

# 2022-23 ESG REPORT







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WATT R. FOSTER JR.

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## A NOTE FROM FOSTER FUELS PRESIDENT AND CEO **WATT R. FOSTER, JR.**

### *Fueling the Commitment to Our Corporate Culture, Community, and Conservation*

As fuel suppliers, we have a firsthand view of policymakers' impact as we all come together to approach solving the climate crisis. When Foster Fuels was founded in 1921, my grandfather and his business partners developed the foundation of our company with a constant eye for innovation for the benefit of our community; our people. Our company's efforts have amplified through years of growth, increased community involvement and giving back.

If my dad and I were sitting at our favorite fishing spot by the river today, I'm sure he'd say that this "new" focus on sustainability is just good old management practices rebranded. ESG policy aligns with our business practices. After reviewing our carbon footprint and auditing our business practices, we've affirmed we are headed in the right direction, and will continue taking initiative to do better- because we can always do better and be better as we continue to pave our path forward in a sustainable way.

As we aim for cleaner energy, the transition will present challenges. We established the Foster Green Task Force, built from team members with insight from across the company. Their mission is to offer sustainable market solutions and cultivate industry partnerships to provide renewable energy products. The end goal is to reduce our net carbon footprint and help our partners achieve the same success. In 2022, we delivered net-zero renewable diesel in a volume that equated to the same carbon reduction as turning off all residential lights throughout the State of New York for just under 19 hours. We hired an independent third party to assess our carbon footprint and are pleased to see the impact our family has had by placing land in conservation since 2010. In addition to reviewing our external impact, we've also taken a magnifying glass view of our business practices and operations to ensure we are making the most vital sustainability commitments to the environment, our people, and the governance of our company.

With this in mind, I am proud to present our 2022-23 ESG Impact Review, which outlines the actionable progress that fuels our sustainability efforts. Thank you for being part of our journey!

Watt R. Foster Jr.

President and CEO Foster Fuels, Inc.







Our commitment  
to  
**SUSTAINABILITY**  
*drives*  
**INNOVATION**



**LAND  
CONSERVATION**



**RENEWABLE FUELS**



**SAFETY**



**PEOPLE**



*"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs." -Bruntland Report, 1987*







# ENVIRONMENT

## ENVIRONMENTAL STEWARDSHIP

*Mapped to SDGs 7, 9, 11, 13, 17*

Foster Fuels takes pride in being the first fuel delivery company to provide sustainable, net-zero renewable solutions to mission-critical, transportation, and critical infrastructure partners on the east coast of the United States. Environmental stewardship is paramount in the safe delivery of millions of gallons of Foster Fuels' products annually, including green propane, renewable diesel, and more.

In 2022, Foster established a Green Task Force comprised of a cross-functional team working to identify and implement sustainable measures throughout the company's business practices. Foster Fuels hired a third party to evaluate its' carbon footprint. Through research and analysis of the company's operations and efforts, the task force began developing a forward-thinking carbon-reduction plan. The task force identified the low-hanging fruit and what could be accomplished with quick change while proposing areas for additional reduction.

The collective implemented and proposed reductions, paired with the offset attributed to Foster-owned wetland, forest, and acreage in conservation easement achieve:

- **CLIMATE POSITIVE Status for Scope 1 and 2 emissions for 2022**
- **87.5% of our goal of Carbon-Neutral Scope 3 emissions for 2022**







# ENVIRONMENT

**SAFETY = STEWARDSHIP**  
*Setting the Industry Standard*

We follow safety standards and policies designed to protect the environment, our drivers, and our customer/partners by:

- Exceeding safety expectations of **U.S. Department of Transportation, Environmental Protection Agency**, and fire and air quality requirements for the transport, storage, and dispensation of fuel.
- Monitoring our fleet equipped with **Samsara** telematics to drive safer operations, increase business efficiency, and advance sustainability initiatives while improving the lives of our employees and the customers we serve.
- Monitoring customer tanks with cellular monitors to reduce "zero gallon deliveries" and to identify and assess anomalies in real time.
- Adhering to compliance standards including **NFPA 30A, FMCSA**, and the **International Fire Code**.
- Insuring company resources with comprehensive commercial auto and pollution insurance with **enterprise-class liability coverage**.
- Preventing spills with Foster spill prevention protocol with a zero-drip policy based on fire/ hazmat safety measures.







