



Governance

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Governance framework

Our mission is to earn the long-term loyalty of each and every customer. That loyalty is not just earned through the products and services that we provide, but through a holistic process that also includes the way we do our business, our staff interactions with customers, our governance and values.

The close relationship between effective Governance and effective Executive authority and action is at the heart of this process and our business.

Governance overview

All entities in the Greenergy Group operate under the Group Corporate Governance Framework mandated by the Board of Directors (the 'Board') of the ultimate parent company, Greenergy Group Holdings Limited

The Executive Leadership Team comprises six members of senior management who have executive authority to make key decisions on operational, commercial and stakeholder matters. The Executive Leadership Team meets on an informal basis every week to discuss key stakeholder matters. They in turn give mandates and guidance to the management team with weekly management meetings as well as regular engagement through emails, blogs and stewardship meetings with the functional heads.

The Executive Leadership Team in turn receives its mandates and guidance from the Board and the various Sub-Committees, each with a particular mandate, which have been established to directly advise and engage with the company.

The Board comprises three executive directors, the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer and seven non-executive directors, including a non-executive Chairman. At times, subject matter experts from the Executive Leadership Team and management teams will attend the Board meetings as observers as relevant matters to hand. 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.

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

“ The Greenergy Group has developed a Governance Framework with engagement from senior management to non-executive director. This framework allows the Group to evaluate, consult and act upon the various needs of different stakeholders.”

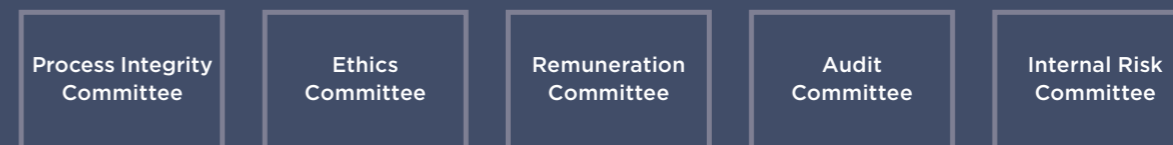
Andrew Owens
Chairman of Greenergy Group



Governance framework

Board of Directors

(Greenergy Group Holdings Limited [GGHL])
Responsible for governance, long-term strategy, stewardship and approvals

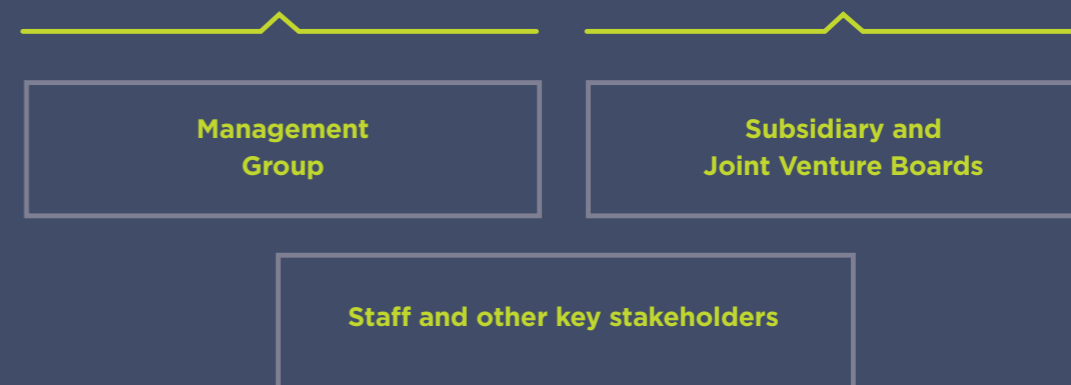


Chief Executive Officer

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

Executive Leadership Team

Led by the Chief Executive, 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



Governance framework – continued

The day to day running of the business starts with the senior management team.

Meetings, processes and engagement

Management group

They meet on a weekly basis, including the Executive 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.

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

- » Process Integrity
- » Financial Review
- » Key margins and International matters
- » Volume, Customer and Operations
- » Specific Items as required.

Specific items are added to the agenda on a weekly basis as required by any member of the management 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 Board authority after due consideration from the management team, ensuring that the 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.

On a monthly basis, meetings are held where all staff are able to join by video link. The purpose of these meetings is to keep all staff informed of operational developments and to reiterate the direction, culture and values of the company.

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

Executive team

Output from the various management meetings and discussions is disseminated by the Executive 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 Board members. These reports address key matters arising in the month, including Process Integrity events, market and customer developments, strategic priorities and detailed financial results by division. 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.

