

Sustainable Development Report 2024



Swire Energy Services remains committed to being a leader in sustainable development and collaborating with all our stakeholders to promote sustainable and ethical practices that positively impact our communities and industry.

As a global organisation, operating across 30 countries, we draw from over 45 years' experience to offer safe, sustainable and reliable solutions to the energy sector.



A global presence: Europe, Africa, Middle East, North & South America, Asia-Pacific



500+ expert staff across our service areas: containers, integrity, aviation, chemicals

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Message from our CEO

In recent times, there's been much debate around whether we've lost faith in the energy transition. With oil majors rethinking their goals, investments flowing back into oil and gas, and companies struggling to profit from renewables, it's easy to see why such doubts emerge.

But let me be clear: the energy transition is a long-term journey, not a short-term fix. Yes, it comes with significant challenges, high investments, and lower immediate returns. Yet, these challenges should inspire action.

At Swire Energy Services, we're committed to playing our part in making the oil and gas industry greener and more sustainable. We've already achieved a remarkable 58% reduction in emissions intensity within five years despite significant growth in the business, and are on track to achieve a 65% reduction by the end of 2025—proof that progress is possible. But further reduction requires more collaboration across the industry and commitment across the entire value chain.

We recognise that the temperature rise goal is now more likely around 2°C rather than 1.5°C, and we must adjust our strategies accordingly. Extending the lifetime of existing assets is crucial—not just to avoid unnecessary new investments, but to ensure that our current infrastructure remains operational, efficient and safe. Focusing on maintaining and optimising what we already have is circular economy in practice and a key step toward achieving our sustainability goals.

Politicians may face the reality that their ambitious targets are slipping, but that doesn't mean we should abandon our goals.

In this crucial time, all stakeholders working collaboratively will make the difference. Our company is ready to lead this challenge, not by turning away from it, but by doubling down on our commitment to a sustainable future.

Together, we can - and will continue to - make progress.

Manfred Vonlanthen
Chief Executive Officer

A handwritten signature in black ink, appearing to read 'M. Vonlanthen'.

Our Approach to Sustainability



Sustainability at Swire Energy Services

Swire Energy Services has been in business since 1979 and our business has stood the test of time because we have always looked ahead and made decisions based on long term sustainability.

Since 2019, we have incorporated sustainability management into our overall business strategy and risk management. We have set ambitious targets that show our commitment to creating a more sustainable future. By successfully

achieving these targets year on year, we have demonstrated our ability to adapt and do everything we can to help build a better future for our people and the planet.

Our internal sustainable development programme is based on Swire Group’s SwireTHRIVE strategic framework:

People

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

Water

Use and manage water responsibly.

Communities

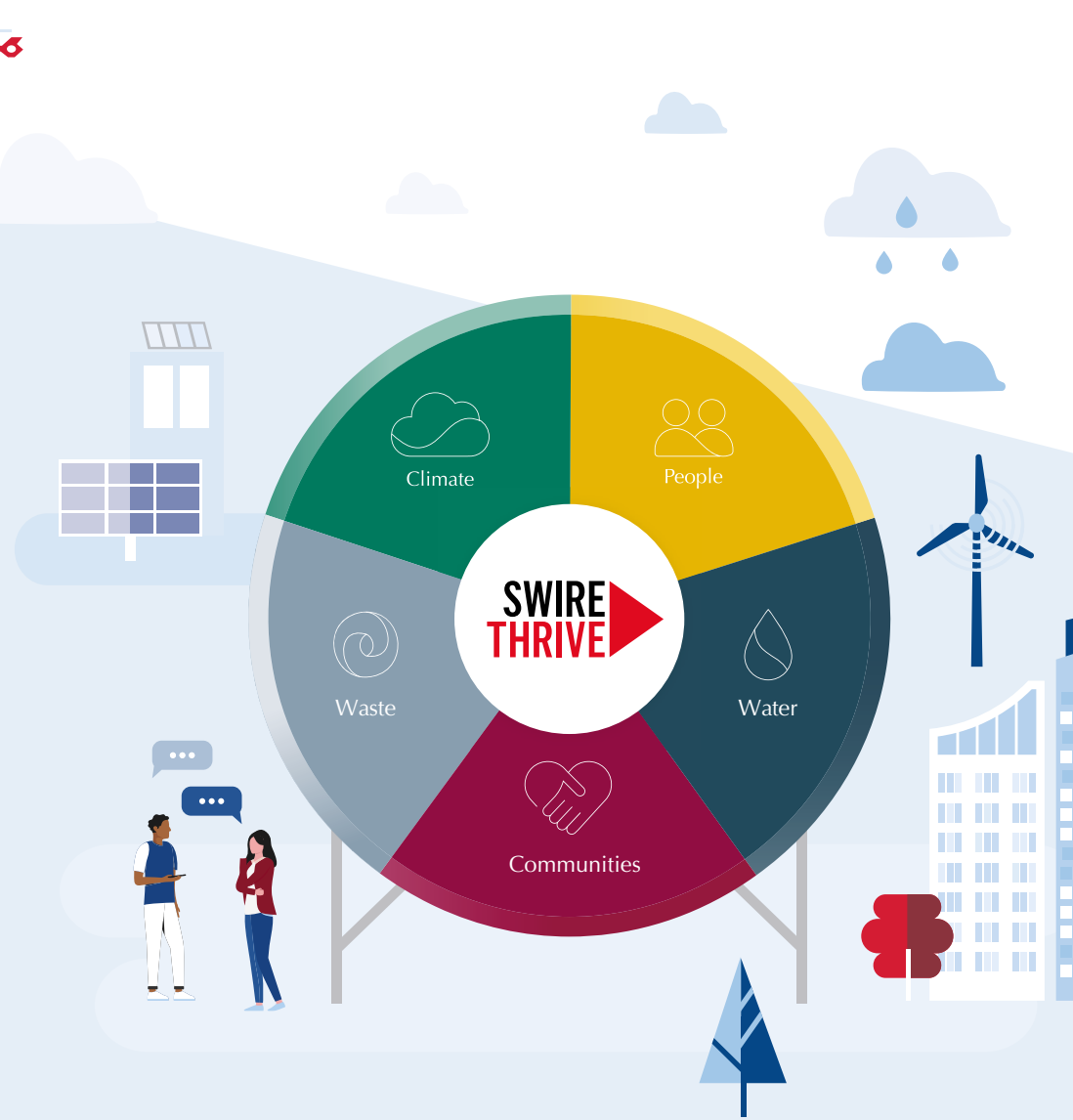
Position our community initiative as part of our core business value.

Waste

Turn today’s waste into tomorrow’s resource.

Climate

Decarbonise our business and build climate resilience.



Our Values

Underpinning everything we do are our values, which are based on the Swire Group's core values of:

Integrity | Humility | Endeavour | Excellence | Continuity

These values define our corporate culture and serve as the guiding principles of our services, shaping how we run our business and treat our people.

Integrity



- Act in all matters honestly, openly and in the 'right' way, even where this goes beyond formal regulations and requirements
- Create a bond of trust with our stakeholders
- Work to maximise our positive environmental impacts and be accountable for any damage we may cause

Humility



- Acknowledge our limitations and take responsibility for our failures
- Remember that we can improve
- Respect, listen to and seek to learn from others
- Use failures and shortfalls as opportunities to improve and grow

Endeavour



- Maintain the highest level of health, safety and environmental awareness for every job
- Commit wholeheartedly to meeting our goals and objectives
- Relish challenges – even when the going gets tough
- Remember that hard work and commitment bring lasting success

Excellence



- Approach challenges positively, professionally and responsibly
- Commit to exceeding expectations in every job we do
- Deliver against agreed schedules and budgets
- Seek to be ahead of legislation rather than reacting to it

Continuity



- Work towards a sustainable future in everything we do
- Create lasting and added value for our stakeholders
- Embrace change – be open, flexible and well prepared
- Inspire respect and loyalty from our team and local communities





A Strategy of Influence Across the Entire Value Chain

The principles used to develop and maintain our sustainability strategy are based on:

- Science Based Targets Initiatives (SBTi)
- Global Reporting Initiative (GRI)
- PAS 2060 'Specification for the Demonstration of Carbon Neutrality'
- ISO 14001 Environmental Management System
- ISO 14064 'Guidance for Quantification and Reporting of GHG Emissions'
- GHG Protocol's 'Corporate Accounting and Reporting Standards'
- United Nations Global Compact (UNGC) and Sustainable Development Goals (SDGs)

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

3 GOOD HEALTH
AND WELL-BEING



Our Commitment:

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

12 RESPONSIBLE
CONSUMPTION



Our Commitment:

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

8 DECENT WORK
AND ECONOMIC
GROWTH



Our Commitment:

Ensure sustainable economic growth of our business and communities by expanding our products and services, and investing in technological upgrades and innovation.

