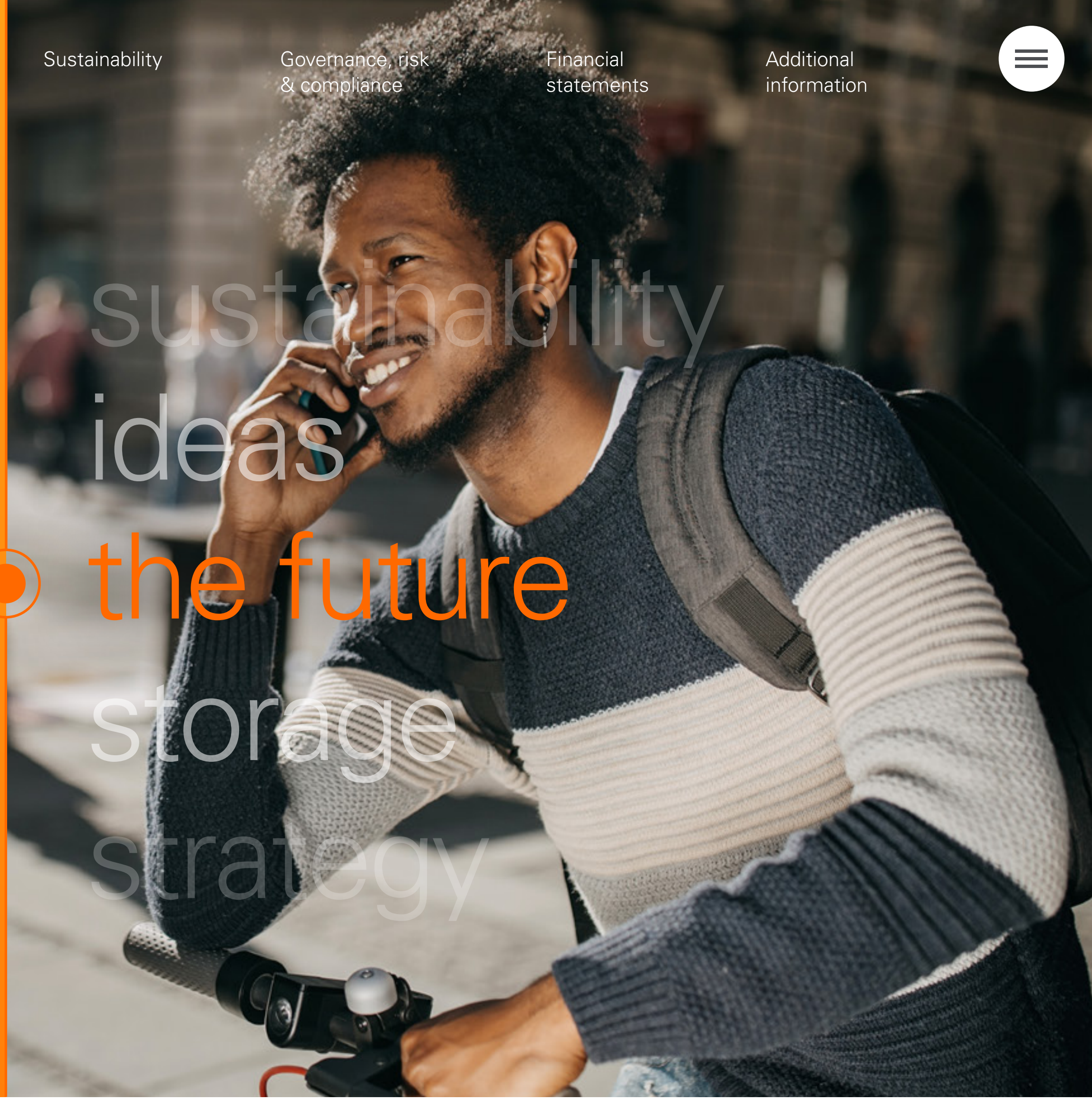
Shaping the future

Annual report 2022

Vopak

Storing vital products with care

Shaping the future



We store products that are vital for everyday life. The energy that allows people to turn on the lights, 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. We have a track record of over 400 years in navigating change and are continuously investing in innovation. Vopak is listed on the Euronext Amsterdam and is headquartered in Rotterdam, the Netherlands.

Forward-looking statement

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 Vopak believes these forward-looking statements are reasonable, based on the information available to Vopak 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. Vopak's outlook does not represent a forecast or any expectation of future results or financial performance.

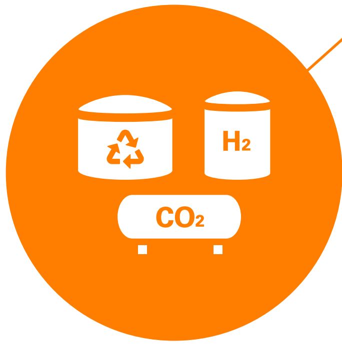
The actual future results, timing and scope of a forward-looking statement may vary subject to (among others) changes in laws and regulations including international treaties, political and foreign exchange developments, technical and/or operational capabilities and developments, environmental and physical 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.

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

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.

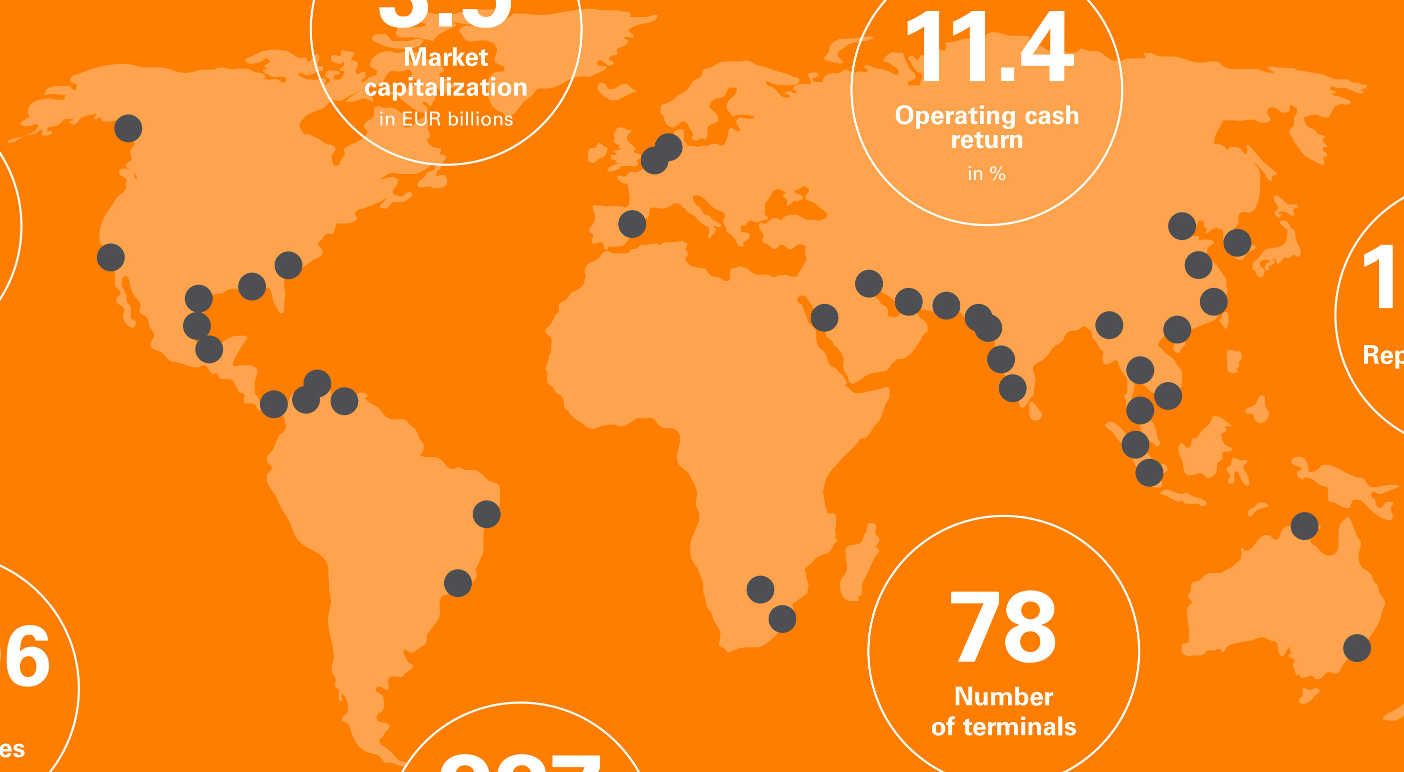
Operating cash return is defined as proportional operating cash flow over proportional capital employed and reflects the increased importance of free cash flow and joint ventures in our portfolio.

In this report



Introduction

Vopak at a glance, at year-end 2022



36.6
Storage capacity
in million cbm

3.5
Market capitalization
in EUR billions

11.4
Operating cash return
in %

23
Number of countries

1,367
Reported revenue
in EUR million

5,696
Number of employees
in FTE

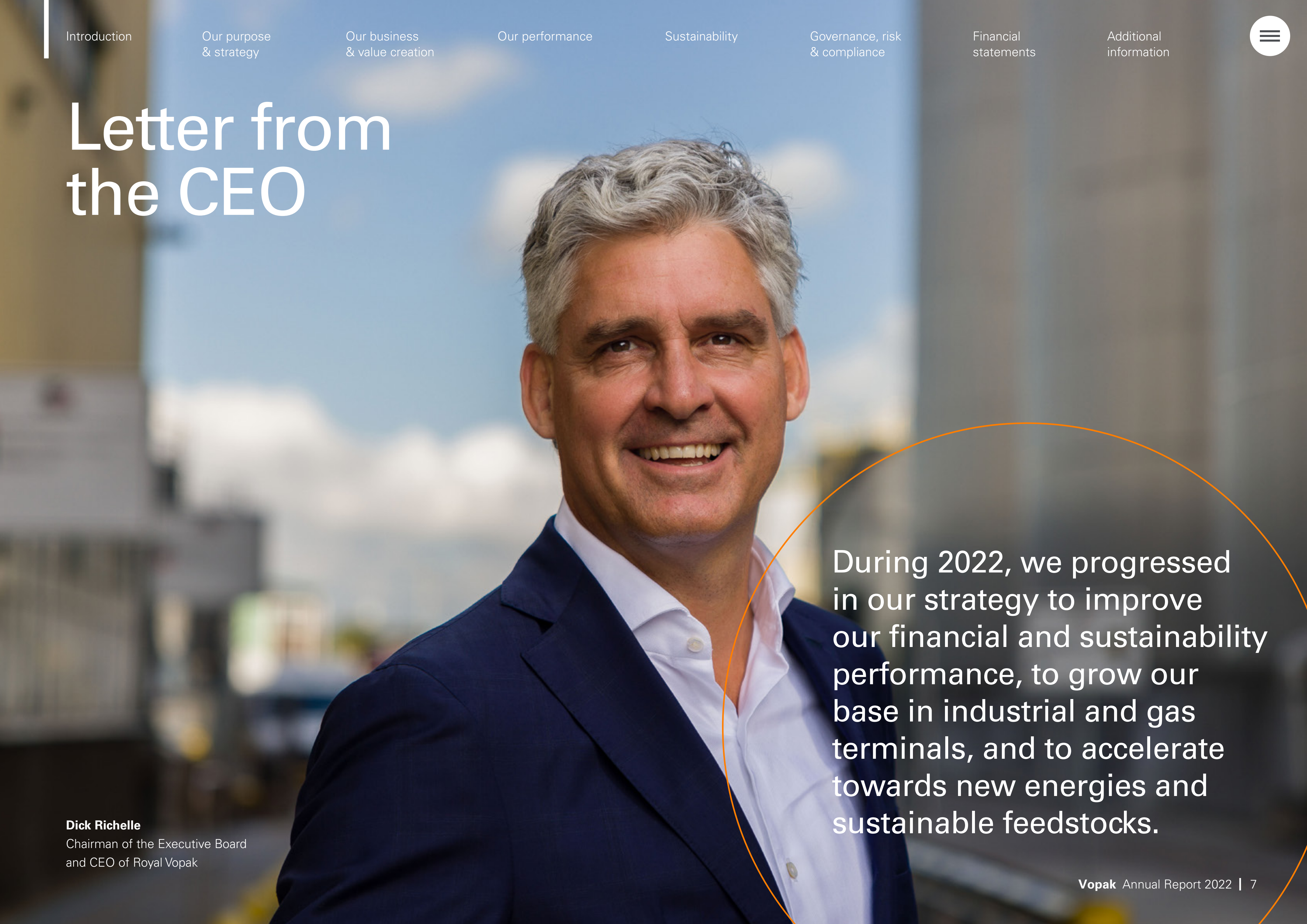
78
Number of terminals

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

887
EBITDA
in EUR million - excluding exceptional items[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.

Letter from the CEO



During 2022, we progressed in our strategy to improve our financial and sustainability performance, to grow our base in industrial and gas terminals, and to accelerate towards new energies and sustainable feedstocks.

Dick Richelle
Chairman of the Executive Board and CEO of Royal Vopak

Letter from the CEO

Dear reader,

It is with pride that I look back at the progress we made over the past year. In 2022, Vopak proved again its value for society, storing and handling with care the energy and materials society needs every day. We improved our performance in uncertain times, captured growth opportunities and accelerated toward the company we want to be in the future.

We managed to serve our customers --over one thousand companies in energy and manufacturing around the world-- consistently and to their satisfaction. Geopolitical tensions, volatile markets and increasing costs for energy, building materials and personnel expenses all affected us. But the impact was different across the wide variety of geographies we operate in and our response was effective, supported by our well-diversified global portfolio of terminals, our capabilities and our discipline. As a result, we made progress in our strategy to improve our financial and sustainability performance, to grow our base in industrial and gas terminals, and to accelerate toward new energies and sustainable feedstocks.

In my first year as CEO, I was fortunate to be joined by Michiel Gilsing as CFO, a colleague for many years, and supported by Frits Eulderink with over 10 years of experience as COO of Vopak. Beyond this we were able to count on our dedicated and passionate teams around the world. Together, we took a close look at the company's performance and strategy in the first half of 2022 and announced our new strategic priorities during Capital Markets Day in June.

Improve

Improving the performance of our portfolio of terminals is our first strategic priority – both in terms of sustainability and financial results. On sustainability, we are guided by our ambitious roadmap and the targets on 12 key topics that matter most to our stakeholders and where we can make a difference for people, the planet and profit. Our dialogue on sustainability has intensified with multiple stakeholders, from local communities, governments, NGOs and our own employees, to customers and investors. A sign of this is that we owe part of the successful renewal of our revolving credit with our lead banks to the inclusion of key performance indicators on safety, gender diversity and climate. To our deep regret, one employee lost his life in China, reminding us we need to stay vigilant and improve on personal safety. On process safety, we maintained a good performance. Compared to 2021, we achieved 10% CO_2 reduction and improved gender diversity in senior management from 17% to 20%.

We progressed towards our financial goals in 2022 and actively managed our portfolio. We sold our terminals in East Canada and completed the sale of our port agent Vopak Agencies. We achieved improved results and a better operating cash return, a key metric in the capital intensive tank storage industry. We achieved an EBITDA of 887 million, excluding exceptional items, in the full year 2022 and a cash return of 11.4%, an improvement compared to the previous year.

Grow

Global population growth leads to an increasing demand for energy and manufactured products. Vopak has unique access to growth opportunities to serve related industries through our leading global offering of terminal infrastructure. We are managing liquid bulk logistics in 18 industrial clusters around the globe. We are also a leading independent service provider for LNG infrastructure globally. To capitalize on our strong position and reputation, we are committed to invest EUR 1 billion of growth capex by 2030 in industrial and gas terminals.

The deployment of capital towards our growth priorities in both industrial and gas is progressing well. We are expanding our industrial terminal capacity in Caojing, based on a long-term contract, which will further solidify our industrial footprint in China. We are contributing to increasing energy security in the Netherlands and Western Europe with the expansion of our Gate LNG terminal in Rotterdam. We are now the leading LPG infrastructure provider in India, with the completion of the partnership with Aegis.

Accelerate

I see the momentum around new energies and sustainable feedstocks is building rapidly within Vopak. Proof of this is in the number, the maturity and the geographical spread of our projects. I am confident we are well-positioned to bring opportunities to fruition, as partners recognize the value of our network and our capacity to contribute on setting up new supply chains. We focus on long-term investments in industrial infrastructure solutions for net-zero and low-carbon hydrogen, ammonia, CO_2 and biofuels, as well as in long-duration electricity storage and chemical recycling. We are committed to invest EUR 1 billion of growth capex in new energies and sustainable feedstocks by 2030.

I am excited about our recent decision to work together with Hydrogenious to jointly develop the first industrial scale hydrogen supply chain using Liquid Organic Hydrogen Carriers through our joint venture LOHC Logistix. In 2022, we also made progress in other types of hydrogen logistics, using liquefied hydrogen and ammonia, and in renewable aviation fuel in the Netherlands, California and Singapore. We commissioned new ammonia storage capacity as the trusted partner of the Caojing industrial cluster in Shanghai. We acquired a stake in electricity storage developer Elestor in Vlissingen in the Netherlands and announced a project to help develop CO_2 infrastructure for the industry in Malaysia. Our venture Xycle announced the start of construction of its first plastic chemical recycling plant in Rotterdam, and we joined the Alliance to End Plastic Waste to foster further collaboration in this area.

Creating value for all stakeholders

As a result of our improve, grow and accelerate strategy, Vopak will be a different company in 2030. Society will need new, sustainable products that we will handle. We will forge new partnerships and transform our company gradually but decisively, leveraging our strengths and capabilities. We will contribute to a low-carbon future by providing infrastructure solutions for new energies and sustainable feedstocks, by helping leading customers decarbonize, and by reducing our own environmental and carbon footprint.

I am grateful to all Vopak colleagues for their hard work, commitment and passion. To colleagues who, after two years of Covid, started Vopak WeConnect projects to open up new horizons and opportunities for young people in our communities. To our customers, partners and investors for their continued trust. To authorities and neighboring communities for granting us our license to operate and to grow. To all, including NGOs, for challenging us to become a better company.

We need you and all our stakeholders to help us improve, grow and accelerate toward a sustainable future.

Thank you for your contribution and stay safe.

Dick Richelle
Chairman of the Executive Board and CEO of Royal Vopak

Infrastructure for biofuels in the port of Rotterdam

We are very proud that Vopak will be serving Shell in the port of Rotterdam for Shell's new biorefinery. This will be one of Europe's biggest biofuels facilities to produce sustainable aviation fuel (SAF) and renewable diesel made from waste and certified sustainable vegetable oils. Vopak and Shell have embarked on a long-term cooperation deal for the storage of a wide range of feedstocks for Shell's new facility. Via our site in Vlaardingen, the biorefinery will be supplied with feedstocks. This feedstock operation will be one of the largest in its kind in the global biofuels industry. The set-up will consist of new and existing infrastructure that will be modified to cater for waste-based feedstocks.

Facilitating sustainable aviation fuel and renewable diesel

Our purpose & strategy

Our purpose: storing vital products with care

As the global population is increasing, so is demand for vital products such as energy, food, and chemicals. The energy that allows people to turn on the lights, heat or cool their homes and for transportation. We connect the supply and demand for products that are essential to the economy and the daily lives of people around the world.

Storing vital products...

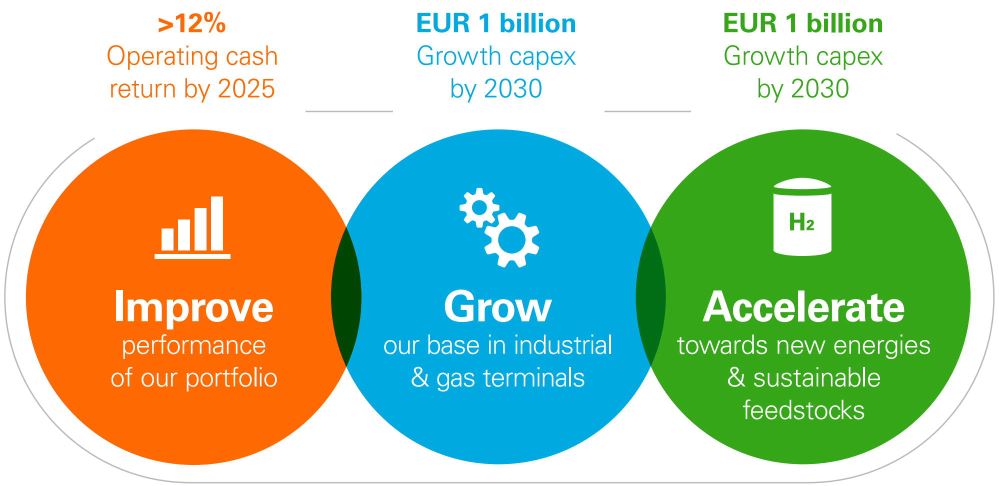
We help to provide the energy that allows people to turn on the lights, heat or cool their homes and travel and the chemicals needed for the production of countless products. Today's world is seeing a profound transformation of energy and feedstocks. Our long-term success depends on our ability to innovate and respond to the changing demands of society and our markets. As such, Vopak is developing new infrastructure solutions that contribute to the global energy and feedstocks transition, ensuring businesses are provided with the storage and infrastructure they need. Today, we store chemicals, oil, gases, biofuels and edible oils. For the future, we are working towards the infrastructure solutions for new vital products such as zero and low-carbon hydrogen, ammonia, CO_2, biofuels, recycled chemicals as well as batteries. By 2030, we will have invested EUR 1 billion to grow our base in industrial and gas terminals and another EUR 1 billion to accelerate towards new energies and sustainable feedstocks.

...with care

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

Our strategy

We are an independent infrastructure provider with an unrivaled network of 78 terminals in 23 countries and 25+ joint venture partners. We have a diversified portfolio which is a critical enabler for product flows today and in the future. We serve energy and manufacturing markets offering significant growth opportunities to our 1,000+ customers, including new products and services. We take pride in improving access to cleaner energy and feedstocks for a growing world population, ensuring safe, clean and efficient storage and handling of bulk liquid products and gases.



Vopak is excited to be at the heart of the energy and feedstocks transition. It requires new supply chains, connecting supply and demand around the world. Our customers and partners play a key role in this transformation as they are large producers and users of energy and feedstocks. They count on us to help them optimize these new energy and feedstock flows for the benefit of business and society.

Shaping the future

In 2022, we laid out the strategic ambitions needed to take us forward to 2030, with an aim to improve the performance of our business portfolio to deliver attractive cash flows and returns for shareholders. In addition, we aim to grow our industrial and gas terminal footprint by investing EUR 1 billion by 2030 and to accelerate our new energies activities by also investing EUR 1 billion over the same period. Vopak aims to improve the performance of its existing portfolio by having an operating cash return of above 12% by 2025. We will do so by transforming, rationalizing and repurposing our portfolio. In line with our balanced Sustainability Roadmap, we are committed to deliver on our ESG ambitions.

Our core strengths such as, our network, capabilities, customer relationships and partnerships, uniquely position us to benefit from the transformation of our sector in the years to come. We will strengthen our position as market leader in industrial terminals and grow our gas business.

Momentum is building around infrastructure required for new energies and sustainable feedstocks. Most of the investment in new energies and sustainable feedstocks will be in infrastructure under long-term contracts with gas like returns. We will accelerate our move toward new energies and sustainable feedstocks by continuing to focus on four key areas: hydrogen and hydrogen carriers like ammonia and liquid organic hydrogen carriers (LOHC), CO_2 infrastructure, sustainable feedstocks and innovative solutions for long duration energy storage.

>12%
Operating cash return by 2025

Improve
performance of our portfolio

Improved performance by reporting an EBITDA increase of EUR 60 million, excluding exceptional items, resulting in EUR 887 million EBITDA in 2022. Operating cash return improved to 11.4%

Actively managed our portfolio by divesting our Canadian oil terminals and Agencies business

Reduced our Scope 1 & 2 GHG emissions by 10% (FY'22 vs. FY'21)

EUR 1 billion
Growth capex by 2030

Grow
our base in industrial & gas terminals

Gate LNG terminal is fulfilling an important role in the energy security of Northwest Europe

Aegis and Vopak joined forces for LPG and chemical storage in India

Strengthened our leading position in industrial terminals in China through an expansion in Caojing

EUR 1 billion
Growth capex by 2030

Accelerate
towards new energies & sustainable feedstocks

Repurposing oil capacity in Los Angeles for sustainable aviation fuel and renewable diesel

Acquired a share in Elestor, an electricity storage company, and Xycle, a company specialized in plastic recycling

Teaming up with trusted partners such as Gasunie, Shell, PETRONAS, ENGIE, HES, Anthony Veder and Hydrogenious to develop hydrogen and CO_2 infrastructure

Our business & value creation

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

Number of terminals: 19
Storage capacity: 4.7 million cbm

Asia & Middle East
India: Aegis Vopak Terminals[1], Hindustan Aegis LPG
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: 29
Storage capacity: 16.8 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: 3.2 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: 10.6 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

1 Aegis Vopak Terminals consist of 10 terminals in India.
Note: Map shows Vopak terminals in operation at 14 February 2023.
Note: Our terminal in Venezuela is formally part of the Global functions and is not part of any of the divisions.

Our business

We ensure safe, clean and efficient storage and handling of bulk liquid products and gases for our customers at strategic locations, by developing and operating critical infrastructure. As an independent service provider, Vopak never owns the products that it stores for its customers. 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. Our business is organized into operating companies which report to five divisions: Americas, Asia & Middle East, China & North Asia, Europe & Africa and New Energy & LNG.

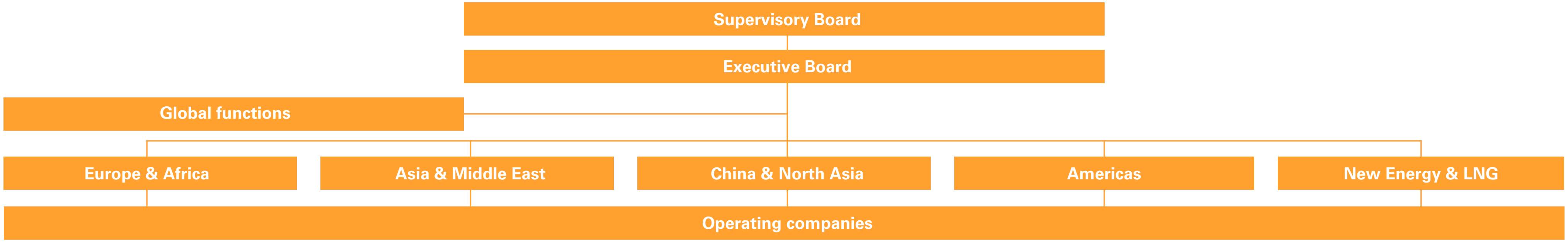
Products we store

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

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

Our business

We operate terminals at seaports around the world; these terminals comprise storage tanks, jetties, truck and rail loading stations and pipelines, and provide access to road, rail and pipeline networks. Vopak provides common storage and logistics services to customers, in many instances we store our customers' products for extended periods at these terminals. 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 allow our customers to focus on their core business. In a situation where land is increasingly scarce in major ports around the world, this open access, multi-customer model also enables the most efficient use of scarce public land.



At our terminals, we store and handle products delivered in bulk. These products are unloaded into our storage tanks. During storage, we maintain product quality and quantity, under tightly controlled conditions often, we heat, cool or blend products, 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' facilities. Our aim is to transit products as quickly and efficiently as possible, ensuring timely 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 processed in industrial processes); in others, products go directly to end-users. Vopak's role 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. In the last six years, we have increased the share of proportional revenue from contracts longer than 10 years by 10% to 34% in 2022. In addition, we have more than halved the share of proportional revenue from contracts shorter than one year to 12%. In 2022, over 61% of our revenue came from contracts with an original contract duration of three years or more.

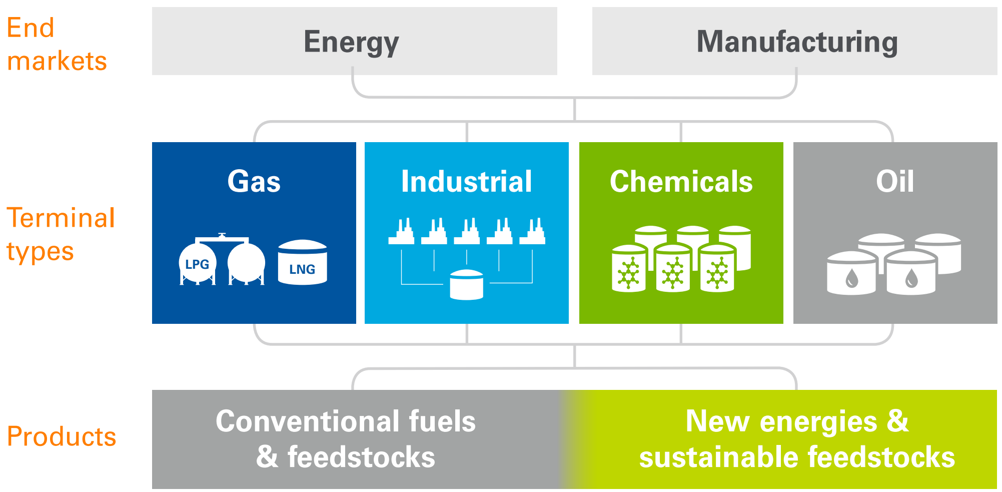
Our suppliers

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 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 two principal end markets: energy and manufacturing. Vopak's role is to be a strong link in customers' supply chains. Our terminals play a key role in supplying vital products to people and communities around the world. Today, Vopak has four terminal types: gas, industrial, chemicals and oil. Some of these terminal types already store and handle new energies and sustainable feedstocks, and in the future the share of sustainable products will increase at all existing facilities in addition to greenfield developments for new energies and sustainable feedstocks.

Vopak's role in different value chains



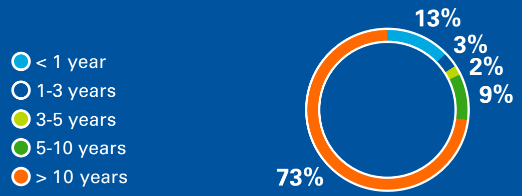
Gas

Canada: RIPET
US: MODA
Colombia: SPEC
Mexico: LNG Altamira
India: Aegis Vopak Terminals Ltd (7 terminals), Hindustan Aegis LPG Ltd (1 terminal)
China: Tianjin Storage Lingang
Netherlands: Gate, Vlissingen
Pakistan: Engro Elengy

16
Terminals

~13%
Operating Cash Return

Original contract duration



We are expanding our gas storage to contribute to energy security in Europe and elsewhere, as well as meeting increased demand for gas as a cleaner conventional fuel. We thereby provide vital infrastructure for this rising gas trade, where demand is growing especially from the power, residential and petrochemical sectors. We own and operate LNG facilities in the Netherlands, Colombia, Mexico, and Pakistan. We own and operate LPG and chemical gases terminals in the Netherlands, China, India, Singapore, USA, and Canada.

The role of LNG in the natural gas supply chain is increasing as the location of production and consumption is expected to further diverge. The LNG market is anticipated to double in the coming decades. It is also becoming more relevant as a cleaner fuel for vessels and road transportation. Due to the Russia-Ukraine war, Europe has been dominating the LNG spot market. The EU's replacement of Russian pipeline supply with LNG provides opportunities for Vopak to expand its Gate terminal and develop temporary FSRU solutions. Europe is expected to shift from spot supply to more long-term LNG supply in coming years. At several locations, we also look at ways to reuse infrastructure and locations to facilitate future new energies flows, like hydrogen. LPG will see supply boosted by rising associated gas production, mainly in the US and the Middle East. The bulk of this will be consumed as feedstock in the petrochemical industry, especially in China from new LPG-fed petrochemical complexes. Demand growth will also come from emerging residential markets, especially in India where governmental support has been essential in switching users to this safer and more environmental friendly cooking fuel. We expect steady performance from LPG and chemical gases terminals in the Netherlands, Belgium, China, Singapore, Canada, and India. Vopak continues to focus on expanding its export terminals in surplus markets in the Americas, as well as import terminals in growing deficit markets; the latter targeting petrochemical customers in Europe and China, and the growing residential sector in India.

LNG terminal strengthening supply security

Gate terminal in the Netherlands

Product: high-calorific liquefied natural gas (LNG)
Shareholding: Gasunie (50%) and Vopak (50%)
Services: storage, regasification, truck and vessel loading, ship-to-ship transfer, bio-LNG
End-use: power and industry
Storage: 540 thousand cbm (3 tanks)
Send-out: yearly 12 BCM (baseload), 4 BCM (interruptible), meeting more than 30% of the Netherlands' gas needs

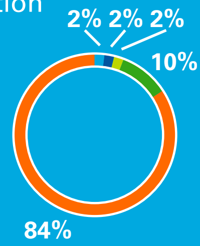
Industrial

US: Freeport, Plaquemine, St. Charles, Corpus Christi
Malaysia: Kertih, PT2SB
Singapore: Sakra
Thailand: Thai Tank
Saudi Arabia: Chemtank, Sabtank (Al jubail), Sabtank (Yanbu)
Pakistan: Engro
China: Caojing, Haiteng Gulei, Qinzhou
Spain: Terquimsa Tarragona, Terquimsa Barcelona
Netherlands: Chemiehaven

18
Terminals

~16%
Operating Cash Return

Original contract duration



Petrochemical clusters are growing in scale. Clusters are also looking for new infrastructure solutions as they are exploring decarbonization options. This makes logistics integration even more crucial. Many petrochemical clusters adopt the 'industrial terminal' model. An industrial terminal (ITL) typically has a single terminal operator serving multiple plants, providing storage for both feedstocks and rundown products, with an optimized terminal infrastructure and logistics. The business segment is stable with long term dedicated infrastructure to serve manufacturing in industrial clusters around the world. Today, Vopak operates industrial terminals in the US, Europe, Middle East, Southeast Asia and China.

As the market leader in industrial terminals, we intend to further strengthen and maintain that leadership position by continuing investments in this segment. Global manufacturing is expected to show continuous growth and the need for decarbonization in industrial clusters provides additional opportunities.

As a consequence of the Russia-Ukraine war, high energy and feedstock costs are driving record inflation and impacting demand in Europe. In 2022, lockdowns in China continue to pressure both consumer spending and infrastructure investments. Industrial terminals (ITLs) in China showed steady performance despite the Covid-19 measures.

ITLs in the US and the Middle East have seen steady flows due to better cost competitiveness and the resolution of production issues and supply chain disruptions. Meanwhile, ITLs in southwest Asia remained resilient with the region's recovery from the pandemic despite crackers and petrochemical plants reducing operating rates in anticipation of a market slowdown. Vopak's growth strategy in ITLs focuses on expanding our existing ITLs in China, the US, Southeast Asia and the Middle East, developing greenfield terminals and M&A opportunities in various locations, as well as playing a role in decarbonization initiatives.

Industrial terminal integrated with petrochemical complex

Vopak Sakra terminal in Singapore

Product: chemicals and base oils
Services: storage, blending, integrated pipeline systems with industrial complex, trucking, drumming, heating and chilling
End-use: manufacturing, wide range of consumer goods
Storage: 288 thousand cbm (71 tanks)

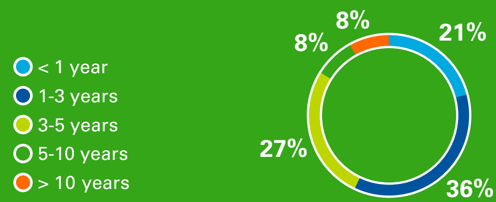
Chemicals

US: Deer Park, Long Beach, Savannah
Brazil: Alemoa, Aratu
Colombia: Barranquilla, Cartagena
Mexico: Altamira, Coatzacoalcos
India: Konkan (1 terminal), CRL Terminals Pvt Ltd. (2 terminals)
Indonesia: Merak
Singapore: Penjuru
South Korea: Ulsan
China: Ningbo, Lanshan, Zhangjiagang
Vietnam: Vopak Vietnam
Belgium: ACS, Eurotank, Linkeroever
Netherlands: Botlek, TTR, Vlaardingen
Venezuela: Vopak Venezuela

26 Terminals

~10% Operating Cash Return

Original contract duration



Vopak operates a global network of chemical terminals; we have a strong presence in key hub locations, including Houston, Antwerp, Rotterdam and Singapore. These terminals serve petrochemical producers and traders by facilitating exports and imports as well as make-bulk and break-bulk of various types of chemicals (from bulk to specialty chemicals) that go into products used in our everyday lives.

Demand growth for chemicals is tightly linked to economic activity. Consumption is driven by end-markets such as construction, automotive, textiles and packaging, which are in turn driven by population growth and urbanization. As such, demand growth will continue to be led by Asia, especially in China, India and emerging markets. While demand growth for chemicals was resilient during the pandemic, weakening consumption growth, amid recession and inflationary pressures, might have an impact on global demand dynamics.

Cost competitiveness between regions will continue to drive products such as methanol and glycols which are produced in cheaper natural gas-based or ethane-based units in the Americas and Middle East, and shipped to higher price locations in Europe and Asia. Meanwhile, China's growing self-sufficiency will reduce trade of products such as aromatics. In the near-term our chemical terminals business is expected to remain strong, as pressure from macroeconomic headwinds is offset by increased European imports. Terminals in Latin America and India will see steady imports as lower cost production from the US and the Middle East in methanol and caustic soda continues to be moved into these growing deficit regions.

Chemicals distribution terminal

Vopak ACS terminal in Antwerp Belgium

Products: chemicals including acetyls, acrylics, solvents and acids
Services: import, export, distributing, blending
End-use: manufacturing for a wide range of products like paints, adhesives and packaging
Storage: 203 thousand cbm (107 tanks)

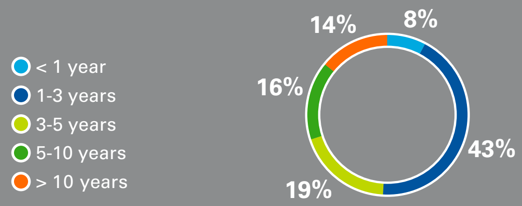
Oil

US: Los Angeles
Mexico: Veracruz
Panama: Vopak Panama, Bahia Las Minas
Indonesia: Jakarta
Australia: Darwin, Sydney site B
Malaysia: Pengerang
Singapore: Banyan, Sebarok, Banyan Cavern
UAE: Fujairah
NL: Europoort, Laurenshaven, Maasvlakte, Eemshaven
South Africa: Durban, Lesedi

18
Terminals

~15%
Operating Cash Return

Original contract duration



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 Brazil, Mexico, South Africa, Indonesia and Australia.

The post-covid-driven oil demand recovery was a key feature of 2022. Meanwhile, the Russia-Ukraine war prompted sanctions against Russia that led to a rebalancing of crude and oil product flows and price volatility. The sanctions shifted Russian oil flows from European destinations towards Asia and the Middle East. Whereas European storage capacity is now seeing short-haul Russian volumes substituted with long-haul products requiring additional storage capacity, East of Suez terminals see increasing demand for exports to Europe and the US. Oil market volatility is also driving demand for storage in our oil hub terminals, while fuel distribution terminals expect higher imports to support the mobility sector.

In line with our strategy to grow in Industrial and Gas terminals, it is Vopak's ambition to continue to reduce the percentage of Oil assets in total proportional Capital Employed. We are seizing opportunities to shape the energy transition, as exemplified by biofuel blending in marine fuels. The growing interest in low carbon fuels is also underlined by investment to repurpose oil capacity in Los Angeles for the use of Sustainable Aviation Fuel and renewable diesel.

Oil hub terminal

Vopak Sebarok terminal in Singapore

Products: crude and oil products
Services: storage, blending and heating
End-use: industry and mobility
Storage: 1.3 million cbm (83 tanks)

Fuel distribution terminal

Vopak Lesedi terminal in South Africa

Products: oil products
Services: storage, distribution and truck loading
End-use: mobility
Storage: 100 thousand cbm (6 tanks)

Our value creation

We aim to create long-term value for all our stakeholders – from customers and business partners to shareholders, employees and local communities.

The products we store provide energy that allows people to turn on the lights, heat or cool their homes, fuels for transportation, and building blocks for millions of useful products and household goods.

We create financial value by paying shareholder dividends, employee salaries, taxes and supplier payments. We offer services that benefit our customers and the wider communities. We also create social value – our engagements with stakeholders including governments, business partners and our communities are proactive and transparent. Our approach towards our stakeholders helps us to work together in a mutually beneficial manner, building long-lasting partnerships based on trust.

At the same time, we are aware that our business activities can have social and environmental externalities, for example, our impact on the environment.

We work constantly and diligently to assess and 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 the next page. 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 considers key socioeconomic issues and allows us to identify where particular strategies or investments may create value for one stakeholder group, but may 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.

Inputs

People

Our inclusive workforce provides the company with their expertise, talent, diversity and resources.

- 5,696 employees and more than 8,000 contractor person-year
- Annual average of 52 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.

- EUR 25 million IT investment program
- Vopak Standards and blueprints

Social & Relationships

We engage with 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 25 long-term joint venture partners
- More than 1,000 customers globally

Financial Capital

Our shareholders and creditors provide the funds that we use to create value by investing to grow our business.

- EUR 3.0 billion shareholder's equity
- EUR 3.1 billion net debt

Terminals & Equipment

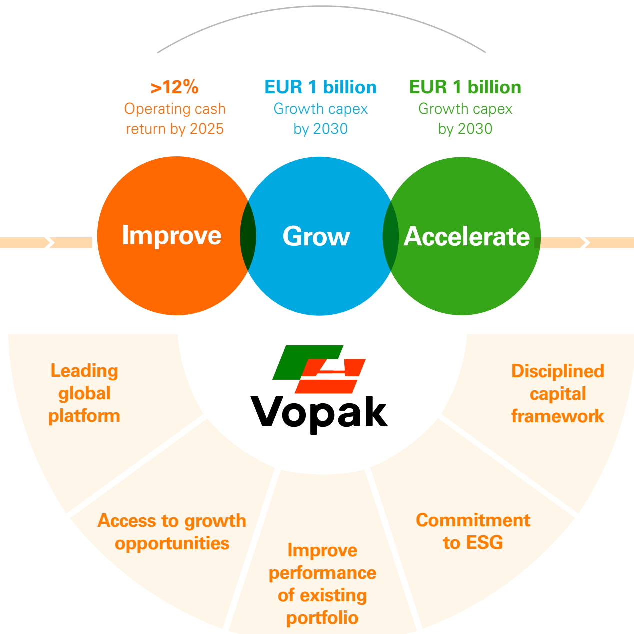
We operate and maintain a well-diversified portfolio of tank terminal assets around the world to facilitate vital product movements.

- 78 terminals in 23 countries
- 36.6 million cbm of storage capacity

Natural Resources

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.

- 21,926 terajoules of direct and indirect energy use of which 64% renewable energy



Outputs

People

- EUR 424 million in salaries, benefits and pension contributions
- Total Injury Rate of 0.25
- All Vopak employees are paid a living wage
- Hit 2023 target of 20% women in senior roles in 2022, and upgrading our target to 25% by 2025

Systems & Processes

- Top quartile customer satisfaction (NPS: 75)
- Process Safety Event Rate of 0.11
- Real-time data driven terminal management system (MyService)

Social & Relationships

- We encourage employees to take an active role in our communities, including by supporting young people through the Vopak WeConnect Foundation
- We engage in dialogue, studies and action to foster sustainability, climate solutions and the energy & feedstocks transitions through various organizations

Financial Capital

- EUR 157 million paid to shareholders in dividends
- EUR 684 million in proportional operating cash flow, resulting in 11.4% operating cash return
- EUR 55.9 million paid in taxes

Terminals & Equipment

- EUR 268 million spent on sustaining and service improvements
- Increase in total storage capacity of 0.4 million cbm

Natural Resources

- GHG emissions of 517,010 metric tons of CO_2 equivalents, reduced by 10% versus 2021
- Societal impact of VOC emissions reduced by 26% compared to 2016

Outcomes

Customers

- We continued to deliver product to customers safely and efficiently
- Customer loyalty levels, as measured by NPS, increased further to 75 in 2022, confirming that customers appreciate our service levels

Employees & contractors

- We sustained our total injury rate in 2022 at 0.25. On process safety we have continued our good performance with a process safety event rate of 0.11.
- All Vopak locations were found to be compliant with the living wage principle for employees

Shareholders

- Payments via dividends were EUR 157 million
- The share price declined by 10%
- We provided more guidance to shareholders and analysts on our strategy, financial framework and sustainability ambitions during the Capital Markets Day

Governments & authorities

- We continued to support public services through tax payments, and paid a fair tax in the countries in which we operate
- We complied with all safety, health and environmental protection laws
- We are actively contributing to energy security and the energy & feedstocks transitions

Local communities

- Our most material issue towards our communities is process safety, which were sustained at good levels
- We encourage employees to take an active part in their local communities including via Vopak WeConnect projects

Business partners & suppliers

- We continued to invest in joint ventures around the world
- New opportunities for business partners were also created through capacity expansions and conversions at several major terminals to more sustainable forms of feedstocks

Preparing for green ammonia

Our expertise and presence in the main industrial clusters makes us well-equipped to actively contribute to the development of new supply chains for the energy and feedstocks of the future. Hydrogen and derivatives, such as ammonia, will play a key role in the energy transition in replacing natural gas, as a raw material for industry and green chemistry, as well as for sustainable transport. Vopak already owns and operates several ammonia terminals at six locations worldwide and has a great deal of knowledge about the technology to safely store ammonia and about the global ammonia market. In the Netherlands, Singapore and the United States, we are preparing for business opportunities in green ammonia.

We have more than 20 years of experience in storing ammonia safely

Our responsible business conduct

By storing vital products with care, Vopak aims to create value for all our stakeholders and society. Our approach to responsible business conduct is about caring for people and the planet, as well as profits.

Vopak strives 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. 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 is vital that our employees, contractors and joint venture partners understand and share these values.

There are five values:

- Care for safety, health & 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 sanctions 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 and was updated early 2022 – we provide regular training about the Code to ensure high standards. We also have a speak-up 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 wellbeing and on the environment.

Through our care for people, planet and profit, we aim to create value for all our stakeholders, including customers, shareholders, employees, authorities, local communities and society at large. Our choices today should thus contribute to and serve the current and long-term interests of society and the wellbeing and development of current and future generations.

In the section titled Our Performance, we have published our Sustainability Roadmap which provides an overview of Vopak's key sustainability topics. It underpins the transformation of our portfolio towards cleaner products and new energies. Furthermore, it helps us to further integrate sustainability into our business, our global processes and our investment decisions in close collaboration 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. Vopak's effort can have the most impact by supporting the energy and feedstocks transitions, providing a safe working environment, helping avoid air, water and soil pollution, and 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 13 CLIMATE ACTION: Take urgent action to combat climate change and its impacts	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 (baseline year 2021) and be net-zero by 2050
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 wellbeing, 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 •

Materiality assessment

Vopak carries out periodic materiality assessments. These enable us to reassess, identify and prioritize topics that represent the most significant impacts of Vopak's activities and business relationships on the economy, environment, and people including impacts on human rights. Simultaneously, it helps us to understand the materiality of the changing economy, environment and society on the value and business of our business.

The materiality assessment conducted in 2022 has been aligned with the updated Universal GRI Standards (2021). The assessment also took into account the breadth of topics covered in the draft requirements of the Corporate Sustainability Reporting Directives (CSRD) and the double materiality principle as mentioned by both GRI and the EU. The six most material issues represent topics which our management and stakeholders deem most material and financially impactful, and 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 87). The list of material topics as established from the outcome of materiality assessment 2022 is included on the next page. Our approach and detailed performance on each material topic and information on the methodology used and process of the materiality analysis can be found in the sustainability section.

Material sustainability topics

Environmental topics

1. Air quality, VOC and other air emissions
2. Waste and circularity
3. Climate change prevention (GHG Reduction)
4. Climate adaptation
5. Energy use
6. Water use
7. Preserving biodiversity

Economic topics

8. Business ethics and integrity
9. Innovation
10. (Cyber) security threats
11. Customer acceptance and continuation
12. Financial performance
13. Remuneration
14. Responsible taxation
22. Transition towards new energies and sustainable feedstock
23. Ensure access to energy and feedstocks

Societal topics

15. Process safety and prevention of spills
16. Safety and occupational health
17. Human capital development and talent attraction
18. Nuisance
19. Human rights and decent work
20. Inclusion and diversity
21. Community engagement

The six items in bold emerged as the most material and represent topics which our management and stakeholders deem most material and financially impactful.

Double materiality concept explained

Impact materiality:
A sustainability topic is material if the undertaking is connected to actual or potential significant impact on people or the environment (short, medium and long term)

Company

Double materiality

People and Environment

Financial materiality:
A sustainability topic is material from a financial perspective if it triggers financial effects on the undertakings

While materiality is the effect of climate change and society on corporate activities, double materiality includes the effect of corporate activities on climate change and society.

GRI emphasizes the importance of double materiality as it captures the effects of the company's activities on society and the environment as well as on the bottom line.

Safety and health

Our business operations entail handling 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 identify risks sooner, often in real time. This gives us the opportunity to intervene early and prevent incidents from happening; it also allows us to work 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 terminal management regularly 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 reduce our greenhouse gas emissions in line with our ambition to reduce our CO_2 emissions by 30% by 2030 (vs. 2021) and be net-zero 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 1,800 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.

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

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 internal anti-phishing campaigns, we can see an increased awareness as well as greater vigilance of our staff. Vopak applies OSHA 1904, relating to record-keeping and reporting of occupational injuries, fatalities and illnesses.

Human rights & decent work

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 2022, 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 adhere to this Code, as well as with Vopak's sustainability policy, living wage approach and international human and labor rights standards [2].

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 2022, 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 2021.

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 2022 (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.

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.

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 2022, Vopak paid EUR 55.9 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 and Governance, Risk and Compliance.

Import terminal for green ammonia as hydrogen carrier

To facilitate in the growing demand for hydrogen in Europe, three strategic partners: Gasunie, HES International and Vopak joined forces and knowledge to develop a hydrogen import terminal in the Port of Rotterdam. The terminal will facilitate the storage and handling of ammonia as a hydrogen carrier for customers in Northwest Europe. In addition, the terminal foresees the transshipment of the ammonia, the conversion of the ammonia into hydrogen, and the further transit of both ammonia and hydrogen to end users.

After FID, ACE Terminal will be built on the Maasvlakte in the Port of Rotterdam. The strategic location provides direct access from the North Sea, and a connection to Rotterdam's industry and Gasunie's pipeline infrastructure into Northwest Europe. ACE Terminal can benefit from the re-use of, among others, existing tank infrastructure.

Serving the future hydrogen market in Northwest Europe

Executive Board

from left to right:
Frits Eulderink Member of the Executive Board and COO of Royal Vopak
Dick Richelle Chairman of the Executive Board and CEO of Royal Vopak
Michiel Gilsing Member of the Executive Board and CFO of Royal Vopak

Vopak is executing on its strategic priorities to improve financial and sustainability performance, grow in industrial and gas terminals and accelerate towards new energies and sustainable feedstocks.

Vopak WeConnect Project - Just for Kicks Program

Vopak is convinced that it is more important than ever for our society and wellbeing that people learn to think internationally and to bridge cultural differences from a young age. The Vopak WeConnect Foundation wants young people to know there is a world full of opportunities to discover if they learn to look beyond their own boundaries, and to pass on the value of working together with others. Our colleagues in Singapore launched a project together with a partner. The project harnesses the power of football to help children develop leadership skills. Not only do kids stay active by participating in this project, they can play as a team and bring the skills and values learned into their daily lives.

We extend our care to local communities

More locations switched to green electricity

Vopak is aiming to reduce its own CO_2 footprint, along with our ambition to develop infrastructure solutions for new energies such as biofuels, hydrogen and ammonia. Switching to green electricity is one of the ways we are reducing our footprint. We have already successfully switched to green electricity for operations at our locations in the Netherlands, Spain, Panama, Singapore and Houston.

One of the measures to reduce our carbon footprint

Our performance

Improve
performance of our portfolio

Well diversified infrastructure portfolio contributing to energy and supply security

Our performance

Key performance figures

	2022	2021
Safety performance		
Total Injury Rate (TIR), own employees and contractors (per 200,000 hours worked)	0.25	0.25
Lost Time Injury Rate (LTIR), own employees and contractors (per 200,000 hours worked)	0.12	0.11
Process Safety Events Rate (PSER), own employees and contractors (per 200,000 hours worked)	0.11	0.09
Financial performance (in EUR millions)		
Revenues	1,367.0	1,227.9
Group operating profit before depreciation and amortization (EBITDA)	424.0	741.5
Group operating profit before depreciation and amortization (EBITDA) - excluding exceptional items -	887.2	826.6
Group operating profit (EBIT)	84.1	409.7
Group operating profit (EBIT) - excluding exceptional items -	547.3	494.8
Net profit attributable to holders of ordinary shares	-168.4	214.2
Net profit attributable to holders of ordinary shares - excluding exceptional items -	294.4	298.3
Cash flows from operating activities (gross excluding derivatives)	897.9	786.2
Cash flows from operating activities (gross)	872.1	741.2
Cash flows from investing activities (including derivatives)	- 489.4	- 588.4
Average capital employed	5,408.1	4,755.1
Return On Capital Employed (ROCE)	9.8%	10.2%
Return On Equity (ROE)	9.5%	9.7%
EBITDA margin excluding result of joint ventures and associates	49.3%	50.5%
Capital and financing (in EUR millions)		
Equity attributable to owners of parent	2,984.7	3,188.7
Net interest-bearing debt	3,050.8	2,925.1
Senior net debt : EBITDA	2.65	2.93
Total net debt : EBITDA	2.85	3.16
Interest cover (EBITDA : net finance costs)	8.4	8.4

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

	2022	2021
Key figures per ordinary share (in EUR)		
Basic earnings	-1.34	1.71
Basic earnings - excluding exceptional items -	2.35	2.38
Diluted earnings	-1.34	1.70
Diluted earnings - excluding exceptional items -	2.34	2.37
Basic weighted average number of ordinary shares	125,395,678	125,416,945
Total number of ordinary shares outstanding end of period	125,740,586	125,740,586
(Proposed) dividend	1.30	1.25
Business performance		
Storage capacity end of period (in million cbm)	36.6	36.2
- subsidiaries	17.6	18.5
- joint ventures and associates	15.1	13.8
- operatorships	3.9	3.9
Occupancy rate subsidiaries	87%	87%
Total number of employees end of period (in FTE)	5,696	5,669
Contracts > 3 years (as % of revenues)	52%	50%
Contracts > 1 year (as % of revenues)	88%	89%
Information on a proportional basis		
Proportional EBITDA - excluding exceptional items -	1,067.8	999.6
Proportional capacity end of period (in million cbm)	22.1	22.5
Proportional occupancy rate	88%	88%
Net interest-bearing debt	4,208.7	3,971.5
Sustaining, service improvement and IT capex	314.9	355.2
Proportional operating cash return	11.4%	10.2%
Environmental performance		
Societal impact reduction of our VOC emissions	26%	23%
Total amount of uncontained spills (metric tons)	1	12
Soil & groundwater (metric tons)	5	6
Water (metric tons)	1	6
Total GHG emissions - Scope 1 & 2 (metric tons)	517.0	577.0 [1]
Business ethics & integrity		
Fines from permit violations (amount, EUR thousands)	99	32
Employees completed the Code of Conduct training (in %)	92%	89%

1 Based on the outcome received in late 2022, Vopak restated the energy consumption and associated Scope 1 and 2 GHG emissions of the aforementioned terminals in 2021.

Financial performance

Operating results

Revenues

During 2022, Vopak generated revenues of EUR 1,367.0 million, compared to EUR 1,227.9 million in 2021. Excluding the positive currency translation effect of EUR 69.7 million, the increase amounted to EUR 69.4 million (5.7%). Besides the favorable chemical and gas market environment, contribution from growth projects in Veracruz, Altamira, Deer Park, Botlek, Belgium, Corpus Christi and Sydney resulted in an additional revenue of EUR 27.7 million.

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 2022 was 87%, with no change compared to 2021.

Vopak's worldwide proportional storage capacity remains stable at 22.1 million cbm end of December 2022 reflecting among others the successful completion of the Indian Aegis Vopak partnership adding 1.1 million cbm of additional capacity and the divestments of Vopak's Canadian terminals located in Hamilton, Montreal East and West and Quebec City with a total storage capacity of 0.8 million cbm.

Expenses

Personnel expenses

In 2022, personnel expenses amounted to EUR 364.9 million, an increase of EUR 22.2 million (6.5%) compared to EUR 342.7 million in 2021. Excluding the negative currency translation effect of EUR 15.3 million, the increase amounted to EUR 6.9 million and mainly driven by the higher cost base in accordance with the Collective Labor Agreement (CLA).

During 2022, Vopak employed, in FTEs, an average of 4,061 employees (2021: 4,250), excluding joint ventures and associates. This comprises 3,651 own employees (2021: 3,750) and 410 temporary employees (2021: 500).

No exceptional items were recorded in both years within personnel expenses.

Other operating expenses

Operating expenses -excluding exceptional items- increased by EUR 63.1 million (22.1%) to EUR 348.5 million (2021: EUR 285.4 million). Excluding the negative currency translation effect of EUR 14.1 million, the increase amounted to EUR 49.0 million. This increase can be largely attributed to higher energy and utilities expenses with EUR 35.2 million, mainly in the Europe & Africa division as well as higher environmental expenses of EUR 10.3 million.

Michiel Gilsing - CFO

"We committed ourselves to improving the financial performance of our portfolio and reversing the trend of declining returns. As such, we improved our full-year earnings, lifted EBITDA compared to 2021, and increased our operating cash return.

We are focused on executing and accelerating the energy transition by taking a proactive approach towards repurposing some of our existing assets. The solid financial performance in 2022 reflects our well diversified infrastructure portfolio characterized by long-term contract duration and strong cash flow generation."

In 2022 an exceptional loss of EUR 7.0 million was recorded (2021: EUR 0.7 million loss) consisting of a divestment loss of EUR 6.0 million following the loss of control of Vopak's CRL terminal in Kandla India and business development expenses in the amount of EUR 1.0 million related to an opportunity, which was assessed as unlikely to be realized, have been recorded as exceptional items within other operating expenses.

Including exceptional items, total other operating expenses in 2022 amounted to EUR 355.5 million compared to EUR 286.1 million in 2021.

Result joint ventures and associates

In 2022, the result of joint ventures and associates -excluding exceptional items- amounted to EUR 194.7 million, an increase of EUR 9.0 million (4.8%) compared to EUR 185.7 million in 2021. The currency translation effect had an upward effect of EUR 14.7 million. Divisions Asia & Middle East and China & North Asia demonstrated lower performance due to higher financing expenses and New Energy & LNG division increased their contribution to the results of joint ventures by EUR 11.6 million compared to 2021 results, mainly due to higher throughputs in Gate.

For 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. The refinery is currently expected to resume operations in the first half of 2023. The refinery closure weakened its liquidity position which may impact PT2SB's financial performance in 2023.
As at 31 December 2022, PT2SB, classified as an associate, has reported net accounts receivable balances for contractually delivered services of around EUR 173 million (31 December 2021: EUR 88 million) (on a 100% basis). Mitigating the situation is a priority for PT2SB and its shareholders.

Exceptional results were recorded in 2022 in the result of joint ventures with a total negative impact of EUR 32.4 million (2021: EUR 13.4 million). The exceptional results consisted of EUR 36.2 million impairment recognized for the SPEC LNG terminal in Colombia, which was partially offset by an impairment reversal of EUR 3.8 million as a result of Vopak's divestment of its 33.3% shareholding in the German LNG Terminal GmbH.

The Group's result of joint ventures and associates -including exceptional items- for 2022 amounted to EUR 162.3 million compared to EUR 172.3 million in 2021.

Group operating profit before depreciation and amortization

Full year 2022 Group operating profit before depreciation and amortization (EBITDA) -excluding exceptional items- increased by EUR 60.6 million (7.3%) to EUR 887.2 million (2021: EUR 826.6 million). Adjusted for EUR 57.7 million positive currency translation effects, EBITDA increased by EUR 2.9 million. Positive revenue developments were offset by higher costs related to surging energy and utility prices. Growth project contribution in 2022 continued to support EBITDA development.

Including exceptional items, Group operating profit before depreciation and amortization (EBITDA) for 2022 amounted to EUR 424.0 million compared to EUR 741.5 million in 2021. The exceptional items for 2022 included an impairment loss of EUR 448.8 million and exceptional gain as a result of divestments (Canadian terminals, Agencies and partial dilution Thai Tank Terminal) of EUR 25.0 million.

In the first half of 2022 impairment was recorded for Europoort and Botlek terminals in the Netherlands in the amount of EUR 240.0 million and EUR 190.0 million respectively driven by lower revenue projections in addition to challenging conditions related to among others inflation pressure, utility prices and labor costs. During the fourth quarter of 2022 EUR 17.1 million impairment of Vopak Colombia terminals was recorded related to the business environment in which the terminals currently operate and forecasted competition. A business development project for the Belgium terminal Eurotank has been impaired in the first half of 2022 following Vopak's decision to discontinue the project. The exceptional impairment loss for this project amounted to EUR 1.7 million.

Exceptional divestment gain comprising EUR 8.5 million income resulted from divestment of Vopak's 100% shareholding in Vopak Terminals of Canada Inc. and Vopak Terminals of Eastern Canada Inc, EUR 11.3 million gain following completion of the divestment of 100% shareholding in Vopak Agencies B.V. and 50% shareholding in Diize B.V. and gain from the partial dilution of Vopak's 14% equity stake in Thai Tank Terminal Ltd. located in Thailand in amount of EUR 5.2 million.

Depreciation and amortization

Depreciation and amortization charges amounted to EUR 339.9 million, which was EUR 8.1 million (2.4%) higher than prior year (2021: EUR 331.8 million). Excluding the negative currency translation effect of EUR 14.9 million, depreciation and amortization charges effectively decreased by EUR 6.8 million. The lower depreciation and amortization charges are mainly the result of the impairment recorded in the first half of 2022 for Europoort and Botlek CGUs in the Netherlands.

Impairments

In the first half year of 2022, impairments were recognized for an amount of EUR 431.7 million, including an amount of EUR 240.0 million (cash-generating unit Europoort in the Netherlands), EUR 190.0 million (cash-generating unit Botlek in the Netherlands) and EUR 1.7 million (business development project in Belgium). In the fourth quarter of 2022, an impairment of EUR 17.1 million was recorded for the cash-generating unit Vopak Colombia. In the second quarter of 2021 an impairment was recognized for the Vopak Bahia las Minas terminal in Panama for an amount of EUR 71.0 million.

By accelerating into new energies and repurposing some of its assets, Europoort will reduce its capacity by 2030 and will use the available land for new energy investments. Over time, this will reduce Vopak's exposure in oil assets in line with our ambition to increase the relative exposure of industrials, gas and new energies. Transition in the energy markets is expected to impact the long term revenue prospects of Europoort's current activities, in addition to current dynamics related to inflation pressure, utility prices, labor and material cost, this has led to an impairment recorded in the first half year of 2022.

For the Botlek terminals the results are below Vopak's minimum return levels which is driven by lower revenue projections in addition to challenging conditions related to among others inflation pressure, utility prices and labor costs.

The decrease in recoverable value of Colombia is primarily related to the business environment in which the terminals currently operate and forecasted competition.

Group operating profit

Group operating profit (EBIT) -excluding exceptional items- amounted to EUR 547.3 million. Group operating profit increased with EUR 52.5 million (10.6%) compared to EUR 494.8 million in the same period of 2021. Excluding the positive currency translation effect of EUR 42.8 million, the increase amounted to EUR 9.7 million.

