

Sustainable Development Report 2021/2022

# Integrating Our Net Zero Carbon Strategy



## Swire Energy Services' transformative journey continues as we look to support our communities and industry through the new age of energy.

Working across 30 countries, and harnessing over 40 years' experience, Swire Energy Services is committed to delivering smart, connected, and sustainable service offerings to the global energy sector.

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## Message from the CEO

There can be no doubt that the challenges we have faced over the last year have forced us to review every aspect of our lives. But with real challenge often lies resilience and innovation, and what we have witness across the world is a unity and understanding of what must be done to secure the future.

In 2021 Swire Energy Services entered into the renewable sector through the investment in wind technology company BladelInsight, and the acquisition of wind services provider, ALL NRG. With the establishment of Swire Energy Services Wind Division we are now firmly positioned within the global wind industry. This move has been critical in ensuring we support our customers through the energy transition and help deliver a more sustainable business for the future.

Alongside our move into the renewable sector, Swire Energy Services has also been working towards our target of net zero carbon emissions by 2030, and so far, have achieved a 37% reduction in absolute emissions since launching in 2020. Central to the success in achieving these aggressive targets has been the powerful shift at the core of our business and culture within Swire Energy Services. Global teams have embraced our mission and take collective and individual responsibility to deliver on our targets.

Empowering one another to challenge not only how we work, but how we work with our customers and suppliers. We have looked to work smarter, implement and embrace new technologies and prioritise carbon reducing initiatives.

To ensure we provide an inclusive working environment, we have focused on supporting diversity and representation, and continued to put the health and wellbeing of our people and communities at the heart of our business. Our commitment to supporting the United Nation's Sustainable Development Goals has refocused our collective responsibility to charge change across our business and industry.

**Manfred Vonlanthen**  
Chief Executive Officer

# Our Approach to Sustainability



# Sustainability at Swire Energy Services

The transition to a sustainable society is both an urgent challenge and an opportunity to build a better future for all. Our journey at Swire Energy Services has already begun with a clear focus on our people, our communities, and our environment. This is our global commitment to a sustainable future for SES and our planet.

In addition to our commitment to reaching net zero by 2030 we have set a number of strategic goals which will aid us in the mission, for instance we have set the target of sourcing 75% of our electricity from renewables by the end of 2022, incorporating carbon impact analysis into investment decisions, and including emissions targets into the employee incentive scheme.

During 2021 SES were evaluated by both EcoVadis<sup>1</sup> and CDP Worldwide<sup>2</sup> in relation to CSR management and climate stewardship, achieving the EcoVadis silver award and CDP's - A banding for supplier engagement related to climate and C banding for climate change overall. Although these results are a positive start several clear actions have been identified that will be implemented to improve our performance and process ahead of the next evaluation.

## People

Foster a company culture that is accessible, inclusive, and safe.

## Water

Use and manage water responsibly.

## Communities

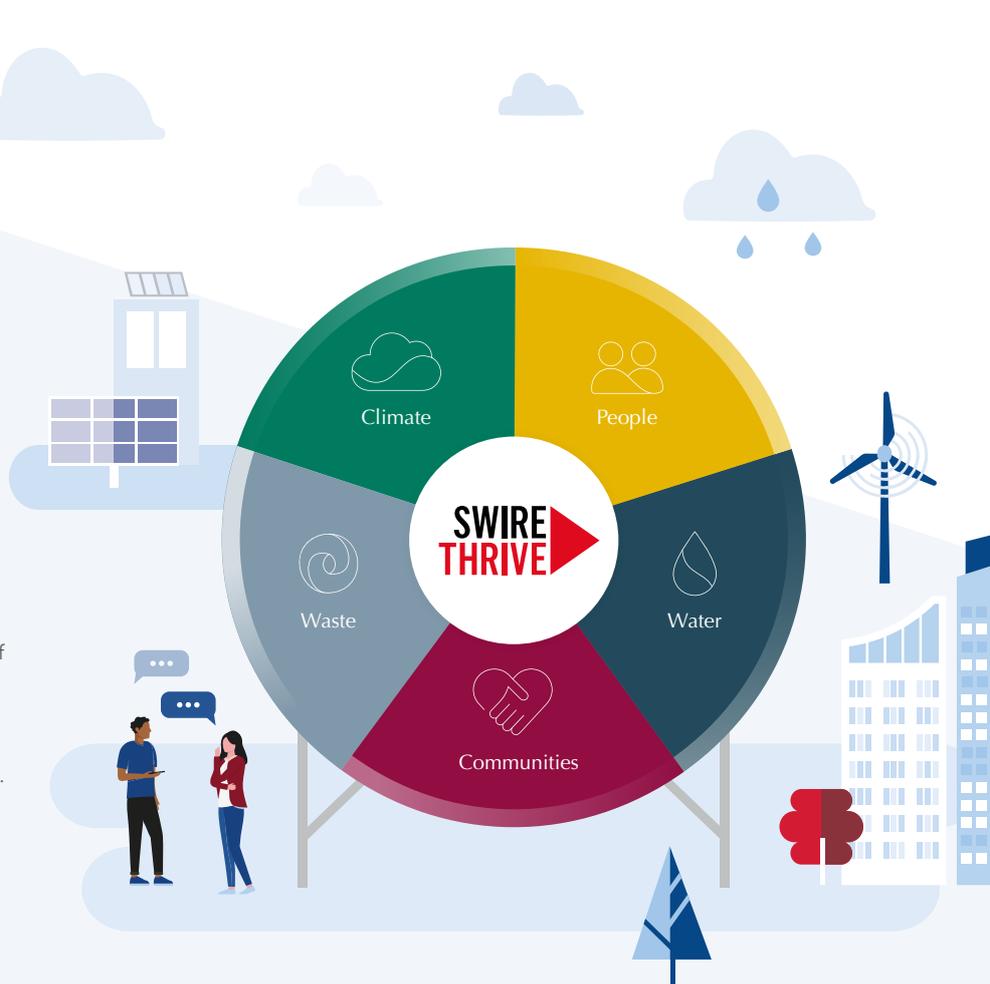
Position our community initiative as part of our core business value.

## Waste

Turn today's waste into tomorrow's resource.

## Climate

Decarbonise our business and build climate resilience.



<sup>1</sup> EcoVadis an independent assessor of environmental and labour practices, ethics and supplier sustainability. [ecovadis.com](https://www.ecovadis.com)

<sup>2</sup> CDP Worldwide runs a global disclosure system to manage their environmental impacts. [www.cdp.net/en](https://www.cdp.net/en)

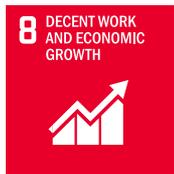


# Sustainable Development Goals

Although we recognise the importance of all 17 interconnected United Nation’s Sustainable Development Goals (SDGs) we believe that we can make our most significant contribution towards the achievement of seven of them.



**Our commitment:**  
**Nurture an engaged workforce** that actively participates in the development of our health and safety culture, supporting our aim of providing a good working environment that promotes health and wellbeing as well as ensuring zero harm to our employees and communities we work in.



**Our commitment:**  
**Ensure the sustainable economic growth** of both our business and the communities we work in by expanding our products and services to support the renewable energy sector.



**Our commitment:**  
**Create an inclusive and supportive working environment** for all our people regardless of their age, gender or gender orientation, sexual orientation, relationship or family status, disability, race, ethnicity, nationality, or religious and political beliefs.



**Our commitment:**  
**Introduce sustainable procurement** to manage environmental and social risks inherent in our supply chains as well as encourage a circular economy approach to turn today’s waste into tomorrow’s resource.



**Our commitment:**  
**Become carbon neutral, net zero, by 2030** with an interim target of 65% reduction by 2025.



**Our commitment:**  
**Promote and adhere to the highest standards** of professionalism, integrity and ethics.



**Our commitment:**  
**Working with industry partners** to strengthen the means of implementation the goal.

# Decarbonisation Strategy

To fulfil our commitment of reaching net zero carbon emissions by 2030 we have developed our decarbonisation strategy which sets out our reporting principles, our organisation boundaries, and the programme of initiatives designed to meet our interim target of a 65% reduction from our base year emissions by 2025.

