



ESG Report 2021

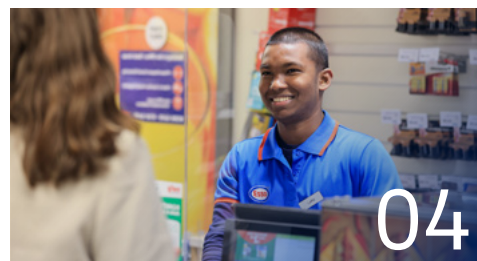


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We strive to be responsible in the way we conduct our business. It is the right thing to do, and an ESG mindset will help us to drive wider improvements and our long-term success.



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Our strategy is to Fuel the Future



2021 Update



Our performance in data



2021 Highlights

25%

increase in permanent staff

1,925,501

kWh

sold at our EV charging sites

98%

of our employees received Equality & Diversity training

75%

employee satisfaction score

raised
£650,000

for our chosen charities

2021

Announced our new sustainability strategy

Over
20,000

Number of meals saved, in partnership with the food charity 'Too Good To Go'

20

Ultra-rapid charging hubs, making MFG the biggest 'open network' in the UK



CEO stakeholder letter

Dear stakeholder,

This report seeks to give a clear and concise overview of our Environmental, Social and Governance (ESG) commitments, demonstrating our management focus clearly, with targets and evidence to show how we will deliver on the initiatives that have already been put in place.

The evolution of ESG has mirrored a societal change in consumer opinion and behaviour. We fully recognise this at Motor Fuel Group and our core business strategy is fully embedded in the transition towards electric vehicles and low-carbon fuels. Powering the future is our ambition and our EV strategy aims to deliver electricity that is certified 100% renewable, in a way that customers can access quickly and easily when they need it.

As the UK's largest independent forecourt operator, we are fully aware that the very nature of our business requires additional mitigation of risks and impacts associated with our business model and we use the Streamlined Energy and Carbon Reporting (SECR) framework to set this out. We embrace this challenge, and the changes it will undoubtedly bring.

We have aligned our ESG strategy to the relevant UN Sustainable Development Goals (SDGs) to ensure our efforts are consistent with the global priorities.

We play a key role in supporting the UK government's mission to achieve net zero-carbon by 2050 and have committed to contributing to this national goal through our own business activities.

For as long as our customers still require petrol or diesel, we commit to supplying it as efficiently and sustainably as possible.

William Bannister

Chief Executive Officer

“

We embrace this challenge, and the changes it will undoubtedly bring.”



About MFG

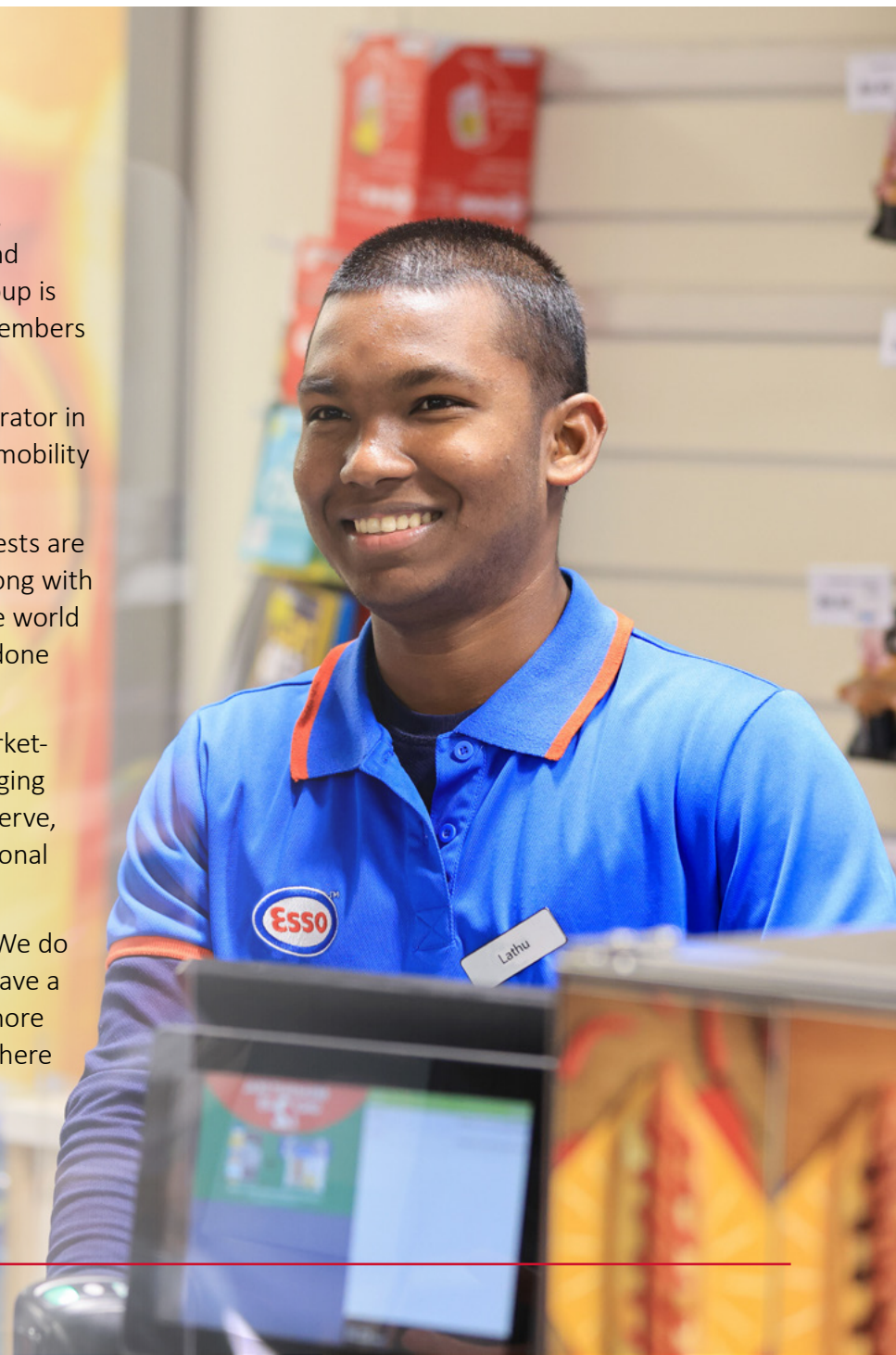
Motor Fuel Group (MFG) is the UK's largest independent forecourt operator. It has 926 sites, offering customers a growing dual-fuel strategy, a leading valeting offer, convenient retail and 'food to go' network, online delivery lockers and business break areas and facilities. The Group is the largest operator of 'open network' EV ultra-rapid chargers (i.e. available for use by all members of the public).

Our company purpose is to be the most dynamic and successful independent forecourt operator in the UK, serving local communities with a strong social conscience, we will support the UK's mobility energy transition to a greener, and more sustainable future.

We recognise that the world is evolving and that there is societal change and different interests are coming to the fore, particularly with respect to climate change. We appreciate that MFG, along with everyone else, has a key role to play and we are building an ESG strategy in keeping with the world around us. We realise that we are at the beginning of that journey and there is much to be done but we undertake to play our part in improving the future for all.

Our stated mission is to provide customers with local travel infrastructure hubs that are market-leading – with convenience retail, food services, premium fuels and ultra-rapid electric charging facilities. In all that we do, we strive to be a valuable member of the local communities we serve, while providing a working environment for our employees franchisees that encourages personal development, teamwork and a performance-based rewards' system that is open to all.

MFG is dedicated to keeping UK motorists on the move and supporting local communities. We do this through our carefully managed distribution network, where managers and employees have a good understanding of the company's purpose and mission. This drives us all forward to a more sustainable future, in a circular society that we hope to be better, safer and more diverse, where the needs of all stakeholders in contact with us, are carefully considered.





Our Strategy



OUR SUSTAINABILITY STRATEGY

Fuel a greener world

We make it easier to be greener.

