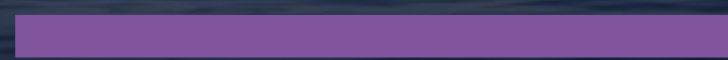


# ESG Report 2022



# 1.1 Introduction

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This is our third annual ESG report, and with each year, the value of this exercise becomes clearer. This report is more than a matter of documenting a list of initiatives, achievements and targets – it has served as a means of distilling and concentrating the culture and spirit of Aquaterra Energy, which I really believe is entwined with ESG. The act of compiling this report itself helps focus our minds and maintain our momentum.

And momentum is the key word. Last year I wrote how the 2021 report – our second – built on the benchmarks set by the first and began to give us a view of improvement over time. The third gives us an even clearer view and allows us to show that the positive trajectory seen last year was not a flash-in-the-pan, or reliant on initial enthusiasm.

We remain committed. Committed to ESG; committed to our core pillars of planet, people and principles of governance; and committed to driving the business forwards as we do so. This year, for example, has seen our green hydrogen ambitions take a great leap forward with the HyMed project agreement with Seawind. We have also welcomed Anne Haase to the executive leadership team as our first dedicated Renewables Director.

Not only are these investments into doing right by our responsibilities to net zero and the energy transition, but they are also sound and level-headed investments in the success of the business.

**James Larnder**  
Managing Director



## 1.2 2022 Highlights

I truly believe ESG is embedded in the Aquaterra Energy culture, but as QHSE and Sustainability Director, it is perhaps closer to my heart than most. I would like to congratulate my colleagues for their commitment and energy in this regard and thank them for not becoming complacent – it is clear that we can always do more, and that there is appetite to make it happen.

**Simon Hatson**  
QHSE and Sustainability Director



### ESG Highlights

Of course, there are many great things in this report, but some of the things I am most proud of this year are:

**29,057 tCO2**  
savings for our customers on projects

**150%**  
growth in our renewable energy team, including the hiring of our first Renewables Director, Anne Haase

**>1 million hours**  
of local employment generated by one project in West Africa

**33%**  
female representation at board level

Placed within top

**1%**  
of companies on Ecovadis

**It is clear that we can always do more, and that there is appetite to make it happen.**



**Simon Hatson**  
QHSE and Sustainability Director  
Aquaterra Energy



## 1.3 About Us

**From seabed to surface, oil and gas to wind and hydrogen, Aquaterra Energy is the offshore energy industry's first choice for offshore products, systems, and projects around the world. Our commitment to engineering excellence and our practical experience in the field shapes everything we do.**

Our people understand the complex engineering needed to make drilling operations, field developments and offshore renewable projects work, and get under the skin of every single project to find the right way to deliver the right products and the right support, as efficiently as possible.

Our expert team of analysts, designers and engineers continually push boundaries, challenging themselves to find the best possible solutions and amplifying each other's skills and experience – to enhance the skills and experience of our customers' own people.

From highly-engineered products to conceptual design, analysis, construction, installation, service and maintenance, Aquaterra Energy's engineers and analysts create the solutions that customers need, while delivering operational improvements, efficiency gains and supporting decarbonisation efforts – everywhere we can.

Founded in 2005, we have supported customers in the North Sea, South East Asia, West Africa, the Caribbean, and Australia. We are headquartered in Norwich, UK, and have additional offices in the UK, Norway, Australia, South East Asia, and Egypt.



## 1.4 Our products and services



### Platforms

Sea Swift, our flagship minimum facility platform offers rapid returns in shallow waters. The platform is designed to minimise build and implementation times, reduce capex, emissions, and time to first oil. In turn, this reduces the safety risk and transport emissions associated with personnel time spent offshore. Sea Swift can be adapted to meet a range of field development requirements, from a single well monopile to multi-well conductor, or jacket supported designs. Smart designs enable operators to enhance their topsides with the latest in digital onshore monitoring technology, whilst the option to power the platform entirely by renewable energy sources can support in reducing your platform's carbon footprint.

### Wells and risers

As an oil and gas OEM (original equipment manufacturer), we offer a range of integrated subsea, surface, completion and workover riser system and connector packages to enhance operations, save rig time and accelerate time to first oil. Our riser and conductor analysis services will verify and optimise your system design – reducing materials and embodied carbon emissions at the very early stages of projects, where tangible differences can be realised.

Our Well Start service handles all early well construction activities including third-party interfaces, engineering, and equipment – streamlining the supply chain, minimising the risk of delays, and offering operators multi-million savings in rig time and resources while reducing transport-related emissions. Our large inventory of rental tools and equipment is on hand to provide further support for offshore well and riser operations.

### Decommissioning and late life solutions

We provide complete solution packages. This includes tooling and services for platform well abandonment, subsea well abandonment, topside and jacket removals, and subsea removals.

### Carbon capture and storage (CCS)

Our portfolio of equipment and solutions already help oil and gas operators globally accelerate time to first oil, reduce rig time and drive cost efficiencies for well intervention and workover projects. This knowledge and expertise can be applied to blue hydrogen and CCS projects to help overcome several challenges, such as opening new wells for CO2 storage, abandonment for CO2 well integrity and using our platform services for CO2 injection.

### Green hydrogen

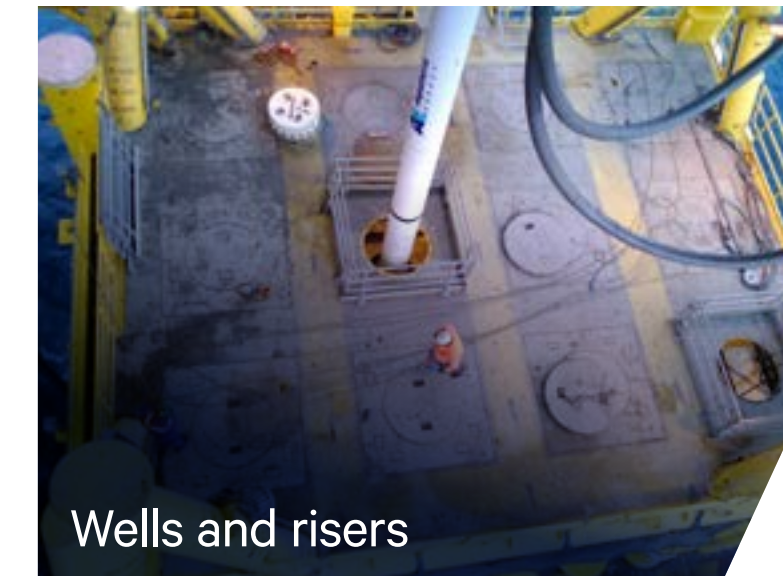
At Aquaterra Energy we are thinking about green hydrogen differently – we are taking it offshore and co-locating hydrogen production with fixed and floating offshore wind farms. For example, Haldane is our industrial scale green hydrogen concept that deploys an electrolyser system on a jack-up rig. In addition, we have collaborated with Seawind Ocean Technology to co-develop the world's largest offshore floating wind and green hydrogen project called HyMed.

### Offshore wind

As turbines grow taller, waters get deeper, and floating projects come closer to commercial feasibility, it has never been more important to apply intelligent offshore engineering principles to the offshore wind sector. Our offshore heritage means that we are perfectly placed to develop and implement innovative installation technologies; supporting project developers, vessel owners and service companies to maximise their value in the offshore wind supply chain.



Platforms



Wells and risers



Decommissioning and late life solutions



Carbon capture and storage (CCS)



Green hydrogen



Offshore wind

## 1.4 Our approach to ESG

At Aquaterra Energy we are committed to conducting our operations responsibly. We proactively look for ways to minimise environmental impacts and ensure social responsibility and corporate governance relating to our employees, sites, clients, communities, and supply chain worldwide. We seek independent assessment and reporting of our provisions and performances to ensure that we remain on track to deliver our commitments.

### About the UN (United Nations) Sustainability Development Goals (SDGs)

The UN Sustainable Development Goals (SDGs) were adopted by all UN member states in 2015 as part of the 2030 Agenda for Sustainable Development. Since then, they have been adopted by public and private organisations alike as a unifying framework for action on the world's interlinked environmental and social challenges.



### Our ESG Pillars



#### Planet

- Enabling the energy transition
- Carbon intensity
- Pollution
- Sustainable procurement and use of resources
- Water consumption



#### People

- Customer responsibility
- Employment standards
- Equality, Diversity, and Inclusion
- Labour standards
- Quality education
- Sustainable communities



#### Principles of governance

- Anti-corruption
- Corporate governance
- Occupational health, safety, and well-being
- Risk management
- Tax transparency

### Our guiding principles

#### 01

Transparent, best in class operations

#### 02

A commitment to minimising our own impact on the environment

#### 03

An innovation mindset to develop new technologies for our clients to create operational efficiencies and support their decarbonisation efforts

#### 04

Continuous development of our people, supply chain and communities

#### 05

Leave where we operate better than when we found it, by engaging with in-country suppliers to offer learning and employment opportunities

We aim to exemplify these principles throughout our activities, whether relating to environment, social or governance or – to use less formal nomenclature – our Planet, People and Principles of Governance (PPP) approach.

