



Reliability you can rely on

ESG Strategy

To ensure the
wheels of the
world keep turning

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Our ESG Vision

As fuel, energy, and infrastructure specialists we are at the forefront of fuel asset management, changing the world through innovation. At LCM environmental our Environmental, Social, and Governance (ESG) vision is rooted in our dedication to protect people and the environment. We are passionate about how our business affects the world around us and recognise the importance of integrating sustainability considerations into every aspect of our operations.

Our ESG framework acts as a commitment to our responsibility towards the environment, fostering a positive social impact, and upholding strong governance principles. Moving forward our primary focus will be placed on ensuring the fulfilment of our commitments and the effective measurement of our performance. We recognise the importance of transparently reporting our ESG outcomes to our customers, shareholders, and all relevant stakeholders.

As the ESG landscape evolves we are prepared for the potential challenges and transformative opportunities that may arise. We aspire to be a trusted partner for our customers, aiding them in achieving their own ESG strategies. Ultimately, we are committed to our ESG vision where business success equals a better future for all.

Foreword

Embracing Sustainability and Responsibility

In an era where the global community faces unprecedented challenges, we recognise the vital role that businesses play in shaping a sustainable and equitable future. As stewards of progress, we understand that success is not only measured by financial achievements but also by the positive impact we have on the world around us.

At LCM Environmental Services Ltd, we believe in the power of Environmental, Social, and Governance (ESG) principles to guide our actions and decisions. Sustainability is at the core of the services LCM offer and how operations are delivered. This ESG strategy represents our commitment to integrating responsible practices into every facet of our operations. It is a testament to our dedication to creating long-term value for our stakeholders, minimising our environmental footprint, fostering social inclusivity, and upholding the highest standards of governance. Every organisation needs to consider the future and we aim to be seen as leaders in our sector. Our operations are very much focused on the environment (more so than others) and mitigating the risk of environmental incidents. By applying the principles laid out in this document, we will not simply focus on one area, but embrace all elements of ESG.

Our Environmental Commitment: We acknowledge the urgency of environmental challenges and commit to reducing our carbon footprint. From minimising carbon emissions and embracing sustainable sourcing to championing energy efficiency, our environmental initiatives are rooted in a profound respect for our planet.

Our Social Responsibility: People are at the heart of our business, and this is reflected in the benefits we provide. We prioritise the well-being of our employees, support diversity and inclusion, and engage with our communities. Our social responsibility initiatives aim to make a positive impact, promoting fair employment practices, ensuring safety when delivering our services, and contributing to community development.

Our Governance Excellence: Transparent and ethical governance is the cornerstone of our operations. By maintaining high standards in board composition, shareholder rights, we strive for accountability and integrity. Our governance practices are designed to uphold the trust placed in us by our stakeholders.

Foreword

This ESG strategy is not just a document; it is a living commitment to sustainable and responsible business practices. We understand that the journey towards a better future requires continuous improvement, collaboration, and adaptability. By embracing the principles outlined in this strategy, we embark on a path that transcends short-term gains and builds a resilient, responsible, and successful organisation.

We invite all our stakeholders – employees, shareholders, customers, and communities – to join us on this transformative journey. Together, we can create a positive impact that extends beyond our organisation, contributing to a world where businesses are catalysts for positive change.

Thank you for being part of our commitment to a sustainable and responsible future.

*Yours Aye,
Richard Wallace*



Richard Wallace
Chief Executive Officer

About LCM Environmental



Our History

Since 1987, we have always worked wherever there is fuel, providing a broad range of fuel management compliance and environmental services. We are proud to have been in operation for over 35 years, becoming the brand of trust within the industry and to our valued clients.

Today, LCM Environmental operates across the downstream fuel industry serving a variety of sectors and primarily wherever fuel is a critical operational asset. We take pride in delivering sustainable, resilient, and compliant service solutions through our specialist expertise. Our mission drives us to do everything required to mitigate risks and give our clients peace of mind. We invest heavily in technology and work with other global fuel industry pioneers to benefit our customers and the environment.

We know fuel – it runs in our veins.



Our Values

Reliability

Ensuring consistent delivery of a high-quality service to each other and our customers.

Adaptability

Be able to respond to changing work and customers' needs promptly.

Teamwork

Fostering collaboration and collective achievement amongst our team and our customers.

Integrity

Guiding our actions with honesty, transparency, and ethical conduct in all we do.

Customer Focussed

Understanding our customers' requirements and providing cost-effective solutions.