13 CLIMATE
ACTION



Our Commitment:

Reaching net-zero carbon emissions by 2030 with an interim target of 65% reduction by 2025.

10 REDUCED
INEQUALITIES



Our Commitment:

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

16 PEACE AND
JUSTICE



Our Commitment:

Promote and adhere to the highest standards of professionalism, integrity and ethics.

17 PARTNERSHIPS
FOR THE GOALS



Our Commitment:

Working with industry partners to strengthen the means of implementation of the goal.

A Science-Based Approach

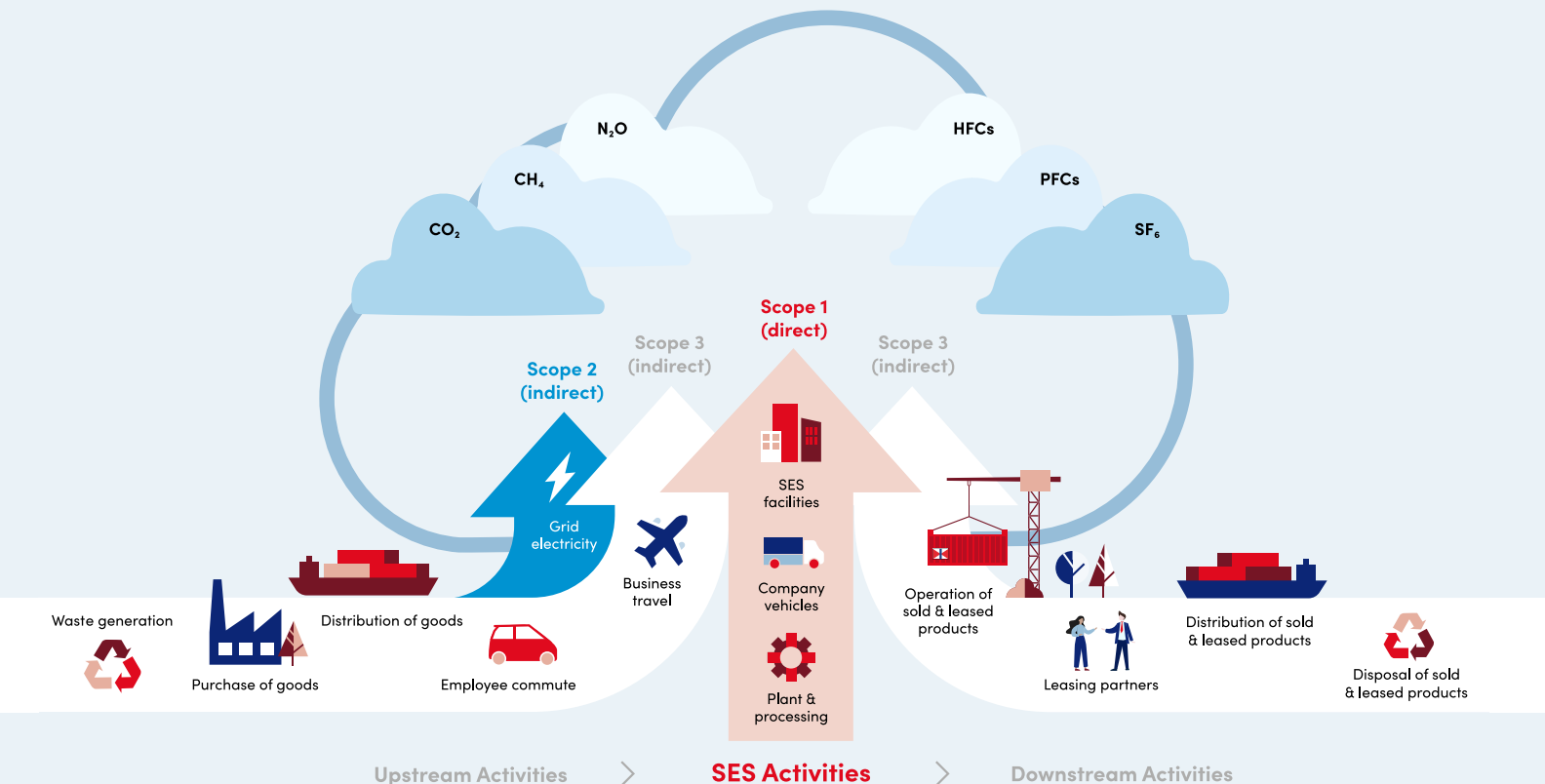
Swire Energy Services recognises that the world needs to act swiftly to reduce carbon emissions to mitigate damaging climate change, and we are committed to doing our part in supporting this through progressive decarbonisation. Therefore, we have developed a comprehensive, science-based decarbonisation strategy to help us achieve our key target of reaching net-zero by 2030.

We have put in place several initiatives and targets as part of our overall strategy and continually track and benchmark progress to gauge the effectiveness of current initiatives, implementing new ones based on emerging risks and opportunities. We have consistently seen a decrease in our emissions each year since the base year, and this demonstrates the effectiveness of our strategy.

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

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

Emissions Value Chain:



Reporting scope of this report:

1 January 2023 to December 2023, unless otherwise stated

Results That Demonstrate Sustainable Progress

In 2023, we successfully reduced our overall emissions intensity by 58% from our 2019 base year. Our ongoing initiatives have been key drivers of our effective emissions reduction efforts:

Scope 1 (59% absolute emissions reduction from 2019 base year):

- Integrating electric forklifts into our fleet to reduce fuel consumption
- Switching to biodiesel, where possible, to lower brown fuel usage
- Implementing automated controls and air source heat pumps to reduce gas consumption
- Site consolidation to enhance energy efficiency
- Automating the blasting and painting processes in key sites to reduce energy consumption

Scope 2 (80% absolute emissions reduction from 2019 base year):

- Switching to renewable electricity tariffs
- Installing solar panels to generate clean energy

Scope 3 (45% absolute emissions reduction from 2019 base year):

- Maintaining a low volume of new fleet purchased by utilising existing assets, which is 10x less carbon-intensive than acquiring new ones
- Improving our maintenance and refurbishment methods to extend the product lifecycle
- Using high-quality materials to create durable products
- Automating the blasting and painting processes in key sites to reduce paint usage and waste
- Transitioning to more sustainable suppliers who share our commitment to sustainable development
- Ensuring our partners follow our operational excellence procedures to increase efficiency and reduce waste
- Reducing air travel to essential trips only
- Training technicians locally to minimise long-haul air travel
- Installing new washing facilities with water recycling capabilities
- Recycling the majority of our waste, with only 4% now going into landfills in locations where waste management infrastructure is limited



A multi-million-pound investment in robotic blast and paint coating technology to drive progress toward our net-zero target.



UK fleet of electric forklifts in Aberdeen

Swire Energy Services highly values integrity, and being transparent and accountable is how we put that into practice.

We have undergone a rigorous annual evaluation by EcoVadis, assessing themes such as Environment, Labour & Human Rights, Ethics, and Sustainable Procurement. We successfully renewed our Silver Medal, placing us in the top 15% of over 130,000 companies evaluated for their sustainability management systems. Additionally, we completed a CDP (Carbon Disclosure Project) evaluation, achieving a C banding, which reflects the comprehensiveness of our analysis of how environmental issues intersect with our business.

Achieving this has required consistent effort from our global team over the past year across Sustainability, HSEQ, HR, Finance, IT, and Operations. It reflects how we uphold our core values of Integrity, Humility, Endeavour, Excellence and Continuity in everything we do.

Although these results are positive, we remain committed to continuous improvement and have identified several clear initiatives to enhance our performance in the next evaluation.





Health & Safety





Swire Energy Services celebrating a decade of lost time injury (LTI) free operations in Brazil.

Overview

As a leading provider of safe, sustainable and reliable solutions for energy operations and logistics worldwide, Swire Energy Services' long-term success relies on consistently delivering high-quality products and services while ensuring no harm to people or the environment.