Our organisation boundaries have been defined as all operations over which Swire Energy Services has full operational control, i.e. an operation or facility that it, or one of its subsidiaries, has the full authority to introduce and implement its operating policies. This boundary has increased over the course of 2021 with the inclusion of Swire Energy Services Wind Division through the acquisition of AllNRG.

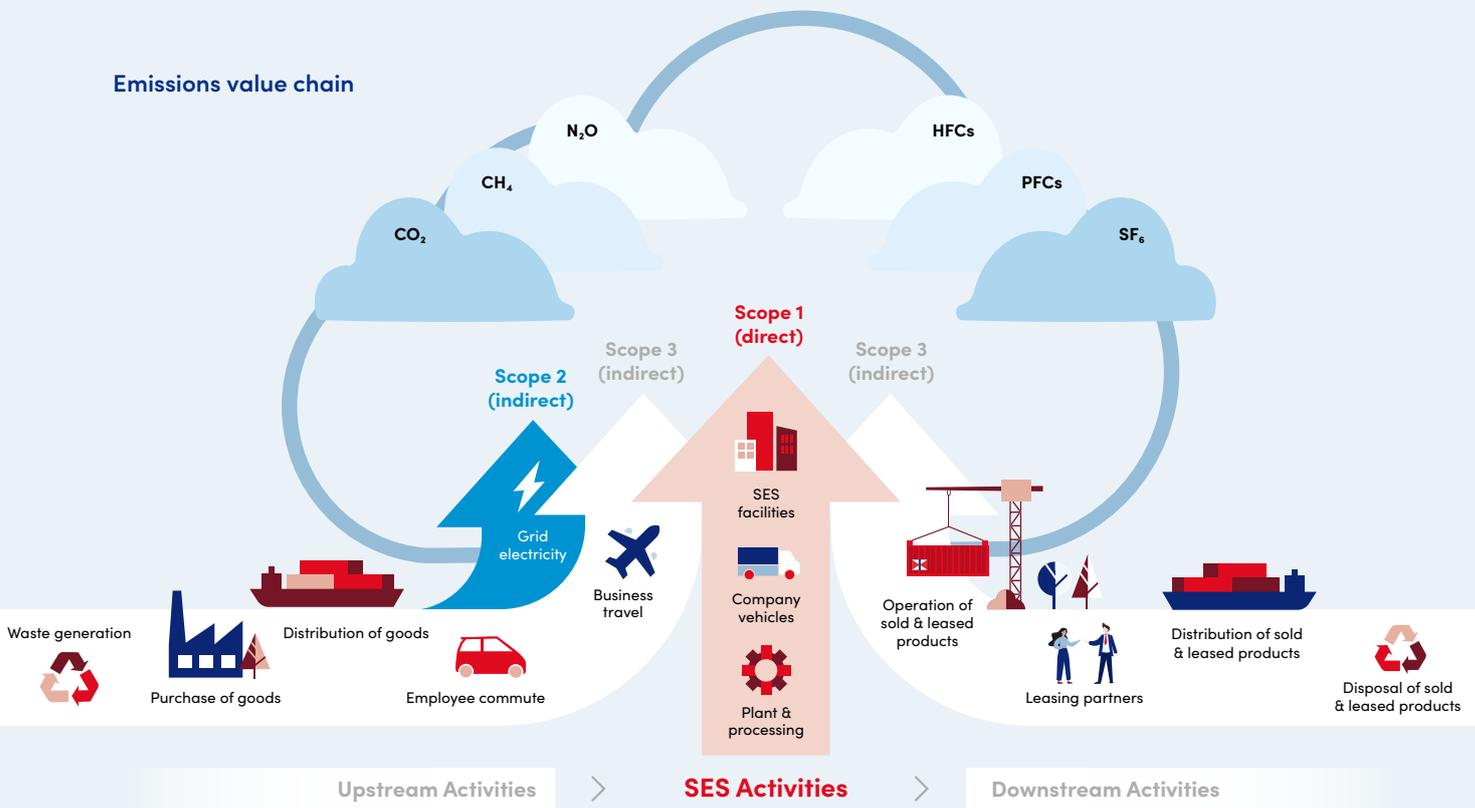
All greenhouse gas emissions inventories deemed to be material shall be taken from within the organisation boundaries. It must be understood that these inventories

are not solely those generated directly by our activities but also those related to our activities across the value chain (upstream and downstream activities).

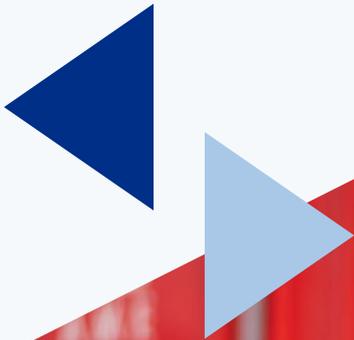
To assist in identifying sources of emissions and provide consistency in reporting, inventories are categorised as:

- **Scope 1** – Direct emissions
- **Scope 2** – Indirect emissions
- **Scope 3** – Indirect emissions (upstream and downstream)

## Emissions value chain



# People





# Overview

At Swire Energy Services we recognise the importance of diversity and inclusion as well as the positive impact it has on our company.

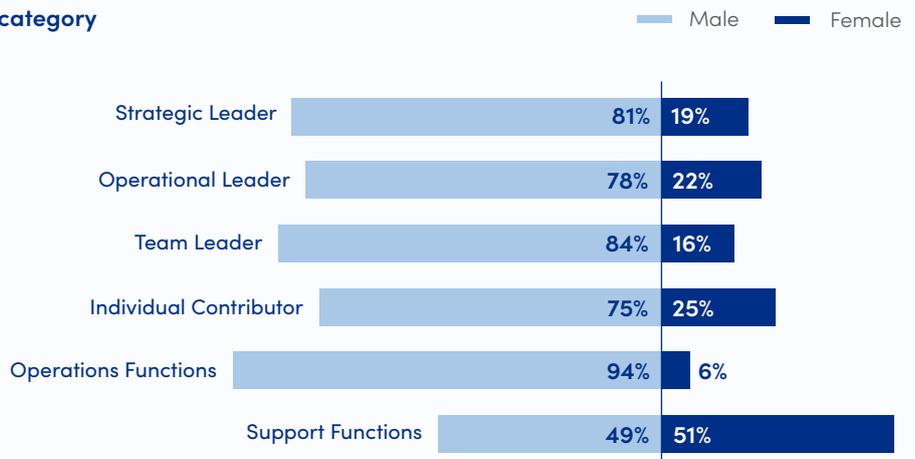
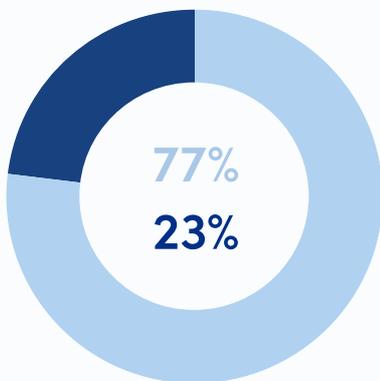
Therefore, we are committed to creating an inclusive and supportive working environment for all our people regardless of their age, gender or gender orientation, sexual orientation, relationship or family status, disability, race, ethnicity, nationality, or religious and political beliefs. With this commitment also comes the understanding that there are gaps and disparities that we must endeavour to close.

## Gender

With Swire Energy Services expansion into the renewable sector, we have seen a slight closing of the gender gap with women now accounting for 23% of the entire permanent workforce, up from 19% in 2020, and taking up 19% of the strategic leadership positions across the business, up from 15% in 2020, and 17% of the Executive Team.

Our gender profile across our support functions remains balanced with 51% of roles now filled by women, up from 46% in 2020, however, within the operational functions this figure drops to just 6%.

