

Greenergy Flexigrid Limited  
Corporate Governance Report 2024

**Greenergy**

# Corporate Governance Report 2024

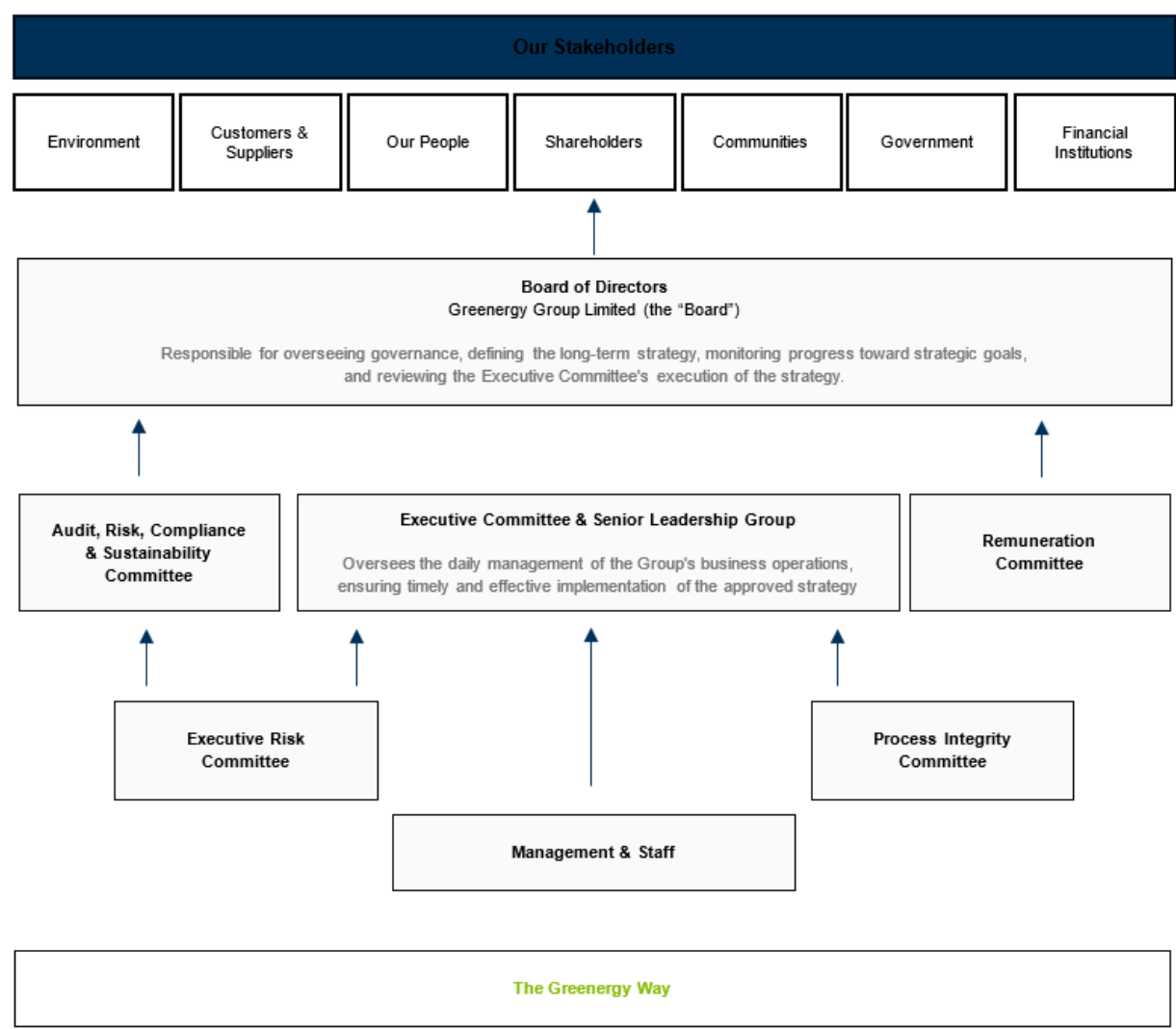
## Governance Framework

The Greenergy Group are required to disclose its corporate governance arrangements under the Companies (Miscellaneous Reporting) Regulations 2018 to ensure sustainable and responsible governance practices.

