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**Responsible Business Board
Sustainability Report
for Storengy UK**

RBB 22

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CHAIR'S INTRODUCTION

I am pleased to present our second annual report of the Storengy UK Responsible Business Board (RBB or 'the Board'). During this, our second year, the Board gradually returned to in-person meetings held at the Storengy site in Stublach. Board members were able to visit and tour the business operation, gaining the valuable insight that this experience provides. The ability for Board members to physically meet has been a significant help in growing our working relationships and, importantly, for meetings to benefit from greater interaction and engagement.



Despite the restrictions that the COVID-19 pandemic placed on the ability to meet, our Board continued to effectively scrutinise the performance of the business against its Responsible Business Charter and to positively contribute to business improvement.

There has been clear progress in all areas of the Charter. In some areas, targets have been met or exceeded, reducing the need for routine Board scrutiny. This impressive progress has led to a review of the Board's future role.

At our Board development day in September therefore, we spent time exploring and agreeing the RBB's future purpose and work plan.

The outcome of the development session agreed that the Board will contribute more widely to the business. The RBB will be available as a supportive and creative sounding board, as well as continuing its scrutiny role. This will utilise the extensive range of skills and experience of Board members, especially in the areas of energy, environment and business practice, while maintaining the RBB's crucial role as an impartial, critical friend. Three new areas of business performance will become the core of the Board's work programme. They cover key areas of business improvement and corporate

responsibility, and are therefore ideal for consideration and contribution by the RBB. These new areas of focus are:

1. **Prepare the future;**
2. **Carbon Neutral by 2025; and**
3. **Investors in People – Going for Gold.**

The objectives of each area are covered in more detail within this report.

The Board has also agreed that the performance targets in the original Charter will be reviewed on an exception basis, with oversight taken through the Board's online dashboard, with more in-depth scrutiny where necessary. During the past year, the business had a change of leadership, with former managing director Mike Gibson leaving to develop his career in a new role. Speaking both personally and on behalf of the Board, I am tremendously grateful to Mike for his vision and leadership in creating this original and innovative concept of an external Board to oversee and scrutinise corporate social responsibility. Our success has been significantly driven by his commitment and support. We are obviously very pleased to send Mike our best wishes for the future.

We are equally delighted to work with the new managing director, Anne-Laure

Chassanite, who has helped the Board to develop a new purpose and a distinctive role in supporting business growth with a continuing commitment to corporate responsibility. We are particularly excited about the future work and potential outcomes that this entails.

There were also changes to our Board membership. Professor Mike Stephenson retired and stepped down. We would like to thank him for his service and contribution. In his place, we were extremely pleased to welcome Robert Davis, group CEO of UK-based power engineering specialists EA Technology, who brings a wealth of expertise and knowledge of the energy, renewables and environmental sector and will be a tremendous asset.

Finally, I would like to offer my thanks to the business leaders and managers for their advice, time and support for the work of the Board. I would also like to acknowledge the commitment of our Board members, who have worked hard to provide the level of impartial scrutiny and challenge necessary to support the business in its ambitious plans to be a successful and responsible part of society.

Christine Gaskell CBE, Chair



BOARD PROFILE



Christine Gaskell CBE - Chair

Christine spent her career in the motor industry and was on the Board of Bentley Motors for 18 years before taking early retirement in 2013. She was Chair of Cheshire and Warrington Local Enterprise Partnership for 9 years and Chair of the LEP Network and Vice Chair of NPfI, stepping down from these roles in 2020. She has been a member of the Industrial Strategy Council from its creation and holds several non-executive positions, including Vice Chair of The Royal Automobile Club. In 2010 she was awarded an MBE for services to skills and apprenticeships and in 2019 was awarded a CBE for services to the Cheshire economy. She serves as a Deputy Lieutenant of Cheshire and holds an honorary Doctorate in Business Administration from the University of Chester.



