

# Sustainable Development Report 2022-2023



**Swire Renewable Energy is entering an exciting phase of our company's journey - continuing our evolutionary path to become a leading renewable energy inspection, repair, and maintenance business, and ultimately a renewable energy asset manager.**

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## Message from our CEO

As a group John Swire & Sons has stood the test of time because we have always looked ahead and made decisions based on long-term sustainability.

We recognise that to honour this tradition, we must act decisively and have therefore made firm commitments to reduce carbon emissions throughout our business supply chain, to play our part in contributing to global efforts to stem the effects of climate change. In line with the UNFCCC Paris Agreement which requires limiting the increase in global average temperature to below 1.5°C, Swire Renewable Energy, in accordance with our broader shareholder policy, has committed to net zero carbon emissions within the business by 2050, if not sooner.

Swire Renewable Energy represents a broadening of the Group's strategy to expand its service delivery in the renewable energy sector. Although historically owned by Swire Energy Services, an oil and gas container rental and services business, in 2022 Swire Renewable Energy commenced operating independently to specifically focus on offering integrated maintenance and service solutions to the renewables sector. This demonstrates the Group's strong commitment to providing value throughout the renewable energy supply chain and underscores our belief that renewable energy and low-carbon technologies are the future of energy consumption. In parallel with the UNFCCC Paris Agreement, we have also committed to supporting the United Nation's Sustainable Development Goals achieving a better and more sustainable future for all, through the promotion of good health and wellbeing for our people, and the communities in which we operate. We have developed robust policies and procedures to ensure we provide a diverse and inclusive working environment, ensuring our business dealings are conducted to the highest ethical standards.

From our traditional onshore work activities, in 2022 we ventured offshore providing additional technical and marine services to our clients, and this resulted in an increase in carbon emissions generated by the business through ship chartering activities. Although we will continue to expand our services and support our clients in different environments, we do not consider our commitment to Net Zero, and growing our business offshore to be mutually exclusive outcomes. Moreover, we see significant opportunity for sustainably rationalising our own supply chain through using green energy sources, sustainable personal protection equipment manufacturing, the use of low carbon and electrical vehicles, and moving to more sustainable marine fuel types as key drivers of our impatient push toward a Net Zero future operation. We have also recently committed to the regionalisation of our business and local content, ensuring we grow our local pools of technicians to ensure we minimise air transportation as much as possible in line with our climate action goals.

Underscoring all our ambition, health, and safety across all levels of the business remains our key priority. We have increased capacity in our Health Safety and Environmental management team and have set granular and visible targets for our business to ensure our workforce is as safe as possible. We see our investments in HSE already paying dividends and with such focus we expect positive influence in our HSE outcomes over time. Through this relentless focus, we can enter new regions and operate with the same HSE discipline.

**Ryan Smith**  
Chief Executive Officer

The CSR report constitutes the statutory statement of social responsibility for Swire Renewable Energy, including subsidiaries, cf. section 99a of the Danish Financial Statements Act.

# Our Approach to Sustainability



# Sustainability at Swire Renewable Energy

The transition to a sustainable society is both an urgent challenge and an opportunity to build a better future for all. Our journey at Swire Renewable Energy has already begun with a clear focus on our people, our communities, and our environment. This is our global commitment to a sustainable future for SRE and our planet.

First introduced in 2016, Swire THRIVE, John Swire & Sons' overarching sustainability strategy, has been refreshed and expanded it to identify five key areas for improvement in addressing environmental and social challenges that are material to the Swire group's businesses.

## People

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

## Water

Use and manage water responsibly.