In response to monthly data, meetings are then held either in person or via telephone with the CEO and CFO presenting the monthly results and key events to the non-executive members of the Board.

Non-executive members of the Board also receive regular updates, on an as needed basis, from members of the Executive Leadership Team on key matters arising, including: market, financial and customer events.

During the year, examples of these updates included:

- » Brexit developments
- » Acquisition of William C. Hockin (Tankers) Ltd
- » Our merger with BG Fuels that was completed post year-end.

Sub-committees

The Board is supported by five sub-committees, mandated by Board.

These sub-committees consider and debate specific topics and make recommendations to the Board.

These are:

- » Process Integrity
- » Ethics
- » Remuneration
- » Audit
- » Internal Risk

These committees are chaired by one of the Greenergy Group Holdings Limited directors with the other committee members comprising key executive and management experts from around the Group. Committees are 'access all areas' both from a data gathering and from an advisory perspective, and, where applicable, committee members include non-executive directors.

The Group Board

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

Beginning of the year

Quarterly recurring board meetings for Greenergy Group Holdings Limited are scheduled for the year and dates are set.

Two additional board meetings are set:

- » Strategy day: discuss and define the Group's strategy; and
- » Five year plan: taking the outcomes of the strategy day to review the Group's five year strategic plan.

Venues for the meetings are set, with an aim to hold meetings at different locations to allow the non-executive board members the opportunity to meet staff at different locations.

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

Agenda

Recurring board meetings cover standing prescribed sections as follows:

- » Five year plan: taking the outcomes of the strategy day to review the Group's five year strategic plan
- » Approval of minutes and actions from prior meeting
- » Process integrity
- » Code and Compliance matters
- » Governance
- » Internal Audit
- » Finance Review
- » Regional Priorities.

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 Chairman.

Board papers

Meeting papers follow a consistent format and 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.
- » 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)¹ – Our stakeholders

Our relationships with our stakeholders are essential for us to deliver on our mission. This section summarises our key stakeholders and their interests, how we regularly engage with them, and the effect stakeholders have on Board decision making.

 <p>Our colleagues</p>	<p>Our people are our most important asset. They are a reflection of our culture and values and are essential to delivering on our mission of developing long-term customer relationships and business growth.</p> <p>Our priorities</p> <ul style="list-style-type: none"> » Ensuring all staff can perform their roles safely » Ensuring that all key positions are filled with the best person for the job » Maintaining high employee engagement » Instilling our culture and values with rapid employee growth » Developing skills and talents of our people. <p>How we engage and communicate</p> <ul style="list-style-type: none"> » 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 delivered by our CEO and CFO. All executives regularly engage with our colleagues around the business. » Our Intranet provides regular updates of what is going on around the business, along with an update from the CEO. » Staff conferences that are an opportunity to foster team building and instill our values across the business. » The Knowledge Hub provides a learning and development tool for our colleagues, to provide people with a range of programmes across various platforms.
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 <p>Our shareholders</p>	<p>Our shareholders support the growth of our business to achieve our long-term growth objectives.</p> <p>Our priority</p> <ul style="list-style-type: none"> » Demonstrate sound financial and operational performance, in line with the Group strategy. <p>How we engage and communicate</p> <ul style="list-style-type: none"> » Attendance at Board meetings » Regular communications such as financial updates, investment plans and capital allocation.
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¹ In accordance with Companies Act 2006 Regulations, the Directors are required to provide a 'S172(1) statement'. Pages 107 to 117 are our section 172(1).

Section 172(1) – Our stakeholders – continued



Our customers and 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 these needs.

Our priorities

- » Build supply chain optionality through our relationship with our suppliers.
- » Develop long-term relationships with suppliers who support our strategic growth objectives, and who help us deliver on our mission to delight the customer and earn their loyalty.

How we engage and communicate

- » By living our mission, and being the easiest people to deal with, providing the most transparency and the best systems and controls.
- » 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 customer.
- » 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.



Our communities

We believe in supporting our communities. Our charity programme and our STEM projects help support our communities.

Our priorities

- » Through our 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.