Including exceptional items, Group operating profit (EBIT) for 2022 amounted to EUR 84.1 million compared to EUR 409.7 million in 2021.

Cash flows from operating activities and working capital

Cash flows from operating activities (gross) amounted to EUR 872.1 million in 2022 (2021: EUR 741.2 million). This increase of EUR 130.9 million was mainly the result of higher dividend receipts from joint ventures and associates which increased with EUR 74.4 million compared to 2021.

Cash flows from investing activities

Total cash flows from investing activities (including derivatives) for 2022 amounted to a net cash outflow of EUR 489.4 million (2021: net cash outflow of EUR 588.4 million).

Total investments amounted to EUR 610.7 million (2021: EUR 592.3 million), of which EUR 174.2 million was paid as a result of the successful completion of the Indian Aegis Vopak partnership. An amount totaling to EUR 368.2 million (2021: EUR 493.0 million) was invested in property, plant and equipment and to EUR 43.5 million (2021: EUR 66.8 million) of investments in joint ventures, associates and other equity investments, including acquisitions.

In addition to the EUR 174.2 million acquisition of the Indian terminals, Vopak continued to invest in growth of its global terminal portfolio and invested EUR 138.5 million in the expansion of existing terminals and the construction of new terminals in The Netherlands, the US, Brazil, Mexico and China in 2022. In 2022, growth investments are EUR 312.7 million (2021: EUR 269.3 million).

In 2022, EUR 25.2 million was invested in new technology, innovation programs and IT projects (2021: EUR 31.6 million).

The sustaining and service improvement capex for 2022 amounted to EUR 267.7 million (2021: EUR 284.3 million).

Divestments and repayments

Total cash inflows from disposals and repayments in 2022 amounted to EUR 131.5 million (2021: EUR 16.7 million). Cash inflows were higher compared to 2021 mainly in relation to EUR 109.4 million cash consideration received as a result of the divestment of subsidiaries and joint ventures during the year ended 31 December 2022.

Capital structure

Equity

The equity attributable to holders of ordinary shares decreased by EUR 204.0 million to EUR 2,984.7 million (31 December 2021: EUR 3,188.7 million). The decrease resulted from the net loss of EUR 168.4 million and from the ordinary shareholder dividend payments in cash of EUR 156.8 million (EUR 1.25 per ordinary share with a nominal value of EUR 0.50). This decrease was only partly offset by the increase of other comprehensive income with EUR 125.4 million largely driven by an increase of the net investment hedge positions in the translation reserve.

Debt

The Group's total interest bearing debt (including lease liabilities) position at 31 December 2022 amounted to EUR 3,050.8 million (31 December 2021: EUR 2,925.1 million). The main increase was caused by the revolving credit facility which was drawn for an amount of EUR 300.0 million as at the end of 2022 (31 December 2021: EUR 109.1 million). The currency translation impact compared to 31 December 2021 is EUR 86.1 million. Vopak hedges its foreign currency risk exposure resulting from net interest-bearing debt in full.

On 30 June 2022, Vopak successfully renewed its EUR 1 billion senior unsecured revolving credit facility (RCF) with a syndicate of 12 international relationship banks. This new facility replaces the RCF of EUR 1 billion, which has been in place since June 2016. The new RCF is linked to our performance on three key topics from Vopak's Sustainability Roadmap: our safety performance, gender diversity in senior management and the reduction of our greenhouse gas emissions. The new RCF has an initial maturity of five years with two one year extension options. The new syndicate of banks consists of: ABN AMRO Bank, BBVA, BNP Paribas, CIBC, Citibank, DBS Bank, DNB, ICBC, ING, JP Morgan, Rabobank and SMBC Bank. ABN AMRO and ING acted as coordinating bookrunners and sustainability coordinators on the transaction.

The Senior net debt : EBITDA ratio decreased to 2.65 compared to 2.93 per year-end 2021, which is below the maximum agreed ratios in the covenants with the lenders. Total net debt : EBITDA ratio decreased to 2.85 compared to 3.16 per year-end 2021.

Net finance costs

In 2022, the Group's net finance costs amounted to EUR 120.7 million compared to EUR 106.5 million in 2021. The increase is mainly resulting from higher interest expenses as a result of increased interest-bearing debt.

The average fixed interest and the average floating interest on the interest-bearing loans and bank loans on 31 December 2022 were 3.9% (2021: 3.8%) and 3.1% (2021: 1.3%) respectively.

Cash flows from financing activities

The cash outflow from financing activities amounted to EUR 353.5 million (2021: 84.8 million). This amount consisted of dividend payments of EUR 156.8 million to ordinary shareholders (2021: EUR 150.5 million), dividend payments of EUR 33.1 million to non-controlling interests (2021: EUR 25.0 million), finance costs payments of EUR 105.9 million (2021: EUR 76.5 million) and lease related payments of EUR 64.1 million (2021: EUR 56.7 million).

Income taxes

Income tax expenses -excluding exceptional items- amounted to EUR 101.6 million in 2022, an increase of EUR 40.6 million compared to EUR 61.0 million in 2021. The effective tax rate -excluding exceptional items- was 23.8% compared to 15.7% in 2021. This increase is primarily caused by the derecognized of deferred tax assets position in the Dutch fiscal unity as a result of updated long-term outlooks on future taxable profits.

Income tax expenses -including exceptional items- amounted to EUR 101.2 million in 2022, an increase of EUR 41.2 million compared to EUR 60.0 million in 2021. The effective tax rate -including exceptional items- was -276.8% compared to 19.8% in 2021.

Net profit attributable to holders of ordinary shares

Net profit attributable to holders of ordinary shares -excluding exceptional items- amounted to EUR 294.4 million which is in line with the 2021 net profit of EUR 298.3 million in 2021. Earnings per ordinary share -excluding exceptional items- amounted to EUR 2.35 in 2022 and EUR 2.38 in 2021.

Net loss attributable to holders of ordinary shares -including exceptional items- amounted to EUR -168.4 million compared to net profit of EUR 214.2 million in 2021. Earnings per ordinary share -including exceptional items- decreased to EUR -1.34 (2021: EUR 1.71).

Joint ventures and associates

Joint ventures and associates are an important part of the Group for which equity accounting is applied. In 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 has a progressive dividend policy which aims to maintain or grow the annual dividend subject to market conditions.

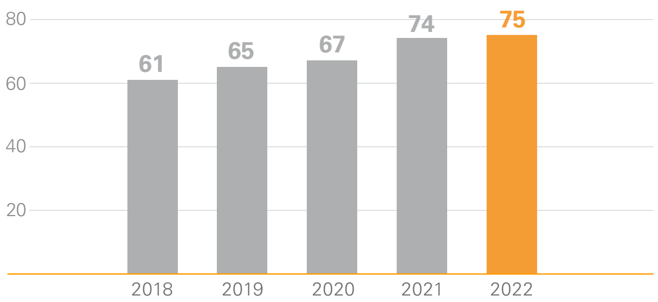
Vopak proposes a dividend of EUR 1.30 per ordinary share over 2022 (2021: EUR 1.25) to the Annual General Meeting of 26 April 2023. The dividend increase of EUR 0.05 or 4% reflects Vopak's performance in 2022. The dividend payout ratio will amount to 55% of earnings per ordinary share excluding exceptional items (2021: 53%).

Operating performance

Ensuring customers consider Vopak to be their partner of choice, helps to create the solid foundation needed to grow our base in industrial and gas and to accelerate our contribution to the energy transition.

Our commitment to offering our clients the highest service quality is crucial to improving the performance of our network of terminals. We constantly keep track of how our clients and third parties judge the services we provide, whether through our daily interactions with them, our periodic and structured Operational Review Meetings (ORMs) or customer satisfaction measurements. We already have a proven track record in the storage of many products that are integral to the energy transition, such as ammonia, methanol and biodiesel. Making sure we do this well gives us a credible position to offer these and similar new products for application in energy and manufacturing end-markets.

Net Promoter Score



We faced considerable challenges in 2022. The Covid-19 pandemic still had an impact in some of the countries where our terminals operate, particularly in China. This was followed by the Russia-Ukraine war which triggered successive sanctions packages and seriously affected flows of the products. Our first priority in facing these challenges was to operate our terminals in a safe, responsible and compliant manner. We can be proud of having provided continuity in our terminal operations and smooth service to our customers without major interruptions during this uncertain time. This includes maintaining up-time for systems and continued operations despite the industry suffering a serious cyber-attack in Europe in the beginning of the year that impacted other terminals in the storage and handling business.

In 2022 we also made a number of investments across our network to ensure high service levels for our customers. Apart from investing in our traditional assets such as tanks, infrastructure, jetties, systems and processes, we are also developing our digital services. Alongside a suite of systems to operate the terminals, this is focused on digital data exchanges between Vopak, customers and other partners.

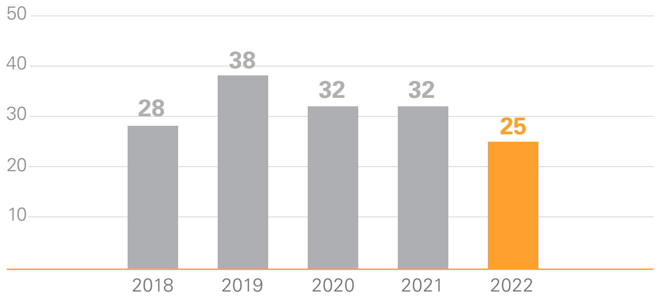
To this end we have made further developments to our MyVopak web-portal. This is highly appreciated by many customers as it allows them to access valuable information at any time. In 2022 we developed the first Application Programming Interfaces (API's) with some customers and opened the Vopak developer portal. These API's allow system-to-system exchange of data without human intervention after set-up. Rather than the traditional digital message based connections between Vopak and a single customer, these can be requested and activated by multiple customers after they have been made available on the portal to unlock customer specific data.

In the coming year we plan to make multiple API's available, including book stock, physical stock, time-stamps of vessels and status of orders, among others.

Where data has to be exchanged and can be of value for multiple partners in our customers' supply chains and ecosystems, we expect there to be further development and use of port- and ecosystem platforms. Data can be exchanged between multiple parties to facilitate traditional processes or develop and offer digitized applications, combining data to either reduce cost or create value for our customers and partners.

Capital expenditures decreased in 2022 as a significant number of terminals is live with our new, in-house built, Terminal Management System.

Capital expenditure in IT
in EUR million



The COINS (converged IT and OT networks) cybersecurity program was created to help us confront ever-growing cyber risks. It has made us a trusted partner in the supply chain for our global customers and continues to prove value on many fronts. Where the program initially focused on technology solutions for IT and OT, it has in recent years shifted to include people and processes with the ultimate goal to transition to a continuous improvement cycle and ensure cyber resilience for Vopak.

Indian partnership Aegis Vopak Terminals

In 2022, the partnership Aegis Vopak Terminals Ltd was successfully completed. Aegis Vopak Terminals will become the largest independent tank storage company for LPG and chemicals in India. LPG is earmarked by the Indian government to provide cleaner and safer cooking fuels for households. The partnership operates a network of 11 terminals that are located in five strategic ports along the east and west coast of India with a total capacity of approximately 1.3 million cbm. The joint venture is well positioned for further growth, which targets mainly LPG but also chemicals, LNG and industrial terminal opportunities.

The largest independent tank storage company for LPG and chemicals in India

People

People are the heart of our company. Our people bring our purpose to life, by adopting a future mindset and continuously driving performance. Vopak employs an international workforce of almost 6,000 people (headcount). This includes the employees of our joint ventures and associated companies.

Open & inclusive

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

These standards are applied across all our activities as we prepare our people for the future, whether it is about becoming more digital and data-driven or more diverse, or about shifting our product portfolio towards more sustainable new products and solutions. 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) and position 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.
5 Geographical Transition: Recruit and develop top talent in all Vopak locations, with a focus on growth areas.

Vopak's role in the energy transition will help us face up to future challenges and accordingly our workforce strategy needs to be adapted. Our Sustainability Roadmap is a clear illustration of how the company will move to a more sustainable future and will be key to attracting and retaining talent. In this way, our organization is evolving to ensure the right focus and resources are allocated to achieve our Sustainability Roadmap goals.

Operating as one team

In working for our company we are part of a global team. Over the past year, we have devoted considerable time and effort to the Human Resources department's Digital Transition, making our HR Global Platform (Workday/MyPulse) the single source of HR data across Vopak.

It has now been deployed across 90% of Vopak sites, allowing us to manage HR processes in a unified and efficient way. Its functions include dealing with payroll data, workforce planning, performance management, compensation & benefits, time & attendance, expenses, feedback, talent acquisition, learning and people analytics. Using common data also supports Vopak's other transition plans.

The company's Digital Transition is assisted by our MOVES program and its implementation of Global Applications & Systems. Through its e-learning programs our employees are able to adapt to new ways of working. It aims to assign the right learnings to the right audiences at the right time. This keeps our workforce motivated to learn and adapt to future changes in their work environment. Our Global Learning & Development team oversees MyPulse in its support of training and skills development.

We have updated our variable compensation schemes and performance management processes to align them with our strategic focus, increasing individual performance incentives. Our Ongoing Dialogue and Feedback options are available on the MyPulse system and are used to monitor and adjust performance during the year. They are accessed by more than 80% of our global workforce.

Supporting greater diversity

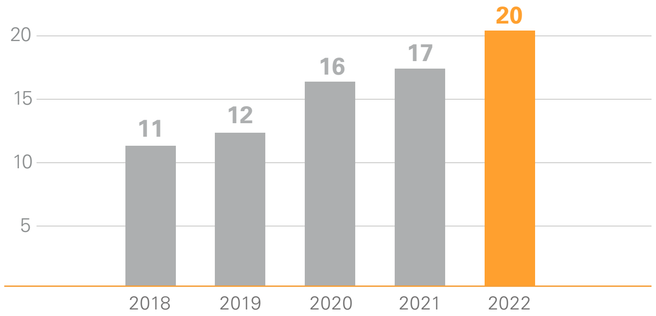
Being a global company with a local touch puts us in a better position to attract global talent. We also strive for a workplace where people are made to feel welcome regardless of their sexual orientation. With a range of events such as Pride Month parties, Rainbow Flag raising and the creation of an Employee Resource Group, we are making Vopak a great place for our LGBTQ+ colleagues to work.

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[1]. Vopak has already hit this target in 2022. Encouraged by this success we are upgrading our target, aiming now to increase the proportion of women in senior roles to 25% by 2025[1].

Women in Vopak senior management [1]

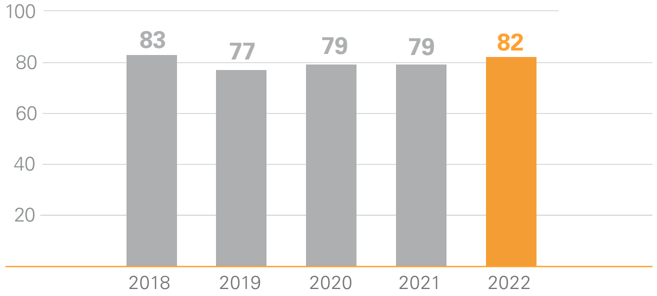
in %



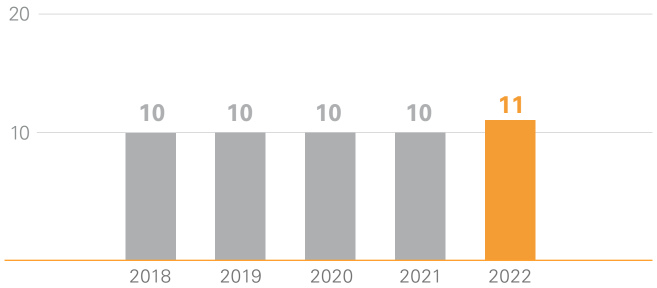
1 Including the Executive Board

In addition, we aim to have at least 75% local employees in senior management in divisions and operating companies, and 25% international talent in senior management in global roles and the New Energy & LNG division. We have also exceeded targets for the percentage of local hires in leading positions, with these now standing at 82%. Currently, only 11% of our senior management comprises of international talents.

Senior management nationality diversity in divisions and operating companies
in %



Senior management nationality diversity in global roles
in %



We are seeing several positive workforce trends. Our talent pools (identified as part of our corporate succession planning) are becoming more diverse both in terms of gender and national origin. For our first time leaders, known collectively as talent pool 1, 34% of nominations were for women in 2022. Women, meanwhile, make up 27% of pool 2, or those in the company's top 100 posts. Both pools are dominated by international employees, with pool 1 at 55% and pool 2 at 52%.

The senior talent pools we use for our most senior executive and other key roles show considerable gender and regional diversity. Two-thirds of participants in our most recent Oxford University leadership program now hold top 100 roles in our organization.

Learning organization

Our commitment to our own people

Our MyPulse global HR platform reaches around 6.000 employees with our diverse learning offer, ranging from fundamental operations, our Code of Conduct, Sanctions Compliance, IT and Commercial training, among others. Our senior leaders continue to be trained in partnership with Oxford University Said Business School, with 90% of our top 300 employees participated in at least one of its modules.

Our commitment to the communities where we operate

We strive to be a responsible and active member of the communities in which we operate. This includes engaging with the community on topics that matter locally, hiring and training local staff, stimulating economic growth through business investments and minimizing harm to people's health and the environment. With the Vopak WeConnect Foundation, we have contributed to empowering young people in our local communities and broadening their horizons for more than five years. The Vopak WeConnect projects are led by Vopak and joint venture employees and include a broad range of activities such as life skills, career coaching, and entrepreneurship. After a dip due to Covid-19, which made physical engagement with local schools and organizations impossible in many locations, project numbers have been increasing steadily over the past year. In 2021 and 2022, with the support of NGOs or other local partners we have started, launched or completed 27 Vopak WeConnect projects around the globe.

Global living wages

Vopak supports the "living wage" principle in the Universal Declaration of Human Rights. The goal of a living wage is to allow workers to afford a basic, adequate standard of living through employment. Our policy is to pay all Vopak staff the living wage at a minimum.

According to our speak-up 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.

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 2022, all Vopak countries were found compliant with the living wage principle for employees, unchanged from 2021.

Vopak WeConnect Project - Sunny Youth Program

Vopak is convinced that it is more important than ever for our society and wellbeing that people learn to think internationally and to bridge cultural differences from a young age. The Vopak WeConnect Foundation wants young people to know there is a world full of opportunities to discover if they learn to look beyond their own boundaries, and to pass on the value of working together with others. Colleagues from Haiteng terminal in China organized multiple psychology lectures at a local middle school. The lecture focused on providing students advice on how to actively respond and deal with the pressures from study and challenges in life.

We extend our care to local communities

Sustainability

On sustainability, we are ambitious and performance driven with a balanced roadmap focusing on care for people, planet and profit. Safety remains our first and foremost priority. We want to support the transition to more sustainable and circular products of the future and, at the same time, 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 (UN SDGs) 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 zero and low-carbon new energies & feedstocks. Furthermore, it helps us 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.

ESG linked Revolving Credit Facility

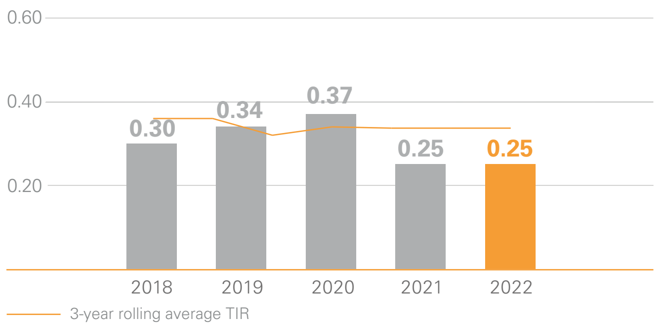
In 2022 we successfully renewed our EUR 1 billion senior unsecured revolving credit facility (RCF) with a syndicate of 12 international relationship banks. The new RCF is linked to our performance on three key topics from Vopak's Sustainability Roadmap: our safety performance, gender diversity in senior management and the reduction of our greenhouse gas emissions. The RCF has an initial maturity of five years with two one-year extension options.

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. We believe that one fatality is one too many and continue to focus on enhancing our personnel safety performance to reduce the number of work-related incidents and injuries, and to ensure there are zero work-related fatalities. However, we did experience a tragic fatality at our Caojing terminal in China in which one of our colleagues lost his life. A detailed investigation into the incident has been completed and lessons learned have been implemented across our network. Despite the above, we managed to sustain our total injury rate in 2022 (0.25 vs 0.25 in 2021). Our goal on personal safety continues to be to have no fatalities or life changing injuries and a total injury rate of max 0.22 in 2024 (three year rolling average). On process safety we have been able to continue our good performance with a process safety event rate of 0.11. Our target for 2024 continues to be a PSER of 0.15 (three year rolling average).

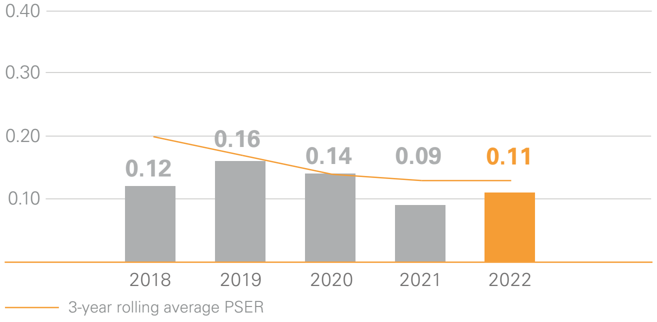
Total Injury Rate

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 2022, 82% of senior management (target 2023: 75%) in divisions and operating companies were of local origin. The percentage of women in senior management positions increased during 2022 to 20% (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 of conditions on human rights and decent work, in particular 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 about how to supply the energy and products we need, 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 and SDG12, while at the same time increasing security of supply by providing access to affordable, acceptable and sustainable energy and feedstocks for all, in line with SDGs 7, 8, and 9 and 12. This is why we adopted three parallel lines of action:

- Develop infrastructure solutions to facilitate the switch to cleaner conventional fuels and feedstocks for all;
- Accelerate infrastructure solutions for zero- and low-carbon new energies and sustainable feedstocks such as renewable hydrogen and ammonia;
- Reduce our own environmental and carbon footprint, including greenhouse gases.

By acting along these three lines, we contribute to a more sustainable, resilient and climate neutral society. We help customers reduce their environmental and carbon footprint and contribute to the energy and feedstocks transitions 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.

As part of our sustainability journey, Vopak pledged to become net-zero by 2050 (Scope 1 and 2). In 2021, Vopak committed to an intermediary target to reduce our CO_2 emissions by 30% by 2030 (Scope 1 and 2 emissions from a 2021 baseline)[1].

In 2022, we have reduced our Scope 1 and 2 emissions by 10%, mainly by purchasing renewable electricity and implementing energy efficiency measures. Vopak has submitted its GHG reduction targets to the Science Based Targets initiative (SBTi) and is in the process of validating these targets. Last year we also continued to expand our reporting on Scope 3 GHG emissions. Information on VOC and other emissions to air, spills to soil and water, waste & wastewater and biodiversity preservation can be found in the sustainability chapter of this report.

Our economic impact (Profit)

As an infrastructure and service provider, Vopak actively supports energy transition and feedstock transitions around the world. We facilitate access to energy, help introduce cleaner conventional fuels to improve air quality and promote ways of reducing carbon emissions. In 2022 we continued to shift our portfolio toward cleaner fuels, gas and chemicals and growing our activities to serve large industrial complexes, while accelerating our efforts in new energies and feedstocks.

We recognize that our ability to generate shareholder value can be affected by climate change risks such as floods, hurricanes and tropical storms. Information on the climate impact on our assets and operation can be found in Note 19 Climate Impact on Vopak.

1 Vopak's CO2 target includes other greenhouse gas (GHG) emissions; in Vopak's case, the only other GHG emissions are a very limited amount of methane and N2O emissions.

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 net-zero
- VOC and other emissions to air
- Spills to soil and water
- Waste & wastewater
- Preserving biodiversity

Profit

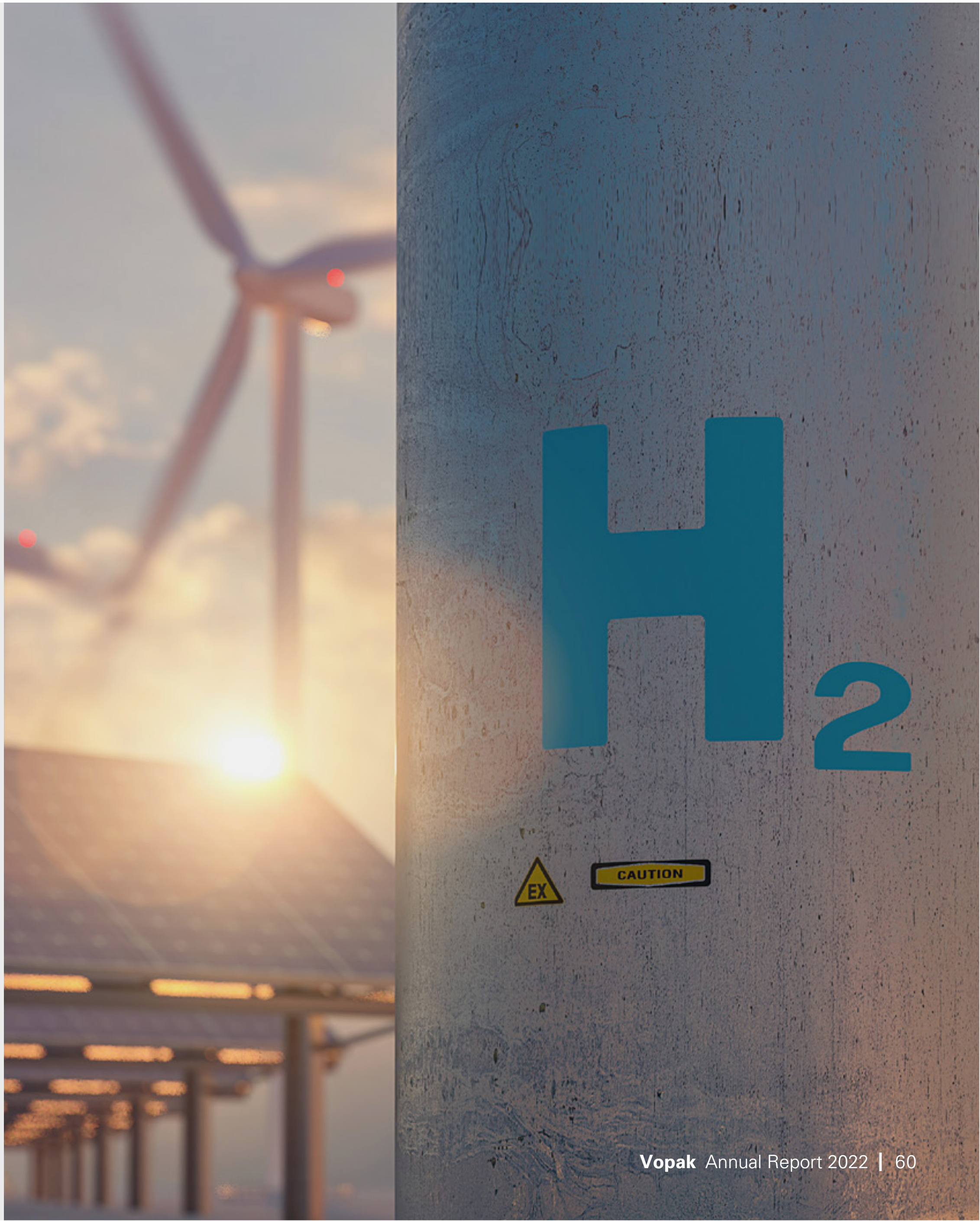
Care for our economic impact

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

Renewable liquid hydrogen supply chain

Shell New Energies, ENGIE, Vopak and Anthony Veder have signed an agreement to study the feasibility of producing, liquefying and transporting green hydrogen, produced by solar energy, from Portugal to the Netherlands, where it would then be stored and distributed for end users. Within the consortium, Shell and ENGIE will collaborate across the full value chain and Anthony Veder and Vopak involvement will focus on shipping, storage, and distribution. The project, H2Sines.Rdam, will support the development of key technologies across the liquid hydrogen supply chain and the decarbonization of hard-to-abate sectors in the Netherlands including heavy-duty road transport, maritime, and aviation.

Shipping green energy from Sines, Portugal to Rotterdam, the Netherlands



Grow
our base in industrial & gas terminals

Vopak will grow its base in industrial and gas terminals by allocating EUR 1 billion by 2030.

Grow in industrial and gas terminals

Growing our base in industrial and gas terminals is a key component of our strategy.

Many petrochemical clusters adopt the 'industrial terminal' model. An industrial terminal (ITL) typically has a single terminal operator serving multiple plants, providing storage for both feedstocks and products, with an optimized terminal infrastructure and logistics. We are already the leading independent infrastructure provider in industrial terminals with a unique global network. In addition, Vopak operates a large network of gas terminals, both onshore and floating solutions covering products such as LPG, LNG and ammonia. We foresee growth in both industrial and gas terminals and want to invest on the back of a solid strategic outlook and stable, attractive returns. By 2030, we will invest EUR 1 billion to grow our base in industrial and gas terminals.

The following list details our industrial and gas terminals expansion projects, including those we have commissioned, other projects where FID has been taken and completed projects, in the case of M&A.

Gas terminals

- Gate, Netherlands: Gate terminal fulfills an important role in the energy security of Northwest Europe and increased its send-out capacity by 33% using existing infrastructure. In addition, Gate terminal is launching several initiatives to strengthen the security of gas supply of Northwest Europe. FID on two truck-loading bays to accommodate growing downstream demand for LNG as a truck fuel and for off-grid industry. Started an Open Season procedure for expansion of its storage capacity in the form of a fourth tank with 180,000 cbm, to meet increased LNG demand in Europe.
- India: Vopak successfully completed its Indian partnership with Aegis, creating India's largest independent tank LPG and chemicals storage company. The joint venture is well positioned for further growth, which targets mainly LPG but also chemicals, LNG and industrial terminal opportunities.
- Singapore: successful conversion of an LPG tank in Singapore to store and handle Butane; a vital petrochemical feedstock.

Industrial terminals

- Caojing, China: successfully commissioned expansion for an existing customer. Next in line is another brownfield expansion in Caojing of 110,000 cbm on which FID was taken in October 2022 and is currently entering into construction. This additional capacity will serve a new liquid chemicals plant from a large scale state-owned petrochemical company.
- Huizhou, China: a greenfield industrial terminal with 560,000 cbm is under construction in Guangdong province and will be part of ExxonMobil's Huizhou chemical complex, serving a world-scale flexible feed steam cracker.
- There have been several smaller expansions of existing terminals in China, Malaysia and Singapore.

Dick Richelle - CEO

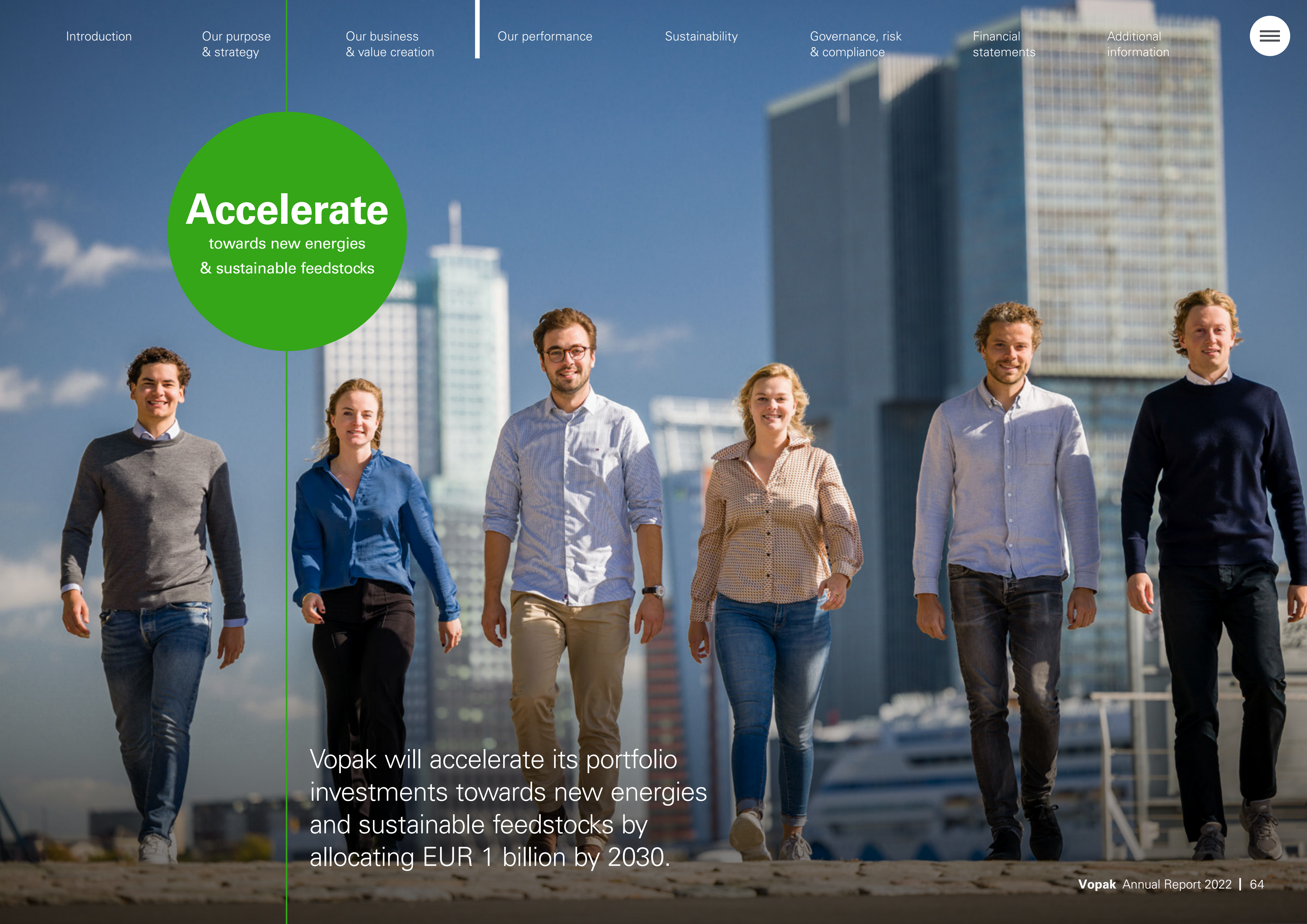
"Our global scale, presence in key locations, product mix and range of infrastructure solutions enable us to seize growth opportunities at a time when near-term storage demand indicators are favorable. We grew our base in industrial and gas terminals in China and India and further supported Gate LNG terminal capacity increase.

Our network of terminals leaves us poised to seize opportunities in new energies and sustainable feedstocks. We own and operate around 25 terminals storing biofuels and six for ammonia."

Expanding industrial terminal capacity in China

Vopak will expand its industrial terminal capacity with 110k cbm in Caojing, China. This expansion will further solidify Vopak's industrial footprint in China. The project is in line with our strategy to grow our base in industrial terminals (learn more about the concept of an industrial terminal on page 21). The construction of the new capacity will start in early 2023 and is expected to be commissioned by Q1 2025 based on a long-term industrial contract. Vopak has been active in China since the beginning of the 1990s and has since established a network of seven terminals, in different joint ventures or wholly-owned, including four industrial terminals.

Growing our footprint in industrial terminals in China



Accelerate

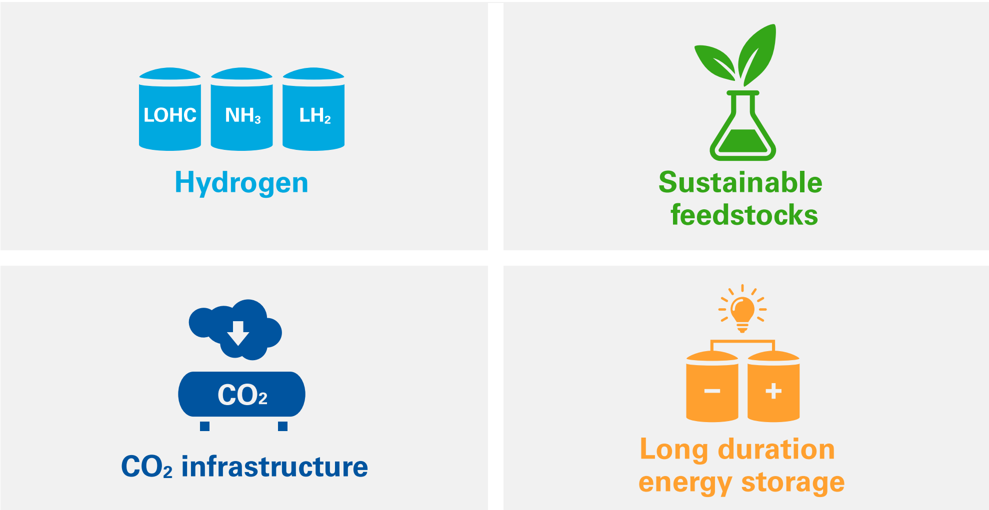
towards new energies & sustainable feedstocks

Vopak will accelerate its portfolio investments towards new energies and sustainable feedstocks by allocating EUR 1 billion by 2030.

Accelerate towards new energies & sustainable feedstocks

Vopak aims to accelerate towards new energies and sustainable feedstocks by allocating EUR 1 billion of growth capex by 2030, positioning Vopak to facilitate new logistic chains that will help our existing and new customers to realize their energy transition ambitions.

We continue to focus on four main segments: hydrogen and hydrogen carriers, CO_2 infrastructure, sustainable feedstocks and long duration energy storage.



Frits Eulderink - COO

"In 2022, we accelerated our push toward new energies and sustainable feedstocks by repurposing existing capacity, investing in innovative companies and partnering with reputable players.

We are partnering with various companies such as Gasunie, HES International, Shell, ENGIE, Anthony Veder and PETRONAS to develop green hydrogen and CO_2 infrastructure."

Hydrogen

We are developing infrastructure solutions in ports to enable exports, imports, transportation and storage of zero and low-carbon hydrogen. The most efficient method of seaborne transport is by transforming hydrogen into a liquid. We are exploring three routes for transportation and storage of hydrogen: ammonia, liquefied hydrogen (LH_2) and liquid organic hydrogen carriers (LOHCs).

Ammonia is well positioned as a hydrogen carrier as it already has an established market with associated infrastructure. Vopak stores ammonia at six terminals around the world, and is able to make use of its existing ammonia locations and capabilities to store and handle this product safely. Vopak is developing projects with its joint venture partners, for the export of ammonia in production locations such as in the US Gulf Coast and import terminals like the ACE terminal project in Rotterdam.

In the medium term liquefied hydrogen (LH_2) is expected to play a major role in seaborne transport but it will require infrastructure investment. Liquefied hydrogen needs to be stored at -253C, demands specialized vessels and terminals run by experienced infrastructure operators to mitigate safety risks. Vopak and its project partners are preparing for a terminal in Rotterdam to accommodate imports from Portugal (H2Sines).

Liquid organic hydrogen carriers (LOHCs) provide another transportation option and would allow use of existing infrastructure. LOHC can be stored in existing petroleum-like infrastructure, giving it a cost advantage over other carriers. To enable the use of LOHC at industrial scale, Vopak is developing a proof of concept in the Netherlands to enable Hydrogenious to scale up their technology for dehydrogenation.

In all cases the production, storage and handling of hydrogen for consumption requires more energy than conventional fuels, as well as conversion of hydrogen carriers to hydrogen or to electricity again. With availability of climate neutral sources of energy in both production, transport and import locations these logistical chains, despite needing more energy than conventional fuels, can still be realized in a sustainable way.

CO_2 infrastructure

Together with partners, Vopak is developing open access infrastructure for storage and handling CO_2, which is needed in carbon capture and storage (CCS) and carbon capture and utilization (CCU) supply chains.

Many industrial companies and clusters are currently unable to make use of depleted gas fields because they are not directly connected to a CO_2 pipeline. Transporting liquefied CO_2 by ship enables these companies to connect to this infrastructure or directly deliver to offshore CCS locations. As a pressurized liquid, CO_2 volumes shrink 550 times compared to CO_2 under atmospheric conditions, making it easier and more efficient to transport by ship, similar to LNG. Vopak, alongside Gasunie, is exploring the development of an independent terminal in Rotterdam to receive and deliver liquid CO_2 (CO_2NEXT). Vopak and Petroliam Nasional Berhad (PETRONAS) signed a Memorandum of Understanding (MoU) for the development of the value chain for CO_2 infrastructure in the Southeast Asia region.

Sustainable feedstocks

We have invested in storage for waste-based biofuels in Rotterdam and are actively contributing to the use of more sustainable feedstocks – for example, bio based feedstocks (such as organic waste) that can be used to produce biofuels. Non-organic recycled plastics have great potential as these can be used to produce energy and as feedstock to create chemical elements and compounds for the chemical industry. In the United States, we will repurpose 22 oil storage tanks in Los Angeles (148k cbm) to sustainable aviation fuel and renewable diesel.

Vopak is partnering with Xycle to develop a chemical recycling plant that will turn plastic waste into pyrolysis oil. Together we aim to scale up the technology by creating the first chemical recycling plant in Rotterdam. Vopak is also developing multi-customer pyrolysis oil storage, blending and purification solutions at existing terminal locations.

Long duration energy storage

Batteries will be needed to cover electricity surpluses and shortages for multiple hours, days, or potentially weeks depending on the renewable electricity penetration in the overall energy mix. Vopak is developing tank-based battery projects at existing terminals and investigating promising technologies. Vopak is partnering with Elestor, which is one the Vopak ventures investments, for the development of a hydrogen bromine flow battery. The joint ambition is to scale up the electricity storage capacity of these flow batteries. Our presence in the main industrial clusters makes us well-positioned for this development and multiple projects are under way for facilitating battery based solutions at our existing terminals.

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: “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 17 investments, ranging from minor amounts up to EUR 14 million. In 2022 Vopak Ventures invested in 3 new ventures and further invested in various of the existing ventures. Vopak Ventures is well positioned and organized to make further investments in the years to come. This will continue to support our strategy, while optimizing the investment portfolio.

Storing sustainable fuels in Los Angeles

Vopak Los Angeles reached a long-term agreement for Sustainable Aviation Fuel and Renewable Diesel storage. In partnership with an existing global customer, we are transitioning a significant portion of existing infrastructure from fossil fuels to low carbon renewable energy. Storing sustainable aviation fuel at our terminal facilitates one of the pathways toward decarbonizing and lowering greenhouse gas emissions in the aviation industry. We are excited to play a role in leading this emerging market into the future.

Facilitate decarbonizing and lowering greenhouse gas emissions in the aviation industry

Developing hydrogen supply chains using LOHC as hydrogen carrier

Vopak and Hydrogenious LOHC Technologies committed themselves to accelerate the establishment of the LOHC storage plant planned at Chempark Dormagen, Germany as well as a release plant in Rotterdam with a release capacity of 1.5 tons of hydrogen per day. The intention of both parties is to accelerate the scale up. LOHC can be handled like a fossil liquid fuel within existing infrastructure, tankers and vehicles at ambient pressure and temperature, making it a natural fit with current port infrastructure and fleet of vessels, railcars, and tank trucks. This investment is well in line with Vopak's strategy to accelerate its portfolio investments towards new energies and sustainable feedstocks. We believe that different types of hydrogen logistics need to be developed to be able to facilitate the needed future flows of hydrogen and hydrogen carriers.

Vopak and Hydrogenious LOHC Technologies jointly invest

Divisional developments

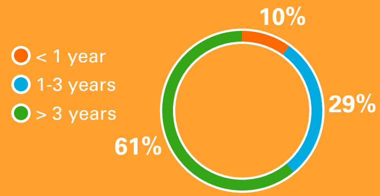
Americas

Number of terminals
19

Total storage capacity
In million cbm [1]
4.7

EBITDA
In EUR million [2]
227

Original contract duration [3]



Division developments & market overview

Vopak Americas delivered solid results in 2022 due to focused efforts in pursuit of Vopak's strategic agenda. In 2022, good progress was made with respect to safety, service, diversity, digitalization and transitioning to new energies. The Americas division improved its financial performance, notwithstanding high inflation and energy prices and challenging market conditions. The volumes from the US Gulf Coast industrial terminals were affected by challenging market conditions that were more than offset by strong chemical and oil markets at the Brazil, Colombia, Panama and Savannah distribution terminals.

We continued the integration of three Vopak Industrial Infrastructure Americas terminals, that we acquired from Dow Chemicals in 2020, into the Vopak system. In Mexico, we completed the Altamira Chemicals expansion, which enabled the terminal to capture the rising import of chemicals into Mexico. Finally, we saw interest in new energies and sustainable feedstocks accelerating – especially for hydrogen and ammonia, CO_2 infrastructure, long duration energy storage, and renewable fuels. The passage of the US Inflation Reduction Act and other significant government funding initiatives are already encouraging new energy transition investment projects. On the US West Coast, the Los Angeles terminal repurposed a substantial portion of its fuel oil volume with jet fuel to serve LAX and surrounding airports as well as repurposing 148k cbm to sustainable aviation fuel and renewable diesel.

1 At 14 February 2023.
2 Excluding exceptional items.
3 On consolidated basis.

Financial performance

In 2022, Americas reported good results notwithstanding macro environment changes and supported by positive currency translation effect. An asset impairment charge of EUR 17 million was recorded, in the fourth quarter of 2022 for the cash-generating unit Vopak Colombia, primarily related to weakening of the business environment in which the terminal currently operates and forecasted competition. Despite these challenges, the Americas division continued to show solid growth and a strong financial performance, supported by higher occupancy for existing storage, commissioning of new projects, and rigorous commercial contract management. Revenue increased by 18% year-on-year – driven by higher occupancy, new growth projects contribution, as well as successful commercial efforts related to inflation and cost pass through. The above impacts more than offset revenue reduction from the mid 2022 sale of Vopak Terminals of Eastern Canada Inc. EBITDA rose 19%, propelled by higher revenue and cost efficiency measures and EBIT increased by 28%.

In EUR millions	2022	2021
Revenues	387.0	326.6
Operating profit / (loss) before depreciation and amortization (EBITDA) [2]	226.6	190.0
Operating profit / (loss) (EBIT) [2]	160.8	125.7
Average capital employed	1,248.0	963.3
Storage capacity (in million cbm)	4.7	5.5
Occupancy rate subsidiaries	94%	90%
Proportional occupancy rate	94%	90%
Proportional EBITDA [2]	249.3	206.7

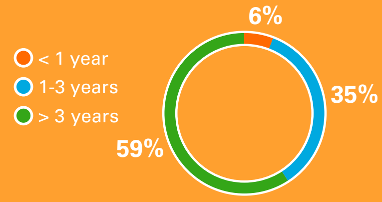
Asia & Middle East

Number of terminals
29

Total storage capacity
In million cbm [1]
16.8

EBITDA
In EUR million [2]
312

Original contract duration [3]



Division developments & market overview

Asia & Middle East performance improved during 2022, by delivering on our growth ambitions in industrial and gas and contributing to a more sustainable future. On safety and service, we operated consistently in line with our customers' expectations with no major incidents in the region. During the year we completed the Aegis-Vopak partnership in India and extended our concession to continue operations in Thailand. Our industrial terminal in Pengerang also resumed operations safely. Overall, we are actively contributing to a more sustainable future by accelerating opportunities for infrastructure solutions for new energies and sustainable feedstocks. This includes alternative bunker fuels, ammonia, hydrogen, pyrolysis oil and carbon capture and storage in the region. For example, we conducted successful biofuel bunkering trials with our customers in Singapore and have signed a memorandum of understanding with PETRONAS to explore CO_2 supply chain solutions. We are working on various measures to reduce our carbon footprint. For example, by improving energy efficiency using data analytics and switching to green electricity.

In 2022, we saw unprecedented trade-flow changes due to the macro economic environment. These dynamics increased storage demand and accelerated the need for alternative energy sources. The first half of 2022 was relatively strong in our chemical business where the second half was slightly impacted by slower manufacturing activities in China. The business conditions for oil market storage improved in the second half of the year. In the region, energy transition and sustainability continue to grow in importance as we see countries picking up pace to decarbonize in multiple ways to meet their net-zero ambitions. As the maritime sector gears up for IMO 2023, the efforts to explore alternative cleaner marine fuels has also intensified.

Financial performance

Our division delivered a strong financial performance in 2022, reporting a revenue increase of 16% year on year and EBIT of EUR 236 million, 10% year on year. This strong performance is driven by our chemical business in Singapore and the full impact of our new Australia capacity. Singapore and Fujairah also delivered satisfactory results in the challenging oil market, while Pengarang's performance increased in the second half of the year.

In EUR millions	2022	2021
Revenues	328.7	284.1
Operating profit / (loss) before depreciation and amortization (EBITDA) [2]	311.6	280.8
Operating profit / (loss) (EBIT) [2]	236.0	214.4
Average capital employed	1,498.2	1,212.5
Storage capacity (in million cbm)	16.8	15.6
Occupancy rate subsidiaries	86%	87%
Proportional occupancy rate	86%	86%
Proportional EBITDA [2]	344.7	302.2

1 At 14 February 2023.
2 Excluding exceptional items.
3 On consolidated basis.

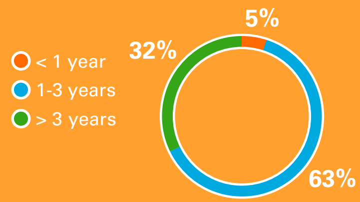
China & North Asia

Number of terminals
9

Total storage capacity
In million cbm [1]
3.2

EBITDA
In EUR million [2]
72

Original contract duration [3]



Division developments & market overview

Vopak operations in China and North Asia remained strong in 2022, notwithstanding Covid-19 measures in China and a challenging macroeconomic environment in China and Korea. Despite these challenges, we continue to grow our base in industrial terminals in China. We successfully started operations for new ammonia and butadiene tanks in our Caojing industrial terminal and further grew our industrial terminal footprint by successfully commissioning Qinzhou Phase 2. During 2022, we started construction of a greenfield terminal with a storage capacity of 560k cbm, serving ExxonMobil's world-class petrochemical complex in Huizhou. Although we continue to progress on our sustainability agenda with a particular focus on safety, regrettably we had a tragic fatality at our Caojing terminal.

In China, the overall economy slowed because of pressure from Covid-19 measures. The majority of our business is protected against macroeconomic headwinds by long-term contracts. Our distribution business performed relatively well under these adverse circumstances. In South Korea, our tanks maintained high occupancy rates, albeit with lower throughput due to the challenging economic environment and decreased exports.

Financial performance

China reported good results in 2022,revenue increased to EUR 52 million. EBITDA including results from joint ventures increased as well to EUR 72 million, - excluding exceptional items - mainly driven by growth project contributions and relatively strong market demand in our chemical distribution business in the first half of the year.

In EUR millions	2022	2021
Revenues	51.5	44.7
Operating profit / (loss) before depreciation and amortization (EBITDA) [2]	72.4	68.4
Operating profit / (loss) (EBIT) [2]	59.6	56.5
Average capital employed	466.1	421.9
Storage capacity (in million cbm)	3.2	3.1
Occupancy rate subsidiaries	73%	75%
Proportional occupancy rate	85%	86%
Proportional EBITDA [2]	101.4	97.2

1 At 14 February 2023.
2 Excluding exceptional items.
3 On consolidated basis.

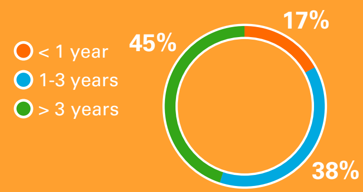
Europe & Africa

Number of terminals
16

Total storage capacity
In million cbm [1]
10.6

EBITDA
In EUR million [2]
278

Original contract duration [3]



Division developments & market overview

During 2022, our focus has been on further improving financial performance, safety and service throughout the region as well as developing and accelerating the growth projects relevant to our future. The year was characterized by market volatility prompted by the Russia-Ukraine war. EU sanctions on oil products, spiking energy costs and high inflation have been among the main influences on our customers and, as a consequence, on the market for storage. On the oil side, this led to tighter supply and market uncertainty, which had an immediate negative effect on the storage market. Through the remainder of the year we saw non-Russian substitutes entering the European market which drove a partial recovery in the storage market. On the chemical side, higher energy costs have reduced the competitiveness of the European petrochemical industry. Lower run rates and, as a consequence, higher imports from outside the region, resulted in higher activity levels at our chemical distribution terminals. Markets for edible oils, biodiesel, LPG and chemical gases remained strong throughout 2022.

In South Africa, our newly developed fuel facilities in Durban and Lesedi have seen strong utilization with record throughput for the year. In 2022, Vopak reached agreements to add additional pipeline connections from the Rotterdam Europoort terminal to the local refining and petrochemical cluster. Starting in 2023, we plan to gradually reduce oil capacity there by 1 million cbm by 2030, to accelerate towards new energies and sustainable feedstocks.

In Belgium we plan to repurpose our Eurotank terminal by re-building capacity of 41k cbm. This will strengthen our service offering and support continuous chemical imports.

1 At 14 February 2023.
2 Excluding exceptional items.
3 On consolidated basis.

In 2022, we made good progress accelerating toward new energies. We announced our intention to accelerate projects in green ammonia storage in Rotterdam and Vlissingen and to continue developing our CO_2 infrastructure projects in the region. In Vlaardingen, we are making good progress in sustainable feedstocks by finalizing the expansion of our terminal to add 64k cbm for the storage of waste-based feedstock for renewable diesel.

Financial performance

In 2022, we revised our assets value and booked asset impairment charges of EUR 432 million related to our assets in Europoort and Botlek. We are focused on executing and accelerating the energy transition by taking a proactive approach toward repurposing some of our existing assets. Compared with 2021, our operations in Europe & Africa saw a significant increase in revenue, offset by a very steep increase in operational expenses driven by higher energy cost and higher personnel cost. This has led to a lower EBITDA level of 7% and EBITDA margin in 2022.

In EUR millions	2022	2021
Revenues	593.4	566.0
Operating profit / (loss) before depreciation and amortization (EBITDA) [2]	277.5	299.7
Operating profit / (loss) (EBIT) [2]	112.1	128.3
Average capital employed	1,666.5	1,717.0
Storage capacity (in million cbm)	10.6	10.7
Occupancy rate subsidiaries	86%	87%
Proportional occupancy rate	86%	87%
Proportional EBITDA [2]	269.3	295.4

New Energy & LNG

Number of terminals
4

Total storage capacity
In million cbm [1]
1.2

EBITDA
In EUR million [2]
48

Division developments & market overview

Our New Energy & LNG division brings together Vopak's extensive experience with cryogenic storage and handling, project development and execution. This will be a driving force in growing our base in LNG terminals and accelerating toward new energies and sustainable feedstocks.

High commodity prices and the growing focus on energy independence and security have helped to make renewable energy more economical. Although technological and scale-up challenges remain, the fundamentals for the pillars of Vopak's new energy services in hydrogen, CO_2 infrastructure, long duration energy storage and sustainable feedstocks, such as plastic recycling, remain solid.

The shortage of gas in Europe prompted by the Russian-Ukraine war has increased the division's focus on facilitating the sharp increase of LNG imports into Europe. In 2022, Gate terminal supplied equivalent of 50% of total Netherlands gas demand, underlining the terminal's strategic role in securing the supply of gas to the European hinterland.

Financial performance

The New Energy & LNG division reported an EBIT increase of 21% to EUR 48 million in 2022 from the previous year driven largely by Gate terminal, that substantially expanded its capacity during 2022. In June 2022, we booked an impairment of EUR 36 million on our SPEC LNG terminal in Colombia. Since the early 2022 merger of the LNG division with the Global New Energy team to form the New Energy & LNG division, operating expenses related to the new energy business's development initiatives have been included in the division's results. These growth-related expenses had a downward impact on the division's results.

In EUR millions	2022	2021
Operating profit / (loss) before depreciation and amortization (EBITDA) [2]	48.2	39.9
Operating profit / (loss) (EBIT) [2]	48.2	39.9
Average capital employed	440.7	404.3
Storage capacity (in million cbm)	1.2	1.2
Proportional occupancy rate	98%	96%
Proportional EBITDA [2]	147.7	150.3

1 At 14 February 2023.
2 Excluding exceptional items.

Outlook

Vopak is executing its strategic priorities to improve financial performance, grow in industrial and gas terminals and accelerate towards new energies and sustainable feedstocks.

Our 2022 results improved from the previous full year against a backdrop of high volatility in global energy markets. At the same time, we continued to build momentum towards achieving our new strategic priorities, continuing to transform our portfolio and position our company in markets for more sustainable forms of energy and feedstocks.

Short-term priorities

Our financial outlook for the upcoming full year 2023 is as follows:

- EBITDA (excluding exceptional items) outlook for 2023 is expected to be in the range of EUR 910 million to EUR 950 million, subject to market conditions and currency exchange.
- Consolidated growth investments outlook for 2023 is expected to be around EUR 300 million. The allocation of these investments will be through existing committed and new business development projects.
- Operating capex for 2023 is expected to be maximum EUR 300 million.
- Proportional operating cash return is expected to be around 12% by the end of 2023.

2023 and beyond

For 2023 and beyond, we will continue to improve the performance of our portfolio and are targeting an operating cash return above 12% by 2025. Vopak plans to invest EUR 1 billion in growing its base in industrial and gas terminals by 2030, and EUR 1 billion in accelerating new energies and sustainable feedstocks by 2030. With a growing world population and the need for decarbonization, we foresee rising demand for our independent infrastructure solutions. We have a unique global network of strategic locations, highly competent people and long-term partnerships. We will continue transforming our portfolio to position our company for the future.

Sustainability

Sustainability performance and notes

Introduction to sustainability

For Vopak, 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 wellbeing 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 wellbeing and development of current and future generations.

The Executive Board determines Vopak's purpose, strategy, value creation, business conduct and sustainability goals. It is also responsible for the implementation of Vopak's Sustainability Policy and Roadmap. This responsibility is delegated to division management and 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, roadmap and 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 sustainability topics 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 is to:

- Recognize and respond to key sustainability topics and expectations from our stakeholders
- Acknowledge and respond to relevant sustainability issues which impact our business
- Comply with relevant and applicable 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. Contrastingly, it also explains the impact of the changes in society, economy and environment on our business. 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 integrated into our risk management process and is referred to in 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. Impact on climate change is included within the Care for our environmental & climate (planet) section in this sustainability section.

We aim to be transparent towards our stakeholders regarding our vision, 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.

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.

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 and how we want to achieve these and (3) performance in 2022 based on topics identified as material for Vopak.

Governance and basis of preparation

Note 1. Basis of preparation

Reporting criteria

For Vopak, sustainability is a core and integrated element of our strategy and operations. Therefore we combine our Sustainability Report with our Annual Report.

The information on Vopak's sustainability performance has been prepared with reference to the Global Reporting Initiative's Universal Standards (2021). 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 to the revised GRI Universal Standards. Since these are in effect from 1 January 2023, Vopak's Annual Report 2022 applies the revised standards.

We subscribe to the view that good corporate reporting should result in 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 of the International Integrated Reporting Council (IIRC).

Climate-related disclosures have been prepared using the framework issued by the Taskforce 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 in the Care for our economic impact (profit) section.

Our impact on climate change (through GHG emissions) is further explained in Note 11.

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 2022. See Note 22 for details on taxonomy eligibility and alignment.

Sustainability Roadmap

In 2022, we continued to implement Vopak's Sustainability Roadmap. The roadmap, as explained in the Our performance section, provides an overview of the prioritized sustainability topics with clear objectives and focus areas. It specifies our actions and integrates sustainability into global processes and investment decisions.

Targets linked to Vopak's strategic framework and Sustainability Roadmap have been translated into remuneration incentives associated with key areas of sustainability performance.

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 apply 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 2022 financial year, covering Vopak's activities from 1 January 2022 to 31 December 2022. This report builds on the previous Annual Reports.

Reporting process and assurance

As in previous years, Vopak has voluntarily requested its external auditor to provide limited assurance on its sustainability reporting. The outcome of the audit and report is included in the External auditor's report.

For the 2022 assurance report, please refer to the Assurance report of the independent auditor.

The sustainability data used in this report is 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. Reported data is consolidated by our Global Operations function and reviewed by the Global Control and Business Analysis function. Responsibility for reporting on sustainability is shared between Global Finance and the Operations functions.

We have a continuous focus to further embed our 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 quarterly, key sustainability topics are reported to the Strategic Committee, Executive Board and Supervisory Board. Once a year, we organize a review of our strategy and a thematic day on climate change. Key topics and stakeholder concerns are discussed in Supervisory Board meetings. For more information, please refer to Supervisory Board report.

For further details on the governance and control framework, please refer to the Governance, risk & compliance section.

Change in reporting policies for 2022

For the Annual Report 2022, we have followed the new GRI Universal Standards published in 2021.

Reporting adjustments of historical data

Scope 1 and 2 emissions for 2021 have been restated. Please see Note 11 for explanation.

Basis of consolidation

For sustainability reporting purposes, Vopak consolidates data from its headquarters, division offices, entities under its operational control as well asentities that are not under our operational control but 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 calendar year before it 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.

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	2022	2021	2020	2019	2018
Total storage capacity according to Vopak Financial Statements	**36.6**	**36.2**	**35.6**	**34.4**	**37.0**
Temporarily out-of-scope due to grace period after acquisition					
Elengy Terminal Pakistan [1]	–	–	–	- 0.2	- 0.2
SPEC, Colombia	–	–	- 0.2	- 0.2	n/a
Vopak Industrial Infrastructure Americas, United States	–	–	- 0.8	n/a	n/a
Aegis Vopak Terminals Ltd., India	- 1.1	n/a	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	- 0.6	- 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	- 0.1	n/a
Vopak Ventures - equity investments	–	–	–	–	–
Total out of scope for sustainability reporting	**- 4.7**	**- 3.6**	**- 4.6**	**- 4.0**	**- 3.6**
Total storage capacity according to the sustainability scope	**31.9**	**32.6**	**31.0**	**30.4**	**33.4**

1 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. Aegis Vopak Terminals Ltd., Konkan Storage Systems Pvt. Ltd., and Hindustan Aegis LPG Ltd., India (acquired in May 2022) will be in scope as from 1 January 2024.

For capacity developments, please refer to the 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

The table below summarizes the expectations and interests of our stakeholders and topics they deem material for society, the environment and our business. It reflects the outcome per stakeholder group from our most recent engagements in 2022. Expectations, interests and key topics vary for each stakeholder. Vopak's commitments, policies, and actions in response to the key topics and stakeholders' concerns are included in the notes in this 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 • Process safety and spills • Energy use • New energies and sustainable feedstock	• Vopak WeConnect projects • Direct contacts • 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.	• Process safety and spills • Climate mitigation (GHG emissions) • Air quality: VOC and other air emissions • Occupational health and safety	• Direct contacts • 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 and spills • Waste and circularity • Climate mitigation (GHG emissions)	• Direct contacts • Calls, emails, conferences • Internal & external audits
Authorities & governmental organizations	Contribute to solving environmental and societal challenges, in addition to being transparent and compliant to laws and regulations.	• Business ethics and integrity • Process safety and spills • Air quality: VOC and other air emissions • Climate mitigation (GHG emissions) • New energies and sustainable feedstock	• Direct contacts • Written correspondence • 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.	• Occupational health and safety • Cyber security • Business ethics and integrity • Climate mitigation (GHG emissions) • Financial and operational performance	• 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 environmental and social topics.	• Air quality: VOC and other air emissions • Business ethics and integrity • Process safety and spills • Water use	• Direct contacts • Written correspondence • 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 and spills • New energies and sustainable feedstock	• Direct contacts • 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.	• Air quality: VOC and other air emissions • Process safety and spills • Climate mitigation (GHG emissions) • Occupational health and safety	• Direct contacts • 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 and spills • New energies and sustainable feedstock • Occupational health and safety • Air quality: VOC and other air emissions	• Daily work relationships • Training and human resources cycles • Biennial employee engagement survey • Intranet, mail, internal social media - town hall sessions (digital)

Materiality

In 2022, Vopak carried out a double materiality assessment. The assessment enables us to identify and prioritize topics that represent the most significant impacts of our activities and business relationships on the economy, environment, and people including impacts on human rights. Simultaneously, it helps to understand the materiality of changing economy, environment and society on the value and business of our business.

