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SHV ENERGY

Sustainability Report 2021

Advancing Energy Together





Throughout this report, you will find short impact stories that illustrate the positive influence of our programmes and initiatives. Click on the headline to be taken to the full-length impact story on our website.



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CEO statement

2021 was another dynamic and successful year for SHV Energy. We continued to make strong progress towards our strategic goals and energy transition commitments, despite the continuing pandemic and its related challenges, and without ever compromising on the safety and well-being of our colleagues and customers.

A major theme of 2021 was the global realisation that efforts to mitigate climate change must be sped up. SHV Energy has responded by dedicating more time and financial resources to our transition away from fossil fuels. Our path remains the same, but with renewed intensity and urgency.

At the same time, we are continuing to raise awareness that the energy transition requires a well-orchestrated combination of solutions to be successful, rather than a one-size-fits-all approach. Our business must keep pace with the energy transition and developing policy, but we must also advocate for off-grid customers who may otherwise be left behind by providing them with pragmatic and affordable solutions.

In 2021, we achieved significant milestones in our sustainability journey. Our LNG delivery trucks now run on LNG themselves, which is a step forward in terms of carbon emissions and air quality.

We also made investments in a new molecule, rDME, that we believe will be instrumental in our transition from the fossil molecules we sell today to a more sustainable future. We partnered with a technology company to fund the construction of the first-ever rDME plant and announced that we will team up with our biggest competitor in the United States, UGI International, to speed up rDME's development at the industry level.

In May 2021, we acquired a distributed solar company in India called SunSource. This is a valuable addition to our renewable solutions portfolio, enabling us to serve our commercial industrial customers with cost-effective renewable electricity.

These achievements are even more meaningful when we consider the external context. We have been able to continue building the future, launching our projects, investing in innovative solutions, and making large-scale acquisitions in a year that COVID-19 remained a challenge, when travel and face-to-face meetings were still restricted, and businesses around the globe faced shortages of skilled labour and supply chain disruption. It is a testament to our resilience and vigilance that our business results and the continuity of our operations remained unaffected.

Our Health & Safety team led on our pandemic-related vigilance and monitoring, and engaged thousands of colleagues through our CARE campaign, which aims to embed 'the safety habit' within the organisation. Health & Safety and Innovation collaborated closely, as in 2020, on targeted interventions to make processes, such as manual handling, much safer.

Our Innovation teams have continued to drive progress on digitalising our processes in the pursuit of efficiency and a more effective and convenient

customer experience. For example, our Turkish business unit Ipragaz has over two million customers using its app to order our products.

As well as caring for our customers, we've maintained our support of our local communities through social investment and charitable contributions, with no interruption in funding. As always, we cared for our colleagues too. Our global Diversity and Inclusion initiative was met with enthusiasm and enormous support in 2021, including the participation of hundreds of colleagues in local events. The updates that our Integrity team made to our Code of Conduct will support our colleagues to understand and adhere to our expectations.

Looking ahead to 2022, we will continue Advancing Energy Together by executing our strategy and making consistent progress towards our goals, including the reduction of our CO₂ emissions.

We will also continue to be led by the inspiring message that has underpinned our successful global sustainability awareness campaign throughout 2021: "You don't need to have sustainability in your job title to drive positive change."

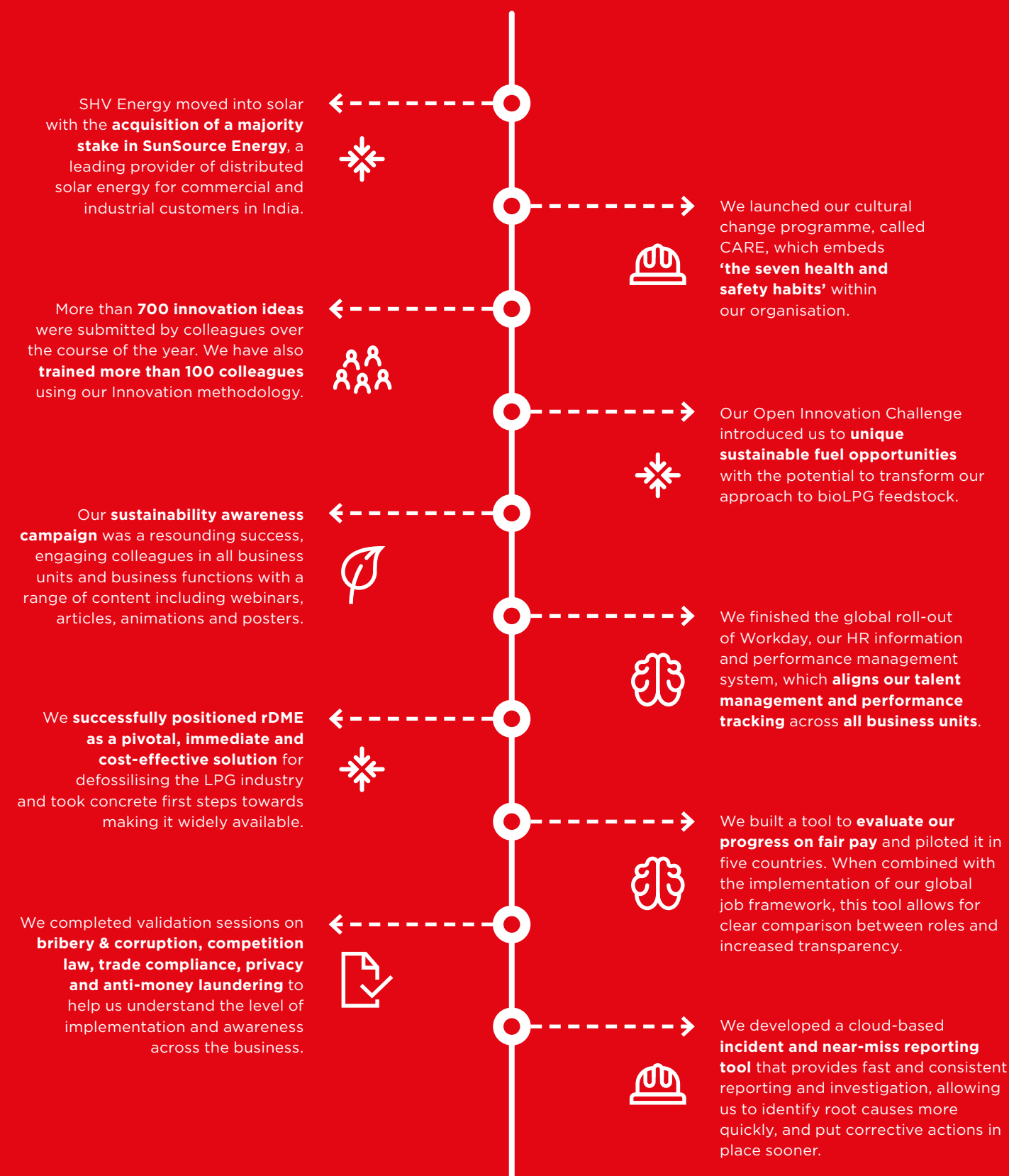
Bram Gräber
Chief Executive Officer at SHV Energy

»We have been able to continue building the future, launching our projects, investing in innovative solutions, and making large-scale acquisitions in a year that COVID-19 remained a challenge«

BRAM GRÄBER, CHIEF EXECUTIVE OFFICER AT SHV ENERGY



Our 2021 highlights



Who we are

Globally, SHV Energy aims to position itself within the changing energy market as a supplier of low-carbon and renewable energy options for applications beyond the utility grids. We serve many sectors, including the domestic, industrial, public, hospitality, agricultural, transport and automotive sectors.

Our key products are LPG, LNG and bioLPG. Additionally, we provide services focused on supply and risk management.

We have 15,198 employees and 30 million customers, spread across the three regions and 24 countries where we operate. We are headquartered in Hoofddorp, the Netherlands.

Our employees

Europe: 5,844

Asia: 4,780

America: 4,574

Our products

LPG

LNG

bioLPG

Countries



Our brands

CALOR

GASPOL

IPRAGAZ

LIQUIGAS

PINNACLE

PRIMAGAS

PRIMAGAZ

SUPERGASBRAS

Innovative Energy Solutions

SunSource Energy

PRIMAGAS

PRIMA LNG

SHV ENERGY CHINA

SUPERGAS

SHV ENERGY SUPPLY & RISK MANAGEMENT

Our products and services

Key achievements in driving the energy transition in 2021:

1

▼
We successfully positioned rDME as a pivotal, immediate and cost-effective solution for defossilising the LPG industry and took concrete first steps towards making it widely available.

2

▼
It was a big year for our research and development. Our Open Innovation Challenge, for example, introduced us to unique sustainable fuel opportunities with the potential to transform our approach to bioLPG feedstock.

3

▼
SHV Energy acquired a majority stake in SunSource Energy, a leading provider of distributed energy for commercial and industrial customers in India with a presence across South-East Asia. This is SHV Energy's first step into solar energy.

SHV Energy's main contribution to the energy transition is through its products and services.

LPG and LNG

The energy solution we currently provide to most of our customers is LPG-based. We are a global leader in the distribution of LPG to both companies and domestic consumers, and this area of our business continues to grow. LPG is a key part of the off-grid energy transition. It is our strong belief that the energy transition is a long-term commitment that requires realistic and cost-effective solutions. By providing customers with LPG, we are replacing their use of more polluting energy sources such as oil and coal that contribute to poor local air quality.

Liquefied Natural Gas (LNG) is another of SHV Energy's specialties. LNG is a colourless, odourless liquid fuel. Switching to LNG offers a more sustainable solution to oil-based products for industrial applications and transportation. LNG is cleaner than any other fossil fuel because the combustion of natural gas releases significantly less CO₂, NO_x and SO₂ and virtually no particulate matter. We are active in the small-scale LNG market and very experienced in distributing LNG as an off-grid energy solution to our industrial customers and refuelling stations.

BioLPG

BioLPG refers to renewable propane or butane. It functions in exactly the same way as traditional LPG but the feedstock differs: bioLPG is made from non-fossil feedstock including waste,

vegetable oil and residues. Using bioLPG can reduce carbon emissions by up to 80% when compared to traditional LPG, making it a key part of our defossilisation strategy.

Increasing bioLPG distribution volumes

We continue to steadily increase supply volumes of bioLPG, including an 8% increase in 2021 despite the disruption posed by the continuing COVID-19 pandemic. Our short-term supply opportunities comprise mainly HVO (hydrotreated vegetable oil) and HEFA (hydrotreated esters and fatty acids, a process which produces renewable diesel or sustainable aviation fuel, with bioLPG as a by-product).

In 2021, the pandemic resulted in delays to new facilities for HVO and sustainable aviation fuel, meaning that we were not able to increase bioLPG supply as much as we had planned. However, we strengthened our supply pipeline and welcomed new legislation supporting bioLPG on both a European and global level, so we expect significant growth in interest and availability in the coming years.

Bringing new sustainable fuels to market

Our Open Innovation Challenge, run in collaboration with our Innovation colleagues, was a resounding success. The aim of the challenge was to find a new partner with a promising concept for on-purpose bioLPG production from a renewable, waste or bio-based feedstock. All five semifinalists showed such promise that we crowned five winners and forged



»Investing in biofuels means contributing concretely to the energy transition and to the fight to improve the quality of the air we breathe«

DARIO MASTROMATTEI, LNG SALES, LIQUIGAS, ITALY

IMPACT STORY

A circular economy approach to energy

Liquigas signed a five-year agreement with multinational gas company Air Liquide for the supply of bioLNG to its automotive clients. Liquigas will use bioLNG to supply private fleets, trucking companies and filling stations. As well as reducing greenhouse gas emissions, switching to bioLNG improves local air quality. The bioLNG will be produced from slurry and agricultural residues from farms in the surrounding area.

— Our extended product portfolio —



We began distributing bioLPG in 2018 and bioLNG in 2021. We plan to offer rDME and green hydrogen in 2022 and 2025 respectively.



»LNG is optimal choice for companies operating in off-grid areas which are looking for clean and efficient source of energy«

PAWEŁ KĄPSKI, KEY ACCOUNT MANAGER
LNG/LPG, GASPOL

IMPACT STORY

LNG's role in the energy transition

As the search for cleaner fuels continues, it's becoming clear that LNG has a significant role to play in the off-grid energy transition. Gaspol offers LNG as an efficient and cleaner alternative to oil and coal for customers who are looking for energy supply to heat and support large warehouses, large factories or other manufacturing buildings. It completed the construction of an additional LNG gasification station in July 2021 in the city of Kalisz to serve a customer location where no natural gas was available. The customer now uses LNG to heat a large production hall and to power their technology and industrial processes.

partnerships with all of them. The winners' research proposals focus on sustainable feedstocks such as seaweed, agricultural waste and CO₂. All the proposals are exciting, novel approaches including different catalysts and processes that will increase yields. Based on the success of this challenge, we will continue running similar initiatives in 2022.

In addition, we continued on our own pipeline of research and development, with an increasing number of collaborative research projects with universities and research organisations, including one on-purpose bioLPG conversion route that has already led to a new patent and more with patents still pending.

In 2021, we also continued our drive to introduce the LPG industry to a new fuel called rDME. rDME is dimethyl ether created from renewable and recycled feedstock. In partnership with KEW Technology, SHV Energy set up a business called Circular Fuels Limited that creates rDME from municipal solid waste. It currently operates a demonstration facility in Wednesbury, United Kingdom and will soon open a larger plant with the capacity to produce 50,000 tonnes of rDME each year.

