

Greenergy Fuels Holdings Limited
Corporate Governance Report 2024

Greenergy

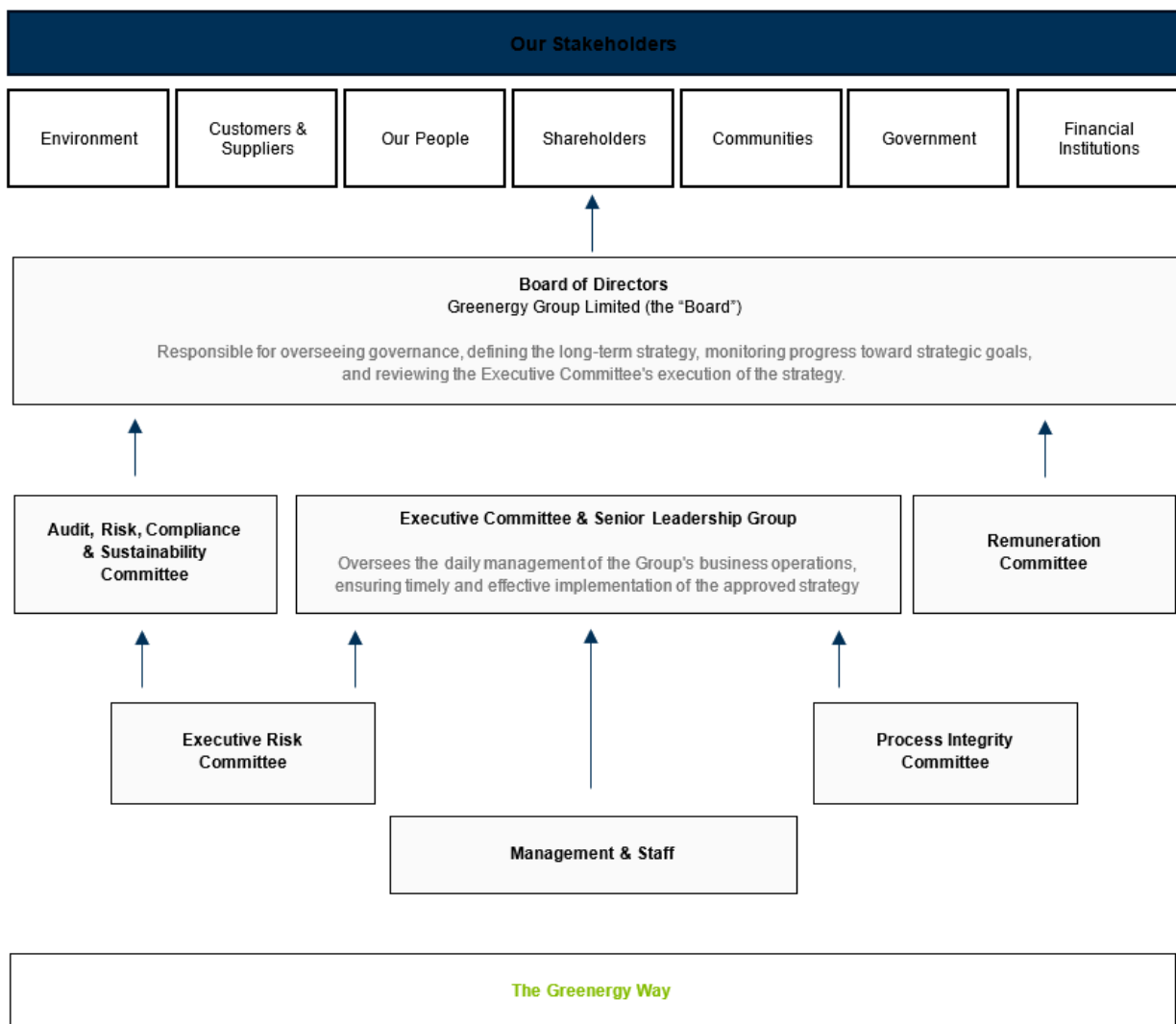
Corporate Governance report

As a large private company, we are required to disclose our 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.

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

Governance framework



Corporate Governance Report (continued)

The Board

The 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 various 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.

Executive Committee (ExCo)

The 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 Executive Risk Committees both report into the Group Executive Committee.