We are a leading part of the UK mobility transition to a net-zero world.

How we help others

- Making it safer, more convenient to fuel your car, buy your food and do your chores
- Making the world a greener place through investment

What we do ourselves

- Powered by 100% renewable energy in the future
- A dual fuel strategy to enable our customers to keep mobile, and transition to a cleaner way of driving with EV

The foundation

- The proceeds of the retail and fuel business provide the funding strength to invest in a better, cleaner future

Targets

- To provide electric vehicle charging facilities capable of supplying 110m miles annually
- To strive for zero pollution at all MFG locations, arising from loss of primary containment
- To reduce carbon emissions by 30% by 2030
- To reduce energy usage by 30% by 2030, based upon a 2020 baseline
- To ensure a net biodiversity gain in new developments from 2022

Fuel a better world

We make local communities more resilient and adaptive through our community hubs.

- Feeding local communities with 'too good to go'
- Providing healthy food options in our shops
- Enabling people to buy local

- Provide all employees with two paid volunteering days' annually
- Extensive fundraising for charity
- Support the less fortunate

- Be a good neighbour
- Provide facilities for the local community for fuel, food and services

- To support our charity partners
- To continue to improve our GPG metrics
- To improve our employee training and development offering

Fuel a safer, more diverse world

We support the local community and embrace diversity and equality, providing a safe environment for all who visit.

- Making it easier for more vulnerable customers to fuel the car and shop – through the adoption of our disability access app

- Diversity in our business
- Keep our people safe
- Enhance employee engagement

- Culture of 'no harm'
- Training & development focus

- To strive for zero harm to customers, employees, suppliers and all who visit MFG locations

Underpinned by good governance, effective risk management and ethical behaviour that reflects our values and culture



Our ESG roadmap



2020

Developed our energy and carbon reporting capability to publish first SECR report.

Developed our EV charging installation strategy.

Switched our own energy consumption to 100% renewable energy.



2021

Refine our ESG strategy and set goals for the next three years.

Align our strategy to the UN SDGs.

Set carbon and energy reduction goals for 2030.



2022

Publish our first Sustainability Report.

Complete transition to ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety System.



How we developed our ESG strategy

- We engaged with our stakeholders to understand what was important to them and we undertook an assessment of the impact we have on society and the environment
- We identified and prioritised the sustainability issues most likely to have the greatest impact on our business, and of greatest concern to our stakeholders.

To do this, we engaged with customers, employees, contract managers, suppliers, communities and landlords. This engagement took the form of surveys, social media monitoring, traditional media monitoring and working groups.

We looked at wider issues such as government initiatives, regulation and accounting and sustainability reporting frameworks, which helped shape our thinking and set the sustainability strategy. Of particular importance is the United Nations (UN) Sustainable Development Goals (SDGs) and our material issues align with these UN SDGs as demonstrated in the ESG targets and evaluation table on pages 27 – 29, and more anecdotally throughout other pages of this report. The SDGs we have selected are aligned to our strategic imperatives, and focus primarily on the areas of climate change and carbon reduction, health and safety of all visitors and good governance, equal opportunities and rewarding careers, and economic and community impacts. See right:

Aligning our material issues with UN SDGs

Climate change and carbon reduction		7.2 substantially increase the share of renewable energy
		9.4 upgrade infrastructure and retrofit industries to make them sustainable
		13.1 strengthen resilience and adaptive capacity to climate-related hazards
Health and safety of all visitors & good governance Equal opportunities and rewarding careers		3.9 substantially reduce the number of deaths and illness from pollution
		8.8 protect labour rights and promote safe and secure working environments for all workers
		5.5 ensure participation and equal opportunities at leadership level
Economic impact & community impact		11.3 inclusive and sustainable urbanisation



How we developed our ESG strategy continued

We conducted our first materiality assessment in 2021 (to inform the development of our new ESG plan) with the help of specialist external consultants. This allowed MFG to get a deeper understanding of the issues that are of most importance and concern to our stakeholders. There were four stages to the materiality assessment exercise, as set out below:

1. **Horizon Scanning:** engaged a consultancy to support our materiality assessment, enabling us to understand key issues. This was done through a number of interviews – with employees, investors, management and suppliers
2. **Prioritisation:** topics were explored in stakeholder engagement exercises, interviews and surveys
3. **Validation:** assessed by leadership team and designated ESG representatives
4. **Finalisation:** material issues were identified and production of a materiality matrix, which plots issues of material importance and concern to stakeholders; and the bearing these issues might have on MFG, and the company's ability to influence them.



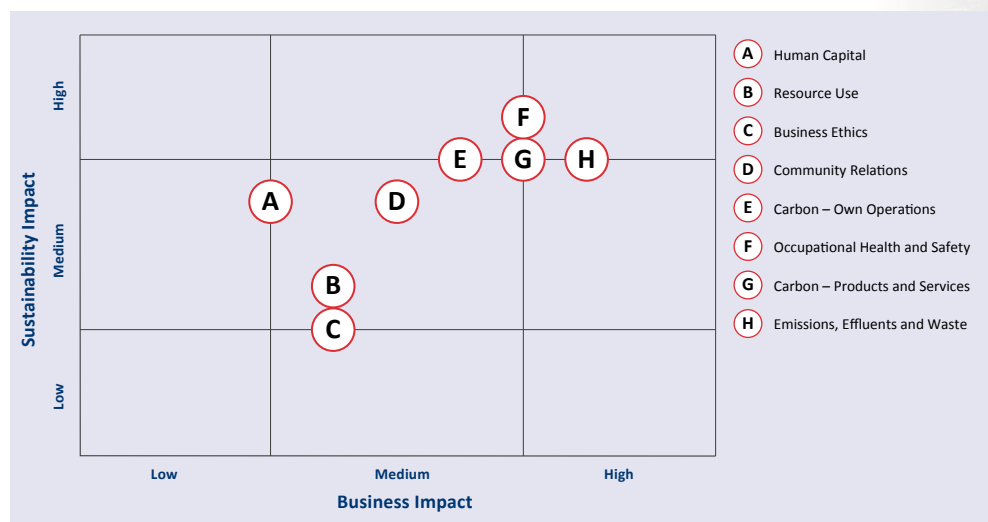


Defining our material issues

The Materiality matrix presents, from the perspective of the industry, the most material ESG issues arising from a business impact; and/or an environmental or social-impact perspective. Material ESG issues can be understood as those issues that could cause the most significant business and/or environmental/social impacts if not managed well. The location on the matrix indicates the relative importance of the most relevant ESG issues, with those located towards the top right corners being the most material for the industry as a whole.

This takes into account the MFG business model, operations and locations, product offering, and recent developments and trends.

ESG issues and material impact



The materiality assessment findings have informed our 'Fuel the Future' strategy and these topics form the core of our ESG reporting.

We are committed to transparent disclosure and to report our ESG metrics on an annual basis and are looking to incorporate more data metrics in our reporting going forward.



Our approach to Sustainability and ESG

Behaving responsibly is fundamental to delivering our core business strategy to lead on the green transition towards EV-powered vehicles.

We have undertaken much work in developing relevant and meaningful sustainability commitments, and our focus in 2021 was geared towards understanding our impact on the world around us, and the issues which are important to our stakeholders. This was done through a number of interviews; with employees, investors, management and suppliers. All of this work informed the development and launch of our new 'Fuel the Future' sustainability strategy, announced in 2021, which sets out our environmental, social and governance (ESG) priorities (see materiality matrix on page 09). We are constantly engaged in the process of meeting or exceeding the evolving ESG expectations of our customers, investors and the local communities where our franchises and operations are located – and are dedicated to addressing the related regulatory requirements and disclosures.

This is MFG's first ESG Report, covering activities for the duration of 2021. All figures quoted in this report relate to the year-ended 31 December 2021, unless otherwise indicated, and should be read in conjunction with the rest of this annual report.