We also announced our intention to set up an additional joint venture with global LPG player UGI. The purpose of this standalone venture is to promote the use of rDME for the defossilisation of the LPG industry and put in place the guidelines that will make this possible, focusing on topics such as safety regulations, specifications, logistics and production. We were delighted to receive European Commission approval to establish the joint venture just before the end of 2021 and there will be much more to come in 2022.

Our position in renewable energy

Today, we focus on LPG, LNG, and increasingly bioLPG, with other fuels beginning to play a role. However, the energy mix is constantly developing, and we are determined to keep playing a significant part in its future.

2021 saw volatile energy prices. We anticipate that energy price volatility will help to accelerate the energy transition by pushing countries and companies to invest in securing their own local energy supply chains instead of remaining remaining vulnerable to global commodity price volatility.

In May, SHV Energy acquired a majority stake in SunSource Energy, a leading provider of distributed energy for commercial and industrial customers in India with a presence across South-East Asia. SunSource supplies solar energy directly to end customers. It also provides storage solutions which make solar energy accessible for a larger part of the day.

We see huge potential in solar energy in India and beyond. Solar has become a cost-effective energy source in many parts of the world and most businesses have suitable spaces for solar panels on their premises. Indian business customers tend to be exposed to high energy prices, so there is a strong need for affordable solutions. The high number of sunny hours and the wide availability of highly skilled engineers make the conditions even more attractive.

We also continued to explore new opportunities through EM3, an industrial energy efficiency business we acquired in 2020. EM3 worked with companies within the SHV Holdings group such as Nutreco and ERIKS to apply its expertise to their sites or customers respectively. Until recently, energy efficiency was viewed primarily as a measure to reduce operational expenses which also happened to be environmentally friendly. However, we now see companies looking at energy efficiency from a different perspective. EM3 is increasingly being approached to support customers' net-zero journeys.

In response to this, our Innovation team collaborated with EM3 to develop a tool for existing or prospective EM3 customers that allows them to input certain key parameters and receive a high-level roadmap of what their journey to net zero would look like. EM3 is increasingly using advanced data analytics to give its engineers deeper insights into customer data, which they can then pass onto customers.



»We are committed to keep on working together to advance sustainable energy solutions«

NINA HACE, HEAD OF MARKETING AND
DIGITAL PROJECTS, BUTAN PLIN

IMPACT STORY

Launching bioLPG in Slovenia

In the summer of 2021, Butan Plin launched bioLPG on the Slovenian market – a first for the country. From June 2021, all Butan Plin's 10kg cylinders contain an 80/20 LPG/bioLPG blend and its ambition is to increase the proportion of bioLPG in the future. This launch helps all its predominantly rural customers to progress along their energy transition journeys.



»Our team is committed to simplifying the energy transition process for our customers with our on-site and off-site solar solutions«

CHANDRAMOHAN PRAJAPATI,
PROJECT MANAGER,
SUNSOURCE ENERGY

IMPACT STORY

Supporting net-zero ambitions

In 2017, SunSource Energy developed an on-site solar project for a leading bottler of Coca Cola in India, Brindavan Agro, to help reduce its energy costs. Since the bottling plant had a limited onsite area available for a solar plant, SunSource Energy could cater to only 3% of the client's overall energy needs. However, in 2020 Coca-Cola made a further commitment to sourcing more energy from renewable sources across its value chain. After a detailed analysis, SunSource proposed an off-site solar solution 250 km away, for which construction began in 2021. With this solution agreed, Brindavan Agro now sources 50% of its energy renewably.



»With EM3 as our energy partner, we can continue to make great strides to improving our energy efficiency and reducing our carbon footprint«

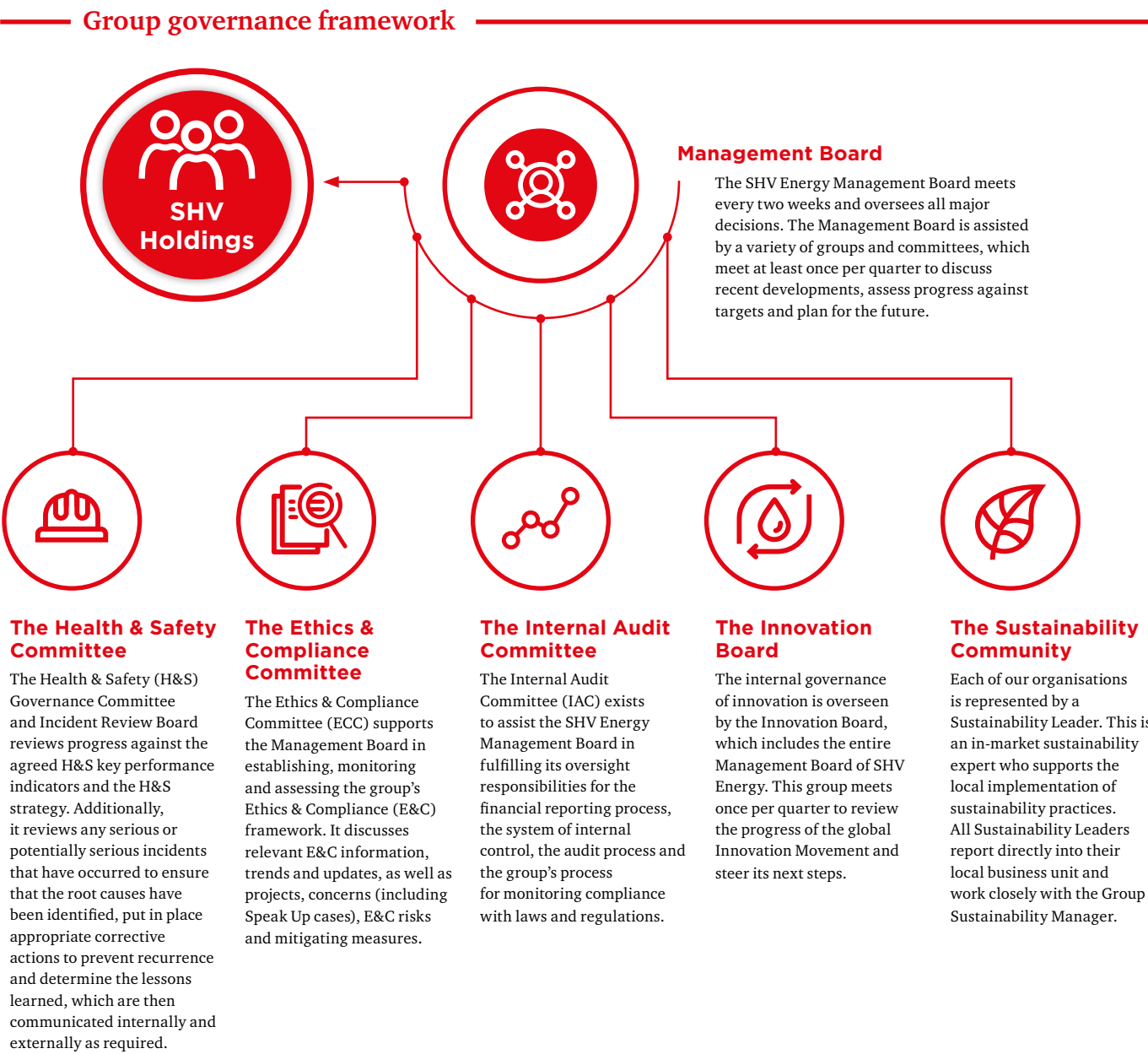
HUGH MCDONNELL, OPERATIONS
MANAGER, INGREDIENTS
DIVISION, ARRABAWN

IMPACT STORY

Bespoke solutions for energy efficiency

Dairy company Arrabawn approached the team at EM3 with a challenge. They needed to increase the capacity of their plant to process more milk, whilst also improving their energy efficiency. The processing of milk is energy-intensive and requires significant cooling and heating loads at the same time. EM3 undertook an energy efficiency design review and developed a solution based around installing heat pumps. Not only did this solution provide Arrabawn with its required energy capacity, it also had a significant positive carbon and cost impact.

Corporate governance



Our response to COVID-19

At the beginning of 2020, our business unit in China gave us an early indication that the COVID-19 pandemic had the potential to cause significant disruption to our business and risk to our colleagues and customers. In response, we created a dedicated COVID-19 crisis committee early in the year and developed a Global COVID-19 Protocol. It was vital that we provided guidance and a minimum standard for keeping customers and colleagues safe, especially as we operate in so many countries, each with its own rules and varying levels of restrictions.



Our initial approach to managing COVID-19 from a Health & Safety perspective was very prescriptive because the virus was relatively unknown, and it was developing at different rates in different parts of the world. In 2021, with a much stronger understanding of the virus and how to keep our customers and colleagues safe, we moved from the prescriptive approach to a risk-based protocol. This move allowed flexibility in mitigation and allowed our business units to tailor their COVID-19 response to the reality of the situation in their countries. Our COVID-19 crisis committee continues to assess and review its guidance on a weekly basis, including revising the protocol to take into account the vaccination status, case rate, fatality rate and virus reproduction number of the countries where we operate.

In some ways, COVID-19 had less impact in 2021 than the previous year. Many of our colleagues were able to return to the office in a hybrid model. Travel and face-to-face interactions remained at a low level compared to 2019, but we still managed to achieve many significant milestones and make impressive progress towards our goals. We are proud of our colleagues' continued close collaboration and high levels of productivity despite the difficult circumstances, and hope that 2022 will bring more opportunities to gather in person.

How SHV Energy creates value

Stakeholder engagement

As a group of companies with a focus on value creation, we view stakeholder engagement as critical to our business. We continuously engage with our stakeholders through a range of channels and use their input to create, validate and improve our sustainability strategy. When conducting stakeholder dialogues, we often work together with our business units where customers, employees and suppliers are concerned.

Stakeholder group	Channels of engagement	Discussion topics in 2021
Employees	Meetings Newsletters Polls and questionnaires Speak Up Sustainability Report Workers' councils Yammer (social networking platform) Videos	Code of Conduct Collaboration Company strategy and results Compliance register COVID-19 Health and Safety Materiality assessment Sustainability awareness campaign Trade compliance
Customers	Conference calls Newsletters Social media and campaigns Calls and meetings	Company strategy and results COVID-19 Materiality assessment Product safety Research and development Sustainable fuels
Suppliers	Audits Contracts Direct correspondence Supplier Code of Conduct	Health and Safety Materiality assessment Supplier Code of Conduct Sustainable supply chain
Regulators/government authorities	Collaboration initiatives Conferences Direct correspondence Meetings	Energy transition Innovation Investments Materiality assessment Product safety Regulatory issues
Local communities	Meetings Social media & campaigns	Impact on society Product safety
NGOs	Collaboration initiatives Conferences	Company strategy and results Energy transition Innovation Product safety
SHV Holdings family	Meetings	Company strategy and results Investments Materiality assessment

Engaging globally and locally

Our stakeholders anchor SHV Energy’s identity around delivering our mission of Advancing Energy Together. To ensure transparency and ongoing dialogue, we regularly engage with our stakeholders directly through our operations or through global initiatives.

We are a member of key industry associations and initiatives. Through our presence in numerous working groups, we engage with other members and key industry stakeholders to demonstrate how our products are part of a resilient, clean and sustainable energy system.

We co-operate and engage with regulators and government authorities – both directly and through trade associations – in the development of bioLPG, highlighting the role of bioLPG and LPG in rural off-grid areas.

We strive to be a good corporate citizen. In places where the filling and refurbishing stations are located close to residential areas, our colleagues organise various public outreach activities. In addition, our business units support their communities in different ways. Our colleagues in Poland volunteered by helping the Children’s Fantasy Foundation. They organised charity events for seriously ill and disabled children. Our colleagues at Calor Ireland took part in a community initiative called ‘Be a Local Hero’. This initiative encourages staff to make a real difference by proposing small, worthwhile projects and acts of kindness that will positively impact the people around them.

We also address the systemic challenges faced by local communities, which are impacted by the industry as well as issues such as violence, criminality and extreme poverty. Our Brazilian colleagues, for example, foster a dialogue with the government and the communities by developing projects related to access to water, sanitation, healthcare and quality education.

Advocating for the energy needs of rural areas

There are several conditions that need to be in place for the energy transition to become a reality. These are energy security, energy reality, energy choice and energy justice. Energy security is a particularly strong point for SHV Energy – we are a reliable and resilient energy partner providing a reliable energy source. During the pandemic, the overall LPG industry demonstrated its importance as a provider of essential energy services to households and businesses in a time of need. Energy reality refers to a realistic understanding of what transition means for individuals and their lifestyles, and what is practical for different circumstances and climate zones. For example, older buildings are hard to treat and hard to electrify, so are not good candidates for full-electric heat pumps. Energy choice is related – it refers to the importance of people having multiple clean energy options so they can choose the one that best fits their home, preferred method of transport and financial situation. Energy justice means ensuring no one is left behind. People and businesses in mature markets such as Europe and North America are increasingly able to transition towards defossilised pathways, but their counterparts in emerging markets must

also be able to access practical clean energy options today.

As our main customer base in Europe lives outside of cities, we are particularly attuned to the needs of rural communities. We set up the Future of Rural Energy in Europe (FREE) initiative in 2010 to champion the energy needs of communities in rural areas, which are often overlooked despite numbering 130 million people. We consider it a major milestone of recognition for rural relevance that in 2020 the European Commission launched a consultation to develop a long-term strategy for rural areas for the first time. In response, we launched the European Rural Barometer Survey in 2021 to give these energy users a voice in EU and national energy and climate policy by analysing their understanding of EU policies affecting them and reporting on the results. The survey showed that 70% of rural respondents agree that more focus should be put on helping these off-grid regions to achieve their climate change ambitions.