Audit, Risk, Compliance and Sustainability Committee

The Audit, Risk, Compliance, and Sustainability Committee oversees and assists the Board in fulfilling its responsibilities across several key areas. These include the effective management of financial and operational risks, ensuring compliance with laws and regulations, and maintaining accurate financial and management reporting. The committee also supports the maintenance of an effective and efficient audit process, ensures the Group upholds high standards of business ethics and corporate governance, and oversees the company's ESG approach, management, reporting, and performance.

Remuneration Committee

The Remuneration Committee is responsible for overseeing and determining the Group's compensation policies and setting remuneration for the Group's senior management, ensuring that the Group can attract, retain and motivate high-calibre senior management to deliver the Group's strategic objectives.

Process Integrity Committee

The Process Integrity Committee oversees and assists the Board in fulfilling its responsibilities related to health and safety and process integrity. It ensures that Greenergy's policies, procedures and working practices not only meet or exceed legal obligations but also apply learnings from industry best practices. The committee promotes the well-being and safety of Greenergy's employees, customers, and others affected by its activities. Additionally, it provides regular reports to the Board on safety performance and any necessary remediation plans.

Executive Risk Committee

The Executive Risk Committee is responsible for ensuring that the business operates within the risk parameters established by the Audit, Risk, Compliance and Sustainability Committee and/or the Board. This includes managing counterparty risk and exposure, approving new counterparties and conducting regular portfolio reviews to assess overall risk levels. The committee also performs stress testing to evaluate the company's resilience under various scenarios, monitors the performance of hedging strategies to ensure effective risk mitigation, and oversees internal controls to maintain financial and operational stability. Through these activities, the committee plays a critical role in safeguarding the company against potential risks and ensuring prudent risk management practices.

Corporate Governance Report (continued)

The Group has adopted the Wates Corporate Governance Principles as part of its governance framework following the acquisition by Trafigura, still considers these integral to its approach to governance.

Principle 1: Purpose and Leadership

The Group's purpose is to deliver safe, efficient and reliable fuels solutions for our customers, the Greenergy way. It aims to be a leading transportation fuel supplier, by integrating traditional and renewable energy solutions.

As the energy transition accelerates, Greenergy's history of being an innovative transportation fuel producer and supplier remains a key focus for the Board, as we look to continue developing lower emission fuels. However, Greenergy recognises that traditional fuels will continue to play an important role in the years ahead. For this reason Greenergy will integrate both traditional and renewable energy solutions to meet its evolving customer needs, powering the future of transportation.

Our purpose is more than just supplying products and services. It is the way we do business. This includes our interactions with our stakeholders, our governance and is underpinned by our culture and values and is integral to ensuring delivery of the Group's strategy and long-term success.

The close relationship between effective governance and effective executive authority and action is vital to ensure the success of Greenergy. This relationship is managed through the Group's governance framework which ensures the appropriate levels of authority is provided, allowing key decisions on operational, commercial and key stakeholder matters to be made.

Principle 2: Board composition

The Board comprises one executive director (Chief Executive Officer) and a minimum of two non-executive directors. It is primarily responsible for overseeing governance, defining the long-term strategy, monitoring progress toward strategic goals, and reviewing the Executive Committee's 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.

The Board is supported by various 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 of Directors on various 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 size and experience of the Board is considered appropriate for the size of the Group, with the directors bringing a wide range of commercial and industry knowledge, ensuring a well-balanced range of views and experience. The Directors recognise the Board composition lacks diversity. We are committed to supporting diversity, equity and inclusion across the entire workforce and in particular continuing to improve diversity among the senior management and executive leadership teams.

Principle 3: Director's responsibilities

The Board is continuously improving its approach to Corporate Governance ensuring clear responsibilities are allocated to individuals and sub-committees and reviewing if the strategy is still fit for purpose. All sub-committees are governed by agreed Terms of Reference and include subject matter experts, providing the Board with regular and timely updates on specific topics.

At the beginning of each year, quarterly recurring board meetings are scheduled. Two additional strategic board meetings are also set to discuss and define the Group's strategy and five-year strategic plan.

Board meetings are a mechanism to evaluate and review business operations and how they align with the Group's overall strategy and the impact on our key stakeholders. Some of the key activities and decisions undertaken by the Board in 2023 are outlined in the Section 172(1) Companies Act 2006 Statement (see s172(1)).

In addition to formal meetings, the Board will regularly hold informal meetings to discuss specific topics. The Board is provided with regular and timely updates on all key aspects of the business including process integrity, financial performance, operational items, market themes, ESG and risks and opportunities impacting the Group.