Our safety culture strives to:

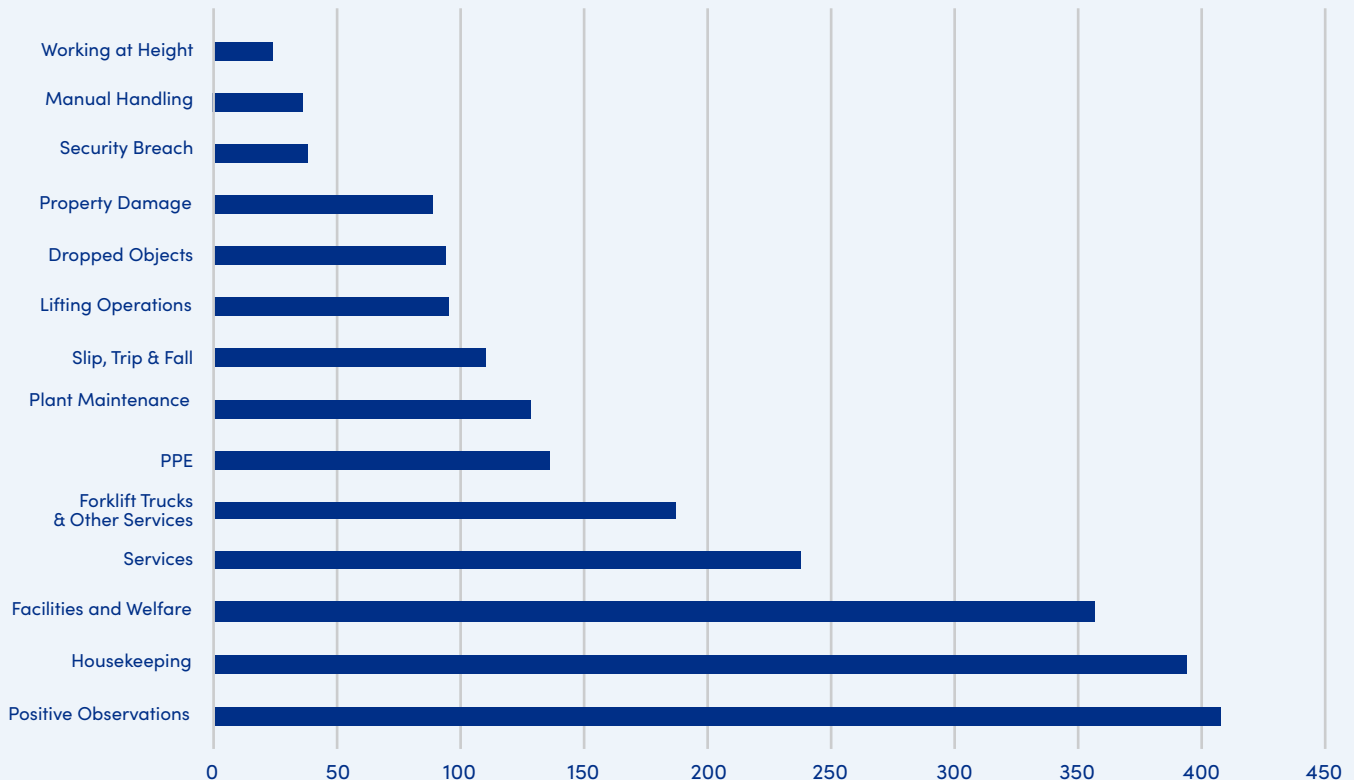
- Continually develop and drive an inclusive safety culture aligned to our core values of Integrity, Humility, Endeavour, Excellence, and Continuity
- Operate in a manner that safeguards the health, safety and security of our employees and those we work with
- Apply an 'Act On What We See' behavioural approach at all times to focus minds through direct actions on injury and incident prevention to support our aim of zero harm
- Give authority to every member of Swire Energy Services to 'Stop Work' if they believe what they observe could cause harm to any person or the environment
- Nurture and continuously develop an engaged workforce that actively participates in the ongoing development of our health and safety culture through a fully inclusive approach
- Ensure all personnel have a good working environment that promotes health and wellbeing



2023 Safety Performance

We have continued to improve on our near miss and safety observations, which is crucial in identifying potential hazards and preventing them from becoming dangerous incidents in the future. By analysing near misses, we are able to understand dangerous trends and put control measures in place that help to prevent recurrences and address issues at the root cause.

2023 Near Misses & Safety Observations Reported



In 2023, there were nine recordable injuries reported, including three lost time injuries. When such serious incidents take place, we immediately issue Safety Alerts so that all of our staff are aware of similar potential risks, which are then monitored closely by the management team in each of our bases to avoid recurrences. Full investigations are then conducted to understand the root cause of the incident so that we can implement corrective actions and preventative measures.



Crucially collaborating as a team to enhance safety.

	2020	2021	2022	2023
LTI (Lost time injuries)	1	1	1	3
TRI (Total recordable injuries)	8	8	5	9
LTI rate	0.23	0.23	0.23	0.69
TRI rate	1.84	1.81	1.14	2.08
Near misses & safety observations	1,159	1,177	2,204	2,357

LTI: Any injury that prevents the employee from being fit to work on their next 'scheduled' shift, as determined by a medical practitioner.

TRI: Any injury resulting in lost time injury, restricted work cases or medical treatment cases.

Rate: Number of injuries per 200,000 worked hours (No. Injuries x 200,000 / Man Hrs)



Safety in Practice

Our company-wide safety non-negotiables help us standardise safety practices across all locations and contribute to creating a more cohesive and safer environment for our people.

Group Level Management System



Our company-wide management system and Operational Excellence guidelines clearly outline best practices within our industry, along with management and employee responsibilities. The management team is responsible for the development and implementation of these practices within their teams and business units. All policies, procedures, guidelines and templates are reviewed regularly to ensure they are fit for purpose.

Monthly Safety Meetings



All monthly safety meetings are chaired by the General Manager of each business unit, or their deputy, to motivate their teams to continuously improve safety. These are aimed at individual business units to help them decide how company-wide best practices and lessons learnt should be implemented and encourage them to address issues that are specific to them.

Health and Safety Training



As part of the employee onboarding process, we verify the training and competence of new hires. Training and competence gaps are continually monitored to ensure all personnel are fully equipped for their roles. Where required, line managers conduct a Verification of Competency to confirm an employee is fully qualified to operate equipment or perform high-risk tasks.

Contractor and Partner Management



We collaborate closely with our contractors and partners to assess their competence, review and mitigate any risks they may bring to our sites, and verify the suitability of their equipment, ensuring the safety of our staff and customers at all times.

Senior Management Behavioural Safety Assessments



Senior Managers are required to complete the Behavioural Safety Assessment questionnaire on a regular basis during site visits. Managers are expected to be balanced in their observations of each safety area. These assessments provide an opportunity to engage with personnel on observations, collectively agree on improvements and recognise positive behaviours.

Safety Incidents Management



We encourage all employees to report near misses, as well as safety critical or positive observations, which contribute to lessons learnt. After serious safety incidents, Safety Alerts are issued company-wide to promptly inform those at similar risk of potential hazards. These are followed by a thorough investigation to identify the root cause and prevent future occurrences.

HSEQ Conferences



Chaired by the VP of Operations & HSEQ, the quarterly Virtual HSEQ Conferences have grown to encompass Safety, Operations, Sustainability and HR themes, promoting strong collaboration throughout the group. These meetings are guided by team members from different business units in rotation, promoting inclusivity and directing attention to the specific challenges encountered within each unit, as well as areas of shared concern and lessons learnt.

Risk Assessments



All our business units are required to identify risks, eliminate hazards, and comply with legal requirements in their operational jurisdictions. Only competent and experienced staff carry out and review risk assessments. These are communicated to all relevant employees at least annually, or whenever a new hazard is identified.



2024 Safety Focus

To help place safety, sustainability and wellbeing at the forefront of our operations, we raise employee awareness each month on the topics most crucial to our business. These initiatives help engage our employees and stimulate discussions, enabling us to learn from each other and from past lessons to drive performance improvements.

Q1 Leadership Focus

- January - Non-negotiable focus and refresh
- February - Behavioural safety assessments & feedback
- March - Training in a new version of 'effective' safety software

Q2 External Influences

- April - External influences on travel, new markets, etc
- May - Supplier, partner and key contractor safety
- June - Change management

Q3 Health and Wellbeing

- July - Mental health awareness & support
- August - Positive work environment
- September - Individual wellbeing

Q4 Sustainability

- October - Sustainability journey
- November - Training and use of sustainability reporting
- December - 2025 sustainability targets & key actions





Benefits Realisation of the UK Operating Base Consolidation Investment

Swire Energy Services successfully consolidated its Aberdeen operational bases to one central location at Hareness Place, Aberdeen, to create a single location for the UK and Aviation business to operate from. The project was undertaken to maximise return from invested assets while minimising fixed assets and deliver operational and sustainability efficiencies for Swire Energy Services and our Stakeholders.

Improvements in safety were a key benefit of the base consolidation. This was achieved through a design that minimises pedestrian and vehicle interactions—one of the greatest safety risks on site. Bringing the entire team together on one site also helps standardise the approach to employee safety, further reducing risks.

This key strategy has helped to:

- Improve safety
- Create significant emission reductions
- Optimise the utilisation of resources
- Enhance efficiencies and reduce costs

During Q1 2023, the Sea Gate House office building opened, and the UK Aviation team moved on site allowing office personnel, Operations, and Aviation Services to work more closely together, which has allowed for more efficient communication and collaboration.

From an emissions savings perspective, we have seen a 22% decrease in Scope 1 emissions in the UK in 2023 compared to 2022. This has been a direct result of the reduction in natural gas and diesel consumption due to sharing of site utilities and equipment such as forklifts.