Our approach to the recent materiality assessment is explained in the below illustration.

Define impacts

Analysis of completeness of topics

Decision on final topics, definitions and querying

Actions:

1. Critical review of previously reported topics vis-a-vis the new standards and sectoral guidelines requirements including CDP, SASB and DJSI
2. Alignment with the updated GRI Universal Standards
3. Stakeholder mapping based on potential impact and degree of engagement

Outcome:

- Issues/ topics gap assessment
- List of reclassified and new topics
- Stakeholders list and engagement approach.

Assess impacts with stakeholders

Building stakeholder inquiry

External dissemination

Actions:

1. Development of online survey tool to carry out 'impact materiality'
2. Internal alignment with key external facing departments including Global Communication & IR
3. Survey and reminders sent to 110 respondents

Outcome:

- Outside-in perspective
- Online materiality survey
- Respondents feedback to survey and 'other comments'.

Analysis and results

Analysis of results

Internal prioritization

Actions:

1. Anonymized and independent feedback analysis (per stakeholder and aggregate)
2. Internal prioritization session based on the selection of the 1, 2 and 3 topics each - from most to least important – based on 'financial materiality'
3. Review of 'other' survey comments

Outcome:

- Inside-out perspective
- List of material and most material topics for 2022- 24 – based on impact and financial materiality.

The result of this assessment has served, in the form of material topics, as input for the 2022 annual report. These topics are also considered valuable input for strategic decisions in the years to come.

The 23 topics that are identified, are classified as:

- Key topics: These are the issues our management and stakeholders deem most material and financially impactful, and may carry significant opportunities and risks
- Topics to monitor: We want to demonstrate our social responsibility concerning these topics, and measure and report on these topics in our report

This figure shows the 23 topics included in our materiality assessment. The six items in bold emerged as the most material:

Planet
Care for social environmental impact

1. Air quality, VOC and other air emissions
2. Waste and circularity
3. Climate change prevention (GHG reduction)
4. Climate adaptation
5. Energy use
6. Water use
7. Preserving biodiversity

Profit
Care for economic impact

8. Business ethics and integrity
9. Innovation
10. (Cyber) security threats
11. Customer acceptance and continuation
12. Financial performance
13. Remuneration
14. Responsible taxation
22. Transition towards new energies and sustainable feedstocks
23. Ensure access to energy and feedstocks

People
Care for social impact

15. Process safety and prevention of spills
16. Occupational health and safety
17. Human capital development and talent attraction
18. Nuisance
19. Human rights and decent work
20. Inclusion and diversity
21. Community engagement

Due to their relevance to our stakeholders and significance to the success of our business, Vopak reports 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. Each topic is addressed directly by our strategy, as set out in the connectivity table in the sustainability section.

The materiality assessment conducted in 2022 has been aligned with the updated GRI Universal Standard standards (2021). Furthermore, the assessment also took into account the breadth of topics covered in the then-draft requirements of the Corporate Sustainability Reporting Directive (CSRD) and the double materiality principle as mentioned by GRI.

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 corresponding risks, disclosures on management approach 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, please refer to the Performance & outlook section. Our governance concerning sustainability-related risks and opportunities is integrated into our governance and risk management processes. For more information, please see 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 risk in Risk Paragraph	Corresponding performance notes	Corresponding GRI Standard
Care for our societal impact (People)					
Occupational health and safety	Human	8 DECENT WORK AND ECONOMIC GROWTH	8	Note 4. Occupational health and safety	• GRI 403: Occupational Health and Safety (2018 version)
Care for our environment & climate (Planet)					
Process safety and spills	Natural Social & Relationships	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	8	Note 10. Process safety and prevention of spills	No corresponding GRI topic-specific standard
Air quality: VOC and other air emissions	Human Natural	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	8	Note 12. Air quality: VOC and other emissions	• GRI 305-7: NOx, SOx and other significant air emissions
Climate change prevention (GHG emissions)	Natural	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	8	Note 11. Our impact on climate change: GHG emissions	• GRI 305: GHG emissions
Care for our economic impact (Profit)					
Business ethics and integrity	People Social & Relationships		9	Note 17. Business ethics and integrity	• GRI 2-27: Compliance with Laws and Regulation
Transition towards new energies and feedstocks	Systems & Processes	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION	1 2 4	Note 18. Innovation	No corresponding GRI topic-specific standard

Consolidated sustainability performance

	2022 Target	Performance 2022	2021	2020	2019	2018	2023 Target	Medium-term target	Note
Care for our societal impact (people)									
Occupational health and safety									4
Fatalities and life changing injuries, own employees and contractors	0	2	0	0	1	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)	0.25	0.25	0.25	0.37	0.34	0.30	0.24		
TIR 3 year rolling average	Progress to achieve long-term target	0.29	0.32	0.33	0.34	0.32	Progress to achieve medium-term target	TIR 3 year rolling average equal or lower than 0.22 in 2024	
Human rights and decent work									5
Total number of employees (in headcount)		5,699	5,816	5,688	5,697	5,833		A living wage for all own employees and our main suppliers and contractors	
Percentage of employees with a living wage	100%	100%	100%	100%	100%	100%	100%		
Inclusion and diversity									6
Percentage of women in senior management positions		20%	17%	16%	12%	n.r.		Increase the proportion of women in Vopak's senior management positions to at least 25% in 2025 (target 2023 - 20%)	
Percentage of regional origin in senior management positions (divisions and operating companies)		82%	84%	n.r.	n.r.	n.r.		Senior management in divisions and operating companies at least 75% local in 2023	
Percentage of regional origin in senior management (global roles and New Energy & LNG)	Progress to achieve long-term target	11%	9%	n.r.	n.r.	n.r.	Progress to achieve medium-term target	Senior management in global roles and the New Energy & LNG division at least 25% international talents in 2023	
Care for our environment and climate impact (planet)									
Process safety and prevention of spills									10
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)	0.15	0.11	0.09	0.14	0.16	0.12	0.14		
PSER 3 year rolling average	Progress to achieve long-term target	0.11	0.13	0.14	0.17	0.20	Progress to achieve medium-term target	PSER 3 year rolling average equal or lower than 0.15 in 2024	
Water pollution									10
Total number of reportable spills	Zero uncontained spills with a catastrophic or major impact on the environment or society	2	2	8	6	4	Zero uncontained spills with a catastrophic or major impact on the environment or society	Zero uncontained spills with a catastrophic or major impact on the environment or society while continuously reducing uncontained spills	
Total product spilled (reportable spills in metric tons)		1	6	26	2	1			
Soil and groundwater pollution									10
Total number of uncontained reportable spills		5	11	6	6	4			
Total product spilled (uncontained reportable spills in metric tons)		5	6	301	19	29			

	2022 Target	Performance					2023 Target	Medium-term target	Note
		2022	2021	2020	2019	2018			
Our impact on climate change: GHG emissions									11
Total GHG emissions - Scope 1 & 2 (metric tons)		517,010	577,017	444,150	408,475	417,409			
- Direct GHG emissions - Scope 1 (metric tons)	Progress to achieve medium- and long-term target	327,970	322,266	207,078	154,807	165,720	Progress to achieve medium- and long-term target	Our ambition is to be net-zero by 2050. Our 2030 target is a 30% reduction of Scope 1 and 2 GHG emissions compared to 2021	
- Indirect GHG emissions - Scope 2 (metric tons)		189,040	254,751	237,072	253,668	251,689			
Indirect GHG emissions - Scope 3 (metric tons)		385,891	-	-	-	-			
Air quality: VOC and other air emissions									12
Societal impact reduction of our VOC emissions		26%	23%	19%	6%	q.r.	Progress to achieve long-term target	Reduce our societal impact by more than 30% in 2025 compared to 2016	
Our economic impact (profit)									
Business ethics and integrity									17
Number of fines from permit violations	0	13	2	0	1	0	0	Zero permit violations and no violations of Code of Conduct	
Amount of fines from permit violations (in EUR thousands)	0	99	32	0	0	0	0		
Total number of breaches of Code of Conduct	0	4	3	6	13	3	0		
Innovation									18
Transition towards new energies and feedstocks	Investments to achieve long-term target	q.r.	q.r.	q.r.	q.r.	n.r.	Investments to achieve long-term target	Our aim is to accelerate towards new energies and sustainable feedstocks and to invest our growth capital accordingly	

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 committed to making a positive impact on society. Our care starts with the people who work for us and extends to the communities in which we operate and society at large. Our first and foremost responsibility is to provide safe, clean and efficient storage. The products we store are vital for society. If handled incorrectly, these can potentially be harmful to the environment and people's health. Therefore, we tirelessly ensure that we store and handle all the products in the right environment and in a safe manner. We adhere to the highest health and safety standards, ensuring our employees and contractors return home safely after each working day. We work to ensure that all our entities respect human rights and contribute to realizing decent work for all. With operations around the globe, Vopak is a multicultural company. We strive for a diverse workforce and an inclusive work culture.

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

100%
of employees receive living wage

0.25
Total Injury Rate

23
WeConnect projects

1
Fatality

Note 4. Occupational health and safety

Definition, reporting policies and boundaries

Related topic	Material topic no. 16
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, an international standard to ensure safe and healthy working conditions for workers by setting and enforcing standards.

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. We handle a wide range of liquid and gaseous products and feedstock that are vital for everyday life. If handled incorrectly these products can endanger the health and safety of our employees, contractors and the communities in the vicinity of our facilities.

Therefore, we store and handle these products with the utmost care, 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 design, construction, 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. These requirements 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. Vopak encourages its employees to adopt healthy lifestyles. We organize and facilitate 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 safety incidents 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. All employees and contractors working at Vopak facilities are obligated to report any (potential) safety or health issues. Reporting of actual and potential events is carried out via Enablon or similar reporting systems, accessible to all employees. We strongly believe that all safety incidents can be prevented and remain committed to the goal of zero personal incidents.

Occupational safety

	2022 Target	2022 Performance	Our ambition
Occupational health and safety			
Fatalities and life changing injuries, own employees and contractors	0	2	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)	0.25	0.25	
TIR 3 year rolling average	Progress to achieve long-term target	0.29	TIR 3 year rolling average equal or lower than 0.22 in 2024

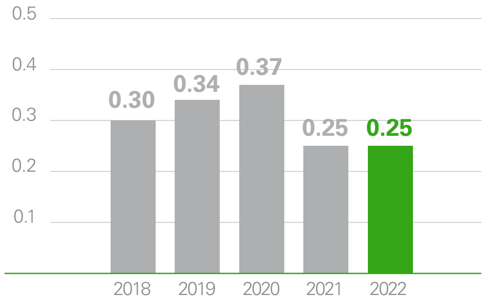
Safety is our first and foremost priority. We adhere to the highest health and safety standards and aim to ensure that our employees and contractors return home safely after each working day. To do so, we assess, maintain, revisit and diligently implement policies, systems and hardware to build a safety culture necessary to keep our employees and contractors safe and secure.

In 2022, we experienced a tragic event that resulted in a fatality in China. One of our employees fell into the water while crossing a gangway and drowned. We also experienced a life changing injury of an employee as a result of a car accident while traveling to one of our terminals in South Africa. Both incidents have been thoroughly investigated to define the root causes and learnings have been implemented across our network of terminals to avoid the recurrence of these tragic events.

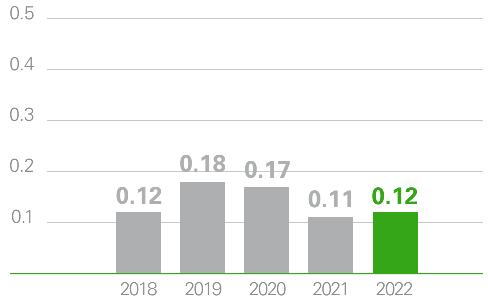
Occupational safety performance

	Own employees		Contractors		Combined	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Lost time injuries (LTIs)	8	9	9	9	17	18
Restricted work cases (RWCs)	2	5	4	8	6	13
Medical treatment cases (MTCs)	5	3	5	6	10	9
Total Injury Count (TIC)	**15**	**17**	**18**	**23**	**33**	**40**
Total Injury Rate (TIR)	**0.30**	**0.30**	**0.22**	**0.23**	**0.25**	**0.25**
Lost Time Injury Rate (LTIR)	**0.15**	**0.15**	**0.11**	**0.09**	**0.12**	**0.11**
Fatalities and life changing injuries	**2**	**0**	**0**	**0**	**2**	**0**

Total Injury Rate



Lost Time Injury Rate



	Total Injury Rate		Lost Time Injury Rate	
	2022	**2021**	**2022**	**2021**
Americas	0.08	0.23	0.04	0.11
Asia & Middle East	0.09	0.14	0.02	0.02
China & North Asia	0.13	0.17	–	0.09
Europe & Africa	0.83	0.51	0.58	0.20
New Energy & LNG	0.50	0.36	0.12	0.24
Global HQ	–	0.18	–	0.18
Total	**0.25**	**0.25**	**0.12**	**0.11**

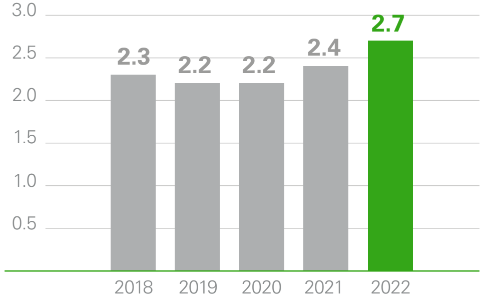
In 2022, we sustained our Total Injury Rate (TIR) at 0.25. For the (high potential) incidents, evaluation of the root causes has identified that most cases occur during construction and maintenance due to impact, slips, trips and falls.

In 2022, we continued to work towards embedding the 'Trust & Verify!' program that was launched in 2018. We have also included the leadership review process for the Operating Companies & Division Management and the Executive Board. This program further increases safety awareness and encourages a culture of personal accountability and safety leadership throughout the company, help us preventing incidents and to ensure a safe working environment.

We also reviewed, updated and relaunched our Global Fundamentals on Safety standard. Together with industry partners and led by one of our customers we developed a waterfront safety program. In 2023, we will evaluate and improve our Trust & Verify! program to ensure continuous learning and improvement across our network.

Occupational health

Sickness rate
in %



Sickness rate per division

	Sickness rate %	
	2022	2021
Americas	1.3	1.3
Asia & Middle East	2.9	1.9
China & North Asia	0.6	0.8
Europe & Africa	5.7	5.2
New Energy & LNG	3.0	2.1
Global HQ	2.2	2.5
Total	**2.7**	**2.4**

In 2022, 47% (2021: 46%) of Vopak staff worked in areas of higher accident risk (mainly operational and maintenance staff at our terminals). There are no reported cases of employees suffering from occupational diseases in 2022.

Note 5. Human rights and decent work

Related topic	Material topic no. 19
Human rights and decent work	*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 Suppliers code.*

8 DECENT WORK AND ECONOMIC GROWTH

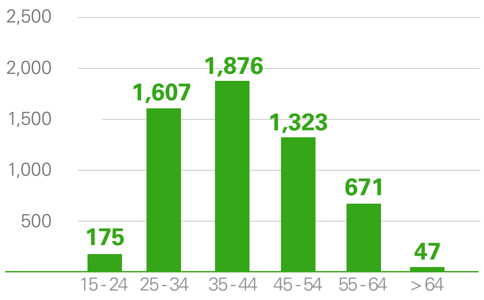
Our workforce

	2022 Target	2022 Performance	Our ambition
Human rights and decent work			
Total number of employees (in headcount)		5,699	
Percentage of employees with a living wage	100%	100%	A living wage for all own employees and our main suppliers and contractors

	2022	2021	2020	2019	2018
Total number of employees (in headcount)	5,699	5,816	5,688	5,697	5,833
- Percentage of male employees	83%	82%	83%	84%	84%
- Percentage of female employees	17%	18%	17%	16%	16%
- Percentage of employees with a living wage	100%	100%	100%	100%	100%

	Headcount	Gender		Employment type		Employment contract	
	31-Dec-22	Men	Women	Full-time	Part-time	Permanent	Fixed term
Americas	949	81%	19%	100%	0%	99%	1%
Asia & Middle East	1,376	84%	16%	99%	1%	96%	4%
China & North Asia	1,101	84%	16%	100%	0%	52%	48%
Europe & Africa	1,550	84%	16%	92%	8%	93%	7%
New Energy & LNG	265	84%	16%	97%	3%	97%	3%
Global HQ	458	72%	28%	86%	14%	90%	10%
Total	**5,699**	**83%**	**17%**	**96%**	**4%**	**87%**	**13%**

Age distribution



Approximately 39% (2021: 40%) 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 2022, Vopak hired contractors for in total more than 8,000 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 is striving to ensure that all our entities respect human rights when conducting business.

The risks of potential human rights issues lay 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 to that of Vopak employees.

In 2022, Vopak started a screening process to assess and identify corporate responsibility-related credentials of our current and prospective suppliers and contractors. The screening process, among others topics, also pays close attention to human rights and decent working conditions. The aim is to implement this procedure in 2023 for all operating companies and divisions. Vopak expects that all of its partners, contractors and suppliers will adhere to the Vopak Code of Conduct and the Supplier Code, which also covers human rights.

In line with our Speak Up policy, all employees and other stakeholders are encouraged to speak up and to report any human rights issues or other violations of our Code of Conduct or Supplier Code in confidence to designated, so-called Trusted Persons. A Trusted Person follows up on all complaints and takes remedial action where needed.

In 2022, no cases of human rights violation were reported. For cases reported during 2022, reference is made to Note 27. Business ethics and integrity.

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

Vopak supports the 'living wage' principle as referred 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. In line with our Speak Up policy, breaches to our living wage principle can be reported by all employees, contractors, and other stakeholders.

Since 2019, we have carried out an annual 'living wage' assessment by comparing employee salaries (total compensation) with living wage benchmarks. The assessment helps us estimate the cost for the basic but decent life in a specific region. It ensures that the wages provided to our employees in the countries we operate in meet or exceed the living wage standards.

In 2022, all of our entities were found compliant with the living wage principle and no issues were noted (2021: no issues). Please note that the Vopak wages paid to staff in Venezuela can only be assessed informally. This is due to the lack of official indicators and accurate benchmarks to measure basic work and living standards.

The application of the living wage principle is not limited to Vopak employees only. It is also included in the Vopak Global Supplier Code and the Global Supplier and Contractor Performance Management Program. Periodic reporting on the contractors' and suppliers' pay practices against the living wage standards will become an integrated part of the overall screening process of our global suppliers as of 2023.

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 accordance with the GRI Standards.

The calculation method of these pay ratios is consistent with the method used to calculate the CEO Pay Ratio as shown in the Remuneration Report.

	2022	2021
Pay ratio The Netherlands	11.7	19.4
Pay ratio Singapore [1]	7.2	10.3
Pay ratio United States [1]	5.1	4.2

1 In 2022, the position of the highest paid employee was vacant during part of the year. The remuneration of the highest paid employee used to calculate this pay ratio is annualized to a full year amount in order to facilitate a like-for-like comparison with the pay ratios in previous and future years.

Employee hires and turnover

Vopak's relative staff turnover is 14.5% in 2022. 81% of the leavers were voluntary. Vopak turnover during 2022 has been below the external labor trends for comparable markets.

When a divestment is made, we will do our utmost to facilitate success for the divested entity and its employees. Employees working for a divested business are offered similar contractual arrangements as when they were working for Vopak.

Improved governance of human rights & decent work

Our suppliers vary from globally qualified vendors used for equipment and IT automation to local service and construction suppliers. Correspondingly, our supply chain also varies for different suppliers, vendors, and locations. In order to improve our governance of human rights and decent work we are making following improvements:

- Standardized supplier qualification on human rights and decent work criteria: The qualification process for suppliers to become part of the Approved Vendor list is being further expanded with sustainability criteria on human rights and decent work. Questions have been shared with all divisions in 2022 and will be implemented in 2023
- Governance of human rights & decent work in large growth projects (> 20M Euro): In order to manage the risks related to human rights and decent work with our contractors we are developing a list of requirements linked to ILO/UN which will be followed during the contracting and execution phase of large projects. This will mean that during the Request for Interest, and Request for Proposal stages, as well as execution, we will monitor, check and verify the application of our sustainability requirements as determined by Vopak. The implementation has started and is expected to be completed in 2023.

Note 6. Inclusion and diversity

Related topic	Material topic no. 20
Inclusion and diversity	*This refers to Vopak providing an inclusive culture where all individuals feel welcome and creating a diverse workforce that reflects the societies we serve.*

8 DECENT WORK AND ECONOMIC GROWTH

Vopak is a multicultural company with operations around the globe. Our workforce is diverse and reflects many different cultures, nationalities and beliefs. We value 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 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. Until 2023, our diversity policy prioritizes 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, including Board level)

	2022 Performance	2023 Target
Inclusion and diversity		
Percentage of women in senior management positions	20%	Increase the proportion of women in Vopak's senior management positions to at least 25% in 2025 (including the Executive Board)

Management composition (salary scales at or above 15)

	Executive Board		Terminal and divisional management teams		Global staff directors		Global staff HQ	
% employees	2022	2021	2022	2021	2022	2021	2022	2021
Gender								
Men	100%	100%	77%	77%	75%	75%	74%	75%
Women	0%	0%	23%	23%	25%	25%	26%	25%
Nationality								
Dutch	100%	100%	26%	26%	92%	92%	71%	77%
Other	0%	0%	74%	74%	8%	8%	29%	23%

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.

	2022 Performance	Our ambition
Inclusion and diversity		
Percentage of regional origin in senior management positions (divisions and operating companies)	82%	Senior management in divisions and operating companies at least 75% local in 2023
Percentage of regional origin in senior management (global roles and New Energy & LNG)	11%	Senior management in global roles and the New Energy & LNG division at least 25% international talents in 2023

Women in Senior Management Positions

We believe that diversity in its broadest sense contributes to the long-term success of our company. Our focus is on diversity in terms of gender, regional origin and competences. Related to gender, Vopak has in the last three years doubled the number of senior female leaders.

Following this success we are upgrading our target, aiming now to increase the proportion of women in senior roles to 25% by 2025. In 2022 we started a Vopak Women's Mentorship Program at our head office, with the objective of empowering women in their careers. The program consists of mentors and mentees, where they embark on a year-long mentoring journey.

Vopak is committed to increasing the number of women in leadership positions

Note 7. Human capital development and talent attraction

Related topic	Material topic no. 17
Human capital development and talent attraction	*The topic refers to Vopak attracting, recruiting, training, developing and retaining the employees to achieve short- and long-term objectives.*

8 DECENT WORK AND ECONOMIC GROWTH

Attracting, developing and retaining talent is critical to our success. In developing a mindset and workforce ready for our future and to stay ahead of the competition, we recognize our requirement for different skills and backgrounds. 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 Vopak as a brand is less visible and less well known outside the industry. These are often the countries with high growth or higher growth potential.

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

As much as possible, we recruit from within the company to fill open and new 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 key component for the retention of our staff.

Our performance review 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 degrees) 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 2022, 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 2022, 90% (2021: 87%) of our employees completed compulsory annual training on the Vopak Fundamentals. The percentage is below 100% due to joiners during the year who have a 2 months period to successfully complete all mandatory trainings. In addition to our Vopak Fundamentals, we have 14 other safety-critical modules available within MLO including personal protective equipment (PPE), pumps, lines and valves. These 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 have a comprehensive online Code of Conduct training for all Vopak employees. In 2022, more than 92% of invited employees completed the Code of Conduct training.

Training hours per employee

	2022	2021
Americas	49	35
Asia & Middle East	57	49
China & North Asia	86	68
Europe & Africa	38	33
New Energy & LNG	60	28
Global HQ	n.r.	n.r.
Total	**52**	**41**

In 2022, Vopak employees spent an average of 52 hours in training compared to 41 hours in 2021.

Note 8. Nuisance

Related topic	Material topic no. 18
Nuisance	*The topic refers to Vopak's attempt in minimizing the effects of nuisance on its neighbors by monitoring and addressing smell, noise and other complaints, and by installing facilities to mitigate these nuisances.*

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

Number of complaints	2022	2021
Americas	1	5
Asia & Middle East	–	–
China & North Asia	–	–
Europe & Africa	7	45
New Energy & LNG	1	–
Global HQ	–	–
Total	**9**	**50**

During 2022, in total we received 5 stench complaints (2021: 9), that originated from 5 individual incidents (2021: 5) at 3 locations (2021: 4). We also received 4 noise complaints (2021: 41) for 4 terminals located in The Netherlands. The noise complaints were all related to ship engines during the night hours.

Note 9. Community engagement

Related topic	Material topic no. 21
Community engagement	*The topic refers to the ambition of Vopak to support the local communities in which Vopak operates e.g. through engagement about relevant topics for the community and the Vopak WeConnect Foundation.*

In storing vital products with care, our care extends to our communities. We strive to be a responsible and active member of the communities in which we operate. This includes maintaining regular contact, hiring and training local staff, stimulating economic growth through business investments and minimizing harm to people's health and the environment.

While topics identified through the materiality survey are relevant to Vopak's operations worldwide, other topics may be 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. Local priorities regularly addressed range from plastics clean up, preservation of archeological sites and impact of truck movements during construction activities up to improving roads and local education.

We are aware that stakeholder engagement requires proactive dialogue, with regular contacts and two-way communication. Depending on the stakeholders and the topic, we communicate through face-to-face meetings, written correspondence, information on our websites, social media, open houses & site visits and participation in public hearings.

Proactive stakeholder engagement is an integral part of our regular business operations, project management and on-going business cycles and terminal audits (including at joint ventures). Highlights of our community engagements:

- 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 is being rolled out in the organization
- Every three years, local communities are one of the stakeholder groups that contribute to the materiality assessment, which guides our prioritization of sustainability topics. A new materiality assessment was held in 2022, the results for which can be found in Note 2.

Vopak WeConnect Foundation

Vopak encourages employees to take an active part in their local communities. This is happening in numerous ways at Vopak locations around the world. The 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.

In 2022, Vopak's Division Presidents, HR and Communication helped re-energize the Vopak WeConnect Foundation after two difficult years due to the Covid-19 pandemic. Vopak management teams were also called to include Vopak WeConnect in regular management processes, town halls, etc. This resulted in an increase in the number of projects from 10 in 2021 to 23 in 2022. This effort will continue in 2023, with the ambition to reach one Vopak WeConnect project at each of the selected Vopak locations.

Vopak WeConnect Project - Back to School

Vopak is convinced that it is more important than ever for our society and wellbeing that people learn to think internationally and to bridge cultural differences from a young age. The Vopak WeConnect Foundation wants young people to experience that there is a world full of opportunities to discover if they learn to look beyond their own boundaries, and to pass on the value of working together with others. Our colleagues in Lesedi, South Africa held a Vopak WeConnect project to give educational support to students from a local high school. The project includes study trips, management sessions with Vopak colleagues, and life skills sessions to cope with mental, social, and behavioral issues.

We extend our care to local communities

Care for our environmental & climate impact (planet)

We are committed to reducing the negative effects of our activities on people's wellbeing, the environment and the climate. At the same time, we are accelerating our environmental action including decarbonization of our operations and value chain, waste management and biodiversity protection.

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.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 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

517,010
Metric Tons Scope 1 and 2 emissions

10%
reduction in Scope 1 and 2 (vs 2021 baseline)

0.11
PSER

26%
reduction impact of VOC emissions (vs 2016 baseline)

Note 10. Process safety and prevention of spills

Definition, reporting policies and boundaries

Related topic	Material topic no. 15
Process safety and prevention of spills	*This includes incidents of product contaminations, damages to installations, spills and other product losses of primary containment (LOPC).*

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Reporting policies

Process safety is managed and reported according to the API standard RP 754, an international standard on process safety event classification. 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.

Both terms 0 'spills' and 'LOPCs' 0 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.

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.

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

Concerning damages, we have only included those greater than EUR 50,000.

Management approach

Vopak has 78 standards for Safety & Sustainability, Service & Operations, Asset Management and Projects & Engineering. These form the basis on which our performance is governed.

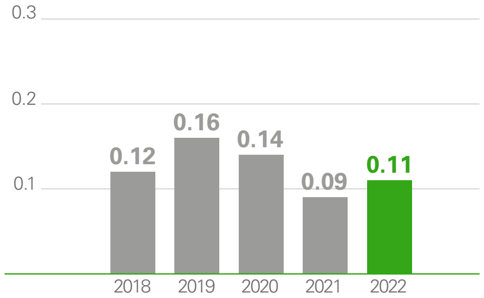
The processes of storing and handling liquids and gases at our facilities require safety measures to control the hazards involved in storing these products. All staff working at Vopak facilities are obliged to report process safety incidents via Enablon (or similar systems). Another core element is the constant monitoring and reporting of every process incident at our facilities and investigating the root cause to prevent similar incidents. For major incidents, we share the results of these investigations with all of our facilities using a written safety alert.

In 2022 we continued the roll-out of our internal audit program Terminal Health Assessment (THA) 2.0. It is a key governance tool within Vopak's integrated management system, providing the leadership with the assurance that terminals are implementing and maintaining their assets, processes, procedures, and knowledge following the legal regulations, Vopak standards and best practices. In 2022 we audited a total of 29 terminals. Findings of the audits are registered, followed up and closed out through Enablon (or similar systems). 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 to appropriately store and handle these products.

	2022 Target	2022 Performance	Our ambition
Process safety and prevention of spills			
Major process incidents	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)	0.15	0.11	
PSER 3 year rolling average	Progress to achieve long-term target	0.11	PSER 3 year rolling average equal or lower than 0.15 in 2024

Process Safety Event Rate



Process safety performance per division

	Tier 1 PSE Count		Tier 2 PSE Count		Tier 1 & Tier 2 PSER	
	2022	2021	2022	2021	2022	2021
Americas	2	2	3	3	0.21	0.15
Asia & Middle East	2	1	4	5	0.14	0.14
China & North Asia	0	0	0	0	0	0
Europe & Africa	3	1	0	1	0.12	0.07
New Energy & LNG	0	0	0	0	0	0
Global HQ	0	0	0	0	0	0
Total	**7**	**4**	**7**	**9**	**0.11**	**0.09**

In 2022 we sustained our good process safety performance with a PSER of 0.11 which is well below the target of 0.15.

The total number of Tier 1 and Tier 2 LOPCs were fairly stable compared to 2021.

Process safety events per type

	Tier 1 PSE Count		Tier 2 PSE Count		Tier 1 & Tier 2 PSE	
	2022	2021	2022	2021	2022	2021
Fatality	0	0	0	0	0	0
Lost time injuries (LTIs)	1	2	0	0	1	2
Restricted work cases (RWCs)	0	0	0	0	0	0
Medical treatment cases (MTCs)	0	0	0	0	0	0
Losses of primary containment (LOPCs)	6	3	7	9	13	12
Fires	0	0	0	0	0	0
Pressure relief device (PRD) activations	0	0	0	0	0	0
Total [1]	**7**	**4**	**7**	**9**	**14**	**13**

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

Product contaminations

	2022			2021		
	PSE	Non-PSE	Total	PSE	Non-PSE	Total
Americas	2	0	2	1	1	2
Asia & Middle East	0	2	2	1	0	1
China & North Asia	0	1	1	0	1	1
Europe & Africa	4	3	7	4	2	6
New Energy & LNG	0	0	0	0	0	0
Global HQ	0	0	0	0	0	0
Total	**6**	**6**	**12**	**6**	**4**	**10**

In 2022, we experienced a total of 12 product contaminations. Although this is two more compared to 2021, the number shows a declining trend since 2018. The majority of events (46%) were related to ship loading activities.

Damages (>50k EUR)

	2022			2021		
	Property	Product	Total	Property	Product	Total
Americas	4	2	6	3	0	3
Asia & Middle East	1	0	1	3	0	3
China & North Asia	0	0	0	0	0	0
Europe & Africa	8	0	8	6	1	7
New Energy & LNG	0	0	0	0	0	0
Global HQ	0	0	0	0	0	0
Total	**13**	**2**	**15**	**12**	**1**	**13**

We had a total of 13 property and 2 product damages. Of the 13 property damage, over 50% were related to damage to internal floating roofs identified post operation or during routine maintenance inspection activities. 31% of the events were related to abnormal weather events.

Both product damages were a result of the handling caustic soda at a terminal in the America's Division. A review of the design and handling practices together with the customer resulted in modifications to prevent future damages.

Water pollution

Reporting policies

All tier 1 and 2 of any quantity and all tier 3 spills above 200 kg that are spilled to water are reported.

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, and specifically designed containment and drainage facilities at our jetties and piers. If a 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 the further spread of contaminants.

Vopak principle on water pollution

Our Environmental Management System (EMS) principle is set out in the Vopak Way Standards and is founded on international laws and regulations. Our EMS emphasizes the following:

- 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 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 Terminal Health Assessment (THA) program.

	2022 Target	2022 Performance	Our ambition
Water pollution			
Total number of reportable spills	Zero uncontained spills with a catastrophic or major impact on the environment or society	2	Zero uncontained spills with a catastrophic or major impact on the environment or society while continuously reducing uncontained spills
Total product spilled (reportable spills in metric tons)		1	

	2022	2021	2020	2019	2018
Total number of reportable spills	2	2	8	6	4
Total product spilled (reportable spills in metric tons)	1	6	26	2	1

We had 2 reportable uncontained spills into surface and sewage water in 2022 (2021: 2), with a total of 1 metric tons (2021: 6 metric tons) of products being spilled. The 2 spills occurred both at our Sebarok terminal in Singapore (0.5 tons of fuel oil and 0.5 tons of diesel oil). All product that was spilled into the water has been removed.

Soil and groundwater pollution

Reporting policies

All Tier 1 and Tier 2 spills are recorded and included in the calculation for the Process Safety Event Rate (PSER). Tier 3 spills of more than 200 kg are reported separately.

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'.

	2022 Target	2022 Performance	Our ambition
Soil and groundwater pollution			
Total number of uncontained reportable spills	Zero uncontained spills with a catastrophic or major impact on the environment or society	5	Zero uncontained spills with a catastrophic or major impact on the environment or society while continuously reducing uncontained spills
Total product spilled (uncontained reportable spills in metric tons)		5	

As the owner and/or user of approximately 1,760 hectares of land with almost 6,000 tanks, Vopak has the 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 standards, based on international laws and regulations, are:

- Prevention: for soil contamination, mandatory secondary containment should also be implemented at our older terminals to be implemented simultaneously with our ongoing maintenance schedule
- A spill response program to act in case a spill occurs, applicable to both soil and water.

Locations with a high risk of spillages, such as pumping pits, truck loading stations and jetty manifolds, are already equipped with secondary containment to prevent damage to the environment. Led by a risk-based approach, we continue to improve the coverage of secondary containment to ensure the protection of the subsoil and groundwater at our terminals.

In this risk-based approach, we took into account that 79% of our terminals are in the vicinity of areas of high biodiversity. Extra precautions (e.g. vertical barrier that isolates the Vopak location from external areas) are taken to prevent contamination of these areas. If a spill or any unwanted discharge takes place, emergency mitigation procedures (e.g. excavating contaminated soil) are in place at all our terminals.

Performance

	2022	2021	2020	2019	2018
Total number of uncontained reportable spills	5	11	6	6	4
Total product spilled (uncontained reportable spills in metric tons)	5	6	301	19	29

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

We work to prevent spills; our goal is zero uncontained spills. In 2022, uncontained spills to soil and groundwater amounted to 5 metric tons (2021: 6 metric tons).

Besides prevention, Vopak is also engaged in a process of remediation at 9 terminals. Please refer 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.

	2022			2021		
	Contained	Uncontained	Total	Contained	Uncontained	Total
Total number of reportable spills	40	7	47	27	13	40
Total product spilled (reportable spills in metric tons)	296	6	302	3,645	12	3,657

Note 11. Our impact on climate change: GHG emissions

Definition, reporting policies and boundaries

Related topic	Material topic no. 3
Climate change prevention: GHG emissions	*The topic refers to GHG emissions from direct energy use in own operations (Scope 1), indirect energy use from electricity purchased (Scope 2) and other indirect emissions (Scope 3).*

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 and 12, while at the same time increasing the security of supply by providing access to affordable, acceptable and sustainable energy and feedstocks for all, in line with SDGs 7, 8, 9 and 12.

In view of that, Vopak has adopted three lines of action:

- ***Improve***: Reducing our own environmental and carbon footprint, including greenhouse gases is linked to our strategic priority to improve our sustainability performance
- ***Grow:*** Developing infrastructure solutions to facilitate cleaner conventional fuels and feedstocks for all complements our strategic focus to grow our gas business and industrial terminals
- ***Accelerate***: Developing infrastructure solutions for zero- and low-carbon new energies and feedstocks like renewable hydrogen and ammonia is part of our strategic focus to accelerate in new energies and sustainable feedstocks.

By acting along these three lines, we contribute to a more sustainable, resilient and climate neutral society. We help customers reduce their environmental and carbon footprint and contribute to energy and feedstock transitions around the world. To reduce our own carbon footprint, we will take effective measures that deliver results in the short to medium term.

GHG emissions targets

As part of our sustainability journey, in 2019 Vopak first set the ambition to become net-zero by 2050 (Scope 1 and 2).

In 2022, Vopak committed itself to the intermediary target of reducing our GHG emissions by 30% by 2030 (vs 2021 baseline, Scope 1 and 2 emissions), including future growth of our business. Our target implies a GHG reduction of 45% - 60% of our existing business in 2030.

Vopak has submitted its GHG targets for validation by the Science Based Targets initiative (SBTi) and is currently engaged in the validation process, which is expected to last through 2023. Science-based targets provide companies with a clearly defined sector-specific pathway to reduce greenhouse gas emissions. This is in line with the Paris Agreement goals, helping prevent the worst impacts of climate change and future-proofing business growth.

As detailed below, In 2022, we have enhanced the reporting of our Scope 3 emissions to include all relevant, applicable and material upstream and downstream Scope 3 categories. Vopak will continue to improve the completeness, consistency and accuracy of its Scope 3 emissions and, in due course, will work towards developing a Scope 3 reduction target.

Restatement of Scope 1 and 2 emissions for 2021
In order to improve the accuracy of energy consumption data for 2021, Vopak conducted an assessment for energy consumption for VIIA terminals Freeport, Plaquemine and St. Charles. This included an electrical load as well as a gas consumption study at each of the terminals for use in their emission calculations.

Based on the outcome received in late 2022, Vopak restated the energy consumption and associated Scope 1 and 2 GHG emissions of the aforementioned terminals in 2021. We also made a restatement on the Chinese terminals related to the purchase of steam.

To achieve our 2030 target, we will:
- continue to 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.

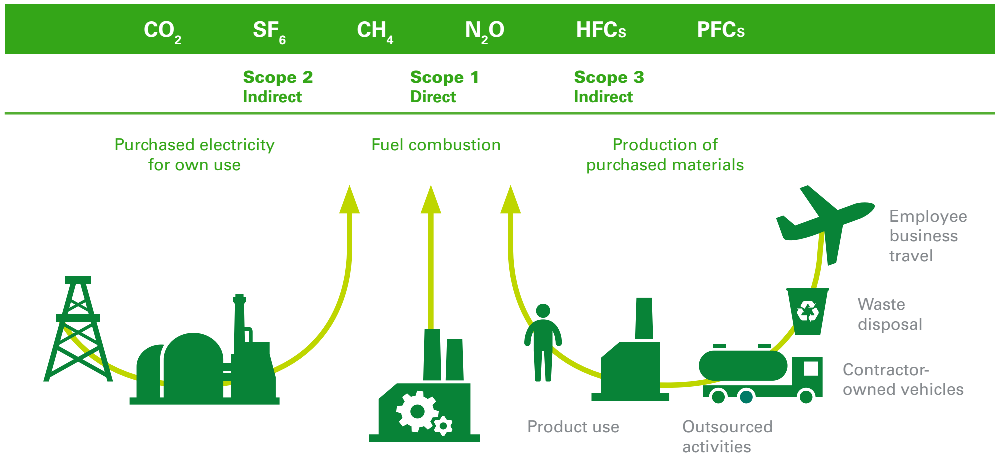
We will not use offsetting of GHG emissions to achieve our short and medium term targets but only as a last resort to achieve net zero in 2050 in case any remaining emissions cannot be eliminated. We seek to collaborate with customers, suppliers and contractors to jointly reduce emissions to reinforce our impact. At the same time, we continue to pursue our targets on the other sustainability topics where we can make a positive contribution to people, the planet and profit and the SDGs.

In particular, we are developing infrastructure to support the energy and feedstock transitions, 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, following GHG Protocol, 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 2022 (from the Netherlands Enterprise Agency)
- Conversion of electricity to carbon emissions: the International Energy Agency (IEA)
- Conversion of Methane emissions (CH_4) and Nitrous oxide (N_2O) to CO_2 equivalents: 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
- Scope 1 and 2 emissions are calculated using applicable location based conversion factors.

Boundaries
Vopak's reporting on GHG emissions encompasses Scope 1 (direct energy use and emissions from the combustion of fossil fuels), Scope 2 emissions (indirect energy use and emissions from electricity and steam purchased for our own use) and Scope 3 emissions (material indirect emissions upstream and downstream in the supply chain). Our reporting on GHG emissions includes carbon dioxide (CO_2), methane (CH_4) and N_2O.



We don't store or handle products such as hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF6). Therefore, we don't have any related emissions.

	2022 Target	2022 Performance	Our ambition
GHG emissions - operational control			
Total GHG emissions - Scope 1 & 2 (CO_{2e} metric tons)	Progress to achieve medium- and long-term target	517,010	Our ambition is to be net-zero by 2050. Our 2030 target is a 30% reduction of Scope 1 and 2 GHG emissions compared to 2021
- Direct GHG emissions - Scope 1 (CO_{2e} metric tons)		327,970	
- Indirect GHG emissions - Scope 2 (CO_{2e} metric tons)		189,040	
Indirect GHG emissions Scope 3 (CO_{2e} metric tons)		385,891	
GHG emissions - equity stake[1]			
Total GHG emissions - Scope 1 & 2 (metric tons)		313,415	Not applicable as targets are set at operational control level
- Direct GHG emissions - Scope 1 (metric tons)		214,566	
- Indirect GHG emissions - Scope 2 (metric tons)		98,849	

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.

GHG emissions by emission type

In metric tons of CO_2 equivalents	2022	2021	2020	2019	2018
Carbon dioxide (CO_2)	516,643	570,406	443,341	406,244	416,561
Methane (CH_4)	176	6,427	675	2,110	718
Nitrous oxide (N_2O)	191	184	134	121	130
Total GHG emissions	**517,010**	**577,017**	**444,150**	**408,475**	**417,409**

The majority of our Scope 1 and 2 GHG emissions are generated through operational processes. These include the production of steam for heating purposes, vapor treatment, the operation of our Floating Storage Regasification Unit (FSRU) for LNG (gas consumption), electricity consumption for powering our pumps and - on a lower level - for vapor treatment, heating, cooling and mixing of products.

The amount of emissions depends on the products we store for our customers, the weather conditions and the amount of product transferred (electricity consumption). Methane emissions are mainly caused by venting in our LNG operations as a result of cleaning activities.

In 2022, our GHG emissions (Scope 1 and 2) have reduced by 10% compared to our baseline 2021. This was largely due to the switch to renewable electricity in several countries and energy efficiency measures taken across our network. Across all Divisions GHG reduction roadmaps have been developed in 2022 that are currently being implemented. Next to switching to renewable electricity and reducing energy consumption projects are being developed to electrify operational processes such as heating and vapor treatment and the development of solar power.

Over the past couple of years, our emissions increased mainly due to our portfolio transformation towards cleaner fuels and gases. LNG in particular significantly contributes to lowering air pollution in consumption areas but leads to increased use of energy in our operations and therefore higher GHG emissions. Additionally, future growth in other gases like ammonia and hydrogen will also require cryogenic storage and vapor treatment. Though important in reducing overall environmental impact, these treatments are energy intensive and result in higher GHG emissions.

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

One way to avoid an increase in carbon emissions from our LNG operations is via renewable energy sources. In 2022, 64% of our total energy consumption was through renewable energy sources. At Gate Terminal (the Netherlands), we convert imported LNG into gas by extracting heat from process water from a nearby electrical power plant.

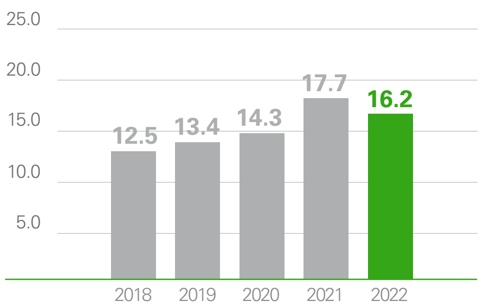
At our LNG Terminals in Altamira (Mexico), Elengy (Pakistan) and SPEC (Colombia) we use regular unprocessed seawater to extract the heat to regassify LNG. During 2022, multiple terminals in Singapore, US, Panama and Netherlands switched to renewable electricity to lower their Scope 2 GHG emissions.

More broadly, within the Vopak group, the following initiatives are helping us reduce our GHG emissions:

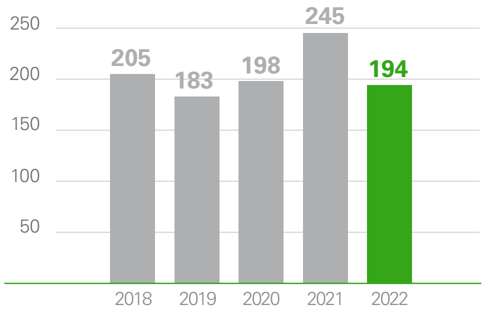
- In Malaysia we have been able to optimize the usage of a flameless thermal oxidizer used for the treatment of benzene vapors. This has resulted in a reduction of ~6000 tons of CO_2
- In Singapore one of our terminals has been able to reduce its energy consumption by ~30%
- In Vlaardingen we are, together with our utility provider, exploring the possibility of exchanging the gas fired boiler for an electric boiler that will also serve to balance the load on the electricity grid
- Several locations are implementing energy efficiency measures such as the use of Variable Frequency Drives on pumps, economizers in boilers and LED lighting
- More and more locations are switching to the purchase of renewable electricity and we will continue to expand this in 2023.

Please see Note 14 for more details on the steps that we have made in improving energy efficiency.

GHG emissions intensity Scope 1 & 2
Metric tons per thousand cbm storage capacity [1]



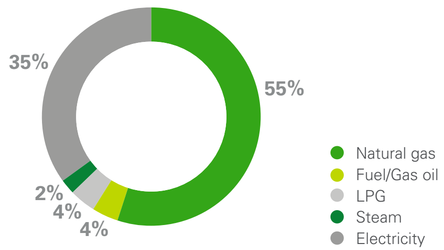
GHG emissions intensity Scope 1 & 2
Metric tons per million EUR revenue [2]



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.

As a result of the switch to renewable electricity and improved energy efficiency, we have been able to reduce our GHG emissions both in absolute numbers as well as relative to our storage capacity and revenues.

GHG emissions by energy source



Dilemma: Vapor Treatment versus GHG reduction

We are installing Vapor Treatment Units (VTUs) in order to reduce the emissions of harmful VOCs. Using these units often results in a significant increase in carbon emissions as a support gas is required to ensure the complete combustion of the hazardous vapors.

As our efforts and business demands progressively require more treatment of volatile gases, the use of VTUs will increase in the future. We acknowledge this as a challenge and will continuously seek opportunities to handle vapors more sustainably (i.e. using treatment systems without the use of support gas). 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	2022	2021	2020	2019	2018
Direct GHG emission (Scope 1)	**327,970**	**322,266**	**207,078**	**154,807**	**165,720**
of which Americas	*99,953*	*93,699*	*63,401*	*69,863*	*59,670*
of which Asia & Middle East	*20,662*	*19,763*	*21,652*	*27,386*	*29,369*
of which China & North Asia	*3,780*	*1,975*	*1,771*	*1,516*	*2,465*
of which Europe & Africa	*42,438*	*44,464*	*41,506*	*53,790*	*73,450*
of which New Energy & LNG	*161,061*	*162,306*	*78,660*	*2,098*	*764*
of which Global HQ	*76*	*59*	*88*	*154*	*2*
Indirect GHG emission (Scope 2)	**189,040**	**254,751**	**237,072**	**253,668**	**251,689**
of which Americas	*39,132*	*48,866*	*18,847*	*19,008*	*22,820*
of which Asia & Middle East	*36,566*	*60,513*	*64,930*	*56,256*	*49,430*
of which China & North Asia	*53,853*	*56,335*	*47,204*	*47,327*	*46,845*
of which Europe & Africa	*4,898*	*28,591*	*40,688*	*54,124*	*75,253*
of which New Energy & LNG	*54,327*	*59,598*	*64,328*	*75,728*	*56,384*
of which Global HQ	*264*	*848*	*1,075*	*1,225*	*957*
Total GHG emissions	**517,010**	**577,017**	**444,150**	**408,475**	**417,409**

Scope 3 emissions

In 2022, we have further enhanced the reporting of our Scope 3 emissions following the GHG protocol. Our Scope 3 accounting and reporting boundary is consistent with that of Scope 1 and 2. Compared to the previous year when our Scope 3 emissions were only based on a high-level screening for a limited number of categories, our inventory for 2022 constitutes additional applicable and material upstream and downstream Scope 3 categories.

Our assessment proves that the majority of our emissions still result from steel and concrete used in the construction and maintenance of our terminal network. Other significant contributors include purchased goods and services used to operate and maintain Vopak's facilities. Another category and associated emissions not reported previously in our Scope 3 inventory is fuel and energy-related activities. This consists of the Well-To-Tank (upstream) emissions of the energy we consume at our terminals.

In metric tons of CO_2 equivalents	2022
Purchased goods and services	78,038
Capital goods	156,800
Fuel- and energy-related activities	71,302
Waste generated in operations	56,010
Business travel	706
Employee commuting	6,616
Investments	16,419
Total	**385,891**

For 2022 the total of Scope 3 emissions is 385,891.

Category 4 Upstream transport & distribution is included in Categories 1 and 2. Categories 8 - 14 do not apply to Vopak.

The assessment consists partially of spend-based analysis. Over time, Vopak will strive to improve the consistency, accuracy, and completeness of its Scope 3 emissions. We will engage with our supply chain to improve data quality for high impact categories (e.g. primary activity data and emission factor) to progressively improve our measurement and progress tracking.

Vopak isn't involved in the exploration, development or production of the vital goods that we store, nor do we own the products that we store. Similarly, we are not involved in the commercial distribution, marketing or refining of these goods. Therefore, in compliance with GHG Protocol, our Scope 3 emissions don't include the emissions attributed to our throughput, the products that we store on behalf of our customers.

Note 12. Air quality: VOC and other air emissions

Related topic	Material topic no. 1
Air quality, VOC and other air emissions	*The topic refers to air quality resulting from Vopak's own operations, such as Volatile Organic Compound emissions and other air emissions: NOx and SOx.*

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Definition, reporting policies and boundaries

Reporting policies

As a field measurement to obtain total VOC emission 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 operations.

In 2022, we started the development of a new calculation tool that is currently tested by a selection of terminals. In 2023, we will pilot the validation of calculations against actual emissions with a drone that is developed by Aeromon, one of our ventures.

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

- NOx emissions: IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories
- SOx 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 the societal impact of our VOC emissions by 30% in 2025 (compared to 2016). To meet this objective, we are focusing our efforts on those areas where the societal impact is largest. 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.

	2022 Performance	Our ambition
Air quality: VOC and other air emissions		
Societal impact reduction of our VOC emissions	26% reduction compared to 2016	Reduce our societal impact by more than 30% in 2025 compared to 2016

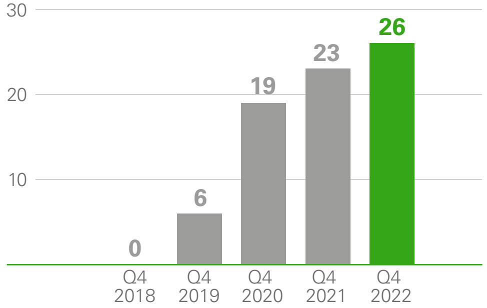
VOC reduction program

In 2017, we analyzed our VOC emissions based on 2016 data for our 17 largest terminals. This was aimed to guide possible reduction measures and their societal impact (according to the True Value method). 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 product handling (loading, unloading, roof landings).

Until 2022, 84 projects were completed at 29 locations with a total spend of over EUR 31 million, resulting in a societal impact reduction of 26% compared to 2016.

Vopak will continue to further reduce the societal impact of its VOC emissions to 30% by 2025.

Reduction societal impact VOC emissions
in %



Other air emissions

In metric tons	2022	2021	2020	2019	2018
NOx emissions	862	833	543	402	434
SOx emissions	5.0	5.0	3.7	2.7	2.9
Particulate matters (PM2.5)	15.5	14.4	13.0	15.0	15.8

Approximately 85% of our NOx emissions originate from the combustion of natural gas and 60% of all our fine dust (PM2.5) emissions originate from the combustion of diesel oil.

The increase of our 2022 NOx emissions are caused by an increase in the natural gas usage.

Note 13. Preserving biodiversity

Related topic	Material topic no. 7
Preserving biodiversity	*The topic refers to potential damage to areas of ecological diversity that are within five miles of Vopak's terminals (this applies to 80% of Vopak terminals).*

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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 the sustainable 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 (NOx 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.

Vopak Approach

In order to describe the effects and mitigation actions we identified 4 phases in a life cycle of a normal terminal:

a. Identification, Selection and Definition of location
b. Execution & Commissioning (Construction)
c. Operation
d. Demolition.

These phases will have an impact on areas of high biodiversity. Therefore in each project, the specific effects on biodiversity are addressed to minimize the impacts, mitigate the impact by looking for alternative locations (e.g. location of jetties) or environmental compensation. Environmental compensation is deemed a viable option only if all other alternatives do not lead to the required reduction.

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, among others, installing groundwater protection to prevent contaminated groundwater from flowing towards these areas 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 the protection of ecological diversity is most urgent. In 2023, our Global Environmental Impact Assessment standard will be updated to include more detailed aspects of biodiversity.

Note 14. Energy use

Related topic	Material topic no. 5
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

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:

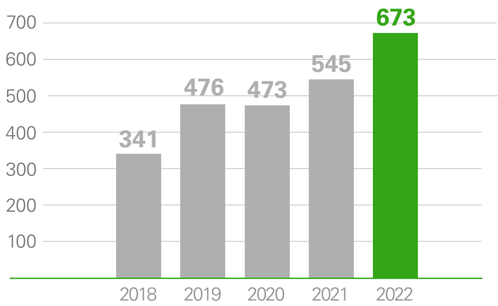
- Conversion of consumption to energy in terajoules: Dutch list of fuels and standard CO_2 emission factors, version January 2022 (from the Netherlands Enterprise Agency)
- Conversion of natural gas consumption to energy in terajoules: the Energy Information Administration (EIA) and for Belgium and Singapore location-specific conversion factors.

In terajoules (TJ)	2022	2021	2020	2019	2018
Natural gas	5,021	4,948	3,004	1,917	2,143
LPG / Propane	307	212	203	220	171
Heating fuel	11	13	18	18	19
Gas / Diesel Oil	305	282	291	387	416
Total direct energy	**5,644**	**5,455**	**3,516**	**2,542**	**2,749**
Electricity	1,467	1,894	1,730	1,852	1,706
Steam	558	554	10	31	4
Renewable energy	13,815	9,848	9,415	10,058	6,944
Total indirect energy	**15,840**	**12,296**	**11,155**	**11,941**	**8,654**
Total energy	**21,484**	**17,751**	**14,671**	**14,483**	**11,403**
Total renewable energy as a % of total energy	**63%**	**55%**	**64%**	**69%**	**61%**

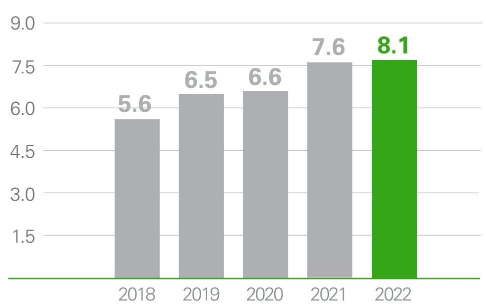
The increased energy consumption over the past years is mainly due to the increased activities at our LNG operations. Energy consumption for our LNG operations and other cryogenic gases is significantly more intensive than our conventional liquid bulk storage and handling operations. However, in 2022, despite the 21% increase in energy consumption we achieved a notable decrease in GHG emissions.

See Note 11 for more details on the environmental impact of 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, vapor treatment and the operation of our FSRU's for LNG (gas consumption) or through electricity consumption for powering our pumps and, to a lesser extent, for vapor treatment, heating, cooling and mixing of products. 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).

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 energy consumption by 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 15. Water management

Related topic	Material topic no. 6
Water use	*The topic refers to the amount of water used in Vopak's operations, e.g. for tank cleaning.*

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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.

In order to minimize the energy used to clean water it is crucial to separate flows of clean and contaminated water where possible. Water used in our processes that can contain product remnants is cleaned and recycled through a water treatment plant (at or outside Vopak) before it is released into surface water or sewers.

Vopak has developed an engineering tool to optimize the design of wastewater treatment plants. This tool is based on local legislation, the amount and composition of the wastewater that needs to be cleaned. Next to this engineering tool, we are supporting the development of new innovative wastewater cleaning techniques through among others our venture Aquacycle.

Note 16. Waste and circularity

Related topic	Material topic no. 2
Waste and circularity	*The topic refers to both hazardous and non-hazardous waste resulting from Vopak's operations and the demolition and reuse of tanks and other assets.*

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

In addition to the waste water as described in Note 5, there are several types of waste:

- Hazardous waste: Slobs and residual products from tanks, pipelines and other assets. This residue 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 during maintenance and/or demolition. Demolition waste, e.g. steel from the tanks, is directly recycled by the contractor
- Soil remediation waste: Contaminated soil is transported out of the Vopak site for treatment and replaced by clean soil, explained in more detail in Note 5
- 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
- Slobs: 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 processed elsewhere (mostly incinerated)
- Sludges from our waste water treatment plants
- Demolishment of assets: old assets (mainly steel & concrete), which are recycled.

Circularity

Circularity for Vopak follows the 'Cradle to Cradle' principles and advocates reducing waste and the reuse of waste during the construction, operation and demolition of our assets.

- 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 an appropriate lifetime and extended future use. This is embedded in the Vopak way standards and is our tried and tested formula, where we define the building blocks for our assets
- 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
- Use of assets: While assets are in use, we will maintain, repair, and upgrade our assets to maximize their lifetime
- Demolition of assets: We have a system in place to reuse the main materials of our assets, such as steel and concrete.

Vopak WeConnect Project - Go Alemoa Go

Vopak is convinced that it is more important than ever for our society and wellbeing that people learn to think internationally and to bridge cultural differences from a young age. The Vopak WeConnect Foundation wants young people to experience that there is a world full of opportunities to discover if they learn to look beyond their own boundaries, and to pass on the value of working together with others. As one of Vopak WeConnect's first projects, Go Alemoa Go has continuously been holding activities for local youths in Alemoa, Brazil as the longest running project of Vopak WeConnect. The project was set up after extensive consultation with the Alemoa community and has evolved over the years to empower young people through various activities to become change agents in their own community.

We extend our care to local communities

Our economic impact (profit)

Sustainability is about caring for society and the planet, and at the same time, generating sustainable shareholder value. This means innovating our services, introducing digital technologies and adhering to the Vopak Values and Code of Conduct.

We create economic value for all our stakeholders through safe, clean and efficient storage and handling services, assessment and mitigation of climate impact on our assets, the ambition to pay a progressive dividend, and living wages for our employees.

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

4
breaches of Code of Conduct

190
Total throughput in million metric tons

75
NPS score

Note 17. Business ethics and integrity

Definition, reporting policies and boundaries

Related topic	Material topic no. 8
Business ethics and integrity	*The topic refers to ethical behavior within Vopak in accordance with the Code of Conduct and in relation to all stakeholders. Including: anti-corruption, anti-competitive behavior, bribery, compliance with legislative regulations, prevention of fraud and bribery and cases of political funding.*

Reporting policies

The topic refers to ethical behavior within Vopak in accordance with the Code of Conduct and in relation to all stakeholders. Including: anti-corruption, anti-competitive behavior, bribery, compliance with legislative regulations, prevention of fraud and bribery and cases of political funding.

Boundaries

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

Management approach

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.

Vopak's Code of Conduct forbids gifts to political parties or religious groups. The Code also strictly limits gifts and entertainment. Furthermore, the Code states that "When dealing with governments or other governmental agencies, Vopak companies are encouraged to promote and defend their legitimate business objectives, within the limits set by this Code of Conduct. They may do so directly or through bodies such as trade associations."

The company encourages employees and other stakeholders to raise any concerns 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 Global Trusted Person **(via mail: speak-up@vopak.com)**. Speak Up can also be used to report alleged human and labor rights violations. Concerns raised are addressed with care, confidentiality and respect.

Our HR system (MyPulse) includes learnings related to the Code of Conduct, Privacy Code, Sanctions Compliance, and Antitrust Compliance among others. MyPulse is accessible to more than 90% of Vopak employees and contributes to making sure that all employees perform quality learning in a timely manner.

Completion of Code of Conduct training

In 2022, 92% of all employees in MyPulse have completed company-wide training on all aspects of the Code of Conduct, including anti-corruption (2021: 89%).

Incidents of discrimination, fraud, corruption, bribery and breaches of Code of Conduct

Compared to 2021, fewer reports were received in 2022. In total 24 speak-up reports were registered (2021: 36, 2020: 53). In 3 cases the investigations led to evidence that supported the allegations of the speak-up person. In all these cases appropriate disciplinary measures were taken. 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. There were no cases of discrimination.

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.

13 permit violations in 2022 resulted in fines amounting to EUR 99,000 in total (2021: EUR 32,000). The relatively large increase in numbers compared to last year is mainly caused by the low impact administrative notifications in Deer Park and Ulsan.

Note 18. Innovation

Related topic	Material topic no. 9
Innovation	*Refers to the stimulation of innovation and the application of best practices in Vopak's own operations and entire supply chain. This includes innovation in the areas of energy transition, efficiency, safety and logistics.*

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

The MOVES digital transformation program is running according to plan with 30 terminals operating with the new software. The remaining terminals will follow during the coming 2 to 3 years to progressively develop the software to meet the market requirements to differentiate our services.

NxtPort, the innovative logistics data-sharing platform, is operational in Antwerp, Houston and Singapore. The platform is planning to add 10 new major ports in 2023 in addition to connecting clients that can reach substantial supply chain cost savings. The platform allows faster, more cost-effective, as well as more efficient transfers of data between the different market players. It minimizes the inefficiencies of the global supply chain for the container, dry bulk and liquid bulk.

New technologies such as APIs (Application Program Interfaces) will drive further improvements in customer service, efficiency and safety.

In 2022, Vopak was involved in the following major sustainability related innovation projects:
- In line with our ESG focus on emissions, we are cooperating with Aeromon, an innovative company that revolutionizes the way airborne emissions are monitored and reported. Based on customers' needs they provide real-time, easy to understand data on airborne emissions
- Through advanced data analytics artificial intelligence and machine learning we created relevant insights for energy-saving opportunities.

