



ON COURSE

Sustainability Report

2023



About this report.

Welcome to our annual Flogas sustainability report. It provides information on our achievements, successes, challenges and progress on our journey to sustainability.

This report focuses on the period 01 April 2022 to 31 March 2023 and covers the activities of Flogas in Great Britain, our principal place of business.

The report boundaries cover our own Flogas operations. We have included topics that we determined to be most material, based on their importance to stakeholders and their potential impact on our business value. To establish this, we carried out a comprehensive materiality assessment, identifying the key topics for internal and external stakeholders.

Detailed information on our financial performance is included in our annual report and accounts.

If you have any feedback, questions or comments on the report, please email us at: sustainability@flogas.co.uk

www.flogas.co.uk

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The principal activities of Flogas Britain Limited are the processing and distribution of liquefied petroleum gas (LPG), and the distribution of liquefied natural gas (LNG) and related equipment in the United Kingdom.

We are a subsidiary of DCC plc, a leading international sales, marketing and support services group that operates in three divisions: Energy, Technology and Healthcare. Headquartered in Dublin, DCC employs approximately 16,000 people and operates in 22 countries. In addition to the Flogas business in Britain, DCC Energy's principal operating locations are in France, Ireland, the USA, Denmark, Norway, Sweden, Austria, Germany, the Netherlands, Belgium, Hong Kong & Macau and Luxembourg.

Cautionary statement

This report contains certain 'forward-looking statements' that relate to the operations and activities of Flogas and sets out how Flogas intends to conduct its business in the future. While Flogas has made every effort to ensure the report is as accurate as possible, forward-looking statements are based on assumptions using currently available information that is subject to a range of uncertainties. Actual results or outcomes may differ materially from those projected or implied in such statements. Forward-looking statements are subject to risks that will or may occur in the future and that are beyond Flogas's ability to control. They therefore do not represent a guarantee of future conduct or policy. Flogas assumes no obligation to publicly update any statements made in this sustainability report and does not guarantee the appropriateness, accuracy, usefulness or any other matter whatsoever regarding this information.



Welcome.

It has been an unusually challenging year for businesses and householders in the face of market volatility, supply disruption and rising prices. Here at Flogas, we have remained resilient to these upheavals and have continued to meet the needs of our customers.

Disruption to long-established fuel supplies has created a short-term swing towards greater reliance on fossil-fuel sources closer to home, while also highlighting the need for longer-term, secure supplies of renewable energy. We have responded to both factors: we have secured supplies to meet current demand, while continuing our development of renewable gas and lower-carbon sources and products.

A good example of our diversification is our acquisition of Protech. We can now support our business customers' journeys to net zero by offering a wider range of products and services, such as renewable-ready plant, air-source heat pumps, combined heat and power, and advisory services.

In parallel, we have continued our development of renewable gas and renewable DME (dimethyl ether) in particular. We are now moving from theory to practice: we anticipate taking our first molecules of rDME within the next six months. We are also continuing efforts with partners to establish gasification plants in the UK that will increase rDME production.

In support of energy security, and to provide reliable supplies for our customers, we have enabled greater supply of propane from our new facility in Teesside. Use of this gas, which was previously exported, represents a good example of the UK making the most of its own resources, and is

enabling us to support customers in switching from oil to gas – delivering carbon and other air-quality benefits.

Our focus in cutting our operational impacts has been on transport – the major source of our carbon emissions. We are working to put in place the supplies and infrastructure that will enable us to replace the diesel in our fleet with hydrotreated vegetable oil – or HVO. Although we have increased our use of HVO six-fold since April 2022, our progress is from a low base. We know we need to move faster and do more. Working with our sister company, Certas, we are committed to establishing more HVO refueling stations in the UK so we can continue the transition of our heavy vehicle fleet.

Finally, I would like to thank my colleagues at Flogas who have worked tirelessly over this challenging period. We have a talented and committed workforce and we are grateful for the work everyone does every day. This year, we carried out our first diversity and inclusion survey, giving us a clear baseline of information about how people feel about our culture and working environment. Like many of the challenges facing our business, the outcomes of the survey showed much that is positive and much that is still to do. I look forward to working with all my colleagues at Flogas to tackle the challenges we face, both now and in the future.



IVAN TREVOR /
MANAGING DIRECTOR



A RELIABLE ENERGY SUPPLIER

We are committed to providing a secure, affordable and resilient energy to our existing industrial and residential customers.

Building our business

We believe we have significant opportunities to grow our business in our core markets, maximising the opportunity of the switch from oil to gas, and building our lower-carbon portfolio.

LPG – the suitable solution

LPG is a versatile and efficient energy source that offers lower-carbon emissions than oil or coal. It has the lowest carbon footprint of all off-grid fossil fuels. It is readily available and comes in cylinders or larger bulk tanks depending on the amount of space required. This makes it suitable for a wide range of different industries and applications. It can be used practically anywhere, including the most remote areas. LPG systems are also easy to install, making it easy to make the switch from oil to gas. Staying on a carbon-intensive path creates a range of risks for businesses – strategic, financial, regulatory and reputational – which will only increase as regulatory pressures tighten.

Reducing the customer footprint

We offer our customers the opportunity to follow a lower-carbon route that provides a path to net zero emissions.

By switching from oil to LPG or LNG, the carbon savings they can make are immediate. Doing so also delivers emission savings from the introduction of new heating system and fuel efficiencies. Using alternative fuels, such as our bio-LPG blends, will deliver more carbon savings. Throughout this journey, we also offer customers the option of reducing their environmental impact through efficiency measures and carbon offsets for any remaining unavoidable emissions.



WE ARE IMPROVING THE SECURITY OF THE UK'S OFF-GRID ENERGY, REDUCING RELIANCE ON IMPORTS, AND PROVIDING CLEAR OPTIONS FOR RENEWABLE ENERGY."

JAMES RUDMAN / BUSINESS DEVELOPMENT MANAGER

LPG'S ADVANTAGES

20%

20% lower carbon intensity than oil;¹
30-40% lower than coal

84%

84% lower emissions of NOx and lower SO₂ than oil²

0

negligible emissions of particulate matter

1. BEIS, Greenhouse gas reporting: conversion factors (2019)

2. BEIS, National Atmospheric Emissions Inventory, Emission Factor Database 2016

Fast fact

- We have almost 40 years' experience in providing tailored energy solutions to commercial, industrial and domestic customers across the UK.

£395m

of revenue in 2022–23,
an increase of
24% on the
previous year

56

operational sites in the
UK and 706 vehicles,
with 1,700 stockists
nationally

1,200+

employees, and
part of the DCC plc
Group, a FTSE 100
company

330,000

tonnes of LPG
supplied annually, to
UK and international
markets

Avonmouth LPG storage terminal:

Now operational, the terminal is the largest of its kind in the UK. It provides additional security of supply for current and new customers and expands the capacity of the LPG industry in the UK. The terminal is future-ready, designed to be compatible with future renewable fuels.

Teesside terminal: At the Teesside gas processing plant, we have reached an agreement for LPG that was formerly sent overseas to be distributed to UK markets, boosting the resilience of off-grid energy across the North of England and Scotland.



Head office
location: Syston,
where 325
colleagues work



A CHALLENGING ENVIRONMENT

Economic, environmental, social and geopolitical developments created a challenging operating context in 2022.

COSTS OF LIVING

Higher costs of living – including energy costs – have increased pressures on domestic households across Europe, driving the need for reduced use and greater energy efficiency.

SUPPLY PRESSURES

UK refinery maintenance has resulted in reduced levels of propane production in some regions of the UK, leading to Autogas shortages in certain areas.

TOUGHER REGULATION

European policymakers are seeking to introduce tougher requirements on the energy performance of buildings, including proposals for a phase out of new non-hybrid fossil fuel boilers by 2035.

MARKET DISRUPTION

The war in Ukraine has resulted in LPG prices increasing significantly across European markets, a high degree of market volatility and increased focus on energy security.

HIGHER PRICES

Higher prices for LPG in some European markets have resulted in supplies being less reliable than before, as upstream suppliers seek better margins from markets in mainland Europe.