Gary Lindsay,

UK General Manager shared:

“The safe and timely consolidation of our operational footprint has resulted in several efficiencies. Integrating container rental and refurbishment operations with our Aviation service line has enabled the sharing of yard, office space, and equipment, such as electric forklifts. This has allowed the UK to optimise operations, reduce emissions, and lower overheads. Our primary objective with this project has been to achieve long-term environmental and financial sustainability through these initiatives.”

Following the successful consolidation in Aberdeen, our Peterhead site relocated to the quayside at the end of 2023, which has strengthened customer relationships, reduced transport journeys, and improved availability of equipment and services.





People



Overview



Our goal is to be an Employer of Choice by fostering a respectful, supportive, diverse, and inclusive environment, where all employees have the resources they need to excel in their roles.

We are committed to various initiatives to help our people thrive at and outside of work:

Diversity & Inclusion



Swire Energy Services is an equal opportunities employer. As our business grows, we believe in equal opportunities for all our employees and recognise the importance of diversity and inclusion and the positive impacts it has on our company. We believe that everyone deserves to be treated with respect and dignity. To uphold this standard, we maintain a company-wide Code of Ethics, which we regularly communicate and expect all employees to adhere to. It is our policy to provide an environment free from any form of discrimination against our employees. Our employees are also free to join external representative organisations and unions under the Freedom of Association.

Apprenticeships



Investing in apprentices supports the long-term success of the business, addresses the skills shortage, and benefits local communities. We've found that not only do our apprentices and the business gain from the programme, but our experienced employees also feel empowered by sharing their knowledge and expertise. This approach aligns with our succession planning strategy, ensuring long-term business continuity.

Recognition and Reward



We recognise our employees for their commitment, performance, and loyalty. Awards are given to those who go above and beyond in areas such as Swire Core Values, Health and Safety, Environment, Quality, and Customer Care Excellence. Additionally, milestone awards are presented to employees celebrating 5, 10, 15, 20 years, and beyond with us.

Engaged Workforce



We strive to maintain an engaged, motivated and cohesive workforce. As part of this commitment, we introduced the Employee Satisfaction Survey and the Employee Wellbeing Survey, both taking place twice a year. These surveys are an important tool to help us measure employee satisfaction and wellbeing and ensure our employees' voice is being heard in a safe way, allowing us to continually make improvements based on the direct feedback we receive. The real benefit of these surveys come over time when we can see trends and identify the most important areas for improvement.

Health & Wellbeing

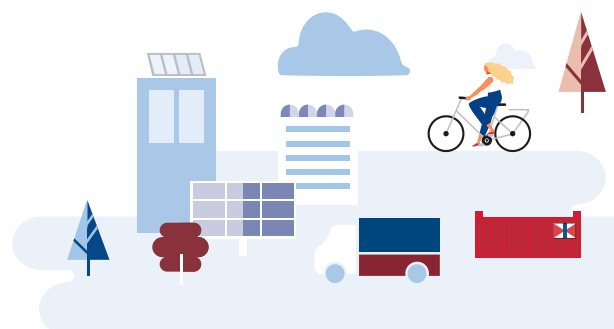


We believe in the importance of supporting our staff's health and wellbeing, which in turn fosters an engaged and productive workforce. We promote awareness of mental and physical health through initiatives and regular communication, and provide various resources and information to help enhance our employees' overall wellbeing.

Investment in Human Capital

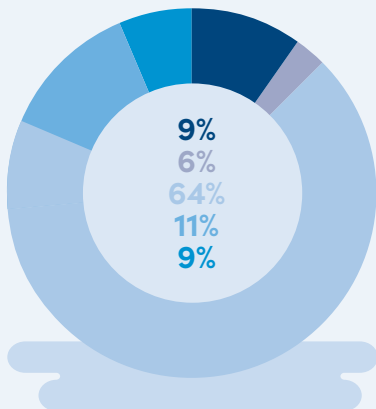


We aim to create an environment where everyone feels comfortable and can fully realise their potential. Our recruitment and promotion processes are based on merit, and we offer a variety of development opportunities, including apprenticeships, on-the-job training, cross-functional training, mentoring, and coaching. Developing our people to reach their full potential is a continuous commitment from our company.

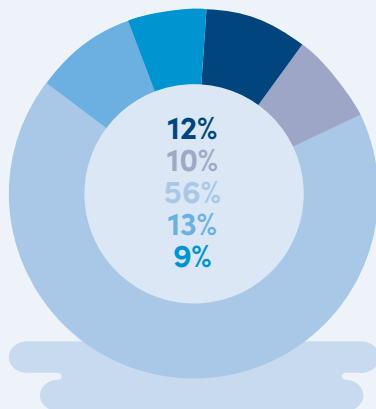




Workforce



Leaders



Nationalities

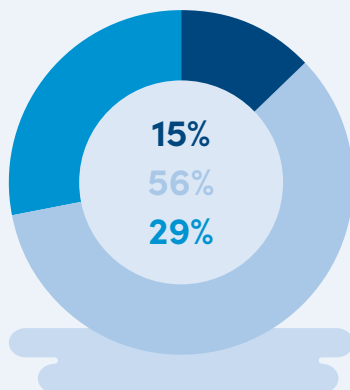
Our workforce is made up of individuals from 18 different nationalities across five continents. This diverse range of nationalities and cultural backgrounds is reflected not only in our employee base but also within our leadership team.

Legend: Africa (dark blue), Asia (grey), Europe (light blue), North America (medium blue), South America (dark blue)

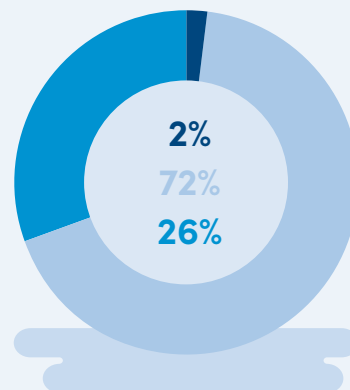
Age Groups

A significant portion of our workforce and leadership belong to the 30-50 age bracket. However, we have continued to see a steady influx of younger talent (<30 age group) into our company, with 35% of new hires over the past 24 months being under 30 years old. The wide range of experience across all our employees is crucial to guiding, nurturing, and continuously developing the workforce at Swire Energy Services.

Workforce



Leaders



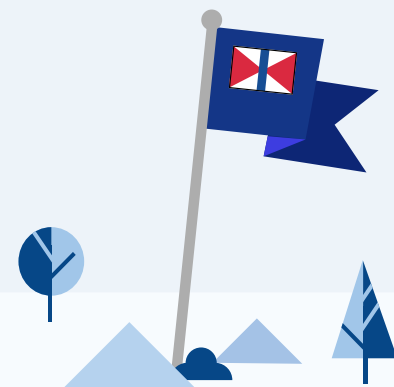
Legend: <30 (dark blue), 30-50 (light blue), >50 (medium blue)

▶ **57%**
of our staff have worked with us between 5-38 years, the average tenure being 8 years

▶ **29%**
have been with us between 1-4 years

▶ **14%**
have joined in the last year

▶ Employee retention is in line with the industry average





Supporting Employee Wellbeing at Work

As part of our commitment to fostering an engaged workforce and a safe working environment, we launched an Employee Wellbeing Survey in 2023. The purpose of this survey is to gain a clear understanding of employee wellness and identify any gaps in employee wellbeing.

The Employee Wellbeing Survey measures how employees are feeling in four categories: Happiness, Relationships, Personal Motivators and Company Motivators.

Employees can choose from the following response options: Strongly Disagree, Disagree, Somewhat Disagree, Somewhat Agree, Agree and Strongly Agree. Employees are additionally able to submit comments if they choose to do so.

We are conducting these surveys twice annually and all feedback is fully anonymous to gain more honest feedback.

We ensure that all feedback is reviewed and discussed by senior management, and any resulting improvements are communicated to employees during company-wide and local Town Halls.

Some examples of improvements resulting from feedback include enhanced recognition awards, face-to-face feedback sessions, and the introduction of development plans as part of employees' career progression.

Our employees' feedback is invaluable in shaping our company culture and truly allows us to become an Employer of Choice through tangible action.



Swire Energy Services commercial and customer-facing team in the UK



Swire Energy Services reaches 4,000 days lost time injury (LTI) free in Nigeria



Operations staff at Swire Energy Services in Nigeria



Climate





2023 Emissions Performance Overview

Swire Energy Services has continued to make exceptional progress in 2023 in significantly reducing our emissions.

In line with our commitment to achieving net-zero carbon emissions by 2030, and a target of a 65% reduction from our 2019 base year, we have achieved a 58% emissions intensity reduction from the base year and an 8% emissions intensity reduction from 2022.