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.

Some of our recent initiatives include:
- Developing infrastructure solutions in ports to enable exports, imports, transportation and storage of zero- and low-carbon liquid hydrogen and setting up LOHC supply chains
- Exploring the development of an independent terminal at the Port of Rotterdam to receive and deliver liquid CO_2, as part of the CO_2next project
- Development of a hydrogen bromine flow battery, in partnership with Elestor
- Catalytic conversion of plastic waste into Naphtha as feedstock for the chemical industry in collaboration with project Xycle
- Conversion of hydrogen into Ammonia as a storage and transport media for the former, in collaboration with ACE terminal.

Note 19. Climate impact on Vopak

Related topic	Material topic no. 4
Climate adaptation	*The topic refers to the potential threat of physical climate related impacts and other natural disasters on Vopak's tanks and terminals.*

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).

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 2022, we again conducted our Climate Day, together with our Strategic Committee (including the Executive Board) and external guest speakers. The purpose was to stress-test our strategy, including growth and our asset portfolio against physical and transitional climate-change impacts. We considered IEA scenarios and performed a more in-depth analysis of 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: risks and opportunities related to transitioning to a low-carbon economy including those associated with the changes in policy, regulation, product development and market dynamics
- 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.

Physical risks and opportunities

To assess the physical climate-related risks, in 2022, we re-assessed the 2021 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. According to the latest IPCC report issued in February 2022, the temperature will most probably rise to 3 degrees Celsius.

We believe that on an international level a concerted effort is needed, above the measures that are already committed, to limit to a temperature rise of 1.5 degrees in 2050, as agreed in the Paris agreement. The sensitivity analysis demonstrated the following potential acute and chronic climate impacts with the highest risk on our current assets by 2050:

- Heavy rainfall causing river flooding:
  - This is a threat to the terminals in the Netherlands (Botlek, Vlaardingen & Europoort)
  - Other terminals that are often impacted by this are in Pakistan, Vietnam (Mekong river) and Louisiana (Mississippi).
- Increase the intensity of tropical storms and hurricanes:
  - In general, it is predicted that tropical storms are increasing in severity. This is caused by higher seawater temperatures
  - Locations that may be impacted included US Gulf and East coast, Western India and China.
- Excessive heat:
  - The normal average temperature rise is expected to be around 2-3 degree Celsius. Moreover, days with extreme temperatures are likely to increase
  - Locations affected include US, India, Pakistan, Singapore and Malaysia.
- Increased wind force in normal weather conditions:
  - There has been an increase in the wind force and all regions may be impacted
  - In the recent past, we have experienced this in Belgium and The Netherlands
  - As a consequence, in 2022, 55% of the total asset damages were caused by one storm in 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 2022, 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 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.

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

Note 20. Our responsibility towards taxation

Related topic	Material topic no. 14
Responsible taxation	*This refers to the transparency of Vopak's reporting on tax and its responsibility towards all relevant stakeholders including governments, taxpayers, and communities.*

Approach towards taxation

Vopak's approach towards taxation

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 consider our tax payments as a contribution to the communities in which we operate. We are responsible taxpayers and we pay taxes 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.

Being transparent on our tax position and contribution is a key principle underlying our "approach to tax" as further explained below as well as in our sustainability strategy. This note has been implemented in accordance with the GRI 207: Tax standard and is an example of our commitment to transparency. It brings together information about our tax strategy and worldwide income tax contribution in 2022.

Vopak's tax principles

Compliance

We act in accordance with the law and with the 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 filing all relevant taxes and making all relevant payments, domestic and foreign, with accuracy, in good faith and on time, and to having 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 (as defined in the OECD's list of uncooperative tax havens and the EU's list of non-cooperative jurisdictions for tax purposes) 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 tax risk assessments as part of any tax planning on significant transactions and as part of our investments.

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 as well as our annual tax payments. 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. In our sustainability section of this Annual Report, we report our taxation section in accordance with the principles as laid down in GRI 207: Tax.

Our approach to tax and our tax principles are laid down in our Tax policy which has been approved by the Executive Board. Under the ultimate responsibility of the Executive Board, the tax policy is annually reviewed by the Global Tax team and is updated and approved by the Executive Board if necessary to continuously reflect our purpose, values, regulations, international tax standards and other relevant developments in society. The Audit Committee of the Supervisory Board supports and approves the tax policy.

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 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 focused business, we are subject to taxation in the many countries in which we operate. The tax legislation in these countries differs and is often complex and subject to interpretation by management and 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 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:

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

In 2022, Vopak has renewed its Tax Control Framework. This will help Vopak in the execution of monitoring controls on a regular basis and provide assurance of adherence to up-to-date tax policies. The Tax Control Framework will be part of Vopak's Key Control Framework, which sets the standard for internal controls over the financial reporting at Vopak. The Audit Committee of the Supervisory Board is regularly involved in key tax related matters and also reviews this section of the report as part of the annual report process. Furthermore, the company's external auditor provides assurance on our financials, including our tax positions, taxes paid and the sustainability section of the financial report. We refer to the independent auditor's report of our external auditor on the Annual Report 2022.

Tax is an integral part of the risk management process of Vopak, as tax risks can have a significant adverse financial impact. As mentioned above, uncertainty is inherent to tax positions and discussions on the interpretation of tax laws are inevitable. For an overview of Vopak's approach to risk management, the tax risks to which Vopak is exposed and the involvement of Global Internal Audit in the monitoring of the effectiveness of internal controls, reference is made to the section Risk management & 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. 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.

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. Where possible we try to enter into cooperative compliance programs. In line with the open and constructive relationships that Vopak wants to build and maintain with tax authorities, we seek upfront certainty on interpretations of regulations whenever deemed relevant and tax authorities are willing to provide clarification.

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 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 of 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.

Vopak is a member of and actively participates in the tax meetings at the confederation of Netherlands Industry and Employers (VNO-NCW), where Vopak advocates and supports the efforts on tax transparency and fair taxation.

Tax developments in 2022

Pillar 2

On 15 December 2022, the European Union member states unanimously adopted the minimum Tax Directive. Member states have until 31 December 2023 to transpose the Directive into national legislation. The Netherlands have already submitted a draft legislative proposal: "Minimum Tax Act 2024 (Pillar 2)" to public consultation. We expect that the draft legislation will be published in the first half year of 2023. It is expected that this will impact Vopak to a certain extent. In addition, we see that certain countries in which Vopak operates have introduced a global minimum tax rate of 15%. Any developments in this respect are closely monitored.

Debt-equity bias reduction allowance (DEBRA)

On 11 May 2022, the European Commission published a Directive proposal to tackle the tax bias in favor of debt funding. The proposal includes both a notional deduction on growth in equity and an additional limitation on interest deduction for corporate income tax purposes. The DEBRA proposal applies to all taxpayers which are subject to CIT in one or more member states, save for certain financial undertakings. The proposed date of entry into effect is 1 January 2024.

Public Country-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 EUR 750 million 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 to 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.

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.

Vopak has reported one transaction under the Mandatory Disclosure Rules in 2022.

In 2019, Vopak was required to acquire the Cayman holding entity as part of a larger investment in Colombia. From the moment of acquisition, it was the intention to restructure the Cayman entity and in 2022, this has taken place.

Country-by-country 2022

The below table provides an overview of the tax jurisdictions Vopak is present in and our country-by-country reporting following disclosure note 207-4 of the GRI tax standard.

	Revenues from third party sales	Revenues from intra-group transactions	Profit / (loss) before income tax	Income tax paid (on cash basis)	Income tax accrued	Number of employees (in FTEs)	Property, plant and equipment - owned assets
in EUR millions							
The Netherlands	528.1	151.9	- 304.8	10.7	- 10.7	1,242	1,082.6
Belgium	97.6	–	0.1	2.1	- 1.3	258	368.2
Germany	0.6	–	0.5	–	- 0.1	–	–
Switzerland	–	–	0.1	0.2	–	–	–
South Africa	67.5	–	8.8	–	–	178	280.6
Australia	71.0	–	28.3	7.2	- 7.6	53	143.3
China	53.9	2.8	12.5	2.7	- 3.2	335	139.3
Indonesia	9.8	–	- 1.6	0.4	–	83	48.4
India	2.9	2.0	- 6.0	–	–	6	–
Malaysia	0.7	–	- 0.1	–	–	2	–
Singapore	254.9	17.3	97.1	13.5	- 23.7	381	631.0
Vietnam	6.8	–	1.7	0.4	- 0.4	73	16.2
Argentina	–	–	- 0.1	–	–	–	2.3
Brazil	60.6	–	24.3	4.3	- 4.3	197	144.6
Canada	14.0	–	19.4	- 0.2	- 2.6	6	–
Colombia	6.3	–	- 18.3	–	- 0.6	61	13.4
Mexico	54.6	1.0	19.0	11.7	- 7.5	155	166.9
Panama	23.8	–	2.9	–	- 0.3	115	53.9
Peru	–	–	–	0.1	–	–	–
United States of America	236.7	17.6	79.4	1.1	- 5.4	305	455.9
Portugal	–	–	0.2	–	–	22	–
Total	**1,489.8**	**192.6**	**- 36.6**	**54.2**	**- 67.7**	**3,472**	**3,546.6**

Explanatory notes:

The data presented in the above table reconciles with the data stated in the audited consolidated financial statements in this report as follows:

- **Revenues from third party sales:** The revenues from third-party sales per this overview relate to (i) the revenues in note 2.3. amounting to EUR 1,367.0 million, and note 2.4. for (ii) the Management fee joint ventures and associates amounting to EUR 16.7 million, (iii) Dividends received from other financial assets amounting to EUR 3.0 million, (iv) Other amounting to EUR 18.9 million, (v) Gains on sale of property, plant and equipment amounting to EUR 0.3 million and (vi) Finance income amounting to EUR 83.9 million as reported in note 5.6 Net finance costs. In total this amounts to EUR 1,489.8 million.

- **Profit/loss before tax:** Per chapter Consolidated statement of income, Profit / (loss) before income tax amounts to EUR -36.6 million per the above overview.
- **Tangible assets other than cash and cash equivalents:** As reported in Note 3.3. Property, plant and equipment - owned assets amounts to EUR 3,546.6 million.
- **Corporate income tax paid on a cash basis:** Per note 8.1 Income Taxes, the corporate income tax paid is EUR 55.9 million. There is EUR 1.7 million of corporate income tax paid that is recorded on consolidation, which is not allocated to a country for the purposes of this overview.
- **Corporate income tax accrued:** As GRI 207 is the basis of preparation of this report, corporate income tax accrued excludes deferred corporate income tax and provisions for uncertain tax positions.
- **Names of the resident entities and primary activities of the organizations:**
  - Argentina:
    - Administrative, Management and support services: Vopak Argentina S.R.L.
  - Australia:
    - Holding activities: GP Vopak Darwin Pty Ltd., Vopak Darwin LP, Vopak Terminals Australia Pty. Ltd.
    - Storage and handling services: Vopak Terminal Darwin Pty Ltd., Vopak Terminals Sydney Pty. Ltd.
    - Dormant: Vopak Logistics Services Australia Pty. Ltd.
  - Belgium:
    - Holding activities: Baru Investment B.V., Vopak Belgium N.V.
    - Storage and handling services: Vopak Chemical Terminals Belgium N.V., Vopak Terminal Eurotank N.V.
  - Brazil:
    - Storage and handling services: Vopak Brasil S.A.
  - Canada:
    - Administrative, Management and support services: Vopak Development Canada Inc.
  - China:
    - Storage and handling services: Guangxi Hualin Jetty Co., Vopak (Huizhou) Terminal Services Co. Ltd., Vopak (Qinzhou) Jetty Co. Ltd., Vopak Terminal Ningbo Ltd., Vopak Terminal Shandong Lanshan Ltd., Vopak Terminal Zhangjiagang Ltd.
    - Administrative, Management and support services: Vopak China Management Company Ltd.
  - Colombia:
    - Storage and handling services: Vopak Colombia S.A.
  - Germany:
    - Holding activities: Vopak Germany GmbH.
    - Administrative, Management and support services: Vopak Germany Pension GmbH.
  - India:
    - Storage and handling services: Vopak India Private Ltd.
  - Indonesia:
    - Storage and handling services: PT Vopak Terminal Merak.
    - Dormant: PT Vopak Gas Indonesia.
  - Malaysia:
    - Storage and handling services: Vopak Terminals Malaysia Sdn Bhd.
  - Mexico:
    - Storage and handling services: Vopak Mexico S.A. de C.V.
  - Netherlands:
    - Administrative, Management and support services: Koninklijke Vopak N.V., Vopak Chemicals Logistics Netherlands B.V., Vopak Europe & Africa B.V., Vopak Finance B.V., Vopak Global Engineering Services 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 Management Netherlands B.V., Vopak New Energy B.V., Vopak Terminals North Netherlands B.V., Vopak Ventures B.V.
    - Holding activities: B.V. Maatschappij Bierhaven, B.V. Zuid-Hollandse Scheepvaart Maatschappij, Pakhuismeesteren B.V., Vopak Algeciras B.V., Vopak Argentina B.V., Vopak China B.V., VOPAK Commanditaire Vennoot B.V., Vopak Darwin B.V., Vopak Deelnemingen B.V., Vopak EMEA B.V., Vopak Europe B.V., Vopak Holding Asia B.V., Vopak Holding International B.V., Vopak Holding Terminals B.V., Vopak India B.V., Vopak Indonesia B.V., Vopak Indonesia Gas B.V., Vopak Internationaal B.V., Vopak International Storage & Development B.V., Vopak LNG Holding Mexico B.V., Vopak LNG Holding Netherlands B.V., Vopak Logistics Andes B.V., Vopak Logistics Asia Pacific B.V., Vopak Logistics Brazil B.V., Vopak Logistics Mexico B.V., Vopak Logistics Peru B.V., Vopak Merak Indonesia B.V.,

Vopak Middle East B.V., Vopak Nederland B.V., Vopak North China B.V., Vopak Oil Rotterdam B.V., Vopak Panama B.V., Vopak Securities B.V., Vopak Terminal HT B.V., Vopak Terminal Lingang B.V., Vopak Terminal Pengerang B.V., Vopak Terminal Qasim B.V., Vopak Terminal Qinzhou B.V., Vopak Vegoil Logistics B.V., Vopak Vietnam B.V.
  - Storage and handling services: Vopak Maasvlakte Terminal B.V., Vopak Pipelines Netherlands B.V., Vopak Terminal Botlek B.V., Vopak Terminal Chemiehaven B.V., Vopak Terminal Europoort B.V., Vopak Terminal Laurenshaven B.V., Vopak Terminal TTR B.V., Vopak Terminal Vlaardingen B.V., Vopak Terminal Vlissingen B.V.
  - Dormant: Vopak Real Estate B.V.
- Panama:
  - Holding activities: Vopak Panama Atlantic Holding Inc.
  - Storage and handling services: Vopak Panama Atlantic Inc.
- Portugal:
  - Administrative, Management and support services: Vopak IT Portugal, Unipessoal Lda.
- Peru:
  - Dormant: Vopak Peru SA.
- Singapore:
  - Administrative, Management and support services: Monros Insurance Pte. Ltd., Vopak Asia Pte. Ltd.
  - Holding activities: AP Petrochemical Private Limited, Vopak Holding Singapore Pte. Ltd.
  - Storage and handling services: Vopak Gas Terminal LLP, Vopak Terminal Penjuru Pte. Ltd., Vopak Terminals Singapore Pte. Ltd.
- South Africa:
  - Holding activities: Vopak Investment South Africa (RF) (Proprietary) Ltd.
  - Storage and handling services: Vopak Reatile Terminal Richards Bay (Pty) Ltd., Vopak South Africa Developments (RF) (Proprietary) Ltd., Vopak Terminal Durban (Proprietary) Ltd.
- Switzerland:
  - Dormant: Monros A.G.
- United Kingdom:
  - Dormant: Vopak Holding Bacrippuls Limited.
- United States:
  - Administrative, Management and support services: Vopak Development North America Inc., Vopak Ventures Inc.
  - Holding activities: Dutchtown Holding LLC, Vopak Holding Corp., Vopak North America Inc., Vopak Terminals North America Inc.
  - Storage and handling services: Vopak Terminal Deer Park Inc., Vopak Terminal Long Beach Inc., Vopak Terminal Los Angeles Inc., Vopak Terminal Savannah Inc., Vopak Terminal Westwego Inc., Vopak Terminals New Jersey Inc.
  - Dormant: Pakhoed Dry Bulk Terminals, Inc., Van Ommeren North America Inc., Pakhoed Dry Bulk Terminals, Inc., Vopak Logistics Services USA Inc.
- Vietnam:
  - Storage and handling services: Vopak (Vietnam) Co. Ltd.

Effective tax rate overview

Please find below an overview of the effective tax rate per jurisdiction excluding and including exceptionals.

Effective tax rate overview per jurisdiction (excluding exceptional items) 2022

in EUR millions	Earnings before taxation	Statutory tax rate	Statutory tax	Tax effect of non-deductible expenses	Tax effect of participation exemption	Non-recoverable credits and WHT	Changes in valuation of deferred taxes	Corrections previous years	Other tax effects	Effective tax	Effective tax rate
The Netherlands	124.2	25.8%	32.0	15.1	- 55.5	10.8	28.4	–	0.9	31.7	25.5%
Argentina	- 0.1	25.0%	–	–	–	–	–	–	–	–	0.2%
Australia	28.3	30.0%	8.5	0.3	–	–	0.2	- 0.2	–	8.8	30.9%
Belgium	1.8	25.0%	0.4	0.4	–	–	–	- 0.4	–	0.4	24.0%
Brazil	24.3	34.0%	8.3	- 2.2	0.2	–	–	–	- 1.6	4.7	19.5%
Canada	13.1	26.6%	3.5	–	–	–	–	1.4	- 1.3	3.6	27.0%
China	12.5	25.0%	3.1	0.1	–	–	–	0.1	–	3.3	26.1%
Colombia	- 1.3	35.0%	- 0.4	0.5	–	–	–	–	1.4	1.5	-122.1%
Germany	0.5	33.0%	0.2	–	–	–	–	–	–	0.2	36.2%
India	0.2	25.2%	0.1	–	–	–	0.1	0.4	- 0.5	0.1	72.2%
Indonesia	- 1.6	22.0%	- 0.3	0.1	–	–	0.6	0.7	–	1.1	-65.3%
Malaysia	- 0.1	24.0%	–	–	–	–	–	–	–	–	-8.8%
Mexico	19.0	30.0%	5.7	0.1	–	–	–	–	- 1.0	4.8	25.2%
Panama	2.9	25.0%	0.7	5.2	–	–	–	–	- 5.6	0.3	9.3%
Peru	–	29.5%	–	–	–	–	–	–	–	–	0.9%
Portugal	0.2	21.0%	–	–	–	–	–	–	–	–	38.6%
Singapore	112.6	17.0%	19.1	- 1.5	2.1	–	0.3	- 0.4	–	19.6	17.4%
South Africa	8.9	28.0%	2.5	–	–	–	–	0.5	- 0.5	2.5	28.1%
Switzerland	0.1	8.5%	–	–	–	–	–	- 0.1	–	- 0.1	-135.8%
United Kingdom	–	19.0%	–	–	–	–	–	–	–	–	-8.3%
United States of America [1]	79.4	21.0%	18.9	- 0.3	–	–	–	–	0.1	18.7	23.6%
Vietnam	1.7	20.0%	0.3	0.1	–	–	–	–	–	0.4	25.1%
Total	**426.6**	**24.1%**	**102.6**	**17.9**	**- 53.2**	**10.8**	**29.6**	**2.0**	**- 8.1**	**101.6**	**23.8%**

1 State taxes included in statutory tax

Effective tax rate overview per jurisdiction (including exceptional items) 2022

in EUR millions	Earnings before taxation	Statutory tax rate	Statutory tax	Tax effect of non-deductible expenses	Tax effect of participation exemption	Non-recoverable credits and WHT	Changes in valuation of deferred taxes	Corrections previous years	Other tax effects	Effective tax	Effective tax rate
The Netherlands	- 304.8	25.8%	- 78.8	6.2	- 45.8	10.8	138.6	–	0.7	31.7	-10.4%
Argentina	- 0.1	25.0%	–	–	–	–	–	–	–	–	0.2%
Australia	28.3	30.0%	8.5	0.3	–	–	0.2	- 0.2	–	8.8	30.9%
Belgium	0.1	25.0%	–	0.4	–	–	–	- 0.4	–	–	6.6%
Brazil	24.3	34.0%	8.3	- 2.2	0.2	–	–	–	- 1.6	4.7	19.5%
Canada	19.3	26.6%	5.2	–	–	–	–	- 0.3	- 1.3	3.6	18.3%
China	12.4	25.0%	3.1	0.1	–	–	–	0.1	–	3.3	26.1%
Colombia	- 18.3	35.0%	- 6.4	6.5	–	–	–	–	1.4	1.5	-8.4%
Germany	0.5	33.0%	0.2	–	–	–	–	–	–	0.2	36.2%
India	- 6.0	25.2%	- 1.5	–	–	–	0.1	0.5	1.0	0.1	-2.5%
Indonesia	- 1.6	22.0%	- 0.3	0.1	–	–	0.6	0.7	–	1.1	-65.3%
Malaysia	- 0.1	24.0%	–	–	–	–	–	–	–	–	-8.8%
Mexico	19.0	30.0%	5.7	0.1	–	–	–	–	- 1.0	4.8	25.2%
Panama	2.9	25.0%	0.7	5.2	–	–	–	–	- 5.6	0.3	9.3%
Peru	–	29.5%	–	–	–	–	–	–	–	–	0.9%
Portugal	0.2	21.0%	–	–	–	–	–	–	–	–	38.6%
Singapore	97.2	17.0%	16.5	1.4	1.8	–	0.3	- 0.4	–	19.6	20.1%
South Africa	8.9	28.0%	2.5	–	–	–	–	0.5	- 0.5	2.5	28.1%
Switzerland	0.1	8.5%	–	–	–	–	–	- 0.1	–	- 0.1	-135.8%
United Kingdom	–	19.0%	–	–	–	–	–	–	–	–	-8.3%
United States of America [1]	79.4	21.0%	18.9	- 0.3	–	–	–	–	0.1	18.7	23.6%
Vietnam	1.7	20.0%	0.3	0.1	–	–	–	–	–	0.4	25.1%
Total	**- 36.6**	**46.9%**	**- 17.1**	**17.9**	**- 43.8**	**10.8**	**139.8**	**0.4**	**- 6.8**	**101.2**	**-276.8%**

1 State taxes included in statutory tax

For an explanation of the effective tax rate we refer to note 8.1. Income taxes and specifically the Reconciliation of effective tax rate.

The effective tax rate -excluding exceptional items- based on the proportional financial information was 31.8% (2021: 26.2%). 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 proportional 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-in-control statement.

Note 21. Participation and partnerships

Vopak participates in numerous forums, industry associations, think tanks, research institutes, technical working groups, and public-private partnerships. These partnerships and memberships at local, national, regional and international levels help us stay tuned to changing stakeholder demands and societal needs. They help us understand the implications of new regulations and changing market conditions, and at the same time learn from others. Our participation in international and national forums offers us the opportunity to debate on policy issues, be part of the solution to societal challenges like the energy and feedstock transition, and support our own digital transformation.

New energies & innovation

Currently, we are participating in several feasibility studies and projects to explore and help develop the potential of hydrogen as a source of zero- and low-carbon energy for the industry and power sector at key locations around the world.
In pursuing our ambitions in new energies & sustainable feedstocks, we focus on hydrogen and hydrogen carriers (ammonia, LOHC), CO_2, new feedstocks and flow batteries, in the Netherlands, the United States, Singapore, Malaysia and elsewhere. To foster the development of new energies solutions, forge partnerships and learn from others, we are 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 (Americas), Smart Delta Resources, the Institute for Sustainable Process Technology (ISPT), the Getting to Zero Coalition (re marine fuels) and the Alliance to End Plastic Waste (AEPW).

We also engage in other 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 SmartPort, 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 same port and accelerating start-ups.

We have set up Vopak Ventures to identify investment opportunities in start-ups and scale-ups in new technologies and emerging value chains. We value these platforms and partnerships, as collaboration is key to developing new solutions and deliver on our commitment to storing vital products for society today and 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.	July 2021: 23.1 July 2022: **23.1** (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 2022: Environmental: **3** (Jan 2021: 3) Social: **3** (Jan 2021: 3) Governance: **2** (Jan 2021: 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 2022: pending(climate), **C** (water) December 2021: **C** (climate), **C** (water) (rating scale: D to A)		• No targets on reductions of GHG emissions and 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 2022: **60** December 2020: **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 2022: **75** (scale 0 - 100) November 2020: **73** (scale 0 - 100) (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 2022: **19** July 2021: **26** (rating scale: 0 – 35)	• Define and communicate a clear strategy • Respect the spirit of the law. Tax-compliant behavior is the norm • Know and manage tax risks	• Disclosure of country-by-country tax • Tax assurance

Partnering with PETRONAS on CO_2 in Southeast Asia

Vopak and long-term partner PETRONAS signed a MoU to explore opportunities in CCS value chain solutions in Southeast Asia. As part of the MoU, both companies will jointly study the development of the CCS value chain focusing on the CO_2 emitted by industries in Singapore. This includes CO_2 transport from a Vopak terminal for potential injection into the regional storage hubs developed by PETRONAS. The aggregation of CO_2 emissions from various emitters in the Southeast Asia region is also part of the feasibility study. Both companies have the intention to invest in the development of CCS value chain solutions.

Supporting the energy transition and decarbonization of the industry

Other topics

Note 22: EU Taxonomy

Introduction

The EU Taxonomy constitutes one of the cornerstones for both the European Green Deal as well as the EU Action Plan on Sustainable Finance. It aims to facilitate the flow of capital 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 EU Taxonomy Regulation for the Annual Report 2022.

Starting with the reporting period 2021 and in accordance with the requirements, Vopak reported on its (eligible) contribution to the European Union's environmental objectives of climate change mitigation (CCM) and climate change adaptation (CCA) according to the guidelines laid down in the EU Taxonomy.

We reported the share of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) that were 'Taxonomy-eligible' - irrespective of whether these activities met any or all the technical screening criteria stated in the Taxonomy.

For reporting year 2022, as per the current requirements, Vopak has also assessed whether its activities are taxonomy 'eligible' and 'aligned'. This builds on the 2021 'Taxonomy eligibility' by requiring the activities to meet additional criteria for:

- Substantial contribution to climate change mitigation and/or climate change adaptation
- Do no significant harm (DNSH) to any other environmental objectives for those activities
- Minimum safeguards at the organizational level.

To this end, we have comprehensively analyzed and screened our eligible economic activities and the turnover[1] they generate, as well as our capital expenditure (CapEx) and operating expenditure (OpEx), and determined the share that qualifies as Taxonomy-eligible and -aligned.

Reasons for low eligibility

Vopak's main revenue-generating activities are not included in the currently endorsed part of the regulation. While Vopak considers many of its stored and handled products as 'green', and the manufacture of these products is also covered by the Taxonomy, Vopak´s associated storage-related activities are not yet covered in the classification system.

The EU has published a series of clarifications in the form of FAQs, which have shed some light on what can be considered eligible; for this reason, some further changes in methodology have been necessary compared to what has been disclosed in 2022 (covering the reporting year 2021) leading to a lower eligibility share. Please refer to the section "Considerations about the methodology" for more information.

Our assessment has concluded that Vopak when excluding investments accounted for using the equity method, does not conduct eligible economic activities. Vopak's at-equity investments are partly eligible but remain generally low. Thus, the following considerations are only applicable to at equity investments.

Similar to our peer group and value chain, we are at the beginning of our end-to-end decarbonization journey. Reporting on Taxonomy alignment is new and hence

1 In this note, turnover has been used interchangeably with revenue. Turnover covers the revenue recognized pursuant to International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) 1126/2008.

proving compliance with the technical screening criteria entails a significant effort for all reporting entities. Furthermore, collecting all the required data and information to prove Taxonomy alignment is a challenge. Therefore, for 2022, we are unable to confirm alignment and are working towards future alignment. Vopak aims to accelerate towards new energies and sustainable feedstocks, positioning Vopak to facilitate new logistics chains that will help our existing and new customers to realize their energy transition ambitions. Similar to our peer group and value chain, we are at the beginning of its end-to-end decarbonization journey.

Reporting on Taxonomy alignment is new and hence proving compliance with the technical screening criteria entails a significant effort. Furthermore, collecting all the required data and information to prove Taxonomy alignment is a challenge. Therefore, for 2022, we are unable to confirm conformance with the DNSH criteria.

Future opportunities

Vopak aims to accelerate towards new energies and sustainable feedstocks, positioning us to facilitate new logistics chains that will help our existing and new customers to realize their energy transition ambitions.

We foresee significant opportunities to increase eligibility and alignment as the company transforms its throughput portfolio and progresses on its decarbonization pathway. As detailed in the Accelerate section of Our Performance chapter, Vopak aims to accelerate towards new energies and sustainable feedstocks by allocating EUR 1 billion of growth CapEx by 2030. In addition to reducing our own direct and indirect emissions, we believe that our strategy positions us strongly to help our existing and prospective customers realize their energy transition ambitions.

Please refer to the New energies and sustainable feedstocks section, and Note 11 for more details.

Basis of preparation

Scope of sustainability reporting: 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 - 20 on a 100% basis despite the actual shareholding percentage. However, in the preparation of Vopak's EU Taxonomy KPI template, we apply IFRS 10 and IAS 28 as explained below:

IFRS 10 and equity method: The EU Taxonomy includes reporting of entities that 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 turnover, OpEx and CapEx are shown in the Consolidated Financial figures, because of accounting under the equity method for these types of investments, included as IFRS consolidated financial statement basis.

IAS 28 and investment proportionate KPIs: 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 in the below table. We have disclosed additional KPIs based on turnover, 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 included as Proportional basis in the below table.

IFRS 9 Equity investments and IFRS 16 Leases: Vopak excludes economic activities that take place in IFRS 9 Equity investments measured against fair value through other comprehensive income (FVOCI) and via IFRS 16, finance leases as for these activities no turnover, OpEx and CapEx are visible in the financial statements.

There is no specific guidance on the treatment of the aforementioned IFRS standards with EU Taxonomy. As such, no adjustments were made to include economic activities that are accounted for via these standards. This means that Vopak Ventures investments are excluded as well as terminals where there are financial leases (i.e. LNG Mexico, etc.). This methodology was also applied in 2021.

Operating expenses: Under the Second Draft Commission Notice on interpretation and implementation EU Taxonomy Climate Delegated Act from December 2022), OpEx category is closely related to maintenance and repair and can include the following costs for maintenance material, cost of employee repairing a machine, cost of employee cleaning a factory, IT dedicated to maintenance. In view of the above, Vopak has included maintenance and repair costs in calculating the OpEx. This methodology has been updated compared to our Annual Report 2021. Please refer to the section "Considerations about the methodology" for more information.

Proportional allocation of OpEx and CapEx for Taxonomy-eligible turnover: In the case of Taxonomy-eligible turnover that is generated in terminals that store multiple products for which the economic activities are not Taxonomy-eligible in full, we are planning to take the approach to proportionally allocate OpEx and CapEx based upon the percentage of Taxonomy-eligible turnover divided by the total turnover of the specific terminal.

Explanation of the calculation of Vopak activities of non-financial undertaking's taxonomy reporting

EU Taxonomy table 1

Turnover for taxonomy activities on IFRS consolidated financial statement basis has been calculated as follows:

Turnover for taxonomy-eligible activities

Determination of numerator for taxonomy-eligible activities:

- Since the storage of electricity (activity 4.10) is being carried out by a Vopak venture, any resulting and consequent revenue is excluded from consolidated revenue as the investment (IFRS 9) is fair valued through Other Comprehensive Income, i.e., revenue and costs are not line-by-line consolidated. Hence, IFRS consolidated turnover is zero.
- For the storage and handling of hydrogen (activity 4.12), this includes revenues from joint ventures and associates. Hence, IFRS consolidated turnover is zero.
- For transmission and distribution networks for renewable and low-carbon gases (activity 4.14), this includes revenues from joint ventures/ associates. Hence, IFRS consolidated turnover is zero as these investments are equity accounted (e.g. no line-by-line consolidation and only pick up of the Vopak share in net results).

Determination of denominator for tax-eligible activities:

- Revenues as reported in the Consolidated Statement of Income.

Turnover for taxonomy-aligned activities

Since no aligned activities were identified, the aligned turnover is zero under this accounting method.

EU Taxonomy table 2

Turnover for taxonomy activities on an investment-proportionate basis (IAS 28/IFRS 11).

Turnover for taxonomy-eligible activities

Determination of numerator for taxonomy-eligible activities:

- Since the storage of electricity (activity 4.10) is being carried out by a Vopak venture, any resulting and consequent revenue is excluded from consolidated revenue as the investment (IFRS 9) is fair valued through Other Comprehensive Income, i.e., revenue and costs are not line-by-line consolidated.
- Revenues from storing Ammonia (activity 4.12) by Joint Ventures accounted under IFRS 11 and Associates under IAS 28 guidance are included, taking into account the economic ownership interests of the Group in these entities.
- Revenues from the LNG division's (activity 4.14) Joint Ventures under IFRS 11 and Associates under IAS 28 guidance are included, taking into account the economic ownership interests of the Group in these entities.

Determination of denominator for tax-eligible activities:

- Total revenues from 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.

Turnover for Taxonomy-aligned activities

Since no aligned activities were identified, the aligned turnover is zero under this accounting method.

EU Taxonomy table 3

OpEx for taxonomy activities on IFRS consolidated financial statement basis.

OpEx for taxonomy-eligible activities

Determination of numerator for taxonomy-eligible activities:

- Storage of electricity (activity 4.10) being a venture, attributed OpEx is excluded from consolidated OpEx as the investment is fair valued through Other Comprehensive Income, i.e., revenue and costs are not line by line consolidated, which means IFRS consolidated OpEx is zero.
- For the storage and handling of hydrogen (activity 4.12), only OpEx (maintenance & repair) from joint ventures/associates are applicable, which means IFRS consolidated OpEx is zero.
- For the transmission and distribution networks for renewable and low-carbon gases (activity 4.14), only OpEx (maintenance & repair) from joint ventures/ associates are applicable, which means IFRS consolidated OpEx is zero.

Determination of denominator for tax-eligible activities:

- OpEx (Maintenance & Repair) as reported in the Consolidated Statement of Income, specified in the Notes to the Financial Statements (Other Operating Expenses).

OpEx for taxonomy-aligned activities

Since no aligned activities were identified, the aligned OpEx is zero under this accounting method.

EU Taxonomy table 4

OpEx for taxonomy activities on an investment-proportionate basis (IAS 28/IFRS 11).

OpEx for taxonomy-eligible activities

Determination of numerator for taxonomy-eligible activities:

- Storage of electricity (activity 4.10) being a venture, attributed OpEx is excluded from consolidated OpEx as the investment is fair valued through Other Comprehensive Income, i.e., revenue and costs are not line by line consolidated.
- OpEx (Maintenance & Repair) from the storage of hydrogen (activity 4.12) by joint ventures and associates are included, taking into account the economic ownership interests of the Group in these entities. The proportion of Ammonia revenues in the total revenues of the entity is applied to the Maintenance & Repair expenses of the entity.
- OpEx (Maintenance & Repair) from the LNG division (activity 4.14) joint ventures and associates are included, taking into account the economic ownership interests of the Group in these entities. The proportion of LNG revenues in the total revenues of the entity is applied to the Maintenance & Repair expenses of the entity.

Determination of denominator for taxonomy-eligible activities:

- OpEx (Maintenance & Repair) as reported in the non-IFRS proportional financial information (unaudited). Total OpEx (Maintenance & Repair) from 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.

OpEx for taxonomy-aligned activities

Since no aligned activities were identified, the aligned OpEx is zero under this accounting method.

EU Taxonomy table 5

CapEx for taxonomy activities on IFRS consolidated financial statement basis.

CapEx for taxonomy-eligible activities

Determination of numerator for taxonomy-eligible activities:

- Storage of electricity (activity 4.10) being a venture, attributed CapEx is excluded from consolidated CapEx as the investment is fair valued through Other Comprehensive Income, i.e., revenue and costs are not line-by-line consolidated. Hence, IFRS consolidated CapEx is zero.
- For the storage and handling of hydrogen (activity 4.12), only CapEx from joint ventures and associates is applicable, which means IFRS consolidated CapEx is zero.
- For the transmission and distribution networks for renewable and low-carbon gases (activity 4.14), only CapEx from joint ventures and associates is applicable, which means IFRS consolidated CapEx is zero.

Determination of denominator for taxonomy-eligible activities:

- CapEx as reported in the Consolidated Statement of Income, specified in the Notes to the Financial Statements (Other Operating Expenses).

CapEx for taxonomy-aligned activities

Since no aligned activities were identified, the aligned CapEx is zero under this accounting method.

EU Taxonomy table 6

CapEx for taxonomy activities on an investment-proportionate basis (IAS 28 / IFRS 11).

CapEx for taxonomy-eligible activities

Determination of numerator for taxonomy-eligible activities:

- Storage of electricity (activity 4.10) being a venture, attributed CapEx is excluded from consolidated CapEx as the investment is fair valued through Other Comprehensive Income, i.e., revenue and costs are not line-by-line consolidated.
- CapEx from the storage of hydrogen (activity 4.12) by joint ventures and associates included taking into account the economic ownership interests of the Group in these entities.
- CapEx from the LNG division (activity 4.14) joint ventures and associates are included, as reported in the non-IFRS proportional financial information (unaudited) under non-current assets.

Determination of denominator for tax-eligible activities:

- CapEx as reported in the non-IFRS proportional financial information (unaudited) under non-current assets. Total CapEx from the joint ventures, associates and subsidiaries with non-controlling interests are consolidated based on the economic ownership interests of the Group in these entities.

CapEx for taxonomy-aligned activities

Since no aligned activities were identified, the aligned CapEx is zero under this accounting method.

EU Taxonomy table 1: Turnover for taxonomy-aligned activities on IFRS consolidated financial statement basis

		IFRS consolidated financial statement basis (18)		Substantial contribution criteria					
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)
		in EUR mln	%	%	%	%	%	%	%
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Turnover of environmentally sustainable activities (Taxonomy-aligned (A.1)		0	0	0	0	0	0	0	0
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Storage of electricity	4.10	0	0						
Storage of hydrogen	4.12	0	0						
Transmission and distribution networks for renewable and low-carbon gases	4.14	0	0						
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0						
Total (A.1 + A.2)		**0**	**0**						
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities (B)		1.367	100						
Total (A + B)		**1.367**	**100**						

	DNSH criteria (Does Not Significantly Harm)							IFRS consolidated financial statement basis		
Economic activities (1)	Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of turnover, year N (18)	Category (enabling activity or) (20)	Category (transitional activity) (21)
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
Turnover of environmentally sustainable activities (Taxonomy-aligned (A.1)								0		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Storage of electricity										
Storage of hydrogen										
Transmission and distribution networks for renewable and low-carbon gases										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								0		
Total (A.1 + A.2)								**0**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
Turnover of Taxonomy-non-eligible activities (B)										
Total (A + B)										

EU Taxonomy table 2: Turnover for taxonomy-aligned activities on an investment proportionate basis (IAS 28/IFRS 11)

		Investment proportionate basis		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)							Investment proportionate basis (IAS 28)		
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of turnover, year N (18)	Category (enabling activity or) (20)	Category (transitional activity) (21)
		in EUR mln	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned (A.1)		0	0	0	0	0	0	0	0								0		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Storage of electricity	4.10	0	0																
Storage of hydrogen	4.12	21	1																
Transmission and distribution networks for renewable and low-carbon gases	4.14	154	8																
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		175	10														0		
Total (A.1 + A.2)		**175**	**10**														**0**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		1.682	90																
Total (A + B)		**1.857**	**100**																

EU Taxonomy table 3: OpEx for taxonomy-aligned activities on IFRS consolidated financial statement basis

		IFRS consolidated financial statement basis		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)							IFRS consolidated financial statement basis		
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of OpEx, year N (18)	Category (enabling activity or) (20)	Category (transitional activity) (21)
		in EUR mln	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned (A.1)		0	0	0	0	0	0	0	0								0		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Storage of electricity	4.10	0	0																
Storage of hydrogen	4.12	0	0																
Transmission and distribution networks for renewable and low-carbon gases	4.14	0	0																
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0														0		
Total (A.1 + A.2)		**0**	**0**														**0**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		55	100																
Total (A + B)		**55**	**100**																

EU Taxonomy table 4: OpEx for taxonomy-aligned activities on an investment proportionate basis (IAS 28/IFRS 11)

		Investment proportionate basis		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)							Investment proportionate basis (IAS 28)		
Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of OpEx, year N (18)	Category (enabling activity or) (20)	Category (transitional activity) (21)
		in EUR mln	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned (A.1)		0	0	0	0	0	0	0	0								0		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Storage of electricity	4.10	0	0																
Storage of hydrogen	4.12	1	1																
Transmission and distribution networks for renewable and low-carbon gases	4.14	13	15																
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		14	16														0		
Total (A.1 + A.2)		**14**	**16**														**0**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		73	84																
Total (A + B)		**87**	**100**																

EU Taxonomy table 5: CapEx for taxonomy-aligned activities on IFRS consolidated financial statement basis

		IFRS consolidated financial statement basis		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)							IFRS consolidated financial statement basis		
Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of CapEx, year N (18)	Category (enabling activity or) (20)	Category (transitional activity) (21)
		in EUR mln	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned (A.1)		0	0	0	0	0	0	0	0								0		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Storage of electricity	4.10	0	0																
Storage of hydrogen	4.12	0	0																
Transmission and distribution networks for renewable and low-carbon gases	4.14	0	0																
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0														0		
Total (A.1 + A.2)		**0**	**0**														**0**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		386	100																
Total (A + B)		**386**	**100**																

EU Taxonomy table 6: CapEx for taxonomy-aligned activities on an investment proportionate basis (IAS 28/IFRS 11)

		Investment proportionate basis		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)							Investment proportion-ate basis		
Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaption (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiver-sity and ecosys-tems (10)	Climate change mitigation (11)	Climate change adaption (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiver-sity and ecosys-tems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of CapEx, year N (18)	Category (enabling activity or) (20)	Category (transi-tional activity) (21)
		in EUR mln	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned (A.1)		0	0	0	0	0	0	0	0								0		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Storage of electricity	4.10	0	0																
Storage of hydrogen	4.12	1	0																
Transmission and distribution networks for renewable and low-carbon gases	4.14	7	1																
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		8	2														0		
Total (A.1 + A.2)		**8**	**2**														**0**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		467	98																
Total (A + B)		**475**	**100**																

Vopak's interpretations on eligibility and alignment

Based on our internal assessment, we identified the following eligible activities:

4.10 Storage of electricity

Vopak considers the following activity to be eligible hereunder:

Development of flow batteries for the storage of electricity

Vopak develops flow batteries to store electricity in day-to-day business which enables the storage of solar generated electricity. Vopak is not able to demonstrate alignment at this stage. We intend to continue monitoring the fulfillment of the criteria and are working towards future alignment.

4.12 Storage of hydrogen

Vopak considers the following activity to be eligible hereunder:

Storage and handling of hydrogen and ammonia

Vopak is in a JV with its partners to build and operate ammonia terminals where the ammonia is a carrier for low-carbon and renewable hydrogen. Ammonia provides high hydrogen storage densities as a liquid with mild pressurization and low cryogenic constraints. Hydrogen and ammonia can be used as alternatives to fossil fuels, and hence support climate change mitigation. Vopak is not able to demonstrate alignment at this stage. We intend to continue monitoring the fulfillment of the criteria and are working towards future alignment.

4.14 Transmission and distribution networks for renewable and low-carbon gases

Vopak considers the following activity to be eligible hereunder:

Storage and handling of Liquefied Natural Gas

Vopak is storing and handling Liquefied Natural Gases. Vopak is not able to demonstrate alignment at this stage. We intend to continue monitoring the fulfillment of the criteria and are working towards future alignment.

Considerations about the methodology

The previous year, Vopak identified biofuel storage as an enabling economic activity. However, the operations of storing sustainable biofuels cannot be counted under the EU taxonomy as the assets (tanks, pumps and pipelines) are not dedicated to the product.

The FAQs from February (Commission Notice on the interpretation of the Disclosures Delegated Act from October 2022) and December (Second Draft Commission Notice on interpretation and implementation EU Taxonomy Climate Delegated Act from December 2022) provided clarification on what is to be included under the EU Taxonomy definition for OpEx. The FAQs state that the OpEx category is closely related to maintenance and repair and can include the following costs for: maintenance material, the cost of an employee repairing a machine, the cost of an employee cleaning a factory, IT dedicated to maintenance. In view of the above, Vopak has included only maintenance and repair costs in calculating the OpEx denominator. This methodology has been updated compared to our Annual Report 2021.

Due to uncertainties with regard to the interpretation of CapEx and OpEx incurred for the "purchase of output" from Taxonomy-eligible activities, for this year, we opted not to report on the eligibility of any further non-sales-related activity, including any expenses incurred for energy efficiency measures.

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 2022 the Supervisory Board held seven regular meetings and two extra meetings. All regular meetings were held jointly with the Executive Board present. The plenary sessions of the Supervisory Board were accompanied by executive sessions with the CEO in attendance together with 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 2022, the average attendance at the regular and additional meetings combined was 92.6%.

Key developments

Strategy is one of the Supervisory Board's main priorities and is an integral part of its considerations and decision making processes. This includes evaluating the way the Executive Board implements Vopak's strategy for long-term value creation and promotes a culture aimed at creating value. In 2022, the Supervisory Board was actively involved in setting and approving the new strategy Shaping the future. The new strategy aims to strengthen the foundation of the company and accelerate towards new energies, grow the base in ITL and LNG/LPG and optimize the performance of the core portfolio taking into account key global trends like energy transition, ageing assets, regulatory landscape and ESG. This was discussed during multiple meetings and one meeting session was fully dedicated to consider the new Vopak strategy together with the Executive Board.
The financial framework is aligned with the Shaping the future strategy emphasizing the ambition to become more cash focused and keeping a disciplined capital allocation focus.

After formulating the new Shaping the future strategy, the Supervisory Board remains involved in the execution of the company's strategy by means of an in-depth dialogue. 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. Other important topics discussed by the Supervisory Board are sustainability, sustaining capex programs and valuation of assets.

Sustainability is an important driver for the strategy. The approach towards sustainability is ambitious and performance driven with a balanced roadmap focusing on care for people, planet and profit. The aim is to reduce the company's own environmental and carbon footprint by decarbonizing the existing and future operations. 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 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 net-zero 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% by 2030 versus 2021, which requires a 45-60% reduction of the current asset base as the company needs to cater for growth as well.

During its 2022 meetings, the Supervisory Board discussed a number of recurring topics at each meeting starting with safety and then the company's operational and financial performance, portfolio and organizational developments and succession planning for senior management. The Supervisory Board discussed and approved the 2023 budget, quarterly reports and numerous investment proposals related to greenfield projects, expansions at several existing locations and acquisition opportunities. 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. Important topics this year were the completion of the new partnership with Aegis in India and the renewal of the EUR 1 billion sustainability-linked revolving credit facility. The Gate terminal increased its capacity which emphasizes its key role in gas supplies in Northwest Europe. Together with Gate partner Gasunie it was announced that hydrogen import terminal infrastructure will be jointly developed.

In 2022 the composition of the Executive Board changed materially with Dick Richelle as the new CEO and Michiel Gilsing as the new CFO while Frits Eulderink was reappointed as COO. The Supervisory Board is pleased with the steady transition of the new board members and the good cooperation and team spirit of the Executive Board as a whole.

A change of leadership is a challenging moment in the life of any organization. With the new management team with replacements for both the CEO and CFO role, the company entered a new phase in its history. This transition occurred smoothly and the Supervisory Board appreciates the way the new team has taken up its new joint role.

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 Selection and Appointment Committee were shared with and reviewed by the Supervisory Board.

The Supervisory Board discussed the operation of and changes in 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 Russia-Ukraine war has devastated the country of Ukraine, further isolating Russia from the West and fueling economic insecurity around the world. The Supervisory Board is kept informed on the impact of the war and Vopak's direct and indirect exposure.

The pandemic spread of Covid-19 remains an impactful event in several regions around the world, such as China. Our first priority in the Covid-19 response continues to be to protect the health and well-being of our people in the company, their families and the communities in which we operate. 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 and the financial results, confirming the relative resilience of the company to the crisis. Overall the existing governance structure of the company continued to work well.

Evaluation

The Supervisory Board evaluated its own performance in 2022 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.

The overall feedback from the evaluation in 2022 was again positive and the members feel that the Supervisory Board functions well with a sense of collegiality and mutual trust. The quality of the discussions, which include constructive challenging dialogues, were appreciated. All members strongly value the composition of the Supervisory Board in all its dimensions.

As part of the self-evaluation some points for improvement were noted, whereby the Supervisory Board asked for even more insight into the autonomous performance at the terminal level, especially for these that require additional management attention. Each June strategy session an annual update is provided to the Supervisory Board of the autonomous performance of the terminal network with more regular updates and deep dive sessions during the year.

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 composition of Vopak's Supervisory Board is diverse in gender, nationality, background, knowledge and experience. The Supervisory Board currently comprises four men and two women and as such has a balanced and strived for composition of at least one-third female and one-third male members. Three members are Dutch, one Belgian, one Italian and one English. The six board members are: Mr. Noteboom (Chair), Mr. Groot (Vice-Chair), Mrs. Foufopoulos - De Ridder, Mrs. Giadrossi, Mr. Hookway and Mr. Van der Veer. Due to the expiry of the current term, Mrs. Foufopoulos - De Ridder, Mr. Van der Veer and Mr. Groot were re-appointed as a member of the Supervisory Board for a term of four years at the AGM held on 20 April 2022.

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 fulfil 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.

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 Fraud and Speak-Up cases. The Remuneration Committee primarily makes recommendations regarding the remuneration and the remuneration policy of the Executive Board and the Supervisory Board.

Audit Committee

During 2022 the Audit Committee held five regular meetings and one extra meeting. The attendance rate was 90%. 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. This includes reporting on impairment trigger testing and the underlying process, including a proposal to adjust the modelling process for oil related terminals. 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 2022 audit plan of the external auditor and the Internal Audit department's plan for 2023. 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 2022 and the progress realized in implementing recommendations from audits, were also considered. The Audit Committee reviewed the risk management and internal control processes.

The internal risk management framework was updated in line with the development of Vopak's strategy and risk environment. 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 2023.

The Audit Committee monitored the independence of the external auditor. During 2022, 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 a 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 with the overall conclusion that Deloitte meets the high expectations of the company.

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 2022, Mr. Van der Veer acted as financial expert.

The Audit Committee reports back on its activities to the Supervisory Board.

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 two times in 2022. 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 considered 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.

The recruitment process makes use of 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 may be engaged for the fielding of candidates for succession and nomination.

The Selection and Appointment Committee reports back on its activities to the Supervisory Board.

Remuneration Committee

The Remuneration Committee met four times in regular meetings in 2022. The attendance rate was 91.7%. In addition, the Committee held regular informal consultations and consulted professional internal and external advisors. The Remuneration Committee reports back on its activities to the Supervisory Board. A detailed account of the topics discussed by the Remuneration Committee, its considerations and the resulting decisions and proposals with regard to the Supervisory Board and Executive Board remuneration can be found in the Remuneration Report in this Annual Report.

The Remuneration Committee reports back on its activities to the Supervisory Board.

The members of the Supervisory Board have signed the financial statements 2022 in order to comply with the statutory obligation pursuant to article 2:101 paragraph 2 of the Dutch Civil Code.

The Supervisory Board would like to thank the Executive Board for their service to Vopak in 2022, all Vopak employees for their hard work and commitment, and the many stakeholders who continue to place their trust in our company. We can look back on 2022 with satisfaction and look forward to 2023 with a strengthened sense of purpose. We are excited at the opportunities for our company.

Rotterdam, 14 February 2023

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

2022 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%	100%
M.F. Groot	100%	100%	100%	
L.J.I. Foufopoulos - De Ridder	71.4%	80%		75%
N. Giadrossi	85.7%	100%		100%
R.M. Hookway	100%	100%		
B. van der Veer	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 member of the Supervisory Board of Aegon N.V. (until May 2023) and is nominated to the Supervisory Boards of KPN N.V. (member) and Akzo Nobel N.V. (chair) in April 2023. He is member of Stichting Preferente aandelen Heijmans NV, Stichting Adore and chairman of Stichting Prioriteit Ordina Groep and 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 2026. 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 Ltda. 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 2026. She is member of the Supervisory Board of Borouge Pte. Ltd. and Sika AG. She does not own any Vopak shares.

Mrs. Nicoletta Giadrossi (Member)

Chair Remuneration Committee and 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 also Chair of the Board of Ferrovie dello Stato Italiane SpA, and Remuneration Committee Chair in Brembo SpA. She is also Senior Advisor of Bain Capital. 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 and Stichting Beheer Fico. His current term ends in 2026. 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 a member of the Supervisory Board of Naftogaz and 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
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. In the 12 years prior to his appointment as Chairman of the Executive Board he led the Vopak divisions Americas and Asia & Middle East as President and headed the Global Commercial and Business Development department.

Michiel Gilsing

Member of the Executive Board and CFO of Royal Vopak (as per 20-04-2022)
Nationality Dutch
Year of birth 1968
Education Master's Degree in Econometrics
Career Michiel started his career with Royal Vopak in 2004 and has since performed leadership and management roles at both national and international levels. In his prior role, he was President of the Asia & Middle East Division.

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 is member of the Supervisory Board of Alliander N.V. He has been a member of the Executive Board and Chief Operating Officer of Royal Vopak since April 2010.

Remuneration report

This section of the Annual Report provides an overview of the implementation of Vopak's remuneration policies for the members of the Supervisory Board and the Executive Board during 2022. It also includes the Vopak remuneration policies for the Supervisory Board and the Executive Board going forward which will be proposed at the 2023 AGM for approval.

This Directors' Remuneration report for 2022 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 2022 and the details of the 2022 Executive Board and Supervisory Board remuneration packages. This section will be put forward to the General Meeting on 26 April 2023 for an advisory vote; and
- the company's proposed Supervisory Board and Executive Board remuneration policies for 2023 and beyond. These will be put forward for approval to the General Meeting on the same date.

Letter of the Chair of the Remuneration Committee

Dear shareholders,

I am pleased to introduce this 2022 Remuneration report.

In 2022, the new Executive Board introduced the company's Shaping the future strategy which lays out the 3 strategic ambitions needed to take the company forward to 2030: Improve, Grow, and Accelerate[1]. As part of this new strategy, the Executive Board also introduced a new financial framework. Free Cash Flow is now the leading financial indicator to measure the company's performance. EBITDA, Operating Capex, Growth Capex, and Operating Cash Return are identified as the key annual and longer-term metrics that measure the company's performance. These changes reflect shareholders' feedback.

The new 'Shaping the future' strategy and its financial framework were taken into consideration by the Committee when developing the new Board remuneration policies to be proposed to the General Meeting in April 2023.

The work of the Committee in 2022

During 2022, the Committee met four times.

In the Q1 meeting, it analyzed the Executive Board's performance for the prior year, and recommended the target achievements for the 2022 Executive Board STIP and the 2019 – 2021 Executive Board LTSP programs to the SB. No discretion was exercised. The results of this were captured in last year's Annual Report.

In the Q2 meeting, the Committee examined the results of the General Meeting's votes on the subject of Board remuneration, both for the company and in the larger Dutch listed companies environment, and decided to engage with stakeholders to discuss how better align to their expectations (see below).

In the Q3 meeting, the Committee started working on the new Board remuneration policies framework aligned with the company's strategy.

In Q4, the Committee had several meetings to further develop these policies, and led the shareholders and proxy consultations.

1 More detail on Vopak's Shaping the future strategy and its Improve, Grow, and Accelerate ambitions can be found here.

2022 Performance

With respect to the Executive Board STIP, in 2022, an EBIT of EUR 534.1 million was achieved. The overall cost level in the P&L reached EUR 684.9 million. This performance resulted in a below threshold achievement according to the STIP framework. The Committee considered the exceptional cost challenges that the company faced, but did not apply discretion in its evaluation. The 'EB effectiveness' KPI - of which the components are detailed in this Remuneration report on page 165 - was evaluated at 'Meet'.

With respect to the Executive Board long-term incentive plan, the Committee acknowledged the progress made with respect to Sustainability, which is an important component of the performance requirements.

Vopak's Sustainability Roadmap was launched at the beginning of 2022. This Roadmap contains clear Environment, Social and Governance (ESG) targets and actions on the 12 key sustainability topics that matter most to Vopak's stakeholders and where the company can have the highest impact for people, planet and profit. Among others, this Roadmap includes a reduction of Vopak's greenhouse gases emissions by 30% by 2030 compared to the company's baseline emission levels in 2021.

In 2022, 33% of Vopak's total own electricity consumption worldwide was from renewable sources. Vopak's societal impact of VOC emissions was reduced to 26% at the end of 2022 compared to the company's baseline emission levels in 2016. The gender diversity in Vopak increased to 20% at the end of 2022 for Hay Grade 19+ roles worldwide. This achievement means that we have now redefined our target from reaching 20% by the end of 2024 to reaching 25% by the end of 2025.

With respect to the KPI Strategy Execution, the Committee carefully reviewed what had been asked to the Executive Board under the new strategic framework for 2022 and recommended an achievement of 125%. The details of the components in this KPI can be found in this Remuneration report on page 166 and 167.

Engagement with shareholders and other stakeholders

As mentioned above, in 2022, the Committee intensified its ongoing dialogue with the company's major shareholders and their proxy advisors in response to the voting result for the 2021 Remuneration report (71.70% in favor) from the General Meeting in April 2022.

The works council of Vopak was also consulted, as part of their engagement to provide formal advice on the policy changes. During its engagement, feedback was shared on the broad nature of the EB Effectiveness KPI in the Executive Board short-term incentive programs and the Strategy Realization KPI in the Executive Board long-term incentive programs. Disclosure of targets and intervals used to reward on the KPIs used in the Executive Board short-term and long-term incentive programs were also discussed.

In response to shareholder feedback, in the Executive Board remuneration policy for 2023 and beyond[1], the Supervisory Board has chosen to move away from the EB Effectiveness and Strategy Execution KPIs, and to include only specific and concrete performance metrics in the Executive Board short-term and long-term incentive programs. Details on these KPIs and their measurement are also made more transparent. The target setting for the Sustainability-related KPIs in the Executive Board variable compensation programs and several topics in the Executive Board remuneration policy have been clarified.

In response to the feedback received, Vopak has now committed to the ex-post disclosure of the targets and performance intervals for all KPIs in both the Executive Board short-term and long-term incentive programs, starting with this Annual Report. Also, actual realizations against target are explained in more detail.

Proposed changes in the Executive Board remuneration policy for 2023 and beyond

As mentioned above, a new financial framework was put in place during 2022 that supports the Shaping the Future strategy, in which Free Cash Flow is now identified as the leading financial indicator to measure the company's performance. EBITDA, Operating Capex, Growth Capex, and Operating Cash Return are the key annual and longer-term metrics in Vopak's financial framework. They measure our ability to generate the cash flow required to realize our 2030 strategic ambitions, and to deliver the expected returns to our shareholders. The outlook on these metrics is communicated to the external markets quarterly.

In order to maintain strategic alignment, the Supervisory Board selected KPIs in the Executive Board short-term and long-term incentive programs as of 2023 which are directly derived from the company's financial framework. The proposed changes in the Executive Board remuneration policy link the Executive Board short-term and long-term variable compensation to the company's short-term and longer-term cash flow driving the execution of the Shaping the future strategy.

1 For a full account of the company's response to the feedback received, reference is made to the paragraph 'Policy review' in the section 'Board Remuneration Policies in 2023 and beyond' in this Remuneration report.

It is now proposed that in the Executive Board short-term incentive programs going forward, EBITDA will replace EBIT, and Proportional Operating Capex will replace Cost. In the Executive Board long-term incentive programs going forward, Proportional Operating Cash Return will replace Earnings per Share (EPS)[1].

It is now also proposed that in the Executive Board long-term incentive programs going forward, the KPI 'Total Proportional Capex Committed to industrial and gas terminals investments' replaces the KPI Strategy Execution. This Capex KPI measures the strategic portfolio shift towards industrial and gas terminals, as a reflection of the 'Accelerate' ambition in the company's Shaping the future strategy to invest 1 billion EUR in industrial and gas terminals by 2030. This is of course under the mandatory ratios of capital return that inform our capital expenditure programs.

This Capex KPI together with the existing KPI 'Total Proportional Capex Committed to New Energies Development investments' jointly reflect the strategic 2030 Grow and Accelerate ambitions which will result in the company's portfolio transformation towards cleaner fuels and new energies and sustainable feedstocks. By selecting these two KPIs, the realization of these ambitions is now tied to the Executive Board long-term incentive compensation.

Safety, and Customer satisfaction metrics in the Executive Board short-term incentive program remain unchanged as well as the GHG emissions reduction metric in the Executive Board long-term incentive.

GHG emissions reduction has now also been proposed as a metric in the 2023 Executive Board short-term incentive program. Also, the company's ambitions to strive for a more diverse workforce, has now been translated into a gender diversity target for the Executive Board in 2023. These GHG emissions reduction and Diversity metrics replace EB Effectiveness in the 2023 Executive Board short-term incentive program.

Reference is made to the table 'Overview of the proposed changes to the KPIs of the Executive variable compensation programs for 2023 and beyond' in the Board remuneration policy section of this Remuneration report for more detail on the proposed changes in KPIs for the Executive Board incentive programs and their rationales.

The Executive Board remuneration policy for 2023 and beyond thus revised, will be put forward for approval to the Annual General Meeting in April 2023.

Proposed changes in the Supervisory Board remuneration policy for 2023 and beyond

The Committee also took careful notice of the feedback on the 2022 proposal for the Supervisory Board remuneration policy. An improved proposal for this policy for 2023 and beyond will be submitted to the Annual General Meeting in April 2023. This proposal contains a limited increase in the Supervisory Board fee levels for 2023 and beyond but without a 'mechanical' increase. Any further changes to the remuneration of the Supervisory Board remain subject to a new shareholder vote.

Looking ahead

Vopak's core strengths uniquely position the company to benefit from the transformation of in the storage sector in the years to come. The Committee has set ambitious targets for the Executive Board to deliver in 2023 and beyond which – if achieved – will strengthen Vopak's position as market leader in industrial terminals and grow its gas business for the storage of cleaner conventional products, as well as expand in zero and low-carbon new energies and sustainable feedstocks. The Committee is also dedicated to promoting an inclusive culture where all individuals feel welcome and a diverse workforce that reflects the societies Vopak serves. The new Supervisory Board and Executive Board remuneration policies as proposed for adoption at the Annual General Meeting of Shareholders in April 2023, are aligned to these ambitions.

I am looking forward to further engagement with you in the coming years.

Nicoletta Giadrossi
Chair of the Remuneration Committee

1 The Supervisory Board considered selecting a relative return measure such as Total Shareholder Return (TSR) for the Executive Board long-term incentive programs going forward. However, no meaningful industry peer group can be established because most of Vopak's competitors are not stock-listed (for example, HES International, Kinder Morgan, Oiltanking, Stolt Terminals, VTTI) or are government-owned. A peer group with companies from a mix of industries, such as the peer group used for determining the base salary and total remuneration levels for the Executive Board, was also considered not suitable to steer management actions and reward longer-term company achievements due to the different business conditions and environments in other industries.

The Annual Report on Remuneration

This section of the Remuneration report describes the implementation of the company's Board Remuneration Policies applicable in 2022 and the details of the 2022 Executive Board and Supervisory Board remuneration packages.

