

Decarbonisation Plan

2022

Welcome to our inaugural decarbonisation plan

At Aquaterra Energy, we are proud to be in our third year of achieving carbon neutrality for all sites globally. We are committed to helping the world to tackle climate change and reduce global greenhouse gas emissions, but acknowledge that offsetting strategies alone are not enough.

Through our work within the offshore energy sector, specifically oil & gas, we recognise that there may be skepticism about the validity of our efforts. However, we firmly believe that there are opportunities for us to challenge our ways of working and that its within our gift, through our operational practices, products and solutions, to support clients and stakeholders with their commitments to decarbonise.

Having engaged with an independent third party to complete our operational carbon footprinting, we have learnt an enormous amount about our business. However, by first commencing the process in 2020, our results and baselines were undoubtedly influenced by the COVID-19 pandemic - as it significantly changed our industry, operations and emissions. With the return to normality, we have continued to monitor our performance and sought to amend our focus and provisions as new trends emerge.

Our vision is to reduce scope 1 and 2 emissions for all Aquaterra Energy business locations globally and to ensure that any future locations will have our infrastructure developments and environmental commitments applied as a part of their implementation. In terms of scope 3 emissions, whilst we recognise that these are outside our control, we believe that we have, and will continue to, identify opportunities to create efficiencies that will support a reduction of these emissions within our value chain.

As a business, we have made a commitment with the SME Climate Hub to reach Net Zero by 2030 or sooner. To support us, we will develop a formal route to zero with an independent party to ensure any goals set and published are first validated. It is for that reason that this document isn't a Net Zero plan, but a decarbonisation plan. Here you'll find the progress we've made so far, as well as our targets and goals for the future.

We hope you understand this is a journey, and we won't have it 100% perfect today. But we are committed to Net Zero and will update this plan annually with our progress.



Simon Hatson
QHSE and Sustainability
Director

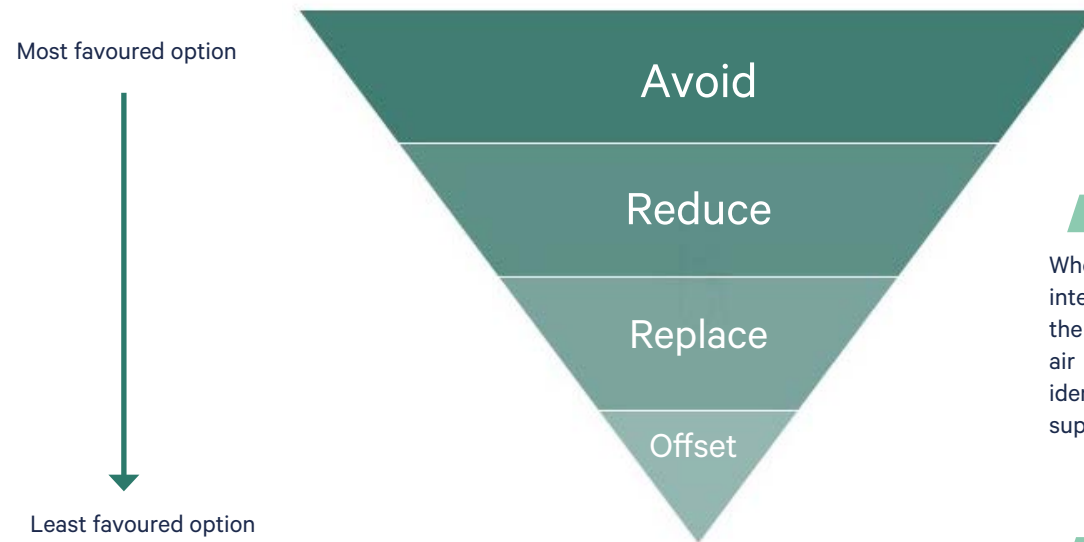


Our Philosophy

At Aquaterra Energy, our responsibility is to ensure that we decarbonise our operations in the most effective manner possible.

By utilising the carbon hierarchy, we have sought to ensure that we follow the most favored options before offsetting our residual emissions*. Our primary focus is to take the necessary steps to avoid carbon-intensive activities in the first instance, while promoting a consistent culture of reuse and replacement throughout our operations.

*Residual emissions - greenhouse gas emissions that are unable to be further reduced.



- Avoid carbon intensive activities and actions
- Undertake activities with improved efficiency, reuse and reduction
- Replace high carbon activities or sources with low carbon solutions
- Offset or sequester emissions that cannot be eliminated by the above

Avoid

Where possible, we seek to avoid carbon intensive operations. Key to our progress is the elimination of unnecessary shipping and air freight within our projects through the identification and qualification of our in-country supply chain.

