. Noteboom (Chairman)
M.F. Groot (Vice-chairman)
L.J.I. Foufopoulos - De Ridder
N. Giadrossi
R.M. Hookway
B. van der Veer

Executive Board declaration

In-control statement

In the ‘Internal control and risk management’ paragraph, we set out in detail our risks and risk management framework, as well as the responsibilities of the Executive Board.

The Executive Board is responsible for the design and operation of the internal risk management and control systems and processes. In discharging this responsibility, the Executive Board has made an assessment of the effectiveness of the design and operation of the internal control and risk management systems and processes. The Executive Board concluded, on the basis of such assessment, that the internal risk management and control systems and processes are operating adequately.

On the basis of this report and in accordance with best practice 1.4.3 of the Dutch corporate governance code of December 2016, and Article 5:25c of the Financial Supervision Act, the aforementioned assessment, the current state of affairs and to the best of its knowledge and belief, the Executive Board confirms that:

- the internal risk management and control systems and processes of the Group provide reasonable assurance that the financial statements give a true and fair view of the Group’s financial position, profit or loss, and cash flows;
- there have been no material failings in the effectiveness of the internal risk management and control systems and processes of the Group;
- this report states those material risks and uncertainties that are relevant to the expectation of the continuity of the Group's operations in the coming twelve months; and
- there is a reasonable expectation that the Group will be able to continue its operations and meet its liabilities for at least twelve months, therefore, it is appropriate to adopt the going concern basis in preparing the financial statements.

Please note that our internal risk management and control systems and processes are unable to offer absolute assurance that the strategic, operational and financial objectives will be fully achieved, or that laws and regulations are always complied with. Furthermore, the systems and processes cannot prevent all human errors of judgments and mistakes. It is also inherent that in business, cost-benefit assessments must be made for the acceptance of risks and the implementation of controls. We continuously monitor the effectiveness of our internal risk management and control systems and processes, and when needed these are further improved and optimized.

Executive Board declaration

In view of all of the above, the Executive Board confirms that, to the best of its knowledge, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report (‘***bestuursverslag***’) in this Annual Report includes a fair review of the position at the balance sheet date and the development and performance of the business during the financial year, together with a description of the principal risks and uncertainties that the company faces.

Rotterdam, 15 February 2022

The Executive Board

D.J.M. Richelle - Chairman of the Executive Board and CEO
F. Eulderink - Member of the Executive Board and COO
G.B. Paulides - Member of the Executive Board and CFO

External auditor’s reports

Independent auditor's report

To the shareholders and Supervisory Board of Koninklijke Vopak N.V.

Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the accompanying financial statements 2021 of Koninklijke Vopak N.V. ("company" or "group"), based in Rotterdam, the Netherlands. The financial statements include the Consolidated Financial Statements and the Company Financial Statements.
In our opinion:

- The accompanying Consolidated Financial Statements included in the Annual Report give a true and fair view of the financial position of Koninklijke Vopak N.V. as at 31 December 2021, and of its result and its cash flows for 2021 in accordance with International Financial Reporting Standards as adopted by the European Union ("EU-IFRS") and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying Company Financial Statements included in the Annual Report give a true and fair view of the financial position of Koninklijke Vopak N.V. as at 31 December 2021, and of its result for 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The Consolidated Financial Statements comprise:

- The Consolidated Statement of Financial Position as at 31 December 2021.
- The following statements for 2021: the Consolidated Statement of Income, Comprehensive Income, Changes in Equity and Cash Flows.
- The notes comprising a summary of the significant accounting policies and other explanatory information.

The Company Financial Statements comprise:

- The Company Statement of Financial Position before Profit Appropriation as at 31 December 2021.
- The Company Statement of Income for 2021.
- The notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Koninklijke Vopak N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 19 million (2020: EUR 20 million). The materiality is based on 5% of profit before income tax, adjusted for certain non-recurring items. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

Component audits are performed using the materiality levels determined by the judgement of the group engagement team, considering materiality for the consolidated financial statements as a whole and the reporting structure of the group. For the largest reporting entities the audits are performed using the following component materialities: Netherlands of EUR 8.6 million (2020: EUR 8.6 million), Singapore of EUR 7.2 million (2020: 7.2 million) and the United States of America of EUR 7.9 million (2020: EUR 7.9 million). For the other reporting entities the component materiality did not exceed EUR 7.2 million (2020: EUR 7.2 million) and for the majority of these components the component materiality is significantly less than this amount.

We agreed with the Supervisory Board that uncorrected misstatements in excess of EUR 0.95 million (2020: EUR 1.0 million), which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Koninklijke Vopak N.V. is at the head of a group of entities. The financial information of this group is included in the Consolidated Financial Statements of Koninklijke Vopak N.V.

Because we are ultimately responsible for the opinion, we are responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for reporting entities. Decisive were the size and/or the risk profile of the reporting entities or operations. On this basis, we selected reporting entities for which an audit had to be carried out on the complete set of financial information or specific items.
The group's financial statements are a combination of:

- Consolidated reporting entities, comprising the operating terminals under the group's control and centralized functions.
- Unconsolidated reporting entities comprised of operating terminals under joint control with unrelated parties (joint ventures) and operating terminals where the group exercises significant influence (associates); all accounted for under the equity method.

In establishing the overall group audit strategy and plan, we determined the type of work that needed to be performed at the reporting entities by the group engagement team, by component auditors from other Deloitte network firms and by component auditors from non-Deloitte network firms primarily working under our instruction at the joint ventures and associates. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting entities so as to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the group financial statements as a whole. For each reporting entity we determined whether we required an audit of their complete financial information or whether other procedures would be sufficient.

