



CALOR

Responsible Business Review

Period covering Jan-Dec 2018



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A huge welcome

We're at the halfway point of our 2018-2020 Responsible Business Plan. It provides clear direction for our journey to make things better for our people, business and planet.

We did a lot to be proud of last year. The number of colleagues who volunteered in their communities jumped from 22% to 55%. We cut our carbon emissions and energy use and stepped up how we look after everyone's wellbeing.

But there's more to do. We know that being a responsible business doesn't happen overnight. We're committed to improving and refining what we're doing all the time.

We know, too, that we're part of a bigger movement to tackle the issues that really matter. That's why our Responsible Business Plan is informed and shaped by the United Nations Sustainable Development Goals.

We're not newcomers to any of this. We've always been a caring business and we've always strived to be sustainable.

We're going all out to meet our goal of offering customers 100% renewable energy by 2040. We're excited about what more we can achieve this year.

MATTHEW HICKIN, CEO



Our Story

Every great story needs a great character. Ours starts with Cornishman, Richie Gill.

He founded Calor Gas back in 1935 – and got the idea for our name from the Latin for heat. We've been trading for more than 80 years and, today, more than 1,500 people work for us at more than 50 sites around Britain.

We know how important it is to be a responsible business. That doesn't just mean looking after the planet – although that is huge. It means caring for the communities we're part of, and the people who work for us.

Our parent company, SHV Energy, cares too. They've made it their mantra to pass the company onto the next generation in better shape than they inherited it.



» **This report covers January to December 2018.** You'll find stories from all parts of our business, including **50** Cylinder Distribution Centres, **11** operational sites and **two** LPG import terminals. «

Our Purpose

Doing business sustainably. Cutting our customers' carbon impact. Cleaning up the UK's air.

A purpose needs a plan, which is why we created our Responsible Business Plan. It runs from 2018 to 2020 and is split into three main sections – Our People, Our Business and Our Planet. It focuses on the big issues our stakeholders say are central to our future success.

We've always taken our environmental responsibilities seriously, which is why we've measured our progress as a sustainable business every year for the past decade.

People told us they were confused by the term 'sustainability'. So we listened – and in our new plan, we talk about being a 'responsible business' instead. It's a vision that everyone can understand and work towards.



What we achieved in 2018



Recycling
rose from
40% to **48%**

6%
cut in our
carbon
footprint



1,690 days of
training

179 colleagues moved
from temporary to
permanent roles

Introduction
of BioLPG

34 colleagues took part in
Tour de Calor



£25,797 raised

for Mind and Scottish Association
for Mental Health (SAMH)



Total colleague volunteers
jumped from **22%** to

55%



New
wellbeing policy
endorsed by
our people

Our Responsible Business Plan

Our Responsible Business Plan is split into three sections – Our People, Our Business and Our Planet. They reflect our social, environmental and financial responsibilities and underpin everything we do.




Our Responsible Business Plan is informed and shaped by the United Nations Sustainable Development Goals, a set of 17 objectives that aim to end poverty, protect the planet and ensure prosperity for all. We have identified which goals are most relevant to us to ensure we play our part.

We made some great progress in 2018 and are excited for what's to come.

Progress key

- Red means we haven't achieved our target and no plan is in place
- Amber means we haven't achieved our target but a plan is in place
- Green means we achieved our 2018 target



PILLAR	OUR PEOPLE		
Our focus area	Local community links	Colleague engagement and satisfaction	Health and safety
United Nations Sustainable Development Goal	11. Sustainable cities and communities 	8. Decent work and economic growth 	3. Good health and wellbeing 
Our target	Increase the use of employee volunteering days to the equivalent of 50% of the employee population in 2018, 75% in 2019, rising to 100% by 2020.	Achieve a Gold award from Investors in People in 2020 by implementing their recommendations over 2018/2019.	In 2018, devise a Wellbeing at Work policy for Calor. Develop an action plan to support this, containing actions for 2018, 2019 and 2020. Roll out to the entire business.
Progress	■	■	■



