

At nexos we aim to manage our business responsibly and therefore, recognise the growing importance of environmental, social and governance (ESG) matters. We have taken steps to develop our priorities and recognise that this is a journey. Nonetheless, we are committed to continuously improving our approach to each of these areas.

In the Environmental sphere, we acknowledge the role energy transition has to play in our industry's commitment to Net Zero targets. In line with our strategy, we are actively seeking opportunities in energy transition primarily around carbon reduction by efficiency improvements along with emerging technologies as well as accurate reporting in the supply chain. At the same time, we recognise the energy needs of the UK population and as such, we must continue to operate as efficiently and as respectfully toward the environment as possible.

In terms of our 'Social' and 'Governance' aspirations, we operate our business in a respectful manner that protects and promotes the safety of our stakeholders and ensure that our local communities' benefit from our presence. We put in place the right processes to ensure that our business is managed in the right way.

Our stakeholders include, but are not limited to:

- Government & Regulatory authorities
- Shareholders
- Employees
- Partners
- Our customers and counterparties
- Local communities
- Landowners
- Debt providers

The manner in which we engage with stakeholders is governed by our policies, the fundamentals of which are integrity, honesty, dedication, accountability and respect. While building and operating infrastructure, we are committed to respecting landowners and communities, maintaining safe operations and promoting environmental stewardship. We undertook a Materiality Assessment by identifying relevant ESG topics that have the greatest impact on our business and are of concern to our stakeholders. We also examined these topics by assessing them against sustainability and ESG benchmarking frameworks such as GRESB, Task Force on Climate-related Financial Disclosure and UN Sustainable Development Goals. We prioritise these topics based on their impact on our business and their importance to our stakeholders.

Our ESG Priorities are those issues that featured prominently in our assessment as being of high importance in terms of business impact and stakeholder concern.

They are:

- Safety
- Carbon Emissions
- Energy Use
- Adaptability /Resilience to Climate Change
- Safety

Community Development

- Diversity Equality & Inclusion
- Labour Standards/Practices
- Effective Governance Practices
- Anti-Bribery & Corruption

Environment

Reduce Emissions

We care for our local environments and strive to minimise impacts, both on and offshore. Where we can, we innovate to reduce our carbon emissions and are working with leading clean energy schemes, *Acorn*, *Salamander* and *The Carbon Trust*, to help the UK reach net zero by 2050.

Reduce Energy Use

Enhancing efficiency across all our systems, combining assets to deliver resources more efficiently, and increased electrification and digitalisation are the primary focus areas of our comprehensive strategy to dramatically reduce energy use across all business operations.

Climate Change Resilience

We take very seriously our responsibility to reliably deliver services to our customers every day, 365-days-a-year. Understanding the potential climate impacts to our systems and preparing for them through hardening, updated engineering and new and emerging techniques and ways of thinking are core to our long-range focus.

Social

Safety

The safe operation of our assets is our top priority. Safety is one of our core values and we are committed to managing our business in a responsible manner that seeks to eliminate harm to people and minimises adverse impacts on the environment. We promote a culture in which all personnel share the same commitment to health and safety and recognise the importance of mitigating risks. We believe that our approach to safety is attributable to the success of our business as safety breeds reliability.

Safety Principles

All our personnel are expected to adopt, embrace, promote, and follow these basic principles:

- Demonstrate strong leadership and visible commitment, and promote a culture where safety, health and environmental protection is top priority in decision making
- Comply with all applicable legislation and industry standards
- Ensure robust and high-quality health, safety and environmental management systems and governance processes are in place and effective
- Ensure safety, health and the environment risks are proactively identified, assessed and managed
- Create a safe and healthy working environment for our employees, the personnel working on our assets, and those who may be affected by our activities
- Maintain the integrity of our assets to a high standard
- Encourage positive attitudes and contributions from all personnel working on and in support of our business, and intervention on inadequately controlled activities

- Seek continuous improvements by setting targets to enhance our SHE performance, and monitor through regular review
- Operate responsibly particularly regarding the efficient use of energy and materials, the minimisation of waste and the prevention of pollution
- Aim to play a leading role in the energy transition and support the UK and our industry's net zero commitments and targets

Labour Standards/Local Employer

Our facilities support over 1000 jobs across North East Scotland and provide significant local employment. We ensure that all our employment standards protect the rights of individuals and promote a safe and secure working environment.

Diversity, Equalities & Inclusion ("DEI")

We value diversity of gender, background, perspective and experience and our commitment to creating a culture of inclusivity which is a core value. In 2020, we focused our effort to broaden diversity within our organisation and included Neuro Diversity into our policies. It is our policy to recruit talent based on skill, knowledge, attitude and experience, without discrimination on the basis of gender, sexual orientation, age, family status, ethnic origin, nationality, disability or religious belief. DEI is a priority for our board and our People & Culture team review the culture of our organisation to ensure that we continue to maintain an inclusive work environment.

Community Development

We aim to be a good neighbour and play a positive role in our local communities. We work to establish positive local relationships, and support community organisations and initiatives where we can help make a difference. Our assets support over 1,000 high quality jobs across North East Scotland and provide significant local employment.

We also seek to connect with our local communities beyond financial contributions and focus on initiatives that link our local communities with our business. such as initiatives or topics related to careers in STEM and energy transition.

Some of the Causes/Charities that we have supported:

Grampian Autistic Society

Sport Aberdeen

Aberdeenshire Schools



Terry Allan
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nexos
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