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SHV ENERGY

Sustainability Report 2020

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.



Contents

02 CEO statement	24 Our performance
04 Our 2020 highlights	26 Improving health, safety and well-being
05 Who we are	32 Embedding innovation
06 Our response to COVID-19	36 Sustaining the environment
09 Corporate governance	39 Carbon emissions
10 How SHV Energy creates value	40 Air quality
12 Stakeholder engagement	42 Enhancing employee and community development
14 Materiality assessment	45 Employee development
15 Our strategy	47 Community initiatives
18 Value creation model	48 Safeguarding integrity
20 How SHV Energy drives the energy transition	50 Business integrity
	52 Supply chain integrity
	57 Outlook
	58 About this report

CEO statement

Like every global business, we were forced to adapt in 2020 as the COVID-19 pandemic swept around the world. Operating in China meant we were forewarned about the scale of the disruption ahead and able to implement a strong and early response focused on protecting the well-being of our colleagues and customers, ensuring the continuity of our services for our customers in every market and retaining liquidity in the company.

SHV Energy's response to this crisis is something we are very proud of. The global cooperation involved in creating and implementing our detailed COVID-19 Protocol ensured we have had a very limited number of infections in the work environment, despite operating in many of the countries most affected. There was also no interruption whatsoever in any of our markets in servicing our customers – a challenging feat that is not to be taken for granted.

Against the demanding backdrop of the pandemic, we continued making steady progress towards our energy transition goals and our purpose of 'Advancing Energy Together'. This was made possible by the bravery and resilience of our frontline colleagues who continued travelling into work to provide essential energy to our customers, and the smooth transition of our office-based colleagues into working from home.

We have always taken a long-term perspective, made possible by our status as a family-owned company. In 2020, our core strategy remained unchanged and we continued switching customers to our products. We also made a historic step in diversifying beyond the energy products we sell into energy efficiency, through the acquisition of industrial energy efficiency specialist EM3. Offering energy efficiency services is another important milestone in our journey to making the energy we

provide more sustainable. In addition, we made significant strides regarding sustainable fuels, particularly in the research and development of new solutions.

There are several achievements from 2020 that we would like to highlight. Firstly, our community work continued throughout the pandemic, despite lengthy lockdowns in many operating countries, and even intensified in some places. We see supporting the communities we work in as part of our social licence to operate, investing in education for their long-term development and, this year, providing food to meet their short-term needs during a difficult time.

We continued to recruit and onboard talented, skilled people at all levels of the organisation, often without meeting them face-to-face. We also launched our Code of Conduct in 2020, the product of a successful close collaboration between our Ethics and Compliance, Health and Safety, Procurement, and Sustainability teams, which solidifies our determination to use our influence for good and ensure our suppliers align with our values and our aspirational goals.

Another key achievement was our move to combine innovation with our Health and Safety programmes. Innovation is more traditionally relevant to our research and development activities, however applying this creative and technology-

focused approach to our primary processes has proved very successful, with the main area of focus being analysing tasks like manual handling to reduce the likelihood of injury.

As part of our SHV family-wide commitment to 'courage to care for generations to come', we will continue to build on our successes in 2021. As ever, making our products and services steadily more environmentally friendly is a priority. We continue to work towards our goal of reducing our carbon emissions by 25% for every tonne of LPG we distribute by the end of 2025. Our carbon impact of 552,858 tCO₂e, combined with our carbon footprint results in 2020, represents good progress towards reaching this 25% target. As part of our reduction programme, we plan to take additional concrete steps towards finding new sustainable fuel solutions in 2021, including investing in new infrastructure and further developing our position in energy efficiency.

Throughout this report, you will find impact stories about the sustainability activities and achievements of colleagues and customers based all over the world. These inspirational stories illustrate a key message: every single member of the SHV Energy family has a role to play in Advancing Energy Together.

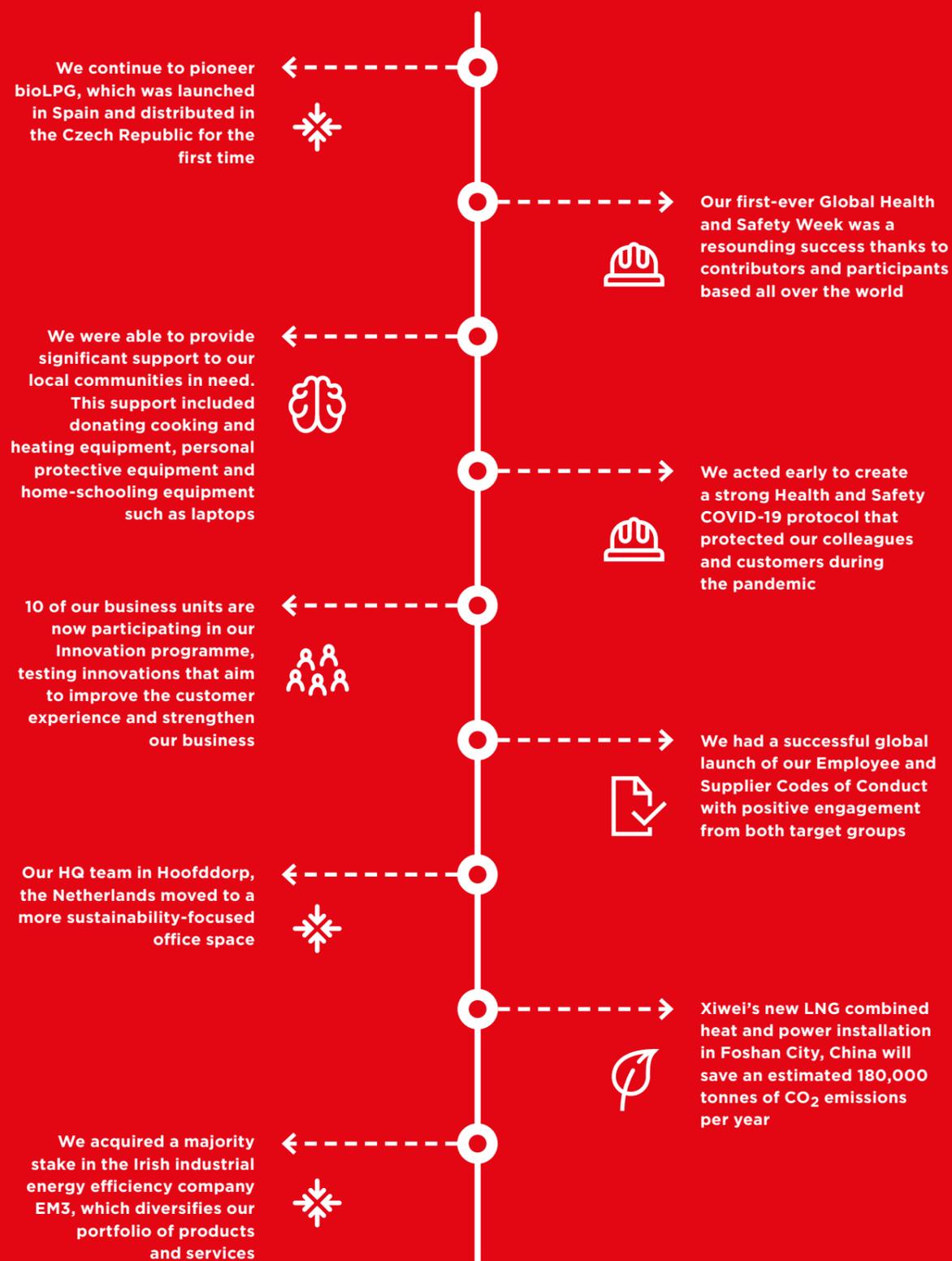
Bram Gräber
Chief Executive Officer at SHV Energy

«Every single member of the SHV Energy family has a role to play in Advancing Energy Together»

BRAM GRÄBER, CHIEF EXECUTIVE OFFICER AT SHV ENERGY



Our 2020 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, government, hospitality, agricultural, transport and automotive sectors.

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

We have 15,760 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: **6,250** Asia: **5,094** America: **4,416**



Countries



Our response to COVID-19

A sharp decrease in travel and face-to-face interactions significantly changed the way we work, with our office staff abruptly shifting to work from home. This created new challenges but also resulted in some unexpected benefits. We are proud of our colleagues' continued close collaboration and high levels of productivity despite the difficult circumstances of the pandemic. Some initiatives slowed down, but we achieved significant progress and found the new challenges also provided inspiration to replace our existing processes with more efficient ones.

Our Health and Safety response to COVID-19

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 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 their own rules and varying levels of restrictions.

SHV Energy follows a risk-based approach in the protocol that includes guidance on personal protective equipment (PPE), testing staff, how to clean equipment, how to make work environments COVID-secure, how to approach travel and how to safely deliver our products to customers. The guidance is flexible, changing where appropriate when new scientific information comes to light, and future-proof, recognising that the pandemic is not a short-term situation. We engage regularly with staff in all business units on the protocol's requirements.

We also collaborated with the World LPG Association (WLPGA) on their best practice COVID-19 guidelines, enabling the entire industry to benefit from our expertise and preparedness. We further supported and helped the WLPGA to define standards of PPE for use



across the global LPG infrastructure, especially regarding the type of protective masks that should be worn.

Adapting to a different way of working

In 2020, we created a 'different way of working' philosophy, based on our learnings from the mandatory periods of homeworking during lockdowns and feedback from employee surveys about the experience. The philosophy promotes a post-pandemic balance of working remotely and working from the office, with office spaces prioritised for meetings and collaboration rather than sitting behind a desk and working, and greater reliance on virtual meetings where appropriate.

With more virtual meetings, there will be less need for travel. This not only supports a better work-life balance but also contributes to lowering SHV Energy's carbon footprint. There will still be travel, but we will be more mindful about it and reconsider which meetings it is required for.

This philosophy is designed to help colleagues reduce the time they spend commuting and allow them to spend more time with their families before and after work, whilst meeting their needs for social interaction and teamwork. Its flexibility will help individuals to strike the balance they need to produce their best work.

The impact of the COVID-19 pandemic on our sustainability objectives

Sustainability is a long-term perspective. Our approach to sustainability has always been to make steady progress towards achieving ambitious goals and despite the challenges of the COVID-19 pandemic we have continued to do so. There was never a question about whether we would choose to sacrifice our progress on reducing our carbon footprint or improving air quality during this difficult time, it will always remain a core priority. However, there was uncertainty among sustainability professionals worldwide whether this global health crisis would distract people from the climate crisis.

Over the course of 2020, we found the pandemic provided opportunities alongside the challenges. A survey by BCG of 3,000 people in eight different countries found that environmental awareness had heightened. Specifically, 70% of participants said they were now more aware than before the start of the pandemic that 'human activity threatens the climate' and that 'degradation of

the environment, in turn, threatens humans'. 40% said that they plan to 'adopt more sustainable behaviour in the future'. Our findings matched this: new customers continued to switch to our products, and sustainability remained a key driver of new business, which led to our highest ever carbon impact performance in 2020.

In order to continue raising awareness of sustainability issues, we had to change how we engage our colleagues as well as our customers. We moved to a more digital world with less interaction, making it more challenging to influence people. This makes our ongoing global sustainability awareness campaign even more important, as well as the role of our Sustainability Leaders as the ambassadors of our global message on a local level.