We also continue to commission local studies to make policy tangible for our stakeholders, working closely with our European business units to tell the stories of their rural communities and their energy needs. Increased remote working has allowed us to seamlessly engage our business units directly with their representatives in the European Parliament via video conference, which has strengthened our impact. We also now have a dedicated European Parliament liaison, a European Commission liaison and a European Council liaison.

Our industry associations and initiatives



Materiality assessment

Every few years, we carry out a materiality assessment to determine which aspects of our sustainability agenda are most important to our stakeholders, and whether our agenda of the key strategic sustainability topics is still up to date.

Identifying material topics

For this 2021 report, we judged that the materiality matrix from our latest reassessment in 2020 remains valid and up to date. This reassessment consisted of media analysis, benchmark analysis and the creation of an online survey that was sent to different stakeholder groups. When evaluating materiality, we took into account the relevance of information for stakeholders and the impact of our organisation on the topics from an economic, environmental and social perspective.

The outcomes resulted in a list of the most material topics which we aligned with the Global Reporting Initiative (GRI) guidelines and standards. Each of the most material issues was mapped against our aspirational goals. The findings of the assessment were validated and approved by the Management Board.

Our response to material topics

Although all material topics are important to our company and our stakeholders, in this report

we include information on our progress only on the most material topics. The matrix below outlines the top eight topics identified as most significant to our company and stakeholders. Additionally, we included two additional topics from 2020 onwards (Diversity & Inclusion and Community initiatives) to our sustainability agenda, as these topics are identified as priorities by our parent company SHV Holdings. In 2022, we plan to assess the material topics again.

Materiality matrix



Our strategy

We supply over 30 million customers worldwide with energy for their domestic heating, industrial heating, cooking and transportation needs. Through primarily serving off-grid communities, we make cleaner energy combinations accessible and affordable for as many customers and businesses as possible. We strive to achieve this while minimising our impact on the environment and without compromising on the highest Health and Safety standards.

Our approach is pragmatic and proactive – our products are not the only or the ultimate energy solution for everyone, but they play a key and very practical role in the overall energy mix and above all, are tailored to meet the specific needs of certain groups. Through our local business units, we serve the significant proportion of the global population who are not connected to the gas grid. Often, these people or businesses are based in rural areas and rely on higher-carbon and more-polluting sources such as coal and oil for activities including cooking, heating, hot water, manufacturing and farming.

Empowering these groups by providing cleaner, safer and lower-carbon energy options is a key step towards defossilisation and an integral part of how SHV Energy drives the energy transition.

The energy transition

The energy transition refers to accelerating the fundamental change of the entire economy, making it energy- and resource-efficient, and eventually working towards defossilisation and climate neutrality. This change must be inclusive and accessible in order to maintain momentum. Achieving a sustainable energy balance will

be a key factor in providing the significant reduction in carbon emissions necessary to meet global goals around climate change.

Our mission of helping these underserved groups participate in the energy transition goes beyond our responsibility of simply supplying energy. We help our customers climb the energy ladder towards a clean, efficient and just energy future, as part of our courage to care for generations to come.

Gaseous solutions – both on and off the grid – will be crucial in delivering cost-effective decarbonisation and eventually defossilisation, initially as a transition fuel and subsequently through new bio-based and renewable fuels such as our bioLPG product.

Our role in the energy transition

Our role in the energy transition is three-fold. Firstly, our traditional LPG and LNG products switch customers away from more polluting fuels such as heating oil, coal and wood. Secondly, we are developing and distributing new non-fossil molecules that allow customers to transition without

completely replacing their energy infrastructure. This part of our business continues to grow. Thirdly, our expansion into renewable solutions like energy efficiency and solar energy allows us to have an even greater impact by providing more services to more customers.

We are committed to serving our customers around the world today and tomorrow. We have a bold ambition: to replace all the fossil fuel volume we sourced in 2015 with 100% renewably and sustainably sourced energy by 2040. Meanwhile, we aim to reduce our carbon emissions per tonne of LPG we distribute by 25% by 2025. Our growing sustainable fuels offering will play a key role by continually expanding our search for immediate, viable and cost-effective solutions for our customers. Through new partnerships, collaboration and research and development activities, we will continue to innovate, and we have doubled the size of our team focused on Sustainable Fuels investment to help us achieve this. We have dedicated sustainable fuel stakeholder engagement resources to support these ambitions, ensuring we can be a part of key conversations at the policy level on the legislation and trends that affect sustainable fuel development, affordability and take-up.



CORE
LPG/LNG



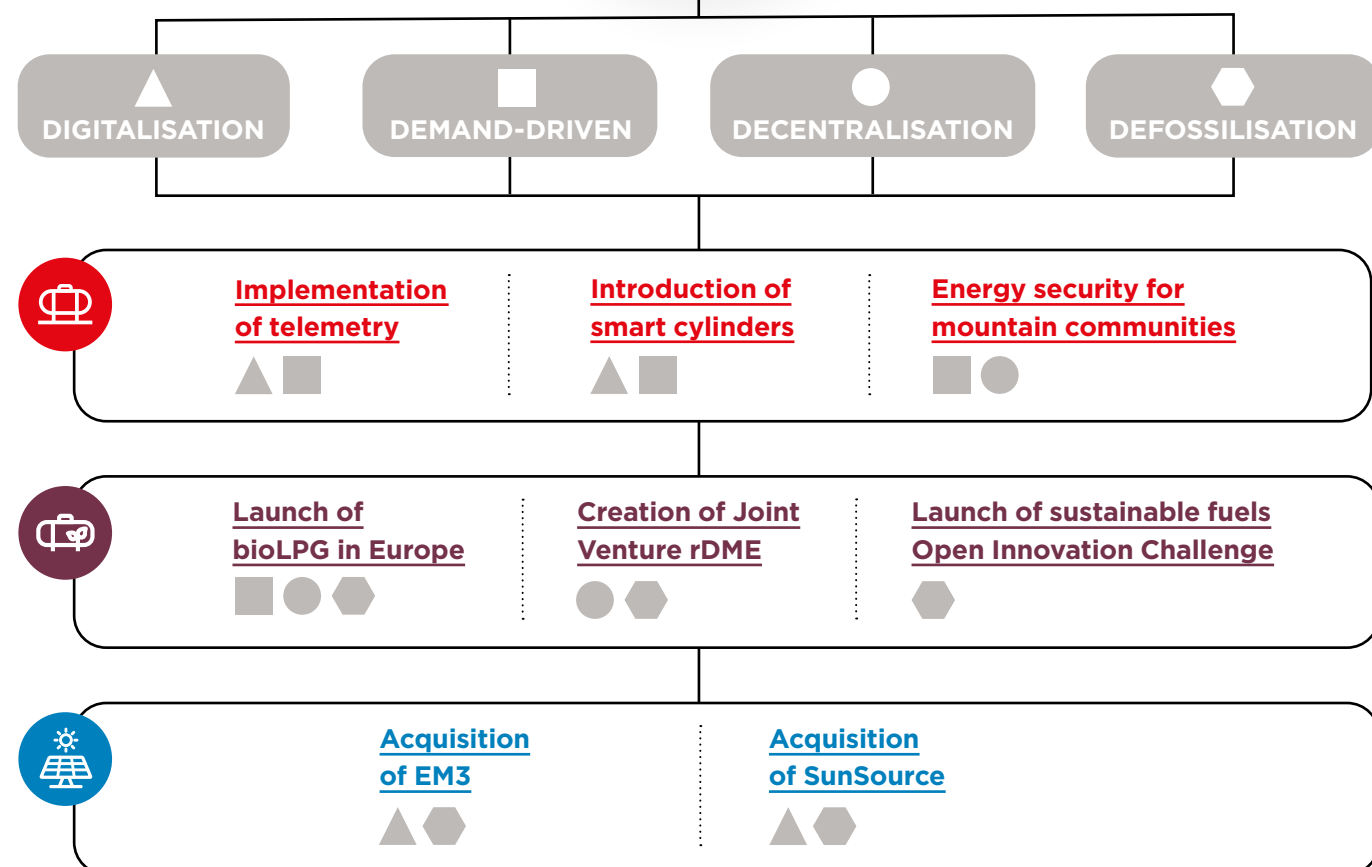
+ ADJACENT
Non-fossil molecules



+ NEW
Renewable solutions

Please click on the heading
for each achievement to
find out more.

The energy transition



Definitions:

Digitalisation:

The fast-developing world of technology is increasingly shaping the energy industry. Access to more data, connected energy technologies and remote monitoring are enabling new propositions, improving energy generation forecasting and maintaining the reliability of systems.

Demand-driven:

The opening up of new opportunities for citizens and communities to participate in the energy system, or to achieve a high level of energy independence. Regulation, subsidies, falling costs and technology innovation have led to an increase in smaller-scale renewable assets.

Defossilisation:

The ongoing push away from fossil fuels to renewable energy sources and sustainable fuels for processes like electricity generation, heat and transportation. Sustainable fuels replace or significantly reduce the extraction of fossil fuels from the ground.

Decentralisation:

The process of distributed assets participating in and influencing the energy system. It is becoming economically unviable to build traditional centralised generation units in some countries. Customers without access to a central energy system rely on off-grid energy solutions, such as LPG, LNG or bioLPG.

*Please note these definitions are inspired by those created by Delta EE and EY.



Driving the industry forward

The reference to 'together' in our commitment to 'Advancing Energy Together' involves all of our key stakeholders, not just our colleagues and customers. We must collaborate with a broad network to make the energy solutions of the future a reality, including policymakers, energy experts, other players in the energy sector and interest groups.

Our role in advancing the energy transition also involves getting the wider LPG sector on board. SHV Energy is an active member of relevant trade associations and industry groups (the details of which can be found in the 'Stakeholder engagement' section of this report), and is instrumental in driving cross-sector collaboration. We assume our responsibility as an industry leader by, for example, holding the industry advocacy chair at the World LPG Association (WLPGA), a trade association with which we have a history of close collaboration. To support the global LPG industry in its energy evolution, SHV Energy continues to chair the renewable LPG working group. In 2021, we sponsored a joint virtual conference between the World Biogas Association and the WLPGA on the topic of 'Biogases: driving the transition from fossil to green'.

Our CEO Bram Gräber was also the keynote speaker at this joint conference.

Speaking up on air quality issues

In comparison to climate change, poor air quality receives relatively less attention. However, it negatively impacts and kills millions of people per year. In 2021, we were pleased to see the World Health Organization launch new Global Air Quality Guidelines. These guidelines provide clear evidence of the damage air pollution inflicts on human health and recommend new air quality levels to protect the health of populations. Through our products,

we help reduce levels of key air pollutants. For example, using LPG instead of burning wood produces 180 times less particulate matter.

Through Cooking for Life, the WLPGA traditionally has a strong focus on improving indoor air quality and the health benefits of switching to LPG in developing countries. As an active WLPGA Industry Council member, we are determined to ensure that air quality and related health impacts of energy choices are accounted for in local energy and climate plans, as well as in governments' economic recovery strategies. Together, we can ensure that these policies are truly sustainable for both planet and people.





Our aspirational goals

Our sustainability activities are guided by our five aspirational goals. These are:



IMPROVING HEALTH, SAFETY AND WELL-BEING

The health, safety and well-being of our employees, contractors and customers is our number one focus area.



EMBEDDING INNOVATION

We apply an innovative mindset to solving the challenges of the present and creating the opportunities of the future.



SUSTAINING THE ENVIRONMENT

We contribute towards cleaner air and a safe and stable climate for generations to come.



ENHANCING EMPLOYEE AND COMMUNITY DEVELOPMENT

We strive to provide employees and local communities where we work with the opportunities to develop themselves.



SAFEGUARDING INTEGRITY

Fair and honest business conduct is of the highest importance to us.

The goals were developed through a materiality assessment and used to create a group-level sustainability agenda, meaning all our business units must report on them. 'Embedding innovation' is a new aspirational goal introduced as a result of our updated materiality assessment in 2020.

SHV Energy and the Sustainable Development Goals

We continue to support the UN Sustainable Development Goals (SDGs). Through our business operations, we make the world a cleaner, healthier and safer place, and our work on the SDGs supports that same goal.

Our business activity touches directly or indirectly on many of the goals, but we have focused our efforts on the SDGs that most closely align with our current business strategy, value creation and aspirational goals.

We have identified the following four SDGs where we believe our contribution will have the biggest impact:

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

By providing sustainable products to our customers and developing sustainable business models, we combat global warming and improve local air quality. We have set an ambition to minimise SHV Energy's negative impact by improving our carbon impact (see page 40 for a definition of carbon impact).

3 GOOD HEALTH AND WELL-BEING

By distributing LPG and switching our customers to cleaner energy sources, SHV Energy helps to eliminate smoke exposure while cooking and improves air quality in cities. This contributes to a reduction in premature mortality and illnesses.