GLOBAL WARMING

Global pressures to reduce greenhouse gas emissions continue to grow, as carbon dioxide emissions continue to rise despite international commitments to limit temperature rises to 1.5°C by 2050. Pressure to prevent future development of fossil fuel energy sources is continuing to increase.

INCREASING DEMAND

Worldwide demand for LPG has grown, particularly as customers seek lower-carbon alternatives to oil and gas, and seek the energy they need to drive development and economic growth.



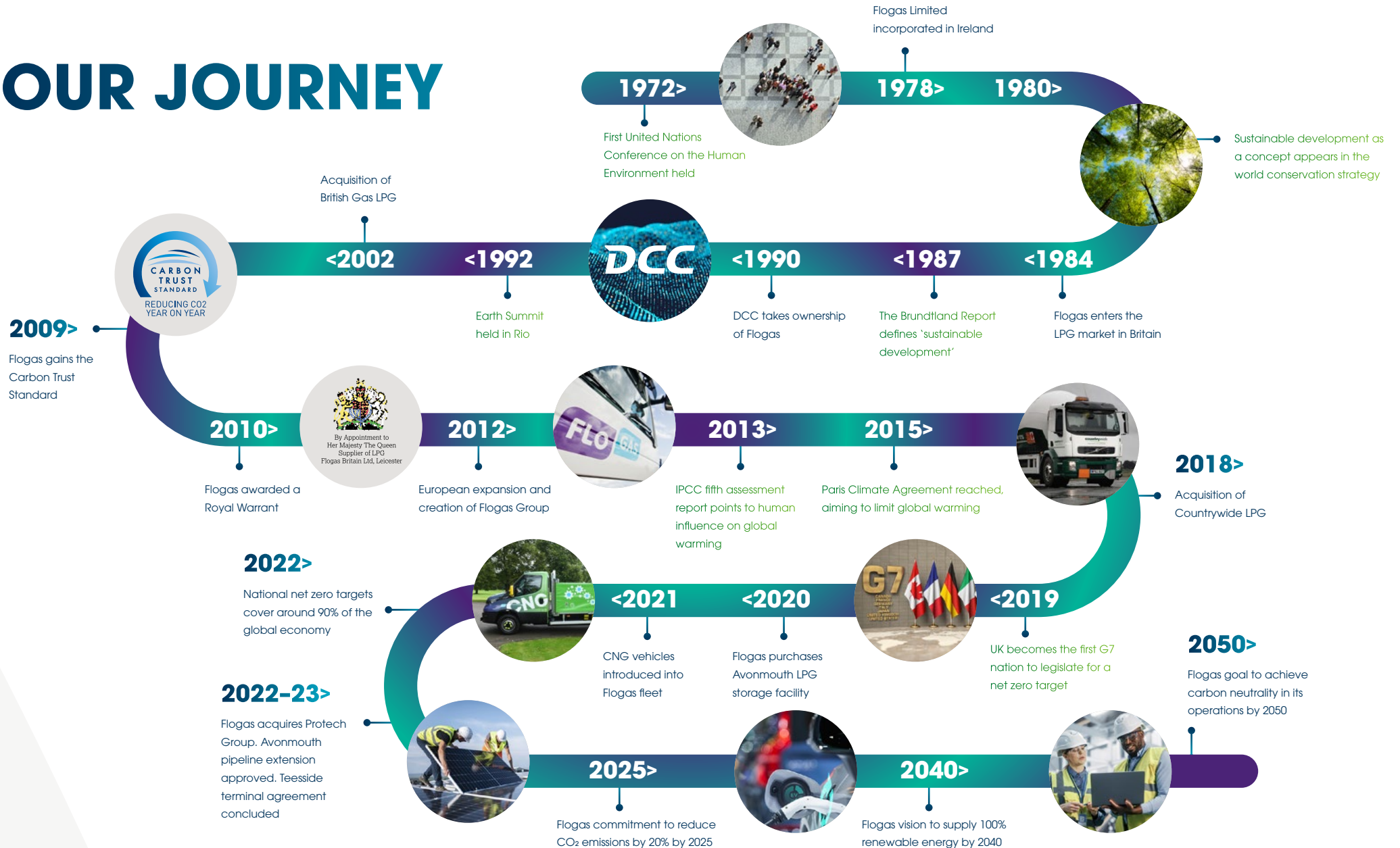
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OUR JOURNEY









OUR PARENT COMPANY, DCC, HAS SET CLEAR STRATEGIC PRIORITIES FOR THE ENERGY TRANSITION. OUR PLANS AND ACTIVITIES ALIGN WITH THESE IMPORTANT COMMITMENTS.”

IVAN TREVOR / MANAGING DIRECTOR



PROGRESS AGAINST OUR OBJECTIVES

In 2020, we set out a number of high-level objectives relating to the pillars of our sustainability plan. We summarise our progress below.

	<p>Objective Reduce our direct CO₂ emissions by 20% by 2025, from a 2019 base. Achieve carbon neutrality by 2050</p> <p>Progress We have successfully achieved year-on-year reductions in our carbon intensity since 2019, although there is more to do to reduce our absolute emissions through accelerating penetration of HVO into our fleet</p>	<p>Objective Reduce our indirect CO₂ emissions by engaging with customers and suppliers</p> <p>Progress We have more than doubled the carbon emissions saved for our customers since 2019 to nearly 40,000 tonnes through converting oil applications to gas</p>	<p>Objective Build market-leading positions in the renewable energy sectors in which we operate</p> <p>Progress The acquisition of Protech in 2022 has been a step change in how we provide our customers with options to reduce carbon. The creation of our New Energies team will accelerate development in this area</p>
	<p>Objective Continue to adhere to very high standards of corporate governance</p> <p>Progress Flogas continues to adhere to and enhance its standards of governance. This includes implementing a documented framework of authority and accountability to ensure that our business is undertaken on an intended and optimal basis</p>	<p>Objective Maintain a culture of acting with integrity</p> <p>Progress Flogas continues to maintain a culture of integrity, one of our corporate values. This includes the provision of clear policies on integrity issues, training and guidance, and a process for monitoring and reacting to breaches</p>	<p>Objective Ensure all taxes and duties are collected and paid on time</p> <p>Progress All taxes and duties are collected and paid on time</p>
	<p>Objective Invest in the development of our people, fostering inclusion and diversity</p> <p>Progress We continue to develop our training programmes and conducted more training days than ever in 2023. We also continue to evolve the diversity and inclusiveness of our culture and conducted our first D&I survey in 2023 to baseline our colleagues' views and feelings</p>	<p>Objective Reflect sustainability in senior management objectives and remuneration</p> <p>Progress Our ambitions and goals for sustainability, as set out in this report, are reflected in all senior management objectives, which drive remuneration</p>	<p>Objective Engage with the communities where we operate</p> <p>Progress We continue to support local and national charities, and encourage colleagues to volunteer, which benefits them and local communities</p>
	<p>Objective No life-changing employee, contractor or customer injuries or accidents</p> <p>Progress We are pleased to report that there were no serious life-changing injuries or accidents as a result of Flogas business activities during the year</p>	<p>Objective No material spills or other damaging discharges to the environment</p> <p>Progress There were no material leaks of hazardous materials or damaging discharges to the environment during the year</p>	<p>Objective Use innovation and technology to drive reductions in resource use</p> <p>Progress We increased HVO penetration replacing fossil diesel, and reduced the percentage of waste sent to landfill to less than 1%. We continue to help our customers reduce the impacts of their energy needs and invest in exploring new technologies</p>



MATERIALITY

We have a rigorous process to make sure that the information in this report focuses on our business objectives and impacts as well as the concerns of our stakeholders.

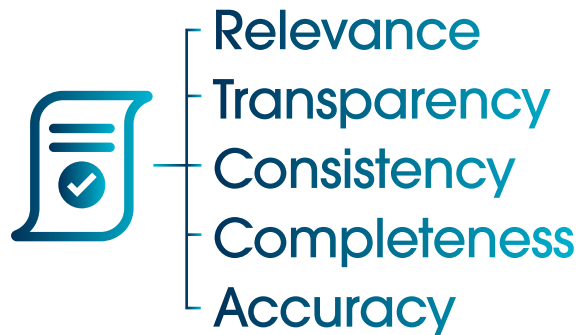
Materiality assessment

We updated our materiality assessment in 2022 to determine the issues of most importance to include in the report and to guide the prominence we should give to those issues.