Board composition in 2022

Following his appointment in the extraordinary General Meeting on 17 December, 2021, Dick Richelle started his Board membership as Chairman of the Executive Board and CEO on 1 January, 2022. Following the announcement on 10 December, 2021, Michiel Gilsing was appointed as member of the Executive Board and CFO on 20 April, 2022, while his predecessor Gerard Paulides stepped down as CFO and member of the Executive Board on the same date. For further details on the composition of the Supervisory Board and the Executive Board during 2022 reference is made to page 154 and 155 respectively in the Governance section of this Annual Report.

Voting results at the 2022 General Meeting

During the Annual General Meeting on 20 April, 2022, the implementation of the company's remuneration policy in 2021, as disclosed in the Remuneration report of the company's 2021 Annual Report, was presented to the company's shareholders for an advisory vote. The voting result was 71.70% in favor. The proposed Supervisory Board remuneration policy for 2022 was withdrawn from the agenda at the start of the General Meeting; no voting took place.

Executive Board remuneration policy application in 2022

During 2022, 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.

2022 Executive Board total remuneration

The 2022 individual total remuneration packages for Executive Board members are designed in a manner that ensures external competitiveness and internal consistency. Their 2022 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.

By rewarding Executive Board members in 2022 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.

Additionally, benefits and other emoluments were provided for in 2022 in line with the Vopak Netherlands policies, plans and arrangements which apply to all Vopak staff in the Netherlands.

The table on the next page shows the total 2022 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 2022 Consolidated Statement of Income) are shown. The IFRS costs shown in this table are audited by the company's external auditor.

The 2022 total remuneration amounts are within the limits of the Executive Board remuneration policy. The overall costs decreased from EUR 8.1 million in 2021 to EUR 4.5 million in 2022. This is mostly the result of (i) the changes in the Executive Board composition in 2022; and (ii) the downward adjustment to the accruals made in 2021 for the costs related to the termination of Eelco Hoekstra's and Gerard Paulides' Board appointments, both for the actual costs in 2022, and – per the applicable accounting rules – for the projected costs in 2023, 2024, and 2025.

Further details on the costs of the Long-Term Share Plans for the company, can be found in note 7.2 to the Consolidated Financial Statements.

2022 Executive Board remuneration entitlements [1] and IFRS costs (audited) for the company

	Fixed Compensation						Variable compensation							
	Annual base salary		Pension contributions [2]		Other [3]		Short-term incentive plan		Long-term incentive		Total		Proportion actual fixed vs variable compensation (%)	
In EUR	2022	2021	2022	2021	2022	2021	2022 [4]	2021 [5]	2022	2021	2022	2021	2022	2021
D.J.M. Richelle [6]														
entitlement	700	n/a	189	n/a	22	n/a	446	n/a	30 [7]	n/a	1.387	n/a	65.7%	n/a
costs									184 [8]		1.541		34.3%	
F. Eulderink														
entitlement	597	568	233	186	1	1	317	426	329 [9]	458 [10]	1.477	1.639	56.2%	46.1%
costs									439 [11]	570 [12]	1.587	1.751	43.8%	53.9%
M.E.G. Gilsing [13]														
entitlement	525	n/a	144	n/a	9	n/a	279	n/a	27 [7]	n/a	984	n/a	68.9%	n/a
costs									137 [8]		1.094		31.1%	
Former Executive Board members														
E.M. Hoekstra [14]														
entitlement	n/a	746	n/a	174	119	12	n/a	671	527 [9]	736 [10]	646	2.339	18.4%	39.8%
costs					-/-65 [15]	196 [15]			-/-65 [11, 15]	1,734 [12]	-/-130	3.521	81.6%	60.2%
G.B. Paulides [16]														
entitlement	189	568	44	134	157	9	75	426	320 [9]	426 [10]	785	1.563	49.7%	45.5%
costs					-/-160 [17]	833 [17]			245 [11, 17]	832 [12]	395	2.793	50.3%	54.5%
Total entitlements	**2.011**	**1.882**	**610**	**494**	**308**	**22**	**1.117**	**1.523**	**1.233**	**1.620**	**5.279**	**5.541**	**55.5%**	**43.3%**
Total costs					**-/-193**	**1.030**			**940**	**3.136**	**4.487**	**8.065**	**44.5%**	**56.7%**

1 Entitlements are defined as (i) payments in cash, i.e. the fixed remuneration (annual base salary, and any fixed allowances in cash), and the short-term variable incentive in cash which relates to the performance year 2022 and which will be paid out in 2023; (ii) the monetary value of the long-term variable incentive in shares of which the performance period ended on 31 December, 2022 (under 2020 – 2022 Executive Board Long-Term Share Plan), and which is scheduled to vest in 2023; (iii) the monetary value of the retirement benefits provided under the company pension arrangements; and (iv) the monetary value of any other remuneration provided to (former) Executive Board during or related to the financial year.

2 For Executive Board members who were in service prior to January 1, 2015 (in 2022: Frits Eulderink and Eelco Hoekstra), 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 2022, 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 Dick Richelle, Frits Eulderink, and Michiel Gilsing, the 2022 employer social security contributions amounted to EUR 13K (2021: EUR 13K). For Eelco Hoekstra, and Gerard Paulides, the 2022 employer social security contributions amounted to EUR 1K and 7K respectively (2021: EUR 13K).

4 This is the STIP related to the 2022 performance year which will be paid out in 2023.

5 This is the STIP related to the 2021 performance year which was paid out in 2022.

6 Dick Richelle was appointed as Chairman of the Executive Board and CEO as of 1 January, 2022. His remuneration entitlements before this time are not included in this table as these did not relate to his Executive Board membership.

7 In 2020, Dick Richelle and Michiel Gilsing received conditional awards of performance shares under the company's 2020 – 2022 Long-Term Incentive Plan program for senior executives and other key managers. These shares are scheduled to vest in April 2023. The entitlements shown in this table represent the value at 31 December, 2022 of a prorated part of their total awards made to the under this program based on the performance realized and the closing share price at 31 December, 2022 of EUR 27.75. The proration is based on that part of the entire 3-year performance period that relates to the period during which they were a member of the Executive Board in 2022, that is 1/3 of the total award.

8 This amount reflects the recognized IFRS costs accrued by the company during the financial year 2022 for the prorated parts of the unvested performance shares awarded conditionally to Dick Richelle and Michiel Gilsing under the company's 2020 – 2022 and 2021 – 2023 Long-Term Incentive Plan programs for senior executives and other key managers (whereby the proration is based on that part of the entire 3-year performance period that relates to the period during which they are a member of the Executive Board in 2022), and for the unvested performance shares awarded conditionally to them under the 2022 – 2024 Executive Board Long-Term Share Plan.

9 This is the value at 31 December, 2022 of the performance shares awarded under the 2020 – 2022 Executive Board Long-Term Share Plan based on the performance realized and the closing share price at 31 December, 2022 of EUR 27.75. These shares are scheduled to vest in April 2023.

10 This is the value of the performance shares awarded under the 2019 – 2021 Executive Board Long-Term Share Plan based on the performance realized and the closing share price at 31 December 2020 of EUR 42.99. These shares vested in April 2022 based on a share price of EUR 29.32, resulting in the following values at the date of vesting: Frits Eulderink: EUR 436,458; Eelco Hoekstra: EUR 700,689; and Gerard Paulides: EUR 405,202. These values are also shown in the table '2022 movements in outstanding LTSP awards made to the Executive Board' in this Remuneration report.

11 This amount reflects the recognized IFRS costs accrued by the company during the financial year 2022 for the unvested performance shares awarded conditionally to individual Executive Board members under the Long-Term Share Plans 2020 – 2022, 2021 – 2023, and 2022 - 2024.

12 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 Long-Term Share Plans 2019 – 2021, 2020 – 2022, and 2021 - 2023.

13 Michiel Gilsing was appointed as member of the Executive Board and CFO on 20 April, 2022. His remuneration entitlements related to the period 1 January - 20 April, 2022 are also included in the 2022 figures. His remuneration entitlements before this time are not included in this table as these did not relate to his Executive Board membership.

14 Eelco Hoekstra left the company on 31 January, 2022 as a result of his (reduced) notice period which ended 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 awarded conditionally to him under the Executive Board Long-Term Share Plans 2019 – 2021, 2020 - 2022 and 2021 – 2023; no accelerated vesting was applied.

15 The IFRS costs shown in the columns 'Other' and 'Long-term incentive' in this table for Eelco Hoekstra include the costs in 2022 versus 2021 which the company incurred in relation to his Board services, as well as the actual costs which the company incurred in 2022 and is projected to incur in 2023, and 2024 in relation to the termination of his Board appointment on 1 January, 2022. Under IFRS, the costs that occur after the termination of his Board appointment, i.e. after the date of the termination of his services to the company (i.e.31 December 2021) were accelerated in 2021 on an accrual basis. The 2022 IFRS Costs amount shown in the column 'Other' includes a recalculation of the accrual made in 2021 to reflect for the actual costs incurred in 2022 and a reassessment of any future costs to incur in 2023 and 2024. As a result, the 2022 IFRS costs also include an adjustment to the earlier accrual. The accelerated costs for the unvested 2020 – 2022 and 2021 – 2023 Executive Board Long-Term Share Plan awards which are expected to vest in 2023 and 2024, respectively, are based on modelled vesting results, which were reassessed in 2022. The 2022 IFRS costs also include a recalculation of the earlier accrual for the actual and projected tax levy as required under the Dutch income tax law 32ba/ 32bb regarding excessive severance payments ('pseudo-eindheffing excessieve vertrekvergoedingen') on the payments and vestings to Eelco Hoekstra in 2022 – 2024. In 2022, this tax levy was nil.

16 Gerard Paulides continued to be paid in line with Vopak's Executive Board remuneration policy until the end of his scheduled Board appointment on 20 April, 2022. He remained available to the incoming CFO and to the Royal Vopak Board to assist with the transition and left Royal Vopak on 30 June, 2022. From April 21 until 30 June, 2022, he received compensation equal to the fixed part of his package only; as this compensation does not relate to his Executive Board membership, it is included in the column 'Other' in this table. He is eligible for a prorated award under the 2022 – 2024 Executive Board Long-Term Share Plan for the period of January to April, 2022. Governed by the Executive Board Long-Term Incentive Plan Rules and the decision by the Supervisory Board, Gerard Paulides remains also eligible for full vesting of the unvested performance shares awarded conditionally to him under the Executive Board Long-Term Share Plans 2020 – 2022 and 2021 – 2023. No accelerated vesting applies.

17 The IFRS costs shown in the columns 'Other' and 'Long-term incentive' in this table for Gerard Paulides include the costs in 2022 versus 2021 which the company incurred in relation to his Board services, as well as the actual costs which the company incurred in 2022 after 20 April, 2022 and is projected to incur in 2023, 2024, and 2025 in relation to the termination of his Board appointment on 20 April, 2022. Under IFRS, the costs that occur after the termination of his Board appointment, i.e. after the date of the termination of his services to the company (i.e. 20 April, 2022) were accelerated in 2021 on an accrual basis. The 2022 IFRS Costs amount shown in the column 'Other' includes a recalculation of the accrual made in 2021 to reflect for the actual costs incurred in 2022 and a reassessment of any future costs to incur in 2023, 2024, and 2025. As a result, the 2022 IFRS costs also include an adjustment to the earlier accrual. The accelerated costs for the unvested 2020 – 2022 and 2021 – 2023 Executive Board Long-Term Share Plan awards that which are expected to vest in 2023 and 2024, respectively, are based on modelled vesting results, which were reassessed in 2022. The 2022 IFRS costs also include a recalculation of the earlier accrual for the actual and projected tax levy as required under the Dutch income tax law 32ba/ 32bb regarding excessive severance payments ('pseudo-eindheffing excessieve vertrekvergoedingen') on the payments and vestings to Gerard Paulides in 2022 – 2025. In 2022, this tax levy was 84K.

2022 annual base salary

The 2022 annual base salaries of the Executive Board are as follows:

- Dick Richelle: EUR 700,000
- Frits Eulderink: EUR 597,000
- Michiel Gilsing: EUR 525,000
- Gerard Paulides: EUR 568,400

In its review of the Executive Board members' remuneration in December 2021, the Supervisory Board considered both internal consistency, in particular staff salary increases, as well as the results of external benchmarking against the peer group of AEX and AMX listed companies in the Netherlands. Benchmarks were carried out on the basis of board position, and the company's revenues and market capitalization.

Also other indicators, such as the expected 2022 inflation, and expected 2022 salary increases for senior executives and other staff at Vopak were considered, before arriving at an informed decision. The average annual base salary increase for Vopak staff in the Netherlands working under a CLA was 13.6% during 2022. For non-CLA staff in the Netherlands, the 2022 average annual base salary increase was 5.6%. The average inflation (consumer price index) was 10.0% in 2022.

The first time annual base salaries for Dick Richelle and Michiel Gilsing were set at levels below those of their predecessors, yet still deemed delivering a total remuneration package considered competitive for joining Executive Board members and their position. Per January 2022, the base salary of Frits Eulderink was increased by 5% in order to maintain the longer-term competitive position of his total remuneration package. In view of the termination of their Executive Board membership, the base salaries of Eelco Hoekstra and Gerard Paulides were not increased in 2022.

After Eelco Hoekstra stepped down as CEO and Executive Board member on 31 December, 2021, he served his notice period under his employment agreement with the company, which was reduced until January 31, 2022.

After the General Meeting on 20 April 2022 during which he stepped down as CFO and Executive Board member, Gerard Paulides remained employed by the company until 30 June 2022. After having stepped down as Executive Board member, Eelco Hoekstra and Gerard Paulides continued to receive the fixed part of their compensation of their Executive Board remuneration packages based on the 2021 levels (no increase in 2022). Gerard Paulides remains eligible for a payout of the 2022 Executive Board short-term incentive (to be paid in 2023) which is prorated on a 12-month basis to reflect the period of his Board membership in 2022, that is, the target value is set at 33% of the full target value.

Gerard Paulides also remains eligible for vesting of the conditional award made to him under the 2022 – 2024 Executive Board LTSP program (scheduled to vest in 2025). This award is prorated on a 12-month basis to reflect the period of his Board membership in 2022, that is, the target value is set at 33% of the full target value. Eelco Hoekstra did not receive any (prorated) award under the 2022 – 2024 Executive Board LTSP program. Both Eelco Hoekstra and Gerard Paulides remain eligible for vesting of their full awards under the 2020 – 2022 and 2021 – 2023 Executive Board LTSP programs; these are scheduled to vest in 2023 and 2024 respectively based on the actual results achieved. No accelerated payout/ vesting has been applied or will be applicable, nor a guaranteed payout/ vesting outcome granted, to any of the incentives that were still outstanding after their services with the company had been terminated.

These LTSP arrangements were made in line with the earlier Executive Board LTSP plan rules applicable to these awards[1]. For further detail on the rules applied to these incentives, reference is made to paragraph 'LTSP awards made to Executive Board members' in the section 'Board Remuneration Policies in 2023 and beyond' in this Remuneration report.

1 Under these plan rules, and governed by the discretion of the Supervisory Board, in case of Executive Board members leaving the company in good standing, a 12-month proration approach was applicable to awards under the Executive Board LTSP programs. In such instance, only the award made to the individual Executive Board member in the year of leaving would be prorated and on a 12-month basis, instead of prorating all outstanding unvested awards on a 36-months basis. Any outstanding unvested awards under Executive Board LTSP programs made in earlier years, would not be prorated, i.e. these would continue to vest in full. The continued vesting of any outstanding unvested awards after termination as scheduled mirrored the lack of any vesting under the Executive Board long-term incentive plans in the first years of their Executive Board membership at the time of joining, as new Executive Board members did not receive any (prorated) grants under Executive Board LTSP programs of which the performance period had already started prior to joining the Board.

Executive Board short-term variable compensation in 2022

2022 Executive Board STIP to be paid out in 2023

At the beginning of 2023, the results against targets for the 2022 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 first table below shows the targets and corresponding target ranges, and the target realization for the 2022. The second table below shows the corresponding 2022 STIP payouts for each (former) Board member, both in target and actual percentage of their annual base salary, and split per KPI. The 2022 STIP will be paid out in April 2023, after approval of the 2022 financial results by the General Meeting.

2022 Executive Board Short-Term Incentive: KPIs and targets [1]

Key Performance Indicators	Financial				Non-financial							
					Safety				Customer satisfaction		Individual performance	
	EBIT		Cost		Total Injury Rate		Process Safety Event Rate		Net Promoter Score		Executive Board Effectiveness	
Weight at target (%)	30%		20%		7.5%		7.5%		15%		20%	
Target levels	€ mln	Corresponding realization %	€ mln	Corresponding realization %	Meet/ Not Meet	Corresponding realization %	Meet/ Not Meet	Corresponding realization %	Meet/ Not Meet	Corresponding realization %	Meet/ Not Meet	Corresponding realization %
Maximum	505	200%	633	200%								
At-target	490	100%	638	100%	0.25	100%	0.15	100%	62	100%	overall assessment by SB	100%
Minimum (threshold)	475	50%	645	50%								
Below threshold	Below 475	0%	Above 645	0%	Above 0.25	0%	Above 0.15	0%	Below 62	0%		0%
Actual realization	**534.1**	**200%**	**676.2**	**0%**	**0.25**	**50%** [2]	**0.11**	**100%**	**75**	**100%**	**Meet**	**100%**

1 Please note that in the 2023 Executive Board short-term incentive program, EBIT will be replaced by EBITDA, Cost by Operating Capex, and EB Effectiveness by specific EB targets on GHG Emissions Reduction and Diversity (upon approval of the Executive Board remuneration policy for 2023 and beyond by the General Meeting on 26 April, 2023).

2 The TIR target was met, resulting in a realization of 100%. Because one fatal incident occurred during the year, the result is reduced by 50%.

2022 STIP payouts to the Executive Board

	2022 payout opportunity [1]			2022 realized performance as a % of payout										Total 2022 STIP	
	2021 Target	2022 Target	Max	EBIT		Cost		Safety		Customer Satisfaction		EB Effectiveness		Actual payout	
		% of base salary		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	%	In EUR
D.J.M. Richelle	n/a	60%	90%	18%	36%	12%	0%	9%	6.75%	9%	9%	12%	12%	63.75%	446
F. Eulderink	50%	50%	75%	15%	30%	10%	0%	7.5%	5.63%	7.5%	7.5%	10%	10%	53.13%	317
M.E.G. Gilsing	n/a	50%	75%	15%	30%	10%	0%	7.5%	5.63%	7.5%	7.5%	10%	10%	53.13%	279
Former Executive Board member															
G.B. Paulides	50%	50%	75%	15%	30%	10%	0%	7.50%	5.63%	7.5%	7.5%	10%	10%	53.13%	75 [2]

1 Expressed as a percentage of their annual base salary.

2 Gerard Paulides stepped down as Executive Board member and CFO on 20 April, 2022 at the end of the 4-year term of his Board appointment. His 2022 Executive Board STIP payout is prorated for the period of January to April, 2022.

Financial KPIs

The two financial KPIs in the 2022 Executive Board STIP program are:

- EBIT – this KPI reflects the company's global consolidated EBIT – excluding exceptional items - as externally reported by the company;
- Cost – this KPI is defined as the total of consolidated operating expenses for the company minus depreciation, and amortization - excluding exceptional items - as externally reported by the company.

Over 2022, Vopak reports an EBIT (excluding exceptional items) of EUR 547.3 million, and a Cost of EUR 713.4 million. In order to establish a like-for-like comparison, the preset targets and the actual EBIT and Cost results are aligned for significant events that take place after the target setting, such as acquisitions, divestments, and investment proposals approved by the Supervisory Board, and for any accounting changes not included in the target setting. For the same reason, the preset targets and the actual result on Cost are also aligned for foreign currency translation effects.

The aligned EBIT result compares to the preset 2022 target as EUR 534.1 million. This is a maximum result of 200%, resulting in a corresponding payout on this KPI. Compared to the 2022 target, the aligned result on the Cost KPI is EUR 684.9 million which is a below minimum/ threshold result, resulting in a zero payout on this KPI. The Committee considered the exceptional cost challenges that the company faced, but did not apply discretion in its evaluation.

For further details on the EBIT and Cost performance during 2022, reference is made to the Financial performance chapter in the Our performance section.

Non-financial KPIs

In the 2022 Executive Board STIP program, the performance on the non-financial KPIs Safety, Customer Satisfaction and Executive Board Effectiveness is assessed on a binary Meet/ Not Meet basis, i.e. payout at target level, if the target is met or exceeded, or zero payout, if the target is not met. The 2022 performance on the non-financial KPIs 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) per 200,000 hours worked (own employees and contractors). The 2022 target was set in line with our longer-term TIR ambition of 0.22 in 2024 (3-year rolling average). The actual TIR realization for Vopak as a whole is 0.25 against the 2022 TIR target for Vopak as a whole. The target is met and there will be a corresponding payout on this KPI. Note that one fatal incident occurred during the year, and, per the STIP Framework, the payout realized on this KPI will be reduced by 50%.

The process safety KPI is measured by the Process Safety Event Rate (PSER) per 200,000 hours worked (own employees and contractors). The 2022 target was set in line with our longer-term PSER ambition of 0.16 in 2024 (3-year rolling average). The actual PSER realization for Vopak as a whole is 0.11 against the 2022 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 Note 4 and Note 10 in 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 75, this target is met compared to the 2022 target, resulting in a corresponding payout on this KPI.

Executive Board effectiveness

This KPI represents a collective and collaborative effort for the EB to deliver on common objectives. The requirements under this KPI to achieve - set by the Supervisory Board at the beginning of the year - were the following:

- Define and roll out the new strategic framework to respond to our new market challenges and opportunities: 33.33%;
- Meet project execution milestones and cost estimates as per FID approvals given: 33.33%;
- Meet the deployment roll out of the MOVES and COIN programs as per budget and schedule plan: 33.33%.

The SB has carefully reviewed the evidence around each of the three elements described above - which are detailed in the CEO Report and across the Annual Report overall - and concluded that the overall outcome on EB Effectiveness is 'Meet', resulting in a corresponding payout on this KPI.

2021 Executive Board STIP paid out in 2022

In April 2022, the 2021 Executive Board STIP was paid out to Frits Eulderink, Eelco Hoekstra, and Gerard Paulides. Eelco Hoekstra and Gerard Paulides were eligible for this payout as part of their 2021 Board compensation as they completed the entire performance period.

Dick Richelle and Michiel Gilsing were not eligible for a payout under the 2021 Executive Board STIP. Instead, they participated in the company's 2021 Global short-term incentive program for all staff, and received a payout under this plan in April 2022. The Vopak KPIs and targets as well as the achieved results that determined their payout under this Global STIP plan are fully aligned with those of the Executive Board STIP plan. For the performance year 2021, this resulted in a similar realization % on the Vopak KPIs in both plans. Please note that the 2021 Global STIP program included 2 specific Personal Targets for each eligible staff member, instead of the KPI EB Effectiveness.

Executive Board long-term variable compensation in 2022

Executive Board long-term variable compensation with the performance period ending in 2022

The performance period of the conditional awards made under the Executive Board Long-Term Share Plan 2020 – 2022 ended on 31 December, 2022. At the beginning of 2023, the results against targets were evaluated. The overall vesting outcome achieved is between target and maximum, at 114.2% which is the weighted average result of the achievements on the 2 KPIs. The performance shares awarded to individual Board members under this plan will vest to them in April 2023, after approval of the 2022 financial results by the General Meeting.

The table below shows the targets and corresponding target ranges applicable to this plan, as well as the actual realization.

The financial KPI in the 2020 - 2022 Executive Board LTSP program is Earnings per Share (EPS). EPS reflects Vopak's net profit, excluding the exceptional items, attributable to holders of Vopak shares over the financial year divided by the average number of outstanding shares in the year, as reported by the company. The average 2020, 2021 and 2022 EPS performance realized is EUR 2.31. This is the reported EPS (excluding exceptional items) adjusted for divestments and acquisitions in order to compare with the preset target on a like-of-like basis. This results in a vesting at 103.3% for this KPI compared to the preset target. The Supervisory Board decided not to apply any discretionary adjustments upward or downward.

2020 - 2022 Executive Board Long-Term Incentive: KPIs and targets

Key Performance Indicators	Earnings per Share		Strategy Execution	
Weight at target(%)	50%		50%	
	€	Corresponding realization %	%	Corresponding realization %
Maximum	2.45	150%	overall assessment by SB	150%
At-target	2.3	100%		100%
Minimum (threshold)	2.15	50%		50%
Below threshold	Below 2.15	0%		0%
Actual realization	**2.31**	**103.3%**	**above target**	**125%**

The non-financial KPI in the 2020 - 2022 Executive Board LTSP program is Strategy Execution (named Strategic Direction in the earlier Executive Board long-term incentive programs). Strategy Execution reflects the company's strategy realization during the performance period, in particular the strategic shift in the company's asset portfolio, digitization transition, and sustainability which the Executive and Supervisory Boards have set out to achieve during the performance period. Both quantitative and qualitative achievements are taken into account.

The Supervisory Board assessed the company's Strategy Realization during the performance period 2020 - 2022, in particular the strategic shift in the company's asset portfolio, the transition to global, standardized and digitized systems and processes, and the company's sustainability ambitions, which the Executive Board and Supervisory Board had set out to achieve.

The table on the next page lists the 2022 key achievements under this KPI. The key achievements in 2020 and 2021 were evaluated last year, as part of the overall EB LTSP 2019 - 2021 assessment, with an overall outcome of 125%. Based on this assessment, the Supervisory Board determined a vesting outcome above target of 125% for this KPI.

Objectives	Notable achievements during 2022	Realization
Ambitious company strategy & delivery		*150%*
Business strategy	The new Shaping the future strategy was developed and introduced in early June 2022. In 2022, the Executive Board committed to (1) investing EUR 1 billion of growth capex by 2030 in industrial terminals and LNG infrastructure (GROW); and (2) investing EUR 1 billion of growth capex in in four key areas: hydrogen and hydrogen carriers like ammonia and liquid organic hydrogen carriers (LOHC), CO_2 infrastructure, sustainable feedstocks, and innovative solutions for long duration energy storage (ACCELERATE). These investments aim to improve Vopak's longer-term Operating Cash Return and sustainability performance in line with Vopak's financial and ESG targets defined in Vopak's financial framework and Vopak's Sustainability Roadmap.	
Sustainability strategy	Vopak's Sustainability Roadmap was launched at the beginning of 2022. This Roadmap contains clear Environment, Social and Governance (ESG) targets and actions on the 12 key sustainability topics that matter most to Vopak's stakeholders and where the company can have the highest impact for people, planet and profit. As part of this Sustainability Roadmap, Vopak is now committed to a reduction of Vopak's GHG emissions with 11% by 2024, and 30% by 2030 compared to Vopak's 2021 emission levels.	
Financial strategy	In 2022, a new financial framework supporting the Shaping the future strategy was put in place, in which Free Cash Flow is now identified as the leading financial indicator to measure the company's performance. The EUR 1 billion senior unsecured revolving credit facility (RCF) was successfully renewed. The new RCF is linked to the company's performance on three key ESG topics: safety performance, gender diversity in senior management, and the reduction of greenhouse gases emissions.	
Delivering value to shareholders	In 2022, an updated, progressive dividend policy was introduced as part of the Shaping the future Strategy.	
Strategic shift in the company's asset portfolio		*125%*
IMPROVE: the performance of Vopak's portfolio	Vopak Terminals Canada was sold in May 2022. The agreement to divest Agencies to Wilhelmsen was closed In 2022, the rebuild of 41K cbm at Eurotank, Antwerpen assets began. Impairments in Botlek and Europoort, Netherlands, and in SPEC, Colombia, had to be taken. Vopak's efforts to reduce Vopak's oil exposure in Australia did not result in a sale despite that this was planned for in this period.	
GROW: Expansion in gases (LNG/LPG)	The expansion of GATE's regassing capacity with an additional 2 bcma started in this period, with an expected completion in 2024. The partnership with Vopak's JV partner Aegis in India went live early 2022 (LPG - 90K MT). The Dolphin phase 2A expansion project in China with Vopak's JV partner Huayi (jetty) went live at the end of 2022. The LNG initiatives in China and Germany were stopped.	
GROW: Expansion in industrial terminals	The Thai Tank concession (Thailand) was renewed successfully. For the Caojing terminal (China), the final investment decision (FID) was taken to expand further from 531K cbm to 641K cbm in total. The FID of project Whale in China with Vopak's JV partner Exxon Mobil (560K cbm) is under construction.	
ACCELERATE: Build New Energies & feedstocks asset portfolio	In 2022, the conversion of part of the conventional oil storage capacity to biofuels storage in Los Angeles started. A total capacity of 64K cbm is currently under construction at Vopak Terminal Vlaardingen for the storage of waste-based feedstocks, such as used cooking oil and tallow, for the production of biofuels such as biodiesel and bio-jet-fuel. A new energy funnel has been built with projects and initiatives in hydrogen, ammonia, CO_2, renewables, and plastics.	
Digitization		*100%*
Increase the company's competitive advantage and overall digital maturity level via digitization	6 terminals went live on MyService (achieving a total of 29), and 5 terminals went live on OracleCloud (bringing the total to 52) in line with to Vopak's longer term planning, and with an expanded scope. The overall digitization benefit case delivered is in line with the preset expectations.	
Sustainability		*125%*
	Improved Ecovadis benchmark score silver rating; Sustainalytics benchmark top 10% globally.	
Greenhouse gases emissions reduction	A reduction of Vopak's GHG emissions of 10% compared to the 2021 baseline has been achieved. In total, 33% of Vopak's electricity is now renewable, and several terminals have implemented or are in the process of implementing energy reduction projects. The Executive Board's, senior executives' and other key managers' longer-term variable compensation is now tied to the company's GHG emissions reduction achievements.	
VOC emissions reduction Diversity	The societal impact of VOC emissions (compared to the 2016 baseline) was reduced from 6% at the start of 2020 to 26% at the end of 2022. Vopak's global gender diversity ambitions are increased to 25% by the end of 2025.	
Overall		**125%**

Long-term variable compensation movements in 2022

The table on the next page shows the movements in the (conditional) LTSP entitlements of each Executive Board member during 2022.

Awards vested in 2022

The performance period of the conditional awards made under the Executive Board Long-Term Share Plan 2019 – 2021, ended on 31 December, 2021. The realized EPS performance resulted in vesting at 137.5% of the target level. The Supervisory Board decided not to apply any discretionary adjustments upward or downward.

After the Annual General Meeting of shareholders on 20 April 2022, the conditionally awarded performance shares under this Plan vested to Frits Eulderink, Eelco Hoekstra, and Gerard Paulides were fully settled in shares in accordance with the Plan rules. The (gross) value of the vested shares to each Executive Board member is also shown in the table '2022 Executive Board remuneration entitlements and IFRS costs for the company' in this Remuneration report.

Dick Richelle and Michiel Gilsing were not eligible for a vesting under the 2019 - 2021 Executive Board LTSP. Instead, they participated in the Vopak 2019 - 2021 LTIP program for senior executives and other key managers. After the Annual General Meeting of shareholders on 20 April 2022, the conditionally awarded performance shares under this Plan also vested to them, and were fully settled in shares in accordance with the Plan rules. The Vopak KPIs and targets as well as the achieved results that determined their vesting under the Vopak LTIP programs for senior executives and other key managers are fully aligned with those of the Executive Board LTSP programs. As a result, the overall realization for the Vopak 2019 – 2021 LTIP program for senior executives and other key managers was also 137.5%.

Outstanding in 2022

During the whole of 2022, the conditional awards of performance shares made under the Long-Term Share Plans 2020 – 2022 were outstanding. The performance period of these awards ended on 31 December, 2022. The number of company shares vesting to individual Executive Board members will be based on the assessment of the overall realization made by the Supervisory Board. This vesting is subject to and will only take place after approval of the 2022 financial results by the General Meeting on 26 April, 2023.

During the whole of 2022, the conditional awards of performance shares made under the Long-Term Share Plans 2021 – 2023 were also outstanding. These conditional awards are scheduled to vest in 2024, subject to performance realization.

Awards made in 2022

At the beginning of 2022, a conditional award of performance shares under the 2022 – 2024 LTSP was made to each Executive Board member. These conditional awards are scheduled to vest in 2025, subject to the company's performance realization on EPS, Strategy Execution, and Sustainability Execution.

2022 movements in outstanding LTSP awards made to the Executive Board [1] [2]

	LTSP Plan	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 2022	Gross # of shares held under deferral at 31 December 2022	Gross # of shares that lapsed during 2022	Gross # of shares that vested during 2022	Share price at the date of vesting (EUR)	Gross market value of vested award at the date of vesting (EUR)
D.J.M. Richelle [5]	KM LTSP 2020 - 2022	1-Jan-20	31-Dec-22	AGM 2023	45,908	48.580	945	945	945	–	–	n/a	n/a
	KM LTSP 2021 - 2023	1-Jan-21	31-Dec-23	AGM 2024	92,016	45.150	2,038	2,038	2,038	–	–	n/a	n/a
	EB LTSP 2022 - 2024	1-Jan-22	31-Dec-24	AGM 2025	770,000	33.076	23,280	n/a	23,280	–	–	n/a	n/a
F. Eulderink	EB LTSP 2019 - 2021	1-Jan-19	31-Dec-21	AGM 2022	436,000	40.274	10,826	10,826	–	–	14,886	29.320	436,458
	EB LTSP 2020 - 2022	1-Jan-20	31-Dec-22	AGM 2023	504,000	48.580	10,375	10,375	10,375	–	–	n/a	n/a
	EB LTSP 2021 - 2023	1-Jan-21	31-Dec-23	AGM 2024	511,560	45.150	11,330	11,330	11,330	–	–	n/a	n/a
	EB LTSP 2022 - 2024	1-Jan-22	31-Dec-24	AGM 2025	537,300	33.076	16,244	n/a	16,244	–	–	n/a	n/a
M.E.G. Gilsing [6]	KM LTSP 2020 - 2022	1-Jan-20	31-Dec-22	AGM 2023	41,147	48.580	847	847	847	–	–	n/a	n/a
	KM LTSP 2021 - 2023	1-Jan-21	31-Dec-23	AGM 2024	88,359	45.150	1,957	1,957	1,957	–	–	n/a	n/a
	EB LTSP 2022 - 2024	1-Jan-22	31-Dec-24	AGM 2025	472,500	33.076	14,285	n/a	14,285	–	–	n/a	n/a
Former Executive Board members													
E.M. Hoekstra [7]	EB LTSP 2019 - 2021	1-Jan-19	31-Dec-21	AGM 2022	700,000	40.274	17,380	17,380	–	–	23,898	29.32	700,689
	EB LTSP 2020 - 2022	1-Jan-20	31-Dec-22	AGM 2023	808,500	48.580	16,643	16,643	16,643	–	–	n/a	n/a
	EB LTSP 2021 - 2023	1-Jan-21	31-Dec-23	AGM 2024	820,628	45.150	18,176	18,176	18,176	–	–	n/a	n/a
G.B. Paulides [8]	EB LTSP 2019 - 2021	1-Jan-19	31-Dec-21	AGM 2022	404,800	40.274	10,051	10,051	–	–	13,820	29.32	405,202
	EB LTSP 2020 - 2022	1-Jan-20	31-Dec-22	AGM 2023	490,500	48.580	10,097	10,097	10,097	–	–	n/a	n/a
	EB LTSP 2021 - 2023	1-Jan-21	31-Dec-23	AGM 2024	511,560	45.150	11,330	11,330	11,330	–	–	n/a	n/a
	EB LTSP 2022 - 2024	1-Jan-22	31-Dec-24	AGM 2025	170,520	33.076	5,155	n/a	5,155	–	–	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' in the Remuneration report.
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 to Executive Board members, senior executives and other key managers under the company's LTSP programs are subject to performance and other conditions.
5 In 2020 and 2021, Dick Richelle received conditional awards of performance shares under the company's 2020 – 2022 and 2021 – 2023 LTSP programs for senior executives and other key managers. In this table, these awards are shown prorated for that part of the applicable performance period during which he is a member of the Executive Board, that is 1/3 and 2/3 of the total award respectively (rounded down to the nearest whole number of euros and shares).
6 In 2020 and 2021, Michiel Gilsing received conditional awards of performance shares under the company's 2020 – 2022 and 2021 – 2023 LTSP programs for senior executives and other key managers. In this table, these awards are shown prorated for that part of the applicable performance period during which he is a member of the Executive Board, that is 1/3 and 2/3 of the total award respectively (rounded to the nearest whole number of euros and shares).
7 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 awarded conditionally to him under the Executive Board Long-Term Share Plans 2019 – 2021, 2020 - 2022 and 2021 – 2023; no accelerated vesting applies.
8 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 awarded conditionally to him under the Executive Board Long-Term Share Plans 2020 – 2022 and 2021 – 2023. Additionally, he is eligible for a conditional award under the 2022 – 2024 Executive Board LTSP for the period of 1 January to 20 April, 2022, this grant being prorated on a twelve month basis. No accelerated vesting applies.

The table below provides an overview of the design of the 2022 – 2024 Executive Board Long-Term Share Plan. For competitive reasons, most of the targets and the target ranges applicable to these KPIs in the 2022 – 2024 LTSP program will be disclosed ex post in the Remuneration report of the 2024 Annual Report.

The KPIs EPS and Strategy Execution are defined and measured in the same way as in the earlier Executive Board LTSP programs. For Sustainability Execution in the 2022 – 2024 Executive Board LTSP program, the Supervisory Board decided to select the following KPIs:

- GHG Emissions Reduction, with a weight of 12.5%, and defined as a % reduction of the 2021 baseline of 577k tCO_2 realized on 31 December, 2024. The targets include the CO_2 emissions from the expected growth of Vopak's operations and asset base during the performance period. They also include Vopak's other GHG emissions, methane and N2O (which are limited compared to Vopak's CO_2 emissions).
- A New Energies development target, with a weight of 12.5%, and defined as:
  i. the determination of the company's New Energies Strategy in 2022 including milestones for the next years to come; and
  ii. the execution/ delivery of the milestones as defined in the company's New Energies Strategy, to be measured by the Total Proportional Capex Committed to New Energies Development investments in the period from 1 January, 2022 until December 31, 2024.

As these 2 Sustainability Execution KPIs are maintained in the 2023 – 2025 Executive Board LTSP program, reference is made to the paragraph 'Design of the long-term share plan (LTSP)' in the section 'Board Remuneration Policies in 2023 and beyond' in this Remuneration report for further detail on the definition and measurement of these KPIs.

Share ownership

Executive Board members' ownership of Vopak shares is shown in the table on the next page. This table contains the total number of shares (net of tax) 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). The table also shows the minimum shareholding requirement applicable to each Executive Board member during 2022.

Under the company's Executive Board remuneration policy, Executive Board members are required to own a minimum number of company shares acquired under the company's Long-Term Share Plans at all times while serving as Executive Board member. For the CEO, this minimum shareholding requirement is the number of shares with a value equivalent to two (2) times his annual base salary. For the CFO and COO, this minimum shareholding requirement is the number of shares with a value equivalent to one (1) time their annual base salary.

2022 - 2024 Executive Board Long-Term Incentive: KPIs and targets

Key Performance Indicators [1]	Earnings per Share		Strategy Execution		Sustainability Execution			
					GHG Emissions Reduction [2]		Total Proportional Capex Committed to New Energies Development investments	
Weight at target (%)		50%		25%		12.5%		12.5%
Target levels	€	Corresponding realization %	%	Corresponding realization %	%	Corresponding realization %	EUR mln	Corresponding realization %
Maximum		150%		150%	To be disclosed ex post	150%	To be disclosed ex post	150%
At-target		100%	Overall assessment by SB	100%	-/- 11%	100%	120	100%
Minimum (threshold)	To be disclosed ex post	50%		50%	To be disclosed ex post	50%	To be disclosed ex post	50%
Below threshold	Below minimum	0%		0%	Less than minimum	0%	Less than minimum	0%

1 Please note that in the 2023 – 2025 Executive Board long-term incentive program, EPS will be replaced by proportional OCR, and Strategy Execution by Total Proportionate Capex Committed to industrial and gas terminals (upon approval of the Executive Board remuneration policy for 2023 and beyond by the General Meeting on 26 April, 2023).

2 These GHG Emissions reduction targets include the GHG emissions from the current operations as well as the expected growth of Vopak's operations and asset base during the performance period.

Only company shares that vested to them under the company's Long-Term Share Plans in excess of this minimum can be transferred or sold by them - such transfer or sale being subject to the company's Insider Trading policy. Company shares acquired via private investments are not subject to this minimum portfolio requirement.

For further detail on the share ownership policy, reference is made to the paragraph 'Share Ownership' in the Executive Board remuneration policy in the section Board Remuneration policies in 2023 and beyond' in this Remuneration report.

Other Executive Board remuneration in 2022

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.

Terms of engagement of the Executive Board

The employment agreements of Dick Richelle and Michiel Gilsing with the company were terminated upon the commencement of their Executive Board membership, i.e. on 1 January, 2022 and 20 April, 2022 respectively. These were replaced by Executive Board (service) agreements with Koninklijke Vopak N.V. in line with the provisions on appointment and termination in the Executive Board remuneration policy. Frits Eulderink's Executive Board membership is governed by an employment agreement with the company dated 12 October, 2009, which includes a notice period of 12 months, and a severance arrangement with a maximum of 12 months' base salary in case of early termination.

Vopak shares owned by individual Executive Board members

	Minimum # of shares subject to shareholding requirements during 2022	Vested performance shares owned on December 31, 2022		Privately invested shares held on December 31, 2022	Total # of shares owned on December 31, 2022 [1]	Total # of shares owned on December 31, 2021 [2]
		total #	as a % of the applicable minimum shareholding requirement			
D.J.M. Richelle	46,361	17,142	37%	3,356	20,498	18,188 [3]
F. Eulderink	19,770	40,948	207%	1,750	42,698	35,181
M.E.G. Gilsing	17,386	13,178	76%	6,815	19,993	17,890 [3]
Former Executive Board members						
E.M. Hoekstra [4]	49,409	n/a	n/a	n/a	n/a	67,384
G.B. Paulides [5]	18,823	n/a	n/a	n/a	n/a	11,828

1 The share price at the end of 2022 was EUR 27.75.
2 The share price at the end of 2021 was EUR 30.80.
3 In 2021, prior to their membership of the Executive Board, the performance shares that vested to Dick Richelle and Michiel Gilsing under the company's Long-Term Share Plans for senior executives and other Key Managers were subject to share ownership guidelines requiring them to own a minimum number of company shares with a value equivalent to 50% (0.5 times) of their 2021 annual base salary at all times while employed as employee of the company. The number shown here reflects the number of Vopak shares that vested under these company Long-Term Share Plans and were owned by them on 31 December, 2021.
4 After the termination of Eelco Hoekstra's employment with the company, all share ownership requirements lapsed and all vested performance shares were released to him on 1 February, 2022.
5 After the termination of Gerard Paulides' services to the company, all share ownership requirements lapsed and all vested performance shares were released to him on 1 July, 2022.

Remuneration of the Supervisory Board in 2022

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.

During 2022, 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 2022, resulting in a total cost to the company of EUR 0.51 million, as compared to EUR 0.54 million in 2021. The decrease in costs was due to the fact that there were no changes in the composition of the Board during 2022. 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 31 December, 2022, except for Ben Noteboom, who held 3,500 shares (2021: 3,500).

2022 Supervisory Board remuneration (audited) [1 2]

In EUR 1,000	Supervisory Board	Audit Committee	Selection and Appointment Committee	Remuneration Committee	Total 2022	Total 2021
B.J. Noteboom (Chairman)	97.5	n/a	7.0	7.0	111.5	111.5
M.F. Groot (Vice-Chairman)	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	10.0	83.5	82.5
R.M. Hookway (member) [4]	65.0	8.5	n/a	n/a	73.5	81.5
B. van der Veer (member)	65.0	15.0	n/a	n/a	80.0	80.0
Former Supervisory Board members						
R.G.M. Zwitserloot (member) [5]	n/a	n/a	n/a	n/a	n/a	25.0
Total	**422.5**	**49.0**	**12.0**	**24.0**	**507.5**	**539.5**

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 Chair of the Remuneration Committee since 21 April, 2021, which is reflected in the total 2021 fees shown in this table.
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 2021 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.

Terms of engagement of the Supervisory Board

During 2022, 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 the Supervisory Board remuneration policy.

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.

5- year comparison of company performance and Board remuneration

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

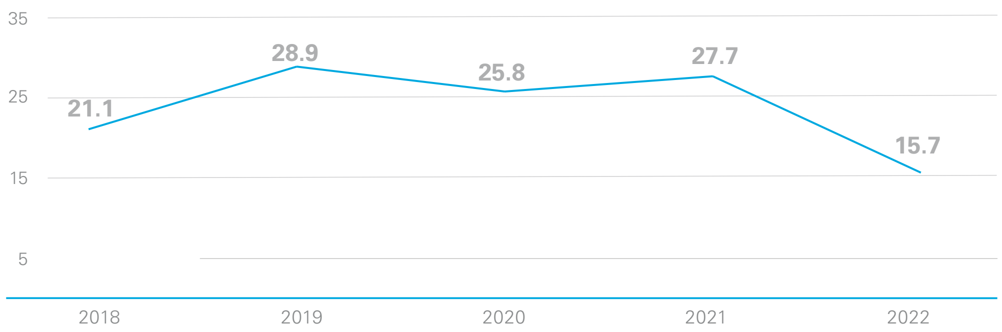
The comparison between the developments in the annual total remuneration of Executive Board members and average remuneration on a fulltime equivalent basis of employees of the company other than directors is shown by the developments in the CEO pay ratio, the CEO being the highest paid Executive Board 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.

In line with the recommendations of the Monitoring Committee Corporate Governance issued in 2021, the CEO pay ratio is established as 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.

Using this calculation method, the CEO pay ratio is 15.7 in 2022 (27.7 in 2021). 5-year developments of this ratio are shown in the graph below.

CEO Pay ratio [1, 2]



1 The CEO pay ratio calculation method Vopak used in the years 2018 - 2020 equaled the method recommended by the Monitoring Committee Corporate Governance 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. The CEO pay ratio graph shows the 2018 - 2020 CEO pay ratios recalculated on the basis of the current calculation method. 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, and the 2018 CEO pay ratio is 20.8, as stated in the previous Annual Reports.

2 The 2021 IFRS costs shown for Eelco Hoekstra in the table '2022 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 were 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 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.

5-year comparison between company performance, Supervisory Board and Executive Board total remuneration, and average total employee remuneration

Company performance

	2018	2019	2020 [1]	2021	2022
EBIT [2]	463.3	539.1	483.7	494.8	531.4
Cost [2]	666.0	632.7	603.3	628.1	684.9
EPS [3]	2.27	2.8	2.37	2.52	2.31
TIR [4]	0.30	0.34	0.37	0.25	0.25
PSER [4]	0.12	0.16	0.14	0.09	0.11
NPS	62	65	67	74	75
Overall STIP result [5]	142.5%	142.5%	141%	150%	106.25%
Overall LTSP result [5]	50%	120%	90%	137.5%	114.2%

1 The 2020 EBIT, 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, 591.4 million EUR, and EUR 2.42 respectively, as stated in the Remuneration report of the 2020 Annual Report.
2 In EUR million. Cost figures shown reflect personnel expenses and other operating expenses. EBIT 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%).

Executive Board total remuneration [1] [2]

In EUR thousands.	2018	2019	2020	2021	2022
CEO	n/a	n/a	n/a	n/a	1,387
COO	1,224	1,651	1,574	1,639	1,477
CFO	n/a	n/a	n/a	n/a	984
Former Executive Board members					
CEO	1,633	2,323	2,220	2,339	646
CFO	882	995	1,461	1,563	785
CFO	243	499	n/a	n/a	n/a
Average total employee remuneration	86	87	88	90	97

1 In EUR thousands.
2 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 Executive Board LTSP awards are included in the year in which the performance period ended (year 3). Vopak remuneration received prior to becoming an Executive Board member or after having stepped down from the Executive Board are not included in these tables.

Supervisory Board total remuneration [1]

In EUR thousands	2018	2019	2020	2021	2022
Chairman	111.5	111.5	111.5	111.5	111.5
Vice-chairman	78.5	78.5	78.5	78.5	78.5
Member	56.5	80.5	80.5	82.5	82.5
Member	21.67	73.5	77.0	77.0	77.0
Member	n/a	n/a	n/a	81.5	81.5
Member	78.0	80.0	80.0	80.0	80.0
Former Supervisory Board members					
Member	75.0	75.0	75.0	25.0	n/a
Member	23.9	n/a	n/a	n/a	n/a
Member	20.9	n/a	n/a	n/a	n/a
Member	9.5	n/a	n/a	n/a	n/a

1 In EUR thousands.

Executive Board annual base salary increases [1]

	2018	2019	2020	2021	2022
CEO	n/a	n/a	n/a	n/a	n/a
COO	1.5%	7.4%	2.75%	1.5%	5.0%
CFO	n/a	n/a	n/a	n/a	n/a
Former Executive Board members					
CEO	1.5%	10.3%	5.0%	1.5%	n/a
CFO	n/a	n/a	n/a	n/a	0%

1 As a % of the annual base salary of the previous year.

Board Remuneration Policies in 2023 and beyond

This section of the Remuneration report describes the company's Supervisory Board and Executive Board remuneration policies for 2023 and beyond. These policies outline the terms and conditions for the remuneration of the members of the Supervisory Board and the members of the Executive Board of Koninklijke Vopak N.V. (Vopak). They will be submitted for approval by the General Meeting for approval to be held on April 26, 2023. Upon approval, they will be implemented as of January 1, 2023.

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 company's Annual Report (in the Remuneration report section). 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 policies in the financial year at hand is set out in detail.

Governance

Proposals for the Supervisory Board and Executive Board remuneration policies, including remuneration packages provided to individual Board members, are determined by the Supervisory Board, based on recommendations of the Remuneration Committee - which is supported by internal and external independent specialists -, before putting these forward to the Annual General meeting for approval. Decisions on the Executive Board remuneration policy and the remuneration of individual Executive Board members are made in the absence of the Executive Board.

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 General Meeting approval, it will 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.

Policy review

The Supervisory Board and Executive Board remuneration policies are evaluated for revision 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 both Board remuneration policies during 2022. During this review, the Supervisory Board took into account the following factors:

- the company's Shaping the future strategy introduced in June 2022;
- the voting result for the 2021 Remuneration report from the General Meeting in April 2022 (71.70% in favor);
- the feedback of investors, shareholders and proxy advisors on the current Board remuneration policies, the 2022 (withdrawn) proposal for the Supervisory Board remuneration policy, and the company's disclosure of Board remuneration in the 2021 Remuneration report;
- the formal advice of the works council of Vopak;
- the 2022 Supervisory Board and Executive Board remuneration benchmarks against the company's peer group as provided by the independent advisor to the Remuneration Committee, Wills Towers Watson;
- the General Meeting's response to proposals for the Supervisory Board and Executive Board remuneration (policies) and any changes thereto in previous years which have consistently been adopted with approval rates exceeding 95%;
- the Dutch Corporate Governance Code.

In its review of the Supervisory Board remuneration policy, the increased workload as a result of the company's change in strategy and increased governance and stakeholder engagement was also taken into consideration. As a result of this review, the current Supervisory Board fee levels, which are in place since 2017, are adjusted to the 2022 median levels of the peer group as of 1 January 2023, with the exception of the fee for the Chair of the Selection and Appointment Committee. Most companies in the peer group have a combined Remuneration and Selection Committee, while Vopak has 2 separate committees. For this reason, the fee for this Committee position is increased with 50% of the delta between the current fee level and the median of the benchmark.

The proposal for this policy for 2023 and beyond which will be submitted to the Annual General Meeting in April 2023, contains these increases in the Supervisory Board fee levels for 2023 and beyond but without a 'mechanical increase. Any further changes to the remuneration of the Supervisory Board remain subject to a new shareholder vote.

A new financial framework was put in place during 2022 that supports the Shaping the future strategy, in which Free Cash Flow is now identified as the leading financial indicator to measure the company's performance. EBITDA, Operating Capex, Growth Capex, and Operating Cash Return are the key annual and longer-term metrics in Vopak's financial framework going forward that measure our ability to generate the cash flow in order to realize our 2030 strategic ambitions, and to deliver the expected returns to our shareholders. The outlook on these metrics is communicated to the external markets quarterly.

In order to maintain strategic alignment, the Supervisory Board selected KPIs in the Executive Board short-term and long-term incentive programs as of 2023 which are directly derived from the company's financial framework. The proposed changes in the Executive Board remuneration policy link the Executive Board short-term and long-term variable compensation to the company's short-term and longer-term cash flow driving the execution of the Shaping the future strategy.

The Supervisory Board is of the opinion that the selection of these new financial metrics for the Executive Board short-term and long-term incentive programs will ensure that the efforts of management are focused on delivering the financial results required to strengthen the company's valuation[1], and ensure growth over the long term.

The proposed KPI 'Total Proportional Capex Committed to industrial and gas terminals investments' together with the existing KPI 'Total Proportional Capex Committed to New Energies Development investments' in the Executive Board long-term incentive program for 2023 and beyond, jointly reflect the strategic 2030 Grow and Accelerate ambitions which will result in the company's portfolio transformation towards cleaner fuels and new energies and feedstocks, ensuring that the realization of these ambitions are now also tied to the Executive Board long-term incentive compensation. This is under the mandatory ratios of capital return that inform Vopak's capital expenditure programs.

To emphasize its importance for the company's license-to-operate, GHG emissions reduction has now also been introduced as one of the specific EB targets in the 2023 Executive Board short-term incentive program. Also, the company's ambitions to strive for a more diverse workforce, has now been translated into specific EB targets on Diversity (gender and ethnic diversity) in the 2023 Executive Board short-term incentive program.

The table on the next page provides an overview of the main proposed changes to the KPIs of the Executive variable compensation programs for 2023 and beyond, and their rationales.

Adjustments were made to some of the relative weights of the KPIs in the payout/ vesting and their correlated measuring scales in both the Executive Board STIP and LTSP programs as of 2023, in order to maintain the current minimum and maximum payout/ vesting levels. The proration approach applied to awards made under the company's Executive Board long-term incentive programs in case of Executive Board members joining and leaving the company in good standing, is now adjusted to reflect the actual time served during the performance period.

Lastly, the opportunity of the review was used to clarify certain aspects of the Supervisory Board and Executive Board remuneration policies with regard to non-compete clauses, change-in-control, and (temporary) derogation.

1 The Supervisory Board considered selecting a relative return measure such as Total Shareholder Return (TSR) for the Executive Board long-term incentive programs going forward. However, no meaningful industry peer group can be established because most of Vopak's competitors are not stock-listed (for example, HES International, Kinder Morgan, Oiltanking, Stolt Terminals, VTTI) or are government-owned. A peer group with companies from a mix of industries, such as the peer group used for determining the base salary and total remuneration levels for the Executive Board, was also considered not suitable to steer management actions and reward longer-term company achievements due to the different business conditions and environments in other industries.

Overview of the proposed changes to the KPIs of the Executive Board variable compensation programs for 2023 and beyond

Current KPIs	Proposed KPIs going forward	Rationale for change
Executive Board short-term incentive programs		
EBIT	EBITDA	• EBITDA is one of the two main and most suited short-term drivers influenceable by management to generate the cash flow required to realize Vopak's 2030 strategic ambitions, and to deliver the expected returns to shareholders. EBITDA is part of the Vopak financial framework going forward.
Cost	Proportional[1] Operating Capex	• Operating Capex is one of the two main and most suited short-term drivers to generate the cash flow required to realize Vopak's 2030 strategic ambitions, and to deliver the expected returns to shareholders. Operating Capex is part of the Vopak financial framework going forward.
EB Effectiveness	Specific EB targets	• More concrete and specific targets for the Executive Board to be achieved in the performance year at hand replace the broad and overarching KPI 'EB Effectiveness'. Such specific EB targets would typically be derived from the areas in the company's strategy, including the Vopak Sustainability Roadmap.
Executive Board long-term incentive programs		
EPS	Proportional[1] Operating Cash Return	• Operating Cash Return (OCR) is a reflection of Vopak's longer-term sustainable cash flow generation and long-term sustainable returns delivery to shareholders. OCR is also selected because it is a metric that links profit to invested capital (this property is lacking in EPS). It is part of the Vopak financial framework going forward.
Strategy Execution	Total Proportional[1] Capex Committed to industrial and gas terminals investments	• The single-focused KPI 'Total Proportional Capex Committed to industrial and gas terminals investments' replaces The KPI Strategy Execution which measured the realization of the entire strategic agenda (excluding sustainability) in the relevant performance period. This new Capex KPI measures the strategic portfolio shift towards industrial and gas terminals, as a reflection of the 'Accelerate' ambition in the company's Shaping the future strategy to invest 1 billion EUR in industrial and gas terminals by 2030.

1 For Operating Capex, Operating Cash Return, and Total Proportional Capex Committed to industrial and gas terminals investments, targets are set and measured on a proportional rather than a consolidated basis in order to place equal focus on the performance of group companies and of the joint ventures.

The Supervisory Board and Executive Board remuneration policies for 2023 and beyond thus revised will be put forward for approval to the General Meeting on 26 April 2023. Upon approval, they will be implemented as of January 1, 2023.

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 Vopak are consulted when Vopak's Supervisory Board and Executive Board remuneration policies and any changes thereto requires approval from the General Meeting.

Every two to three years, Vopak asks a broad group of internal and external stakeholders directly about the key sustainability topics for Vopak. The most recent materiality survey, which includes feedback on remuneration within Vopak, was conducted in 2022.

Overall, this research shows that remuneration is ranked as important. In addition, Vopak highly values the employee and customer satisfaction surveys as input for its Board remuneration policies.

In 2022, the Committee intensified its ongoing dialogue with the company's major shareholders and their proxy advisors in response to the voting result for the 2021 Remuneration report (71.70% in favor) from the General Meeting in April 2022.

For the drafting of these policies, the Remuneration Committee engaged with Vopak's major investors who jointly hold approx. 70% of the shares in the company. Eight investors took up on our invitation, and with several of them multiple sessions were held. Also, meetings were held with the proxy advisors ISS, and Glass Lewis, and Eumedion to solicit their views on the company's Board remuneration policies. The works council of Vopak was requested to provide formal advice. The changes going forward in the Supervisory Board and Executive Board remuneration policies are a reflection of their feedback.

Temporary derogation from the policy

As determined by the Dutch Civil Code, derogation from these Supervisory Board and Executive Board remuneration policies is only allowed under exceptional circumstances and for a limited time period under the following conditions:

- The derogation can be applicable to any provision in these policies, as long as it (i) is in line with the general remuneration objectives and principles as described in these policies; and, (ii) required in order to serve the long-term interest and sustainability of Vopak as a whole and/ or to assure its viability; and, (iii) compliant with the applicable legislation and regulations.
- The Supervisory Board (pre-)approves the derogation on the basis of an assessment of the rationale, which provision is derogated from and for how long, how the individual Supervisory Board and/ or Executive Board members are impacted, and the extent to which the derogation complies with the applicable rules and regulations. The derogation, its details, and the outcome of the assessment are disclosed in the Remuneration report of the Annual Report of the year in which the temporary derogation took place.
- In case the derogation results in a material change in Supervisory Board fees and/ or Executive Board remuneration structures or levels, or in any other material condition of these policies, this will be presented for approval to the next General Meeting, irrespective of whether the derogation results in a revision of these policies or not.

In the case that in between the General Meetings, there is a change in the applicable legislation and/ or regulations that would result in a conflict with (a part of) the Supervisory Board and Executive Board remuneration policies, the Supervisory Board may deviate from these policies with immediate effect to ensure compliance with the new laws and regulations. Such deviation will not constitute a temporary derogation of the policy. The Supervisory Board will disclose such deviation in the next Remuneration report, and submit a proposal to the shareholders to adopt a revised policy at the next General Meeting which complies with the new legislation and/ or regulations.

Board remuneration objectives

The Vopak Supervisory Board and the Executive Board remuneration policies support the company's purpose of storing vital products with care. 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 the Vopak Values 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. Furthermore, Vopak's Values are promoted 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 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 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 variable compensation to the company's safety performance, with short-term incentive targets on both personal safety and process safety. Metrics related to the company's profit and cash-flow as well as customer satisfaction are also included in the Executive Board short-term incentive programs, 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 provides for longer-term rewards to the Executive Board's performance on steering the company in the agreed strategic ambitions and creating value for its stakeholders.

Board remuneration principles

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 [1], and ranked on the basis of their market capitalization as the most relevant benchmark. 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

For Executive Board remuneration, internal consistency is valued just as equally as external competitiveness. 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 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.

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.

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. Non-performance is not rewarded under these plans (nor via other remuneration components). Supervisory Board members are not remunerated on a pay-for-performance basis.

In exceptional circumstances, such as gross misconduct, gross negligence, or fraud, the company may consider to claw back any remuneration already paid.

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). For 2023, the following fee levels are applicable, see the table on the next page.

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.

1 For 2023, this peer group will consist of the following companies: (a) bottom 10 AEX companies: Akzo Nobel, ArcelorMittal, ASM International, BE Semiconductor Industries, DSM, IMCD, KPN, Philips, Randstad, and Signify; (b) top 10 AMX companies: Aalberts, Aperam, AirFranceKLM, Arcadis, Galapagos, InPost, JDE Peets, JustEatTakeAway.com, OCI, and SBM Offshore.

Supervisory Board remuneration fees for 2023 and beyond

	Chairman		Vice-Chairman		Member		Total	
In EUR	until 2022	as of 2023	until 2022	as of 2023	until 2022	as of 2023	until 2022	as of 2023
Supervisory Board (annual retainer)	97.5	110	65	75	65	75	422.5	485
Audit Committee	15	18	n/a	n/a	8.5	10	49	58
Remuneration Committee	10	14	n/a	n/a	7	8	24	30
Selection and Appointment Committee	7	10.5	n/a	n/a	5	8	12	18.5
							507.5	595

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 additional remuneration ("sign-on") is paid upon recruitment. Compensation for a (non-voluntary) termination of appointment or a change-in-control is not provided for.

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 most recent Dutch Corporate Governance Code.

In accordance with the Articles of Association of Vopak, the shareholders of Vopak appoint individual Supervisory Board members. In principle, Supervisory Board members are (re-) appointed for a term of four years.

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

Annual base salary levels of the Executive Board are determined on the basis of the external and internal consistency considerations as described in the section 'Remuneration objectives and principles' of this policy. They are set at levels which result in overall Target Total Direct Compensation packages (i.e. the sum of the annual base salary plus the target short-term incentive plus the target long-term incentive) for individual Executive Board members that are market competitive, i.e. in line with the longer-term median of the peer group, and internally aligned with the overall Target Total Direct Compensation packages of senior executives. They are reviewed annually, and, depending on the outcome of such review, adjusted per 1 January of each year.

Annual base salary and Target Total Direct Compensation levels for new joiner Executive Board members may be set at a different level compared to the market median as a more accurate reflection of their recent promotion, and/ or the non-Dutch local market levels they originate from.

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 fully performance-driven and forward-looking. These incentive programs reward the Executive Board annually (STIP) and after 3 years (LTSP), if ambitious financial and non-financial targets are achieved.

The Supervisory Board sets the targets for each of the STIP and LTSP KPIs for the Executive Board at the beginning of the performance period of each plan. 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. Targets for each of the financial and non-financial KPIs are set at the level of Vopak as a whole. No guaranteed variable pay is offered.