How the pandemic affected our Sustainable Fuels progress

One significant challenge in 2020 was the delay of capacity expansion of Hydrotreated Vegetable Oil (HVO) plants caused by the COVID-19 pandemic, which impacts the short-term growth of renewable diesel,

sustainable aviation fuel, and, consequently, bioLPG. Industry experts estimate that it will result in six percent lower capacity, which equates to a delay of around 12 months on original projections. In addition, the airline industry has been significantly hit by a flight demand slump, which directly affects the demand for sustainable aviation fuel derived from HEFA production facilities.

However, alongside these short-term delays we see long-term opportunities. Financial support and recovery packages from many governments have been linked to supporting air quality and environmental objectives, as part of a drive known colloquially as the 'green recovery'. Many governments also provided funding for energy efficiency opportunities for their role in a green recovery, as well as the associated job creation.

Responding to new Ethics & Compliance challenges

One of the key challenges our Ethics & Compliance team responded to in 2020 was the need to adapt training and discussion procedures, since face-to-face training was not possible to a large extent due to COVID-19. The most effective way to engage colleagues and create awareness is through in-person contact. The lack of possibility to travel and the shift for many colleagues to working from home made this more complicated. We mitigated this through enhanced Microsoft Teams-based training sessions, but it remains challenging to effectively train, and especially to effectively reach, our non-office-based colleagues.

The shift to working from home also meant we had to rethink our assessment of some risks, such as fraud. This impacted our internal fraud-related controls, but the external landscape also changed, with an increase in attempted fraud such as CEO impersonation driven by remote working. We created awareness around this by issuing email newsletters and altered our processes where necessary.





How the pandemic impacted our supply chain and procurement processes

Car and flight use decreased significantly in 2020 due to the COVID-19 pandemic, contributing to a price crash in oil. This led to the closure of many refineries and curtailed production in oil-exporting countries, leading to a drop in availability of LPG which is a by-product of the oil refining process. However, due to procuring our LPG through Supply & Risk management (S&RM), which purchased a terminal in Sweden in 2019, we were not significantly disrupted by this reduction in supply availability. In addition, S&RM had term purchase agreements in place which allowed them to continue delivering.

Due to the COVID-19 pandemic, our non-gas procurement colleagues overcame significant challenges in 2020. In addition to ensuring our supply of cylinders remained secure, we had to consider additional sanitisation protocols and sourcing PPE for our frontline colleagues, which

was an enormous challenge given the surge in global demand. We succeeded in all these areas and were able to continue providing essential energy to our customers with no interruption in our services.

In particular, we are proud of the global collaboration around PPE – in spring, our European business units sent millions of masks to China to ensure our colleagues there could continue to safely work and deliver energy to customers. As the pandemic developed in Europe and America, our Chinese business unit shipped unused masks back and sourced additional supplies from local contacts to ensure that we could continue to safely serve our European customers.

Using innovation to combat the challenges of the COVID-19 pandemic

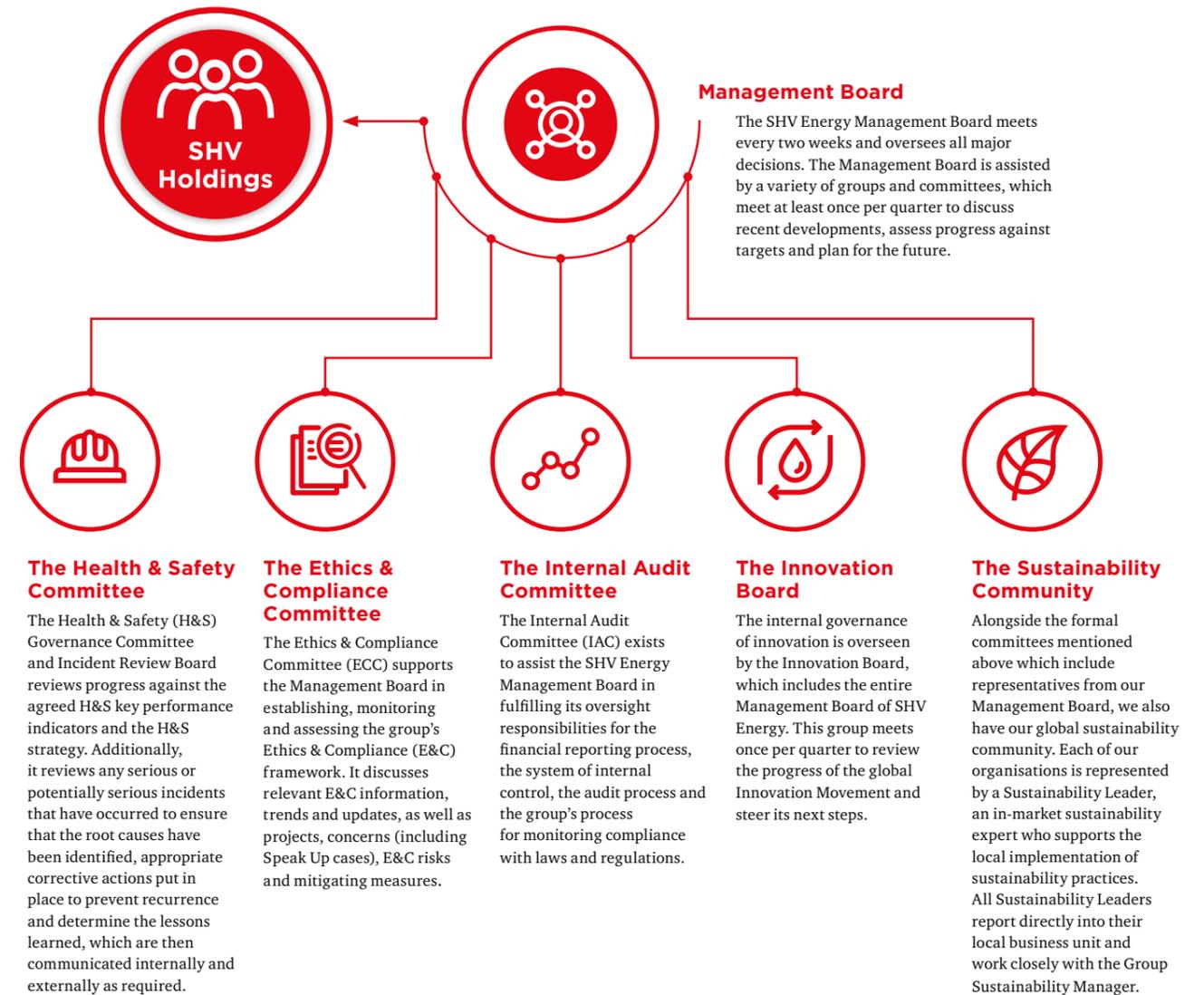
Necessity is the mother of invention, and the new challenges involved in serving our customers throughout the COVID-19 pandemic forced us to adapt. In particular, our digitalisation projects were accelerated in 2020 due

to the need to find ways to continue serving our customers whilst reducing in-person contact during the pandemic. Tanks installed at a customer's home or business premises need to be regularly inspected, but it became increasingly difficult for our engineers to reach our customers and involved increased Health and Safety risk to both our employees and customers.

We launched an open Innovation challenge to find solutions to allow remote inspection, reducing the need for in-person inspections. One technology-led approach was selected and pilots will run over 2021. This innovation has the potential to be a success in many different respects: an improved customer experience, a reduction in Health and Safety risk, a reduction in carbon emissions due to less travel and improved efficiency and cost savings as engineer time taken per customer is reduced. A related initiative in France empowers new customers to inform us of site conditions pre-installation by uploading photographs and measurements to an app. This also avoids the need for physical visits to be performed in some cases.

Corporate governance

Group governance framework



Underlying foundation



Values



Global Code of Conduct



Cultural Change Programme



Strategy



Aspirational Goals

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 2020
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 & 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 purpose 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 which we can better achieve our vision of establishing LPG and bioLPG as the alternative energy solution of choice with a key role in the EU policy agenda. 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 contributed to the development of the bioLPG study 'A Renewable Pathway towards 2050', published

by Liquid Gas Europe. The report provides policy recommendations that will support the scale-up of bioLPG production and distribution and shares details as to which technologies would contribute towards achieving carbon neutrality by 2050.

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 (bio)LPG in rural off-grid areas.

In 2020, Calor GB contributed to the UK's and Building Strategy. The strategy includes setting new regulations for maximum carbon emissions for replacement of heating systems in existing buildings in off-grid areas. We will continue to advocate for (bio)LPG so that its decarbonisation potential is recognised and customers can benefit from their existing LPG boilers, but with bioLPG.

In addition to highlighting the role of 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 disturbance mitigation activities. For example, colleagues from the filling plants in Kirchbichl and Frastanz in Austria and Canvey Island gas storage terminal in the UK periodically open their doors to their local communities to explain their stringent safety measures and discuss improvement plans regarding the traffic in the area.

We also address systemic challenges on our local communities, which are affected not only by the industry but also by externalities such as violence, criminality and extreme poor conditions. 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.

Our industry associations and initiatives



Materiality assessment

Every several 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

In 2020 we conducted a reassessment of our existing materiality matrix. 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 have taken into account the relevance of information for stakeholders and the impact of our organisation on the topics from an economic, environmental and social perspective.

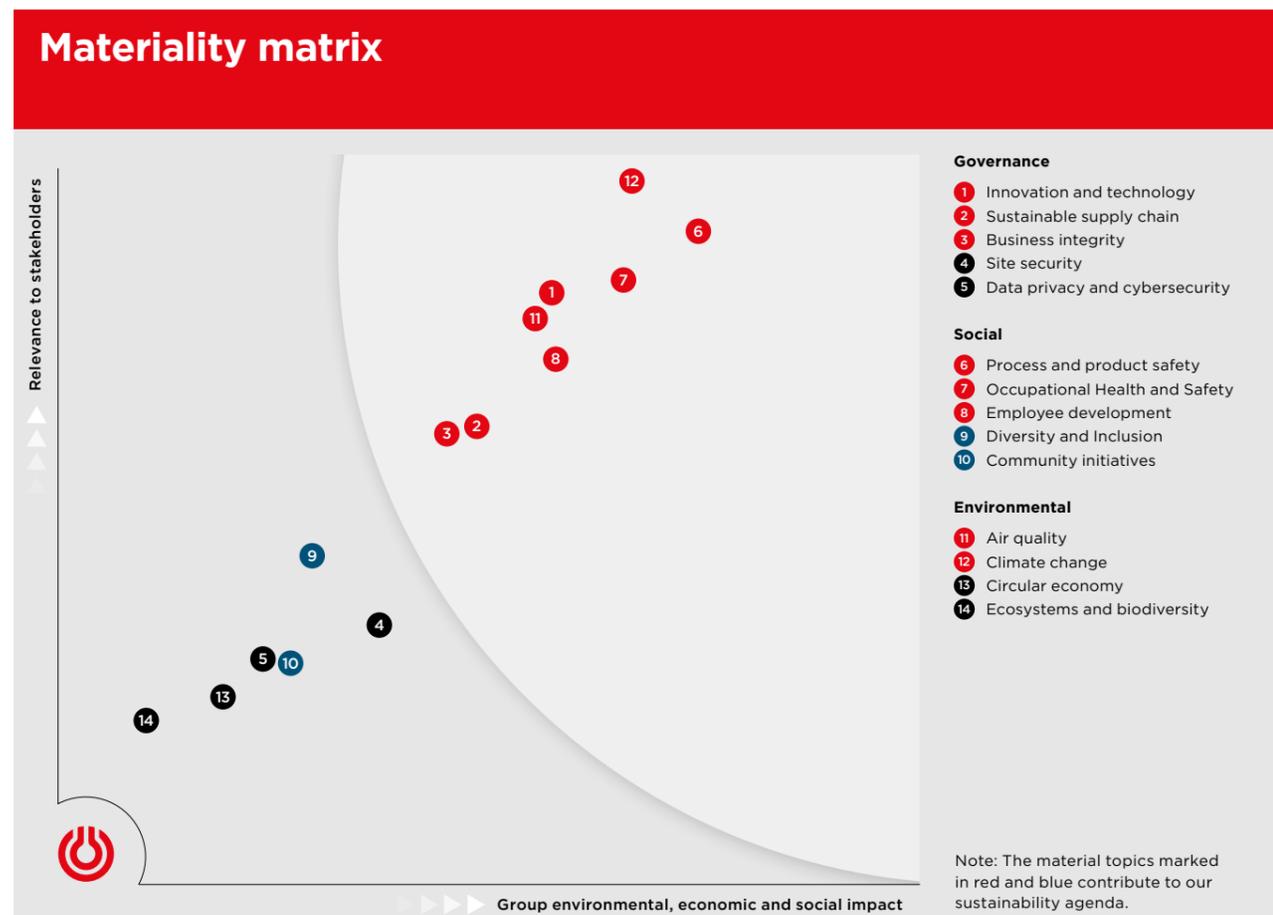
The outcomes resulted in a list of the most material topics which we aligned with the Global Reporting Initiative (GRI) guidelines and standards. Each of the most material issues were mapped against our aspirational goals. The findings of the assessment were validated and approved by the Management Board.