Topics identified include those of current importance to our strategy and those of significance to our external stakeholders, as identified through a survey.

The material topics in the matrix (see page 11) do not include every issue that forms part of the day-to-day running of the business, such as those that ensure we are compliant with the law. But they do inform our strategic thinking, and they do ensure our strategy and reporting are focused and aligned.

Key reporting principles¹



¹ These principles are taken from the IPIECA Sustainability Reporting Guidance 2020 and are similar to other statements of reporting principles.

Fast facts

- We follow a rigorous materiality process.
- We improve our assessment process year on year.
- Our views of key topics closely match our stakeholders' views.

Our process





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Key

- Climate change and energy transition
- Safety and environment
- Governance and compliance
- People and social

Significance to stakeholders

Land acquisition

Local economic impact

Community engagement

Biodiversity

Security risk

Increasing regulation

Water use and discharges

Waste management

Air emissions

Partnerships

Product development

Skills enhancement

Supplier resilience

Talent and succession

Due diligence on human rights

Energy use

Climate change risk

Diversity and inclusion

Spills and leaks

Greenhouse gas emissions

Innovation

Business conduct and ethics

Customer relationships

Emergency preparedness

Transport safety

Energy transition

Customer health and safety

Personal safety and wellbeing

Process safety

Moderate

High

Very high

Significance to the business



1

Transition.

Responding to the energy transition is the most significant strategic challenge we face. We fully recognise the need to minimise our own emissions and continue to support our customers in their journey to net zero carbon.





20%

Our target to reduce greenhouse gas emissions from our own operations by 2025

679

Scope 1 and 2 carbon emissions reduced by 679 tonnes this year





SUPPORTING CUSTOMERS THROUGH THE ENERGY TRANSITION

While cutting emissions from our operations, we are also providing lower-carbon options to help customers reduce their carbon footprint.

The energy transition

Whether our customers are industrial, commercial or domestic, many are looking to shift from carbon-intensive fuels and reduce their CO₂ emissions.

In the short term, by switching from oil to LPG, our customers can make immediate carbon savings, and realise energy and cost savings. With the services of Protech, we can also offer services that improve customer heating, and water systems that deliver greater efficiency.

In the longer term, our transition plan includes a number of pathways, featuring the phased introduction of renewable products and services.

Cutting our own emissions

We have set ourselves a target to reduce greenhouse gas emissions from our own operations by 20% by 2025, against a 2019 baseline. Our aim is to be carbon neutral by 2050.

We are taking action to reduce our emissions, including by using 100% renewable electricity and cutting emissions from our property portfolio and transport fleet.

More information on the steps we are taking is provided on page 40, and our performance data is set out in the performance data tables in this report.

Switching from oil to gas

By providing our customers with lower-carbon fuels – such as by switching from oil to liquid fuels, including LPG or LNG – we are helping them reduce strategic, financial, regulatory and reputational risks.

We continue to support reductions in customer emissions by helping them switch from oil to gas. In this reporting period, we estimate we have helped to deliver additional annual CO₂ savings of 4,384 tonnes, bringing the cumulative total since 2018 to 39,858 tonnes.



Cutting customer emissions

We have an important role to play in helping to decarbonise customer emissions and those within our value chain.



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2018
16,702
tonnes

2023
39,858
tonnes

Cumulative savings in customer
CO₂-equivalent emissions have more
than doubled since 2018



WE HAVE A CLEAR PLAN

We have a clear vision and plan for how we will develop our current offering to ensure we are fit for the future.



Our current offering

LPG

Protech water

LNG

Protech heating

Oil to gas

CHP

Carbon offsetting

Avonmouth Phase 1

Power generation

Aerosol

Our products and services already offer a route to decarbonisation.



Developments in progress

New Energies team

BioLPG

rDME

Avonmouth pipeline

Teeside

We are building our capacity for greater storage and diversified supply.



With the support of DCC

Heat pump distribution (Freedom)

EV charging

HVO (Certas)

Solar PV (PVO)

Batteries (PVO)

We have the backing and financial strength of DCC to support new opportunities.



Future prospects

Energy efficiency

Compliance

CCUS

Smart home of the future

Power broker

Ammonia

Electricity and renewable electricity

Metering multiple occupancy

Batteries

Net zero consultancy

Hydrogen

We are already exploring future prospects to make sure our business remains resilient and can capitalise on future prospects.



100%

Our acquisition of Protech in 2022 supports our 2040 ambition to provide 100% renewable energy solutions for our customers.



Protech fast facts

- We now offer commercial and industrial customers a wide range of alternative heating and cooling solutions, including air-source and ground-source heat pumps, solar PV and hybrid systems.
- We also provide a comprehensive range of HVAC (heating, ventilation and air conditioning) solutions, maintenance services and water management.
- Protech significantly enhances our wider maintenance and services offering, making us a real one-stop shop.



WE'RE EXPERTS IN SUCCESSFULLY HELPING CUSTOMERS IN THE TRANSITION FROM COAL/OIL TO A MUCH LOWER-CARBON ALTERNATIVE OF LPG. PROTECH'S ADDITION ENHANCES OUR ENERGY PORTFOLIO, SPANNING A RANGE OF LOW-CARBON/RENEWABLE TECHNOLOGIES, EVERYTHING FROM BOILER UPGRADES TO SOLAR AND HEAT PUMPS. OUR CUSTOMERS ARE ALREADY REAPING BENEFITS. I'M EXCITED ABOUT WHAT'S NEXT!



SOPHIE PRINT /
HEAD OF
NEW ENERGIES



PARTNERSHIPS

Strong relationships with partners and customers are helping us develop a portfolio of renewable energy supplies that can meet customer needs now and in the future.

Future fuels

We are sponsoring research and development at the University of South Wales, which is investigating how to use bacteria to produce biopropane and biobutane from various feedstocks.



We are collaborating on studies examining the production of hydrogen from electrolyzers.

We have a long-standing partnership with Manchester University. At present, we are working with MBA students to explore aspects of the energy transition.

Fuel delivery

We are working with partners to find new ways to cut our fleet emissions. This is exploring possibilities such as HGV electrification, which is more of a challenge given the payloads involved and the distances these vehicles need to travel.

We are working on joint studies to test how storage tanks and road tankers can be made compatible with transporting ammonia, which has promise as a hydrogen carrier.

Supporting customers

For companies using diesel power generators, our collaboration with Himoina offers the prospect of immediate cost and emissions savings with liquid gas generators, which have a smaller carbon footprint and lower NO_x, SO_x and particulate emissions.¹. Together, we provide bespoke turnkey solutions, reliable delivery, automatic ordering and first-rate service.

We also offer guidance and support for companies on carbon offsetting and have selected verified carbon mitigation projects for our customers to support. These adhere to internationally recognised standards for emission reduction – namely, the Verified Carbon Standard and the Gold Standard.

Policy development

We work in partnership with our industry association, Liquid Gas UK, on matters of policy relating to our business, such as the energy transition, energy security and air quality. Our engagement is fully transparent and we made no direct or indirect political contributions during the reporting period.

¹ For more information on the calculation approaches for emissions, please see:
• gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022
• naei.beis.gov.uk/data/



THE PURPOSE OF OUR PROJECT IS TO DEVELOP GREEN AMMONIA AS A FUEL TO CONTRIBUTE TO NET ZERO TARGETS."

DR SYED MASHRUK / NET ZERO INNOVATION INSTITUTE
AND SCHOOL OF ENGINEERING / CARDIFF UNIVERSITY

Fast fact

- Partnership is a core Flogas value: We seek to develop mutually beneficial long-term relationships founded on trust and respect, and place significant value on commitment and loyalty.

We are collaborating with Cardiff University's Net Zero Innovation Institute to develop a first-of-a-kind ammonia boiler capable of meeting the demands of industrial heating while providing a technically viable solution to decarbonisation.

Operations

We work with the Carbon Trust to assess and reduce our carbon emissions each year. We have held their Standard since 2009, which provides a certification and mark of excellence for organisations that have reduced their carbon footprint.





WE ARE FOSTERING
INNOVATION,
ENHANCING ENERGY
STORAGE CAPABILITIES
AND ACTIVELY
PURSUING RENEWABLE
ENERGY SOLUTIONS.