Recent Achievements

- Introduced a **vehicle salary sacrifice scheme**, allowing all employees the opportunity to drive a brand new-electric vehicle and subsequently contribute to the reduction of greenhouse gas emissions.
- Transitioned all office lighting to **Light Emitting Diode (LED)** technology, enhancing our office's energy efficiency and reducing our overall carbon footprint.
- Installed Electric Vehicle charging points, reflecting our **proactive approach** to reducing our environmental impact.
- Extended the option of HVO fuel to all customers as a substitute for diesel, which is **90% less carbon intensive** and accredited to a sustainability standard. As an organic waste-derived fuel HVO contributes significantly to the reduction of greenhouse gas emissions.
- We continue to purchase carbon credits from a carbon offsetting scheme via our organisational partner GreenArc. The carbon credits are linked to Katingan Peatland Reforestation and Conservation Project, an initiative that is dedicated to **protecting and restoring** 149,800 hectares of peatland ecosystems.



Global Reporting Initiative (GRI)

We have chosen to integrate the Global Reporting Initiative (GRI) as a foundational framework for shaping our Environmental, Social, and Governance (ESG) strategy.

The Global Reporting Initiative is an internationally renowned framework for sustainability reporting, which outlines best practice for reporting an organisations impacts on the environment, economy, and people. By adopting this framework, we aim to not only meet our social and environmental responsibilities but also increase our transparency and fosters dialogue between our stakeholders.

Through our stakeholder materiality assessment and engagement process we have identified 10 ESG categories which correspond with the GRI standards and are areas we believe we can make the biggest impact.



Materiality Assessment

Methodology

LCM Environmental conducted an extensive materiality assessment to gain valuable insights into key environmental, social, and governance (ESG) topics. Via our assessment we meticulously assessed the significance and priority of 23 ESG categories through quantitative and qualitative analyses.

We initially examined the public sustainability commitments, ESG impact reports, carbon reduction plans and other communications of 143 organisations – our entire customer, partner and supplier portfolio. For every one of the 23 ESG categories, we allocated a rating ranging from 0 to 3 (shown below) based on the prominence of these objectives within our stakeholders’ public communications. The total scores for each category were then calculated, enabling us to rank them from the most prominent to the least.

0	Not mentioned
1	1-2 publications
2	3-4 publications
3	5+ publications

Additionally, we conducted a thorough review of our existing governance policies, reports, and ongoing ESG efforts. This allowed us to identify any potential gaps in our initiatives and communication of ESG matters, offering additional context to support our stakeholder examination findings.

Our assessment culminated in an internal workshop, where we compared the insights gathered from internal reviews and the analysis of external stakeholder’s commitments to the Global Reporting Initiative (GRI) ESG framework. This process enabled us to identify the top-priority reporting standards that would shape and guide the formulation of our ESG strategy.

Overall, our methodology embodies a comprehensive and robust approach to understanding the ESG topics that resonate with our stakeholders and closely align with our values as a responsible and progressive organisation.

Materiality Assessment

Outcomes

Following our materiality assessment, we identified 12 ESG categories which best represent priority action areas for our stakeholders. These identified priority areas serve as the foundation for our ESG strategy:

- Emissions & carbon reduction
- Climate adaptation & mitigation
- Employee health, safety & wellbeing
- Energy
- Reporting transparency
- Corporate governance
- Materials, chemicals & waste
- Ethical Business Practices
- Community & social value
- Equal employment opportunities
- Regulatory compliance
- Adhering to labour legislation

All Stakeholders	Energy use & efficiency	Greenhouse gas emissions & carbon reduction	Water Use
Organisation 1	0	0	0
Organisation 2	0	0	0
Organisation 3	0	0	0
Organisation 4	3	3	2
Organisation 5	2	2	1
Organisation 6	2	2	1
Organisation 7	1	2	0
Organisation 8	1	2	0
Organisation 9	0	0	0
Organisation 10	0	1	0
Organisation 11	1	2	0
Organisation 12	0	0	0
Organisation 13	0	1	0
Organisation 14	1	1	1
Organisation 15	1	2	1
Organisation 16	2	2	0
Organisation 17	0	0	0
Organisation 18	3	3	2
Organisation 19	0	0	0
Organisation 20	1	1	0
Organisation 21	1	2	1
Organisation 22	0	1	0
Organisation 23	1	2	1
Organisation 24	1	1	1

Clipped extract from full data set

ESG Focus Areas

Additionally, we undertook a series of internal interviews with essential personnel from various roles and functions across our organisation. Through this approach we were able to assess whether the previously identified priority topics were relevant to LCM Environmental. The interviews aided in identifying the issues that truly matter to our team, creating a sense of shared responsibility and dedication towards our ESG strategy.