Reduce

Where possible, we seek to reduce our global emissions. For example, by reducing the amount of raw material that is used within our product designs, by reducing the need for overseas travel and by engaging with local, in-country resources. We have also introduced hybrid working which has helped to reduce employee commuting emissions.

Replace

We actively seek out opportunities to replace elements of our infrastructure (i.e., heating and lighting) to provide improvements within our scope 1 & 2 emissions. We also challenge our scope 3 emissions wherever possible, for example, via the introduction of schemes to support our workforce in sourcing less CO₂e intensive methods of commuting.

Offset

We will continue to offset our residual emissions, actively supporting projects that help reduce global carbon emissions and promote climate action in regions that are key to our global energy transition strategy.

Our Emission Targets

In our bid to reach Net Zero, we will always be transparent with regards to how much carbon we emit, and the emission sources associated.

Wherever possible, we shall seek to proactively identify and deliver carbon savings opportunities within our project delivery framework. However, due to the varying nature of our projects, our annual carbon emissions may differ significantly. This is because they are heavily dependent upon the scope of services required, where projects are located in relation to our suppliers, and the scale of each individual project.

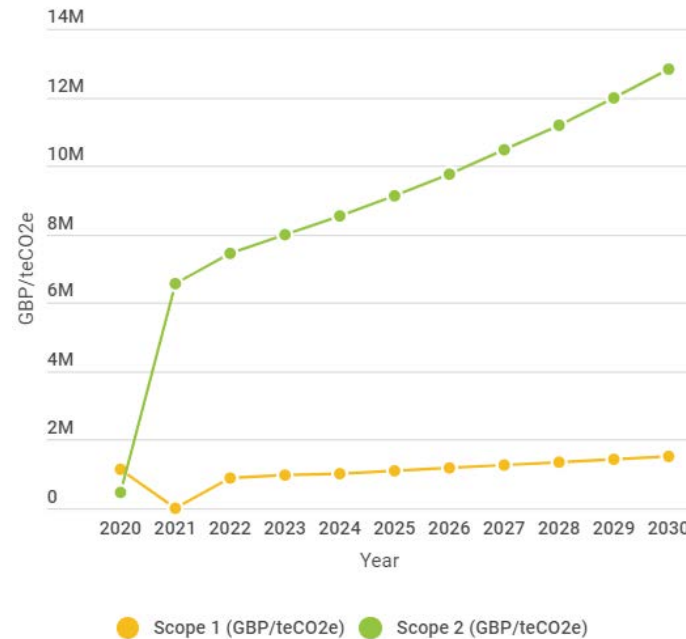
These variances may deliver disproportionate savings, or even increase in our impact, when delivered as a simple number. Similarly, we recognise that expansion growth of our company, and/or expansion to our operating sites will also by nature increase our scope 1, 2 & 3 emissions.

Therefore, for the purpose of clarity and transparency, and to provide context to our data we will rationalise our total CO2e figure vs. our annual revenue figure. This means that as our business grows, and our operations vary in both scope of work and geographies, we can measure ourselves more appropriately.

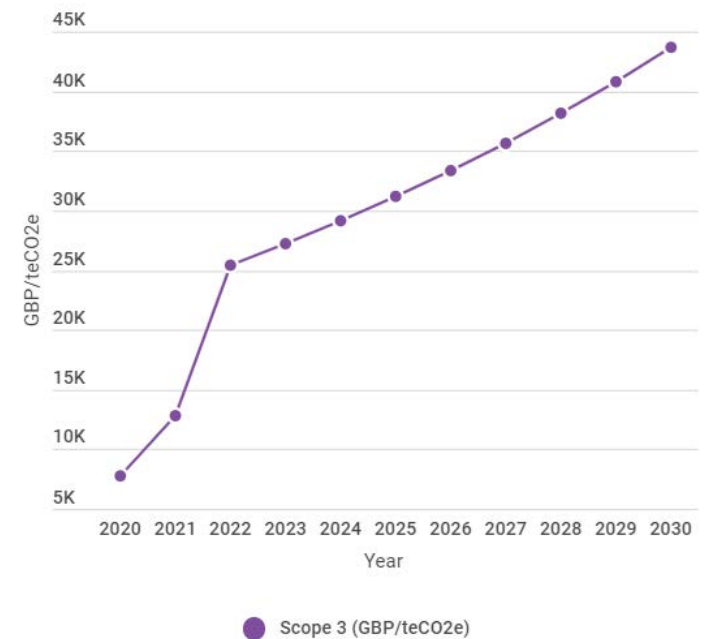
Revenue (£M) / CO2e (te)	2020	2021	2022
Scope 1 emissions	£1.120M per te	£0.134M per te	£0.888M per te
Scope 2 emissions	£0.453M per te	£6.556M per te	£7.455M per te
Scope 3 emissions	£0.008M per te	£0.013M per te	£0.025M per te

We have compared our carbon emissions against overall business revenue. This metric shows projected business revenue (GBP) per ton of carbon dioxide equivalent measures the ratio of carbon emissions as a percentage of overall business revenue (GBP) generated by Aquaterra Energy.