Scenario analysis

As part of the annual target setting for the KPIs in the Executive Board STIP and the Executive Board LTSP programs, a scenario analysis is undertaken in order to determine (any changes to) the design of the variable compensation plans. This includes the calculation of remuneration under different business scenarios whereby different performance assumptions and corporate actions are examined. The scenario outcomes and the consequences of these outcomes on the total remuneration levels are analyzed and taken into consideration.

Variable compensation incentive opportunities

The scenario analysis undertaken at the end of 2022 resulted in a confirmation of the current incentive opportunities for individual Executive Board members under the Executive Board STIP and LTSP for 2023 and beyond; these are outlined in the table on the next page.

Supervisory Board decisions

The cash payouts to individual Executive Board members under the STIP and the vesting and delivery of shares to individual Executive Board members under the LTSP are a reflection of the performance achieved against the preset targets. The Supervisory Board has the discretionary authority to adjust the STIP payouts as well as the number of LTSP shares delivered, 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. Such adjustment(s) are made within the limits of the policy, i.e. the total STIP payout and/ or the total number of vesting LTSP shares thus decided upon will remain within the original 0% - 150% payout/ vesting range.

Short-term and long-term variable compensation opportunities for the Executive Board

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]	Performance 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 (%)			63%	58.33%	58.33%

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. However, in case this claw-back is the result of serious circumstances such as fraud, gross negligence, willful misconduct or any other activity detrimental to the company, then this period may be extended to more than three years, such to the discretion of the Supervisory Board.

In case of the company's dissolution, a liquidation, a sale of all or substantially all of its assets, a merger, a split, a consolidation, or a similar transaction, which (will) result in a change in control of the company and/ or a share swap, the Supervisory Board has the discretionary authority to (i) lapse, or (ii) apply an accelerated vesting to all or a part of any outstanding, unvested conditional awards of performance shares made to individual Executive Board members under the company's Executive Board long-term share plan programs; (iii) offer in lieu of the unvested shares thus lapsed, and any shares already vested (early) and delivered to individual Executive Board members, (a) an amount in cash which is equal to the target number of shares awarded (in case of the unvested shares thus lapsed) or the actual number of vested shares delivered multiplied by the closing share price of the company's share as applicable four calendar weeks prior to the public announcement of such event, and/ or (b) another share-based instrument now available as a result of such event; and, furthermore, (v) take whatever other steps are considered appropriate in order to arrive at a fair compensation as intended under the company's Executive Board long-term share plan programs.

Design of the short-term incentive plan (STIP)

The Executive Board Short-term Incentive Plan (STIP) rewards the Executive Board for the realization of a mix of financial and non-financial achievements that impact the company's cash flow position of the company and license-to-operate during a 12-month period. The STIP is intended to align the short-term interests of the Executive Board with the short-term interests of investors and other shareholders. In order to ensure shareholder alignment throughout the company, the company's senior executives and other key managers are eligible for a short-term incentive plan with a similar design, which also serves as a retention tool for this group of staff.

The KPIs are defined and measured as follows:

Vopak financial KPIs:

- **Improve the performance of the portfolio (profitability): EBITDA**: (consolidated) EBITDA (in EUR mln) is defined as Net Income to which the annual company expenses for interest, tax, depreciation, and amortization are added back in. It equals the group's consolidated EBITDA – excluding exceptional items - as externally reported by the company. This performance indicator is used to evaluate Vopak's core corporate profitability and operating performance.
- **Improve the performance of the portfolio (efficiency): proportional Operating Capex** (in EUR mln) is defined as the annual capital expenditures spent on projects and activities required to acquire, upgrade, and maintain the physical asset base of the company ('sustaining capex') as well as the tangible and intangible IT asset base of the company ('IT capex') and any other intangible asset base of the company ('service capex'). It equals the group's consolidated EBITDA – excluding exceptional items - as externally reported by the company. This performance indicator is used by the company in order to maintain and improve its service delivery and performance for the next years to come.

    - Operating Capex targets are set and measured on a proportional basis rather than a consolidated basis in order to place equal focus on the performance of group companies and of the joint ventures. Proportional means proportional to the share of operating capex equaling Vopak's economic equity share ownership interest in its subsidiaries, joint ventures, and associated companies. Proportional means proportional to Vopak's economic ownership interest in its subsidiaries, joint ventures, and associated companies.
- In order to establish a like-for-like comparison, the preset EBITDA and proportional Operating Capex targets and the actual realization of the results will be aligned for significant events that take place after the target setting, such as acquisitions, divestments, and investment proposals approved by the Supervisory Board, as well as for foreign currency translation effects.
- **Target range:** The 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.

Vopak non-financial KPIs:

- **Improve the performance of the portfolio (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. Vopak's ambition is to be the sustainability leader in the industry and to be as good as the safest and most sustainable of its 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.
    - **PSER** is measured as the total number of Tier 1 & 2 process incidents on Vopak sites, including joint ventures, per 200.000 available working hours (own staff + contractors).
    - **TIR** is measured as the total number of all reportable injuries per 200.000 available working hours (own staff + contractors). In case of a fatality of an employee or contractor, the payout on TIR will be reduced by 50%. In case of 2 or more fatalities during the performance year, the payout on TIR will be adjusted downwards to zero.
- **Improve the performance of the portfolio (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. In order to ensure that continuous improvement is rewarded as well as more consistency in our performance is catered for, an NPS score of at least 60 at a group level needs to be achieved. Additionally, the payout of the actual incentive will be conditional to a participation rate of ≥ 30%.
- **Improve the performance of the portfolio (growth): specific EB targets**: each year, concrete and specific targets for the Executive Board to be achieved in the performance year at hand will be selected from the areas in the company's strategy, including the Vopak Sustainability Roadmap, that are typically not (sufficiently) addressed by other KPIs in the Executive Board STIP and LTSP programs. For the 2023 Executive Board STIP program, these targets will be linked to Diversity and GHG Emissions Reduction.
    - The Gender Diversity is linked to the share of female employees (as a % of the total Hay Grade 19+ employee workforce, including the Executive Board) required to achieve Vopak's longer-term ambition of 25% by the end of 2025, and
    - The target levels for GHG Emissions Reduction are set and results are measured in the same way as in the 2023 – 2025 Executive Board LTSP program, see the section 'Design of the long-term share plan (LTSP)' below for more detail.
- **Target range:** For the non-financial KPIs, no payout will occur in case the actual performance realized is below the preset target levels. Above target results are rewarded resulting in a maximum payout if the maximum level is met or exceeded.

For competitive reasons, the metrics of the KPIs in the 2023 Executive Board STIP program and their corresponding target range will be disclosed ex post in the Remuneration report of the 2023 Annual Report.

The table on the next page is a graphic display of the Executive Board STIP design for 2023 and beyond, including the KPIs and their relative weights in the payout.

KPIs in the Executive Board STIP and their relative weights in the payout

			Actual performance realization against target[1,2]					
Improve	**Nature**	**KPI**	**Below threshold**	**Threshold**	**Below target**	**Target**	**Above target**	**Maximum**
Profitability	Financial	**EBITDA**	0%	20%	sliding scale	40%	sliding scale	60%
Efficiency		**Operating Capex**	0%	5%		20%		30%
Subtotal financial KPIs			**0%**	**25%**		**60%**		**90%**
Frontline execution	Non-Financial	**Safety**	0%	0%	0%	15%	sliding scale	22.5%
		Customer Service	0%	0%	0%	10%		15%
Other		**Specific EB targets**	0%	0%	0%	15%		22.5%
Subtotal non-financial KPIs			**0%**	**0%**	**0%**	**40%**		**60%**
Total			**0%**	**25%**		**100%**		**150%**

1 The sliding scale applicable to EBITDA and to all non-financial KPIs is: (0%) - 50% - 100% - 150%.
2 The sliding scale applicable to proportionate Operating Capex is: (0%) - 25% - 100% - 150%.

Design of the long-term share plan (LTSP)

The Executive Board Long-term Share Plan (LTSP) rewards the Executive Board for the profitable growth of the company as well as relevant sustainability achievements during a three-year period. The LTSP is intended to align the longer-term interests of the Executive Board with the longer-term interests of investors and other shareholders. In order to ensure shareholder alignment throughout the company, the company's senior executives and other key managers are eligible for a long-term incentive plan with a similar design, which also serves as a retention tool for this group of staff.

For 2023 and beyond, the design of the Executive Board LTSP is as follows. Please note that for competitive reasons, the targets and the corresponding target ranges applicable to the KPIs in the LTSP program as of 2023 and beyond will be mostly disclosed ex post in the Remuneration report of the Annual Report related to the financial year in which the performance period ends.

KPIs and their relative weights: Three (3) key performance indicators ('KPIs') are used:

1. Proportional Operating Cash Return (OCR) with a target weight of 55%;
2. Total Proportional Capex Committed to industrial and gas terminals investments, with a target weight of 15% each;
3. Sustainability Execution with a target weight of 30%. For the 2023 – 2023 Executive Board LTSP plan, the sub-targets of Sustainability Execution are as follows:
   - a Total Proportional Capex Committed to New Energies Developments target, with a weight of 15%;
   - a Vopak GHG Emissions Reduction target, with a weight of 15%.

- **Improve the performance of the portfolio: Proportional OCR** (%) is defined as proportional operating cash flow divided by proportional capital employed, excluding exceptional items, as externally reported by the company. It is the metric of Vopak's long-term sustainable cash flow generation as a portion of invested capital. Actual OCR realization during the performance period is measured against pre-set targets derived from the company's longer-term planning. It will be measured as the average of end values at 31 December of year 1, 2 and 3 in the applicable performance year.
  - For OCR, proportional operating cash flow is defined as proportional EBITDA minus IFRS 16 lessee plus IFRS 16 lessor minus proportional operating capex. Proportional capital employed is defined as proportional total assets less current liabilities, excluding IFRS 16 lessee, assets under construction, Loans to third parties, Fair Value derivatives, and Deferred Income Taxes.

- In order to establish a like-for-like comparison, the preset OCR targets and the actual realization of the result will be aligned for significant events that take place after the target setting, such as acquisitions, divestments, and investment proposals approved by the Supervisory Board. They will not be aligned for foreign currency translation effects.
- **Grow the base in industrial & gas terminals: Total Proportional Capex Committed to industrial and gas terminals** (in EUR mln) is defined as the share of committed investments in qualifying industrial and gas terminals investments to be achieved on 31 December of year 3 of the applicable performance period. Among others, the following investments qualify:
  - The acquisition of industrial and gas terminals (based on Vopak's share in the enterprise value of the company and all potential - proportional - earn outs);
  - Projects in existing terminals and greenfield project developments which classify as industrial and gas such as:
    - capacity expansions;
    - associated infrastructure investments.
- **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 via the selection of specific targets. The Supervisory Board, upon recommendation of the Remuneration Committee, will select these targets and determine the target levels and corresponding ranges prior to the start of each 3-year performance period. For the LTSP 2022 – 2024, and the LTSP 2023 – 2025, the following Sustainability Execution targets have been selected:
  - **Accelerate towards new energies & sustainable feedstocks:** a Vopak **Total Proportional Capex Committed to New Energies Developments** target (in EUR mln), defined as the share of committed investments in qualifying New Energies Development investments to be achieved on 31 December of year 3 of the applicable performance period. For New Energies Development, among others, the following investments qualify:
    - Investments in new ventures funds 'New Energies, Feedstocks & Sustainability';
    - The acquisition of new energy companies (based on Vopak's share in the enterprise value of the company and all - proportional - potential earn outs);
    - Projects in existing terminals and or greenfield project developments which enable new energy product storage and handling, such as:
      - capacity expansions;
      - repurposed/ converted capacity;
      - associated infrastructure investments.
  - **Improve the performance of the portfolio:** a Vopak **GHG Emissions Reduction** target (%). The selected target levels are aligned with Vopak's Sustainability Roadmap, resulting in a net zero emission by 2050, and a reduction of 30% by 2030.
    - Vopak's GHG emissions include Scope 1 and 2 CO_2 emissions as well as methane and N2O emissions (which are limited compared to Vopak's CO_2 emissions).
    - The target levels include the GHG emissions from the current operations as well as the expected growth of Vopak's operations and asset base during the performance period.
    - The targets are defined as a % reduction of the 2021 baseline of 577k tCO_2, and validated by SBTi (in progress).
      - The 2021 baseline is chosen in line with the recommendation of SBTi, as this is the most recent year for which data are available as the target base year.
      - Also, the 2021 baseline reflects the major changes in the company's asset base (acquisitions and divestments) that took place prior to 2021.
    - In order to establish a like-for-like comparison, the preset targets and the actual realization of the result will be aligned for significant events that take place after the target setting, such as acquisitions and divestments.
- Targets for OCR and the 2 Capex KPIs are set and measured on a proportional basis rather than a consolidated basis in order to place equal focus on the performance of group companies and of the joint ventures. Proportional means proportional to the share of operating cash flow/ capital employed/ capex equaling Vopak's economic equity share ownership interest in its subsidiaries, joint ventures, and associated companies.
- For the 2 Total Proportional Capex KPIs (Committed to industrial and gas terminals and to New Energies Developments), the following applies:
  - The timing is based on moment of the final investment decision, not moment of actual spend.

- Targets will be set and investment proposals will need to be in line with the capital allocation framework of the company in terms of the applicable WACC, and the expected (progression in) returns and cash flow generation. The financing structure / amount funded by debt is ignored.
- For New Energies Development investments, 80% to 90% of the allocated capital is targeted to generate gas-like returns, while 10% to 20% of the capital investments will be allocated to investments with a venture or R&D character and an associated risk-return profile.
- Only investments that qualify as growth Capex are considered.
- Sustaining Capex and IT Capex for existing assets, as well as book profits in new ventures are excluded.
- Committed investments will be allocated to either the segment Industrial/Gas or to the segment New Energies to avoid 'double counting'.

- For Sustainability Execution in future Executive Board LTSP programs under this policy, other relevant sustainability targets may be selected from the Vopak longer-term strategic agenda and the Vopak Sustainability Roadmap.
- **Target range:** All LTSP 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.
- **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.
- **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 Executive Board LTSP design, including the KPIs and their relative weights in the vesting:

LTSP awards made to Executive Board members

Each year, a conditional award of performance shares is made to individual Executive Board members. The cash equivalent of these awards is based on their annual base salary and the applicable target incentive opportunity. Each grant is scheduled to vest at the first Annual General Meeting following the end of the applicable performance period of 3 years, and subject to the performance and other conditions.

KPIs in the Executive Board LTSP and their relative weights in the vesting

			Actual performance realization against target[1]					
Strategy theme	Nature	KPI	Below threshold	Threshold	Below target	Target	Above target	Maximum
Improve	Financial	**Operating Cash Return**	0%	27.5%	sliding scale	55%	sliding scale	82.5%
Grow	Financial	**Total Proportional Capex Committed to industrial and gas terminals investments**	0%	7.5%	sliding scale	15%	sliding scale	22.5%
Accelerate	Financial	**Total Proportional Capex Committed to New Energies Development investments**	0%	7.5%	sliding scale	15%	sliding scale	22.5%
Subtotal financial KPIs			**0%**	**42.5%**		**85%**		**127.5%**
Improve	Non-financial	**GHG Emissions Reduction**	0%	7.5%	sliding scale	15%	sliding scale	22.5%
Subtotal non-financial KPIs			**0%**	**7.5%**		**15%**		**22.5%**
Total			**0%**	**50%**		**100%**		**150%**

1 The same sliding scale is applied to each KPI in the Executive Board LTSP: (0%) - 50% - 100% - 150%.

LTSP plan	Plan period and years of award and vesting									
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
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	
LTSP 2026 - 2028							conditional award			vesting

The table above is a graphic display of the LTSP programs and grants thereunder that will be awarded conditionally to individual Executive Board members in the period 2023 – 2026. LTSP awards made earlier years which are scheduled to vest in this period 2023 – 2026 are also shown for a full understanding of the workings of the LTSP. That part of the performance period of each LTSP program that falls in this 2023 - 2026 period is marked blue.

In the case an individual Board member is not able to complete the entire 3-year performance period because the member concerned joins or leaves the company during this period, the following applies.

In case of an Executive Board member leaving the company in good standing - such to the discretion of the Supervisory Board - any awards made under the company's Executive Board LTSP programs which have not vested yet on the date of termination, will be prorated on the basis of the actual time served during the performance period applicable to the EB LTSP program(s) concerned. That is, the proration approach applied is based on 36 months.

Completion of a full term of appointment without reappointment is considered as leaving the company in good standing; so are (force majeure) situations such as death, longer-term disability, a change-in-control, or a restructuring of the Board. In the situation that an individual Executive Board member is considered to have left the company on grounds within his/ her control, the Supervisory Board will decide separately how any outstanding unvested awards made to this Executive Board member earlier will be affected.

In case of Executive Board members newly joining, issuing awards under the company's Executive Board LTSP programs of which the performance period started before the date of joining but has not been completed yet, may be considered by the Supervisory Board. Typically, such awards would be appropriate to achieve an outcome which maintains the market competitive levels aimed for on an annual basis during the first three years of the Executive Board membership. Similar to the approach applicable at the time of termination, the proration approach applied will typically be based on the actual time served during the performance period, i.e. 36 months[1].

As long as awards made under the Executive Board LTSP programs are unvested, Executive Board members are only eligible for vesting; no entitlement is established. Vesting is subject to meeting at least the minimum performance condition and other conditions. The Supervisory Board has the discretionary powers to make the decision to vest an award or to lapse an award at any time between the date of award and the vesting date, also after Executive Board members have left the company. Accelerated vesting or a guaranteed vesting outcome is not applicable, unless extraordinary circumstances take place (such as the death of a – former - eligible Executive Board member).

1 If an internal candidate is promoted from a non-Executive Board position to an Executive Board position between 1 January and the date of the Annual General Meeting during which s/he is formally appointed, and has already commenced working on Executive Board matters prior to this formal appointment, this period before formal appointment would typically be included under this prorated approach.

Share ownership

Executive Board members are required to own a minimum number of company shares acquired under the company's Long-Term Share Plans at all times while serving as Executive Board member. For the CEO, this minimum shareholding requirement is the number of shares with a value equivalent to two (2) times his annual base salary. For the CFO and COO, this minimum shareholding requirement is the number of shares with a value equivalent to one (1) time their annual base salary.

Only company shares that vested to them under the company's Long-Term Share Plans in excess of this minimum can be transferred or sold by them - such transfer or sale being subject to the company's Insider Trading policy and other legal requirements. New Executive Board members are expected to accrue their required shareholding over time via the vesting of the LTSP awards. Company shares acquired via private investments are not subject to this minimum portfolio requirement, hence also do not count towards this threshold.

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) awarded. 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 awarded that actually vest.

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 Vopak staff, such depending on personal circumstances.

Benefits and other emoluments

Executive Board members are entitled to certain company benefits and emoluments per the policies, plans and arrangements for 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 67,380 (2023).
- Surplus arrangement for that part of the annual pensionable salary from EUR 67,380 up to EUR 128,810 (2023).
- Net Surplus arrangement for that part of the annual pensionable salary above EUR 128,810 (2023). 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.

This pension arrangement is a replacement of the earlier Executive Board pension arrangement in place until January 1, 2015. For Executive Board members who were employed by or in service of the company prior to January 1, 2015, no employee contributions are required, also not in the case their Executive Board membership commenced after January 1, 2015 as a result of an internal promotion. For Executive Board members who were already appointed prior to this date, 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). If Executive Board members newly joined the company as an employee or as an Executive Board member after January 1, 2015, an employee contribution of 4% of their gross salary is withheld, in line with the 4% employee contribution obligations for all Vopak employees in the Netherlands.

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 January 1, 2006, and Executive Board members who are appointed as Executive Board member after January 1, 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 members are (re-)appointed for a term of four years in accordance with legal and regulatory requirements. Executive Board appointments are governed by Dutch employment law and aligned with the current Dutch Corporate Governance Code. Vopak Executive Board agreements include confidentiality, non-compete and non-solicitation clauses.

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 2022 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 (LTSPs) 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 2022 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 2022.

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 2022, 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 2022). 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

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 2022' 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

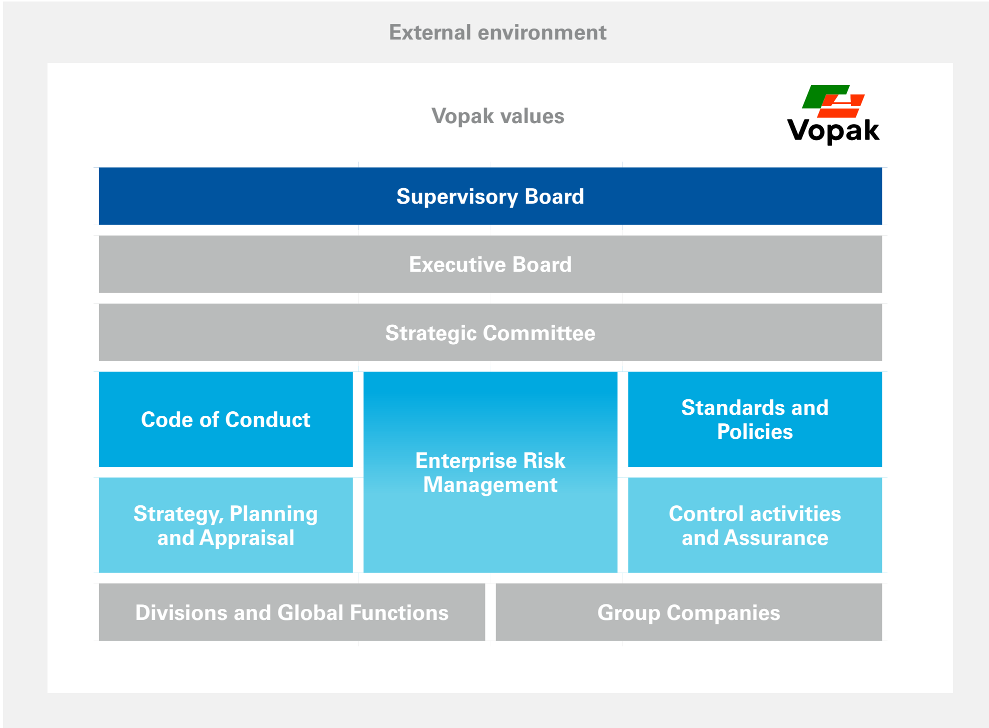
Risk Management and internal control activities are at the core of the Vopak Control Framework. This framework is applied at all layers and locations within the Group.

Risk Management and Internal Control

The Executive Board, under the supervision of the Supervisory Board, bears the ultimate 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	Risks & Risk appetite	Risk response	Monitoring & Assurance
• Leading assets in leading locations • Service leadership • Operational leadership • Technology leadership • People leadership • Founder's mentality • Vopak values	**Strategic** **Operational** **Legal & Compliance** **Financial & Reporting** Risk appetite determined per risk	**Vopak Key Control Framework[1]** • Standards, Procedures & Guidelines • Communication, training • Organizational set-up • Global – Functional • Divisional – Regional	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
- 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

2. Measure
- 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

3. Manage
- 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

4. Monitor
- 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

5. Report
- 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 the 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 key 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.

Risks

Vopak's purpose is to store vital products with care. Our activities involve risks which include safety and financial dimensions. Risks in general cannot be entirely eliminated. However risk management does provide valuable insight into these risks, so that we can take informed decisions about these risks and risk management measures.

Risk levels can be subdivided into five categories, ranging from very low to very high. The risk category depends on two factors: the probability of occurrence and the impact hereof on our strategic objectives. The potential impact on our objectives is assessed based on various aspects. Based on their probability and impact, each risk is assigned a place in the risk matrix.

Risk appetite

To achieve our strategic objectives, we sometimes need to accept risks to a certain extent. The extent to which we are prepared to run risks in attaining our objectives (i.e. our "risk appetite") varies from risk to risk:

- Where strategic risks are concerned, we seek the right balance between the risks and our longer-term ambitions.
- When it comes to safety and other operational risks, we take no risk whatsoever. All risks are excluded, where possible and realistic.
- Our risk appetite is low when it comes to legal and compliance risks. We are expected to comply with laws and regulations and are committed to acting in accordance with internal standards and procedures and the Vopak Code of Conduct.
- We have a low appetite for financial and reporting risks. This ensures that we have a healthy financial basis and meet our key financial ratios.

Explanation of risks

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.

In its 2021 annual report Vopak reported 14 principal risks that could prevent the company from achieving its strategic objectives. These risks were:

Strategic risks

- Unable to deliver on the growth strategy
- Market volatility
- Energy transition
- (Crude) Oil and Gas market price developments
- Geopolitical developments
- Increasing competition and overcapacity

Operational risks

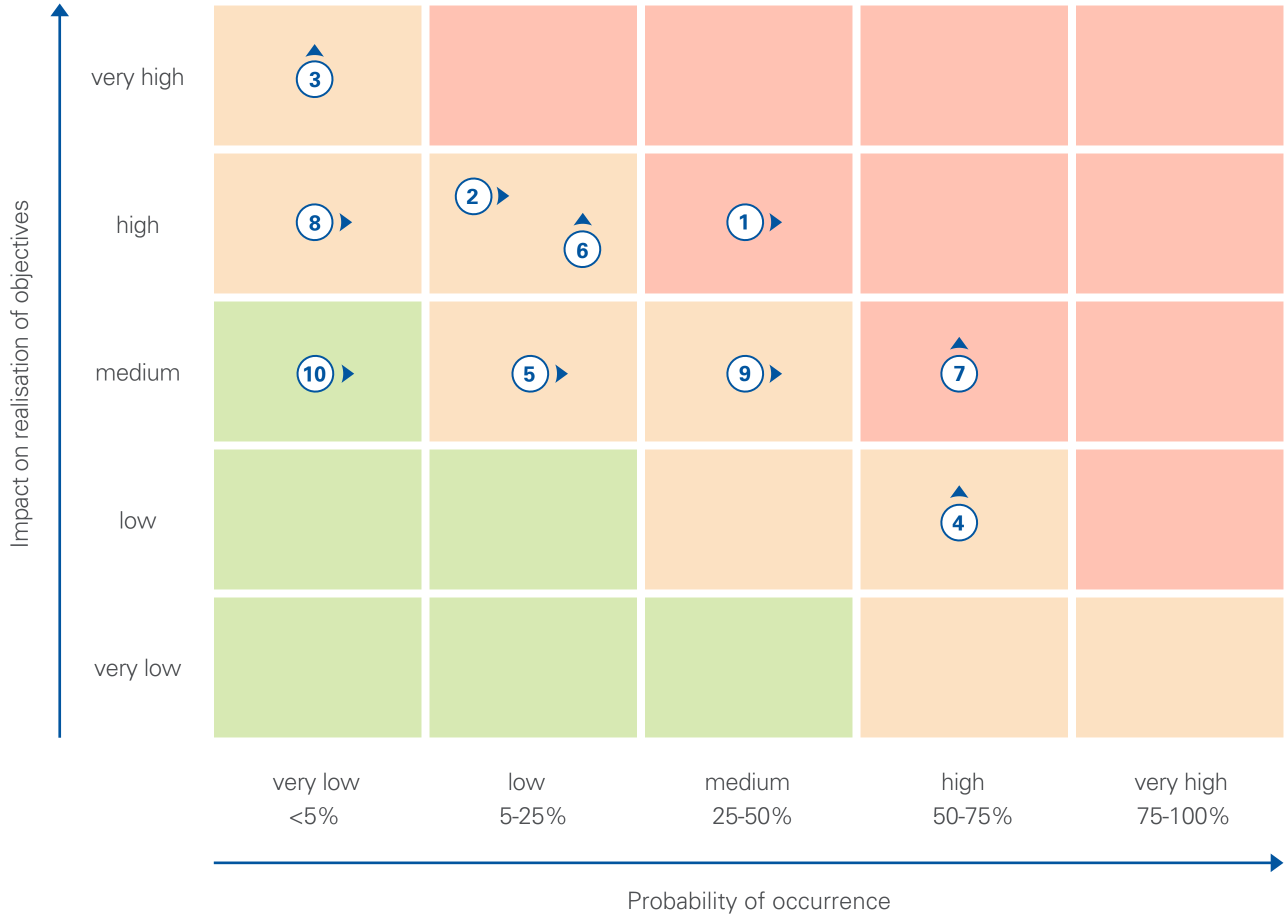
- Physical effects of climate change
- Major safety incident
- Large complex construction projects
- Unable to deliver digitalization strategy
- Risk of cyber breach of IT- and/or OT systems

Legal and compliance risks

- Complex and changing laws and regulations
- Behavior not in line with Vopak values
- Reputational damage to Vopak

In the course of 2022 the Executive Board has updated its view of Vopak's principal risks. This has resulted in an updated principal risk register, now consisting of 10 principal risks.

Our current principal risks



Strategic Risks

1 Executing growth strategy in ITL, LNG and new energies
2 The pace of the energy transition
3 Geopolitical risks
4 Market volatility

Operational Risks

5 Physical effects of climate change
6 Cyber security
7 People
8 Safety, health and environment

Legal and Compliance Risks

9 Laws and regulations

Financial and Reporting Risks

10 Access to capital

▶ Neutral risk trend
▲ Increased (residual) risk
▼ Decreased (residual) risk

The key changes compared to 2021 are:

- The risk of not being able to execute our growth strategy is narrowed down to industrial terminals (ITL), LNG and new energies to reflect Vopak's strategic growth priorities. Although this risk obviously applies in general, it is most pronounced in the new energies space, where business models and technologies are often still unproven, and where project returns can be more uncertain.
- The risks related to market volatility, (crude) oil price movements and competitive forces were bundled in one principal risk "market volatility".
- We introduced a new risk (7) related to people. Increasingly, we are exposed to the risk that we cannot attract and retain the right talent at the right locations. This risk was identified at multiple locations and for multiple functions.
- Access to capital markets is now being reported as a new principal risk (10). This risk was also identified previously as part of the general (inherent) risks section of the annual report.
- Conduct not in line with Vopak's code of conduct remains a real risk in doing business, and we remain very vigilant in ensuring that soft controls and hard controls are in place to minimize the chances of breaching the code of conduct. This topic has full management attention, and we believe that the controls in place are effective and that, as such, it does not represent a principal risk.
- Reputational risk is removed as a principal risk. We are obviously exposed to the risk of damage to our reputation, we consider however that reputational risk is a consequence of not adequately managing our (principal) risk, rather than a risk in itself.

In addition, we are further refining the enterprise risk management process by introducing "risk owners" that are answerable to identifying risk developments and risk response strategies for each of the principal risks.

Overall risk development

Overall the risk profile of the company has increased compared to 2021 in view of the increased level of uncertainty in the business environment. Geopolitical risk is on the rise. An immediate concern is the continuing risk of escalation and overspill from the Ukraine-Russia conflict. In addition, China is increasingly a source of uncertainty. Market volatility has also further increased. High energy prices, high inflation, staff shortages, sanctions, and strict regulation may furthermore result in a strong recession in Europe. In the longer run it may lead to scale-down and closure of the EU chemical industry. This may lead to significant changes in trade patterns which in turn may redirect supply chains.

The 10 principal risks that could prevent Vopak from achieving its strategic objectives are described in this section, together with the risk development and their mitigating actions applied.

Strategic risks

	Risk description	Risk trend	Risk appetite & horizon		Link to strategy
1	**Executing growth strategy in ITL, LNG and new energies**		**Risk appetite** Medium **Risk horizon** Medium to long-term	**What is the risk?** As part of our Shaping the Future strategy, we seek to grow our base in Industrial (ITL) and Gas terminals, and accelerate towards new energies and sustainable feedstock. Projects related to ITL, LNG and new energies can be complicated. The regulatory framework is often complex. For new energies projects a myriad of stakeholders is involved and often entire supply chains need to be lined up for a project to be successful. In addition there can be uncertainty related to technology development and market demand. There is a risk that economic returns for these projects will initially be lower. **How is the risk managed?** Vopak New Energies & LNG is a dedicated Division within Vopak that is set-up to identify, select and execute growth opportunities in LNG and New Energies. Business development professionals have been appointed for the key regions, supported by central technical- and project management capabilities. A disciplined opportunity funnel management is in place to ensure that resources are allocated to those opportunities that have the highest strategic fit, and have the highest chances of exceeding Vopak's financial return criteria. **What is the risk trend?** Neutral **Who is the risk owner?** Division President LNG & New Energies	Grow Accelerate
2	**The pace of the energy transition**		**Risk appetite** Medium **Risk horizon** Medium to long-term	**What is the risk?** The pace and extent of the energy transition could pose a risk to Vopak if our own actions to decarbonize our operations and transform our terminal portfolio move at a different speed relative to society. If we move slower than society, it would reduce the demand for our services, and adversely affect our reputation, besides materially affecting our earnings and financial results. If we move faster than society, we risk stepping away from profitable markets, and investing in technologies or markets that are unsuccessful because there is limited demand for them. This could also have a material adverse effect on our earnings, operating cash flow return and financial condition. **How is the risk managed?** The Vopak Sustainability Roadmap sets out clear sustainability ambitions and priorities and integrates them into annual budget cycles, business agendas, work programs and daily activities. The Roadmap clearly sets Vopak's ambition to be net-zero by 2050. It also addresses the challenges that are posed by the dual objectives of limiting climate change on the one hand, and Vopak's key role in providing access to affordable, acceptable and sustainable energy and feedstocks for all on the other hand. Vopak has set ambitious targets of reducing its own environmental footprint and lowering its own emissions of greenhouse gases (GHG). In this respect Volatile Organic Compounds (VOCs) are one of the important issues for Vopak to address. Actions are defined to meet the 30% reduction target (versus 2021) by 2030. Reducing VOC emissions is one of the priorities addressed in the Sustainability Roadmap. Also biodiversity is an important issue for Vopak to address. **What is the risk trend?** Neutral **Who is the risk owner?** Global Director Operations & Technology	Improve Grow Accelerate

Risk description		Risk trend	Risk appetite & horizon		Link to strategy
3	**Geopolitical risks**	▲	**Risk appetite** Medium **Risk horizon** Medium to long-term	**What is the risk?** We operate in 23 countries that have different degrees of political, legal and fiscal stability. This exposes us to a wide range of political- and country risks that could result in changes to laws and regulations. In addition it includes tensions between nation states, such as Russia's invasion of Ukraine, and the US-China relationship. **How is the risk managed?** We continually monitor geopolitical developments and societal issues relevant to our interests. Our Legal and Tax functions support our businesses in ensuring compliance with local laws and fiscal regulations. 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. **What is the risk trend?** Increasing **Who is the risk owner?** Chairman Global Risk Committee	Improve Grow Accelerate
4	**Market volatility**	▲	**Risk appetite** Medium **Risk horizon** Short- to medium term	**What is the risk?** In our end markets we are exposed to market volatility that can lead to changes in product flows. Changing industry market dynamics can lead to structural changes in product flows and increased volatility. Exposure to (crude) oil and gas market price developments can lead to both risks and opportunities. Fluctuating movements in (crude) oil and gas market pricing have 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. **How is this risk managed?** We have a diversified global terminal network based on clear strategic criteria for certain product/ market combinations. We continuously conduct in-depth analyses of scenarios and global trends by Global Commercial & Business Development in conjunction with the Divisions and local teams with the objective that the company is able to timely identify changing market developments and respond accordingly. In addition we are continuously reviewing and updating our terminal portfolio based on the strategic criteria, shifting our portfolio further towards industrial terminals, chemicals, LNG, LPG and chemical gases. **What is the risk trend?** Increasing **Who is the risk owner?** Global Director Commercial & Business Development	Improve Grow

Risk description	Risk trend	Risk appetite & horizon		Link to strategy
5 **Physical effects of climate change**	▶	**Risk appetite** Medium **Risk horizon** Long-term	**What is the risk?** 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). **How is the risk managed?** Vopak has embraced and embedded the TCFD framework in its process to create awareness and assess exposures and developments. The process has resulted in a risk and opportunity assessment, based on IPCC and IEA scenarios, regarding physical risks, market risks and policy developments. 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. **What is the risk trend?** Neutral **Who is the risk owner?** Global Director Operations & Technology	Improve Grow Accelerate
6 **Cyber security**	▲	**Risk appetite** Low **Risk horizon** Short term	**What is the risk?** We heavily rely on information technology systems in our operations. Cyberattacks with a political or terrorist motive are increasingly targeting vital infrastructure. Ransomware – maliciously encrypting files and systems before demanding a ransom to make them accessible again – has developed to such a degree that it poses a risk to the national security in many countries. Disruptions to or outages of our infrastructure can lead to disruptions of supply chains that are vital to the economy and to society at large. **How is this risk managed?** The CISO Office has overall responsibility for the entire process of information security and therefore has a key role in managing cyber risks. We continually measure and improve our cyber-security capabilities. To reduce the likelihood of successful cyber attacks, our cyber security capabilities are embedded into our IT and OT systems. Our systems are protected by preventive, detective and responsive technologies and controls. We protect Vopak from cyber risks by managing risks and by having a culture in which security is a given. We detect risks by actively monitoring identified threats and we respond effectively by resolving and further investigating security incidents. Finally, risk control is set up to enable recovery when cyber risks occur: we have organized business continuity management and set up Disaster Recovery Plans for this purpose. **What is the risk trend?** The risk has increased, we see more attacks every year and the sophistication of these attacks is growing. **Who is the risk owner?** Corporate Information Security Officer	Improve

	Risk description	Risk trend	Risk appetite & horizon		Link to strategy
7	**People**	▲	**Risk appetite** Medium **Risk horizon** Short- to medium term	**What is the risk?** Our ability to attract, develop and retain a diverse range of skilled people is critical if we are to compete and grow effectively. This is especially true in emerging markets, including New Energies, where there can be a high level of competition for a limited talent pool. It is also true for our companies that operate in relatively remote geographical locations where it is difficult to attract the right talent. The loss of management or other key personnel or the inability to identify, attract and retain qualified personnel could make it difficult to manage the business and could adversely affect operations and financial results. **How is this risk managed?** 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. In addition we are rebalancing staff competencies in response to the shift in the Vopak portfolio to industrial, gas and new energies infrastructures. Also, we are promoting the Vopak Employee Value Proposition (EVP), positioning Vopak as an employer of choice. **What is the risk trend?** Increasing **Who is the risk owner?** Global HR Director	Improve Grow Accelerate
8	**Safety, health and environment**	▶	**Risk appetite** Low **Risk horizon** Short-term	**What is the risk?** The nature of our operations exposes us, and the communities in which we work, to a wide range of health, safety, security and environmental risks. If a major risk materializes, such as an explosion or a spill, this could result in injuries, loss of life, environmental harm, and disruption of business activity. **How is the risk managed?** We have standards and a clear governance structure to help manage safety, health and environmental risks and avoid potential adverse effects. The standards and governance structure also help us to develop mitigation strategies aimed at ensuring that if such a risk materializes, we avoid catastrophic consequences and have ways of trying to remediate any environmental damage. We routinely practice implementing our emergency response plans to significant risks (such as a spill, toxic substances, fire or explosion). **What is the risk trend?** Neutral **Who is the risk owner?** Global Director Operations & Technology	Improve

Risk description	Risk trend	Risk appetite & horizon		Link to strategy
9 **Laws and regulations**	▶	**Risk appetite** Low **Risk horizon** Short-term	**What is the risk?** We are exposed to extensive laws, including those relating to bribery and corruption, sanctions, taxation, antitrust, financial markets regulation and rules, environmental protection, use of hazardous substances, product safety and dangerous goods regulations, employment of labor and occupational health and safety standards. Failure to comply with laws and regulations could expose us to civil and/or criminal actions leading to damages, fines and criminal sanctions against the company with possible consequences for our corporate reputation. Changes to laws and regulations, including more stringent environmental requirements, could have a material impact on the cost of doing business. **How is this risk managed?** 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 reviews that appropriate compliance processes are in place for dedicated compliance topics and for the identification and mitigation of principal compliance risks **What is the risk trend?** Neutral **Who is the risk owner?** Global Director Legal	Improve Grow Accelerate
10 **Access to capital**	▶	**Risk appetite** Low **Risk horizon** Medium- to long-term	**What is the risk?** Vopak is a capital-intensive company with long-term investments. Long-term access to external funding is critical for achieving the strategic objectives of the company. Our failure to successfully access capital markets would severely limit our ability to engage in desired activities and may mean that we will not have sufficient funds available for our growth strategy. **How is this risk managed?** Vopak's financing strategy is focused on supporting the business, safeguarding liquidity and securing funding for our long term growth strategy through flexible access to various capital markets and funding sources, at competitive terms and conditions while maintaining a robust implied investment grade rating profile and within the applicable financial covenants. The development of our Senior Net Debt: EBITDA ratio is continuously monitored and discussed on a regular basis with the Executive Board, the Audit Committee and the Supervisory Board to ensure that the company remains within its covenant ratios. A clear financing 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. **What is the risk trend?** Some financial markets are more volatile than others, overall neutral **Who is the risk owner?** Global Director Treasury, Insurance & Pensions	Improve Grow Accelerate

Other general (inherent) risks not considered principal risks

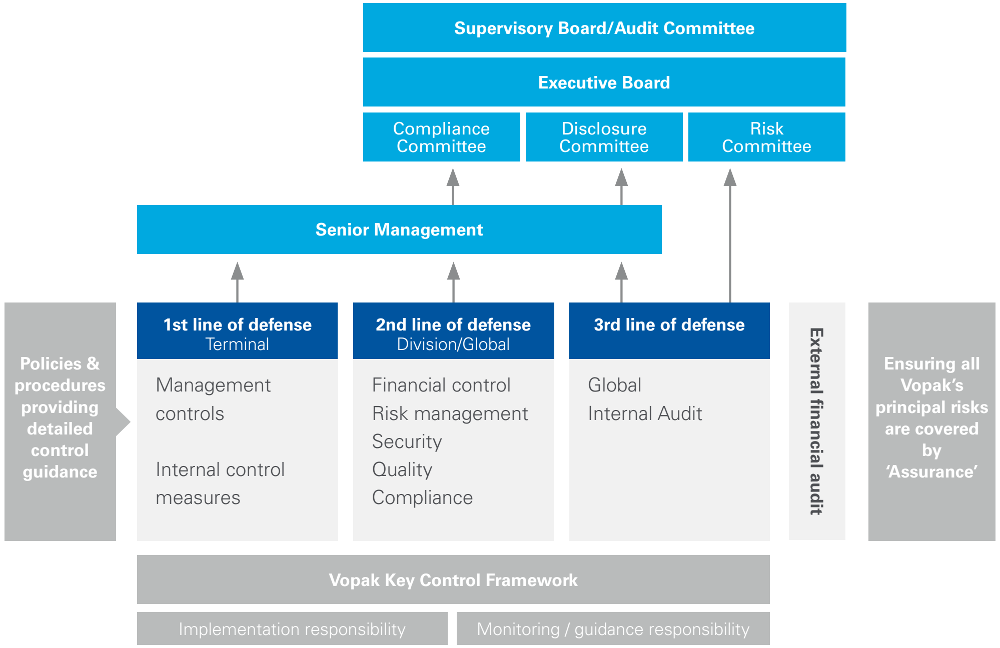
Theme	Description
Foreign Exchange	As a globally-operated company, Vopak is confronted with money flows that are not in its functional (Euro) currency. Operating globally provides an extent of ‘natural hedging’ but foreign exchange exposure risk exists. This risk is continuously reviewed and measures 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.
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 include 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 region-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 2022. The introduction of new IT systems via the MOVES program improves our control environment through the further standardization of processes and systems and by enabling 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.

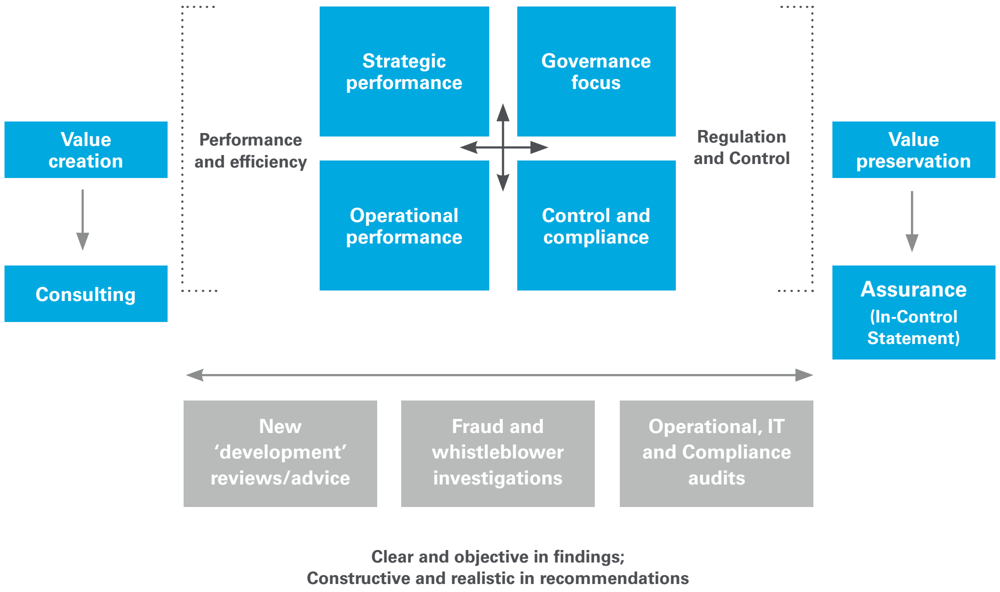
Management Review Cycle

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



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 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 management. 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 (IIA) 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. The IIA certificate was successfully renewed in 2022. The evaluation of the audit 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	2022	2021
Share price start of the year	31.00	43.28
Highest share price	33.38	44.40
Average closing share price	26.60	37.54
Lowest share price	18.54	29.47
Share price at year-end	27.75	30.80
Free float	52%	52%
Average number of shares traded per day	349,716	382.508
Market capitalization at year-end (in EUR billion)	3.5	3.9

Share price movement in 2022

In EUR

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. 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

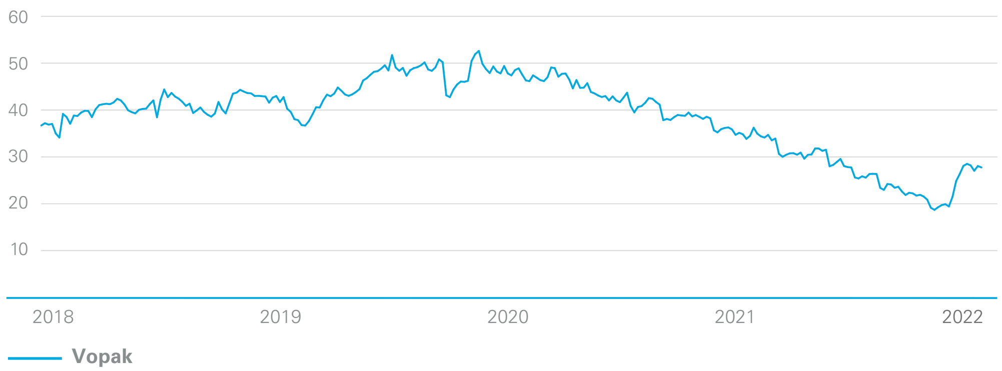
In EUR	2022	2021
Basic earnings	-1.34	1.71
Basic earnings -excluding exceptional items	2.35	2.38
Diluted earnings	-1.34	1.70
Diluted earnings -excluding exceptional items	2.34	2.37
Equity attributable to holders of ordinary shares	23.74	25.36
Dividend (proposal)	1.30	1.25
Payout ratio -excluding exceptional items	55%	53%

Shares outstanding

	2022	2021
Basic weighted average number of ordinary shares	125,395,678	125,416,945
Weighted average number of ordinary shares including dilutive effect	125,545,064	125,609,790
Total number of shares outstanding (including treasury shares end of period)	**125,740,586**	**125,740,586**
Treasury shares end of period	324,587	392,016
Total voting rights at year-end	**125,415,999**	**125,348,570**

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.

Closed periods

Closed 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 closed 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 is progressive and aims to maintain or grow our annual dividend subject to market conditions.

Vopak proposes a dividend of EUR 1.30 per ordinary share over 2022 (2021: EUR 1.25) to the Annual General Meeting of 26 April 2023. The dividend increase of EUR 0.05 or 4% reflects Vopak's performance throughout 2022. The dividend payout ratio will amount to 55% of earnings per ordinary share excluding exceptional items (2021: 53%).

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 2022 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

26 April 2023	Publication of 2023 first-quarter interim update
26 April 2023	Annual General Meeting
28 April 2023	Ex-dividend quotation
2 May 2023	Dividend record date
5 May 2023	Dividend payment date
28 July 2023	Publication of 2023 half-year results

Financial statements

Financial Statements and notes

Consolidated Financial Statements

Consolidated Statement of Income

In EUR millions	Note	2022	2021
Revenues	2.3	1,367.0	1,227.9
Other operating income	2.4	63.9	41.1
Total operating income		**1,430.9**	**1,269.0**
Personnel expenses	2.5	364.9	342.7
Depreciation and amortization	3.7	339.9	331.8
Impairment	3.8	448.8	71.0
Other operating expenses	2.6	355.5	286.1
Total operating expenses		**1,509.1**	**1,031.6**
Operating profit / (loss)		**- 78.2**	**237.4**
Result joint ventures and associates	2.7	162.3	172.3
Group operating profit / (loss) (EBIT)		**84.1**	**409.7**
Interest income	5.6	7.3	5.6
Finance costs	5.6	- 128.0	- 112.1
Net finance costs		**- 120.7**	**- 106.5**
Profit / (loss) before income tax		**- 36.6**	**303.2**
Income tax	8.1	- 101.2	- 60.0
Net profit / (loss)		**- 137.8**	**243.2**
Attributable to :			
Holders of ordinary shares		- 168.4	214.2
Non-controlling interests	5.4	30.6	29.0
Net profit / (loss)		**- 137.8**	**243.2**
Basic earnings per ordinary share (in EUR)	9.1	**- 1.34**	**1.71**
Diluted earnings per ordinary share (in EUR)	9.1	**- 1.34**	**1.70**

Consolidated Statement of Comprehensive Income

In EUR millions	Note	2022	2021
Net profit / (loss)		**- 137.8**	**243.2**
Exchange differences on translation of foreign operations	5.2, 5.4	88.6	174.5
Net investment hedges	5.2	- 41.5	- 72.1
Effective portion of changes in fair value of cash flow hedges	5.2, 5.4	- 3.1	- 2.5
Use of exchange rate differences on translation of foreign operations and use of net investment hedges	5.2, 5.4	- 0.4	0.5
Use of effective portion of cash flow hedges to statement of income	5.2	- 2.2	1.7
Share in other comprehensive income of joint ventures and associates	5.2	67.8	19.4
Other comprehensive income that may be reclassified to statement of income in subsequent periods		**109.2**	**121.5**
Fair value change other investments	5.2, 9.6	1.7	33.2
Remeasurement of defined benefit plans	5.3, 9.4	21.7	13.6
Other comprehensive income that will not be reclassified to statement of income in subsequent periods		**23.4**	**46.8**
Other comprehensive income, net of tax		**132.6**	**168.3**
Total comprehensive income / (loss)		**- 5.2**	**411.5**
Attributable to:			
Holders of ordinary shares		- 43.0	374.5
Non-controlling interests		37.8	37.0
Total comprehensive income / (loss)		**- 5.2**	**411.5**

Items are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 8.1.

Consolidated Statement of Financial Position

In EUR millions	Note	31-Dec-22	31-Dec-21
ASSETS			
Intangible assets	3.2	109.7	111.0
Property, plant and equipment - owned assets	3.3	3,546.6	3,834.9
Property, plant and equipment - right-of-use assets	3.4	648.6	640.2
- Joint ventures and associates	3.5	1,877.8	1,583.3
- Finance lease receivable	9.2	126.1	127.6
- Loans granted	9.2	43.8	44.8
- Other financial assets	9.6	94.0	83.6
Total financial assets		2,141.7	1,839.3
Deferred taxes	8.2	8.7	50.6
Derivative financial instruments	6.2	15.1	35.6
Other non-current assets		8.1	7.4
Total non-current assets		**6,478.5**	**6,519.0**
Trade and other receivables	4.2	318.5	259.6
Loans granted and finance lease receivables	9.2	7.7	4.4
Prepayments		37.1	30.0
Derivative financial instruments	6.2	58.3	8.0
Cash and cash equivalents	5.5	33.8	73.4
Assets held for sale	3.6	65.2	192.3
Total current assets		**520.6**	**567.7**
Total assets		**6,999.1**	**7,086.7**

In EUR millions	Note	31-Dec-22	31-Dec-21
EQUITY			
- Issued capital	5.1	62.9	62.9
- Share premium	5.1	194.4	194.4
- Treasury shares	5.1	- 12.9	- 15.7
- Other reserves	5.2	- 30.9	- 157.0
- Retained earnings	5.3	2,771.2	3,104.1
Equity attributable to owners of parent		**2,984.7**	**3,188.7**
Non-controlling interests	5.4	161.6	156.9
Total equity		**3,146.3**	**3,345.6**
LIABILITIES			
Interest-bearing loans	5.5	1,662.7	1,822.3
Lease liabilities	5.5	688.8	676.1
Derivative financial instruments	6.2	1.7	–
Pensions and other employee benefits	9.4	7.9	34.7
Deferred taxes	8.2	251.5	217.4
Provisions	9.5	26.6	16.8
Other non-current liabilities		50.8	13.4
Total non-current liabilities		**2,690.0**	**2,780.7**
Bank overdrafts and short-term borrowings	5.5	277.9	464.6
Interest-bearing loans	5.5	419.0	0.3
Lease liabilities	5.5	36.2	35.2
Derivative financial instruments	6.2	4.3	7.6
Trade and other payables	4.3	317.4	330.1
Taxes payable		51.4	47.9
Pensions and other employee benefits	9.4	0.2	0.2
Provisions	9.5	18.2	24.3
Liabilities related to assets held for sale	3.6	38.2	50.2
Total current liabilities		**1,162.8**	**960.4**
Total liabilities		**3,852.8**	**3,741.1**
Total equity and liabilities		**6,999.1**	**7,086.7**

Consolidated Statement of Changes in Equity

		Equity attributable to owners of parent							
In EUR millions	Note	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2020		**62.9**	**194.4**	**- 15.0**	**- 317.0**	**3,036.1**	**2,961.4**	**144.9**	**3,106.3**
Net profit / (loss)		–	–	–	–	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 / (loss)		**–**	**–**	**–**	**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**
Net profit / (loss)		–	–	–	–	- 168.4	- 168.4	30.6	- 137.8
Other comprehensive income, net of tax		–	–	–	125.4	–	125.4	7.2	132.6
Total comprehensive income / (loss)		**–**	**–**	**–**	**125.4**	**- 168.4**	**- 43.0**	**37.8**	**- 5.2**
Dividend paid in cash	5.3, 5.4	–	–	–	–	- 156.8	- 156.8	- 33.1	- 189.9
Measurement of equity-settled share-based payment arrangements	5.3, 7.2	–	–	–	–	3.3	3.3	–	3.3
Vested shares under equity-settled share-based payment arrangements	5.3, 7.2	–	–	2.8	–	- 5.3	- 2.5	–	- 2.5
Other		–	–	–	0.7	- 5.7	- 5.0	–	- 5.0
Total transactions with owners		**–**	**–**	**2.8**	**0.7**	**- 164.5**	**- 161.0**	**- 33.1**	**- 194.1**
Balance at 31 December 2022		**62.9**	**194.4**	**- 12.9**	**- 30.9**	**2,771.2**	**2,984.7**	**161.6**	**3,146.3**

Consolidated Statement of Cash Flows

In EUR millions	Note	2022	2021
Cash flows from operating activities (gross)	2.9	**872.1**	**741.2**
Interest received	5.6	9.0	5.8
Income tax paid		- 55.9	- 65.0
Cash flows from operating activities (net)		**825.2**	**682.0**
Investments:			
Intangible assets	3.2	- 17.9	- 25.4
Property, plant and equipment - growth capex	3.3	- 95.0	- 202.5
Property, plant and equipment - sustaining, service improvement and IT capex	3.3	- 273.2	- 290.5
Joint ventures and associates	3.5	- 34.7	- 53.0
Other equity investments	3.5	- 8.8	- 13.8
Loans granted	9.2	- 6.0	- 5.8
Other non-current assets		- 0.9	- 1.3
Acquisitions of joint ventures and associates	3.5	- 174.2	–
Total investments		**- 610.7**	**- 592.3**
Disposals and repayments:			
Intangible assets	3.2	–	- 0.1
Property, plant and equipment	3.3	2.2	3.5
Joint ventures and associates	3.5	4.6	1.2
Loans granted	9.2	6.3	2.6
Finance lease receivable	9.2	13.6	9.5
Assets held for sale/divestments	3.1	104.8	–
Total disposals and repayments		**131.5**	**16.7**
Cash flows from investing activities (excluding derivatives)		**- 479.2**	**- 575.6**
Settlement of derivatives (net investment hedges)		- 10.2	- 12.8
Cash flows from investing activities (including derivatives)		**- 489.4**	**- 588.4**

In EUR millions	Note	2022	2021
Financing:			
Repayment from interest-bearing loans	5.5	- 684.9	- 210.9
Proceeds from interest-bearing loans	5.5	871.9	177.1
Repayment lease liabilities	3.4	- 40.9	- 34.3
Interest expenses paid on lease liabilities	3.4	- 23.2	- 22.4
Finance expenses paid		- 105.9	- 76.5
Settlement of derivative financial instruments		4.6	3.6
Dividend paid in cash	5.3	- 156.8	- 150.5
Dividend paid to non-controlling interests	5.4	- 33.1	- 25.0
Purchase treasury shares	5.1	–	- 2.9
Proceeds and repayments in short-term financing	5.5	- 185.2	257.0
Cash flows from financing activities		**- 353.5**	**- 84.8**
Net cash flows		**- 17.7**	**8.8**
Exchange differences		1.4	3.1
Net change in cash and cash equivalents due to assets held for sale		- 21.8	- 0.1
Net change in cash and cash equivalents (including bank overdrafts)		**- 38.1**	**11.8**
Net cash and cash equivalents at 1 January (including bank overdrafts)		**70.8**	**59.0**
Net cash and cash equivalents at 31 December (including bank overdrafts)		**32.7**	**70.8**

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 nine 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 2022
- 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 2022 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 14 February 2023 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 2022

The applied accounting principles adopted in the preparation of the Consolidated financial statements are consistent with those described in Vopak's 2021 Annual Report.

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 ongoing COVID-19 pandemic and the Russia-Ukraine war, 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 macro-economic and geopolitical uncertainty on 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.

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, associates and investments, reference is made to note 9.11.

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	2022	2021	2022	2021
US dollar	1.07	1.13	1.05	1.18
Singapore dollar	1.43	1.53	1.45	1.59
Chinese yuan	7.42	7.22	7.08	7.63
Australian dollar	1.57	1.56	1.52	1.57
Brazilian real	5.63	6.31	5.44	6.38

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 term of 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 analysis (note 3.8)
- Derivative financial instruments (note 6.2)
- Deferred tax assets (note 8.2)
- Provisions (note 9.5).

Although both the COVID-19 pandemic and Russia-Ukraine war has a limited impact on the Vopak Group, a comprehensive overview of the impact 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 2022 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:

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 New Energy & 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		New Energy & LNG		Global functions and corporate activities		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues [1]	387.0	326.6	*228.8*	*184.7*	328.7	284.1	*252.6*	*217.7*	51.5	44.7	593.4	566.0	*431.7*	*421.1*	n.a.	n.a.	6.4	6.5	1,367.0	1,227.9
Other operating income	8.1	11.3	*7.9*	*8.6*	15.6	12.8	*2.2*	*1.3*	8.9	6.9	2.7	6.5	*2.1*	*3.0*	3.6	3.7	–	- 0.1	38.9	41.1
Operating expenses	- 183.0	- 159.9	*- 115.5*	*- 92.3*	- 111.7	- 100.0	*- 79.9*	*- 62.4*	- 28.2	- 22.1	- 321.6	- 276.8	*- 244.4*	*- 202.1*	- 14.3	- 11.1	- 54.6	- 58.2	- 713.4	- 628.1
Result joint ventures and associates	14.5	12.0	*4.4*	*1.5*	79.0	83.9	*0.7*	*0.5*	40.2	38.9	3.0	4.0	*1.1*	*1.0*	58.9	47.3	- 0.9	- 0.4	194.7	185.7
EBITDA	**226.6**	**190.0**	***125.6***	***102.5***	**311.6**	**280.8**	***175.6***	***157.1***	**72.4**	**68.4**	**277.5**	**299.7**	***190.5***	***223.0***	**48.2**	**39.9**	**- 49.1**	**- 52.2**	**887.2**	**826.6**
Depreciation and amortization	- 65.8	- 64.3	*- 39.9*	*- 34.9*	- 75.6	- 66.4	*- 56.0*	*- 48.4*	- 12.8	- 11.9	- 165.4	- 171.4	*- 113.7*	*- 120.5*	–	–	- 20.3	- 17.8	- 339.9	- 331.8
Total EBIT excluding exceptional items	**160.8**	**125.7**	***85.7***	***67.6***	**236.0**	**214.4**	***119.6***	***108.7***	**59.6**	**56.5**	**112.1**	**128.3**	***76.8***	***102.5***	**48.2**	**39.9**	**- 69.4**	**- 70.0**	**547.3**	**494.8**
Exceptional items	- 8.6	- 75.8			- 0.8	1.5			–	–	- 420.4	–			- 33.4	- 10.8	–	–	- 463.2	- 85.1
Total EBIT including exceptional items	**152.2**	**49.9**			**235.2**	**215.9**			**59.6**	**56.5**	**- 308.3**	**128.3**			**14.8**	**29.1**	**-69.4**	**-70.0**	**84.1**	**409.7**
Reconciliation consolidated net profit / (loss) [2]																				
Net finance costs																			- 120.7	- 106.5
Profit / (loss) before income tax																			**- 36.6**	**303.2**
Income tax																			- 101.2	- 60.0
Net profit / (loss)																			**- 137.8**	**243.2**
Non-controlling interests																			- 30.6	- 29.0
Net profit (loss) holders of ordinary shares																			**- 168.4**	**214.2**
Occupancy rate subsidiaries	**94%**	**90%**			**86%**	**87%**			**73%**	**75%**	**86%**	**87%**							**87%**	**87%**

1 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.
2 As the Group neither allocates interest expenses to segments, nor accounts for taxes in them, there is no segmented disclosure of the net profit / (loss).

Segmentation Statement of financial position

In EUR millions	Americas		of which United States		Asia & Middle East		of which Singapore		China & North Asia		Europe & Africa		of which Netherlands		New Energy & LNG		Global functions and corporate activities		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Assets of subsidiaries	1,133.1	1,176.1	624.0	582.9	1,257.5	1,250.8	888.8	860.9	208.6	233.3	2,133.2	2,500.2	1,400.2	1,751.2	2.7	0.5	386.2	342.5	5,121.3	5,503.4
Joint ventures and associates	325.6	292.3	239.3	203.6	728.8	486.5	1.3	1.1	367.0	343.4	19.1	20.0	1.7	1.5	437.1	440.2	0.2	0.9	1,877.8	1,583.3
Total assets	**1,458.7**	**1,468.4**	**863.3**	**786.5**	**1,986.3**	**1,737.3**	**890.1**	**862.0**	**575.6**	**576.7**	**2,152.3**	**2,520.2**	**1,401.9**	**1,752.7**	**439.8**	**440.7**	**386.4**	**343.4**	**6,999.1**	**7,086.7**
Total liabilities	**261.9**	**255.7**	**135.9**	**143.4**	**711.8**	**625.2**	**531.0**	**490.9**	**23.6**	**49.1**	**532.9**	**548.9**	**398.1**	**409.5**	**5.4**	**8.1**	**2,317.2**	**2,254.1**	**3,852.8**	**3,741.1**

Investments[1]

In EUR millions	Americas		of which United States		Asia & Middle East		of which Singapore		China & North Asia		Europe & Africa		of which Netherlands		New Energy & LNG		Global functions and corporate activities		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Intangible assets	1.3	3.0	0.8	2.1	0.1	0.6	0.2	0.5	–	0.3	3.7	3.8	1.5	3.0	–	–	12.8	17.7	17.9	25.4
Property, plant and equipment [2]	91.1	172.4	54.7	122.1	48.3	63.9	41.1	40.6	11.3	13.0	217.8	230.2	183.9	177.6	–	–	1.5	1.8	370.0	481.3
Joint ventures and associates	9.0	25.5	9.0	24.9	–	57.0	–	–	23.8	9.6	–	–	–	–	1.5	16.5	0.4	1.4	34.7	110.0
Other non-current assets	0.1	0.2	–	–	0.4	- 0.2	0.4	- 0.2	0.4	0.2	–	1.1	–	1.1	–	–	–	–	0.9	1.3
Total	**101.5**	**201.1**	**64.5**	**149.1**	**48.8**	**121.3**	**41.7**	**40.9**	**35.5**	**23.1**	**221.5**	**235.1**	**185.4**	**181.7**	**1.5**	**16.5**	**14.7**	**20.9**	**423.5**	**618.0**

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.