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, (Diversity & Inclusion and Community initiatives) to our sustainability agenda, as these topics are identified as priorities by our parent company SHV Holdings.



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 whilst minimising our impact on the environment and without compromising on the highest Health and Safety standards.

Our approach is pragmatic – 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. 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 polluting sources like coal and oil for activities including cooking, heating, hot water, manufacturing and farming.

Providing these groups with cleaner, safer and lower-carbon energy options is a key step towards defossilisation and an integral part of how we can drive the energy transition. This mission represents going beyond our responsibility of simply supplying energy, ultimately advancing towards a better and cleaner future.

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 like our bioLPG product. Especially post-pandemic, our products and sector have a role to play in a responsible and resilient recovery.

This growing sustainable fuels offering will play a key role in supporting our two bold plans: our goal of reducing our carbon emissions per tonne of LPG we distribute by 25% by 2025 and our ambition of ensuring all our energy is 100% renewably sourced by 2040. As of 2020, we have dedicated sustainable fuels 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 and take-up.

Driving the energy 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 the broader energy industry to make the energy solutions of the future a reality.

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. In 2020, we also joined Hydrogen Europe. Through our membership of the WBA, we hosted a panel discussion at the World Biogas Expo



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 are committed to sustaining the environment by combatting climate change and tackling air pollution.

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 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. We chose to reassess our material topics to ensure our sustainability strategy reflects the significant changes within our product and services portfolio, as well as in the outside world, since the previous assessment in 2017.

where our bioLPG customers shared their experience with the global biogas community. In addition, our CEO Bram Gräber was on the Expo's opening panel. We also increased our active participation in the WBA community from a policy perspective.

We hold the industry advocacy chair at the WLPGA, a trade association we have a history of close collaboration with. In 2020, we used this position to share our Health and Safety expertise and practices during the COVID-19 pandemic. This expertise was used to create WLPGA-approved industry guidelines for keeping employees and customers safe which were adopted by other businesses, illustrating that we are stronger as an industry when we work together.

There was a clear shift across the industry in 2020, with the pandemic reaffirming that the energy sector, and specifically the off-grid energy sector, is an essential industry. Our trade associations and regional

LPG trade bodies collaborated on an intensive basis with local governments to ensure energy security. We hope that this developed relationship will lead to energy security and energy affordability remaining high on government agendas.

Advocating for the energy needs of rural areas

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. 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. The consultation will ensure the voices of these communities, SMEs and local

businesses and industries are heard and can shape that strategy.

The European Union Green Deal also has the potential to significantly impact these communities. Due to the challenging financial climate of the COVID-19 pandemic, the renovation wave has been a renewed area of focus due to its relatively low-cost and tangible implementation. SHV Energy has been raising awareness that practical, cost-effective solutions are vital to the success of the renovation wave – for example a poorly insulated older building in the countryside is not a suitable candidate for a full electric heat pump. We have commissioned local studies to make policy real for our stakeholders, working closely with our European business units to tell the stories of their rural communities and their energy needs. 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.



SHV Energy and the United Nations 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.

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.

7 AFFORDABLE AND CLEAN ENERGY

Our sustainable fuels, such as bioLPG, contribute to increasing the renewable energy share. Through distributing sustainable fuels, investing in innovative technologies and participating in programmes, we stimulate infrastructure development and access to affordable, reliable and modern energy services in remote areas.

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 increasing our carbon impact.

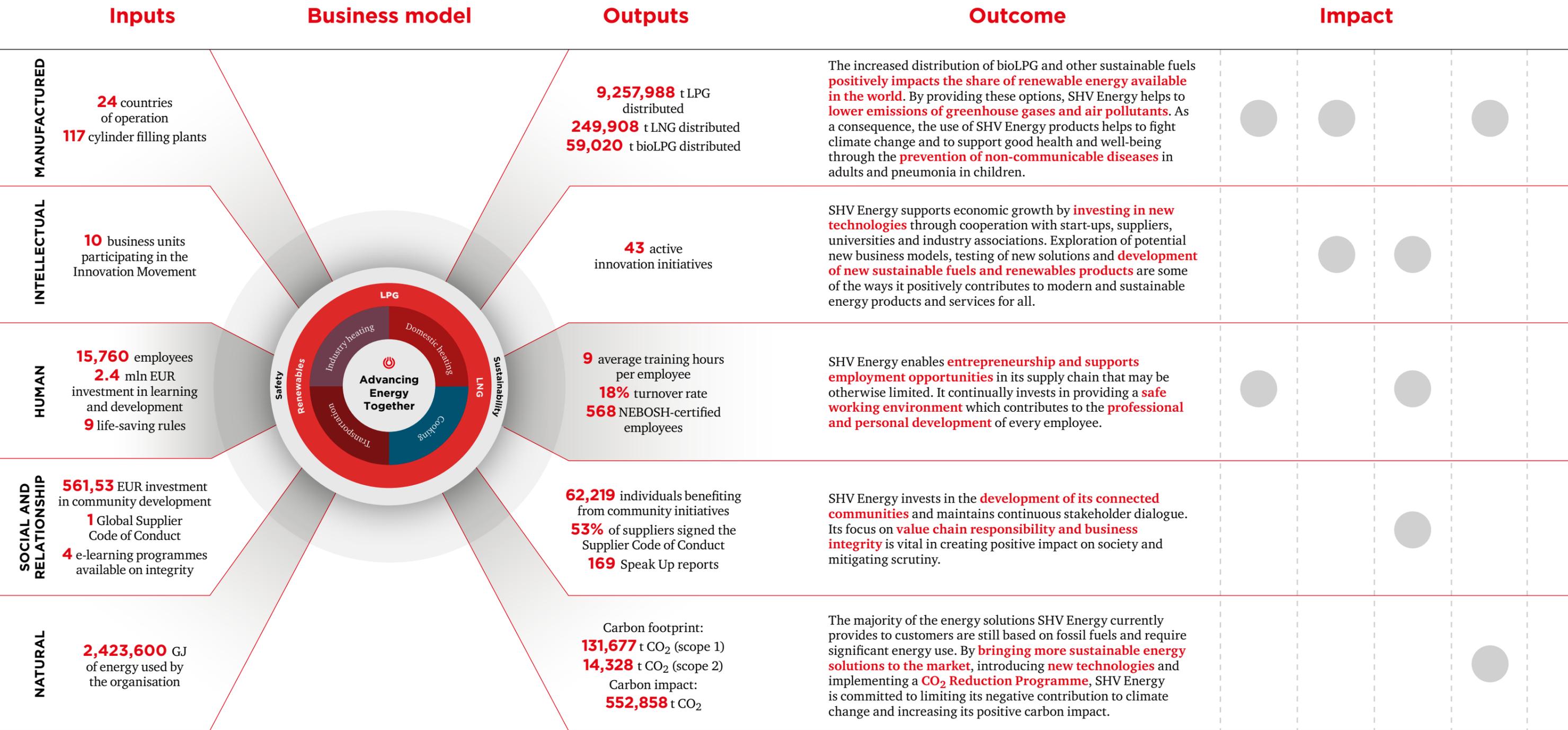
8 DECENT WORK AND ECONOMIC GROWTH

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 purpose, 'Advancing Energy Together', encompasses SHV Energy's long-term viability in creating positive impact.



How SHV Energy drives the energy transition



Key achievements in driving the energy transition in 2020:

1

The Sustainable Fuels team applied for the first patent held by SHV Energy. This shows strong progress on our Research and Development portfolio, which is strengthened by our collaborative relationships with universities and research groups.

2

The Sustainable Fuels team more than doubled in size over 2020. Key hires included a Global Sustainable Fuels Policy Analyst and new members of our Alternative Fuels team, who will further explore opportunities in rDME (renewable dimethyl ether), bioLNG and green hydrogen.

3

SHV Energy acquired EM3, the Irish industrial energy efficiency company. Through this acquisition, we expanded our services to include energy efficiency, energy management and sustainability solutions.

The energy transition refers to accelerating the fundamental change of the entire economy, making it low-carbon and energy- and resource-efficient, and eventually working towards defossilisation and climate neutrality.

This change must be inclusive and accessible in order to maintain momentum. The energy transition will be a key factor in providing the significant reduction in carbon emissions necessary to meet global goals around climate change. To drive the energy transition, SHV Energy has committed to 100% of our energy being produced from non-fossil, renewable and bio-based feedstock by 2040.



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 consumers, and this area of our business continues to grow. LPG is a key part of the 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 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 ash or particulates. 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.



IMPACT STORY

Decarbonising transport

Primagas Germany is supporting the development of renewable DME as a low-carbon fuel through its role as fuel delivery partner in two research and demonstration projects. Both projects are funded by the German Ministry for Economic Affairs, which sees the fuel's significant potential in decarbonising transport and accelerating Germany's journey towards climate neutrality.

«PRIMAGAS is building the first rDME station in Germany. We are truly happy to pioneer this fuel and play our part in the endeavour to make transport sustainable!»

STEFAN SCHMIDT, PUBLIC AFFAIRS MANAGER, PRIMAGAS GERMANY

Our product portfolio



LPG



LNG



biomass



bioLPG



bioLNG



rDME



hydrogen

Note: We began distributing bioLPG in 2018. We plan to sell our first batches of bioLNG, rDME and hydrogen in 2021, 2023 and 2025 respectively.



BioLPG

BioLPG functions in exactly the same way as traditional LPG but the feedstock differs: bioLPG is made from organic feedstock including waste, vegetable oil and residues, so it is a renewable fuel. Using bioLPG can reduce

carbon emissions by up to 80% when compared to traditional LPG, making it a key part of our carbon reduction strategy. Additionally, bioLPG plays a vital role in future-proofing our business.



«Let's pick the low-hanging fruit and mix Autogas with bioLPG!»