This report outlines our 'Fuel the Future' strategy and targets, how we're meeting them and the initiatives we have introduced to make a greater impact. In 2021, we worked hard on setting a formal ESG strategy, and have further increased our reporting, using 2020 data as a benchmark to compare year-on-year progress. To ensure our efforts have the best impact, we have aligned our ESG strategy with international standards and have mapped our targets and metrics to UN Sustainable Development Goals (SDGs).

We have reported our carbon and emissions' data using the Streamlined Energy and Carbon Reporting (SECR) requirements. All such reported data is in accordance with the March 2019 government 'Environmental Reporting Guidelines', using the government GHG Conversion factors for Company Reporting.

In addition, we are aligning to some of the relevant aspects of the Sustainability Accounting Standards Board (SASB) recommendations, and are currently working towards the Taskforce on Climate-Related Financial Disclosures (TCFD), as reflected throughout the annual report.

We have a substantial array of sustainability reporting metrics which are produced and circulated monthly at management meetings, quarterly at Board meetings, and to employees where appropriate.



Our approach to Sustainability and ESG continued

Governance and accountability

This is our first ESG report and we will provide an update every year in our Annual Report and Financial Statements on our sustainability performance which will include the SECR report for the year. Our Section 172 statement on stakeholder engagement can be found in the strategic report.

In addition to these statutory disclosures, we are developing our reporting in line with the Task Force on Climate-Related Financial Disclosures (TCFD), and the Sustainability Accounting Standard Board (SASB) guidelines. In October 2021, we redesigned the MFG website with a renewed focus on ESG; publishing our newly launched strategy and outlining clearly-defined targets and how we would seek to achieve them. We are mindful of our environmental impact and will seek to go further than what is required of us, and will actively pursue improvement around our disclosures in the future.

We use our website and social channels to share additional case studies and achievements, and these are updated frequently, along with all other communications' tools.

Engaging with our stakeholders

We engage actively and regularly with all stakeholders who have a reasonable expectation of being significantly affected by our business and operations. Our stakeholders, as defined in Section 172 on page 42 of the strategic report, are identified by the Board and; in addition to regular contact, we conduct an annual review on how to successfully engage with them. We set out to build long-term relationships that build and maintain trust, which is essential to the long-term success and sustainability of our business.

Our sustainability strategy and targets are set by the Board, which formally addresses sustainability quarterly. The Board oversees the performance of the Group through a wide range of indicators which are related to our strategy.

Our Executive management team is responsible for implementing and executing the sustainability strategy, and has recently established an ESG Committee to help expedite progress and ensure continued focus.

The ESG Committee includes executive and non-executive representatives, and guides all sustainability and ESG-related activities across the Group, and it monitors progress and meets quarterly.

Employees are encouraged to liaise with the Group's newly formed 'communities team' to act as ambassadors for delivering the strategy, and to submit ideas for initiatives that bring the strategy alive at working-level within the business.

Risks and opportunities are identified and reported through our internal risk processes, which means that material sustainability risks are reviewed by the leadership team and the Board on a quarterly basis.

We have set out our performance in the last 12 months to establish the Group's benchmark for future reporting and to hold ourselves accountable to the targets we have set for ourselves, in accordance with our 'Fuel the Future' strategy.



Fuel a greener world

We make it easier to be greener and are supporting the transition to a net-zero world.

Targets announced in 2021

- To provide electric vehicle charging facilities capable of supplying 110m miles annually
- To strive for zero pollution at all MFG locations arising from loss of primary containment
- To reduce carbon emissions by 30% by 2030
- To reduce electricity usage by 30% by 2030
- To ensure a net biodiversity gain in new developments from 2022.

Targets announced in 2022

- To develop a roadmap to carbon neutrality by 2050, through successful implementation of near and mid-term incremental targets
- To develop a fully carbon-neutral petrol station by 2024
- To provide Hydrogenated Vegetable Oil (HVO) on mainland UK
- To undertake feasibility study and trials of hydrogen fuel sales at appropriately- identified sites
- To commit to a fully-electric company car fleet by 2030.

What we are doing

MFG is powering Britain's transition to a lower-carbon future with an investment plan of £400 million which is allocated to our ultra-rapid electric vehicle charging infrastructure. This is scheduled to be fully invested by 2030 and is set to provide 2,800 Ultra-Rapid 150kW EV Chargers across 500 MFG sites. In 2021 we opened our first 20 ultra-rapid charging hubs in a period of just 10 months to become the largest 'open to all' ultra-rapid network provider in the UK. In addition to this, a project is to be commenced for the building of our first net carbon-neutral site which is due to be built within the next two years.

Reducing Carbon emissions and energy

- Installation of new energy systems
- Halogen lights and LEDS
- Introducing electric / hybrid fleet company cars.



Fuel a greener world continued

Our strategy for reducing carbon emissions includes a target to reduce emissions by 30% by 2030, against a 2020 baseline figure, which means reporting on current emissions and any percentage reduction.

The figures for 2021 totalled 17,105 tCO₂e with 0.00713 kgCO₂e per litre of fuel sold, compared to 2020, with 18,104 tCO₂e Total & 0.00863 kgCO₂e per litre of fuel sold.

In 2021, consumption of purchased electricity increased by 8.4% from 101,964,824 kWh to 110,529,128 kWh, with emissions reducing by 1.28% to 23,468.65 tCO₂e.

- Included within the Scope 2 emissions is 1,924,501 kWh of purchased electricity for electric vehicle charge points on the fuel station forecourt, and
- Scope 2 represents 97% of the total energy consumption and emissions.

In September 2021, the company mandated that any future electricity purchases should be derived from 100% green sources.

Dual Fuel Strategy

MFG is committed to operating a dual fuel strategy and will continue to provide existing fossil fuel infrastructure whilst rolling out ultra-rapid EV charging hubs. Our Putney site (see page 23) is an example of this strategy coming to life, whereby MFG supports motorists by continuing to provide the petrol and diesel infrastructure, alongside a new EV Ultra-Rapid charging hub, giving them the confidence to transition to clean fuels.

In London alone, MFG's planned EV roll-out will nearly quadruple the number of open network Ultra-Rapid 150kW EV Chargers installed at the start of the year. The Company has so far installed twenty, 150kW chargers in the Capital with a further 60 planned by the end of 2022.

Fast, clean energy for electric vehicles

The forecourt of the future will need to cater for various different energy sources. Changing attitudes towards hydrocarbon fuel products and the development of more efficient technology and cleaner fuels is steadily driving down demand for liquid fuels. In addition, the government has brought forward the planned ban on the sale of new petrol- and diesel-only cars and light vans by five years to 2030. MFG is at the forefront of this revolution.

We're playing a pivotal role in developing the core infrastructure that will underpin the Government's policy to provide an extensive electric vehicle (EV) charging network across the UK. We embraced this change back in 2018, and charging points have now been installed at more than 10% of our sites – the highest rate of rollout in the independent sector. We're also investing in ultra-rapid EV charging hubs. The first one opened in February 2021, and we'll continue to roll out hubs during 2022 and beyond.

Customers will of course still require petrol and diesel fuels for decades to come, and we will continue to provide these in the most socially and environmentally responsible manner possible.



Fuel a greener world continued

Alternative energy sources

In addition to EV, MFG has also undertaken to trial alternative energy sources for powering vehicles. During Q2 of 2022, we will be introducing HVO at a number of our mainland UK sites and stations, and it is already being sold by our Channel Islands subsidiary. Furthermore, we have established a hydrogen fuel development team who have been tasked with preparing a feasibility study into retailing low-carbon hydrogen and trialling hydrogen fuel sales at appropriately identified locations.

Climate change and carbon emissions

The pressure on businesses to reduce carbon footprint will continue to increase and we are proactively implementing programmes and policies enabling us to drive continual improvements in energy efficiency. Our efforts in 2021 amounted to circa 180 tonnes of carbon emissions' saved on our sites as a result of our 'Too good to go' initiative.