How we engage and communicate

- » The total charity budget is determined by the Board, however the allocation of funds is nominated by charity teams that involve all employees of the Group, with the Charity Committee making the final decisions.
- » Employees are encouraged to work closely with the charities to understand how funds will be used.
- » The Charity Committee is made up of volunteer staff, and each team within the business is led by a Captain to encourage engagement.
- » Through our STEM Projects, we are working with local schools and educational colleges to inspire students, and demonstrate tangible career options that are available through STEM. This includes attending careers evenings and giving tours of some of our facilities, providing funding for young people to gain experience in engineering and sponsoring education awards celebrating excellence in STEM teaching.



Our environment

Our business was founded in the 1990s to supply low emission diesel, and our commitment to the environment continues in our values today.

Our priorities

- » We recognise the urgent need to further reduce greenhouse gas emissions in the transportation sector.
- » We are investing in the sector to expand our renewable fuel production and explore new, innovative ways of producing fuel from renewable resources.

How we engage and communicate

- » 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, rather than virgin vegetable oils, giving higher carbon savings and reducing land-use impacts.
- » Involvement in round table discussions and industry consultations on best practice.



Government

As a fuel supplier, we maintain close relationships with Government bodies in the regions we operate.

Our priority

- » Develop productive relationships with Government bodies, particularly in the UK where we provide a critical role in the national supply chain.

How we engage and communicate

- » Regular meetings and communications with our Government contacts to provide business updates.
- » Involvement in round table discussions and industry consultations.



Financial institutions

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 priority



- » Develop 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.
- » 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.

Section 172(1)¹ – Board activities




Process Integrity	Reduction in hazardous observations The Board observed a reduction in hazardous observations at its biodiesel processing plants. With failure to identify and address small events early on, they can ultimately become the root cause to larger events.	
	» Our decision process - The Process Integrity (PI) team reviewed and reported our PI data, both in terms of absolute numbers and broader trends. The PI Committee Chairman presented this to the Board so that we could perform a deep dive of the data for the 2018 – 2019 period.	» Our decision - To ensure the safety of our people and minimise the risk to the environment, the Board recommended staff are reminded of the importance of high reporting levels for SHEQ and additional safety walks are undertaken by the executive and management team.
	» Interested stakeholder groups 	
	Process safety event investigation The Board undertook a detailed review of a process safety event which led to a RIDDOR injury.	
	» Our decision process - A detailed review of the event investigation findings was presented to the Board. - The Board discussed the findings and the events that lead to the incident.	» Our decision - The Board requested that the Process Integrity Committee undertake a review of past projects and the Management of Change to identify any project shortcomings which could exist and affect the safety of our people or negatively impact the environment, and whether any past projects need to be reviewed again.
» Interested stakeholder groups  Health and safety p26		

People	Introduction of e-learning platform By listening to employee feedback, the Board recognised the need to continue to invest in employee development as the Group expands and employee numbers grow. It was recognised this was important to develop our high performing staff and enhance morale.	
	» Our decision process - Engaging with human resources, the Board discussed ways in which the Group could best invest in employee development.	» Our decision - The Board approved a budget to invest in training and resources for staff. This included the implementation of a group-wide e-learning training and education Knowledge Hub.
	» Interested stakeholder groups  Employment p94	
	Staff conference The Group holds an annual staff conference to engage with employees across the world. Each year the conferences have different themes.	
	» Our decision process - The Board considered different ways to engage with staff across the Group. - The Annual Staff Conference was viewed as a key existing tool which could be used as a platform upon which to launch the e-learning Knowledge Hub, investing in the development of our people.	» Our decision - The Board was invited to the group-wide Annual Staff Conference in March 2019, which was centered around learning and employee development. - An additional Management Conference was established to allow the Executive team to deliver the Board-approved strategic plan to the management team.
» Interested stakeholder groups  Employment p94		



Stakeholders:

 Our colleagues	 Our shareholders	 Our customers and suppliers	 Our communities	 Our environment	 Government	 Financial institutions
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Section 172(1) – Board activities – continued

People continued	Culture, mission and values Regardless of where in the world its operations are, the Value, Mission and Integrity statements are core to how the Greenergy Group operates.	
	» Our decision process <ul style="list-style-type: none"> - The statements are published on our website and are reinforced at the start of all internal staff presentations. - The Board reviews these as part of the overall Group five year business plan and discusses whether any changes are required to ensure these remain appropriate for our business and our stakeholders, and that the Group continues to evolve. 	» Our decision <ul style="list-style-type: none"> - The Board agreed to keep the existing Value, Mission and Integrity statements.
	» Interested stakeholder groups  <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>Mission  p7</div> <div>Employment  p94</div> </div>	



