



CORPORATE SUSTAINABILITY

Working towards a more sustainable future.

In an ever-evolving energy industry, one of the most significant challenges we face is the increased demand society places on being able to deliver sources of energy in a sustainable and responsible way.

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.

At Ashtead Technology, we are committed to reducing our environmental footprint and enhancing our social responsibilities in line with sound corporate governance. Operating responsibly and ethically is firmly embedded in our strategy and culture.

Our 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. This approach underpins our ambition to create long-term and sustainable value for all our stakeholders.

In 2023, we maintained our focus on six priorities based on their continued relevance and importance to our business. These are 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.

We have continued to make progress against each of these priorities through 2023 as follows:



Energy transition

Supporting the energy future

Ashtead Technology is committed to sustainable energy production, leveraging our core skills, knowledge and expertise to meet changing customer needs and help them succeed in their energy transition journey. With over 85% of our equipment fungible across both the traditional oil and gas sector and new energy sources, we are focused on positioning our business for the longer term, assisting in the safe and reliable extraction of natural resources whilst minimising the environmental impact and supporting the development of clean and sustainable energy solutions.

Through working closely in partnership with OEMs and through designing and assembling our own in-house product range, we are continuously developing solutions that can support energy sustainability goals.

2023 achievements:

- 50% increase in revenue from offshore renewable projects
- Renewables projects completed across 3 of our 4 regions: Europe, APAC and Americas
- Continued to develop our toolkit through innovative products both through OEM partnerships and in-house design and development
- Continued to expand our renewables customer base including direct relationships with offshore energy operators
- Increased our participation at relevant energy transition forums, events and conferences in line with our growth commitments



Ecological impact

Protecting our planet

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 and minimise the impact on the seabed. Lowering the carbon impact from our operations as well as ensuring the efficient use of natural resources such as energy, water and raw materials, as well as reducing our waste footprint, are critical to limiting climate change and its impact.

Our Group's integrated management system is accredited to the globally recognised ISO 14001 (Environmental) and over 80% of our facilities are accredited to this standard as we demonstrate our commitment to operating in an environmentally responsible manner with the aim of reducing the environmental impact of our global footprint.

2023 achievements:

- Introduced an electric car and cycle to work scheme for UK employees
- Expanded our coverage in evaluating scope 1 & 2 greenhouse gas emissions
- Implemented environmental awareness training and roll-out of ISO 14001 certification to more sites
- Phasing out of single use plastic throughout our operations
- Minimised water usage in our everyday operations
- Working with clients and our supply chain to identify carbon reduction solutions and actively building out our seabed clearance capability to support decommissioning
- Advancement of reporting towards TCFD principles



Business ethics

Our ethical conduct

At Ashtead Technology we pride ourselves on the way we do business and are focused on always doing the right thing. We are committed to complying with applicable laws, working honestly and applying the highest standards of integrity and ethics in everything we do, treating our customers, people, partners and suppliers fairly and with respect.

We operate our business to global standards whilst adhering to local laws and regulations.

We have a zero-tolerance approach to bribery and corruption, and we want to play our part in combatting it. Our employee handbook sets out the standards we expect from our employees including providing guidance to recognise and deal with ethical issues including our whistleblower procedures. All new employees must undertake anti-bribery and corruption training as part of their induction and all employees must complete this training on an annual basis thereafter. Our updated Corporate Criminal Offence training was recently rolled out to all customer and supplier facing employees as well as finance and HR teams.

2023 achievements:

- Ongoing compliance with QCA Code
- Evolution of policies and procedures and continued best practice including hiring a Management System and Document Control Lead to ensure consistency across the Group
- Ongoing monitoring of business partners and key suppliers to ensure alignment in approach to national and international trade
- Continued 100% compliance with annual anti-bribery and corruption e-learning training and third-party diligence



CORPORATE SUSTAINABILITY CONT.

Employee health, safety and wellbeing

Our people

Health and safety has always been a top priority for Ashtead Technology and we are committed to creating, maintaining and promoting a safe, secure and healthy work environment for those that work for and with us. Over the past couple of years, we have grown our workforce substantially, increasing to over 520 people. People development and growth is therefore paramount to safeguard the wellbeing of our existing employees, as well as enabling us to attract and retain new talent. 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.

We also have several mental health initiatives running in the business to ensure a positive environment. This includes our mental health first aiders, a cross-section of our staff who have received specialist training to better understand mental health awareness, recognise the signs and symptoms of common mental health issues, and guide fellow colleagues towards further support. Where further support is required, we will support our colleagues in receiving the specialist advice they require.

2023 achievements:

- No lost time incidents
- Grew our Group QHSE team to drive forward our strategy
- All employees globally undertook key safety e-training
- Committed to mental health first-aid training programme
- Rolled out healthcare benefits package to all UK based employees
- 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
- Launched a Wellbeing Campaign to remind UK employees of the benefits of the Employee Assistance Programme

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.