SDGs supported:



# Planet

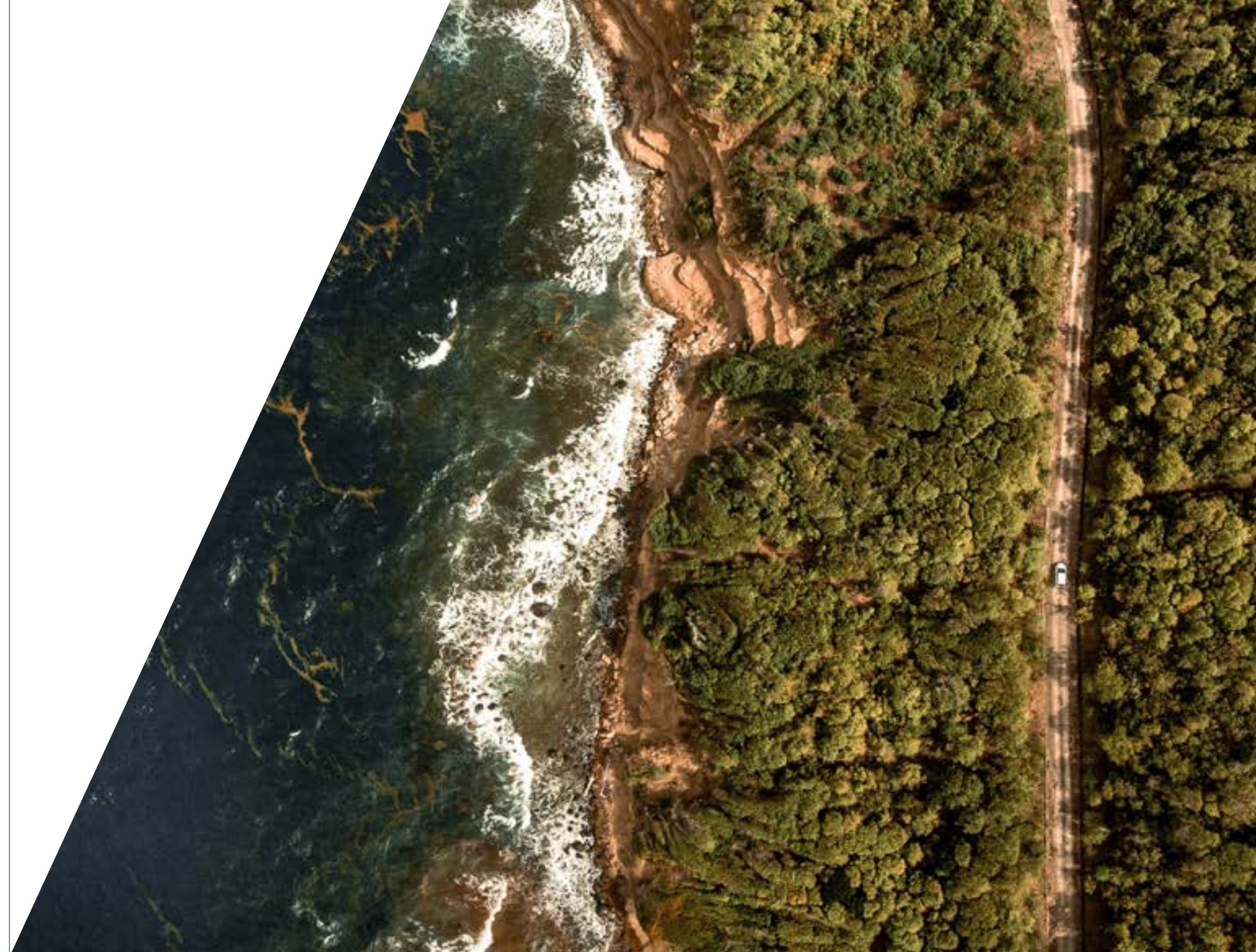
# 2020

As a business, we are proud to be in our third year of being a carbon neutral global operation. But we are not resting on our laurels. Throughout 2022 we have looked inwards, implementing initiatives to further improve our own operations and this year we are proud to have also published our own roadmap to operational decarbonisation, with a view to reducing our use of offsets and driving further in-house decarbonisation. We aim to reach our targets by 2030 or sooner.

For our customers, we believe that we have the expertise and ambition to not only lead in supporting them with their own decarbonisation efforts, but to also drive forward the technologies that will transform the energy landscape.

Through our intelligent engineering and collaborative approach, we are redeploying our decades of experience in efficiency-led engineering to reduce emissions and accelerate the development of a new offshore energy industry, both internally, and for the sector as a whole.

## 2.1 Our ESG objectives



### 2022 in numbers

tonnes	2020	2021	2022
Scope 1 emissions	20.16	197	31.9
Scope 2 emissions	49.83	3.8	3.8
Scope 3 emissions	2895.97	1821.2	1113.6

**1,149 tCO2**  
offset in 2022

**100%**  
of our staff completed Environmental Awareness training

Provided  
**29,057 tCO2**  
savings for our customers on projects

Grown our renewable energy team by  
**150%**

**96%**  
recycling rate and implementation of four additional waste streams as UK sites to support our zero landfill by 2023 target







Updated and revised our Travel Management Policy to embed sustainability as core consideration within the movement of all travelers

### Our objectives for 2022

- ▬ Partially achieved
- ▬ Achieved
- ▬ Ongoing

- ▬ Zero incidents causing harm to our people or to the environment arising from our operations
- ▬ Delivery of facilities environmental improvement (FEI) activities for all Aquaterra Energy premises
- ▬ Zero landfill waste by the end of 2023
- ▬ Transfer of all energy suppliers to renewable sources by end of 2022
- ▬ Implementation of the new sustainable procurement policy and supporting processes
- ▬ Publish our plan to net zero
- ▬ Recruitment of a Renewables Director to lead on our renewables business strategy
- ▬ Recruitment of a QHSE & Sustainability graduate to support ongoing development of our ESG strategy
- ▬ All suitable company proposals and projects to use the carbon calculator to increase awareness of project related emissions by end of 2022
- ▬ Development of a formal Cost of Quality process and reporting to identify and challenge loss

### New objectives for 2023

-  Zero incidents causing harm to the environment arising from our operations
-  Carbon calculator expansion/roadmap into Platforms & Renewables Services
-  Delivery of our Zero to Landfill commitment for 2023
-  Inclusion of the reduction Scope 1 & 2 emissions, as well we as the delivery of Zero to Landfill for 2023, into the company bonus system for all employees
-  Inclusion of sustainability skills and competencies into all existing and new competency profiles
-  Implement a logistics management process to mirror the provisions for business travel to build in the consideration of carbon intensity into all logistics options within product and project delivery



## 2.2 Our focus areas Innovation



Many of our solutions derive their competitive advantage from efficiency: lower-steel content designs are more cost-effective, but also less carbon-intensive; solutions that reduce rig time, save customers money, but also reduce risk and emissions from helicopter travel offshore.

As we move towards the energy transition our innovation focus is on how we can drive even more efficiencies into our existing products and solutions portfolio, but also on how we can create new solutions that will support in generating new clean energy, such as green hydrogen.

**In September, we were pleased to announce an agreement with Seawind Ocean Technology, a leading turnkey supplier of floating and bottom fixed offshore wind assets, to co-develop the world’s largest offshore floating wind and green hydrogen production project in Italian ultra-deep waters.**

### Hydrogen

Principles in action:	SDGs supported:
3	7, 9, 13

2022 was a significant year for our offshore green hydrogen strategy. In April we were shortlisted as a finalist by the Sustainable Energy Council for the World Hydrogen Awards. This was due to our involvement in project Haldane, demonstrating our innovation and technical contributions in supporting green hydrogen solutions.

In September, we were pleased to announce an agreement with Seawind Ocean Technology, a leading turnkey supplier of floating and bottom fixed offshore wind assets, to co-develop the world’s largest offshore floating wind and green hydrogen production project in Italian ultra-deep waters.

Named HyMed, the project will have 3.2GW of production of which more than 1GW will be green hydrogen – expected by 2028.

The project is currently in its first phase of permitting, with the grid connection and the environmental impact assessments well underway. The wind and hydrogen offshore assets will be developed and constructed by both us and Seawind in Italy, opening up thousands of qualified jobs. We will provide our offshore engineering and green hydrogen production expertise to ensure the right approach and solutions are chosen, complemented by Seawind’s multiyear expertise on floating offshore wind technology.

### New products

Principles in action:	SDGs supported:
2, 3	7, 9, 13, 14

2022 was a key year for the creation of new products and services – particularly those that can support the energy transition or will support industry decarbonisation.

For instance, we were proud to launch our Carbon Monitoring Platform, a digital solution designed to support the long-term integrity of underwater carbon capture and storage sites.

The integrated solution provides monitoring of both sub-surface fibre optic seismic arrays, as well as dissolved CO2 gas detection via self-powered (solar or wave), remote data transmission nodes between the seabed and surface – ensuring this carbon monitoring technology does not create more carbon emissions in the process.

Deployed in remote locations within the injection site block, permanently installed shallow bore hole fibre optic arrays allow repeat seismic surveys to be completed on demand. This process will provide evidence that the storage site is performing as expected against the baseline engineering and seismic data, during and post CO2 injection.

Dissolved gas sensors offer a further layer of security. A reactive alarm system identifies actual CO2 leaks into the water column, through a patent-pending approach. The sensors will detect and compare dissolved gas percentages combined with current speed, direction, and other node location data to identify the location and extent of a suspected leak. The system is a fully end-to-end service that offers reassurance to the industry and society that the CO2 is being managed and stored securely.

Towards the end of 2022 we conducted a company ‘Renewables Innovation Session’ to bring in our wider team into the innovation process. The purpose of the session was to “greenlight” some great Aquaterra Energy staff pre-generated concepts that will help us create valuable market space and create focus on what we want to work on as a team for the renewables sector going forwards. We are already working to bring some of those ideas to life and look forward to updating the market throughout 2023.

## 2.2 Our focus areas Innovation cont.

### Carbon calculator

Principles in action:	SDGs supported:
1, 2, 3	 

In last year's report we announced the development of our carbon calculator which was designed for our in-house engineering teams to calculate the carbon footprint of offshore projects. Our aim was that by the end of 2022 the calculator would be in use by all teams for relevant project proposals so our engineers could include a predicted footprint calculation based on current known scope and to also demonstrate any savings made, based on our recommendations.

The calculator has been used by teams this year as intended, as well as within some post-project reviews whereby we were able to generate emission footprints using actual figures.

By using our products and services we were able to demonstrate 29,057 Tonnes of CO2 savings for our customers on various offshore projects, which is equivalent to 10,590 petrol cars driven 10,000 miles (Source: DEFRA).

The carbon calculator is an evolving piece of software. In 2023, we will look at how it can support additional materials to support further products and solutions.



**By using our products and services we were able to demonstrate 29,057 Tonnes of CO2 savings for our customers on various offshore projects, which is equivalent to 10,590 petrol cars driven 10,000 miles.**

Source: DEFRA

## 2.3 Our focus areas Operations

We are pleased to report that in 2022 there were zero incidents resulting in harm to the environment via our global operations.



We are always looking for ways to conduct our global business better and proactively look for ways to minimise our environmental impact. A core element to all our operations is our ISO14001:2015 certification which supports our continuous improvement programme to challenge ourselves on our impact on the environment.

As a part of that process, in association with some of our key suppliers, we established several key tracking tools to track the carbon emissions of our global operations. These are now used at board level to review our performances monthly.

### Carbon neutrality

Principles in action:	SDGs supported:
2, 5	   

We first achieved carbon neutrality for all our business operations globally in 2020, this was repeated in 2021 and we are pleased to say that we have again achieved carbon neutrality for 2022. In 2022 we have offset 1149 tonnes of CO2 in total, which is a 43% reduction against 2021.