OUR BUSINESS				OUR PLANET			
Efficient business	Innovation	Customers	Sustainable procurement		Resources	Energy use	Climate change
8. Decent work and economic growth 	9. Industry, innovation and infrastructure 	7. Affordable and clean energy 	8. Decent work and economic growth 	12. Responsible consumption and production 	12. Responsible consumption and production 	13. Climate action 	7. Affordable and clean energy 
Introduce the SHVE-wide metric of kgCO ₂ /tLPG sold as a carbon metric for the business. Initially monitor (in 2018), after which set an upper threshold and target for the business.	*Target changed to: A deeply embedded, iterative innovation culture that embraces testing, failing and learning. We will deliver market-leading products, new business models and business performance improvements. Innovation and our B100-led initiatives will contribute 5% of annual profit by 2020 growing to 20% by 2025.	Increase proportion of BioLPG supplied to 5% of total sales by 2020, 10% by 2025.	All suppliers to be signed up to Calor's Code of Conduct (or equivalent) by 2020. In 2018, finalise Calor's Code of Conduct and roll out to strategic suppliers and new suppliers. In 2019, roll out to at least 50% of suppliers. By 2020, all suppliers are signed up to Calor's Code of Conduct.		Recycling: increase from 35% to 55% for Calor in year 1 (2018). 5% increase each year thereafter, up to 65% by end of 2020.	Energy consumption: 2% improvement in either fuel efficiency (for a transport-based team) or 2% reduction in energy usage (natural gas/electricity, for a site-based team) in 2018. All based on a 2017 baseline, measured in terms of fuel efficiency or kWh.	SHV Energy target to cut our carbon impact by 25% by 2025, across all business units.
	*This target has been updated						



Community links

Changing lives in our local communities

Our volunteering scheme gives people a day of paid leave to make a difference in their community. We call it Start from the Heart day.

We care about our local communities. So we set ourselves tough volunteering targets for 2018-2020. Our goal for 2018 was to have 50% of our people volunteering – and we beat that figure. Some 828 colleagues – or 55% of us – used our Start from the Heart day to help our local communities.



We made the following changes in 2018 to remove as many obstacles as we could for colleagues to participate.

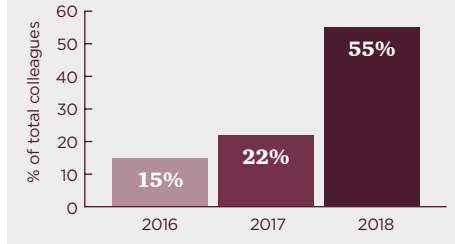
Year-round volunteering

Start from the Heart activities used to take place in the summer. In 2018, we gave colleagues the freedom to use their Start from the Heart day any time in the year.

Shutting up shop

Our Cylinder Distribution Centre colleagues can now close their store for the day, so the whole team can volunteer together.

Start from the Heart participation



Weekend motivation

If colleagues prefer to volunteer at the weekend, because their lives are too hectic in the week, we still give them a paid day's leave.

Donate a day

We tested out a new scheme called 'donate a day' in 2018. Anyone who doesn't have time to volunteer can give their paid day to someone who does. We've had great feedback, so we're keeping it going in 2019.



With more of us volunteering in 2018, we made even more of a difference. Here are two examples:

Thanks 'allot'

A team of 10 of our volunteers supported disability charity United Response by giving a plot of allotments in Blackpool a major makeover. Disabled people in the area now have space to grow their own veg and be more independent.

» We were thrilled to see so many people from Calor Gas take time out to help make a difference to people's lives. «

JENNIFER WHITTAKER,
UNITED RESPONSE



Tour de Calor

In September, 34 colleagues took part in Tour de Calor. The charity cycle covered eight different routes and 8,400 miles, arriving at our Head Office in Warwick to family, friends and colleagues.

£20,261

was raised for our
charity partners



Colleague engagement and satisfaction

Our people, our future

A successful business invests in its employees. That's why we've pursued an Investors in People accreditation that will help us keep improving.

We were proud to receive a Silver award from Investors in People in 2017. This highlighted lots of things we're already doing well, including: our recognise-and-reward approach, culture of improvement, and how colleagues' individual targets are connected to our broader goals.

The report also made some recommendations. So, in 2018, we made these important changes. We:

- made our One Calor conference more accessible by holding three regional events instead of one countrywide conference. Some 383 colleagues attended in 2018
- improved terms and conditions for our drivers. This included a new bonus scheme, which recognises personal contribution towards safety and service
- provided our Managers with training and development activities focusing on leadership behaviours and performance.