MISSION NET ZERO

Muhammad joined Flogas in 2021 as an MBA intern and returned to the company full time a year later as Senior Business Development Analyst. In his time at Flogas, he has been involved in activities relating to energy transition, such as sourcing the future supply of renewable fuels, working on government-funded projects, including the development of ammonia boilers, and being involved in WLPGA working groups to develop standards for introducing rDME blends into LPG.

"Flogas Britain is full steam ahead in its quest to offer lower-carbon solutions to its customers. I'm privileged to be involved in making this mission a reality. I have been engaged in developing partnerships with global project developers and technology providers that would produce the renewable fuels we are after. The best part of this is that it's not limited to a single solution. In addition to bioLPG as an obvious drop-in renewable fuel alternative, we are exploring other options, such as rDME and renewable ammonia. We know there is no one solution and we are trying to ensure that our customers are offered as many options as possible to meet their low-carbon energy needs.

"In the business development team, we look for novel ways to get ahead in our energy transition mission, organically or through partnerships and acquisitions. From being involved in mergers and acquisitions in renewable energy to participating in innovative government-funded projects within consortiums, each task brings its own set of

challenges. Looking at my annual targets, I see great variety in the nature of the work I do, and this is the best way for me to grow professionally and contribute as much as I can to the company.

"Collaboration and knowledge sharing are vital. That is why being a part of a larger company like DCC plc is important for us. We have benefited from efforts made by DCC companies in other countries and assessed how this can be applied to Flogas here. We are involved in working groups established by the LPG trade associations in the UK and globally, with which we are working to develop standards that would enable our industry to reduce its emissions.

"I am excited by what lies ahead. We plan to be more involved in trials to test renewable fuels in boilers and other appliances and are continuing our efforts to secure as many renewable fuels as we can. Our customers should take comfort in the fact that Flogas is doing all it can to ensure they can reduce their emissions as fast as possible."



FLOGAS BRITAIN IS FULL STEAM AHEAD IN ITS QUEST TO OFFER LOWER-CARBON SOLUTIONS TO ITS CUSTOMERS."



MUHAMMAD TAUFIQ /
SENIOR BUSINESS
DEVELOPMENT ANALYST



CUSTOMER FIRST

Our goal is to put the customer at the heart of everything we do, providing service that is dependable, professional and responsible in every interaction.

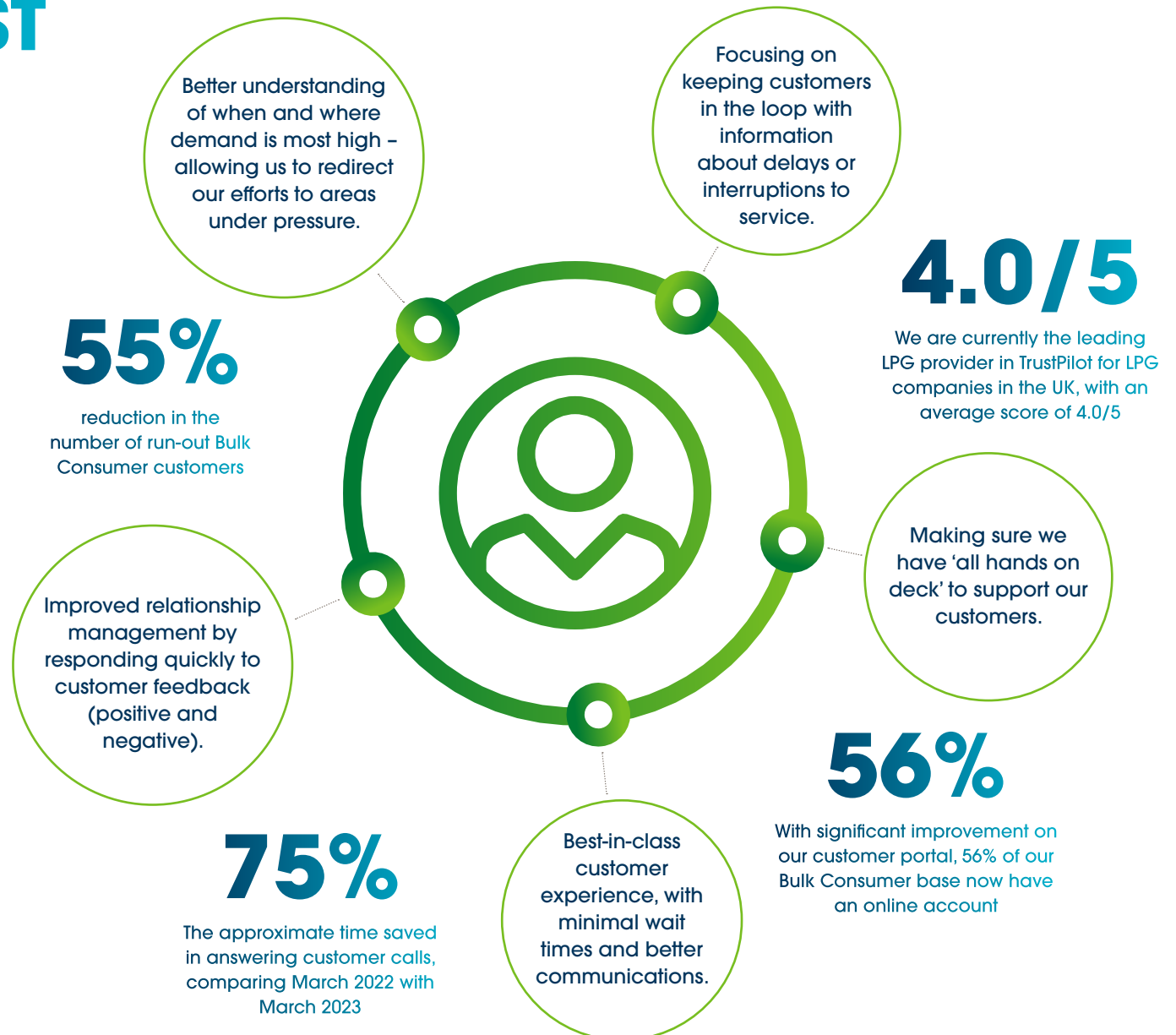
Understanding our customers' challenges

We understand the challenges facing our customers.

Our domestic customers are facing cost-of-living pressures to reduce energy use and they want to become more energy efficient. Our small and medium-sized business customers face pressure to decarbonise their businesses, and our commercial and industrial customers face legislative, societal and investor pressure to operate more sustainably.

They are looking to us to support them with the products and services that meet their needs now and that provide a cost-effective route for the future.

Our customer experience strategy centres on putting their needs at the heart of everything we do, from a joined-up approach with clear communication, to delivering a seamless process and ensuring a trusted and consistent service.





Our customer charter puts the customer at the heart of our day-to-day decision-making.

For vulnerable customers, we offer a framework to support those who might be in need of additional help.

New ways of working in winter

This year we took a different approach to customer care. We called customers who might face identified vulnerabilities in cold weather in early November to help plan their winter heating. It was a positive experience for our staff and the customers we spoke to.

We created a support process to help people who were struggling – helping them budget for direct debit payments and providing lists of third parties that could help with household energy bills.

We took a different approach to customer communications too, using social media to manage queries about adverse weather and to advise on when our lines are most busy. Rather than keep customers waiting, we tell people when the best time is to call.

We also communicated winter heating tips on social media, to help our customers make cost savings.

Fast facts

- We are reinvigorating our processes to make sure that the customer is always king.
- Customer and supplier feedback is telling us that 79% rate us as excellent or great.

More information



Read more about customer safety on our **Ensuring safety** pages.



2 Talent.

Our goal is to make sure everyone in the business can contribute to delivering our goals, by offering clear engagement, effective collaboration, visible leadership and a clear set of values and priorities.





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1,385

Total number of
colleagues who received
training this year

476

Number of training days
for apprentices



AN INCLUSIVE ENVIRONMENT

We aim to promote an environment free from all forms of unlawful or unfair discrimination, and that values the diversity of all people. At the heart of our policy, we seek to treat people fairly and with dignity and respect.

Engagement

We plan to measure and deepen colleague engagement, by regularly listening and acting on their feedback and working collaboratively under a shared set of values.