Professor Joe Howe - Executive Director of the Thornton Energy Institute, University of Chester

Joe's background is in geography and planning, environmental science, and environmental engineering. He has extensive experience in working interchangeably with industry on major environmental projects and initiatives across the UK and is currently driven by the opportunities afforded to UK industry in delivering of the £600 billion of infrastructure projects to be built in the country over the next decade. Joe has been proactively engaged with the UK's emerging clean growth agenda, including his role on the UK Decarbonisation of Gas Alliance, chairing the NW Hydrogen Alliance and being the North- West academic lead for the UK Industrial Decarbonisation Research and Innovation Centre. He is particularly passionate about promoting STEM skills and sits on the Department of Education: Engineering Construction Industries Training Board.



Anita Wainwright - Director, HR Solutions by Design

Anita is a highly experienced, with over 40 years' experience in human resource management and organisational development. Anita began her career in the nuclear industry with British Nuclear Fuels, who also sponsored her degree in sociology and psychology at the University of Liverpool. Anita has worked in both the private and public sectors and has experience in financial services, oil and gas, the Fire Service, the NHS and in a large non-departmental public body. Most recently Anita was the HR Director of the recently merged Manchester University NHS Foundation Trust, which employs approximately 20,000 staff. Prior to that, she worked within an NHS trust, supporting the Board of Directors to move out of special measures. Anita is currently a Director at HR Solutions by Design. Anita is also a Non-Executive Director in a local NHS Foundation Trust, which brings a different and valuable perspective to her approach.



Robert Davis - Group CEO, EA Technologies

Currently serving as CEO and Chairman of EA Technology Group, Robert's passions are growing tech businesses, creating smart, low- or no-carbon energy grids and developing great people. Amongst his other roles, Robert sits as a Non-Executive Director on the Energy Systems Catapult and is the Co-Founder of the Cheshire Energy Hub and Director of its trading arm, Mersey Dee Energy. He is also Co-Chair of the Cheshire and Warrington Sustainable and Inclusive Growth Commission, which was set up by the Subregional Leaders' Board in November 2020, with the aim of contributing towards Cheshire and Warrington's ambition of becoming the most sustainable and inclusive subregion in the UK. Having recently retired from the Cheshire & Warrington LEP Board, he continues to chair its Remuneration Committee and sits on its Strategy Board.

Sam Naylor - Councillor for Northwich Witton

A proud product of, and passionate believer in, the town of Northwich. A retired police officer with a strong community background, Sam represents Northwich Witton ward on Cheshire West and Chester Council. The ward includes most of the town centre. Sam also sits on Northwich Town Council and currently focuses on the continuing regeneration of Barons Quay and Weaver Square, and in assisting and promoting the post-COVID-19 recovery of the Mid Cheshire community.



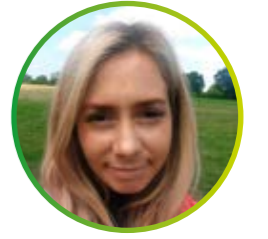
Matt Langridge MBE - British Olympic Rower

Matt is one of the UK's most successful athletes, having competed in 4 Olympic Games, winning 3 Olympic medals and multiple World Championship titles. After a long 16-year career with the British Rowing Team, Matt finally achieved his lifetime goal of becoming Olympic champion at the 2016 Rio Olympics. Matt is also an accomplished speaker and delivers many interesting talks highlighting the constant need for self-learning, commitment and hard work that goes into achieving your dream. Born and raised in Northwich, Matt is passionate about the local community, the environment and encouraging the next generation to aspire to be their best.



Jennifer Addis - Senior Buyer, Storengy UK

Jen has worked for Storengy UK since May 2017. As Senior Buyer she is involved in both operational and project procurement across the site. Prior to this, she worked as Purchasing Co-ordinator for a biodiesel plant which specialised in supplying high grade sustainable diesel from wastes. With a keen interest in ethics, Jen has made a conscious effort to ensure that all the roles she has undertaken in procurement since graduating in her degree in philosophy and ethics are in keeping with her ethical and moral beliefs. Membership of this board gives her the opportunity to learn more about parts of Storengy UK that traditionally, as a buyer, may not have been in her remit. Using her ethical knowledge to support the board, Jen aims to ensure Storengy UK operates with the utmost transparency and in keeping with best ethical practices.