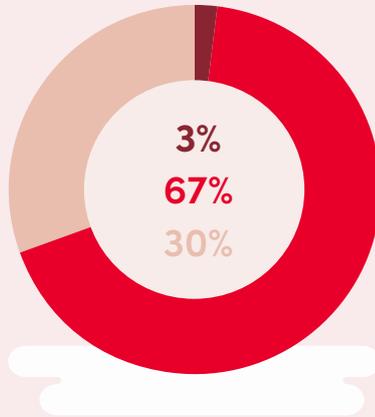
### Employee by gender and employee category



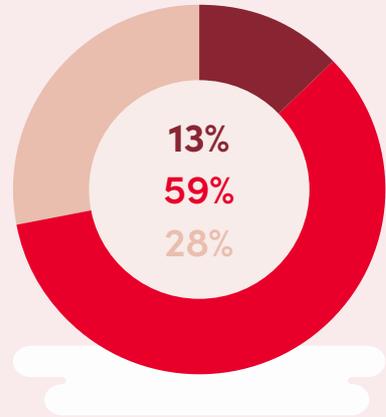
**Age**

Although most of our workforce and leaders fall within the 30-50 age group, we still have a healthy level of younger recruits joining the business (< 30 age group). We recognise the value of the knowledge and experience our older workforce (> 50 age group) brings to the business, with their 12 years average length of service, and how they can support the next generation of workers at SES.

**Leaders**

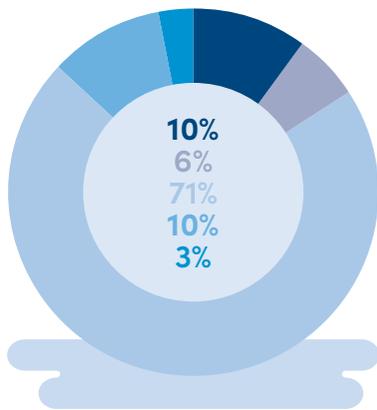


**Workforce**

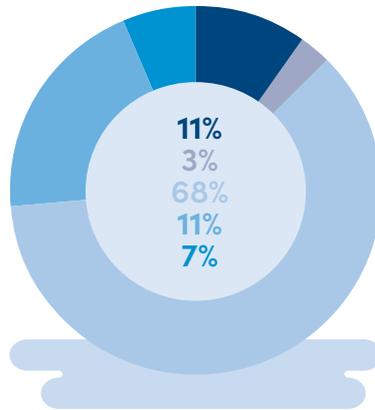


■ <30   ■ 30-50   ■ >50

**Leaders**



**Workforce**



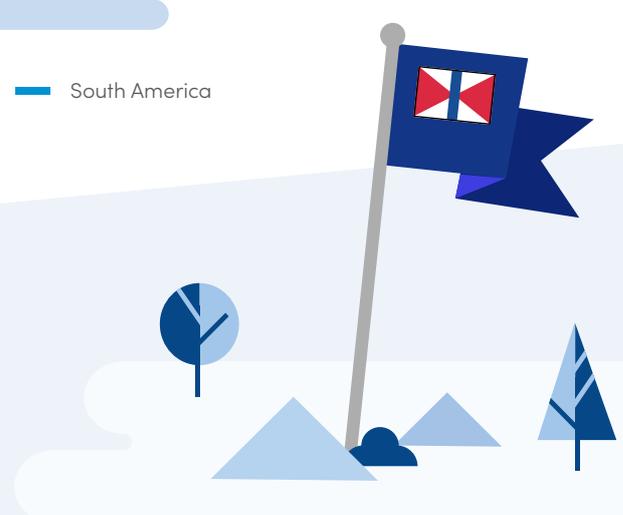
■ Africa   ■ Asia   ■ Europe   ■ North America   ■ South America

**Nationality & Culture**

As a global business our workforce is made up of 22 different nationalities working across five continents. This broad spectrum of nationalities and cultures is reflected and represented within our strategic and operational leadership teams.

▶ **22**  
Nationalities

▶ **5**  
Continents



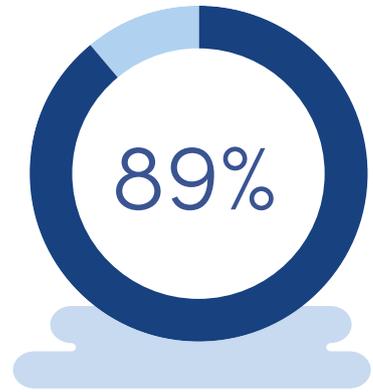
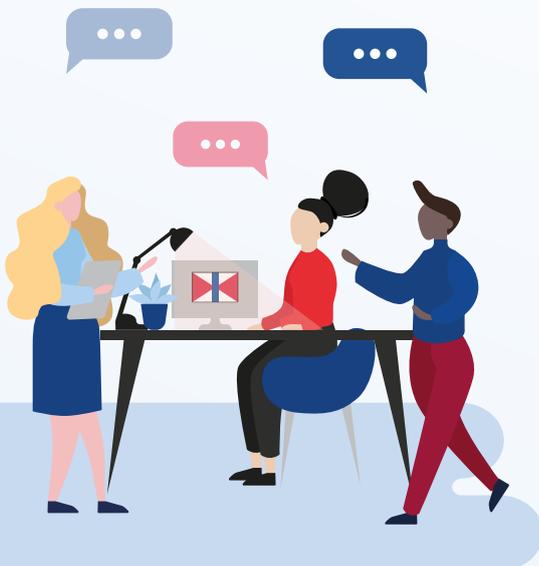
# Employee Engagement

To identify areas for improvement and to support our commitment to employee engagement, we conducted an employee engagement survey during 2021.

From the 676 employees surveyed 508 chose to respond, a response rate of 75%, with 89% of those respondents stating they had a high level of engagement with the business.

The survey covered six categories that we believe are fundamental to our long-term success:

- Inclusiveness
- Work life balance
- Relationship with manager
- Personal development
- Recognition
- Workplace Safety



89% of respondents stated they had a high level of engagement with the business

<p><b>95%</b></p> <p>of employees felt included in their working environment (5% increase from 2020)</p> <p>↑</p>	<p><b>85%</b></p> <p>of employees were happy with their worklife balance (9% increase from 2020)</p> <p>↑</p>
<p><b>95%</b></p> <p>of employees were happy with the relationship with their line manager (7% increase from 2020)</p> <p>↑</p>	<p><b>82%</b></p> <p>of employees felt they get recognised for their work efforts (7% increase from 2020)</p> <p>↑</p>
<p><b>88%</b></p> <p>of employees are happy with the opportunities for their personal development (1% increase from 2020)</p> <p>↑</p>	<p><b>97%</b></p> <p>of employees felt safe in the workplace (3% decrease from 2020)</p> <p>↓</p>

# Powered by People

## Material Risks & Initiatives

Performance improvements have been made across the business in relation to diversity and inclusion, however, there continues to be a disparity between genders, particularly in operations.

Although results of the employee engagement survey were very positive 1% of employees raised concerns in respect to dignity at work and 3% raised concerns related to their safety at work. We take concerns of this nature extremely seriously and although the survey is anonymous all employees that raised dignity at work concerns also stated that those concerns had been dealt with appropriately by their Line Manager, and safety controls have been assessed in each department where concerns were raised.

The employee engagement survey also identified that 20% of employees had not had the company strategy presented to them, and 28% of respondents either were unaware of the sustainability strategy or did not respond to the related question.



### Employee check-in

The new check-in system was launched in 2021 to replace our traditional annual appraisal process. This online tool allows every individual from across the business to define, benchmark and continually evolve their career, with real time feedback and support.



### Director of People

To support the continual development of the business particularly as the business grows into the renewable energy sector, a Group Director of People shall be recruited. This position shall be responsible for overseeing all People related aspects of the business and establishing a groupwide human resources strategy with a significant focus on encouraging diversity and inclusion.



### Diversity & Inclusion Training

During 2021 a diversity and inclusion training program was piloted, covering key topics including diversity, equality, discrimination, bias, bullying and harassment. With the successful deliver of the pilot, the training initiative will now be rolled out across the global group to all staff.