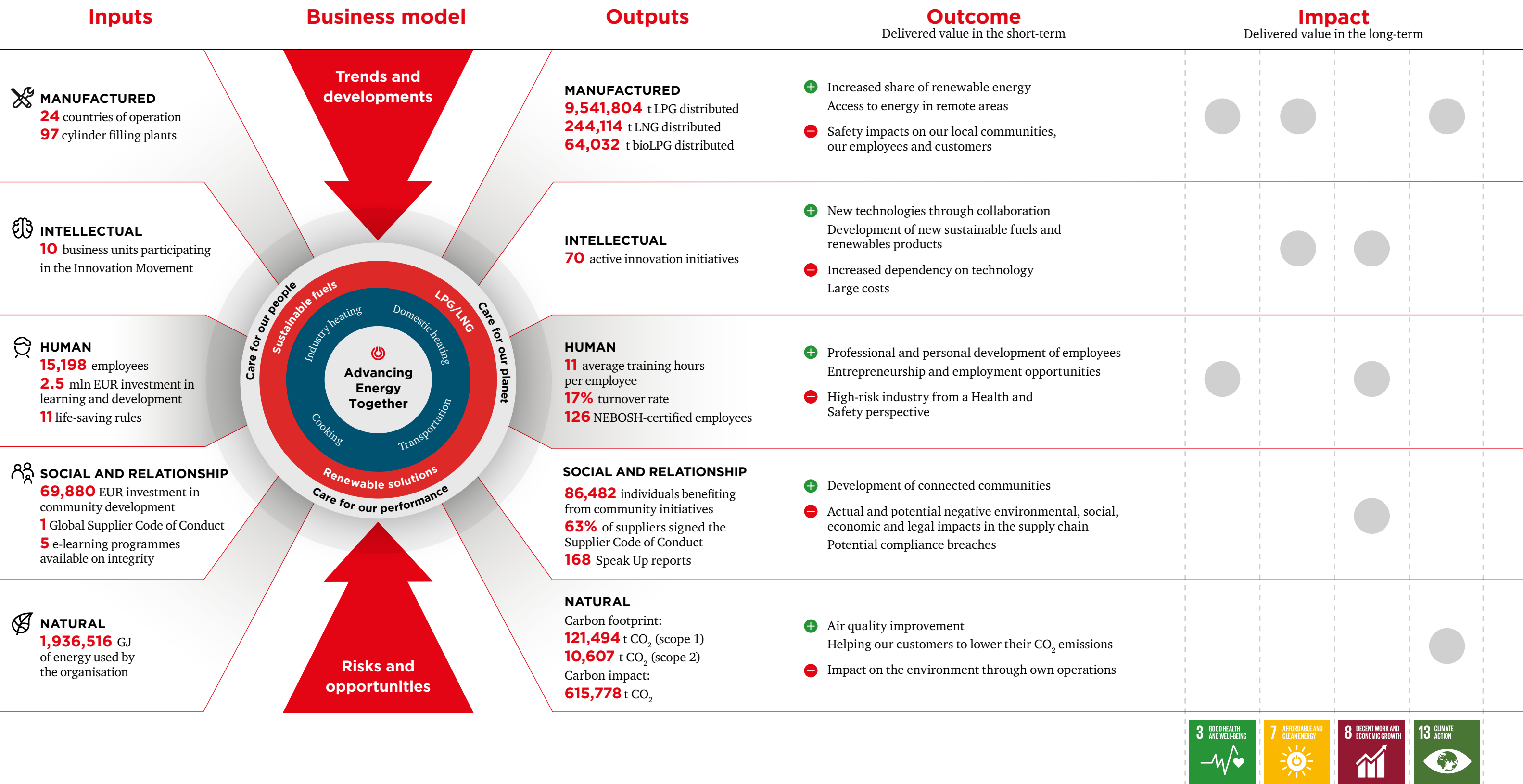
8 DECENT WORK AND ECONOMIC GROWTH

SHV Energy promotes productive activities, entrepreneurship, creativity and innovation. We invest in the development of our employees and ensure our working environments are safe and secure, as well as providing best practice safety guidance to the wider LPG industry. We work to improve the development of connected communities and to lead responsible value chain practices.



Value creation model

We drive sustainable value for all of our stakeholders through a combination of manufactured, intellectual, human, social and relationship, and natural capitals. Our mission, 'Advancing Energy Together', encompasses SHV Energy's long-term viability in creating positive impact.



Our performance

Improving health, safety and well-being



Our key achievements in 2021

The Health and Safety of our employees and those who work on our behalf is our number one focus area. Safeguarding the well-being of the employees who make our business operations possible, as well as our customers and communities, is a key part of ensuring our impact on the world around us is as positive as possible.

Our ambition is to have zero incidents, and we are progressing towards that goal year-on-year. To support this goal, all employees and contractors of SHV Energy are empowered, encouraged and expected not to work in any unsafe conditions, or any conditions that they believe to be unsafe. Individuals (both internal and external) can address any questions and concerns directly to their Line Manager, Supervisor, Health and Safety Manager, or through our Speak Up platform.

We also ensure all incidents and near misses are discussed and investigated thoroughly to prevent them reoccurring, then lessons are communicated across the organisation. Health and Safety excellence happens when everyone, regardless of their position, is a Health and Safety leader.

SHV Energy also aims to be a Health and Safety leader in the energy industry. We frequently work with the World LPG Association (WLPGA) to define best practice on topics including product safety and COVID-19 protocols.

1

▼ We **continued to adapt our COVID-19 Protocol** as more information became available. This enabled us to continue serving our customers **without compromising** on the health and safety of our work colleagues and contractors.

2

▼ The launch of our cultural change CARE programme, which will embed **'the seven health and safety habits'** within our organisation, was another success and step towards achieving our strategic objective that everyone goes home safe and well at the end of their working day.

3

▼ We **expanded our process safety assurance** to include all our filling plants, reflecting our increased focus on process safety. This included **creating our own SHV Energy process safety standard**, in the absence of an existing global standard.

PROGRESS IN 2021:

44% ↑
reduction in SIFs*
compared to 2020

30% ↑
reduction in pSIFs**
compared to 2020

PROGRESS IN 2021:

15% ↑
reduction in incident
severity rate
compared to 2020

*Serious injury or fatality

**Potential serious injury
or fatality



»I am very happy that the authority adopted battery-driven tricycle. It is much safer for our people, much greener for the environment«

MICHAEL ZHANG, GENERAL MANAGER OF PEARL RIVER DELTA CENTRAL, XIWEI

IMPACT STORY

Last-mile delivery development

SHV Energy delivers huge volumes of cylinders to residents and businesses in Foshan City, China, using hundreds of motorcycles and tricycles. After analysing its incident data, it realised tricycles were involved in significantly fewer incidents – they were involved 71% less often than motorcycles. SHV Energy China shared these insights with the city authorities to make tricycles the standard cylinder delivery vehicle. As a bonus, tricycles are battery-powered, meaning they emit no carbon emissions.



SHV Energy traditionally uses motorcycles like this to deliver cylinders in Foshan City.

A year of focus and flexibility

2020 was a year of discovery and 2021 built on this foundation. We acted on our discoveries and continued to pursue the strategy we created at the end of 2019, with operational discipline and process safety reviews revised to strengthen health and safety governance in the business units remaining a priority.

During the first quarter of 2021, we saw a spike in health and safety incidents. We took this very seriously and investigated thoroughly. One of the key factors we identified was reduced staffing levels due to the pandemic and the related global labour shortage.

Once we understood which controls were breaking down, we were able to halt the trend and put new controls in place. Whilst any increase in incidents is concerning, a temporary increase in small incidents can also point to increased awareness and maturity of health and safety across the organisation, as it means incidents are now being reported where previously they may not have been.

Our cultural change CARE programme was formally launched in May 2021. It was initially designed around face-to-face training activities, but due to the pandemic there was the requirement to rewrite a number of the training modules to allow them to be delivered virtually. By the end

Our Health and Safety Management System

Our Health and Safety Management System is based on the risks inherent to our operations and is aligned with relevant EU directives and International Standards, including:

- **Directive 2008/68/EC** – inland transport of dangerous goods
- **Directive 2000/39/EC** – indicative occupational exposure limit values
- **Directive 90/269/EEC** – manual handling of loads
- Standards by **ISO/TC 67/SC 9** – Liquefied natural gas installations and equipment
- **ISO 14245:2019** Gas cylinders – Specifications and testing of LPG cylinder valves – Self-closing
- **ISO 15995:2019** Gas cylinders – Specifications and testing of LPG cylinder valves – Manually operated

Our performance at a glance

Risk management in 2021

6,425 leadership tours planned



95% completed against plan

306 corrective actions raised



69% corrective actions completed so far, 100% of corrective actions are on track

744 audits planned

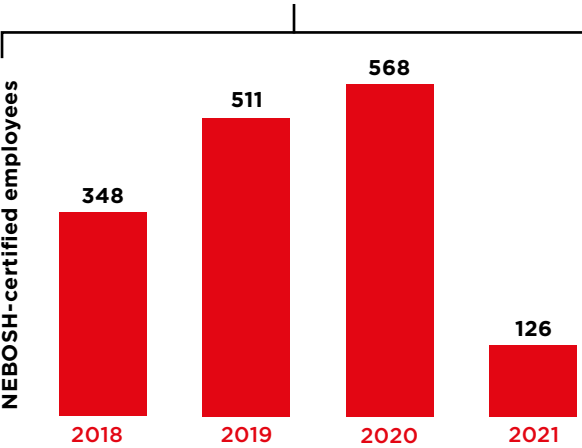


94% completed against plan

Leadership tours and audit completion rates were impacted by the COVID-19 pandemic. Despite travel restrictions, the majority of planned audits and leadership tours were completed.

Achievements in 2021

0 employee fatalities



*A total of 1,105 managers and supervisors trained. The programme is now approaching completion, which is why the 2021 total is lower.

Product safety in 2021



100% of our product and service categories covered by and assessed for compliance with product safety procedures





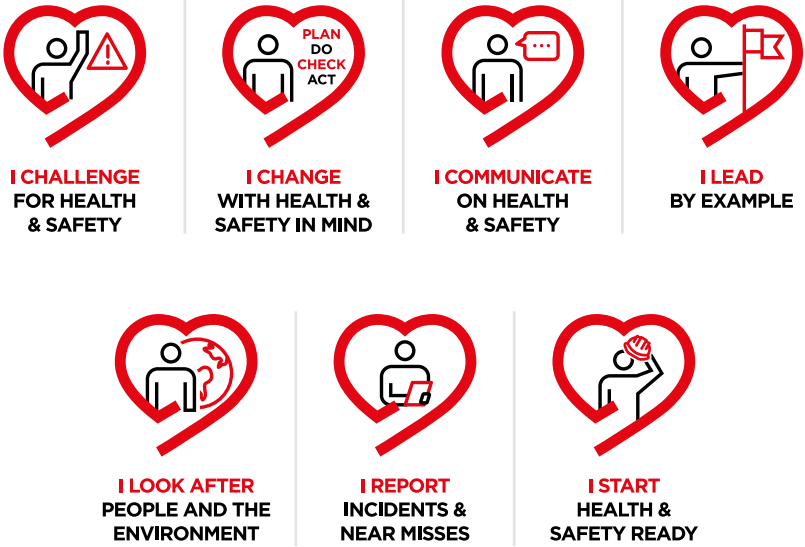
»The device was successful in promoting better practices and prompted more safety conversations in the distribution centre«

TIM EAST, CYLINDER DISTRIBUTION SITE LEADER, CALOR

IMPACT STORY
Wearable devices for safer operations

Manual handling remains the second-highest cause of lost time for injury (LTI) in Calor GB. As part of its efforts to reduce LTI, Calor GB tried a fresh approach to reduce the risk of manual handling injuries in 2021 by trialling a wearable device called the Sotorspine. This technology uses AI to detect hazardous behaviour by measuring movements and forces on the body. The initial proof of concept with five users resulted in a 39% reduction in hazardous movements. A full pilot commenced in late 2021 with 30 users at three filling plants and the initial results are very promising.

— Our seven CARE habits —



of the year the CARE trainers were trained, all content was translated into local languages and a number of activities were launched. Feedback from participants was very positive and we are in the early stages of sharing the programme with our sister companies and SHV Holdings for their own use.

Another milestone was the success of our second Global Health and Safety Week, themed around visible felt leadership. This was a hybrid event, as in 2020, with some face-to-face activities and some virtual. Simultaneous events occurred at all SHV Holdings companies.

Restricted travel remained a challenge. We find that face-to-face engagement is the most effective way of engaging colleagues on health and safety topics, but a creative and dedicated approach to online engagement has been successful, alongside in-person contact where possible.

Making manual handling safer

The Health and Safety and Innovation functions continued to collaborate on the challenge of reducing manual

handling incidents in 2021. A cross-business unit working group reviewed products and solutions already in use in business units, alongside other products available on the market. At the same time, the Innovation team explored new options. A number of promising solutions were prototyped and tested in business units, with results expected in early 2022.

Leading the industry in Health & Safety

Since the start of the COVID-19 pandemic in early 2020, we have contributed to the World LPG Association's (WLPGA) safety guidance. As our understanding developed, SHV Energy's COVID-19 mitigation moved from a very prescriptive approach to a risk-based approach taking into account the various levels of COVID-19 risks globally. As in 2020, this revised methodology was shared with the WLPGA.

In 2021 we also formed a new group within the WLPGA called the Health and Safety Core Group. This group brings together like-minded Health and Safety industry leaders once a month to share best practice and recount lessons learned, root causes identified and corrective actions taken after incidents.



The new tricycles used for cylinder delivery in Foshan City.

Process safety assurance

Process safety is an area of renewed focus for SHV Energy. We initially took a risk-based approach where we assessed process safety in our 22 terminals responsible for the highest volumes of product. The data collected from this exercise showed we needed to roll our process safety assurance further down the value chain to include the rest of our filling plants.

As no global standard existed on process safety assurance, we wrote our own SHV Energy process safety standard, which was then applied globally. This standard includes a red, amber or green status rating against 11 key elements of process safety, which then gives an overall status for each business unit and collectively for SHV Energy.