Peter Scott - Day Operations Technician, Storengy UK

Pete has worked for Storengy UK since 2015, starting off as a Shift Technician before moving into the role of Day Operations Technician. He started his working life in the military, as an electrician in the Royal Corps of Signals and served in various locations around the world. Prior to joining the team at the Stublach site, Pete spent over 25 years in heavy industry working in the energy and chemical sectors. Pete is proud to work in his hometown for Storengy UK, supporting the company's dedication to a carbon neutral future and its ongoing commitment to the local area.



Lily Bernadet - New Business Development, Storengy UK

Lily has worked in various business development and project management roles for the past 10 years. After having worked for the banking, construction and defence industries, in 2014, Lily joined the global energy group ENGIE, managing the development of facilities management tenders across the UK healthcare and education sectors. With innovation being paramount to business development, she joined the innovation and solutions team, working across all activities of the ENGIE UK business. In 2020 Lily joined Storengy UK to lead the development of its green gas solutions, including its recent entry into the biogas sector.



BUSINESS RESPONSE

Storengy UK is grateful for the focus and dedication from the RBB's members. After a successful kick off in 2021, we have widened the scope to enable them to challenge our business beyond the indicators' scrutiny and to participate more in our strategic questioning.



I was appointed as Managing Director of Storengy UK in April 2022. Since then, I have discovered that Storengy UK is a great business with excellent behaviours and results: the Stublach storage site is demonstrating an exceptional technical performance with more than 99% availability for its customers,* delivering great customer satisfaction, and has a real safety culture, recognised by achieving the RoSPA President's Award in 2022, for exceeding 10 years of Gold RoSPA Awards.

It is a privilege to have joined such a team, which not only performs well but also shows real potential for growth. 2022 has been an unusual year, with unpredictability within the energy market. It has triggered changes in our operations and offers, which are no longer driven by seasons. These changes have disrupted our maintenance pattern, but we have been able to adapt and deliver the performance and reliability expected by our customers.

The great talents inside the business, and the strategic positioning of our asset, enable us to look further and envision a future focused not only on natural gas, but on biomethane and hydrogen as well. This exciting potential also means we have a lot still to achieve. That's why we have decided to leverage the RBB and propose that the members contribute more widely to the business.

Beyond scrutiny, we have decided to make best use of the experience that members of the RBB bring, giving second opinions and challenging our strategy and decision-making process. Having such an organisation in place, and being able to benefit from eight experts' feedback, is a huge advantage to the business, especially in such unpredictable times. It will enable us to step back, structure our action plans and keep our employees deeply involved in decision-making.

Anne - Laure Chassanite - Managing Director, Storengy UK

* Technical asset availability excluding planned downtime



2022 HIGHLIGHTS

FAIR BUSINESS GROWTH



Exceptional bonuses to support employees with cost-of-living crisis



RoSPA President's Award

Safety culture recognised by achieving the RoSPA President's Award in 2022, for exceeding 10 years of Gold RoSPA Awards



76% of local SMEs paid within 30 days

FAIR EMPLOYER



40 average training hours per employee in 2022



Diversity & Inclusion group formed to focus on inclusivity in all aspects of the business



Introduction of a Working From Home policy and increased paternity leave to support employees with work/life balance

SUPPORTING OUR COMMUNITIES AND ENVIRONMENT



217 hours corporate volunteering in 2022, an increase of 29% on 2021



£20,000 Local Community Fund spend to support charities



Engaged with 7 local schools and colleges, promoting STEM subjects and industry



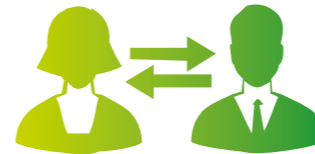
TRANSPARENT AND ACCOUNTABLE



98% Customer satisfaction (OSTAT) score in 2022, an increase of 6% from 2021



A CSR commitment added to the tender process, in line with ENGIE's sustainable development commitments



33% share of female managers

Rick Dyer, Commercial Manager at AMBA Facilities Management, commented:

In early March 2020, with COVID-19 looming on the horizon, Storengy UK took the step to increase our staff's wages to match the Cheshire Living Wage. Only 3 of our 150 clients had done this at this point, so it was gratefully received by the team and a demonstration of how Storengy UK treat their employees.