Corporate Governance Report (continued)

Principle 4: Opportunities and risks

The Greenergy way and overall Group strategy guide the Board's decisions to promote and deliver long-term value, taking advantage of opportunities which arise whilst ensuring an appropriate risk framework is in place to manage the risks we face in our business. The risks we face in our business, and the action we take to mitigate those risks, are formalised in a risk register which is reviewed by the Audit, Risk, Compliance and Sustainability Committee and formally approved by the Board.

The Group's Executive Risk Committee, chaired by the Group's Head of Risk & Compliance, aims to assist the Board in the fulfilment of its corporate governance, establishment of procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take to achieve its long-term strategic objectives.

Principal risks are identified across the business at all levels, to ensure those are registered and reported to the Board along with the mitigation plans associated with them. Different business units assess the risk in their area of expertise, with the Board being informed of such risks to establish the level of risk accepted to meet its strategic objectives.

Principle 5: Remuneration

The role of Greenergy's Remuneration Committee is to determine and oversee the Group's overall remuneration strategy and policy, ensuring its aligned to the successful delivery of the Group's purpose, culture, values and Group wide strategy. It regularly reviews the on-going appropriateness and relevance of the remuneration policy to ensure compliance and appropriate consistency and effectiveness of application, and, if necessary, make proposals for changes.

The Remuneration Committee sets and reviews the strategy and policy in relation to the terms and condition of engagement, including remuneration, of Greenergy's Executive Committee and Senior Leadership Team. The committee determines the specific total remuneration (including payments and awards under annual bonus plans, share incentive schemes, pension schemes and any other compensation arrangements), ensuring that payments awarded are fair and appropriate based on performance.

It also oversees any major changes in employee benefit structures of the Group and establishes the overall parameters for annual salary reviews and bonus plans of the Group's employees, making recommendations to the Board for approval.

The Remuneration Committee supports Greenergy's ambition to be and remain a preferred employer, attracting, motivating and retaining talent at all levels as well as succession planning by developing and promoting where possible from within.

The Committee is responsible for the development of the remuneration policy which ultimately is approved by the Board.

Principle 6: Stakeholders

Stakeholder engagement is considered crucial by the Board, and this is applied at all levels of the organisation supported by the Executive Committee and Senior Leadership Team and reported to the Board. Our key stakeholders, how we engage with them, and the effect stakeholders have on Board decision making is outlined in the Section 172(1) Companies Act 2006 Statement.

Section 172(1)¹ – Companies Act 2006 Statement

The Board recognises that it can only deliver on our mission and create long-term success for all of our members if we actively engage, consider and respect our various stakeholders. How we engage with them is considered crucial by the Board, and this is applied at all levels of the organisation supported by the Leadership Team.

Each Director and the Board as a whole are aware of their duty to act in a way which would most likely promote the success of the company for the benefit of its members as a whole.

Our stakeholders

Environment	
Our business was founded in the 1990s to supply low emission diesel, and our commitment to produce and supply low carbon fuels at scale continues today.	
Our priorities <ul style="list-style-type: none"> We recognise the urgent need to further reduce greenhouse gas emissions in the transportation sector We continue to invest in the sector and progress projects to further expand our renewable fuel production and are actively exploring projects to supply lower carbon fuels. 	Engagement Activities <ul style="list-style-type: none"> Reducing the environmental impact of our activities by continued investment in process improvements at our plants to improve efficiency of our operations Manufacturing biodiesel from waste raw materials where possible giving higher carbon savings 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 Ongoing development of our ESG framework and strategy

Customers & Suppliers	
Our customers include supermarkets, major oil companies, commercial users, independent retailers and consumers. Our customers rely on us to run their business, and our relationships with our suppliers allows us to meet the needs of our customers and consumers.	
Our priorities <ul style="list-style-type: none"> Build supply chain optionality through our relationship with our suppliers Develop long-term relationships with customers and suppliers who support our strategic growth objectives. 	Engagement Activities <ul style="list-style-type: none"> By demonstrating our values and the Greenergy way in every interaction we have Dedicated and engaged teams, who are available to our customers when they need us most. 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.

¹ In accordance with Companies Act 2006 Regulations, the Directors are required to provide a 'S172(1) statement'.

Section 172(1) – Companies Act 2006 Statement

Shareholders	
Our shareholders support the growth of our business to achieve our long-term growth objectives.	
Our priorities <ul style="list-style-type: none"> Demonstrate sound financial and operational performance, in line with the Group strategy. 	Engagement Activities <ul style="list-style-type: none"> Attendance at board meetings Regular communications such as financial updates, investment plans and capital allocation.