Those where a full audit was required included the three largest (consolidated) reporting entities (Netherlands, Singapore and United States of America), because they each make up more than 10% of the group's revenue or underlying profits. We included additional reporting entities in the scope of our group audit to have audit coverage on the group's consolidated financial statements and to cover a geographic spread across the group's divisions.

Audit coverage

- Audit coverage of consolidated revenues: 90%
- Audit coverage of group operating profit: 84%
- Audit coverage of total assets: 81%

In addition, we performed other procedures with respect to the remaining reporting entities.

The group consolidation, financial statements disclosures and a number of complex items were audited by the group engagement team. These include impairment testing of terminal assets and joint ventures, general IT controls, derivative financial instruments, hedge accounting and share-based payments. Specialists were involved among others in the areas of treasury, information technology, tax, accounting, pensions and valuation of terminal assets, joint ventures and associates. Due to the COVID-19 travel restrictions during 2021 we were not able to execute the tentatively planned visits to (un)consolidated reporting entities. Consequently, we revised our strategy for direction and supervision of the component auditors, whereby we varied the nature, timing and extent of these procedures based on both quantitative and qualitative considerations. The group engagement team, among others, held audit planning calls with all the individual component auditors and participated at a minimum in the component auditor closing calls. For selected component auditors we conducted remote file reviews to evaluate the work undertaken and to assess their findings.

By performing the procedures mentioned above at reporting entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the Consolidated Financial Statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed. The key audit matters are consistent with these identified in the prior year.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing of terminal assets, joint ventures and associates

Description	Our response	Our observations
The group controls a number of tank storage terminals with a total carrying value of owned property, plant and equipment of EUR 3,834.9 million as per 31 December 2021 (note 3.3). Furthermore, the group has an interest in a number of joint ventures and associates, with a total carrying value of EUR 1,583.3 million as per 31 December 2021 (note 3.5). This area is significant to our audit as the determination whether these assets are not carried at more than their recoverable amounts is subject to significant management judgment. Such judgment focuses predominantly on future cash flows, which are, among others, dependent on economic conditions (including the impact of COVID-19), the continued attractiveness of the terminal location for users along the major shipping routes and local market circumstances and is inherently surrounded by uncertainties. The future cash flows are also potentially impacted by climate risks and the energy transition, and judgement has to be applied to reflect the potential changes in supply and demand as a result of climate risks and the energy transition.	Our impairment testing included, among others, evaluating the group's policies and procedures, including internal controls, to identify triggering events for potential impairment of terminal assets, joint ventures and associates. For the terminal locations that triggered management's impairment testing, we evaluated the policies and procedures regarding impairment testing, we challenged management's primary cash flow assumptions and corroborated them by comparison to commercial contracts, customer relationship management information, available market reports, historical trend analyses or market multiples from recent tank terminal sales transactions in the region. Furthermore, we obtained an understanding of Vopak's Sustainability Roadmap and inquired with management on the outlook and future plans for their oil and gas terminals in the light of the climate risks and energy transition to obtain an understanding on the potential impact on their cash flow forecasts. Further, we involved our valuation experts to validate the weighted average cost of capital as applied by the group and the appropriateness of certain assumptions in the applied value in use calculations or, where applicable, the fair value less cost of disposal calculations. We further assessed whether the main assumptions and related uncertainties are appropriately reflected in the disclosures in the financial statements.	As described in note 3.8 and 3.5 of the financial statements, the group recognized an impairment of EUR 71.0 million on property, plant and equipment and intangibles assets and recognized an impairment of EUR 43.5 million on joint ventures in 2021. The group has provided disclosures for its key accounting estimates in note 3.8 of the financial statements which include disclosures of: • The impairment recognized on the carrying amount of the assets of the Vopak Bahia las Minas terminal – Panama of EUR 71.0 million; • The impairment recognized on the carrying amount of the joint venture German LNG Terminal of EUR 10.8 million; • The impairment of EUR 32.7 million recognized on the goodwill balance of the joint venture LNG Terminal Altamira, following a new commercial agreement that qualifies as a finance lease arrangement. The transaction resulted in an overall positive result of EUR 2.8 million; • The uncertainties with respect to the recoverable value of the group's other terminal assets, joint ventures and associates. We did not identify any material reportable matters in management's assessment of the recoverability of terminal assets and joint ventures and the corresponding disclosures in note 3.8. By nature, the assumptions applied in measuring the recoverable amount are subject to developments and change in later periods. This could potentially lead to (reversal of) impairments of individual terminals going forward.

Report on the other information included in annual report

In addition to the financial statements and our auditor's report thereon, the Annual Report contains other information on the pages 1 to 176 and 286 that consists of:

- Management report.
- Supervisory Board report.
- Remuneration report.
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard on Auditing 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the Annual General Meeting as auditor of Koninklijke Vopak N.V. on 23 April 2014 as of the audit for the year 2015 and have operated as statutory auditor ever since that financial year.

European Single Electronic Format ("ESEF")

In the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format is regulated that the Annual Report of the Company has to be prepared in a single electronic reporting format ("ESEF"). The requirements to be met are set out in the aforementioned delegated regulation (these requirements are hereinafter referred to as: the RTS on ESEF).

In our opinion, the Annual Report made up in XHTML format, including the partly tagged Consolidated Financial Statements as included in the reporting package by the Company, has been prepared in all material respects in accordance with the RTS on ESEF.

Management is responsible for preparing the Annual Report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components in a reporting package. Our responsibility is to obtain reasonable assurance for our conclusion whether the Annual Report in this reporting package, is in accordance with the requirements. We have taken into consideration what is stated in Alert 43.