Diversity and inclusion

We have a strong commitment to diversity and inclusion within Flogas.

We are committed to equal opportunities in employment and strive to attract and develop the best talent regardless of gender, age, sexual orientation, disability, ethnicity or any other factor. We aim to build a diverse and supportive culture of respect and fairness for all.

What are we doing to promote diversity and inclusion?

- Unconscious bias training for everyone in the organisation, regardless of role.
- Enhanced maternity and paternity pay.
- Flexible working arrangements, including a working-from-home policy.
- Monitoring job applicants by gender throughout recruitment and selection.
- Using competency-based interviewing.
- Gathering ethnicity data as part of recruitment processes.

Recruitment and retention

Our approach is founded on developing and promoting people from within Flogas. But we recognise there may be areas where we need to go to the market to obtain new skills and capabilities quickly. In all cases, our goal is to attract, develop and provide stimulating careers for people.

We provide a wide range of training initiatives, tailored to particular roles or functions (such as driving or IT), essential themes (such as safety), or to where people are in their careers (such as opportunities for graduates or apprentices).

Gender pay gap

In 2022, our overall pay gap – the difference in the average earnings of men and women over a standard period, regardless of role or seniority, was 3% in favour of men. An important factor in this was the highly competitive recruitment market for drivers, which led us to apply hourly rate increases to our driver population – most of whom are men – to reduce attrition.

We believe there is no such thing as a male or female role and that every individual should have equal opportunity to pursue their chosen career paths, regardless of gender. We are confident that, by working together, we can continue to make positive changes and close the gender pay gap for good.

Gender pay gap (%)

**2021**Mean -0.4
Median 1.7**2022**Mean 3.4
Median 3.0

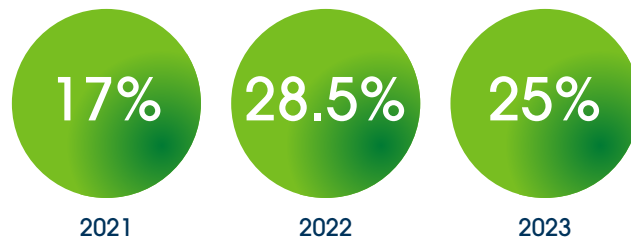


Employee forum

Our forum has been set up to give all staff the opportunity to have their voice heard. Representatives from across the business have stepped forward to provide a channel to raise issues, share suggestions and promote discussion. The forum has a direct line to senior management, so that ideas and expectations can be aired and a response given.

Colleague turnover

Colleague turnover rate



Fast facts

- Our learning and development offer is varied and extensive.
- In support of our colleagues' wellbeing, we provided 246 days of mental health training, as well as 130 days of diversity and inclusion training.



12%

of the current
Flogas Board
are female



32%

of the Flogas senior
management team
are female



DIVERSITY AND INCLUSION SURVEY

This year, we launched our first survey to better understand workplace experiences of diversity and inclusion.

Strength in breadth

We recognise that every individual adds value to our organisation, bringing different experience and knowledge to the organisation. We know that fostering a diverse and inclusive environment is paramount to our business success.

We are analysing the feedback (see right) and will draw insights to develop initiatives that will make the biggest difference.



EVERYONE HAS A PART TO PLAY IN ENSURING THAT THE WORKING ENVIRONMENT IS RESPECTFUL, OPEN AND A POSITIVE PLACE WHERE DIVERSITY IS VALUED AND EVERYONE IS INCLUDED."

SONIA MORGAN / PEOPLE DIRECTOR

SURVEY RESULTS

85%

85% of colleagues said they can be themselves at work

84%

84% of colleagues said their manager demonstrates strong support for diversity and inclusion

80%

80% of colleagues said they are treated equally and fairly regardless of their background

81%

81% of colleagues are comfortable voicing ideas and opinions even if they are different from others'

80%

80% of colleagues feel confident that they would be treated fairly and taken seriously if they raised a concern

70%

70% of colleagues said our workforce is sufficiently diverse

67%

67% of colleagues feel their opportunities to develop and progress are equal to others'



Colleague data

We have reoriented several aspects of our training this year, providing more online training through e-learning and reorganising aspects of management training (like our Engage programme) so that it is integrated with other management development courses. We have also improved our data-gathering and collection processes, which are providing more accurate information on aspects such as total hours trained. These factors, coupled with a smaller cohort of apprentices than in previous years, has resulted in a reduction in average training hours and training days per colleague.

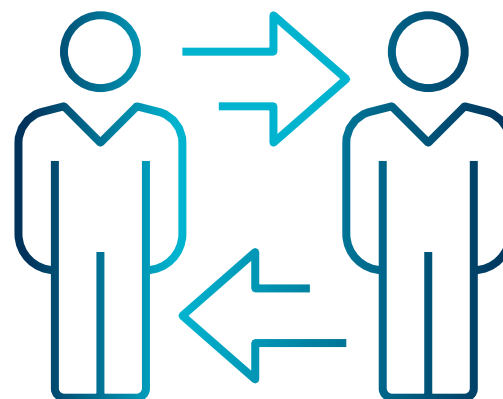
Colleague training days	2018	2019	2020	2021	2022	2023
Number of colleagues trained	-	-	-	-	1,147	1,385
Number of colleague training days	-	-	-	3,926	6,879	3,363
Average training days per colleague	-	-	-	4	6	2.4
Apprentices (blend of classroom and field-based) (no. days)	395	760	560	161	1,608	476
Existing engineers (no. days)	300	305	85	100	523	549
New drivers (average no. days)	15	15	15	15	872	1,007
Existing drivers (average no. days)	3.5	3.5	3.5	3	1,074	2,774
Engage programme days	-	-	-	56	144	0
e-learning days	-	-	-	64	12	112
Mental health training days	-	-	-	53	49	246
Compliance training days	-	-	-	163	94	34
Inclusion and diversity training days	-	-	-	87	21	130
Customer Services induction days	-	560	130	276	60	27

Colleague turnover rate (%)

2018
28.7%

2019
21.7%

2020
7.1%



2021
17%

2022
28.5%

2023
25%



Introduction

Energy transition

Our talent

Accountability

21%

of our workforce
are female



Colleague data

New hires	2019	2020	2021	2022	New hires 2023
Aged 25 and under	-	8	27	67	
Aged 26–35	-	13	63	118	
Aged 36–45	-	14	61	102	
Aged 46–55	-	13	54	93	
Aged 56 and over	-	7	29	39	
Female (%)	27	27	15	15	
Male (%)	73	73	85	85	
Total	100	155	334	519	

- Indicates data not available

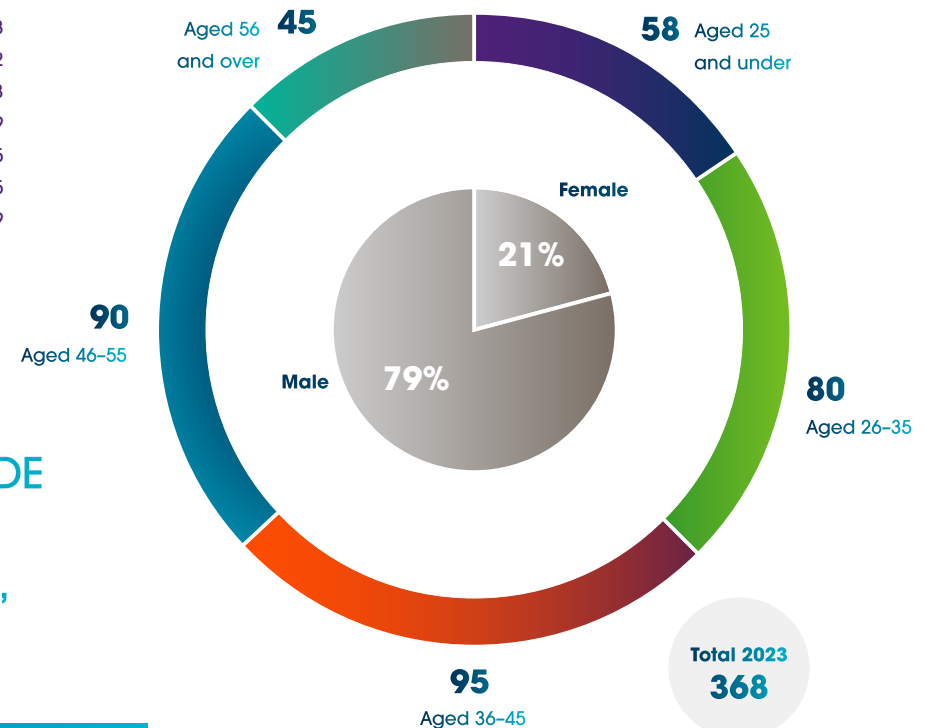


OUR MULTIGENERATIONAL WORKFORCE ENABLES COLLEAGUES TO SHARE MULTIPLE PERSPECTIVES, PROVIDE DIFFERING PROBLEM-SOLVING ABILITIES AND EMBRACE LEARNING AND MENTORING. THE VALUE THIS BRINGS FORMS A KEY PART OF OUR COMPETITIVE ADVANTAGE.”