This includes upgrading our fuel infrastructure on an ongoing basis, replacing equipment with newer, more energy efficient alternatives, relining fuel tanks, and improving fuel pumps and fuel lines.

We constantly strive to reduce our consumption of energy and raw materials – and the associated emissions.

In 2021, we:

- Made good progress on our Halogen bulb program, replacing them with LEDs at more than 40 sites
- Performed hundreds of energy audits to identify high consumption sites to target replacing inefficient infrastructure and equipment
- Installed photovoltaic (solar) panels electricity generation at appropriately identified sites.

We achieved much in 2021 by introducing and using sustainable resources and renewable energy where possible and have committed a further £3m per year to these ongoing initiatives.



Fuel a greener world continued

Reducing food waste and carbon emissions

We encourage our employees and stakeholders to reduce food waste and have partnered with “Too Good to Go”, a leading UK organisation and app, which allows us to list items at a discount that would otherwise go to waste, and we participate across all direct-managed sites and approximately one third of our contract-managed sites. In 2021 over 50 tonnes of food were saved and nearly 180 tonnes of carbon emissions were saved as a result of this programme. MFG will seek to continue to roll this programme out across its network.

Other corporate partners in this program include Costa and Pret, who share our vision and responsibility in this area. We are also collaborating with a major provider to reduce all coffee ground waste by recycling surplus into coffee ground logs across the network.

2021 highlights

- Electricity sold to customers at EV charge points on MFG sites grew to 1,925,501 kWh
- Electricity consumption intensity reduced by 1.31% to 34,326 kWh/million litres of fuel sold
- Carbon emissions decreased by 9.9% to 7.32 tCO₂e/million litres of fuel sold.





Fuel a better world

We make local communities more resilient and adaptive through our community hubs

Our aim is to provide a safe, comfortable and enjoyable experience throughout the MFG network. Our employees and contract managers offer excellent service on the forecourt – whether customers need extra assistance or are just passing through. It is a priority for us to serve local communities and make them more resilient and adaptive. We do this by providing essential services and vital infrastructure to support day-to-day needs, and with fundraising efforts.

MFG works with a number of carefully selected partners and brands at each of our locations to provide customers an ultra-rapid electric vehicle (EV) charging and convenient forecourt shop and ‘food to go’ experience. We monitor the brands we work with closely, and understand that we are linked to their behaviour by association, just as they are linked to ours.

A local approach to community volunteering

In 2021 we introduced two days per year, on full pay, to support community volunteering available to every employee. Employees very quickly started using the program, doing litter picking, helping out in vaccination centres, helping hedgehogs locally, and volunteering for our nominated charity, Macmillan.

Due to ongoing Covid restrictions and distancing measures, not all opportunities could be taken up initially but we did our best – and will continue to ramp up our community efforts in the future!





Fuel a better world continued

We value our people

We're committed to giving all employees the opportunity to develop their skills and build a fulfilling career, and work hard to create a fair and inclusive environment where everyone can flourish. We reward good performance, celebrate achievements and provide fair pay and comprehensive benefits.

Keeping employees engaged

Regular communication between senior leaders, managers and employees is encouraged, with frequent updates delivered in person, virtually, and by email. Employees are encouraged to share their opinions and suggestions using the MFG online employee portal, the hub for all relevant employee information, policies and procedures for administration as needed.

An employee satisfaction survey is undertaken periodically to gauge workforce wellbeing and to provide insights on ways MFGs leadership can strive for continuous improvement. The most recent survey was carried out in August 2021 and returned a response rate of 75% which was consistent across office and field employees, and had an overall employee-satisfaction score of 7.5/10 on the average 'happiness at work' indicator. This is a strong degree of satisfaction, and is reflected in our low staff turnover rate of just 6 % in in our core franchise operations in 2021, down from 8% in 2020. The survey focused on five key areas, comprising: Culture and Connection, Opportunity for Personal Growth, Wellbeing, Reward and Recognition, and Communication.

We welcome ideas and suggestions for business improvements, and these can be put forward by speaking openly to a manager or member of the executive team, or by submitting employee suggestions via the employee hub. This level of engagement and open dialogue is of great assistance to the leadership team, as we seek to meet the needs of employees, customers and local communities in which we operate.

We want to maintain a work culture that thrives on entrepreneurial spirit and creativity. The working environment is structured in a way that fosters collaboration, team-building and dialogue. Employees can also take advantage of a wellbeing portal that provides resources and ideas to support both their mental and physical health.

We work hard to recognise the efforts of our highest-performing employees in a rewarding culture where each employee is made aware of the level of performance expected of them in their role; and equally they can expect to receive regular feedback from line-managers on a regular basis.



Fuel a better world continued

Competitive pay and rewarding performance

MFG is committed to awarding fair pay and compensation, as well as offering a comprehensive benefits package and enabling and encouraging participation in pension schemes. Each employee's base salary is reviewed annually as standard, and in line with wider-market inflation.

Rewarding good performance helps us to hire and retain talent, and we operate competitive reward schemes with benefits which are both financial and non-financial. In respect of 2021, all eligible employees received a discretionary annual bonus that was linked to their individual (and the company's) performance. (No bonus was awarded to any employee who had tendered a resignation, or joined the company after October 2021. We announced a rise in employer pension contributions from 3% to 5% (effective January 2022); and early adopted the April 2022 Low Pay Commission's recommendations on the National Living Wage for all over 18s at our Peregrine sites (effective November 2021).

In addition, all eligible employees on the December payroll, received a discretionary Christmas bonus.

Paid training, development and accreditations

We offer opportunities for learning and career progression opportunities so employees can build a successful career, reaching their individual 'best' potential at MFG.

We invest extensively in training courses and continuous professional development (CPD) programmes, as well as offering both financial and practical support to employees who qualify to undertake professional training qualifications.

Activities include: mentoring and coaching by experienced managers, on-the-job and web-based training.

In 2021, on average, each employee had no fewer than six personal training events, and a number of employees are being supported to obtain a professional qualification.

Annual and mid-year performance reviews and career discussions took place for 89% and 31% of employees' respectively during the year.

Mental health support training was offered to all managers in 2021, and the uptake on this was 23%, with further uptake expected in 2022.

Intern programme

MFG launched a successful intern programme in 2021 and will develop this important initiative, in partnership with a local educational establishment, so as to benefit MFG and the local community.



Fuel a better world continued

Wellbeing and support initiatives

Employee wellbeing is important to us, and in 2021 we built on some of the initiatives that were quickly put in place in 2020 with the onset of the Covid-19 pandemic. We supported our employees and stayed connected via regular 'check-ins' with employees who worked remotely through Covid-19, and supported employees where we could, to help keep them healthy and motivated.

We provided financial support for employees when they were required to isolate, and equipment to employees who were working at home.

Staying connected with all employees and franchisees has been particularly important during the pandemic, particularly with so many people working remotely.

2021 highlights

- The MFG hub and online Wellbeing Centre provides a range of resources
- We offer an independently run Employee Assistance Programme
- We now have six trained mental health first-aiders, providing additional support in this area (in 2020 there were four)
- All employees have access to tutor-led courses and online materials that provide knowledge on the subject of mental wellbeing and resilience
- HR introduced quarterly wellbeing check-ins to find out how each individual employee was coping.

Our HR team has put plans in place to review wellbeing training, so all managers can best support their teams, by encouraging employees to take regular breaks, and make use of the services and support facilities that are available to them.

Inclusivity is at the heart of our customer, employee and community proposition, and this starts – but does not end – on our forecourts. We take actions regularly to make sure that the less able in our communities are never at a disadvantage when they pass through one of our locations.

Inclusive Environment

As an equal opportunity employer, we provide an inclusive working environment for all employees; regardless of age, disability, sex, gender, sexual orientation, pregnancy, maternity, race, religion or belief and marriage or civil partnership status. This approach provides the space and opportunity to grow and develop, in a workplace that is rich in ideas, opinions and perspectives.