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- Obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications; and
- Examining the information related to the Consolidated Financial Statements in the reporting package to determine whether all required tagging has been applied and whether they are in accordance with the RTS on ESEF.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of management Supervisory Board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Consideration of fraud in the audit of financial statements

Description	Our response
An auditor conducting an audit in accordance with Dutch Standards on Auditing is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. We have exercised professional judgement and have maintained professional skepticism throughout our audit in identifying and assessing the risks of material misstatement of the financial statements due to fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.	We performed the following procedures: • We made inquiries of management, those charged with governance and others within Vopak regarding the risk of material misstatements in the financial statements due to fraud, their process for identifying and responding to the risk of fraud, the internal communication regarding their views on business practices and ethical behavior and whether they have knowledge of any actual, suspected or alleged fraud affecting the company. • We obtained an understanding of how those charged with governance exercise oversight of management's processes for identifying and responding to the risks of fraud in the company and the internal control that management has established to mitigate these risks. • We evaluated whether unusual or unexpected relationships have been identified in performing analytical procedures, including those related to revenue accounts, that may indicate risks of material misstatement due to fraud. • We held discussions amongst team members and component auditors to identify fraud risk factors and considered whether other information obtained from our risk assessment procedures indicated risks of material misstatement due to fraud. Fraud risk factors identified include among others: - Fraud, bribery and corruption; - Compliance with respect to trade regulations/sanctions; - Compliance with respect to environmental requirements and operating licensing requirements; Compliance with procurement policies. • We involved forensic specialists, focused on our fraud and non-compliance risk assessment, inquiries with management and the evaluation of the internal control environment. • We determined overall responses to address the assessed risks of material misstatement due to fraud at the financial statement level or at the assertion level by: - assigning and supervising personnel with the adequate knowledge, skills and ability; - evaluating whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting; - incorporated an element of unpredictability in the selection of the nature, timing and extent of our audit procedures. Among others, these include a periodical reassessment of the group audit scope, planning and audit findings meetings or video calls with auditors of reporting entities and expanding the group audit scope where appropriate. Reference is made to the section "Scope of the group audit"; - tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; - evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in note 1.1 of the financial statements. Impairment testing of terminal assets and joint ventures is a significant area to our audit as the determination whether these assets are not carried at more than their recoverable amounts is subject to significant management judgment. Reference is made to the section "Our key audit matters"; - performed a retrospective review of management judgments and assumptions related to significant accounting estimates such as future cash flows used in the impairment testing, recognition of provisions and the evaluation of uncertain tax positions reflected in prior year financial statements; - for significant transactions such as the completion of the purchase price allocation for Vopak Industrial Infrastructure Americas, we evaluated the business rationale of the transactions and the related management judgment and assumptions. Based on our procedures performed we have no matters to report.

Consideration of laws and regulations in the audit of financial statements

<table>
<tr><th>Description</th><th>Our response</th></tr>
<tr><td>We are responsible for obtaining reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error taking into account the applicable legal and regulatory framework. However, we are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the auditing standards. In the context of laws and regulations, the potential effects of inherent limitations on the auditor's ability to detect material misstatements are greater for such reasons as the following:

• There are many laws and regulations, relating principally to the operating aspects of an entity, that typically do not affect the financial statements and are not captured by the entity's information systems relevant to financial reporting.
• Non-compliance may involve conduct designed to conceal it, such as collusion, forgery, deliberate failure to record transactions, management override of controls or intentional misrepresentations being made to the auditor.
• Whether an act constitutes non-compliance is ultimately a matter to be determined by a court or other appropriate adjudicative body.

Ordinarily, the less directly non-compliance is linked to the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to identify the non-compliance.</td><td>We performed the following procedures:
• As part of obtaining an understanding of Vopak and its environment we obtained a general understanding of the legal and regulatory framework applicable to Vopak and the industry in which it operates.
• We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements such as (corporate) tax and pension laws and financial repoting regulations, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code.
• Our procedures are more limited with respect to other laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. These laws and regulations compliance may be fundamental to the operating aspects of the business, to Vopak's ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. In addition, we considered major laws and regulations applicable to listed companies. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.
• Our procedures are limited to (i) inquiry of management, the Supervisory Board and others within Vopak as to whether the company is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.
• We remained alert to the indications of (suspected) non-compliance throughout the audit.
• We obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Based on our procedures performed we have no matters to report.</td></tr>
</table>

Audit approach going concern

Description	Our response
We are responsible for obtaining reasonable assurance that the group is able to continue as a going concern. Management is responsible to assess the group's ability to continue as a going concern and disclosing in the financial statements any events or circumstances that may cast significant doubt on the group's ability to continue as a going concern. As described in note 1.1., the Executive Board believes that no events or conditions, including those related to the current COVID-19 pandemic, give rise to doubt about the ability of the group to continue in operation in the next reporting period.	• We evaluated management's assessment of the going concern assumption and related disclosures in note 1.1 of the 2021 financial statements; • We challenged management's cash flow forecasts and primary assumptions, also in the light of our understanding obtained with regards to management's outlook as reported in their Sustainability Roadmap; • We audited the company's repayment obligations as disclosed in note 6.7; • We evaluated that Vopak met the financial covenant ratios. Although there always remains an inherent level of uncertainty in relation to future events, we concur with management's application of the going concern assumption in preparing the 2021 financial statements.

For an overview of our responsibilities we refer to NBA's website.

Rotterdam, 15 February 2022

Deloitte Accountants B.V.

Signed on the original: M.J. van der Vegte

Assurance report of the independent auditor with respect to the 2021 sustainability information of Koninklijke Vopak N.V.

To the shareholders and Supervisory Board of Koninklijke Vopak N.V.