Keeping our customers safe

Our responsibility to ensure the health and safety for all our stakeholders doesn't only apply to our work colleagues and contractors, but also to our domestic and commercial customers. Ensuring our customers know how to use our products safely in their own homes and businesses is equally important. Many customers switch to our products from energy sources like coal or wood and aren't familiar with liquefied energy products. With this in mind, we provide guidance and training on safe use, particularly focusing on correct hose use as it carries the highest risk potential if improperly used.



»By organising this camp at its remote site, SunSource brought healthcare facilities closer to the people who needed it the most«

DR. ADITYA KUMAR, DOCTOR, UNIQUE HOSPITAL & ULTRASOUND CENTRE

IMPACT STORY
Preventative health check-ups

SunSource partnered with a nearby hospital to organise a health awareness and preventive health check-up camp at its project site in Uttar Pradesh, India. This free medical camp was designed to assess critical health parameters that are not usually evaluated during basic medical check-ups, such as physical fitness. The camp benefited 62 employees deployed at the project site. As well as assessing their overall health, it also educated them on the importance of healthy behaviour and good hygiene.

Embedding innovation

TARGET:

100%

of business units participating in the Innovation Movement by 2025

PROGRESS IN 2021:

71% →

of business units participating



Our key achievements in 2021

1

▼ The **growth of our Innovation Movement** is our biggest achievement. The number of participants in the movement has grown, with **more than 700 ideas submitted by colleagues over the year**. At the same time, we have **trained more than 100 colleagues** using our Innovation methodology.

2

▼ The **launch of our open innovation platform** was a major milestone. We launched three separate challenges through the platform and have already selected **five new partners** as a result.

3

▼ We have made significant progress on **using data to improve efficiency**. For example, using modelling to accurately **forecast cylinder demand** in France reduced unsuccessful deliveries by 25%.

‘Embedding innovation’ is our newest aspirational goal, appearing in our sustainability reporting for the first time in 2020. Its addition was in response to innovation’s increasing relevance to our business and to how we approach key challenges, including broadening access to clean energy and Health & Safety. This increased relevance was also reflected in the results of the materiality reassessment we undertook at the end of 2020 where we asked key stakeholders to assess a list of important topics for their relevance and importance to SHV Energy; innovation’s high ranking was another factor in its inclusion.

We see innovation in a broad sense – it is an approach that defines how we respond to both the challenges of the present and of the future. In the present, we use innovation to understand and plan how we can better serve our customers, as well as how we can improve our business. We also apply innovation to building the future of SHV Energy by testing new solutions, developing new sustainable fuels and renewables products, and exploring new business models.

To innovate successfully, we must deeply understand business challenges and customer needs. We’re increasing our focus on listening to our customers, partners and colleagues for an ‘outside-in’ perspective.



»Leading an initiative that can provide greater safety conditions in the operations of all of Supergasbras is a unique moment in my career«

CASSIUS FANTONI,
OPERATIONS COORDINATOR,
SUPERGASBRAS, BRAZIL

IMPACT STORY

Coming together to innovate

In 2021, Supergasbras launched a programme called 'Chega junto para inovar' (Come together to innovate) to quickly collect, test and implement innovative ideas from any Supergasbras employee. Giving every employee the opportunity to share their idea in less than three clicks reinforces innovation as part of SHV Energy's DNA. In less than a year, more than 350 ideas were shared and analysed. 44 ideas became Innovation initiatives, and 6 pilots were rolled out.

What innovation means to SHV Energy

At SHV Energy, innovation is not only about generating ideas but testing them and building the capacity within the organisation to successfully implement them. In order to embed innovation into our organisation, we must stimulate and support our people to develop the right skills and mindset, and we must create the necessary company culture that encourages innovation to thrive.

To achieve this, we are increasingly decentralising our Innovation coordination and capability development, with the aim of strengthening Innovation on a local level within our business units. Decentralisation is key to ensuring our Innovation Movement continues to grow in a sustainable way, with an increasing number of colleagues capable of applying innovation to their day-to-day challenges.

Building innovation capacity and capability

In 2021 we launched a training programme called 'Level up for innovation', which was designed to strengthen the innovation capabilities of our business unit colleagues and their ability to use the SHV Energy Innovation methodology. Through this programme, we trained more than 100 colleagues, including Innovation Leaders, senior sponsors and ambassadors.

Five business units participating in the Innovation Movement also launched ideation campaigns through a central global platform. In total, 737 ideas were submitted through the platform. So far, these ideas have developed into 37 new innovation projects. This open approach to internal submissions enabled us to capture ideas from a diverse range of employees, reflecting their different experiences and challenges.



Our performance at a glance

Innovation Movement in 2021



10 out of 14
business units participating
in the Innovation Movement



70
active innovation initiatives



183
Innovation Leads, sponsors, practitioners
and ambassadors across SHV Energy



EUR 4 million
invested in active
innovation projects

This photo shows employees holding certificates they received for contributing to Supergasbras's Innovation initiative.



Factors such as the pandemic, high inflation, a labour shortage, changing customer behaviour and growing pressure regarding climate change have created challenges for all businesses in 2021. However, from an Innovation perspective, these challenges are also stimulating opportunities to improve and develop, which provide inspiration for new ideas.

Collaborating with key stakeholders

The Innovation team works closely with many other global functions, such as Sustainability, Sustainable

Fuels, Renewables, Procurement and Health & Safety; these functions all focus on driving change in a way that often intersects with Innovation and can benefit from an innovation-driven approach. Innovation is led on a global level from our Hoofddorp HQ by our Director of Global Innovation and championed in our business units by Innovation Leads, senior sponsors and project teams. This comprises the Global Innovation Community, which meets monthly to discuss progress and share learnings.

In 2021, we launched our open innovation platform to help us build more external partnerships. We

set three challenges through the platform: sustainable fuels, manual handling solutions for Health & Safety and asset tracking. We received over 60 proposals and have already selected five new partners who our Sustainable Fuels team will work with in 2022, with the selection process for the other challenges well underway.

Harnessing technology

Technology is key to improving the experience of our customers, providing new services and finding new ways to serve, and boosting the efficiency of our operations. In 2021 we tested new technologies

for tracking our cylinders in Italy and Turkey. This helps to improve efficiency in our supply chain and can also reduce waste.

We also continued to trial different smart cylinder solutions. Smart cylinders are designed to address the customer pain point of unexpectedly running out of gas and needing to wait for a new cylinder to be delivered to continue cooking or heating their home. These initiatives are supported by our Global Innovation Hub, which was set up in Brazil in 2020.

In 2020, we trialled a new business model where customers pay per use, enabled by a smart cylinder that measures its own gas level via remote monitoring. This trial was significantly expanded in Brazil in 2021 to include over 1,500 customers. A related pilot in India in 2021 tested a new smart cylinder technology that detects when a customer is running low and automatically orders a new cylinder.

Another area of focus in 2021 was digital innovation – specifically, using data to improve efficiency. We used analytical models and algorithms to streamline areas of the business, such as cylinder demand forecasting. Improving our understanding of cylinder demand saves driver time, as well as reducing delivery costs and delivery emissions.

In 2022, a particular focus area for the Innovation team will be exploring opportunities to apply an innovation mindset to supporting on and delivering sustainability initiatives, as well as continuing to launch challenges through the open innovation platform.



»Kudos to the whole team for connecting the dots of sustainability and innovation!«

SUDIPTA PRASAD, MANAGER INNOVATIONS, SUPERGAS, INDIA



»The reliability of predictions, which are adjusted daily, gives a more structured vision to the dispatcher«

EMELINE BOUVIER, CYLINDER OPERATION MANAGER, PRIMAGAZ, FRANCE

IMPACT STORY

Auto-ordering cylinders

Many industries deal with critical production processes and machinery that needs a constant and consistent supply of gas. Supergas India continuously innovates to become an even more reliable partner to these businesses. One example of its innovation is auto-ordering cylinders. It has successfully piloted and implemented technology including an electronic auto changeover device plus (EACD+) and robotic process automation (RPA) to ensure its customers do not need to manually order. This solution has been scaled to include 80 customers so far.

IMPACT STORY

Artificial intelligence for customer needs

Primagaz France's cylinder forecasting model was static and could be inaccurate. This meant that sometimes drivers were attempting deliveries to customers who were already fully stocked, and sometimes products were selling out. To address this challenge, its data scientists, operational excellence specialists and the Global Innovation team collaborated on a fast-paced test and validation of different assumptions. In just a few weeks, the team created a machine learning model based on artificial intelligence. This was piloted successfully then rolled out to all depots in 2021, where it has significantly reduced non-deliveries and improved customer satisfaction.

Sustaining the environment

TARGET:

25%
reduction in gCO₂
emissions per tonne LPG
distributed by 2025*

PROGRESS IN 2021:

7.9% ↑
reduction

*Versus 2016 baseline



Our key achievements in 2021

1

Our **sustainability awareness campaign** was a resounding success in 2021, engaging colleagues in all business units and business functions with a range of content including webinars, articles, animations and posters.

2

In 2021, we **integrated carbon counters into our global website platform** via a new module. This allows our business units to easily integrate data like their carbon footprint and carbon impact into their external websites, along with real-world comparisons that help the data to feel real.

3

Our Sustainability and Communications teams came together for a **virtual summit focused on sharing scientific insights** into physiological behaviour, with the goal of learning how to best engage our audiences through sustainability communication.

Achieving our targets around CO₂ reduction, air quality, the energy transition and long-term value creation requires a coordinated global approach. This is led from our Netherlands HQ and championed across all our business units by our Sustainability Leaders.

All Sustainability Leaders report directly into their local business unit and work closely with the Group Sustainability Manager. A vital component of 'Advancing Energy Together' is global collaboration and commitment. A sense of collective responsibility towards the environment in our entire community of 15,198 employees is key: everyone must contribute.

In late 2020, we launched a campaign designed to increase awareness and understanding of climate change and air quality and how these topics relate to SHV Energy's strategy. The campaign is called 25by2025, which references our 25% CO₂ reduction goal by 2025. In 2021, we moved into the engagement phase of this campaign, which aimed to inspire colleagues to contribute to our sustainability goals. At the core of the campaign is the message that 'You don't need to have sustainability in your job title to drive positive change'.



»When it comes to influencing behaviour, it's about willingness (why) and skills (what/how)«

FRANK RIETDIJK, GROUP SUSTAINABILITY MANAGER, SHV ENERGY

IMPACT STORY

Inspiring colleagues to contribute

Our sustainability awareness campaign was run from our Hoofddorp HQ but brought to life by the contributions of our colleagues around the world. Stefan was one of the international colleagues who presented during one of the campaign webinars, where he explained how the energy transition is linked to SHV Energy's products and services.

»Energy transition is happening – with or without us. If we want to be part of the future it is pivotal to contribute to this transition – and to shape it!«

STEFAN SCHMIDT, PUBLIC AFFAIRS MANAGER, GERMANY



Lowering CO₂ emissions

We distinguish between two important principles as we look into our CO₂ emissions:

Our carbon footprint

involves lowering our direct and indirect emissions throughout the entire value chain



Direct emissions from our facilities and vehicles are the easiest for us to reduce. We also look at our indirect emissions to assess where we can achieve reductions.

Our carbon impact

involves offsetting our emissions by considering the effect of our products or services on our customers' carbon footprints



We use the impact of switching customers to cleaner, greener fuels to offset SHV Energy's own carbon footprint.



Engaging our colleagues on sustainability

The engagement phase of our 25by2025 sustainability awareness campaign built on the knowledge we developed in 2020 through educational content. The hero piece of the campaign was the launch of our 25 actions. We asked all business units to submit actions they had taken to be more sustainable that they thought other business units could benefit from. For example, Supergas India submitted an action inspired by their success implementing virtual sales visits during lockdown – they realised this also created significant emissions savings.

We then selected 25 actions from this list with impact and inclusivity in mind. Each action was represented by someone from that business unit, whose photograph and quote appeared in a 14-language poster campaign.

As part of the campaign, we also closely collaborated with colleagues from our business units and our senior head office team on three

webinars. Each of these webinars was attended by more than 200 colleagues and their success inspired many other departments to run their own webinars for the first time.

In November 2021, we ran a joint Sustainability and Communications summit which built on our knowledge of how to communicate effectively on sustainability. We believe that finding a balance between words, numbers and emotion has the most impact. We achieve this in our sustainability reporting through data collection, infographics, narrative explanations, and impact stories which show the person behind each story.

CO₂ emissions

At SHV Energy, we measure our CO₂ emissions in two distinct ways: our carbon footprint and our carbon impact. When we measure our carbon footprint, we're looking first and foremost at our direct emissions (from our facilities and vehicles), which are the easiest for us to reduce. However, we also look at our indirect emissions through the entire value chain,

Our performance at a glance

Carbon emissions in 2021

17.6 million

tonnes of carbon emissions

Total carbon footprint: 18.9 million tonnes

Total carbon impact: 1.3 million tonnes

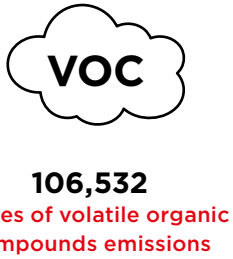
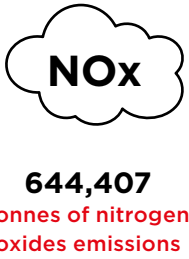
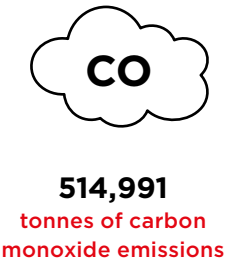


Reduction in 2021 vs. 2016 baseline



Air quality impact in 2021

We reduced emissions by switching customers to our cleaner energy carriers. We helped save:



including purchased electricity, outsourced operations, consumer usage of our products, employee business travel, and extraction and production processes, and assess where we can make reductions.