## Communities

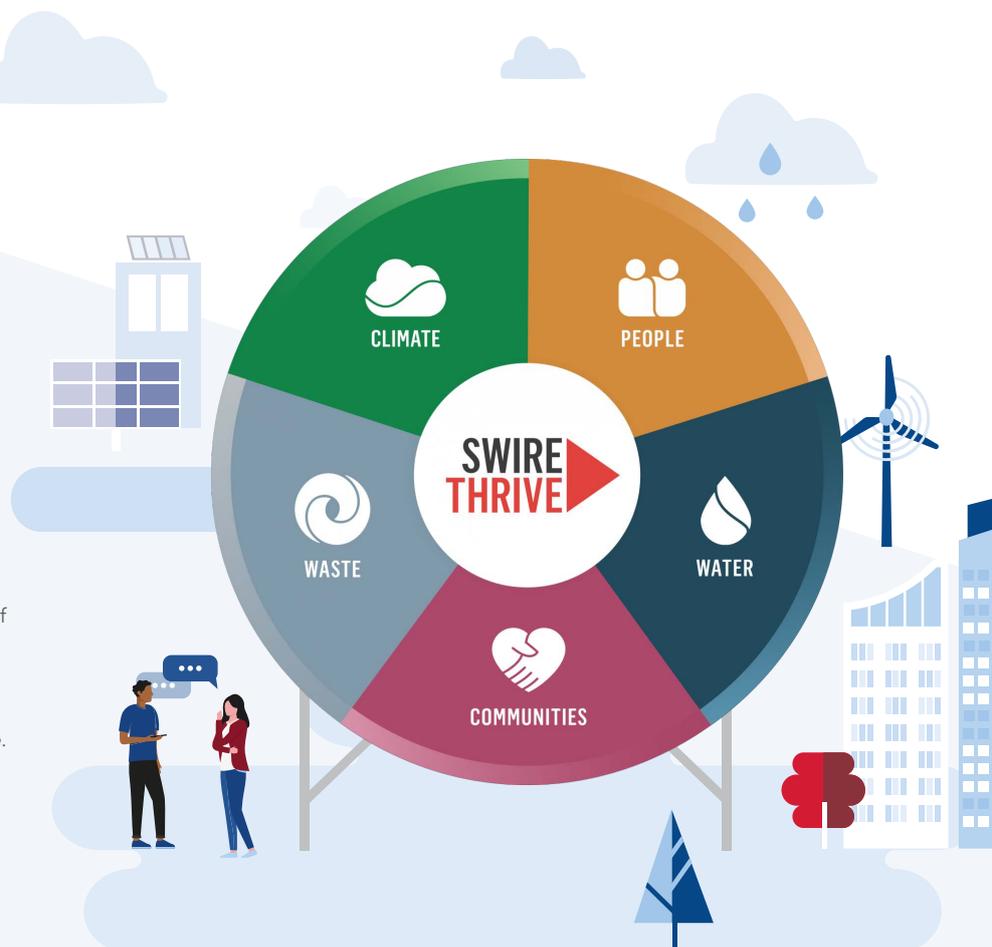
Position our community initiative as part of our core business value.

## Waste

Turn today's waste into tomorrow's resource.

## Climate

Decarbonise our business and build climate resilience.



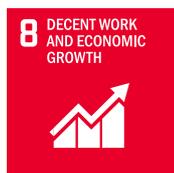


# Sustainable Development Goals

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.



**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.



**Our commitment:**  
**Ensure the sustainable economic growth** of both our business and the communities we work in by expanding our products and services to support the renewable energy sector.



**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.



**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.



**Our commitment:**  
**Reaching net zero carbon emissions by 2050** or sooner in line with John Swire & Sons commitment.