Our 2023 emissions intensity target was 47 tCO₂e per £M revenue, and we achieved a reduction to 45 tCO₂e per £M revenue, despite an 8% growth in revenue from 2022. This was due to the business growing more than was previously anticipated when the targets were set during base year strategy.

We've analysed our performance for 2023 and used the current revenue projections and expected business growth as the metric for forecasting emissions performance. Based on this, we have set a target of 60% intensity reduction (5167 tCO₂e) in 2024 and a 65% intensity reduction (5093 tCO₂e) in 2025.

Our total absolute emissions fell to 4759 tCO₂e in 2023, a 52% reduction from our 2019 base year and 4% from 2022. However, we fell slightly short of meeting our absolute emissions target for 2023, which was set at 4454 tCO₂e. This was due to the business growing more than was previously anticipated when the targets were set.

To ensure we meet our annual objectives, each of our business units has their own individual emission targets and initiatives with quarterly performance tracking.

Our performance from Q1 to Q3 in 2024 shows we are on track to meet our annual target, currently exceeding the target by 8%.





	2019A	2020A	2021A	2022A	2023A	2024T	2025T
Scope 1 (tCO₂e)	3130	2389	2157	1,604	1271	1370	1350
Scope 2 (tCO₂e)	896	731	661	494	181	184	181
Scope 3 (tCO₂e)	5992	4788	3572	3,124	3307	3613	3561
Absolute Emissions Total (tCO ₂ e)	10018	7908	6390	5,217	4759	5167	5093
Emissions Intensity (tCO ₂ e / £M Revenue)	107	93	78	53	45	43	37
Emissions Intensity Reduction from Base Year (%)	N/A	-13%	-27%	-50%	-58%	-60%	-65%

A - Actual T - Target

Scope 1

The 2023 target for Scope 1 emissions was set at 2025 tCO₂e, with actual emissions landing at 1271 tCO₂e. This represents a 59% reduction from the 2019 base year and a 21% reduction from 2022, primarily due to natural gas savings from consolidating UK operations and the introduction of EV forklifts in Norway.

We are on track to exceed our 2025 target (set in the 2019 strategy) of a 50% reduction, with a 57% reduction currently forecasted. This is supported by the UK's move to a Green Gas Tariff and also the US now using fuel with a ratio of biodiesel and bioethanol blend that will contribute to a significant reduction in absolute emissions for Scope 1.

Scope 3

The 2023 target for Scope 3 emissions was set at 1862 tCO₂e; however, actual emissions reached 3307 tCO₂e, primarily due to board-approved unbudgeted transfers to the MENA region to optimise fleet utilisation. Overall, emissions have decreased by 45% compared to the 2019 base year, though there was a 6% increase from 2022. This rise is driven by higher transport emissions from increased shipping, asset disposals, refurbishments (27% more than in 2022), and air travel for aviation technicians. New build projects remained consistent with 2022 levels and are expected to be maintained in 2024.

We expect to see a further 9% increase in 2024 compared to 2023 based on refurbishments and transfer increases. However, supporting growth through use of the existing fleet is the most sustainable option (10x less carbon intense than purchasing new fleet).

We set a target of 50% reduction by 2025 (in the 2019 strategy), however, we have forecasted to get the reduction down to 41% due to the significant increase in activities to support revenue growth. While we make great progress within key service lines in our business and find ways to work more effectively to reduce our carbon footprint through our initiatives, it is inevitable that reaching net-zero will be impossible without an element of carbon offsetting for residual emissions that are difficult to fully eliminate.

Scope 2

The 2023 target for Scope 2 emissions was set at 566 tCO₂e, with actual emissions achieving 181 tCO₂e. This marks an 80% reduction from the 2019 base year and a 63% reduction from 2022. These significant reductions are attributed to purchasing renewable electricity in the UK and Norway, as well as generating renewable electricity through Swire Energy Services' solar projects in the USA and Brazil.

We have already surpassed our target of 50% reduction by 2025 (set in 2019 strategy) with an 80% reduction achieved in 2023. While we are exploring the option of mobile solar panels for USA, we do not see further reductions to Scope 2 taking place in 2024. Additionally, based on an expected increase in refurbishments, we have set a realistic and achievable target of 184 tCO₂e for 2024 (>79% from base year).



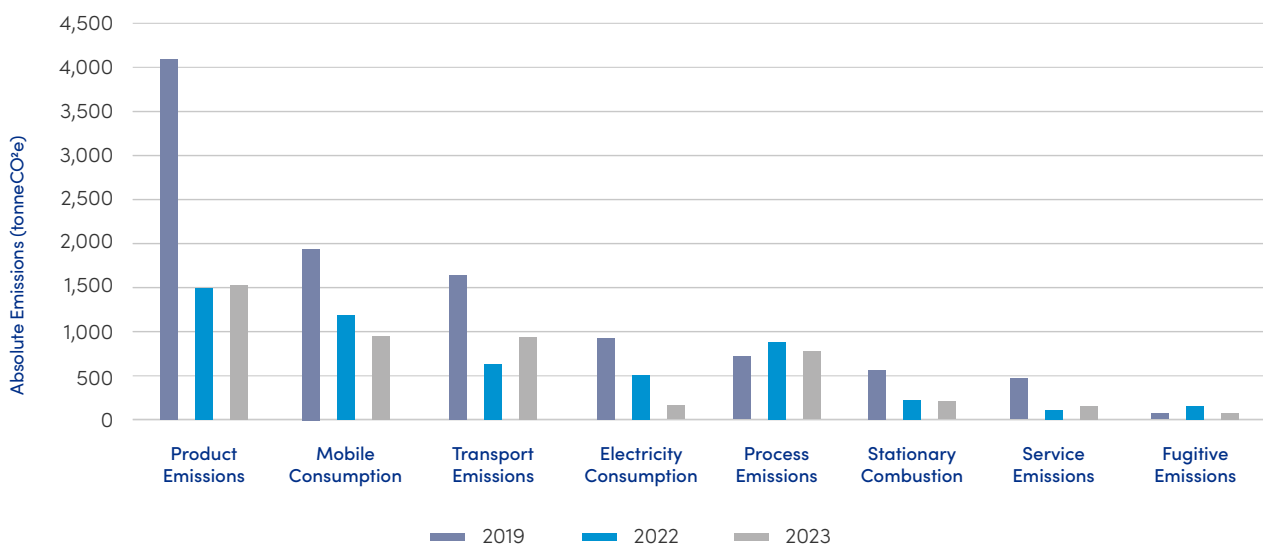
Emission Sources

Product emissions continue to be the single largest source at 32%, followed by mobile consumption (21%), transport emissions (19%), process emissions (15%), stationary combustion (5%), electricity consumption (4%), service emissions (3%) and fugitive emissions (1%).

Scope	Emission Type	Total 2023 CO ₂ e Emissions (tCO ₂ e)	% of Overall Emissions in 2023
Scope 1 Direct Emissions	Mobile Consumption - Vehicle Fuel	976	21%
	Stationary Combustion - Boiler & Generators Fuel	229	5%
	Fugitive Emissions - Refrigeration Leaks	66	1%
Scope 2 Indirect Emissions	Electricity Consumption - Grid Electricity	181	4%
Scope 3 Indirect Emissions (upstream and downstream)	Product Emissions - New Products (fleet & sales), Agents & Leasing Partners, & Fleet Disposal	1,540	32%
	Process Emissions - Maintenance Materials	711	15%
	Transport Emissions - Business Travel	498	10%
	Transport Emissions - Local/International Freight	425	9%
	Service Emissions - Waste Disposal	133	3%

In 2023, emissions across all sources decreased compared to 2022, except for Product, Transport and Service. This is due to a strategic focus on maximising the utilisation of the existing fleet through refurbishments, modifications, and transfers.

Emission by Source



Summary of Terms:

Scope 1. Mobile - Vehicle Fuel; Stationary - Boiler & Generators Fuel; Fugitive - Refrigeration Leaks

Scope 2. Electricity - Grid Electricity

Scope 3. Product - New Products (fleet & sales), Agents & Leasing Partners, & Fleet Disposal; Processing - Maintenance Materials; Transport - Freight & Business Travel; Service - Waste Disposal



Emissions Source

2023 vs 2022 Emissions Performance Review

Product Emissions (Scope 3)

A 2% increase in product emissions was recorded in 2023. While activity for new products (fleet and sales), refurbishments, and transport by agents and leasing partners remained consistent with 2022, a significant increase in recycling (fleet disposal) in 2023 contributed to this rise, as some of our old fleet became obsolete. Although our containers are 100% recyclable, emissions from recycling steel via third parties still impact our overall emissions.

We will continue to minimise the volume of new fleet purchases by maximising the use of existing fleet and will work closely with key partners in each region to achieve more accurate data collection. Additionally, we are exploring the opportunity for carbon-neutral containers by reducing the weight of sales unit designs and engaging with our suppliers and manufacturers to adopt more sustainable designs and material sourcing.