Following these discussions, we have chosen to focus on 10 specific ESG topics that closely align with our core values and strategic objectives, alongside those of our external stakeholders. These chosen focal points are also areas where we believe we can drive the most significant and positive change.

Looking ahead these priority areas will be fully integrated into our business operations and decision-making processes, demonstrating our commitment to sustainable development and operating as a responsible employer with consideration towards the world around us.

01	Emissions & Climate Change
02	Health, Safety & Pollution
03	Energy
04	Reporting Transparency
05	Governance
06	Waste
07	Ethical Business Practices
08	Community Value & Employee Benefits
09	Equal Employment Opportunities
10	Regulatory Compliance & Risk Management



Our Commitments

Emissions & Climate Change

As a provider of fuel and energy management services, we acknowledge the critical role we play in helping to achieve net-zero carbon emissions and the global warming target of 1.5 degrees Celsius as committed to by nations in the 2015 Paris Agreement.

Our actions in this area will include measures such as continually quantifying our carbon impact, working with our supply chain to explore low-carbon options, and engaging and upskilling our workforce on the importance of and opportunities for sustainable practices and behaviours.

ECC-1	Annually calculate and report our Scope 1, 2 & 3 emissions.
ECC-2	Formulate a detailed journey to net-zero carbon emissions by 2050 that outlines yearly carbon reduction targets and carbon emissions.
ECC-3	Provide training sessions to all employees on the relevance of climate change to the business and subsequent carbon reduction policies.
ECC-4	Conduct a climate risk assessment to identify vulnerabilities and incorporate climate change adaptation measures into our business strategy.
ECC-5	Continue to upscale the use of HVO fuel within our operations, aiming for 50% utilisation by 2030.
ECC-6	Continue to engage with suppliers to adopt sustainable practices, aiming to reduce scope 3 emissions by 20% over the next five years.
ECC-7	Establish a long-term target to achieve science-based emissions reduction goals in line with the Paris Agreement, with milestones set for 2030, 2040, and 2050.
ECC-8	Create a space for employees to share initiatives for carbon reduction, recognising and rewarding successful initiatives by the start of 2025.
ECC-9	Continue to purchase carbon credits to offset remaining emissions and achieve carbon neutrality status by 2035, aligned with the PAS 2060 standard.

Health, Safety & Pollution

- | | |
|-------|--|
| HSP-1 | Continue to prevent and mitigate significant negative occupational health and safety impacts that are directly linked to our operations. |
| HSP-2 | Continue to provide occupational health and safety training to all employees, including training on specific work-related hazards. |
| HSP-3 | Implement regular audits to identify and address potential hazards. |
| HSP-4 | Attain ISO 45001 occupational health and safety management system within the next two years. |
| HSP-5 | Report the total number of workplace incidents, aiming to reduce the total by 20% over the next four years. |
| HSP-6 | Continue to implement an Accident/Pollution Incident Management Plan to minimise environmental pollution risk. |
| HSP-7 | Assess and report pollution to air, water, and land under the Environmental Impacts Plan. |

At LCM Environmental, we are responsible for managing a diverse range of hazardous substances, making the health of our employees, clients and the environment our utmost priority.

We have already taken substantive and meaningful steps to reduce the risk of our operations to both people and the planet, so our health and safety efforts will focus on continuing our good work, in addition to increasing audits of our business and obtaining a formal health and safety management system in coming years.

Energy

As an organisation which undertakes large scale clean-up projects, we are mandated under the ESOS scheme to report on and identify opportunities related to our energy consumption and efficiency.

Our commitment over the coming years is to extend our calculation and reporting efforts on a voluntary basis, explore funding opportunities with the aim of facilitating the implementation of greener energy options, and mobilising our staff to take measures to reduce energy use where feasible.

EN-1

Calculate and report our total fuel and energy consumption annually.

EN-2

Calculate and report our business energy intensity ratio in-line with the GRI standards.

EN-3

Continue to conduct ESOS audits to understand our energy consumption and identify areas with opportunities for improvement.

EN-4

Explore funding for renewable energy opportunities and implement them where practical.

EN-5

Continue to evaluate energy reduction and efficiency opportunities, reducing energy consumption by 15% across all operations over the next two years.

EN-6

Conduct regular equipment assessments and replace outdated machinery with energy efficient-models.