**Our commitment:**  
**Promote and adhere to the highest standards** of professionalism, integrity, and ethics.



**Our commitment:**  
**Working with industry partners** to strengthen the means of implementation the goal.

# People





# Overview

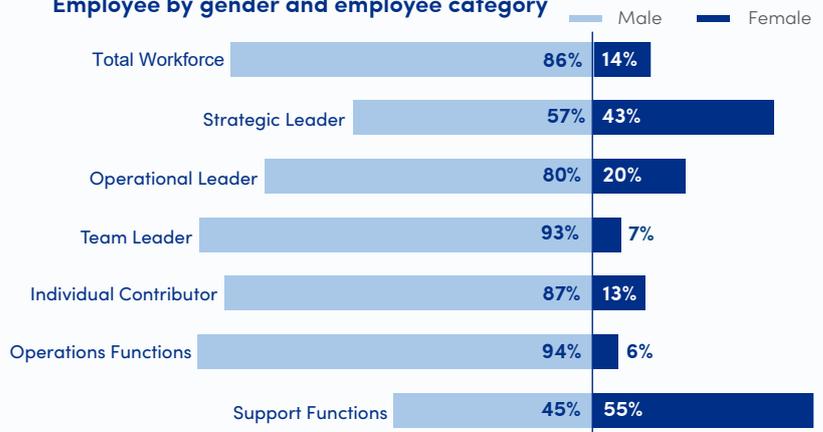
At Swire Renewable Energy we recognise the importance of diversity and inclusion as well as the positive impact it has on our company.

Therefore, we are committed to creating 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. With this commitment also comes the understanding that there are gaps and disparities that we must endeavour to close.

## Gender

With the expansion of Swire Renewable Energy into the renewable sector, women now account for 14% of the entire workforce. This is mainly due to a majority of male technicians. However, when it comes to office staff, the gender gap is slightly different, as women make up 55% of the permanent workforce. In the forthcoming years, we will be looking at ways to recruit more women to our technical jobs.

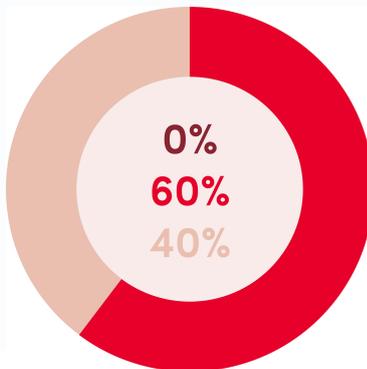
Employee by gender and employee category



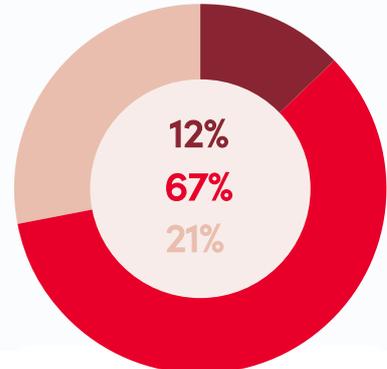
## Age

Although most of our workforce and leaders fall within the 30-50 age group, we still have a healthy level of younger employees (< 30 age group). We recognise the value of the knowledge and experience our older workforce (> 50 age group) brings to the business, with their many years of service, and how they can support the next generation of workers at SRE.

Leaders



Workforce



■ <30    ■ 30-50    ■ >50

# Material Risks & Initiatives

Becoming an independent company requires an independent structure.

By becoming an independent company, Swire Renewable Energy is well-positioned to adapt to and grow in a rapidly changing market for renewable energy. In combining our team's expertise and passion for the work we do, we strive to be a strategic partner for stakeholders across the entire renewable energy supply chain, driving innovation and sustainable growth.

In 2022, we introduced a new organisational structure to better reflect the future growth of our company and continuing our evolutionary path to become a leading renewable energy inspection, repair, and maintenance business, and ultimately a renewable energy asset manager.

## People Development

Our people are our greatest asset, and our aim is to be an employer of choice by providing an inclusive environment where all employees are treated with respect. We are committed to promoting a supportive and inclusive environment.

We hire and promote our people based on merit. We are committed to creating a comfortable work environment and enabling employees to achieve their full potential. In 2022, we have implemented a new performance appraisal scheme for office staff focusing on personal and professional development, career ambitions and contributions going forward. In support of the appraisals and the new structure as an independent company, we have provided each employee with a clear and concise job description. This enables our people to know what is expected of them, what they shall contribute with and how we can support them in reaching their full potential.

Another outcome of the appraisals is more focus on training and development. In 2023, we will be rolling out a digital learning management system for our people to upskill their competencies. To further strengthen our HSEQ focus, we are looking into offering access to the e-learning system to all our technicians as well. Our aim is to cultivate a learning culture at Swire Renewable Energy, letting our people develop their skills – for the benefit of both the company and the employees.