Mobile Consumption (Scope 1)

We achieved a 20% decrease in our emissions from mobile consumption. This was largely driven by continued savings from the UK and Norway EV forklifts, and also due to the switch to bio diesel and bio ethanol for forklifts and fleet within our USA, UK and Norway operations. Moving forward, as we continue fleet electrification and trial HVO fuel for remote areas, we anticipate further emissions reductions in this area in the upcoming years.

Transport Emissions (Scope 3)

A 46% increase in transport emissions occurred in 2023. This was due to increased transfer activity between our bases as we focus on using existing fleet, which is considerably less carbon-intensive than purchasing new fleet. Another factor in the increase in transport emissions was the growth in our Aviation division, which required our Aviation technicians and inspectors to travel more frequently to our customers' overseas assets for inspections, maintenance, and installation work.

We have been heavily focusing on training Aviation technicians and inspectors locally in countries such as the USA, the Middle East and Brazil, reducing the need for long-haul travel by our UK staff. Over the coming years, we also aim to work with our customers and transport suppliers to switch to contracts that guarantee the use of greener fuels in air, road, and water transportation.

Electricity Consumption (Scope 2)

The biggest reduction we see is in electricity emissions, with a 63% decrease achieved in 2023. This is due to the benefits of the solar PV systems in the USA and Brazil, switching to a green tariff in the UK, along with savings from the consolidation of operations related to electricity and the automated refurbishment process. The remaining portion is spread across several smaller business units where it is currently cost-prohibitive to invest in renewable installation projects. It is likely that purchasing unbundled iRECs will be the most practical solution in the medium term.

Process Emissions (Scope 3)

We successfully reduced our process emissions by 16%. Within our Scope 3 emissions, this is the only area where we see an emissions reduction. This is mainly due to the impact of the automated refurbishment process on material consumption in our biggest bases, UK and Norway. We continue to work with our customers globally to work on reducing the requirement for sling replacements at set intervals or following minor repairs, and also ask our suppliers to provide us with more sustainably sourced raw materials, such as recycled steel.

Stationary Combustion (Scope 1)

A 17% reduction in emissions from stationary combustion was achieved, and this is due to the savings on natural gas from the UK site consolidation. We will see further significant savings on gas emissions in the future as we switch to a green gas contract in the UK at the end of 2024. Our Norway operations also continue to check for the availability of biogas and plan to make that switch over the next few years.

Service Emissions (Scope 3)

We saw an 11% increase in our service emissions in 2023 compared to 2022, which was driven by an increase in refurbishment activity. The majority of the emissions in this category come from liquid chemical waste, and we will continue to find leaner ways of working so that we not only use fewer natural resources in the refurbishment process but also generate less waste in the process.

Swire Energy Services also continues to pursue the ambition of zero waste to landfill. 2023 data shows that we successfully met the target of only 4% of waste going to landfill across the business. This was predominantly due to all remaining dry waste in the UK now going to energy recovery. While the majority of our locations have recycling capabilities, the challenge remains in Africa and the USA, where waste management infrastructure is limited. However, we will continue to work with our waste management suppliers in these locations to see if better options become available in the future, with countries increasing their focus on sustainable development.

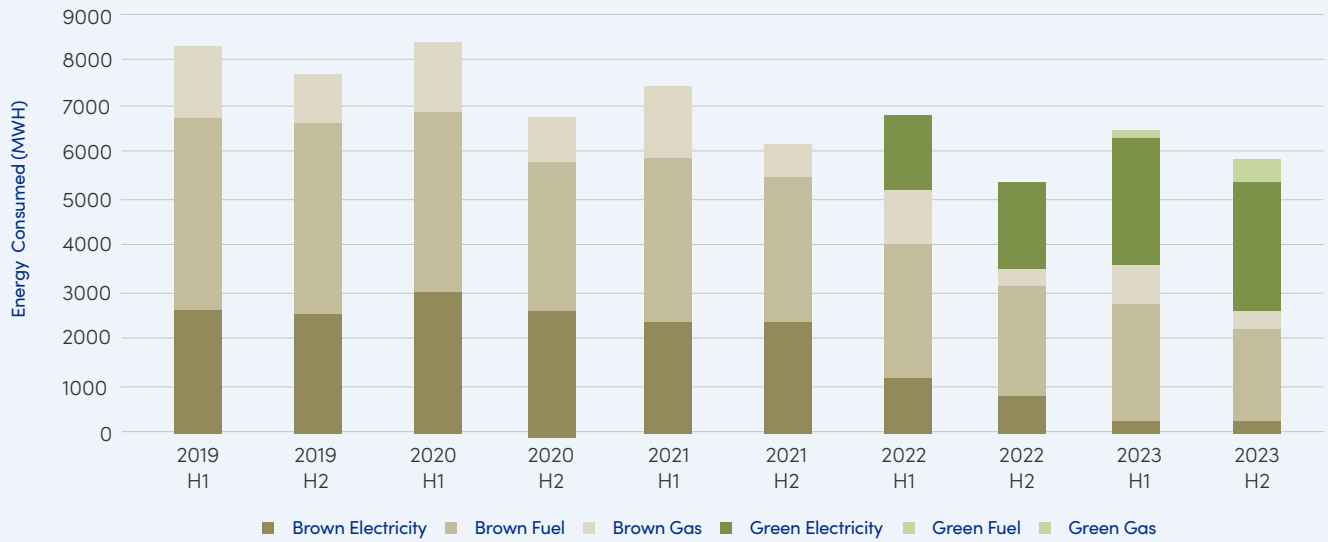
Fugitive Emissions (Scope 1)

Improved preventative maintenance of freezer containers in Norway has enabled us to decrease our fugitive emissions by 40% in 2023. In order to further decrease these emissions, we are looking to replace freezer containers with standard-size alternatives, i.e., 10' reefer containers, in the upcoming years, which are guaranteed to work more efficiently.



Move to Renewable Energy

Swire Energy Services has been successful in decarbonising its overall energy usage, which now stands at 47% renewable. We are also seeing a further increase in the move to renewable energy in 2024. This is due to the shift to biodiesel and bioethanol blends in the USA, which will be reflected in the 2024 report. The USA accounted for 60% of the total brown fuel consumption within Swire Energy Services in 2023, so the move to greener fuels will have a significant impact on the shift to renewable fuels.



Internal Carbon Pricing

In 2024, we introduced internal carbon pricing to guide decision-making and emphasise low-carbon investments. Internal Carbon Pricing (ICP) assigns a cost to the carbon emissions we generate and mitigate, helping to highlight their impact to decision makers, steer investments towards less carbon-intensive solutions, and integrate decarbonisation into our business strategy. Set at \$100 per tonne of CO₂e, this shadow price is applied to Scope 1 and 2 emissions. It also helps evaluate the potential effects of external carbon pricing on projects, business models, and investments, revealing hidden risks in upcoming changes.

Water Neutrality Directive

Swire Energy Services has implemented several water reduction initiatives, and we aim to establish water reduction targets in line with the John Swire & Sons water neutrality directive. Our goal is to balance the water we use or consume with the amount we restore or replenish, either through our own efforts or by investing in projects that enhance freshwater supply and reduce water usage.



A solar photovoltaic system atop the Swire Energy Services' facility in Houma, Louisiana



Carbon Emissions Initiatives, Reduction Progress and Future Targets

Emissions Source	Summary of Initiatives	Owner	2023 Actual Reduction or Increase from Base Year (%)	2025 Reduction Target from Base Year (%)
Scope 1				
Stationary Combustion	Reuse excess heat from air compressors	UK	59% decrease	50%
	Reduce gas consumption by exploring switch to electrically powered equipment	Norway, UK		
	Switch to a green gas contract in Q4 2024	UK		
	Check availability of biogas and switch once available	Norway		
Mobile Consumption	Continue to replace owned or leased cars, vans or forklifts with EVs	UK, Norway, USA, Brazil	48% decrease	50%
	Continue to trial HVO fuel in conventional forklifts and switch where possible	UK, Norway		
	Explore using public mains to reduce reliance on diesel generators	Angola		
Fugitive Emissions	Continue to investigate freezer container improvements and preventative maintenance	Norway	32% increase	50%
	Replace freezers as necessary with standard size alternatives	Norway		
Scope 2				
Electricity Consumption	Purchase iRECs (origin guarantees) to offset remaining emissions in smaller business units where renewable electricity is not available	SSA, MENA, SEA	80% decrease	50%
	Explore the option of mobile solar panels to further reduce reliance on electricity from the grid	USA		
Scope 3				
Product Emissions	Continue to maintain low volume of new fleet purchased by utilising existing fleet, i.e. modification, transfer, refurbishment	Fleet	62% decrease	90%
	Explore the opportunity for carbon neutral containers	Supply Chain		
	Reduce weight of sales unit design and engage with our manufacturers and suppliers to encourage them to switch to more sustainable designs and raw materials	Supply Chain		
	Continue to work with key partners within each region to achieve more accurate data collection	MENA, SEA		
Process Emissions	Reduce the requirement for sling replacement at set intervals or following minor repairs	MENA, USA	4% increase	25%
	Explore the opportunity for carbon neutral containers	Supply Chain		
	Reduce weight of sales unit design and engage with our manufacturers and suppliers to encourage them to switch to more sustainable designs and raw materials	Supply Chain		
Transport Emissions	Continue to work with domestic road transport suppliers and customers to enable move to the use of greener fuels	UK, Norway	44% decrease	58%
	Review sea freight suppliers' sustainability initiatives to understand impact on emissions	Supply Chain		
	Limit air travel to essential trips only where there is no practical alternative, i.e. rail, road.	All		
	Train local Aviation technicians to avoid frequent long haul air travel	Aviation Services		
Service Emissions	Investigate better methods of working by which we generate less hazardous waste	All	72% decrease	50%
	Improve waste management by moving to a provider with more recycling capabilities	SSA, USA		
	Explore adding waste incineration capabilities onsite	USA		