Year on Year we target a 7% increase in efficiency, meaning the more £ per tonne of CO2e the more efficiently we are delivering our projects.



The revenue/carbon emissions (million GBP/tonnes CO2) metric for scope 1 and scope 2 emissions indicating a 7% efficiency increase each year up to 2030



The revenue / carbon emissions (thousand GBP/tonnes CO2) metric for Scope 3 emissions indicating a 7% efficiency increase each year up to 2030

Our Roadmap to Decarbonisation



Our Roadmap to Decarbonisation: Avoid, Replace, Reduce

Scope 1 & 2 emissions

We aim to increase the efficiency of our Scope 1 & 2 emissions to help assist in achieving further decarbonisation of our business.

We aim to achieve this by further enhancing the infrastructure of our workspaces, upgrading systems such as our lighting, heating and cooling with more efficient technologies and delivering upon our commitment to zero to landfill in 2023. The enhancement of each of these systems will serve to support our aspiration to reduce energy consumption, a significant contributor to scope 2 emissions. In 2022, we amended the supply of our electricity to be 100% from renewable sources, with Renewable Energy Guarantees of Origin certificates (REGOs), and we are committed to maintaining this in all future supplies.

Since 2021, we have ensured that refrigerant leakage (scope 1), which made up 83% of our scope 1 emissions that year, is reduced through proactive maintenance and consultation with our contracted supplier of servicing to identify improvement opportunities. Our latest carbon emissions data for 2022 indicates that we reduced our scope 1 emissions by 89% between 2021 and 2022.

To support our efforts in minimising our scope 1 & 2 emissions, from 2023 we shall be linking our all-company bonus scheme to our climate performance. And from 2024, we hope to further reduce our scope 1 emissions by transitioning our vehicle fleet to electric.

Scope 3 emissions

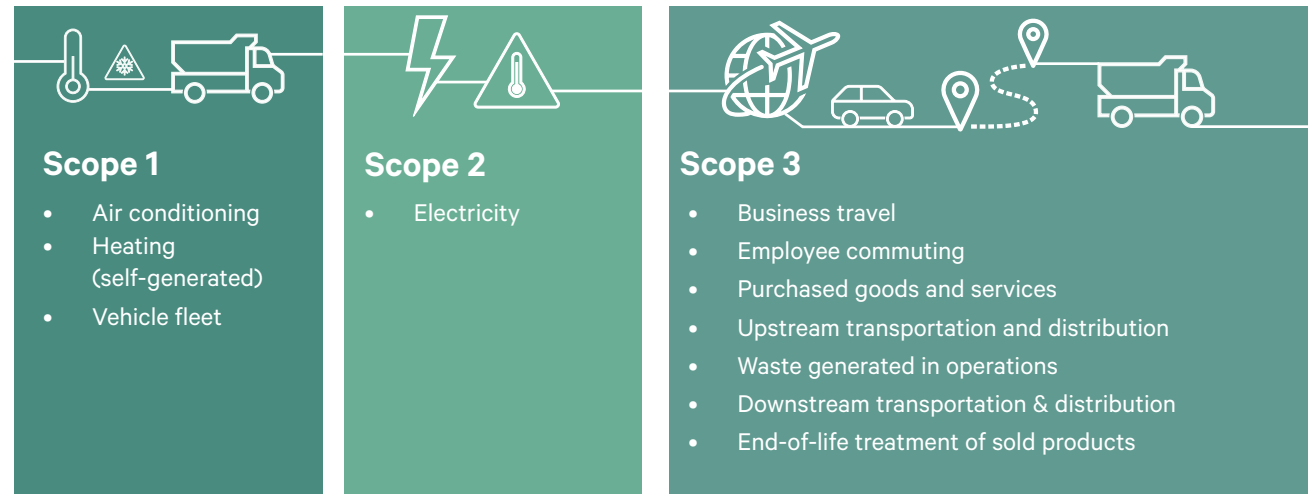
We recognise that reducing our scope 3 emissions are notably the most difficult, as they are based on a company's necessary activities, but these activities are not owned or controlled by the company. During 2022, our logistics, the movement of our equipment around the world, was responsible for 34.6% of our scope 3 emissions, and 33.6% of our total emissions. Although an essential element of our project delivery, we recognise that any opportunities we have to reduce this element of our emissions need to be explored.

In 2023, we will implement our new Sustainable Logistics Policy to assist us in reducing our scope 3 emissions. The policy will build upon the learnings and efficiencies made within the development and implementation of our business travel policies, and provisions and will serve to support us in ensuring that we are proactively considering less carbon intensive routes and methods of transportation within the delivery of our global projects.