JAKUB ROSÁK, BUSINESS DEVELOPMENT SPECIALIST, PRIMAGAS CZECH REPUBLIC

IMPACT STORY

Steady progress on bioLPG expansion

In 2020, we launched bioLPG in Spain and the Czech Republic, two new markets that represent an exciting step in our sustainable fuels strategy.

The launch in the Czech Republic was part of a successful pilot project that involved distributing a bioLPG/traditional LPG blend through 30 Autogas filling stations. There was significant media and public interest, which bodes well for future sustainable fuels offerings in this market.

The launch of bioLPG in Spain provides rural communities with more sustainable fuel choices. The first bioLPG customer was a fuel station called Bencinas, which enthusiastically took up the new option.



«We are convinced that bioLPG represents a sustainable alternative for the present and future of the Spanish energy market»

ADOLFO CANCELLER, OWNER OF BENCINAS FUEL STATION



Developing new sustainable fuels

For the mid to long term, we are looking at many different feedstocks and methods for converting them to sustainable fuels. Based on our assessment of the potential of a feedstock or conversion method, we invest in research, from early stage research right through to demonstration projects. Examples of exciting projects we worked on in 2020 include preparing for rDME demonstrations in the USA, the UK and Germany, developing cost-effective options for bioLNG and exploring new methods of producing bioLPG.

Another major area of focus in 2020 was developing new sustainable fuels from waste and residue which would otherwise be incinerated or consigned to landfill, causing air quality and environmental issues. Instead, we are looking at routes to convert them into valuable products that help to drive the energy transition. This includes bioLNG and also rDME – which we are pleased to see has also gained traction within the LPG industry at large. Awareness of the potential of rDME within the LPG industry during the last 12 months has been significantly enhanced, which can be clearly linked to our advocacy of its enormous potential.



Our position in renewable energy

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

In 2020 we began exploring opportunities in India to provide distributed energy for commercial and industrial customers based around solar solutions. India provides the demand, as commercial and industrial customers generally pay high energy prices, as well as attractive conditions, with cost-effective engineering and construction of solar projects.

We also took our first concrete step into renewable solutions in 2020 with our acquisition of the specialist industrial energy efficiency business EM3. The challenging financial circumstances created for many businesses by the COVID-19 pandemic and associated forced closures mean companies have an increased interest in the cost reduction that energy efficiency can offer. Increased individual and corporate responsibility regarding climate change action also contributes. We are increasingly focusing on the potential for digital in energy efficiency, using data insights to identify opportunities to implement energy efficiency solutions, then measure their success once implemented.



Repositioning our sustainable fuels offering

In 2020, our Biofuels team changed its name to become the Sustainable Fuels team. This decision was based on a thorough review of alternative fuels and all the available feedstocks globally, and the resulting realisation that the term biofuels did not do justice to the extensive opportunities for sustainable alternatives to fossil. These opportunities include waste, residues, recycled captured carbon and many other feedstocks which have the potential to play a key role in the defossilisation agenda. We see the role of sustainable fuels growing over the next 20 years for SHV Energy and all of our business units, in line with our strategic ambition to offer 100% renewably sourced energy by 2040. This includes, but is not limited to, our existing sustainable fuel bioLPG.

Despite a change in name, the team's strategy has not changed – it has simply broadened. At the core of the strategy remains increasing available distribution volumes of sustainable fuels through increasing supply in the short term and developing new routes and products through research and development in the mid to long term.

The hire of a new Global Sustainable Fuels Policy Analyst, who works closely with our Public Affairs team, is one example of how we are working with a broad range of stakeholders in this field. This hire is tied to the knowledge that the solutions to global air quality issues, climate change and circularity will be complex and hybrid. There is an urgent need to focus on the multi-faceted solutions the energy transition requires from a medium- to long-term perspective, without getting distracted by hypes or quick wins.



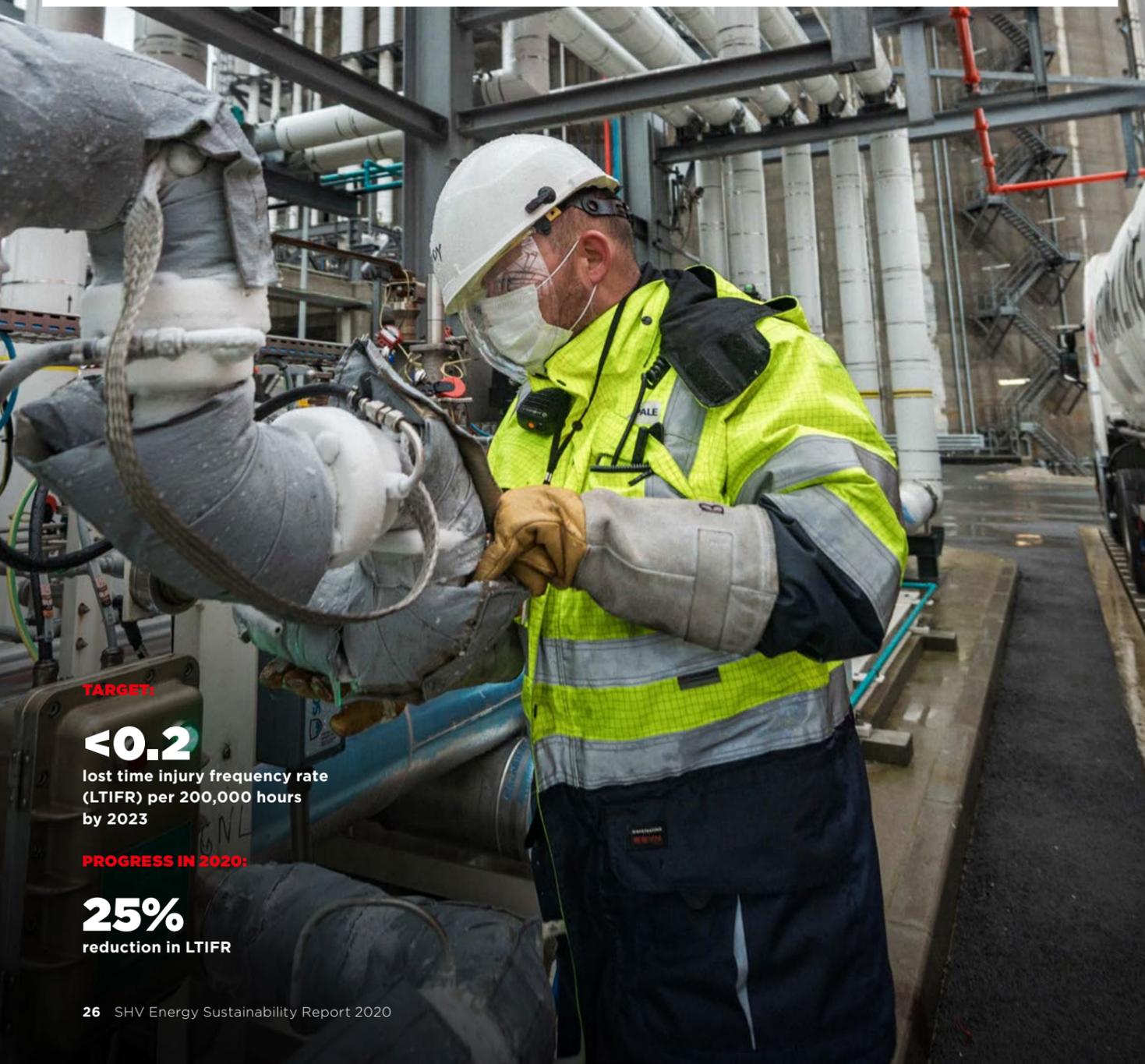
Increasing the availability of bioLPG

We continue to steadily increase supply volumes of bioLPG, including a 16.5% increase in 2020 despite the disruption posed by the 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). We also introduced bioLPG to two new European markets.



Our performance

Improving health, safety and well-being



TARGET:

<0.2

lost time injury frequency rate (LTIFR) per 200,000 hours by 2023

PROGRESS IN 2020:

25%

reduction in LTIFR



Our key achievements in 2020

1

▼ We conducted an assessment programme for visible felt leadership, operational discipline and process safety. The outcome of these surveys helped us to assess the maturity of the Health and Safety culture within our organisation. With this understanding, we are putting informed improvement plans in place.

2

▼ 2020 proved that if we succeed with our leading indicators, lagging indicators will also improve. As such, we saw a significant, sustainable improvement of 25% in our lost time injury frequency rate (LTIFR).

3

▼ The way the business has collectively responded to the COVID-19 pandemic is something we are very proud of, in terms of adherence to Health and Safety guidance and also business continuity. As a team, we achieved all our targets for the year, against this very challenging backdrop.

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 Health & 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 frequently works with the World LPG Association on best practice industry guidelines, including additional collaboration in 2020 to standardise product safety guidelines.



A year of change

In the most recent Sustainability Report we described 2019 as ‘a year of discovery’. In turn, 2020 became a year of change, where we built upon our discoveries to make progress on our key Health and Safety indicators. We also changed and adapted our ways of working in ways we had not anticipated at the beginning of the year, due to the COVID-19 pandemic.

One significant change that came out of our 2019 learnings was our renewed focus on manual handling injuries, which were identified as a key area for improvement. Our HQ team worked with the business unit teams on new technology to reduce these incidents by 17%, applying innovation in a way that we traditionally do for product-related research and development to our primary process. This creative approach showed positive results that we will further build on in 2021.

We also made progress on designing our bespoke Cultural Change programme, called CARE, ready for its launch in Q2 of 2021. Trial roll-outs of modules in Great Britain and Scandinavia in 2020 proved successful. Another notable success

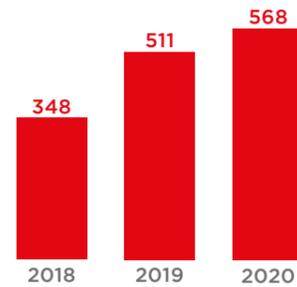


was the development and launch of an online board game about Health and Safety. This was translated into the local language of every business unit and was well received – the gamification of health and safety training helps to boost engagement and reaffirm key points from traditional training materials.

A major challenge for the Health and Safety team in 2020 was the lack of travel, and therefore lack of face-to-face engagement. However, the shift to remote and more virtual interactions was successful, including virtual leadership Health and Safety visits, virtual events and using local independent third-party auditors for site visits.

Our achievements

We achieved zero employee fatalities in 2020



568 NEBOSH-certified employees

Our risk management



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.

Product safety



Keeping our customers safe

Our responsibility to ensure safety for all our stakeholders doesn't only apply to our employees or our operations. Ensuring our customers know how to use our products safely in their own homes and businesses is just as 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.



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



LPG cylinders



LPG tanks



LPG bulk



LNG installations



IMPACT STORY

Dedicating time to mental well-being

As part of Global Health and Safety Week, Supergasbras' Recife unit dedicated a day to the well-being and care of the mental health of its employees. Activities included a yoga session, which specifically focused on mental well-being and emotional balance. 60 employees participated in the yoga session and the feedback was resoundingly positive.



«With the psychological chaos caused by the pandemic, yoga guides us to a more serene and peaceful state of mind and body»

JOSÉ SILVA, NURSING TECHNICIAN, SUPERGASBRAS



Developing our core team

There were some important changes to our senior Health and Safety team over 2020. At Calor GB, we hired a new Health and Safety Director who was able to provide a new perspective and fresh ideas. At our HQ in Hoofddorp, we hired a new Health and Safety Manager for Business Improvement. For this role, we were pleased to have three strong internal candidates, showing the success of our career development programme.