The reduction in emissions is primarily due to the nature of our projects during 2021 versus 2022. For example, the variance in the contracted scope of supply created a natural reduction in equipment needing to be transported around the world. This, alongside the improvements and efficiencies we've made to our operations, have all contributed to the notable reduction in Scope 3 emissions.

Moving forwards, we proactively recognise that such variances in our project types may deliver disproportionate savings, or increase in our impact, when delivered as a simple number. Therefore, for the purpose of clarity and transparency going forwards we will rationalise the total CO2e figure vs. our annual revenue figure so that as our business grows, and our operations broaden in both scope of work and geographies, we can measure ourselves more appropriately.

As such, we utilise a measure of emissions / revenue to ensure that we can effectively measure and report upon emissions in accordance with the expansion of the organisation and its operations:

Revenue (£m) / CO2e (te)	2020	2021	2022
Scope 1 emissions	1.120	0.134	0.888
Scope 2 emissions	0.453	6.556	7.455
Scope 3 emissions	0.008	0.013	0.025

The offset projects we chose to support are again closely aligned to the regions in which we operate as a business. For 2022, the projects chosen were:

#### Wind Energy

Tuppadahalli, India

Estimated annual emission reductions of **128,809 tonnes CO2**

#### Hydropower

Louang Namtha, Laos

Estimated annual emission reductions of **20,864 tonnes CO2**

#### Clean Drinking Water in Eritrea

Eritrea

Estimated annual emission reductions of **336,000 tonnes CO2**

As with previous years, each of our chosen offsetting projects are independently verified\* (Verified Carbon Standard (VCS) CCBS Gold Level / Gold Standard VER (GS VER) respectively) and closely aligned to our commitments and the UN Sustainability Development Goals.

For further details of the projects we support, please visit our page [here](#).





## 2.3 Our focus areas Operations cont.

### Plan to Net Zero

Principles in action:	SDGs supported:
1, 2	

One of key objectives for 2022 was to publish our Plan to Net Zero. This is an ongoing action and through our efforts, the third-party verification necessary for a meaningful route to zero has not been readily available. While we seek external, independent support in developing this, we have chosen to instead publish our Decarbonisation Plan which can be found [here](#). This is an iterative document, and we have committed to publishing this document annually as it evolves, and we continue our learning. Upon the availability of external verification, we will then look to publish our Plan to Net Zero.




### Key hires

Principles in action:	SDGs supported:
1, 2, 3, 4	 

In August 2022, we appointed Anne Haase as Renewables Director, forming part of our executive leadership team, to drive the offshore renewable energy arm of our business. Anne’s background and deep sector knowledge means she is uniquely positioned to deliver the next phase of our offshore renewables growth strategy, which will predominantly target the global offshore wind and green hydrogen markets.

We also hired our first Sustainability Graduate Engineer, as part of our corporate graduate scheme intake. Alex Jones joined us in October 2022 as a dedicated resource to support our sustainability journey. Once our graduate rotation has been completed across the different functions within our organisation, his focus will be to support us in the continued development of our systems and processes to understand the impacts of our operations, and the further development of our carbon calculator.

### Our facilities

Principles in action:	SDGs supported:
1, 2	  

In 2022 we published our Facilities Improvement Plan, designed to continue our commitment to understand and challenge environmental impacts that arise out of our facilities.

Though scope 1 and 2 emissions are responsible for less than 10% of our overall carbon footprint, we recognise that opportunities exist to identify, investigate, and implement improvements in accordance with the business requirements, legal requirements, and technological developments as we continue to work towards achieving net zero.

The plan was designed to meet several key objectives, including:

- To eliminate waste wherever possible within company facilities
- To maintain the company’s existing Registration to ISO 9001:2015, ISO 14001:2015 and ISO45001:2018 across all sites
- To enhance the health and wellbeing of all company employees, contractors, and visitors at our sites

Our teams researched ways to improve our global operations, from heating systems to water consumption and lighting. These will continue to be reviewed as we progress through our Decarbonisation Plan and as technologies and business requirements evolve. Completed activities from the 2022 Facilities Improvement Plan at our UK sites include:

- Transferred to 100% renewable electrical suppliers
- Replacement of existing site boilers to A/A+ rated boilers at 2 of our sites
- Review of air conditioning systems with service providers at all UK sites to understand performance and improvement opportunities (responsible for 7.8% of total emission for 2021)
- Implemented new waste streams for recycling purposes
- Installation of movement sensors within shared areas
- Implementation of composting facilities

#### In focus Anne Haase, Renewables Director

**We are here to help and are creating practical solutions for complex problems which can fast-track time to first operation.**

Anne Haase  
Renewables Director



Anne brings more than 25 years of energy industry experience gained from senior leadership, operational and commercial roles within engineering and industrial organisations, such as Petrofac and Bilfinger – as well as supporting major developers and operators across key stages of wind and hydrogen projects.

“I am delighted to join such a passionate team of talented individuals. Aquaterra stood out for me because it is totally committed to delivering engineering solutions that really make a difference as we transition to a greener world. The offshore wind and hydrogen sectors need to have the resources and expertise in place to meet their goals – we are here to help and are creating practical solutions for complex problems which can fast-track time to first operation. Working with this experienced team, together, we will create workable solutions and support career opportunities within our growing offshore energy business.”

#### In focus Awards



In November 2022 we were delighted to be awarded the Environmental and Sustainability Award at the Norfolk regional business awards.

The judges said that Aquaterra Energy has, “generated a good framework for establishing its environmental impact and is taking proactive steps to address its sustainability. By looking at how it can reduce its impact by using locally sourced products in areas such as engineering, design and travel and building in commitments to Environment, Social and Governance (ESG), Aquaterra showed the judges that it is, ‘committed to making business change.’”

We were thrilled to go on and win the biggest award of the evening, ‘Norfolk’s Business of the Year’.

The judges said our business is, “heavily supporting energy transition,” by helping clients drive efficient and sustainable offshore operations from drilling and field development to decommissioning, renewable wind and hydrogen projects, as well as carbon capture and storage.

The judges commended our, “intelligent thinking,” that is at the heart of our operation, including the understanding that every customer is different and the need to adapt the approach to deliver the right solutions at the right time, every time.

## 2.3 Our focus areas Operations cont.

### Cost of quality

Principles in action:	SDGs supported:
1, 2	 

During 2022 we developed, formalised, and implemented a cost of quality process to identify all forms of loss within our organisation. Through this system we have been able to identify opportunities to introduce improvements and efficiencies across our organisation, such as amendments to existing systems and processes.

As this evolves, we believe that we will be able to make our project deliveries more sustainable, such as by reducing raw material usage, energy usage, product rework & movements and waste disposal within the asset's lifecycle.



**As this evolves, we believe that we will be able to make our project deliveries more sustainable, such as by reducing raw material usage, energy usage, product rework and movements and waste disposal within the asset's lifecycle.**



## 2.4 Our focus areas Sustainable procurement

During 2022, the improvements placed Aquaterra Energy in the top 1% of companies rated by Ecovadis in our category.



Principles in action:	SDGs supported:
1, 2, 4	 

We recognise that alongside our designs, one of our most significant opportunities to reduce the carbon intensity impact of our services, but also maximise the positive impact of the same services, is during the procurement phase.

Following completion of IEMA certified sustainability and sustainable procurement training in 2021, a review of our processes was completed to ensure that our systems were robustly challenging our existing and new suppliers for their provisions. In 2022, we have worked hard to implement the outcomes of that review:

- Introduced new and enhanced Vendor Approval Questionnaire to gather additional information of supplier provisions for ESG. Our supplier assessment and auditing processes now include considerations of key provisions for business ethics including modern slavery, ED&I, anti-money laundering and whistleblowing

- Published our sustainable procurement policy that details all the different provisions and levels of consideration to be made throughout our supply chain
- Implemented our tender assessment process. The policy seeks to minimise our environmental impact and deliver community benefits through better selection, partnership and engagement of our supply chain into the worldwide development and delivery of our products and services.

The provisions for sustainable procurement also formed a core element of the Ecovadis sustainability assessment process. During 2022, the improvements placed Aquaterra Energy in the top 1% of companies rated by Ecovadis in our category.

- Read more about this within our Principles of Governance section on

## 2.5 Our focus areas

### Waste management and recycling

In 2022, we achieved 96% recycling of total waste, delivering our sixth consecutive improvement of our annual recycling performance.



Principles in action:	SDGs supported:
2	   

Reducing the waste produced from our operations and improving its handling are key elements of our ISO14001:2015 certification, and we have a commitment to zero landfill by 2023.

In 2022, we achieved 96% recycling of total waste, delivering our sixth consecutive improvement of our annual recycling performance. To meet our 2023 zero landfill target, we have identified additional waste streams to handle the remaining 4% of our

waste, which at the end of 2021 was still going to landfill. These include:

- The introduction of new waste streams across our sites, including polythene, food wrappers, coffee cups, office stationery
- Replacement of all kitchen / bathroom towels with bamboo based compostable materials
- Introduction of food waste composting facilities at our sites
- Separate stream for the handling of polythene arising from our Ops Base

## 2.6 Our focus areas Travel and logistics

The use of our global auditing and inspection partner has enabled us to gather the necessary assurance of QHSE to support the selection of the most sustainable solution wherever we are working in the world.

We support offshore projects around the world and travel – of people, materials, and equipment – is unavoidable. Our annual carbon foot printing exercise helps us understand the environmental impact of our travel and plan ways to reduce them.

### Staff travel

Principles in action:	SDGs supported:
1, 2	

During 2022 we reviewed travel for both employees' commuting, as well as employees' business travel.

As part of our carbon foot printing, we track and report on the impacts of our employees' commuting, which equated to 15.1% of our impact for 2022. Through the implementation of hybrid working and the option to work from home two days per week, these total emissions have reduced significantly. However, we still seek to support our employees with making alternative, more sustainable travel choices where possible. To support this, in 2022 we enhanced our staff cycle to work scheme to make it more attractive, plus introduced a new salary sacrifice electric car scheme, in partnership with Octopus Electric Vehicles.

In relation to business travel, we overhauled our business travel policy to consider sustainability alongside other key factors such as safety, security and wellbeing. Through consultation with both our appointed travel providers and our carbon footprint assessors, we have been able to design a policy, alongside supported travel options, that enable travelling employees to understand the carbon intensity of their travel options and factor it into their travel choices.