## Technician Services Division

In addition, the organisation has placed a high priority on hiring and maintaining qualified technicians. One aspect in making sure this is providing a high level of service, which is the reason that a new function has been established: Technician Services. This is an internal HR function and service provider to the business solely focusing on technicians within areas like HR, Sourcing, Mobility, Planning, Travel and Training.

To help attract and retain, the organisation has been developing a competency matrix, pay ranges, and employment contracts for the technicians. We were able to standardise the pay scale and match employment contracts by mapping all technicians on a competency matrix. This work is still ongoing and will commence transitionally throughout the year.

## Student Engagement

The students at Swire Renewable Energy are a great and important asset to our business. In 2022, we have identified an unleashed potential in our recruitment and retention strategies as part of our talent pipeline. As a result, we have been focused on how to formalise and structure a strategy to better involve students as an integral part of the business.

In 2023, we will continue to focus on developing a talent pipeline and facilitating the transition from student to full-time employee. Furthermore, our students are invited to join an internal network for former and current students, where they can share experiences and learn from one another.

## Recognition (Going the Extra Mile Awareness Scheme)

At Swire Renewable Energy, we recognise employees that go above and beyond their assigned duties by giving them the 'Going the Extra Mile' Awareness Scheme. This scheme was awarded to fifteen employees in 2022, seven of whom were technicians.

Employees may be recognised for an award in the following categories:

- Health & Safety
- Environmental & Sustainability
- Quality
- Integrity
- Customer Care Excellence
- Swire Core Values
- Hazard Observations



# Business Ethics & Anti-Corruption



# Overview

Swire Renewable Energy is committed to acting professionally, fairly and with integrity, in accordance with the highest ethical standards.

This is also anchored in our values where “Integrity” has been one of our corner stones of our business over generations. To this end, all employees, be it from Senior Management to new employees, must all follow our Code of Ethics to encourage strong values and good behaviours wherever we do business. Key principles of this code are:

## Extortion (e.g., protection money)

We work against extortion and always resist giving in to illegal coercion, intimidation or threats of physical harm made by persons to obtain money, property, or services.

## 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.

## Money Laundering

We reject money laundering, whatever illegal activities are involved, and we observe all rules on that subject and cooperate with authorities.

## Modern Slavery

We have a zero-tolerance approach to modern slavery and, in accordance with our Slavery and Human Trafficking Policy, are committed to acting ethically and with integrity in all our business dealings and relationships.

## Gifts and Entertainment

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

## Conflicts of Interest

We aim to act with integrity and conduct business according to our vision, mission, and values. We refrain from compromising the interest of the company in favour of private interest, and refrain from taking actions that could, with any justification, negatively impact the reputation and raise legitimate questions as to the integrity of Swire Renewable Energy.



# Material Risks & Initiatives

For 200+ years, John Swire & Sons has been recognised as acting responsibly in the course of achieving commercial success, and our reputation for integrity is a great asset.

To maintain these high standards, particularly when establishing or acquiring new businesses, it is important to acknowledge the risks posed by unethical behavior (bribery and corruption) and take proactive steps to mitigate them.

The most material risk related to human rights lie within our supply chain and dealing with third parties while operating in a global setting.

## Senior Management Training

In 2022 all Senior Managers were provided with compliance training covering: Anti-Bribery and Anti-Corruption; Conflicts of Interest; Global Competition Law. This training is not only critical in ensuring compliance with our internal policies set out in our Code of Ethics, but also reaffirms our commitment as a business in ensuring our leaders are setting the precedent across the group.

## Anti-Bribery & Anti-Corruption Campaign

An anti-bribery and anti-corruption campaign shall be run across all Swire Renewable Energy businesses to make clear what bribery and corruption is, the consequence of engaging in bribery and corruption, and the steps that must be followed if you know or suspect that anyone is involved in bribery.



## Human Rights Policy

To reinforce our zero-tolerance approach to modern slavery and other human right violations all employees have been informed about the company's human rights policies.