Health and safety

Safe and sound

Health and safety flows through everything we do, every day. We support the emotional, physical and mental wellbeing of all our colleagues.

In 2018, we created our Wellbeing at Work policy statement. It lays out our commitment to empower colleagues, so they look after their own wellbeing and the people around them.

We also released ‘Top up your Health’ – an online booklet that shows our people, clearly and easily, all the wellbeing resources they can use, including being active, staying social and continuously learning.



Our partnership with Mind and the Scottish Association for Mental Health (SAMH) runs until 2020. We encourage all our people to reach out – and use the right services – when times get tough.

» We're delighted Calor has chosen to support Mind. This partnership will help us reach a point where anyone with a mental health problem feels able to ask for, and access, the help they need. «

REBECCA HASTINGS, HEAD OF CORPORATE PARTNERSHIPS, MIND.

Efficient business

Not costing the earth

We measure carbon intensity to give us a clear picture of how much carbon is emitted for every tonne of LPG we sell. This helps everyone in the business understand the carbon cost of what we do.

We cut our carbon intensity by 12% in 2018. So for every tonne of LPG we sold, we emitted far less CO₂ than in 2017. That means we're growing our business more sustainably than before.

We now include our carbon intensity measurement (of kgCO₂/tLPG sold) in all relevant internal communications, including

our monthly business snapshot. It's used, too, by our parent company to compare how different parts of our business are performing.

These are important numbers. So we'll keep sharing them across our business and use them as a base to make even more improvements.



Customers

Gas with a greener twist

Our bold ambition is to offer our customers 100% renewable products by 2040 – and BioLPG will play a big part. We've made a commitment to have 5% of our sales coming from innovative products like BioLPG by 2020.

LPG is a greener alternative to traditional fossil fuels. Our BioLPG takes this even further, reducing CO₂ emissions by up to 80%, compared to conventional LPG. And because it's chemically the same as standard LPG, customers can use it without making any changes to their appliances, equipment or infrastructure.

» In 2018, BioLPG made up 3% of our sales. So we're well on our way to meeting our 2020 target. «



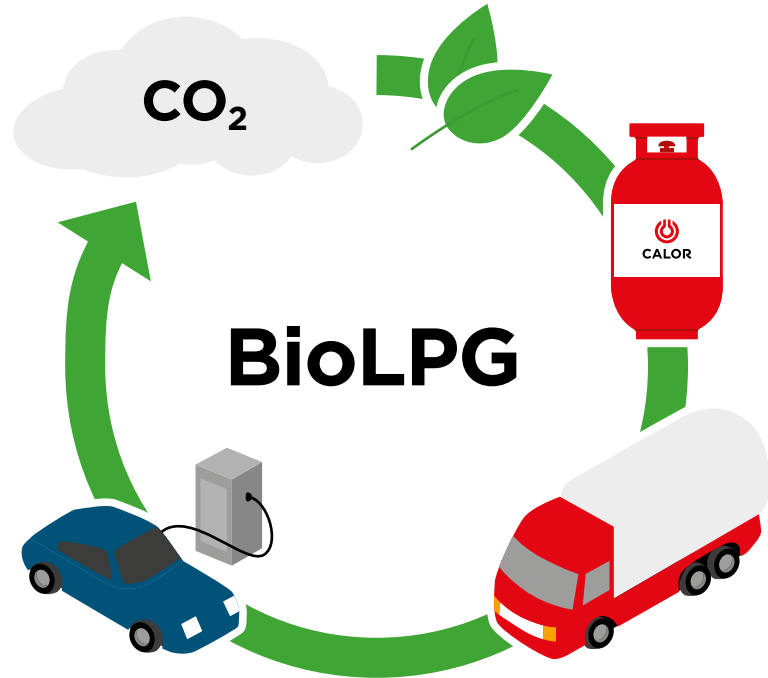
BioLPG

BioLPG is a low-carbon, drop-in alternative that will help off-grid households and industrial (FLT and Transport) users move away from traditional fossil fuels.

It is created from a blend of waste, residues and sustainably sourced vegetable oils.