Our life-saving rules

<p>Personal ownership of health and safety</p>	<p>Engineering management of change</p>	<p>Driving and vehicles</p>
<p>Working at height</p>	<p>Contractor management</p>	<p>Energy isolation</p>
<p>Keep gas under control</p>	<p>Safe system of work</p>	<p>Incident reporting</p>

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



Raising the profile of Health and Safety within the business

In the materiality analysis update survey conducted in 2020, Occupational Health and Safety and Product and Process Safety were selected by employees as the most material topics for SHV Energy's sustainability agenda. This recognition reflects the success of the team's hard work to increase awareness of the importance of these topics throughout the business.

In November 2021, the whole of SHV Energy engaged in the first ever Global Health and Safety Week. This event was themed around visible felt leadership, tying in with the

visible felt leadership focus of the upcoming Cultural Change programme. Initially we planned to base the event around in-person activities but it was redesigned to be delivered virtually, with some non-virtual aspects depending on location. In total, we ran 450 separate activities based around 190 original ideas submitted by our business units. Global Health and Safety Week was a resounding success which will become an annual event; we would like to thank everyone who attended activities or contributed to the planning and organisation.



IMPACT STORY

Demonstrating the strength of our safety culture

During a routine LPG delivery in Poland, a client collapsed and stopped breathing. Gaspol bulk drivers Michał Korzeniewski and Florian Walczak immediately leapt into action, remembering Gaspol's regular resuscitation training sessions and correctly performing CPR. Gaspol is immensely proud of Michał and Florian's lack of hesitation, which saved the man's life, and also of the safety culture within the organisation which equipped them with the necessary skills to do so.



«I do not feel like a hero. I just helped someone who needed that at that moment»

MICHAŁ KORZENIEWSKI, DELIVERY DRIVER, GASPOL

Embedding innovation



Our key achievements in 2020

‘Embedding innovation’ is our newest aspirational goal, appearing in our sustainability reporting for the first time this year. 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. 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.

1

The Innovation team successfully collaborated with our Health and Safety function, applying innovation expertise to the challenge of reducing manual handling injuries. We are currently testing some of the identified solutions with the aim of creating a safer working environment.

2

An additional achievement was the growth and strengthening of our Global Innovation Community. It now comprises over 240 people, which includes senior stakeholders sponsoring innovation advancement alongside team members executing over 40 innovation projects across SHV Energy.

3

A further achievement was the significant progress we made on digitalisation, which has been driven by different initiatives implemented around the world. Our focus has been on using digitalisation to improve the customer experience and make our processes more efficient.

TARGET:

100%

of business units participating in the Innovation Movement by 2025

PROGRESS IN 2020:

10

business units participating



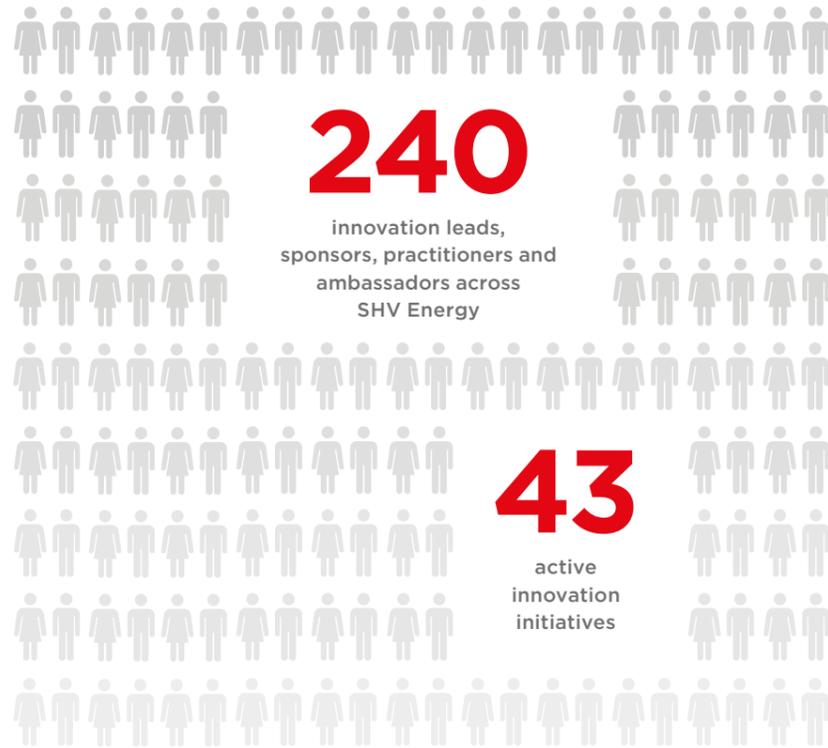
What innovation means to SHV Energy

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 employees capable of applying innovation to their day-to-day challenges.

Our innovation Movement



«By equipping our champions with the right mindset and skillset, we create powerful ambassadors for Innovation»

SUDIPTA PRASAD, INNOVATION MANAGER, SUPERGAS INDIA

IMPACT STORY

Kickstarting the innovation Movement

Supergas India exemplifies how an innovation culture is being embedded across our organisation. In 2020, the Supergas India Innovation team led a workshop in collaboration with the global Innovation team to select 13 Innovation Ambassadors. These functional experts will play a critical role in the Innovation Movement moving forward, helping their respective business functions solve problems through rapid assumption validation and testing methodologies.



Harnessing technology to improve the customer experience

Technology is key to improving the experience of our customers, providing new services and finding new ways to serve. One of the biggest projects our Innovation teams worked on in 2020 was the trial of a new business model where customers pay per use, which is enabled by a smart cylinder that measures its own gas level.

This alternative business model and the concept of a smart cylinder is designed to address the customer pain point of unexpectedly running out of gas and needing to wait for a new cylinder to be delivered in order to continue with an application like cooking or heating their home. This initiative is supported by our Global Innovation Hub, which was set up in Brazil in 2020. A pilot of this new business model, involving over a thousand customers in Brazil, was set up in 2020, with another pilot in China planned for 2021.

Digitalisation was another technology-reliant area of focus in 2020. The energy transition is based around the pillars of decarbonisation, decentralisation and digitalisation, with digitalisation being key to keeping the decarbonised, decentralised energy system working reliably and efficiently, so steady progress in this area is very important.

For SHV Energy, digitalisation is first and foremost a tool to improve the customer experience. In 2020 we trialled new interfaces and new channels to interact with customers. For example, in Brazil, customers can now order cylinders through WhatsApp. Our Turkish business unit created an app (IpApp) to digitalise the entire customer journey. We also trialled digitalising other steps of the customer journey, for example the installation process and the initial onboarding of new customers.



«This solution not only protects our colleagues from getting hurt, but also protects our cylinders from damage»

AL HUANG, INNOVATION MANAGER, XIWEI CHINA

IMPACT STORY

Applying an innovation mindset to operations challenges

Several different approaches to reducing manual handling injuries through innovation were trialled in 2020. One particular success was Xiwei China's bespoke cylinder lift.

An iterative 'fail, test and learn' methodology was implemented to develop a bespoke solution that would remove the manual handling of large cylinders from delivery trucks and was suitable for use in tight spaces. After several rounds, a bespoke cylinder lift was approved for use and is currently being rolled out across the business.



Collaborating with key stakeholders

The Innovation team works closely with many other global functions, such as Sustainability, Sustainable Fuels, Renewables, Procurement and Supply, and Health and 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 2018 when this community was created, four business units were involved. This grew to seven in 2019 and reached 10 in 2020.

Internal governance of innovation is overseen by the Innovation Board, which includes the entire Management Board of SHV Energy. This group meets once per quarter to review the progress of the Innovation Movement and steer its next steps.

During 2020, the foundations were laid for a designated open innovation platform through which key external stakeholders known as 'problem-solvers' – which includes start-ups, universities, suppliers and technology centres – can be invited to propose solutions to challenges we are tackling, with a view to potentially collaborate on implementing their solution.

Sustaining the environment



Our key achievements in 2020

Achieving our targets around carbon 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 15,760 employees is key: everyone must contribute.

In Q4 of 2020, we launched a year-long campaign designed to increase awareness and understanding of sustainability issues and how they relate to SHV Energy's strategy, and to educate colleagues on their role in achieving our sustainability goals. At the core of the campaign is the message that 'You don't have to have sustainability in your job title to drive positive change'.

1

We continued to switch customers to our products in 2020, despite the challenges of the pandemic. Sustainability remained a key selling point for new customers, who chose to switch to move away from more polluting fuels. This was reflected in our record-high carbon impact of 552,858 t CO₂eq in 2020.

2

Our HQ team moved to a new office location in Hoofddorp. Sustainability was embedded everywhere, from the furnishings to the technology to the display materials. The new office is a 'living' example of our strategy: a strong business case, while ensuring a healthy, safe office environment and minimising environmental impact.

3

We held our first Global Sustainability Summit in 2020, where the Sustainability Leaders from our business units all came together for the first time. Attendees joined the virtual event from time zones as far apart as Brazil and China.

TARGET:

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

PROGRESS IN 2020:

5.7%
reduction

*Baseline: 2016



«Balcas is a carbon-neutral business. We strive to reduce and remove the remaining carbon emissions within our operations»

PAT SHERRY, GROUP HEALTH, SAFETY AND ENVIRONMENTAL MANAGER, BALCAS

IMPACT STORY

Analysing every aspect of our impact

In 2020, Balcas switched its diesel forklift trucks to run on bioLPG. This was after careful consideration of reliability, carbon emissions, impact on air quality, noise pollution and price. Electric forklifts were initially considered but were not up to the job of constant use five days a week for 20 hours a day.



Launching our global sustainability awareness campaign

The campaign started with an educational phase which explained important topics like carbon emissions, air quality and the energy transition in a clear, accessible way. In 2021, with this solid base of understanding in place, we will move into an

engagement phase where we will communicate to employees how they can contribute to reducing carbon emissions and improving air quality. An important element is the fact that we will share actions that our colleagues can adopt in different functions, such as procurement, operations, sales and communications. The campaign involves a range of materials, including webinars, articles, posters, videos and animations, and is translated into local languages to ensure we reach as broad an audience as possible.

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.



Carbon emissions

At SHV Energy, we measure our carbon 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, including purchased electricity,

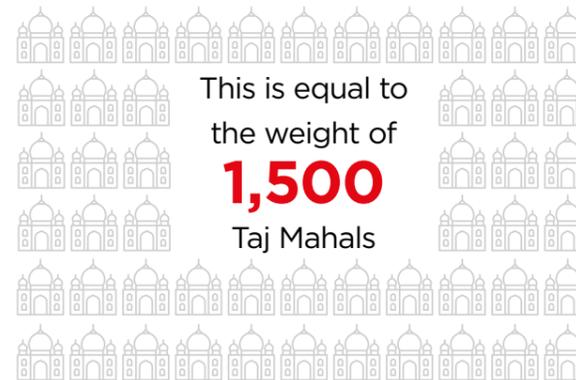
outsourced operations, consumer usage of our products, employee business travel, and extraction and production processes, and assess where we can make reductions. For example, employee travel was significantly curtailed in 2020 due to the COVID-19 pandemic, so our travel-related emissions were much lower. Virtual meetings were more successful than we anticipated, so we intend to be more mindful about travel in future.