### Group Bonus Scheme

The group bonus scheme shall be revised to drive and reward both individual success as well as performance of the Division, Business Unit, and overall Group. Business performance shall not only be judged on meeting financial targets but also those related to sustainability, particularly our ability to decarbonise.



### Recognition (Going the Extra Mile Awareness Scheme)

To recognise employees that go above and beyond their assigned duties the 'Going the Extra Mile' Awareness Scheme initially piloted in the UK will be introduced across the business. Employees may be recognised for an award in the following categories:

- Health & Safety
- Environmental & Sustainability
- Quality
- Integrity
- Customer Care Excellence
- Swire Core Values
- Hazard Observations



### Engagement Survey Workshops

Following the engagement survey each business unit held a workshop, attended by Senior Management and Staff, to review the results and create local specific improvement plans for implementation during 2022. Proposed improvements ranged from Recognition initiatives, flexible working, and loyalty schemes.

# Business Ethics & Anti-Corruption



# Overview

Swire Energy Services is committed to acting professionally, fairly and with integrity, in accordance with the highest ethical standards.

This is also anchored in our values where “Integrity” has been one of our corner stones of our business over so many years. To this end, all employees, be it from Senior Management to new employees, must all follow our Code of Ethics to encourage strong values and good behaviours wherever we do business. Key principles of this code are:

## Extortion (e.g. protection money)

We work against extortion and always resist giving in to illegal coercion, intimidation or threats of physical harm made by persons to obtain money, property or services.

## Facilitation payments

We are opposed to paying additional charges to speed up routine duties, e.g. to avoid undue delays. We will always endeavour to avoid such payments.

## Money laundering

We reject money laundering, whatever illegal activities are involved, and we observe all rules on that subject and cooperate with authorities.

## Modern Slavery

We have a zero-tolerance approach to modern slavery and, in accordance with our Slavery and Human Trafficking Policy, are committed to acting ethically and with integrity in all our business dealings and relationships.

## Gifts and entertainment

We neither give nor accept gifts or entertainment that could influence our business decisions.

## Conflicts of interest

We aim to act with integrity and conduct business according to our vision, mission and values. We refrain from compromising the interest of the company in favour of private interest, and refrain from taking actions that could, with any justification, negatively impact the reputation and raise legitimate questions as to the integrity of Swire Energy Services.



# Integrity Commitment

## Material Risks & Initiatives

As part of our continued commitment to ethical working practises it is a requirement for Senior Management to undergo periodic compliance training. During 2022 refresher training shall be provided covering anti-bribery and anti-corruption, conflicts of interest, and global competition law. This training is not only critical in ensuring compliance with our internal policies, set out in our Code of Ethics, but also reaffirms our commitment as a business in ensuring are leaders are setting the precedent across the group.



### Anti-Bribery & Anti-Corruption Campaign

An anti-bribery and anti-corruption campaign shall be run across all Swire Energy Services businesses to make clear what bribery and corruption is, the consequence of engaging in bribery and corruption, and the steps that must be followed if you know or suspect that anyone is involved in bribery.



### Senior Management Training

In 2022 all Senior Managers will undergo compliance training covering: Anti-Bribery and Anti-Corruption; Conflicts of Interest; Global Competition Law. This training is not only critical in ensuring compliance with our internal policies set out in our Code of Ethics, but also reaffirms our commitment as a business in ensuring are leaders are setting the precedent across the group.



### Modern Slavery Training

To reinforce our zero-tolerance approach to modern slavery the Executive Team and all General Managers shall be provided with training to raise awareness of modern slavery and its impact on victims and the society, and how to spot potential risks and escalate any concerns.



### Sustainable Procurement

We believe that sustainable procurement represents an opportunity to provide value to the business by encouraging innovation and enhancing our corporate reputation through managing environmental and social risks inherent in our supply chains.

During 2021 SES introduced our Sustainable Procurement Policy to provide a framework to all employees making procurement decisions across the group, and our Supplier Code of Conduct to provide guidance to suppliers on what is expected of them as an approved SES supplier be it from working conditions of their staff and ethical working practises, to environmental controls.



### Whistleblowing Scheme

The existing whistleblowing scheme shall be refreshed to encourage our employees and third parties to report improprieties relating to Swire Energy Services and its subsidiaries through the central e-mail address: [ethics@swirees.com](mailto:ethics@swirees.com).

During 2021 zero (0) ethics incidents were reported through the whistleblowing scheme.

# Health & Safety



# Overview

Performance in 2021 demonstrated the strength and resilience of Swire Energy Services' safety culture. Under the continued pressure of COVID, and with a complex integration project following the acquisition of AllNRG, the global team worked very hard to ensure all our personnel worked safely.

Performance has improved versus 2020 and is the result of a lot of teamwork between business units to refocus and prioritise safety. Although the total number of recordable injuries increased from 2020, with the acquisition of AllNRG, manhours worked increased by 61% which resulted in the lost time injury rate dropping from 0.23 to 0.14, and the total recordable injury rate dropping from 1.84 to 1.73.



	2020	2021	Variance
Loss Time Injury <sup>3</sup>	1	1	0% ●
Total Recordable Injury <sup>4</sup>	8	12	+50% ●
LTI Rate <sup>5</sup>	0.23	0.14	-41% ●
TRI Rate	1.84	1.73	-6% ●
Manhours Worked	869,565	1,396,603	+61%
Near Misses & Safety Observations	1,159	1,251	+8% ●

## Safety non-negotiables

Non-Negotiables continue to support safety leadership across all operating companies:



**Quarterly Safety Focus** has shared ownership across all business units with each taking responsibility for delivering a monthly topic and the supporting material. For differing reasons, this initiative was not adopted fully across all business areas. The positive from this was that the safety team recognised and raised this through their safety conferences and have put joint mitigations in place.



**General Manager Chaired Safety Meetings** were 100% against target for 2021. Norway is recognised for the key focus and additional time allocated to improving safety which was clearly led by the General Manager which motivated the whole Norwegian management team to step change safety.



**Senior Manager Behavioural Audits** is an area that suffered due to the continued restrictions of COVID across all business units. The safety team continue to look at ways to promote senior management involvement and this will be an area of focus in 2022 that will include the learnings from the changes implemented in Norway in 2021.

<sup>3</sup>LTI – Any injury resulting in the employee is not fit to work on the next 'scheduled' working shift in any capacity as instructed by medical practitioner.

<sup>4</sup>TRI – Any injury resulting in list time injury, restricted work cases, or medical treatment cases

<sup>5</sup>Rate – Number of injuries per 200,000 worked hours (No. Injuries x 200,000 / Man Hrs)



# Safety in Practice

## Material Risks & Initiatives

Although, health and safety performance continues to be strong across the group, the acquisition of All NRG, a business specialising in the provision of offshore maintenance of wind turbines, poses a material risk not only from the type of services performed but also from the high number of contracted workers required to deliver the services and their mobilisation.

### COVID-19

Throughout 2021 the learnings from 2020 were applied and used to drive efficiencies in minimizing the impact of the ongoing pandemic on general operations. Local emergency response plans continue to be applied in all business units, and monitoring of all cases and the impact on our personnel remained a key focus. Overall, the business settled into a routine way of operating during the peaks and troughs of the pandemic and following local government rules continues to be the key driver to managing operations across all business units for personnel working on yards, offices, and at home.

### Personnel working from home:

Working from home in 2021 was effectively normal business, but the risks associated with lack of social contact and working in isolation were addressed by all local management teams through positive routines to maintain motivation, and best practices have been maintained through:

- Routine risk assessments for ergonomics
- On-going promotion of health awareness
- Frequent CEO Town Halls
- Promotion of Healthy Mind & Body
- Mental Health support

### Acquisition integration

Following the acquisition of ALLNRG priority was given to the integration of the SES and ALLNRG safety systems to ensure consistency during the transition period and identify and close any gaps. This work was completed within the first 6 months of the acquisition, from alignment of safety policies and procedures through to adoption of the SES incident reporting platform 'Effective'.