During 2022 zero (0) human rights violations were identified.

## Sustainable Procurement

We believe that sustainable procurement represents an opportunity to provide value to the business by encouraging innovation and enhancing our corporate reputation through managing environmental and social risks inherent in our supply chains.

2023 shall see SRE introduce its Sustainable Procurement Policy and Supplier Code of Conduct. These documents aim to sharpen our focus on our sustainability goals by providing a framework for employees making procurement decisions and setting expectation on suppliers, be it from working conditions and human rights of their staff to environmental controls.

## Whistleblowing Scheme

The existing whistleblowing scheme shall be refreshed to encourage our employees and third parties to report improprieties relating to Swire Renewable Energy and its subsidiaries through the central e-mail address: [ethics@swire-re.com](mailto:ethics@swire-re.com)

During 2022 zero (0) ethics incidents were reported through the whistleblowing scheme.

# Health & Safety



# Overview

2022 saw an increase in recordable injuries from 2021. 2021 differed from previous years in that there were significantly fewer cases and statistically, 2022 was very similar to 2019 and 2020, i.e., a 'statistically similar' year when compared historically.



Some 75% of the recordable injuries in 2022 occurred in projects where SRE technicians worked under customer instruction and supervision. SRE is ultimately responsible for the health and safety of our technicians, and the business has committed to increasing site presence and visibility in our manpower services even though this may not be contractually required. Even with changes, challenges remain to improve the H&S performance in customer projects with such a split in the roles & responsibilities of client and supplier. Manhours worked decreased by 11% year on year and the lost time injury number was 1 (0 in 2021), and the total recordable injury rate increased from 1.13 to 3.78.

|                                   | 2021    | 2022    | Variance |
|-----------------------------------|---------|---------|----------|
| Lost Time Injury                  | 0       | 1       | +100% ●  |
| Total Recordable Injury           | 3       | 8       | +167% ●  |
| LTI Rate                          | 0       | 0.14    | - ●      |
| TRI Rate                          | 1.13    | 3.38    | +199% ●  |
| Manhours Worked                   | 529,963 | 473,404 | -11%     |
| Near Misses & Safety Observations | 71      | 101     | +42% ●   |

## Safety non-negotiables

Non-Negotiables continue to support safety leadership across all operating companies:

33%

### Quarterly Safety Focus

The roll out of the Quarterly Safety Focus process was not been adopted fully in 2022 with only 33% achieved. In 2023, the safety team will define monthly safety focus in the HSE Calendar and ensure that relevant aspects are covered, and SRE policies, guidelines and actions are communicated.

100%

### Top Manager Chaired Safety Meetings

were 100% against target for 2022. The new CEO has significantly increased the focus on Health and Safety, and motivated the whole SRE management team to step change safety, by improving discipline, structured approach and understanding of roles and responsibilities.

100%

### Senior Manager Behavioural Audits

Twelve audits were conducted in 2022 covering all main market countries and largest customer projects. All members of the extended management team are involved in this audit type. The safety team continues to look at ways to identify and manage the most important lessons learned across Behavioural Audits. This will be an area of focus in 2023.

LTI – Any injury resulting in the employee is not fit to work on the next 'scheduled' working shift in any capacity as instructed by medical practitioner.

TRI – Any injury resulting in list 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)

# Material Risks & Initiatives

SRE has a wide variety of onshore and offshore services which we are continually developing, allowing the company to offer customers expanded services on a global basis. In-turn this requires the use of both permanent and contracted technical and operations staff. This presents a particular challenge in terms of creating and maintaining an SRE occupational safety culture across all countries, projects, and employees.

## COVID-19

On August 27, 2022, the Danish government decided not to extend COVID-19's status as a socially critical disease. COVID-19 is now considered like other infectious diseases, such as influenza. We do however, continue to maintain an active risk review on such communicable diseases and are prepared to operate should the logistical challenges of COVID 19 re-appear in the future.