All entities in the Greenergy Group operate under the Group Corporate Governance Framework mandated by the Board of Directors (the 'Board') of the parent company Greenergy Group Limited (Formerly Greenergy Halo Holdings III Limited).

Following the acquisition of 100% of the Group's share capital by Trafigura Group Pte Ltd in 2024, the Board took the opportunity to review, update and strengthen our governance framework to streamline its governance and decision-making processes, including the sub-committees which support the Board.

## Group Governance Framework



## **The Group Board**

The Group's Board is primarily responsible for overseeing governance, defining the long-term strategy, monitoring progress toward strategic goals, and reviewing the Greenergy Group executive committee's (the "Executive Committee") implementation of the strategy.

Certain reserved matters such as governance, long-term strategy, mergers and acquisitions, restructuring and commercial deals over a certain size or duration are submitted to the Board for advice and ultimate approval, subject to specific Shareholder reserved matters.

A formal schedule of matters reserved for Board approval is maintained and reviewed regularly. The Board delegates authority for all day-to-day management of the Group's affairs to the Executive Committee.

The Board is supported by five sub-committees which have been established to provide specialised support to Directors in discharging their duties. The sub-committees comprise subject matter experts who are qualified to advise, inform and make recommendations to the Board on various matters.

## **Group Executive Committee**

The Group's Executive Committee is responsible for ensuring the timely and effective implementation of the approved strategy. Its members are Executive Directors for each of the Group's operating entities and have primary responsibility for the strategic business units and key functions.

The Process Integrity Committee and Internal Risk Committees both report into the Group Executive Committee.

## **Company Governance Framework**

The Company maintains its own Board and a Flexigrid Leadership Team composed of twelve members of senior management. The Company Board receives its mandate from the Group Board of the ultimate parent company, Greenergy Group Holdings Limited. The Flexigrid Leadership Team has authority to make key decisions on operational, commercial and stakeholder matters specific to the Company.

This framework ensures that the Company's executive and core management team are empowered with the appropriate level of authority to make decisions on behalf of the individual operating company.

## **Company operating structure**

### **Group Chief Executive Officer**

Recommend strategy for approval by the Company Board and  
collects necessary mandates on an annualised basis  
as well as on a case by case basis.

### **Flexigrid Board**

The Company maintains its own Board and receives its mandate from the Group Board of the ultimate parent company, Greenergy Group Holdings Limited.

### **Flexigrid Leadership Team**

Led by the Flexigrid Chief Executive Officer, the Executive Team manage the business on a day to day basis and have executive authority to make key decisions on operational, commercial and stakeholder matters

**Management Group**

**Staff and other key stakeholders**

The day to day running of the business starts with the Company Leadership Team and senior management team.

### **Meetings, processes and engagement**

#### *Management group*

Meet on a weekly basis, including the Company Leadership Team, heads of all functions of the business and budget holders, to discuss key stakeholder matters at an operational level to ensure that staff across the business remain informed and the Company is meeting its operational and financial targets. In addition, the Leadership Team meets monthly to discuss and review business strategy.

A standing agenda is set for these meetings, as follows:

- Process Integrity
- Financial Review
- Volume, Customer and Operations
- Specific Items as required

Specific items are added to the agenda on a regular basis as required by any member of the leadership team. These meetings allow informed discussion and debate amongst the key management team on critical operational matters. Where required, matters are escalated to the appropriate Group Board authority after due consideration from the management team, ensuring that the Group Board is given the right information and facts to be able to make an informed decision on the matter at hand in a timely manner.

A number of specific meetings are held on a daily and weekly basis on key matters such as daily operations and Process Integrity.

#### *Leadership Team*

Output from the various management meetings and discussions is disseminated by the Leadership Team who meet informally on a weekly basis to discuss key stakeholder matters and make decisions within their Executive Authority.

Comprehensive monthly reports are shared with all Executive Leaders and Group Board members, of both the Company and the broader Group. These reports address key matters arising in the month, including Process Integrity events, market & customer developments, strategic priorities and detailed financial results. They are the informative narrative of the business and they are used to steward progress against strategic targets.