Government	
As a fuel supplier, we maintain close relationships with Government bodies in the regions we operate.	
Our priorities <ul style="list-style-type: none"> Develop productive relationships with Government bodies, particularly in the UK where we provide a critical role in the national supply chain. 	Engagement Activities <ul style="list-style-type: none"> Regular meetings and communications with our Government contacts to provide business updates Involvement in roundtable discussions and industry consultations.

Employees	
Our people are our most important asset. They are a reflection of our culture and responsible for upholding our values and delivering on our purpose and mission.	
Our priorities <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Safety underpins all that we do. Lessons Learned and safety data are shared with employees across the entire business Colleagues are kept informed of performance and strategy through Staff Reviews and Quarterly Meetings. All executives regularly engage with our colleagues around the business Our Intranet and news app provides regular updates to keep our people informed 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.

Section 172(1) – Companies Act 2006 Statement

Financial Institutions	
We rely on support from our banks to fund our ongoing working capital requirements and support our growth.	
Our priorities <ul style="list-style-type: none"> Develop long-term relationships with a syndicate of banks and other institutions to support our ongoing business. 	Engagement Activities <ul style="list-style-type: none"> Monthly financial and operations update provided to our lenders Annual all banks presentation on our results and outlook and strategy for the years ahead Regular ad hoc meetings with all lenders to discuss business operations.

Communities	
We believe in supporting our communities through charitable and community initiatives.	
Our priorities <ul style="list-style-type: none"> Through our employee-led charity programme, help fund a range of charity initiatives with a directly identifiable benefit Engage with our local communities through STEM projects that provide information and inspiration to young people considering their future careers. 	Engagement Activities <ul style="list-style-type: none"> The Charity Committee is made up of volunteer staff, who review nominations from employees, who are encouraged to work closely with charities to understand how funds will be used Through our STEM projects, we aim to work with local schools and educational colleges to inspire students, and demonstrate tangible career options that are available through STEM In Ireland, we partner with retailers to support their local communities.

Board activities

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.

During the year, the Board made a number of key decisions. In arriving at these decisions, the Board specifically considered the interests of and the impact on all of its stakeholders. Some examples of these key decisions are outlined below.

Key decision: Sale of 100% of share capital	
In order to support the ongoing growth and to achieve our long-term growth objectives, the Board considered offers to acquire 100% of the share capital of Greenergy Group Limited.	
Decision process <ul style="list-style-type: none"> The Board engaged external professional to undertake a comprehensive sales process The Board received offers which were reviewed and considered on their financial, strategic and operational merits Consideration was given to all stakeholders impacted including employees, customers and shareholders 	Outcome <ul style="list-style-type: none"> Upon reviewing the offers and impacts on all stakeholders, the Board approved the sale of 100% of the share capital of Greenergy Group Limited.

Section 172(1) – Companies Act 2006 Statement

Key decision: Refinance of the Group's working capital facilities	
The Group relies on key working capital bank facilities to finance its ongoing operations. Following the change of control of Greenergy Group Limited during the year, the Group undertook a detailed process to refinance its key facilities	
Decision process <ul style="list-style-type: none"> A detailed process was undertaken with a selection of new and existing financial institutions to determine the most appropriate finance solution for the Group's working capital requirements Following a detailed process, the CFO presented an overview of the proposed facilities including the impact and costs on the business both financially and operationally The Board considered the risks and opportunities of refinancing the Group's existing facilities The Board considered the current and future capital structure of the Group. 	Outcome <ul style="list-style-type: none"> On recommendation of the Group CFO, the Board approved the refinancing of the Group's banking facilities

Key decision: Approval of updated Governance Framework	
Following the change of control of Greenergy Group Limited during the year, the Group undertook a review of the Governance Framework to ensure it remained suitable for the Group to operate efficiently, transparently, and in compliance with laws and best practices.	
Decision process <ul style="list-style-type: none"> A detailed review of the Governance Framework was undertaken to identify gaps or areas for improvement Key stakeholders were engaged, including senior executives and board members to understand governance needs and expectations The Group's governance practices were considered alongside industry standards and related entities to ensure consistency and best practices. 	Outcome <ul style="list-style-type: none"> On recommendation of the CEO, the Board approved the updated Governance Framework.