For example, we prefer to transport our products by railway instead of trucks wherever possible due to the significant reduction in CO₂ (and other) emissions. When trucks are used, we request the environmental classification of the trucks our logistics suppliers use and measure the CO₂ emissions to detect areas where we can improve. The logistics providers of some of our bigger business units, such as Calor GB and Primagaz France, are piloting electric or LNG-fuelled trucks to deliver LPG.

In 2021, we managed to reduce our CO₂ emissions per tonne of LPG equivalent sold by 7.9%. We achieved this by looking into different areas of our supply chain. First and foremost, we lowered our direct emissions by installing solar panels on our facilities, adopting route optimisation technologies, investing in alternative fuels for trucks and using bioLPG in our own operations. In addition, we looked for opportunities to lower our indirect emissions by using cleaner ships, negotiating cleaner means of transportation for outsourced trucking and increasing the share of sustainable fuels in our product portfolio.

Air quality

The severity of air pollution and air quality issues ranges significantly across the countries where our business units operate. In places like India, parts of China and Northern Italy it is an everyday concern. Our different business units therefore prioritise it according to their needs.

There are many factors that affect air quality, such as air temperature, urban topography, ventilation, wind speed and rainfall. However, the extraction and burning of fossil-based liquid and solid fuels such as coal, oil, peat and woody biomass

is the main factor in reduced air quality. Replacing these fuels with our products significantly improves local air quality. For example, billions of people cook and heat their home using open fires and simple stoves. Using LPG instead of wood for cooking and heating produces 20 times less carbon monoxide and 180 times less particulate matter, which is very important from a health perspective.

The World Health Organization (WHO) estimates that poor indoor and outdoor air quality contribute to around eight million premature deaths each year. Despite this, the importance of reducing air pollution is not at

the forefront of public awareness compared to using defossilisation to prevent climate change.

We believe that air quality is just as important as CO₂ emissions, so we include it in our reporting and track it closely internally. Reporting on air quality is more complex than CO₂ emissions because of the variety of different pollutants and natural factors that affect it. Our approach is to calculate the air pollutants saved by using our products as opposed to traditional fossil fuels.

We also included information about the importance of good air quality

and how to improve local air quality in our sustainability awareness campaign. Many of our 25 actions were also designed to improve air quality. For example, Gaspol submitted an action based on the success of their anti-smog marketing campaign.

Our Hoofddorp HQ was designed with sustainability in mind, using recycled materials and second-hand furniture where possible. We track the indoor air quality, along with other environmental factors like the noise level, and display it on screens to raise awareness amongst our colleagues.

External trends

The non-financial reporting landscape is developing. Many frameworks that were previously voluntary to implement are becoming mandatory requirements. Important developments are also ongoing in the areas of value creation, climate related risk and disclosures, and sustainable finance. Our current sustainability reporting already puts us in a strong position but we will use 2022 to prepare to take it to the next level, aligning our reporting process with relevant frameworks, such as CSRD, TCFD and EFRAG.



The 25by2025 posters were displayed during our Leadership Conference in Barcelona.



»We believe in innovation and being a sustainable leader in propane. rDME has given us the opportunity to achieve our goals«

STEVEN DERRICK, EHS DIRECTOR, PINNACLE US

IMPACT STORY

Pioneering rDME as a transportation fuel

Pinnacle Propane is a partner in a project consortium, delivering a DME/propane blend for trials in propane buses. The project aims to facilitate the first large-scale production of renewable DME in the United States and demonstrate the use of rDME in the transportation sector. Commercial production has begun, with Pinnacle lending its technical and operational expertise.

Enhancing employee and community development



Key achievements in 2021

Our status as a family-owned company contributes to our friendly, supportive working environment, but we are still performance-driven. These aspects are balanced in how we interact with our employees. Through providing a safe, supportive and rewarding work environment where employees are encouraged to build their skill sets and take on new challenges and responsibilities, we strengthen our teams and improve retention.

We want our employees to continuously develop themselves. This could be within their current roles by looking at further growth in areas like safety awareness, lean thinking, innovation or digitalisation. It could also be through cross-functional career moves or moving into a more senior role. Our commitment to excellent performance and development is supported by our Global Human Resources (HR) and local HR teams.

In 2021, SHV Holdings launched its new group purpose: courage to care for generations to come. It also launched a new set of five values that unite all SHV Holdings businesses: integrity, trust, curiosity, inclusivity and passion.

1

In collaboration with Korn Ferry Hay Group, we **built a tool to evaluate our progress on fair pay** and piloted it in five countries. When combined with the implementation of our global job framework, this tool allows for clear comparison between roles. This new pay evaluation tool will also aid our preparation for **upcoming EU legislation on fair pay**.

2

We **finished the global roll-out of Workday**, our HR information and performance management system, by implementing it in China, Brazil and Turkey. This **aligns our talent management and performance tracking** across all business units.

3

Over the past year, our percentage of **women in senior leadership** roles has increased from 17 to 22%. This increase represents **steady progress towards our 2030 Diversity and Inclusion targets**.

TARGET:

25%

of senior leadership positions held by women by 2030

PROGRESS IN 2021:

22% ↑

of senior leadership team members are women

TARGET:

At least one member of each senior management team coming from an under-represented nationality by 2030

PROGRESS IN 2021:

76% ↑

of operations meeting the target



»We were privileged to be able to provide COVID patients with ‘life-saving’ oxygen during the thick of the pandemic«

SREEMAN KADALI, TRUSTEE,
SUPERGAS FOUNDATION, INDIA

IMPACT STORY

Life-saving support

The second wave of the coronavirus pandemic swept through India in 2021, resulting in wide-spread infections, hospitalisations and an alarming fatality rate. To provide patients with vital oxygen during a shortage of equipment, SHV Energy and Supergas collaborated to organise the donation and shipping of 150 ventilators from the UK to India. Through its charitable foundation, Supergas collaborated with hospitals, healthcare centres and local NGOs to ensure the ventilators reached the areas where the crisis was most acute.



Adjusting to hybrid working

Our HR and Health & Safety teams continued to work closely together in 2021 to keep our policies around COVID-19 safety up to date and protect our colleagues.

Remote working was a big part of 2021. Some of our office-based colleagues were forced to work remotely for large parts of the year by local lockdowns. Many also benefited from new hybrid working policies that allowed them to split their working hours between their home and their office. As in 2020, we found that there were significant benefits to remote working but it also made some things more challenging, such as employee well-being and engagement.

Remotely onboarding new joiners and ensuring they integrate well into their teams without in-person contact can be complex. One way we tackled this

at our Hoofddorp HQ was by creating a dedicated committee for organising online team-building initiatives. These included virtual cooking sessions and outdoor ‘getting to know each other’ events such as an SHV Energy dog walk. We also introduced an app called Icebreaker which randomly connects colleagues with another member of the organisation for a virtual coffee meeting.

Building our employer brand

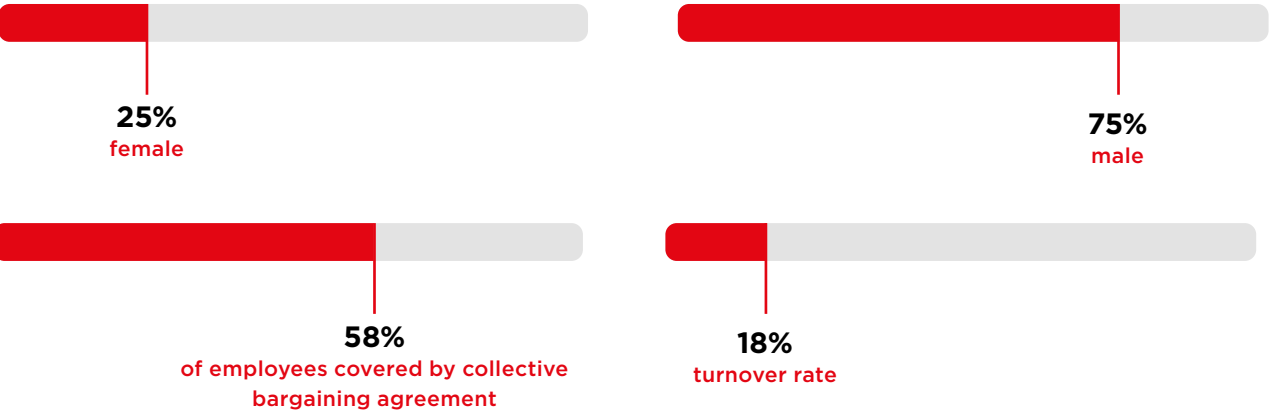
Another challenge in 2021 was the skilled labour shortage in many of our markets. One way we addressed this was by strengthening our employer brand, and in particular making sure that potential applicants understand our role in the energy transition and long-term position in the energy industry.

Our HQ team provides recruitment support where possible – for example,

Our performance at a glance

Our employees in 2021

15,198
employees



Employee training in 2021



11
hours of training per
employee, on average

Hiring in 2021



2,399
new hires

Community initiatives in 2021



>85,000
individuals benefitted from the programme ‘Start from the Heart’ or another community initiative

>450,000
EUR of social investment and charitable contributions made



»This transformation, which we call EPIC, makes us feel unique and free like a tree and together like a forest«

HANDE EKSI, SALES PLANNING SPECIALIST, IPRAGAZ, TURKEY

IMPACT STORY

Future-proofing our business

Ipragaz launched the EPIC Work programme in 2021 to prepare its organisation for the future and the fast pace of technological development. EPIC, which stands for Evolution Process in Culture, is a comprehensive gradual change programme covering topics like employee engagement, work-life balance, operational excellence, sustainability, safety and more. Employees from across Ipragaz are encouraged to contribute to ensure a broad range of perspectives are included.

Renewable Solutions and Sustainable Fuels team members from Hoofddorp attended the virtual Delftse Bedrijvendagen, the largest technical career events for jobs and internships in the Netherlands. The same team members also joined interviews for roles at Gaspol to emphasise our company-wide commitment to the energy transition and providing cleaner fuels to prospective employees. In 2022 we will continue to focus on being an employer of choice, which will support employee retention and attraction.

Employee development

Our broad range of employee development activities continued in 2021, although some were adapted around remote working. For example, our 'Taking the Stage' programme, which prepares female employees for leadership roles, continued with sessions both in person and online, with 70 colleagues participating in 2021.

We also implemented a learning management system through Workday to standardise and structure our approach to employee training. Our existing training on Health & Safety, Ethics & Compliance and additional topics like using the Business Support Framework is now all completed through the learning management system.

We see huge value in continuing to place employees in different roles across the world, and there are many benefits to the cultural and nationality diversity it encourages. Unfortunately, it is becoming increasingly more difficult to cross borders and get visas approved in several of the countries where our business units operate, such as China and the United States, which makes placements more difficult. Despite this challenge, we will continue to stimulate international assignments.

Diversity and inclusion at SHV Energy

Diversity is an area of focus for our HR teams. We believe that inclusion and broad representation is key to a business' success, both in terms of tangible results and in creating a positive, supportive atmosphere. Ultimately, we hire and promote based on who is the best candidate for a role, but significant attention is paid to diversity in both hiring and selecting participants for development programmes to ensure inclusion.

SHV Energy strives for a culture where:

- employees can be themselves;
- employees feel completely included in any possible circumstance; and
- we embrace, respect and see the added value of people who think differently.



We know that this results in:

- better understanding and reflection of our customers and stakeholders;
- improved performance through increasing creativity and innovative, analytical and problem-solving capabilities; and
- a positive impact on our results.

We are continuing towards our goals of obtaining at least 25% women in senior leadership positions by 2030, as well as at least one member of each senior leadership team from an under-represented nationality by the same deadline.

As of 2021, 22% of our senior leadership team members are women, and 76% of our operations meet the target for senior leadership team members coming from an under-represented nationality. We have a clear goal to achieve our targets, including setting up diverse assessment teams for the hiring processes and ensuring our emerging internal talent pool is as close to a 50/50 gender split as possible. We believe this approach of initially focusing on gender and nationality in the journey of improving our diversity will indirectly improve the representation of other underrepresented groups.

We have Diversity and Inclusion (D&I) task forces at the level of our parent company, at an SHV Energy group level and at a local level in each business unit. These task forces are supported by D&I Ambassadors recruited within each business unit who act as a link between the taskforce and their colleagues. Exit interviews and employee engagement surveys also include questions on the topics of D&I. Each of these steps helps us to embed D&I considerations into our day-to-day routines.

In 2021 we also implemented quarterly D&I meetings to share best practice globally, with a strong focus on inclusivity. A calendar of D&I events also ran throughout the year including webinars run by D&I ambassadors, inclusivity workshops, Diversity Week and panel discussions.

Community development

Investing in people is a key part of SHV Energy's corporate philosophy. As well as defining our approach to talent management, it conveys our commitment to social responsibility. With this in mind, we focus our social responsibility and community programmes around education, which we view as making a long-term investment in people and communities. We refer to this collection of programmes as our 'Start from the Heart' campaign.

Our business units are uniquely positioned to understand the socioeconomic challenges and needs of their local communities, so we encourage them to find local projects to support and to set up their own. Through education, along with the confidence that comes through learning in a supportive environment, our beneficiaries are supported to support themselves. Our educational programmes include constructing and operating schools, providing training on cooking safely with LPG and LNG fuel products, and teaching children about air pollution.