■ Target surpassed
 ■ Target in progress
 ■ Behind target

Operational Efficiencies that Create Sustainability



Our vision is to be the easiest company to work with. One way we achieve this is by helping our customers reduce their carbon footprint through operational efficiencies.

We continue to look for ways to make our designs, products and services more sustainable and have implemented various improvements through our Operational Excellence programme over the years in line with this commitment.

We have carried out a Life Cycle Assessment of our fleet as part of our ongoing focus on maintaining our existing fleet, which is 10x less carbon-intensive than purchasing new. We will continue driving improvements to enhance operational efficiency, extend the lifecycle of our fleet, and reduce the consumption of raw materials.

Offshore Containers

Automated Blasting & Painting

£4m invested in the installation of two new leading-edge robotic blast and paint coating installations in our biggest bases, UK and Norway. This has helped to reduce energy and paint consumption, produce less waste, improve precision and extend the operating life of the fleet.

Recycled Steel and Fleet Recycling

New build units for both sales and capex now contain approximately 10-20% recycled steel from our key suppliers. As all our fleet is made from steel, it remains recyclable and reusable once units become obsolete. This allows our customers to significantly reduce their landfill waste when purchasing our products.

Single Coat Paint System

In 2020, we implemented a global change, switching from a two-coat paint system to a single-coat system with higher volume solids. This adjustment resulted in a reduction in paint usage, as the increased volume solids led to less evaporation of paint into the atmosphere.

Equipment Modifications

Repurposing of available equipment to improve utilisation figures rather than building new or transferring equipment. These modifications focus on recycling existing materials from the base unit where possible.

Hot Dip Galvanising (H.D.G)

Where possible, new units for our fleet are galvanised (e.g., 600 recent mud skips for Norway) rather than painted. Hot-Dip Galvanising (H.D.G.) provides a protective coating that ensures the asset's longevity for 30+ years, whereas painted assets require full refurbishment every 10+ years.

Fleet Transfers

Prior to the approval of any international equipment transfers, in-depth global and regional analysis is performed to ensure there are no alternative methods, such as in-country asset modifications. Transfers are typically the better option compared to new builds from an emissions perspective.

Supply Chain

Contract renewal decisions with our suppliers are now also heavily influenced by how committed they are to sustainable development. A recent example of this is awarding a long-term contract to a transport supplier who has committed to using bio diesel in their transportation.

Modular Cargo Basket (MCB)

We designed and built the first modular cargo basket in the market, whereby a single 71ft cargo basket can be reassembled to create a total of five different length configurations. This means less fleet is required to support multiple operations.



Aviation Services

As our Aviation division continues to grow, we have seen a 31% increase in revenue in 2023 compared to 2022. The biggest challenge remains in achieving a reduction in air travel emissions from the mobilisation and demobilisation of UK and Norway technicians to our customers' overseas assets. Air travel accounts for approximately 74% of the overall emissions within our Aviation business. However, we have put a strategy in place to help us work more efficiently while also reducing the heavy emissions impact from air travel.



Training Local Aviation Technicians

The Aviation division has successfully trained technicians in key locations such as the USA, Middle East and Brazil. This initiative is crucial for Swire Energy Services, as it significantly reduces the need for long-haul air travel by having locally available technicians.



Remote Troubleshooting

Our technical team has the capacity to perform multiple troubleshooting remotely on helideck systems, if needed. We can then ship spare parts to rectify the issue and in many cases remotely verify correct functionality. This has helped in reducing needless trips offshore where issues can be resolved remotely.



Spare Part Sales

Spare part sales form a significant part of our Aviation business, currently supported by the UK and Norway. However, we plan to open a distribution channel in the USA in 2025. This expansion will reduce lead times for customers in the USA, Brazil, and the Caribbean, and will also contribute to a decrease in shipping and air transport within the growing North and South American markets.



Aviation Refuelling System

We also ensure that our refuelling systems are built to the highest standards and specifications so that they perform and last as long as feasible, and so that the individual parts can be recycled and reused. We have recently developed a comprehensive Helicopter Refuelling System refurbishment programme, which can extend an existing system's life beyond 20 years, delaying the need to procure a new system. High-quality materials, such as stainless steel, are used in our refuelling systems to prolong their life expectancy in maritime environments, where corrosion is a high risk. The high quantity of steel in our refuelling systems ensures a high number of recyclable parts once units become obsolete. All electrical parts used in these systems are standard industrial equipment with corresponding recycling options and contain standard electrical markings for correct disposal and recycling. Refuelling systems are also fully compatible with Sustainable Aviation Fuel (SAF), provided the correct fuel filters are installed, for when customers look to switch to SAF.



One-Stop (Combined) Services

Swire Energy Services offers maintenance, inspection, testing, and certification for helicopter refuelling systems and helidecks, as well as helideck auditing and friction testing. By training technicians to perform multiple services, the Aviation division aims to combine service lines and scopes into single visits. This approach reduces the need for multiple visits to the same assets, provides a more comprehensive service during each visit, and helps to reduce long-haul air travel.



Corporate Governance





Overview

Swire Energy Services is dedicated to upholding the highest ethical standards in all aspects of business activities, and the core principles of our commitment are outlined within our Code of Ethics. Key principles of this code include:

Money Laundering

We take a proactive approach to prevent money laundering, making illicit funds look legitimate, and observe all rules on that subject and cooperate with authorities.

Gifts and Entertainment

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

Facilitation Payments

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

Conflicts of Interest

We refuse to compromise the company's interests for personal gain and avoid actions that could harm our reputation or raise doubts about our integrity.

Bribery and Corruption

We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity wherever we operate.

Modern Slavery

We have a zero-tolerance approach to modern slavery and are committed to implementing effective controls to ensure it does not take place anywhere in our own business or supply chains.

Sustainable Procurement

We see sustainable procurement as an opportunity to create value by driving innovation and responsibly managing environmental and social risks inherent in our supply chains.

Competition and Anti-Trust

We are committed to complying with all applicable competition and anti-trust laws to which our businesses are subject to.

Whistleblowing Scheme

We encourage our employees and third parties to report improprieties relating to our business activities through the central e-mail address: ethics@swirees.com.

Diversity, Inclusion and Respect in the Workplace

We foster an inclusive and supportive workplace for everyone, regardless of their diverse backgrounds or beliefs.

Number of corruption incidents	0
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Fines, legal actions or public controversies	0
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Number of information security incidents	0
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Number of reports related to whistle-blower procedure	0
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Putting Principles to Practice

Swire Energy Services is part of the John Swire & Sons Group, founded in 1816 and now employing over 130,000 people globally. For over 200 years, the group has been recognised for its responsible and ethical actions alongside commercial success. Our reputation for fairness and integrity is a valuable asset, built on strong governance standards.

We maintain a global governance framework through our company-wide management system which is based on governance directives from the John Swire & Sons Group and its effectiveness is monitored regularly by our board of directors. This is especially important as we have expanded our business through two key acquisitions in recent years and having good governance practices enables all stakeholders to work strategically and cohesively to achieve our joint goals.

Our management system is based on the following key pillars and all ESG-related matters are handled by individual departments with oversight from our executive committee team:



Investment



Corporate
Governance



Human
Resources



Financial
Resources



Fleet
Management



Commercial /
Marketing



Supply
Chain



Operational
Excellence



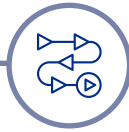
Health &
Safety



Sustainability



IT & Digital



Operational Excellence Programme, Procedures and Guidelines

All business units implement the same universal controls and processes through our dedicated Operational Excellence programme, procedures, and guidelines. This helps in adhering to internationally recognised standards such as ISO 9001, 45001, and 14001; COMAH; DNV 2.7-1 and 2.7-2; LEEA; LOLER; NACE Level II; CAA CAP 437; and NORSOK, ultimately ensuring a safe, consistent, and reliable service globally.