SONIA MORGAN / PEOPLE DIRECTOR

Workforce composition	2018	2019	2020	2021	2022	2023
Total number of colleagues (FTE)	1,171	1,186	1,161	1,193	1,227	1,225
Permanent colleagues (number)	-	-	-	1,174	1,228	1,273
Part-time colleagues (number)	-	-	-	61	57	67
Female (%)	19	18	18	19	19	20
Male (%)	81	82	82	81	81	80
Leadership roles held by women (%)	12	11	30	32	32	32.5

Gender as specified by colleagues themselves





ENSURING SAFETY

Safety is a core Flogas value. We believe safety to be a foundation of a sustainable business and we continuously look for ways to improve our safety culture, systems and processes.

Safety culture

We have a strong safety culture embedded within the business. Our Safety First initiative has resulted in a significant trend increase in the reporting of concerns and near misses, as well as reporting actual incidents, and a decrease in personal injuries. We are also continuing to drive improvements in process safety.

Our goal is to continue to build a positive safety culture, where everyone looks out for each other and everyone goes home safely every day.

A comprehensive approach

Our dedicated occupational health and safety team focus on managing the key risks facing our colleagues, in their daily work: the handling and storage of LPG and transport safety.

LPG handling and storage

Our safety policies are comprehensive and apply across the entire organisation. We adhere to UK industry standards, set out by the UK's LPG trade association, and we work in line with COMAH (Control of Major Accident Hazards) standards to control major accident hazards. Our training programmes are extensive, from induction through to specialised job-specific training.

Transport safety

Given the nature of our business, with the number of miles driven and the variety of driving required, road safety is a priority.

Our aim is to minimise the likelihood of serious events. We use in-vehicle technology to monitor driver behaviour. If an accident occurs, we identify the root causes and tailor coaching to individual driver performance. We have monitored vehicle risk trends for many years and continue to see a reduction in risk severity ratings.

An example of this is our response to the issue of wheel fires, which are a known risk in the transport industry and especially important in an LPG fleet. By taking action such as adjusting braking systems or eliminating hills from driving routes, we have reduced the number of near-miss wheel fire incidents from 22 to six in the reporting period.

Driver of the Year awards

By virtue of the number of miles driven, and the inherent risks involved, driving is a high-risk activity in our business. Our Driver of the Year programme is designed to build on fundamental driver safety behaviours and reward those who go above and beyond to deliver a world-class service. They carry our brand, our reputation and our customer service with them, so we recognise those drivers who deliver exceptional performance.

Fast facts

- Our management systems make sure we take a rigorous and structured approach to safety. Our approach includes emergency response systems and procedures.
- Product safety is vital – and assured by extensive training, testing and inspection of equipment, and adherence to industry codes and practices.
- We carry out regular workplace assessments and hazard identification to mitigate and manage risk.

More information



Read more about our **Safety**.



Safety First

We take a wide range of actions to make sure our products are safe for domestic and commercial customers.

We support customers on the safe design, operation and maintenance of installations.

Our engineering services are assured under external standards, such as GasSafe.

Our storage vessels are equipped with safety devices, such as those that stop the flow of gas in the case of a problem.

We carry out regular equipment inspections and examinations.

Our products comply with Liquid Gas UK Codes of Practice.

Bulk vessels comply with UK Pressure Systems Safety Regulations.

Cylinders are purchased according to British and European standards.



OUR COMMITMENT TO SAFETY IS UNEQUIVOCAL. EVERY COLLEAGUE SHOULD BE ABLE TO GO HOME SAFE AND WELL EVERY DAY."

IVAN TREVOR / MANAGING DIRECTOR

Cylinders are routinely inspected on collection from customers and before refilling.

Cylinders are regularly retested at an accredited facility.

Our delivery drivers are trained to identify any issues that might require attention.

Cylinders and bulk assets can be safely used for 30 years or more, and we work hard to make sure the metal is returned to us at end of life for reuse and recycling.

We are partnering with charities to incentivise cylinder return, so we can maximise their lifespan.



Health and safety data

We are pleased to report again that there were no fatalities in our operations last year, and that our lost time injury frequency rate was significantly reduced. We had no reportable tier 1 or tier 2 process safety events and we continued to monitor lower-level process safety performance data (called tier 3 and tier 4) to understand our performance and enhance the effectiveness of our controls. While the number of road traffic collisions increased as road traffic returned to pre-pandemic levels, their overall frequency – which reflects the greater number of kilometres driven – was down. Our internal view that health and safety risks are robustly managed was supported by an internal audit by our parent company, DCC, which rated Flogas as ‘good’ or ‘strong’ across all areas.

Personal safety	2018	2019	2020	2021	2022	2023
Fatalities (number)	0	0	0	0	0	0
Lost time injury frequency rate (LTIFR)	2.1	1.2	3.0	1.8	1.9	1.5
Lost time injury severity rate (LTISR)	24.2	30.5	36.8	23.0	29.0	33.0

LTIFR: The number of lost time injuries per 200,000 hours worked.

LTISR: The number of calendar days lost per 200,000 hours worked.

Process safety	2018	2019	2020	2021	2022	2023
Number of process safety events (tier 1 and 2)	0	0	0	0	0	0

Transport-related safety	2018	2019	2020	2021	2022	2023
Transport-related fatalities	0	0	0	0	0	0
Number of very serious events (VSE)	4	2	1	1	3	0
Number of road traffic collisions (RTC)	81	112	115	78	90	127
Road traffic accident (RTA) frequency rate	4.2	5.8	6.0	5.0	5.8	5.1

VSE: Defined according to the DCC 5x5 risk matrix on actual outcome.

RTAs exclude windscreen damage and damage sustained when not on a public road.

RTC rate: Number of RTCs per 1,000,000/km driven. RTC includes all vehicle collisions regardless of fault, but excludes windscreen damage and damage sustained when not on public road.



WE ARE COMMITTED TO CONTINUOUS IMPROVEMENT IN ALL AREAS OF SAFETY AND REINFORCING A CULTURE IN WHICH SAFETY IS PARAMOUNT.”

DAVE SMITH / HSEQ DIRECTOR



DELIVERING SAFETY FIRST AT AVONMOUTH

Flogas Britain's Avonmouth project, which converts a former LNG storage facility into a modern terminal storing LPG, has presented some unique safety and regulatory challenges.

Large-scale new-build projects use the principle of 'inherently safer design' to minimise hazards and risks in operation, especially during the initial stages of design. At the start of the Avonmouth repurposing project, the maximum amount stored in the bulk tank has been optimised for safety and the overall plant layout has been designed to reduce the inherent risk in the operation.

During the later design phase, the project used 3D modelling walk-throughs to identify potential safety issues, such as poor access to plant areas, and ensure valves and equipment were at appropriate heights. Human factors were accounted for early in the design of the plant control room, drawing on the expertise of a specialist consultant to align the layout with industry good practice. These many design details all help to improve occupational and process safety, and reduce the snagging-list volume that would otherwise be found during commissioning.

As the project developed, technical risk assessments were completed, including hazard identification, hazard operability studies and layers of protection analysis to identify additional safety measures. Together, these studies aimed to reduce risks to levels as low

as reasonably practicable. Risk reduction measures included a greater use of automation, such as using a weighbridge rather than manual operations when filling road vehicles, wider use of closed-circuit television to assist operators in diagnosing potential issues remotely and the widescale use of fire and gas detection systems to provide automated responses. Operator training has been extensive.

