

CORPORATE SUSTAINABILITY

# Delivering offshore energy technology solutions in a sustainable and responsible way

As our business continues to grow we are committed to the highest standards of corporate governance, keeping safety as our top priority and protecting the environment and our local communities.

**Our sustainability approach**

We recognise that to be truly sustainable, we must consider the impact our business is having on society and the planet, and we must also recognise and act on the risks and opportunities impacting us and our long-term resilience.

Society has continued its desire to change the energy balance and together we need to ensure we are moving towards a lower-carbon future whilst ensuring we safeguard and respect the current needs for affordable energy.

**Delivering our contribution**

Ashtead Technology's approach to sustainability is outlined in our sustainability policy which is focused on priorities that are aligned with the ten principles of the UN Global Compact.

In 2022, we increased our priorities from five to six, based on their relevance and importance to our business as outlined below in our materiality matrix. These have been mapped against the UN's 17 Sustainable Development Goals (SDGs) which are designed to help organisations shape priorities and aspirations for sustainable development efforts around a common framework.



**Energy transition**



**A sustainable energy future**  
Whilst there has been an increase in activity from traditional energy sources as a result of the heightened need for energy security and affordability, the future of energy lies in renewables and there is both a need and a desire to ensure long-term supply from green energy sources. With this, offshore renewable energy is an increasingly important part of our business now, but more importantly, in the future, and we continue to support our customers to meet the growing demand for cleaner, safer and more efficient energy production using our wealth of knowledge, skills and expertise.

- 2022 achievements:**
- 22% increase in revenue from offshore renewable projects
  - Increase in new engineering solutions designed to support windfarm installation and operations
  - Bolstered our renewable energy team
  - Continued to expand our renewables customer base and securing our first project directly with an offshore energy operator
  - Increased our participation at relevant energy transition forums, events and conferences in line with our growth commitments

SDG

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**Ecological impact**



**Protecting our planet**  
Lowering the carbon impact from our operations is critical to limiting climate change and its impacts. Furthermore, we play a key role in assisting our customers to inspect, maintain, repair and remove subsea infrastructure in order to reduce and proactively avoid pollution.

- 2022 achievements:**
- Increased the number of remote operations projects delivered globally
  - Developed a robust system for evaluating scope 1 & 2 greenhouse gas emissions and monitored progress against reduction targets
  - Implemented environmental awareness training and roll-out of ISO 14001 certification to more sites
  - Phasing out of single use plastic throughout our operations
  - Working with clients and our supply chain to identify carbon reduction solutions

SDG

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**Business ethics**



**Our ethical conduct**  
We are committed to complying with applicable laws and applying the highest ethical standards in everything we do, treating our customers, people, partners and suppliers fairly and with respect. We have a zero tolerance approach to bribery and corruption, and we want to play our part in combatting it.

- 2022 achievements:**
- Ongoing compliance with QCA code
  - Evolution of policies and procedures and continued best practice
  - Ongoing review and evaluation of business risk
  - Continued 100% compliance with annual anti-bribery and corruption e-learning training and third-party diligence

SDG

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**Employee health, safety and well being**



**Our people**  
Safety is our top priority and we are committed to creating, maintaining and promoting a safe, secure and healthy work environment for those that work for and with us. We strive to be a responsible employer and have various initiatives and programmes in place to support the personal development and wellbeing of our people.

- 2022 achievements:**
- No lost time incidents
  - Appointment of a new Group QHSE Director to drive forward our strategy
  - All employees globally undertook key safety e-training
  - Committed to mental health first-aid training programme
  - Increased focus on the Company safety observation card system, providing key risk insight and enabling prompt action to be taken
  - Regular programme of facility HSE inspections carried out across our international operations

SDG

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Labour practices and human rights



**Respecting human rights**  
Treating our people and those that work with us fairly and with respect is fundamental to the way that we work at Ashtead Technology. We are also committed to working with suppliers and partners whose human rights standards are consistent with our own.

2022 achievements:

- Launched the Ashtead Technology Star Awards, our official employee recognition and reward programme
- Quarterly townhalls, internal webinars and regular internal communications flow to engage with our employees
- Ongoing customer and supplier engagement and monitoring to ensure best practice
- 15 different nationalities across our business from 260 employees
- Continued growth and expansion of business offering employees opportunities for development

Sustainable cities and communities



**Local community partnerships**  
Based on high stakeholder interest, we accelerated our community support programme in 2022 to help build strong and lasting relationships with our local communities in order to protect our shared environment and improve the lives of others.

2022 achievements:

- Launched our science, technology, engineering and maths (STEM) community support programme
- STEM Ambassadors recruited to support engagement with local schools and colleges
- Carried out an employee engagement survey as part of our commitment to improve community involvement and engagement
- Supported various volunteering and fundraising initiatives with local charities

MATERIALITY ASSESSMENT

Our sustainability commitments are guided by a materiality assessment to ensure we prioritise the risks and opportunities that are of greatest importance to our stakeholders, as well as those that have a material impact on our business.