# ENVIRONMENT

## CONSERVATION = CARBON OFFSET

*Fostering Fossil - Free Fuels*

Foster strives to reduce environmental impacts both internally with Scope 1 and 2 while supporting our client/partners' reduction of Scope 3 and 4 emissions. We track the direct carbon emissions resulting from our operations, which come primarily from our delivery vehicles, our corporate footprint at our headquarters and offices, and employee commutes.

In markets where we are able to offer Renewable Diesel, we are actively educating our client/partners about the sustainable, instant carbon reduction requiring no change in infrastructure, and up to 80% lower lifecycle emissions that come from switching from petroleum to renewable diesel.

We offer HVO Renewable Diesel to all our diesel-powered mission-critical customers in the US and Canada. Since introducing renewable diesel fuels in 2021, Foster has delivered close to 1 million gallons of the net-zero fuel. Our deliveries are projected to triple in the coming year.

In 2021, Foster Fuels further increased fleet decarbonization opportunities for the company's client/partners investing in flexible infrastructure to support battery fuel cell electric and Propane AutoGas vehicles. These additional assets integrate new energy types into our existing operational platform. We are committed to supporting the rollout of zero emissions vehicles by creating rapid-to-deploy emergency remote EV charging and Propane AutoGas fueling station services.







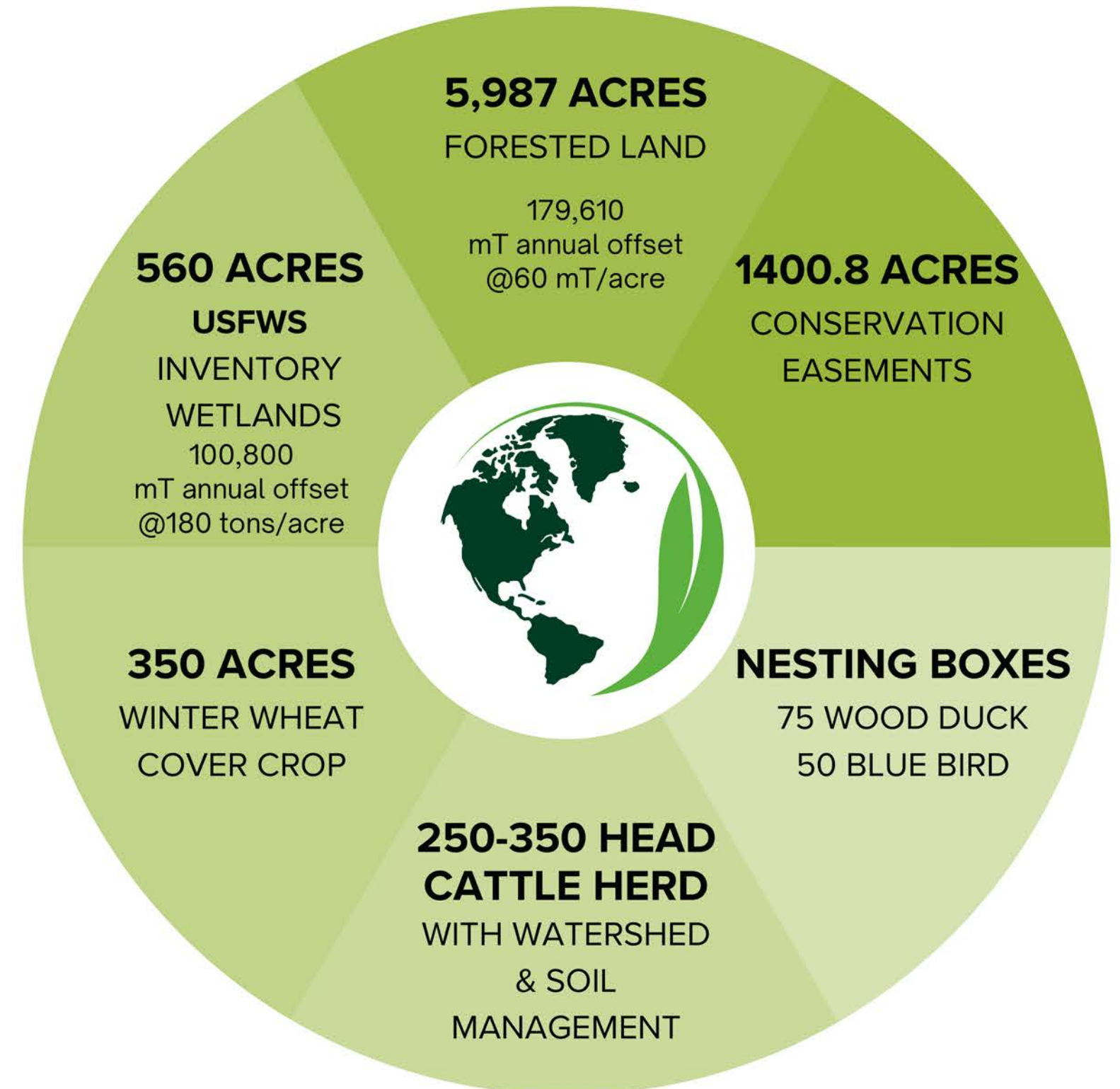
# ENVIRONMENT

## CONSERVATION: A WAY OF LIFE

*Fostering Forest, Wetland, and Wildlife Preservation*

**Foster President and CEO** Watt R. Foster, Jr. has always been passionate about conserving wildlife while growing preservation and awareness. Foster promotes the housing of bluebirds (that were once endangered) and wood ducks on his properties throughout Central Virginia, to give them safe places to live while supporting local entrepreneur, Chris Russell's "For the Birds" hand-built bird habitats. Together, they are supporting a better environment for animals to thrive.

Foster is the steward of 1,400 acres in conservation easements and is a licensed erosion and sediment control responsible land distributor. Cover Crop is grown and scheduled according to Sustainable Agriculture Research and Education Organization best practices recommendations.







# SOCIAL IMPACT

## PEOPLE DRIVE OUR BUSINESS

*Mapped to SDGs 3, 4, 5, 6, 8, 10*

