FLO GAS

COMMITTED TO ENERGY TRANSITION

SUSTAINABILITY REPORT **2022**

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 2021 to 31 March 2022 and covers the activities of Flogas in the United Kingdom, our principal place of business.

The report boundaries cover our own Flogas operations. We have included topics which 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 materiality assessment, updating those undertaken for previous reports. We provide more information in 'Our reporting'.

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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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 which are beyond Flogas' 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.

IT'S OUR TIME TO DELIVER

This, our third annual sustainability report, has a clear focus on the most pressing strategic and operational challenge we face: the energy transition.

As we outline in the report, making the transformational shift needed to develop a low carbon energy system, and rapidly, has many different angles and implications – for us, for our customers, for industry across sectors, and for society as a whole.

We fully understand the importance and complexity of the challenge. We know that we have to evolve our business. This is not only about taking the day-to-day steps that make us more efficient, by eliminating streamlining operations, and reducing our emissions. It is also about taking the longer-term action that makes us more resilient as a business. Our investment in the Avonmouth LPG Storage Terminal, which will become operational this year, and our steps to build a vehicle fleet which is lower carbon, are two important examples of where our strategy is reflected in investment and action.

We're also investing in our people. We have continued to build sustainability goals into the objectives of all our colleagues. Through training, we are ensuring that everyone understands the nature of the challenges we face. As we develop our business, we will not take our eye off the fundamental requirements of operating safely and protecting everyone's physical and mental wellbeing.

We are investing in future fuels, as an immediate alternative to oil and gas by supporting customers in switching from oil to liquid gas, and through research and development into longer-term alternatives, such as renewable di-methyl ether or using ammonia as a hydrogen carrier. We're committed to being part of the future fuel mix and working with our customers on their journey to net zero carbon.

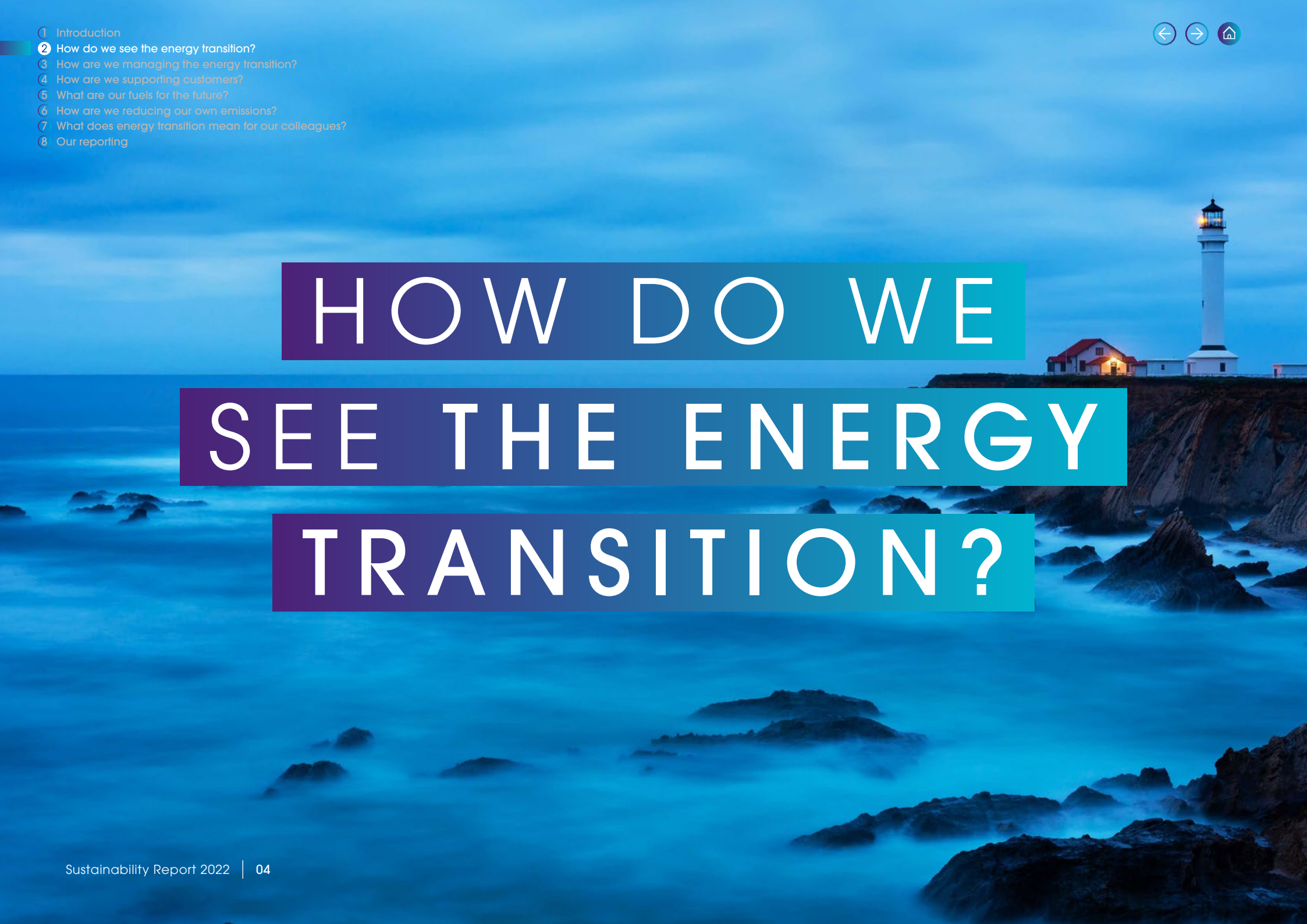
We believe the steps we are taking, which we outline in this report, are putting us in a strong position to take customers through the energy transition. We have a clear strategy, a plan for managing the transition responsibly and in line with principles of good governance, and the structures, systems and partnerships in place to deliver our objectives.

Our recent announcement of the acquisition of Protech heating group has taken our energy offering to the next level. It shows how serious we are about meeting our 2040 ambition to provide 100% renewable energy solutions for our customers. We now have the right energy proposition and expertise in place to help UK businesses reach pressing sustainability targets. And we'll do it all – from bespoke design, through to installation, commissioning, and on-going support.

As always, we welcome your feedback on the content of this report, and more broadly on the actions we are taking.

"We believe the steps we are taking are putting us in a strong position to take customers through the energy transition."

Lee Gannon Managing Director



HOW DO WE SEE THE ENERGY TRANSITION?

How do we see the energy transition?

The energy transition is the most demanding strategic challenge we face. How do we, as a business that has been dependent on fossil fuels, respond to the need to shift away from high carbon fuels and support our customers in their journey to net zero carbon?

The energy transition represents both a significant business risk and a tremendous opportunity. It requires resilience, vision, and the capacity to adapt. This report sets out our plans for meeting the challenge.

We are already taking action to make our business fit for the future. We are reducing our own greenhouse gas emissions and are currently helping our customers make their own transitions to net zero by switching them from oil to liquid gas. We are also adding a suite of low carbon and renewable technologies to our portfolio.

We are sourcing lower carbon fuels such as biopropane and other renewable fuels, while progressing our research in hydrogen.

Within that, we believe liquid gas provides a valuable transitional option, with clear environmental advantages over other fossil fuels. For the longer term, we are developing renewable alternatives that can be readily integrated in the existing infrastructure, contributing to energy security and meeting future demand, at low cost.

> “The challenges involved in transforming existing energy systems, in this country, and worldwide, are highly complex. There are no simple or single solutions. In our view, a mixed technology approach will provide the most cost-effective route to decarbonisation for the UK.”
>
> **Lee Gannon** Managing Director, Flogas Britain Ltd.

Our transition plan

As a leading LPG supplier, we’re fully committed to building a lower carbon future for UK homes and business. We are working to our ‘2040 Pathway’ which establishes our ambition to deliver 100% renewable fuels to customers by 2040.

In pursuing this, we are aligned with national and international efforts to promote a cleaner environment and a more prosperous world. We support the UK Government’s commitment to net zero carbon by 2050 and the actions we are taking support the UN SDGs, in line with our values.

We believe the energy transition to a renewable future should be made as simple as possible, with the lowest possible level of disruption for end users.

Key elements of our plan

1. Reduce our own GHG emissions
2. Support customers now – by helping them switch to liquid gas
3. Broaden and strengthen our range of energy solutions
4. Source and develop a portfolio of new, low carbon fuels to support customers into the future and help them to reach net zero targets
5. Develop new partnerships to support our product and service delivery

A leading LPG supplier

£319 m

of revenues in 2021-22

1,200+

employees

Diversified product range

57 operational sites in the UK, and 433 vehicles

Some **1,700** stockists

333,164T

of LPG supplied annually

Part of the DCC Plc Group, a FTSE-100 company

We have a plan for the future

We have established several potential pathways – over the short, medium and long term – in which we can offer 100% renewable solutions to our industrial customers and help achieve net zero. This involves a phased introduction of renewable products, building on our existing portfolio.

TODAY

Minimising our own impacts

Potential to save millions of tonnes of CO_2 from switching businesses and homes from oil to liquid gas

Short-term

Propane & Biopropane Blends

100% Renewable DME

Avonmouth LPG Storage Terminal – securing a future supply of renewable fuels

Turquoise Hydrogen

Medium-term

20% Renewable DME and 80% Propane Blend

100% Biopropane

100% Renewable DME

Turquoise Hydrogen

Long-term

100% Biopropane

100% Renewable DME

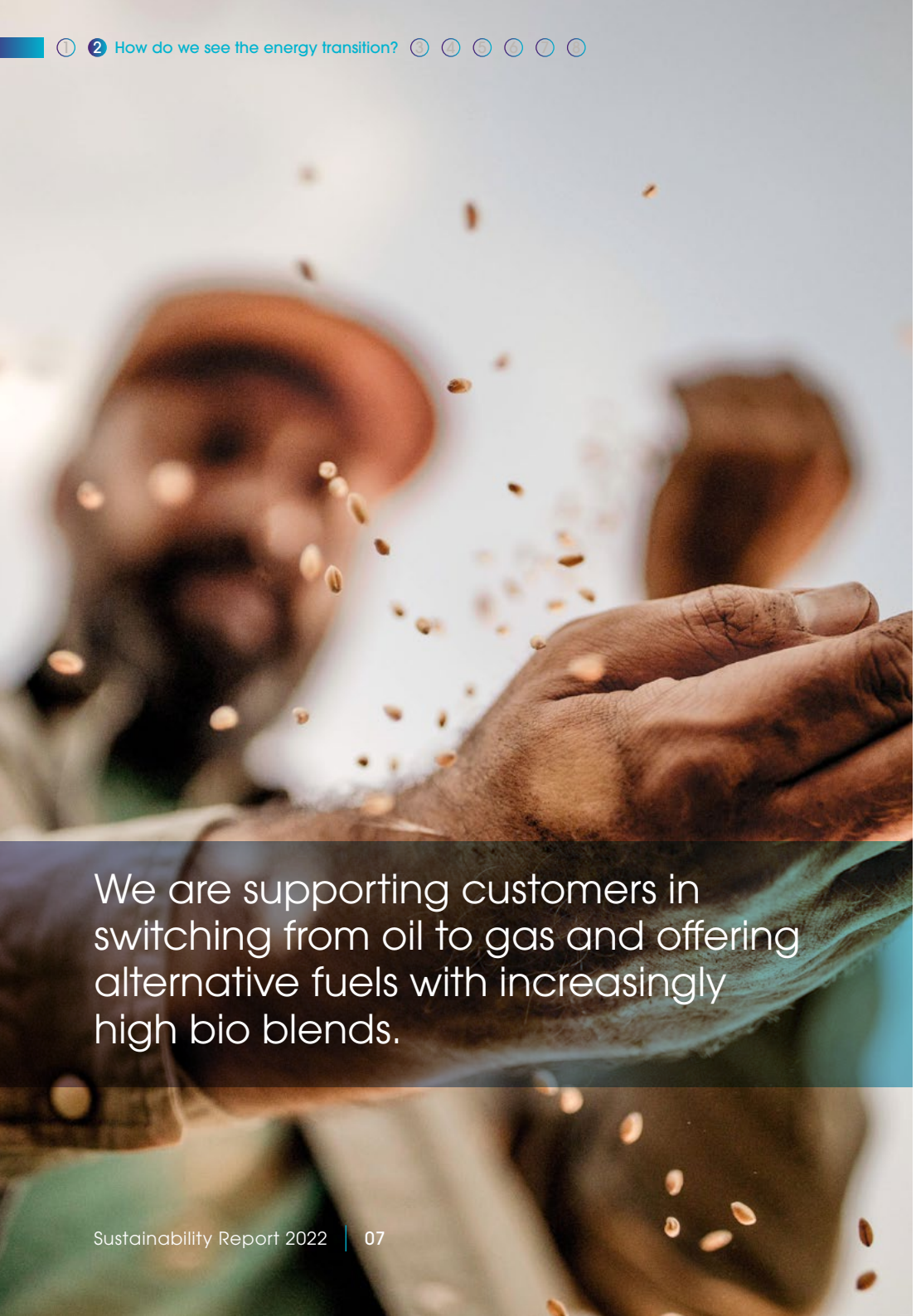
Green Ammonia

Green Hydrogen

Turquoise Hydrogen

net zero

Achieving 100% renewable solutions



We are supporting customers in switching from oil to gas and offering alternative fuels with increasingly high bio blends.

