



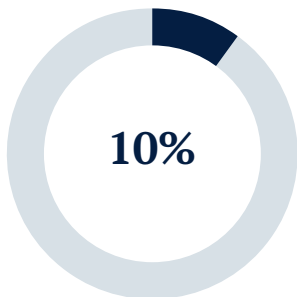
## Stolthaven Terminals

### Performance

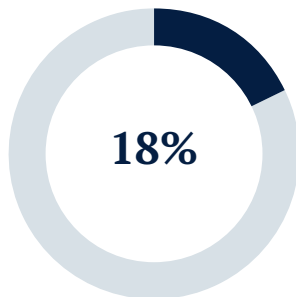
(US \$ millions)	2022	2021	2020
Operating revenue	276	244	239
Operating profit	89	62	69

### Percentage of group total

of total operating revenue



of total operating profit<sup>1</sup>



1. Excluding Stolt-Nielsen Gas, Corporate and Other loss of \$39.1 million.



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### Markets

- We provide safe storage and handling for a variety of speciality bulk liquids, such as chemicals, clean petroleum products, liquefied petroleum gases, biofuels, vegetable oils, alternative fuels and feedstocks.
- We have 5.0 million m<sup>3</sup> of storage capacity across 10 wholly-owned terminals and four joint-venture terminals. This gives customers access to key international shipping and transportation hubs close to their operations.

### Strategy

Our mission is to be the most respected global storage provider. We focus on continuous improvement to deliver safe, high-quality, sustainable storage and handling solutions that help our customers maximise value from their supply chains.

By collaborating with Stolt Tankers and Stolt Tank Containers, we provide integrated, end-to-end solutions that deliver further efficiencies to our business and our customers.

### 2022 in review

Stolthaven’s global network was well positioned to reliably support customers who faced ongoing supply chain disruptions in the shipping market, inland transportation constraints and ongoing global macroeconomic challenges. The war in Ukraine also had an impact on trade flows, Russian-sourced clean petroleum products were replaced by alternatives from other locations and we also saw greater volumes of edible oils replacing those from Ukraine.

In 2022, we therefore saw greater storage and throughput revenue following increased utilisation at our wholly-owned terminals. Operating revenue and operating profit growth in the first two quarters levelled off in the second half of the year due to changing macroeconomic conditions in some markets. We ended the year with an annual operating profit of \$89.2 million, up from \$62.3 million in 2021. Operating revenue increased 13.4% to \$276.2 million, and utilisation rose to 97.4% from 90.9% in 2021.

Not only did we improve utilisation of our existing capacity, but we completed planned expansions at our joint-venture terminals in Malaysia and South Korea totalling 102,000 m<sup>3</sup>. We also started construction of our new joint-venture terminal in Taiwan and continued to identify and develop further expansion opportunities and new projects, to meet evolving customer demand.

Throughout the year, we remained focused on our long-term strategy of improving profitability through digitalisation, efficiency, safety, customer centricity and sustainability.

Our Internet of Things initiative – which explores how we exchange and connect data between our operations and third parties – is on track. This includes our *Connected Worker* programme, which aims to move in-field operations online to boost safety and efficiency. This year, we piloted a mobile app that enhances personal safety and productivity by providing operators with dynamic checklists to guide them through process steps. We also deployed the *Ultimo* enterprise asset management system at our terminals in Houston (US), New Orleans (US) and Dagenham (UK) with the aim of rolling it out to our other wholly-owned sites next year. Digitalisation alongside increased safety training, awareness campaigns and management processes helped us reduce our Lost Time Injury Frequency (LTIF), although Total Recordable Case Frequency (TRCF) increased slightly due to an incident at a neighbouring site to our Moerdijk terminal. Read more about our 2022 safety performance on page 23.

These digitalisation and safety developments are rooted in our ongoing customer centricity strategy. This year, we continued our focus on functional customer leadership teams, which help ensure we concentrate on the customer at every touchpoint. Thanks to our employees' ongoing dedication, we delivered high-quality services despite the challenging environment – and our customers recognised this. Dow Chemicals named our Santos terminal 'Best Terminal in Brazil' for its outstanding performance in safety, social responsibility, environment and operations. Stolthaven Houston received LyondellBasell's GoalZERO Safety Award for its consistently high performance and Total Recordable Incident Rate (TRIR) of zero. And Stolthaven Singapore received the Dow S4TAR Logistics Best Service Provider Award for safety, sustainability, social responsibility and customer service.

The wider industry also recognised our leadership, with Stolthaven Houston and New Orleans receiving a joint Safety Excellence Award from the International Liquid Terminals Association (ILTA). We sought an EcoVadis rating for the first time, not only achieving silver, but receiving scores that placed us in the top 4% of the warehousing storage industry for sustainability. Our efforts to minimise our negative environmental impact progressed, with energy scans used as the basis for terminals' carbon neutral roadmaps and a partnership with Deloitte to pilot an innovative new decarbonisation tool.

Planning for the energy transition and EU Green Deal has moved up the agenda, influenced by the war in Ukraine, and we continued collaborating with the industry to develop a strategy that supports customers and our future growth. For example, we partnered with Pecém Industrial and Port Complex to jointly work on developing a green hydrogen hub, which will provide storage and handling services for green hydrogen and associated products at Brazil's Port of Pecém. Read more about our 2022 environmental initiatives on page 30.

None of these achievements would have been possible without our talented people, and we remain committed to delivering an exceptional employee experience. 2022 had a major focus on training and recognition. Our leadership development overview (LEAD) programme gathered momentum, and we piloted a supervisor training programme based on feedback from our previous employee engagement survey. More terminals are now using our *Bonusly* tool, which provides a central platform for colleagues to recognise and reward each other's achievements.

Our employee engagement survey had an impressive 92% response rate and the results showed a sustainable engagement score of 87%. The results also indicated that most of our terminals are at or above country norms – and that we had addressed improvement areas identified in previous surveys, such as performance management. We have started plans for enhancing areas, like diversity and inclusion, which were identified in this year's survey.

### Outlook

The macroeconomic backdrop will remain challenging, and we will continue to focus on our market-driven strategy which has customers at its core. China's situation will continue to influence both demand and supply in the chemical market next year. We expect that the US market will pick up towards the end of 2023, with demand rebounding in 2024. The ongoing war in Ukraine is expected to continue affecting trade flows, particularly for edible oils and petroleum products. Europe will remain challenged on feedstock and energy prices, although as we saw in 2022, this could lead to more imports and greater storage demand.

We will see growth for products related to the energy transition – especially biofuels used as feedstock for refineries and biodiesel and sustainable aviation fuel as finished products. Together with Stolt Tank Containers, we will continue to provide supply chain solutions to better serve customers in these segments. And we will continue developing solutions for improving our energy footprint, helping our customers reduce their Scope 3 emissions.

Digitalisation will deliver greater efficiency, safety and visibility for decision making. We will continue expanding our portfolio of value-adding services, further developing our US-based wastewater business and adding to our logistics offering. These efforts will enhance our ability to offer integrated services across our global network and in partnership with Stolt Tankers and Stolt Tank Containers, so we are increasingly agile in responding to customers' supply chain challenges.

### Guy Bessant

President  
Stolthaven Terminals