Our carbon emissions

Our total carbon footprint in 2020 is

17.9

million tonnes of CO₂ emissions



Our total carbon impact in 2020 is

552,858

tonnes of saved CO₂ emissions

This volume of CO₂ would fill up

140,000

hot air balloons...



The same amount of CO₂ would be emitted flying to the moon and back

3,600

times in a passenger plane...



or giving every person in Ireland (4.9 million people) a lightbulb and powering it for a year.

It's the carbon compensation equivalent of

850

football pitches of trees, each growing for 100 years



Together, our carbon footprint and carbon impact results in a **5.7%** reduction in 2020 compared to our 2016 baseline.



«We practise what we preach by delivering LNG with LNG-powered trucks»

PETER FRÜHWIRTH, SUPPLY AND LOGISTICS MANAGER, PRIMA LNG

IMPACT STORY

Walking the walk with LNG-powered trucks

In 2020, Prima LNG began delivering its LNG with 100% LNG-powered trucks in Northern Europe. As the business became increasingly

focused on reducing its impact on the natural environment, it became clear that it must first reduce emissions from its logistics. LNG was an obvious tool to achieve this reduction. The success of this switch means that Prima LNG now intends to use only LNG-powered trucks across the whole of Europe by 2022.



Air quality

The severity of air pollution and 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.

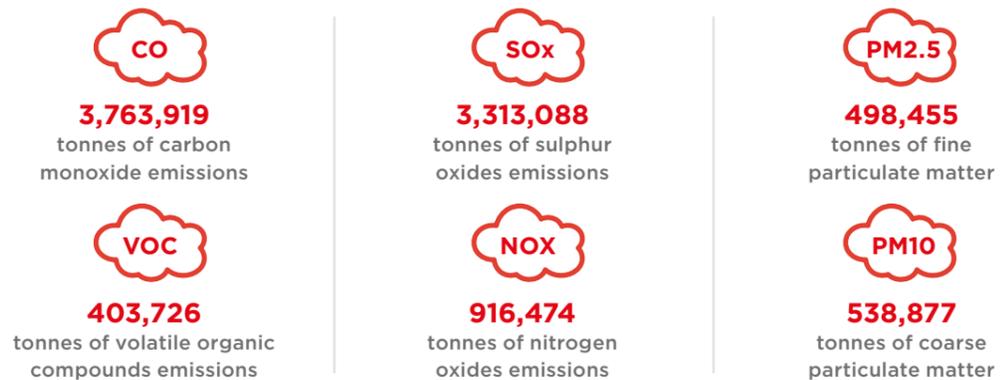
Reporting on air quality is more complex than carbon emissions because of the factors mentioned above, and the variety of different pollutants that affect it. Our approach is to calculate the air pollutants saved by using our products as opposed to traditional fossil fuels. The World Health Organisation estimates that

poor air quality contributes to around seven million premature deaths each year. Despite this, the importance of reducing air pollution is not at the forefront of public awareness compared to using decarbonisation to prevent climate change.

Understanding the impact of local air quality on health was particularly relevant in 2020, with emerging data showing a connection between poor air quality and the prevalence and severity of COVID-19 infections.

Our air quality impact

In 2020, we reduced air emissions by switching customers to our cleaner energy carriers. We saved:



Our new HQ

The move of our HQ team to a new office in Hoofddorp was a significant milestone in our sustainability visible felt leadership. The renovation was led by sustainability, with floor tiles and ceiling felt made from recycled materials, curtains made from recycled ocean plastic, 50% of office furniture bought second-hand and sustainable materials like bamboo chosen for furnishings that were bought new. We also included energy efficiency measures such as daylight-dependent lighting.

In addition, we included signage around the office related to the environment. Some signage points out the sustainability measures we've taken, some imparts useful 'did you know?' facts and some give practical tips that colleagues can implement

in their own lives to reduce their environmental impact. Some of our business units, such as our colleagues in Spain and Slovenia, have translated these signs for use in their own offices.

Finally, we also commissioned two series of dynamic infographics to be displayed on screens around the office that make our CO₂ emissions and air quality figures more tangible by comparing them to figures that people recognise. These infographics contain real-time figures updated live via PowerBI, our business analytics software, of key metrics like our total carbon footprint and carbon impact, and the volume of air pollutants we have saved by switching customers to our products. These infographics are designed to explain our sustainability strategy, inspire colleagues and convey the positive impact of our day-to-day work.



«In Italy, 1,100+ local municipalities are partially or totally not reached by the national gas network – opportunities are not lacking!»

CRISTIANO PEDRAZZINI, INDUSTRIAL SALES & ACCOUNT MANAGER, LIQUIGAS

IMPACT STORY

Sustainable fuels for mountain communities

In 2020 Comano Terme became the first municipality in Italy with an LNG-fuelled pipeline network that serves the community, thanks to Liquigas. The primary fuel used by this remote mountain area was previously heating oil due to lack of other options, as the national natural gas grid ends 30km away. This new pipeline offers residents a cleaner, more sustainable option; Liquigas estimates its installation will result in the avoidance of 870 tonnes of CO₂ emissions annually.



«Comano Terme has led the way, now other municipalities are expressing interest in the LNG canalised network»

MICHELE DOSSETTA, NETWORK PIPING BUSINESS DEVELOPER, LIQUIGAS

Enhancing employee and community development



Key achievements in 2020

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 contribute to SDG 8, 'Decent Work and Economic Growth'.

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.

1

▼ We delivered a new change management approach called 'Energising for success', based around three pillars of readiness for change: organisation readiness, project readiness and individual readiness. Having a global approach to change management and consistent language around it was very helpful in a year that involved significant change.

2

▼ We are proud of the successful shift to working remotely and the agility our colleagues demonstrated, continuing with their work without missing a beat, including in business units that did not have a working-from-home culture previously.

3

▼ We increased the representation of women and people from under-represented nationalities on our senior leadership teams. 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 2020:

17%

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 2020:

74%

of operations meeting the target



«I seized the opportunity to combine different points of view, learn another SHV business and share ideas with various cultures»

EZGI AYDIN MOR, BUSINESS CONTROLLER, NUTRECO

IMPACT STORY

Our talent transfer programmes

We consider candidates from across our business units for leadership roles as part of our talent transfer programmes. Talent transfer enables our business units to learn from each other and increases the diversity of our teams.

We also participate in talent transfers across the SHV family, including other SHV Holdings businesses. For example, in 2020 Ezgi Aydin Mor moved from her role at our business unit Ipragaz in Turkey to work at Nutreco in the Netherlands.



A year of transformation

2020 presented significant challenges for our HR teams. The biggest challenge was ensuring we had the processes and materials in place to keep our operational employees safe, whilst supporting our office-based employees to work from home.

However, some positive developments also came out of the pandemic. Not only did our HQ team work more closely than ever with other departments, most notably with

colleagues from Procurement and Health and Safety, but due to the virtual nature of meetings we saw the same closer and broader interaction across the organisation.

Globally, we accelerated the digitalisation of various processes, including onboarding more business units to our performance and talent management programme in Workday. We also had a mindset shift regarding how and where we work, which led to a reimagining of how we will use our office space in the future.



Employee development and diversity

15,760
employees



24%
female



76%
male



45%
of employees covered by
collective bargaining agreement



18%
turnover rate



Employee development

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, who collaborate to run a range of talent management

and employee development programmes. We focus on hiring from within the group wherever possible, meaning there is a focus on bottom-up talent reviews across all functions.

We were able to move employee development programmes online in 2020, including our Sprint programme and our Taking the Stage initiative, which empowers women to develop their leadership identities. Next to the development programmes, we also saw more online functional trainings, covering subjects like our business analytics software PowerBI, sustainability and change management.





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 2020, 17% of our senior leadership team members are women, and 74% 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 under-represented 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.

Community initiatives



>60,000

individuals benefitted from the programme 'Start from the Heart' or another community initiative

>550,000

EUR of social investment and charitable contributions made



Our community initiatives

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; we encourage them to both 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. We continued with our educational programmes, adjusting them where possible around social distancing guidelines. One new education-related initiative was our Benelux business unit's provision of laptops to disadvantaged school children so they could participate in home-schooling during the lockdown.

However, our business units also began new initiatives to address the urgent short-term needs of their communities. These included donating masks to healthcare institutions, providing food and other essentials to the villages around our filling plants, providing discounts on energy for healthcare workers and doubling employee contributions to charities.

We also supported local healthcare systems. For example, our Slovenian business unit Butan plin donated heating units and LPG cylinders to temporary COVID-19 testing centres. In the UK, Calor GB responded to a nearby hospital's urgent request for a supply of energy and was able to install two 200L above-ground tanks within days.



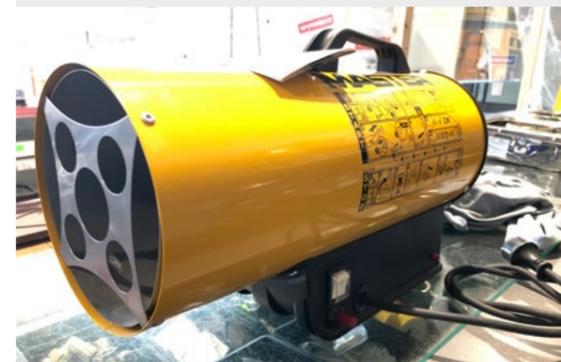
«Providing help, especially for the local communities where we operate, is deeply rooted in Gaspol's DNA»

MARCIN LASKOWSKI, CYLINDER SALES AREA MANAGER, GASPOL

IMPACT STORY

Supporting communities in need

When COVID-19 hit, emergency services all around the world were suddenly under unprecedented pressure. Gaspol's employees considered how they could help and where their specialist expertise could make the biggest impact. They decided to provide local paramedics in Lubartów with LPG-based heating and cooking equipment to make difficult days a little easier, and to donate gas cylinders to a volunteer group in Warsaw preparing meals for emergency and public service workers throughout lockdown.



«I am proud of the remarkable support Ipragaz provided to earthquake survivors in disaster areas»

TARKAN OĞUZ YAŞAROĞLU, PUBLIC AND CORPORATE COMMUNICATIONS MANAGER, IPRAGAZ

IMPACT STORY

Responding to natural disasters

A powerful 6.8-magnitude earthquake struck eastern Turkey in January 2020. Access to LPG became critical as survivors needed to keep warm and cook in the aftermath. Ipragaz provided a variety of cooking equipment and heaters, as well as warm winter clothes, working closely with local disaster response agencies. In addition, it provided fire safety training for survivors in temporary tent communities.

Safeguarding integrity

TARGET:

100%

of suppliers signing the Supplier Code of Conduct by 2022*

PROGRESS IN 2020:

53%

of suppliers have signed the Supplier Code of Conduct

TARGET:

95%

of employees to complete training about anti-corruption policies and procedures by 2022

PROGRESS IN 2020:

90%

of employees completed the training

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



Our key achievements in 2020

1

We successfully maintained Ethics & Compliance's status as a top priority for the business, despite the different and difficult circumstances of the pandemic. Visible support from the senior management team was a factor in this success.

2

We launched our Global Code of Conduct and Supplier Code, created in collaboration with our colleagues from Procurement, Health and Safety and Sustainability. They align the main messages of our policies, manuals and instructions under one all-encompassing umbrella, based around the pillars of Health and Safety, Integrity and Sustainability.

3

We thoroughly mapped the value chain of each business unit to create a comprehensive visualisation. We have operations in 25 countries and not all our business units operate in the same way, so this exercise provides valuable clarity on where E&C risks can occur.