During the recent retender, the focus was on eco-friendly products and the environment. In our industry things have shifted this way over the recent years, but for Storengy UK we had to go that little bit further to resecure the contract. This pushed AMBA into restructuring our supply chain and shifting our focus before we might have done which has only benefitted us.

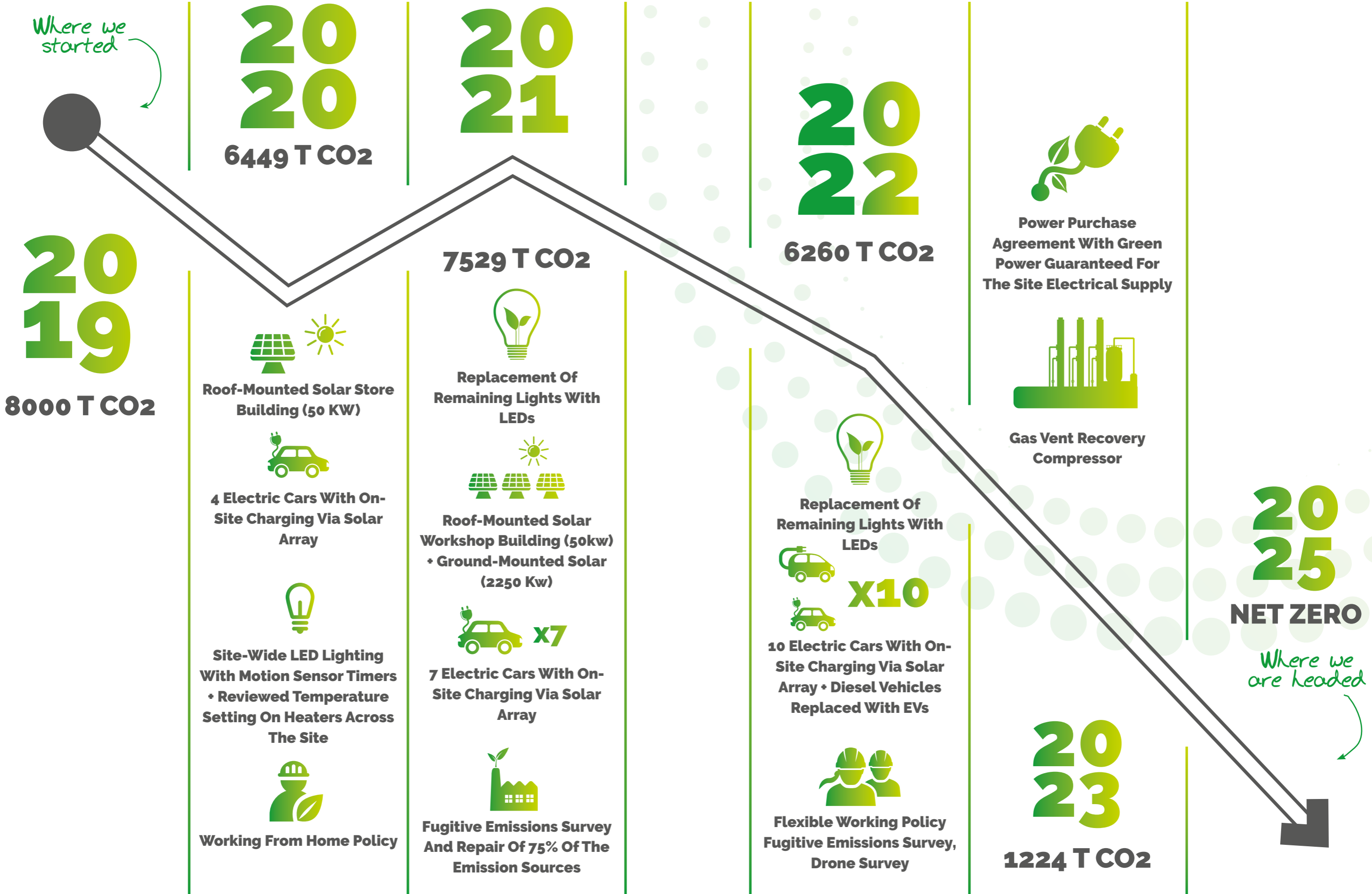
In relation to dealing with Storengy UK as a client, I must say they are exceptionally communicative and always inform us of any changing parameters and give us the time to adjust our working practices. All invoices are paid either on time or before due, and I expect our working relationship to continue to evolve over the coming years and into the future.