How our plan supports the energy transition

LPG is already helping to achieve off-grid decarbonisation in domestic, commercial industrial heat, and transport sectors. Alongside LNG, it provides high-grade heat to off-grid businesses / industrial process where there is a diverse range of heat requirements and processes.

Levelised cost analysis into off-grid heat decarbonisation shows that a mixed approach to decarbonising off-grid properties can deliver emission savings aligned to climate change targets at a lower cost than a pathway that only supports electric heating. Reliance on connections to the gas grid and electrification, by contrast, would be costly and capacity is often constrained. The approach should also take account of consumer choice, social and economic circumstances, and building types.

We are reducing our own emissions

To improve our own performance, we have pledged to reduce our direct carbon emissions by 20% by 2025, against a 2019 baseline. We aim to become completely carbon neutral by 2050. The specific actions we are taking are described in section 6 of this report.

We are supporting customers now and for the medium term

In parallel with our own emissions reductions, we are working to support our customers in their transition to net zero carbon. Our products and technical expertise provide a lower carbon alternative for energy users. We are supporting customers in switching from oil to gas and offering alternative fuels with increasingly high bio blends. We provide bio-LNG and are looking to invest in bio-LPG in the future. Our goal is to expand our market position in the renewable energy sector.

We believe that LPG has an important role to play in helping homes and businesses that are not connected to the mains gas grid reduce their emissions. As LPG is a cleaner burning fuel than many alternative off-grid fuels, it also supports the UK Government's clean air strategy. We engage with customers, suppliers, regulators, and policymakers in helping to reduce the UK's carbon footprint by working with prospective customers to convert from using oil to LPG and LNG.

We believe the products we supply to off-grid customers can make an important contribution to reducing CO_2 emissions. We see LPG as a valuable transitional fuel, with advantages over other fossil fuels. For the longer term, we are seeking to secure supplies of renewable LPG as an alternative fuel which can be readily integrated into existing infrastructure.

We're broadening our range of energy solutions

We are also strengthening our range of future-proof energy solutions and broadening our customer base. Our acquisition of Protech heating group, in June 2022, has added a suite of low carbon and renewable technologies to our customer offer, as well as a market-leading maintenance and service offering.

> Bringing Protech on board is a key strategic move, allowing us to develop and broaden our range of future-proof solutions. It also shows how serious we are about meeting our 2040 ambition to provide 100% renewable energy solutions for our customers. We now have the right energy proposition and expertise in place to help UK businesses reach pressing sustainability targets. And we'll do it all – from bespoke design, through to installation, commissioning, and on-going support."
>
> Lee Gannon

With the skills and experience of Protech, 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 can also provide a comprehensive range of HVAC (Heating, Ventilation, and Air Conditioning) solutions, maintenance services and water management. By adding these solutions, we are now fully equipped to help businesses as they work to meet legally binding carbon reduction targets.

We recognise that for most organisations, the energy transition is not managed with an instant solution. Our aim is to provide completely tailored, efficient energy solutions that help businesses reach their emissions targets at their own pace, and affordably.

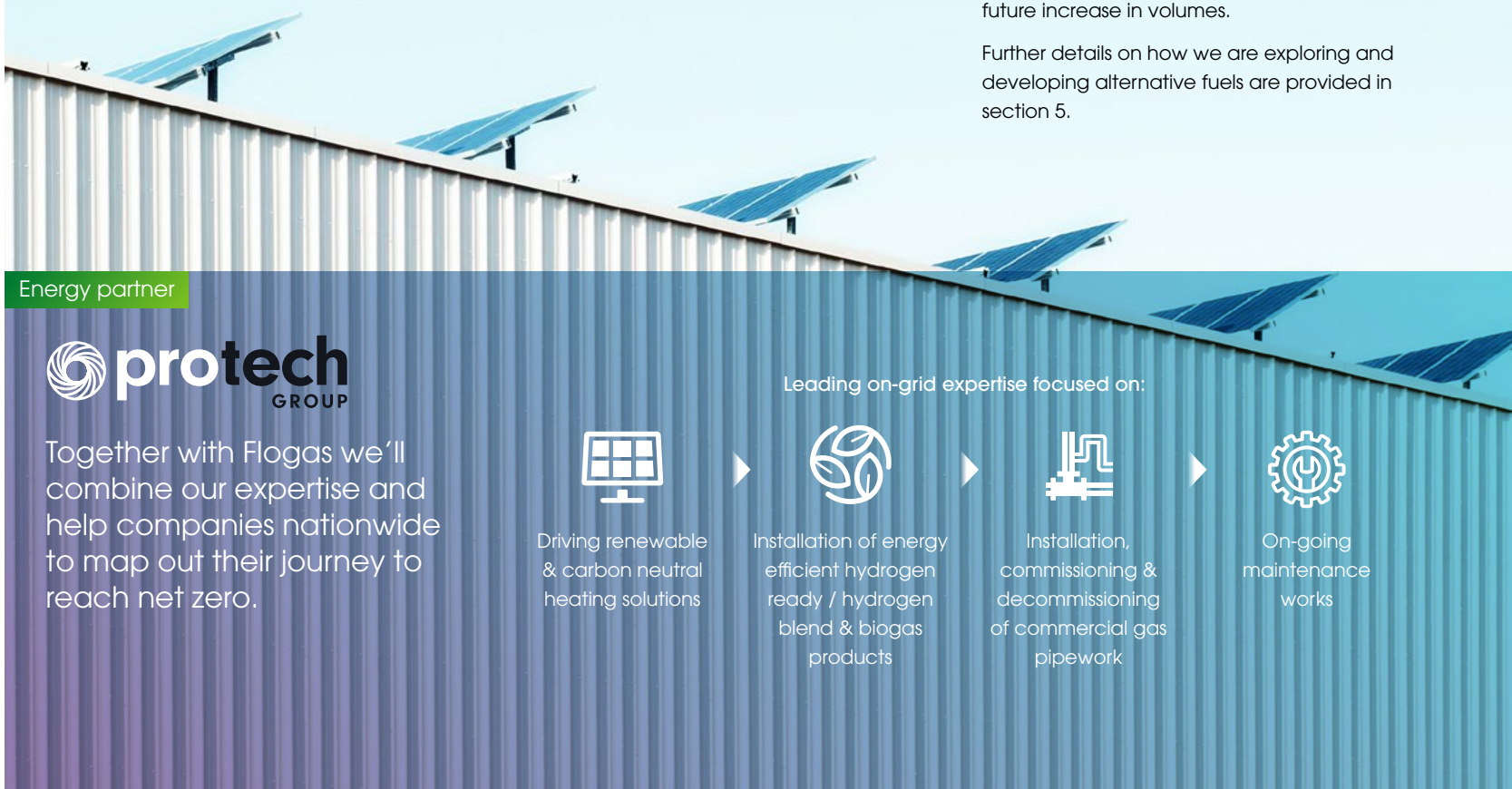
We're sourcing and developing future fuels

As part of the shift towards a lower carbon future, we will continue to provide liquid gas solutions to customers. Our industry is focused on delivering 100% bioLPG solutions by 2040 – recognising that these alternative fuels offer a deeper decarbonisation and more credible pathway to net zero. We believe bioLPG has the potential to grow rapidly and could represent approximately one-third of the LPG market by 2030.

The infrastructure and supply chain needed to support bioLPG, which is chemically identical to LPG but made from 100% renewable resources, are already in place. It can therefore be used as a 'drop-in' fuel. LPG, bioLPG and LNG to bio-LNG are cost-effective and efficient routes to move rural homeowners and businesses to low-carbon energy without disruption or radical shifts in consumer behaviour.

We already have volumes of bioLPG in the UK and are investing in research into indigenous production methods – helping to deliver a future increase in volumes.

Further details on how we are exploring and developing alternative fuels are provided in section 5.



Energy partner

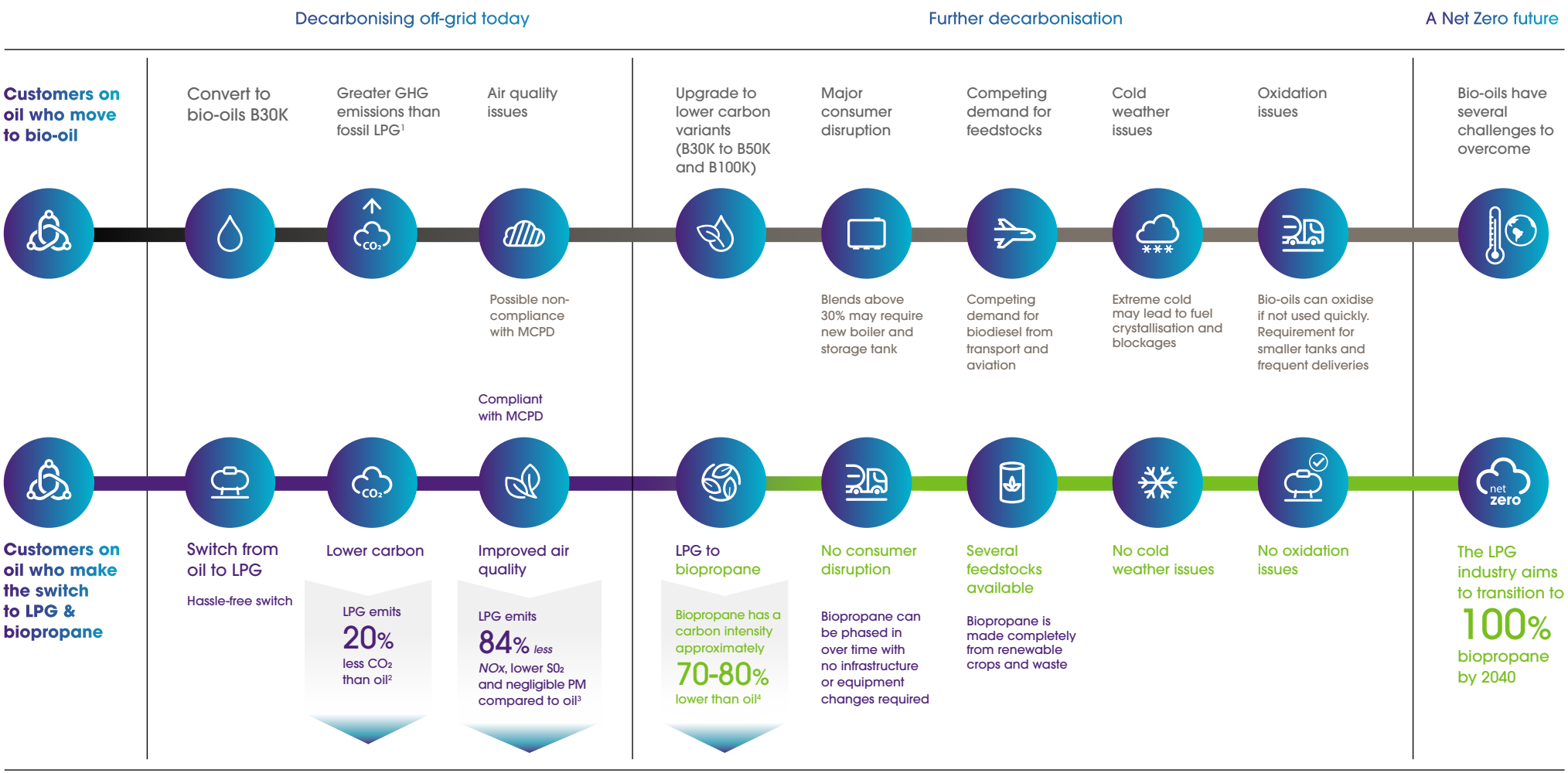
protech GROUP

Together with Flogas we'll combine our expertise and help companies nationwide to map out their journey to reach net zero.

Leading on-grid expertise focused on:

- Driving renewable & carbon neutral heating solutions
- Installation of energy efficient hydrogen ready / hydrogen blend & biogas products
- Installation, commissioning & decommissioning of commercial gas pipework
- On-going maintenance works

LPG and biopropane: The clear pathway to net zero for off-grid businesses



Sources:
1. BRE Group, Standard Assessment Procedure (SAP 2012)
2. BEIS, Greenhouse gas reporting: conversion factors (2019)
3. BEIS, National Atmospheric Emissions Inventory, Emission Factor Database 2016
4. WLPGA, The role of LPG and Bio-LPG in Europe (2019)

We are building partnerships

We are building partnerships with a range of carefully selected energy partners so that we can better meet customer needs. From joint marketing to financial commitment, partnerships generate a wider set of business opportunities, offering the potential to grow our earnings.