### Global transport of company assets

Principles in action:	SDGs supported:
1, 2, 3, 4	 

As with the amendments made to our staff travel policies, we worked with our primary logistics partner to track and report on the impacts of our logistics within our overall carbon emissions. This made-up 28.7% of our scope 3 emissions. During 2022, we sought to expand our logistics options, seeking to engage with providers who would be able to support our global projects with more sustainable options regarding transportation options and fuel usage. To mirror the approach as taken within personnel travel, we are striving to be able to have the carbon impact data of our transportation options at the

point of booking so that CO2 can be actively considered alongside the safety and integrity of our equipment, time, and cost when making our choices.

In addition, we:

- Increased the consideration of supplier and transportation selection during the tendering phase to ensure the consequences of our decisions are identified and understood as a key element of our project delivery plans
- Implemented the carbon calculator to identify the carbon intensity of our fabrication and transportation plan at the proposal phase

### Manufacturing of company assets

Principles in action:	SDGs supported:
1, 2, 3, 4	 

During 2022, we continued to expand our fabrication supply chain to ensure that in the production and delivery of company assets we were identifying, assessing, and selecting suitable suppliers from a quality and integrity perspective, while ensuring access to the most sustainable options. The use of our global auditing and inspection partner has enabled us to gather the necessary assurance of QHSE to support the selection of the most sustainable solution wherever we are working in the world.

In 2022 there was a significant reduction in the emissions arising from the fabrication of company tools and assets. This was due to the difference in scale of our projects, along with our prioritisation of opting for less carbon-intensive ways of operating, plus we used fewer materials in the manufacture and fabrication of our company tools and equipment.



## 2.7 Our focus areas

### Industry decarbonisation

Creating efficient engineering solutions has always been our driving principle, and when it comes to decarbonising industry operations, this is a win-win approach, as efficiency improvements often translate directly into emissions reductions and operational gains.

For example, lower-steel content designs are more cost-effective, but also less carbon-intensive; solutions that reduce rig time, save customers money, but also reduce risk and emissions from helicopter travel offshore. And through evaluating our own operations, we have been able to achieve carbon neutrality for all our sites globally in 2020 and in 2021, offering a carbon-neutral option within the offshore supply chain.

#### Sea Swift

Principles in action:	SDGs supported:
1, 2, 3, 4, 5	   

This year, we have taken a closer look at our offshore platform, Sea Swift, and how we could make this more sustainable to support customers in lowering the footprint of their developments. We addressed this challenge in several ways:

1. By adapting our platforms to be powered by renewable energy sources, such as wind and solar
2. By streamlining its design – it uses up to 30% less steel than conventional jacketed platforms, which contributes to 8% of global CO2 emissions
3. Its modular design means that it also eliminates the need for larger installation vessels – it can be transported in prefabricated parts and assembled onsite
4. Designed to require fewer components offshore (where projects allow) which reduces materials required to produce those elements, but also reduces emissions throughout fabrication, installation, and transportation
5. Digitally enhanced monitoring to reduce required maintenance visits

By making these enhancements, we believe that our Sea Swift solution now offers a blueprint for not only rapidly scaling up global offshore energy capacity, but also in reducing the associated carbon emissions across project lifecycles.



#### In focus

### A renewable Sea Swift platform

**In 2022, we were proud to see the first 100% renewable-powered Sea Swift platform installed for DeNovo Energy, offshore Trinidad and Tobago.**

The platform is a lightweight, unmanned modular design, with a robust preventative maintenance strategy. It dramatically reduced the cost and carbon emissions of manufacturing, transportation, installation, and maintenance. This simplified, streamlined design is entirely manufactured locally with existing infrastructure, boosting regional skills and employment while curbing manufacturing-phase emissions. In fact, 56.4% was local content spend.

By sharing a pipeline and processing facility with DeNovo's neighbouring Iguana gas field, it has also reduced the environmental impact of processing. As the platform is powered from solar and wind, it makes use of 100% renewable power sources, which translates to no direct CO2 emissions during normal operations.

The "brains" of the platform is the modular deckhouse unit, which houses the main electrical equipment such as the control and shutdown system, wellhead control panel, communications, power distribution panels and solar panels. The modular design of this unit allowed over 90% of commissioning and function testing to be

executed onshore, which also significantly reduced offshore time, cost, and associated CO2 emissions.

Intelligent monitoring and preventative maintenance enable the platform to operate unmanned, and has reduced average maintenance visits by 50%, slashing operational expenditure and emissions across its lifecycle.

SDGs supported:



# People

# 3.0

We are a close-knit team who continually push boundaries to deliver excellence. Quite simply, our people are at the centre of everything we do.

As such, personal and professional development of all our staff is essential to the growth and future success of our company. We are also laser-focused on supporting staff wellbeing. 2022 was a challenging year: the Ukraine war, cost of living crisis and rising interest rates have all put added pressure on our staff and their families. To support, we have upped our number of

Mental Health First Aiders and looked to provide a full suite of wellbeing activities, centred on financial, physical, emotional, and professional wellbeing.

In terms of supporting local content, we were delighted to hit the milestone of 1 million employment generated hours for just one of our projects in West Africa, boosted further by delivering a roster of knowledge sharing events, that we will look to improve on throughout 2023.



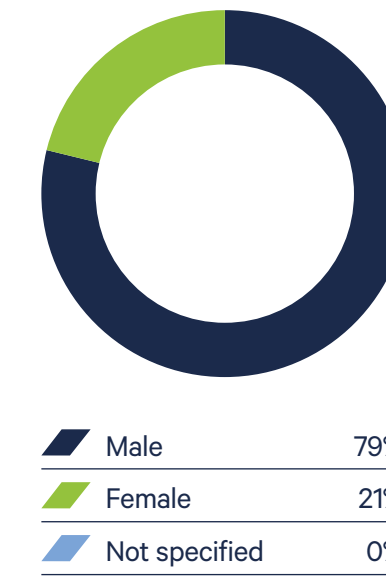
## 3.1 Our ESG objectives



### 2022 in numbers

<b>105</b> global employees	<b>28</b> new hires into our teams
<b>11</b> company-supported charities	<b>250k</b> hours of local content generated
<b>9.37%</b> employee turnover	<b>5</b> graduates joined
<b>6,900</b> hours of training for our people	<b>7</b> knowledge sharing activities completed
<b>33%</b> female board team	<b>26%</b> increased STEM activity compared to 2021