At Foster Fuels, our people are the core of who we are and everything we do. We take pride in building a positive and engaging work culture, supporting all our employees, from our field technicians and drivers to our headquarters professionals.

Social responsibility is a key pillar in the foundation of Foster Fuels, and we strive to be a great employer and a valued partner in our community. Foster's Mission Critical division has activated for over 30 emergencies, many in coordination with DLA and FEMA since 2007. Our fueling and clean water relief efforts have supported communities throughout the United States in hurricanes, fires, tornadoes, ice storms, blackouts, and more.

The Watt Foster Family Foundation is our philanthropic arm of outreach contributing to the communities where we live and work. WFFF is involved in advocacy efforts with an emphasis on women, education, Veterans, and The Arts.







# SOCIAL IMPACT

## OUR CULTURE: GROWTH THROUGH ENGAGEMENT

Foster believes in a welcoming, inclusive team-driven environment that rewards and offers advancement for innovation. Our culture has always been supportive of growth – both personal and professional for all employees. Our president and CEO's motto is "We can always do better and be better!"

Our department managers host regular Lunch & Learn events for our employees that vary in focus and include round table discussions, team building exercises, safety training, and departmental continuing education.

Foster Fuels recognizes work anniversaries with tokens of appreciation starting on Year 1, with experiential gifts beginning on year 5, and every 5 years thereafter. All employees have the opportunity to participate in the Foster Education Assistance Program with occupation-related scholarships of up to \$3000 annually.

Employee engagement is also a top priority. We enlist all employee's feedback in quarterly surveys developed to drive improvements and increase overall employee engagement.







# SOCIAL IMPACT

## COMPENSATION & BENEFITS: VESTED FROM DAY 1

Over the last two years, Foster Fuels' corporate culture has broadened to include workplace CSR and DEI policies. The company's People Team implemented a paid community volunteer day and charitable incentives for additional volunteering engagement. Employer 401-K matching is at an industry high for Foster employees and mental health counseling is available to workers and their families at no cost.

**Career Mobility:** We have a high internal mobility rate; as of today, 23% of our Service Professionals have been promoted into higher-level positions.