The Carbon Cycle

When BioLPG is used, the CO₂ it releases is already part of the natural carbon cycle and therefore avoids adding incremental CO₂ into the atmosphere, in the same way traditional fossil fuels do.



Innovation

Bright ideas, brighter future

We trust and empower our people to innovate so they develop new ideas that improve how we do business and make our products and services even better.

In 2018, we started our innovation movement by teaching our colleagues new approaches and ways of working that encourage innovation. Plus, we recruited innovation Ambassadors to work on developing the innovation culture in their part of the business.

We also developed a new bulk temporary installation to reduce the movement of our cylinders and the Calor Compact: a smart, automated cylinder installation.

Innovation is a significant part of SHV Energy's global business strategy and collaboration across business units is key to success and speed in learning.

» In 2018, we received our first shipment of BioLPG. «



Through our B100 taskforce, we're aiming to speed up Britain's transition to sustainable energy. And we've updated our own innovation goals to reflect that.

In 2019, we'll launch new innovation initiatives. We'll also be hosting more workshops to get even more of our colleagues on board and evolve the way in which we think, feel and deliver new innovations.

» Our goal is to have the Code of Conduct in place in 2019. And to have 50% of our suppliers signed up by the end of the year. «

Sustainable procurement

Sky-high standards, across the supply chain

When we decide what to buy from our suppliers, we take a few things into account – including price, quality and any environmental and social impacts. We want to make it clearer to everyone just how sustainable our suppliers are.

In 2018, we visited and audited most of our larger suppliers. Others were also thoroughly reviewed. We also built on our previous good work around Modern Slavery, by reissuing our Modern Slavery Statement. We're making sure that this important issue stays at the heart of our supplier relationships.

We've now started to work with our parent company on our Code of Conduct. We want to make sure it works for all our business units – and the many different industry sectors they operate in.

We're on track with our goal to have the Code of Conduct in place in 2019 and to have 50% of our suppliers signed up by the end of the year.



Resources

Slimming down our waste
We're a business that distributes energy. So we don't generate much waste in our day-to-day activities. Even so, we're still committed to finding new ways to reduce, reuse and recycle.

In 2018, we generated...

307 tonnes of general waste

287 tonnes of recycling

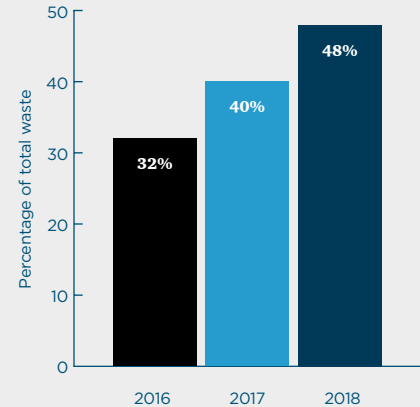
701 tonnes of hazardous waste

2,689 tonnes of metal

In 2018, we recycled 48% of our waste – that's a jump of 8% from 2017. In 2019 we are aiming to do even better and recycle 60% of waste across all of our sites.

We don't include hazardous and metal waste in our target. That's because hazardous waste is collected separately and needs to be disposed of in a specific way. Scrap metal can be valuable, so our sites always recover it, although we do monitor how much we produce. In 2018, we produced 701 tonnes of hazardous waste and 2,689 tonnes of scrap metal waste.

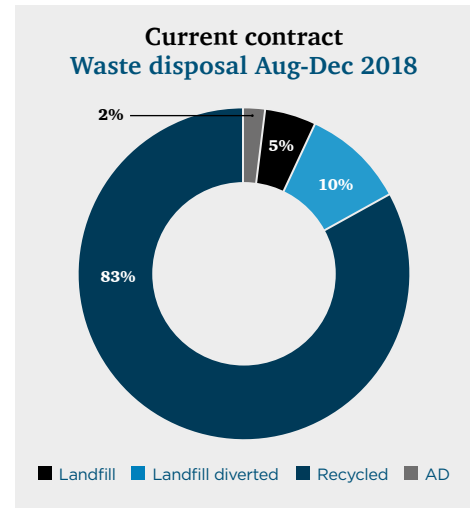
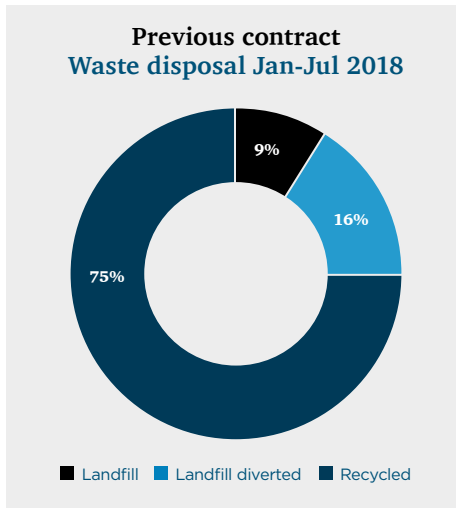
Recycled waste
year-on-year comparison