The major UK regulatory requirement was that the new site prepared a COMAH safety report, which needs to be accepted by the UK Competent Authority before LPG can be introduced. Our approach has been to engage with the regulator from the earliest opportunity, to provide regular updates on progress and to support and engage with specialist inspectors when visiting the site. At the date of this report, plant commissioning is ongoing. Reviews with the regulator will continue after start-up, which will be approached with the same openness to ensure safe operations.



34,564

tonnes of LPG
storage capacity





ENHANCING OUR TALENT

Up close with our training programmes.



National training academy

Our national training academy, located in Avonmouth, Bristol, is a centre of excellence for LPG vessel installation, vessel maintenance and product delivery. It is the only one of its kind in the UK and enables us to train our engineers, apprentices and drivers, as well as sales and office support staff. More than 250 people have passed through the academy to date, benefitting from the hands-on, high-quality training it provides.



Drivers

Once drivers complete their ADR training (relating to dangerous goods), we support ongoing professional competence training, and functional safety and operational competence training, averaging approximately three days per driver per year. Coaching takes place with our driver assessors.



Opportunities for graduates

As a DCC company, we benefit from the DCC graduate programme. The programme supports graduates who have true entrepreneurial flair and the innate ability to be innovative. Participants gain experience in two 12-month placements across the four divisions of DCC. They receive a structured professional and personal development programme and are offered sponsorship in achieving professional qualifications.



Supporting apprentices

Apprenticeships provide an excellent opportunity for colleagues to learn and apply their skills in the workplace, in combination with more formal learning and the pursuit of qualifications. We support our apprentices, whether they are existing employees or new joiners, through a wide range of schemes covering a range of qualifications from LGV drivers to Executive MBA programmes.



IT

All our IT-enabled population complete compliance e-learning covering areas such as code of conduct, data privacy and security. For specific populations, we cover payment card industry and competition law training.



Safety

We provide a wide range of safety training to help build a positive safety culture and good safety habits that help keep our colleagues safe. Courses and materials are provided for drivers, technicians and office-based staff. We ensure that we have suitably qualified first-aiders and fire wardens across all our sites, with training refreshed on a regular basis.



Function-specific training

For our functional areas, we support our colleagues with professional qualifications through organisations such as the Chartered Institute of Personnel Development (CIPD), the Association of Chartered Certified Accountants (ACCA) and the Chartered Institute of Marketing (CIM).



Health and wellbeing

We support our colleagues in their personal development and maintaining good health – with advice and guidance on topics such as mental health and wellbeing, stress management, work-life balance, diversity and inclusion, and other areas that seek to deliver the right work-life balance. In partnership with MIND, we have provided training that helps people become better aware of mental health issues and more resilient in their personal and professional lives. We encourage our colleagues to use our Employee Assistance Programme if they face challenges in any aspect of their lives.

246

mental health
training days
received

130

diversity and
inclusion training
days received



UNIVERSITY CHALLENGE

Following a lot of hard work and dedication, Nadeem Malik, Head of Legal and Compliance, has recently gained an Executive MBA apprenticeship qualification from Cranfield University, continuing the personal and professional development he has already achieved at Flogas.

"As a lawyer, I have undertaken very specific training throughout my academic and professional career, learning the ropes as a lawyer and refining the skills necessary for providing legal advice and undertaking legal transactions. While these skills are useful in a variety of different subject areas, I felt that I was lacking a broad understanding of management and general business dynamics.

"I felt that these additional skills would allow me to add more value in my legal practice and also allow me to become more dynamic in engaging with colleagues. Having identified this training need and hearing the experience of others in the business who had undertaken the Level 7 Senior Managers Apprenticeship, gaining an Executive Masters of Business Administration Degree through Cranfield University, I decided to go for it.

"Initially, I had a broad concept of what I hoped to gain, namely a better understanding of how businesses work. I very quickly found that there

was so much more to learn through the whole process. While the theories and frameworks were very important, what was more important was understanding yourself, your own motivations and the motivations of others. This allows you to interact in a more collaborative and dynamic fashion.

"There were a range of challenges in completing this apprenticeship, but the most significant came in the form of trying to juggle all of life's competing priorities. The apprenticeship required that I spend at least 20% of my working hours training and, in the final year, meant that I had to travel to the university for half of the week. Alongside my already busy day job, this meant time management and ensuring that I could find balance in completing all that was required was critical.

"I am very grateful for the amazing opportunity I have had to gain this knowledge and these skills and thankful to the many people at Flogas who supported and helped me through."



WHILE THE THEORIES AND FRAMEWORKS WERE VERY IMPORTANT, WHAT WAS MORE IMPORTANT WAS UNDERSTANDING YOURSELF."



NADEEM MALIK /
HEAD OF LEGAL AND
COMPLIANCE



3

Responsible.

Our policies, processes and management systems give us a robust framework for managing our business responsibly – protecting people and the natural environment from harm.





39,858

tonnes of CO₂ emissions
saved by customers
from switching oil to gas
(CO₂e)¹

134,202

We have reduced our
use of electricity by
134,202kWh

146,438

We have reduced
our use of diesel by
146,438 litres

¹ Calculated using the numbers of customers converted and UK Government (BEIS) emission calculation methodologies.



MANAGING OUR IMPACTS

We are working to reduce environmental impacts from our own operations, in addition to decarbonising our product portfolio.

How are we cutting emissions from our own operations?

100% certified renewable electricity – from wind and hydro assets.

Low-energy lighting in our properties.

Recycling at our operational sites and offices.

Electronic documents, including e-contracts, billing and drawings.

Replacing diesel-fuelled vehicles in our fleet with CNG-powered vehicles.

Optimising delivery processes to ensure efficiency, fewer journeys and better customer experience.

Training and rewarding good driving, using telematics to monitor driver behaviour.

Extending the range of fuel-efficient company cars with electrics and hybrids.

Incentives for colleagues to use lower-emission-rated vehicles.

Reducing emissions in our property portfolio and office operations

Minimising emissions from transport, which represents approximately 97% of our total CO₂ emissions



Energy use and climate change

Our total Scope 1 and 2 carbon emissions reduced in the reporting period, and we made a small reduction in the carbon emissions from our vehicle fleet. Having made the transition to renewable utility supply, transport-related emissions from our transport fleet, which is fuelled predominantly by diesel, represent the vast majority of our total carbon emissions – some 97%. We are continuing to invest in tankers that run on HVO and are also working to develop the infrastructure and secure supplies of HVO to fuel our fleet. In our company car fleet, we continued to increase the percentage of vehicles that are hybrid or electric, which now stands at 60%. Overall, the carbon intensity of our business, which measures the greenhouse gas emissions per unit of production, improved.

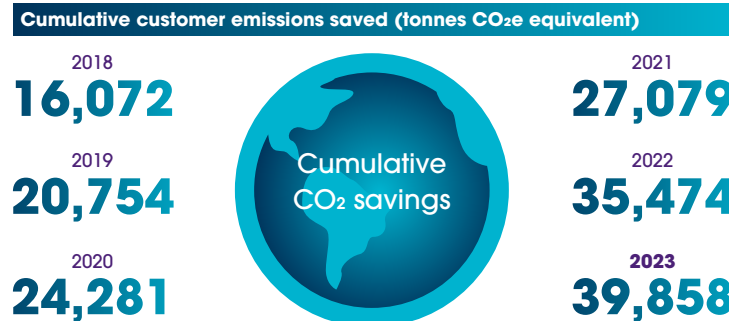
Carbon emissions (tonnes CO ₂ equivalent)	2018	2019	2020	2021	2022	2023
Scope 1	15,178	15,503	16,138	14,134	15,041	14,374
Scope 2	2	8	98	88	16	3
Total	15,180	15,511	16,236	14,222	15,056	14,377

Scope 1 and 2 data includes business travel.