Our conclusion

We have reviewed the 2021 sustainability information in the 2021 Annual Report ("the sustainability information") of Koninklijke Vopak N.V. at Rotterdam. A review is aimed at obtaining a limited level of assurance.

Based on our review nothing has come to our attention that causes us to believe that the sustainability information does not present, in all material respects, a reliable and adequate view of:

- The policy and business operations with regard to sustainability; and
- the thereto related events and achievements for the year 2021 in accordance with the reporting criteria as included in the section 'Reporting Criteria'.

The sustainability information consists of the performance information in the chapter 'Sustainability' in the 2021 Annual Report (pages 74 – 124). Our limited assurance scope excludes note 25 'EU Taxonomy' included in chapter 'Sustainability' in the 2021 Annual Report (pages 123 – 124).

Basis for our conclusion

We have conducted our review on the sustainability information in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake maatschappelijke verslagen' (Assurance engagements relating to sustainability reports). Our responsibilities under this standard are further described in the section 'Our responsibilities for the review of the sustainability information' section of our report.

We are independent of Koninklijke Vopak N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in The Netherlands. This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting criteria

The sustainability information needs to be read and understood together with the reporting criteria. Koninklijke Vopak N.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the sustainability information are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the applied supplemental reporting criteria as disclosed in the chapter 'Governance and basis of preparation of the 2021 Annual Report.

The absence of an established practice on which to draw, to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Limitations to the scope of our review

The sustainability information includes prospective information such as ambitions, strategy, plans, expectations and estimates. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the sustainability information.

The references to external sources or websites in the sustainability information are not part of the sustainability information as reviewed by us. We therefore do not provide assurance on this information.

Our conclusion is not modified in respect to these matters.

Responsibilities of management and the Supervisory Board for the sustainability information

The management board is responsible for the preparation of reliable and adequate sustainability information in accordance with the reporting criteria as included in the section 'Reporting Criteria', including the identification of stakeholders and the definition of material matters. The choices made by the management board regarding the scope of the sustainability information and the reporting policy are summarised in the chapter 'Sustainability' of the Annual Report.

Furthermore, the management board is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability information that is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the reporting process of Koninklijke Vopak N.V.

Our responsibilities for the review of the sustainability information

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in review is therefore substantially less than the assurance obtained in an audit.

We apply the 'Nadere voorschriften kwaliteitssystemen)' (NVKS, regulations for quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

Our review included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant social themes and issues, and the characteristics of the company.
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the sustainability information. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by the management board.
- Obtaining an understanding of the reporting processes for the sustainability information, including obtaining a general understanding of internal control relevant to our review
- Identifying areas of the sustainability information with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or error.
- Designing and performing further assurance procedures aimed at determining the plausibility of the sustainability information responsive to this risk analysis. These procedures consisted amongst others of:
  - Interviewing management (and/or relevant staff) at corporate (and business/division/cluster/local) level responsible for the sustainability strategy, policy and results;
  - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the sustainability information;
  - Determining the nature and extent of the review procedures for the group components and locations. For this, the nature, extent and/or risk profile of these components are decisive. Based thereon we selected the terminals to perform additional testing. Due to the COVID-19 travel restrictions during 2021 we were not able to undertake visits to selected terminals so the analysis was performed remotely. The additional testing at terminals is aimed at, on a local level, validating source data and evaluating the design and implementation of internal controls and validation procedures;
  - Obtaining assurance information that the sustainability information reconciles with underlying records of the company;
  - Reviewing, on a limited test basis, relevant internal and external documentation; and
  - Performing an analytical review of the data and trends.
- Evaluating the consistency of the sustainability information with the information in the Annual Report which is not included in the scope of our review.
- Evaluating the presentation, structure and content of the sustainability information;

- Considering whether the sustainability information as a whole, including the disclosures, reflects the purpose of the reporting criteria used.
- Assessing whether the sustainability information has been prepared in accordance with the Sustainability Reporting Standards Comprehensive option of the Global Reporting Initiative.

We communicated with the Management and Supervisory Board regarding, among other matters, the planned scope, timing and outcome of the review and significant findings that we identified during our review.

Rotterdam, 15 February 2022

Deloitte Accountants B.V.
Signed on the original: M.J. van der Vegte

Additional information

Non-IFRS proportional financial information (unaudited)

Proportional information

Basis of preparation

Vopak provides Non-IFRS proportional financial information - excluding exceptional items - in response to requests by multiple investors to provide additional operational performance insights on a comparable basis for subsidiaries, joint ventures and associates. In this disclosure, the joint ventures and associates and the subsidiaries with non-controlling interests are consolidated based on the economic ownership interests of the Group in these entities.

In the tables in this section, we provide the proportional financial information for the statement of income, the statement of financial position, and the segment information for each of our reportable segments. Where applicable, we show a reconciliation with our IFRS figures in order to create comparability with the proportional information. Other information is based on the same principles as applied for the proportional financial information.