Our approach changed in 2020 to fit the changing needs of our local communities during the pandemic, and this broader scope continued in 2021. Our educational programmes still operated, often with adjustments to make social distancing possible such as online classes. However, our business units also addressed the urgent short-term needs of their communities such as food and medical equipment – sometimes surviving must be considered before thriving.

The extreme inflation in Turkey is another exceptional situation where we give additional financial support to our colleagues and communities to help them weather a difficult period, for example by providing one-off payments or bringing forward planned salary raises.



»It's great to see how passionate these communities are – each of their projects will make a significant difference«

ANDY PARKER, HEAD OF STRATEGY AND CORPORATE AFFAIRS, CALOR GB

IMPACT STORY

Funding community projects in rural areas

Every year since 2017, Calor GB has proudly hosted the Calor Rural Community Fund. This gives rural communities, Calor's main customer base, an opportunity to win funding for community projects that improve local life. In 2021, £85,000 of funding was distributed across 22 projects, which were assessed against criteria including impact and the urgency of need, sustainability and originality.

Safeguarding integrity

TARGET:

100%
of suppliers signing
the Supplier Code
of Conduct by 2022*

PROGRESS IN 2021:

63% ↑
of suppliers have
signed the Supplier
Code of Conduct

*Suppliers with contracts
above 40,000 EUR, engaged
through SHV Energy's
procurement portal



Our key achievements in 2021

1

▼ We **established working groups** within our Ethics & Compliance (E&C) community, focusing on the various subject matters within our function.

2

▼ In 2021, we **completed validation sessions on bribery & corruption, competition law, trade compliance, privacy and anti-money laundering**. These sessions involve checks and questions related to the specified topics to understand the level of implementation and awareness across the business.

3

▼ We **revised our third-party due diligence process to make it more risk-based**, in line with our general approach to E&C, and tailor it more specifically around SHV Energy's requirements and risks.

Business results are important to us, but how we reach those results is just as significant. Fair and honest business conduct is paramount to safeguarding integrity, as is adhering to the law and our Group policies. Safeguarding integrity also means taking responsibility for our value chain, not just our own actions.

It all starts with ensuring the right tone at the top, which is supported by the Ethics & Compliance (E&C) function through a solid E&C framework, including regularly updated policies, manuals and guidelines, implementation of those into our business processes and adequate E&C training and awareness. This strong foundation is supported by different business functions, including our Procurement team, which ensures our suppliers uphold our high standards.

The main subjects E&C covers are anti-bribery & corruption, competition law, trade sanctions & trade controls, privacy & data protection and fraud. We also address other topics such as anti-money laundering, lobbying and insider trading. Our awareness programmes, revised third party due diligence process and internal whistleblowing process (Speak Up) are instrumental to mitigating risks related to those subjects.



»Collaborating within the E&C Community is an opportunity to share, learn and design the best solutions«

CARLA LLEBARIA, LEGAL ADVISOR & COMPLIANCE LEAD, PRIMAGAS

IMPACT STORY

Multi-business unit working groups

Each business unit has its own particularities, its own way of operating and a different business to run. However, there are also many opportunities for collaboration on integrity topics, from joining efforts to determine the content of training to being inspired by how other business units raise awareness. Forming working groups within the E&C community in 2021 allowed us to reap the benefits of collaboration and bring in a diverse range of perspectives. Based on this success, several Compliance Officers now also collaborate with other subsidiaries of the SHV Holdings group.



Our open culture

We strive to have an open culture so all employees feel comfortable to speak up if they have any concerns or questions about whether the law or our policies have been breached or are at risk of being breached. We encourage people to discuss any questions or concerns directly with the person or people involved. If that is not possible, we ask our employees to talk to their manager, Human Resources or their Compliance Officer. If people feel these options are not possible, they can report the concern by using the Speak Up helpline.

Combining forces

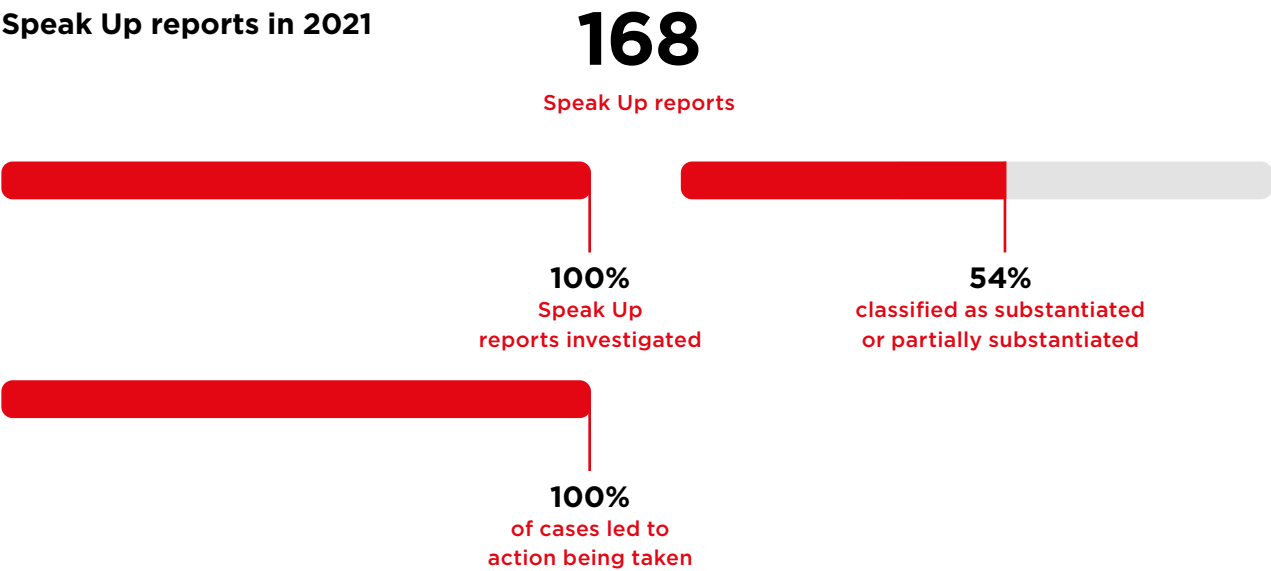
One milestone in 2021 was the establishment of working groups within our global E&C community. Each business unit has a Compliance Officer who advises his or her own business unit alongside contributing to our global community through frequent communication (both

structured and unstructured) to share best practices and learn from one another. To make the best use of everyone’s time, to combine forces and to further engage the colleagues working in Compliance, we work together as a community as much as possible.

In 2021, we created six working groups around our four main topics (competition law, anti-bribery and corruption, trade compliance, and privacy), along with two further groups focusing on awareness and reporting. Each of the BU Compliance Officers is a member of at least one working group. In these smaller groups, our BU Compliance Officers work together and address actions in a business-oriented manner (e.g. develop and provide trainings, create materials and improve processes). Output is shared regularly with the full E&C community. In 2021, the working groups also started ‘train the trainer’ sessions for the E&C community.

Our performance at a glance

Speak Up reports in 2021



Creating awareness in 2021



Supplier sustainability in 2021





»Our monthly compliance committee meeting helps us to continuously further embed E&C in the business processes in a risk-based manner«

WENDY WILLOCKX, BUSINESS AND COMPLIANCE PARTNER, PRIMALNG

IMPACT STORY

Maturing the E&C function at Prima LNG

In 2021, Prima LNG established an Ethics & Compliance Committee (E&CC). This was in response to its rapid growth throughout Europe and commitment to safeguarding its integrity. The E&CC takes a risk-based and action-oriented approach.

The E&CC meets every month to discuss specific topics and dilemmas, reviews actions and progress against the E&C year plan and update its Compliance Register, where it logs information on activities that have to meet particular criteria regarding E&C.



Enhancing awareness and understanding of Ethics & Compliance

In 2020, we launched our revised Code of Conduct, comprising an internal Code of Conduct for our employees and a separate Code for our suppliers. In 2021, we followed up on the internal Code launch to understand how it was received. The results of the review gave us confidence that our colleagues understand the Code and our Suppliers accept our Supplier Code. The Code has also been updated to incorporate SHV Energy’s new purpose and values.

Another tool that helps us to embed awareness of how to act with integrity is our Compliance Register, which we continued to embed. The Compliance Register is where our business unit colleagues register information about activities that have to meet

particular criteria regarding anti-bribery & corruption, conflict of interest and competition law. We saw understanding continue to improve regarding when to reach out to a manager or a BU Compliance Officer to get approval on a specific activity, such as attending a meeting with a competitor. Before getting approval, the BU Compliance Officers are able to verify whether the person has sufficient understanding of the rules involved and commits to adhering to those rules. This protects the company, but it also protects the employee who will have the meeting. By logging such activities in the compliance register, we can demonstrate what decisions were taken and why.

Monitoring our activities and processes

In 2021, we completed validation sessions on trade compliance,

competition law, anti-bribery & corruption and anti-money laundering. The validation sessions involve a questionnaire designed to be completed by the BU Compliance Officer, in close cooperation with his/her local management team and the relevant functions. The responses are discussed with the Group Ethics & Compliance Officer. Where relevant, actions are agreed upon and implemented. Best practices and lessons learned are shared with the business units.

Third-party due diligence

We also re-assessed and revised our third-party due diligence process in 2021. Our assessment showed that the existing process was not tailored around the needs of our business. We revised our third-party due diligence scope and mitigating

measures to ensure a risk-based approach by better considering elements such as the regions where we operate, the maturity of the business relationship and the parties that may bring risk to our business. We have licensed a new third-party due diligence tool to facilitate the new process, by providing automated alerts when new sanctions are imposed, and meet audit requirements, which we are in the process of rolling out in all business units.

Data privacy and cybersecurity

We implemented new privacy measures and GDPR requirements in 2018, so we were well prepared when GDPR came into force. Since then, we have continued to build on data privacy measures in a risk-based manner, including continuously

building awareness throughout our organisation. Data privacy is part of our portfolio. We monitor external trends and internal processes to ensure we are safeguarding the personal data of our colleagues, customers and other business partners in an adequate manner. New legislation in, amongst others, Brazil and India has had our attention in 2021.

Respecting human rights

In 2021 we performed an initial assessment based on the OECD guidelines for multinational enterprises. We will continue this work, together with the other relevant teams such as Sustainability and Procurement, to distill our priorities. In 2022, we will work with SHV Holdings and the other Groups of SHV on an assessment of the salient human rights for SHV Energy.

Future-proofing our procurement practices

Safeguarding integrity also means taking responsibility for our supply chain. We monitor our full supply chain but refer only to the upstream elements when we talk about procurement.

At SHV Energy, we separate procurement into gas and non-gas. The LPG part of our gas procurement is predominantly managed by our business unit SHV Gas Supply and Risk Management (S&RM). S&RM procures LPG on behalf of our business units. LNG procurement and logistics in Europe is managed by a business unit called Prima LNG.

Non-gas procurement is managed on a global level by our Procurement team at our Hoofddorp HQ and on a local level by Procurement teams within our business units. Non-gas procurement covers a broad spectrum: from tanks, cylinders and valves to logistics, installation services and consultancy services. We make sourcing decisions both at global and local level based on

our global strategy, but the supplier relationship is mostly managed on a local level, with 85% of suppliers defined as local. Sustainability is increasingly fundamental to our supplier selection and procurement processes. It is not an additional overhead expense, but part of ensuring we get the best value from our suppliers which in turn drives bottom-line cost reduction.

The role of our Procurement teams in improving the sustainability of our supply chain continues to grow. We work with SHV Holdings and other businesses within the SHV group to define and share procurement best practices, with sustainability as an important consideration.

Sustainability progress in our gas procurement

S&RM is progressing in its sustainability journey. Its highlights in 2021 include the exploration of chartering dual-fuel tankers using LPG for gas transport. Next to time and cost savings, using dual-fuel tankers also

has significant sustainability benefits as they produce much lower emissions. Inspired by Primagas France's success at maintaining its gold rating, S&RM registered with EcoVadis in 2021 and is in the process of completing a questionnaire. S&RM has also begun transitioning its car fleet from diesel to hybrid and electric cars.

Prima LNG has also been working to reduce its impact on the environment, starting with reducing emissions from its logistics. It now exclusively uses its own LNG-powered trucks to deliver its LNG across Europe. As its fleet drives millions of kilometres each year, the carbon emission savings and benefits to local air quality are significant.

Sustainability progress in our non-gas procurement

One key initiative in 2021 was a collaboration between our non-gas Procurement and Sustainability teams on sustainable procurement training. 20 colleagues from our business units completed this training, covering topics like category management, how to build a plan for categories with sustainability in mind, and how to set sustainability-related goals. This has boosted engagement on our sustainability strategy more broadly in our Procurement teams.

We also ran an in-person sustainability workshop attended by the Head of Procurement in each business unit. We worked to define an approach per category (such as logistics, technical goods and services, tanks and cylinders) and plan next steps for each. Building on the progress made in that workshop, we have set up a working group with E&C, Sustainability and global and local Procurement team members to define our targets and ambition for 2022.

SHV Energy's Procurement Policy

The SHV Energy Procurement Policy formalises our ambition that Procurement contributes to a more sustainable supply chain. We continue to upgrade and update the policy, with the updates emphasising our guiding principles of sustainable procurement

and how they should be covered in the key phases of the purchasing activity of any good or service. For example:

- **Supplier selection:** SHV Energy strives to work with suppliers that have accepted the terms and conditions of the Supplier Code.
- **Contracting:** next to adding language to safeguard compliance, for those categories that are applicable, contracts will request the reporting of supplier CO₂ emissions and evolution in LTI and accidents.
- **Relationship management:** open discussion with our suppliers allows us to evaluate their performance, conduct audits and apply corrective measures when necessary.