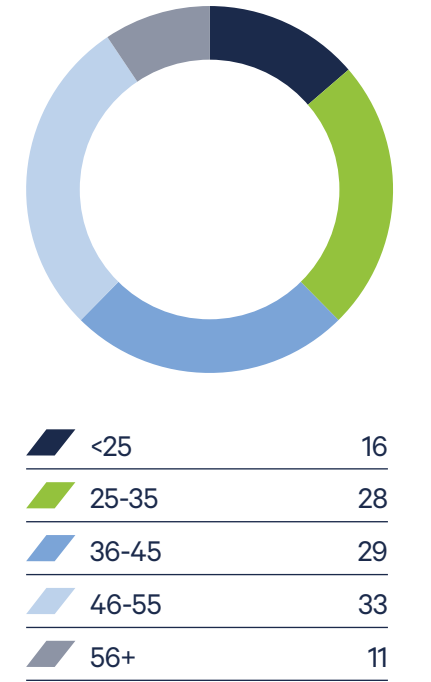
### Employee gender



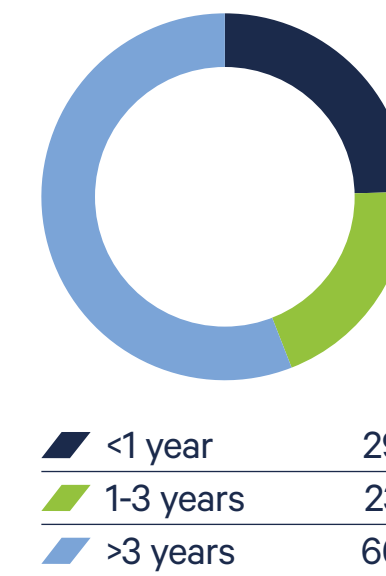
### Working time



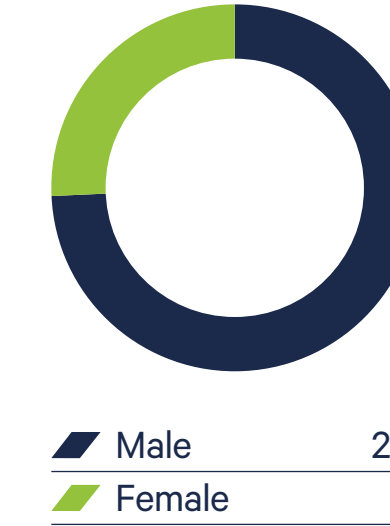
### Ages



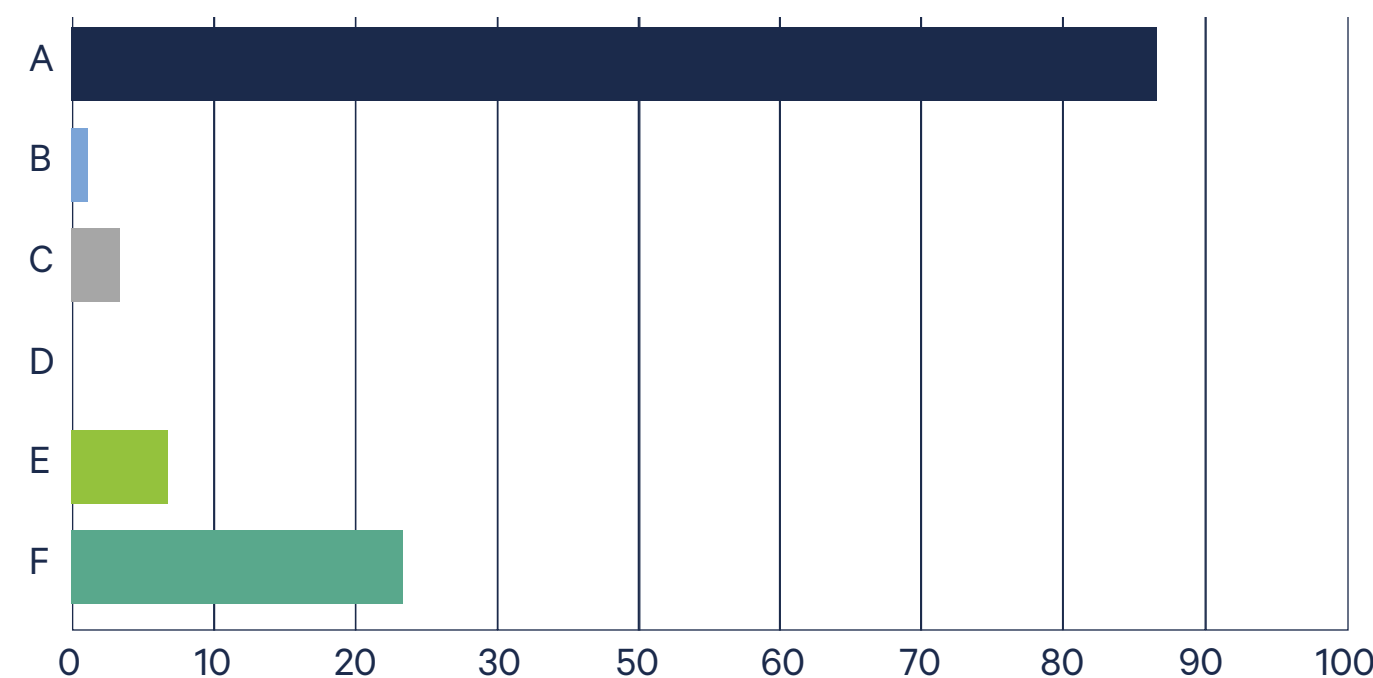
### Length of service



### Managers – gender split



### Ethnicity



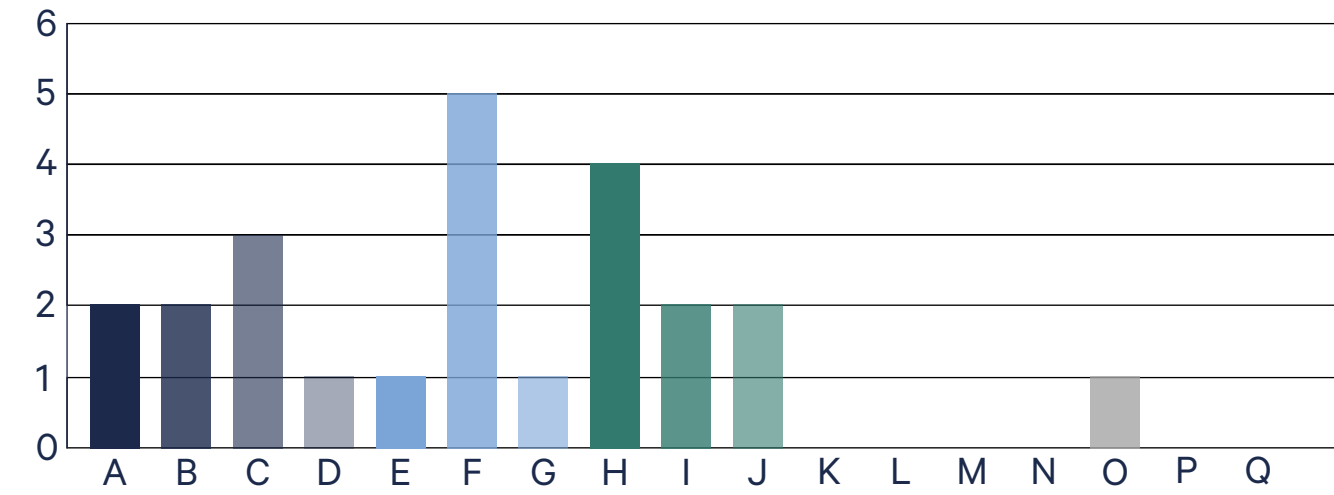
A	White
B	Other ethnic group
C	Mixed or multiple ethnic groups
D	Black, Black British, Caribbean or African
E	Asian, Asian British
F	Unreported

# 3.1 Our ESG objectives cont.

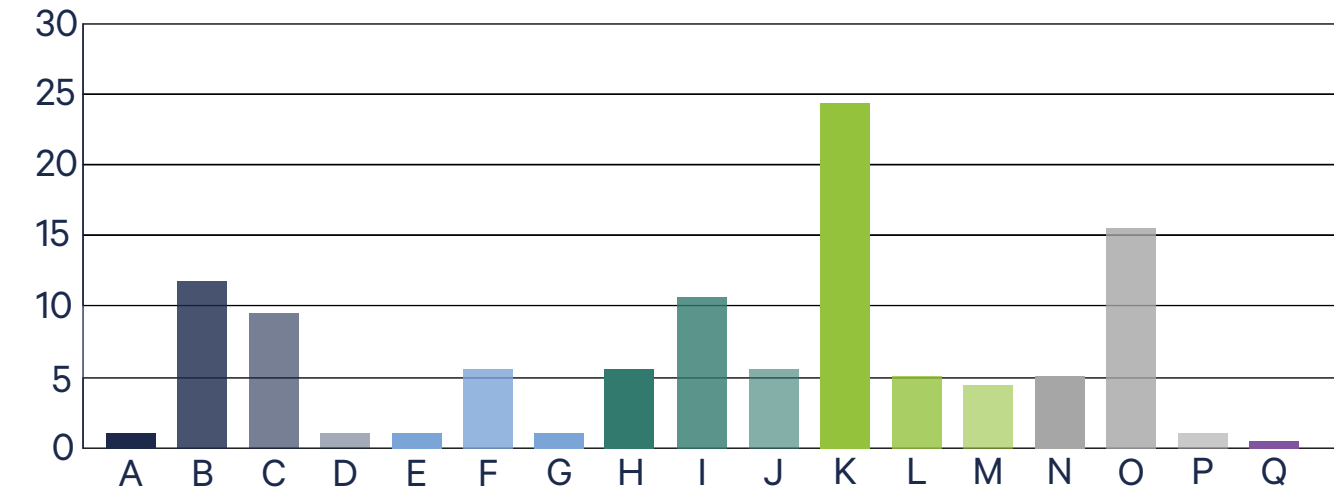


## 2022 in numbers

Females in roles by discipline



Roles by discipline



### Roles and disciplines

A	Administration
B	Design Engineering
C	Executive Management
D	Facilities
E	HR
F	Finance
G	Marketing
H	Project Controls
I	Riser Analysis
J	Sales
K	Project/Discipline Engineering
L	Structural Engineering
M	IT/Digitalisation
N	QHSE
O	Offshore operations/Warehouse
P	Renewables
Q	Procurement

### Our objectives for 2022

- ▬ Partially achieved
- ▬ Achieved
- ▬ Ongoing

\* 3 hired and converted 4th position to an internship

- ▬ Recruit five graduates
- ▬ Recruit four apprentices\*
- ▬ Review maternity pay provision
- ▬ Introduce a paid volunteer day for all staff
- ▬ Conduct three virtual / in person learning events in countries we operate
- ▬ Conduct at least one employee engagement survey
- ▬ Delivery of wellbeing, ED&I, and staff social action plan
- ▬ Review of our corporate charities, in line with the global communities in which we work

### New objectives for 2023

- Launch new integrated learning platform
- Recruit five new STEM ambassadors
- Run 12 STEM activities
- Build at least two new relationships with schools/colleges to support with STEM activity
- Launch new staff benefits platform
- Launch HR Self-Service platform to enable employees to manage their own data
- Increase our knowledge sharing activities via local content by 100%
- Publication of our knowledge transfer process to demonstrate how the development of local teams is embedded into the delivery of our large projects in developing countries

## 3.2 Our focus areas

### People development



**In focus**  
**Alex Jones, Sustainability Graduate Engineer**

Having learned that real change must begin within the energy industry, I was drawn to Aquaterra Energy because of the transparency towards the energy transition and ESG-related goals.

**Alex Jones**  
 Sustainability Graduate Engineer



Having studied Environmental Sciences, I recognise the importance of driving change when it comes to achieving climate action. Having learned that real change must begin within the energy industry, I was drawn to Aquaterra Energy because of the transparency towards the energy transition and ESG-related goals which aligned with my values of wanting to create a truly sustainable future. The ESG policy resonated with me because Aquaterra Energy works with communities, employees, and stakeholders to create a more sustainable, inclusive and all round better working environment. I am thrilled to be developing our sustainability practices here.



My experience here has been incredible so far, and with such an open and friendly environment, there is always room to share ideas with my colleagues. Most recently, I voiced my interest in signing up to become a STEM ambassador, where my colleagues aided me during the application stage. It is fantastic that the company

gives me the chance to work within the community, offering insight to young people about the importance of sustainability and to share my own experience about setting and achieving career goals.

I am delighted to be involved in developing our Decarbonisation Plan to map the route to net zero. Through this work, I have been able to collaborate with others to set realistic but ambitious climate goals. Being given the opportunity to make a significant difference in the energy industry, which is based on scientific merit, is incredibly satisfying and I look forward to further improving our environmental stance.

At Aquaterra Energy, people development is paramount. We operate accredited graduate and apprenticeship programmes and support all our engineers to attain Chartered or Incorporated accreditation. Throughout the business and our communities, we are committed to helping people to succeed.

### The Aquaterra Energy Graduate and Apprentice Training Schemes

Principles in action:	SDGs supported:
4	 

In 2022, we were pleased to gain re-accreditation of our graduate training scheme by IMechE (the Institution of Mechanical Engineers), as well as the ICE (the Institution of Civil Engineers).

Our graduate scheme is designed to develop exceptional engineers who are continuously challenged to solve complex problems, and trained to always look for new ways to help our customers realise operational improvements and create efficiencies. All new graduates can apply for professional accreditation to achieve either Chartered (CEng) or Incorporated (IEng) engineering status.

In 2022, we were pleased to welcome five new graduates via our scheme: four engineers and for the first time, a sustainability engineer. All new recruits have signed up to reach chartered status and everyone who has ever been accepted onto our graduate programme has either achieved chartered status or is on the way to doing so. All graduates rotate through the company for a six-month period until they find their “home”, armed with the additional knowledge and skills learnt whilst on rotation. Their performance is regularly reviewed to identify strengths to focus on, and areas where we owe them extra support.

In addition to graduates, we also take on engineering apprentices, of which we welcomed three, all sourced from our local technical colleges. They undertake a two-year apprenticeship to achieve an L3 in Mechanical Maintenance with the goal of becoming offshore technicians. In 2022, for the first time, we have also taken on an apprentice who is completing L4, and two apprentices who have joined our in-house design engineering team.

We were delighted that our schemes were recognised at the EEEGR 2022 awards, picking up the ‘Outstanding Contribution Award’.

In 2022 we also welcomed a placement student from Nottingham Trent University, joining our Innovation Department for one year whilst studying environmental sciences, as well as a summer intern who joined our Marketing Department to learn more about graphic design.