We are focused on hiring and retaining the best person for the job and our employee policies and procedures are designed to ensure that all our employees are treated honestly, equally and fairly both during the recruitment process and on an ongoing basis. We also have effective systems and controls in place to combat modern slavery and human trafficking and ensure it is not taking place anywhere within the Group or our associated supply chains.

Our labour practices meet the legal framework of each country in which we do business, and these are continuously reviewed and improved. Whilst regional variances around pay and benefits will always exist, we operate a global business, and we strive to treat people equally wherever they are in the world. Through our employee STAR awards, we acknowledge colleagues who go above and beyond to support their team, customers and the wider community and we truly believe our values of Agility, Collaboration and Excellence drive a positive culture of always doing the right thing and underpin our long-term sustainability as an employer.

2023 achievements:

- Appointed a new Group HR Director
- Continued with our Ashtead Technology Star Awards programme, our official employee recognition and reward scheme
- Quarterly town halls, internal webinars and regular internal communications flow to engage with our employees
- Ongoing customer and supplier engagement and monitoring to ensure best practice
- 26 different nationalities across our business
- 17% of workforce female
- Continued growth and expansion of business, offering employees opportunities for development

Supporting our communities

Local community partnerships

We have 12 facilities worldwide but undertake projects across a wide spectrum of countries and regions. The communities in which we operate are diverse and it is important to us that we are a good neighbour and treat each location with the same high level of regard and respect.

In addition to providing long-term career opportunities, we work closely with education establishments and charities in the communities in which we operate through our community support programme. This programme allows us to help build strong and lasting relationships with our local communities to protect our shared environment and improve the lives of others.


The nature of our Group operations is such that there is limited environmental impact on the communities where we are based.

2023 achievements:

- Continued to progress our science, technology, engineering and maths (STEM) community support programme
- STEM Ambassadors recruited to support engagement with local schools and colleges
- Close relationships maintained with local schools and colleges, including attendance at careers fairs
- Carried out a community engagement survey as part of our commitment to improve community involvement and engagement
- Supported various volunteering and fundraising initiatives with local charities across each of our regions



How we report

Framework/standard	What this is	Our disclosure and where to find it
Streamlined Energy and Carbon Reporting (SECR)	SECR aims to bring the benefits of carbon and energy reporting to businesses, encouraging the implementation of energy efficiency measures with both economic and environmental benefits.	We are in scope for SECR reporting for the first time in 2023 but elected to adopt early reporting in 2022. Our 2023 report and 2022 comparatives are shown further in this section of our Annual Report.
Task Force on Climate-Related Financial Disclosures (TCFD)	<p>A framework for climate-related financial disclosure that is structured around four thematic areas: governance, strategy, risk management, and metrics and targets, with a strong focus on risks and opportunities related to the transition to a low-carbon economy.</p> <p>For periods commencing 6 April 2022 UK specific requirements apply under the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022 that broadly aligns to the TCFD recommendations.</p>	Whilst Ashtead Technology is not yet in scope for TCFD we have elected to adopt some voluntary disclosures as we are likely to be in scope from 1 January 2024. This is covered later in this section of our Annual Report.
United Nations Sustainable Development Goals (SDG)	<p>The SDGs comprise 17 interlinked global goals emphasising the interconnected environmental, social and economic aspects of sustainable development.</p> 	We have identified SDGs 3, 5, 6, 7, 8, 10, 11, 12, 14, 16 and 17 as areas where we can make a positive contribution. These are covered in this section of our Annual Report.
UK Modern Slavery Act	The Act requires organisations to develop and publish a Modern Slavery Statement outlining the steps taken to combat human trafficking and modern slavery throughout their supply chain.	Our annual Modern Slavery Statement is approved by the Board and reported on our website www.ashtead-technology.com
UK Anti-Bribery Act	This requires organisations to put in place adequate procedures to prevent, monitor and risk assess bribery and corruption.	All new employees are required to undertake anti-bribery and corruption training as part of their induction with compulsory annual training for all employees thereafter.
ISO 14001	An international standard for designing and implementing an environmental management system.	Our Integrated Management System is compliant with ISO 14001, and this accreditation is in place across multiple sites.

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 2024 to ensure relevance with industry advancements and changes in stakeholder interests.



CORPORATE SUSTAINABILITY CONT.

Sustainability goals for 2024

- To attract the best and most diverse talent to lead our growth journey
- Invest in learning and development to ensure a modern and transparent approach to career progression, succession planning and mobility
- Launch an employee survey to empower colleagues by elevating their voice in the business
- Continue to grow our activity in the offshore renewable energy sector
- Maintain our focus on safety and health of our employees and other stakeholders
- Roll out a global behavioural safety learning programme
- 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
- Expand on the scope 1 and 2 GHG emissions calculations where data is available
- Undertake a renewed materiality assessment to understand stakeholder priorities
- Continue to foster a work environment that encourages incident reporting and whistleblowing
- Ongoing and robust annual anti-bribery and corruption e-learning training for all employees

Task Force on Climate-related Financial Disclosures (TCFD)

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 also 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 but in line with good practice has increased its reporting in 2023 to include some of the recommendations and recommended disclosures in respect of the year ended 31 December 2023.