Chance Changing Lives, a local charity, said:

The donation from Storengy UK for our annual Christmas meal will see 50+ homeless or hungry guests enjoy a full Christmas dinner on Christmas Eve this year with gifts for all. We also give takeaways at the door by arrangement, for those with children who can't afford to eat or heat their homes this year. We are preparing our Christmas hampers, for 40 of our elderly Pantry members. Thanks to Storengy UK for all your support which was a morale boost for us all in times of reduced donations due to the cost of living.



OUR NET ZERO JOURNEY



Where we started

2020
6449 T CO2

2021
7529 T CO2

2022
6260 T CO2



Power Purchase Agreement With Green Power Guaranteed For The Site Electrical Supply

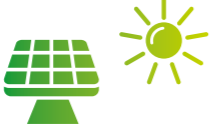


Gas Vent Recovery Compressor

2025
NET ZERO

Where we are headed

2019
8000 T CO2



Roof-Mounted Solar Store Building (50 KW)



4 Electric Cars With On-Site Charging Via Solar Array



Site-Wide LED Lighting With Motion Sensor Timers + Reviewed Temperature Setting On Heaters Across The Site



Working From Home Policy



Replacement Of Remaining Lights With LEDs



Roof-Mounted Solar Workshop Building (50kw) + Ground-Mounted Solar (2250 Kw)



7 Electric Cars With On-Site Charging Via Solar Array



Fugitive Emissions Survey And Repair Of 75% Of The Emission Sources



Replacement Of Remaining Lights With LEDs



X10

10 Electric Cars With On-Site Charging Via Solar Array + Diesel Vehicles Replaced With EVs



Flexible Working Policy
Fugitive Emissions Survey, Drone Survey

2023
1224 T CO2

NEW FOCUS / BUSINESS APPROACH

The RBB meets at least four times a year. At each meeting, the Board reviews the main indicators and data on Storengy UK's business operations. The Board members then challenge the information provided, asking questions about how the energy market affects the business and its functioning. Helping the business take a step back and consider its role, what it contributes to the community or what its role in the community should be.

In September 2022, Storengy UK introduced a new approach during a full-day meeting bringing Board members together with managers from the business. Storengy UK proposed three main priorities for the business, to be reviewed and followed up by the RBB.

1. Prepare for the Future

2. Carbon Neutral Emissions by 2025

3. Investors In People – Going for Gold

The Board contributes and follows up the actions on each topic, after the indicators and the main data are reviewed at each meeting. This process features a "Co-Development" methodology each time the business faces a specific question that it is struggling with. This is a collective intelligence methodology, aimed at leveraging groups of professionals with widespread expertise. The purpose is to work beyond the brainstorming phase and adopt a structured approach, enabling input from each expert to try and solve the specific issues that are brought to their attention. This methodology enables the business to take a different perspective in thinking through an issue and finding solutions or taking action.

1. Prepare for the Future

Storengy UK is an ENGIE company, and therefore fits into the overall ENGIE strategy. Both businesses are dedicated to enabling a Net Zero Carbon energy market and facilitating the energy transition. Storengy UK currently operates the Stublach site where natural gas is stored. But the business is also developing biogas plants and preparing for a potential hydrogen switch in the long term.

• Developing biogas plants

Storengy UK aims to generate 1 Terawatt hour (TWh) of biomethane in the UK by 2030. The business is building new biomethane plants, recycling agricultural waste to generate decarbonised natural gas and helping with the Net Zero Carbon transition.