## 3.2 Our focus areas

### People development cont.

Principles in action:	SDGs supported:
4	 

#### Mentoring

As part of our commitment to training we have a mentoring scheme for all graduates. We have eight mentors within our business, who are all senior team members that have also successfully followed either the same, or similar, training routes. Our mentors support our graduates throughout their charteredship journeys with both IMechE and the ICE.

#### Engineering Construction Industry Training Board (ECITB)

As a levy payer, we work closely with the ECITB and have achieved the ECITB's Gold Level for our commitment to the ECITB's Skills and Training Charter. This is our commitment to continue the development of skills for our employees, and to support the global skills agenda. In 2022, 29% of staff benefited from ECITB grants for courses, ranging from Mental Health First Aider Training to IEMA Certified Environment Sustainability skills. Other activities include:

- In March, five members of our team represented Aquaterra Energy at the annual ECITB Active Cup Challenge, a project management competition run by Cranfield University, with the ECITB. Our team did themselves and the company proud, coming second place and were recipients of the Gold Prize for their efforts.
- Continued representation upon the ECITB Net Zero Network – helping the industry develop the skilled, qualified, and competitive workforce needed to deliver the energy transition
- Two employees participated in ECITB Reviews as subject matter experts in the areas of Non-Destructive Testing (NDT) and the Apprenticeship Standard for Engineering Design and Draughts person Level 3
- Cody Ellis, who recently completed his Apprenticeship scheme, was nominated as a finalist at the ECITB Awards for Apprentice of the Year

#### Professional membership successes

Our QHSE and Sustainability Director, Simon Hatson was recognised in 2022 with the Presidents Distinguished Service Award for his service as an IOSH member - an award given for services to health and safety, including his various volunteer roles within IOSH and other industry groups. Simon serves as a trustee to IOSH, as well as Chair of their Audit and Risk Committee and Vice Chair of their Performance and Development Committees - along with over fifteen years of volunteering.

Our Marketing Director, Louise Thompson, gained Chartership Status from the Chartered Institute of Marketing.

Michael Waddington (CEng MICE) has become a Professional Reviewer for the Institution of Civil Engineers.

Cody Ellis and Robert Flower completed their apprenticeships through East Coast College.

**In focus**  
**Michael Waddington CEng MICE, Senior Riser Analyst, Mentor**

**I became a mentor to pass on my knowledge and experience to graduate engineers, and to aid in progressing them to IEng/CEng with their selected professional body.**

**Michael Waddington CEng MICE**  
 Senior Riser Analyst, Mentor



**I have been working at Aquaterra Energy for the last 11 years, developing from a graduate engineer to a senior engineer within the riser analysis department. I am a member of the Institute of Civil Engineering (ICE), gaining chartership in 2018. Since then, I have progressed to become a chartered professional reviewer with the ICE, I am currently the company's supervising civil engineer for the ICE and I act as a mentor to ICE and Institute of mechanical Engineers (IMechE) graduates.**

I became a mentor to pass on my knowledge and experience to graduate engineers, and to aid in progressing them to IEng/CEng with their selected professional body. Mentoring allows you to oversee an individual's development, instil the skill set required for a graduate to progress and maintain their own continued professional development, and guide them in expanding on their experience to address any gaps in their knowledge. This helps to ensure that individuals

develop into well rounded engineers that are ready to face the challenges of the future and become the next generation of leaders in the industry.

Mentoring also helps to develop my own skills, through developing different personalities, gaining fresh ideas on how to approach problems and insight into innovative technologies taught in universities.

Becoming a mentor is a rewarding experience, I get to see graduate engineers gain confidence, become more competent in their roles, and add more value to the organisation.



### 3.3 Our focus areas

## Equality diversification and inclusion (ED&I)

As an equal opportunity employer, we welcome applications from all suitably qualified persons regardless of their sex, religion, race, age, sexual orientation, marital status, gender reassignment, pregnancy or maternity status, disability or neurodivergent status.



Principles in action:	SDGs supported:
1, 4	5, 8, 10

In 2022, we continued to place significant importance on delivering ED&I activities and improvements throughout our business – ensuring we offer an inclusive working environment that respects all staff and values the diversity of culture, background, skills, and experiences.

All staff took part in mandatory unconscious bias training to raise awareness of the mental shortcuts that lead to snap judgments, often based on race and gender, about people's talents or character. Our goal is to reduce bias in attitudes and behaviours in our workplace, from hiring and promotion decisions to interactions with customers and colleagues.

We continue to use our blind recruitment processes – removing all identifying characteristics from an application before it is referred to a line manager for consideration to ensure there is no unconscious bias. We hired 28 people throughout 2022, all of which were hired through this process, where CVs were evaluated based purely on skills and experience.

We have also implemented an equal opportunities employer statement to go out with all recruitment activity:

“As an equal opportunity employer, we welcome applications from all suitably qualified persons regardless of their sex, religion, race, age, sexual orientation, marital status, gender reassignment, pregnancy or maternity status, disability or neurodivergent status. Our people are valued, respected, and encouraged to be their unique selves. We are committed to creating an environment where everyone has an equal opportunity to reach their potential, to be heard, included and to inspire innovation, to help Aquaterra Energy build a fantastic place to work. We are committed to accelerating our efforts supporting inclusion and diversity in our workplaces and communities to drive change.”

A better understanding of neurodiversity in the workplace was a knowledge gap we identified in 2022. To address this, our HR Director, Ginny Joyce, undertook neurodiversity training in Progressing and Celebrating Neurodiversity in the Workplace, hosted by IGPP in October. This learning is being used to enhance our company-wide understanding of neurodiverse employees so that we can ensure our culture is a supportive one – from recruitment processes to making reasonable adjustments for day-to-day working.

Women represent 26.8% of our workforce. To further support and attract women to our workplace in 2022 we:

- Developed and rolled out an enhanced Maternity Leave Policy, uplifting our employee's entitlement to three months of full pay before moving onto statutory pay
- Continued to promote family friendly working policies through our hybrid working practices
- Implemented private facilities to offer a space for prayer and to afford privacy to breastfeeding mothers

We increased our female board representation in 2022. This now stands at 33% female, thanks to welcoming Anne Haase as Renewables Director who also formed part of our Executive Leadership team.

To support our employees' voices within our businesses, we have continued with a number of channels for their inclusion, these include:

- Quarterly Employee Forums – which includes representation from across the business
- S.A.F.E Committee
- S.A.F.E Card and Lessons Learned reporting system
- Charity and Social Committee
- ESG Committee
- Quarterly all-company townhalls, including a board team Q&A session

### 3.4 Our focus areas Supporting STEM

Principles in action:	SDGs supported:
4	 

As a business, we are committed to encouraging and inspiring the next generation of engineers. We have an active STEM programme and work with local educational institutions to deliver STEM activities. Within Aquaterra Energy, we have several officially registered STEM Ambassadors and will support increasing that number for 2023 to enable the delivery of even more commitments.

In 2022, we were proud to increase our STEM activity by 26%, compared to 2021. Our company STEM ambassadors are taken from a range of disciplines (design, project management, QHSE, HR, finance, and operations) and support the delivery of our dedicated STEM strategy. Activities included:

- Our Executive Director, George Morrison, took on a remote advisory position on the board of the University of Houston to consult on new energy. As part of this, we delivered a lecture to students on the future of green hydrogen and our offshore approach to this
- Working with our local Norwich School, we supported with interviewing their lower 6th grade pupils for the EDT Bronze Award Project, as well as supporting students with the completion of their CREST Gold Award
- We attended the Women of the Future careers event at John Innes Centre, encouraging young women to study STEM based subjects by giving them an insight into the work of female engineers, operations staff and support staff within Aquaterra

- We worked with Ormiston Victory Academy and gave two presentations to their BTEC students to support with gaining future employment. The first presentation was a case study and recruitment exercise, the second focused on interviewing skills, CV writing and feedback on psychometric profiles.
- Three of our team members attended the East Wind Community Event at East Coast College, as part of the Wind Week activities in the East of England, promoting the region as a hub for employment in the energy sector
- For the second year running, we supported the Greenpower Project track day at Hethel Engineering with members of our team joining to explain their careers and advise on routes into to engineering
- We participated in several careers fairs at schools and colleges, including Norfolk's University Technical Collage and Town Close School

In 2023, we aim to do even more to support regional and global STEM activities. We have set ourselves a number of KPIs to support this activity, including increasing our STEM ambassadors with the recruitment of an additional five, and increasing our STEM activities to a minimum of 12 across the year.





### 3.5 Our focus areas Wellbeing



**In 2022 we widened our pool of subsidised gyms, provided our annual mini medicals with the Healthworks Group and provided Relaxa Acupressure massages, as well as enhancing our Cycle to Work scheme.**

The importance of a wellbeing programme was made more apparent than ever by the Covid-19 pandemic and continues to be something we prioritise. We provide an evolving package of financial, physical, emotional and professional wellbeing support initiatives for our staff and their families.

#### Financial wellbeing

Principles in action:	SDGs supported:
1, 4	  

The rising cost of living throughout the UK, particularly following the Russian invasion of Ukraine and subsequent rising interest rates has increased financial pressures for many.

In 2022, we carried out an external pay benchmarking exercise of key job types within our business. We found the majority classified as within the median pay range for their skill set and specific job role, with plans put in place to adjust any anomalies.


At the end of the year, to support with cost-of-living costs we implemented an across the company pay rise for those who had been with us for six months or longer, as well as a one-off cost of living payment for those in our business who earn less than £30,000 per annum.

As an encouragement to contribute more to personal pension schemes and support in planning for the future, we uplifted employee pension contributions for anyone contributing over the statutory 5% pension contribution, we did this by passing back to staff the business' NIC savings issued by the UK Government.

We also organised for our pension provider to come in and give a presentation on Planning for Later Life. This was followed by 1:1 Pension Surgeries where staff were able to discuss their own individual investment plans in detail.

To ensure that staff are receiving the best advice and pension provision we worked with our brokers to carry out a market review and consulted with staff through our Employee Forum. This will continue into 2023.

#### Physical wellbeing

Principles in action:	SDGs supported:
1, 4	

As part of our physical wellbeing and benefits package, all staff are eligible to join our private healthcare scheme, which for 2022 was again provided by Bupa. We supplemented this in 2022 with a new service via Medicash, which insure the excess on the policy so that staff do not have to pay any extra excess themselves and can claim this back. This comes with a number of additional benefits for our employees, including claiming back routine dental costs, optical costs, health screening, prescriptions and more. Both schemes include access to 24/7 health and stress related helplines.