In the past year, we have, for example, established a partnership with Himoinsa, who supply state of the art power generation equipment globally. For companies using diesel power generators, our collaboration offers the prospect of immediate cost and emissions savings with liquid gas generators, which have a smaller carbon footprint and lower NOx, SOx and particulate emissions. Together, we provide bespoke turnkey solutions, reliable delivery, auto ordering, and first-rate service.

We also work in partnership at the other end of the value chain, in researching and developing new fuels. An exciting example of this is our sponsorship of the University of South Wales, which is supporting their research into using bacteria to produce biopropane and biobutane from various feedstocks.

We have also worked with others on studies to test how our existing infrastructure (both storage tanks and road tankers) can be adapted to be compatible with ammonia. We are progressing further studies including the production of hydrogen from electrolysers.

Our goal in this relationship building is to develop a varied and resilient portfolio of renewable energy supplies that can meet the needs of today and tomorrow.

Energy partner

HIMOINSA
A YANMAR COMPANY

99%
Liquid Gas power generators reduce NOx emissions by 99%

99%
Particulate matter reduced 99% with Liquid Gas power generators

20
Himoinsa has more than 20 sites globally

We are part of the solution

Customer support

We are already supporting our customers in their transition to net zero by switching customers from oil to liquid gas.

Sourcing

We are sourcing lower carbon fuels such as biopropane and renewable DME while progressing our research in Hydrogen.

Mixed technology

We believe that a mixed technology approach will provide the most cost-effective route to decarbonisation for the UK.

> There is no single answer to the complex challenge of moving away from fossil fuels, but we are taking action and are excited to be an integral part of the solution."
>
> Lee Gannon, Managing Director, Flogas Britain Ltd

HOW ARE WE MANAGING THE ENERGY TRANSITION?

How are we managing the energy transition?

We recognise the risks and opportunities that the energy transition poses for our business and for society. We are also aware that businesses undergoing significant change can be prone to taking their eye off fundamental operating requirements, such as maintaining a rigorous approach to safety.

We have a governance framework and policies and processes that will help us to navigate the challenges of delivering change in the business while continuing to operate safely and profitably.

We manage risk – including sustainability risk

We carry out, under the Flogas risk management process, a bi-annual review of all significant risks to the business. This provides clear identification, analysis and ownership of risks, including those that have an effect on the sustainability of the business.

The Board reviews each identified risk and assigns ownership of that risk at an operational level. Risks are analysed to identify their likelihood and potential impact, as well as mitigations and controls, trends and planned actions.

We have clear governance of sustainability

We fully recognise the growing importance investors and many other stakeholders place on topics such as climate change, health and safety, security, the environment, and ethical behaviour.

In considering these sustainability issues, our senior management team take a long-term strategic view of our business, focusing on the business's resilience to risk and on maximising opportunities.

The continued delivery of financial and operational success is central to our ambitions relating to people and protecting the environment. Continued profitability enables us to invest in the skills of our people, provide new career opportunities, and contribute to the communities where we work.

Our Board-level sustainability committee oversees our direction

In recognition of the strategic importance of sustainability to our business, we established in 2020 a Sustainability committee as a sub-committee of the main Board.

The committee is the main mechanism for identifying risks, opportunities and impacts arising from sustainability issues. It reports to the Board on a regular basis and holds meetings every quarter. It focuses on and drives our sustainability initiatives and strategy.

The committee is chaired by the Managing Director and includes the Finance, HR, Commercial and HSEQ Directors, the Chief Operating Officer, as well as Legal Counsel and the Head of Marketing. By having a wide range of functions on the committee, stakeholders from across the business can be fully engaged in its work and decisions taken by the committee can be properly implemented.

The focus of the committee's work has been on climate change and energy transition. In particular, it has concentrated on actions to minimise our operational GHG emissions.

Governance architecture

The Flogas Board is the highest governance body and has ultimate responsibility for economic, environmental, and social issues. It has the authority to delegate responsibility for sustainability topics to senior executives and employees, as appropriate.

The Board is chaired by the Managing Director. Its purpose is to review and manage performance across all functions, 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 DCC, as well as the Flogas sustainability report.

We are embedding sustainability objectives and targets

At a simple level, sustainability is now an integral part of daily business discussion, across the organisation. Every Board meeting, and all investment papers, for example, have a lens on sustainability. It is clear and present in conversations across the business, including at Board level.

We build sustainability objectives into our three-year business plan, which is agreed with DCC. We measure the Board's performance on an ongoing basis against the items in the plan, and through an annual plan review and update.

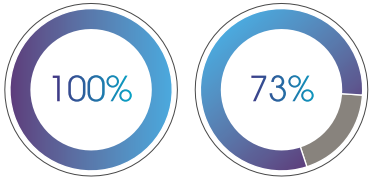
Code of Conduct

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.

TRAINING ON CODE OF CONDUCT/ETHICS 2022



Board members trained

Colleagues trained

We have established sustainability criteria within all Board objectives. Measurement of those objectives is undertaken locally and at group level.

We are continuing to embed sustainability objectives into everyone's performance goals throughout the company, with objectives now set for the financial year 2022-23.

We draw on the strength and resources of DCC plc

In managing the transition, we can draw on the resources and support of our parent company, DCC plc.

DCC fosters a culture of high performance and entrepreneurship in their management teams and businesses, underpinned by high standards of compliance and integrity embodied by the Group Code of Conduct.

We share these aspirations and seek to make sure they are applied across the whole company, led by the directors and the management team. Our decisions are focused on delivering growth and

Ethical conduct

We apply the DCC anti-bribery and corruption policy which provides guidance on issues such as facilitation payments, gifts and hospitality, and doing business in high-risk countries. We are opposed to any practice that improperly or illegally disrupts proper business conduct.

Directors and colleagues who do not follow the anti-bribery and corruption policy are subject to disciplinary action, up to and including dismissal.

We provide face-to face training for colleagues whose responsibilities mean they are more likely to face ethical dilemmas in their daily work. We provide training on competition law for every Flogas employee who negotiates with suppliers or business customers, attends meetings where our competitors are present, or is involved in processes relating to the switching of supplier by a customer.

Our independent third-party 'Safe Call' service, through DCC, enables everyone to raise concerns where they feel a breach of the code of conduct has been committed. Safe Call is well-publicised in company communications and is available to all colleagues with local freephone numbers, 24 hours a day, every day. We also provide an online tool for people to report their concerns, at **www.safecall.co.uk/report**. Retaliation against any person who raises a concern is strictly prohibited.

shareholder returns which are sustainable over the long term, by developing deep and long-lasting relationships with stakeholders, maintaining a high degree of integrity and compliance, and taking account of short- and long-term risks and trends.

As a wholly owned subsidiary of DCC, we contribute to DCC's objective to build a growing, sustainable and cash generative business which consistently provides returns on capital employed significantly ahead of its cost of capital.

DCC's Governance and Sustainability committee, a main committee of the DCC Board, oversees and supports the development of the group's sustainability programme. It monitors compliance with legal and best practice and approves recommendations from the Executive Sustainability committee.

Our governance architecture includes a review committee comprised of DCC and Flogas Directors. The committee's purpose is to review compliance and performance and to assess proposals for capital expenditure.

Supply chain risk

Our supply chain integrity policy seeks to ensure that suppliers are meeting the legal and ethical standards that we and our customers expect – and that, in many cases, the law requires. The policy includes provisions on product quality and supplier integrity. We completed 242 supplier due diligence assessments in the reporting period.

We complete a twice-yearly compliance questionnaire for partners and suppliers which checks their conformance with our standards of integrity. The findings are supplied to and assessed by the DCC audit committee.

We maintain a close eye on policy and regulatory development

We maintain a close watch on developments in national and international public policy that shape the future of our business. The gradual tightening of regulations, such as those relating to air emissions, provides both risk and opportunity for our business. As a minimum, we ensure that we comply with all required regulations, including a specific objective – which we have again achieved – to collect and pay all taxes and duties on time.

More broadly, the growing expectations of customers and civil society for businesses to tackle climate change as a matter of urgency contribute to the need to move quickly and effectively.

To support our engagement with public policy across the UK and devolved administrations, 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.

Our approach to public advocacy and lobbying

Our anti-bribery and corruption policy governs all interactions with officials and governments, wherever located. It includes guidance on political contributions, sponsorship, and charitable donations.

The guidance includes information on how to do business in countries that have been assessed as being at higher risk of bribery and corruption. These include actions such as carrying out background checks, assessing the policies and procedures of third parties, and introducing suitable contractual clauses.

Any political contribution must be expressly approved in advance by the Managing Director. Records are kept of any contributions made.

We remain focused on continuous growth and improvement

We are committed to continually improving our performance through careful management of our operations. Our business plan and specific operating objectives rely on our ability to run our business as efficiently as possible, minimising waste and maximising efficiency.

We continue to balance short-term risks and long-term growth objectives and pursue all avenues for growth both within the LPG sector and other complementary industry areas, including but not limited to renewable energy technology. When making investments, we follow DCC's capital expenditure approval process, which requires an assessment of the carbon impact of the investment in question, giving an incentive for lower carbon investments.

We promote technology development and innovation

We are focusing much of our effort in technology development and innovation on research and development into new fuels. This includes new fuels such as rDME and ammonia as a hydrogen carrier.

In addition to the development of new fuels, there are many other aspects to innovation. We are, for example, working with partners to find new ways to cut our fleet emissions. This is going beyond the planned increases in the use of HVO (Hydrotreated vegetable oil) as a fuel, to explore possibilities such as HGV (Heavy good vehicle) electrification, which is more of a challenge given the payloads involved and the distances these vehicles need to travel.

We are also embracing digital technologies, which have immense potential to improve the efficiency of our operations and internal processes.

For example, digitisation is helping to deliver operating efficiencies such as improved truck routing, delivery planning, invoice preparation in real time, and increased customer contact through the use of on-vehicle computing systems. Using digital-based demand sensing, we can also better support customers by being able to look in more depth at customer consumption data to improve our forecasting.

HOW ARE WE SUPPORTING CUSTOMERS?

How are we supporting customers?

Our customers, whether industrial or domestic, are likely to face challenges and difficult decisions as a consequence of the need to decarbonise, highlighting the need for clear and reliable advice on options, costs, and timescales.

Meeting the energy needs of these customers is vital to our continuing success. We want to retain our customers' trust and to take care of their energy needs so that we are their first-choice supplier.

Our Customer Charter puts the customer at the heart of our day-to-day decision making. We aim to be dependable, professional, and responsible in our interaction with all customers.

Our Vulnerable Customer Policy makes sure we deal appropriately with customers who are, or might be, in need of support or additional levels of discretion or urgency in their contact with us. This includes supporting those who are exposed to challenges such as fuel poverty.

Our products: switching to liquid gas

The need for business and consumers to reduce their CO_2 emissions is leading companies across sectors, and households, to shift away from carbon intensive fuels.

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.

LNG is composed primarily of methane and is created by cooling natural gas to an extremely low temperature. As well as being an extremely efficient fuel, it is completely odourless, colourless, non-toxic and non-corrosive – providing a safer and more environmentally-friendly gas for businesses.

Customer emission reductions: the path to net zero

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.

We offer our customers the opportunity to reduce those risks and 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 further carbon savings. Throughout this journey, we also offer customers the option of reducing their environmental impact further through carbon offsetting.

Reducing customer and value chain emissions

We use carbon offsetting as part of our approach to emission reduction, but not before reducing our own operational emissions first. We offer guidance to other companies on offsetting initiatives, purchase credits and make investments on their behalf.

Carbon offsetting enables companies to counteract their greenhouse gas emissions by purchasing carbon credits, which in turn invest in a project giving an equivalent reduction of emissions elsewhere in the world, either reducing or absorbing carbon.

We have partnered with carbon credits specialists South Pole and Shell, and selected verified carbon mitigation projects for our customers to support. These adhere to internationally recognised standards for emission reduction – namely, the Verified Carbon Standard (VCS).

Carbon offset project

Amayo wind power
Nicaragua

Carbon Offsetting

The Amayo Wind Power project – the first wind farm in Nicaragua – provides cleaner, more reliable energy to thousands of families while reducing blackouts. When the project first started in 2008, the Nicaraguan grid depended principally on either fuel oil or diesel. The project displaces this old, fuel-based technology, increasing the supply of electricity and reducing rolling blackouts in the country. The enhanced reliability of the supply has improved living conditions, reduced business interruptions, stimulated the economy and boosted employment.

Sustainable development goals

In partnership with

Shell

$17.22 m

USD reduction of currency expenditures of fuel purchase

18

permanent local employees, plus 60 indirect jobs

121,000

carbon credits generated on average each year

231 GWh

of electricity generated

63.1 MW

of installed capacity

405,690

reduced barrels of fuel oil imports per year

166,089 tCO_2E

emissions reductions per year

Carbon offset project

Hubei, Pankou Hydro China

Carbon Offsetting

This hydropower project uses water from a local river to generate clean electricity. This reduces the country's dependence on fossil fuels, provides skilled and non-skilled jobs for locals, and improves the local environment by reducing greenhouse gas emissions.