In August 2018, we swapped our previous waste service provider for a broker service. It's been a good move, because we've combined different waste contracts, made our data more transparent and accurate, and found new ways for sites to recycle. We keep everyone's eye on the ball by publishing a monthly league table. Sites can track their performance and see how they compare to other parts of the business.

The charts (right) show the percentage of waste sent for recycling, energy from waste, anaerobic digestion (AD) and landfill.



Climate change

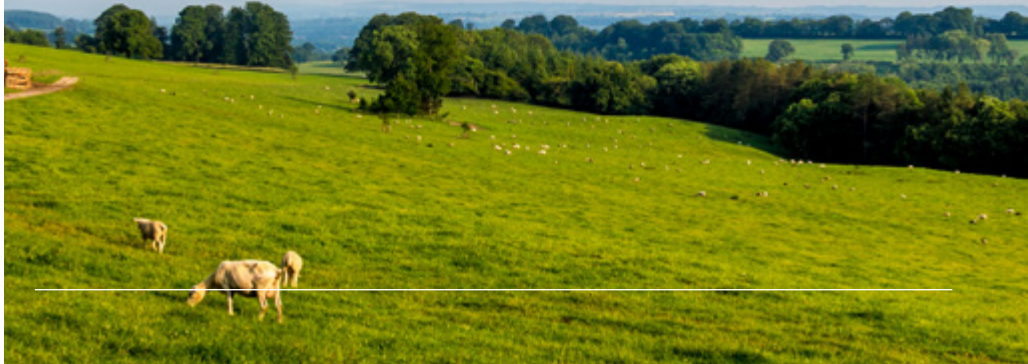
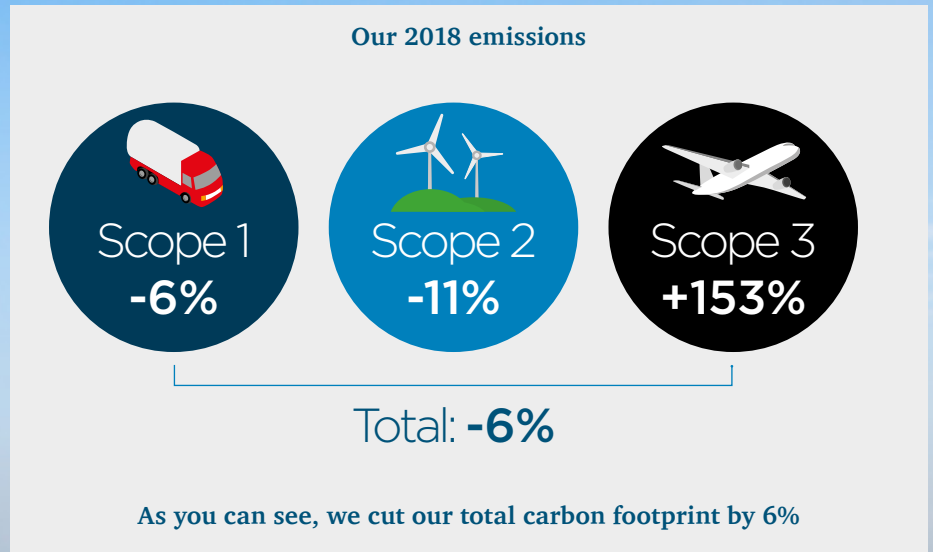
Turning down the heat

We take our environmental responsibilities very seriously and work hard to reduce the carbon footprint of our activities.

We're committed to cutting our carbon impact by 25% by 2025. But we need to know what our actual impact is before we can reduce it.