Statement of income

	2021				Restated 2020 [1]			
In EUR millions	IFRS figures	Exclusion exceptional items	Effects proportional consolidation	Proportional consolidated	IFRS figures	Exclusion exceptional items	Effects proportional consolidation	Proportional consolidated
Revenues	1,227.9	–	437.4	1,665.3	1,190.0	–	407.4	1,597.4
Other operating income	41.1	–	93.3	134.4	60.0	33.0	41.0	68.0
Operating expenses	- 628.8	- 0.7	- 172.0	- 800.1	- 603.5	- 0.2	- 101.6	- 704.9
Result joint ventures and associates	172.3	- 13.4	- 185.7	–	161.2	- 4.8	- 166.0	–
Impairment	- 71.0	- 71.0	–	–	- 30.1	- 30.1	–	–
Group operating profit before depreciation and amortization (EBITDA)	**741.5**	**- 85.1**	**173.0**	**999.6**	**777.6**	**- 2.1**	**180.8**	**960.5**
Depreciation and amortization	- 331.8	–	- 110.8	- 442.6	- 296.0	–	- 107.6	- 403.6
Group operating profit (EBIT)	**409.7**	**- 85.1**	**62.2**	**557.0**	**481.6**	**- 2.1**	**73.2**	**556.9**
Net finance costs	- 106.5	–	- 46.2	- 152.7	- 86.3	–	- 55.1	- 141.4
Income tax	- 60.0	1.0	- 45.0	- 106.0	- 71.1	- 2.8	- 47.7	- 116.0
Net profit	**243.2**	**- 84.1**	**- 29.0**	**298.3**	**324.2**	**- 4.9**	**- 29.6**	**299.5**
Non-controlling interests	- 29.0	–	29.0	–	- 29.6	–	29.6	–
Net profit owners of parent	**214.2**	**- 84.1**	**–**	**298.3**	**294.6**	**- 4.9**	**–**	**299.5**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1. of the Consolidated Financial Statements.

Statement of financial position

In EUR millions	31-Dec-21 IFRS figures	31-Dec-21 Effects proportional consolidation	31-Dec-21 Proportional consolidated	Restated 31-Dec-20 [1] IFRS figures	Restated 31-Dec-20 [1] Effects proportional consolidation	Restated 31-Dec-20 [1] Proportional consolidated
Non-current assets (excl. joint ventures and associates)	4,935.7	2,595.9	7,531.6	4,793.1	2,363.9	7,157.0
Joint ventures and associates	1,583.3	- 1,583.3	–	1,319.4	- 1,319.4	–
Current assets	567.7	414.2	981.9	386.1	447.7	833.8
Total assets	**7,086.7**	**1,426.8**	**8,513.5**	**6,498.6**	**1,492.2**	**7,990.8**
Non-current liabilities	2,780.7	1,310.1	4,090.8	2,559.0	1,323.0	3,882.0
Current liabilities	960.4	273.6	1,234.0	833.3	314.1	1,147.4
Total liabilities	**3,741.1**	**1,583.7**	**5,324.8**	**3,392.3**	**1,637.1**	**5,029.4**
Equity attributable to owners of parent	3,188.7	–	3,188.7	2,961.4	–	2,961.4
Non-controlling interests	156.9	- 156.9	–	144.9	- 144.9	–
Total equity	**3,345.6**	**- 156.9**	**3,188.7**	**3,106.3**	**- 144.9**	**2,961.4**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1. of the Consolidated Financial Statements.

Other information

	2021	Restated 2020 [1]
EBITDA margin - excluding exceptional items -	55.5%	57.6%
Occupancy rate subsidiaries, joint ventures and associates	88.0%	90.0%
Sustaining, service improvement and IT capex (in EUR million)	355.2	317.4

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1. of the Consolidated Financial Statements.

Net interest-bearing debt

In EUR millions	31-Dec-21	31-Dec-20
Non-current portion of interest-bearing loans	3,649.3	3,397.5
Current portion of interest-bearing loans	132.6	251.3
Total interest-bearing loans	**3,781.9**	**3,648.8**
Short-term borrowings	496.4	232.1
Bank overdrafts	2.6	9.3
Cash and cash equivalents	- 309.4	- 269.7
Net interest-bearing debt	**3,971.5**	**3,620.5**

Statement of income

In EUR millions	Americas		of which United States		Asia & Middle East		of which Singapore		China & North Asia		Europe & Africa		of which Netherlands		LNG		Global functions and corporate activities		Total	
	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]	2021	Restated 2020 [1]
Revenues	397.0	338.7	*242.7*	*190.0*	411.1	430.4	*153.4*	*157.4*	131.2	120.4	567.8	540.6	*424.0*	*415.2*	151.7	164.5	6.5	2.8	1,665.3	1,597.4
Other operating income	22.8	13.2	*9.2*	*0.5*	12.0	10.3	*0.1*	–	5.8	4.1	5.0	0.9	*2.2*	*1.2*	88.9	39.5	- 0.1	–	134.4	68.0
Operating expenses	- 213.1	- 165.6	*- 132.7*	*- 89.7*	- 120.9	- 122.9	*- 44.4*	*- 45.0*	- 39.8	- 37.6	- 277.4	- 267.5	*- 201.9*	*- 200.5*	- 90.3	- 54.4	- 58.6	- 56.9	- 800.1	- 704.9
EBITDA	**206.7**	**186.3**	***119.2***	***100.8***	**302.2**	**317.8**	***109.1***	***112.4***	**97.2**	**86.9**	**295.4**	**274.0**	***224.3***	***215.9***	**150.3**	**149.6**	**- 52.2**	**- 54.1**	**999.6**	**960.5**
Depreciation and amortization	- 74.4	- 63.0	*- 45.1*	*- 34.1*	- 102.1	- 104.1	*- 33.3*	*- 31.9*	- 32.3	- 27.6	- 170.9	- 146.9	*- 121.2*	*- 109.5*	- 45.1	- 47.6	- 17.8	- 14.4	- 442.6	- 403.6
EBIT excluding exceptional items	**132.3**	**123.3**	***74.1***	***66.7***	**200.1**	**213.7**	***75.8***	***80.5***	**64.9**	**59.3**	**124.5**	**127.1**	***103.1***	***106.4***	**105.2**	**102.0**	**- 70.0**	**- 68.5**	**557.0**	**556.9**
Occupancy rate	**90%**	**92%**			**86%**	**91%**			**86%**	**89%**	**87%**	**88%**			**96%**	**97%**			**88%**	**90%**
Net interest-bearing debt																			**3,971.5**	**3,620.5**

1 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1. of the Consolidated Financial Statements.