Sustainable development goals

In partnership with

south pole

70 jobs
created for locals with training provided

80 people
benefiting from literacy and eductaion initiatives

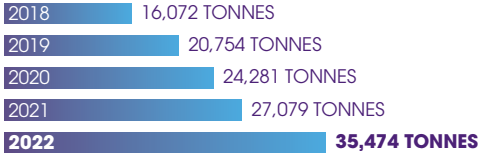
1,015,800 MWh
of clean energy per year

782,000 tCO_2E
mitigated on average per year

Reducing customer emissions

Flogas has an important role to play in helping to decarbonise the customer emissions within our value chain – known as scope 3 emissions, which includes the use of sold products. In 2022, we helped to deliver annual CO_2 savings of more than 8,000 tonnes by switching customers from oil to gas – contributing to a cumulative total of approximately 36,000 tonnes in customer emission reductions.

CUMULATIVE CUSTOMER EMISSION SAVINGS (CO_2E EQUIVALENT)



We are maintaining our focus on customer safety

We provide safety guidance to customers, whether they are using our gas as bulk supply for a commercial venture or for domestic use.

Domestic and commercial customers receive safety information pertinent to their tank installations and maintenance requirements. Larger industrial projects receive project support and documentation on the safe design, operation, and maintenance of their installations. Our storage vessels come equipped with numerous items of safety equipment such as devices that automatically stop the supply of gas to a property in the event of a problem. We carry out inspections and examinations of customer LPG installations as a matter of

Carbon offset project

Nongyai wastewater treatment
Thailand

Carbon Offsetting

The Nongyai Wastewater Treatment Project captures methane generated at a starch, sweetener and ethanol production factory in Chonburi Province in Thailand and burns it to produce electricity and heat for internal use in the factory. The project helps to reduce Thailand's dependence on fossil fuels by providing a local source of clean, renewable energy.

Sustainable development goals

In partnership with

south pole

5 jobs
created during the construction and operation phases of the biogas reactor system and of the cover lagoons

4,360 m³
of wastewater treated daily, repurposing waste to create sustainable energy alternatives

37,000 tCO_2e
reduced on average annually by providing an alternative energy source to the burning of fossil fuels

course and our engineering services for tank installations are assured under external standards, such as GasSafe.

Our LPG products are manufactured, distributed, and sold in compliance with Liquid Gas UK Codes of Practice and similarly, our MGS medical gases business is regulated by the MHRA and relevant standards. For our customers, this means that they can be assured that our products are safe in use and throughout their life.

For cylinder formats, our gas cylinders are purchased according to recognised British and European Standards. They are subject to routine inspections on collection from customers and again before re-filling. In addition, our cylinders are re-tested in an accredited facility at the frequency required by the relevant standards (normally every 10 or 15 years) to ensure that the condition of the cylinder remains safe for use. This means that our cylinders are re-used many times during their lifetime, which can extend to 30 years or more, hence reducing the need to manufacture new cylinder stocks.

Similarly, our bulk vessels are all maintained and operated in compliance with the Pressure Systems Safety Regulations in UK with regard to regular examination and periodic maintenance by GasSafe accredited engineers. Our delivery drivers are trained to identify any aspects of a bulk installation and its immediate surroundings which might require attention to maintain compliance with the relevant LPG Codes of Practice. Again, the rigorous inspection and testing regime means that our bulk gas vessels can be safely used for many years (30 years or more), avoiding the requirement for replacement assets.

Colleague profile: Mark Rutherford

Mark Rutherford, National Account Manager, been with Flogas for over 15 years and is highly successful and extremely experienced in this new, consultative way of selling. An engineer by background, Mark has delivered major projects in both LPG and LNG working alongside internal technical teams and partners to deliver innovative solutions for our customers.

"The biggest difference to previous years is that customer engagement used to be essentially transactional, with a clear focus on price. Whilst commercial viability is still important, we are now typically engaging with customers in a more consultative way through all levels of their business over the long-term. The most important thing we can do today is listen: we need to understand what each customer wants and we need detailed understanding of their operation and processes to enable us to develop and continue to deliver the best solutions on the pathway to net zero.

For our sales teams, this has meant they need to be much more aware of the range of deliverable technology solutions available in the market, being able to pinpoint what challenges the customer is facing and formulating technology solutions. We are continuously learning and monitoring developments within the energy market, working alongside existing and new partners to make sure our offering is in line with customer needs as the UK energy market evolves.

The customer goal today is always to reduce carbon, and some steps can help achieve that straight away. But the solutions we offer are much more varied. We can readily help customers save cost and emissions by switching from oil to liquid gas, but we can also provide more – our bio range of fuels, or new technologies supporting boiler conversions, combined heat and power systems, or ground and air source heat pumps. We can also draw on a wider range of partnerships, deploying specialist partners when required. Everything is tailored to the individual customer's needs.

The transition from fossil fuels cannot happen overnight, and we are increasingly working with customers over the long term. Building relationships is a key skill, but we can have confidence in the future – because this is something that Flogas has always been good at".

> We are now typically engaging with customers in a more consultative way through all levels of their business over the long-term."

Case study

Customers Janice and Philip Whitelock switch from oil to LPG to cut costs and boost security

In November 2020, Janice and Philip Whitelock switched from oil to LPG for their three-bedroom bungalow in Cornwall. This was the most cost-effective fuel for their property and LPG is a reliable, abundant energy source that is well regulated and comes with a robust tank.

'At our age, peace of mind really is a top priority for us, and with oil you just don't have that security of supply. We want to know that we will always have the fuel we need, no matter what. You don't get that with oil, plus the price fluctuates all the time, which adds another level of uncertainty' said Janice.

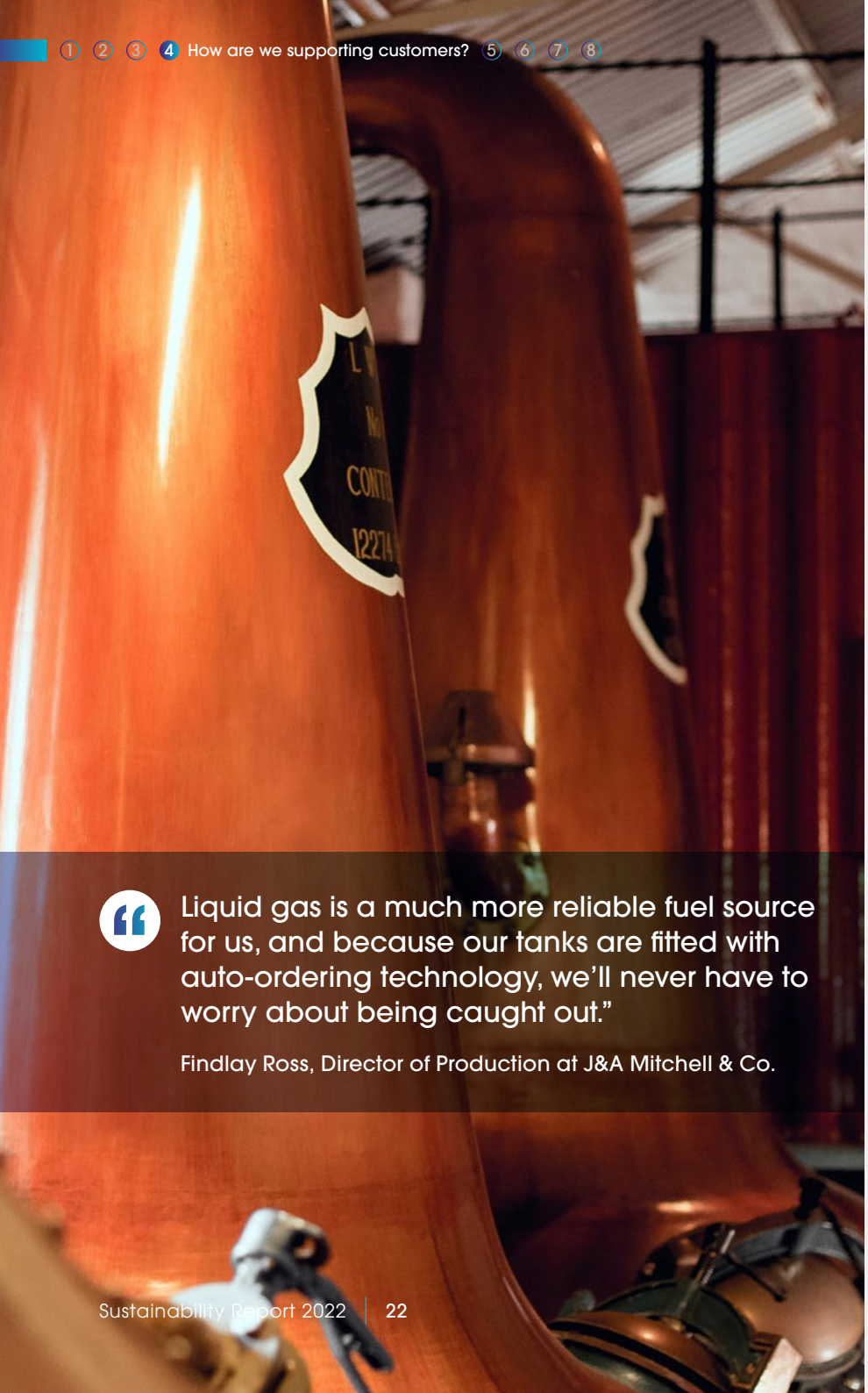
Janice and Philip also wanted a greener energy source. LPG was the perfect solution, with 20% less carbon released than oil and with fewer pollutants.

'We knew oil wasn't very sustainable and we wanted to find a lower carbon option that would reduce our environmental footprint and make our bungalow more futureproof' added Philip.

Once Janice and Philip had made up their mind to switch from oil to LPG they got in touch with Flogas. Within a couple of days they were signed up and shortly after, their bulk LPG tank was installed in their garden and gas was delivered.

'The Flogas team got us up and running incredibly quickly and they were so helpful,' said Janice. 'I remember everyone I spoke to, from the team on the phone to the friendly driver that delivered the gas – they were all marvellous, it was a real first-class service. They made the whole experience stress free and they did the installation with real care and precision.

'Our tank has an auto top up function, which tells Flogas whenever we're running low. This means they come and top us up automatically, so we never have to order gas, or worry about running out. It's a huge weight off our minds. We're delighted.'



> Liquid gas is a much more reliable fuel source for us, and because our tanks are fitted with auto-ordering technology, we'll never have to worry about being caught out."
>
> Findlay Ross, Director of Production at J&A Mitchell & Co.

Case study

Oil to gas conversion delivers 20% carbon savings for J&A Mitchell & Co.

J&A Mitchell & Co, a family-run whiskey producer, previously used gas oil to power its two distilleries in Campbeltown, Scotland. Flogas has converted their energy use from oil, reducing carbon emissions by more than 20% and cutting energy costs by up to 18% before red diesel subsidy changes.

J&A Mitchell & Co have two distilleries, Springbank and Glengyle, that produce 'Scotland's most handmade whiskies' using traditional distillation methods. At the heart of this are two steam boilers which had previously used gas oil as their primary fuel source. To become more sustainable and to avoid the financial impact of the red diesel subsidy withdrawal, J&A decided to transition away from oil.

Flogas, working in partnership with energy solutions firm Protech and burner manufacturer Weishaupt UK, were able to help tailor a solution that met the requirements for both sites. At Springbank, the team is upgrading its existing burner to a dual fuel model, making liquid gas the primary fuel source, whilst at Glengyle, it is installing a brand new digital Weishaupt dual fuel burner. Fuelling both systems with underground pipework are liquid gas tanks, which sit between the two sites.

'We've worked closely with the team at J&A Mitchell & Co to provide a solution that meets their needs. This project has been a great example of real collaboration with the experts at Flogas and Weishaupt to bring it all together. Both distilleries can now look forward to a modernised energy solution that will not only positively impact their bottom line, but will make them more efficient, MCPD compliant and have ultimately future proofed their burner plant as fuels and controls evolve.'

Ross Docherty Director at Protech.

'Liquid gas is a much more reliable fuel source for us, and because our tanks are fitted with auto-ordering technology, we'll never have to worry about being caught out. Running on more modern burners and switching to liquid gas is going to make us so much more efficient. Also, the cost savings are going to be significant, even before the red diesel subsidy withdrawal, which means we can now invest in other important areas of the business.'

Findlay Ross Director of Production at J&A Mitchell & Co.

Case study

LPG proves a perfect fit for traditional stone-built Georgian cottage

Antonia Parkinson bought her dream home in April 21, a traditional stone-built Georgian cottage that had never had proper heating or hot water installed as well as having the lowest energy rating possible.