Policies

Our company-wide policies have been developed in line with the highest standards of legislation and best practice guidelines as the benchmark for our global operations.



Performance Drivers

All business units and functions manage their annual targets using a standardised approach to drive strategic goals aligned with the company's vision, mission, strategy, and objectives. These targets are supported by key performance indicators, reviewed monthly during Business Performance Reviews to monitor progress, assess performance, and guide data-driven decisions. Regular structured meetings across the business address process performance, product and service conformity, resource adequacy, risks, legislative updates, audits, feedback, and supplier performance. Outcomes are communicated to relevant employees to set expectations, plans, and timelines, ensuring alignment with our goals.



Town Halls

Our CEO and General Managers hold regular Town Hall meetings to communicate business performance and major changes, either company-wide or within individual business units. These meetings recognise the collective hard work that has contributed to achieving key milestones and outline future objectives.



Risk Management

The Enterprise Risk Register is essential for identifying and managing key risks and opportunities within the business. New and emerging risks, as well as opportunities arising from acquisitions, business changes, and investments, are identified through a SWOT analysis. These are reviewed regularly by the Risk Committee, with any changes communicated to key stakeholders, informing the strategic objectives outlined in the business's strategic plan.



Business Continuity

Our Business Continuity Plan provides a framework to proactively enhance the company's resilience against disruptions that may hinder its ability to deliver key products and services. This approach minimises potential impacts on the business and shareholders, ensuring stability and continuity.



Training & Development

We establish the competence levels of employees, benchmark this against pre-determined competence requirements, and where applicable implement development plans. Training needs are assessed by line managers at the beginning of employment, at regular intervals during performance reviews or after a change in role. Where training gaps are identified, we invest in ensuring our staff are given the knowledge and skills to do their best at work.



Data Protection

Our dedicated IT Department has established robust systems to ensure effective cyber defence, safeguarding the confidentiality and integrity of personal data for employees, customers, suppliers, and third parties. This responsibility is taken seriously at all times. Proper and lawful treatment of personal data is essential for maintaining confidence in our organisation and enabling successful business operations. We expect all personnel to follow our data protection policies and guidelines. All personal data is stored in compliance with the Data Protection Act, 2018."



Management of Change

Proposed changes likely to impact the organisation's strategic aims are managed through our company's Management of Change framework, which is designed to manage intended changes and mitigate the consequences of unforeseen changes. This includes identifying the intended purpose of the change, potential consequences of the changes, how these will impact on the achievement of strategic aims, resource requirements to support the changes and where applicable the allocation/ reallocation of roles and responsibilities.





Engaging with our Stakeholders

Engaging with our key stakeholders is crucial in ensuring alignment between all parties that either impact our business or are impacted by us. With input from our stakeholders, we can ensure safe and stable working relationships and conditions for all parties involved.

Employees



Our employees are our most important asset, and our priority is to provide a safe working environment where all employees are treated equally. We achieve this through robust safe systems of work, development opportunities, and incentives, continually striving to cultivate a positive work atmosphere with open lines of communication and no retaliation for any employee voicing their concerns.

Suppliers



We strive to operate transparently and consistently when procuring goods or services, respecting local laws and customary practices. While our systems evaluate and approve suppliers based on their commitment to HSEQ and Sustainability, we also acknowledge the mutual dependence for achieving successful outcomes. We engage with suppliers in line with the same Code of Ethics principles we expect them to uphold, fostering reliable and trustworthy partnerships.

Authorities and Regulatory Bodies



Authorities expect our company to comply with all relevant laws and regulations. We ensure this by implementing clear policies and guidelines that are regularly monitored. Additionally, we collaborate with regulatory bodies responsible for setting internationally recognised standards and regulations and participate in their scheduled audits to maintain compliance.

Shareholders



As shareholders increasingly prioritise investments that deliver financial returns while advancing sustainable development, our projects focus on respecting human rights, upholding fair labour practices and resource maximisation.

Board



While our board wants the company to be profitable, they also want the company to operate in accordance with local laws and regulations. Our company's governance frameworks help in achieving this. Through regular meetings with our Board of Directors, we are able to monitor the effectiveness of our systems and also able to align our practices with the long term aims of the John Swire & Sons group.

Customers



Our customers expect us to work in a safe and ethical manner with zero harm to people and the environment. Our customers' needs and expectations are largely monitored by our commercial teams through regular engagement with customers. Customer satisfaction and feedback are a very important aspect of our continual development in relation to our commercial aims and objectives.

Local Community

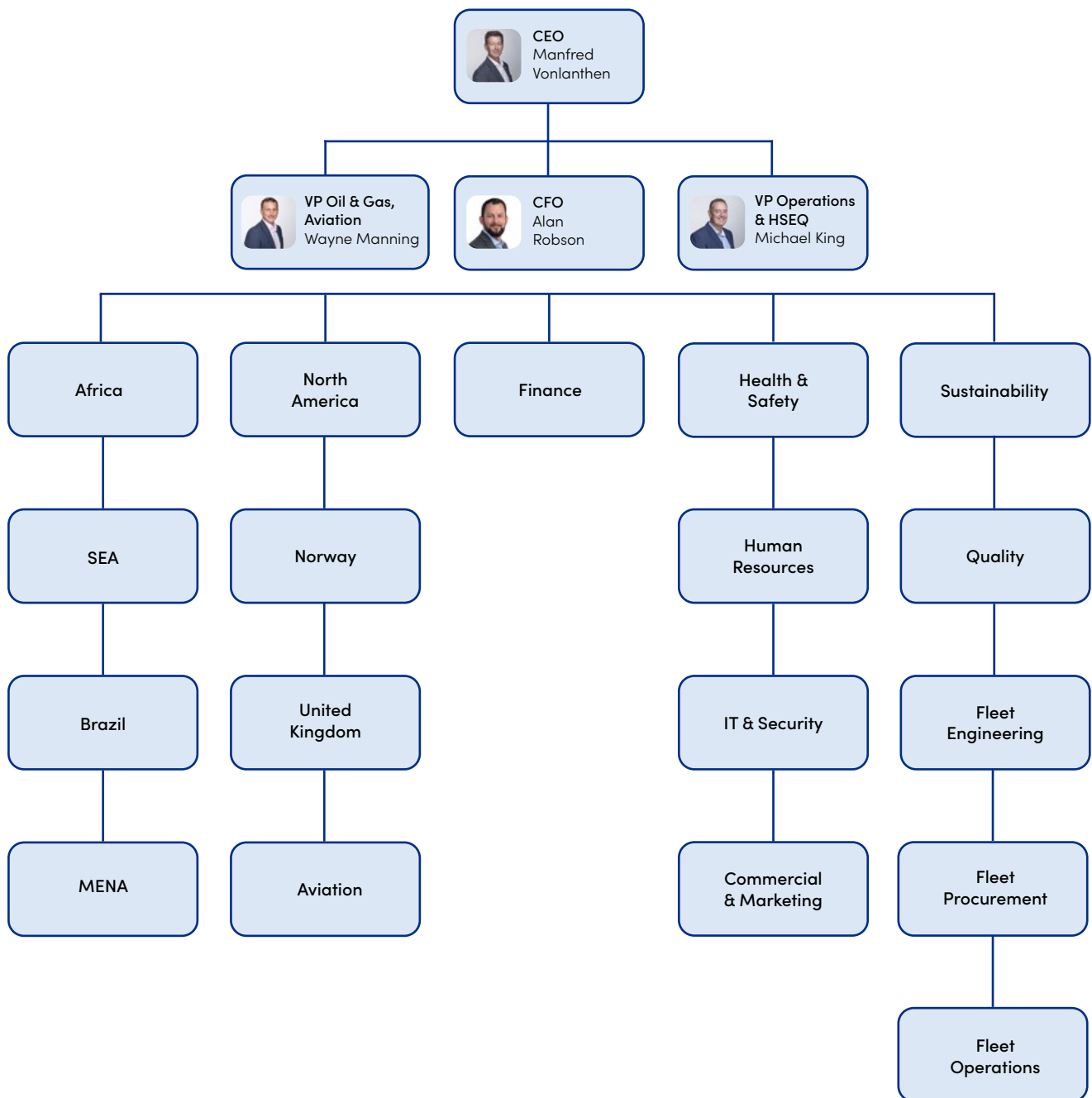


We support local communities by operating safely, ethically, and responsibly – avoiding environmental harm or disruption to the local community. We comply with local laws and regulations and actively contribute by creating jobs, sourcing locally, and supporting community causes and charities wherever possible.





Organisation Structure





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