We are committed to creating a positive impact on the lives of our employees, and have sought to embed a culture of inclusion and diversity that reflects society, and the customers who use our services. We have built a prayer room at our head office, available for our employees of any denomination to use. This exemplifies our intent to accommodate diversity and our respect for the right to practice religion and the obligation to pray during the day, in a safe and dedicated space.



Fuel a better world continued

Equality and Diversity in action for employees

In 2021, for the first time, all MFG employees completed mandatory equality and diversity training. During the year we conducted our first equality and diversity survey which returned a 76% response rate on a series of questions – focused around gender, sexuality, ethnicity, disability, age range and religious beliefs. The survey was designed to provide the Group with accurate insight on workforce demographics and preferences, which will inform our policies going forward. In addition to the above, we have implemented adaptations to make our offices accessible for disabled staff. If an employee becomes incapacitated or disabled, we continue employment wherever possible and make any necessary adjustments to facilitate this.

MFG invests in the provision of bespoke learning opportunities to help further the careers of certain colleague groups, e.g. progressing female talent or employees from backgrounds that are diverse on the grounds of ethnicity or religion. These opportunities are supported and implemented by our HR team and line managers, with internal policies in place to guide and support this journey of development. It is our mission to provide all employees with opportunities to build a rewarding career at MFG.

Gender Pay Gap

The appointment of males, disproportionately, to newly created technical / senior positions, has led to a marginal increase in the Mean Gender Pay Gap within the ‘core’ business (Motor Fuel Ltd, CD&R Firefly Bidco Ltd and St Albans Operating Company Ltd) from 43.6% to 44.5% in the last year. This small rise is replicated in the Median Gender Pay Gap, which has risen from 18.8% to 19.5% year on year.

The predominance of females in the administrative, customer services and junior finance positions and the predominance of males in field managerial, senior leadership and technical positions gives rise to the Group’s Gender Pay Gap.

Within Peregrine Retail Limited, the Group’s largest employer, the mean Gender Pay Gap has decreased from 0.28% to (3.9%) year on year. The median Gender Pay Gap has remained consistent at 0% year on year.

Over the long term though our Gender Pay Gap has been on a reducing trend; as in 2018 our Mean and Median Gaps were 49.8 % and 32.5% respectively.

Fuel a better world continued

Gender Bonus Gap

The policy of including all staff in the bonus scheme means that the percentage of each gender receiving a bonus was almost identical. However, as the bonus scheme is linked to base salary, the pre-dominance of males in higher paid roles contributes to the Mean Gender Bonus Gap.

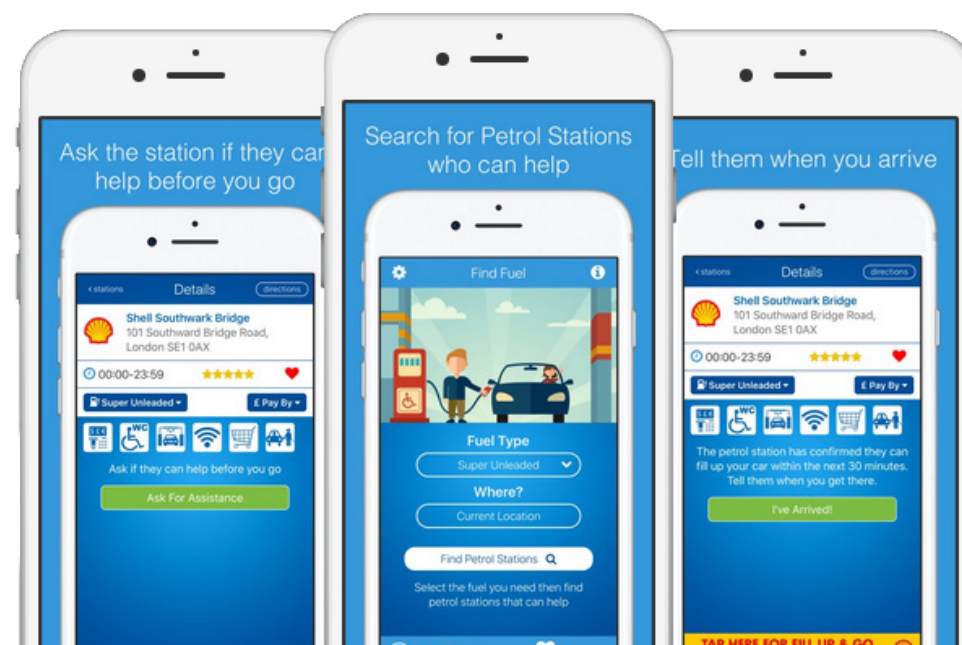
The Median figure is significantly lower and both figures have reduced since the 2020 survey; indeed the Median figure is now at its lowest since the Group commenced running the calculation.

While employment of more females in some of the higher paid roles has contributed to reducing the Bonus Gap, the payment by the Group of a one-off, flat bonus to all staff in recognition of their efforts during the pandemic has also helped offset some of the impact of the variable bonus linked to salary.

The number of employees by gender at 31 December 2021 was as follows:

	Male No.	Female No.	Total No.
Senior managers	24	3	27
Other employees	476	535	1,011
Total	500	538	1,038

Equality and Diversity in action for customers: supporting disabled drivers at our petrol stations



MFG has enjoyed a partnership with FuelService since 2017, the app which helps disabled drivers to ask participating service stations for help before they set off on their journey – so they can be confident that someone will be available to assist them in charging their vehicle or refuelling when they arrive. FuelService can be downloaded from the App Store free of any charge to the driver and the initiative is closely aligned to our mission of protecting the quality of life of all those who live in our communities.



Fuel a better world continued

Raising funds for Macmillan

MFG launched its partnership with Macmillan Cancer Support in April 2021, helping to raise more than £500,000 during the year for this charity that provides vital support across the community. The Group has a long track record of supporting community focused charities and has now consolidated these efforts into its partnership with Macmillan, providing maximum support and effect for one main charity partner.

In the recent past, we have proudly supported charities including Help for Heroes, RNIB, NSPCC and many of the regional Air Ambulance charities. MFG also raised more than £250,000 for NHS Charities Together between May 2020 and March 2021.

Covid-19 has had a devastating impact on cancer care with many patients suffering longer waiting-lists, cancellations and changes to their treatment. Estimates suggest more than 50,000 people may have missed a cancer diagnosis on the back of pandemic disruption. As most people are affected by cancer at some point in their lives, either directly or indirectly – we decided to focus our efforts on making one big impact rather than multiple smaller ones.

In 2021 our fundraising efforts were supported by MFG customers' donations across our forecourts network of over 900 forecourts – through cash-collection boxes, QR code readers and our partnership with 'Pennies', the pioneering fintech charity which gives customers the opportunity to add digital micro donations to their purchases when paying by card or digital wallet. Petrol nozzles were branded with Macmillan advertisements which offered free advertising space to the charity so they could reach out to the community with key messages and a call-to-action, with important information for customers as they passed through our sites.

Fundraising activities were driven and supported by MFG employees and contract managers, with quizzes, coffee mornings and payroll giving all demonstrating employees' generosity and support of Macmillan as the company's charity of choice – pooling all of our charitable efforts into one well-communicated and supported cause.





Fuel a better world continued

Charge-up, relax or refuel in our flagship forecourt in Putney

As part of MFG's £400 million EV investment plans, we demolished the original petrol station in Putney, SW London – and constructed a new dual-fuel station with eight dedicated ultra-rapid 150kW EV charging bays. Each bay can provide 100 miles of range in just 10 minutes' charging time and there are also eight traditional fuel pumps for customers who have not yet embarked on their EV journey.

The site was re-developed with 1,500 sq ft of high-quality retail space and a location that includes refuelling of a different kind at a great new Costa Coffee, an Amazon drop box for local residents who need a home-delivery location service, a customer cycle store for the local community as well as state-of-the-art valeting facilities and a Budgens that stocks all the trusted essentials.