Financial	Renewal of the Group's borrowing base The Group relies on a working capital facility to finance its ongoing business. The facility was due to expire on 14 April 2020. Negotiations for its renewal commenced in Q4 2019.	
	» Our decision process <ul style="list-style-type: none"> - The CFO presented an overview of the working capital facility to the Board. - The Board considered the current and future capital structure of the Group. 	» Our decision <ul style="list-style-type: none"> - On recommendation of the Group CFO, the Board agreed to extend the Group's financing facility for an additional twelve months.
	» Interested stakeholder groups 	



	Infrastructure Investment in customer-specific infrastructure.	
	» Our decision process <ul style="list-style-type: none"> - The Board assessed the capital investment, the impact on our customer and resulting commercial benefit for our shareholders. 	» Our decision <ul style="list-style-type: none"> - The Board agreed to make additional capital investment for the benefit of its customer and ongoing commercial relationship.
	» Interested stakeholder groups 	
	Capital expenditure deferral Following a challenging market environment in the fourth quarter of 2018, the Board reviewed several capital projects planned for early 2019.	
	» Our decision process <ul style="list-style-type: none"> - The Board reviews the Group's historical and future capital expenditure requirements as part of the five year strategic planning and monthly operational reports. - Specifically, the Board reviewed projects planned for early 2019. - Consideration was given to which projects could be deferred without materially impacting the returns or ability to complete the project. 	» Our decision <ul style="list-style-type: none"> - The Board made the decision to postpone several growth capital projects until the business demonstrated it had returned to profitability.
» Interested stakeholder groups 		

Stakeholders:








 Our colleagues	 Our shareholders	 Our customers and suppliers	 Our communities	 Our environment	 Government	 Financial institutions
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Section 172(1) – Board activities – continued



Financial continued	Strategic business plan 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 Group and what steps are required to ensure that the plan can be delivered.	
	» Our decision process <ul style="list-style-type: none"> - The Board assessed the five year business plan and how it would benefit and support our business and key stakeholders. - The key drivers and underlying assumptions were discussed, debated and challenged by the Board. - The business plan process was iterative with several follow up sessions to review key changes and impacts on the financial budgets. 	» Our decision <ul style="list-style-type: none"> - The Board reviewed the five year strategic business plan and financial budget and after due considering and discussion approved the plan.
	» Interested stakeholder groups  Strategy in action p41	
	Distributions to shareholders After suspending the payment of a final dividend following a challenging end to 2018, the Board considered whether any distributions could be made to shareholders at the end of 2019.	
	» Our decision process <ul style="list-style-type: none"> - CFO presented financial results and the Board undertook a considered review of financials and impact of dividend payment on cash flows. - This included reviewing banking covenants to ensure sufficient headroom remained post payment of dividend to ensure the Group was able to continue to operate as a going concern. 	» Our decision <ul style="list-style-type: none"> - The Board approved the declaration of a final dividend to its ultimate shareholders. - The Board considered the Group's dividend policy.
	» Interested stakeholder groups  Dividend policy p122	

Acquisition of William C. Hockin (Tankers) Ltd. The Board assesses acquisition opportunities as and when they arise, giving consideration to the broader growth strategy. During the year, the business identified a target acquisition to add to its existing UK fuel haulage operations, Greenergy Flexigrid.	
» Our decision process <ul style="list-style-type: none"> - The Board reviewed the business case and strategic rationale for the acquisition of William C. Hockin (Tankers) Ltd. - The Board discussed the risks, financing and potential upside from the acquisition. 	» Our decision <ul style="list-style-type: none"> - The Board approved the transaction on the basis that it aligned with the Group's strategic priorities and created shareholder value.
» Interested stakeholder groups  Case study p48	
Sale of land at Thames Enterprise Park The Group has a strategic investment in a landbank on the Thames at Thames Enterprise Park which is being redeveloped in a joint venture with iSec, a Marcol company. The land is being developed as a business hub, and includes an energy hub. The land is currently being sold in parcels to fund ongoing remediation and maximise shareholder return.	
» Our decision process <ul style="list-style-type: none"> - The Board considered the sale of a portion of available land at its Thames Enterprise Park investment. - Consideration was given to cash flow, market value, and overall strategic direction for the investment. 	» Our decision <ul style="list-style-type: none"> - The Board made the decision not to sell a specific portion as it did not maximise shareholder value. - Subsequent to year end, terms were agreed that addressed points raised by the Board in the initial decision process.
» Interested stakeholder groups  Investments p72	