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	2022	2021
Gains on assets held for sale/divestments	2.4	25.0	–
Loss on assets held for sale/divestments	2.6	- 6.0	- 0.7
Impairment	3.8	- 448.8	- 71.0
Other operating expenses	2.6	- 1.0	–
Operating profit		**- 430.8**	**- 71.7**
Result joint ventures and associates	2.7	- 32.4	- 13.4
Group operating profit		**- 463.2**	**- 85.1**
Finance costs	5.6	–	–
Profit before income tax		**- 463.2**	**- 85.1**
Tax on above-mentioned items	8.1	0.4	–
Release deferred taxes due to change in tax rates	8.1	–	1.0
Total effect on net profit		**- 462.8**	**- 84.1**

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.

	2022			2021
In EUR millions	IFRS figures	Exceptional items	Excluding exceptional items	Excluding exceptional items
Revenues	1,367.0	–	1,367.0	1,227.9
Other operating income	63.9	25.0	38.9	41.1
Total operating income	**1,430.9**	**25.0**	**1,405.9**	**1,269.0**
Personnel expenses	- 364.9	–	- 364.9	- 342.7
Impairment	- 448.8	- 448.8	–	–
Other operating expenses	- 355.5	- 7.0	- 348.5	- 285.4
Result joint ventures and associates	162.3	- 32.4	194.7	185.7
Group operating profit / (loss) before depreciation and amortization (EBITDA)	**424.0**	**- 463.2**	**887.2**	**826.6**
Depreciation and amortization	- 339.9	–	- 339.9	- 331.8
Group operating profit / (loss) (EBIT)	**84.1**	**- 463.2**	**547.3**	**494.8**
Interest income	7.3	–	7.3	5.6
Finance costs	- 128.0	–	- 128.0	- 112.1
Net finance costs	**- 120.7**	**–**	**- 120.7**	**- 106.5**
Profit / (loss) before income tax	**- 36.6**	**- 463.2**	**426.6**	**388.3**
Income tax	- 101.2	0.4	- 101.6	- 61.0
Net profit / (loss)	**- 137.8**	**- 462.8**	**325.0**	**327.3**
Attributable to:				
Holders of ordinary shares	- 168.4	- 462.8	294.4	298.3
Non-controlling interests	30.6	–	30.6	29.0
Net profit / (loss)	**- 137.8**	**- 462.8**	**325.0**	**327.3**
Basic earnings per ordinary share (in EUR)	**- 1.34**		**2.35**	**2.38**
Diluted earnings per ordinary share (in EUR)	**- 1.34**		**2.34**	**2.37**

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 provided to customers via Vopak Agencies up till the divestment of the Vopak Agencies business in December 2022.

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	2022	2021
Storage services	1,089.0	986.5
Product movements	104.0	101.8
Storage and handling related services	127.2	93.7
Other services	46.8	45.9
Revenues	**1,367.0**	**1,227.9**

The table below provides an overview of the revenues per product type per reportable segment (product-market combinations).

In EUR millions	Americas 2022	Americas 2021	Asia & Middle East 2022	Asia & Middle East 2021	China & North Asia 2022	China & North Asia 2021	Europe & Africa 2022	Europe & Africa 2021	Other 2022	Other 2021	Total 2022	Total 2021
Chemical products	190.1	144.0	147.6	115.3	50.8	43.7	215.8	192.0	–	–	604.3	495.0
Oil products	139.3	136.5	167.9	148.5	0.4	1.0	249.7	259.4	–	–	557.3	545.4
Vegoils and biofuels	48.0	38.0	1.1	2.0	0.3	–	71.2	61.8	–	–	120.6	101.8
Gas products	–	–	3.0	5.6	–	–	38.8	35.8	–	–	41.8	41.4
Others	9.6	8.1	9.1	12.8	–	–	17.9	17.0	6.4	6.4	43.0	44.3
Revenues	**387.0**	**326.6**	**328.7**	**284.2**	**51.5**	**44.7**	**593.4**	**566.0**	**6.4**	**6.4**	**1,367.0**	**1,227.9**

1 New Energy & LNG division only consists of four joint ventures, therefor no revenue.

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.

In EUR millions	2022 Trade receivables	2022 Provision for impairment	2022 Deferred revenues	2022 Total	2021 Trade receivables	2021 Provision for impairment	2021 Deferred revenues	2021 Total
Balance at 1 January	**111.2**	**- 5.0**	**- 32.0**	**74.2**	**103.9**	**- 2.4**	**- 18.6**	**82.9**
Recognized as revenue in current period	1,335.0	–	32.0	1,367.0	1,209.3	–	18.6	1,227.9
Payments	- 1,320.2	–	- 24.0	- 1,344.2	- 1,206.1	–	- 32.0	- 1,238.1
Impairments	–	- 0.5	–	- 0.5	–	- 4.5	–	- 4.5
Reversal of impairments	–	4.8	–	4.8	–	1.8	–	1.8
Exchange differences	3.2	- 0.3	–	2.9	4.1	0.1	–	4.2
Balance at 31 December	**129.2**	**- 1.0**	**- 24.0**	**104.2**	**111.2**	**- 5.0**	**- 32.0**	**74.2**

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	2022	2021
Management fee joint ventures and associates	16.7	13.9
Gains on sale of property, plant and equipment	0.3	1.3
Gains on divestments	25.0	–
Dividends received from other financial assets	3.0	0.5
Other	18.9	25.4
Total	**63.9**	**41.1**

2022

Divestment Canadian terminals

In May 2022, Vopak completed the earlier announced divestment of Vopak's 100% shareholding in Vopak Terminals of Canada Inc. and Vopak Terminals of Eastern Canada Inc. The total agreed transaction value including deferred consideration amounted to EUR 129 million. The sale generated net cash proceeds of EUR 64.7 million in 2022. In May 2023, the remaining consideration of EUR 62 million is expected to be received. The recognized exceptional gain reported was EUR 8.5 million.

Divestment Vopak Agencies

In December 2022, Vopak completed the divestment of Vopak's 100% shareholding in Vopak Agencies B.V. and 50% of its shareholding in Diize B.V. The net cash proceeds of EUR 16.4 million were received upon execution of divestment transaction. The recognized exceptional gain was EUR 11.3 million.

Partial dilution in Thai Tank Terminal

In December 2022, an exceptional gain of EUR 5.2 million was recorded related to the dilution of Vopak's 14% equity stake in Thai Tank Terminal Ltd. located in Thailand. After the dilution, Vopak holds an equity stake of 35% which continues to be classified as a joint venture.

There were no other individually material items recognized in Other operating income in 2022.

2021

There were no individually material items recognized in Other operating income in 2021.

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	2022	2021
Wages and salaries		308.5	300.1
Social security charges		39.4	36.4
Contribution to pension schemes (defined contribution)		35.5	31.8
Pension charges (defined benefit plans)	9.4	7.6	7.4
Long-term incentive plans	7.2	4.0	8.5
Early retirement		6.2	4.7
Other personnel expenses		23.0	20.5
Capitalized personnel expenses		- 59.3	- 66.7
Total		**364.9**	**342.7**

There were no individually material items recognized in Personnel expenses in 2021 nor in 2022. For the impact of the change in board composition, reference is made to the Remuneration report.

Average number of employees (in FTEs)

During the year under review, the Group employed on average 4,061 employees and temporary staff (in FTEs) (2021: 4,250). The movements in the number of own employees at subsidiaries (in FTEs) were as follows:

In FTEs	2022	2021
Number at 1 January	**3,730**	**3,713**
Joiners	572	475
Leavers	- 554	- 458
Divestment/deconsolidation	- 276	–
Number at 31 December	**3,472**	**3,730**

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	2022	2021
Maintenance	54.8	54.1
Energy and utilities	86.9	49.2
Environmental, safety and cleaning	49.2	37.9
Advisory fees	22.2	23.8
Insurance	19.3	14.2
Rents and rates	25.4	22.2
Third party logistics	10.5	12.2
IT	29.0	33.8
Lease expenses - variable expenses, short and low value leases	4.0	5.7
Other	54.2	33.0
Total	**355.5**	**286.1**

2022

Divestment CRL terminal in India

In May 2022, as a result of the loss of control of Vopak's CRL terminal in Kandla, India, an exceptional divestment loss of EUR 6.0 million was recorded in the line item Other. The purchase consideration including deferred and contingent components amounted to approximately EUR 39.3 million, with net cash proceeds in the first half of 2022 of EUR 23.9 million. The deferred and contingent components are expected to be received in 2025.

Business development expenses

Business development expenses for an amount of EUR 1.0 million related to an opportunity which was assessed as unlikely to be realized and have been recorded as an Other exceptional expense.

There were no other individually material items recognized in Other operating expenses in 2022.

2021

Divestment Jubail Chemicals Storage and Services Company

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.

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	2022	2021
Result of joint ventures and associates	3.5	194.7	215.8
Impairments joint ventures and associates	3.5, 3.8	- 36.2	- 43.5
Reversal of impairments joint ventures and associates	3.5, 3.8	3.8	–
Total		**162.3**	**172.3**

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.

2022

Exceptional gains/losses, were reported in Result of joint ventures and associates as follows:

Impairment SPEC LNG terminal

In the second quarter an impairment was recognized for the SPEC LNG terminal in Colombia for an amount of EUR 36.2 million. Mainly due to unusual weather conditions in recent years which have brought a significant amount of rain in Colombia, hydropower has been available as the main source of power, which resulted in a reduced utilization of the FSRU. In addition, the tight FSRU market associated with the Russia-Ukraine war is leading to the opportunity to reduce FSRU costs becoming remote. As a result of the above there is a decrease in dividend expectations

Divestment German LNG

As a result of Vopak's divestment of its 33.3% shareholding in the German LNG Terminal GmbH, in the first half of 2022 an impairment reversal of EUR 3.8 million was recorded. This reversal partially offsets the impairment of EUR 10.8 million recognized in the third quarter of 2021. The proceeds received amounted to EUR 3.8 million.

2021

Exceptional gains/losses, were reported in Result of joint ventures and associates as follows:

Partial release tax provision

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.

Business development costs VMH

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.

For impairments recorded for our joint ventures and associates, reference is made to note 3.8 for further details.

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 2022, excluding exceptional items):

- Revenues would differ by EUR 30.9 million (2021: EUR 22.2 million)
- Group operating profit before depreciation and amortization (EBITDA) would differ by EUR 24.0 million (2021: EUR 20.6 million)
- Group operating profit (EBIT) would differ by EUR 18.2 million (2021: EUR 16.1 million)
- Net profit would differ by EUR 13.7 million (2021: EUR 13.4 million).

A 10 dollar cent change in the EUR/SGD exchange rate approximately affects Vopak's figures as follows (based on figures for 2022 excluding exceptional items):

- Revenues would differ by EUR 17.5 million (2021: EUR 13.8 million)
- Group operating profit before depreciation and amortization (EBITDA) would differ by EUR 12.7 million (2021: EUR 10.9 million)
- Group operating profit (EBIT) would differ by EUR 8.8 million (2021: EUR 7.8 million)
- Net profit would differ by EUR 4.8 million (2021: EUR 4.5 million).

Note 2.9 Cash flows from operating activities (gross)

In EUR millions	Note	2022	2021
Net profit		**- 137.8**	**243.2**
Adjustments for:			
- Depreciation and amortization	3.7	339.9	331.8
- Impairment	3.8	448.8	71.0
- Net finance costs	5.6	120.7	106.5
- Income tax	8.1	101.2	60.0
- Movements in other non-current assets		- 8.1	- 6.3
- Movements in other long-term liabilities		0.3	- 1.8
- Movements in provisions excluding deferred taxes		3.8	- 0.4
- Result joint ventures and associates	2.7	- 162.3	- 172.3
- Measurement of equity-settled share-based payment arrangements	5.3	1.4	6.1
- Result on sale of assets held for sale including transaction expenses	3.1	- 19.0	0.7
Total adjustments		**826.7**	**395.3**
Realized value adjustments of derivative financial instruments		- 25.8	- 45.0
Movements in other current assets (excluding cash and cash equivalents)		- 17.5	43.8
Movements in other current liabilities (excluding bank overdrafts and dividends)		16.9	- 17.8
Dividends received from joint ventures and associates	3.5	207.7	133.3
Effect of changes in exchange rates on other current assets and liabilities		1.9	- 11.6
Cash flows from operating activities (gross)		**872.1**	**741.2**
Realized value adjustments of derivative financial instruments		25.8	45.0
Cash flows from operating activities (gross excluding derivatives)		**897.9**	**786.2**

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 - owned assets
- 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 and note 2.6.

In EUR millions	2022	2021
Share dilution JCSSC	–	- 0.7
Sale of subsidiaries Canadian terminals	8.5	–
Sale of subsidiary CRL terminal	- 6.0	–
Sale of subsidiaries Agencies	11.3	–
Share dilution Thai Tank Terminal	5.2	–
Total	**19.0**	**- 0.7**

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.

Acquisition of subsidiaries

2021 and 2022

There were no acquisitions of subsidiaries in 2021 and 2022.

Divestment of subsidiaries

2022

Divestment Canadian terminals

In May 2022, Vopak completed the earlier announced divestment of its 100% shareholding in Vopak Terminals of Canada Inc. and Vopak Terminals of Eastern Canada Inc. The total agreed transaction value including deferred consideration amounted to EUR 129 million. The sale generated net cash proceeds of EUR 64.7 million in 2022. In May 2023, the remaining consideration of EUR 62 million will be received. The recognized exceptional gain was EUR 8.5 million.

Divestment CRL terminal in India

In May 2022, as a result of the loss of control of Vopak's CRL terminal in Kandla, India, an exceptional divestment loss of EUR 6.0 million was recorded. The purchase consideration including deferred and contingent components amounted to approximately EUR 39.3 million, with net cash proceeds in the first half of 2022 of EUR 23.6 million. The deferred and contingent components are expected to be received in 2025.

Divestment Vopak Agencies business

In December 2022, Vopak completed 100% divestment of Vopak's shareholding in Agencies B.V. and 50% of its shareholding in Diize B.V. The purchase consideration amounted to EUR 16.4 million was received upon execution of divestment transaction. The recognized exceptional gain was EUR 11.3 million.

2021

There were no divestments of subsidiaries in 2021.

Note 3.2 Intangible assets

Accounting policies

Intangible assets include goodwill, internally developed software, contractual relationships, concessions and favorable leases ensuing from business combinations.

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 in-house contractors configure or customize the application software, costs are recognized as an expense when incurred.
- In limited circumstances, certain configuration and customization 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.

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		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		**38.5**	**44.9**	**30.7**	**33.5**	**147.6**
Movements:						
Addition		–	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**
Movements:						
Addition		–	0.5	–	17.4	17.9
Reclassification to held for sale/ divestments	3.6	–	- 0.3	–	–	- 0.3
Reclassification		–	23.4	–	- 24.2	- 0.8
Amortization	3.7	–	- 20.2	- 0.5	–	- 20.7
Impairment	3.8	–	- 0.2	–	–	- 0.2
Exchange differences		0.3	1.1	0.9	0.5	2.8
Carrying amount at 31 December 2022		**6.5**	**66.2**	**15.4**	**21.6**	**109.7**
Purchase price of operating assets		6.5	199.6	50.5	21.6	278.2
Accumulated amortization and impairment		–	- 133.4	- 35.1	–	- 168.5
Carrying amount at 31 December 2022		**6.5**	**66.2**	**15.4**	**21.6**	**109.7**

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 2022 and 2021, reference is made to note 3.8.

2022

The divestment transactions for our Canadian and CRL terminal in India were finalized and upon loss of control, the goodwill amounts presented as held for sale were derecognized.

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		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**
Movements:							
Additions		–	1.8	9.4	1.9	356.9	370.0
Disposals		–	0.1	- 1.7	- 0.2	- 0.4	- 2.2
Reclassification to assets held for sale/divestments	3.6	–	- 0.1	0.5	- 0.6	- 26.9	- 27.1
Reclassification		–	7.5	311.4	6.8	- 324.9	0.8
Depreciation	3.7	–	- 14.3	- 252.0	- 11.0	–	- 277.3
Impairment	3.8	–	- 22.4	- 425.0	- 1.2	–	- 448.6
Exchange differences		1.8	3.0	81.6	2.0	7.7	96.1
Carrying amount at 31 December 2022		**25.6**	**147.5**	**2,946.1**	**57.5**	**369.9**	**3,546.6**
Purchase price of operating assets		25.6	363.6	6,768.2	164.5	369.9	7,691.8
Accumulated depreciation and impairment		–	- 216.1	- 3,822.1	- 107.0	–	- 4,145.2
Carrying amount at 31 December 2022		**25.6**	**147.5**	**2,946.1**	**57.5**	**369.9**	**3,546.6**

For an overview of 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.

In EUR millions	Note	Land	Buildings	Tank storage terminals	Machinery and equipment	Total	Lease liabilities
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	–
Opening balance 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	5.6	–	–	–	–	–	- 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**
Movements:							
Additions		39.0	1.0	–	8.3	48.3	- 48.3
Depreciation	3.7	- 32.5	- 4.1	- 0.6	- 4.7	- 41.9	–
Remeasurement		25.7	2.8	0.5	0.1	29.1	- 29.1
Unwinding interest	5.6	–	–	–	–	–	- 23.2
Payments		–	–	–	–	–	64.1
Divestments/reclassification to assets held for sale	3.6	- 38.2	- 1.5	–	- 0.1	- 39.8	39.3
Exchange rate differences		12.5	0.2	–	–	12.7	- 16.5
Carrying amount at 31 December 2022		**597.6**	**33.4**	**3.9**	**13.7**	**648.6**	**- 725.0**
Purchase price of operating assets		709.7	42.7	5.9	24.0	782.3	–
Accumulated depreciation and impairment		- 112.1	- 9.3	- 2.0	- 10.3	- 133.7	–
Carrying amount at 31 December 2022		**597.6**	**33.4**	**3.9**	**13.7**	**648.6**	**- 725.0**

The weighted average incremental borrowing rate applied to the lease liabilities (excluding divested) recognized at the end of 2022 was 3.2% (2021: 3.1%). The remaining weighted average lease term was 24.6 years at 31 December 2022 (2021: 25.0 years).

The total cash outflows for leases for the year presented, including short-term and low-value leases, amounted to EUR 68.1 million (2021: EUR 62.4 million).

Amounts recognized in the income statement

Set out below are the amounts recognized in the income statement during the period.

In EUR millions	2022	2021
Low-value assets lease expenses	1.2	1.0
Short-term leases expenses	1.8	3.6
Variable lease expenses	1.0	1.1
Depreciation right-of-use assets	41.9	39.9
Interest expenses on lease liabilities	23.2	22.4
Total	**69.1**	**68.0**

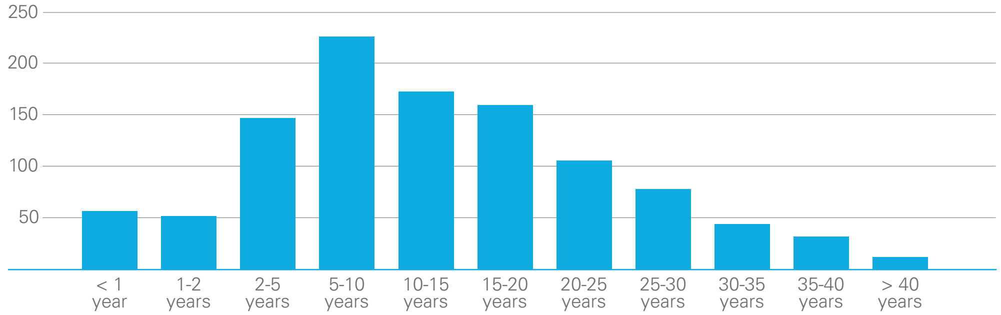
Maturity profile of lease contract portfolio

The table below analyses 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 - 2 years	2-5 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	56.8	51.6	147	226.5	173	159.9	105.7	78.3	43.9	31.7	11.7	1086.1

Nominal contractual lease obligation

In EUR millions



As per 31 December 2022, 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 2022 consisted of 27 (2021: 26) unlisted joint ventures and 10 (2021: 9) 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), New Energy & 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 several 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., a 51% majority ownership in Vopak (Qinzhou) Jetty Co., Ltd. and in Guangxi Hualin Jetty Co., Ltd. each, 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 and in India 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 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		2022	2021	2022	2021	2022	2021
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**
Share in profit or loss	2.7	139.2	156.6	55.5	59.2	194.7	215.8
Impairments	2.7, 3.8	–	- 43.5	- 36.2	–	- 36.2	- 43.5
Reversal of impairments	2.7, 3.8	3.8	–	–	–	3.8	–
Net profit		**143.0**	**113.1**	**19.3**	**59.2**	**162.3**	**172.3**
Other comprehensive income	5.2	46.6	9.7	22.0	10.5	68.6	20.2
Comprehensive income		**189.6**	**122.8**	**41.3**	**69.7**	**230.9**	**192.5**
Dividends received	2.9	- 162.5	- 91.9	- 61.3	- 42.7	- 223.8	- 134.6
Investments		34.7	104.3	–	5.7	34.7	110.0
Acquisitions		186.1	–	40.2	–	226.3	–
Redemption share capital		–	–	- 5.0	–	- 5.0	–
Transfers due to change in ownership		1.3	–	–	- 7.7	1.3	- 7.7
Other		0.1	- 0.4	–	0.1	0.1	- 0.3
Exchange differences		21.7	69.1	8.3	34.9	30.0	104.0
Carrying amount at 31 December		**1,436.5**	**1,165.5**	**441.3**	**417.8**	**1,877.8**	**1,583.3**
Vopak's share in net assets		1,273.1	1,098.2	424.3	406.9	1,697.4	1,505.1
Goodwill on acquisition		163.4	67.3	17.0	10.9	180.4	78.2
Carrying amount at 31 December		**1,436.5**	**1,165.5**	**441.3**	**417.8**	**1,877.8**	**1,583.3**

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

2022

Aegis Vopak Terminals Ltd. and Hindustan Aegis LPG Ltd. - acquisition

On 25 May 2022, Vopak acquired a 49% shareholding in the Aegis Vopak Terminals Ltd. entity and a 24% shareholding in the Hindustan Aegis LPG Ltd. entity. The successful completion of the Indian joint venture with Aegis, positions Vopak as the largest storage provider for LPG and chemicals in India. The acquisition date fair value of the consideration transferred amounts to EUR 226.3 million, of which EUR 174.2 million was paid in cash and EUR 52.1 million is contingent upon the occurrence of certain future events.

The conditional payments depend on meeting (mechanical) completion for certain projects (EUR 32.6 million) and exceeding certain revenue targets in the period up till 30 September 2025 (EUR 19.5 million). The cash outflows for these payments are currently expected in the period 2023-2025 and have been measured based on their discounted value (8%). The Group is still working on the notional purchase price allocation for this joint venture and associate, and expects to finalize this within twelve months after acquisition date. In connection with these acquisitions, transaction-related expenses were incurred for EUR 1.2 million.

Diize - from subsidiary to joint venture

In December 2022, following the partial divestment of 50% of the shareholding in Diize B.V. Vopak derecognized the assets and liabilities of Diize B.V. and recognized the retained 50% shareholding at EUR 0.1 million. After the partial divestment, Vopak holds a 50% equity stake which classifies as a joint venture.

German LNG Terminal - divestment

As a result of Vopak's divestment of its 33.3% shareholding in the German LNG Terminal GmbH, an impairment reversal of EUR 3.8 million was recorded as an exceptional gain. This reversal partially offsets the impairment of EUR 10.8 million recognized in the third quarter of 2021. Contingent proceeds dependent on the final investment decision (FID) of the project amounted to EUR 8.9 million. As at the reporting date respective conditions were not yet met.

Thai Tank Terminal - partial divestment

In December 2022, an exceptional gain of EUR 5.2 million was recorded related to the dilution of 14% equity stake in Thai Tank Terminal Ltd. located in Thailand. After the dilution Vopak holds an equity stake of 35% which continues to be classified as a joint venture.

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 the divestment Vopak holds a 22% equity stake in the associate.

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

In EUR millions	Americas		Asia & Middle East		China & North Asia		Europe & Africa		New Energy & LNG		Other		Total joint ventures and associates		of which joint ventures		of which associates	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues	197.3	155.6	741.5	606.4	221.3	213.8	49.6	52.0	316.1	303.2	1.0	–	1,526.8	1,331.0	*895.8*	*810.1*	*631.0*	*520.9*
Other income	40.0	39.1	5.6	10.7	18.7	12.0	1.1	- 0.2	111.5	155.3	–	–	176.9	216.9	*56.4*	*109.9*	*120.5*	*107.0*
Operating expenses	- 147.9	- 123.3	- 217.5	- 133.8	- 73.4	- 58.3	- 19.3	- 18.5	- 109.9	- 99.9	- 2.9	- 0.9	- 570.9	- 434.7	*- 312.5*	*- 276.8*	*- 258.4*	*- 157.9*
EBITDA	**89.4**	**71.4**	**529.6**	**483.3**	**166.6**	**167.5**	**31.4**	**33.3**	**317.7**	**358.6**	**- 1.9**	**- 0.9**	**1,132.8**	**1,113.2**	***639.7***	***643.2***	***493.1***	***470.0***
Depreciation and amortization	- 28.8	- 20.4	- 195.3	- 158.7	- 41.2	- 49.4	- 13.2	- 13.2	- 80.5	- 91.4	–	–	- 359.0	- 333.1	*- 189.1*	*- 187.1*	*- 169.9*	*- 146.0*
Impairment	–	- 9.7	–	- 2.1	–	- 0.5	–	–	- 80.9	- 29.0	–	–	- 80.9	- 41.3	*11.6*	*- 41.2*	*- 92.5*	*- 0.1*
Operating profit (EBIT)	**60.6**	**41.3**	**334.3**	**322.5**	**125.4**	**117.6**	**18.2**	**20.1**	**156.3**	**238.2**	**- 1.9**	**- 0.9**	**692.9**	**738.8**	***462.2***	***414.9***	***230.7***	***323.9***
Net finance costs	- 17.1	- 12.9	- 78.7	- 47.6	- 10.2	- 9.1	- 4.9	- 5.6	- 70.2	- 65.5	–	–	- 181.1	- 140.7	*- 78.4*	*- 52.3*	*- 102.7*	*- 88.4*
Income tax	- 0.1	- 0.2	- 10.1	- 20.8	- 25.3	- 16.6	- 2.4	- 2.7	- 34.9	- 62.1	–	–	- 72.8	- 102.4	*- 72.0*	*- 78.5*	*- 0.8*	*- 23.9*
Net profit	**43.4**	**28.2**	**245.5**	**254.1**	**89.9**	**91.9**	**10.9**	**11.8**	**51.2**	**110.6**	**- 1.9**	**- 0.9**	**439.0**	**495.7**	***311.8***	***284.1***	***127.2***	***211.6***
Other comprehensive income	42.8	- 7.4	87.1	44.2	–	–	–	–	46.5	22.9	–	–	176.4	59.7	*93.5*	*19.9*	*82.9*	*39.8*
Total comprehensive income	**86.2**	**20.8**	**332.6**	**298.3**	**89.9**	**91.9**	**10.9**	**11.8**	**97.7**	**133.5**	**- 1.9**	**- 0.9**	**615.4**	**555.4**	***405.3***	***304.0***	***210.1***	***251.4***
Vopak's share of net profit	14.5	7.2	79.0	86.1	40.2	38.9	3.0	4.0	26.5	36.5	- 0.9	- 0.4	162.3	172.3	*143.0*	*113.1*	*19.3*	*59.2*
Vopak's share of other comprehensive income	21.4	- 3.7	24.0	12.5	–	–	–	–	23.2	11.4	–	–	68.6	20.2	*46.6*	*9.7*	*22.0*	*10.5*
Vopak's share of total comprehensive income	**35.9**	**3.5**	**103.0**	**98.6**	**40.2**	**38.9**	**3.0**	**4.0**	**49.7**	**47.9**	**- 0.9**	**- 0.4**	**230.9**	**192.5**	***189.6***	***122.8***	***41.3***	***69.7***

2022

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. Following another incident in 2022, the refinery is only expected to resume first half of 2023. The refinery closure weakened its liquidity position which may impact PT2SB's financial performance in 2023. As at 31 December 2022, PT2SB, classified as an associate, has reported net accounts receivable balances for contractually delivered services of around EUR 173 million (31 December 2021: EUR 88 million) (on a 100% basis). Mitigating the situation is a priority for PT2SB and its shareholders.

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.

For more information on the impairments recognized on the investments in joint ventures and associates, reference is made to note 3.8.

Summarized statement of financial position at 31 December

In EUR millions	Americas		Asia & Middle East		China & North Asia		Europe & Africa		New Energy & LNG		Other		Total joint ventures and associates		of which joint ventures		of which associates	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Non-current assets	1,205.0	1,130.6	3,555.8	2,771.0	1,101.9	1,000.8	205.4	209.9	1,858.2	1,984.8	0.5	0.2	7,926.8	7,097.3	*4,683.2*	*3,977.2*	*3,243.6*	*3,120.1*
Cash and cash equivalents	17.2	18.6	388.0	319.2	191.9	146.2	10.7	10.6	163.4	139.4	0.5	1.0	771.7	635.0	*366.7*	*308.4*	*405.0*	*326.6*
Other current assets	57.9	50.2	194.9	222.8	48.9	51.1	10.0	17.3	85.2	104.1	0.6	0.9	397.5	446.4	*194.1*	*169.1*	*203.4*	*277.3*
Total assets	**1280.1**	**1,199.4**	**4,138.7**	**3,313.0**	**1,342.7**	**1,198.1**	**226.1**	**237.8**	**2,106.8**	**2,228.3**	**1.6**	**2.1**	**9,096.0**	**8,178.7**	***5,244.0***	***4,454.7***	***3,852.0***	***3,724.0***
Financial non-current liabilities	386.7	363.1	1,539.4	1,476.0	322.2	319.2	136.0	149.6	922.3	989.3	–	–	3,306.6	3,297.2	*1,583.1*	*1,470.7*	*1,723.5*	*1,826.5*
Other non-current liabilities	2.3	9.1	108.5	154.2	28.6	25.5	12.7	13.8	183.0	250.8	–	–	335.1	453.4	*136.7*	*205.4*	*198.4*	*248.0*
Financial current liabilities	14.2	16.6	484.4	164.4	31.8	12.9	15.6	17.6	138.6	125.6	–	–	684.6	337.1	*461.3*	*150.0*	*223.3*	*187.1*
Other current liabilities	46.5	47.8	213.4	170.6	139.1	92.9	20.5	13.9	75.7	62.6	1.0	0.2	496.2	388.0	*277.7*	*234.2*	*218.5*	*153.8*
Total liabilities	**449.7**	**436.6**	**2,345.7**	**1,965.2**	**521.7**	**450.5**	**184.8**	**194.9**	**1,319.6**	**1,428.3**	**1.0**	**0.2**	**4,822.5**	**4,475.7**	***2,458.8***	***2,060.3***	***2,363.7***	***2,415.4***
Net assets	**830.4**	**762.8**	**1,793.0**	**1,347.8**	**821.0**	**747.6**	**41.3**	**42.9**	**787.2**	**800.0**	**0.6**	**1.9**	**4,273.5**	**3,703.0**	***2,785.2***	***2,394.4***	***1,488.3***	***1,308.6***
Vopak's share of net assets	289.0	257.9	623.4	481.1	360.3	336.5	19.1	20.0	405.4	408.7	0.2	0.9	1,697.4	1,505.1	*1,273.1*	*1,098.2*	*424.3*	*406.9*
Goodwill on acquisition	36.6	34.4	105.4	5.5	6.7	6.9	–	–	31.7	31.4	–	–	180.4	78.2	*163.4*	*67.3*	*17.0*	*10.9*
Vopak's carrying amount of net assets	**325.6**	**292.3**	**728.8**	**486.6**	**367.0**	**343.4**	**19.1**	**20.0**	**437.1**	**440.1**	**0.2**	**0.9**	**1,877.8**	**1,583.3**	***1,436.5***	***1,165.5***	***441.3***	***417.8***

2022

After completion of the purchase price allocation for the Aegis Vopak Terminals Ltd. classified as a joint venture and Hindustan Aegis LPG Ltd. classified as an associate, the respective provisionally determined goodwill balances amount to EUR 93.5 million and EUR 6.1 million.

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.

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-22	31-Dec-21
Property, plant and equipment	65.2	145.7
Other non-current assets	–	38.7
Current assets	–	7.9
Total assets held for sale	**65.2**	**192.3**
Provisions	–	11.1
Other non-current liabilities	38.2	32.4
Current liabilities	–	6.7
Total liabilities related to assets held for sale	**38.2**	**50.2**
Net assets held for sale of disposal groups	**27.0**	**142.1**

For the divestments realized during the years presented, reference is made to note 3.1. and note 3.5.

2022

Vopak Pacific Canada Project

Vopak Development Canada Inc. continues to advance development of the Vopak Pacific Canada Project as a result of third party commercial negotiations, recent regulatory approvals obtained and execution of a land lease. As of 31 December 2022, Vopak Development Canada Inc. has certain capitalized development costs and right-of-use asset and related lease liability for a land lease. These carrying amounts have been classified as held for sale. Subject to a variety of factors, a sale transaction is expected to be closed in 2023. These assets are part of the Americas operating segment.

2021

Aegis Vopak Terminals Ltd.

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.

Canadian terminals

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 closed in the first half-year of 2022.

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

Useful life and residual value of property, plant and equipment

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. Climate change, including associated legislation, may affect how, or for how long, items of property, plant and equipment may be used. However most climate-related physical risks are expected to manifest over a term that is generally longer than the maturity of most of the outstanding exposures. 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 accordingly. Such an adjustment is 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	2022	2021
Amortization intangible assets	3.2	20.7	17.6
Depreciation owned assets	3.3	277.3	274.3
Depreciation right-of-use assets	3.4	41.9	39.9
Total		**339.9**	**331.8**

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 individual 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.

Key accounting estimates and judgments

Impairment analysis

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 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 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% (2021: 6.5%).

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.

For value in use of oil assets, the assessment is impacted by the energy transition. In 2022, the cash flow forecast period of such assets is extended from a 15-year period (which continues to be used for non-oil terminals) to include the period in which the energy transition is expected to take place. 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 (decreasing) growth rates based on most recent IEA energy transition scenarios in a range of -3% and -4% and the estimated terminal value together with the applied discount rates. As there is significant uncertainty on how the energy transition will impact our estimates these remain subject to constant review and monitoring.

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	2022	2021
Intangible assets	3.2	0.2	15.9
Property, plant and equipment - owned assets	3.3	448.6	55.1
Impairment		**448.8**	**71.0**
Joint ventures and associates	3.5	36.2	–
Reversal impairment joint ventures and associates	3.5	- 3.8	–
Total		**481.2**	**71.0**

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	2022	2021
China & North Asia	4.7	4.4
Europe & Africa	1.8	1.8
Carrying amount at 31 December	**6.5**	**6.2**

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 2022 and 2021.

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 1.95% to 2.25% depending on the operating segment (2021: 1.5% to 2.5%). The pre-tax discount rate used depends on the (average) risk profile of the cash-generating unit and was 11.1% (2021: 10.7%) for China & North Asia. The operating profit included in the calculations is based on the approved budget for 2023 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

2022

No material impairments were recognized in other intangible assets in 2022 relating to individual projects and/or assets.

2021

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.

Property, plant and equipment

The discount rates used in calculating assets' value in use are reassessed annually. The pre-tax discount rates used for the value in use assessment of impaired cash-generating units ranged from 6.5% to 12.1% (2021: 9% to 9.2%) reflecting the current market assessments for the relevant geographical locations. Vopak's share of the recoverable amount of the impaired cash-generating units in total is EUR 858 million (2021: EUR 210 million).

Cancelled projects

2022

Business development project Belgium (impairment)

A business development project for the Belgium terminal Eurotank has been impaired in the first half of 2022 following Vopak's decision to discontinue the project. The impairment for this project amounted to EUR 1.7 million or EUR 1.3 million net of income taxes.

2021

There were no material impairments related to cancelled projects in 2021.

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 considered 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.

For impaired cash-generated units recoverable amount resulted from the value-in-use calculation exceeded the estimated fair value less cost of disposal.

2022

Europoort terminals in the Netherlands (impairment)

In the first half year of 2022, for the cash-generating unit Europoort, an impairment of EUR 240 million was recognized. By accelerating into new energies and repurposing some of its assets, the terminal will reduce its capacity by 2030 and will use the available land for new energy investments. Over time, this will reduce Vopak's exposure in oil assets in line with our ambition to increase the relative exposure of industrials, gas and new energies. Transition in the energy markets is expected to impact the long-term revenue prospects of Europoort, in addition to current dynamics related to inflation pressure, utility prices, labor and material costs. The combined impact of these items, caused the CGU's carrying amount to exceed its recoverable amount leading to an impairment.

Botlek terminals in the Netherlands (impairment)

In the first half year of 2022, an impairment of EUR 190 million was recorded for the cash-generating unit Botlek. The Botlek CGU is performing below Vopak's minimum return levels which is driven by lower revenue projections in addition to challenging conditions related to among others inflation pressure, utility prices and labor costs.

Vopak Colombia terminals in Colombia (impairment)

In the fourth quarter of 2022, an impairment of EUR 17.1 million was recorded for the cash-generating unit. The decrease in recoverable value is primarily related to the business environment in which the terminals currently operate and forecasted competition.

2021

Vopak Bahia las Minas terminal in 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.

Joint ventures and associates

2022

German LNG Terminal in Germany (partial impairment reversal)

In the first half year of 2022, as a result of Vopak's divestment of its 33.3% shareholding in the German LNG Terminal GmbH, in the first half of 2022 an impairment reversal of EUR 3.8 million was recorded. This reversal partially offsets the impairment of EUR 10.8 million recognized in the third quarter of 2021. This impairment reversal is recorded as part of the Result of joint ventures and associates.

SPEC LNG terminal in Colombia (impairment)

In the second quarter of 2022, an impairment was recognized for the SPEC LNG terminal in Colombia for an amount of EUR 36.2 million. Mainly due to unusual weather conditions in recent years which have brought a significant amount of rain in Colombia, hydropower has been available as the main source of power, which resulted in a reduced utilization of the FSRU. In addition, the tight FSRU market associated with the Russia-Ukraine war is leading to the opportunity to reduce FSRU costs becoming remote. As a result of the above there is a decrease in dividend expectations. This impairment is recorded as part of the Result of joint ventures and associates.

2021

German LNG Terminal in Germany (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 the derecognition 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	2022	2021
Movements in other current assets (excluding cash and cash equivalents)	2.9	- 17.5	43.8
Movements in other current liabilities (excluding bank overdrafts and dividends)	2.9	16.9	- 17.8
Total		**- 0.6**	**26.0**

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 among 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	31-Dec-22	31-Dec-21
Trade debtors gross	129.2	111.2
Provision for impairment of trade debtors	- 1.0	- 5.0
Trade debtors net	**128.2**	**106.2**
Taxes receivable	38.0	49.1
Other receivables	152.3	104.3
Total	**318.5**	**259.6**

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

	2022			2021		
In EUR millions	Gross	Provision	Net	Gross	Provision	Net
Not past due	94.9	–	94.9	76.3	–	76.3
Past due up to 3 months	30.2	- 0.2	30.0	20.8	–	20.8
Past due 3 to 6 months	1.3	–	1.3	4.9	–	4.9
Past due more than 6 months	2.8	- 0.8	2.0	9.2	- 5.0	4.2
Total	**129.2**	**- 1.0**	**128.2**	**111.2**	**- 5.0**	**106.2**

Provision for bad debt

In EUR millions	2022	2021
Balance at 1 January	**- 5.0**	**- 2.4**
Impairments	- 0.5	- 4.4
Reversal of impairments	4.8	1.8
Exchange differences	- 0.3	–
Balance at 31 December	**- 1.0**	**- 5.0**

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 macro-economic and geopolitical uncertainty 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 16.1 million at the end of 2022 (2021: EUR 1.3 million). Other receivables balance of 2022 includes EUR 56.9 million deferred consideration of the divestment of our Canadian terminals. There were 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	31-Dec-22	31-Dec-21
Trade payables	77.1	70.1
Accrued expenses	110.6	107.3
Deferred revenues	24.0	32.0
Accrued interest expenses	6.9	4.0
Wage tax and social security charges	6.6	6.7
Other creditors	92.2	110.0
Total	**317.4**	**330.1**

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 2022 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 2022 consisted of 125,740,586 (2021: 125,740,586) ordinary shares, of which 324,587 (2021: 392,016) 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.

	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 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**
Vested shares under equity-settled share-based payment arrangements	–	–	–	67,429	–	–	2.8
Balance at 31 December 2022	**125,740,586**	**–**	**125,740,586**	**- 324,587**	**62.9**	**194.4**	**- 12.9**

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 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**
Exchange differences on net investments	81.2	–	–	–	81.2
Effective part of hedges of net investments	- 41.5	–	–	–	- 41.5
Use of exchange differences on net investments (to statement of income)	- 3.3	–	–	–	- 3.3
Use of effective part of hedges of net investments (to statement of income)	2.9	–	–	–	2.9
Fair value change other investments	–	–	1.7	–	1.7
Movements in effective part of cash flow hedges	–	15.3	–	–	15.3
Tax effect on movements in cash flow hedges	–	- 18.2	–	–	- 18.2
Use of effective part of cash flow hedges (to statement of income)	–	- 2.2	–	–	- 2.2
Movements in effective part of cash flow hedges joint ventures	–	67.8	–	–	67.8
Other	–	–	–	0.7	0.7
Remeasurements of defined benefit plans [1]	–	–	–	28.2	28.2
Tax on remeasurements of defined benefit plans	–	–	–	- 6.5	- 6.5
Balance at 31 December 2022	**8.6**	**- 32.2**	**51.5**	**- 58.8**	**- 30.9**

1 Remeasurements of defined benefit plans includes defined benefit costs included in other comprehensive income of joint ventures for EUR -0.1 million (2021: EUR 0.3 million).

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	2023	2024	2025	2026	2027	> 2027	Total
Use of revaluation reserve derivatives	39.3	- 9.0	4.2	- 2.4	- 1.1	1.2	32.2

Note 5.3 Retained earnings

In EUR millions	2022	2021
Balance at 1 January	**3,104.1**	**3,036.1**
Dividend paid in cash	- 156.8	- 150.5
Measurement of equity-settled share-based payment arrangements	3.3	7.8
Vested shares under equity-settled share-based payment arrangements	- 5.3	- 3.5
Net profit / (loss) attributable to owners of parent	- 168.4	214.2
Use of exchange differences on net investments (to statement of income)	0.2	–
Other [1]	- 5.9	–
Balance at 31 December	**2,771.2**	**3,104.1**

1 Derecognition of DTA's Dutch fiscal unity previously recognized in retained earnings

Of the reserves, EUR 2,058.1million (2021: EUR 2,273.5 million) can be distributed freely (see note 4 of the Company Financial Statements). The actual dividend per ordinary share paid in cash in 2022 was EUR 1.25 (2021: EUR 1.20).

For the proposed dividend per share, reference is made to the paragraph Profit Appropriation.

Note 5.4 Non-controlling interests

In EUR millions	2022	2021
Balance at 31 December	**156.9**	**144.9**
Net profit	30.6	29.0
Dividend paid in cash	- 33.1	- 25.0
Movements in effective part of cash flow hedges	- 0.2	- 1.6
Exchange differences	7.4	9.6
Balance at 31 December	**161.6**	**156.9**

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)	
	2022	2021	2022	2021	2022	2021	31-Dec-22	31-Dec-21
Total			**30.6**	**29.0**	**33.1**	**25.0**	**161.6**	**156.9**
of which Vopak Terminals Singapore Pte. Ltd.	30.5%	30.5%	25.9	25.3	26.8	24.1	117.1	109.9

The summarized financial information (at 100%) regarding Vopak Terminals Singapore Pte. Ltd. is as follows:

In EUR millions	31-Dec-22	31-Dec-21
Total non-current assets	823.6	778.3
Cash and cash equivalents	6.9	5.5
Other current assets	56.3	54.1
Total assets	**886.8**	**837.9**
Current liabilities	201.3	51.4
Total non-current liabilities	318.0	442.9
Total liabilities	**519.3**	**494.3**
Total net assets	**367.5**	**343.6**

In EUR millions	2022	2021
Revenues	252.6	217.7
Net profit	86.5	83.1
Other comprehensive income	24.9	22.9
Total comprehensive income	**111.4**	**106.0**
Operating cash flow	161.8	127.0
Increase/decrease (-) in cash and cash equivalents	1.4	- 3.2

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 costs, 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 2020	**59.0**	**- 205.0**	**- 1,744.3**	**- 1,890.3**	**- 699.2**	**- 2,589.5**
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**
Cash flows	- 17.7	185.2	- 187.0	- 19.5	64.1	44.6
Other non-cash movements	- 21.8	–	- 1.0	- 22.8	- 61.4	- 84.2
Exchange differences	1.4	–	- 71.1	- 69.7	- 16.4	- 86.1
Carrying amount at 31 December 2022	**32.7**	**- 276.8**	**- 2,081.7**	**- 2,325.8**	**- 725.0**	**- 3,050.8**
Current assets	33.8	–	–	33.8	–	33.8
Non-current liabilities	–	–	- 1,662.7	- 1,662.7	- 688.8	- 2,351.5
Current liabilities	- 1.1	- 276.8	- 419.0	- 696.9	- 36.2	- 733.1
Carrying amount at 31 December 2022	**32.7**	**- 276.8**	**- 2,081.7**	**- 2,325.8**	**- 725.0**	**- 3,050.8**

1 Net interest-bearing debt forms the basis for the net-debt : EBITDA calculation mentioned in our financial ratios.

2022

On 30 June 2022, Vopak successfully renewed its EUR 1 billion senior unsecured sustainability-linked revolving credit facility (RCF) with a syndicate of 12 international relationship banks. This new facility replaces the current RCF of EUR 1 billion, which has been in place since June 2016.

For drawdowns under credit facilities, reference is made to note 6.7 Cash management.

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).

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	2022	2021
EBITDA		**424.0**	**741.5**
-/- Result joint ventures and associates		162.3	172.3
+/+ Gross dividend received from joint ventures and associates		209.3	134.1
-/- IFRS 16 Adjustment in operating expenses for former operating leases	1.1, 3.4	60.8	53.8
-/- Exceptional items		- 430.8	- 71.7
-/- Divestments full year adjustment		8.1	–
EBITDA for ratio calculation		**832.9**	**721.2**
Net interest-bearing debt		**- 3,050.8**	**- 2,925.1**
-/- IFRS 16 Adjustment in lease liabilities for former operating leases	1.1, 3.4	- 715.2	- 702.1
Derivative financial instruments (currency)		33.2	31.0
Credit replacement guarantees	9.8, 9.9	- 89.4	- 85.8
-/- Subordinated loans		- 187.6	- 176.6
Cash equivalent included in HFS assets		–	- 5.9
Restricted Cash		–	- 7.8
Senior net debt for ratio calculation		**- 2,204.2**	**- 2,114.9**
Financial ratios			
Senior net debt : EBITDA		2.65	2.93
Interest cover [1]		8.4	8.4

1 Interest cover is the ratio of the EBITDA and the net finance costs.

With a Senior net debt : EBITDA ratio of 2.65 (2021: 2.93) and an interest cover ratio of 8.4 (2021: 8.4), Vopak met the applicable financial ratios as at 31 December 2022.

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 2022, 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 Bank loan	RCFs	Other	Bank loans	Total	Interest-bearing loans - lease liabilities	Total interest-bearing loans
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	
Non-current	1,221.7	141.0	–	300.0	–	–	1,662.7	688.8	2,351.5
Current	278.7	–	139.6	–	1.5	276.0	695.8	36.2	732.0
Carrying amount at 31 December 2022	**1,500.4**	**141.0**	**139.6**	**300.0**	**1.5**	**276.0**	**2,358.5**	**725.0**	**3,083.5**
Average remaining terms (in years)	4.1	18.0	0.6	4.4	0.2	–	4.3	24.6	
Required ratios									
Senior net debt : EBITDA (maximum)	3.75	3.75	3.75	4.00	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-22	31-Dec-21
Cash and bank	26.7	58.2
Short-term deposits	7.1	15.2
Total	**33.8**	**73.4**

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-22	31-Dec-21
Cash and cash equivalents	33.8	73.4
Bank overdrafts	- 1.1	- 2.6
Total	**32.7**	**70.8**

The cash and cash equivalents were at the free disposal of the Group for the years presented, except for cash and cash equivalent balances in 2021 amounting EUR 7.8 million for which certain usage restrictions applied.

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 is presented under Interest 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).

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	2022	2021
Interest income	7.3	5.6
Interest income	**7.3**	**5.6**
Interest expense on interest-bearing loans [1]	100.6	89.5
Interest expense on lease liabilities	23.2	22.4
Capitalized interest	- 4.4	- 5.9
Interest component of provisions	0.6	0.2
Fair value movements of (part of) derivative financial instruments (no hedge accounting)	14.7	- 7.4
Exchange differences on underlying items [2]	- 10.8	9.3
Other	4.1	4.0
Finance costs	**128.0**	**112.1**
Net finance costs	**120.7**	**106.5**

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 2022, the Group's net finance costs amounted to EUR 120.7 million compared to EUR 106.5 million in 2021. The increase is resulting from higher interest expenses on increased interest-bearing debt compared to 2021.

In 2022, capitalized interest during construction was subject to an average interest rate of 3.0% (2021: 2.7%).

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 primarily 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 2022. • Of the total net investments in foreign currencies held by the Group 46% 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 nor 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 2022, 70% 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/or 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 94.0 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 2022 the Group had unused committed credit facilities of EUR 769.8 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 2022 compared to the previous year. However there were changes in the magnitude of existing risk exposures as a result of geopolitical and macro-economic developments further disclosed in note 9.3. 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 Effective Interest Rate (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 derecognized. 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) and a reconciliation to the Consolidated statement of financial position.

		31 December 2022			31 December 2021		
In EUR millions	Note	Assets	Liabilities	Total	Assets	Liabilities	Total
Currency derivative financial instruments	6.3	73.4	6.0	67.4	43.6	7.6	36.0
Total derivative financial instruments		**73.4**	**6.0**	**67.4**	**43.6**	**7.6**	**36.0**
Total		**73.4**	**6.0**	**67.4**	**43.6**	**7.6**	**36.0**
Non-current		15.1	1.7	13.4	35.6	–	35.6
Current		58.3	4.3	54.0	8.0	7.6	0.4
Total		**73.4**	**6.0**	**67.4**	**43.6**	**7.6**	**36.0**

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 2021		**65.7**	**- 29.7**	**36.0**
Settlement of derivatives	2.9	36.0	- 4.6	31.4
Effective part of hedges of net investments to other comprehensive income	5.2	- 3.0	–	- 3.0
Effective part of cash flow hedges to other comprehensive Income	5.2	–	15.3	15.3
Fair value movement of derivatives not in a hedge relationship	5.6	- 12.3	–	- 12.3
31 December 2022		**86.4**	**- 19.0**	**67.4**

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	2022	2021	2022	2021
Euro (EUR)	726.7	712.8	726.7	712.8
US dollar (USD)	1,385.3	1,384.4	1,299.4	1,222.4
Pound sterling (GBP)	35.0	35.0	39.6	41.7
Canadian dollar (CAD)	25.0	25.0	17.3	17.3
Singapore dollar (SGD)	200.0	214.0	139.6	139.8
Japanese yen (JPY)	20,000.0	20,000.0	141.0	153.5
Total			**2,363.6**	**2,287.5**

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:

In EUR millions	Maturity	Carrying amount: Assets [1]	Carrying amount: Liabilities [1]	Notional amount	Hedge ratio	Change in value of hedged item	Ineffectiveness recognized in income statement
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		**43.6**	**7.6**	**1,551.4**	**100%**	**- 16.2**	**0.4**
31 December 2022							
Forward foreign currency contracts [2]	< 1 year	1.0	–	130.3	100%		
Total net investment hedges		**1.0**	**–**	**130.3**	**100%**	**- 3.0**	**–**
Cross-currency interest rate swaps [3]	< 1 year	45.5	–	246.1	100%		
Cross-currency interest rate swaps [3]	1-5 years	8.5	1.7	212.5	100%		
Cross-currency interest rate swaps [3]	> 5 years	6.6	–	66.6	100%		
Total cash flow hedges		**60.6**	**1.7**	**525.2**	**100%**	**15.3**	**–**
Forward foreign currency contracts	< 1 year	11.8	4.3	708.1	n/a		
Total derivatives no hedge accounting		**11.8**	**4.3**	**708.1**	**n/a**	**n/a**	**n/a**
Total derivative financial instruments [4]		**73.4**	**6.0**	**1,363.6**	**100%**	**12.3**	**–**

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 (2022: USD 468 million and JPY 20 billion; 2021: USD 468 million and JPY 20 billion) 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-bearing debt denominated in a foreign currency per year-end 2022, 100% (2021: 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 2022, 36% (2021: 36%) 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 792.9 million as at year-end 2022 (2021: EUR 889.5 million). Of this amount EUR 663.6 million (2021: EUR 695.3 million) was hedged via foreign currency interest-bearing debt and EUR 129.3 million (2021: EUR 194.2 million) via derivatives. Also taking into account the investment in entities, in which functional currency is EUR, the total unhedged position amounted to EUR 1,821.7 million or 61% (2021: EUR 1,484.7 million or 47%).

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 32.2 million, net of tax was recognized in equity via OCI up to 31 December 2022 (2021: EUR 94.9 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 2022 and 31 December 2021 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 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**
31 December 2022				
USD	- 2.3	- 38.8	2.8	47.5
SGD	1.5	- 38.6	- 1.8	47.2
CNY	- 1.0	- 28.2	1.3	34.4
BRL	- 0.1	- 9.4	0.1	11.5
JPY	–	- 0.5	–	0.6
Total effect	**- 1.9**	**- 115.5**	**2.4**	**141.2**

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 2022, taking into account the interest rate swaps, 70% (2021: 69%) of the total interest-bearing loans and bank loans of EUR 2,358.5 million (2021: EUR 2,284.6 million) was financed at a fixed interest rate with remaining terms of up to 18 years (2021: 18 years).

The average fixed interest and the average floating interest on the interest-bearing loans and bank loans at 31 December 2022 were 3.9% (2021: 3.8%) and 3.1% (2021: 1.3%) 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 2022			31 December 2021		
In EUR millions	Floating	Fixed	Total	Floating	Fixed	Total
< 1 year	- 416.5	- 279.3	- 695.8	- 462.0	- 0.3	- 462.3
1-2 years	–	- 211.9	- 211.9	- 239.8	- 265.2	- 505.0
2-3 years	–	- 272.3	- 272.3	–	- 203.3	- 203.3
3-4 years	–	- 69.5	- 69.5	–	- 256.9	- 256.9
4-5 years	–	- 557.8	- 557.8	–	- 66.0	- 66.0
> 5 years	–	- 551.2	- 551.2	–	- 791.1	- 791.1
Total	**- 416.5**	**- 1,942.0**	**- 2,358.5**	**- 701.8**	**- 1,582.8**	**- 2,284.6**

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 possible change at year-end 2022 and year-end 2021.

		Increase 25%		Decrease 25%	
In EUR millions	Closing level 3-month	Net profit	Equity [1]	Net profit	Equity [1]
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**
31 December 2022					
EUR	2.13%	- 7.6	11.2	7.6	- 11.6
USD	4.77%	1.4	3.4	- 1.4	- 3.7
SGD	4.21%	- 1.8	0.1	1.8	- 0.1
JPY	-0.03%	–	- 0.1	–	0.1
Total effect		**- 8.0**	**14.6**	**8.0**	**- 15.3**

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 19 equity investments (2021: 15) for a total amount of EUR 94.0 million at year-end 2022 (2021: EUR 83.6 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, 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 603.3 million (2021: EUR 553.4 million), and the credit replacing guarantees amounting to EUR 89.4 million (2021: EUR 85.8 million). Of this amount, nil was recognized in the statement of financial position at year-end 2022 (2021: nil). Furthermore, the macro-economic and geopolitical uncertainty 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 2022. 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 2022, the maximum risk in the event of the default of a single financial institution amounted to EUR 19.5 million (2021: EUR 20.7 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 2022, the derivatives with a counterparty credit risk amounted to EUR 2.0 million (2021: EUR 0.5 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 139.6 million (SGD 200.0 million), drawdowns under the revolving credit facilities of Vopak Terminals Singapore Pte. Ltd., 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 2022, the company had two revolving credit facilities (RCFs) which provide flexibility to finance Vopak´s long-term growth strategy.

	31 December 2022			31 December 2021		
In EUR millions	Total facility [1]	Used	Unused	Total facility [1]	Used	Unused
Royal Vopak - Revolving credit facility	1,000.0	300.0	700.0	1,000.0	100.0	900.0
VTS - Revolving credit facility	69.8	–	69.8	65.3	9.1	56.2
Total committed facilities	**1,069.8**	**300.0**	**769.8**	**1,065.3**	**109.1**	**956.2**
Royal Vopak - Bank loan facilities	465.0	276.0	189.0	595.0	462.0	133.0
Total uncommitted facilities	**465.0**	**276.0**	**189.0**	**595.0**	**462.0**	**133.0**
Total facilities	**1,534.8**	**576.0**	**958.8**	**1,660.3**	**571.1**	**1,089.2**

1 At nominal value.

On 30 June 2022, Vopak successfully renewed its EUR 1 billion senior unsecured revolving credit facility (RCF) with a syndicate of 12 international relationship banks. This new facility replaces the previous RCF of EUR 1 billion, which has been in place since June 2016. The new RCF is linked to our performance on three key topics from Vopak's Sustainability Roadmap: our safety performance, gender diversity in senior management and the reduction of our greenhouse gas emissions. The new RCF has an initial maturity of five years with two one year extension options. The new syndicate of banks consists of: ABN AMRO Bank, BBVA, BNP Paribas, CIBC, Citibank, DBS Bank, DNB, ICBC, ING, JP Morgan, Rabobank and SMBC Bank. ABN AMRO and ING acted as coordinating bookrunners and sustainability coordinators on the transaction. This facility was utilized for an amount of EUR 300 million at year-end 2022.

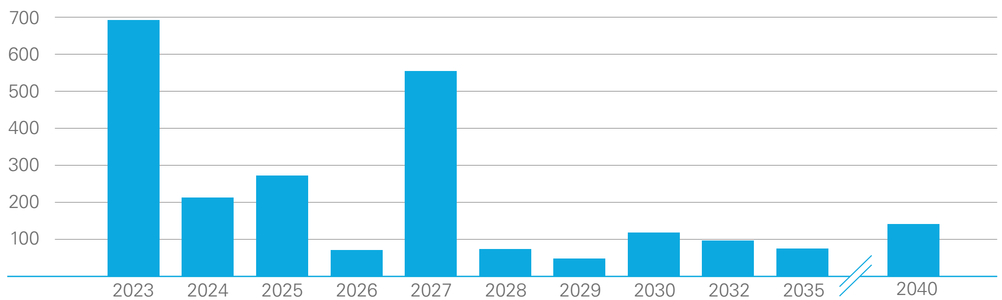
At 31 December 2022, the Group also had unused lines of credit of EUR 189.0 million (2021: EUR 133.0 million) that are available to meet short-term liquidity needs. The Group can be requested to repay these short-term loans on demand. There are no significant restrictions on the use of these facilities.

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

In EUR millions



1 Transaction expenses not included as these are only amortization costs and not real cash flows.

The table below analyses 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 analyses 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	2022	2021	2022	2021	2022	2021	2022	2021
Cash and cash equivalents	33.8	73.4	–	–	–	–	–	–
Trade and other receivables	318.5	259.6	–	–	–	–	–	–
Other loans	2.9	1.7	2.0	1.7	40.2	6.6	–	36.6
Finance lease receivable	13.8	13.2	13.9	13.3	41.4	40.4	132.3	140.5
Total undiscounted financial assets (excluding gross settled derivatives)	**369.0**	**347.9**	**15.9**	**15.0**	**81.6**	**47.0**	**132.3**	**177.1**
Bank overdrafts	1.1	2.6	–	–	–	–	–	–
Redemption of interest-bearing loans	420.2	0.8	213.1	505.5	901.8	527.0	551.7	792.2
Short-term borrowings	276.8	462.0	–	–	–	–	–	–
Lease liabilities	56.8	55.3	51.6	52.9	147.0	140.5	830.7	815.4
Interest payments	62.2	63.6	52.1	57.9	89.3	113.9	144.8	124.8
Interest rate swaps	3.6	4.1	2.0	3.3	4.0	4.4	0.5	1.2
Trade and other creditors (excluding non-financial instruments)	194.4	184.1	–	–	–	–	–	–
Total undiscounted financial liabilities (excluding gross settled derivatives)	**1,015.1**	**772.5**	**318.8**	**619.6**	**1,142.1**	**785.8**	**1,527.7**	**1,733.6**
Derivative financial instruments outflow	- 246.1	–	- 151.3	- 246.1	- 61.2	- 212.6	- 66.6	- 66.6
Derivative financial instruments inflow	295.3	–	141.0	278.0	70.3	219.7	73.2	68.9
Total undiscounted gross settled derivatives	**49.2**	**–**	**- 10.3**	**31.9**	**9.1**	**7.1**	**6.6**	**2.3**
Financial guarantees and securities issued	112.1	116.7	–	–	–	–	–	–
Total financial guarantees and securities	**112.1**	**116.7**	**–**	**–**	**–**	**–**	**–**	**–**
Liquidity movements	**- 709.0**	**- 541.3**	**- 313.2**	**- 572.7**	**- 1,051.4**	**- 731.7**	**- 1,388.8**	**- 1,554.2**

Section 7 Governance

This section comprises notes related to the Governance of the company, including Board Remuneration including LTIPs, transactions with related parties and External Auditor fees.

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 2022, 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.

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 2020-2022
- LTSP and LTCP 2021-2023
- LTSP and LTCP 2022-2024

The LTSP and LTCP 2019-2021 were vested and settled during 2022.