EN-7

Increase the percentage of renewable energy within our energy mix by 15% within the next three years.

EN-8

Provide training sessions on energy conservation practices to all employees, promoting energy-saving behaviours.

RT-1	Publish an annual ESG impact report starting in 2025, outlining progress against defined targets.
RT-2	Publish an annual sustainability report following GRI Standards starting in 2025.
RT-3	Annually report a statement about the relevance of sustainable development to our organisation and our strategy for contributing to sustainable development.
RT-4	Continue to produce an annual statement that reinforces our zero-tolerance position on modern slavery.
RT-5	Continue to remain transparent on how we collect and use our employees' personal data.
RT-6	Continue to conduct quarterly employee engagement surveys and stakeholder consultations to gather feedback on reporting practices and identify areas for improvement.

Reporting Transparency

Until now, LCM Environmental have not publicised a great deal of information on our sustainability and ESG activity, despite a notable level of work taking place within the business.

Over the next few years and starting now, we pledge to publish this ESG Strategy and report annually on the progress made on the implementation of our actions.

Governance

The effective implementation of our ESG actions will require robust governance procedures and mechanisms. So far, our governance commitments and processes have been detailed in our CSR Policy.

As part of this ESG Strategy, we commit to providing detailed information on how we take social and environmental decisions and consulting more frequently with and obtaining feedback from our stakeholders to improve our social and environmental performance.

GV-1	Provide a detailed account of our governance framework, and the criteria used for selecting highest governance body members.
GV-2	Continue to outline those responsible for managing our organisation's impacts on the economy, environment, and people.
GV-3	Implement training to enhance the collective knowledge, skills, and expertise of the highest governance body on sustainable development.
GV-4	Continue to outline our corporate governance commitments within our Corporate and Social Responsibility Policy.
GV-5	Conduct regular stakeholder consultations, aiming to incorporate 80% of relevant feedback.
GV-6	Include a dedicated section on governance within the annual ESG report, detailing any changes made to governance structure and policies.

WS-1	Publish a formal waste management strategy, outlining yearly waste reduction targets.
WS-2	Annually measure and report the quantity and type of waste our organisation produces starting in 2025.
WS-3	Reduce the volume of general waste sent to landfill by 50% by 2028.
WS-4	Continue to segregate and recycle onsite waste via an external contractor.
WS-5	Monitor our waste generation, identifying opportunities for waste prevention in our own activities and upstream and downstream in our value chain.
WS-6	Continue to adopt circularity measures to support waste prevention, achieve a 20% reduction in waste generation within the next two years.
WS-7	Continue to recycle and polish fuel for use downstream in our value chain.

Waste

Waste generation is one of the most visible aspects of a business' environmental practices, and working within the waste industry requires us to take a strong management approach.

Our priorities throughout the lifecycle of this strategy will be to significantly reduce the volume of waste we send to landfill, calculate the amount of waste we produce (including its carbon impact), and explore measures to enhance the circular opportunities of resources used and waste produced.

Ethical Business Practices

It is essential that LCM Environmental continues to conduct its business in a transparent and ethical manner.

Beyond ensuring the protection of data and upholding our zero-tolerance position on modern slavery, the organisation herein commits to the provision of anti-corruption education, open communication with our stakeholders on our standards, and audits of our operations and suppliers where any such risks are identified.

EBP-1

Continue to enforce a zero-tolerance position on modern slavery aligned to the Global Human Rights policy.

EBP-2

Provide anti-corruption training for all relevant employees and governance body members.

EBP-3

Continue to ensure customer and employee data is protected via the criteria detailed in the Data Protection Policy and Privacy & GDPR Policy.

EBP-4

Continue to encourage an internal whistleblowing culture that encourages individuals to report ethical concerns.

EBP-5

Clearly communicate our standards of business conduct and ethical trading standards to all relevant stakeholders.

EBP-6

Conduct biannual audits to identify any operations and suppliers considered to have significant risk for incidents of forced or compulsory labour.

EBP-7

Communicate our efforts to protect the environment via the effectiveness of our emergency spill response services.

CVE-1	Continue to facilitate and support mental health first aiders.
CVE-2	Continue to support staff health and well-being via healthcare benefits and free confidential counselling.
CVE-3	Continue to consider job applicants from individuals with previous criminal convictions.
CVE-4	Ensure 50% of employees have access to at least one professional development opportunity annually.
CVE-5	Donate annually to local charities whose purpose align with our core values.
CVE-6	Partner with local schools and educational centres, offering mentorship programs or funding for educational resources.
CVE-7	Increase the number of community initiative days, aiming for 3 days per annum.