Antonia knew she had to find a proper energy solution for the off-grid cottage and coordinated her own in-depth research into the best options. She wanted to find an efficient and cost-effective heating set up – one that would help futureproof the property without comprising its original features. However, Antonia soon realised that a number of energy solutions were unsuitable for the property, as they required a high level of insulation and air tightness.

'Without high levels of insulation, it meant electricity was too expensive and air source heat pumps simply wouldn't have worked. In fact, I worked out they'd need just as much energy to run as they would generate, so it made no sense. Whilst I liked the idea of ground source heat pumps, they were too pricey to install and solar didn't fit with the aesthetics of the building and my lovely new slate roof. Oil was out of the question for me, as I'm very environmentally conscious and I didn't want to use such a carbon-heavy fuel.'

After thoroughly reviewing all her energy options, Antonia decided LPG would be the best fit for her property and it made the most sense financially.

'LPG is the most economical fuel for my home by far,' added Antonia. 'Having a bulk tank also works out cheaper and means I need fewer deliveries. The best bit is, Flogas was able to install it discreetly underground in my garden so it's completely out of sight. You wouldn't even know it's there, which really adds value to the property. But I love knowing I always have a large supply and thanks to automatic top up technology, I won't ever get caught out without gas, which is so reassuring.'

Sustainability was also a key consideration for Antonia, particularly as she works for a not-for-profit marine conservation project. With LPG emitting 20% fewer carbon emissions than oil and 30-40% less than coal, it was a clear choice. LPG also emits fewer nitrous oxides, sulphur oxides and particulate matter, making it significantly cleaner and better for the surrounding air quality.

Flogas was the perfect fit for Antonia, ensuring a seamless installation. 'I originally spoke with another LPG supplier, but they weren't able to work with the space I had in my garden. But the Flogas team was so accommodating. Nothing was too much trouble, and they were able to do exactly what I wanted. When it came to install the tank, they navigated around my garden with care and consideration. They did such a good job. I couldn't have been happier. I've already recommended Flogas to so many people locally so they can be as happy as I am!'

> "LPG is the most economical fuel for my home by far. Having a bulk tank also works out cheaper and means I need fewer deliveries. The best bit is, Flogas was able to install it discreetly underground in my garden so it's completely out of sight."

Case study

Switch from oil to liquid gas serves up big savings for Tracklements

Leading British condiments maker, Tracklements, has boosted its production capacity and enhanced its environmental credentials by switching its energy supply from oil to liquid gas from Flogas. The move to modern, efficient liquid gas-fired steam boilers is expected to cut the company's costs by 21%, whilst reducing carbon emissions by almost 25% and nitrous oxide (NOx) levels by 75%.

The Wiltshire-based company has been making condiments for more than 50 years and has an extensive range of over 60 artisan products, from mustards, ketchups and sauces to pickles, chutneys, jams and jellies. All 'handmade in small batches' using natural ingredients, these are made in unique jacketed steam cooking pans that mimic traditional homemade methods, and for the last 40 years they have been powered by two Kerosene oil-fired steam boilers.

Tracklements needed to increase its steam capacity to support its continued growth. As a company fully committed to improving its environmental footprint, it also wanted to move away from the higher carbon footprint that oil represents. Flogas and Fulton partnered to deliver Tracklements a full turnkey, end-to-end energy solution that included all necessary ancillary equipment as well as service and training contracts.

'By replacing our ageing oil-fired steam boilers with the latest liquid gas-fired VSRT models we've not only increased our steam capacity by 100%, but we've also cut costs and significantly reduced our carbon emissions in the process. Liquid gas is also more reliable for our business. Our tanks are fitted with auto-ordering technology, so as soon as they hit 40%, it triggers a re-order. It's great peace of mind and leaves us able to focus on making great green condiments.'

Ben Read Operations Director at Tracklements.

'This is a great example of how a simple switch from oil to liquid gas can have a major impact, logistically, financially and environmentally. Not only will the company benefit from a more efficient, reliable fuel with fewer emissions, but it is also setting itself up perfectly for a seamless transition to renewable green gas in the future. Biopropane is chemically identical to liquid gas, so when the time comes for Tracklements to become carbon neutral, it can be simply dropped in without any changes to equipment or infrastructure. It's an energy solution that's truly fit for the future.'

Jude Hurley Business Energy Manager at Flogas.

25%

Reduced carbon emissions by almost 25% and nitrous oxide (NOx) levels by 75%

21%

Expected to cut the company's costs by 21%

WHAT ARE OUR FUELS FOR THE FUTURE?

What are our fuels for the future?

The development of alternative energy solutions underpins our vision and is a key aspect of success in making the energy transition. We are already working with suppliers, research laboratories and regulators to carry out research to provide lower carbon alternatives.

We are exploring a number of options for renewable fuels for the future.

LPG, bioLPG, LNG, and bio-LNG all have an important role to play in the energy mix and provide a credible decarbonisation pathway in the energy transition.

We know there is also more than can be done straight away to use LPG in new applications, because it is versatile and offers benefits in terms of emission reduction and air quality.

We also know that we need to balance innovation for the future while continuing to meet current demand. We are therefore taking responsible action by investing in the Avonmouth LPG Storage Terminal, which will enhance the UK's security of supply. Recent geopolitical events have brought the need for stable, affordable, and reliable energy supplies into sharp relief.

Biopropane

Biopropane, often referred to as bioLPG, is made from a variety of biological materials such as hydrogenated vegetable oils, fats, tallows and used cooking oils.

It can reduce carbon emissions by up to 90% depending on production methods. As it is chemically indistinct from LPG, it can be dropped in to existing supply chains and appliances without infrastructure changes to tanks or boilers or further investment.

Biopropane is low carbon and performs extremely well from an air quality perspective on NOx, Sox and particulate matter. It can also be made from entirely renewable crop and feed stocks.

Already on the market today, it is ideal for manufacturing and industrial businesses with continuous energy-intensive processes, as well as the transport industry – offering significant carbon reductions. While finding more sources of biopropane is a challenge for the entire industry, we believe that a full switch from fossil fuel to biopropane by 2040 is feasible. There are a variety of technology options which can be pursued.

Renewable Dimethyl Ether (rDME)

We are currently exploring the potential use of rDME, a colourless gas that can be handled as a liquid when lightly pressurized.

rDME can be produced from animal or municipal, agriculture residues or sewage sludge. It can be used to enable a sustainable transition for cooking and heating, and in industrial process and transport sectors.

Up to 20% rDME can be blended with LPG with no modifications to boilers or equipment. 100% rDME can be used with limited modifications to equipment.

rDME is already produced at commercial scale, with world production totalling approximately 5,000T per year. DME demand in Europe is around 80,000T per year, while production capacity is 140,000T.

Ammonia – as a hydrogen carrier

Ammonia's main use at present is in the fertiliser industry but has other potential applications within 'hard to abate' sectors such as industrial process and marine.

Of particular interest to us is the potential for renewable ammonia to be used as a hydrogen carrier, where it can help to overcome the challenges of transporting hydrogen cost effectively by road. One truck of ammonia contains the same energy content as more than seven trucks of compressed hydrogen.

Green (or blue) ammonia can be synthesized from nitrogen and hydrogen via various methods. It can be compressed at moderate pressures and is easily liquefied for storage and transport – and is carbon free.

Ammonia's energy density is 150% of liquid hydrogen making it easier to store and transport hydrogen. Liquid ammonia has similar physical properties to LPG, providing an opportunity to use existing storage, transportation and terminal equipment.

It is the second most widely produced commodity globally, with a production of over 180 million tonnes in 2019.

Liquid gas – a valuable transition fuel

Liquid Gas refers to Liquefied Petroleum Gas (LPG) and Liquefied Natural Gas (LNG).

LPG is a blanket term for two types of gas (propane and butane) which can be easily converted to liquid form and can be stored and transported safely.

LNG is composed primarily of methane and is created by cooling natural gas to an extremely low temperature. LNG takes up about 600 times less space than natural gas making it more efficient to transport and store.

LPG is a highly versatile energy source and is used in numerous applications across different off-grid industries including domestic heating and cooking, commercial heat, industrial heating and transport.

Biopropane

What is biopropane?

A fuel made from renewable sources such as vegetable oils, waste fats, tallow and used cooking oils.

What are the benefits?

Can be dropped in to existing LPG supply chains and appliances without change to tanks or boilers.

Carbon savings

70-80% lower carbon intensity than oil

Has potential to **reduce GHG emissions from 1.1m homes** off the gas grid using oil, and **193,000 homes on LPG**

Carbon savings of up to **80%** compared to conventional LPG

Potential supply

A full switch from fossil to bio LPG by 2040 is feasible in the UK.

Hydrogenated vegetable oil biopropane is available in the UK market today.

"Biopropane can readily support our customers' decarbonization goals as a drop-in replacement for LPG."

James Rudman Business Development Director

Renewable Dimethyl Ether (rDME)

What is rDME?

A colourless gas that can be handled as a liquid when lightly pressurized. It can be produced from animal waste, municipal waste, agriculture residues or sewage sludge. rDME can be used to enable a sustainable transition for cooking and heating, and in industrial process and transport sectors.

What are the benefits?

Up to 20% rDME can be blended with LPG with no modifications to boilers or equipment. 100% rDME can be used with limited modifications to equipment.

Carbon savings

Up to **85% GHG reduction** compared to diesel and heating oil

Air quality

Burns cleanly, including zero soot, **zero SOx and reduced NOx**

Potential supply

Already produced at commercial scale.

World production of DME is approximately 5 million tonnes per year.

DME demand in Europe is around 80,000T per year while production capacity is 140,000T.

> "rDME can be blended with propane to create a renewable drop-in fuel for household or industry use, or 100% renewable DME products in the longer term."
>
> James Rudman

Ammonia as a Hydrogen carrier

What is it?

Green (or blue) ammonia can be synthesized from nitrogen and hydrogen via various methods. It can be compressed at moderate pressures and is easily liquefied for storage and transport – and is carbon free.

What are its uses?

Ammonia's main use is in the fertiliser industry but has other potential applications within 'hard to abate' sectors such as industrial process and marine.

What are the benefits?

Ammonia's energy density is 150% of liquid hydrogen making it easier to store and transport hydrogen.

Liquid ammonia has similar physical properties to LPG, providing an opportunity to use existing storage, transportation and terminal equipment.

Carbon savings

No carbon emissions if used as a fuel

Air quality

Zero sulphur content and lower particulates

Potential supply

The second most widely produced commodity globally, with a production of over 180 million tonnes in 2019.

"Hydrogen does not have a high energy density, making it difficult to transport by road. However Ammonia is a promising hydrogen carrier and can help overcome these challenges. To put this into context, one truck of ammonia contains the same energy content as more than seven trucks of compressed hydrogen."

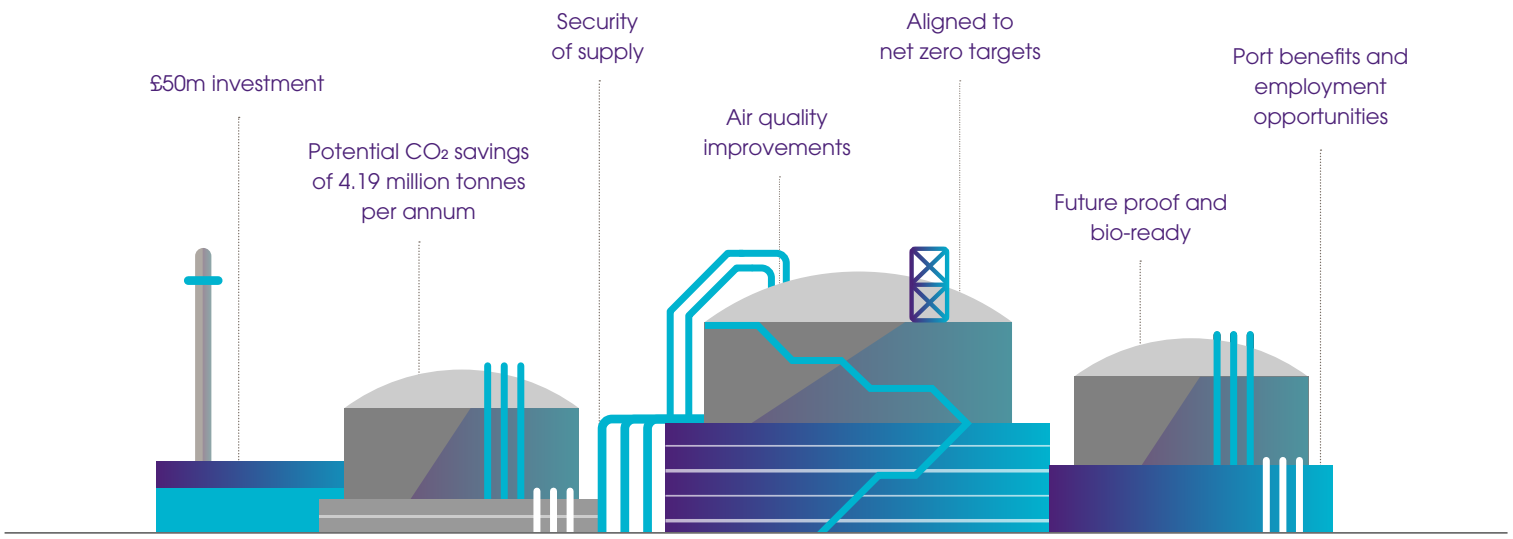
James Rudman

The immediate benefits of LPG

There is also scope for using a range of LPG based technologies which can deliver immediate benefits.