The concept is contemporary. The design and layout is suitable for busy commuters and motorists, while equally serving as a 'community hub', with a local feel and services that are driven by our customers' needs – whoever they may be.





Fuel a safer, more diverse world

We support the local community and embrace diversity and equality, providing a safe environment for customers and employees

Motor Fuel Group (MFG) is the UK's largest independent forecourt operator and employs more than 1,000 people across a UK and Channel Isles network of 926 sites, comprising our core contract and direct-managed operations. Our direct employee headcount has risen by more than a quarter in 2021 and healthy diversity is integral to our culture.

Our Health and Safety agenda follows a target driven approach, and details of our achievements in this area are set out below. We adhere to HSE-related obligations to ensure that all legal and regulatory conditions are followed and reported upon. In addition, we strive to create and maintain an environment that operates under a zero-harm policy, prioritising the safety of customers, suppliers and employees at every MFG location.

We maintain the highest standards of governance and management systems to reduce risks associated with our business. We are working towards the ISO 14001 Environmental Management System and the ISO 45001 Occupational Health and Safety System certification.

Our highly trained, dedicated in-house environmental team works closely with accredited third-party consultants to manage environmental risks across our network in particular around risks of land contamination and remediation.

Hazardous waste and waste management

To reduce the risk of pollution, we commit to the responsible disposal of all hazardous waste, as well as recycling waste created at our facilities. We are focused on minimising and controlling the risks to the environment, and all who visit our stations, associated with the storage, handling, sale and distribution of hydrocarbon oil and gas products and electric power.

Measures include:

- Ensuring that waste residues from forecourts are contained in specialist drainage systems and removed from sites regularly by qualified and competent contractors
- Identifying asbestos locations across the estate, and managing removal or encapsulation
- All sites are subject to Ozone Depleting Substance Audits (ODF) on a rolling three-year basis
- The introduction of a Waste Water Audit Programme in 2021
- Obtaining environmental permits for all regulated facilities that we operate and ensuring that we comply with all conditions
- Ensuring that any waste materials in relation to development or construction activities are properly disposed of according to their waste classification by qualified and competent licenced waste carriers.



Fuel a safer, more diverse world continued

Water management

We treat fresh water as a valuable resource and are committed to maintaining the integrity of all water related infrastructure across our estate. We ensure that water is used efficiently and water wastage is kept to a minimum by employing a third-party consultancy firm to monitor consumption. Any unusual readings are investigated and we take remedial action as a priority.



Our strategy is to Fuel the Future

In the autumn of 2021, we launched a new sustainability plan named 'Fuel the Future'. We recognise that our position as the UK's largest independent forecourt operator comes with a great sense of duty and responsibility, as we assist in 'powering-up' for a green transition.

Fuel the Future

We believe that by investing time, money and resources in making things happen – that we are giving the future a better chance, and our new sustainability plan aligns closely to our EV strategy and ambition to 'Power the Future'. Sustainability is an important part of MFG's culture. We realise that we're on a journey, and recognise that there is always more to be done.

Our 'Fuel the Future' sustainability strategy comprises three main pillars – fuelling a greener world, a better world, and a safer and more diverse world – and these pillars are underpinned by good governance, effective risk management and ethical behaviour that reflects our values and culture.



OUR SUSTAINABILITY STRATEGY

Fuel a greener world

We make it easier to be greener.
We are a leading part of the UK mobility transition to a net-zero world.

How we help others

- Making it safer, more convenient to fuel your car, buy your food and do your chores
- Making the world a greener place through investment

What we do ourselves

- Powered by 100% renewable energy in the future
- A dual fuel strategy to enable our customers to keep mobile, and transition to a cleaner way of driving with EV

The foundation

- The proceeds of the retail and fuel business provide the funding strength to invest in a better, cleaner future

Targets

- To provide electric vehicle charging facilities capable of supplying 110m miles annually
- To strive for zero pollution at all MFG locations, arising from loss of primary containment
- To reduce carbon emissions by 30% by 2030
- To reduce energy usage by 30% by 2030, based upon a 2020 baseline
- To ensure a net biodiversity gain in new developments from 2022

Fuel a better world

We make local communities more resilient and adaptive through our community hubs.

- Feeding local communities with 'too good to go'
- Providing healthy food options in our shops
- Enabling people to buy local

- Provide all employees with two paid volunteering days' annually
- Extensive fundraising for charity
- Support the less fortunate

- Be a good neighbour
- Provide facilities for the local community for fuel, food and services

- To support our charity partners
- To continue to improve our GPG metrics
- To improve our employee training and development offering

Fuel a safer, more diverse world

We support the local community and embrace diversity and equality, providing a safe environment for all who visit.

- Making it easier for more vulnerable customers to fuel the car and shop – through the adoption of our disability access app

- Diversity in our business
- Keep our people safe
- Enhance employee engagement

- Culture of 'no harm'
- Training & development focus






- To strive for zero harm to customers, employees, suppliers and all who visit MFG locations

Underpinned by good governance, effective risk management and ethical behaviour that reflects our values and culture



Our strategy is to Fuel the Future continued

Environmental

Environmental Targets for 2021	Our metrics and KPIs	How we are fuelling a greener world	
Provide electric vehicle charging facilities capable of supplying 110m miles annually	Number of miles currently being supplied across the network	Installed 107 charging units in 2021: this gave operational availability for 58.6 million miles, with construction underway on hubs with additional availability of 72.8 million miles, due to open in early 2022	
Strive for zero pollution at all MFG locations arising from loss of primary containment	Confirmed litres of fuel lost to ground per quarter (target = 0 Litres lost to ground)	Two minor incidents in 2021, with no significant harm to the environment	
	Complete a minimum of 10 tank re-line/ replacement projects per year	20 projects completed	
	Complete a minimum of 15 repump projects per year, based on environmental sensitivity ranking	20 projects completed	
	30% of all sites in the network to receive a water use audit during each year	Water Audit Programme has been successfully piloted on four sites. Programme will begin in 2022	





Our strategy is to Fuel the Future continued

Environmental Targets for 2021	Our metrics and KPIs	How we are fuelling a greener world	
Reduce Scope 1 and Scope 2 absolute carbon emissions by 30% by 2030, based from a 2020 baseline	Report current emission figures and percentage reduction against 2020 baseline. (Metric = Current emissions vs 2020 levels)	<p>Scope 1 consumption increased by 32.8% to 3,070,798 kWh, and a 28.5% increase in tCO₂e to 736.02 tCO₂e.</p> <p>Scope 2 consumption from purchased electricity increased by 8.4% in 2021, from 101,964,824 kWh, to 110,529,128 kWh, with emissions reducing by 1.28% to 23,468.65 tCO₂e.</p>	
	<p>Introduce hybrid vehicles to the company car fleet in 2021</p> <p>All new vehicles leased from 2025 to be hybrid/EV</p> <p>Entire fleet to be comprised of hybrid/EV vehicles by 2028</p>	First three EV / Hybrid Vehicles leased	
Reduce electricity usage by 30% by 2030 from a 2020 baseline	Report current usage figures and percentage reduction against 2020 baseline	<p>2021: 0.03340 kWh/litre of fuel sold (80,103,920 kWh Total)</p> <p>2020: 0.03702 kWh/litre of fuel sold (77,681,723 kWh Total)</p>	
	Install 40 additional LED lighting systems by end of 2021	56 LED lighting systems installed	
	Install 40 energy management systems by end of 2021	Five systems installed, with delays on remaining systems due to well documented supply chain issues	
Ensure a net biodiversity gain in new developments from 2022	Ecology/diversity net gain figures for all development programmes. Developments MUST demonstrate a positive figure.	Ecology surveys for all developments from January 2022.	