A subset of these reports are shared with key external stakeholders such as the Group's banking syndicate to provide an insight into the financial and operational performance of the business.

#### *Sub-committees*

The Company is supported by five sub-committees that sit at Group level, mandated by the Group Board.

These sub-committees consider and debate specific topics and make recommendations to the Group Board, and have oversight of the business.

These are:

- Process Integrity
- Audit, Risk, Compliance & Sustainability (ARCS)
- Executive Committee
- Remuneration
- Executive Risk

The committees are 'access all areas' both from a data gathering and from an advisory perspective.

## **The Company Board**

The Company Board uses its meetings as a mechanism to evaluate and review business operations and how they align with our growth strategy. Each Company Board meeting follows a considered agenda, agreed in advance by the Company Board.

### *Beginning of the year*

Quarterly recurring board meetings for the Company are scheduled for the year and dates are set.

Venues for the meetings are set, with an aim to hold meetings at different locations to meet staff within the business

Dates for monthly board updates are also scheduled at the start of the year.

Recurring board meetings cover standing prescribed sections as follows:

- Approval of minutes and actions from prior meeting
- Process integrity
- Service Updates
- Industrial Relations
- Business Strategy
- Finance Review

Within the set sections there are certain standing items such as review and discussion on Process Integrity data and events.

There are also special topics which are added to individual sections as required. These agenda items are set by the executive directors and agreed with the Chair.

### *Board Papers*

Meeting papers follow a consistent format;

Papers are distributed to the Board at least a week in advance of the board meeting.

Where approval is requested from the Board, this is made clear in the Board papers.

### *Board meeting*

Each meeting has a Chairperson who ensures meeting agendas are followed and sufficient time is given for discussion and debate by all Board members on the key topics.

Non-board Executives and key management are periodically invited to Board meetings for specific items to provide their expertise to the Board discussion dependent on matters under consideration.

### *Post-meeting follow up*

Draft minutes and actions from the Board meetings are produced and distributed to the Board for review and feedback. They are escalated to the Group Board as required.

The minutes are formally approved at the next board meeting, or in advance via email

Actions are documented and the person responsible is asked to provide an update at subsequent meetings.

## Section 172(1)<sup>1</sup> Companies Act 2006 Statement

Our stakeholders are essential for Greenergy and the Company to deliver on its' mission. This section summarises our relationships with our key stakeholders and their influence on Company Board decision making.

### Our stakeholders

#### Key stakeholder: Our people

Our people are our most important asset. They are a reflection of our culture and values and are essential to upholding our values.

##### Our priorities

- Ensuring all staff can perform their roles safely
- Ensuring diversity and inclusion across our workforce
- Ensuring that all key positions are filled with the best person for the job
- Maintaining high employee engagement
- Instilling our culture and values with employee growth
- Developing the skills and talents of our people
- Supporting the mental and physical health of our people.

##### Engagement activities

- Safety underpins all that we do. Lessons Learned and safety updates are shared with employees across the entire business
- Colleagues are kept informed of performance and strategy through Staff Reviews and Monthly Drivers Road Shows which allow for two way communication. All executives regularly engage with our colleagues around the business
- Our Intranet and news app provides regular updates of what is going on around the business, along with updates from the CEO
- The Knowledge Hub provides a learning and development tool for our colleagues, to provide people with a range of programmes that can be accessed anywhere on any device.

#### Key stakeholder: Our shareholders

Our shareholders support the growth of our business to achieve our long-term growth objectives.

##### Our priorities

- Demonstrate sound financial and operational performance, in line with the Group strategy.

##### Engagement

- Attendance at Group Board meetings
- Regular communications such as financial updates, investment plans and capital allocation.

<sup>1</sup> In accordance with Companies Act 2006 Regulations, the Directors are required to provide a 'S172(1) statement' . Pages 5 to 8 are our section 172(1).

### Key stakeholder: Customers and Suppliers

Our customers rely on us to deliver for their business', and we work every day to ensure we are meeting their needs.

#### Our priorities

- Build supply chain optionality through our relationship with our suppliers
- Develop long-term relationships with customers and suppliers who support our strategic growth objectives.