LPG can replace coal or oil in all heating processes, meaning there is scope for the take up of a range of LPG-based technologies such as LPG boiler and air source heat pumps, microgrid heat networks for multiple properties, and LPG fuel cells. When switching customers from oil to liquid gas, we offer innovative designs and tailored solutions which switch them over seamlessly.

The benefits of the Avonmouth LPG Storage Terminal



Progress at Avonmouth LPG Storage Terminal

We are providing for enhanced security of supply through our investment in the Avonmouth LPG Storage Terminal, which will better protect our own supplies of LPG and contribute to more robust national energy security.

Progress with the development of the storage terminal, near Bristol, continues. We are planning for Avonmouth LPG Storage Terminal to be fully operational in Autumn 2022 and have recently received planning approval to develop/build an underground gas pipeline which will connect the terminal to Bristol port through industrial areas.

The terminal will be the largest of its kind in the UK. With the ability to store 34,564 tonnes of LPG, it will significantly increase the UK's total LPG storage capability. We have also designed the storage facility to be future ready, so that it will be compatible with renewable future fuels.

"The significance of the storage capability that the Avonmouth LPG Storage Terminal will offer cannot be underestimated. Given the growth ambitions of the industry, the 35,000 tonnes of additional storage demonstrates that the LPG industry can offer security of supply for both its current and new customers over the coming decades. The extra capacity added into the supply chain once this new terminal is operational means that the capability of the whole LPG industry across the UK will broaden considerably.

As a clean, low carbon fuel available today, LPG already provides a reliable source of heat and energy to thousands of homes and businesses in off-grid areas across the UK. With bioLPG being introduced into the supply chain since 2018, it is important to note that this new facility will be able to store bioLPG, revealing how the industry is all set to deliver a pathway to a sustainable future."

George Webb UKLPG Chief Executive

HOW ARE WE REDUCING OUR OWN EMISSIONS?

How are we reducing our own emissions?

From strategy to action

The actions we are taking to reduce our emissions include but are not limited to the use of 100% renewable electricity, energy efficiency projects, investing in lower carbon vehicles in our fleet, and enhanced scheduling. We are evaluating emission reduction possibilities including initiatives across the fleet, property network and colleague base.

Reducing emissions from our property portfolio

Our electricity supply is certified as 100% renewable, generated from wind and hydro assets matched to renewable energy guarantees of origin, as provided by our electricity supplier.

We are introducing low energy lighting and recycling at all sites and have replaced our existing head office air conditioning system. To save paper and energy, we encourage and support customer online accounts, and have moved a significant number of them to electronic billing. Most contracts are now e-contracts and site drawings are increasingly carried out electronically. We share files electronically and have transitioned to online and cloud-based document storage platforms.

Our carbon emissions

Our total carbon emissions, which are independently verified, increased by approximately 6% in 2021-22.

We have offset our entire Scope 1 and Scope 2 emissions since 2019 by investing in Verified Emission Reductions (VERs).

CARBON EMISSIONS (TONNES CO_2 EQUIVALENT)

	2018	2019	2020	2021	**2022**
Scope 1	15,178	15,503	16,138	14,134	**15,041**
Scope 2	2	8	98	88	**16**
Total	15,180	15,511	16,236	14,222	**15,056**

Note: Scope 1 and 2 data include business travel

CARBON EMISSIONS BY BUSINESS ACTIVITY (TONNES CO_2 EQUIVALENT)

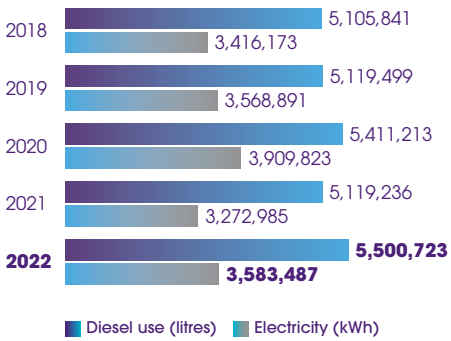
	2019	2020	2021	**2022**
Fleet (distribution of gas)	13,450	14,259	13,034	**14,531**
Utilities	1,608	1,517	975	**370**
Business travel (air, car, train)	543	460	213	**155**
Other	90	-	-	**-**

CARBON INTENSITY (EMISSIONS PER UNIT OF REVENUE)

	2018	2019	2020	2021	**2022**
% reduction / (increase)	7.2	(0.4)	2.4	7.2	**1.3**

An important factor in the emission increase this year was the higher levels of activity resulting from the resumption of activity after the coronavirus pandemic. The carbon intensity of our activities, which measures emissions of carbon per unit of revenue, reduced significantly and was the lowest it has been in the past five years.

ENERGY USE



Replacing a diesel vehicle with one using CNG or HVO can reduce fuel consumption and makes a positive contribution to improving air quality, especially in urban areas.

Reducing our transport emissions

The principal source of our CO_2 emissions is our vehicle fleet, representing approximately 96% of our total emissions in the reporting year.

We are reviewing alternative fuel options to replace the diesel-fueled vehicles which currently make up most of our fleet. Replacing a diesel vehicle with one using CNG (compressed natural gas) or HVO (Hydrotreated Vegetable Oil) can reduce fuel consumption and makes a positive contribution to improving air quality, especially in urban areas. We have now taken delivery of the first two CNG-powered vehicles as part of a wider procurement strategy.

We have reviewed our company car policy and now offer more fuel-efficient vehicles for colleagues to choose from. Our policy includes incentives for users to take up lower emissions rated vehicles. Forty five percent of our company car pool is now electric or hybrid.

We are also seeking to achieve fleet emission reductions through more efficient operations. We have successfully reduced the frequency of unsuccessful deliveries to customers deliveries by reviewing our processes, with the improvements resulting in fewer d journeys, cuts in fuel use, and a better customer experience.

We have also provided training and awareness raising to our fleet drivers – which leads to safety benefits as well as greater fuel efficiency. We use telematics data from our vehicle use to improve fuel efficiency, and our driver reward scheme recognises and rewards the best individual performers.

Non-GHG air emissions

Our principal product of LPG has a beneficial impact on local air quality when replacing other fossil fuels. We work with many customers to move them away from high carbon fossil fuels such as heavy fuel oil, gas oil and kerosene.

While cleaner than many competitor fuels, our products do have an impact on air quality. Our vehicles contribute to CO_2 emissions, and to local pollutants such as SOx, NOx, and particulate matter.

Our cylinder refurbishment plant in Staveley has a permitted air emission monitoring point which is independently monitored annually by the regulatory authority. No non-compliant emissions have been identified.

CARBON TRUST STANDARD
REDUCING CO2 YEAR ON YEAR

The Carbon Trust Standard

Flogas has held The Carbon Trust Standard for carbon since 2009. The standard provides a certification and mark of excellence for organisations that have successfully reduced their carbon footprint. As the first off-grid business in the UK to achieve this standard, we have committed to reducing CO_2 emissions year on year.

Waste and materials management

Across the life cycle of our activities, general waste typically represents our largest waste stream by category. We do not generate significant volumes of hazardous waste.

We take action across our premises to minimise energy use and waste. We support recycling in our offices and promote the efficient use of resources – to reduce costs and environmental impacts. A high proportion of our waste (about 93%) is recycled, recovered, or re-used.

The large increase in inert waste last year was due to us deep cleaning two firewater lagoons, Newport and Leeds, where waste from both (mainly water, silt and weed) was taken off-site for disposal. This cleaning is not required regularly. The significant decline in food waste reflects the closure of the canteen at our Syston headquarters and its replacement with a more sustainable solution.

Natural resource use

We are mindful of other environmental challenges, and as a minimum we aim to be fully compliant with all environmental regulations and requirements. When assessing new locations, for example, we work with the competent authorities to make sure our use of land does not pose a risk to the environment, whether that be to biodiversity or water sources.

We seek to minimise our use of natural resources, encouraging waste minimisation, the efficient use of fuel, and promoting recycling, recovery, and re-use.

WASTE VOLUMES BY STREAM (KGS)

	2019	2020	2021	**2022**
General waste	310,881	268,849	275,583	**273,581**
Mixed recycling	69,073	56,891	69,534	**70,532**
Food waste	7,480	4,137	4,800	**485**
Paper waste	10,452	16,180	8,398	**–***
Confidential waste	17,442	34,464	3,250	**49,052**
Inert waste	14,120	0	6,480	**826,900**
Wood waste	12,300	2,236	0	**–**
Scrap metal cylinders sold for re-use	1,179,060	1,258,781	2,039,870	**3,032,390**
Hazardous waste	–	–	54,485	**12,280**
Re-use	219,200	157,523	0	**2,520**

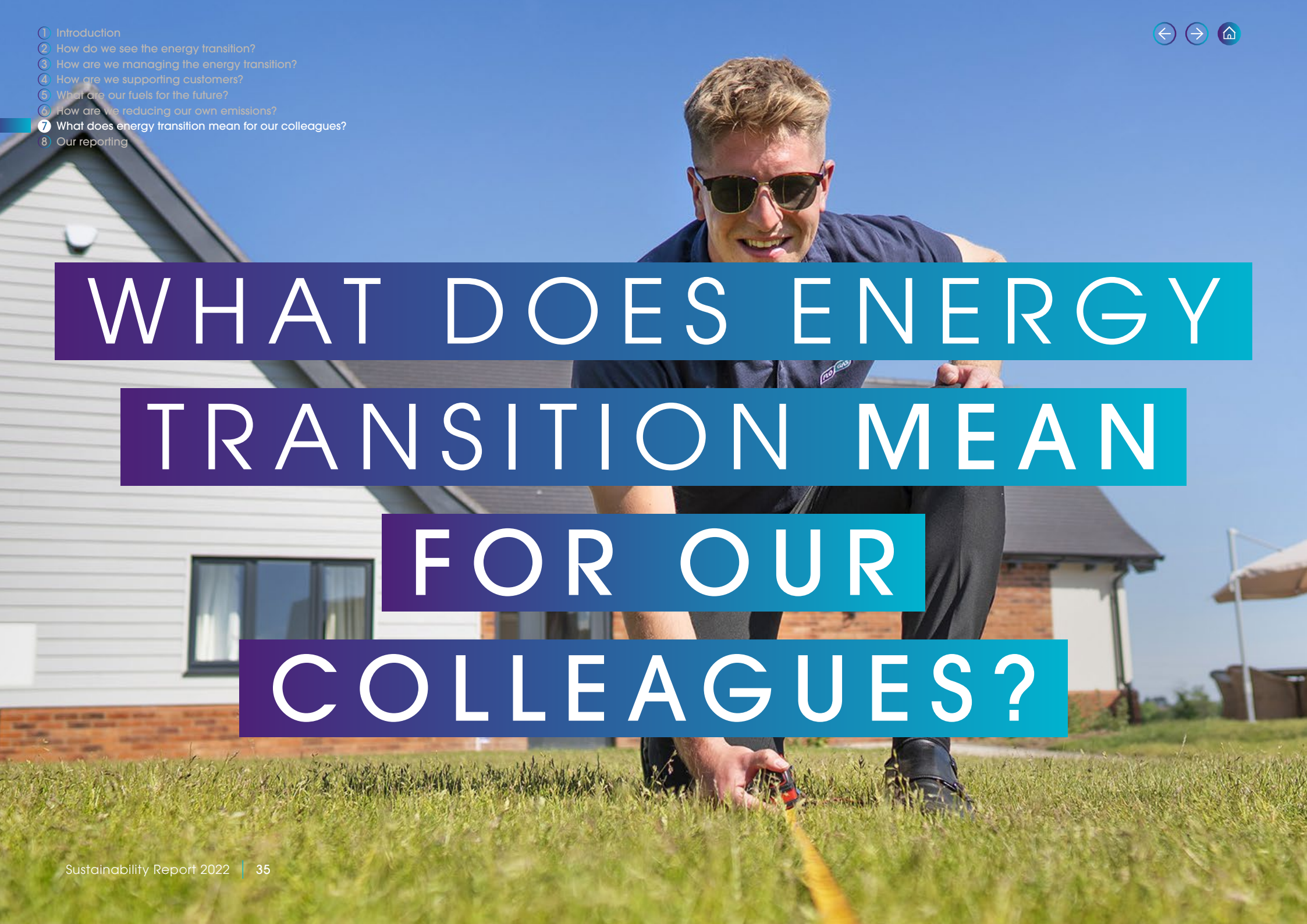
Information is shown by EWC (European Waste Codes) classifications.
*Now reported under mixed recycling

WASTE DESTINATIONS

	2019		2020		2021		**2022**	
	Volume (kgs)	% of total	Volume (kgs)	% of total	Volume (kgs)	% of total	**Volume (kgs)**	**% of total**
Landfill	310,881	15.7	268,849	14.2	275,583	11	**253,001**	**5.9**
Recycling	1,445,934	73.2	1,473,321	77.6	2,164,870	87	**3,979,389**	**93.3**
Re-use	219,200	11.1	157,523	8.3	0	0	**2,520**	**0.1**
Recovery	–	–	–	–	44,975	2	**30,310**	**0.7**
Totals	1,976,015	–	1,899,692	–	2,485,428	–	**4,265,219**	**–**

Water use and discharges

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



WHAT DOES ENERGY TRANSITION MEAN FOR OUR COLLEAGUES?