Climate-risk management

During 2023 our risk committee expanded its discussion to include specific climate-related risks and opportunities. Identifying, assessing and managing climate-related risks are now fully integrated into our Group's overall risk management process. Our governance arrangements and processes around risk are set out in our risk section on pages 30 to 35 of this report.

Ashtead Technology is supporting the energy transition through the equipment and services it provides to its customer base. In subsea decommissioning, we are supporting 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.

We believe that our strategy for supporting our customers in the ongoing energy transition, the fungibility of our equipment across both oil and gas and renewables, and our focus on expanding our capabilities to support late life assets and decommissioning positions us well to ensure that we remain resilient in a potentially lower-carbon environment. As such, we see climate risk as an opportunity and currently low risk for our business.

Today, the impacts of climate-related risks and opportunities and the global focus on energy transition are influencing our strategy in the following ways:

- We are committed to working with our energy customers to support them in minimising the carbon footprint of their oil and natural gas operations
- We are committed to working with our customers to help them transition their own businesses into new energy sources
- We are deploying our competencies and capabilities to support the energy-transition markets including offshore wind, hydrogen and carbon capture and storage

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.

Climate-risk

Given the fungibility of our equipment and services across both oil and gas and renewables markets, and our ambition to grow our revenues from new energy sources, we have identified no climate-related risks that are material to the business in the short to medium term.

Examples of climate-related risks and opportunities identified are included in the table on page 19.

Greenhouse gas emissions and energy use

Ashtead Technology started disclosing its Scope 1 and 2 GHG emissions in 2022 to adopt early compliance with Streamlined Energy and Carbon Reporting (SECR) legislation. In 2023 we are in scope for SECR reporting and as such have included the calculations for all our UK sites. We have also commenced monitoring of this data for other non-UK sites during 2023.

Scope

For FY2023, the scope includes scope 1 and 2 emissions from our UK operations which represents 65% of our global business. In 2022, the scope included scope 1 and 2 emissions from our UK operations which represented 59% of our global business. 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 2023 to 31 December 2023 with prior year data representing the period 1 January 2022 to 31 December 2022.

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 vehicle mileage records. Emission factors used to calculate UK GHG emissions come from the 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 CO₂e emissions in the reporting period divided by the number of employees in the reporting period.

Category	Example risks	Level of risk	Potential impact and opportunities
New technologies	Deployment of disruptive new onshore energy technologies in a mass scale.	Low/Medium	Ashtead Technology's focus is offshore and therefore if there are large-scale onshore solutions to support the net zero agenda this could be detrimental to our business. It is however more likely that there will be a significant need for offshore solutions and any activity offshore would require our support.
Regulatory risk	More stringent reporting and regulatory obligations will increase compliance costs and reporting requirements and will require additional human capital to meet stakeholder expectations.	Low/Medium	Ashtead Technology is continuously monitoring regulatory and compliance changes and the relevance to our own reporting. It is expected that regulatory compliance will continue to evolve given various government and political agendas.
Physical climate risk	Increased frequency and severity of storms, extreme precipitation, storm surges, heat waves, hurricanes and other tropical storms and cyclones. Rising sea levels and rising average temperatures.	Low/Medium	Impact includes damage to property and assets and potential short-term impact on operations due to sudden weather changes. As these become more regular there may be increases to insurance premiums. We have had a long-term presence in Texas and Louisiana which periodically suffer from extreme weather events and have experience in handling these situations. Where there are short-term impacts to financials, this is generally compensated for through additional clean-up work required post storm.

Global greenhouse gas emissions and energy use data for the period 1 January 2023 to 31 December 2023

2022 data reflects UK sites: Westhill/Thainstone/Sandy/Fintray (1 month)/Kemnay (1 month)

2023 data reflects UK sites: Westhill/Thainstone/Sandy/Fintray/Turriff (1 month)

Scope 1 emissions in metric tonnes CO₂e		2023	2022
Gas consumption		30.19	26.36
Refrigerants		-	-
Fuel oil (kerosene) consumption		2.97	0.07
Diesel fuel		0.96	-
Company-owned vehicles		32.56	21.12
Total Scope 1		66.67	47.55
Scope 2 emissions in metric tonnes CO₂e			
Purchased electricity		95.67	53.41
Total Scope 2		95.67	53.41
Total tonnes CO₂e			
Total gross emissions in metric tonnes CO₂e		162.34	100.96
Underlying energy consumption (kWh)			
Gas		165,020	144,402
Kerosene		114,461	2,867
Electricity		466,757	279,336
Total energy consumption		746,238	426,605
Underlying energy consumption (kWh)			
Company owned vehicles		87,042	51,989
Total		87,042	51,989
Intensity ratio			
Tonnes CO ₂ e per FTE		0.39	0.57