Revenue per product type per reporting segment

In EUR millions	Americas		Asia & Middle East		China & North Asia		Europe & Africa		LNG		Global functions and corporate activities		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Chemical products	203.3	157.2	167.8	180.4	109.8	99.4	200.1	193.5	–	–	–	–	681.0	630.5
Oil products	136.5	123.7	207.2	213.5	0.5	0.6	249.5	234.7	–	–	–	–	593.7	572.5
Vegoils and biofuels	38.0	36.6	1.9	2.0	–	–	62.8	60.2	–	–	–	–	102.7	98.8
Gas products	11.1	9.1	15.1	17.3	20.5	19.9	35.7	32.9	151.7	164.5	–	–	234.1	243.7
Others	8.1	12.1	19.1	17.2	0.4	0.5	19.7	19.3	–	–	6.5	2.8	53.8	51.9
Total	**397.0**	**338.7**	**411.1**	**430.4**	**131.2**	**120.4**	**567.8**	**540.6**	**151.7**	**164.5**	**6.5**	**2.8**	**1,665.3**	**1,597.4**

Profit Appropriation

Articles of Association Provisions Governing Profit Appropriation

The Articles of Association provisions governing profit appropriation are contained in Articles 19 and 27.

The relevant paragraphs of these articles are as follows:

Article 19.2.

In the Annual General Meeting of Shareholders:
b. the annual accounts as prepared by the management board will be presented to the general meeting for adoption and the allocation of profits will – with due observance of the provisions of article 27 – be determined.

Article 27.12.

The profits remaining after application of the previous paragraphs shall be at the free disposal of the general meeting, with due observance of the fact that no dividend can be distributed when, at the time of the distribution, the dividend reserve finance preference shares has a positive balance and furthermore provided that no further distributions shall be made on the anti-takeover preference shares and the finance preference shares and no profits shall be (further) reserved for the account of the finance preference shares.

Proposed Profit Appropriation

The proposal to the Annual General Meeting will be to distribute a dividend in cash of EUR 1.25 (2020: EUR 1.20 in cash) per ordinary share, with a nominal value of EUR 0.50. Provided that the Annual General Meeting adopts the financial statements, the dividend for the 2021 financial year will be made payable on 28 April 2022.

Stichting Vopak (Vopak Foundation)

The objectives of Stichting Vopak, established in Rotterdam, are to promote the interests of Koninklijke Vopak N.V. (Royal Vopak) and all those involved with the company and any of its affiliated companies in order to safeguard, among other things, Royal Vopak's and these companies' continuity and/or identity and/or independence.

During the year 2021, the Board of Stichting Vopak met twice. At these meetings, it discussed the protection of Vopak and its effectiveness, the composition of the Board of Stichting Vopak as well as the financing of Stichting Vopak. Furthermore, the Board of Stichting Vopak was briefed by the Chairman of the Executive Board of Royal Vopak on developments in the company. The Chairman of the Supervisory Board attended these meetings as an observer.

The current members of the Board of Stichting Vopak are:
- Mr. J.H.M. Lindenbergh, Chairman
- Mr. M.H. Muller
- Mrs. A.P. Aris
- Mr. J.C.M. Schönfeld

No cumulative preference shares in Royal Vopak had been issued at the date of the statement of financial position.

Cumulative preference shares will be issued if Stichting Vopak exercises its option right. On 18 October 1999, the AGM decided to grant the right to Stichting Vopak to acquire protective preference shares to a maximum amount of the full nominal value of the share capital issued to third parties in the form of ordinary and financing preference shares, less the nominal value of one ordinary share. Royal Vopak and Stichting Vopak have specified their mutual relationship with regard to the option in an option agreement dated 1 November 1999, which was amended on 5 May 2004 in such a manner that the original put option granted to Royal Vopak was cancelled.

On 17 September 2013, the EGM resolved to increase the right of Stichting Vopak to acquire cumulative preference shares in such a way that the right to acquire cumulative preference shares is related to all shares in the share capital of Vopak issued to third parties at such time, less one ordinary share. Pursuant to this Royal Vopak and Stichting Vopak amended on 17 September 2013 the option agreement accordingly.

The Board of Stichting Vopak decides independently whether and when there is a need to exercise its option right for the issue of protective preference shares to Stichting Vopak.

Rotterdam, 15 February 2022

Stichting Vopak

Declaration of independence

In the opinion of the Board of Stichting Vopak and the Executive Board of Royal Vopak, Stichting Vopak is independent as meant by Section 5:71(1c) of the Financial Supervision Act.

Rotterdam, 15 February 2022

Stichting Vopak Koninklijke Vopak N.V. (Royal Vopak)