Community Value & Employee Benefits

LCM Environmental have historically offered a broad range employee benefit initiatives such as a vehicle salary sacrifice scheme and mental health support.

Our ongoing social efforts will be to continue the implementation of our existing schemes, whilst also getting more involved in community work, supporting local businesses, and bolstering professional development opportunities for staff.

Equal Employment Opportunities

As a progressive business, we are committed to ensuring every job applicant has an equal opportunity to work with us regardless of their social characteristics such as age, race and gender.

Whilst we cannot directly influence who chooses to apply for certain roles, we commit to welcoming and promoting engagement from under-represented groups. This will be facilitated through diversity and inclusion training, satisfaction surveys, and an assessment of equal pay metrics.

EEO-1

Annually publish quantitative data of the diversity within our organisation.

EEO-2

Increase the representation of underrepresented groups in leadership roles by 25% over the next five years.

EEO-3

Annually assess and report equal pay metrics and progress towards inequality reduction.

EEO-4

Ensure that 100% of hiring managers complete mandatory diversity and inclusion training to reduce unconscious bias in recruitment.

EEO-5

Increase the hiring rate of individuals from underrepresented groups by 20% over the next three years.

EEO-6

Conduct regular employee surveys regarding overall satisfaction with inclusion efforts, aiming for a 15% increase in satisfaction scores within the next year.

EEO-7

Continue to ensure recruitment listings are not confined to one area and attract talent from diverse backgrounds.

EEO-8

Continue to apply the equality, diversity and inclusion policy at all stages of the recruitment process.

RCM-1

Continue to operate a legal register for compliance, identifying all applicable laws and regulations.

RCM-2

State any issues of non-compliance with laws and regulations that apply to our organisation, including whether any fines were incurred.

RCM-3

Provide compliance training to all employees by 2025, to increase awareness of relevant laws and regulations.

RCM-4

Conduct quarterly management system audits to identify any areas of non-compliance and risks related to corruption.

RCM-5

Continue to use MSDS sheets and COSHH sheets to inform risk assessments for all waste activities.

RCM-6

Continue to successfully implement an accredited Environmental Management System to ensure accountability and assurance for managing environmental accidents.

RCM-7

Identify how climate-change related risks and opportunities could potentially generate changes in our operational process, revenue or expenditure.

Regulatory Compliance & Risk Management

As a provider of environmental services, our business must, at a fundamental level, comply with all legislation and manage the risks associated with non-compliance.

In addition to operating a legal register as part of our environmental management system, we commit to exploring the risks that climate change poses for the continued operation of our business, and what we must do to adapt in the face of a changing climate.

Monitoring Success

We have developed an internal action plan featuring SMART (Specific, Measurable, Achievable, Relevant, Time-bound) action points to guarantee the efficient achievement of ESG results aligned with our strategy. This plan outlines precise goals, targets, and initiatives that reflect our commitment to sustainability, social responsibility and ethical governance.

Through the execution of this strategy, our objective is to instigate positive change and amplify our impact in these areas. Furthermore, we have identified key performance indicators (KPIs) designed to measure and track our progress towards achieving our ESG objectives. These KPIs serve as quantifiable metrics, enabling us to evaluate our performance, pinpoint areas for improvement, and make data-informed decisions to optimise our ESG results.

72 Actions

Example KPIs

Emissions in metric tons of CO2e.

The number and rate of recordable work-related injuries.

Total percentage of energy supply from renewable resources.

Total weight of waste directed to disposal.

Percentage of employees who have participated in training workshops or mentorship programs.

Reporting Our Progress

Define Reporting Goals

We will clearly define the purpose of our ESG reporting and ensure it synchronises with our organisational mission and Global Reporting Initiative (GRI) standards.

Engage Stakeholders

We will acknowledge both internal and external stakeholders and allocate their respective roles and responsibilities within the reporting process.

Establish Reporting Guidelines

We will formulate comprehensive reporting guidelines encompassing the methodologies for data collection, reporting formats, and reporting frequency.

Collect and Analyse Data

We will select relevant ESG metrics in line with our strategy and analyse the data to gain insights into our performance and progress.

Report and Improve

We will produce annual ESG reports highlighting our accomplishments and contributions, validate the accuracy of the data, and continually refine the reporting framework through feedback and comparative analysis.



Reliability you can rely on

This strategy has been designed and developed with the help of Walker Resource Management Ltd (WRM).