In 2022 we widened our pool of subsidised gyms, provided our annual mini medicals with the Healthworks Group and provided Relaxa Acupressure massages, as well as enhancing our Cycle to Work scheme.

To safeguard health in the workplace, we also installed DeFibs at all UK operational sites and provided training to our team of First Aiders around how to operate them.

We have continued with our hybrid working model for all staff, enabling them to work three days within an office location of their choice, and two days from home if they should choose.

## 3.5 Our focus areas Wellbeing cont.


**In focus**  
**Glen Kettless, Construction and Installation Manager, Mental Health First Aider**

**Knowing I am trained to listen and support those in need is personally rewarding, knowing I can be there for someone to talk to.**

**Glen Kettless**  
 Construction and Installation Manager, Mental Health First Aider



### Emotional wellbeing

Principles in action:	SDGs supported:
1, 4	

To support our employees' emotional well-being, we have externally trained a team of staff to act as mental health first aiders. In 2022 we increased our mental health first aiders by 300% and will be looking to increase further as we move through 2023 and our employee numbers grow. In addition, as part of our private medical care scheme, all staff have access to 24/7 counselling services.

To enable our staff to give back to their communities or charitable organisations we were also pleased to introduce an optional paid 'volunteer day' for all staff. We recognise that employees who complete volunteer work can often use the skills that they have developed at work to help the community, whilst also learning new skills such as leadership qualities and at the same time improving their morale, physical health, and work-life balance.


Over the years I have seen many people struggle with personal issues and how support has not always been available to sit and talk through their issues and concerns. On being asked to become a mental health first aider I felt this would be a fantastic opportunity to provide support to people within the Aquaterra workplace, both in the office and an offshore environment, if required. Attending the course was remarkably interesting; being taught how to address topics whilst being sensitive and open-minded and learning to be supportive and non-judgmental during the discussion. It was interesting to understand how words used can be very detrimental during a sensitive conversation.

To encourage sustainable work-life balance, we have enhanced our annual leave provision for staff in 2022 by granting all staff who had worked more than one year of service with two additional days leave for their birthday. We also enable staff to make use of a holiday purchase scheme whereby they can purchase up to 10 days additional leave – 7.6% of our staff made use of this benefit last year.

Our social and charity committee worked hard throughout 2022 to deliver a year full of activities for staff to participate in if they wished, this included pizza days, quiz nights, family summer BBQ, bowling nights, plus an end of year Christmas celebration for all staff and their partners.

Being a mental health first aider allows me to observe when people need support and guidance. With the training, I can listen when needed and provide professional support groups if required to allow them to seek professional help. Knowing I am trained to listen and support those in need is personally rewarding, knowing I can be there for someone to talk to.

### Professional wellbeing

Principles in action:	SDGs supported:
1, 4	

We actively encourage all staff to take part in professional development activities relating to their career. We run annual and mid-year appraisal processes with all staff and their line managers where opportunities for further development are identified. In 2022, 100% of our staff undertook professional development activities with external training providers, with a total of 6,900 hours spent on staff training.

When it comes to professional memberships, we understand the value in providing industry professionals with access to further development opportunities, but also access to further knowledge, resources, and networking opportunities. We, therefore, cover the fees for all our staff who are members of professional organisations, which represents 24% of our business.



### 3.6 Our focus areas

## Supporting local content

Principles in action:	SDGs supported:
1, 4	

A key part of our operating history, and ongoing strategic development, is our work within developing countries, where we support the development of energy infrastructure through our technology, but also through project delivery strategies.

We strive to deliver our products by engaging with in-country suppliers to offer opportunities for technical advancement, as well as local employment opportunities, as part of our commitment to build on capacity and capability of local people and businesses.

Throughout 2022, we were proud to generate over 240,000 hours of paid employment via our projects in countries such as Angola, and Trinidad and Tobago. To date, just one of our projects in West Africa has so far generated over 1 million hours of local employment.

Knowledge sharing and providing learning and development opportunities are fundamental to our local content strategy and we work closely with clients, suppliers, and regulators to deliver these sessions. Last year we conducted seven knowledge sharing events, ranging from riser analysis to drawings, conductor supported platforms (CSPs) and installation of subsea structures.

For 2023, we are looking to enhance this further through the implementation of our new Knowledge Transfer Process to support the effective delivery of learning events within the holistic design of our project delivery, whether this is within virtual or physical learning events held in country. To aid with the delivery of this we have designed an updated and standardised process for knowledge sharing activities and our aim is to issue this to relevant staff early in 2023.




**Last year we conducted seven knowledge sharing events, ranging from riser analysis to technical drawings, conductor supported platforms (CSPs) and installation of subsea structures.**



## 3.6 Our focus areas

### Community engagement



Principles in action:	SDGs supported:
1, 4	  

Community investment remains vital to us at Aquaterra Energy. In addition to our work supporting local education institutes (See: Supporting STEM), we establish long-term relationships with our charity partners and run staff engagement events throughout the year that raise money to directly support those partners.

In 2022 we asked our staff to choose which charities we support as a business, and following a period of voting the chosen charities were:

#### Nelson's Journey

Supporting children and young people in Norfolk who have experienced the death of a significant person.



#### Mind

The mental health charity for England and Wales. Mind offers information and advice to people with mental health problems and lobbies government and local authorities on their behalf.



Each year our social and charity committee plan a range of events that we sponsor, or for our staff to participate in, that raises money to support them.

Staff are also encouraged to take part in, or organise, their own fundraising opportunities for which we offer a corporate matching policy, whereby we match the personal funds raised up to a maximum of £100.

Throughout the year we supported over 10 corporate charities and raised a total of £10,000.

Fundraising events include a curry and quiz night and a charity football tournament to support Mind. Plus, charity golf days, Christmas Jumper Day, as well as community outreach activities such as litter picking to support national awareness days such as Earth Day, World Environment Day, and World Oceans Day.

We also ran various activities throughout the year to raise internal awareness for staff, such as for Women in Engineering, World Mental Health Week, Stress Awareness Month and Movember.

**Throughout the year we supported over 10 corporate charities and raised a total of £10,000.**

SDGs supported:



# Principals of Governance

# 4.0

Good governance of our operations is fundamental to our way of working. Through published and audited procedures, processes, and management systems, we seek to ensure that our operations and technical output are accountable, transparent, and ethical, in accordance with industry best practices. We regularly evaluate and enhance where appropriate to help us operate at the highest levels in everything we do.

Our strong corporate governance practices help us protect the interests of stakeholders, including customers, clients, shareholders, and communities in which we operate.

We take our staff on this journey with us, through our company vision, mission, and values. All of which have been reviewed throughout 2022 and will be relaunched to employees early in 2023.



## 4.1 Our ESG objectives









### 2022 in numbers








<b>6</b> external audits, including 4 statutory financial audits	<b>7</b> supplier audits	<b>345</b> due diligence activities conducted	<b>17x</b> operational observations by board members at AE or supplier sites
<b>Top 1%</b> of companies on Ecovadis	<b>97%</b> close out of all S.A.F.E cards raised	<b>20x</b> management site inspections by board members	<b>1</b> new non-executive director

### Our objectives for 2022

-  Achieved
-  Missed (see 'QHSE' section, )

-  Zero injuries to our employees, contractors & visitors
-  Delivery of our 2022 QHSE improvement programme
-  100% of our employees & contractors will undergo anti-bribery training
-  100% of our employees & contractors will undergo anti-money laundering training
-  100% of our employees & contractors will undergo cyber security training
-  100% of our employees & contractors will undergo Equality, Diversity and Inclusion Training

### New objectives for 2023

-  Implement external whistleblower hotline
-  Leadership/board training on Corporate Criminal Offence legislation
-  Risk and Audit Committee to meet minimum of 4 x per year
-  Implement a Corporate Social Media policy
-  Review of Corporate T&Cs to include social and environmental clauses in supplier contracts
-  Implement firewall upgrades to improve availability and resilience
-  Upgrading our wireless hardware to the latest wireless standard

## 4.2 Our focus areas QHSE



**We operate a S.A.F.E card system for all staff both on and offshore. The system is used to keep health, safety & environmental matters front of mind and identify issues or opportunities arising within all our operations.**

Principles in action:	SDGs supported:
1, 2, 4, 5	

Occupational health and safety remain a top priority for us as we continue to work across the world, supporting both on and offshore operations.

In line with the requirements of our ISO45001:2018 registered management system, we strive for continuous improvement of our OHS provisions within our annual QHSE improvement programme.

Unfortunately, we suffered one injury within our onshore operations during 2022 that resulted in an LTI (lost time incident). The incident was fully investigated and has identified enhancements to our existing provisions and systems to not only prevent reoccurrence but also ensure all the identified learnings have been understood and embedded across our worldwide operations. The employee involved made a quick and full recovery.

Learning from incidents both on and offshore remains a key focus for the organisation, supported at board level as well as with the involvement of the S.A.F.E Committee. To support the appropriate response to reports, Root Cause Analysis (RCA) training has been carried out with key roles in the organisation and the use of key RCA software. Learnings arising from such investigations are shared in the form of team briefings, safety alerts and OHSE awareness campaigns.

To further support Aquaterra Energy’s commitment to the proactive management of Occupational Health, Safety, and the Environment, our board team commits to delivering and reporting upon a minimum of two operational observations and two management site inspections. For 2023, our board has committed to an increase in operational observations of activities and will be required to carry out a minimum of three per person, per annum.

### S.A.F.E Committee

At Aquaterra Energy we have run our own S.A.F.E (Safety Awareness for Everyone) Committee for many years. It brings together representatives from across all disciplines and levels of the organisation to discuss all matters relating to Occupational Health & Safety for our activities both on and offshore.

The committee not only seeks to support the response and management of matters as they occur in our operations, but also the continuous development of the ISO45001:2018 registered management system and the development of the quarterly OHSE Awareness Campaigns.

Last year our S.A.F.E Committee supported the implementation of our additional waste streams across the organisation, the full return to work following COVID, and the reduction and the eventual removal of COVID protocols still in place. They also provide ongoing support for any safety investigations or reviews as required.

We operate a S.A.F.E card system for all staff both on and offshore. The system is used to keep health, safety & environmental matters front of mind and identify issues or opportunities arising within all our operations. Last year we reported our highest S.A.F.E card submission rate since 2019 (pre-covid) with a 97% close out of all cards raised. Going into 2023 our S.A.F.E card submission rate will be included in our All-Company Bonus Scheme to ensure consistent development of this provision that is core to the health, safety and wellbeing of staff, as well as the environments we work within.