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), Strategy Execution (previously named "Strategic Direction") and Sustainability Execution (for LTSP and LTCP 2022-2024) 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 2022 equity-settled	LTSP 2021 equity-settled	LTSP 2020 equity-settled	LTSP 2019 equity-settled	Cash Plan	Total 2022	Total 2021
D.J.M. Richelle	106.4	27.8	50.1	–	n/a	184.3	–
F. Eulderink	74.2	71.9	231.4	61.8	n/a	439.3	570.2
M.E.G. Gilsing	65.3	26.7	44.9	–	n/a	136.9	–
Members Executive Board	**245.9**	**126.4**	**326.4**	**61.8**	**n/a**	**760.5**	**570.2**
E.M. Hoekstra	n/a	- 163.3	98.0	–	n/a	- 65.3	1,734.4
G.B. Paulides	70.8	- 3.6	125.3	53.0	n/a	245.5	831.8
Former members Executive Board	**70.8**	**- 166.9**	**223.3**	**53.0**	**n/a**	**180.2**	**2,566.2**
Other senior executives	232.3	355.4	1,352.4	382.0	717.2	3,039.3	5,393.1
Total	**549.0**	**314.9**	**1,902.1**	**496.8**	**717.2**	**3,980.0**	**8,529.5**

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 2020-2022, 2021-2023 or 2022-2024), 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 2022	LTSP 2021	LTSP 2020
Members Executive Board			
D.J.M. Richelle	0% to 165%		
F. Eulderink	0% to 135%	0% to 135%	0% to 135%
M.E.G. Gilsing	0% to 135%		
Former members Executive Board			
E.M. Hoekstra		0% to 165%	0% to 165%
G.B. Paulides	0% to 135%	0% to 135%	0% to 135%
Senior management			
Eligible other senior executives	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	D.J.M. Richelle	F. Eulderink	M.E.G. Gilsing	E.M. Hoekstra	G.B. Paulides	Other	Total
Outstanding at 31 December 2020	**–**	**32,436**	**–**	**51,577**	**30,331**	**200,794**	**315,138**
Vested	–	- 11,235	–	- 17,554	- 10,183	- 59,941	- 98,913
Forfeited	–	–	–	–	–	- 5,393	- 5,393
Newly awarded	–	11,330	–	18,176	11,330	92,717	133,553
Outstanding at 31 December 2021	**–**	**32,531**	**–**	**52,199**	**31,478**	**228,177**	**344,385**
Vested and settled	–	- 10,826	–	- 17,380	- 10,051	- 54,849	- 93,106
Forfeited	–	–	–	–	–	- 27,212	- 27,212
Transferred from other senior executives[1]	2,983	–	2,804	–	–	- 5,787	–
Newly awarded	23,280	16,244	14,285	–	5,155	117,768	176,732
Outstanding at 31 December 2022	**26,263**	**37,949**	**17,089**	**34,819**	**26,582**	**258,097**	**400,799**

1 Previously reported under Other.
2 For LTSP 2020, 2021 and 2022, 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	2022	2021
LTSP 2022, equity-settled (conditional)	23,280	595.3	12,513	n/a	320.0	106.4	–
LTSP [8] 2021, equity-settled (conditional)	2,038	72.0	1,574	n/a	55.6	27.8	–
LTSP [8] 2020, equity-settled (conditional)	945	43.9	1,079	29.9	50.1	50.1	–
Total outstanding LTIPs - D.J.M. Richelle	**26,263**	**711.2**	**15,166**	**29.9**	**425.7**		
Total LTIP cost - D.J.M. Richelle [6]						**184.3**	**–**
LTSP 2022, equity-settled (conditional)	16,244	415.4	8,731	n/a	223.3	74.2	–
LTSP 2021, equity-settled (conditional)	11,330	411.3	8,752	n/a	317.7	71.9	139.8
LTSP 2020, equity-settled (conditional)	10,375	500.8	11,848	328.8	571.9	231.4	170.8
Total outstanding LTIPs - F. Eulderink	**37,949**	**1,327.5**	**29,331**	**328.8**	**1,112.9**		
LTSP 2019, equity-settled (settled)	10,826	450.0	14,886	436.5	618.0	61.8	219.2
LTSP 2018, equity-settled (settled)	11,235	449.1	10,112	403.5	449.1	–	40.4
Total LTIP cost - F. Eulderink						**439.3**	**570.2**
LTSP 2022, equity-settled (conditional)	14,285	365.3	7,678	n/a	196.3	65.3	–
LTSP [8] 2021, equity-settled (conditional)	1,957	69.2	1,512	n/a	53.4	26.7	–
LTSP [8] 2020, equity-settled (conditional)	847	39.3	967	26.8	44.9	44.9	–
Total outstanding LTIPs - M.E.G. Gilsing	**17,089**	**473.8**	**10,157**	**26.8**	**294.6**		
Total LTIP cost - M.E.G. Gilsing [7]						**136.9**	**–**
Total Outstanding LTIPs - members Executive Board	**81,301**	**2,512.5**	**54,654**	**385.5**	**1,833.2**		
Total LTIP cost - members Executive Board						**760.5**	**570.2**
LTSP 2021, equity-settled (conditional)	18,176	659.8	14,041	n/a	509.7	- 163.3	673.0
LTSP 2020, equity-settled (conditional)	16,643	803.4	19,006	527.4	917.4	98.0	547.1
Total outstanding LTIPs - E.M. Hoekstra	**34,819**	**1,463.2**	**33,047**	**527.4**	**1,427.1**		
LTSP 2019, equity-settled (settled)	17,380	721.8	23,898	700.7	992.5	–	451.1
LTSP 2018, equity-settled (settled)	17,554	701.7	15,799	630.4	701.7	–	63.2
Total LTIP cost - E.M. Hoekstra [4]						**- 65.3**	**1,734.4**
LTSP 2022, equity-settled (conditional)	5,155	131.8	2,771	n/a	70.8	70.8	–
LTSP 2021, equity-settled (conditional)	11,330	411.3	8,752	n/a	317.7	- 3.6	321.3
LTSP 2020, equity-settled (conditional)	10,097	487.4	11,531	320.0	556.6	125.3	266.0

In EUR thousands	Conditional awards [1]		Number of expected shares [2]			Allocated cost to [3]	
	Number	Value at grant	Number	Value at vesting	Value for cost allocation	2022	2021
Total outstanding LTIPs - G.B. Paulides	**26,582**	**1,030.5**	**23,054**	**320.0**	**945.1**		
LTSP 2019, equity-settled (settled)	10,051	417.4	13,820	405.2	573.9	53.0	207.9
LTSP 2018, equity-settled (settled)	10,183	407.0	9,165	365.7	407.0	–	36.6
Total LTIP cost - G.B. Paulides [5]						**245.5**	**831.8**
Total outstanding LTIPs - former members Executive Board	**61,401**	**2,493.7**	**56,101**	**847.4**	**2,372.2**		
Total LTIP cost - former members Executive Board						**180.2**	**2,566.2**
Total outstanding LTIPs - (former) members Executive Board	**142,702**	**5,006.2**	**110,755**	**1,232.9**	**4,205.4**		
Total LTIP cost - (former) members Executive Board						**940.7**	**3,136.4**
LTSP 2022, equity-settled (conditional)	110,538	2,754.1	59,967	n/a	1,494.1	232.3	–
LTSP 2021, equity-settled (conditional)	75,820	2,676.7	58,571	n/a	2,067.9	355.4	1,434.2
LTSP 2020, equity-settled (conditional)	71,739	3,323.7	81,926	2,273.4	3,795.6	1,352.4	1,585.9
Total outstanding LTIPs - other senior executives	**258,097**	**8,754.5**	**200,464**	**2,273.4**	**7,357.6**		
LTSP 2019, equity-settled (settled)	54,849	2,280.7	75,416	2,211.2	3,136.0	382.0	1,435.5
LTSP 2018, equity-settled (settled)	59,941	2,303.3	53,949	2,319.3	2,303.3	–	198.3
Total LTIP cost - other senior executives						**2,322.1**	**4,653.9**
Total outstanding LTIPs and total LTIP cost	**400,799**	**13,760.7**	**311,219**	**3,506.3**	**11,563.0**	**3,262.8**	**7,790.3**

1 On a target level of 100%. 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 19 October 2021, Eelco 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 Eelco Hoekstra in accordance with the plan rules. The costs of the LTSP were allocated to the remaining period of service.
5 On 10 December 2021, Gerard 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 Gerard Paulides in accordance with the plan rules. The costs of the LTSP were allocated to the remaining period of service.
6 Following his appointment in the extraordinary General Meeting on 17 December, 2021, Dick Richelle started his Board membership as Chairman of the Executive Board and CEO on 1 January, 2022.
7 Following the announcement on 10 December, 2021, Michiel Gilsing was appointed as member of the Executive Board and CFO on 20 April, 2022.
8 Previously reported under other senior executives.

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 2022 and Executive Board Remuneration in 2022 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	2022	2021	2022	2021	2022	2021
Other operating income	15.8	13.6	0.9	0.3	16.7	13.9

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	2022	2021
Financial statements audit fees	1.7	1.6
Other assurance fees	0.1	0.1
Total	**1.8**	**1.7**

The financial statements audit fees include the aggregate fees in 2022 and 2021 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 2022 (2021: EUR 1.0 million). Of the 2022 fees, an amount of EUR 0.1 million (2021: EUR 0.1 million) relates to non-recurring fees for the 2021 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 substantially 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	2022	2021
Current taxes		
Current financial year	67.7	48.9
Adjustments for prior years	- 2.5	- 7.3
	65.2	**41.6**
Deferred taxes		
Adjustments for prior years	2.9	2.8
Temporary differences	26.7	42.4
(De)recognition of tax losses and tax credits	8.9	- 26.5
Changes in tax rates	- 2.5	- 0.3
	36.0	**18.4**
Tax on profit	**101.2**	**60.0**
Income tax paid	55.9	65.0
Movements in current and deferred tax balances	45.3	- 5.0
Income tax expense	**101.2**	**60.0**

In 2022, EUR 0.4 million of exceptional tax gains were recognized in the income tax expenses (2021: EUR 1.0 million tax gain). 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 the derecognition of deferred tax assets in the Dutch fiscal unity and 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 0.80 in 2022 (2021: EUR 0.48).

More information on Vopak's responsibility towards taxation can be found in the Sustainability chapter.

Reconciliation of effective tax rate

In EUR millions		2022		2021
Profit before income tax		- 36.6		303.2
Tax on profit		101.2		60.0
Effective tax rate		**-276.8%**		**19.8%**
Composition:	*Amount*	*%*	*Amount*	*%*
Weighted average statutory tax rate	- 17.1	46.8	68.7	22.7
Participation exemption	- 43.8	119.8	- 40.0	- 13.2
Non-deductible expenses	17.9	- 49.0	9.8	3.2
Changes in tax rates	- 2.6	7.1	- 0.3	- 0.1
(De)recognition of tax losses and tax credits	150.6	- 412.0	20.0	6.6
Tax facilities	- 1.6	4.4	- 1.0	- 0.3
Movements in prior-year taxes	0.4	- 1.1	- 4.5	- 1.5
Other effects	- 2.6	7.2	7.3	2.4
Effective tax (rate)	**101.2**	**- 276.8**	**60.0**	**19.8**

Income tax expenses -including exceptional items- amounted to EUR 101.2 million in 2022, an increase of EUR 41.2 million compared to EUR 60.0 million in 2021. The effective tax rate -including exceptional items- was -276.8% compared to 19.8% in 2021. This resulted from the fact that a tax income of only EUR 0.4 million was recorded in respect of exceptional losses totaling to EUR 463.2 million. The impairments in Botlek and Europoort did not lead to recognition of deferred tax assets as insufficient taxable profits are expected to be available. For the other exceptional items, except the business development costs impairment in Belgium, the participation exemption prevented tax charges from being recognized.

Income tax expenses -excluding exceptional items- amounted to EUR 101.6 million in 2022, an increase of EUR 40.6 million compared to EUR 61.0 million in 2021. The effective tax rate -excluding exceptional items- was 23.8% compared to 15.7% in 2021. This increase is largely driven by the derecognition of deferred tax assets in the Dutch fiscal unity as a result of updated long-term outlooks on future taxable profits.

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 for this effective tax reconciliation item is generally 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	2022	2021
On changes in the value of cash flow hedges	5.2	18.2	- 0.3
On exchange differences and hedges	5.2	–	2.4
On use of cash flow hedges	5.2	–	- 0.1
On remeasurements of defined benefit plans		6.5	4.2
Total		**24.7**	**6.2**

Note 8.2 Deferred taxes

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.

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.

Deferred tax assets and liabilities

In EUR millions	Carry forward losses	Temporary differences: Property, plant and equipment[1]	Temporary differences: Loans granted	Temporary differences: Employee benefits	Temporary differences: Lease liabilities	Temporary differences: Other	Offset assets and liabilities	Statement of financial position
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	**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**
Movements:								
- Statement of income	- 10.2	60.7	0.5	0.1	- 79.6	- 7.5		- 36.0
- Other comprehensive income	–	–	–	- 6.7	–	- 18.2		- 24.9
- Retained earnings other	–	–	1.1	–	–	- 7.0		- 5.9
- Acquisitions/divestments	–	- 1.8	–	–	–	–		- 1.8
- Exchange differences	4.0	- 11.5	–	0.4	2.6	- 2.9		- 7.4
Balance 31 December 2022	**49.1**	**- 271.5**	**1.4**	**3.1**	**91.9**	**- 116.8**		**- 242.8**
Assets	49.1	1.4	1.4	3.9	91.9	- 78.2	- 60.8	8.7
Liabilities	–	- 272.9	–	- 0.8	–	- 38.6	60.8	- 251.5
Balance 31 December 2022	**49.1**	**- 271.5**	**1.4**	**3.1**	**91.9**	**- 116.8**	**–**	**- 242.8**

1 Owned and right-of-use assets

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 it is probable that these differences will reverse in the foreseeable future. For these temporary differences, deferred tax liabilities amounting to EUR 8.4 million have been recognized at 31 December 2022 (2021: EUR 6.8 million). 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. For the Dutch fiscal unity, due to changed long-term outlooks on the taxable profits, existing deferred asset positions could no longer be recognized. This resulted in an additional tax charge of EUR 16.7 million and a reduction of Retained earnings of EUR 5.9 million and Other comprehensive income of EUR 18.2 million (fair value of cash flow hedges).

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 479.6 million at 31 December 2022 (2021: EUR 0.5 million). The maturity schedule is as follows:

In EUR millions	2023	2024	2025	2026	2027+	unlimited	Total
Offsettable tax losses carry-forward	–	–	0.1	1.7	1.4	476.4	479.6

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. The Group did not recognize deferred income tax assets in respect of deductible temporary differences of EUR 139.1 million (2021: nil) that can be carried forward against future taxable income, as it is not considered probable that future taxable profits and/or taxable temporary differences will be available.

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, associates and investments 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 Macro-economic and geopolitical uncertainty
- 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, associates and investments
- 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 125,395,678 in 2022 (2021: 125,416,945).

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	2022	2021
Outstanding ordinary shares at 1 January	5.1	125,349	125,395
Movements treasury shares	5.1	47	22
Basic weighted average number of ordinary shares		**125,396**	**125,417**
Dilutive effect of LTSPs (equity-settled part)		149	193
Weighted average number of ordinary shares including dilutive effect		**125,545**	**125,610**

At 31 December 2022, the company owned 324,587 treasury shares (2021: 392,016). 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 2022, the LTSP 2019-2021 share-based payment arrangement was settled resulting in the transfer of 67,429 treasury shares to eligible employees (2021: 45,434 shares).

The LTSP 2020-2022 will be settled in 2023. 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	2022	2021	2022	2021	2022	2021	2022	2021
Carrying amount at 1 January	**–**	**54.8**	**45.6**	**36.2**	**45.6**	**91.0**	**131.2**	**28.6**
Movements:								
Loans granted	–	–	6.0	13.0	6.0	13.0	–	–
Repayments	–	–	- 7.1	- 3.8	- 7.1	- 3.8	- 13.6	- 9.5
Reclassification	–	- 57.0	–	–	–	- 57.0	–	104.7
Other loans interest income	–	–	0.3	–	0.3	–	–	–
Finance lease interest income	–	–	–	–	–	–	8.4	6.6
Exchange differences	–	2.2	0.9	0.2	0.9	2.4	5.9	0.8
Carrying amount at 31 December	**–**	**–**	**45.7**	**45.6**	**45.7**	**45.6**	**131.9**	**131.2**
Non-current receivables	–	–	43.8	44.8	43.8	44.8	126.1	127.6
Current receivables	–	–	1.9	0.8	1.9	0.8	5.8	3.6
Carrying amount at 31 December	**–**	**–**	**45.7**	**45.6**	**45.7**	**45.6**	**131.9**	**131.2**

In 2021, a 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 Macro-economic and geopolitical uncertainty

Russia-Ukraine war

The Russian invasion of Ukraine is a major humanitarian drama and we sympathize with the people who are now suffering from the violence of war.

Vopak is monitoring the situation closely and is fully committed to adhere to relevant sanctions, laws and regulations. As governments try to ensure energy security and affordability, Vopak adheres to applicable government regulations with regards to energy imports from Russia.

The Russia-Ukraine war and the international sanction regimes make the market situation volatile and uncertain. Direct impact is assessed to be mainly in Vopak's Europoort terminal and to be limited on Vopak's group level. There is, however, an indirect exposure through factors such as utility prices, inflation, market conditions and exchange rates, which was considered during the individual asset valuation performed during 2022. Vopak continues to closely monitor the developments and takes measures to adapt to the changed factors.

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 fulfil 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 following countries: 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 expected 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.

Key accounting estimates and judgments

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	2022	2021	2022	2021	2022	2021
Opening balance defined benefits position at 1 January	**138.7**	**117.2**	**- 172.2**	**- 165.4**	**- 33.5**	**- 48.2**
Movements:						
Current service costs	–	–	- 6.4	- 6.2	- 6.4	- 6.2
Administration costs and taxes	–	–	- 0.5	- 0.4	- 0.5	- 0.4
Interest income/(expenses)	4.1	3.0	- 4.8	- 3.8	- 0.7	- 0.8
Components of defined benefit income/(costs) recorded in profit or loss	**4.1**	**3.0**	**- 11.7**	**- 10.4**	**- 7.6**	**- 7.4**
Return on plan assets (excluding interest income on plan assets)	- 26.7	8.4	–	–	- 26.7	8.4
Actuarial gains (-) and losses from changes in demographic assumptions (remeasurement)	–	–	- 0.4	2.3	- 0.4	2.3
Actuarial gains (-) and losses from experience	–	–	2.1	1.2	2.1	1.2
Actuarial gains (-) and losses from changes in financial assumptions (remeasurement)	–	–	53.4	5.6	53.4	5.6
Components of defined benefit income/(costs) recorded in other comprehensive income	**- 26.7**	**8.4**	**55.1**	**9.1**	**28.4**	**17.5**
Benefits paid from the pension fund	- 7.8	- 5.6	6.9	4.9	- 0.9	- 0.7
Employer's contributions	7.2	6.5	0.8	0.7	8.0	7.2
Reclassification to held for sale	- 0.8	–	1.2	–	0.4	–
Exchange differences	7.7	9.2	- 9.2	- 11.1	- 1.5	- 1.9
Closing balance defined benefits position at 31 December	**122.4**	**138.7**	**- 129.1**	**- 172.2**	**- 6.7**	**- 33.5**
Other net pension obligations	–	–	- 1.4	- 1.4	- 1.4	- 1.4
Total pension position recognized at 31 December	**122.4**	**138.7**	**- 130.5**	**- 173.6**	**- 8.1**	**- 34.9**
Current liabilities					- 0.2	- 0.2
Non-current liabilities					- 7.9	- 34.7
Net pension obligation recognized at 31 December					**- 8.1**	**- 34.9**

1 The defined benefit obligation related to unfunded pension plans amounted to EUR 2.6 million at year-end 2022 (2021: EUR 3.0 million).

in EUR millions	Total 2022	Total 2021
Defined benefits obligations Allocated to the plans' participants:		
Active members	- 57.6	- 84.8
Deferred members	- 23.5	- 35.9
Pensioners	- 48.0	- 51.5
Defined benefit obligation at 31 December	**- 129.1**	**- 172.2**

Market volatility had a positive impact on the Group's defined benefit plans in 2022, which resulted in a remeasurement gain (gross) of EUR 28.3 million (2021: remeasurement gain of EUR 17.5 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.

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.

in EUR millions	Total 2022	Total 2021
Major classes of plan assets		
Bonds - investment grade	44.3	47.9
Bonds - high yield	20.5	26.6
Equity instruments	56.7	64.2
Commodities (gold)	0.9	–
Fair value of plan assets at 31 December	**122.4**	**138.7**

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 2022 is as follows:

In EUR millions	2023	2024	2025	2026	2027	2028+	Total
Undiscounted pension benefits	6.1	6.7	7.5	7.2	7.5	256.0	291.0

Based on the latest funding agreements, the employer's contribution is expected to be around EUR 7.2 million in 2023.

Assumptions and sensitivity analysis

Assumptions

	Total 2022	Total 2021
Assumptions based on weighted average at 31 December		
Discount rate on net liability	5.11%	2.62%
Expected general salary increase	5.08%	5.03%
Expected price index increase	2.88%	2.81%
Average Life expectancy in years for man aged 65 now:	20.6	20.4
Average Life expectancy in years for women aged 65 now:	22.8	22.7

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%	3.9	- 3.4
Salary growth	0.25%	1.1	- 1.0
Discount rates	1.0%	- 14.6	18.0
Life expectation	1 year	3.3	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 from past events, 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 recognized when Vopak has approved a detailed and formalized reorganization plan and when the reorganization has either commenced or been announced.

A number of sites have to be restored to their original condition before being handed back at the end of the contractual period. If and when it is probable that a site will be decommissioned a provision is formed based on the most reliable estimate possible of future expenses.

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 have been approved or other legal obligations arose, a provision is formed based on the most reliable estimate of possible future expenses. Given the degree of complexity and uncertainty in making such 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	10.9	5.9	16.8
Current liabilities	6.2	18.1	24.3
Balance at 31 December 2021	**17.1**	**24.0**	**41.1**
Movements:			
Additions	11.5	7.0	18.5
Withdrawals	- 3.3	- 12.0	- 15.3
Releases	–	0.2	0.2
Exchange differences	0.2	0.1	0.3
Balance at 31 December 2022	**25.5**	**19.3**	**44.8**
Non-current liabilities	21.2	5.4	26.6
Current liabilities	4.3	13.9	18.2
Balance at 31 December 2022	**25.5**	**19.3**	**44.8**
Expected withdrawals			
< 1 year	4.3	13.9	18.2
2nd year	5.9	2.4	8.3
3rd year	2.6	0.3	2.9
4th year	2.0	0.5	2.5
5th year	1.4	0.2	1.6
> 5th year	9.3	2.0	11.3
Total	**25.5**	**19.3**	**44.8**

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 expected timing of the future cash outflows is reflected in the expected withdrawals, however the timing of when the soil remediation will occur remains uncertain.

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 2022, the total provision for environmental liabilities amounted to EUR 25.5 million (2021: EUR 17.1 million). The provision is mainly related to environmental liabilities at various terminals in the divisions Europe & Africa and Americas. During 2022, additions for an amount of EUR 11.5 million (2021: EUR 5.0 million) million have been recorded.

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 0.7 million (2021: EUR 2.7 million) for the LTCPs (see note 7.2), and none for the cash-settled share-based payments of the LTSPs in 2022 and 2021 (see note 1 to the first table of note 7.2). EUR 0.4 million of the total provision in relation to the LTIPs will be settled in 2023 (2021: EUR 2.3 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 2022 (2021: expense of EUR 0.7 million). Reference is also made to note 7.2.

Other

At year-end 2022, EUR 18.6 million (2021: EUR 21.3 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 6.3 million in 2022 (2021: EUR 5.3 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 2022, all equity investments are classified as FVOCI.

The total fair value of the investments amounted to EUR 94.0 million (2021: EUR 83.6 million) at year-end 2022. The total dividend income in 2022 from these investments amounted to EUR 3.0 million (2021: EUR 0.5 million).

Note 9.7 Investment commitments undertaken

The investment commitments undertaken by the Group for subsidiaries amounted to EUR 113.7 million as at 31 December 2022 (2021: EUR 85.4 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-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021	31-Dec-2022	31-Dec-2021
Commitments to provide debt or equity funding	20.8	16.1	–	–	20.8	16.1
Guarantees and securities provided	105.1	98.7	7.0	11.4	112.1	110.1

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 85.8 million at 31 December 2021 to EUR 89.4 million at 31 December 2022. In both years there were no amounts recognized in the statement of financial position. Reference is also made to note 5.5.

Other contingencies

Environmental and make good obligations

The Group is exposed to risks regarding environmental and make good 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	2022	2021	2022	2021
Other financial assets	9.6	94.0	83.6	94.0	83.6
Currency derivatives	6.2	67.4	36.0	67.4	36.0
Financial instruments at fair value		**161.4**	**119.6**	**161.4**	**119.6**
Loans granted	9.2	45.7	45.6	45.7	45.6
Trade and other receivables	4.2	318.5	259.6	318.5	259.6
Cash and cash equivalents	5.5	33.8	73.4	33.8	73.4
Finance lease receivable	9.2	131.9	131.2	131.9	131.2
Loans and receivables		**529.9**	**509.8**	**529.9**	**509.8**
Bank overdrafts and short-term borrowings	5.5	- 277.9	- 464.6	- 277.9	- 464.6
US Private Placements	5.5	- 1,500.4	- 1,428.6	- 1,528.5	- 1,611.7
JPY Private Placement	5.5	- 141.0	- 153.5	- 169.2	- 206.1
Bank loans	5.5	- 139.6	- 130.6	- 141.1	- 132.8
Lease liabilities	5.5	- 725.0	- 711.3	- 725.0	- 711.3
Credit facilities and other long-term loans	5.5	- 300.7	- 109.9	- 300.7	- 109.9
Trade creditors	4.3	- 77.1	- 70.1	- 77.1	- 70.1
Other creditors	4.3	- 92.2	- 110.0	- 92.2	- 110.0
Other financial liabilities		**- 3,253.9**	**- 3,178.6**	**- 3,311.7**	**- 3,416.5**
Net at amortized cost		**- 2,724.0**	**- 2,668.8**	**- 2,781.8**	**- 2,906.7**
Standby credit facility	5.5, 6.7			769.8	956.2
Standby bank facility	6.7			189.0	133.0
Unrecognized financial instruments				**958.8**	**1,089.2**

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, including:

- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)

Note 9.11 Principal subsidiaries, joint ventures, associates and investments

Overview as per 31 December 2022

SUBSIDIARIES

Europe, Middle East & Africa

Belgium

Baru Investment B.V.
Vopak Chemical Terminals Belgium N.V.
Vopak Terminal Eurotank N.V.

The Netherlands

Vopak Chemicals Logistics Netherlands B.V.
Vopak Energy Terminals Netherlands B.V.
Vopak Europe & Africa B.V.
Vopak Finance B.V.
Vopak Global Engineering Services 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 Terminal Botlek B.V.
Vopak Terminal Chemiehaven B.V.
Vopak Terminal Europoort B.V.
Vopak Terminal Laurenshaven B.V.
Vopak Terminal TTR B.V.
Vopak Terminal Vlaardingen B.V.
Vopak Terminal Vlissingen B.V.
Vopak Terminals North Netherlands B.V.
Vopak Ventures B.V.

South Africa

Vopak Reatile Richards Bay (Pty) Ltd. (70%)
Vopak South Africa Developments (Pty) Ltd. (70%)
Vopak Terminal Durban (Pty) Ltd. (70%)

Switzerland

Monros AG (in liquidation)

United Kingdom

Vopak Holding Bacrippuls Ltd.

Asia Pacific

Australia

Vopak Terminal Darwin Pty Ltd.
Vopak Terminals Australia Pty Ltd.
Vopak Terminals Sydney Pty Ltd.
Vopak Victoria Energy Terminal Pty Ltd.

China

Vopak (Huizhou) Terminal Services Co. Ltd.
Vopak China Management Company Ltd.
Vopak Terminal Ningbo Co. Ltd. (85%)
Vopak Terminal Shangdong Lanshan Ltd. (41.70%) [1]
Vopak Terminal Zhangjiagang Ltd.

Indonesia

PT Vopak Terminal Merak (94.81%)

Singapore

Monros Insurance Pte. Ltd.
Vopak Asia Pte. Ltd.
Vopak Gas Terminal LLP (55.6%) [2]
Vopak Terminal Penjuru Pte. Ltd. (69.5%) [3]
Vopak Terminals Singapore Pte. Ltd. (69.5%) [4]

Vietnam

Vopak (Vietnam) Co. Ltd.

Americas

Brazil

Vopak Brasil S.A.

Canada

Vopak Development Canada Inc.

Colombia

Vopak Colombia S.A.

Mexico

Vopak Mexico S.A. de C.V. (99.87%)

Panama

Vopak Panama Atlantic Inc.

United States

Vopak North America Inc.
Vopak Terminal Deer Park Inc.
Vopak Terminal Long Beach Inc.
Vopak Terminal Los Angeles Inc.
Vopak Terminals North America Inc.
Vopak Terminals Savannah Inc.

1 Vopak Terminal Penjuru Pte. Ltd. 60% ownership in Vopak Terminals Shangdong Lanshan
2 Vopak Terminals Singapore Pte. Ltd. 80% ownership in Vopak Gas Terminal LLP
3 Vopak Terminals Singapore Pte. Ltd. 100% ownership in Vopak Terminals Penjuru Pte. Ltd.
4 Vopak Holding Singapore Pte. Ltd 69.5% ownership in Vopak Terminals Singapore Pte. Ltd

JOINT VENTURES

Europe, Middle East & Africa

Belgium
NxtPort International B.V. (50%)

The Netherlands
Diize B.V. (50%)
Gate terminal B.V. (50%)
MultiCore C.V. (25%)

Pakistan
Engro Vopak Terminal Ltd. (50%)

Spain
Terminales Quimicos S.A. (Terquimsa) (50%)

United Arab Emirates
Vopak Horizon Fujairah Ltd. (33.33%)

Asia Pacific

China
Guangxi Hualin Jetty Co. Ltd. (51%)
Huizhou QuanMei Petrochemical Terminal Co. Ltd. (30%)
Tianjin Lingang Vopak Bohua Jetty Co. Ltd. (30%)
Vopak (Qinzhou) Jetty Co. Ltd. (51%)
Vopak Bohua (Tianjin) Terminal Co. Ltd. (50%)
Vopak Nanjiang Petrochemicals Terminal Tianjin Co. Ltd. (50%)
Vopak Shanghai Logistics Co. Ltd. (50%)

India
Aegis Vopak Terminals Ltd. (49%)

Indonesia
PT Jakarta Tank Terminal (49%)

Korea
Vopak Terminals Korea Ltd. (51%)

Malaysia
Kertih Terminals Sdn. Bhd. (20.85%) [5]
Pengerang Terminals Sdn. Bhd. (49%) [6]
Pengerang Independent Terminals Sdn. Bhd. (44.10%) [7]

Singapore
Banyan Cavern Storage Services Pte. Ltd. (31.275%) [8]

Thailand
Thai Tank Terminal Ltd. (35%) (2021: 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 S.A. ESP (SPEC) (49%)

India
Hindustan Aegis LPG Ltd. (24%)

Malaysia
Pengerang Terminals (Two) Sdn. Bhd. (25%)

The Netherlands
Vopak Terminal Eemshaven B.V. (10%)
Helios Eemshaven B.V. (8%) [9]
Maasvlakte Olie Terminal N.V. (16.67%)

Pakistan
Engro Elengy Terminal Pakistan Ltd. (44%)

Saudi Arabia
Jubail Chemicals Storage & Services Company LLC / Chemtank (22%)

5 Vopak Terminal Penjuru Pte. Ltd. 30% ownership in Kertih Terminals Sdn. Bhd.
6 Vopak Terminal Pengerang B.V. 49% ownership in Pengerang Terminals Sdn. Bhd.
7 Pengerang Terminals Sdn. Bhd. 89.999% ownership in Pengerang Independent Terminals Sdn. Bhd.
8 Vopak Terminals Singapore Pte. Ltd. 45% ownership in Banyan Cavern Storage Services Pte. Ltd
9 Vopak has a 10% share, holds 80% of the shares in Helios Eemshaven B.V.

INVESTMENTS

Finland
Aeromon Oy (15.07%)

Germany
Hydrogenious LOHC Technologies GmbH (10.3%)

The Netherlands
Elestor B.V. (5.18%)
Falcker Holding B.V. (25.4%)
Harbour Oil B.V. (33.3)
Harbour Stone B.V. (24.9%)
HyET Energy Systems B.V. (10.1%)
HyET Holding B.V. (5%)
HyET Hydrogen B.V. (5%)
HyperSoniq B.V. (25.5%)
Teqplay B.V. (24%)
TWTG Group B.V. (30%)
Xycle Europoort B.V. (33.33%)

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. (15%)
Data.world Inc. (2.17%)

Venezuela
Vopak Venezuela S.A. (100%)

Note 9.12 Events after the reporting period

No subsequent events have occurred.

Company Financial Statements

Company Statement of Income

In EUR millions	Note	2022	2021
Other operating income		–	–
Total operating income		**–**	**–**
Personnel expenses	8	36.5	43.8
Other operating expenses		33.4	30.5
Depreciation and amortization		3.0	3.0
Total operating expenses		**72.9**	**77.3**
Interest and similar expenses		- 72.2	- 72.7
Result before income tax		**- 145.1**	**- 150.0**
Income tax	9	- 14.0	40.5
Share in result of subsidiaries and participations	2	- 9.3	323.7
Net profit / (loss)		**- 168.4**	**214.2**

Company Statement of Financial Position before Profit Appropriation

In EUR millions	Note	31-Dec-22	31-Dec-21
Participating interests in group companies	2	2,416.4	2,568.5
Property, plant and equipment - owned assets		4.5	5.1
Property, plant and equipment - right-of-use assets		29.6	30.8
Loans granted	3	2,453.4	2,254.6
Derivative financial instruments	6	15.1	35.6
Deferred taxes		–	36.6
Total non-current assets		**4,919.0**	**4,931.2**
Trade and other receivables		58.0	1.3
Taxes receivable		0.2	–
Prepayments		0.9	5.3
Pension and other employee benefits		0.3	–
Derivative financial instruments	6	49.6	0.1
Cash and cash equivalents		0.3	11.2
Total current assets		**109.3**	**17.9**
Bank overdrafts		40.0	2.6
Interest-bearing loans	5	278.7	- 0.5
Lease liabilities		2.3	2.2
Derivative financial instruments	6	0.6	3.9
Taxes payable		3.8	–
Trade and other payables		20.6	32.8
Provisions		1.6	3.3
Total current liabilities		**347.6**	**44.3**
Current assets less current liabilities		**- 238.3**	**- 26.4**
Total assets less current liabilities		**4,680.7**	**4,904.8**

In EUR millions	Note	31-Dec-22	31-Dec-21
Interest-bearing loans	5	1,662.8	1,682.5
Lease liabilities		28.0	29.4
Derivative financial instruments	6	1.7	–
Provisions		3.5	4.2
Non-current liabilities		**1,696.0**	**1,716.1**
Share capital		62.9	62.9
Share premium		194.4	194.4
Legal reserve for participating interests	4	520.0	517.4
Translation reserve		8.6	- 30.7
Revaluation reserve derivatives		- 32.0	- 94.8
Revaluation reserve assets		51.4	49.7
Transaction reserve non-controlling interest		1.5	0.9
Other reserves	4	2,346.3	2,274.7
Unappropriated profit / (loss)	4	- 168.4	214.2
Shareholders' equity		**2,984.7**	**3,188.7**
Total		**4,680.7**	**4,904.8**

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.

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	2022	2021
Carrying amount at 31 December	**2,568.5**	**2,125.2**
Investments	61.5	–
Disposal	- 114.6	- 14.7
FV change equity investment	- 1.7	- 33.1
Dividends received	- 247.0	- 116.9
Other		
- Exchange differences	125.6	269.1
- Hedging	33.4	15.2
Other comprehensive income from Participating interests in Group Companies	**159.0**	**284.3**
Profit / (loss)	- 9.3	323.7
Carrying amount at 31 December	**2,416.4**	**2,568.5**

The majority of 2022 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, associates and investments held (indirectly) by the company, reference is made to note 9.11 of the Consolidated financial statements.

Note 3. Loans granted

In EUR millions	2022	2021
Carrying amount at 1 January	**2,254.6**	**2,437.2**
Loans granted	630.4	231.2
Repayments	- 431.6	- 413.8
Carrying amount at 31 December	**2,453.4**	**2,254.6**

Loans granted mainly related to various loans to subsidiaries. At 31 December 2022 loans granted did not include any subordinated loans (2021: 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	2022	2021
Carrying amount at 1 January	**517.4**	**404.0**
Dotation from Other reserves	2.6	113.4
Carrying amount at 31 December	**520.0**	**517.4**

Other reserves

In EUR millions	2022	2021
Carrying amount at 1 January	**2,274.7**	**2,226.6**
Profit appropriation from Unappropriated profit	57.4	144.1
Measurement of equity-settled share-based payment arrangements	3.3	7.8
Purchase treasury shares	–	- 2.9
Vested shares under equity-settled share-based payment arrangements	- 2.5	- 1.3
Actuarial Reserve	21.7	13.8
Other	- 5.7	–
Release to Legal reserves	- 2.6	- 113.4
Carrying amount at 31 December	**2,346.3**	**2,274.7**

The other reserves as presented in the Company Statement of Financial Position includes a legal reserve for internally developed intangibles of EUR 87.8 million (2021: EUR 89.8 million).

Unappropriated profit

In EUR millions	2022	2021
Carrying amount at 1 January	**214.2**	**294.6**
Profit appropriation to Other reserves	- 57.4	- 144.1
Dividend in cash	- 156.8	- 150.5
Profit / (loss) for the year	- 168.4	214.2
Carrying amount at 31 December	**- 168.4**	**214.2**

After adjustment for the legal reserves at 31 December 2022, a total of EUR 2,058.1 million (2021: EUR 2,273.5 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 %	
	2022	2021	2022	2021	2022	2021	2022	2021
Current portion	278.7	-0.5	–					
Non-current portion	1,662.8	1,682.5	551.7	792.2				
Total	**1,941.5**	**1,682.0**	**551.7**	**792.2**	**5.2**	**6.5**	**3.3**	**3.4**

Note 6. Derivative financial instruments

		31 December 2022			31 December 2021		
In EUR millions	Maturity	Assets [1]	Liabilities [1]	Notional amount	Assets [1]	Liabilities [1]	Notional amount
Forward foreign currency contracts [2]	< 1 year	1.0	–	130.3	–	3.9	189.9
Total net investment hedges		**1.0**	**–**	**130.3**	**–**	**3.9**	**189.9**
Cross-currency interest rate swaps [3]	< 1 year	45.5	–	246.1	–	–	–
Cross-currency interest rate swaps [3]	1-5 years	8.5	1.7	212.5	35.1	–	458.6
Cross-currency interest rate swaps [3]	> 5 years	6.6	–	66.6	0.5	–	66.6
Total cash flow hedges - currency part		**60.6**	**1.7**	**525.2**	**35.6**	**–**	**525.2**
Forward foreign currency contracts	< 1 year	3.1	0.6	116.4	0.1	–	48.2
Total derivatives no hedge accounting		**3.1**	**0.6**	**116.4**	**0.1**	**–**	**48.2**
Total derivative financial instruments		**64.7**	**2.3**	**771.9**	**35.7**	**3.9**	**763.3**
Non-current		15.1	1.7		35.6	–	
Current		49.6	0.6		0.1	3.9	
Total		**64.7**	**2.3**		**35.7**	**3.9**	

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 (2022: USD 468 million and JPY 20 billion; 2021: USD 468 million and JPY 20 billion) 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 162 employees and temporary staff (in FTEs) (2021: 178), of which the company employed on average 158 employees (in FTEs) (2021: 168) and on average 4 temporary staff (in FTEs) (2021: 10). They were all posted in the Netherlands, with the exception of 3 average FTEs who worked from abroad in 2022 (2021: 4).

In EUR millions	2022	2021
Wages and salaries	26.6	29.1
Social security charges	2.0	1.8
Contribution to pension schemes (defined contribution)	5.3	5.1
Long-term incentive plans	3.1	6.2
Other personnel expenses	3.4	5.6
Recharged to group companies	- 3.9	- 4.0
Total	**36.5**	**43.8**

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	2022		2021	
Result before income tax		- 145.1		- 150.0
Income tax		- 14.0		40.5
Effective tax rate		**-9.6%**		**27.0%**
Composition:	*Amount*	*%*	*Amount*	*%*
Weighted average statutory tax rate	37.4	25.8	37.5	25.0
Non-deductible expenses	0.7	0.5	1.1	0.7
(De)recognition of tax losses and tax credits	- 52.1	- 35.9	1.9	1.3
Effective tax (rate)	**- 14.0**	**- 9.6**	**40.5**	**27.0**

The 2022 effective tax rate of -9.6% (2021: 27.0%) deviates from the applicable tax rate of 25.8% (2021: 25.0%) as a result of non-deductible expenses and the derecognition of deferred tax assets in the Dutch fiscal unity as a result of updated long-term outlooks on future taxable profits.

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 112.1 million (2021: EUR 107.8 million). Guarantees and security provided on behalf of Group companies amounted to EUR 50.3 million (2021: EUR 49.3 million).

Joint and several liability undertakings for an amount of EUR 80 million (2021: EUR 80.0 million) were issued for bank credits granted to Royal Vopak. Furthermore, joint and several liability undertakings for an amount of EUR 38.5 million (2021: 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 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, 14 February 2023

The Executive Board
D.J.M. Richelle - Chairman of the Executive Board and CEO
F. Eulderink - Member of the Executive Board and COO
M.E.G. Gilsing - 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, 14 February 2023

The Executive Board

D.J.M. Richelle - Chairman of the Executive Board and CEO
F. Eulderink - Member of the Executive Board and COO
M.E.G. Gilsing - Member of the Executive Board and CFO

External auditor's reports

Independent auditor’s report

To the shareholders and the Supervisory Board of Koninklijke Vopak N.V.

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the accompanying financial statements 2022 of Koninklijke Vopak N.V. (“Vopak”, the “Company” or the “Group”), based in Rotterdam, The Netherlands (the “Financial Statements”). The Financial Statements comprise 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 2022, and of its result and its cash flows for 2022 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; and
- 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 2022, and of its result for 2022 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 2022;
- the following statements for 2022: the consolidated statement of income, comprehensive income, changes in equity and cash flows; and
- 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 appropriation as at 31 December 2022;
- the company statement of income for 2022; and
- 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 the statutory audits of public-interest entities, the ‘Wet toezicht accountantsorganisaties’ (Audit firms supervision act), the ‘Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten’ (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’ (Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the Financial Statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the Financial Statements as a whole at EUR 21 million (2021: EUR 19 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 materiality levels:

- The Netherlands of EUR 9.1 million (2021: EUR 8.6 million);
- Singapore of EUR 9.1 million (2021: EUR 7.2 million); and
- the United States of America of EUR 8.4 million (2021: EUR 7.9 million).

For the other reporting entities the component materiality did not exceed EUR 7.6 million (2021: 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 1.05 million (2021: EUR 0.95 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; and
- unconsolidated reporting entities, comprising 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 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 (The Netherlands, Singapore and the 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 sufficient audit coverage on the group's consolidated financial statements.

Audit coverage

- Audit coverage of consolidated revenues: 89%
- Audit coverage of group operating profit: 85%
- Audit coverage of total assets: 79%

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. We conducted a visit to the (auditors of the) following components: (i) the significant component in Singapore, (ii) the significant component in the United States of America, and (iii) a component in Malaysia. In addition, 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 group 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 on the consolidated financial statements.

Audit approach fraud risks

Description

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.

Our response

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; and
  - 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 judgement and assumptions.

Based on our procedures performed we have no matters to report.

Audit approach compliance with laws and regulations

Description

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.

Our response

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 reporting regulations, the requirements under 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 (i) the operating aspects of the business, (ii) Vopak's ability to continue its business, or (iii) 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.

Audit approach going concern

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 Russia/Ukraine war or the ongoing COVID-19 pandemic, give rise to doubt about the ability of the Group to continue in operation in the next reporting period.

Our response

- We evaluated management's assessment of the going concern assumption and related disclosures in note 1.1 of the 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 whether 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 Financial Statements.

Our key audit matter

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 matter to the supervisory board. The key audit matter is not a comprehensive reflection of all matters discussed. The key audit matter is consistent with prior year.

Valuation of property, plant and equipment, joint ventures and associates (including impairment)

Description

The Group controls a number of tank storage terminals with a total carrying value of owned property, plant and equipment of € 3,547 million as per 31 December 2022 (note 3.3). Furthermore, the Group has an interest in a number of joint ventures and associates, with a total carrying value of € 1,878 million as per 31 December 2022 (note 3.5). This valuation of these assets 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 judgement.

Such judgement is inherently uncertain and significantly depends on estimated future cash flows, which are among others, dependent on economic conditions (including the impact of the Russia-Ukraine war and subsequent energy crisis and rising inflations). These future cash flows are also potentially impacted by climate-related risks and the energy transition, and judgement has to be applied to reflect the potential changes in supply and demand as a result of these climate-related risks and the energy transition. Vopak has identified climate-related risks and opportunities, which are set out within the "Sustainability" section of the Management Report, which forms part of the other information included on pages 1-213 and page 332 of the annual report (the "Other Information"), as well as in the Financial Statements in note 1.1.

Management's assessment of the impact of the energy transition resulted in a revised value-in-use ("ViU") model for oil terminals. The revisions are further disclosed in note 3.8 and mainly relate to:

- extending the distinct forecast beyond the 15-year period (which continues to be used for non-oil terminals) to include the period in which the energy transition is expected to take place;
- the expected revenue and cash flow levels (using decreasing and negative growth rates) based on the Global Energy and Climate Model issued by the International Energy Agency; and
- the estimated terminal value.

Our response

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. We assessed the completeness of the impairment triggers identified by reviewing the actual and forecast financial performance of the CGU's.

For the terminal locations that triggered management's impairment testing, we (i) evaluated the policies and procedures regarding impairment testing, (ii) challenged management's primary cash flow assumptions and (iii) 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, through inquiry with management and reviewing Vopak's Sustainability Roadmap as approved by the Supervisory Board, we obtained an understanding of the outlook and plans for their oil terminals in the light of the climate risks and energy transition to obtain an understanding of the potential impact on the cash flow forecasts. Additionally, in connection with our audit of the Financial Statements, we read the Other Information in the annual report and considered whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit.

We subsequently assessed the appropriateness of management's assumptions applied in the ViU models by obtaining an understanding of the terminal specific circumstances, including the specific product mix and the relevant geography's outlook on supply and demand. Furthermore, 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 ViU calculations. Finally, we assessed whether the main assumptions and related uncertainties are appropriately reflected in the disclosures in the Financial Statements.

Our observations

As described in notes 3.8 and 3.5 of the Financial Statements, the Group recognized impairments of (i) € 449 million on property, plant and equipment and intangibles assets and (ii) € 36.2 million on joint ventures in 2022. The Group has provided disclosures for its key accounting estimates in note 3.8 of the Financial Statements which include disclosures of:

- the impairments recognized on the carrying amounts of the:
  - Europoort terminals in The Netherlands of € 240 million;
  - Botlek terminals in The Netherlands of € 190 million;
  - Vopak Colombia terminals of € 17 million;
  - Eurotank terminal capitalized business development costs in Belgium of € 2 million;
  - associate SPEC LNG terminal in Colombia of € 36 million;
  - German LNG Terminal partial impairment reversal of € 4 million; and
- 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 property, plant and equipment, joint ventures and associates 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 result in future (reversal of) impairments of terminal assets, joint ventures and associates going forward.

Report on the other information included in the annual report

The Annual Report contains other information, in addition to the financial statements and our auditor's report thereon.

The Other Information consists of:

- Management Report;
- Supervisory Board report;
- Remuneration report; and
- 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; and
- 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 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 and esef

Engagement

We were engaged by the supervisory board as auditor of Koninklijke Vopak N.V. on April 23, 2014, as of the audit for the year 2015 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit service as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public interest entities.

European Single Electronic Format (“ESEF”)

Koninklijke Vopak N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (the “RTS on ESEF”).

In our opinion, the annual report, prepared in XHTML format, including the (partly) marked-up consolidated financial statements, as included in the reporting package by Koninklijke Vopak N.V. complies in all material respects 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 into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N ‘Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument’ (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:
- Obtaining an understanding of the Company’s financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance and the XBRL extension taxonomy files has been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of Management and the 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 the 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.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the Financial Statements, whether due to fraud or error, 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. 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.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the Financial Statements, including the disclosures.
- Evaluating whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Evaluating whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the audit committee in accordance with article 11 of the EU Regulation 537/2014 on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor’s report.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 14 February 2023

Deloitte Accountants B.V.

Signed on the original J.A. de Bruin

Assurance report of the independent auditor with respect to the 2022 sustainability information of Koninklijke Vopak N.V.

To the shareholders and supervisory board of Koninklijke Vopak N.V.

Our conclusion

We have reviewed the sustainability information in the accompanying annual report for 2022 of Koninklijke Vopak N.V. at Rotterdam. A review is aimed at obtaining a limited level of assurance.

Based on our review procedures performed 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 corporate social responsibility; and
- the thereto related events and achievements in 2022 in accordance with the reporting criteria as included in the section 'Reporting Criteria'.

The sustainability information consists of the chapter 'Sustainability' in the annual report (pages 77 - 147). Our limited assurance scope excludes note 22 'EU Taxonomy' included in chapter 'Sustainability' in the 2022 Annual Report (pages 135 - 147).

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). 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 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 chapter 'Governance and basis of preparation' of the annual report.

The sustainability information is prepared with reference to the GRI Standards. The GRI Standards used are listed in the GRI Content Index as published on the company's website.

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.

Consequently, the sustainability information needs to be read and understood together with the reporting criteria used.

Limitations to the scope of our review

The sustainability information includes prospective information such as ambitions, strategy, plans, expectations and estimates. Inherent to this 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 management board is also responsible for selecting and applying the reporting criteria and for determining that these reporting criteria are suitable for the legitimate information needs of stakeholders, taking into account applicable law and regulations related to reporting. The choices made by the management board regarding the scope of the sustainability information and the reporting policy are summarized in chapter 'Governance and basis of preparation' in 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 sustainability 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 engagement in a manner that allows us to obtain sufficient and appropriate assurance 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.

Our review included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant sustainability 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 through inquiries a general understanding of control environment, processes and information systems relevant to the preparation of the sustainability information, but did not obtain evidence about their implementation or test their operating effectiveness;
- 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 components and locations to visit. The visits are 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 overall presentation and content of the sustainability information; and
- Considering whether the sustainability information as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Rotterdam, February 14, 2023

Deloitte Accountants B.V.

Signed on the original J.A. de Bruin

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

	2022				2021			
In EUR millions	IFRS figures	Exclusion exceptional items	Effects proportional consolidation	Proportional consolidated	IFRS figures	Exclusion exceptional items	Effects proportional consolidation	Proportional consolidated
Revenues	1,367.0	–	490.2	1,857.2	1,227.9	–	437.4	1,665.3
Other operating income	63.9	25.0	65.5	104.4	41.1	–	93.3	134.4
Operating expenses	- 720.4	- 7.0	- 180.4	- 893.8	- 628.8	- 0.7	- 172.0	- 800.1
Result joint ventures and associates	162.3	- 32.4	- 194.7	–	172.3	- 13.4	- 185.7	–
Impairment	- 448.8	- 448.8	–	–	- 71.0	- 71.0	–	–
Group operating profit / (loss) before depreciation and amortization (EBITDA)	**424.0**	**- 463.2**	**180.6**	**1,067.8**	**741.5**	**- 85.1**	**173.0**	**999.6**
Depreciation and amortization	- 339.9	–	- 112.9	- 452.8	- 331.8	–	- 110.8	- 442.6
Group operating profit / (loss) (EBIT)	**84.1**	**- 463.2**	**67.7**	**615.0**	**409.7**	**- 85.1**	**62.2**	**557.0**
Net finance costs	- 120.7	–	- 62.5	- 183.2	- 106.5	–	- 46.2	- 152.7
Income tax	- 101.2	0.4	- 35.8	- 137.4	- 60.0	1.0	- 45.0	- 106.0
Net profit / (loss)	**- 137.8**	**- 462.8**	**- 30.6**	**294.4**	**243.2**	**- 84.1**	**- 29.0**	**298.3**
Non-controlling interests	- 30.6	–	30.6	–	- 29.0	–	29.0	–
Net profit / (loss) owners of parent	**- 168.4**	**- 462.8**	**–**	**294.4**	**214.2**	**- 84.1**	**–**	**298.3**

Statement of financial position

In EUR millions	31-Dec-22 IFRS figures	31-Dec-22 Effects proportional consolidation	31-Dec-22 Proportional consolidated	31-Dec-21 IFRS figures	31-Dec-21 Effects proportional consolidation	31-Dec-21 Proportional consolidated
Non-current assets (excl. joint ventures and associates)	4,600.7	2,979.5	7,580.2	4,935.7	2,595.9	7,531.6
Joint ventures and associates	1,877.8	- 1,877.8	–	1,583.3	- 1,583.3	–
Current assets	520.6	442.2	962.8	567.7	414.2	981.9
Total assets	**6,999.1**	**1,543.9**	**8,543.0**	**7,086.7**	**1,426.8**	**8,513.5**
Non-current liabilities	2,690.0	1,291.1	3,981.1	2,780.7	1,310.1	4,090.8
Current liabilities	1,162.8	414.4	1,577.2	960.4	273.6	1,234.0
Total liabilities	**3,852.8**	**1,705.5**	**5,558.3**	**3,741.1**	**1,583.7**	**5,324.8**
Equity attributable to owners of parent	2,984.7	–	2,984.7	3,188.7	–	3,188.7
Non-controlling interests	161.6	- 161.6	–	156.9	- 156.9	–
Total equity	**3,146.3**	**- 161.6**	**2,984.7**	**3,345.6**	**- 156.9**	**3,188.7**

Other information

	2022	2021
EBITDA margin -excluding exceptional items-	54.4%	55.5%
Occupancy rate subsidiaries, joint ventures and associates	88%	88%
Sustaining, service improvement and IT capex (in EUR million)	314.9	355.2

Net interest-bearing debt

In EUR millions	31-Dec-22	31-Dec-21
Non-current portion of interest-bearing loans	3,552.2	3,649.3
Current portion of interest-bearing loans	656.3	132.6
Total interest-bearing loans	**4,208.5**	**3,781.9**
Short-term borrowings	312.9	496.4
Bank overdrafts	1.1	2.6
Cash and cash equivalents	- 313.8	- 309.4
Net interest-bearing debt	**4,208.7**	**3,971.5**

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		New Energy & LNG		Global functions and corporate activities		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues	476.0	397.0	303.1	242.7	488.2	411.1	178.5	153.4	141.1	131.2	590.5	567.8	434.7	424.0	154.5	151.7	6.9	6.5	1,857.2	1,665.3
Other operating income	19.5	22.8	7.3	9.2	11.8	12.0	- 0.2	0.1	9.5	5.8	2.1	5.0	1.4	2.2	61.4	88.9	0.1	- 0.1	104.4	134.4
Operating expenses	- 246.2	- 213.1	- 162.3	- 132.7	- 155.3	- 120.9	- 55.8	- 44.4	- 49.2	- 39.8	- 323.3	- 277.4	- 244.3	- 201.9	- 68.2	- 90.3	- 51.6	- 58.6	- 893.8	- 800.1
EBITDA	**249.3**	**206.7**	**148.1**	**119.2**	**344.7**	**302.2**	**122.5**	**109.1**	**101.4**	**97.2**	**269.3**	**295.4**	**191.8**	**224.3**	**147.7**	**150.3**	**- 44.6**	**- 52.2**	**1,067.8**	**999.6**
Depreciation and amortization	- 79.9	- 74.4	- 53.6	- 45.1	- 121.8	- 102.1	- 38.6	- 33.3	- 28.3	- 32.3	- 163.9	- 170.9	- 114.4	- 121.2	- 38.5	- 45.1	- 20.4	- 17.8	- 452.8	- 442.6
EBIT excluding exceptional items	**169.4**	**132.3**	**94.5**	**74.1**	**222.9**	**200.1**	**83.9**	**75.8**	**73.1**	**64.9**	**105.4**	**124.5**	**77.4**	**103.1**	**109.2**	**105.2**	**- 65.0**	**- 70.0**	**615.0**	**557.0**
Occupancy rate	**94%**	**90%**			**86%**	**86%**			**85%**	**86%**	**86%**	**87%**			**98%**	**96%**			**88%**	**88%**
Net interest-bearing debt																			**4,208.7**	**3,971.5**

Revenues per product type per reporting segment

In EUR millions	Americas		Asia & Middle East		China & North Asia		Europe & Africa		New Energy & LNG		Global functions, corporate activities		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Chemical products	262.3	203.3	203.8	167.8	118.1	109.8	224.2	200.1	–	–	–	–	808.4	681.0
Oil products	139.3	136.5	243.9	207.2	0.7	0.5	234.8	249.5	–	–	–	–	618.7	593.7
Vegoils and biofuels	48.0	38.0	3.0	1.9	0.1	–	72.1	62.8	–	–	–	–	123.2	102.7
Gas products	16.7	11.1	21.1	15.1	21.5	20.5	38.8	35.7	154.5	151.7	–	–	252.6	234.1
Others	9.7	8.1	16.4	19.1	0.7	0.4	20.6	19.7	–	–	6.9	6.5	54.3	53.8
Total	**476.0**	**397.0**	**488.2**	**411.1**	**141.1**	**131.2**	**590.5**	**567.8**	**154.5**	**151.7**	**6.9**	**6.5**	**1,857.2**	**1,665.3**

Proportional operating cash flow

Proportional operating cash flow

In EUR millions	2019	2020	2021	2022
Reported EBITDA	**829.8**	**779.7**	**826.6**	**887.2**
Effect proportional consolidation	150.9	180.8	173.0	180.6
Proportional EBITDA	**980.7**	**960.5**	**999.6**	**1,067.8**
Proportional operating capex	- 321.7	- 317.4	- 355.2	- 314.9
IFRS 16 Leases	- 55.0	- 84.7	- 91.6	- 68.5
Proportional operating cash flow	**604.0**	**558.4**	**552.8**	**684.4**

Proportional operating cash return

	2019	2020	2021	2022
Proportional operating cash flow	604.0	558.4	552.8	684.4
Average proportional capital employed	4,723.2	4,768.5	5,398.7	6,007.0
Proportional operating cash return	**12.8%**	**11.7%**	**10.2%**	**11.4%**

Average proportional capital employed

	2019	2020	2021	2022
Proportional total assets	7,827.6	7,990.8	8,513.5	8,543.0
Proportional current liabilities	- 1,228.1	- 1,147.4	- 1,234.0	- 1,577.2
Proportional right-of-use assets	- 771.3	- 890.1	- 887.7	- 1,034.8
Proportional assets under construction	- 807.3	- 889.8	- 491.4	- 478.6
Other	- 54.6	6.0	4.1	345.5
Year-end proportional capital employed	**4,966.3**	**5,069.5**	**5,904.5**	**5,797.9**
Average proportional capital employed	**4,723.2**	**4,768.5**	**5,398.7**	**6,007.0**

Profit Appropriation

Articles of Association Provisions Governing Profit Appropriation

The Articles of Association provisions governing profit appropriation are contained in Articles 9 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 1.30 (2021: EUR 1.25 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 2022 financial year is expected to be paid on 5 May 2023.

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 2022, 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. M.H. Muller, Chairman
- Mrs. A.P. Aris
- Mr. J.C.M. Schönfeld
- Mr. J.V. Timmermans

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 17 September 2013, the EGM resolved to grant 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, 14 February 2023

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, 14 February 2023

Stichting Vopak
Koninklijke Vopak N.V. (Royal Vopak)

Five-year consolidated summary

in EUR millions	2022	2021	Restated 2020 [2]	2019 [1]	2018
Consolidated abridged statement of income					
Revenues	1,367	1,228	1,190	1,253	1,254
Other operating income	64	41	60	276	32
Total operating income	**1,431**	**1,269**	**1,250**	**1,529**	**1,286**
Operating expenses	- 720	- 629	- 604	- 635	- 647
Depreciation and amortization	- 340	- 332	- 296	- 291	- 273
Impairment	- 449	- 71	- 30	- 17	2
Total operating expenses	**- 1,509**	**- 1,032**	**- 930**	**- 943**	**- 918**
Operating profit	**- 78**	**237**	**320**	**586**	**368**
Result of joint ventures and associates	162	173	162	162	114
Group operating profit (EBIT)	**84**	**410**	**482**	**748**	**482**
Net finance costs	- 121	- 107	- 87	- 86	- 133
Profit before income tax	**- 37**	**303**	**395**	**662**	**349**
Income tax	- 101	- 60	- 71	- 58	- 58
Net profit	**- 138**	**243**	**324**	**604**	**291**
Non-controlling interests	- 30	- 29	- 29	- 33	- 36
Net profit holders of ordinary shares	**- 168**	**214**	**295**	**571**	**255**
Consolidated abridged statement of income excluding exceptional items					
Operating profit	**352**	**309**	**318**	**363**	**349**
Result of joint ventures and associates	195	186	166	176	114
Group operating profit (EBIT)	**547**	**495**	**484**	**539**	**463**
Net finance costs	- 120	- 107	- 87	- 87	- 82
Profit before income tax	**427**	**388**	**397**	**452**	**381**
Income tax	- 102	- 61	- 68	- 61	- 55
Net profit	**325**	**327**	**329**	**391**	**326**
Non-controlling interests	- 31	- 29	- 30	- 33	- 36
Net profit holders of ordinary shares	**294**	**298**	**299**	**358**	**290**

in EUR millions - at 31 December	2022	2021	Restated 2020 [2]	2019 [1]	2018
Consolidated abridged statement of financial position					
Intangible assets	110	111	148	165	156
Property, plant and equipment	4,195	4,475	4,431	4,144	3,736
Financial assets	2,142	1,839	1,476	1,418	1,146
Deferred tax	9	51	43	31	8
Other	23	43	15	25	47
Total non-current assets	**6,479**	**6,519**	**6,113**	**5,783**	**5,093**
Total current assets	**520**	**568**	**386**	**590**	**422**
Total assets	**6,999**	**7,087**	**6,499**	**6,373**	**5,515**
Total equity	**3,146**	**3,346**	**3,106**	**3,195**	**2,844**
Total non-current liabilities	**2,690**	**2,781**	**2,559**	**2,240**	**2,060**
Total current liabilities	**1,163**	**960**	**834**	**938**	**611**
Total liabilities	**3,853**	**3,741**	**3,393**	**3,178**	**2,671**
Total equity and liabilities	**6,999**	**7,087**	**6,499**	**6,373**	**5,515**

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.

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.

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

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.

FID
Final Investment Decision

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

Proportional operating cash return
- Proportional Operating Cash Return is defined as proportional operating cash flow divided by average proportional capital employed;
- Proportional operating cash flow is defined as proportional EBITDA minus IFRS 16 lessee (depreciation/interest) minus proportional operating capex. From 2022, onwards IFRS 16 lessor (gross customer receipts minus interest income) has been adjusted;
- Proportional operating capex is defined as sustaining and service capex plus IT capex;
- Proportional operating cash flow is pre-tax, excludes growth capex, derivative movements and working capital movements;
- Proportional Capital employed is defined as proportional total assets excluding assets and current liabilities not related to operational activities, excluding IFRS 16 lessee (gross lease payment)

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

Vapor
Variety of gases that are emitted, including: Volatile Organic Compounds (VOC), SOx, NOx, Particulate Matter (PM2.5) and methane.

VOC
Volatile Organic Compound

VPM
Vopak Project Management

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Credits

Consultancy, concept and design

DartGroup, Amsterdam

Technical realization

DartGroup, Amsterdam

Vopak