To further develop the safety culture of the new division SES's award-winning Path of Consequence behavioural safety training programme was planned to be delivered as part of the integration, however, due to COVID travel restrictions this has been postponed to 2022.

### Just-Culture Disciplinary Decision Tree

Application of the 'Just Culture' framework to all incidents shall continue as a non-negotiable for all business units. Throughout 2021 this was used 31 times, and this resulted in 13 disciplinaries. The process has made a real difference in changing the perception that safety disciplinaries drive reporting underground, and it has also helped in driving corrective actions and educating the wider operations teams.

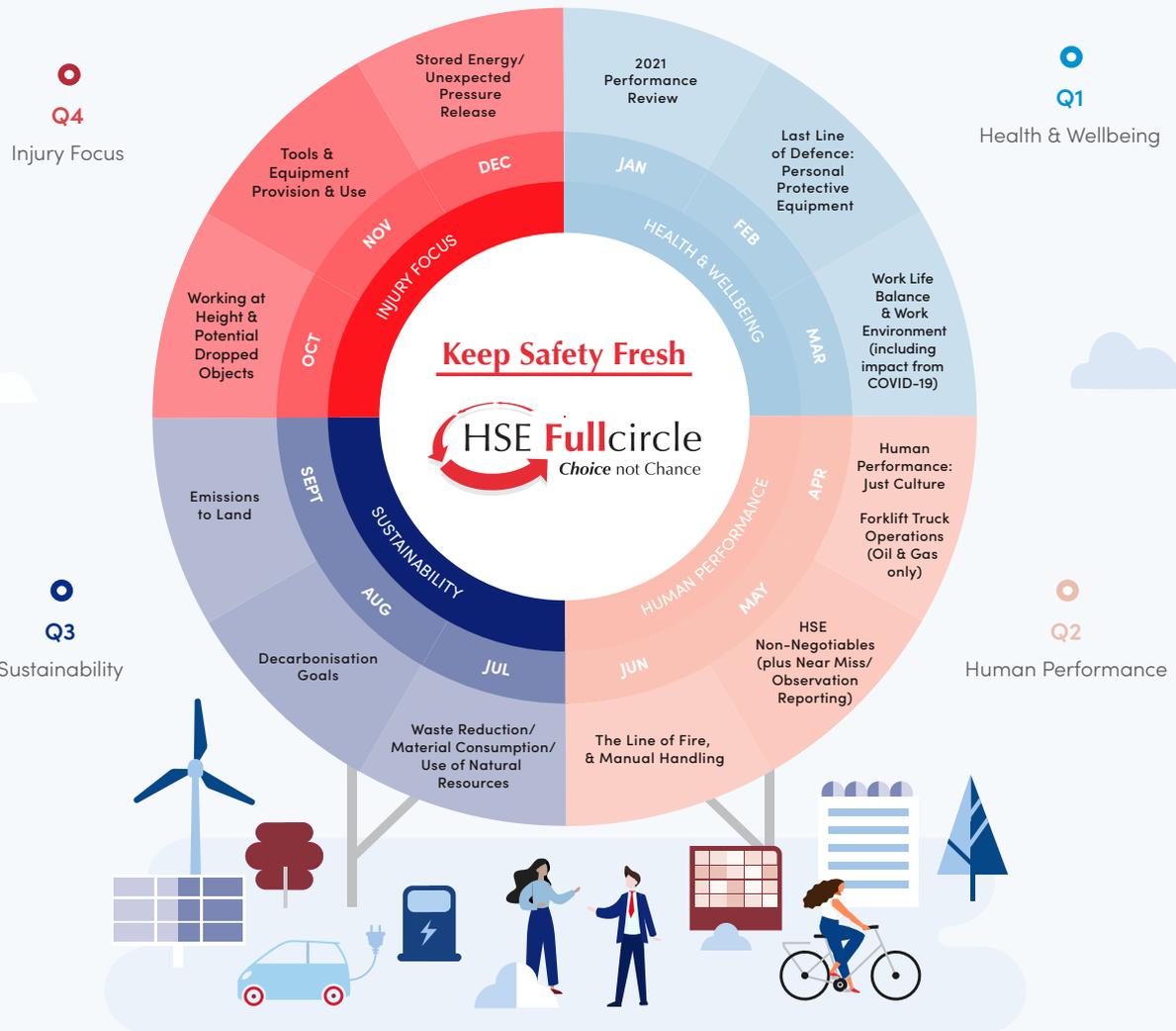
### Group Virtual Safety Conference

The format of quarterly group safety conferences is now used for Safety, Operations and HR and works very well to integrate the common topics across all business units. They are chaired and owned by the safety team on a rotational basis, and this drives a clear focus on what is important in each area of the business.

**Quarterly Safety Focus**

Quarterly safety focus shall have shared ownership across all business units with each taking responsibility for delivering a monthly topic and the supporting material. Each topic shall also be sponsored by the executive team. In 2022 the focus areas are:

- Q1 Health & Well Being
- Q2 Human Performance
- Q3 Sustainability
- Q4 Injury Focus



# Climate





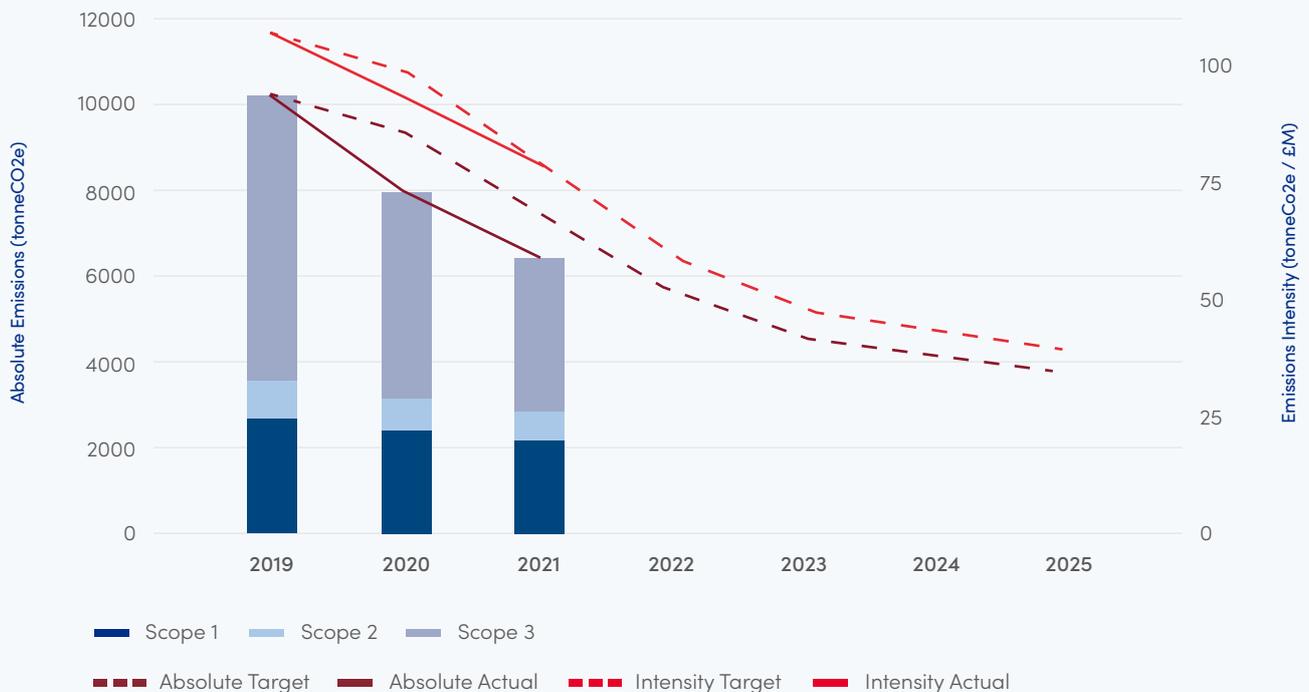
# Overview

Swire Energy Services continues to work towards its commitment of reaching net zero carbon emissions by 2030 with a 65% reduction from its 2019 base-year by 2025.