## Working From Home

Working from home in 2022 was effectively normal business, but the risks associated with lack of social contact and working in isolation were addressed by all local management teams through positive routines to maintain motivation, and best practices have been maintained through:

- Routine risk assessments for ergonomics
- On-going promotion of health awareness
- Monthly CEO Town Hall meetings
- Promotion of Healthy Mind & Body
- Workplace assessment mid 2022



## Incident Handling

SRE uses the incident reporting system 'Effective'. Due to specific IT requirements, it is only possible for some of our technicians to use a mobile app to report incidents, which is estimated to have a negative impact on the number of observations. We are presently reviewing the use of this system and comparing it with other systems that will allow us to capture and manage our HSE data more effectively.

As part of the onboarding of new employees, there is a strong emphasis on communicating the importance of hazard awareness and the associated reporting of near misses and actual incidents. Targets for the number of observations are also communicated throughout the organization, and the managers and coordinators involved in the office are co-responsible for continuously reminding technicians of the importance of proactive reporting.

## Safety Culture

Senior management at SRE is continuously working to change and improve the safety culture in the company to meet the requirements of John Swire & Sons. As the Wind industry continues to evolve, we are managing significant challenges in some areas where processes are being updated throughout the supply chain, and where procedures from our oil & gas industry experience may not be the same. We have identified proactive reporting as one such area for continuous improvement, through investigation of near misses and workplace injuries. Examples of changing communication include putting safety before money and the right - and duty - of all employees to stop work if they feel unsafe or deem it risky to continue.

It's well known from accident statistics across industries and disciplines that four out of five accidents are due to a lack of awareness of hazards. Therefore, it is necessary to focus on awareness both in training, education, and preparation as well as in the actual execution of tasks.

# Climate



# Overview

Our net zero journey has started by assessing our current greenhouse gas emissions and defining our organisational boundaries and then identifying the material emissions from within it.

The organisation boundaries have been defined as all operations over which Swire Renewable Energy has full operational control, and as such has the full authority to introduce and implement its operating policies. To assist in identifying sources of emissions and providing consistency in reporting inventories are categorised as:

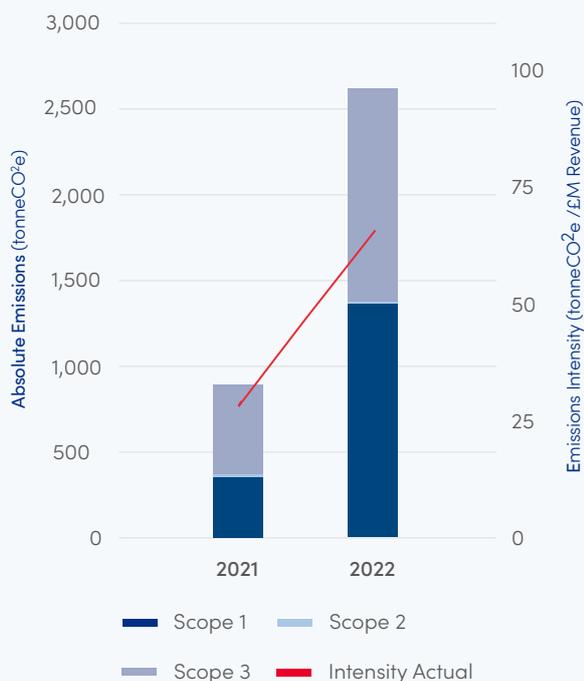
- Scope 1 – Direct emissions
- Scope 2 – Indirect emissions
- Scope 3 – Indirect emissions (upstream and downstream)