**Medical/Dental/Vision:** We provide full benefits for all employees, offering a variety of benefit options including options at ZERO cost to employees.

**Mental, Emotional, and Financial Wellness:** We provide all employees with free access to AllOne Health, a service intended to provide resources for life's challenges including: Mental Health Sessions, Life Coaching, Financial Coaching, Legal Consultation, Work-Life Resources, Medical Advocacy, and more.

**CDL Academy:** We have built an internal driver training program to provide a solution to the truck driver shortage and improve the lives of the people in the communities that we serve. We provide higher paying jobs and full training for CDL licensing/endorsements for our Academy participants.







# SOCIAL IMPACT

## COMMUNITY SUPPORT: IT'S NOT OUR GOAL, IT'S OUR MISSION.

*Foster Fuels supports the efforts of local organizations that share their vision of a community where all citizens can thrive.*

Foster's Mission Critical division is committed to emergency fueling needs locally and across the nation through its long-standing relationship with FEMA. This division proudly serves alongside military personnel, plus federal, state, and local governments to provide emergency fuel services during disasters. The company has been awarded "PRIME" supplier status since the prestigious award began.

The Watt Foster Family Foundation was developed to funnel resources to community needs, donating to and engaging with organizations working with children, women and families, veterans, and senior citizens. The Foundation gives over \$750,000 annually to community sports programs, disadvantaged children, scholarships, and charities. Last year, more than 3,000 coats were collected for the annual "Spread the Warmth" coat drive campaign. For 2 years in a row, Watt Foster was the leading national "Grower", raising a total of over \$130,000 for the Mustaches for Kids fundraiser.

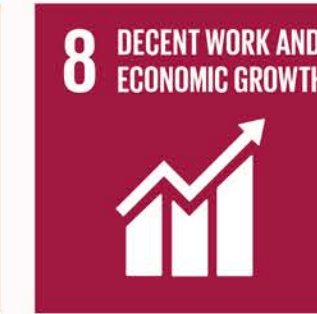
The Foundation's charitable efforts continue to increase, meeting needs in rural and urban communities. As a family man and community member, philanthropy is a huge component of Watt Foster's life. He humbly recognizes the success of the family business is related to the health and vitality of the communities it serves.







# GOVERNANCE



## ACCOUNTABILITY: CORE VALUES THAT MATTER

Mapped to SDGs 5, 8, 10, 17

*The Foster pillar of governance includes complying with applicable laws, rules, regulations and policies, all while remaining true to our employees and partners through fair and equitable core values.*

### Corporate Governance

Foster Fuels has a highly qualified Board of Directors in place, maintaining governance in partnership with committees for Financial Audit, Fair Compensation, DEI Policy, and a Green Task Force. Each committee is tasked to ensure Foster Fuels meets the highest possible standards for equity, fairness, transparency and ethics. Our directors and all employees, including senior management, conduct themselves in accordance with the highest moral and ethical standards, informed by policy published in the Foster Employee Handbook that contains business conduct and ethics policies.

### Discrimination

Foster Fuels has strict policies to protect against discrimination, harassment and retaliation, with an open-door policy meant to encourage honest and direct communication for proper issue resolution. Foster also has a whistleblower process that provides an alternative and anonymous method of reporting suspected compliance violations, unlawful or unethical behavior, or fraud.

### Fleet Safety

Our fleet and asset purchases are reviewed for a full range of safety requirements including driver ergonomics, quiet operation, clean idle tech and fuel economy, estimated ongoing maintenance requirements and more.

### Conflict of Interest

All Foster Fuels employees are expected to avoid any conflict of interest when conducting their business dealings with customers, suppliers, partners and vendors. This is to protect the interests and the integrity of our employees and our company.

Our vetted fuel supply network partners and refineries include REG Chevron and other global energy providers that are required to certify the environmental impact of their products and operations. Foster Fuels supports and encourages the use of renewable fuels. We seek to reduce the total carbon impact of fuels we buy and deliver, in order to drive measurable Scope 1 and 3 reductions for Foster Fuels and our partners.





# PARTNERSHIPS OF IMPACT

## BUSINESS



## FOUNDATION














**Questions regarding Foster Fuels' ESG practices?**

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