To meet this commitment a 2021 target was set to reduce absolute emissions by 6% with an emissions intensity reduction of 7.5% (TonneCO<sub>2e</sub> / £M Revenue).

2021 emissions inventories show SES achieved a 19% reduction in absolute emissions and a 16% reduction in emissions intensity. Reductions have been achieved across all three scopes, 10% reduction in scope 1, 10% reduction scope 2, and 26% reduction in scope 3. 2021 has also seen a significant reduction in waste to landfill, down 44%, which is due to 48% of general municipal waste now going to energy recovery<sup>6</sup>.

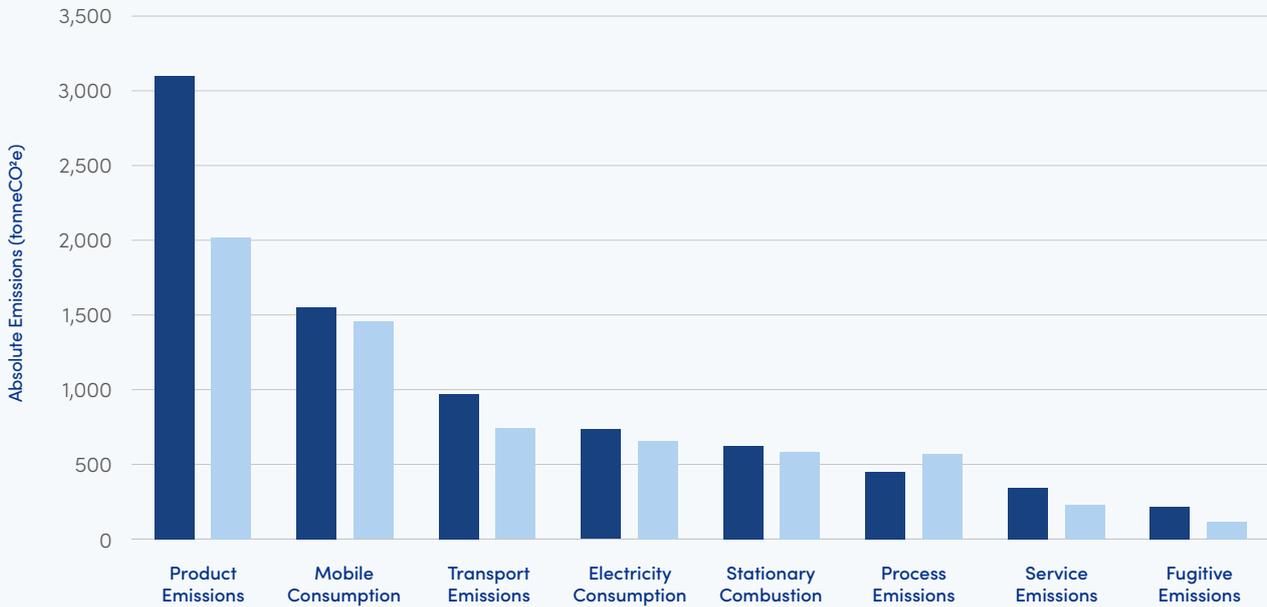
Performance vs Absolute & Intensity Targets



<sup>6</sup>Controlled process of generating energy through the incineration of waste

**Emission by Source**

2020 2021

**Emission Sources**

Emission sources remain consistent with 2020 with Product Emissions<sup>7</sup> remaining the single largest source at 34%, followed by Mobile Combustion at 23%, Transport Emissions at 12%, and Electricity Consumption and Stationary Combustion at 10% and 9% respectively. Process Emissions is the only source that has increased which is due to an increase in sling replacements in MENA and the delay to the commissioning of the automated blast and paint facilities in UK and Norway.

**Product Emissions (Scope 3)**

A 35% absolute emissions reduction, 32% normalised reduction<sup>8</sup>, was achieved which met the absolute emissions reduction target of 24%. Most of the reduction was due to SES maintaining a low level of new fleet purchases by prioritising the refurbishment, transfer, and modification of existing equipment ahead of purchasing new assets, which resulted in a saving of 861 tonneCO<sub>2</sub>e.

However, it should be recognised that in addition to fleet purchases the product emissions category also includes emissions related to the purchase of offshore containers intended for direct sale and the external refurbishment of fleet equipment. As both sources are forecast to increase in 2022 as activity increases it is expected that absolute product emissions during 2022 will increase by circa 5%.



<sup>7</sup> See Target Reductions by Emissions Source table for definitions

<sup>8</sup> Normalised Reduction - Emission reduction when normalised against reduction in overall revenue

### Mobile Combustion (Scope 1)

A 6% absolute emissions reduction, 2% normalised reduction, was achieved. This met the 2021 target given that reductions were not expected until the UK fleet of EV forklift trucks were fully operational. With this equipment now in place, and the Norway operation now also replacing its fleet, a 18% absolute emissions reduction is expected in 2022.

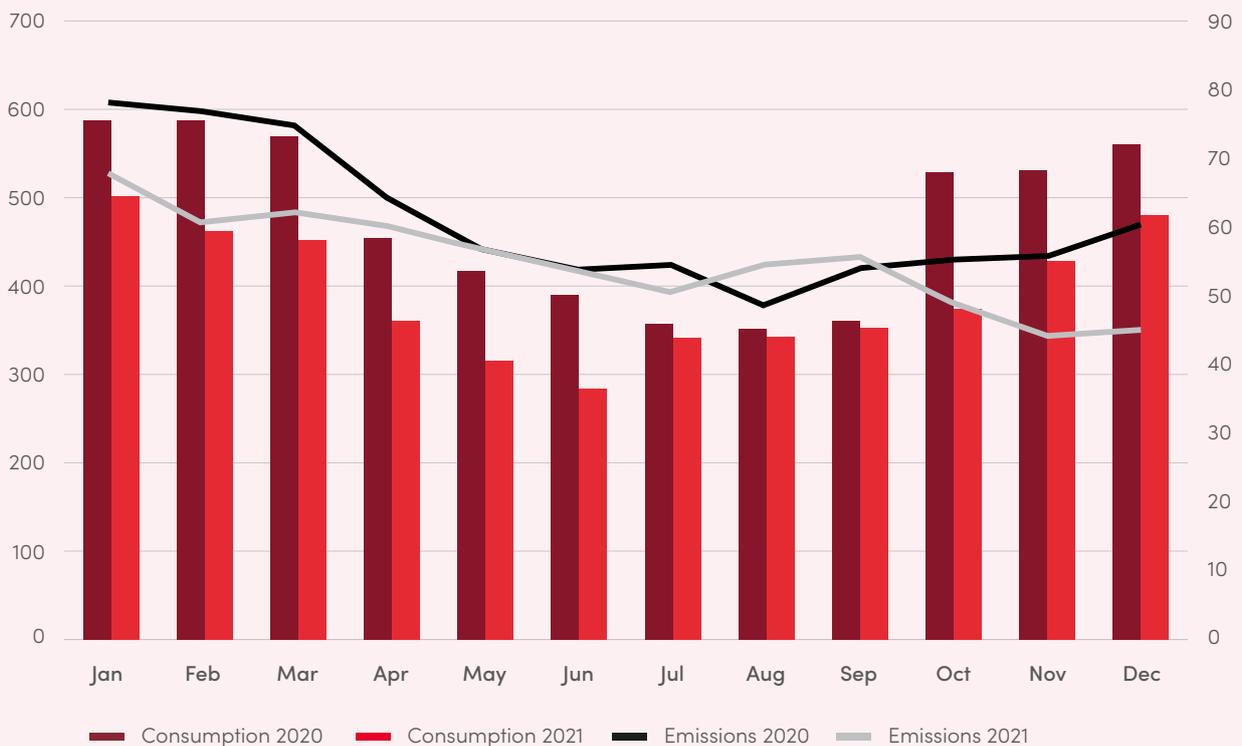
### Electricity Consumption (Scope 2)

Electricity consumption from the grid in 2021 fell to 4,860 MWH, a 15% reduction from 2020, which in turn resulted in a 10% absolute emissions reduction, and a 7% normalised reduction. Although this is a positive sign, half of these overall emissions relates to the UK operation which over Q4 had reduced consumption due to the closure of the blast and paint facility.