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. It all starts with ensuring the right tone at the top, which is then supported by the Ethics & Compliance function through a solid Ethics & Compliance framework, including regularly updated policies, manuals and guidelines, and adequate Ethics & Compliance training and awareness.

The main subjects Ethics & Compliance covers are anti-bribery and corruption, competition law, trade sanctions and trade controls, privacy and data protection, third-party due diligence and fraud. We also address other topics such as anti-money laundering, lobbying and insider trading.

We strive to have an open culture and ask that all employees 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 and try to ensure they feel comfortable doing so. If that is not possible, we expect our employees to talk to their manager, Human Resources or their Compliance Officer. If these options are not possible, they can report the concern by using the Speak Up helpline.



«Co-operating together helped us leverage emerging best practices from the entire SHV Energy group, whilst remaining in tune to local risks, challenges and requirements»

JORIS BLAAUW, SENIOR COMPLIANCE MANAGER AND GROUP DATA PROTECTION OFFICER, SHV ENERGY

IMPACT STORY

Mitigating risks by conducting value chain assessments

Fundamental to the success of the E&C function is a thorough understanding of the business and its operations. Understanding all areas of the business helps to identify potential risks and mitigate potential issues before they arise. In 2020, the Group Ethics & Compliance function, together with each of the business units at SHV Energy, conducted value chain assessments and produced value chain visualisations of its entire operation across 25 countries.



Strengthening the Ethics & Compliance function across the group

Each BU Compliance Officer advises his or her own business unit but also contributes to our global community through frequent communication (both structured and unstructured). More and more, we see members of our community sharing ideas and best practices, and asking each other for advice. In particular, we saw this illustrated with the roll-out of the Code of Conduct and the creation of related content in

local languages such as games, posters and video content.

The fact we were able to accomplish all our goals for the year despite the disruption of the pandemic and an ambitious agenda illustrates the strength and resilience of the Ethics & Compliance community and the recognition throughout the business, starting at the very top, of the importance of acting with integrity.

Speak Up reports



169

Speak Up reports



100%

of these reports have been investigated



44%

of reports were classified as substantiated or partially substantiated



88%

of the cases led to action being taken

Creating awareness

More than

90%

of the target audience has successfully completed the e-learning on anti-bribery and corruption, competition law and privacy.



Enhancing awareness and understanding of Ethics & Compliance

The launch of our global Code of Conduct in 2020 was a significant milestone. It comprises an internal Code of Conduct for our employees and a separate Code for our suppliers. Every employee received a digital or print version of the Code of Conduct in their local language and we rolled out a global Code of Conduct e-learning, which also refreshed their knowledge of Speak Up. This e-learning is subtitled in each of the languages we work in.

In addition to the e-learning, employees were trained via 'in-person' training on the Code of Conduct. This training mostly took place via videoconference due to COVID-19 restrictions. To facilitate the training, we developed a pack of 70 'dilemmas' regarding the core topics of Health and Safety, Integrity and Sustainability. The dilemmas are based around hypothetical situations that resonate with employees' day-to-day work reality and are designed to spark conversations between colleagues.

Trade compliance was another area of focus in 2020. We reassessed our full product portfolio to determine which products (might) qualify as dual- or military-use products and had this assessment confirmed by an external expert. Such assessment is necessary as products in these categories can

incur additional legal requirements when imported or exported. We also refreshed our Trade Compliance policy and manual and launched a new e-learning on trade sanctions and trade controls, which we tailored around our revised documentation. This e-learning was launched in our business units in Q4 of 2020.

An additional compliance-related success was the further embedding of our Compliance Register. We created a user-friendly template for our business unit colleagues to register information about activities that have to meet particular criteria regarding anti-bribery and anti-corruption, conflict of interest or competition law. For example, if an employee meets with a competitor and satisfies all the strict criteria we have for such meetings, they should still register it in the Compliance Register. This transparency protects the company, but it also protects the employee who had the meeting as it shows they acted with integrity.

Rapid changes in the implementation or release of trade sanctions also remained a relevant consideration. We continue to monitor these developments, supported by external experts, and work with the relevant business units to take action when and where required.



«The combination of thorough training materials provided by HQ and engaging activities run by our E&C community made the global roll-out of our Employee Code of Conduct a clear success»

MARIEKE BAX, GROUP ETHICS & COMPLIANCE OFFICER, SHV ENERGY



«The Code of Conduct week was fun, rich in learning and, especially during the pandemic, a nice topic to bring us together»

CECILIE GRY BEDER, JUNIOR COMPLIANCE OFFICER AT PRIMAGAS SCANDINAVIA

IMPACT STORY

Boosting engagement on the Code through interactivity

As well as using the provided materials, each business unit also devised its own plan for rolling out the SHV Energy Employee Code of Conduct in the most engaging way possible. For example, Primagas Scandinavia encouraged active participation through competitive quizzes.



Safeguarding integrity in our supply chain

At SHV Energy, we separate our supply chain into gas procurement and non-gas procurement. LPG procurement is predominantly managed by Supply and Risk Management (S&RM), which is our gas procurement entity. S&RM supplies LPG directly to the majority of our business units. LNG supply and logistics in Europe is managed by a business unit called Prima LNG.

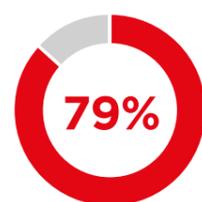
Non-gas procurement is managed on a global level by our Procurement team at our Hoofddorp HQ and on a local level by Procurement teams

within our business units. Non-gas procurement covers a broad spectrum: from tanks, cylinders and valves to 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 managed on a local level, with 78% of suppliers defined as local.

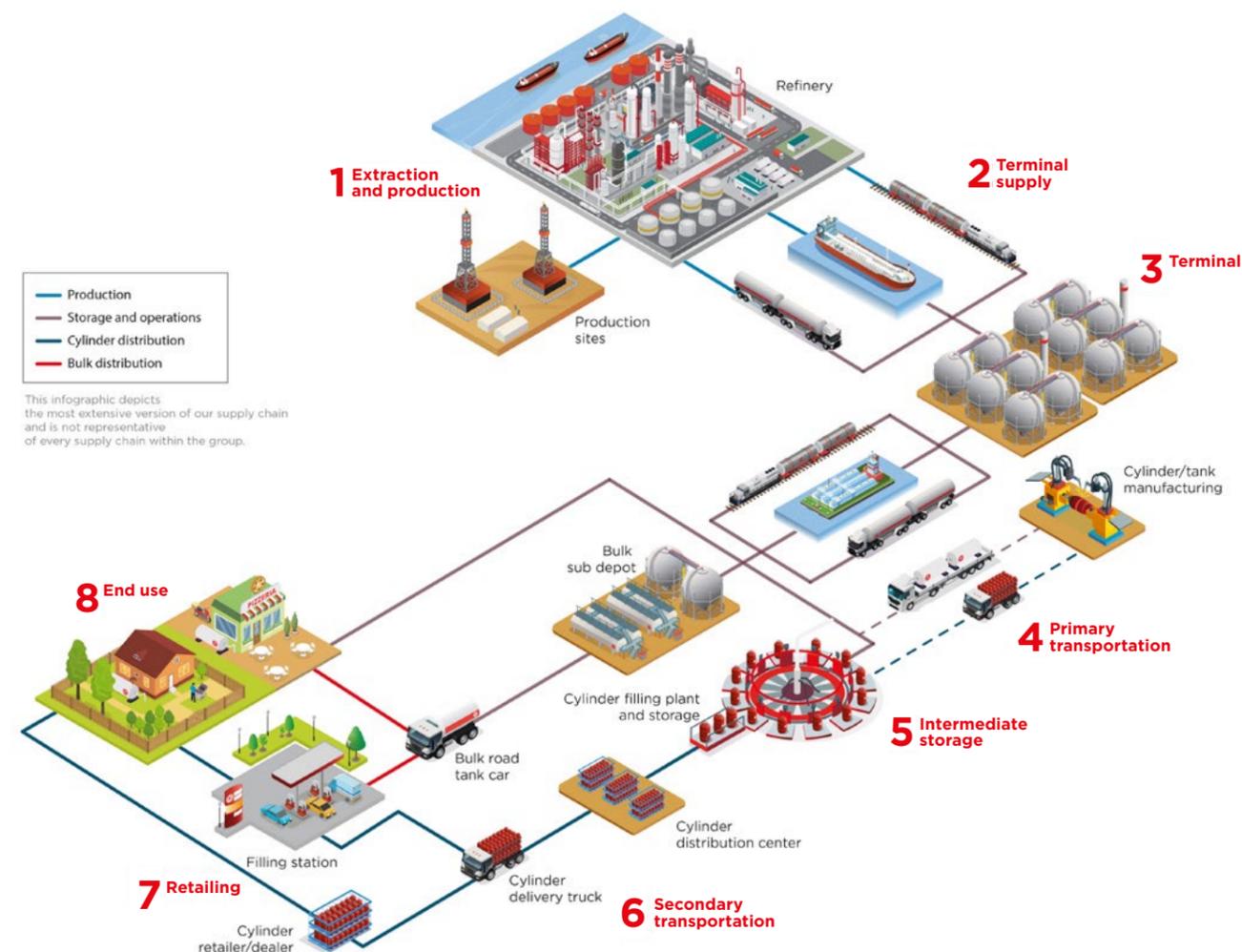
Sustainability is increasingly fundamental to our supplier selection and procurement processes. It is not an additional overhead expense, but part of ensuring we get the best value from our suppliers which in turn drives bottom-line cost reduction.

Sustainable supply chain


23,244
suppliers



Value chain visualisation



«Calor Ireland has wholeheartedly adopted this Modern Slavery Statement because we want to grow our Ethics & Compliance culture from within »

CIARA MILLAR, HEAD LEGAL COUNSEL AND COMPLIANCE OFFICER, CALOR IRELAND

IMPACT STORY

Modern slavery

Modern slavery remains a threat to millions of lives and businesses worldwide. In 2020, Calor Ireland published a voluntary Slavery and Human Trafficking Statement to show that it takes the issue incredibly seriously. As an SHV Energy business unit, Calor Ireland has the influence to directly impact supply chains and workplace conditions, including through its Supplier Code of Conduct.



Launching our Supplier Code of Conduct

The Supplier Code of Conduct (Supplier Code) was a landmark piece of work in 2020, created through close collaboration between our Procurement, Ethics & Compliance and Health and Safety teams. Due to its significance, it is referenced throughout this report from the perspective of each contributing department.

The Supplier Code of Conduct defines the behaviour expected from our external suppliers and

their subcontractors, shaped around our aspirational goals of *Improving health, safety and wellbeing; Safeguarding integrity and Sustaining the environment*. Price and quality are of course important, but we expect our partners and suppliers to also conduct business in an ethical, compliant, safe and sustainable way. The Supplier Code contains guidance on what is acceptable business conduct and what is not. It has been distributed

in all the local languages our business units work in.

We have set a target of 100% of our suppliers signing our Supplier Code by 2022. Going forward, SHV Energy will work exclusively with suppliers that have accepted the terms and conditions that our Supplier Code of Conduct sets out. However, there are other important criteria we use in our selection processes for new suppliers, which are described in our Global Procurement Policy.



SHV Energy's Procurement Policy

The new SHV Energy Procurement Policy formalises our ambition that Procurement should contribute to a more sustainable supply chain. The new policy is an upgraded version of the existing 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.