What does energy transition mean for our colleagues?

To address the challenges of the energy transition, we need everyone in Flogas to understand the nature of the change and what it means for our customers and for our business.

32%

of the senior management team are female with ongoing initiatives across the business

The implications of the transition cut across functions and job roles. For example, colleagues involved in strategic customer account management need to fully understand the long-term challenges our customers are facing and be able to provide clear strategic advice on future fuel options that align with current customer circumstances and future needs.

Colleagues dealing directly with customers by phone similarly need to be able to advise on fuel options and operational challenges.

For colleagues at gas terminals and other key individuals in Logistics Planning, Finance and Internal Audit, we provide training on the process of receiving, storing and trading biopropane. This forms part of our ISCC (International Sustainability and Carbon Certification) accreditation, and is focused at locations where we may choose to import biopropane in future.

Board members and senior management similarly need to develop their skills, knowledge and understanding of the energy transition and the broader sustainability agenda. We provide regular briefings to senior management, functional divisions and engagement forums from internal specialists driving key areas of our sustainability initiatives.

Future recruitment for Board and senior management team appointments and for specific roles critical to our sustainability agenda will consider relevant sustainability criteria, including gender diversity, for selection.

These targeted initiatives are all supplemented by regular corporate communications, providing further guidance to senior management and the wider business so that all colleagues have the knowledge and competencies required to maintain a sustainable and successful business.

As a result of these training and communication initiatives, new sustainable ways of doing business become part of normal businesses processes. A good example of this is how the energy transition and pathway to net-zero has become a key part of the sales process for National account managers and subject matter expert oil to gas teams.

Social equity

In addition to equipping our colleagues to carry out the commercial tasks that underpin our success with customers, our more general goal is to equip all colleagues with the skills and competencies they need to thrive as individuals.

We strongly support diversity and inclusion in the workplace, and we strive to create a work life balance that supports everyone's wellbeing. We provide training to support people's mental health and resilience and encourage our colleagues to lead fulfilling lives inside and outside the office.

We have strongly supported flexible working, accelerated through the pandemic, and have enabled greater flexibility through working from home. Implementing the policy has challenged us to introduce changes to our business processes which have delivered simpler and more cost-effective ways of working.

We have also supported colleague volunteering efforts in local communities as we emerge from the coronavirus pandemic and encouraged colleagues to connect with nature to improve their mental health and wellbeing.

Learning and development

The training we are providing to address the challenges of the energy transition forms one part of the broader learning and development offer which supports colleagues throughout their careers.

We provide in-house training and external specialist training for those whose roles require membership of professional bodies. Fifty three percent of colleagues had a career development review in 2021-22.

We provide a wide range of training and development opportunities, mixing on-the-job, classroom and formal learning opportunities. This includes induction training for new joiners, compliance training for those working within our business divisions, upskilling courses for apprentices using the government's apprenticeship levy scheme, and a range of senior management development courses.

We estimate that each employee at Flogas received, on average, six full days of training over the year, and that our expenditure on training amounted to more than £680,000.

£680,000

The expenditure on training amounted annually

Colleague profile: Olivia Bannister

Olivia began her career at Flogas in June 2018, and since joining the company has had a wide range of opportunities to develop her experience and skills.

`I have worked on business-to-consumer campaigns, product launches, digital marketing and in business-to-business marketing, the focus of my current role. In bulk commercial marketing, I am engaging with customers from distilleries, to hospitality, farming, industrial process and others.

From the outset, I wanted to develop my professional qualifications. The backing I have received from Flogas has been great. The company has supported me through my Chartered Institute of Marketing (CIM) level 4 and 6 qualifications and has always given me time for study. I have had invaluable help from my more experienced colleagues in marketing.

The recent partnership with Protech gives even more opportunity for broadening skills, with the chance to learn about new technologies. I really want to be part of a company that is making a positive contribution to sustainability. Videos we made recently, featuring our directors talking about these issues, show how this is a personal and corporate challenge, requiring commitment from us all."

In addition to specific annual targets, Olivia has benefited from having a longer-term personal development plan. "The company has given me great support in my development so far, and I'm excited about progressing my career with Flogas".

> "From the outset, I wanted to develop my professional qualifications. The backing I have received from Flogas has been great."

A snapshot of 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 delivery of product. 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.

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 applying 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.

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.

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).

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.

Health and wellbeing, including mental health

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, inclusion and diversity, and other areas that seek to deliver the right work-life balance. In partnership with MIND, we have provided training which helps people become better aware of mental health issues, and to become 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.

COLLEAGUE TRAINING DAYS

	2018	2019	2020	2021	**2022**
Number of colleagues trained	–	–	–	–	**1,147**
Number of colleague training days	–	–	–	3,926	**6,879**
Average training days per colleague	–	–	–	4	**6**
Apprentices (blend of classroom and field-based) (no. days)	395	760	560	161	**1,608**
Existing engineers (no. days)	300	305	85	100	**523**
New drivers (average no. days)	15	15	15	15	**1,007**
Existing drivers (average no. days)	3.5	3.5	3.5	3	**3**
Engage programme (days)	–	–	–	56	**144**
e-learning days	–	–	–	64	**12**
Mental health training (days)	–	–	–	53	**49**
Compliance training (days)	–	–	–	163	**94**
Inclusion and diversity training (days)	–	–	–	87	**21**
Customer Services – induction days (10 days per person)	–	560	130	276	**60**

Recruitment and retention

The energy transition also has an influence on our succession planning and future recruitment. We see increasing interest from prospective candidates in the sustainability of our business, where people are only interested in joining organizations that have a positive environmental and social impact. This holds equally true for existing colleagues, who want to work in a company that is doing the right thing and that they can be proud of.

While our approach is founded on developing and promoting people from within the organisation, 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, enabling them to thrive in an inclusive work environment that provides opportunities for them to develop.

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.

Our policies and practices cover a wide range of employment issues such as recruitment and selection, performance management, flexible working, anti-bribery and corruption, mental health and wellbeing. We aim to promote an environment that is free from all forms of unlawful or unfair discrimination, and which values the diversity of all people. At the heart of our policy, we seek to treat people fairly and with dignity and respect.

Addressing the gender pay gap

Our workforce composition is characteristic of the industry we operate in, which is predominantly male, particularly in roles such as drivers, engineers, technicians and yardhands, who make up approximately 65% of our workforce.

More than 80% of our roles continue to be occupied by men. Our Senior Management Team remains 32% female; the same as in the previous reporting year.

In 2021, our overall pay gap – the difference in the average earnings of men and women over a standard period, regardless of role or seniority was -0.4% in favour of women, although our media gender pay gaps has seen a shift to 1.7% in favour of men.

We have a number of different bonus schemes across the organisation, which reward performance aligned to business outcomes. We are confident that women and men are treated equally where their roles are at similar levels in terms of application of our bonus schemes.

GENDER PAY GAP (%)

2018
MEAN -0.5
MEDIAN -1

2019
MEAN 0.29
MEDIAN -0.91

2020
MEAN -0.18
MEDIAN -3.4

2021
MEAN -0.4
MEDIAN -1.7

We have introduced several diversity and inclusion initiatives including unconscious bias training for every colleague within the organisation regardless of role, enhanced maternity and paternity pay, and more flexible working. We continue to monitor the number of applicants by gender throughout the recruitment and selection process, and will continue to complete structured competency-based interviews as well as skills-based tests.

The Flogas 2021 Gender Pay Gap Report is available at: https://assets.flogas.co.uk/uploads/2021-Gender-Pay-Gap-Report.pdf

Where possible, we employ people from the local catchment areas where we work.

We have started to gather ethnicity data as part of our recruitment process, highlighting areas where we can focus improvement actions in terms of increasing applications from more diverse candidates.

NEW HIRES

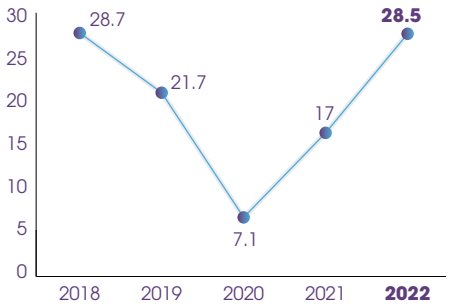
	2019	2020	2021	**2022**
Aged 25 and under	–	8	27	**67**
Aged 26-35	–	13	63	**118**
Aged 36-45	–	14	61	**102**
Aged 46-55	–	13	54	**93**
Aged 56 and over	–	7	29	**39**
Female (%)	27	27	15	**15**
Male (%)	73	73	85	**85**

– indicates data not available.

Senior management diversity

The Board of Flogas Britain currently has 12.5% female representation together with a range of backgrounds and experience. In addition, 32% of its senior management team are female with ongoing initiatives across the business to ensure that diverse views and opinions are heard.

COLLEAGUE TURNOVER RATE (%)



Colleague turnover

In 2021-22 our attrition rate of 28.5% returned to pre-pandemic levels. We saw an increase in leavers due to the buoyant labour market that has been widely reported as a consequence of the pandemic. Nearly half of our total attrition (49%) was from our driver population which was a result of the national driver shortage in 2021.

Staying focused on personal and process safety

Industry experience shows that risks increase when businesses are going through a process of change. While we are seeking to change the nature of our business, we will not be taking our eye off the importance of safety. Our management systems help to ensure we take a rigorous and systematic approach to safety, including the management of change.

Our management systems and standards

We have management systems in place for the day-to-day conduct of our operations in addition to our systems of internal control for financial matters and our compliance framework.

Our health, safety and environment management system sets out policies and principles designed to ensure that we take a disciplined approach to HSE management. It is underpinned by operating procedures, work instructions and job aids. The system includes the requirements of COMAH, designed to prevent and mitigate the effects of major accidents and our other compliance requirements.

The system incorporates the goal of continuous improvement. Our HSEQ internal audit team regularly assess aspects of the management system. We commit to industry codes of practice and guidance provided by Liquid Gas UK, our trade association. These include standards and guidance relating to the safe siting of LPG storage vessels. We have accredited systems for the provision of technical services and safe contracting.

To manage process safety, we monitor a portfolio of key indicators, including leading indicators which help to test the health of our controls and seek to prevent future incidents (such as levels of overdue maintenance), as well as lagging indicators which examine actual performance (such as the total number of incidents that have occured). We had no tier 1 or tier 2 process safety events (the most serious categories of process safety incidents) in 2021-22. Our leading indicators provide early indication of where we may need to focus additional resources, such as taking action to address the number of vessels in service which are due examination in the next period. We report against all process safety indicators every month to DCC.

Our shared company value of Safety and our Safety F1rst programme are the anchors we have to ensure that safety always comes first. They describe our commitments and behaviours to ensure that everyone can go home safely from working at Flogas and enjoy life.

Our lost time injury frequency rate and severity rate increased in this reporting period. The rates for both are in line with the five-year average, and are lower than the peak in 2020, when we instituted actions to tackle the exceptional movement in LTIR which was not consistent with annual reductions in lost time accidents since 2014. We learn from the analysis of injury data and are constantly developing our coaching and training programmes, so that we can drive better performance.

SAFETY PERFORMANCE

	2018	2019	2020	2021	**2022**
Fatalities (number)	0	0	0	0	**0**
Lost time injury frequency rate (LTIFR)	2.1	1.2	3.0	1.8	**1.9**
Lost time injury severity rate (LTISR)	24.2	30.5	36.8	23.0	**29.0**
Number of Process safety events (tier 1 and 2)	0	0	0	0	**0**

Notes:
LTIFR: the number of lost time injuries per 200,000 hours worked.
LTISR: the number of calendar days lost per 200,000 hours worked.

TRANSPORT RELATED SAFETY

	2018	2019	2020	2021	**2022**
Transport related fatalities	0	0	0	0	**0**
Number of very serious events	4	2	1	1	**0**
Number of road traffic accidents (RTA)	81	112	115	78	**90**
RTA frequency rate	4.2	5.8	6.0	5.0	**5.8**

VSE: Defined according to the 5x5 DCC risk matrix outcome alongside what was the actual outcome.
RTAs excludes windscreen damage and damage sustained when not on a public road.
RTA Rate = number of RTAs x 1,000,000/km driven.