We undertook a review of Company, sector and societal factors to determine which of these should take priority for us and from this created a list of priorities that apply to a wide range of stakeholders and have the greatest impact on our future. This is something we will continue to progress and review in 2023 to ensure relevance with industry advancements and changes in stakeholder interest.

SUSTAINABILITY GOALS FOR 2023

- To attract the best and most diverse talent to lead our growth journey
- Continue to grow our activity in the offshore renewable energy sector
- Maintain our focus on safety and health of our employees and other stakeholders
- Heightened focus on quality assurance and best-in-class delivery of equipment and services
- Minimise our scope 1 and 2 GHG emissions and continue to engage with suppliers to support this
- Calculate our scope 1 and 2 GHG emissions from appropriate non-UK operations where data is available
- Expand our risk management processes to include climate-change risk
- Continue to foster a work environment that encourages incident reporting and whistle-blowing
- Ongoing and robust annual anti-bribery and corruption e-learning training for all employees

Task force on climate-related financial disclosures

Ashtead Technology recognises climate change as one of the biggest environmental threats the world faces. As a key supplier to the energy transition, we are committed to supporting global efforts to move to cleaner, green energy solutions.

We are committed to providing transparency to our stakeholders regarding climate-related risk and opportunities that may impact the business and how we manage those risks and opportunities.

The Group is not within the scope of TCFD reporting requirements and while it is not within the scope of SECR reporting requirements it makes the below voluntary disclosures (see table) that would fall within the scope of SECR reporting.

As of 2023 our risk committee will expand the discussion to include climate related risks and opportunities and we will include in our 2023 annual report our governance, strategy and risk management around climate related risks and opportunities. As part of this review, targets will be set focused on managing climate-change risk, reducing carbon in our operations and taking advantage of the opportunities this presents us.

**Environment and climate change**  
Ashtead Technology is supporting the energy transition through the equipment and services it provides to its customer base. In addition, the subsea decommissioning work it undertakes supports the removal of obsolete subsea infrastructure from the seabed for disposal in a safe and efficient manner at the end of its useful life. In terms of our own operations and services, these have a relatively low environmental impact but we are actively looking at ways to minimise our environmental impact and to embed this into every aspect of the company and its operations.

Our sustainability strategy has been in place since 2021 and has and will continue to evolve as we grow and as regulation and legislative requirements change.

Greenhouse gas emissions and energy use

Whilst our business does not as yet require to do so under the regulations, through 2022 we have measured our scope 1 and 2 UK energy consumption and associated GHG emissions in preparation for future requirements to comply with the Streamlined Energy and Carbon Reporting (SECR) legislation.

Our forecasts suggest that we will be required to report this from 2023 and our 2022 calculations will allow us to report on our comparative figures, to see the direction our business is moving, and thereafter to set appropriate targets to minimise environmental impact.

Scope

For FY2022, the scope includes scope 1 and 2 emissions from our UK operations which represents 59% of our global business. This will be expanded in 2023 to include non-UK operations where data is readily available. Reported energy consumption and associated carbon emissions include gas, electricity and heating oil consumption. Transport includes fleet fuel consumption.

Period

The reported figures cover the period from 1 January 2022 to 31 December 2022. We have not included prior year data as we are currently out of scope under SECR and TCFR but intend to include comparative figures in our 2023 annual report.

Calculation methodology

The reporting methodology utilised is the GHG Protocol Corporate Accounting and Reporting Standard, using the Operational Control approach. Energy consumption data comes from invoices and where required, estimates. Transport data comes from fleet owned vehicles mileage records. Emission factors used to calculate UK GHG emissions come from UK Department of Business Energy and Industrial Strategy (BEIS 2022).

Scope 1 includes direct emissions owned or controlled by Ashtead Technology and includes gas and fuel oil consumption as well as fleet owned vehicles for the UK. Scope 2 includes emissions associated with electricity consumption and is calculated on a location-based approach. The intensity ratio chosen is calculated based on total tonnes of CO<sub>2</sub>e emissions in the reporting period divided by the number of employees in the reporting period.

Global greenhouse gas emissions and energy use data for the period 1 January 2022 to 31 December 2022

UK Sites: Westhill/Thainstone/Sandy/Fintray/Kemnay

Scope 1 emissions in metric tonnes CO <sub>2</sub> e	2022
Gas consumption	26.36
Refrigerants	-
Fuel Oil (Kerosene) consumption	0.07
Company owned vehicles	21.12
Total Scope 1	47.55
Scope 2 emissions in metric tonnes CO <sub>2</sub> e	
Purchased electricity	53.41
Total Scope 2	53.41
Total tonnes CO <sub>2</sub> e	
Total gross emissions in metric tonnes CO <sub>2</sub> e	100.96
Underlying Energy Consumption (kWh)	
Gas	144,402
Kerosene	2,867
Electricity	279,336
Total energy consumption	426,605
Underlying Energy Consumption (kWh)	
Company owned vehicles	51,989
Total	51,989
Intensity Ratio	
Tonnes CO <sub>2</sub> e per FTE	0.57