Carbon emissions by business activity (tonnes CO ₂ equivalent)	2019	2020	2021	2022	2023
Fleet (distribution of gas)	13,450	14,259	13,034	14,531	14,004
Utilities	1,608	1,517	975	370	168
Business travel (air, car, train)	543	460	213	155	205
Other	90	-	-	-	-

Carbon intensity (emissions per unit of revenue)	2018	2019	2020	2021	2022	2023
% reduction/(increase)	7.2	(0.4)	2.4	7.2	1.3	3.7

Energy use	2018	2019	2020	2021	2022	2023
Diesel use (litres)	5,105,841	5,119,499	5,411,213	5,119,236	5,500,723	5,354,285
Electricity (kWh)	3,416,173	3,568,891	3,909,823	3,272,985	3,583,487	3,449,285





Waste minimisation

We support recycling in our offices. The percentage of our total materials that are recycled has increased steadily since 2019 – from 73% to 93%.

We try to minimise our use of natural resources and raise awareness among our colleagues of waste minimisation and resource efficiency.

Screening for biodiversity impacts

When considering new locations, we work with competent authorities to ensure our land use does not pose a risk to biodiversity and the natural environment.

Air quality

While cleaner than many competitor fuels, our products do have an impact on air quality. Our vehicles contribute to CO₂ emissions and to local pollutants such as SO_x, NO_x and particulate matter. We are replacing our diesel-fuelled vehicles with those that run on CNG (compressed natural gas) or HVO to reduce emissions and fuel consumption.

Water

Our activities make minimal use of freshwater and our processes do not involve significant discharges to water.



**WE KNOW WE NEED
TO REDUCE OUR
OWN IMPACTS, WHILE
SUPPORTING CUSTOMERS
IN REDUCING THEIRS."**

DAVE SMITH / HSEQ DIRECTOR



Fast facts

- As a minimum, we aim to be fully compliant with all environmental regulations and requirements.
- Our cylinders have a 30-year lifespan and are continually checked and maintained for safety. We also run a scheme for returned cylinders, which generates a £5 charitable donation to reduce waste and raise money for good causes.



Waste and recycling data

General waste and recyclable waste volumes are consistent with previous years, but we have achieved a reduction of more than 90% in waste going to landfill. Food (catering) waste has ended with the closure of the canteen kitchen at our head office in Syston. The large increase in inert waste was the result of two firewater lagoon clearances, in Newport and Leeds. Scrap metal volumes are consistent with previous years, with the increased throughput from our facility at Staveley seen last year continuing. There were no large plant scrap projects this year, which there were in the previous year. Hazardous waste volumes increased, in part due to the disposal of wastes that were being held on site at the end of last year. We have carried out a successful initiative to manage redundant IT equipment. Of the 873 items sent to our partner for IT waste, 88% were refurbished and reused, 6% used for parts and 6% scrapped.

Waste volumes by stream (kgs)	2019	2020	2021	2022	2023
General waste	310,881	268,849	275,583	273,581	209,228
Mixed recycling	69,073	56,891	69,534	70,532	149,336
Food waste	7,480	4,137	4,800	485	- ¹
Paper waste	10,452	16,180	8,398	-	- ²
Confidential waste	17,442	34,464	3,250	49,052	6,096
Inert waste	14,120	0	6,480	826,900	665,550
Wood waste	12,300	2,236	0	-	4,344
Scrap metal cylinders sold for reuse	1,179,060	1,258,781	2,039,870	3,032,390	2,871,432
Hazardous waste	-	-	54,485	12,280	175,225
Reuse	219,200	157,523	0	2,520	10,730

Note: Information is shown by EWC (European Waste Codes) classifications.

¹ Canteen at Syston is now closed and no catering waste that requires separate collection is now produced on site.

² Paper waste is now combined with other recyclables, given a significantly smaller office population post-pandemic.

Waste volumes by stream (kgs)								
	2020		2021		2022		2023	
	Volume (metric tonnes)	% of total	Volume (metric tonnes)	% of total	Volume (metric tonnes)	% of total	Volume (metric tonnes)	% of total
Landfill	268,849	14.2	275,583	11	253,001	5.9	22,050	0.5
Recycling	1,473,321	77.6	2,164,870	87	3,979,389	93.3	3,453,678	84.4
Reuse	157,523	8.3	0	0	2,520	0.1	16,499	0.4
Recovery	-	-	44,975	2	30,310	0.7	599,715	14.7
Totals	1,899,692	-	2,485,428	-	4,265,219	-	4,091,942	-



GOOD GOVERNANCE

We can only achieve our environmental and people-related goals if we have strong financial performance and robust operational systems.

Guiding our business

Our Board of Directors has ultimate responsibility for the company's economic, environmental and social performance. The Board is the company's highest governing body.

We review risks to the business through a formal risk assessment process, every two years – but manage and mitigate risks day to day with clearly allocated responsibilities. Sustainability issues are brought to the Board on a regular basis where they are discussed alongside other strategic issues, with responsibilities for action allocated to directors and functional leaders across the business.



Acting with integrity

The DCC code of conduct guides our behaviours and gives us a framework for doing the right thing in all aspects of our daily work. We also require our suppliers to behave with integrity and to meet the ethical and legal standards that we and our customers expect. We periodically assess our partners and suppliers to check that they are conforming with our standards.

We also apply the DCC anti-corruption and bribery policy and provide face-to-face training for colleagues who are more likely to face ethical challenges in their daily work. For example, every Flogas employee who negotiates with suppliers or business customers is given training on competition law.

Board composition

The Board of Flogas Britain currently has 12% female representation, together with a range of backgrounds and experience. In addition, 32% of the senior management team are women. Board appointment decisions involve all appropriate stakeholders, including DCC, to ensure that appointments are right for the business and key stakeholders.

Governance architecture

The Flogas Board is the company's highest governance body. It has the authority to delegate responsibility for sustainability topics to senior executives and employees, as appropriate. The Managing Director chairs the Board. Its purpose is to review and manage performance across all functions, and consider strategy, compliance and risk management. It is responsible for significant business decisions and includes key functional and operational directors. The Board reviews and approves sustainability information provided to our parent company, DCC, as well as the information in the Flogas sustainability report.

Safe Call

Our Safe Call service – available 24 hours a day, every day – enables anyone to raise a concern if they feel the code of conduct has been breached. Issues are treated confidentially and retaliation against anyone who raises a concern is strictly prohibited.



www.safecall.co.uk/report



Code of conduct

In addition to complying with legal and external standards, we apply the DCC code of conduct. The code is based on the simple principle that we must do the right thing, in everything we do. It covers all our activities and is supported by a range of policies and procedures. We provide face-to-face or online training on the code to all new starters, and refresher courses. We monitor training carried out and update the Board weekly. Our annual certification process involves colleagues self-certifying their awareness of the code and that they have adhered to it.

100%
297

of Board members
completed training on
the code of conduct

supplier due diligence
assessments completed in
the reporting period

Fast facts

- Our management systems, policies and processes provide a robust framework for managing risk and maximising opportunities.
- As a wholly owned subsidiary of DCC plc, we can draw on our parent company's resources and support.
- As a minimum, we aim to comply with all relevant legal requirements. But our code of conduct and other policies seek to go beyond compliance.

PLANNING IS KEY

A key part of my role involves developing strategies that will enable us to achieve our long-term goals. This year, the immediate pressures in our markets meant it would have been easy to push aside the longer-term challenge of making our business sustainable.

That's why the work we have done already to build sustainability into our business decision-making has been so important. We have tackled the short-term challenges – like supply disruption, higher prices and cost-of-living increases – while remaining resilient and planning for the future.

We have many pieces of the jigsaw in place. All our senior managers have sustainability issues integrated into their annual targets, and their performance against them forms part of their remuneration. We have clear targets, including cutting our own greenhouse gas emissions. We want to make faster progress, but the investments we are making now, such as replacing diesel with HVO in our fleet, will show benefits soon.

We are fully engaged with our customers on the challenge of the energy transition. We have recently launched our New Energies team to accelerate progress in this area, and our sales and marketing teams are listening to customers. The plans we've put in place include the fuels, products and services they need to decarbonise now. And, through our research and development into new fuels like bio-blends, ammonia and rDME, we have a pathway for the future.



WE HAVE
MANY PIECES
OF THE JIGSAW
IN PLACE."

D Taylor

DAVID TAYLOR /
COMMERCIAL DIRECTOR



ON COURSE

Sustainability Report 2023

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