In 2022 we ran four OHSE safety campaigns for staff. These are created by our graduates when they come into the QHSE team as part of their rotation. They are given a topic via the S.A.F.E Committee and are tasked to work with our marketing department to create an educational campaign for staff, including the generation of posters, weekly email campaigns/safety moments and “coffee and learns”.

### QHSE improvement plan

An essential element of the company’s operating management systems is the need for continuous improvement. Each year, we develop and deliver an improvement programme to ensure that the company’s provisions continue to evolve with the strategies and technologies of the organisation. During 2022 some key changes were made as a result, including:

- Implementation of the Cost of Quality Process
- 6th consecutive year improvement in waste recycling percentage
- Continued enhancement of the company’s wellbeing provisions
- Delivery of the Annual OHSE Board Commitments
- Review and update of the company’s QHSE & ESG policies to better reflect mission and values
- Recruitment of the first sustainability graduate

## 4.3 Our focus areas Audits

Principles in action:	SDGs supported:
1, 2, 5	  

Regular audits by appropriate bodies provide us with continued essential verification of our company provisions across all levels within the business.

Irrespective of the focus of the audits, the process provides a crucial opportunity to assess our provisions against industry best practice and legislative compliance. It also informs the company strategy and execution plans as well as our in-house lesson-to-be-learned systems.

As well as being audited by our own appointed ISO registering body and our financial auditors, we are also subject to audits by our clients and other key stakeholders such as Ecovadis, Achilles, FPAL and Magnet JQS.

In 2022 we underwent:

- 6 external and financial audits, including two country contract audits for Norway and Nigeria, as well as statutory audits for all our legal entities.
- 7 global supplier audits. These took place with suppliers located in the UK, Europe, and South East Asia, whereby each supplier was subjected to an audit of its provisions to ensure their technical capability, as well as their alignment with our own core vision and values.

In 2023 we will be enhancing the scope of our supplier audits to include provisions for anti-slavery and young workers, alongside the existing QSHE and sustainability provisions.

### Ecovadis

We first joined Ecovadis in 2021 to gain an impartial assessment of our existing sustainability provisions. In joining we underwent an audit of our provisions against the Ecovadis requirements, including environment, labour, and human rights. The output of the first review saw us achieve Silver Status, scoring in the 87th percentile. The output from the initial assessment was reviewed by the Company ESG committee and opportunities for improvement were included in the 2022 QHSE & Sustainability improvement plans.

During our 2022 assessment which assessed us against environment, labour, human rights, and sustainable procurement we were proud to achieve Platinum Status, scoring in the 99th percentile of all member companies. Improvements identified within our audit report have similarly been embedded into our 2023 Improvements plans.



**During our 2022 assessment which assessed us against environment, labour, human rights, and sustainable procurement we were proud to achieve Platinum Status, scoring in the 99th percentile of all member companies.**






## 4.4 Our focus areas

### Risk management

**For 2023, we will increase the number of meetings for the Committee to at least once per quarter. We are also going to implement an external whistleblower hotline for all our employees worldwide.**

Principles in action:	SDGs supported:
1, 3	

We seek to proactively consider the changing nature of the industry, environments, and culture that we work within at a corporate level, but also at a project delivery level. Our overall objective is to manage our business, and the associated risks, in a way that serves our stakeholders.

Our Group Risk & Audit Committee meets regularly to review and manage the financial, commercial, and operational risks of the company; members of the committee are made up of non-executive and executive directors.

Such analysis forms an essential part of our registration to ISO45001:2018, and the successful delivery of our global projects.

In 2022, the Committee came together twice to review and manage the financial, commercial, and operational risks of the company. Outputs included enhancement of our Vendor Approval Process to ensure that suitable provisions are in place with regard to anti-money laundering, bribery, modern slavery, and whistleblowing.

For 2023, we will increase the number of meetings for the Committee to at least once per quarter. We are also going to implement an external whistleblower hotline for all our employees worldwide.



## 4.5 Our focus areas

### Financial

All customers go through our standard due diligence process using Credit Safe, if flagged as high-risk, they then enter our enhanced due diligence process. In 2022 we carried our 345 due diligence activities.

We operate within all accounting standards as required by law. At a group and subsidiary level, we are subject to an annual financial audit by independent audit firms. In addition, we are subject to national and international tax laws and work closely with our tax advisors to ensure compliance across all tax jurisdictions.

Financial and Management Accounting information is published each month for review by the management teams, including the board of directors.

We underwent four statutory financial audits throughout 2022. Our 2021 end of year accounts were completed and filed with Companies House in June 2022. We plan to file our 2022 accounts in H1 of 2023.

### Sanctions policy

Principles in action:	SDGs supported:
1	16

After Russia invaded Ukraine in February 2022 and sanctions were imposed, we swiftly updated our sanctions policy to include Russia and Belarus, prohibiting any transactions or business activity involving:

- The Russian military, intelligence or defence, or related material sector
- The primary market for bonds issued by, or lending funds to, the Russian Sovereign outside of Russia
- The provision of goods, technology, and services in support of certain Russian energy projects
- Debt and equity of certain entities operating in the Russian financial, energy and defence sectors
- Prohibiting the direct funding of the Government of Belarus

We also reviewed and enhanced our due diligence policy, in line with our responsibility to ensure that we are working with the third parties that hold themselves to the same standards that we hold ourselves to whilst also complying with all laws and regulations, such as Sanctions, or Anti-Money Laundering.

Previously this had been done on an ad-hoc basis, or when a new client had come into the business. Now it is a continuous process applied to all client or project activities. All customers go through our standard due diligence process using Credit Safe, if flagged as high-risk, they then enter our enhanced due diligence process. In 2022 we carried our 345 due diligence activities.



## 4.6 Our focus areas Cyber security



Principles in action:	SDGs supported:
1	16

The integrity of our operating systems is critical to our services. It is a core focus within the management of risk, led by our in-house IT team. All our systems are subject to regular testing and review by CREST accredited external bodies, as appropriate, to ensure that our provisions remain robust and enhance the experience of our clients and stakeholders.

### Internal awareness and testing

Staff awareness of external threats is a fundamental element to the security of our systems, therefore in 2022 all staff and contractors undertook mandatory CIPD accredited Cyber Security and Awareness training, utilising our online training portal.

We also carried out a phishing campaign to test our end user's cyber security awareness and how they would react to an email designed to gain access to our systems.

A significant number of our systems had to be manually bypassed for the phishing emails to reach end users and for the portal to be accessible. We maintained our standard security measures on emails themselves, such as prepending the subject lines with 'POSSIBLE SPOOFING' and the email header 'CAUTION: This email originated from outside of the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.'

Once users had received the email, if opened and the test link clicked, users received a further 'Suspected Credential Phishing Detected' warning and were directed to contact a spoof IT Helpdesk email address.

We issued the test to 184 email addresses, with a 96% user pass rate whereby they either ignored the email or reported it. The remaining 4% were made aware of the failure and additional user training was undertaken.

We will look to do further internal phishing testing with staff throughout 2023.

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### External testing and risk prevention

Following the Russian invasion of Ukraine and advice issued from the National Cyber Security Advice centre, we took a number of actions to prevent risk of attack and further test our cyber security systems. We blocked the .ru domain on our email filters and reviewed our patching, backup and restore mechanisms and online defence systems to ensure all were working as expected.

In addition, last year all our internal and external systems underwent third-party penetration testing. Any issues that have been found were rectified.

### Further security enhancements

Going into 2023 we will be focused on upgrading our wireless hardware to the latest wireless standard which will provide faster speeds, relieve network congestion, provide greater client capacity, and reduce power consumption as well as providing the latest security standards.

We will also be looking to make improvements to our firewall facilities, focussing on resilience and availability.

## 4.7 Our focus areas Policies and processes

Principles in action:	SDGs supported:
1	

Embedded within our ISO9001:2015 registered Integrated Management System is a range of policies and processes. These ensure all people working on our behalf understand and have the resources available to support delivery, while also ensuring compliance with all relevant regulations.

Supported by internal and/or external training, these include:

- Anti-money laundering
- Code of conduct
- Cyber security
- Fraud prevention
- Preventing bribery and corruption
- Supplier approval and selection

All staff underwent their annual anti-bribery, cyber security, and anti-money laundering training and this will continue this year, in line with our policies that relate.

Throughout 2022, several policies were reviewed, enhanced, and reissued to staff relating to our corporate governance, these included:

- Sanctions
- Due Diligence
- Financial Controls Policy
- ESG
- QHSE

In 2023 we plan to continue reviewing policies and processes as the business requirements dictate. We have identified a need for a social media policy, outlining how our employees should conduct themselves online and this has been set as an objective for 2023.

We will also provide Corporate Criminal Offence (CCO) legislation training for all relevant staff to attend.

**We have identified a need for a social media policy, outlining how our employees should conduct themselves online and this has been set as an objective for 2023.**



## 5.1 Closing remarks

**We will continue to develop our capabilities in green hydrogen and offshore renewables, while also continuing to innovate on behalf of our longstanding customers and colleagues in oil and gas – the importance of which for energy security has only been underlined by the events of 2022.**

**Simon Hatson**  
QHSE and Sustainability Director

This year has had its challenges – as they all do. The lingering tail-end of the pandemic and its economic aftershocks met with new impacts from the war in Ukraine. In our home market of the UK – and elsewhere – a cost of living crisis has gripped us all and added extra personal challenges to professional responsibilities. Despite all that, our people have remained committed to maintaining excellence with regard to ESG.

In the future, we will continue to do so. We will continue to develop our capabilities in green hydrogen and offshore renewables, while also continuing to innovate on behalf of our longstanding customers and colleagues in oil and gas – the importance of which for energy security has only been underlined by the events of 2022.

We will also continue to invest in people – into our brilliant engineers and their development and accreditation, and in the next generation of energy minds, through our graduate and apprenticeship schemes and STEM outreach initiatives.

We will continue to support our people in protecting their wellbeing, enabling them to build their lives alongside their careers.

And, of course, we will continue to invest in rigorous governance to protect all our stakeholders and ensure that our success is achieved in a responsible manner and is therefore kept sustainable.

If we can do all of that – and I think we can – then we can continue to be ambitious and optimistic about the future, while helping to drive the energy transition and contribute to a cleaner, better offshore energy industry.

I look forward to reflecting on and sharing our progress in next year's report.



**Simon Hatson**  
QHSE and Sustainability Director