Five-year consolidated summary

In EUR millions	2021	Restated 2020 [2]	2019 [1]	2018	2017
Consolidated abridged statement of income					
Revenues	1,228	1,190	1,253	1,254	1,306
Other operating income	41	60	276	32	23
Total operating income	**1,269**	**1,250**	**1,529**	**1,286**	**1,329**
Operating expenses	- 629	- 604	- 635	- 647	- 676
Depreciation and amortization	- 332	- 296	- 291	- 273	- 273
Impairment	- 71	- 30	- 17	2	- 2
Total operating expenses	**- 1,032**	**- 930**	**- 943**	**- 918**	**- 951**
Operating profit	**237**	**320**	**586**	**368**	**378**
Result of joint ventures and associates	173	162	162	114	44
Group operating profit (EBIT)	**410**	**482**	**748**	**482**	**422**
Net finance costs	- 107	- 87	- 86	- 133	- 122
Profit before income tax	**303**	**395**	**662**	**349**	**300**
Income tax	- 60	- 71	- 58	- 58	- 25
Net profit	**243**	**324**	**604**	**291**	**275**
Non-controlling interests	- 29	- 30	- 33	- 36	- 40
Net profit holders of ordinary shares	**214**	**295**	**571**	**255**	**235**
Consolidated abridged statement of income excluding exceptional items					
Operating profit	**309**	**318**	**363**	**349**	**379**
Result of joint ventures and associates	186	166	176	114	111
Group operating profit (EBIT)	**495**	**484**	**539**	**463**	**490**
Net finance costs	- 107	- 87	- 87	- 82	- 98
Profit before income tax	**388**	**397**	**452**	**381**	**392**
Income tax	- 61	- 68	- 61	- 55	- 65
Net profit	**327**	**329**	**391**	**326**	**327**
Non-controlling interests	- 29	- 30	- 33	- 36	- 40
Net profit holders of ordinary shares	**298**	**299**	**358**	**290**	**287**
Consolidated abridged statement of financial position					
Intangible assets	111	148	165	156	149
Property, plant and equipment	4,475	4,431	4,144	3,736	3,488
Financial assets	1,839	1,476	1,418	1,146	1,019
Deferred tax	51	43	31	8	5
Other	43	15	25	47	41
Total non-current assets	**6,519**	**6,113**	**5,783**	**5,093**	**4,702**
Total current assets	**568**	**386**	**590**	**422**	**413**
Total assets	**7,087**	**6,499**	**6,373**	**5,515**	**5,115**
Total equity	**3,346**	**3,106**	**3,195**	**2,844**	**2,636**
Total non-current liabilities	**2,781**	**2,559**	**2,240**	**2,060**	**1,978**
Total current liabilities	**960**	**834**	**938**	**611**	**501**
Total liabilities	**3,741**	**3,393**	**3,178**	**2,671**	**2,479**
Total equity and liabilities	**7,087**	**6,499**	**6,373**	**5,515**	**5,115**

1 The Group has applied IFRS 16 per 1 January 2019 and the comparative figures are not restated.
2 The period ended 31 December 2020 has been restated, due to mandatory full retrospective application of a change in accounting policy for the IFRIC agenda decision made in March 2021 on Cloud Computing Arrangements, as detailed in Note 1.1. of the Consolidated Financial Statements.

Glossary

3YMP
Three-Year Maintenance Program

AFM
Dutch Authority for Financial Markets

AGM
Annual General Meeting

API (connection)
Application Programming Interface

API RP 754
American Petroleum Institute Recommended Practice 754, Process Safety Performance Indicators for the Refining and Petrochemical Industries

Assure program
Focuses on the prevention of major accidents and minimizing the consequences if such accidents would occur.

Audit Committee
Committee within the Supervisory Board that assists the Supervisory Board in performing the supervisory tasks relating to matters such as, the integrity of the financial statements, the financial reporting, the internal audit procedures and the relationship with and the independence of the external auditors

Biofuels/Biodiesel
Products of vegetable origin or from animal fats that are added to gasoline or diesel

Brownfield
Expansion of an existing terminal

Capex
Capital expenditure

Capital employed
Total assets less current liabilities, excluding assets and current liabilities not related to operational activities

Cbm
Cubic meter

CCIRS
Cross-currency interest rate swap

CDI-T
The Chemical Distribution Institute audit protocol for Terminals

CEO
Chief Executive Officer, the highest ranking executive with the overall responsibility for the organization

CFO
Chief Financial Officer, member of the Executive Board, specifically charged with Finance

CO_2
Carbon dioxide

Contamination
Any situation where a customer's product is out of contract specification and cannot be used as intended or is reduced in value, or needs unplanned after treatment (e.g. mixing, blending, sparging), due to the action of another substance on that product and not classified as a process safety contamination. A contamination is independent of its financial loss

Contractor
A contractor is any person who is not an employee of Vopak but is providing contract-based services to the Vopak company or one of its subsidiaries, joint ventures or associates either on Vopak premises or off the Vopak premises, where Vopak exercises supervisory or procedural control

COO
Chief Operating Officer, member of the Executive Board, specifically charged with Operations & Technology

COP24:
The 2018 United Nations Climate Change Conference ('COP24'), held in Katowice, Poland, from 2 to 15 December 2018. It was the 24th Conference of the Parties ('COP') to the 1992 United Nations Framework Convention on Climate Change (UNFCCC)

Corporate Governance
The manner in which the company is managed and the supervision of management is structured

COSO
Committee of Sponsoring Organizations of the Treadway Commission, an international organization whose aim is to create a model for information on and management of business risks

CRSA
Control Risk Self-Assessment

Damage
The loss of, impaired functioning, or impaired condition of anything (except people) which is considered to have some value, including company assets, the environment, and third party losses

DMCSA
Divisional Monitoring Controls Self-Assessment

EBIT - Earnings Before Interest and Tax
Net income, before income taxes, and before net finance costs. This performance measure is used by the company to evaluate the operating performance of its operating entities

EBITDA - Earnings Before Interest, Tax, Depreciation and Amortization
Net income, before income taxes, before net finance cost, and before amortization and depreciation expenses. EBITDA is a rough accounting approximate of gross cash flows generated. This measure is used by the company to evaluate the financial performance of its operating entities

EGM
Extraordinary General Meeting of Shareholders

Employee
An employee is any person who has a permanent or temporary, written or unwritten employment contract with a Vopak company or one of its subsidiaries, joint ventures or associates

EPS
Earnings Per Share

ERM
Enterprise Risk Management

ERP
Emergency Response Plan

EU
European Union

Exceptional items
Exceptional items are non-recurring gains and losses resulting from incidental events, which are not representative of the underlying business activities and operating performance of the Vopak group, and are resulting from:

Events for which no threshold is applied:
- Acquisitions and (partial) divestments, as well as any post-transaction results related to these events (including related hedge results, results caused by changes of the accounting classification of investments in other entities, results from classification as 'held for sale' or 'discontinued operation', contingent and deferred considerations, and related transaction costs);
- Impairments and reversal of impairments on individual Cash Generating Units (CGU), a Group of Assets (not being one CGU), Business Development Projects and/or Goodwill.