Transport safety

Given the nature of our business, driving and road safety is a key focus area and represent a high risk activity for all our drivers, whether delivery drivers, HGV drivers, engineers and technicians, or company car drivers. Our drivers are a key component of our operations and their performance has an impact on our brand, cost base and our ability to deliver our goals.

The total number of road traffic accidents increased in 2021-22, reflecting the general increase in UK road congestion post the lock down periods. Our principal focus is to minimise the likelihood and number of serious events and we use in vehicle technology to monitor safe driving behaviours (such as following distance) and near collisions. We identify the root causes of near collision events and tailor our coaching to individual driver performance. We analyse vehicle risk trends across the company and have done so for many years. Since 2014, we have seen an 87% reduction in risk frequency and an 88% reduction in severity. Our risk severity rating for vehicles in well-below the industry average.

We also consider safety features and driver comfort in our vehicle procurement, alongside issues of whole life costs and fuel efficiency.

Improving our safety performance

Despite our long term trends of improvement, we recognise that there is still more we can do to get better, stronger and safer in the future.

We have rigorous safety policies that apply across our organisation. We adhere to industry standards as specified by the UK's LPG trade association and work in line with COMAH (Control of Major Accident Hazard) standards to control major accident hazards. We have a 24-hour emergency team on standby to provide help to our customers and our operations around the clock.

We have a range of programmes to ensure the safety of our people and of our customers. Our principal safety programme, Safety F1rst, seeks to consolidate an operating culture in which safety is paramount.

Everyone is required to take health and safety e-learning modules on starting with the business. Those in high-risk roles are required to undertake additional and refresher training.

Our emergency systems and procedures ensure that our teams are prepared to respond if a release does occur. We also guide our customers on the safe handling of LPG cylinders and LPG tank operation and provide preventive maintenance services and 24/7 emergency support.

We are pleased to report that we had zero reportable gas releases in this reporting year.

Mitigating safety risks

The key risks faced by colleagues within the business are the handling and storage of LPG, and road safety.

We have a dedicated team within the business who have health and safety as their sole responsibility, encompassing both process safety as well as occupational health and safety. We carry out regular workplace risk assessments and hazard identification.

OUR REPORTING

Progress against our objectives

In 2020, we set out a number of high-level objectives relating to the pillars of our sustainability plan. Our progress against the objectives is summarised below.

Climate change and energy transition

Objective
Reduce our direct CO_2 emissions by 20% by 2025, from a 2019 base. Achieve carbon neutrality by 2050

Progress
Total carbon emissions increased following higher activity levels post-pandemic but remain marginally lower than 2019. Actions are being taken to drive emission reductions

Objective
Reduce our indirect CO_2 emissions by engaging with customers and suppliers

Progress
Continued the cumulative reductions in customer emissions – delivering CO_2 savings of more than 8,000 tonnes this year from switches from oil to liquid gas

Objective
Build market leading positions in the renewable energy sectors in which we operate

Progress
Acquired Protech to enable a more diverse offer to customers and delivered projects and services with new strategic partners. Continued efforts to source and develop a portfolio of renewable fuels

Governance and compliance

Objective
Continue to adhere to very high standards of corporate governance

Progress
Zero breaches of legal or ethical standards, including bribery and human rights

Objective
Maintain a culture of acting with integrity

Progress
Continuation of training on ethical conduct and code of conduct, and completion of 242 supplier due diligence assessments

Objective
Ensure all taxes and duties are collected and paid on time

Progress
All taxes and duties collected and paid on time

People and social

Objective
Invest in the development of our people, fostering inclusion and diversity

Progress
Continued to offer wide-ranging training support, and increased the number of colleague training days

Objective
Reflect sustainability in senior management objectives and remuneration

Progress
Sustainability goals included in board and senior management objectives and across the company

Objective
Engage with the communities where we operate

Progress
We continue to engage with customers and support local communities around the UK

Safety and environment

Objective
No life-changing employee, contractor or customer injuries or accidents

Progress
Reductions in our risk frequency and severity, but increases in lost time injury frequency and road traffic accident rates

Objective
No material spills or other damaging discharges to the environment

Progress
Zero reportable gas releases or other process safety events

Objective
Use innovation and technology to drive reductions in resource use

Progress
Maintenance of general waste volume, increases in recycling, and increased volumes of materials recovered

Our approach to reporting

Materiality

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. Our materiality matrix for this reporting period is provided below.

We have also, for the first time, included a summary explanation of each issue, which clarifies their scope. The topics include those which we consider of current importance to our strategy and which we believe are significant to external stakeholders. They do not include every issue that forms part of day-to-day running of the business, such as those which ensure we are compliant with the law.

Our assessment process

Our assessment process involved review of our previous materiality assessment, which was based on extensive document review, followed by discussion and review with members of the Flogas management team. We have not carried out direct stakeholder engagement to develop the content of this report but have drawn on our knowledge of stakeholder views based on our regular interaction with them.

Prioritisation

In prioritising the issues, we considered their importance to the business, taking account of criteria such as our licence to operate, public or political impact, and the impact of an issue on our strategy. In considering an issue's importance to our stakeholders, we considered factors such as the level of stakeholder concern, its potential impact on the environment or society, and its contribution – positive or negative – to sustainability.

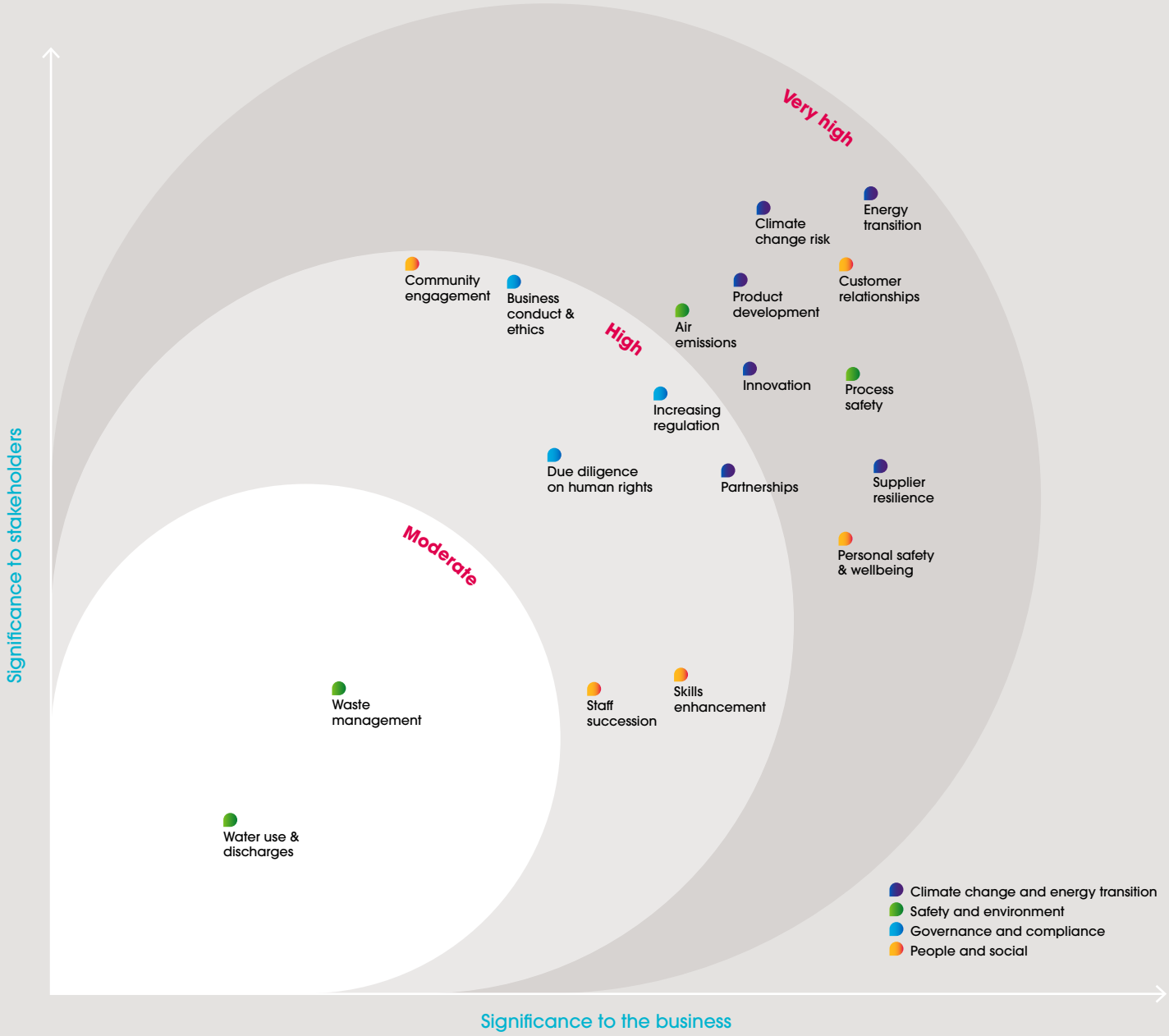
Reporting standards

We have taken into consideration the reporting principles set out in the IPIECA Sustainability Reporting Guidance (2020 edition), as follows:

- **Relevance:** we believe the issues reported on address the material sustainability issues facing the company. We have sought to reflect the views of external stakeholders based on our perceptions of their views.
- **Transparency:** information is presented in a clear and balanced way, including acknowledgement of areas where we can improve our future performance and reporting.
- **Consistency:** We have sought to present information in ways that are consistent with our previous year's report, but have enhanced the provision of information wherever possible, such as in the provision of contractor data as part of our safety disclosures. We indicate throughout the report where we have drawn on and are consistent with the policies, principles, and approaches of our parent company, DCC plc.
- **Completeness:** we have provided information that is consistent with the scope and boundaries of the report.
- **Accuracy:** we are not aware of any material misstatements or omissions. The content of the report has been reviewed internally but has not been subject to independent assurance. The use of third-party assurance remains under consideration for future reporting.

Materiality matrix

Prioritised topics identified as material for reporting purposes, based on an assessment of significance to the business and to stakeholders.



Issue definition

1 Energy transition
- Flogas strategy to 2050, while maintaining focus on profitability
- Targets (e.g., 100% renewables supply by 2040)
- Reducing our own direct emissions (scope 1 and 2 – renewable energy use, energy efficiency, company car fleet)
- Investment in non-diesel transport fleet
- The role of offsetting
- Educating / training Flogas colleagues (e.g., responding to customer concerns re. climate change)
- Linking objectives and remuneration to sustainability
- Managing the transition (Sustainability Committee)

2 Climate change risk
- A strategic risk for fossil fuel businesses
- Regulatory tightening (UK, EU, international)
- Growing customer demand for greener fuels
- Public pressure for accelerated climate action
- Risk of rising costs

3 Product development
- New fuel possibilities / options
- Market expansion of biopropane.
- Future development of RDME, ammonia
- Research activities

4 Innovation
- New fuel products

5 Supplier resilience
- Need for reliable feedstock supply.
- Availability of bio propane, bio-LNG, HVO
- Risks to feedstock supply
- Investment in Avonmouth LPG Storage Terminal (security of supply)

6 Partnerships
- Supplier partnerships (e.g., installers)
- Research partnerships (Liquid Gas UK, research bodies)

7 Customer relationships
- Working with customers on decarbonisation pathways
- Supporting customers in switch to liquid fuels
- Examples of customers supported
- Scope 3 emissions (working with customers)
- Customer emission reductions (data)

8 Personal safety and wellbeing
- Lost time injuries (number/rate)
- Contractor management
- Mental health

9 Community engagement
- Investment in local communities
- Volunteering

10 Skills enhancement
- Training on energy transition
- Recruiting
- Broader learning and development

11 Staff succession
- Succession plans
- Retention and turnover

12 Increasing regulation
- Retained focus on compliance
- UK / EU measures (existing / potential)
- UN SDGs (non-regulatory)
- Science-based targets

13 Business conduct and ethics
- Code of conduct
- Anti-bribery and corruption
- Training
- Modern slavery and trafficking

14 Due diligence on human rights
- Due diligence audits completed

15 Waste management
- Waste streams, volumes, destinations
- Recycling
- Waste minimization

16 Water use and discharges
- Volumes and any discharges

17 Air emissions
- Benefits of liquid fuels (carbon emissions, lower SOX and NOx; lower particulates.

18 Process safety
- Avoiding losses of containment (leaks, spills) through rigorous standards, processes, training
- Transport safety

COMMITTED TO ENERGY TRANSITION

SUSTAINABILITY REPORT **2022**

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Flogas Britain Ltd. A DCC company. Rayns Way, Watermead Business Park, Syston, Leicestershire. LE71PF, England.

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