Our strategy is to Fuel the Future continued

Social

Social Targets for 2021	Our metrics and KPIs	How we are fuelling a greener world	
Support charity partners	Fundraising and awareness	£650K raised for community charities	
Improve gender pay gap metrics	Monitoring of gender pay gap figures and providing equal opportunities	Gender pay gap has remained consistent year on year	
Improve employee training and development offering	All employees to successfully complete all training courses as mandated by the Company Information & Instruction & Training Policy during the course of the year	Employees completed 1,958 hours of H&S training in 2021	
	Compliance with employee company HSE training matrix > 90%.	Compliance with the Training Matrix is currently 92%.	



Governance

Governance Targets for 2021	Our metrics and KPIs	How we are fuelling a greener world	
Compliance with HSE-related legal and regulatory obligations	A maximum of one improvement notices received by the organisation from Regulators annually	0 improvement notices received YTD	
	0 Prohibition Notices	0 prohibition notices received YTD	
Strive for zero harm to customers, suppliers, and all who visit MFG locations	Accident rates for employees, Contract Managers and their staff (target is zero per 200,000 hrs worked).	2021 employee accident rate = 0.58 per 200,000 hours 2021 CM accident rate = 0.32 per 200,000 hours.	





2021 Update

Setting and refreshing our targets

This report covers the period 01 January – 31 December 2021, and the targets listed above are for this reporting period only. Substantial progress has been made in the development of our ESG agenda, but we cannot stand still as the world around us continues to evolve. We will continue to take a dynamic approach and will look to upgrade our targets as and when it is appropriate to do so.

For 2022 we are refreshing our targets in a phased approach:

- Develop a roadmap to carbon neutrality by 2050 based on incremental steps that are realistic and achievable
- Commit to a fully-electric company car fleet by 2030
- Commit to building our first net-carbon-neutral site by 2024
- Undertake feasibility study of Hydrogen fuel sales at appropriately identified sites
- Undertake feasibility study of Hydrogenated Vegetable Oil (HVO) fuel sales at appropriately identified sites on UK mainland.

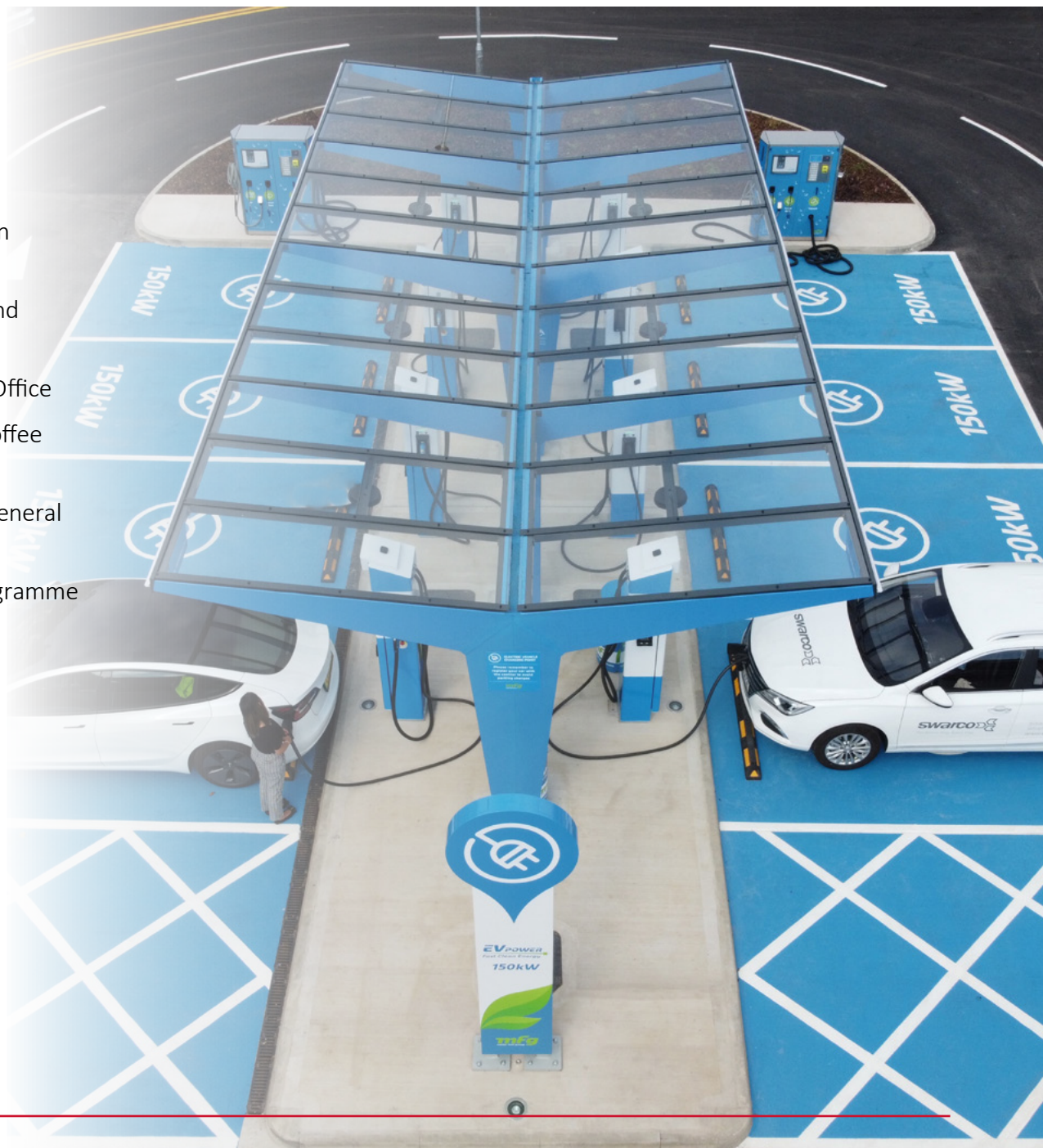




2021 Update continued

Other projects in pipeline during 2022

- Undertake exercise to establish viability of solar power generation installations at appropriate sites
- Conduct office sustainability audit/action plan to reduce waste and energy usage
- Phase out plastic bottles and non-recyclable cup use from Head Office
- Seek to develop an agreement with a major supplier to reduce coffee ground waste by recycling into recycled fuel logs
- Undertake review into increasing water recycling, and reducing general waste at the sites – with waste-water audits being developed
- Establish stronger community relations through sponsorship programme and intern and work experience programmes.





Our performance in data

MSG is committed to transparent disclosure of all significant ESG and sustainability reporting metrics each year. Data metrics are important, and our aim is to have these figures independently verified in the future.