Events for which a threshold of EUR 10 million is applied:
- Legal, insurance, damage, anti-trust, and environmental cases, including related reimbursements;
- Financial liabilities in relation to financial guarantees provided;
- Restructurings and integrations of businesses;
- Impairments and reversals of impairments at the individual asset-level.

FSRU
Floating Storage Regasification Unit

FTE
Full-time Equivalent

GDP
Gross Domestic Product

GHG
Greenhouse gases

Greenfield
Building a new terminal on undeveloped land

GRI
Global Reporting Initiative (for more information visit www.globalreporting.org)

Gross assets / Gross capital employed
Gross assets are based on the carrying amount of non-current assets, excluding loans granted, and are grossed up by means of adding back the accumulated depreciation, amortization and impairment. Subsequently, the net trade working capital (trade debtors minus trade creditors) is added. Balances related to assets under construction are excluded from the gross assets. The average historical investment is based on the quarter-end balances in the measurement period relevant to the quarter concerned

HR
Human Resources

Hub
Regional storage and transport center

IaaS
Infrastructure as a Service

IAS
International Accounting Standards

ICT
Information and Communication Technology

IFRS
International Financial Reporting Standards

I-IoT/IoT
(Industrial) Internet of Things

IMO
International Maritime Organization

IPCC
Intergovernmental Panel on Climate Change

IRS
Interest Rate Swap

ISDA
International Swaps and Derivatives Association

ISPS
International Ship and Port Security Code mandated by the United States

ISPT
Institute for Sustainable Process Technology

IT/OT
Information Technology/Operational Technology

LNG
Liquefied Natural Gas

LPG
Liquefied Petroleum Gas

LTI
Lost Time Injury

LTIP
Long-term Incentive Plan

LTIR
Lost Time Injury Rate; number of accidents entailing absence from work per 200,000 hours worked (of own personnel and contractors at subsidiaries, joint ventures and associates)

LTSP
Long-term Share Plan

Management Report
The 'Management Report' ('bestuursverslag'), within the meaning of section 2:391 of the Dutch Civil Code, comprises the chapters CEO Statement up to and including Internal Control and Risk Management, with the exception of the chapters Supervisory Board Members, Supervisory Board Report and Remuneration Report

ME2
Vopak's Maintenance Management System

MLO
My Learning Operations

NCI
Non-Controlling Interest

NGO
Non-Governmental Organization

NO_x
NO_x is a generic term for mono-nitrogen oxides NO and NO_2 (nitric oxide and nitrogen dioxide)

NPS
Net Promoter Score; a method of measuring the strength of customer loyalty for an organization

N.R.
Not reported

OCI
Other comprehensive income

OECD
Organization for Economic Cooperation and Development

Other information
The 'Other information' ('overige gegevens'), within the meaning of section 2:392 of the Dutch Civil Code, comprises the chapters Independent Auditor's Report, the Profit Appropriation and Stichting Vopak

PaaS
Platform as a Service

PDH
Propane dehydrogenation

PP
Private Placement, US Private Placement (USPP), Asian Private Placement (APP)

PSER
Process safety incidents per 200,000 hours worked for own personnel and contractors

Q.R.
Qualitative reporting

RCF
Revolving Credit Facility

ROCE - Return On Capital Employed Before Interest and Tax
EBIT - excluding exceptional items - as a percentage of the average capital employed. This performance measure is used by the company to assess the profitability and the efficiency of its operations in relation to the capital employed

ROE - Return On Equity After Interest and Tax
Net income - excluding exceptional items - as a percentage of the average equity employed. This performance measure is used by the company to assess the return that the company generates with the equity funds provided by its shareholders

SaaS
Software as a Service

SDG
Sustainable Development Goal

Shale gas
A natural gas formed as a result of being trapped within shale formations

SHE
Safety, Health and Environment

SO_x
SO_x refers to all sulphur oxides, the two major ones being sulphur dioxide (SO_2) and sulphur trioxide (SO_3)

THA
Terminal Health Assessment

Throughput
Volume of a product handled by a terminal in a given period, calculated as (in + out)/2

TIR
Total number of injuries per 200,000 hours worked (own personnel)

UN
United Nations

US
United States

VOC
Volatile Organic Compound

VPM
Vopak Project Management

Contact details

Royal Vopak
Global Communication & Investor Relations
Telephone: +31 (0)10 400 2911
Email: global.communication@vopak.com
www.vopak.com

Visiting address
Westerlaan 10
3016 CK Rotterdam
The Netherlands

Postal address
P.O. Box 863
3000 AW Rotterdam
The Netherlands

Media contact
Liesbeth Lans
Telephone: +31 (0)10 400 2777
Email: global.communication@vopak.com

Investor Relations contact
Fatjona Topciu
Telephone: +31 (0)10 400 2776
Email: investor.relations@vopak.com

Sustainability contact
Willem van der Zon
Telephone: +31 (0)10 400 2561
Email: willem.van.der.zon@vopak.com

Credits
Consultancy, concept and design
DartGroup, Amsterdam

Technical realization
DartGroup, Amsterdam

Vopak