The sum of our emissions is called our carbon footprint. We work it out by measuring – and reporting on – Scope 1 and 2 emissions, as well as some from Scope 3.

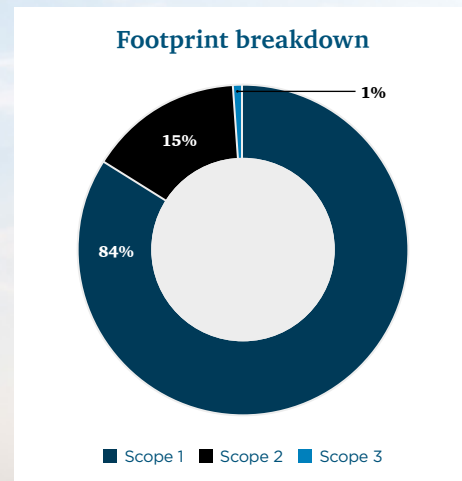
- Scope 1 – use of LPG, natural gas and other fuels
- Scope 2 – purchased electricity
- Scope 3 – air and train travel.



We cut our total carbon footprint by 6%. One of the biggest reasons was that we made a huge reduction in how much natural gas (Scope 1) we use, after upgrading our Canvey Island terminal.

Our Scope 2 emissions fell because we're using less electricity at all our sites. Plus, we buy 100% renewable electricity.

Our Scope 3 emissions did rise because of an increase in business travel. We know it's a big increase, but business travel only accounts for 1% of our overall carbon footprint. Even so, we're trying to come up with new ways of working that involve less travel, such as encouraging car share and use of public transport.



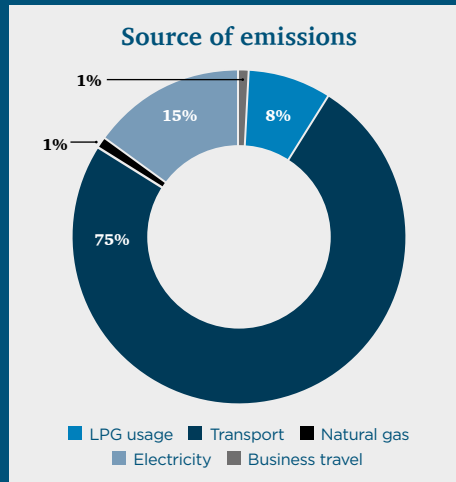
Energy use

Saving energy to save our world

Two of the biggest factors in our carbon footprint are energy use and transport. We're doing a lot of work to be more efficient in both areas.

We reduced the amount of gas and electricity we used in 2018 and we're investing in the latest technologies to help keep up the trend.

In 2018, we generated 85,246 kWh of electricity from the solar panels across our sites. We also installed Automatic Meter Reading Devices in as many locations as we could. They make it quick and easy to accurately take our energy readings. So we can understand how we're using energy – and find new ways to save it.



75% of our carbon footprint comes from transport. We're looking into how telematics can help improve fuel efficiency across our vehicles. We'll train our drivers in the new technology in 2019.



» In 2018, we generated 85,246 kWh of electricity from the solar panels across our sites. «

Materiality

We undertook a materiality assessment before creating our Responsible Business Plan. This involved interviewing and surveying a huge range of stakeholders. It allowed us to work out what to report – and how – and made sure our plan was built on targets that reflect real priorities in our business.

We created questions that were linked to the United Nations Sustainable Development Goals. This means our targets align with the United Nations' own goals, so we can build a better business – and a better world.

We asked for the views of internal and external stakeholders including: colleagues, SHV Energy, UKLPG, NGOs, suppliers, corporate clients and domestic customers. We heard the opinions of internal stakeholders through workshops, surveys and site visits. Our external stakeholders responded by questionnaire.

Their feedback is at the heart of our Responsible Business targets.

» Sustainability should just be part of the way we do business. «



OUR PEOPLE



OUR BUSINESS



OUR PLANET

If you have any questions about the report or would like to request a version in an accessible format, please contact:

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About our data

We are committed to improving the quality of our data and try really hard to make it as accurate as possible. However, our processes are continually evolving and as such, there can be no guarantee that information included is accurate as of the date it's received or that it will continue to be accurate in the future.