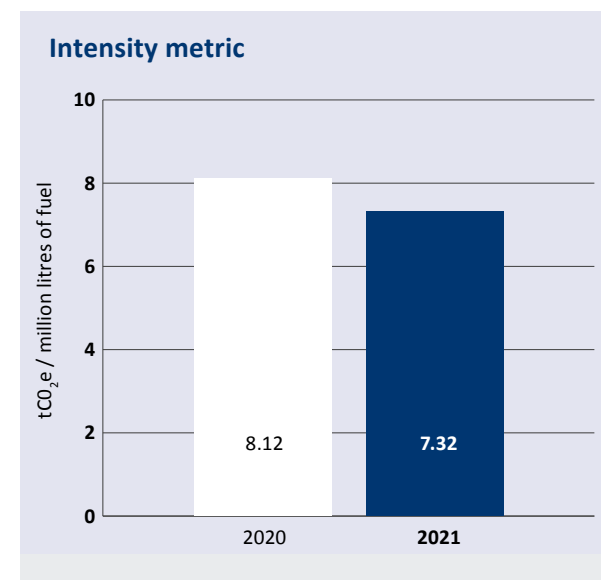
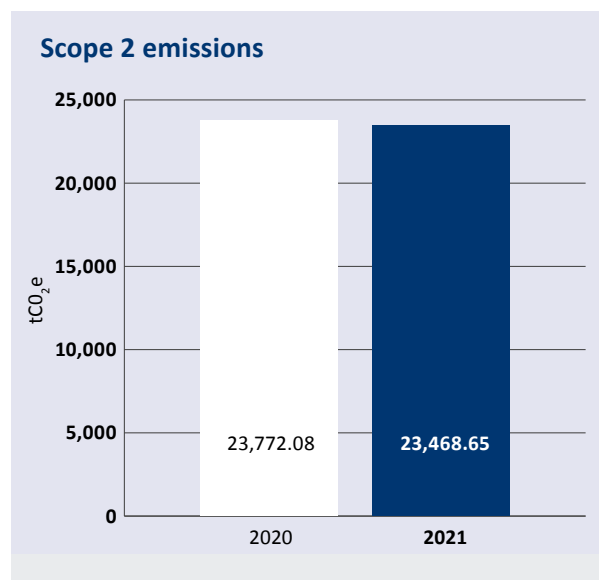
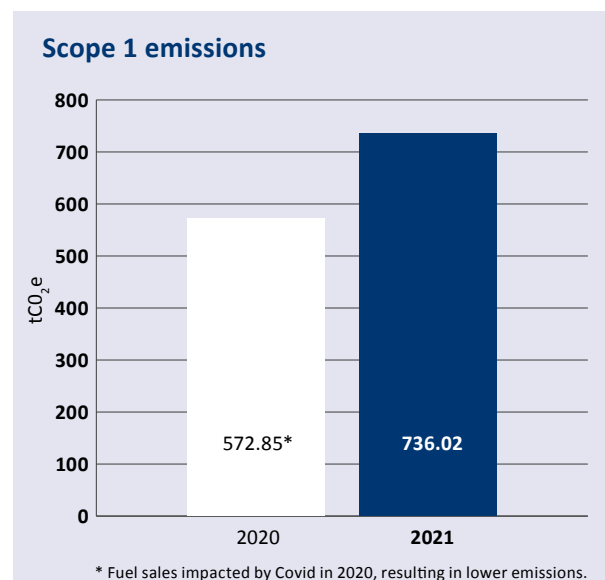
Environment

Carbon and emissions

We have reported our carbon and emissions data using the Streamlined Energy and Carbon Reporting (SECR) requirements.

The data reported follows the March 2019 government 'Environmental Reporting Guidelines', including the streamlined energy and carbon reporting guidance and uses the UK Government GHG Conversion factors for Company Reporting (Full set 2020. Version 1.0).

- Scope 1 data is from natural gas and travel in company cars
- Scope 2 is consumption from purchased electricity, including for electric car charge points
- Scope 3 figures are the mandatory reporting of business travel in private vehicles



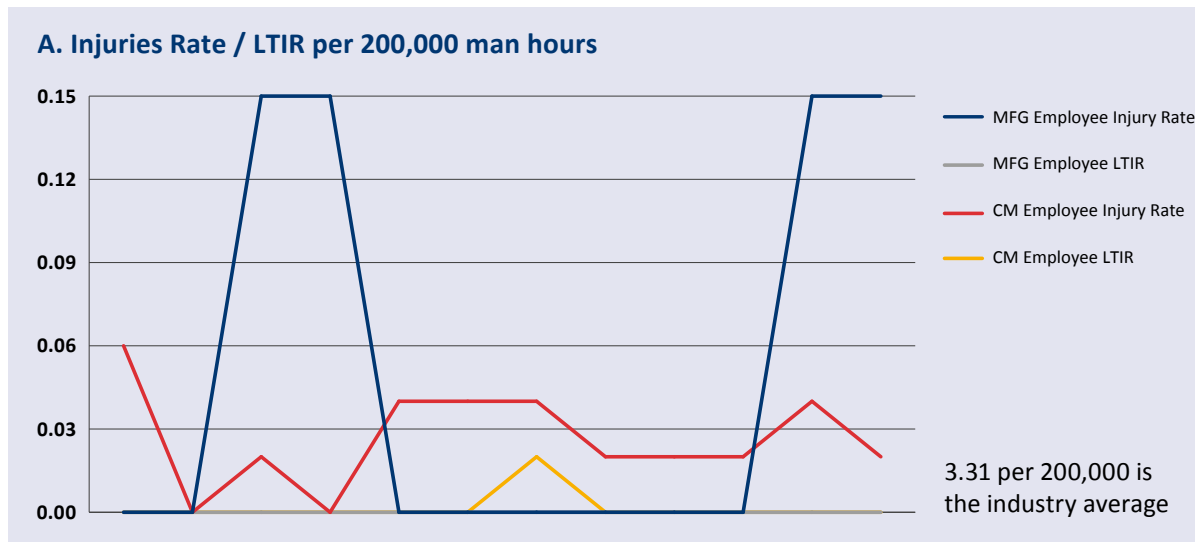


Our performance in data continued

Health and safety

Petrol forecourt station incident and accident summary.

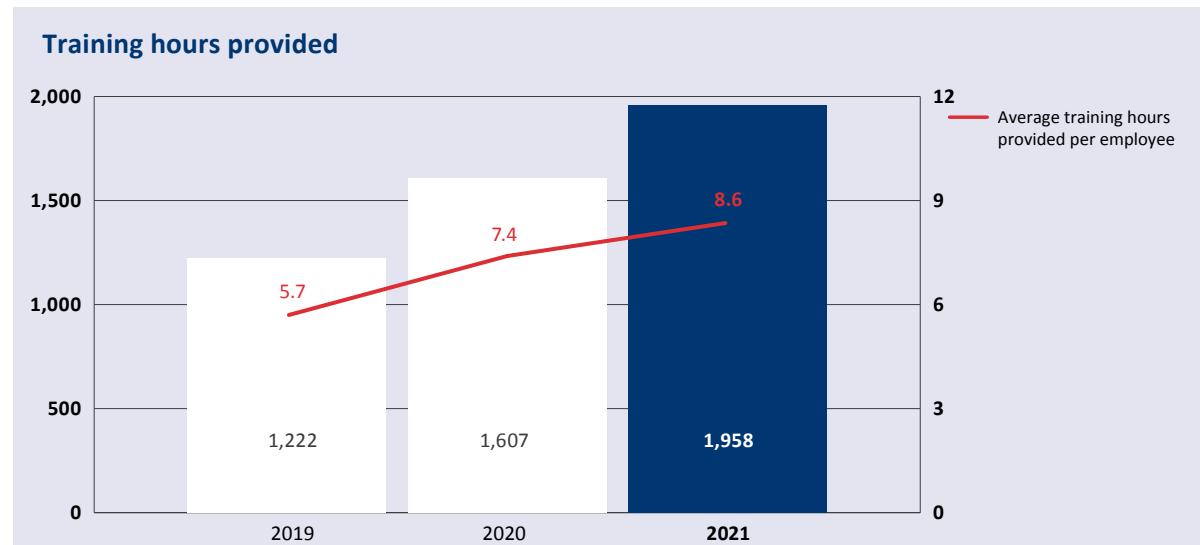
	2020		2021	
	No. of Incidents	Average Per Site	No. of Incidents	Average Per Site
Third Party Damage	796	0.88	862	0.95
H&S Accident/Incident/Fire	207	0.23	254	0.28
Enforcement Visit	29	0.03	62	0.07
Medical Condition	14	0.02	18	0.02
Near Miss	233	0.26	257	0.28
Crime/Violence/Robbery	315	0.35	283	0.31
Totals	1,594	1.76	1,736	1.91
	911 sites		926 sites	





Our performance in data continued

Employee health and safety training, core franchise operations



Identifying and communicating with our key stakeholder groups is a critical function of our ESG journey, and we aim to develop meaningful relationships with active dialogue and management interventions to promote sound insights and decision-making across the MFG Group. Read about our stakeholder groups, and how we communicate and engage with them, on page 39 of our strategic report.



Motor Fuel Limited

Gladstone Place
36-38 Upper Marlborough Road
St Albans
Hertfordshire
AL1 3UU

www.motorfuelgroup.com

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