• Preparing for hydrogen storage

Stublach is a fast cycling storage site, made of salt caverns. The tight formation, enabled by salt caverns, makes it an excellent environment for hydrogen storage. Similar environments have been tested in the US and the UK. Moreover, depending on how hydrogen is used (for example, industrial, heating, power generation, etc), there will be a need for highly responsive facilities capable of delivering more than a seasonal service. Stublach is already delivering this type of service and is very experienced in dealing with fast-cycling. Storengy UK employees will need to be prepared for an evolution in the next few years. Their skills will be extremely useful in a hydrogen economy which is fully decarbonised.

The business will leverage the RBB to get an external view on its action plan. Board members have suggested this plan is structured in four parts:

- **Sharing the journey with employees, in full transparency including errors.**
- **Sharing the timeline to avoid the "tunnel effect" and celebrate when progress is made.**
- **Communicate and highlight Storengy UK's impact on society.**
- **Prepare the future skills, and manage personal expectations, of employees**

The RBB review also enables the business to keep to a plan and to avoid daily operations being the sole focus of attention.

2. Carbon Neutral Emissions by 2025

In the short term, the business is very close to reaching the Carbon Neutral emissions target set in its core business strategy. There has been a lot of progress (see graph below) in tackling Scope 1 and Scope 2 emissions, but they still have to address the final part – Scope 3 emissions. Scope 3 tends to be the most difficult to achieve, because the business needs to go far beyond quick wins.

Scope 1 is about dealing with the emissions released directly from our business. While Scope 2 is focused on the energy purchased by our business.

Scope 1 and 2 achievements and targets in 2019–23
Plans are in place to achieve carbon neutral emissions by 2025. Some fluctuations have occurred over recent years, due to variable power consumption and the end of the COVID-19 pandemic. In 2023, the full power consumption of the Stublach site will be decarbonised. The business will work with the RBB to find new actions for 2024 and 2025, so that target completion is secured.

Once this goal is achieved, consideration will turn to Scope 3 and the Net Zero Carbon target, which involves upstream and downstream activities. This will require the business to be more demanding with external counterparts and to encourage employees to reduce their personal carbon footprints.



NEW FOCUS / BUSINESS APPROACH

3. Investors in People – Going for Gold

Following its success in achieving Investors in People (IIP) Silver Status in February 2022, the business is now targeting Gold Status by February 2025. This is a challenging objective, that will require Storengy UK to not only consolidate its current position, but also to make significant progress in other areas of the IIP model (see the 2022 Outcome Map diagram below)

As a part of the aim to achieve IIP Gold Status, the business plans to focus on two of the main segment areas, within the 'Improving' section of the IIP Outcome Map. These are:

1. Building Capability

This will be delivered through personal development plans for each member of the team and by building a strong learning and development culture. The business will work on creating awareness and access to resources within the Storengy UK and ENGIE University, adapting a more structured approach to the interview process and implementing a two-stage assessment. Which links to a balance of skills and behaviours.

2. Leading and Inspiring People

With management engagement, the business intends to build on its transparency and trust, sharing information more widely and seeking feedback from employees. The business will ensure that the new strategy is embedded into the organization, so that people understand how they contribute overall. Personal objectives will also be linked into the overall strategy.

The Going for Gold goal will be driven primarily by the HR team but will require the support of the Executive Committee, alongside everyone within the business. Working closely with RBB members, as well as with IIP, to ensure that the business sets itself up for success. Progress will be measured through regular scrutiny sessions with the RBB, as well as annual checks with IIP.



CLOSING STATEMENT

The refreshed and refocused RBB looks forward to a further year of supporting positive progress, ethical business growth and achievements across a range of responsible business goals. The Board will be further developed to ensure that it delivers a high level of scrutiny and constructive challenge for the business. In this, the Board aims to provide positive benefits for the business, employees, partners and suppliers, the local community and the environment.

Storengy UK pride themselves on being:



We welcome your views or comments. Please contact us at:
communications@storengy.co.uk.



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