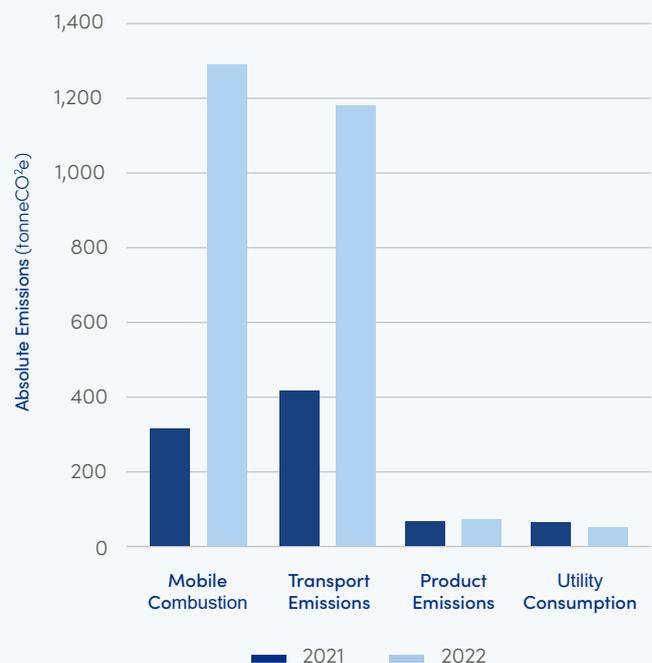
Following the acquisition of ALL NRG in late 2021 the business expanded its scope to offer integrated and aggregated maintenance solutions which extended to providing ships. As such the emissions generated for the associated fuel consumption which would have previously fallen outside SRE's defined boundary, are now included in our statistics and more accurately measure the actual carbon supply chain whether we contract for those services or not.

This change has resulted in an increase in greenhouse gas emissions reported between 2021 and 2022 with a change to the business profile.

### Absolute & Intensity Performance



### Emission by Source



# Material Risks & Initiatives

GHG emissions related to mobilising technicians to site poses the most significant risk to the climate. The absolute emissions in 2021 was 849 tonneCO<sub>2</sub>e which equates to an emissions intensity of 27 tonneCO<sub>2</sub>e per £1M revenue generated.

With the addition of marine services, 2022 saw GHG emissions increase to 2,623 tonnes, which in-turn increased emissions intensity to 66 tonneCO<sub>2</sub>e per £1M revenue generated.

## Emissions Sources & Risks

Given the nature of the business GHG emissions directly associated with mobilising technicians to site poses the most significant risk to the climate. 50% of GHG emissions related to mobile combustion (Scope 1 – emissions released by owned or leased vehicles, inc. vessel) and 45% related to transport emissions (Scope 3 – emissions released by business travel). GHG emissions related to material and energy consumption is relatively immaterial at 3% and 2% respectively.

## Vessel Management

Given that the business strategy is to continue to integrate new services and develop a wider supply chain for our customers, focus has been placed on ensuring the most carbon efficient vessels, cars and other forms of transportation are selected. We are intending to manage our contracts and our business operations effectively to reduce the number of operational days, and thereby reducing emissions more broadly. To achieve this the business has recruited senior commercial marine personnel with a wealth of experience in the maritime industry, and our fleet of vehicles is under review to move at an appropriate time to electric power.

## Air Travel

As per our emission source analysis, business travel, specifically air travel, is a significant contributor to our overall emissions. Going forward air travel shall be limited to activities that are directly related to revenue generation and other essential trips where it is not possible to either meet virtually over videoconferencing platforms or travel by alternative means, i.e., road or rail. In parallel, we have initiated a policy to regionalise various areas of the business and to adopt a local content approach where practical to reduce the number of flights our company books each year.

## Carbon Offsetting Policy

Where air travel is deemed essential, airlines shall be selected based on carbon offsetting schemes and, where this is not practical, we are investigating separately the use of carbon offsetting schemes that meet the Verified Carbon Standard, the Gold Standard or better.

## Regional Office

A significant proportion of air travel during 2022 was related to mobilising Europe-based technicians to projects in Asia or between Europe and the UK. To begin to address this, we have commenced recruiting technicians in Asia and the UK to rebalance our workforce and ensure it is regionally fit for purpose.

## Resource Advisor Implementation

The Groupwide Resource Advisor tool has now been fully configured and populated with historic data meaning that the tool will now act as SRE's primary source of sustainability data. This will allow business units to populate data in a more secure manner and immediately assess performance, and provide the Group function the ability to easily verify that data.





**SWIRE RENEWABLE ENERGY**

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