### Transport Emissions (Scope 3)

A 24% absolute emissions reduction, 21% normalised reduction, was achieved which exceeded the target given that an overall increase was expected as COVID-19 restrictions eased. The greatest saving from this category relates to international freight which has drop by 48%, which is consistent with the reduction in new equipment purchases. Emissions related to business travel has dropped slightly sitting at circa 152 tonneCO<sub>2</sub>e. Although, to some extent, this reduction may be a result of the business adjusting to using technology instead of travel, it is more likely due to ongoing restrictions. In any case SES has committed to offsetting all emissions related to business travel, in line with JSS guidance.

Electricity Consumption



# Climate Action

## Material Risks & Initiatives

SES's 2022 target is to reduce absolute emissions to 6,000 tonneCO<sub>2</sub>e across the Oil & Gas and Aviation business, which equates to a 40% reduction from its 2019 base year, and 6% reduction from 2020.

Although this target is less than the absolute reduction trend over recent years business activity is expected to increase by 8%, therefore, if achieved it would result in a normalised reduction or emissions intensity decrease of 13%.

To reach this target each business unit has been set individual targets complete, with a detailed initiative plan designed to focus on their main emissions sources and where the greatest savings can be realised. Initial analysis has also been performed on the Offshore Wind business to understand scope 3 emissions, with additional work planned during H1-2022 to incorporate its emissions into the overall decarbonisation strategy.



### Resource Advisor Implementation

The Groupwide Resource Advisor tool has now been fully configured and populated with historic data meaning that the tool will now act as SES's primary source of sustainability data. This will allow business units to populate data in a more secure manner and immediately assess performance, and provide the Group function the ability to easily verify that data. To support this tool on an ongoing basis a Sustainable Development Data Analyst has been appointed.

### Onsite Renewables

Following on from the success of the onsite solar PV system installed at SES's Macae Brazil facility, and with the support of the John Swire & Sons Sustainable Development Fund, SES has commenced the installation of a solar system at its Houma LA facility.

It is predicted that the initiative will reduce scope 2 emissions produced by SES US by 170 tonneCO<sub>2</sub>e p.a., reducing SES's overall scope 2 emissions by 25%.

### Electric Forklift Trucks

Our operations across all locations within our Oil & Gas division, are heavily reliant on the use of heavy-duty forklift trucks. Advancements in EV technology has allowed us to replace the UK's existing fleet of trucks with EV alternatives. These trucks have been in operation since July 2021 and are expected to deliver a 250 tonneCO<sub>2</sub>e saving p.a.

Following the success of this initiative a further three EV forklift trucks have been commissioned in Norway which will be added to over the course of 2022, and a trial of the solution is due to commence in the US during Q1-2022.

### Electric Heating – Norway

Although the heating system at SES’s Tananger Norway facility has been designed to be energy efficient, with excess heat generated from plant circulated back into the system, most of the energy used is generated through the gas boilers resulting in emissions of 115 tonneCO<sub>2</sub>e p.a.

The project will replace these gas boilers with electric alternatives which will reduce emissions by 95%, given the very low carbon intensity of the Norwegian electricity grid.

### Wood Waste Reduction – UK

SES UK are partnering with social enterprise Wood Recyclability Ltd to ensure all wood from our Altens East operational facility is re-used. Wood Recyclability provides practical work experience for people with additional support needs through working with waste wood.

Whether it’s turning waste wood into a variety of products including garden furniture, nest boxes, bird tables and other wildlife products; selling wood to joiners; or converting wood into chipping for use in chipboard and MDF, the Wood Recyclability team have prevented over 30,000 tons of waste wood from going to landfill.

### Base Consolidation – UK

To improve the overall performance of the UK business the Aberdeen sites will be consolidated during 2022.

The project shall improve the business’s efficiency both from an operational and emissions perspective with savings from utilities alone expected to be in the region of 120 tonneCO<sub>2</sub>e p.a.

### Blast & Paint Automation – North Sea

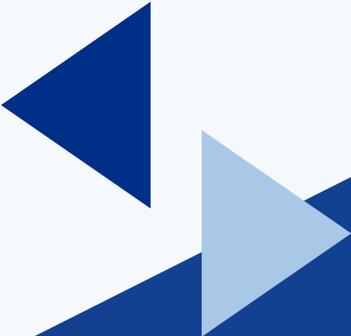
During 2022 SES shall commission two leading-edge robotic blast and painting systems at our UK and Norway refurbishment facilities.

The new automated process will allow us to maintain our North Sea rental fleet to the highest standard, whilst reducing our process and energy related emissions.

Also, and perhaps more significantly, by extending the operating life of our fleet we will reduce the need for early disposal and replacement which in turn will reduce emissions across the entire supply chain.



# Statistics



# Streamlined Energy & Carbon Reporting 2021

	2020			2021		
	UK and offshore	Global (exc. UK)	Total	UK and offshore	Global (exc. UK)	Total
Mobile Combustion - Emissions release by owned or leased cars, vans, trucks, and forklifts (scope 1) / tCO <sub>2</sub> e	331	1,218	1,549	260	1,176	1,436
Electricity Consumption - Emissions release due to electricity drawn from the grid. (scope 2) / tCO <sub>2</sub> e	385	346	731	335	321	656
Electricity Consumption - Energy consumed due to electricity drawn from the grid. (scope 2) / kWh	1,380,569	4,021,737	5,402,306	1,199,986	3,495,645	4,695,631
Stationary Combustion - Emissions release by owned or leased boilers, heaters, generators. (scope 1) / tCO <sub>2</sub> e	419	204	623	370	234	604
Fugitive Emissions - Emissions release due to the failure of refrigeration systems (scope 1) / tCO <sub>2</sub> e	0	217	217	0	116	116
Total gross Scope 1 & Scope 2 emissions /tCO <sub>2</sub> e	1,135	1,985	3,120	965	1,847	2,812
Energy consumption used to calculate above emissions:/kWh	3,435,231	4,491,643	7,926,874	3,035,437	4,790,732	7,826,169
Intensity ratio: tCO <sub>2</sub> e(gross Scope 1 + 2) / £M Revenue	70	29	37	61	22	29
Process Emissions - Emissions released during the production of process critical materials, i.e. steel, paint, slings, etc. (scope 3) /tCO <sub>2</sub> e	302	148	450	347	224	571
Product Emissions - Emissions released during the production of new products (scope 3) / tCO <sub>2</sub> e	70	2,631	2,701	330	1,152	1,482
Product Emissions - Emissions released by our agents or leasing partners during the mobilisation, maintenance and servicing (scope 3) / tCO <sub>2</sub> e	0	344	344	0	509	509
Product Emissions - Emissions released during disposal of end of life fleet (scope 3) / tCO <sub>2</sub> e	45	8	53	9	17	26
Transport Emissions - Emissions released due to business travel (scope 3) / tCO <sub>2</sub> e	114	47	161	93	59	152
Transport Emissions - Emissions released due to distribution of goods (scope 3) / tCO <sub>2</sub> e	64	717	781	160	428	588
Service Emissions - Emissions release due to disposal of solid and liquid waste (scope 3) /tCO <sub>2</sub> e	102	196	298	91	141	232
Total gross Scope 3 emissions / tCO <sub>2</sub> e	697	4,091	4,788	1,030	2,530	3,560
Total gross Scope 1, Scope 2 & Scope 3 emissions / tCO <sub>2</sub> e	1,832	6,076	7,908	1,995	4,377	6,372
Intensity ratio: tCO <sub>2</sub> e (gross Scope 1, 2 & 3) / £M Revenue	112	88	93	127	66	78
Carbon offsets / tCO <sub>2</sub> e	0	0	0	92	137	229
Total annual net emissions / tCO <sub>2</sub> e	1,832	6,076	7,908	1,903	4,240	6,143
Intensity ratio: tCO <sub>2</sub> e (net Scope 1, 2 & 3) / £M Revenue	112	88	93	121	64	75