Stakeholders:

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Section 172(1) – Board activities – continued

Strategic priorities	Selection of Oracle as Greenergy’s ERP system supplier With the business continuing to expand globally and into new sectors, the Board reviewed the existing IT landscape and the need to create a more integrated framework.	
	» Our decision process <ul style="list-style-type: none"> - The Board considered the Group’s ERP and deal capture platform taking account of the long term strategy for the Group and stakeholder requirements. - It gave consideration to the various options and the benefits and drawbacks associated with each option provided. - Consideration was also given to the implementation timeline and project team. 	» Our decision <ul style="list-style-type: none"> - The Board approved the selection of the appropriate supplier and approved a capital budget to deliver on the project. This will have far reaching implications for all of our key stakeholders.
	» Interested stakeholder groups 	
	Time charter vessel for use by the marine supply team Following an expansion of our supply to the marine sector, the Board considered how best to continue to deliver the high levels of service and product availability for its customers.	
	» Our decision process <ul style="list-style-type: none"> - The UK Trading Director presented a business case for the time chartering of a vessel for our marine customers. - The benefits and drawbacks were considered and debated amongst the Board. 	» Our decision <ul style="list-style-type: none"> - The Board approved the time charter of a vessel to support our supply chain and customer offering.
	» Interested stakeholder groups 	

Stakeholders:

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Legal and regulatory	Approval of statutory accounts The Group relies on a working capital facility to finance its ongoing business. The facility was due to expire on 14 April 2020. Negotiations for its renewal commenced in Q4 2019.	
	» Our decision process <ul style="list-style-type: none"> - The final statutory accounts and any adjusting items are presented to the audit committee. - The audit committee reviews these and once satisfied recommends to the Board to approve the statutory accounts. 	» Our decision <ul style="list-style-type: none"> - On the recommendation of the Audit Committee, the Board approved the statutory accounts and authorised them for issue.
	» Interested stakeholder groups 	

Environment	Climate change Many Greenergy businesses exist in direct response to international climate change drivers. For instance biofuel manufacturing, ethanol blending and used cooking oil collection. In recent times there has been a push towards alternative fuel solutions and laws enacted to reduce emissions over decades ahead.	
	» Our decision process <ul style="list-style-type: none"> - Climate change and alternative fuels form a major part of the Group’s strategic five year business plan. - The Board considered changes, risks, trends and opportunities that climate change creates. - The Board discussed how the Group can mobilise capital in direct response to business areas related to climate change. 	» Our decision <ul style="list-style-type: none"> - As part of the five year business plan, the Board approved the decision to take a leadership role in development and alternative fuel projects.
	» Interested stakeholder groups 	

Strategy in action  p41

Executive Directors



Christian Flach
Chief Executive

Christian joined Greenergy in 2019 and took over as Chief Executive from 1 September. Joining from Marquard & Bahls, Christian has held a range of leadership roles throughout his career and has considerable experience in the fuel infrastructure and fuel supply sectors.



Paul Bateson
Chief Operating Officer

Paul joined Greenergy in 2007 and brings over 35 years' experience in the downstream oil sector, including at Exxon, Conoco Phillips, and Louis Dreyfus Refining and Marketing. He manages the company's trading, biodiesel manufacturing and international businesses.



Tamara Earley
Deputy Chief Executive

Tamara has over 25 years' experience in the oil industry, including more than 20 with Greenergy. Before Greenergy, Tamara worked with Safeway and BP in various roles. Tamara oversees all elements of the day-to-day running of the business.



Caroline Lombard
UK Trading Director

Since joining Greenergy over 20 years ago, Caroline has helped champion our rapid sales and customer growth. As UK Trading Director, Caroline is responsible for the Group's UK sales, purchasing and operations strategies and leads complex supply chain activities with major oil companies in the UK.



Adam Traeger
Chief Financial Officer

A Chartered Accountant, Adam joined Greenergy in 2008. More recently Adam was Director of Investments, responsible for the Group's global mergers and acquisitions and company investments. Adam was appointed Chief Financial Officer in 2018.



Chris O'Callaghan
**Head of Branded Retail at Greenergy
and Managing Director of Inver Energy**

Chris joined us following our acquisition of Inver Energy in 2017. After 18 years at Chevron, Chris acquired Inver in 2004, successfully growing the business and launching the Inver retail brand in Ireland. Chris continues to manage Inver's operations throughout Ireland and also has responsibility for our branded retail sales in the UK.