• **Supplier selection:** SHV Energy strives to work with suppliers that have accepted the terms and conditions of the Supplier Code. In addition, for the categories that are applicable, we intend that between

10-25% importance in the supplier selection process will be given to criteria that depict safety, training programmes and working using standards such as ISO 14001

- **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. Performance reviews will be carried out to identify improvement areas and actions
- **Relationship Management:** Open discussion with our suppliers will be ensured to draw evaluations, conduct audits and apply corrective measures when necessary

To ensure sustainability and safety across our global supply chain, we have implemented sustainability initiatives

focused around procurement. For stages two to six depicted in the supply chain infographic on page 53, which covers both upstream and downstream transportation suppliers, railway transportation is preferred over trucking wherever possible due to the significant reduction in CO₂ emissions. When trucks need to be 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 LPG-fuelled trucks to deliver LPG. We also want to help maintain a high level of safety in our operations through our procurement practices. Thus, we go beyond the traditional market to find solutions that could improve the daily tasks of our employees across our supply chains.

Our procurement policy



Security of supply



Savings and performance



Sustainable and socially responsible



Satisfying business needs



Systematic and global approach



Health and Safety focus



Specialists in procurement



«Since the launch of the Supplier Code of Conduct all business units have taken steps to promote its awareness across our supplier base»

CATARINA BRITO, HEAD OF PROCUREMENT EXCELLENCE, SHV ENERGY

IMPACT STORY

Upholding the highest supplier standards

Supergas India had a successful rollout of the Supplier Code and positive engagement with its suppliers on the topic. Supergas uses a vast network of suppliers, many of which are very small businesses. Some of these suppliers were new to this type of document and the pandemic situation added to the outreach challenge. Nevertheless, the rollout proceeded quickly and smoothly, which is testament to Supergas's dedication to operating sustainably and its strong relationships with its suppliers.



«We shouldn't forget the impact we have had mitigating the risks to our operations, and most importantly saving lives»

JOE DUTTON, GLOBAL PROCUREMENT CATEGORY MANAGER, SHV ENERGY



Evaluating and categorising our suppliers

All our gas and non-gas suppliers are also evaluated as part of our third-party due diligence, which includes checking for relevant trade sanctions. Once we have qualified those suppliers as appropriate, we continue to monitor them and include conditions in our contracts to ensure they maintain the relevant standards throughout our relationship.

In 2020, we conducted a categorisation exercise to identify our non-gas critical suppliers, which we assess and monitor more closely. We identify a critical supplier as a vendor with potential economic, environmental or social impact on our key business processes, the safety of our customers or colleagues, our customer-facing businesses and/or customer data, the limitation on availability of alternative sources or our sustainability targets. We asked all business units to identify suppliers who meet these criteria or who they consider critical for other reasons, which produced a list of around 500 critical suppliers.

We monitor these critical suppliers from compliance, financial, risk and performance perspectives on a quarterly basis with mitigation plans documented for any potential issues we anticipate. Currently, this process is manual but we plan to automate a significant portion of it in 2021.

In addition, we have recently launched a pilot with EcoVadis, the world's leading provider of sustainability rating, in some of our business units. EcoVadis tracks the sustainability of our supplier operations, based on four different areas which are Environment, Labour and Human Rights, Ethics and Sustainable Procurement. EcoVadis monitors supplier performance on these four pillars and ensures the improvement of their score. We aim to expand our use of EcoVadis to help enhance our supply chain traceability and transparency.

IMPACT STORY

Global collaboration at its best

When the COVID-19 pandemic hit China in early 2020, there was an immediate shortage of the personal protective equipment our employees needed to safely work and deliver essential energy to customers. Our European business units collaborated to source millions of masks and shipped them to China to protect our colleagues and customers there.

As the pandemic developed and its epicentre shifted to Europe, North America and South America, our Chinese colleagues returned the favour, shipping unused masks back and sourcing additional supplies. The logistics involved in these efforts were significantly complicated by lockdowns and national restrictions, requiring supreme agility on the part of our Procurement teams.



Outlook

Our status as a family-owned company gives us a long-term perspective and the ability to set ambitious goals and steadily progress towards them. As such, our strategy and goals do not change dramatically from year to year. It is true that many aspects of 2020 were unprecedented, but the bigger picture for SHV Energy remained the same.

In 2021, we will continue towards our goal of reducing our carbon emissions by 25% for every tonne of LPG we distribute by the end of 2025, with the deadline drawing ever closer. We will continue to drive the energy transition by switching customers to our products and provide them with cleaner and lower-carbon energy. By further increasing the availability of bioLPG, we will support more people and businesses to access an even more sustainable choice. In addition, we have exciting plans for new sustainable fuel solutions and

the expansion of our renewable fuel portfolio. Through our sustainability awareness campaign, we will empower colleagues across the entire business to contribute to our sustainability goals.

Just as importantly, we will continue raising the bar even higher in how we embed the highest Ethics & Compliance standards in everything we do, support our colleagues and local communities to thrive and ensure the health, safety and well-being of our customers and colleagues. On the topic of health,

safety and well-being, it is our hope that 2021 will bring the acute phase of the COVID-19 pandemic to a close, but our Global COVID-19 Protocol will remain in place as long as it is required.

Our interdepartmental and global collaboration was stronger than ever in 2020. Despite very limited opportunities to meet face-to-face, we have emerged as a stronger family, ready to continue Advancing Energy Together and face the ambitious targets and challenges that next year will bring.



About this report

This is the fourth annual sustainability report of SHV Energy N.V., which focuses on our operations with regards to sustainability across all our business units during the 2020 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 2020 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, or terminals and businesses that represent less than 0.5% of our service revenue. The activities of any other associates are not in scope.

In 2020 we acquired several companies in Italy, Ireland and the United States of America.

With these transactions we strengthened our product portfolio and increased our customer base.

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 14.

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 reported data was generated with the highest level of reliability, 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.

Furthermore, we improved the data quality related to employee numbers. In comparison to last year, when the employee numbers were expressed mainly as Full Time Equivalent, in the 2020 report we focused on head count as per 31st of December 2020. This allowed us to provide more accurate and reliable data.

This report has not been externally assured. Last year we performed an assurance readiness assessment of selected indicators. We are planning to enhance the credibility of the report by obtaining an external assurance in the coming years.

Changes in the reporting

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

To convey our long-term value creation and provide a broader view of our business and strategy, we introduced a new aspirational goal 'Embedding innovation'. We developed a new set of KPIs to show our progress on our sustainability performance and increase our transparency.

As the result of our materiality reassessment, we also changed the material topic 'Local air pollution' to 'Air quality' as it better characterises SHV Energy's impact. We merged 'Product safety' and 'Process safety' into one material issue: 'Process and product safety'. Finally, we refined our reporting processes on the volume of products we distributed. In 2020, distributed LPG volumes exclude inter-company deliveries and LNG includes Autogas, which is different from last year's reporting.



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	2020	2019
H&S audits planned	538	1,022
H&S audits completed (%)	78%	98%
Corrective actions	2020	2019
NEBOSH-certified employees	568	511
Corrective actions raised	279	212
Actions overdue	0	0
Customer Health and Safety	2020	2019
Significant product and service categories for which health and safety impacts are assessed for improvement (%)	100%	100%
Incidents of non-compliance resulting in a fine or penalty	5	7
Incidents of non-compliance resulting in a warning	72	665
Incidents of non-compliance with voluntary codes	63	88

Work-related injuries	2020		2019	
	Employees	Other workers	Employees	Other workers
Fatalities	0	1	0	0
High consequence work-related injuries	3	2	6	3
Recordable work-related injuries	323	45	436	165
Hours worked	48,504	5,032	47,296	8,368

Embedding innovation*

Innovation movement	2020	2019
Business units that are part of the innovation movement	10	Not reported
Innovation leads, sponsors, practitioners and ambassadors	240	Not reported
Active innovation initiatives	43	Not reported

*These indicators were introduced in 2020.

Sustaining the environment

Carbon emissions	2020	2019
Carbon footprint (absolute) - Total (Mt CO ₂ e)	17.9	19.1
Carbon footprint (absolute) - Scope 1 (Mt CO ₂ e)	0.15	0.09
Carbon footprint (absolute) - Scope 2 (Mt CO ₂ e)	0.014	0.023
Carbon footprint (absolute) - Scope 3 (Mt CO ₂ e)*	17.8	19
Total CO ₂ emission reduction (against 2016 baseline)	-4.1%	2.5%
CO ₂ intensity ratio (kg CO ₂ eq/t LPGeq)	3.288	3.297
Carbon impact (t CO ₂ e)	552,858	307,701
Air quality impact	2020	2019
CO - Carbon monoxide (tonnes)	3,763,919	1,206,085
VOC - Volatile Organic Compounds (tonnes)	403,726	188,744
SO _x - Sulfur Oxides (tonnes)	3,313,088	1,001,288
NO _x - Nitrogen Oxides (tonnes)	916,474	783,991
PM _{2.5} - Fine Particulate Matter (tonnes)	498,455	205,639
PM ₁₀ - Coarse Particulate Matter (tonnes)	538,877	223,098

*Scope 3 CO₂e emissions exclude wholesale volumes of S&RM.

Enhancing employee and community development

Employees by employment contract (based on EOY 2020 head count)	Permanent				Temporary			
	2020		2019		2020		2019	
	Male	Female	Male	Female	Male	Female	Male	Female
Europe	4,258	1,643	Not available	Not available	243	106	Not available	Not available
Asia	3,798	1,295	Not available	Not available	1	0	Not available	Not available
America	3,608	787	Not available	Not available	7	14	Not available	Not available

Employees by employment type (based on EOY head count)	Full-time				Part-time			
	2020		2019		2020		2019	
	Male	Female	Male	Female	Male	Female	Male	Female
	11,844	3,600	13,155	3,933	71	245	53	232

New employee hires and employee turnover*	Hires			Turnover		
	Europe	Asia	America	Europe	Asia	America
<30 years	222	192	273	159	298	166
30-50 years	381	448	276	420	728	448
>50 years	104	43	58	225	164	236
Male (share of the total headcount)	8%	10%	11%	9%	18%	15%
Female (share of the total headcount)	3%	3%	3%	3%	6%	4%

*This data was not reported in 2019.

Learning & Development	2020	2019		
Learning & Development Budget	2.3 mln EUR	3.6 mln EUR		
	Male	Female	Male	Female
Average training hours per employee**	10	9	19	14

**2020 data excludes the USA.

Diversity of Senior Management***	2020	2019
<30 years	0	Not reported
30-50 years	71	Not reported
>50 years	57	Not reported
Male	106	Not reported
Female	22	Not reported

***This is a new KPI.

Safeguarding integrity

Speak Up reports	2020	2019
Speak Up reports	169	195
Accounting & Auditing (%)	0%	0%
Business Integrity (%)	27%	24%
Environment, Health & Safety (%)	15%	5%
HR: Diversity and Workplace Respect (%)	54%	65%
Misuse, misappropriation of corporate assets (%)	4%	6%
Investigated reports (%)	100%	100%
Reports classified as substantiated or partially substantiated (%)	44%	71%
Cases led to action being taken (%)	88%	83%

Sustainable supply chain*	2020	2019
Number of suppliers	23,244	Not reported
of which are local (%)	79.47%	Not reported
Procurement budget spent on local suppliers (%)	78%	Not reported
Suppliers which signed the Supplier Code of Conduct (%)	53%	Not reported

*Sustainable supply chain indicators were introduced in 2020.



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