# Carbon Emissions Reduction Targets 2022

Emissions Source	Summary of Initiatives	Target Reduction
<b>Product Emissions</b>	<ul style="list-style-type: none"> <li>Maintain low volume of new fleet purchased by utilising existing fleet, i.e. modification, transfer, refurbishment, or purchasing competitors' fleet.</li> <li>Reduce weight of sales unit designs.</li> <li>Select manufacturers based on steel suppliers' emissions, facility emissions and robust decarbonisation strategy.</li> <li>Continue to work with key partners within each region to: achieve more accurate data collection; encourage them to implement carbon reduction initiatives.</li> </ul>	-5% (increase)
<b>Mobile Combustion</b>	<ul style="list-style-type: none"> <li>Continue to switch to electric forklifts where feasible.</li> <li>Switch to EV where possible in the UK and Norway, i.e. company cars, vans, etc.</li> <li>Consider feasibility of switching to more sustainable fuels (HVO).</li> </ul>	14%
<b>Transport Emissions</b>	<ul style="list-style-type: none"> <li>Limit air travel to essential trips only where there is no practical alternative, i.e. rail, road.</li> <li>Select Freight Forwarder that will activity measure and record transport emissions and use that data to inform carbon reduction initiatives.</li> <li>Continue to work with transport suppliers to move to the use of HVO fuels for domestic transport.</li> </ul>	5%
<b>Electricity Consumption</b>	<ul style="list-style-type: none"> <li>Commission Solar PV system in US</li> <li>Commission Solar PV system in Nigeria - On Hold</li> <li>Perform energy audit and adopt quick wins in Norway.</li> <li>Switch to green tariff in Norway and select supplier with least intense energy mix in UK.</li> </ul>	26%
<b>Stationary Combustion</b>	<ul style="list-style-type: none"> <li>Install solar panel system in Nigeria and Angola.</li> <li>Consolidate UK operation reducing energy consumption.</li> <li>Reuse excess heat from UK air compressors.</li> <li>Replacing gas boiler with electric alternative.</li> <li>Recirculate heat from air compressors to UK facility</li> </ul>	14%
<b>Process Emissions</b>	<ul style="list-style-type: none"> <li>Automate refurbishment process.</li> <li>Increase refurbishment intervals by improving preventative maintenance, i.e. spot blasting, coating repair, etc.</li> </ul>	5%
<b>Service Emissions</b>	<ul style="list-style-type: none"> <li>Improve waste management in US and SSA by moving to a provider with more recycling capabilities.</li> <li>Reduce landfill waste by increase reuse, recycle and energy recovery waste streams.</li> </ul>	9%
<b>Fugitive Emissions</b>	<ul style="list-style-type: none"> <li>Continue to investigate freezer container failures and improve preventative maintenance.</li> <li>Consider replace freezer as necessary with standard size alternatives, i.e. 10' reefer container.</li> </ul>	5%

# Employee Demographic Analysis 2022

Statistics	Norway	UK	US	Brazil	HQ	Nigeria	Angola	APAC	UAE	OWS	Group total
<b>Staff (all employment types)</b>											
Total	169	110	60	40	36	30	30	14	8	63	560
Employees who are on permanent term (%)	99%	100%	97%	88%	100%	100%	100%	100%	100%	96%	97%
Permanent employees who work full-time (%)	99%	98%	100%	100%	94%	100%	100%	100%	100%	100%	99%
Female	14%	21%	15%	15%	37%	17%	20%	57%	38%	53%	23%
Male	86%	79%	85%	85%	63%	83%	80%	43%	63%	47%	77%
<b>Gender by category</b>											
<b>Strategic Leader (A &amp; B)</b>											
Total	2	1	1	1	7	0.5	0.5	1	1	1	16
Female	-	-	-	-	14%	-	-	-	-	100%	19%
Male	100%	100%	100%	100%	86%	100%	100%	100%	100%	-	81%
<b>Operational Leader (C &amp; D)</b>											
Total	24	14	11	3	9	8	5	6	4	27	111
Female	8%	29%	9%	0%	44%	13%	20%	50%	50%	22%	22%
Male	92%	71%	91%	100%	56%	88%	80%	50%	50%	78%	78%
<b>Team Leader (E &amp; F)</b>											
Total	22	10	3	7	1	3	3	4	2	-	55
Female	9%	10%	0%	29%	100%	0%	0%	75%	0%	-	16%
Male	91%	90%	100%	71%	0%	100%	100%	25%	100%	-	84%
<b>Individual Contributor (G)</b>											
Total	122	85	45	29	19	19	21	3	1	35	379
Female	84%	79%	82%	86%	58%	79%	76%	33%	0%	26%	25%
Male	16%	21%	18%	14%	42%	21%	24%	67%	100%	74%	75%
<b>Operations Functions</b>											
Total	139	82	37	30	10	15	15	2	2	15	347
Female	4%	7%	5%	7%	30%	0%	0%	0%	0%	13%	6%
Male	96%	93%	95%	93%	70%	100%	100%	100%	100%	87%	94%
<b>Support Functions</b>											
Total	30	28	23	10	26	15	15	12	6	48	213
Female	57%	61%	30%	40%	42%	33%	40%	67%	50%	65%	51%
Male	43%	39%	70%	60%	58%	67%	60%	33%	50%	35%	49%

# Employee Demographic Analysis 2022

## – Continued

Statistics	Norway	UK	US	Brazil	HQ	Nigeria	Angola	APAC	UAE	OWS	Group total
<b>Age</b>											
<b>Strategic &amp; Operational Leader (A –D)</b>											
Under 30 years old	0%	0%	0%	0%	6%	13%	0%	0%	0%	4%	2%
30 to 50 years old	64%	80%	67%	75%	50%	88%	67%	100%	100%	54%	67%
Over 50 years old	36%	20%	33%	25%	44%	0%	33%	0%	0%	43%	30%
<b>All Staff</b>											
Under 30 years old	12%	16%	12%	25%	22%	3%	3%	0%	0%	13%	13%
30 to 50 years old	61%	48%	52%	68%	53%	83%	73%	93%	88%	51%	59%
Over 50 years old	27%	35%	37%	8%	25%	13%	23%	7%	13%	37%	28%
<b>Nationality</b>											
<b>Strategic &amp; Operational Leader (A –D)</b>											
African	-	-	-	-	-	100%	83%	-	-	-	10%
Asian	-	-	-	-	-	-	-	100%	-	-	6%
European	100%	100%	-	-	100%	-	17%	-	100%	100%	71%
North American	-	-	100%	-	-	-	-	-	-	-	10%
South American	-	-	-	100%	-	-	-	-	-	-	7%
<b>All Staff</b>											
African	1%	-	-	-	-	100%	93%	-	-	-	11%
Asian	1%	-	-	-	-	-	-	100%	38%	-	3%
European	98%	100%	-	-	100%	-	7%	-	63%	100%	68%
North American	-	-	100%	-	-	-	-	-	-	-	11%
South American	-	-	-	100%	-	-	-	-	-	-	7%
<b>Disability</b>											
Employees with a physical disability	-	1%	-	-	-	-	3%	-	-	-	0.4%
<b>Retention &amp; Training</b>											
<b>Average tenure of employee (years)</b>	<b>11</b>	<b>8</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>10</b>	<b>10</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>8</b>
Female	10	6	7	5	5	11	8	3	5	3	6
Male	11	9	9	6	7	10	10	5	4	4	9
Under 30 years old	1	4	3	4	3	0	8	-	-	2	3
30 to 50 years old	11	5	9	7	6	10	9	4	5	3	8
Over 50 years old	17	14	10	9	10	11	12	9	4	5	12



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