The policy will further support the commitments made in our ESG report to proactively identify and avoid high-intensity operations such as air freight, wherever possible.



Our scope 1, 2 and 3 emissions are broken down as follows:



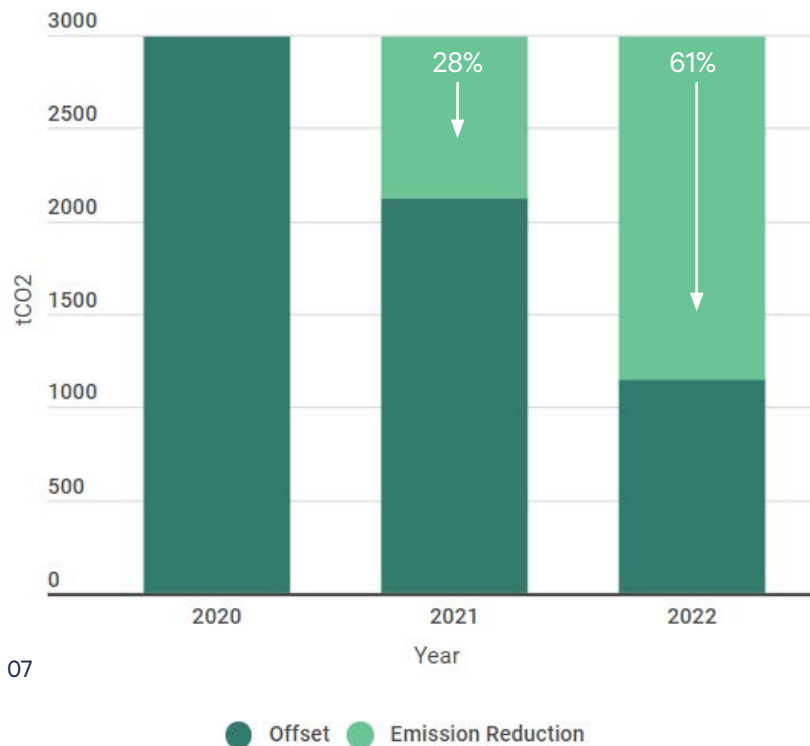
Offsetting

To help minimise our environmental impact we utilise carbon offsetting to maintain our carbon neutral status, while continuing to identify and implement opportunities for improvement into our operations and our supply chain.

Our selection of offsetting projects is based upon seeking to support the regions in which we operate as well as the technologies that are closely aligned to our own journey within energy transition. In selecting the projects, we consider only those that have been independently verified* (Verified Carbon Standard (VCS) CCBS Gold Level/Gold Standard VER (GS VER) respectively) against recognised standards.

Through our offsetting projects, we seek to support as many of the UN Sustainable Development Goals (SDGs) as is practicable. It is also important to note that the residual emissions that we cannot yet reduce and instead offset, have a significant impact on the climate policies that are intended to keep the global temperature increase to below 1.5°C.

Our targets up until 2030 focus on reducing our scope 1, 2 and 3 emissions while offsetting our residual emissions wherever possible.



In 2020 we carried out our first carbon footprinting exercise. Using this as the benchmark, in 2021 we successfully reduced our business emissions by 23% and offset the residual emissions of 2,127te. In 2022, we have also been successful in reducing our emissions, by 63% (against the benchmark), offsetting the residual emissions of 1149te.



Net Zero by 2030

As members of the SME Climate Hub we have committed to Net Zero by 2030, or sooner. While we formulate our long-term plan to deliver against that commitment using externally assessed and verified data, we shall continue to review our current practices and provisions, seek enhancements from within our supply chain and explore new technologies to support us in delivering our goal.

We acknowledge that we will continually need to evolve this plan. Therefore, the commitments that we have outlined here are our firm beliefs based upon our own understanding of our impacts and the opportunities available to us, but these will continue to grow as we align ourselves with our stakeholders to achieve our long-term goal.

2023 Key Goals



Engage with independent providers to develop and commence a formal plan to deliver Net Zero by 2030 or sooner



Embed the use of our carbon calculators into each of our operations to support our clients in their own decarbonisation efforts



Enhancement of the cycle to work scheme to support emission reduction in commuting of our employees



Achieving zero to landfill



Inclusion of CO2e performance improvements for Scope 1 & 2 into company bonus for all staff



Removal of single use plastics across our offices



Inclusion of air travel carbon reporting into management review to provide insight into air travel emissions



Implementation of a Sustainable Logistics Policy

If you'd like to contact us for more information on our Decarbonisation plan, please get in touch with our team directly or visit our website:



contact@aquaterraenergy.com



www.aquaterraenergy.com/esg