Promoting our Supplier Code of Conduct

One area of focus in 2021 was completion rates for our Supplier Code of Conduct. We define completion as each business unit ensuring their (current) suppliers registered in the Procurement Portal and potential suppliers accept the Code.

Some business units have already reached 100% acceptance and the remainder are working towards completion by reaching out to their suppliers and inviting more suppliers to onboard. This ensures a wider reach-out of the principles of the Code. In 2021 overall we have achieved 63% completion, against 53% in 2020. Acceptance of our Supplier Code remains a priority and we will continue to monitor our progress.

We also wanted to start a dialogue with our suppliers to understand their reaction to the Code and which areas they may struggle to comply with. We created a survey and sent it to 90 suppliers in Brazil and India. All suppliers responded and provided high-quality feedback that showed they had read the Code in detail and engaged with it. One area of concern for the respondents was complying with our very high Health & Safety standards. In response, our Brazilian and Indian teams are preparing guidance and



protocols on a local level to support these suppliers with Health & Safety.

Overcoming challenges

As well as continuing travel restrictions, which make activities like face-to-face audits challenging, 2021 also brought high inflation and global supply chain disruption. This contributed to significant price rises, shortages and long lead times for certain materials such as steel, which is integral to making gas cylinders. Our Procurement team closely followed trends to anticipate rises and shortages and needed to be proactive about purchasing when conditions were right.

We also took the opportunity to learn from the disrupted supply situations to strengthen our collaboration

with key suppliers. We now provide significantly longer-term visibility (moving from weeks or months to years) to suppliers which means they can better plan their own operations.

These challenges can make traditional procurement more difficult but also risk distracting us from delivering on sustainability objectives. Procurement decisions are always a careful balance between price, availability and sustainability considerations, but it is difficult to prioritise sustainability as highly when the continuation of business operations and our ability to serve customers could be at stake. However, our proactive, creative approach helps us tackle challenges and our commitment to sustainable procurement remains.



Outlook

As a family-owned company, we have the benefit of a long-term perspective, along with the ability to set ambitious goals and steadily progress towards them. As such, our strategy and objectives do not change dramatically from year to year. Aspects of 2021 were unprecedented, such as the speed at which our climate has been changing and the continuation of the COVID-19 pandemic, but the bigger picture for SHV Energy remained the same.

What has changed is the acceleration of our progress. The past year brought a renewed sense of urgency, with sustainability and the energy transition ever higher on the global agenda.

We will continue to focus on our global sustainability awareness campaign to positively inspire our colleagues to actively contribute towards our sustainability goals, no matter what their role and where they work. We will also develop the maturity of our sustainability reporting in preparation for

anticipated legislation, including integrating sustainability KPIs into our financial reporting.

Just as importantly, we will continue to raise the bar in how we embed Ethics & Compliance standards in everything we do, support our colleagues and local communities to thrive, seek new opportunities to innovate and transform our processes for the better, and, above all, safeguard the health, safety and well-being of our customers and colleagues.

2021 was a significant year for the defossilisation of our product portfolio, and 2022 will be even more so. Construction will begin soon for our rDME plant, and we will continue investing in sustainable fuel pathways and opportunities in energy efficiency, alongside exploring renewable energy opportunities with our newest business unit, SunSource.

We look forward to another year of Advancing Energy Together.



About this report

This is the fifth annual sustainability report of SHV Energy N.V., focusing on our sustainability operations across all our business units during the 2021 calendar year.

Scope of the report

The scope of the report is SHV Energy, established in Hoofddorp, the Netherlands.

The report applies only to the geographical markets where we had active operations in the full 2021 year. Our scope of reporting does not include markets where businesses were sold or acquired during the financial year, cylinder tank manufacturing businesses, businesses where we do not have management control, terminals, and businesses that represent less than 0.5% of our revenues. The activities of any other associates are not in scope.

In 2021 we acquired several companies in India and the United States of America. With these transactions we strengthened our product portfolio and increased our customer base. SHV Energy also divested from its Dutch LPG business and Balcas in Ireland.

Reporting boundaries

This report was developed according to the reporting principles defined by the GRI Standards. The content of the report is built around the group's direct impact, its value and its five aspirational goals.

Each aspirational goal covers the topics that are identified as most material for SHV Energy and our stakeholders. The process for defining the material topics, as well as the list of material topics, is described in the materiality assessment section on page 16.

Data quality

The report uses qualitative descriptions and quantitative



metrics to describe our policies, programmes, practices and performance. Where possible, we derived the quantitative information in this report from our own systems locally and on a group level.

The qualitative information was provided and justified by the staff members responsible for the various topics. The data was checked and consolidated at group level. The reported data was generated with the highest level of reliability possible, but we note that uncertainties are inherent in measuring methods and data collection.

To capture our carbon footprint, we measure Scope 1, Scope 2 and Scope 3 emissions arising from our operations. We have made certain assumptions and estimations in relation to energy use and carbon footprint in our supply chain (Scope 3). The calculation of carbon dioxide

equivalent emissions is based on the GHG protocol. We use UNFCCC, GHG Protocol, DEFRA and IEA as our emission factors sources.

Our carbon impact calculation involves offsetting our emissions by considering the effect of our products or services on our customers' carbon footprint. This is what we call 'switching' our customers.

This report has not been externally assured yet. We are working towards obtaining external assurance in the coming years, as we are preparing for the requirements of the CSRD (Corporate Sustainability Reporting Directive).

Reporting framework

This report has been prepared in accordance with the GRI Standards: Core option. The GRI Content Index can be found on our website.

Definitions of the most material topics

Aspirational goal	Most material topic	Definition	Impact
Improving health, safety and well-being	Product safety	The design, manufacture and provision of safe products that ensure the safety of the consumer and which minimise the risk to people, assets and the natural environment.	Our responsibility to exercise any leverage we might have in preventing and mitigating negative process and product safety impacts on our local communities, our employees and our customers.
	Process safety	The manufacturing, handling and use of dangerous substances and the management of pressurised systems have the potential to present major hazards to people, assets and the natural environment. (Accidental) spills of oils, chemicals and other harmful substances are also part of this topic.	
	Occupational Health and Safety	An organisation's duty of care, where low injury and absentee rates are generally linked to positive trends in staff morale and productivity.	The well-being of our employees, contractors, their families, customers and the surroundings in which we operate.
Embedding innovation	Innovation and technology	Activities that an organisation undertakes to innovate and introduce new products and services. In SHV Energy, Innovation & Technology is particularly focused on driving the business towards the transition to cleaner energy.	Technological development and innovative initiatives drive customer satisfaction and increase the safety of our employees.
Sustaining the environment	Air quality	The generation of other air emissions that cause a local effect on health and the environment. Examples are NOx, SOx, VOC emissions and PM. At SHV Energy, this entails air pollutants saved because of using our products instead of traditional fossil fuels.	Contribution to climate objectives, for example via CO ₂ reduction and air quality improvement, through distributing our products and switching our customers to cleaner energy sources.
	Climate change	The company's efforts to quantify, report and reduce greenhouse gas (GHG) emissions arising from their operations. At SHV Energy, this entails the GHG emissions from our own and outsourced operations.	
Employee and community development	Employee development	The training and development of employees to ensure a skilled workforce for the future.	By providing a safe, supportive and rewarding work environment, we encourage our employees to develop their skills and take on new challenges and responsibilities.
	Community initiatives	Community investments or social initiatives with a focus on community development.	We focus our social responsibility and community programmes around education, which we view as making a long-term investment in people and communities.
	Diversity and equal opportunities	The breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity. Examples are gender diversity at leadership level and the inclusion of minority groups for employment opportunities.	Our aspiration is to achieve a balanced composition of the senior management team that reflects the diversity of the societies in which we operate.
Safeguarding integrity	Business integrity	The company's values, principles, standards and norms (often described in a Code of Conduct/Code of Ethics). General principles of governance and business values are accountability, transparency, integrity and compliance.	We trust that our external and internal stakeholders can rely on a relationship with SHV Energy based on integrity.
	Sustainable supply chain	An organisation's awareness of and transparency regarding its significant actual and potential negative environmental, social, economic and legal impacts in the supply chain (including contractors and subcontractors).	An uninterrupted supply keeps the economy and society up and running.

SHV Energy key figures

Improving health, safety and well-being						
Health and Safety audits	2021	2020	2019			
Health and Safety audits planned	744	538	1,022			
Health and Safety audits completed (%)	94%	78%	98%			
Corrective actions	2021	2020	2019			
NEBOSH-certified employees	126	568	511			
Corrective actions raised	306	279	212			
Actions overdue	0	0	0			
Customer Health and Safety	2021	2020	2019			
Significant product and service categories for which health and safety impacts are assessed for improvement (%)	100%	100%	100%			
Incidents of non-compliance resulting in a fine or penalty	Unavailable*	5	7			
Incidents of non-compliance resulting in a warning	Unavailable*	72	665			
Incidents of non-compliance with voluntary codes	Unavailable*	63	88			
Work-related injuries	2021	2020		2019		
	Employees	Other workers	Employees	Other workers	Employees	Other workers
Fatalities	0	3	0	1	0	0
High consequence work-related injuries	4	2	3	2	6	3
Recordable work-related injuries	335	60	323	45	436	165**
Hours worked	41,260,774	9,221,408	43,937,019	6,055,622	42,085,858	5,395,717
*Unavailable this year due to disruption of the internal reporting process. **2020 and 2019 data has been corrected.						

Embedding innovation*			
Innovation movement	2021	2020	2019
Business units that are part of the Innovation Movement	10	10	Not reported
Innovation Leads, sponsors, practitioners and ambassadors	183	240	Not reported
Active Innovation initiatives	70	43	Not reported
*These indicators were introduced in 2020.			

Sustaining the environment		
Carbon emissions	2021	2020
Carbon footprint (absolute) - Total [t CO ₂ e]	18,945,901	18,152,939**
Carbon footprint (absolute) - Scope 1 [t CO ₂ e]	121,494	123,947
Carbon footprint (absolute) - Scope 2 [t CO ₂ e]	10,607	13,966
Carbon footprint (absolute) - Scope 3 [t CO ₂ e]*	18,813,800	18,015,026
Carbon impact (absolute) [t CO ₂ e]	-1,285,774	-1,014,345
Carbon emissons (intensity) [kg CO ₂ eq/t LPGe]	3,218	3,229
Carbon emissions (intensity) - delta against 2016 baseline [%]	-7.9%	-5.7%
Air quality impact	2021	2020
CO – carbon monoxide (tonnes)	-514,991	-3,763,816
VOC – volatile organic compounds (tonnes)	-644,407	-912,724
SOx – sulfur oxides (tonnes)	-406,660	-3,311,394
NOx – nitrogen oxides (tonnes)	-106,532	-403,726
PM2.5 – fine particulate matter (tonnes)	-111,782	-498,427
PM10 – coarse particulate matter (tonnes)	-122,251	-538,844

*Scope 3 CO₂e emissions exclude wholesale volumes of S&RM. **2020 figures for carbon have been restated based on new information.

Enhancing employee and community development												
Employees by employment contract (based on the head count as per December 31, 2021)	Permanent						Temporary					
	2021			2020			2021			2020		
	Male	Female		Male	Female		Male	Female		Male	Female	
Europe	3,920	1,586		4,258	1,643		233	105		243	106	
Asia	3,570	1,210		3,798	1,295		0	0		1	0	
America	3,682	830		3,608	787		21	40		7	14	
Employees by employment type (based on EOY head count)	Full-time						Part-time					
	2021			2020			2021			2020		
	Male	Female		Male	Female		Male	Female		Male	Female	
	11,331	3,516		11,844	3.6		96	253		71	245	
New employee hires and employee turnover*	Hires						Turnover					
	2021			2020			2021			2020		
	Europe	Asia	America	Europe	Asia	America	Europe	Asia	America	Europe	Asia	America
<30 years	299	188	304	222	192	273	185	210	160	159	298	166
30-50 years	535	511	298	381	448	276	523	758	426	420	728	448
>50 years	184	28	52	104	43	58	322	74	143	225	164	236
Male (share of the total headcount)	5%	4%	3%	8%	10%	11%	5%	5%	4%	9%	18%	15%
Female (share of the total headcount)	2%	1%	1%	3%	3%	3%	2%	2%	1%	3%	6%	4%
Learning and Development			2021				2020					
			Male		Female		Male			Female		
Average training hours per employee*			11		11		10			9		
Learning & Development Budget			2.5 mln EUR				2.3 mln EUR					
*2020 data excludes the USA.												
Diversity of Senior Management*							2021			2020		
<30 years							0			0		
30-50 years							81			71		
>50 years							72			57		
Male							119			106		
Female							34			22		
*This indicator was introduced in 2020.												

Safeguarding integrity		
Speak Up reports	2021	2020
Speak Up reports	168	169
Accounting & Auditing (%)	2%	0%
Business Integrity (%)	17%	27%
Environment, Health & Safety (%)	6%	15%
HR: Diversity and Workplace Respect (%)	67%	54%
Misuse, misappropriation of corporate assets (%)	5%	4%
Other (%)	4%	Not reported
Investigated reports (%)	100%	100%
Reports classified as substantiated or partially substantiated (%)	54%	44%
Cases led to action being taken (%)	100%	88%
Sustainable supply chain*	2021	2020
Number of suppliers	21,211	23,244
of which are local (%)	85%	79%
Procurement budget spent on local suppliers (%)	76%	78%
Suppliers which signed the Supplier Code of Conduct (%)	63%	53%

*Sustainable supply chain indicators were introduced in 2020.



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