#### How we engage and communicate

- By demonstrating our values in every interaction we have
- Dedicated and engaged teams, who are available to our customers when they need us most. Our local Customer Care teams remain a key differentiator in our offer and allows us to support our customers day or night.
- Regular and timely communications, including financial and operational updates throughout the year. We understand the important role our suppliers and partners have in achieving our growth objectives.

### Key stakeholder: Environment

The Greenergy Group was founded in the 1990s to supply low emission diesel, and our commitment to produce and supply lower carbon fuels at scale continues today.

#### Our priorities

- We recognise the urgent need to further reduce greenhouse gas emissions in the transportation sector
- We continuing to invest in the sector and progress projects to reduce our own operational emissions.

#### How we engage and communicate

- Reducing the environmental impact of our activities by continued investment in process improvements at our depots to improve efficiency of our operations
- Investing in vehicles capable of running on higher percentage biodiesel blends
- Expanding high biodiesel blends bunkering
- Involvement in round table discussions and industry consultations on best practice
- Encouraging all employees to play a role in our continual improvement of processes to improve the sustainability of our operations
- Support of Greenergy's ESG framework and strategy to drive more detailed reporting.

### Key stakeholder: Financial institutions

As part of the Greenergy Group, we rely on support from our banks to fund our ongoing working capital requirements to allow us to operate in the way in which we do.

#### Our priorities

- Support the Group in developing long-term relationships with a syndicate of banks and other institutions to support our ongoing business.

#### How we engage and communicate

- Monthly financial and operations update provided to our lenders

### Key stakeholder: Communities

We believe in supporting our communities. Our charity programme helps support our communities.

#### Our priorities

- Through our employee-led charity programme, help fund a range of charity initiatives with a directly identifiable benefit.

#### How we engage and communicate

- While the total charity budget is set by the Board, the allocation of funds is nominated by employees and final approval by the employee-led Charity Committee.
- Employees are encouraged to work closely with the charities to understand how funds will be used.

### Key Stakeholder: Unions

We maintain close relationships with Unions in the UK.

#### Our priorities

- Develop productive relationships with Unions.

#### How we engage and communicate

- Regular meetings and communications with Unions to provide business updates.
- Involvement in round table discussions.

### Key decision: Re-invigorate Drivers Trust

The requirement to appoint a Trust Director came from both the expected resignation of the Company Secretary and to provide a fresh perspective on supporting the Trustees.

#### Decision process

- The Company Board refreshed and distributed the driver Trust handbook.
- The Company Board appointed existing Company Director and Greenergy Group Executive Committee member, Caroline Lombard, as a Drivers Trust Director.

#### Outcome

- Regular meetings scheduled with trustees, led by newly appointed Drivers Trust Director.
- Restructured Drivers Trust with an appointment of additional trustee (taking total number from four to five).
- Process in place to vote on new trustees every 24 months.
- Regular meetings scheduled to maintain strong dialogue between Company Board and Drivers Trust.

### Key decision: New operating location in the North East

The Company has significant presence in the North East and considered taking a new lease for an alternative location to support the business.

#### Decision process

- The Board discussed the opportunity and evaluated the benefits and risks and how this would support the future plans of the Company.

#### Outcome

- The Board approved the decision to proceed with entering into a lease agreement.

### Key decision: Strategic business plan and financial budget

Each year, the business prepares a five year strategic plan and financial budget to share with the Board giving consideration to longer term strategic direction of the Company, noting the impact of climate risk and the energy transition, and what steps are required to ensure that the plan can be delivered.

#### Decision process

- The business plan process was iterative with several follow up sessions to review key changes and impacts on the financial budgets.

#### Outcome

- The Board reviewed the five year strategic business plan and financial budget and after due consideration and discussion approved the plan.



**Key decision: Board restructure**

The Company went through Board restructure following the Group acquisition by Trafigura.

**Decision process**

- The Board formally thanked Bill Hockin, Tamara Earley and Malcolm McGillivray for their service and input to the working of the Board over the past years.

**Outcome**

- The Board approved the appointment of Paul Mizen as Greenergy Flexigrid Trustees representative.